

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

YEAR ENDED 31 DECEMBER 2019

	Notes	2019 RMB'000	2018 RMB'000
REVENUE	5	6,329,928	7,177,057
Cost of sales		<u>(4,039,965)</u>	<u>(4,694,849)</u>
Gross profit		2,289,963	2,482,208
Other income and gains	5	497,525	440,070
Selling and distribution expenses		(55,782)	(55,584)
Administrative expenses		(955,612)	(941,521)
Impairment losses on financial assets		(27,512)	(38,535)
Other expenses		(442,900)	(672,911)
Finance costs	6	(662,180)	(480,525)
Share of profits and losses of:			
Associates		7,453	6,195
Joint ventures		<u>(55,268)</u>	<u>17,306</u>
PROFIT BEFORE TAX	7	595,687	756,703
Income tax expense	9	<u>(157,452)</u>	<u>(180,400)</u>
PROFIT FOR THE YEAR		<u><u>438,235</u></u>	<u><u>576,303</u></u>
Attributable to:			
Owners of the parent		479,270	474,287
Non-controlling interests		<u>(41,035)</u>	<u>102,016</u>
		<u><u>438,235</u></u>	<u><u>576,303</u></u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted			
– For profit for the year (RMB)	11	<u><u>0.15</u></u>	<u><u>0.15</u></u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2019

	2019 RMB'000	2018 RMB'000
PROFIT FOR THE YEAR	<u><u>438,235</u></u>	<u><u>576,303</u></u>
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>35,245</u>	<u>1,005</u>
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	<u>35,245</u>	<u>1,005</u>
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Re-measurement of post-employment benefit obligations	2,608	1,381
Income tax effect	(652)	(345)
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	<u>—</u>	<u>(28,960)</u>
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	<u>1,956</u>	<u>(27,924)</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	<u><u>37,201</u></u>	<u><u>(26,919)</u></u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u><u>475,436</u></u>	<u><u>549,384</u></u>
Attributable to:		
Owners of the parent	517,277	445,692
Non-controlling interests	<u>(41,841)</u>	<u>103,692</u>
	<u><u>475,436</u></u>	<u><u>549,384</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2019

	<i>Notes</i>	31 December 2019 RMB'000	31 December 2018 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	12	14,988,626	14,221,347
Right-of-use assets	13(b)	768,088	—
Prepaid land lease payments	13(a)	—	683,906
Goodwill	14	666,179	693,434
Other intangible assets	15	9,603,768	9,399,297
Investments in joint ventures	16	173,954	172,416
Investments in associates	17	718,584	678,125
Financial assets measured at amortised cost		400,994	241,753
Deferred tax assets	18	163,052	147,827
Loans receivable	20	252,525	—
Long-term deposits	19	22,312	72,882
Other long-term assets	21	496,281	589,864
		<hr/>	<hr/>
Total non-current assets		28,254,363	26,900,851
CURRENT ASSETS			
Inventories	22	4,310,373	4,190,556
Trade and notes receivables	23	142,447	145,497
Prepayments, other receivables and other assets	24	591,874	657,929
Financial assets at fair value through profit or loss	25	554,642	598,007
Pledged deposits	26	278,303	352,756
Loans receivable	20	2,611,471	1,898,284
Cash and cash equivalents	26	3,508,307	1,143,299
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Total current assets		11,997,417	8,986,328

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

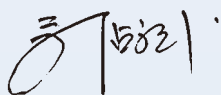
31 DECEMBER 2019

		31 December 2019 RMB'000	31 December 2018 RMB'000
CURRENT LIABILITIES			
Trade and notes payables	27	368,166	524,515
Other payables and accruals	28	1,770,923	1,707,054
Interest-bearing bank and other borrowings	29	8,386,684	8,365,787
Corporate bonds	30	508,629	—
Tax payable		108,189	64,705
Provisions	32	9,616	14,525
Deposits from customers	33	1,223,619	1,002,015
Current portion of other long-term liabilities	34	159,368	125,000
		12,535,194	11,803,601
NET CURRENT LIABILITIES		(537,777)	(2,817,273)
TOTAL ASSETS LESS CURRENT LIABILITIES		27,716,586	24,083,578
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	29	388,490	236,630
Corporate bonds	30	9,170,130	6,098,697
Lease liabilities	13	41,085	—
Deferred tax liabilities	18	361,400	361,989
Deferred income	31	250,505	305,238
Provisions	32	50,506	62,941
Other long-term liabilities	34	91,612	210,518
		10,353,728	7,276,013
Net assets		17,362,858	16,807,565

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2019

	<i>Notes</i>	31 December 2019 RMB'000	31 December 2018 RMB'000
EQUITY			
Equity attributable to owners of the parent			
Share capital	35	3,270,393	3,220,696
Perpetual capital instruments	36	2,664,600	2,664,600
Reserves	37	<u>8,014,594</u>	<u>7,413,181</u>
		<u>13,949,587</u>	<u>13,298,477</u>
Non-controlling interests		<u>3,413,271</u>	<u>3,509,088</u>
Total equity		<u><u>17,362,858</u></u>	<u><u>16,807,565</u></u>



Weng Zhanbin
Director



Dong Xin
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2019

	Attributable to owners of the parent								Non-controlling interests RMB'000	Total equity RMB'000
	Share capital RMB'000 (note 35)	Perpetual capital instruments RMB'000 (note 36)	Capital reserve RMB'000 (note 37)	Special reserve-safety fund RMB'000	Statutory and distributable reserve RMB'000 (note 38)	Exchange fluctuation reserve RMB'000	Retained profits RMB'000	Total RMB'000		
At 31 December 2018	3,220,696	2,664,600	2,264,755*	26,433*	1,028,595*	(9,096)*	4,102,494*	13,298,477	3,509,088	16,807,565
Effect of adoption of HKFRS 16	-	-	-	-	-	-	(3,082)	(3,082)	-	(3,082)
At 1 January 2019 (restated)	3,220,696	2,664,600	2,264,755	26,433	1,028,595	(9,096)	4,099,412	13,295,395	3,509,088	16,804,483
Profit for the year	-	-	-	-	-	-	479,270	479,270	(41,035)	438,235
Other comprehensive income/(loss) for the year:										
Exchange differences related to foreign operations	-	-	-	-	-	36,051	-	36,051	(806)	35,245
Remeasurements of post-employment benefit obligations, net of tax	-	-	1,956	-	-	-	-	1,956	-	1,956
Total comprehensive income for the year	-	-	1,956	-	-	36,051	479,270	517,277	(41,841)	475,436
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	-	(99,682)	(99,682)
Issue of shares	49,697	-	352,352	-	-	-	-	402,049	-	402,049
Acquisition of non-controlling interests	-	-	(2,415)	-	-	-	(1,323)	(3,738)	(27,386)	(31,124)
Transfer to reserves	-	-	-	-	73,874	-	(73,874)	-	-	-
Transfer to retained earnings	-	-	2,000	-	-	-	(2,000)	-	-	-
Disposal of subsidiaries	-	-	-	-	-	-	-	-	2,745	2,745
Safety production cost	-	-	-	2,658	-	-	(2,658)	-	-	-
Accrued distribution of perpetual capital instruments	-	139,850	-	-	-	-	(139,850)	-	-	-
Distribution of perpetual capital instruments paid	-	(139,850)	-	-	-	-	-	(139,850)	-	(139,850)
Establishment of a subsidiary	-	-	-	-	-	-	-	-	3,150	3,150
Acquisition of subsidiaries (note 39)	-	-	-	7,282	-	-	-	7,282	67,197	74,479
Final 2018 dividend declared and paid	-	-	-	-	-	-	(128,828)	(128,828)	-	(128,828)
At 31 December 2019	3,270,393	2,664,600	2,618,648*	36,373*	1,102,469*	26,955*	4,230,149*	13,949,587	3,413,271	17,362,858

* These reserve accounts comprise the consolidated reserves of RMB8,014,594,000 (31 December 2018: RMB7,413,181,000) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2019

	Attributable to owners of the parent							Non-controlling interests RMB'000	Total equity RMB'000	
	Share capital RMB'000 (note 35)	Perpetual capital instruments RMB'000 (note 36)	Capital reserve RMB'000 (note 37)	Special reserve-safety fund RMB'000	Statutory and distributable reserve RMB'000 (note 38)	Exchange fluctuation reserve RMB'000	Retained profits RMB'000			Total RMB'000
At 1 January 2018	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
Profit for the year	-	-	-	-	-	-	474,287	474,287	102,016	576,303
Other comprehensive income/(loss) for the year:										
Exchange differences related to foreign operations	-	-	-	-	-	(671)	-	(671)	1,676	1,005
Changes in fair value of equity investments through other comprehensive income	-	-	(28,960)	-	-	-	-	(28,960)	-	(28,960)
Remeasurements of post-employment benefit obligations, net of tax	-	-	1,036	-	-	-	-	1,036	-	1,036
Total comprehensive income for the year	-	-	(27,924)	-	-	(671)	474,287	445,692	103,692	549,384
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	-	(125,619)	(125,619)
Capital contribution from non-controlling shareholders of subsidiaries	-	-	(12,350)	-	-	-	-	(12,350)	10,500	10,500
Purchase of minority shares	-	-	-	-	45,332	-	(45,332)	-	(43,370)	(55,720)
Transfer to reserves	-	-	-	-	-	-	-	-	-	-
Disposal of a subsidiary	-	-	-	-	-	-	-	-	(3,589)	(3,589)
Safety production cost	-	-	-	(1,706)	-	-	-	(1,706)	-	(1,706)
Accrued distribution of perpetual capital instruments	-	139,850	-	-	-	-	(139,850)	-	-	-
Distribution of perpetual capital instruments paid	-	(139,850)	-	-	-	-	-	(139,850)	-	(139,850)
Establishment of a subsidiary	-	-	-	-	-	-	-	-	3,500	3,500
Final 2017 dividend declared and paid	-	-	-	-	-	-	(193,243)	(193,243)	-	(193,243)
At 31 December 2018	3,220,696	2,664,600	2,264,755*	26,433*	1,028,595*	(9,096)*	4,102,494*	13,298,477	3,509,088	16,807,565

* These reserve accounts comprise the consolidated reserves of RMB7,413,181,000 (\$1 December 2017: RMB7,314,638,000) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2019

	Notes	2019 RMB'000	2018 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		595,687	756,703
Adjustments for:			
Finance costs	6	662,180	480,525
Share of profits of associates		(7,453)	(6,195)
Share of profits of joint ventures		55,268	(17,306)
Interest income from loans receivable		(16,404)	(38,271)
Loss on disposal or write-off of items of property, plant and equipment, other intangible assets, and other long-term assets	7	4,471	12,028
Gain on disposal of subsidiaries		2,745	—
Fair value gain, net:			
– Equity investments at fair value through profit or loss	7	(77,434)	(81,017)
Gain on settlement of gold leasing business	7	(18,151)	—
Gain on bargain purchase	7	(233)	—
(Gain)/loss on disposal of financial assets at fair value through profit or loss	7	(61,990)	23,505
Gain on derecognition of financial assets at amortised cost	7	(1,497)	—
Loss/(gain) on settlement of commodity derivative contracts	7	121,003	(23,791)
Depreciation of property, plant and equipment	7	862,141	861,598
Amortisation of other intangible assets	7	116,354	134,471
Amortisation of prepaid land lease payments	7	—	20,852
Depreciation of right-of-use assets	7	42,461	—
Amortisation of long-term prepaid expenses		6,910	14,268
Provision for impairment of receivables	7	5,283	15,639
Impairment loss on loans receivable	7	22,230	22,896
Impairment reversal of inventories	7	(8,650)	(85,547)
Impairment loss on non-current assets	7	182,844	597,561
		2,487,765	2,687,919
Decrease in long-term deposits		50,570	9,824
Increase in inventories		(37,970)	(540,425)
Decrease in trade and notes receivables		157,113	89,080
Decrease in prepayments and other receivables		80,769	102,852
Decrease/(increase) in pledged deposits		74,453	(92,644)
Increase in loans receivable		(714,395)	(667,230)
(Increase)/decrease in trade and notes payables		(283,001)	78,932
Decrease in other payables and accruals		(34,385)	(180,496)
Increase in deposits from customers		221,604	484,183
Decrease in deferred income		(54,895)	(59,285)
Decrease in provisions		(12,711)	(15,521)

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2019

	2019 RMB'000	2018 RMB'000
CASH GENERATED FROM OPERATIONS	1,934,917	1,897,189
Income taxes paid	<u>(155,292)</u>	<u>(190,853)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>1,779,625</u>	<u>1,706,336</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	4,059	1,890
Dividend received from a joint venture	11,941	34,000
Purchases of items of property, plant and equipment	(1,404,029)	(1,652,075)
Proceeds from disposal of items of property, plant and equipment	3,018	33,824
Increase in right-of-use assets	(23,754)	—
Increase in land lease payments	—	(18,499)
Increase in other intangible assets	(379,608)	(280,104)
Acquisition of subsidiaries	(6,755)	(55,720)
Acquisition of a joint venture	(52,000)	(69,160)
Acquisition of associates	(13,095)	(390,002)
(Loss)/gain from commodity derivative contracts	(121,003)	23,791
Deposits received/(paid) for commodity derivative contracts	56,057	(29,341)
Net proceeds from/(to) acquisition and disposal of equity investments at fair value through profit or loss	182,789	(252,027)
Payment for investments in financial assets measured at amortised cost	(157,744)	(241,753)
Increase in long-term prepaid expenses	(2,003)	(1,668)
Decrease in loans receivable	61,000	10,000
Increase in loans receivable	<u>(370,650)</u>	<u>(143,000)</u>
NET CASH FLOWS USED IN INVESTING ACTIVITIES	<u>(2,211,777)</u>	<u>(3,029,844)</u>

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2019

	<i>Notes</i>	2019 RMB'000	2018 RMB'000
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank and other borrowings		14,386,969	11,512,553
Issuance of a corporate bond, net of issuance expense		3,508,710	4,750,000
Repayment of a corporate bond		—	(443,008)
Repayment of bank and other borrowings		(14,210,965)	(14,308,830)
Capital contribution from non-controlling shareholders		3,150	14,000
Dividends paid		(180,425)	(314,061)
Principal portion of lease payments		(22,967)	—
Decrease in pledged deposits for short-term bank loans		—	17,710
Receipts from gold leasing business		18,151	—
Distribution paid for perpetual capital instruments		(139,850)	(139,850)
Interest paid		(584,777)	(493,857)
		<u>2,777,996</u>	<u>594,657</u>
NET CASH FLOWS FROM FINANCING ACTIVITIES			
		<u>2,345,844</u>	<u>(728,851)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		1,143,299	1,847,169
Effects of foreign exchange rate changes, net		19,164	24,981
		<u>3,508,307</u>	<u>1,143,299</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR			
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	26	3,148,220	968,591
Non-pledged time deposits		360,087	174,708
		<u>3,508,307</u>	<u>1,143,299</u>
Cash and cash equivalents as stated in the consolidated statement of cash flows	26	<u>3,508,307</u>	<u>1,143,299</u>