招金

ZHAOJIN

ZHAOJIN MINING INDUSTRY COMPANY LIMITED*

招金礦業股份有限公司

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

(Stock Code: 1818)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

FINANCIAL HIGHLIGHTS

For the year ended 31 December 2013, the Group's revenue was approximately RMB6,344,124,000 (2012: RMB7,603,745,000), representing a decrease of approximately 16.57% as compared to the previous year.

For the year ended 31 December 2013, the Group's net profit was approximately RMB767,400,000 (2012: RMB2,046,818,000), representing a decrease of approximately 62.51% as compared to the previous year.

For the year ended 31 December 2013, the basic and diluted earnings per share attributable to ordinary equity holders of the parent amounted to approximately RMB0.25 (2012: RMB0.66), representing a decrease of approximately 62.12% as compared to the previous year.

For the year ended 31 December 2013, the profit attributable to owners of the parent was approximately RMB734,085,000 (2012: RMB1,923,521,000), representing a decrease of approximately 61.84% as compared to the previous year.

The Board proposed the payment of a cash dividend of RMB0.1 (tax included) per share (2012: RMB0.24 (tax included)) to all shareholders.

The board of directors (the "Board") of Zhaojin Mining Industry Company Limited (the "Company"or "Zhaojin") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2013 (the "Year").

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2013

	Notes	2013 RMB'000	2012 RMB'000 (Restated*)
REVENUE	3	**6,344,124**	7,603,745
Cost of sales		**(4,103,629)**	(3,912,077)
Gross profit		**2,240,495**	3,691,668
Other income and gains	3	**156,771**	122,592
Selling and distribution costs		**(97,273)**	(74,059)
Administrative expenses		**(820,636)**	(767,345)
Other expenses		**(164,190)**	(94,341)
Finance costs	4	**(342,123)**	(218,537)
Share of profits and losses of:			
Associates		**12,977**	10,166
A joint venture		**7,536**	(8,292)
PROFIT BEFORE TAX	5	**993,557**	2,661,852
Income tax expense	6	**(226,157)**	(615,034)
PROFIT FOR THE YEAR		**767,400**	2,046,818
Attributable to:			
Owners of the parent		**734,085**	1,923,521
Non-controlling interests		**33,315**	123,297
		767,400	2,046,818
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8		
Basic and diluted			
– For profit for the year (RMB)		**0.25**	0.66

* Certain amounts shown here do not correspond to the consolidated financial statements as at 31 December 2012 and reflect adjustments made as detailed in Note 1.2 and Note 12.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2013

	2013 *RMB'000*	2012 *RMB'000*
PROFIT FOR THE YEAR	**767,400**	2,046,818
OTHER COMPREHENSIVE INCOME		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(379)**	6
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	**(379)**	6
Net other comprehensive income not being reclassified to profit or loss in subsequent periods	**–**	–
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX	**(379)**	6
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**767,021**	2,046,824
Attributable to:		
Owners of the parent	**733,706**	1,923,527
Non-controlling interests	**33,315**	123,297
	767,021	2,046,824

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2013

	Notes	**31 December 2013** *RMB'000*	31 December 2012 *RMB'000* (Restated*)	1 January 2012 *RMB'000* (Restated*)
NON-CURRENT ASSETS				
Property, plant and equipment		**9,475,509**	7,311,824	4,890,055
Prepaid land lease payments		**379,682**	240,815	236,604
Goodwill		**932,792**	813,942	586,674
Other intangible assets		**3,883,204**	3,647,966	2,480,078
Investment in a joint venture		**116,064**	108,528	116,820
Investments in associates		**273,154**	45,830	42,220
Available-for-sale investments		**26,586**	–	–
Deferred tax assets		**311,123**	203,994	159,196
Loans receivable		**825,000**	35,000	–
Long-term deposits		**90,729**	31,729	24,856
Other long-term assets		**2,120,989**	1,112,548	761,635
Total non-current assets		**18,434,832**	13,552,176	9,298,138
CURRENT ASSETS				
Inventories		**2,503,942**	2,009,289	2,125,380
Trade and notes receivables	9	**190,106**	139,616	44,484
Prepayments, deposits and other receivables		**973,901**	814,464	516,821
Equity investments at fair value through profit or loss		**34,351**	32,409	8,732
Derivative financial instruments		**–**	–	9,367
Pledged deposits		**164,500**	–	–
Loans receivable		**35,000**	20,000	15,000
Cash and cash equivalents		**1,035,825**	1,349,084	1,237,921
Total current assets		**4,937,625**	4,364,862	3,957,705
CURRENT LIABILITIES				
Trade payables	10	**648,338**	405,417	1,535,398
Other payables and accruals		**1,503,685**	996,691	497,289
Financial liabilities at fair value through profit or loss	11	**1,574,512**	–	–
Interest-bearing bank and other borrowings		**5,330,507**	3,167,645	1,510,160
Tax payable		**125,744**	318,728	341,613
Provisions		**20,431**	20,095	19,827
Corporate bonds		**1,494,375**	–	–
Current portion of other long-term liabilities		**25,000**	19,421	–
Total current liabilities		**10,722,592**	4,927,997	3,904,287
NET CURRENT (LIABILITIES)/ASSETS		**(5,784,967)**	(563,135)	53,418
TOTAL ASSETS LESS CURRENT LIABILITIES		**12,649,865**	12,989,041	9,351,556

* Certain amounts shown here do not correspond to the consolidated financial statements as at 31 December 2012 and reflect adjustments made as detailed in Note 1.2 and Note 12.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
31 December 2013

	Notes	**31 December 2013** *RMB'000*	31 December 2012 *RMB'000* (Restated*)	1 January 2012 *RMB'000* (Restated*)
NON-CURRENT LIABILITIES				
Interest-bearing bank and other borrowings		**1,116,563**	56,908	158,109
Corporate bonds		**1,191,671**	2,682,886	1,491,047
Deferred tax liabilities		**596,443**	597,036	447,850
Deferred income		**335,534**	248,635	149,372
Provisions		**66,986**	70,631	77,731
Other long-term liabilities		**19,870**	85,320	30,000
Total non-current liabilities		**3,327,067**	3,741,416	2,354,109
Net assets		**9,322,798**	9,247,625	6,997,447
EQUITY				
Equity attributable to owners of the parent				
Issued capital		**2,965,827**	2,965,827	2,914,860
Reserves		**5,163,513**	4,726,390	3,056,674
Proposed final dividend	*7*	**296,583**	711,799	612,121
		8,425,923	8,404,016	6,583,655
Non-controlling interests		**896,875**	843,609	413,792
Total equity		**9,322,798**	9,247,625	6,997,447

* Certain amounts shown here do not correspond to the consolidated financial statements as at 31 December 2012 and reflect adjustments made as detailed in Note 1.2 and Note 12.

NOTES TO FINANCIAL INFORMATION

31 December 2013

1.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain equity investments and derivative financial instruments, which have been measured at fair value. These financial statements are presented in Renminbi ("RMB"), with values rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2013. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries below. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Government Loans*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*
HKFRS 10	*Consolidated Financial Statements*
HKFRS 11	*Joint Arrangements*
HKFRS 12	*Disclosure of Interests in Other Entities*
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 – *Transition Guidance*
HKFRS 13	*Fair Value Measurement*
HKAS 1 Amendments	Amendments to HKAS 1 *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*
HKAS 19 (2011)	*Employee Benefits*
HKAS 27 (2011)	*Separate Financial Statements*
HKAS 28 (2011)	*Investments in Associates and Joint Ventures*
HKAS 36 Amendments	Amendments to IAS 36 *Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets* (early adopted)
HK(IFRIC)-Int 20	*Stripping Costs in the Production Phase of a Surface Mine*
Annual Improvements 2009-2011 Cycle	Amendments to a number of HKFRSs issued in June 2012

Other than as further explained below regarding the impact of HKFRS 11, HKFRS 12, HKFRS 13, HKAS 1 Amendments, HKAS 36 Amendments and *Annual Improvements 2009-2011 Cycle*, the adoption of the new and revised HKFRSs has had no significant financial effect on these financial statements.

The principal effects of adopting these new and revised HKFRSs are as follows:

(a) HKFRS 11 replaces HKAS 31 *Interests in Joint Ventures* and HK(SIC)-Int-13 *Jointly controlled Entities – Non-monetary Contributions by Venturers*. It describes the accounting for joint arrangements with joint control. It addresses only two forms of joint arrangements, i.e., joint operations and joint ventures, and removes the option to account for joint ventures using proportionate consolidation. The classification of joint arrangements under HKFRS 11 depends on the parties' rights and obligations arising from the arrangements. A joint operation is a joint arrangement whereby the joint operators have rights to the assets and obligations for the liabilities of the arrangement and is accounted for on a line-by-line basis to the extent of the joint operators' rights and obligations in the joint operation. A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement and is required to be accounted for using the equity method in accordance with HKAS 28 (2011).

The directors of the Company reviewed and assessed the classification of the Group's investments in joint arrangements in accordance with the requirements of HKFRS 11, and concluded that the Group's investments in Ruoqiang Changyun Sanfengshan Mining Company Limited ("Sanfengshan"), which were previously classified as jointly-controlled entities under HKAS 31 and were accounted for using the proportionate consolidation method, should be classified as joint ventures under HKFRS 11 and be accounted for using the equity method. The change in accounting for investments in joint ventures has been applied retrospectively. The opening balances as at 1 January 2012 and comparative information for the year ended 31 December 2012 have been restated in the consolidated financial statements. The quantitative impact on the financial statements is summarised below:

Impact on the consolidated statement of profit or loss:

	Year ended 31 December 2012 ***RMB'000***
Increase in the revenue	785
Increase in the cost of sales	(4,093)
Decrease in gross profit	(3,308)
Decrease in other income and gains	(2,167)
Decrease in administrative expenses	10,034
Decrease in other operating expenses	694
Increase in operating profit	5,253
Decrease in finance costs	310
Increase in share of loss of a joint venture	(8,292)
Decrease in profit before tax	(2,729)
Decrease in income tax expense	2,729
Net impact on profit for the year	–
Net impact on profit for the year and earnings per share	–
Net impact on other comprehensive income	–

Impact on the consolidated statement of financial position:

	As at 31 December 2012 ***RMB'000***	As at 1 January 2012 *RMB'000*
Increase in net investment in a joint venture	**108,528**	116,820*
Decrease in cash and cash equivalents	**(1,566)**	(7,951)
Decrease in total assets (except for cash and cash equivalents)	**(157,570)**	(144,113)
Decrease in total liabilities	**50,608**	35,244
Impact on net assets and equity	**–**	–

* The Group recognised the initial investment in a joint venture as at 1 January 2012 at the aggregate of the carrying amounts of the assets and liabilities that the Group had previously proportionately consolidated.

Impact on the consolidated statement of cash flows:

	Year ended 31 December 2012 ***RMB'000***
Decrease in net cash flows from operating activities	(43,987)
Decrease in net cash flows used in investing activities	48,942
Increase in net cash flows used in financing activities	1,430
Net increase in cash and cash equivalents	6,385

(b) HKFRS 12 sets out the disclosure requirements for subsidiaries, joint arrangements, associates and structured entities previously included in HKAS 27 Consolidated and Separate Financial Statements, HKAS 31 Interests in Joint Ventures and HKAS 28 Investments in Associates. It also introduces a number of new disclosure requirements for these entities.

(c) HKFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The standard does not change the circumstances in which the Group is required to use fair value, but rather provides guidance on how fair value should be applied where its use is already required or permitted under other HKFRSs. HKFRS 13 is applied prospectively and the adoption has had no material impact on the Group's fair value measurements. As a result of the guidance in HKFRS 13, the policies for measuring fair value have been amended.

(d) The HKAS 1 Amendments change the grouping of items presented in other comprehensive income ("OCI"). Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) are presented separately from items which will never be reclassified (for example, the revaluation of land and buildings). The amendments have affected the presentation only and have had no impact on the financial position or performance of the Group. The consolidated statement of comprehensive income has been restated to reflect the changes. In addition, the Group has chosen to use the new title "statement of profit or loss" as introduced by the amendments in these financial statements.

(e) The HKAS 36 Amendments remove the unintended disclosure requirement made by HKFRS 13 on the recoverable amount of a cash-generating unit which is not impaired. In addition, the amendments require the disclosure of the recoverable amounts for the assets or cash-generating units for which an impairment loss has been recognised or reversed during the reporting period, and expand the disclosure requirements regarding the fair value measurement for these assets or units if their recoverable amounts are based on fair value less costs of disposal. The amendments are effective retrospectively for annual periods beginning on or after 1 January 2014 with earlier application permitted, provided HKFRS 13 is also applied. The Group has early adopted the amendments in these financial statements. The amendments have had no impact on the financial position or performance of the Group.

(f) *Annual Improvements 2009-2011 Cycle* issued in June 2012 sets out amendments to a number of standards. There are separate transitional provisions for each standard. While the adoption of some of the amendments may result in changes in accounting policies, none of these amendments have had a significant financial impact on the Group. Details of the key amendments most applicable to the Group are as follows:

- HKAS 1 *Presentation of Financial Statements*: Clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative period is the previous period. An entity must include comparative information in the related notes comparative to the financial statements when it voluntarily provides information beyond the previous period. The additional comparative information does not need to contain a complete set of financial statements.

  In addition, the amendment clarifies that the opening statement of financial position as at the beginning of the preceding period must be presented when an entity changes its accounting policies; makes retrospective restatements or makes reclassifications, and that change has a material effect on the statement of financial position. However, the related notes to the opening statement of financial position as at the beginning of the preceding period are not required to be presented.

- HKAS 32 *Financial Instruments: Presentation*: Clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with HKAS 12 Income Taxes. The amendment removes existing income tax requirements from HKAS 32 and requires entities to apply the requirements in HKAS 12 to any income tax arising from distributions to equity holders.

1.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 9	*Financial Instruments*[3]
HKFRS 9, HKFRS 7 and HKAS 39 Amendments	*Hedge Accounting and amendments to HKFRS 9, HKFRS 7 and HKAS 39*[3]
HKFRS 10, HKFRS 12 and HKAS 27 (2011) Amendments	Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) – *Investment Entities*[1]
HKAS 19 Amendments	Amendments to HKAS 19 *Employee Benefits – Defined Benefit Plans: Employee Contributions*[2]
HKAS 32 Amendments	Amendments to HKAS 32 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*[1]
HKAS 39 Amendments	Amendments to HKAS 39 *Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting*[1]
HK(IFRIC)-Int 21	*Levies*[1]
Annual Improvements 2010-2012 Cycle	Amendments to a number of HKFRSs issued in January 2014[2]
Annual Improvements 2011-2013 Cycle	Amendments to a number of HKFRSs issued in January 2014[2]
HKFRS 14	*Regulatory Deferral Accounts*[4]

1 Effective for annual periods beginning on or after 1 January 2014

2 Effective for annual periods beginning on or after 1 July 2014

3 No mandatory effective date yet determined but is available for adoption

4 Effective for annual periods beginning on or after 1 January 2016

Further information about those HKFRSs that are expected to be applicable to the Group is as follows:

HKFRS 9 issued in November 2009 is the first part of phase 1 of a comprehensive project to entirely replace HKAS 39 *Financial Instruments: Recognition and Measurement*. This phase focuses on the classification and measurement of financial assets. Instead of classifying financial assets into four categories, an entity shall classify financial assets as subsequently measured at either amortised cost or fair value, on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. This aims to improve and simplify the approach for the classification and measurement of financial assets compared with the requirements of HKAS 39.

In November 2010, the HKICPA issued additions to HKFRS 9 to address financial liabilities (the "Additions") and incorporated in HKFRS 9 the current derecognition principles of financial instruments of HKAS 39. Most of the Additions were carried forward unchanged from HKAS 39, while changes were made to the measurement of financial liabilities designated as at fair value through profit or loss using the fair value option ("FVO"). For these FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. However, loan commitments and financial guarantee contracts which have been designated under the FVO are scoped out of the Additions.

In December 2013, the HKICPA added to HKFRS 9 the requirements related to hedge accounting and made some related changes to HKAS 39 and HKFRS 7 which include the corresponding disclosures about risk management activity for applying hedge accounting. The amendments to HKFRS 9 relax the requirements for assessing hedge effectiveness which result in more risk management strategies being eligible for hedge accounting. The amendments also allow greater flexibility on the hedged items and relax the rules on using purchased options and non-derivative financial instruments as hedging instruments. In addition, the amendments to HKFRS 9 allow an entity to apply only the improved accounting for own credit risk-related fair value gains and losses arising on FVO liabilities as introduced in 2010 without applying the other HKFRS 9 requirements at the same time.

HKAS 39 is aimed to be replaced by HKFRS 9 in its entirety. Before this entire replacement, the guidance in HKAS 39 on impairment of financial assets continues to apply. The previous mandatory effective date of HKFRS 9 was removed by the HKICPA in December 2013 and a mandatory effective date will be determined after the entire replacement of HKAS 39 is completed. However, the standard is available for application now. The Group will quantify the effect in conjunction with other phases, when the final standard including all phases is issued.

Amendments to HKFRS 10 include a definition of an investment entity and provide an exception to the consolidation requirement for entities that meet the definition of an investment entity. Investment entities are required to account for subsidiaries at fair value through profit or loss in accordance with HKFRS 9 rather than consolidate them. Consequential amendments were made to HKFRS 12 and HKAS 27 (2011). The amendments to HKFRS 12 also set out the disclosure requirements for investment entities. The Group expects that these amendments will not have any impact on the Group as the Company is not an investment entity as defined in HKFRS 10.

The HKAS 32 Amendments clarify the meaning of "currently has a legally enforceable right to set off" for offsetting financial assets and financial liabilities. The amendments also clarify the application of the offsetting criteria in HKAS 32 to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1 January 2014.

2. OPERATING SEGMENT INFORMATION

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

(a) the gold operations segment consists of gold mining and smelting operations;

(b) the copper operations segment consists of copper mining and smelting operations; and

(c) the "others" segment comprises, principally, the Group's other investment activities.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss before tax. The adjusted profit or loss before tax is measured consistently with the Group's profit before tax except that interest income, finance costs, as well as corporate expenses are excluded from such measurement.

Segment assets exclude cash and cash equivalents, deferred tax assets and other unallocated corporate assets as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank and other borrowings, corporate bonds, financial liabilities at fair value through profit or loss – gold leasing business and gold forward contracts, deferred tax liabilities and other unallocated 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 at the then prevailing market prices.

The Group's operation by business segment is as follows:

Year ended 31 December 2013

	Gold operations *RMB'000*	Copper operations *RMB'000*	Others *RMB'000*	Total *RMB'000*
Segment revenue				
Revenues from external customers	**5,483,902**	**836,252**	**23,970**	**6,344,124**
Segment results	**1,098,630**	**256,824**	**(35,817)**	**1,319,637**
Reconciliation:				
Interest income				**16,043**
Finance costs				**(342,123)**
Profit before tax				**993,557**
Segment assets	**19,040,690**	**2,705,394**	**279,425**	**22,025,509**
Reconciliation:				
Corporate and other unallocated assets				**1,346,948**
Total assets				**23,372,457**
Segment liabilities	**2,401,033**	**229,088**	**126,599**	**2,756,720**
Reconciliation:				
Corporate and other unallocated liabilities				**11,292,939**
Total liabilities				**14,049,659**
Other segment information				
Capital expenditure*	**2,790,470**	**473,823**	**33,054**	**3,297,347**
Investments in associates	**273,154**	**–**	**–**	**273,154**
Investment in a joint venture	**116,064**	**–**	**–**	**116,064**
Impairment losses recognised in the statement of profit or loss	**53,471**	**1,176**	**–**	**54,647**
Share of profits and losses of				
– associates	**12,977**	**–**	**–**	**12,977**
– a joint venture	**7,536**	**–**	**–**	**7,536**
Depreciation and amortisation	**559,208**	**55,492**	**2,234**	**616,934**
Write-off of other intangible assets	**11,842**	**–**	**–**	**11,842**
Fair value loss on equity investments at fair value through profit or loss	**–**	**–**	**17,306**	**17,306**
Fair value loss on commodity derivate contracts	**10,795**	**337**	**–**	**11,132**
Loss on disposal of equity investments at fair value through profit or loss	**–**	**–**	**2,276**	**2,276**

* Capital expenditure consists of additions to property, plant and equipment, goodwill, other intangible assets and prepaid land lease payments, including assets from the acquisition of subsidiaries.

Year ended 31 December 2012

	Gold operations *RMB'000*	Copper operations *RMB'000* (Restated)	Others *RMB'000*	Total *RMB'000* (Restated)
Segment revenue				
Revenues from external customers	6,818,659	785,086	–	7,603,745
Segment results	2,592,971	276,182	(4,814)	2,864,339
Reconciliation:				
Interest income				16,050
Finance costs				(218,537)
Profit before tax				2,661,852
Segment assets	13,870,756	2,434,051	59,153	16,363,960
Reconciliation:				
Corporate and other unallocated assets				1,553,078
Total assets				17,917,038
Segment liabilities	1,957,648	191,065	16,225	2,164,938
Reconciliation:				
Corporate and other unallocated liabilities				6,504,475
Total liabilities				8,669,413
Other segment information				
Capital expenditure*	2,776,109	1,490,519	2	4,266,630
Investment in an associate	45,830	–	–	45,830
Investment in a joint venture	108,528	–	–	108,528
Impairment losses recognised in the statement of profit or loss	15,827	520	–	16,347
Share of profits and losses of				
– an associate	10,166	–	–	10,166
– a joint venture	(8,292)	–	–	(8,292)
Depreciation and amortisation	395,044	25,358	18	420,420

* Capital expenditure consists of additions to property, plant and equipment, goodwill, other intangible assets and prepaid land lease payments, including assets from the acquisition of subsidiaries.

Geographical information

As over 99% of the assets of the Group are located in Mainland China and over 99% of the sales are made to the Mainland China customers, no further geographical information has been presented.

Information about a major customer

Revenue of approximate RMB4,530,497,000 (71% of the total sales) (2012: RMB5,985,000,000, 79% of the total sales) was derived from sales by the gold operations segment to a single customer.

3. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts and net of various types of government surcharges where applicable, and the value of services rendered.

An analysis of revenue, other income and gains is as follows:

	2013 *RMB'000*	2012 *RMB'000* (Restated)
Revenue		
Sale of goods:		
Gold	**5,148,596**	6,370,246
Copper	**798,600**	738,578
Silver	**210,241**	280,154
Sulphur	**57,476**	82,381
Other by-products	**158,210**	142,665
Rendering of services:		
Processing of gold and silver	**33,032**	32,325
Others	**23,970**	–
	6,430,125	7,646,349
Less:		
Government surcharges	**(86,001)**	(42,604)
Revenue	**6,344,124**	7,603,745
Other income and gains		
Government grants	**44,715**	48,077
Sale of auxiliary materials	**57,202**	47,145
Interest income	**16,043**	16,050
Fair value gains, net:		
– Equity investments at fair value through profit or loss	**–**	2,264
– Gold leasing business and gold forward contracts	**17,442**	–
Gain on return of gold for gold leasing business	**2,626**	–
Others	**18,743**	9,056
Other income and gains	**156,771**	122,592

4. FINANCE COSTS

An analysis of finance costs is as follows:

	2013 *RMB'000*	2012 *RMB'000* (Restated)
Interest on bank and other borrowings		
– wholly repayable within five years	**241,327**	171,209
– repayable over five years	**199**	228
Interest on short-term bonds	**51,861**	39,494
Interest on corporate bonds	**138,317**	84,318
Interest on gold leasing business	**21,443**	–
Subtotal	**453,147**	295,249
Less: Interest capitalised	**(117,040)**	(82,837)
Incremental interest on provisions	**6,016**	6,125
Total	**342,123**	218,537

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting) the following:

	2013 *RMB'000*	2012 *RMB'000* (Restated)
Cost of inventories sold and services provided	**4,103,629**	3,912,077
Staff costs:		
Wages and salaries (including directors' remuneration)	**666,335**	538,724
Early retirement benefits	**19,736**	14,557
Defined contribution fund:		
– Retirement costs	**101,502**	79,785
– Other staff benefits	**96,986**	93,337
Total staff costs	**884,559**	726,403
Auditors' remuneration	**2,760**	2,400
Amortisation of prepaid land lease payments*	**16,550**	12,378
Amortisation of mining rights and reserves*	**105,364**	87,628
Depreciation	**495,020**	320,414
Net loss on disposal of items of property, plant and equipment	**3,529**	7,722
Operating land lease rentals	**10,798**	9,648
(Reversal)/provision of impairment loss of receivables	**(7,599)**	16,347
Impairment loss of inventories	**62,246**	–
Write-off of other intangible assets	**11,842**	–
Fair value (gains)/losses, net:		
– Equity investments at fair value through profit or loss	**17,306**	(2,264)
– Commodity derivative contracts	**11,132**	–
– Gold leasing business and gold forward contracts	**(17,442)**	–
Loss on disposal of equity investments at fair value through profit or loss	**2,276**	–
Gain on return of gold for gold leasing business	**(2,626)**	–

* The amortisation of prepaid land lease payments and mining rights and reserves for the year is included in "Cost of sales" in the consolidated statement of profit or loss.

6. INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Provision for Mainland China current income tax is based on the statutory rate of 25% (2012: 25%) of the assessable profit of the Group as determined in accordance with the PRC Corporate Income Tax Law, which was approved and became effective on 1 January 2008, except for certain subsidiaries of the Group in Mainland China, which are taxed at a preferential rate of 15%. Hong Kong profits tax has been provided at the rate of 16.5% (2012: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

The major components of income tax expense for the year are as follows:

	2013	2012
	RMB'000	*RMB'000*
		(Restated)
Group:		
Current – Hong Kong	**–**	–
Current – Mainland China		
– Charged for the year	**358,316**	694,905
Deferred tax	**(132,159)**	(79,871)
Total tax charge for the year	**226,157**	615,034

7. DIVIDEND

	2013	2012
	RMB'000	*RMB'000*
Ordinary:		
Proposed final – RMB0.1 per share (2012: RMB0.24 per share)	**296,583**	711,799

The board of directors recommends a cash dividend to all shareholders on the basis of RMB0.1 per share (tax included) (2012: RMB0.24 per share (tax included)).

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 2,965,827,000 (2012: 2,919,107,000) in issue during the year.

The diluted earnings per share amounts are equal to the basic earnings per share amounts for the years ended 31 December 2013 and 2012, as no diluting events existed during these years.

The calculations of basic and diluted earnings per share are based on:

	2013	2012
	RMB'000	*RMB'000*
Earnings:		
Profit attributable to ordinary equity holders of the parent	**734,085**	1,923,521

	2013	2012
	'000	*'000*
Shares:	**2,965,827**	2,965,827
Weighted average number of ordinary shares in issue during the year used in the basic and diluted earnings per share calculations	**2,965,827**	2,919,107

9. TRADE AND NOTES RECEIVABLES

	2013	2012
	RMB'000	*RMB'000*
		(Restated)
Trade receivables	**170,290**	139,616
Notes receivable	**19,816**	–
	190,106	139,616

An ageing analysis of the trade and notes receivables, based on the invoice date, is as follows:

	2013	2012
	RMB'000	*RMB'000*
		(Restated)
Outstanding balances due within 1 year	**190,106**	139,616

Trade and notes receivables are non-interest-bearing. As 71% (2012:79%) of the sales of the Group for the year ended 31 December 2013 were made through Shanghai Gold Exchange (the "SGE"), so there were no significant receivables that were overdue or impaired.

10. TRADE PAYABLES

At 31 December 2013, the balance of trade payables mainly represents the amount regarding the unsettled procurement of gold concentrates. The trade payables are non-interest-bearing and are normally settled on 60 days' terms.

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2013	2012
	RMB'000	*RMB'000*
		(Restated)
Within one year	**584,202**	389,182
Over one year but within two years	**54,642**	11,774
Over two years but within three years	**5,784**	2,275
Over three years	**3,710**	2,186
	648,338	405,417

11. FINANCIAL LIABILITY AT FAIR VALUE THROUGH PROFIT OR LOSS

		2013	2012
		RMB'000	*RMB'000*
Gold leasing business	(a)	**1,439,425**	–
Derivative financial liabilities:			
– Gold forward contracts	(b)	**123,955**	–
– Commodity derivative contracts	(c)	**11,132**	–
		1,574,512	–

(a) The Group financed through leases of gold from banks and subsequently sold through the SGE. On maturity, the Group would return gold with the same quantity and specification purchased through SGE, and pay rental fees to banks. The maturity periods range from 180 days to 1 year. As at 31 December 2013, unrealised gains on changes in fair value of the financial liabilities at fair value through profit or loss were RMB141,397,000 (31 December 2012: Nil).

(b) The Group has engaged in gold forward contracts on the SGE in accordance with the quantity, specification and repayment terms of gold to be returned to banks in the future for the purpose of hedging certain risks arising from gold price fluctuation from the gold leasing business. As at 31 December 2013, unrealised losses on changes in fair value arising from derivative financial liabilities were RMB123,955,000 (31 December 2012: Nil).

(c) The Group uses commodity derivative contracts to hedge its commodity price risk, which does not meet the criteria of hedge accounting. Commodity derivative contracts utilised by the Group are standardised copper cathode futures contracts in Shanghai Futures Exchange("SHFE") and Au(T+D) contracts in SGE.

The unrealised loss on commodity derivative contracts of RMB11,132,000 was debited to other expenses during the year (2012: Nil).

12. COMPARATIVE FIGURES

As further explained in note 1.2 to the financial statements, due to the adoption of revised HKFRSs during the current year, the accounting treatment and presentation of certain items and balances in the financial statements have been revised to comply with the new requirements. Accordingly, certain prior year adjustments have been made, certain comparative amounts have been reclassified and restated to conform with the current year's presentation and accounting treatment, and a third statement of financial position as at 1 January 2012 has been presented.

MANAGEMENT DISCUSSION AND ANALYSIS

Results for the Year

Gold Output

For the year ended 31 December 2013, the Group's total output of gold amounted to 28,849.5 kg (approximately 927,532 ozs), representing an increase of approximately 4.23% as compared to the previous year. Among which, 20,110.7 kg (approximately 646,574 ozs) of gold was mine-produced gold, representing a rise of approximately 11.19% as compared to the previous year, and 8,738.8 kg (approximately 280,959 ozs) was smelted and processed gold, representing a decrease of approximately 8.89% as compared to the previous year.

Revenue

For the year ended 31 December 2013, the Group's revenue was approximately RMB6,344,124,000 (2012: RMB7,603,745,000), representing a decrease of approximately 16.57% as compared to the previous year.

Net Profit

For the year ended 31 December 2013, the Group's net profit was approximately RMB767,400,000 (2012: RMB2,046,818,000), representing a decrease of approximately 62.51% as compared to the previous year.

Earnings Per Share

For the year ended 31 December 2013, the basic and diluted earnings per share attributable to ordinary equity holders of the parent amounted to approximately RMB0.25 (2012: RMB0.66), representing a decrease of approximately 62.12% as compared to the previous year.

Analysis of Results

The substantial drop in profit was primarily attributable to the drop in gold prices, which led to a drop in the selling price of gold and corresponding impairment provision upon the decline in inventory value of products during the Year.

Distribution Proposal

The Board proposed the payment of a cash dividend of RMB0.1 (tax included) per share (2012: RMB0.24 (tax included)) to all shareholders.

Regarding the distribution of cash dividend, dividends for shareholders of domestic shares will be declared and paid in RMB, whereas dividends for shareholders of H shares will be declared in RMB and paid in Hong Kong dollars.

The proposed distribution proposal for the Year is subject to the approval by the shareholders of the Company at the annual general meeting for the year ended 31 December 2013 ("2013 AGM"), which will be held on Monday, 26 May 2014.

If the distribution proposal is approved at the 2013 AGM, it is expected that the final dividend for the year ended 31 December 2013 will be paid on or before Monday, 30 June 2014 to the shareholders whose names appear on the register of members of the Company on Tuesday, 3 June 2014.

Under the relevant tax rules and regulations of the PRC (collectively the "PRC Tax Law"), the Company is required to withhold and pay the corporate income tax at the rate of 10% when distributing the final dividend to non-resident enterprises (which shall have the meaning as defined under the PRC Tax Law) whose names appear on the H shares register of members of the Company on Tuesday, 3 June 2014.

In accordance with the PRC Tax Law, the Company is required to withhold and pay individual income tax when distributing the final dividend to individual shareholders whose names appear on the H shares register of members of the Company on Tuesday, 3 June 2014. The individual H shareholders are entitled to certain tax preferential treatments according to the bilateral tax treaties between those countries where the individual H shareholders are residents and China and the provisions in respect of bilateral tax treaties between the mainland China and Hong Kong or Macau. The Company would withhold and pay the individual income tax at the tax rate of 10% on behalf of the individual H shareholders who are Hong Kong residents, Macau residents or residents of those countries which have bilateral tax treaties with China for personal income tax rate in respect of dividend of 10%. For individual H shareholders who are residents of those countries entered into the agreements with China for personal income tax rates in respect of dividend of lower than 10%, the Company would make applications on their behalf for entitlement of the relevant agreed preferential treatments pursuant to the Notice of the State Administration of Taxation in relation to the Administrative Measures on Preferential Treatment Entitled by Non-residents under Tax Treaties (Tentative) (Guo Shui Fa [2009] No. 124) (《國家稅務總局關於印發〈非居民享受稅收協議待遇管理辦法(試行)〉的通知》(國稅發[2009]124號)). For individual H shareholders who are residents of those countries having bilateral tax treaties with China for personal income tax rates in respect of dividend of higher than 10% but lower than 20%, the Company would withhold and pay the individual income tax at the actual tax rate. For individual H shareholders who are residents of those countries without any bilateral tax treaties with China or having bilateral tax treaties with China for personal income tax in respect of dividend of 20% and other situations, the Company would withhold and pay the individual income tax at a tax rate of 20%.

In accordance with the PRC Tax Law, the Company has an obligation to withhold and pay the corporate income tax and individual income tax for payment of the final dividend to non-resident enterprises and individual shareholders whose names appear on the H shares register of members of the Company on Tuesday, 3 June 2014. If the resident enterprises (which shall have the meaning as defined under the PRC Tax Law) and overseas resident individual shareholders whose names appear on the H shares register of members of the Company on Tuesday, 3 June 2014 do not wish to have the corporate income tax and individual income tax withheld and paid by the Company, they should lodge with Computershare Hong Kong Investor Services Limited the relevant documents issued by the relevant PRC tax authority certifying that they are resident enterprises or individual shareholders, on or before 4:30 p.m. on Thursday, 29 May 2014. The address of Computershare Hong Kong Investor Services Limited is 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

The Company will withhold and pay the corporate income tax and individual income tax in strict compliance with the PRC Tax Law and the requirements of the relevant government authorities. The Company shall not be liable for any dispute relating to the withholding and payment of corporate income tax and individual income tax which arises from the failure of any non-resident enterprises and individual shareholders to lodge the relevant documents within the prescribed timeframe as mentioned above.

Market Overview

The year 2013 was meant to be an extraordinary year for gold, for the volatile price fall became the key tone in the price trend throughout the year. In year 2013, the international gold price opened at US$1,676.1/oz and reached its highest price of US$1,692.7/oz on 22 January during the year, and since then the falling price trend that lasted throughout the year kicked off. The entire second quarter became the largest decline stage, during which the international gold price experienced a cliff fall and declined by 26% in the quarter. Although there was slight rebound supported by the production cost thereafter, the downward trend did not reverse. Finally the gold price closed at US$1,205.65/oz for the year, with an accumulated decline of approximately 28% for the year. The average price for the year was US$1,410.89/oz. The international gold price recorded the greatest extent of fall in the past 30 years in 2013 and became the first year in which the gold price dropped since 2000. The opening price of the "9995 gold" in the Shanghai Gold Exchange was RMB331.50 per gram and reached the highest at RMB340.20 per gram and the lowest at RMB235.84 per gram while the closing price was RMB237.84 per gram. The annual average price for the year was approximately RMB279.69 per gram.

According to the statistics from the China Gold Association, gold production of China for 2013 reached 428.163 tonnes, representing an increase of approximately 6.23% as compared to the previous year. This represented another record in the history and made the nation remaining the No. 1 gold production country in the world for seven consecutive years.

Business Review

Harden skills and Improve Risk-resisting Abilities

In 2013, in the face of the impact from the fall in gold price, we insisted on strengthening the internal management and enhancing our skills, in order to fully respond to market risks and challenges. Through substantially reducing non-productive expenses and halting and postponing some investments projects, whilst managing upgrade standards as focus, the Company intensively carried out activities such as benchmarking management, site management, logistics energy management so as to improve budgeting, saving cost, enhancing efficiencies and keep improving our comprehensive management efficiency.

With Scientific Organization, Gold Output Hit New Peak

In 2013, we continued to optimize and adjust the entire company's production capacity layout and play the supporting and leading role of large key enterprises. The Company carried out in-depth skills transformation, process optimization, labor competition and other activities, actively overcame difficulties in production and management and successfully completed the annual production plan. As at 31 December 2013, the Company's total output of gold amounted to 927,532 ozs (approximately 28,849.5kg), representing an increase of approximate 4.23% as compared to the previous year. Among which, 646,574 ozs (approximately 20,110.7 kg) of gold was mine-produced gold, representing a rise of approximately 11.19% as compared to the previous year; 486,338 ozs (approximately 15,126.8 kg) of gold was self-produced gold, representing a rise of approximately 12.11% as compared to the previous year, and; 280,959 ozs (approximately 8,738.8 kg) was smelted and processed gold, representing a decrease of approximately 8.89% as compared to the previous year.

Make Breakthroughs in Major Areas and Enhance Resource Reserves

In 2013, the Company vigorously implemented the breakthrough strategy by mine prospecting and achieved significant results in prospecting and increasing reserves in major target areas like Xiadian Gold Mine, Dayingezhuang Gold Mine and Zaozigou Gold Mine, etc. The Company accumulated investments in prospecting of RMB215 million, tunneling of 51,799 meters, drilling of 325,873 meters and additional gold resources of 116.17 tons. As at 31 December 2013, according to Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC") standards, the Group's gold resource amounted to 791.35 tons (approximately 25.442 million ozs), representing an increase of approximately 14.66% as compared to the previous year; the estimates mineable reserves amounted to 382.20 tons (approximately 12.288 million ozs), representing an increase of approximately 7.43% as compared to the previous year. Meanwhile, the Company adhered to invest on the value investing and promote external development more cautiously. With investment of RMB178.5 million, we successfully acquired Inner Mongolia Yuantong Mining and acquired 2.78 square kilometers of mining rights area and 14.673 tons of gold reserves, which will provide new room for us to enter Inner Mongolia mining development business.

Work Together and Steadily Push forward Infrastructure and Technology Reform

In 2013, the Company accumulated investments of RMB1.312 billion, implemented 38 infrastructure and technology reform projects and successfully completed schedule plans. Among which, Xinjiang Smelting, Canzhuang Gold Mine, Liyuan Gold Mine, Fengling Jinlong and Gold Eagle and other metallurgical projects completed the annual target ahead of schedule; the construction of main shaft mine of Canzhuang Gold Mine, the construction of ramps of Xiadian Gold Mine and the reform of west wind mine of Tonghui Mining all completed the annual construction goal in advance. The 2,000 tons of mining and reform project of Gansu smelting and Dripping copper mine had fulfilled the conditions of trial commissioning on standalone basis. A number of key projects were rapidly progressing, which will lay a solid foundation for the Company to extend production and increase production capacities.

Innovation Driven, Science and Technology Continue to Spring Up

In 2013, the Company invested RMB73.7368 million to the science and technology innovation funds for the Year, implemented 57 scientific research projects, completed 533 minor reforms, received 4 provincial scientific and technical awards, applied for 7 invention patents and 40 utility model patents. The Company's technology center was promoted to National Technology Center. Resource utilization core projects such as hot oxidation and chlorination roasting new technology research has made new progress.

Increase Investment, Safety and Environmental Protection Remains Stable

In 2013, the Company insisted on the concept of safe development, green development and harmony development, vigorously promoting the construction of safety and environmental protection, investing RMB110 million in safety and environmental protection throughout the year, and thus avoided major safety and environmental incidents. Dayingezhuang Gold Mine, Zhaojin Baiyun and Hedong Gold Mine were awarded "National Green Mines Experimental Units". As at the end of the year 2013, 8 enterprises in the entire company has received the above title.

Financial Analysis

Revenue

For the year ended 31 December 2013, the Group's revenue was approximately RMB6,344,124,000 (2012: RMB7,603,745,000), representing a decrease of approximately 16.57% (2012: an increase of 32.43%) as compared to the previous year. Such decrease was primarily attributable to the fall in the gold price.

Cost of Sales

For the year ended 31 December 2013, the Group's cost of sales was approximately RMB4,103,629,000 (2012: RMB3,912,077,000), representing an increase of approximately 4.9% (2012: an increase of 45.96%) as compared to the previous year. Such increase was primarily attributable to the increase of sales quantity and unit cost of self-produced gold during the Year.

Gross Profit and Gross Profit Margin

During the Year, the Group's gross profit and gross profit margin were approximately RMB2,240,495,000 (2012: RMB3,691,668,000) and approximately 35.32% (2012: 48.55%), respectively, representing a decrease in gross profit of approximately 39.31% (2012: an increase of approximately 20.60%) and a decrease in gross profit margin of approximately 27.25% (2012: a decrease of 4.77%), respectively, as compared to the previous year. The decrease in gross profit and gross profit margin were due to the sharply decrease in gold price during the Year as compared to the previous year.

Other Revenue and Gains

During the Year, the Group's other revenue and gains were approximately RMB156,771,000 (2012: RMB122,592,000), representing an increase of approximately 27.88% (2012: an increase of 2.08%) from the previous year. The increase in other revenue and gains was mainly due to the increase of the sales of auxiliary material and fair value gain on gold leasing business and gold forward contracts.

Selling and Distribution Costs

For the year ended 31 December 2013, the Group's selling and distribution costs were approximately RMB97,273,000 (2012: RMB74,059,000), representing an increase of approximately 31.35% (2012: an increase of 33.07%) as compared to the previous year. Such increase was mainly due to the incremental transportation expense during the Year.

Administrative and Other Expenses

The Group's administrative and other operating expenses were approximately RMB984,826,000 during the Year (2012: RMB861,686,000), representing an increase of approximately 14.29% (2012: an increase of 15.90%) from 2012. Such increase was mainly attributable to the increase in staff cost due to the business expansion and adjustment of salary level of staff, and the inventory provision accrued since the fall in gold price.

Finance Costs

For the year ended 31 December 2013, the Group's finance costs were approximately RMB342,123,000 (2012: RMB218,537,000), representing an increase of approximately 56.55% (2012: an increase of 123.28%) from 2012. Such increase was mainly attributable to the increase in the Group's borrowings during the Year.

Income Tax Expenses

For the year ended 31 December 2013, the Group's income tax expenses decreased by approximately RMB388,877,000 when compared with the previous year. It is attributable to the decrease in profit before taxation of the Group. During the Year, income tax of corporate inside PRC has been provided at a rate of 25% (2012: 25%) on the taxable income (except for certain subsidiaries of the Group in Xinjiang, which are taxed at a preferential rate of 15%). Hong Kong profits tax has been provided at the rate of 16.5% (2012: 16.5%) on the estimated assessable profits arising in Hong Kong during the Year. The Group did not incur any Hong Kong profits tax during the Year. The effective tax rate of the Group is 22.76% during the Year (2012: 23.11%).

Profit Attributable to Owners of the Parent

For the year ended 31 December 2013, the Group's profit attributable to the owners of the parent was approximately RMB734,085,000, representing an decrease of approximately 61.84 % (2012: an increase of 15.76%) from approximately RMB1,923,521,000 in 2012.

Liquidity and Capital Resources

The working capital and funds required by the Group are mainly derived from its cash flows generated from operations and borrowings, while the Group's capital for operating activities resources are mainly utilized to provide funding to acquisition activities, capital expenditures, and repayment of borrowings of the Group.

Cash Flows and Working Capital

The Group's cash and cash equivalents have decreased from approximately RMB1,349,084,000 as at 31 December 2012 to approximately RMB1,035,825,000 as at 31 December 2013. The decrease was mainly attributable to the net cash inflows from operating activities and financing activities are less than the net cash outflows used in investing activities, mainly used in acquisition activities and capital expenditure.

As at 31 December 2013, the cash and cash equivalents of the Group denominated in Hong Kong dollars amounted to approximately RMB19,043,000 (2012: RMB15,461,000) and those denominated in United States dollars amounted to approximately RMB7,945,000 (2012: RMB13,374,000). All other cash and cash equivalents held by the Group are denominated in RMB.

Borrowings

As at 31 December 2013, the Group had outstanding bank and other borrowings of approximately RMB6,447,070,000 (2012: RMB3,224,553,000), of which approximately RMB5,330,507,000(2012: RMB3,167,645,000) shall be repaid within one year, approximately RMB1,047,203,000 (2012: RMB45,832,000) shall be repaid within two to five years, inclusive and approximately RMB69,360,000 (2012: RMB11,076,000) shall be repaid after five years. As at 31 December 2013, the Group had outstanding corporate bonds of approximately RMB2,686,046,000 (2012: RMB2,682,886,000), of which approximately RMB1,494,375,000 (2012: Nil) was classified as current liabilities of the Group because the Company did not have an unconditional right to defer settlement of the liability for at least twelve months after 31 December 2013 according to the offering memorandum of the 2009 Zhaojin Bond which is redeemable at the option of bondholders on 23 December 2014. Other parts of corporate bonds of approximately RMB1,191,671,000 (2012: RMB2,682,886,000) should be repaid within two to five years. The increase in the Group's borrowings during the Year was mainly attributable to the resource acquisition activities, capital expenditures and working capital of the operating activities of the Group.

As at 31 December 2013, except for secured bank loans of the RMB78,623,000 and RMB30,661,000 (2012: Nil) denominated in Hong Kong dollars and United States dollars respectively, all borrowings are denominated in RMB. As at 31 December 2013, approximately 55.10% of the interest bearing bank and other borrowings held by the Group were in fixed rates.

Gearing Ratio

The Group monitors capital using a gearing ratio, which is net debt divided by the total equity plus net debt. Net debt includes interest-bearing bank and other borrowings and corporate bonds, financial liabilities arose from the gold leasing business less cash and cash equivalents. As at 31 December 2013, the gearing ratio of the Group was 50.9% (2012: 33.0%). Following the business expansion of the Group, the gearing ratio of the Group for the Year recorded reasonable increase while the financing channels were continually broadened.

Market Risks

The Group is exposed to various types of market risks, including fluctuation in gold prices and other commodities prices, changes in interest rates and foreign exchange rates.

Gold Prices and Other Commodities Prices Risks

Commodity price risk

The Group's exposure to price risk relates principally to the market price fluctuations on gold and copper which can affect the Group's results of operations.

During the Year, under certain circumstances, the Group entered into AU (T+D) arrangements, which substantially are forward commodity contracts, in SGE to hedge potential price fluctuations of gold. Under those arrangements, the Group can forward buy or sell gold at the current day's price by depositing 10% of the total transaction amount. Subsequently, it can close the deal by either physically delivering the gold or entering into an offsetting arrangement. There is no restriction imposed on the settlement period. During the Year, the Group had not entered into any long position under the AU (T+D) framework and substantially the entire forward commodity contracts of the Group were settled through physical delivery of the gold.

The Group also entered into copper cathode forward contracts in SHFE and gold forward contracts in SGE for the sale of copper and gold leasing business.

The price range of the forward commodity contracts is closely monitored by management. Accordingly, a reasonable possible fluctuation of 10% in commodity prices would have no significant impact on the Group's profit and equity for the year.

Interest Rate Risk

The Group's exposure to interest rate risk relates primarily to the Group's cash holdings, interest-bearing bank and other borrowings and corporate bonds. The Group manages its interest rate exposure from certain cash holdings through placing them into appropriate short-term deposits at a mixture of fixed or floating rates and manages the exposure from all of its interest-bearing bank and other borrowings and corporate bonds through the use of fixed or floating rates.

The Group had not used any interest rate swaps to hedge its exposure to interest rate risk during the Year.

Foreign Exchange Risk

Substantially all of the Group's transactions are carried out in RMB. The fluctuation of the RMB/USD exchange rate may affect the international and local gold price, which may therefore affect the Group's operating results. Fluctuations of foreign exchange rate may have an adverse effect on net assets, earnings and any dividend declared of the Group, which shall be converted or translated into Hong Kong dollars. Furthermore, the Group had not entered into any hedge activities during the Year due to fluctuations of foreign exchange rate.

Business Outlook

In 2014, the Company will step on the new starting point of re-establishment and further development. We will follow the overall deployment of the Board, to further innovate thinking, enhance the state, focus on the center of quality and efficiency, with the goal of construction of our mines with "Four Features" and the main line of accelerating the transformation of development mode. We change from rapid extension to inner management optimization, concentrating on steady growth, controlling risk, improving quality and increasing efficiency, so as to further release creative energy that bring along the power of change. In the new round of industrial structure re-adjustment and large-scale integration, we firmly grasp the initiative and priority of the development, and put efforts to promote the Company's transformation and upgrading and courageously create a new situation of scientific development.

Intensify Reform Adjustment, Stimulate Internal Dynamics

The Company will strive to improve the capacity and quality of development. By identifying the direction of reform on the internal market, we implement flexible and diversified internal operating strategies, and boldly explore new contracting pattern of mining operations. With regards to the current conditions of different enterprises, we adopt diversified incentives appraisal approaches such as internal contracting agreement, economic responsibility undertaking, performance appraisal etc., according to the principle of "One Enterprise One Approach". For management innovation, we further implement management hierarchy reduction, streamline administration and decentralization, and establish a classification management system with a combination of review, approval and filing efforts and our focus on effective control to stimulate vibrancy.

Focus on Quality and Efficiency, Boost the Creation of Value

The Company is committed to promote the optimization and upgrading of production scale and maximize its capacity. The Company strives to stabilize production, increase production and create effectiveness, as driven by the goal of stabilizing output within Zhaoyuan city and expanding outside Zhaoyuan city. The planned annual total output of gold amounts to 950,500 ozs (29,562.5 kg), representing an increase of approximately 2.47%, mined gold amounts to 646,800 ozs (20,117.9 kg), representing an increase of approximately 0.04%, and self-produced gold amounts to 536,300 ozs (16,680.4 kg), representing an increase of approximately 10.27%. Meanwhile, the Company will highlight its management on quality and efficiency by strictly adhering to the principle of "Cost is King". With the expansion of project management, process management, logistics and energy management, energy conservation and reduced consumption, the Company strengthens the promotion on four new technologies which comprise of a series of effective measures, so as to continue to consolidate and maximize the low-cost advantage of Zhaojin.

Implement Innovative Drive, Expedite Transformation and Upgrading

In 2014, the Company plans to invest RMB51.56 million in implementing 37 scientific research and technological innovation projects. The Company focuses on leveraging our advantages and implement key projects, as driven by the top ten key projects and top ten innovative projects. We establish a high-end platform for the national-level technology center, fully integrate technological innovation resources of the Company, expedite the model infrastructure development for integrated utilization of gold resources, and increase the impact of Zhaojin on technological research and development in the industry. Through its platform for sharing technological resources, the Company recruits external expertise to fully capitalize the joint efforts of both external professionals and corporate internal professionals in conducting our major scientific research projects. Regarding the geological exploration sector, the Company will continue to carry out breakthroughs in exploration, by means of strengthening its geological scientific research efforts, mobilizing inventories and drilling potential, with emphasis on reserves upgrade and enhance output, so as to continue to maximize the result of geological exploration. Within Zhaoyuan city, with Zhaoping fault zone and Lingbei area as our key targets, the Company will further expand the mining identification capacity at Xiadian Gold Mine, Jintingling Mining and Daqinjia Gold Mine. Outside Zhaoyuan city, with Xiqinlingcheng Mine as out key target, the Company will expand the mining identification capacity of Minxian Tianhao and Liangdang Zhaojin, and also devote more efforts to promote the mine finding projects of old mines. The planned annual total investment amounts to RMB150 million, whereas new gold resource reserves amounts to 50 tonnes.

Accelerate Construction of Projects, Improve Investment Returns

The planned annual investment in implementing 34 projects amounts to RMB985 million. With ongoing production and mining ancillary works as our key task, we focus on accelerating the process of our key projects, such as the model project of exploration and utilization in a safe and effective way under high temperature and pressure environment in the Xiadian Gold Mine, the optimization and transformation project of production system of Tonghui Copper Mining, as well as the construction project of mining and processing 2,000 tonnes/day by Zaozigou Gold Mine and Zhaojin Baiyun, aiming to exert all our strengths to develop construction projects with top quality. Meanwhile, by intensifying our comprehensive budget management and carrying out project completion and acceptance, project audits, arrangement of meeting our project production target in a sound manner, the investment costs will be further reduced.

Stricter Risk Management and Control to Achieve Steady and Sustainable Development

The Company strives to establish a comprehensive risk control system. Through implementing measures like adjusting debt structure and broadening low-cost financing channels, the Company is able to reduce financial risk effectively and protect cash flow. In respect of project mergers and acquisitions, the Company will consider its capability, observe before acting and proceed in a prudent manner. The Company's focus in China refers to regions such as Xinjiang, Gansu, Shaanxi and Inner Mongolia. For overseas mining development, the Company will focus on countries and regions which possess abundant resources, political stability and close relations with China. Our planned total investment in 2014 amounts to RMB500 million, with the acquisition of mining rights area of 2 square kilometers, exploration area of 30 square kilometers, and the acquisition of over 10 tonnes of gold reserves. The Company will further enhance risk control on sales, establish a scientifically reasonable sales model, strictly implement its principle with both production and sales acting in the same pace and reduce inventories.

Enhance Safety and Environmental Protection, Secure Harmonious and Stable Development

The Company plans to invest an annual sum of RMB166 million to enhance safety and environmental protection standards. By improving the level of safety and environmental management, the Company continues to create its core eco-mining culture based on its mines with "Four Features" as a model of eco-mining in the industry. Meanwhile, the Company attache great importance to environmental safety issues. By focusing on tailings, safety protection, zero-emission etc., the Company continues at exchanging for sustainable development at the minimal expense of environmental damage, so as to achieve green, ecological and harmonious development.

Fulfill Social Responsibilities, Optimize Business Environment

In 2014, the Company will fully utilize the advantages it possesses in aspects like technology, management, shareholders' resources and region so as to let the enterprise become bigger and stronger. On the other hand, the Company will continue to ensure integration of culture, recognition of different values, and relationship among shareholders, business and community. The Company focuses on the establishment of new community relations, placing high importance of community building in our business operations and management, which enables the Company to create a favorable external operating environment, and to achieve development with mutual success in harmony.

ACQUISITIONS

On 17 October 2013, the Company entered into an equity transfer agreement with Zhang Xueqin and Zhang Zhiling, pursuant to which the Company agreed to acquire 70% equity interests in Ejinaqi Yuantong Mining Company Limited (額濟納旗圓通礦業有限責任公司) at a consideration of RMB178,500,000. The Company acquired 2.78 square kilometers of mining rights areas and 14.673 tons of gold reserve.

As at 6 November 2013, the registration procedures associated with the equity transfer with relevant local industry and commerce authority were completed.

The acquisition did not constitute any connected transaction of the Company under Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), nor did it constitute any notifiable transaction of the Company under Chapter 14 of the Listing Rules.

SIGNIFICANT EVENTS

1. On 27 May 2013, the 2012 annual general meeting of the Company discussed and passed, among other things, the following resolutions:

(1) the Company's profit distribution proposal for the year ended 31 December 2012 to distribute a cash dividend of RMB0.24 (tax included) per share to all shareholders. On 25 June 2013, the Company distributed the 2012 cash dividend of RMB0.24 (tax included) per share to all shareholders;

(2) authorizing the Board to allot, issue or deal with shares of up to a maximum of 20% of the aggregate nominal value of the issued H shares and existing domestic shares of the Company as at the date of passing such resolution;

(3) authorizing the Board to repurchase shares of up to a maximum of 10% of the aggregate nominal value of the issued H share capital of the Company as at the date of passing such resolution;

(4) amending Article 3.4, Article 9.8 and Article 10.1 of the articles of association of the Company, which are mainly related to the requirements of overseas listing of unlisted shares, the scenarios that are not applicable to the voting of class shareholders and adjustment of the number of vice chairmen.

Relevant details were set out in the circular, notice, supplemental notice and announcement of the Company dated 8 April 2013, 9 May 2013 and 27 May 2013 respectively published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

2. On 27 May 2013, the following proposals (among other things) were reviewed at the domestic shares class meeting and H shares class meeting respectively:

(1) authorizing the Board to repurchase H shares of up to a maximum of 10% of the aggregate nominal value of the issued H share capital of the Company as at the date of passing such resolution;

(2) amending Article 3.4 of the articles of association of the Company, which is mainly related to the requirements of overseas listing of unlisted shares;

(3) amending Article 9.8 of the articles of association of the Company, which is mainly related to the scenarios that are not applicable to the voting of class shareholders.

All the three proposals were approved at the domestic shares class meeting and the H shares class meeting.

Relevant details were set out in the circular, notice, supplemental notice and announcement of the Company dated 8 April 2013, 9 May 2013 and 27 May 2013 respectively published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

3. Issue of Debt Financial Instruments

On 29 November 2013, the resolution regarding the non-public issue of debt financial instruments with a principal amount of no more than RMB1,000,000,000 was reviewed and passed by the second extraordinary general meeting in 2013.

Relevant details were set out in the circular, notice and announcement of the Company dated 15 October 2013 and 29 November 2013 respectively published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

4. Distribution of Interest of "2009 Zhaojin Bond" for the Year 2013

On 23 December 2013, the Company has distributed the interest of "2009 Zhaojin Bond" in an aggregate sum of RMB75,000,000 for the fourth distributing year from 23 December 2012 to 22 December 2013.

Relevant details were set out in the announcement of the Company dated 16 December 2013 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

5. Distribution of Interest of "2012 Zhaojin Bond" for the Year 2013

On 16 November 2013, the Company has distributed the interest of "2012 Zhaojin Bond" in an aggregate sum of RMB59,880,000 for the first distributing year from 16 November 2012 to 15 November 2013.

Relevant details were set out in the announcement of the Company dated 12 November 2013 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

6. Election of the Board and Changes in Composition of the Board

The Company held the 2013 first extraordinary general meeting on 26 February 2013 and elected Mr. Lu Dongshang, Mr. Weng Zhanbin, Mr. Li Xiuchen, Mr. Liang Xinjun, Mr. Cong Jianmao, Mr. Ye Kai, Mr. Kong Fanhe, Mr. Ye Tianzhu, Ms. Chen Jinrong, Mr. Choy Sze Chung Jojo and Mr. Xie Jiyuan as the directors of the fourth session of the Board. The Directors have a term of three years with effect from 26 February 2013. The independent non-executive Director Mr. Yan Hongbo has served as an independent Non-executive Director for three successive terms, and his term of service reached nine years upon the expiry of the term of the third session of the Board. In consideration of the requirements of Code Provision A.4.3 of the "Corporate Governance Code" as set out in Appendix 14 of the Listing Rules, Mr. Yan has ceased to be the Company's independent Non-executive Director of the fourth session of the Board and resigned from his position as the chairman of the Nomination and Remuneration Committee and the Safety and Environmental Protection Committee and a member of the Geological and Resources Management Committee of the Company. Mr. Yan has confirmed that there was no disagreement between him and the Board, and there were no other matters that need to be brought to the attention of the Shareholders of the Company.

The Company held the fourth meeting of the fourth session of the Board on 7 June 2013 and elected Mr. Weng Zhanbin as the Vice Chairman of the Company.

Relevant details of the changes in the composition of the Board were set out in the circular, notice and announcement of the Company dated 12 January 2013 respectively and 26 February 2013 respectively published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

The Company held the eighth meeting of the fourth session of the Board on 24 January 2014, at which the Company agreed Mr. Ye Kai to resign from his position as a non-executive Director and a member of the Audit Committee due to reallocation of work arrangement, with effect from 24 January 2014. Mr. Ye confirmed that they have no disagreement with the Board and there is no matter relating to Mr. Ye's resignations that need to be brought to the attention of the shareholders of the Company. In accordance with the requirements of the articles of association of the Company, the Board appointed Mr. Xu Xiaoliang as a non-executive Director and a member of the Audit Committee of the Company.

Relevant details of the changes in the composition of the Board were set out in the announcement of the Company dated 27 January 2014 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

7. Changes in Senior Management

The Company held the first meeting of the fourth session of the Board on 26 February 2013. Being nominated by the Chairman, the Board appointed Mr. Weng Zhanbin as President of the Company for a term commencing from 26 February 2013 until the expiry of the current session of the Board. Being nominated by the president, the Board appointed Mr. Li Xiuchen as Executive President of the Company, whereas Mr. Sun Xiduan, Mr. Cong Peizhang, Mr. Wang Ligang and Mr. Dong Xin were appointed as Vice Presidents of the Company for a term commencing from 26 February 2013 to the expiry of the current session of the Board. Being nominated by the Chairman, the Board agreed to appoint Mr. Wang Ligang as secretary to the Board for a term commencing from 26 February 2013 to the expiry of the current session of the Board.

The Company held the fifth meeting of the fourth session of the Board on 26 August 2013. The Board approved the resignation of Ms. Ma Sau Kuen Gloria as company secretary and authorized representative as required pursuant to Hong Kong Companies Ordinance with effect from 26 August 2013. Ms. Ma has confirmed that she has no disagreement with the Board and that there are no other matters that need to be brought to the attention of the Stock Exchange and the Shareholders of the Company. The Board approved the appointment of Ms. Mok Ming Wai as company secretary and authorized representative as required pursuant to Hong Kong Companies Ordinance with effect from 26 August 2013. Ms. Mok is a director of KCS Hong Kong Limited. She has over 15 years of professional and in-house experience in the company secretarial field. She is a fellow member of the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators in the United Kingdom.

Relevant details were set out in the announcement of the Company dated 26 August 2013 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

The Company held the seventh meeting of the fourth session of the Board on 26 October 2013. Being nominated by the President, Mr. Qiu Shoucai appointed as Chief Financial Officer of the Company by the Board for a term commencing from 26 October 2013 until the expiry of the current session of the Board.

The Company held the eighth meeting of the fourth session of the Board on 24 January 2014, at which the Board agreed Mr. Lu Dongshang to resign from being the Chairman and authorised representative of the Company due to reallocation of work arrangement, with effect from 24 January 2014. Mr. Weng Zhangbin was appointed as the Chairman of the current session of the Board and he resigned from his positions as the Vice Chairman of the Board and the President of the Company with effect from 24 January 2014. As nominated by the Chairman, the Board agreed to appoint Mr. Li Xiuchen as the President of the Company, for a term commencing from 24 January 2014 to the end of the term of the current session of the Board. The position will be released upon the expiry of the term and will be re-appointed at the next session of the Board. At the same time, in accordance with the requirements of the articles of association of the Company, the Board appointed Mr. Li Xiuchen as an authorised representative of the Company.

Relevant details were set out in the announcement of the Company dated 27 January 2014 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

8. Election of the Supervisory Committee

The Company held the 2013 First Extraordinary General Meeting on 26 February 2013 and elected Mr. Wang Xiaojie and Ms. Jin Ting as supervisors of the fourth session of the Supervisory Committee of the Company. Together with Mr. Chu Yushan, the Supervisor acting as the staff representative, who was elected on the Company's Staff Representative Meeting, they constitute the fourth session of the Supervisory Committee of the Company.

The supervisors have a term of three years commencing from 26 February 2013.

Relevant details were set out in the circular, notice and announcement of the Company dated 12 January 2013 and 26 February 2013 respectively published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

PRE-EMPTIVE RIGHTS

There is no provision or regulation for pre-emptive rights under the Company's Articles of Association or the PRC Laws which requires the Company to issue new shares to the existing shareholders according to their respective proportions of shareholding.

PURCHASE, SALE IR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board is of the view that the Company has complied with the code provisions in the Corporate Governance Code as set out in Appendix 14 of the Listing Rules (collectively the "Code") during the period from 1 January 2013 to 31 December 2013. No Director is aware of any information that reasonably reveals that there was any non-compliance with the code provisions of the Code by the Company at any time during the Year.

For details of the Corporate Governance Report, please refer to the annual report to be despatched to shareholders in due course.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS ("MODEL CODE")

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules as the code of conduct regarding securities transactions by the Directors and supervisors.

The Board is pleased to confirm, after making specific enquiries with all Directors and supervisors, that all directors and supervisors have fully complied with the standards required according to the Model Code set out in Appendix 10 of the Listing Rules during the Year.

AUDIT COMMITTEE

On 26 February 2013, at the first meeting of the fourth session of the Board of the Company, the Board members have been re-elected. The Audit Committee of the fourth session of the Board of the Company comprises 1 Non-executive Director and 2 independent Non-executive Directors, namely Mr. Ye Kai, Ms. Chen Jinrong and Mr. Choy Sze Chung Jojo. Each member of the Audit Committee is appointed for a term of three years and its Chairman is Ms. Chen Jinrong.

The Audit Committee has reviewed the Group's audited consolidated financial statements for the year ended 31 December 2013, and is of the view that the Group's audited consolidated financial statements for the year ended 31 December 2013 are prepared in accordance with the applicable accounting standards, laws and regulations, and appropriate disclosures have already been made.

The Company held the eighth meeting of the fourth session of the Board on 24 January 2014, at which the Company agreed Mr. Ye Kai to resign from his position as a member of the Audit Committee, and appointed Mr. Xu Xiaoliang as a member of the Audit Committee of the Company.

CONFIRMATION OF INDEPENDENCE OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company confirmed that it has received the annual confirmation of independence from each of the independent Non-executive Directors in compliance with Rule 3.13 of the Listing Rules on 24 January 2014. The Company is of the view that the independent Non-executive Directors remain independent during the Year in accordance with the relevant requirements of Rule 3.13 of the Listing Rules.

CLOSURE OF THE REGISTER OF MEMBERS

In order to determine the shareholders of H shares who are entitled to attend the 2013 AGM, the H shares registrar and transfer office will be closed from 26 April 2014 to 26 May 2014, both days inclusive, during which no transfer of shares will be registered. In order to determine the shareholders of H shares who are entitled to receive the final dividend for the year ended 31 December 2013, the H shares registrar and transfer office will be closed from 30 May 2014 to 3 June 2014, both days inclusive, during which no transfer of shares will be registered.

For qualifying to attend and vote at the 2013 AGM, H shares shareholders whose transfer have not been registered must lodge all transfer instruments accompanied by the relevant share certificates with the Company's H shares registrar and transfer office, Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for holders of H shares, or the registered office of the Company at 299 Jinhui Road, Zhaoyuan City, Shandong Province, the PRC for holders of domestic shares for registration at or before 4:30 p.m. on Friday, 25 April 2014.

For qualifying to receive the final dividend for the year 2013, shareholders of H shares whose transfer have not been registered must lodge all transfer instruments accompanied by the relevant share certificates with the Company's H shares registrar and transfer office, Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for holders of H shares, or the registered office of the Company at 299 Jinhui Road, Zhaoyuan City, Shandong Province, the PRC for holders of domestic shares for registration at or before 4:30 p.m. on Thursday, 29 May 2014.

ANNUAL GENERAL MEETING AND ANNUAL REPORT

The 2013 AGM will be held on Monday, 26 May 2014. The notice of 2013 AGM will be posted to the Shareholders as soon as possible. The Group's annual report for the year ended 31 December 2013 will be posted to the Shareholders in due course.

Notes:

1. This annual results announcement will be published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.zhaojin.com.cn).

2. As at the date of this announcement, the members of the Board are: Executive Directors: Mr. Weng Zhanbin, Mr. Li Xiuchen and Mr. Lu Dongshang, Non-executive Directors: Mr. Liang Xinjun, Mr. Cong Jianmao, Mr. Xu Xiaoliang and Mr. Kong Fanhe, Independent Non-executive Directors: Mr. Ye Tianzhu, Ms. Chen Jinrong, Mr. Choy Sze Chung Jojo and Mr. Xie Jiyuan.

By the order of the Board
Zhaojin Mining Industry Company Limited*
Weng Zhanbin
Chairman

Zhaoyuan, the PRC, 21 March 2014

* *For identification purpose only*