

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

YEAR ENDED 31 DECEMBER 2018

	<i>Notes</i>	2018 RMB'000	2017 RMB'000
REVENUE	5	7,177,057	6,673,999
Cost of sales		<u>(4,694,849)</u>	<u>(4,039,470)</u>
Gross profit		2,482,208	2,634,529
Other income and gains	5	440,070	254,560
Selling and distribution expenses		(55,584)	(44,806)
Administrative expenses		(941,521)	(893,850)
Impairment losses on financial assets		(38,535)	(109,247)
Loss on disposal of financial assets		(23,505)	—
Other expenses		(649,406)	(534,052)
Finance costs	6	(480,525)	(432,974)
Share of profits and losses of:			
Associates		6,195	4,274
Joint ventures		<u>17,306</u>	<u>9,750</u>
PROFIT BEFORE TAX	7	756,703	888,184
Income tax expense	9	<u>(180,400)</u>	<u>(134,155)</u>
PROFIT FOR THE YEAR		<u><u>576,303</u></u>	<u><u>754,029</u></u>
Attributable to:			
Owners of the parent		474,287	643,951
Non-controlling interests		<u>102,016</u>	<u>110,078</u>
		<u><u>576,303</u></u>	<u><u>754,029</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>0.20</u></u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2018

	2018 RMB'000	2017 RMB'000
PROFIT FOR THE YEAR	<u>576,303</u>	<u>754,029</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>1,005</u>	<u>5,505</u>
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	<u>1,005</u>	<u>5,505</u>
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Re-measurement of post-employment benefit obligations	1,381	9,677
Income tax effect	(345)	(2,419)
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	<u>(28,960)</u>	<u>—</u>
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	<u>(27,924)</u>	<u>7,258</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	<u>(26,919)</u>	<u>12,763</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>549,384</u>	<u>766,792</u>
Attributable to:		
Owners of the parent	445,692	656,714
Non-controlling interests	<u>103,692</u>	<u>110,078</u>
	<u>549,384</u>	<u>766,792</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2018

		31 December 2018 RMB'000	31 December 2017 RMB'000
	<i>Notes</i>		
NON-CURRENT ASSETS			
Property, plant and equipment	12	14,221,347	13,630,237
Prepaid land lease payments	13	683,906	705,819
Goodwill	14	693,434	779,931
Other intangible assets	15	9,399,297	9,315,819
Investments in joint ventures	16	172,416	119,979
Investments in associates	17	678,125	282,872
Available-for-sale investments	18	—	38,350
Equity investments designated at fair value through other comprehensive income	18	—	—
Financial assets measured at amortised cost		241,753	—
Deferred tax assets	19	147,827	170,055
Long-term deposits	21	72,882	82,706
Other long-term assets	22	589,864	649,424
		<hr/>	<hr/>
Total non-current assets		26,900,851	25,775,192
CURRENT ASSETS			
Inventories	23	4,190,556	3,564,584
Trade and notes receivables	24	145,497	236,307
Prepayments, other receivables and other assets	25	657,929	708,939
Financial assets at fair value through profit or loss	26	598,007	279,078
Pledged deposits	27	352,756	277,822
Loans receivable	20	1,898,284	1,123,795
Cash and cash equivalents	27	1,143,299	1,847,169
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Total current assets		8,986,328	8,037,694

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

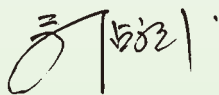
31 DECEMBER 2018

		31 December 2018	31 December 2017
	<i>Notes</i>	RMB'000	RMB'000
CURRENT LIABILITIES			
Trade and notes payables	28	524,515	445,583
Other payables and accruals	29	1,707,054	1,949,251
Interest-bearing bank and other borrowings	30	8,365,787	10,779,923
Tax payable		64,705	68,312
Provisions	33	14,525	16,636
Deposits from customers	34	1,002,015	517,832
Current portion of other long-term liabilities		125,000	—
		<u>11,803,601</u>	<u>13,777,537</u>
Total current liabilities		<u>11,803,601</u>	<u>13,777,537</u>
NET CURRENT LIABILITIES		<u>(2,817,273)</u>	<u>(5,739,843)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>24,083,578</u>	<u>20,035,349</u>
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	30	236,630	619,338
Corporate bonds	31	6,098,697	1,794,964
Deferred tax liabilities	19	361,989	390,718
Deferred income	32	305,238	364,523
Provisions	33	62,941	76,980
Other long-term liabilities	35	210,518	24,918
		<u>7,276,013</u>	<u>3,271,441</u>
Total non-current liabilities		<u>7,276,013</u>	<u>3,271,441</u>
Net assets		<u><u>16,807,565</u></u>	<u><u>16,763,908</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2018

	Notes	31 December 2018 RMB'000	31 December 2017 RMB'000
EQUITY			
Equity attributable to owners of the parent			
Share capital	36	3,220,696	3,220,696
Perpetual capital instruments	37	2,664,600	2,664,600
Reserves	38	<u>7,413,181</u>	<u>7,314,638</u>
		<u>13,298,477</u>	<u>13,199,934</u>
Non-controlling interests		<u>3,509,088</u>	<u>3,563,974</u>
Total equity		<u><u>16,807,565</u></u>	<u><u>16,763,908</u></u>



Weng Zhanbin
Director



Dong Xin
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2018

	Attributable to owners of the parent							Non-controlling interests RMB'000	Total equity RMB'000
	Share capital RMB'000 (note 36)	Perpetual capital instruments RMB'000 (note 37)	Capital reserve RMB'000 (note 38)	Special reserve-safety fund RMB'000	Statutory and distributable reserve RMB'000 (note 38)	Exchange fluctuation reserve RMB'000	Retained profits 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	16,763,908
Profit for the year	-	-	-	-	-	-	474,287	474,287	576,303
Other comprehensive income for the year:									
Exchange differences related to foreign operations	-	-	-	-	(671)	-	-	(671)	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	549,384
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	(125,619)	(125,619)
Capital contribution from non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	10,500	10,500
Purchase of minority shares	-	-	(12,350)	-	-	-	-	(43,370)	(55,720)
Transfer to reserves	-	-	-	-	45,332	-	(45,332)	-	-
Disposal of a subsidiary	-	-	-	-	-	-	-	-	(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	16,807,565

* These reserve accounts comprise the consolidated reserves of RMB7,413,181,000 (31 December 2017: RMB7,314,638,000) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2018

	Attributable to owners of the parent							Non-controlling interests RMB'000	Total equity RMB'000
	Share capital RMB'000 (note 36)	Perpetual capital instruments RMB'000 (note 37)	Capital reserve RMB'000 (note 38)	Special reserve-safety fund RMB'000	Statutory and distributable reserve RMB'000 (note 38)	Exchange fluctuation reserve RMB'000	Retained profits RMB'000		
At 1 January 2017	2,965,827	2,147,132	1,488,261	18,217	903,518	(13,930)	3,712,844	2,913,348	14,135,217
Profit for the year	-	-	-	-	-	-	643,951	110,078	754,029
Other comprehensive income for the year:									
Exchange differences related to foreign operations	-	-	-	-	-	5,505	-	-	5,505
Remeasurements of post-employment benefit obligations, net of tax	-	-	7,258	-	-	-	-	-	7,258
Total comprehensive income for the year	-	-	7,258	-	-	5,505	643,951	110,078	766,792
Issue of shares	174,869	-	889,510	-	-	-	-	-	1,064,379
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	(77,255)	(77,255)
Issue of shares under the employee share subscription plan	80,000	-	(80,000)	-	-	-	-	-	-
Acquisition of a subsidiary	-	-	-	-	-	-	-	58,484	58,484
Disposal of a subsidiary	-	-	-	-	-	-	-	(1,469)	(1,469)
Capital contribution from non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	560,788	560,788
Transfer to reserves	-	-	-	-	79,745	-	(79,745)	-	-
Safety production cost	-	-	-	9,922	-	-	(9,922)	-	-
Accrued distribution of perpetual capital instruments	-	131,668	-	-	-	-	(131,668)	-	-
Distribution of perpetual capital instruments paid	-	(112,700)	-	-	-	-	-	-	(112,700)
Issue of perpetual capital instruments, net of issuance cost	-	498,500	-	-	-	-	-	-	498,500
Final 2016 dividend declared and paid	-	-	-	-	-	-	(128,828)	-	(128,828)
At 31 December 2017	3,220,696	2,664,600	2,305,029*	28,139*	983,263*	(8,425)*	4,006,632*	3,563,974	16,763,908

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2018

	Notes	2018 RMB'000	2017 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		756,703	888,184
Adjustments for:			
Finance costs	6	480,525	432,974
Share of profits of associates		(6,195)	(4,274)
Share of profits of joint ventures		(17,306)	(9,750)
Interest income from loans receivable		(38,271)	(11,664)
Loss on disposal or write-off of items of property, plant and equipment, other intangible assets, prepaid land lease payments and other long-term assets	7	12,028	42,682
Loss on disposal of a subsidiary	7	—	493
Fair value gain, net:			
– Equity investments at fair value through profit or loss	7	(81,017)	(1,038)
Gain on bargain purchase	7	—	(2,118)
Loss/(gain) on disposal of financial assets at fair value through profit or loss	7	23,505	(25,915)
(Gain)/loss on settlement of commodity derivative contracts	7	(23,791)	1,741
Depreciation of property, plant and equipment	7	861,598	819,560
Amortisation of other intangible assets	7	134,471	76,556
Amortisation of prepaid land lease payments	7	20,852	20,218
Amortisation of long-term prepaid expenses		14,268	11,438
Provision for impairment of receivables	7	15,639	66,130
Impairment loss on loans receivable	7	22,896	43,117
Impairment (reversal)/loss on inventories	7	(85,547)	113,455
Impairment loss on non-current assets	7	597,561	190,061
		2,687,919	2,651,850

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2018

	2018 RMB'000	2017 RMB'000
Decrease in other long-term assets	—	24,000
Decrease/(increase) in long-term deposits	9,824	(5,323)
Increase in inventories	(540,425)	(47,441)
Decrease in trade and notes receivables	89,080	39,414
Decrease/(increase) in prepayments and other receivables	102,852	(267,746)
Increase in pledged deposits	(92,644)	(16,350)
Increase in loans receivable	(667,230)	(515,486)
Increase in trade and notes payables	78,932	55,722
Decrease in other payables and accruals	(180,496)	(55,541)
Increase/(decrease) in deposits from customers	484,183	(467,904)
Decrease in deferred income	(59,285)	(71,351)
Decrease in provisions	(15,521)	(22,272)
CASH GENERATED FROM OPERATIONS	1,897,189	1,301,572
Income taxes paid	(190,853)	(234,210)
NET CASH FLOWS FROM OPERATING ACTIVITIES	1,706,336	1,067,362
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1,890	2,212
Dividend received from a joint venture	34,000	10,000
Purchases of items of property, plant and equipment	(1,652,075)	(1,380,291)
Proceeds from disposal of items of property, plant and equipment	33,824	34,643
Increase in prepaid land lease payments	(18,499)	(17,718)
Receipt of government grants for property, plant and equipment	—	7,552
Increase in other intangible assets	(280,104)	(143,554)
Acquisition of subsidiaries	(55,720)	(26,164)
Acquisition of a joint venture	(69,160)	—
Acquisition of associates	(390,002)	—
Net gain/(loss) from commodity derivative contracts	23,791	(1,741)
Deposits (paid)/received for commodity derivative contracts	(29,341)	39,599
Net proceeds from acquisition and disposal of equity investments at fair value through profit or loss	(252,027)	161,946
Payment for investments in financial assets measured at amortised cost	(241,753)	(7,590)
Disposal of investments in available-for-sale investments	—	280,000
Increase in long-term prepaid expenses	(1,668)	(7,000)
Decrease in loans receivable	10,000	43,000
Increase in loans receivable	(143,000)	(25,000)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(3,029,844)	(1,030,106)

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2018

	Notes	2018 RMB'000	2017 RMB'000
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank and other borrowings		11,512,553	12,346,542
Issuance of a corporate bond, net of issuance expense		4,750,000	850,000
Repayment of a corporate bond		(443,008)	(1,200,000)
Repayment of bank and other borrowings		(14,308,830)	(12,920,432)
Proceeds from issue of shares		—	1,064,379
Repayment from gold leasing business		—	(52,196)
Capital contribution from non-controlling shareholders		14,000	560,788
Dividends paid		(314,061)	(195,783)
Decrease in pledged deposits for short-term bank loans		17,710	58,879
Issuance of perpetual capital instruments, net of issuance expense		—	498,500
Distribution paid for perpetual capital instruments		(139,850)	(112,700)
Interest paid		(493,857)	(486,350)
		<u>594,657</u>	<u>411,627</u>
NET CASH FLOWS FROM FINANCING ACTIVITIES			
		<u>594,657</u>	<u>411,627</u>
NET(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		1,847,169	1,437,951
Effects of foreign exchange rate changes, net		24,981	(39,665)
		<u>1,143,299</u>	<u>1,847,169</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR			
		<u>1,143,299</u>	<u>1,847,169</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	27	968,591	1,846,668
Non-pledged time deposits with original maturity of less than three months when acquired		174,708	501
		<u>1,143,299</u>	<u>1,847,169</u>
Cash and cash equivalents as stated in the consolidated statement of cash flows	27	<u>1,143,299</u>	<u>1,847,169</u>