

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

YEAR ENDED 31 DECEMBER 2017

	<i>Note</i>	2017 RMB' 000	2016 RMB' 000
REVENUE	5	6,673,999	6,664,785
Cost of sales		<u>(4,039,470)</u>	<u>(3,935,465)</u>
Gross profit		2,634,529	2,729,320
Other income and gains	5	254,560	359,903
Selling and distribution costs		(44,806)	(71,720)
Administrative expenses		(893,850)	(1,054,665)
Other expenses		(643,299)	(704,305)
Finance costs	6	(432,974)	(465,083)
Share of profits and losses of:			
Associates		4,274	7,622
A joint venture		<u>9,750</u>	<u>(1,628)</u>
PROFIT BEFORE TAX	7	888,184	799,444
Income tax expense	9	<u>(134,155)</u>	<u>(365,925)</u>
PROFIT FOR THE YEAR		<u><u>754,029</u></u>	<u><u>433,519</u></u>
Attributable to:			
Owners of the parent		643,951	353,322
Non-controlling interests		<u>110,078</u>	<u>80,197</u>
		<u><u>754,029</u></u>	<u><u>433,519</u></u>
EARNINGS PER SHARE			
ATTRIBUTABLE TO ORDINARY			
EQUITY HOLDERS OF THE PARENT			
Basic			
– For profit for the year (RMB)	11	<u>0.20</u>	<u>0.12</u>
Diluted			
– For profit for the year (RMB)	11	<u>0.20</u>	<u>0.12</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2017

	2017	2016
	RMB' 000	RMB' 000
PROFIT FOR THE YEAR	754,029	433,519
OTHER COMPREHENSIVE INCOME		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	5,505	5,801
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	5,505	5,801
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		
Remeasurements of post-employment benefit obligations	9,677	12,707
Income tax effect	(2,419)	(3,177)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	7,258	9,530
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	12,763	15,331
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	766,792	448,850
Attributable to:		
Owners of the parent	656,714	368,653
Non-controlling interests	110,078	80,197
	766,792	448,850

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2017

		31 December 2017 RMB' 000	31 December 2016 RMB' 000
	<i>Note</i>		
NON-CURRENT ASSETS			
Property, plant and equipment	12	13,630,237	12,974,461
Prepaid land lease payments	13	705,819	708,807
Goodwill	14	779,931	875,897
Other intangible assets	15	9,315,819	9,421,587
Investment in a joint venture	16	119,979	120,229
Investments in associates	17	282,872	289,638
Available-for-sale investments	18	38,350	25,746
Deferred tax assets	19	170,055	189,379
Long-term deposits	21	82,706	77,383
Other long-term assets	22	649,424	670,156
		<u>25,775,192</u>	<u>25,353,283</u>
CURRENT ASSETS			
Inventories	23	3,564,584	3,630,598
Trade and notes receivables	24	236,307	281,215
Prepayments, deposits and other receivables	25	708,939	513,736
Equity investments at fair value through profit or loss	26	279,078	414,069
Derivative financial instruments	30	—	658
Available-for-sale investments	18	—	280,000
Pledged deposits	27	277,822	320,351
Loans receivable	20	1,123,795	649,124
Cash and cash equivalents	27	1,847,169	1,437,951
		<u>8,037,694</u>	<u>7,527,702</u>
Assets of a disposal group classified as held for sale		—	82,674
		<u>8,037,694</u>	<u>7,610,376</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

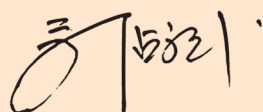
31 DECEMBER 2017

	<i>Note</i>	31 December 2017 RMB' 000	31 December 2016 RMB' 000
CURRENT LIABILITIES			
Trade and notes payables	28	445,583	389,861
Other payables and accruals	29	1,949,251	2,150,217
Financial liabilities at fair value through profit or loss	30	—	52,854
Interest-bearing bank and other borrowings	31	10,779,923	10,884,200
Tax payable		68,312	179,076
Provisions	34	16,636	22,556
Corporate bonds	32	—	1,198,071
Deposits from customers	35	517,832	985,736
		<u>13,777,537</u>	<u>15,862,571</u>
Liabilities directly associated with the assets classified as held for sale		—	13,558
Total current liabilities		<u>13,777,537</u>	<u>15,876,129</u>
NET CURRENT LIABILITIES		<u>(5,739,843)</u>	<u>(8,265,753)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>20,035,349</u>	<u>17,087,530</u>
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	31	619,338	1,087,706
Corporate bonds	32	1,794,964	945,101
Deferred tax liabilities	19	390,718	396,914
Deferred income	33	364,523	420,635
Provisions	34	76,980	78,339
Other long-term liabilities	36	24,918	23,618
Total non-current liabilities		<u>3,271,441</u>	<u>2,952,313</u>
Net assets		<u>16,763,908</u>	<u>14,135,217</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2017

	<i>Note</i>	31 December 2017 RMB' 000	31 December 2016 RMB' 000
EQUITY			
Equity attributable to owners of the parent			
Share capital	37	3,220,696	2,965,827
Perpetual capital instruments	38	2,664,600	2,147,132
Reserves	39	7,314,638	6,108,910
		<u>13,199,934</u>	<u>11,221,869</u>
Non-controlling interests		<u>3,563,974</u>	<u>2,913,348</u>
Total equity		<u><u>16,763,908</u></u>	<u><u>14,135,217</u></u>



Director



Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2017

	Attributable to owners of the parent								Total equity RMB' 000	
	Share capital RMB' 000 (note 37)	Perpetual capital instruments RMB' 000 (note 38)	Capital reserve RMB' 000 (note 39)	Special reserve-safety fund RMB' 000	Statutory and distributable reserve RMB' 000 (note 39)	Exchange fluctuation reserve RMB' 000	Retained profits RMB' 000	Total RMB' 000		Non-controlling interests RMB' 000
At 1 January 2017	2,965,827	2,147,132	1,488,261	18,217	903,518	(13,930)	3,712,844	11,221,969	2,913,348	14,135,217
Profit for the year	—	—	—	—	—	—	643,951	643,951	110,078	754,029
Other comprehensive income for the year:	—	—	—	—	—	5,505	—	5,505	—	5,505
Exchange differences related to foreign operations	—	—	—	—	—	—	—	—	—	—
Remeasurements of post-employment benefit obligations, net of tax	—	—	7,258	—	—	—	—	7,258	—	7,258
Total comprehensive income for the year	—	—	7,258	—	—	5,505	643,951	656,714	110,078	766,792
Issue of shares (note 37)	174,869	—	889,510	—	—	—	—	1,064,379	—	1,064,379
Dividends paid to non-controlling shareholders	—	—	—	—	—	—	—	—	(77,255)	(77,255)
Issue of shares under the employee share subscription plan (note 39)	80,000	—	(80,000)	—	—	—	—	—	—	—
Acquisition of a subsidiary	—	—	—	—	—	—	—	—	58,484	58,484
Disposal of a subsidiary	—	—	—	—	—	—	—	—	(1,469)	(1,469)
Capital contribution from non-controlling shareholders of subsidiaries	—	—	—	—	—	—	—	—	560,788	560,788
Transfer to reserves	—	—	—	—	79,745	—	(79,745)	—	—	—
Safety production cost	—	—	—	9,922	—	—	(9,922)	—	—	—
Accrued distribution of perpetual capital instruments	—	131,668	—	—	—	—	(131,668)	—	—	—
Distribution of perpetual capital instruments paid	—	(112,700)	—	—	—	—	—	(112,700)	—	(112,700)
Issue of perpetual capital instruments, net of issuance cost	—	498,500	—	—	—	—	—	498,500	—	498,500
Final 2016 dividend declared and paid	—	—	—	—	—	—	(128,828)	(128,828)	—	(128,828)
At 31 December 2017	3,220,696	2,664,600	2,305,029*	28,139*	983,263*	(8,425)*	4,006,632*	13,199,934	3,563,974	16,763,908

* These reserve accounts comprise the consolidated reserves of RMB7,314,638,000 (31 December 2016: RMB6,108,910,000) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2017

Year ended 31 December 2016

	Attributable to owners of the parent							Non-controlling interests RMB' 000	Total equity RMB' 000
	Share capital RMB' 000 (note 37)	Perpetual capital instruments RMB' 000 (note 38)	Capital reserve RMB' 000 (note 39)	Special reserve-safety fund RMB' 000	Statutory and distributable reserve RMB' 000 (note 39)	Exchange fluctuation reserve RMB' 000	Retained profits RMB' 000		
At 1 January 2016	2,965,827	2,146,823	1,135,208	18,217	818,038	(19,731)	3,676,644	10,741,026	13,646,411
Profit for the year	—	—	—	—	—	—	353,322	353,322	433,519
Other comprehensive income for the year:									
Exchange differences related to foreign operations	—	—	—	—	—	5,801	—	5,801	5,801
Remeasurements of post-employment benefit obligations, net of tax	—	—	9,530	—	—	—	—	9,530	9,530
Total comprehensive income for the year	—	—	9,530	—	—	5,801	353,322	368,653	448,850
Dividends paid to non-controlling shareholders	—	—	—	—	—	—	—	—	(147,477)
Disposal of partial interest in a subsidiary without loss of control	—	—	323	—	—	—	—	323	1,512
Issue of shares under the employee share subscription plan (note 37)	—	—	237,600	—	—	—	—	237,600	237,600
Equity-settled share-based payments (note 37)	—	—	105,600	—	—	—	—	105,600	105,600
Capital contribution from non-controlling shareholders of subsidiaries	—	—	—	—	—	—	—	—	74,054
Transfer to reserves	—	—	—	—	85,480	—	(85,480)	—	—
Accrued distribution of perpetual capital instruments	—	113,009	—	—	—	—	(113,009)	—	—
Distribution of perpetual capital instruments paid	—	(112,700)	—	—	—	—	—	(112,700)	(112,700)
Final 2015 dividend declared and paid	—	—	—	—	—	—	(118,633)	(118,633)	(118,633)
At 31 December 2016	2,965,827	2,147,132	1,488,261*	18,217*	903,518*	(13,930)*	3,712,844*	11,221,869	14,135,217

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2017

	<i>Note</i>	2017 RMB' 000	2016 RMB' 000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		888,184	799,444
Adjustments for:			
Finance costs	6	432,974	465,083
Share of profits of associates		(4,274)	(7,622)
Share of (gain)/loss of a joint venture		(9,750)	1,628
Interest income from loans receivable		(11,664)	(134,250)
Loss on disposal or write-off of items of property, plant and equipment, other intangible assets, prepaid land lease payments and other long-term assets	7	42,682	174,104
Loss on disposal of a subsidiary	7	493	—
Fair value (gain)/loss, net:			
– Equity investments at fair value through profit or loss	7	(1,038)	8,554
Gain on gold leasing business	7	—	(533)
Gain on bargain purchase	7	(2,118)	—
(Gain)/loss from disposal of equity investments at fair value through profit or loss	7	(25,915)	12,615
Loss on settlement of commodity derivative contracts	7	1,741	162,099
Depreciation of property, plant and equipment	7	819,560	761,452
Amortisation of other intangible assets	7	76,556	63,901
Amortisation of prepaid land lease payments	7	20,218	18,166
Amortisation of long-term prepaid expenses		11,438	16,116
Provision for impairment of receivables	7	66,130	3,516
Impairment loss on loans receivable	7	43,117	5,160
Impairment loss on inventories	7	113,455	11,847
Impairment loss on non-current assets	7	190,061	231,212
Impairment loss on assets of a disposal group classified as held for sale	7	—	20,248
Share-based payment expense		—	105,600
Deferred income recognised	33	(71,351)	(89,525)
		2,580,499	2,628,815

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2017

	Note	2017 RMB' 000	2016 RMB' 000
Decrease in other long-term assets		24,000	—
(Increase)/decrease in long-term deposits		(5,323)	31,707
Increase in inventories		(47,441)	(203,525)
Decrease/(increase) in trade and notes receivables		39,414	(214,719)
Increase in prepayments and other receivables		(267,746)	(52,461)
Increase in pledged deposits		(16,350)	(168,824)
Increase in loans receivable		(515,486)	(402,305)
Increase/(decrease) in trade and notes payables		55,722	(193,415)
(Decrease)/increase in other payables and accruals		(55,541)	223,940
(Decrease)/increase in deposits from customers		(467,904)	575,488
Decrease in provisions		(22,272)	(21,536)
CASH GENERATED FROM OPERATIONS		1,301,572	2,203,165
Income taxes paid		(234,210)	(339,815)
NET CASH FLOWS FROM OPERATING ACTIVITIES		1,067,362	1,863,350
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		2,212	145,433
Dividend received from a joint venture		10,000	14,901
Purchases of items of property, plant and equipment		(1,380,291)	(1,223,135)
Proceeds from disposal of items of property, plant and equipment		34,643	16,748
Increase in land lease payments		(17,718)	(80,384)
Receipt of government grants for property, plant and equipment		7,552	45,790
Increase in other intangible assets		(143,554)	(443,771)
Acquisition of subsidiaries	40	(26,164)	(20,040)
Advance paid for the acquisition of subsidiaries		—	(99,075)
Advance received from disposal of a subsidiary classified as held for sale		—	9,000
Proceeds from disposal of partial interest in a subsidiary without loss of control		—	1,512
Net proceeds from commodity derivative contracts		(1,741)	(162,099)
Deposits received/(paid) for commodity derivative contracts		39,599	(72,274)
Net proceeds from acquisition and disposal of equity investments at fair value through profit or loss		161,946	(271,183)
Payment for investments in available-for-sale investments		(7,590)	(282,000)
Disposal of investments in available-for-sale investments		280,000	—
Increase in long-term prepaid expenses		(7,000)	(11,391)
Decrease in loans receivable		43,000	48,066
Increase in loans receivable		(25,000)	(70,000)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(1,030,106)	(2,453,902)

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2017

	<i>Note</i>	2017 RMB' 000	2016 RMB' 000
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank and other borrowings		12,346,542	13,408,118
Issuance of a corporate bond, net of issuance expense		850,000	—
Repayment of a corporate bond		(1,200,000)	(1,500,000)
Repayment of bank and other borrowings		(12,920,432)	(11,203,739)
Proceeds received under the employee share subscription plan		—	237,600
Proceeds from issue of shares		1,064,379	—
(Repayment) /receipts from gold leasing business		(52,196)	52,729
Capital contribution from non-controlling shareholders		560,788	74,054
Dividends paid		(195,783)	(223,610)
Payment for commitment of profit distribution to non-controlling shareholders		—	(90,000)
Decrease/(increase) in pledged deposits for short-term bank loans		58,879	(17,955)
Issuance of perpetual capital instruments, net of issuance expense		498,500	—
Distribution paid for perpetual capital instruments		(112,700)	(112,700)
Interest paid		(486,350)	(645,722)
		<u>411,627</u>	<u>(21,225)</u>
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		1,437,951	2,033,203
Effects of foreign exchange rate changes, net		(39,665)	16,525
		<u>1,847,169</u>	<u>1,437,951</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR			
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	27	1,846,668	1,419,591
Non-pledged time deposits with original maturity of less than three months when acquired		<u>501</u>	<u>18,360</u>
Cash and cash equivalents as stated in the consolidated statement of cash flows	27	<u><u>1,847,169</u></u>	<u><u>1,437,951</u></u>