The following is the text of a report set out on pages I-1 to I-3, received from the Company's reporting accountant, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus. It is prepared and addressed to the directors of the Company and to the Joint Sponsors pursuant to the requirements of HKSIR 200 Accountants' Reports on Historical Financial Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants.

pwc 羅兵咸永道

ACCOUNTANT'S REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF SHANDONG GOLD MINING CO., LTD. AND CCB INTERNATIONAL CAPITAL LIMITED, CHINA SECURITIES (INTERNATIONAL) CORPORATE FINANCE COMPANY LIMITED AND ICBC INTERNATIONAL CAPITAL LIMITED

Introduction

We report on the historical financial information of Shandong Gold Mining Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-174, which comprises the consolidated balance sheets as at 31 December 2015, 2016 and 2017 and 31 March 2018, the Company balance sheets as at 31 December 2015, 2016 and 2017 and 31 March 2018, and the consolidated statements of profit or loss, the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the periods then ended (the "Track Record Period") and a summary of significant accounting policies and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to I-174 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 14 September 2018 (the "Prospectus") in connection with the initial listing of H shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

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Reporting accountant's responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200, Accountants' Reports on Historical Financial Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountant's judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountant considers internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2.1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion the Historical Financial Information gives, for the purposes of the accountant's report, a true and fair view of the financial position of the Company and the consolidated financial position of the Group as at 31 December 2015, 2016 and 2017 and 31 March 2018, and of its consolidated financial performance and its consolidated cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2.1 to the Historical Financial Information.

Review of stub period comparative financial information

We have reviewed the stub period comparative financial information of the Group which comprises the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the three months ended 31 March 2017 and other explanatory information (the "Stub Period Comparative Financial Information"). The directors of the Company are responsible for the preparation and presentation of the Stub Period Comparative Financial Information in accordance with the basis of preparation set out in Note 2.1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the International Auditing and Assurance Standards Board ("IAASB"). A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountant's report, is not prepared, in all material respects, in accordance with the basis of preparation set out in Note 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to note 34 to the Historical Financial Information which contains information about the dividends payable by Shandong Gold Mining Co., Ltd. in respect of the Track Record Period.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, 14 September 2018

I. HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountant's report.

The financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by PricewaterhouseCoopers in accordance with International Standards on Auditing issued by the IAASB ("Underlying Financial Statements").

The Historical Financial Information of the Group is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Section II Note	Year ended 31 December			Three months ended 31 March	
		2015	2016	2017	2017	2018
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Revenue	5	38,774,481	49,072,691	51,041,303	9,711,161	14,166,317
Cost of sales	8	(36,175,053)	(45,567,129)	(47,398,660)	(8,850,914)	(13,170,342)
Gross profit		**2,599,428**	**3,505,562**	**3,642,643**	**860,247**	**995,975**
Selling expenses	8	(34,768)	(34,440)	(31,152)	(7,427)	(8,269)
General and administrative expenses	8	(1,090,491)	(1,225,662)	(1,214,344)	(279,044)	(297,893)
Research and development costs	8	(153,795)	(265,333)	(273,559)	(34,846)	(22,091)
Other income	6	8,536	14,845	15,979	309	720
Other gains/(losses), net	7	68,550	39,952	(13,078)	(22,436)	12,290
Profit from operations		**1,397,460**	**2,034,924**	**2,126,489**	**516,803**	**680,732**
Finance income	10	12,429	10,988	37,445	5,201	9,241
Finance costs	10	(451,033)	(375,598)	(593,513)	(112,151)	(209,451)
Finance costs, net	10	(438,604)	(364,610)	(556,068)	(106,950)	(200,210)
Share of profit of an associate	12	22,881	27,662	34,024	7,950	9,028
Profit before income tax		**981,737**	**1,697,976**	**1,604,445**	**417,803**	**489,550**
Income tax expenses	13	(268,480)	(385,194)	(431,452)	(89,343)	(135,953)
Profit for the year/period		**713,257**	**1,312,782**	**1,172,993**	**328,460**	**353,597**
Profit attributable to:						
Equity holders of the Company		647,930	1,286,642	1,118,920	317,938	327,926
Non-controlling interests		65,327	26,140	54,073	10,522	25,671
		713,257	1,312,782	1,172,993	328,460	353,597
Basic and diluted earnings per share for the profit attributable to the equity holders of the Company (RMB)	**14**	**0.46**	**0.85**	**0.60**	**0.17**	**0.18**

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Section II Note	Year ended 31 December			Three months ended 31 March	
		2015	2016	2017	2017	2018
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Profit for the year/period		713,257	1,312,782	1,172,993	328,460	353,597
Other comprehensive income:						
Items that may be reclassified to profit or loss						
Change in value of available-for-sale financial assets		(25,257)	(1,092)	—	—	—
Share of other comprehensive income of the associate		—	105	(56)	—	(49)
Currency translation differences		—	—	(2,482)	—	(4,299)
Other comprehensive losses for the year/period, net of tax		(25,257)	(987)	(2,538)	—	(4,348)
Total comprehensive income for the year/period		688,000	1,311,795	1,170,455	328,460	349,249
Total comprehensive income attributable to:						
— Equity holders of the Company		633,661	1,286,111	1,116,382	317,938	323,578
— Non-controlling interests		54,339	25,684	54,073	10,522	25,671
		688,000	1,311,795	1,170,455	328,460	349,249

CONSOLIDATED BALANCE SHEETS

	Section II Note	As at 31 December 2015	As at 31 December 2016	As at 31 December 2017	As at 31 March 2018
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Assets					
Non-current assets					
Property, plant and equipment	15	12,911,774	13,512,918	21,110,946	21,108,287
Investment properties	16	207,925	234,470	226,684	224,601
Land use rights	17	244,598	305,079	339,824	343,407
Intangible assets	18	9,282,213	11,117,867	12,014,845	11,871,586
Goodwill	19	120,694	120,694	1,126,673	1,088,785
Investment in an associate	12	343,694	371,461	399,208	408,187
Available-for-sale financial assets	21	4,157	2,015	2,015	—
Financial assets at fair value through other comprehensive income	21	—	—	—	2,015
Inventories	24	—	—	143,896	141,151
Deferred income tax assets	31	167,220	161,722	152,421	165,028
Restricted bank deposits	25	—	—	520,198	—
Other non-current assets	22	1,001,414	494,290	832,017	923,982
		24,283,689	26,320,516	36,868,727	36,277,029
Current assets					
Inventories	24	691,480	1,369,968	2,958,398	3,355,264
Trade and other receivables	23	483,665	333,369	720,841	789,717
Prepaid income tax		30,835	38,918	31,197	23,117
Restricted bank deposits	25	109,481	143,855	149,744	146,989
Cash and cash equivalents	25	497,271	1,159,795	2,402,814	2,473,693
		1,812,732	3,045,905	6,262,994	6,788,780
Total assets		**26,096,421**	**29,366,421**	**43,131,721**	**43,065,809**

	Section II Note	As at 31 December 2015	As at 31 December 2016	As at 31 December 2017	As at 31 March 2018
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Equity and liabilities					
Equity attributable to owners of the company					
Share capital	26(i)	1,423,072	1,857,119	1,857,119	1,857,119
Treasury shares	26(ii)	(6,385)	(6,385)	(6,385)	(6,385)
Reserves	27(i)	1,908,941	4,825,012	4,905,879	4,901,496
Retained earnings		7,879,967	9,005,069	9,710,812	10,038,738
		11,205,595	15,680,815	16,467,425	16,790,968
Non-controlling interests		1,216,195	1,008,906	1,026,341	1,051,907
Total equity		**12,421,790**	**16,689,721**	**17,493,766**	**17,842,875**
Liabilities					
Non-current liabilities					
Borrowings	30	3,406,503	3,378,394	8,091,819	6,797,670
Deferred income tax liabilities	31	2,068,968	1,992,750	4,135,396	3,997,270
Deferred revenue		21,606	16,096	17,526	17,328
Provision for asset retirement obligations	32	—	29,965	570,586	547,448
Other non-current liabilities	33	26,746	19,097	70,443	69,309
		5,523,823	5,436,302	12,885,770	11,429,025
Current liabilities					
Trade and other payables	28	2,560,604	2,994,852	3,927,444	3,731,087
Current income tax liabilities		81,814	47,060	177,231	225,737
Borrowings	30	730,999	1,028,697	2,883,107	3,329,531
Current portion of other non-current liabilities	33	—	—	12,992	8,523
Financial liabilities at fair value through profit or loss	29	4,777,391	3,169,789	5,751,411	6,499,031
		8,150,808	7,240,398	12,752,185	13,793,909
Total liabilities		**13,674,631**	**12,676,700**	**25,637,955**	**25,222,934**
Total equity and liabilities		**26,096,421**	**29,366,421**	**43,131,721**	**43,065,809**
Net current liabilities		**(6,338,076)**	**(4,194,493)**	**(6,489,191)**	**(7,005,129)**
Total assets less current liabilities		**17,945,613**	**22,126,023**	**30,379,536**	**29,271,900**

BALANCE SHEETS OF THE COMPANY

	Section II Note	As at 31 December			As at 31 March
		2015	2016	2017	2018
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Assets					
Non-current assets					
Property, plant and equipment	15	1,546,901	1,594,000	1,816,116	1,881,135
Investment properties		180,684	208,033	201,707	200,147
Land use rights		—	7,141	6,996	6,960
Intangible assets		29,484	24,044	35,301	34,428
Investment in subsidiaries	11a	9,747,941	13,057,045	13,097,045	13,097,045
Investment in an associate	12	343,694	371,461	399,208	408,187
Available-for-sale financial assets		500	500	500	—
Financial assets at fair value through other comprehensive income		—	—	—	500
Restricted bank deposits	25	—	—	520,198	—
Other non-current assets	22	18,676	32,457	442,139	446,159
		11,867,880	15,294,681	16,519,210	16,074,561
Current assets					
Inventories		35,998	37,830	37,532	53,430
Trade and other receivables	23	3,145,613	3,005,122	4,428,749	5,002,318
Prepaid income tax		10,928	10,928	10,941	10,941
Restricted bank deposits	25	4,693	12,346	15,601	15,681
Cash and cash equivalents	25	148,037	976,475	1,374,843	1,559,672
		3,345,269	4,042,701	5,867,666	6,642,042
Total assets		**15,213,149**	**19,337,382**	**22,386,876**	**22,716,603**
Equity and liabilities					
Equity attributable to owners of the Company					
Share capital	26	1,423,072	1,857,119	1,857,119	1,857,119
Reserves	27(ii)	923,972	5,505,066	5,586,020	5,586,007
Retained earnings	27(ii)	3,720,649	3,764,279	4,175,859	4,178,582
Total equity		**6,067,693**	**11,126,464**	**11,618,998**	**11,621,708**

	Section II Note	As at 31 December			As at 31 March
		2015	2016	2017	2018
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Liabilities					
Non-current liabilities					
Borrowings	30	3,286,503	3,290,394	1,296,252	685,637
Deferred income tax liabilities		35,983	44,234	43,134	40,776
Deferred revenue		32	603	757	912
Provision for asset retirement obligations		—	—	15,264	15,264
Other non-current liabilities		9,245	6,981	4,717	4,717
		3,331,763	3,342,212	1,360,124	747,306
Current liabilities					
Trade and other payables	28	746,302	1,252,494	1,302,735	1,324,949
Borrowings	30	290,000	790,000	2,668,228	2,698,885
Financial liabilities at fair value through profit or loss	29	4,777,391	2,826,212	5,436,791	6,323,755
		5,813,693	4,868,706	9,407,754	10,347,589
Total liabilities		**9,145,456**	**8,210,918**	**10,767,878**	**11,094,895**
Total equity and liabilities		**15,213,149**	**19,337,382**	**22,386,876**	**22,716,603**
Net current liabilities		**(2,468,424)**	**(826,005)**	**(3,540,088)**	**(3,705,547)**
Total assets less current liabilities		**9,399,456**	**14,468,676**	**12,979,122**	**12,369,014**

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Section II Note	Attributable to owners of the Company: Share capital	Treasury shares	Reserves	Retained earnings	Sub-total	Non-controlling interests	Total equity
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2015		**1,423,072**	**(543)**	**1,855,522**	**7,419,350**	**10,697,401**	**1,201,647**	**11,899,048**
Profit for the year		—	—	—	647,930	647,930	65,327	713,257
Other comprehensive losses								
Available-for-sale financial assets	21(d)	—	—	(14,269)	—	(14,269)	(10,988)	(25,257)
Total other comprehensive losses, net of tax		—	—	(14,269)	—	(14,269)	(10,988)	(25,257)
Total comprehensive (losses)/income		**—**	**—**	**(14,269)**	**647,930**	**633,661**	**54,339**	**688,000**
Transactions with owners in their capacity as owners								
Appropriations		—	—	45,254	(45,254)	—	—	—
Change in ownership interests in subsidiaries without change of control		—	—	1,332	—	1,332	(19,596)	(18,264)
Capital injection from non-controlling interests		—	—	—	—	—	1,500	1,500
Dividends to shareholders of the Company	34	—	—	—	(142,307)	(142,307)	—	(142,307)
Dividends paid by subsidiaries to non-controlling interests		—	—	—	—	—	(21,767)	(21,767)
Treasury shares	26(ii) and 27(i)	—	(5,842)	6,580	—	738	—	738
Others		—	—	14,522	248	14,770	72	14,842
Total transactions with owners in their capacity as owners		**—**	**(5,842)**	**67,688**	**(187,313)**	**(125,467)**	**(39,791)**	**(165,258)**
Balance at 31 December 2015		**1,423,072**	**(6,385)**	**1,908,941**	**7,879,967**	**11,205,595**	**1,216,195**	**12,421,790**

		Attributable to owners of the Company						
	Section II Note	Share capital	Treasury shares	Reserves	Retained earnings	Sub-total	Non-controlling interests	Total equity
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2016		**1,423,072**	**(6,385)**	**1,908,941**	**7,879,967**	**11,205,595**	**1,216,195**	**12,421,790**
Profit for the year		—	—	—	1,286,642	1,286,642	26,140	1,312,782
Other comprehensive (losses)/income								
Available-for-sale financial assets	21(d)	—	—	(636)	—	(636)	(456)	(1,092)
Share of other comprehensive income of the associate		—	—	105	—	105	—	105
Total other comprehensive losses, net of tax		—	—	(531)	—	(531)	(456)	(987)
Total comprehensive (losses)/income		**—**	**—**	**(531)**	**1,286,642**	**1,286,111**	**25,684**	**1,311,795**
Transactions with owners in their capacity as owners								
Appropriations		—	—	19,482	(19,482)	—	—	—
Change in ownership interests in subsidiaries without change of control	39	—	—	(219,356)	—	(219,356)	(205,002)	(424,358)
Capital injection from non-controlling interests		—	—	—	—	—	1,000	1,000
Dividends to shareholders of the Company	34	—	—	—	(142,307)	(142,307)	—	(142,307)
Dividends paid by subsidiaries to non-controlling interests		—	—	—	—	—	(28,874)	(28,874)
Issuance of ordinary shares	26(i) and 27(b)(ii)	434,047	—	4,564,652	—	4,998,699	—	4,998,699
Capital injection from the Parent Company	27(b)(i)	—	—	106,961	—	106,961	—	106,961
Consideration for the combination of entities or businesses under common control	27(b)(ii)	—	—	(1,541,467)	—	(1,541,467)	—	(1,541,467)
Others		—	—	(13,670)	249	(13,421)	(97)	(13,518)
Total transactions with owners in their capacity as owners		**434,047**	**—**	**2,916,602**	**(161,540)**	**3,189,109**	**(232,973)**	**2,956,136**
Balance at 31 December 2016		**1,857,119**	**(6,385)**	**4,825,012**	**9,005,069**	**15,680,815**	**1,008,906**	**16,689,721**

	Section II Note	Share capital	Treasury shares	Reserves	Retained earnings	Sub-total	Non-controlling interests	Total equity
		Attributable to owners of the Company						
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2017		**1,857,119**	**(6,385)**	**4,825,012**	**9,005,069**	**15,680,815**	**1,008,906**	**16,689,721**
Profit for the year		—	—	—	1,118,920	1,118,920	54,073	1,172,993
Other comprehensive losses								
Share of other comprehensive income of the associate		—	—	(56)	—	(56)	—	(56)
Currency translation differences		—	—	(2,482)	—	(2,482)	—	(2,482)
Total other comprehensive losses, net of tax		**—**	**—**	**(2,538)**	**—**	**(2,538)**	**—**	**(2,538)**
Total comprehensive (losses)/income		**—**	**—**	**(2,538)**	**1,118,920**	**1,116,382**	**54,073**	**1,170,455**
Transactions with owners in their capacity as owners								
Appropriations		—	—	81,488	(81,488)	—	—	—
Change in ownership interests in subsidiaries without change of control	39	—	—	1,312	—	1,312	(13,368)	(12,056)
Dividends to shareholders of the Company	34	—	—	—	(331,938)	(331,938)	—	(331,938)
Dividends paid by subsidiaries to non-controlling interests		—	—	—	—	—	(23,190)	(23,190)
Others		—	—	605	249	854	(80)	774
Total transactions with owners in their capacity as owners		**—**	**—**	**83,405**	**(413,177)**	**(329,772)**	**(36,638)**	**(366,410)**
Balance at 31 December 2017		**1,857,119**	**(6,385)**	**4,905,879**	**9,710,812**	**16,467,425**	**1,026,341**	**17,493,766**

		Attributable to owners of the Company						
	Section II Note	Share capital	Treasury shares	Reserves	Retained earnings	Sub-total	Non-controlling interests	Total equity
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2018		**1,857,119**	**(6,385)**	**4,905,879**	**9,710,812**	**16,467,425**	**1,026,341**	**17,493,766**
Profit for the period		—	—	—	327,926	327,926	25,671	353,597
Other comprehensive losses								
Share of other comprehensive income of the associate		—	—	(49)	—	(49)	—	(49)
Currency translation differences		—	—	(4,299)	—	(4,299)	—	(4,299)
Total other comprehensive losses, net of tax		—	—	(4,348)	—	(4,348)	—	(4,348)
Total comprehensive (losses)/income		**—**	**—**	**(4,348)**	**327,926**	**323,578**	**25,671**	**349,249**
Transactions with owners in their capacity as owners								
Others		—	—	(35)	—	(35)	(105)	(140)
Total transactions with owners in their capacity as owners		**—**	**—**	**(35)**	**—**	**(35)**	**(105)**	**(140)**
Balance at 31 March 2018		**1,857,119**	**(6,385)**	**4,901,496**	**10,038,738**	**16,790,968**	**1,051,907**	**17,842,875**
Balance at 1 January 2017		**1,857,119**	**(6,385)**	**4,825,012**	**9,005,069**	**15,680,815**	**1,008,906**	**16,689,721**
Profit for the period		—	—	—	317,938	317,938	10,522	328,460
Total comprehensive income		**—**	**—**	**—**	**317,938**	**317,938**	**10,522**	**328,460**
Transactions with owners in their capacity as owners								
Others		—	—	809	—	809	(188)	621
Total transactions with owners in their capacity as owners		**—**	**—**	**809**	**—**	**809**	**(188)**	**621**
Balance at 31 March 2017 (unaudited)		**1,857,119**	**(6,385)**	**4,825,821**	**9,323,007**	**15,999,562**	**1,019,240**	**17,018,802**

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Section II Note	Year ended 31 December			Three months ended 31 March	
		2015	2016	2017	2017	2018
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Cash flows from operating activities						
Cash generated from operations	35	2,788,895	3,295,839	4,230,525	910,114	812,091
Interest received		12,429	10,988	37,445	5,201	9,241
Income tax paid		(378,874)	(498,385)	(417,496)	(128,462)	(147,632)
Net cash generated from operating activities		**2,422,450**	**2,808,442**	**3,850,474**	**786,853**	**673,700**
Cash flows from investing activities						
Payment for acquisition of joint operation		—	—	(6,704,624)	—	—
Purchases of intangible assets		(77,899)	(22,973)	(1,620,576)	(349,181)	(19,867)
Purchases of property, plant and equipment		(1,612,137)	(1,791,053)	(2,269,474)	(306,909)	(970,107)
Proceeds from disposal of property, plant and equipment, land use rights and intangible assets		6,815	27,595	10,556	184	501
Purchase of investment properties		(722)	(991)	(329)	—	—
Purchase of land use rights		(21,001)	(94,473)	(36,115)	—	(6,461)
Proceeds from disposal of available-for-sale financial assets		60,629	3,142	—	—	—
Acquisition of available-for-sale financial assets		(2,047)	—	—	—	—
Proceeds from settlement of gold future/forward contracts		27,174	1,067	11,305	(18,084)	17,077
Proceeds from disposal of subsidiary, net of cash disposed		—	60,482	—	—	—
Decrease/(increase) in restricted bank deposits		3,688	(34,374)	(526,087)	1,061	522,953
Net cash used in investing activities		**(1,615,500)**	**(1,851,578)**	**(11,135,344)**	**(672,929)**	**(455,904)**

	Section II Note	Year ended 31 December			Three months ended 31 March	
		2015	2016	2017	2017	2018
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Cash flows from financing activities						
Capital injections from equity holders		—	1,637,588	—	—	—
Payments for acquisition of additional interests in subsidiary		(18,264)	(9,583)	(12,056)	—	—
Purchase of ordinary shares of the Company		(5,842)	—	—	—	—
Proceeds from bank borrowings		1,256,780	600,000	10,015,896	20,000	735,074
Repayments of bank borrowings		(1,521,780)	(560,000)	(3,090,712)	(410,000)	(522,358)
Proceed from disposal of treasury shares		6,580	—	—	—	—
Interest paid		(181,318)	(284,471)	(296,090)	(66,751)	(119,206)
Capital injections from non-controlling interests		1,500	1,000	—	—	—
Proceeds from borrowings from related parties		943,976	1,130,000	1,579,300	235,000	450,600
Repayments of borrowings from related parties		(1,150,000)	(1,255,457)	(1,410,000)	(210,000)	(645,000)
Settlement of borrowings from a third party	30(c)	(1,000,000)	—	—	—	—
Proceeds derived from gold leasing arrangements		6,676,567	5,381,588	6,467,964	2,054,760	3,014,838
Settlement of gold leasing arrangements		(6,692,782)	(7,031,469)	(3,956,193)	(715,955)	(2,309,878)
Proceeds from issuance of corporate bonds		1,300,000	400,000	—	—	—
Repayments of corporate bonds		—	—	(400,000)	(400,000)	(611,004)
Dividends paid to non-controlling interests		(81,094)	(33,679)	(16,390)	—	—
Dividends paid to shareholders		(142,059)	(142,058)	(184,160)	—	(71,236)
Payments for finance cost associated with gold leasing contracts		(168,414)	(128,562)	(134,246)	(22,388)	(42,062)
Payments of guarantee and arrangement fee for a borrowing		—	—	(64,897)	—	—
Net cash (used in)/generated from financing activities		**(776,150)**	**(295,103)**	**8,498,416**	**484,666**	**(120,232)**
Net increase in cash and cash equivalents		30,800	661,761	1,213,546	598,590	97,564
Cash and cash equivalents at beginning of the year/period		466,471	497,271	1,159,795	1,159,795	2,402,814
Exchange gains/(losses) on cash and cash equivalents		—	763	29,473	(43)	(26,685)
Cash and cash equivalents at end of the year/period		497,271	1,159,795	2,402,814	1,758,342	2,473,693

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1 General information

Shandong Gold Mining Co., Ltd. (the "Company") was established in the People's Republic of China ("PRC" or "China") on 31 January 2000 as a joint stock company with limited liability under the Company Law of the PRC by Shandong Gold Group Co., Ltd. ("SDG Group Co" or the "Parent Company"), Shandong Zhaojin Group Co., Ltd., Shandong Laizhou Gold (Group) Co., Ltd., Jinan Yuquan Development Center (subsequently renamed as Jinan Yuquan Development Co., Ltd.) and Rushan Gold Mine (subsequently renamed as Shandong Jinzhou Mining Group Co., Ltd.).

The A shares of the Company have been listed on the Shanghai Stock Exchange since August 2003.

The Company and its subsidiaries are hereinafter collectively referred to as the "Group". The Group is principally engaged in mining and processing of gold, sale of gold products and manufacturing and sale of building decoration materials. The address of the Company's registered office is Building No. 3, Shuntai Square, No. 2000 Shunhua Road, Jinan, Shandong Province, the PRC.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of the Historical Financial Information are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 ***Basis of preparation***

The Historical Financial Information of the Company has been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (the "IASB"). The Historical Financial Information has been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss, which are carried at fair value.

The preparation of financial information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 4.

2.1.1 *Going concern*

As at 31 March 2018, the Group's current liabilities exceeded its current assets by RMB7,005,129,000. The Company's directors are of the opinion that the Group will be able to finance its future financing requirements and working capital based on the following considerations:

(a) The Group is expected to remain profitable and hence continue to generate operating cash inflows from its future business operations;

(b) The Group has maintained its long business relationship with its principal bankers and the principal bankers have indicated their willingness to further provide banking facilities of RMB10,483,060,000 (the "Facilities") to the Group whenever it has any financing needs in the next twelve months from 31 March 2018.

In view of the above, the Company's directors are confident that there will be sufficient financial resources available to the Group to enable it to meet its liabilities as and when they fall due and to continue to operate for at least the next twelve months from 31 March 2018. Accordingly, the Company's directors have prepared the Historical Financial Information on a going concern basis.

2.1.2 *Changes in accounting policy and disclosures*

(a) New standards and interpretations not yet adopted

New standards and amendments to standards and interpretations are not yet effective for the financial period commencing on 1 January 2018 and have not been applied in preparing the Historical Financial Information are set out below:

	New standards, amendments and interpretations	**Published date**	**Effective date**
IFRS 16	Leases	January 2016	Annual periods beginning on or after 1 January 2019
IFRS 17	Insurance contracts	February 2018	Annual periods beginning on or after 1 January 2021
IFRIC 23	Uncertainty over income tax treatments	June 2017	Annual periods beginning on or after 1 January 2019

	New standards, amendments and interpretations	Published date	Effective date
IAS 19	'Employee benefits' on plan amendment, curtailment or settlement	February 2018	Annual periods beginning on or after 1 January 2019
Amendments to IFRS 10 and IAS 28	Sale or contribution assets between an investor and its associate or joint venture	September 2014	To be determined
Amendments to IFRS	Annual Improvements to IFRSs 2015-2017 Cycle	December 2017	Annual periods beginning on or after 1 January 2019
Amendment to IAS 28	Long term interests in associates and joint ventures	October 2017	Annual periods beginning on or after 1 January 2019
Amendment to IFRS 9	Prepayment features with negative compensation	October 2017	Annual periods beginning on or after 1 January 2019

The Group has already commenced an assessment of the impact of these new or amended standards and interpretation, certain of which are relevant to the Group's operation. According to the assessment made by the Board of Directors, except for the below discussed, no significant impact on the financial performance and positions of the Group is expected when they become effective.

IFRS 16, Leases

Nature of change

IFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the lessee's balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change.

Impact

The standard will affect primarily the accounting for the Group's operating leases. As at 31 March 2018, the Group's future aggregate minimum lease payments under non-cancellable operating leases is approximately RMB165,314,000 (Note 37(b)). IFRS 16 provides new provisions for the accounting treatment of leases and all non-current leases, including future operating lease commitments, must be recognised in the form of an asset (for the right of use) and a financial liability (for the payment obligation). Short-term leases of less than twelve months and leases of low-value assets are exempt from the reporting obligation. The new standard will therefore result in an increase in assets and financial liabilities in the consolidated balance sheets. Operating expenses under otherwise identical circumstances will decrease, and depreciation, amortisation and interest expense will increase. It is expected that certain portion of these lease commitments will be required to be recognised in the statement of financial position as right of use assets and lease liabilities. The Group also anticipates that the net impact (as a result of the combination of the interest expense arising from the lease liabilities and the amortisation of the right-of-use assets as compared to the rental expenses under existing standard) on the Group's financial performance will not be material.

Date of adoption by Group

Mandatory for financial years commencing on or after 1 January 2019. Management expects the adoption of such new standard should have no material impact to the Group.

(b) Changes in accounting policies

This note explains the impact of the adoption of IFRS 9 "Financial Instruments" ("IFRS 9") and IFRS 15 "Revenue from Contracts with Customers" ("IFRS 15") on the Group's financial information and also discloses the new accounting policies that have been applied from 1 January 2018, where they are different to those applied in prior periods.

Certain of the Group's accounting policies have been changed to comply with the adoption of IFRS 9 and IFRS 15. IFRS 9 replaces the provisions of IAS 39 Financial Instruments ("IAS 39") that relate to the recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; impairment of financial assets and hedge accounting. IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7 "Financial Instruments — Disclosures". IFRS 15 replaces the provisions of IAS 18 "Revenue" ("IAS 18") and IAS "11 Construction Contracts" ("IAS 11") that relate to the recognition, classification and measurement of revenue and costs.

(i) ***IFRS 9 - Impact on the financial information of the Group***

As a result of the changes in the Group's accounting policies, IFRS 9 was generally adopted without restating any comparative information. The adoption of IFRS 9 in the current period does not result in any impact on the amounts reported in the consolidated financial information set out in the consolidated financial information except that the Group has adopted the accounting policies on financial instruments with effect from 1 January 2018.

The following table shows the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided.

Balance sheet (extract)	1 January 2018 As originally presented	IFRS 9	1 January 2018 Restated
	RMB'000	*RMB'000*	*RMB'000*
Non-current assets			
Financial assets at fair value through other comprehensive income	—	2,015	2,015
Available-for-sale financial assets	2,015	(2,015)	—
Total	2,015	—	2,015

Management has assessed the business models and the contractual terms of the cash flows apply to the financial assets held by the Group at the date of initial application of IFRS 9 (1 January 2018) and has classified its financial instruments into the appropriate IFRS 9 categories, which are those to be measured subsequently at fair value (either through other comprehensive income ("FVOCI"), or through profit or loss ("FVPL")), and those to be measured at amortised cost.

(a) *Classification and measurement*

The main effects resulting from this reclassification are as follows:

As at 1 January 2018	Available-for-sale financial assets	FVOCI
	RMB'000	*RMB'000*
Opening balance - IAS 39	2,015	—
Reclassify non-trading unlisted equity securities from AFS to FVOCI	(2,015)	2,015
Opening balance - IFRS 9	—	2,015

There is no effect resulting from this reclassification on the Group's equity as both IAS 39 and IFRS 9 require any changes in the fair value of the non-trading unlisted equity securities to be recognised as other comprehensive income/loss in equity.

There is no impact on the Group's accounting for financial liabilities. The Group accounts for the gold leasing contracts as financial liabilities that are designated at fair value through profit or loss. The derecognition rules have been transferred from IAS 39 Financial Instruments: Recognition and Measurement and have not been changed. The Group's financial liabilities previously carried at amortised costs remained to be measured at amortised costs under IFRS 9.

(ii) ***IFRS 15 - Impact on the financial information of the Group***

As a result of the changes in the Group's accounting policies, as explained below, IFRS 15 was generally adopted without restating any comparative information. The adoption of IFRS 15 in the current period does not result in any impact on the amounts reported in the consolidated financial information set out in the consolidated financial information except that, the Group has adopted revised accounting policies on revenues with effect from 1 January 2018 (Note 2.26).

2.2 Subsidiaries

2.2.1 *Consolidation*

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

(a) Business combinations not under common control

The Group applies the acquisition method to account for business combinations not under common control. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by IFRS.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(b) Business combination under common control

For business combination under common control, the Historical Financial Information of the Group incorporates the financial information of the combining entities or businesses as if they had been combined from the earliest date presented or since the date when the combining entities or businesses first came under the control of the controlling party, whichever is shorter.

The assets acquired and liabilities assumed of the combining entities or businesses are combined using the existing book values from the controlling parties' perspective. The difference between the carrying amount of the net assets acquired and the consideration paid for the combination is adjusted against the equity.

Any cost in relation to the combination is recognised as an expense when incurred.

(c) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions — that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(d) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. It means the amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs.

2.2.2 *Separate financial statements*

Investments in subsidiaries and associates are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.3 ***Associates***

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investments in associates include goodwill identified on acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the statement of profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit of an associate, in the statement of profit or loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gain or losses on dilution of equity interest in associates are recognised in the statement of profit or loss.

2.4 ***Joint arrangements***

The Group has applied IFRS 11 to all joint arrangements. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint operations. Joint operations are accounted for by recognising the operator's relevant share of assets, liabilities, revenues and expenses.

Where a joint operator acquires an interest in a joint operation, the accounting treatment depends on whether the activity of the acquired joint operation constitutes a business. The joint operator should apply business combination accounting to the extent of its share, where the activity of the joint operation constitutes a business. This applies to the acquisition of both the initial interest and additional interests in a joint operation in which the activity of the joint operation constitutes a business.

Where the entity is involved in a joint operation, the investors account for their rights and obligations by recognising:

a) its assets, including its share of any assets held jointly;

b) its liabilities, including its share of any liabilities incurred jointly;

c) its revenue from the sale of its share of the output arising from the joint operation;

d) its share of the revenue from the sale of the output by the joint operation; and

e) its expenses, including its share of any expenses incurred jointly.

Management should classify and measure the recognised asset, liability and items of revenue or expense, or the share of an asset, liability or item of revenue or expense, according to the applicable standard for each item.

2.5 ***Segment reporting***

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions.

2.6 ***Foreign currency translation***

(a) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Renminbi, which is the Company's functional and the Group's presentation currency.

(b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of profit or loss within 'finance income or costs'.

Changes in the fair value of debt securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

(c) *Group companies*

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(b) income and expenses for each statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(c) all resulting currency translation differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

2.7 Property, plant and equipment

Property, plant and equipment comprise building, mining structures, plant, machinery and equipment and construction in progress.

Buildings comprise mainly factories. Other property, plant and equipment are stated at historical cost, less accumulated depreciation and impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its present working condition and location for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred.

Other than mining structures, depreciation of each asset is calculated using the straight-line method to allocate its cost less its residual value over its estimated useful life as follows:

- Buildings	5 - 50 years
- Plant, machinery and equipment	2 - 20 years

Mining structures include the main and auxiliary mine shafts and underground tunnels and capitalised open pit mine development costs. Mining Structures are depreciated on the unit of production method ("UOP"), based on the proven and probable reserves and where appropriate the portion of mineral resources considered to be probable of economic extraction based on the current Life of Mine ("LOM") Plans.

In open pit mining operations, it is necessary to remove overburden and other waste materials to access ore from which minerals can be extracted economically. The process of mining overburden and waste materials is referred to as stripping. Stripping costs incurred in order to provide initial access to the ore body (referred to as pre-production stripping) are capitalised as open pit mine development costs.

Stripping costs incurred during the production stage of a pit are accounted for as costs of the inventory produced during the period that the stripping costs are incurred, unless these costs are expected to provide a future economic benefit to an identifiable component of the ore body. Components of the ore body are based on the distinct development phases identified by the mine planning engineers when determining the optimal development plan for the open pit. Production phase stripping costs generate a future economic benefit when the related stripping activity: (i) improves access to a component of the ore body to be mined in the future; (ii) increases the fair value of the mine (or pit) as access to future mineral reserves becomes less costly; and (iii) increases the productive capacity or extends the productive life of the mine (or pit). Production phase stripping costs that are expected to generate a future economic benefit are capitalised as open pit mine development costs.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Construction in progress represents property, plant and equipment under construction or pending installation, and is stated at cost less impairment losses. Cost comprises direct costs of construction including borrowing costs attributable to the construction during the period of construction. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and ready for intended use.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.12).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other gains/(losses), net' in the statement of profit or loss.

2.8 ***Investment properties***

Investment properties include those portions of office buildings that are held for long-term rental yields or for capital appreciation.

Investment properties are initially measured at cost and subsequently accounted for under the cost model in accordance with the requirements of IAS 16 Property, Plant and Equipment.

Depreciation of the investment properties is calculated using the straight-line method to allocate its cost less its residual value over its estimated useful life. The estimated useful life of these investment properties is estimated to be 13 to 42 years.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are written off to the profit or loss. The cost of maintenance, repairs and minor improvements is charged to the profit or loss when incurred.

2.9 ***Land use rights***

Land use rights are stated at cost less accumulated amortisation and impairment losses. Cost represents prepaid operating lease payments for leasehold land located in the PRC with lease periods of 50 years. Amortisation of land use rights is calculated on a straight-line basis over the period of the land use rights.

2.10 ***Intangible assets***

(a) *Mining and exploration rights*

Mining rights are stated at cost less accumulated amortisation and impairment losses and are amortised based on the UOP method whereby the denominator is the proven and probable reserves and where appropriate the portion of mineral resources considered to be probable of economic extraction.

Exploration rights are stated at cost less impairment losses. Cost of the exploration rights are transferred to mining rights upon the government's approval of the mining license.

(b) *Goodwill*

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(c) *Patent rights*

Patent rights are capitalised on the basis of the costs incurred to acquire and bring to use the patent rights. These costs are amortised over estimated useful life of 20 years, which are restricted by the period for which the legal rights are held.

(d) *Trademarks and licences*

Separately acquired trademarks and licences are shown at historical cost. Trademarks and licences acquired in a business combination are recognised at fair value at the acquisition date. Trademarks and licences have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives of 15 to 20 years. The useful lives of trademarks and licences are restricted by the period for which contractual or other legal rights are held.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 3 to 5 years.

2.11 ***Impairment of non-financial assets***

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the CGU's recoverable amount since the last impairment loss was recognised. This reversal is recognised in the carve out statements of income and is limited to the carrying value that would have been determined, net of any depreciation where applicable, had no impairment charge been recognized in prior years. When an impairment reversal is undertaken, the recoverable amount is assessed by reference to the higher of Value in Use ("VIU") and Fair Value Less Costs of Disposal ("FVLCD"). We have determined that the FVLCD is greater than the VIU amounts and therefore used as recoverable amount for impairment testing purposes.

2.12 ***Financial assets***

2.12.1 *Classification*

For the year ended 31 December 2015, 2016 and 2017

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables', 'restricted bank deposits' and 'cash and cash equivalents' in the balance sheet (Notes 2.16 and 2.17).

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

For the three months ended 31 March 2018

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

See Note 20 for details of each type of financial asset.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

2.12.2 *Recognition and measurement*

For the year ended 31 December 2015, 2016 and 2017

Regular way purchases and sales of financial assets are recognised on the trade-date — the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of profit or loss within 'Other gains/(losses), net' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the statement of profit or loss as part of other income when the Group's right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the statement of profit or loss as 'Other gains/(losses), net'.

For the three months ended 31 March 2018

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses), net in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

2.13 ***Offsetting financial instruments***

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.14 ***Impairment of financial assets***

For the year ended 31 December 2015, 2016 and 2017

(a) *Assets carried at amortised cost*

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognized in the consolidated statement of profit or loss.

(b) *Assets classified as available for sale*

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For equity investments, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists the cumulative loss— measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss — is reclassified from equity and recognised in profit or loss. Impairment losses recognised in the consolidated statement of profit or loss on equity instruments are not reversed through the consolidated statement of profit or loss.

For the three months ended 31 March 2018

The Group has types of financial assets subject to IFRS 9's new expected credit loss model:

— trade receivables

— other receivables (excluding non-financial assets)

The Group revised its impairment methodology under IFRS 9 for each of these classes of assets. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

For trade and other receivables (excluding non-financial assets), the Group applies the simplified approach to providing for expected credit losses as prescribed by IFRS 9, which requires the use of the lifetime expected loss provision for all trade and other receivables (excluding non-financial assets). No further provision has been recognised in retained earnings as at 1 January 2018 for those trade and other receivables (excluding non-financial assets) whose credit risk has been assessed as other than low because the balance is not significant and the adoption of the new impairment methodology as described in note 3.1(b) only results in an insignificant incremental amount of provision to be made.

2.15 ***Inventories***

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.16 ***Trade and other receivable***

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. See Note 2.12.2 for further information about the Group's accounting for trade receivables and Note 2.14 for a description of the Group's impairment policies.

2.17 ***Cash and cash equivalents***

In the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

2.18 ***Share capital and treasury shares***

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Where any Group's entity purchases the Group's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Group's equity owners. Where such shares are subsequently sold or reissued, the cost of the treasury shares is reversed from the treasury share account and the realised gain or loss on sales or reissue, net of any directly attributable incremental transaction costs and the related income tax effects, is recognised in the capital reserve of the Company.

2.19 ***Trade payables***

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.20 ***Borrowings***

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

2.21 ***Borrowing costs***

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.22 ***Current and deferred income tax***

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) *Current income tax*

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries and associate operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) *Deferred income tax*

Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only when there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from the associate's undistributed profits is not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

(c) *Offsetting*

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.23 ***Employee benefits***

(a) *Short term compensation*

Short term compensation includes salaries, bonuses, allowances and subsidies, employee benefits, medical insurance premiums, work-related injury insurance premium, maternity insurance premium, contributions to housing fund, unions and education fund and short-term absence with payment etc. When an employee has rendered service to the Group during an accounting period, the Group shall recognise the short term compensation actually incurred as a liability and charged to the cost of an asset or to profit or loss in the same period, and non-monetary benefits are valued with the fair value.

(b) *Post-employment benefits*

The Group classifies post-employment benefits into either Defined Contribution Plan ("DC plan") or Defined Benefit Plan ("DB plan"). DC plan means the Group only contributes a fixed amount to an independent fund and no longer bears other payment obligation; DB plan is post-employment benefits other than DC plan. In this reporting period, the post-employment benefits of the Group primarily comprise basic pension insurance and unemployment insurance and both of them are DC plans.

Basic pension insurance

Employees of the Group participate in the social insurance system established and managed by local labor and social security department. The Group makes basic pension insurance to the local social insurance agencies every month, at the applicable benchmarks and rates stipulated by the government for the benefits of its employees. After the employees retire, the local labor and social security department has obligations to pay them the basic pension. When an employee has rendered service to the Group during an accounting period, the Group shall recognise the accrued amount according to the above social security provisions as a liability and charged to the cost of an asset or to profit or loss in the same period.

(c) *Termination benefits*

When the Group terminates the employment relationship with employees before the employment contracts expire, or provides compensation as an offer to encourage employees to accept voluntary redundancy, a provision for the termination benefits provided is recognised in profit or loss under the conditions of both the Group has a formal plan for the termination of employment or has made an offer to employees for voluntary redundancy, which will be implemented shortly; and the Group is not allowed to withdraw from termination plan or redundancy offer unilaterally.

2.24 ***Provisions***

Provisions for environmental restoration, restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Provision for future decommissioning and restoration is recognised in full on the installation of mining properties. The amount recognised is the present value of the estimated future expenditure determined in accordance with local conditions and requirements. A corresponding addition to the related mining properties of an amount equivalent to the provision is also created. This is subsequently depreciated as part of the costs of the mining properties. Any change in the present value of the estimated expenditure other than due to passage of time, which is regarded as interest expense, is reflected as an adjustment to the provision and mining properties.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.25 ***Exploration and evaluation***

Exploration expenditures are the costs incurred in the initial search for mineral deposits with economic potential or in the process of obtaining more information about existing mineral deposits. Exploration expenditures typically include costs associated with prospecting, sampling, mapping, diamond drilling and other work involved in searching for ore.

Evaluation expenditures are the costs incurred to establish the technical and commercial viability of developing mineral deposits identified through exploration activities or by acquisition. Evaluation expenditures include the cost of (i) establishing the volume and grade of deposits through drilling of core samples, trenching and sampling activities in an ore body that is classified as either a mineral resource or a proven and probable reserve; (ii) determining the optimal methods of extraction and metallurgical and treatment processes; (iii) studies related to surveying, transportation and infrastructure requirements; (iv) permitting activities; and (v) economic evaluations to determine whether development of the mineralised material is commercially justified, including scoping, prefeasibility and final feasibility studies.

Once the technical feasibility and commercial viability of a program or project has been demonstrated with a prefeasibility study and recognised reserves in accordance with the Canadian Securities Administrators' National Instrument 43-101, future expenditures incurred in the development of that program or project are accounted for in accordance with the Group's policy for property, plant and equipment, as described in note 2.7.

2.26 ***Revenue recognition***

For the year ended 31 December 2015, 2016 and 2017

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimates of return on historical results, taking into consideration the type of customers, the type of transactions and the specifics of each arrangement.

(a) *Sale of goods*

Revenue is recorded when evidence exists that all of the following criteria are met:

- The significant risks and rewards of ownership of the product have been transferred to the buyer;
- Neither continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold, has been retained;
- The amount of revenue can be reliably measured;
- It is probable that the economic benefits associated with the sale will flow to the Group; and
- The costs incurred or to be incurred in respect of the sale can be reliably measured. These conditions are generally satisfied when title passes to the customer.

(b) *Rental income*

Rental income from investment property is recognised in the statement of profit or loss on a straight-line basis over the term of the lease.

(c) *Processing income*

Processing income is recognised in the statement of profit or loss upon performance of the services.

For the three months ended 31 March 2018

IFRS 15 requires that revenue from contracts with customers be recognised upon the transfer of control over goods or services to the customer. As such, upon adoption, this requirement under IFRS 15 resulted in no impact to the consolidated financial information as the timing of revenue recognition on our sale of goods is unchanged.

(a) *Sale of goods*

Revenue is recognised when control over the goods has been transferred to the customer. It is generally satisfied at a point in time when the legal title has passed to the customer.

(b) *Rental income*

Rental income from investment property is recognised in the statement of profit or loss on a straight-line basis over the term of the lease.

(c) *Processing income*

Processing income is recognised in the statement of profit or loss upon performance of the services

Contract asset and liability

When either party to a contract has performed, the Group presents the contract in the balance sheet as a contract asset or a contract liability, depending on the relationship between the Group's performance and the customer's payment.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers goods or provide services to the customer, the Group presents the contract as a contract liability when the payment is received or a receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. This has been classified under 'Trade and other payables'.

Incremental costs incurred to obtain a contract, if recoverable, are capitalised as contract assets and subsequently amortised when the related revenue is recognised.

2.27 ***Interest income***

Interest income is recognised on a time-proportion basis taking into account of the principal outstanding and the effective interest rate over the period to maturity, when it is determined that such income will accrue to the Group.

2.28 ***Dividend income***

Dividend income is recognised when the right to receive payment is established.

2.29 ***Government grants***

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred revenue and are credited to the statement of comprehensive income on a straight-line basis over the expected useful lives of the related assets.

2.30 ***Leases***

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit or loss on a straight-line basis over the period of the lease.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

2.31 ***Research and development costs***

Research expenditure is recognised as an expense as incurred.

Costs incurred on development projects (relating to the design and testing of new or improved software) are capitalised as intangible assets when recognition criteria are fulfilled and tests for impairment are performed annually. Other development expenditures that do not meet those criteria are recognised as expenses as incurred.

Development costs previously recognised as expenses are not recognised as assets in subsequent periods. Capitalised development costs are amortised from the point at which the assets are ready for use on a straight-line basis over their estimated useful lives.

2.32 ***Dividend distribution***

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

2.33 ***Earnings per share***

Basic earnings per share are calculated by dividing the profit attributable to equity owners of the Group by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Group and held as treasury shares.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

3 Financial risk management

3.1 ***Financial risk factors***

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by a central treasury department (group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, and credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(a) *Market risk*

(i) Foreign exchange risk

The Group's operations (such as export sales, imports of machinery and equipment, foreign currency deposits, trade and other receivables) expose it to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar ("USD"). In addition, the RMB is not freely convertible into other foreign currencies and conversion of the RMB into foreign currencies is subject to rules and regulations of foreign exchange control promulgated by the PRC government.

Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The group companies are required to hedge their entire foreign exchange risk exposure with the group treasury. To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the group use forward contracts, transacted with group treasury. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

The Group historically has not used any derivative instruments to hedge exchange rate of USD and currently does not have a fixed policy to do so in the foreseeable future. The Group mainly operates in the PRC with most of the transactions settled in RMB, which is also the functional currency of the Company and the presentation currency of the Group. In 2017, the Company set up Shandong Gold Mining (HongKong) Co., Limited (山東黃金礦業(香港)有限公司 or "SDHK"), whereby together with its newly acquired joint operation, have their functional currency in USD. Foreign exchange rate risk arises when recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. As at 31 December 2015, 2016, 2017 and 31 March 2018, the Group's assets and liabilities are primarily denominated in their functional currencies.

The Group will constantly review the economic situation and its foreign exchange risk profile, and will consider appropriate hedging measures in the future, as may be necessary.

(ii) Cash flow and fair value interest rate risk

The Group's exposure to cash flow interest rate risks arises from the Group's interest bearing bank deposits, bank borrowings and long-term bonds, whose interest rates may subject to adjustments by the PRC government. Borrowings at variable rates expose the Group to cash flow interest-rate risk while borrowings and long-term bonds at fixed rates expose the Group to fair value interest-rate risk. The Group historically has not used any financial instruments to hedge potential fluctuations in interest rates.

Other than those mentioned above, the Group's income and operating cash flows are substantially independent of changes in the market interest rates.

If interest rates on borrowings at variable rates had been 50 basis point higher/lower with all other variables held constant, the impact on post-tax profit were as follows:

	Year ended 31 December			**Three months ended 31 March**
	2015	**2016**	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Impact on post-tax profit at 50 basis point higher	(450)	(300)	(25,813)	(23,250)
Impact on post-tax profit at 50 basis point lower	450	300	25,813	23,250

(iii) Price risk

The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated balance sheet as available-for-sale financial assets. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

The Group engages in gold mining and refining operations and is exposed to commodity price risk related to price volatility of gold products. The fluctuations in prices of gold products could have significant impact on the Group. The Group uses derivative financial instruments, including commodity futures and swaps, to manage a portion of this risk.

(b) *Credit risk*

Credit risk is managed on a group basis. Credit risk mainly arises from cash and cash equivalents, restricted bank deposits, trade and other receivables and other non-current assets.

The Group expects that there is no significant credit risk associated with cash at bank since they are deposited at state-owned banks and other medium or large size listed banks. Management does not expect that there will be any significant losses from non-performance by these counterparties.

The Group is exposed to credit risk if counterparties fail to make payments as they fall due. For financial assets, the following credit risk modelling applies:

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition.

It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating;
- external credit rating;
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the customer's ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtor/customer;
- significant increases in credit risk on other financial instruments of the same customer;

- significant changes in the expected performance and behaviour of the customer, including changes in the payment status of customer in the group and changes in the operating results of the customer.

(i) Other receivables from related parties

The Group uses four categories for those receivables which reflect their credit risk and how the loss provision is determined for each of those categories. These internal credit risk ratings are aligned to external credit ratings.

A summary of the assumptions underpinning the Group's expected credit loss model is as follows:

Category	**Group's definition of categories**	**Basis for recognition of expected credit loss provision**
Performing	Customers have a low risk of default and a strong capacity to meet contractual cash flows	12 months expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime
Underperforming	Receivables for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due	Lifetime expected losses
Non-performing	Interest and/or principal repayments are 60 days past due	Lifetime expected losses
Write-off	Interest and/or principal repayments are 120 days past due and there is no reasonable expectation of recovery	Asset is written off

The Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of receivables and adjusts for forward looking macroeconomic data.

As at 1 January 2018, majority of the internal credit rating of other receivables from related parties were performing, with a carrying amount of other receivables of RMB65,430,000, and the allowance provision of other receivables from related parties was RMB8,302,000. No further provision was deemed required to restate the impairment provision at 1 January 2018.

(ii) Trade and other receivables (excluding prepayments and other receivables from related parties)

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade and other receivables (excluding prepayments and other receivables from related parties).

The loss allowance provision for the remaining balances was determined and the expected credit losses below also incorporated forward looking information. The loss allowance provision as of 1 January 2018 and 31 March 2018 are determined as follows:

	Up to 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Trade receivables					
As at 1 January 2018					
Expected loss rate	0.3%	10%	20%	75%	
Gross carrying amount (RMB'000)	114,775	77	82	7,198	122,132
Loss allowance provision (RMB'000)	(316)	(8)	(16)	(5,405)	(5,745)
As at 31 March 2018					
Expected loss rate	0.2%	10%	23%	76%	
Gross carrying amount (RMB'000)	156,921	465	47	6,969	164,402
Loss allowance provision (RMB'000)	(328)	(46)	(11)	(5,288)	(5,673)
Other receivables (excluding prepayments and other receivables from related parties)					
As at 31 December 2015					
Expected loss rate	6%	30%	31%	83%	
Gross carrying amount (RMB'000)	69,098	14,289	11,526	90,031	184,944
Loss allowance provision (RMB'000)	(4,379)	(4,223)	(3,533)	(74,721)	(86,856)
As at 31 December 2016					
Expected loss rate	4%	58%	65%	91%	
Gross carrying amount (RMB'000)	110,962	3,207	5,299	77,186	196,654
Loss allowance provision (RMB'000)	(4,976)	(1,870)	(3,425)	(70,037)	(80,308)
As at 31 December 2017					
Expected loss rate	3%	29%	64%	90%	
Gross carrying amount (RMB'000)	106,983	7,923	2,880	81,535	199,321
Loss allowance provision (RMB'000)	(3,244)	(2,304)	(1,831)	(73,699)	(81,078)
As at 31 March 2018					
Expected loss rate	2%	27%	61%	94%	
Gross carrying amount (RMB'000)	123,205	9,949	3,448	83,680	220,282
Loss allowance provision (RMB'000)	(2,514)	(2,662)	(2,087)	(78,685)	(85,948)

(c) *Liquidity risk*

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of borrowing facilities. Due to the dynamic nature of the underlying businesses, the Group maintains a reasonable level of cash and cash equivalents, and further supplements this by keeping committed credit lines available.

The Group's primary cash requirements have been for purchases of materials, machinery and equipment and payment of related debts. The Group finances its working capital requirements through a combination of funds generated from operations, bank loans, short-term and long-term bonds and the net proceeds from the initial public offering.

Management monitors rolling forecasts of the Group's liquidity reserve (comprises undrawn borrowing facility and cash and cash equivalents (Note 25)) on the basis of expected cash flow.

The table below analyses the undiscounted cash outflow relating to the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 March 2018					
Borrowings	3,525,907	907,424	6,239,310	—	10,672,641
Trade and other payables	3,330,465	—	—	—	3,330,465
Other non-current liabilities	8,523	21,893	19,426	27,990	77,832
Financial liabilities at fair value through profit or loss	6,499,031	—	—	—	6,499,031
	13,363,926	929,317	6,258,736	27,990	20,579,969
As at 31 December 2017					
Borrowings	3,144,245	270,279	8,274,831	—	11,689,355
Trade and other payables	3,515,273	—	—	—	3,515,273
Other non-current liabilities	12,992	23,027	19,426	27,990	83,435
Financial liabilities at fair value through profit or loss	5,751,411	—	—	—	5,751,411
	12,423,921	293,306	8,294,257	27,990	21,039,474
As at 31 December 2016					
Borrowings	1,265,590	2,191,380	1,418,257	—	4,875,227
Trade and other payables	2,654,697	—	—	—	2,654,697
Other non-current liabilities	2,264	13,027	2,453	1,353	19,097
Financial liabilities at fair value through profit or loss	3,169,789	—	—	—	3,169,789
	7,092,340	2,204,407	1,420,710	1,353	10,718,810
As at 31 December 2015					
Borrowings	926,383	193,300	3,614,159	—	4,733,842
Trade and other payables	2,309,089	—	—	—	2,309,089
Other non-current liabilities	2,264	18,413	4,717	1,352	26,746
Financial liabilities at fair value through profit or loss	4,777,391	—	—	—	4,777,391
	8,015,127	211,713	3,618,876	1,352	11,847,068

3.2 ***Capital management***

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Group monitors capital on the basis of the net debt to total capital ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less restricted bank deposits and cash and cash equivalents. Total capital is calculated as 'equity' plus net debt.

As at 31 December 2015, 2016 and 2017 and 31 March 2018, the net debt to total capital ratios were as follows:

	As at 31 December			As at 31 March
	2015	**2016**	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Total borrowings	4,137,502	4,407,091	10,974,926	10,127,201
Less: cash and cash equivalents (Note 25(b))	(497,271)	(1,159,795)	(2,402,814)	(2,473,693)
Less: restricted bank deposits (Note 25(a))	(109,481)	(143,855)	(669,942)	(146,989)
Net debt	3,530,750	3,103,441	7,902,170	7,506,519
Total equity	12,421,790	16,689,721	17,493,766	17,842,875
Total capital	15,952,540	19,793,162	25,395,936	25,349,394
Net debt to total capital ratio	**22%**	**16%**	**31%**	**30%**

The decrease in the gearing ratio during 2016 is primarily due to the issue of the Company's shares which enlarged the Group's total equity in 2016. The increase in the gearing ratio during 2017 is primarily due to the drawdown of a long term bank borrowing for the acquisition of the joint operation in June 2017.

As described in Note 29, the Group has also financed through entering into gold leasing contract arrangements. If the financial liabilities at fair value through profit or loss associated with these gold leasing contacts have been included as part of the "net debt", the net debt to total capital ratio would become 40%, 27%, 44% and 44% as of 31 December 2015, 2016 and 2017 and 31 March 2018, respectively.

3.3 ***Fair value estimation***

The table below analyses financial instruments carried at fair value as at 31 March 2018 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's assets and liabilities that are measured at fair value at 31 March 2018.

	Level 1	**Level 2**	**Level 3**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Liabilities				
Financial liabilities at fair value through profit or loss				
- Gold leasing contracts	6,499,031	—	—	6,499,031

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2017.

	Level 1	**Level 2**	**Level 3**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Liabilities				
Financial liabilities at fair value through profit or loss				
- Gold leasing contracts	5,751,411	—	—	5,751,411

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2016.

	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Liabilities				
Financial liabilities at fair value through profit or loss				
- Gold leasing contracts	3,169,789	—	—	3,169,789

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2015.

	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Assets				
Available-for-sale financial assets				
-Equity securities	2,142	—	—	2,142
Liabilities				
Financial liabilities at fair value through profit or loss				
- Gold leasing contracts	4,777,391	—	—	4,777,391

(a) Financial instruments in level 1

The fair value of financial instruments traded in active market is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price.

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 *Critical accounting estimates and assumptions*

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) *Estimated impairment of goodwill*

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.11. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates (Note 19).

(b) *Proved and probable mineral reserves and resources*

Proved and probable mineral reserves and resources are estimated based on professional knowledge, experience and industrial practice. Most of the time, the estimation basis on probing and estimation may not be very accurate. The estimation is updated in accordance with new technologies and new information. This forms the basis for the LOM plans, and any changes in estimation will have impacts on amounts of mining assets' depreciation and mining rights' amortisation using the unit-of-production method. That may result in changes of or impacts on the Group's development and operation programme, and the Group's operation and operating results.

(c) *Business combination*

The recognition of business combinations requires the excess of the purchase price of acquisitions over the net book value of assets acquired to be allocated to the assets and liabilities of the acquired entity. The Group makes judgements and estimates in relation to the fair value allocation of the purchase price. If any unallocated portion is positive it is recognised as goodwill and if negative, it is recognised in the consolidated statement of comprehensive income.

(d) *Impairment of non-current assets*

Non-current assets, including property, plant and equipment, investment properties, land use rights, mining and exploration rights and intangible assets, are carried at cost less accumulated depreciation/amortisation. These carrying amounts are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. In estimating the recoverable amounts of assets, various assumptions, including future cash flows to be associated with the non-current assets and discount rates, are made. If future events do not correspond to such assumptions, the recoverable amounts will need to be revised, and this may have an impact on the Group's results of operations and financial position.

(e) *Useful lives of property, plant and equipment*

The Group's management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles. Management will increase the depreciation charges where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

(f) *Income taxes*

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

(g) *Estimation of asset retirement obligations ("ARO")*

Provisions are recognised for the future decommissioning and restoration of mines. The amounts of the provision recognised are the present values of the estimated future expenditures that the Group is expected to incur. The estimation of the future expenditures is based on current local conditions and requirements, including legal requirements, technology, price level, etc. In addition to these factors, the present values of these estimated future expenditures are also impacted by the estimation of the economic lives of mining properties. Changes in any of these estimates will impact the operating results and the financial position of the Group over the remaining economic lives of the mining properties.

4.2 ***Critical judgements in applying the company's accounting policies***

Joint operation - investment in Argentina Gold (Bermuda) II Ltd. ("AGBII Group") by the Group

The Group has determined that Argentina Gold (Bermuda) II Ltd. ("AGBII") is jointly controlled by SDHK, a wholly-owned subsidiary of the Company, and Barrick Gold Corporation's subsidiary, Barrick Cayman (V) Ltd. ("Barrick Cayman"), and each of the parties has rights to the assets and obligations for the liabilities of AGBII and its subsidiary Minera Argentina Gold S.R.L. (together the "AGBII Group"), and is eligible to the AGBII Group's products and recognises expenses incurred in the proportion of 50% each. Therefore, the Group defined its investment in the AGBII Group as an investment in a joint operation.

5 Segment information

The President Office (總裁辦公會) of the Company is the Group's chief operating decision-maker ("CODM"). Management has determined the operating segments based on the information reviewed by the CODM for the purposes of allocating resources and assessing performance. Financial information of the following reportable segments has been separately presented as discrete segment information for CODM's review:

- Gold mining — Mining of gold ore; and

- Gold refining — Production and sales of gold.

The financial information of the reportable segments as set out below are presented in a manner consistent with the way in which the information is reported to the CODM for the purpose of allocating resources and assessing performance.

The Group evaluates performance based on profit or loss before income tax expense. The Group accounts for inter-segment sales and transfers as if the sales or transfers were to third parties.

	For the three months ended 31 March 2018			
	Gold Mining	**Gold Refining**	**Inter-segment elimination**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Revenue from customers and recognised at a point in time				
Revenue from customers (other than rental income)	2,461,448	13,591,082	(1,888,623)	14,163,907
Rental income	2,410	—	—	2,410
Inter-segment revenue	(1,888,623)	—	1,888,623	—
Revenue from external customers	575,235	13,591,082	—	14,166,317
Profit from operations	625,681	55,051	—	680,732
Finance income	8,647	594	—	9,241
Finance costs	(207,455)	(1,996)	—	(209,451)
Share of profit of an associate	9,028	—	—	9,028
Profit before income tax	435,901	53,649	—	489,550
Income tax expenses	(122,541)	(13,412)	—	(135,953)
Profit for the period	313,360	40,237	—	353,597
Other material non-cash items				
Depreciation and amortisation	646,192	10,573	—	656,765
(Reversal of)/provision for impairment of trade and other receivables, net	(1,453)	11	—	(1,442)

	As at 31 March 2018			
	Gold Mining	Gold Refining	Inter-segment elimination	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Segment assets and liabilities				
Total assets	42,275,725	2,503,897	(1,713,813)	43,065,809
Include: investment in an associate	408,187	—	—	408,187
Addition to non-current assets	1,046,251	10,385	—	1,056,636
Total liabilities	25,057,586	1,879,161	(1,713,813)	25,222,934

	For the three months ended 31 March 2017 (unaudited)			
	Gold Mining	Gold Refining	Inter-segment elimination	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Revenue from customers and recognised at a point in time				
Revenue from customers (other than rental income)	2,020,544	9,623,621	(1,935,538)	9,708,627
Rental income	2,534	—	—	2,534
Inter-segment revenue	(1,935,538)	—	1,935,538	—
Revenue from external customers	87,540	9,623,621	—	9,711,161
Profit from operations	484,537	32,266	—	516,803
Finance income	4,782	419	—	5,201
Finance costs	(110,753)	(1,398)	—	(112,151)
Share of profit of an associate	7,950	—	—	7,950
Profit before income tax	386,516	31,287	—	417,803
Income tax expenses	(81,521)	(7,822)	—	(89,343)
Profit for the period	304,995	23,465	—	328,460
Other material non-cash items				
Depreciation and amortisation	402,977	12,848	—	415,825
Provision for/(reversal of) impairment of trade and other receivables, net	2,521	(206)	—	2,315

	For the year ended 31 December 2017			
	Gold Mining	Gold Refining	Inter-segment elimination	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Revenue from customers and recognised at a point in time				
Revenue from customers (other than rental income)	9,791,566	49,048,579	(7,818,574)	51,021,571
Rental income	19,732	—	—	19,732
Inter-segment revenue	(7,818,574)	—	7,818,574	—
Revenue from external customers	1,992,724	49,048,579	—	51,041,303
Profit from operations	1,998,822	127,667	—	2,126,489
Finance income	34,216	3,229	—	37,445
Finance costs	(587,526)	(5,987)	—	(593,513)
Share of profit of an associate	34,024	—	—	34,024
Profit before income tax	1,479,536	124,909	—	1,604,445
Income tax expenses	(400,257)	(31,195)	—	(431,452)
Profit for the year	1,079,279	93,714	—	1,172,993
Other material non-cash items				
Depreciation and amortisation	2,206,722	49,238	—	2,255,960
Provision for impairment of property, plant and equipment	5,832	—	—	5,832
(Reversal of)/provision for impairment of trade and other receivables, net	(9,159)	454	—	(8,705)

	As at 31 December 2017			
	Gold Mining	Gold Refining	Inter-segment elimination	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Segment assets and liabilities				
Total assets	42,380,200	2,297,777	(1,546,256)	43,131,721
Include: investment in an associate	399,208	—	—	399,208
Addition to non-current assets	11,413,472	21,423	—	11,434,895
Total liabilities	25,470,360	1,713,851	(1,546,256)	25,637,955

	For the year ended 31 December 2016			
	Gold Mining	Gold Refining	Inter-segment elimination	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Revenue from customers and recognised at a point in time				
Revenue from customers (other than rental income)	8,019,680	48,063,303	(7,022,198)	49,060,785
Rental income	11,906	—	—	11,906
Inter-segment revenue	(7,022,198)	—	7,022,198	—
Revenue from external customers	1,009,388	48,063,303	—	49,072,691
Profit from operations	1,863,943	145,029	25,952	2,034,924
Finance income	9,736	1,252	—	10,988
Finance costs	(368,546)	(7,052)	—	(375,598)
Share of profit of an associate	27,662	—	—	27,662
Profit before income tax	1,532,795	139,229	25,952	1,697,976
Income tax expenses	(353,912)	(31,282)	—	(385,194)
Profit for the year	1,178,883	107,947	25,952	1,312,782
Other material non-cash items				
Depreciation and amortisation	1,514,803	54,224	—	1,569,027
Provision for impairment of property, plant and equipment	7,391	—	—	7,391
Provision for impairment of inventories	26	—	—	26
(Reversal of)/provision for impairment of trade and other receivables, net	(5,050)	1,170	—	(3,880)

	As at 31 December 2016			
	Gold Mining	Gold Refining	Inter-segment elimination	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Segment assets and liabilities				
Total assets	28,840,170	2,344,864	(1,818,613)	29,366,421
Include: investment in an associate	371,461	—	—	371,461
Addition to non-current assets	3,771,119	12,535	—	3,783,654
Total liabilities	12,543,356	1,951,957	(1,818,613)	12,676,700

	For the year ended 31 December 2015			
	Gold Mining	Gold Refining	Inter-segment elimination	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Revenue from customers and recognised at a point in time				
Revenue from customers (other than rental income)	7,051,702	37,658,111	(5,955,384)	38,754,429
Rental income	20,052	—	—	20,052
Inter-segment revenue	(5,955,384)	—	5,955,384	—
Revenue from external customers	1,116,370	37,658,111	—	38,774,481
Profit from operations	1,276,726	109,685	11,049	1,397,460
Finance income	10,728	1,701	—	12,429
Finance costs	(440,714)	(10,319)	—	(451,033)
Share of profit of an associate	22,881	—	—	22,881
Profit before income tax	869,621	101,067	11,049	981,737
Income tax expenses	(245,042)	(23,438)	—	(268,480)
Profit for the year	624,579	77,629	11,049	713,257
Other material non-cash items				
Depreciation and amortisation	1,433,630	53,084	—	1,486,714
Provision for impairment of inventories	3,120	—	—	3,120
Provision for impairment of trade and other receivables, net	15,177	703	—	15,880

	As at 31 December 2015			
	Gold Mining	Gold Refining	Inter-segment elimination	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Segment assets and liabilities				
Total assets	25,689,297	1,688,368	(1,281,244)	26,096,421
Include: investment in an associate	343,694	—	—	343,694
Addition to non-current assets	1,855,244	12,335	—	1,867,579
Total liabilities	13,268,983	1,686,892	(1,281,244)	13,674,631

Analysis of revenue

	Year ended 31 December			Three months ended 31 March	
	2015	2016	2017	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
The PRC	38,774,481	49,072,691	49,312,459	9,711,161	13,691,732
Outside the PRC	—	—	1,728,844	—	474,585
	38,774,481	49,072,691	51,041,303	9,711,161	14,166,317

Revenue is attributed to countries based on the customers' locations.

Gold sold through the Shanghai Gold Exchange were as follows:

	Year ended 31 December			Three months ended 31 March	
	2015	2016	2017	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Gold refining segment	37,012,172	38,487,468	37,178,200	7,045,473	9,034,075

Analysis of non-current assets

	As at 31 December			As at 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
The PRC	24,112,312	26,156,779	28,960,854	28,676,003
Outside the PRC	—	—	7,753,437	7,433,983
	24,112,312	26,156,779	36,714,291	36,109,986

Note: The non-current assets above exclude available-for-sale financial assets, financial assets at fair value through other comprehensive income and deferred income tax assets.

6 Other income

	Year ended 31 December			Three months ended 31 March	
	2015	2016	2017	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Dividend income	—	—	—	—	198
Government grants	8,536	14,845	15,979	309	522
	8,536	14,845	15,979	309	720

7 Other gains/(losses), net

	Year ended 31 December			Three months ended 31 March	
	2015	2016	2017	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Fair value gains/(losses) on gold future/forward contracts	27,174	1,067	11,305	(18,084)	17,077
Gains from disposal of available-for-sale financial assets	53,774	2,456	—	—	—
Gains from disposal of subsidiaries (Note 40(f))	—	58,253	—	—	—
Net losses on disposal/write-off of property, plant and equipment, land use rights and intangible assets	(13,651)	(22,036)	(22,267)	(2,718)	(987)
Others	1,253	212	(2,116)	(1,634)	(3,800)
	68,550	39,952	(13,078)	(22,436)	12,290

8 Expenses by nature

Expenses included in cost of sales, selling expenses, general and administrative expenses and research and development costs are analysed as follows:

	Year ended 31 December			Three months ended 31 March	
	2015	2016	2017	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*unaudited*)	*RMB'000*
Changes in inventories of finished goods and work in progress	(40,619)	431,695	(1,154,533)	11,959	62,497
Raw materials and consumables used	32,725,742	41,403,043	43,715,441	7,864,301	11,846,681
Employee benefit expenses (including directors' emoluments) (Note 9)	1,622,141	1,696,367	1,906,718	416,155	477,650
Depreciation	854,718	949,508	1,607,282	250,428	497,986
Amortisation	631,996	619,519	648,678	165,397	158,779
Labor outsourcing expenses	688,360	901,557	859,218	225,156	153,863
Outsourcing stripping costs	—	—	150,171	—	27,978
Mining resource compensation fees	153,784	84,784	85,667	—	16,428
Mining resource tax	103,538	149,244	189,200	44,012	49,210
Repairs and maintenance costs	76,339	89,540	98,760	17,116	19,167
Transportation costs and port expenses	44,722	51,955	73,375	12,421	24,000
Auditor's remuneration	3,200	3,000	3,000	—	1,000
Operating lease rental expenses	12,317	9,371	40,452	3,217	10,038
Provision for/(reversal of) impairment of trade and other receivables, net (Note 23)	15,880	(3,880)	(8,705)	2,315	(1,442)
Provision for impairment of inventories (Note 24)	3,120	26	—	—	—
Provision for impairment of property, plant and equipment	—	7,391	5,832	—	—
Others	558,869	699,444	697,159	159,754	154,760
Total cost of sales, selling expenses, general and administrative expenses and research and development costs	**37,454,107**	**47,092,564**	**48,917,715**	**9,172,231**	**13,498,595**

(a) ***Depreciation charged to profit or loss is analysed as follows:***

	Year ended 31 December			Three months ended 31 March	
	2015	**2016**	**2017**	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Depreciation for the year					
— Property, plant and equipment (Note 15)	861,382	958,630	1,645,585	264,295	502,621
— Investment properties (Note 16)	9,013	6,439	11,017	2,078	2,083
	870,395	965,069	1,656,602	266,373	504,704
Less: capitalised in construction in progress	(15,677)	(15,561)	(49,320)	(15,945)	(6,718)
Amount charged to profit or loss	854,718	949,508	1,607,282	250,428	497,986
Charged to:					
— Cost of sales	755,821	815,988	1,484,483	222,644	468,008
— General and administrative expenses	98,897	133,520	122,799	27,784	29,978
	854,718	949,508	1,607,282	250,428	497,986

(b) ***Amortisation charged to profit or loss is analysed as follows:***

	Year ended 31 December			Three months ended 31 March	
	2015	**2016**	**2017**	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Amortisation for the year					
— Land use rights (Note 17)	8,077	9,476	10,500	2,270	2,878
— Intangible assets (Note 18)	593,958	586,397	615,271	158,005	153,175
— Long-term prepayments	30,271	24,330	23,110	5,122	2,776
	632,306	620,203	648,881	165,397	158,829
Less: capitalised in construction in progress	(310)	(684)	(203)	—	(50)
Amount charged to profit or loss	631,996	619,519	648,678	165,397	158,779
Charged to:					
— Cost of sales	601,591	580,670	609,371	156,532	151,714
— General and administrative expenses	30,405	38,849	39,307	8,865	7,065
	631,996	619,519	648,678	165,397	158,779

9 Employee benefit expenses

	Year ended 31 December			Three months ended 31 March	
	2015	2016	2017	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Wages, salaries, bonuses and allowances	1,133,986	1,199,703	1,322,977	281,006	325,847
Housing subsidies (note (a))	98,902	96,530	103,617	23,111	23,525
Contributions to pension plans (note (b))	160,226	168,105	198,482	40,894	54,582
Welfare and other expenses	229,027	232,029	281,642	71,144	73,696
	1,622,141	1,696,367	1,906,718	416,155	477,650

(a) These mainly include the Group's contributions to government-sponsored housing funds in the PRC at rates ranging from 5% to 12% of the employees' basic salaries.

(b) Pensions - defined contribution plans

The Group participates in various pension plans organised by the relevant municipal and provincial governments in the PRC under which the Group is required to make monthly defined contributions to these plans at rates ranging from 18% to 20% of the employees' basic salaries depending on the applicable local regulations; while the AGBII Group is required to contribute approximately 28% of the employees' basic salaries to the applicable pension plan in Argentina.

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group during the years/periods are as follows:

	Year ended 31 December			Three months ended 31 March	
	2015	2016	2017	2017	2018
				(unaudited)	
Director	—	3	2	2	1
Non-director	5	2	3	3	4
	5	5	5	5	5

The emoluments payable to the non-directors are as follows:

	Year ended 31 December			Three months ended 31 March	
	2015	2016	2017	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Wages, salaries, bonuses and allowances	3,063	1,519	2,268	288	753
Social benefits	196	94	283	47	59
	3,259	1,613	2,551	335	812

The emoluments to the non-directors fell within the following bands:

	Year ended 31 December			Three months ended 31 March	
	2015	2016	2017	2017	2018
				(unaudited)	
Emolument bands (in HK dollar)					
Less than HK$1,000,000	5	2	3	3	4
More than HK$1,000,000	—	—	—	—	—

All of the analysis on the highest paid individuals above did not take into account the emoluments paid to the employees of the joint operation, AGBII Group.

10 Finance costs, net

	Year ended 31 December			Three months ended 31 March	
	2015	2016	2017	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Interest expense:					
- bank borrowings	42,525	59,721	131,770	6,838	59,998
- borrowings from related parties	37,456	5,775	9,908	1,485	2,264
- borrowings from a third party	24,692	—	—	—	—
- corporate bonds	153,416	169,492	169,685	42,403	42,447
- provisions: unwinding of discount from asset retirement obligations (Note 32)	—	871	5,021	276	2,299
Finance costs for arranging gold leasing contracts	168,414	128,562	134,246	22,388	42,062
Realised and unrealised fair value losses on gold leasing contracts	71,704	42,279	69,851	38,963	42,660
Guarantee and arrangement fee for a borrowing	—	—	64,897	—	—
Net foreign exchange (gains)/losses	—	(763)	17,547	43	18,766
Finance costs	498,207	405,937	602,925	112,396	210,496
Less: amounts capitalised on qualifying assets	(47,174)	(30,339)	(9,412)	(245)	(1,045)
Total finance costs	**451,033**	**375,598**	**593,513**	**112,151**	**209,451**
Interest income:					
- bank deposits	11,935	8,604	34,766	4,665	7,903
- deposits within a related party	494	2,384	2,679	536	1,338
Total finance income	**12,429**	**10,988**	**37,445**	**5,201**	**9,241**
Finance costs, net	**438,604**	**364,610**	**556,068**	**106,950**	**200,210**

11a Subsidiaries

The following is a list of the principal subsidiaries at each balance date:

Company name	Place of incorporation	Principal activities and place of operation	Type of legal entity	Registered capital	As at 31 March 2018 Attributable equity interest held by the Company	Group	Held by non-controlling interests
				(RMB)			
Shandong Gold Mining (Laizhou) Co., Ltd. ("Shandong Laizhou")	The PRC	Gold mining in the PRC	Limited liability company	410,000,000	100%	100%	—
Shandong Gold Smelting Co., Ltd.	The PRC	Gold and silver smelting in the PRC	Limited liability company	350,000,000	100%	100%	—
Shandong Gold Mining (Xinhui) Co., Ltd. ("Shandong Xinhui")	The PRC	Gold mining in the PRC	Limited liability company	257,000,000	100%	100%	—
Shandong Gold Mining (Linglong) Co., Ltd.	The PRC	Gold mining in the PRC	Limited liability company	300,000,000	100%	100%	—
Shandong Jinshi Mining Co., Ltd.	The PRC	Mining investment in the PRC	Limited liability company	26,800,000	100%	100%	—
Xihe Zhongbao Mining Co., Ltd.	The PRC	Exploration of Gold Mine in the PRC	Limited liability company	200,000,000	70%	70%	30%
Shandong Gold Group Penglai Mining Co., Ltd.	The PRC	Gold mining in the PRC	Limited liability company	50,000,000	100%	100%	—
Shandong Gold Guilaizhuang Mining Co., Ltd.	The PRC	Gold mining in the PRC	Limited liability company	621,670,000	70.65%	70.65%	29.35%

Company name	Place of incorporation	Principal activities and place of operation	Type of legal entity	Registered capital	As at 31 December 2017 Attributable equity interest held by the Company	Group	Held by non-controlling interests
				(RMB)			
Shandong Gold Mining (Laizhou) Co., Ltd. ("Shandong Laizhou")	The PRC	Gold mining in the PRC	Limited liability company	410,000,000	100%	100%	—
Shandong Gold Smelting Co., Ltd.	The PRC	Gold and silver smelting in the PRC	Limited liability company	350,000,000	100%	100%	—
Shandong Gold Mining (Xinhui) Co., Ltd. ("Shandong Xinhui")	The PRC	Gold mining in the PRC	Limited liability company	257,000,000	100%	100%	—
Shandong Gold Mining (Linglong) Co., Ltd.	The PRC	Gold mining in the PRC	Limited liability company	300,000,000	100%	100%	—
Shandong Jinshi Mining Co., Ltd.	The PRC	Mining investment in the PRC	Limited liability company	26,800,000	100%	100%	—
Xihe Zhongbao Mining Co., Ltd.	The PRC	Exploration of Gold Mine in the PRC	Limited liability company	200,000,000	70%	70%	30%
Shandong Gold Group Penglai Mining Co., Ltd.	The PRC	Gold mining in the PRC	Limited liability company	50,000,000	100%	100%	—
Shandong Gold Guilaizhuang Mining Co., Ltd.	The PRC	Gold mining in the PRC	Limited liability company	621,670,000	70.65%	70.65%	29.35%

Company name	Place of incorporation	Principal activities and place of operation	Type of legal entity	Registered capital	As at 31 December 2016 Attributable equity interest held by the Company	Group	Held by non-controlling interests
				(RMB)			
Shandong Gold Mining (Laizhou) Co., Ltd. ("Shandong Laizhou")	The PRC	Gold mining in the PRC	Limited liability company	410,000,000	100%	100%	—
Shandong Gold Smelting Co., Ltd.	The PRC	Gold and silver smelting in the PRC	Limited liability company	350,000,000	100%	100%	—
Shandong Gold Mining (Xinhui) Co., Ltd. ("Shandong Xinhui")	The PRC	Gold mining in the PRC	Limited liability company	257,000,000	100%	100%	—
Shandong Gold Mining (Linglong) Co., Ltd.	The PRC	Gold mining in the PRC	Limited liability company	300,000,000	100%	100%	—
Shandong Jinshi Mining Co., Ltd.	The PRC	Mining investment in the PRC	Limited liability company	26,800,000	100%	100%	—
Xihe Zhongbao Mining Co., Ltd.	The PRC	Exploration of Gold Mine in the PRC	Limited liability company	200,000,000	70%	70%	30%
Shandong Gold Group Penglai Mining Co., Ltd.	The PRC	Gold mining in the PRC	Limited liability company	50,000,000	100%	100%	—
Shandong Gold Guilaizhuang Mining Co., Ltd.	The PRC	Gold mining in the PRC	Limited liability company	621,670,000	70.65%	70.65%	29.35%

Company name	Place of incorporation	Principal activities and place of operation	Type of legal entity	As at 31 December 2015			
				Registered capital	Attributable equity interest held by the		Held by non-controlling interests
					Company	Group	
				(RMB)			
Shandong Gold Mining (Laizhou) Co., Ltd. ("Shandong Laizhou")	The PRC	Gold mining in the PRC	Limited liability company	760,000,000	100%	100%	—
Shandong Gold Mining (Xinhui) Co., Ltd. ("Shandong Xinhui")	The PRC	Gold mining in the PRC	Limited liability company	257,000,000	100%	100%	—
Shandong Gold Mining (Linglong) Co., Ltd.	The PRC	Gold mining in the PRC	Limited liability company	300,000,000	100%	100%	—
Shandong Jinshi Mining Co., Ltd.	The PRC	Mining investment in the PRC	Limited liability company	10,017,700	73.52%	73.52%	26.48%
Xihe Zhongbao Mining Co., Ltd.	The PRC	Exploration of Gold Mine in the PRC	Limited liability company	26,800,000	100%	100%	—
Shandong Gold Group Penglai Mining Co., Ltd.	The PRC	Gold mining in the PRC	Limited liability company	50,000,000	51%	51%	49%
Shandong Gold Guilaizhuang Mining Co., Ltd.	The PRC	Gold mining in the PRC	Limited liability company	621,670,000	70.65%	70.65%	29.35%

(a) Material non-controlling interests

	As at 31 December			As at 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-controlling interests	1,216,195	1,008,906	1,026,341	1,051,907

The carrying amount of non-controlling interests in respective subsidiaries with material non-controlling interest are analysed as below.

	As at 31 December			As at 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Subsidiaries with material non-controlling interest				
Shandong Jinzhou Mining Group Co., Ltd. ("Shandong Jinzhou")	302,975	301,259	297,324	306,234
Xihe Zhongbao Mining Co., Ltd. ("Xihe Zhongbao")	359,547	357,015	353,602	354,692
Shandong Gold Group Penglai Mining Co., Ltd. ("Penglai") (note)	177,304	—	—	—
Shandong Gold Guilaizhuang Mining Co., Ltd. ("Guilaizhuang") (note)	233,420	220,327	240,698	250,868
	1,073,246	878,601	891,624	911,794

Note: The Group's 100% equity interest in Penglai and 70.65% equity interest in Guilaizhuang are acquired from a subsidiary of the Parent Company in October 2016 and the acquisitions have been accounted for as business combinations under common control (Note 27(b)(ii)).

The non-controlling interests in respect of Chifeng Chaihu Gold Mining Co. Ltd., Fujian Yuanxin Mining Co. Ltd. ("Fujian Yuanxin"), Jinzhou Qianlin Co. Ltd. and Shenzheng Shanjin Co. Ltd. are not material.

(b) Summarised financial information on subsidiaries with material non-controlling interests

There are no significant restrictions on the ability of subsidiaries to transfer funds to the Company or any of its other subsidiaries.

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. See Note 39 for transactions with non-controlling interests.

Summarised balance sheets

	Shandong Jinzhou				Xihe Zhongbao			
	As at 31 December			As at 31 March	As at 31 December			As at 31 March
	2015	2016	2017	2018	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Current assets	189,926	191,899	161,868	176,688	25,380	21,616	12,365	15,439
Non-current assets	785,578	849,061	873,749	873,102	1,855,612	1,847,056	1,831,940	1,832,966
	975,504	1,040,960	1,035,617	1,049,790	1,880,992	1,868,672	1,844,305	1,848,405
Current liabilities	(190,648)	(201,141)	(188,262)	(184,968)	(210,104)	(242,570)	(265,244)	(267,901)
Non-current liabilities	(14,671)	(27,517)	(31,445)	(30,013)	(472,399)	(436,053)	(400,390)	(398,197)
	(205,319)	(228,658)	(219,707)	(214,981)	(682,503)	(678,623)	(665,634)	(666,098)
Net assets	770,185	812,302	815,910	834,809	1,198,489	1,190,049	1,178,671	1,182,307

	Penglai (note)	Guilaizhuang			
	As at 31 December	As at 31 December			As at 31 March
	2015	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Current assets	28,246	82,448	73,390	111,472	139,208
Non-current assets	557,735	924,233	905,816	788,364	774,908
	585,981	1,006,681	979,206	899,836	914,116
Current liabilities	(159,064)	(203,933)	(216,878)	(64,373)	(44,173)
Non-current liabilities	(65,071)	(7,450)	(11,639)	(15,368)	(15,196)
	(224,135)	(211,383)	(228,517)	(79,741)	(59,369)
Net assets	361,846	795,298	750,689	820,095	854,747

Note: Penglai becomes a wholly owned subsidiary of the Group since October 2016 and hence its financial information as of 31 December 2016 and 2017 and 31 March 2018 have not been presented for the purpose of this disclosure note.

Summarised statements of comprehensive income

	Shandong Jinzhou					Xihe Zhongbao				
	Year ended 31 December			Three months ended 31 March		Year ended 31 December			Three months ended 31 March	
	2015	2016	2017	2017	2018	2015	2016	2017	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Revenue	193,107	308,050	331,201	77,946	97,715	—	73,369	123,922	29,600	36,682
Profit/(loss) before income tax	69,649	69,566	65,369	18,875	30,577	(4,579)	(13,411)	(21,243)	(7,967)	1,338
Income tax (expenses)/credit	(19,106)	(20,883)	(15,246)	(6,077)	(7,679)	(1,681)	4,713	10,124	3,062	2,193
Profit/(loss) for the year/period	50,543	48,683	50,123	12,798	22,898	(6,260)	(8,698)	(11,119)	(4,905)	3,531
Other comprehensive (loss)/income for the year/period	(27,341)	27,895	(1,103)	(360)	(380)	—	—	—	—	—
Total comprehensive income/(loss) for the year/period	23,202	76,578	49,020	12,438	22,518	(6,260)	(8,698)	(11,119)	(4,905)	3,531
Total comprehensive income/(loss) allocated to non-controlling interests	10,988	455	20,500	5,431	9,291	(1,878)	(2,609)	(3,336)	(1,471)	1,059
Dividends paid to non-controlling interests	11,061	10,342	9,964	—	—	—	—	—	—	—

	Penglai (note)	Guilaizhuang				
	Year ended 31 December	Year ended 31 December			Three months ended 31 March	
	2015	2015	2016	2017	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Revenue	197,340	480,232	196,502	414,422	109,265	104,292
Profit/(loss) before income tax	33,328	98,027	(71,869)	112,661	27,577	41,291
Income tax (expenses)/credit	(8,354)	(10,441)	27,725	(28,304)	75	(6,125)
Profit/(loss) for the year/period	24,974	87,586	(44,144)	84,357	27,652	35,166
Other comprehensive income for the year/period	—	—	—	—	—	—
Total comprehensive income/(loss) for the year/period	24,974	87,586	(44,144)	84,357	27,652	35,166
Total comprehensive income/(loss) allocated to non-controlling interests	12,238	25,706	(12,956)	24,759	8,116	10,321
Dividends paid to non-controlling interests	—	—	—	4,388	—	—

Note: Penglai becomes a wholly owned subsidiary of the Group since 1 October 2016 and hence its financial information for the years ended 31 December 2016 and 2017 and the three months ended 31 March 2017 and 2018 have not been presented for the purpose of this disclosure note.

Summarised cash flows

	Shandong Jinzhou					Xihe Zhongbao				
	Year ended 31 December			Three months ended 31 March		Year ended 31 December			Three months ended 31 March	
	2015	**2016**	**2017**	**2017**	**2018**	**2015**	**2016**	**2017**	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Cash flows from operating activities										
Cash generated from/(used in) operations	43,134	110,261	122,353	78,890	65,034	(56,067)	52,013	51,548	10,479	12,486
Interest received	1,094	658	735	—	—	329	7	79	—	—
Income tax paid	(25,368)	(21,332)	(19,596)	(7,484)	(11,026)	—	—	—	(663)	(963)
Net cash generated from/(used in) operating activities	18,860	89,587	103,492	71,406	54,008	(55,738)	52,020	51,627	9,816	11,523
Net cash used in investing activities	(5,549)	(65,015)	(56,771)	(12,224)	(14,134)	(26,508)	(23,595)	(28,212)	1,186	(9,107)
Net cash (used in)/generated from financing activities	(22,713)	(24,982)	(46,557)	—	(1)	57,485	(38,670)	(23,326)	(7,247)	(1,744)
Net (decrease)/increase in cash and cash equivalents	**(9,402)**	**(410)**	**164**	**59,182**	**39,873**	**(24,761)**	**(10,245)**	**89**	**3,755**	**672**
Cash and cash equivalents at beginning of the year/period	10,423	1,021	611	611	775	35,072	10,311	66	66	155
Cash and cash equivalents at end of the year/period	1,021	611	775	59,793	40,648	10,311	66	155	3,821	827

	Penglai (note)	Guilaizhuang				
	Year ended 31 December	Year ended 31 December			Three months ended 31 March	
	2015	2015	2016	2017	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Cash flows from operating activities						
Cash generated from/(used in) operations	87,313	136,245	(10,139)	163,876	45,993	28,874
Interest received	410	627	441	883	—	—
Income tax paid	(12,389)	(1,825)	(10,853)	—	—	(3,095)
Net cash generated from/(used in) operating activities	75,334	135,047	(20,551)	164,759	45,993	25,779
Net cash used in investing activities	(58,659)	(49,063)	(66,174)	(94,058)	(16,845)	(4,680)
Net cash (used in)/generated from financing activities	(27,749)	(105,443)	82,944	(68,518)	(620)	500
Net (decrease)/increase in cash and cash equivalents	**(11,074)**	**(19,459)**	**(3,781)**	**2,183**	**28,528**	**21,599**
Cash and cash equivalents at beginning of the year/period	18,439	40,698	21,239	17,458	17,458	19,641
Cash and cash equivalents at end of the year/period	7,365	21,239	17,458	19,641	45,986	41,240

Note: Penglai becomes a wholly owned subsidiary of the Group since 1 October 2016 and hence its financial information for the years ended 31 December 2016 and 2017 and the three months ended 31 March 2017 and 2018 have not been presented for the purpose of this disclosure note.

The information above is the amount before inter-company eliminations.

11b Joint operation

On 30 June 2017, the Company, through its wholly-owned subsidiary, SDHK, completed the acquisition of a 50% interest in AGBII from Barrick Cayman, the subscription of 2.155% interest in Minera Argentina Gold S.R.L. ("MAG") (a non-wholly owned subsidiary of AGBII) and the purchase of 50% of MAG's shareholder's loan, pursuant to a purchase agreement dated 6 April 2017 (the "Purchase Agreement") entered into amongst the Company, SDHK, Barrick Gold Corporation ("Barrick Gold") and Barrick Cayman at a consideration of approximately US$960 million (which was adjusted in November 2017 to approximately US$990 million, equivalent to approximately RMB6,705 million, pursuant to the Share Purchase Agreement based on certain financial metrics), out of which, consideration of US$141 million (equivalent to approximately RMB935 million) is for the purchase of 50% of MAG's shareholders' loan.

After completion of the Share Purchase Agreement, AGBII, SDHK and other shareholders owned 95.69%, 2.155% and 2.155% equity interests in MAG respectively and MAG remained as a non-wholly owned subsidiary of AGBII. The Group and Barrick Gold then jointly operate the Veladero gold mine in Argentina (the "Veladero mine") held by MAG as joint operators. Both the Group and Barrick Gold have the right to the assets and obligations for the liabilities of the AGBII and MAG (collectively the "AGBII Group") and are eligible to the products produced by the Veladero mine and recognise expenses as incurred by the AGBII Group in the proportion of 50% each.

The Group has accounted for its investment in the AGBII Group as a joint operation and consolidated its proportionate share of the assets and liabilities, as well as its share of the revenue and expenses of the AGBII Group starting from 1 July 2017.

12 Investment accounted for using the equity method

	Year ended 31 December			**Three months ended 31 March**
	2015	**2016**	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Beginning of the year/period	320,813	343,694	371,461	399,208
Share of profit	22,881	27,662	34,024	9,028
Share of other comprehensive income	—	105	(56)	(49)
Dividends	—	—	(6,221)	—
End of the year/period	343,694	371,461	399,208	408,187

Details of the associate of the Group is set out below. The associate has share capital consisting solely of ordinary shares, which are held directly by the Company.

Name of entity	Place of business/country of incorporation	% of ownership interest	Measurement method
Shandong Gold Group Finance Co., Ltd. ("Group Finance")	The PRC	30%	Equity

There are no contingent liabilities relating to the Group's interests in the associate.

Summarised financial information for associate

Set out below is a summary of the unaudited financial information for the associate.

Summarised balance sheets

	Shandong Gold Group Finance Co., Ltd.			
	As at 31 December			As at 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current				
Cash and cash equivalents	1,504,506	1,555,141	1,107,864	2,520,565
Other current assets (excluding cash)	624,416	676,935	1,308,008	776,725
Total current assets	**2,128,922**	**2,232,076**	**2,415,872**	**3,297,290**
Financial liabilities (excluding trade payables)	3,470,383	4,010,713	4,436,235	5,619,952
Other current liabilities (including trade payables)	22,164	23,213	57,779	50,422
Total current liabilities	**3,492,547**	**4,033,926**	**4,494,014**	**5,670,374**
Non-current				
Assets	2,509,271	3,040,171	3,408,836	3,733,706
Liabilities	—	117	—	—
Net assets	**1,145,646**	**1,238,204**	**1,330,694**	**1,360,622**

Summarised statements of comprehensive income

	Shandong Gold Group Finance Co., Ltd.				
	Year ended 31 December			Three months ended 31 March	
	2015	2016	2017	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Revenue	172,059	177,549	197,631	37,185	42,054
Profit before income tax	102,759	122,895	150,920	36,098	40,122
Profit for the year/period	76,270	92,208	113,414	27,073	30,092
Other comprehensive income/(loss)	—	350	(187)	(574)	(164)
Total comprehensive income for the year/period	76,270	92,558	113,227	26,499	29,928

Reconciliation of summarised financial information

	Shandong Gold Group Finance Co., Ltd.				
	Year ended 31 December			Three months ended 31 March	
	2015	2016	2017	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Opening net assets attributable to equity holder of the associate at beginning of the year/period	1,069,376	1,145,646	1,238,204	1,238,204	1,330,694
Profit for the year/period	76,270	92,208	113,414	27,073	30,092
Other comprehensive income/(loss)	—	350	(187)	(574)	(164)
Dividends paid	—	—	(20,737)	—	—
Closing net assets attributable to equity holder of the associate at end of the year/period	1,145,646	1,238,204	1,330,694	1,264,703	1,360,622
Interest in associate (30%)	343,694	371,461	399,208	379,411	408,187
Carrying value	343,694	371,461	399,208	379,411	408,187

13 Income tax expenses

	Year ended 31 December			Three months ended 31 March	
	2015	**2016**	**2017**	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Current income tax:					
- The PRC (note (a))	382,524	455,550	368,250	113,990	127,657
- Outside the PRC (note (b))	—	—	187,138	—	76,561
	382,524	455,550	555,388	113,990	204,218
Deferred income tax credit (Note 31)	(114,044)	(70,356)	(123,936)	(24,647)	(68,265)
	268,480	385,194	431,452	89,343	135,953

(a) The provision for PRC enterprise income tax ("EIT") is calculated based on the statutory income tax rate of 25%. The applicable income tax rate is 25% on the estimated tax assessable profit of each of the companies comprising the Group, determined in accordance with the relevant PRC income tax rules and regulations, except for the Company and certain subsidiaries which are taxed at preferential tax rate of 15% based on the relevant PRC tax laws and regulations.

(b) The estimated tax assessable profit of the Group's overseas joint operation (i.e. the AGBII Group) is taxed at the statutory income tax rate in Argentina of 35% (subsequently reduced to 30% with effect from 1 January 2018) in accordance with the Argentina income tax law.

(c) No provision for income tax has been made by SDHK (a subsidiary incorporated in Hong Kong in 2017) as it has no estimated taxable profits in any financial year/period since the date of its incorporation.

(d) The taxation of the Group's profit before taxation differs from the theoretical amount that would arise using the rates prevailing in the jurisdictions in which the Group operates as follows:

	Year ended 31 December			Three months ended 31 March	
	2015	**2016**	**2017**	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Profit before income tax	**981,737**	**1,697,976**	**1,604,445**	**417,803**	**489,550**
Tax calculated at applicable tax rates (25%)	245,434	424,494	401,111	104,451	122,387
Different tax rates applicable to certain subsidiaries and the overseas joint operation	(2,218)	(14,897)	18,439	(3,248)	543
Income not subject to taxation	(4,013)	(7,530)	(5,104)	(1,192)	(1,304)
Expenses not deductible for taxation purposes	18,782	13,280	25,597	1,187	10,738
Utilisation of previously unrecognised tax losses	(2,119)	(12,404)	(5,281)	(7,372)	(2,692)
Tax losses for which no deferred income tax asset has been recognised	35,866	15,293	25,828	3,764	11,169
Additional expenses allowable for tax deduction	(21,060)	(34,876)	(28,420)	(619)	(146)
Adjustment in respect of prior years	(2,192)	1,834	(718)	(7,628)	(4,742)
Income tax expense	**268,480**	**385,194**	**431,452**	**89,343**	**135,953**
Weighted average applicable tax rate	**27%**	**23%**	**27%**	**21%**	**28%**

(e) The tax (charge)/credit relating to components of other comprehensive income is as follows:

	Year ended 31 December								
	2015			2016			2017		
	Before tax	Deferred income tax credit	After tax	Before tax	Deferred income tax credit	After tax	Before tax	Deferred income tax credit	After tax
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	
Available-for-sale financial assets	(33,676)	8,419	(25,257)	(1,456)	364	(1,092)	—	—	—

	Three months ended 31 March					
	2017 (unaudited)			2018		
	Before tax	Deferred income tax credit	After tax	Before tax	Deferred income tax credit	After tax
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Available-for-sale financial assets	—	—	—	—	—	—

14 Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the number of ordinary shares in issue.

	Year ended 31 December			Three months ended 31 March	
	2015	2016	2017	2017	2018
				(unaudited)	
Profit attributable to equity holders of the Company (RMB'000)	647,930	1,286,642	1,118,920	317,938	327,926
Weighted number of ordinary shares in issue (thousands)	1,416,687	1,505,875	1,850,734	1,850,734	1,850,734
Basic earnings per share (RMB per share)	0.46	0.85	0.60	0.17	0.18

As the Company had no dilutive instruments for the years ended 31 December 2015, 2016 and 2017 and the three months ended 31 March 2017 and 2018, the Group's diluted earnings per share equals to its basic earnings per share.

15 Property, plant and equipment

Group

	Buildings	Mining structures	Plant machinery and equipment	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2015					
Cost	3,720,981	5,598,504	3,889,687	3,124,439	16,333,611
Accumulated depreciation	(968,826)	(1,761,922)	(1,651,579)	—	(4,382,327)
Impairment provision	(16,435)	(32,110)	(216)	—	(48,761)
Net book amount	**2,735,720**	**3,804,472**	**2,237,892**	**3,124,439**	**11,902,523**

	Buildings	Mining structures	Plant machinery and equipment	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2015					
Opening net book amount	2,735,720	3,804,472	2,237,892	3,124,439	11,902,523
Additions	12,692	221	188,968	1,689,030	1,890,911
Transfer to construction in progress	—	—	(15,256)	15,256	—
Transfers upon completion of construction	189,148	1,246,420	225,221	(1,660,789)	—
Disposals/write-off	(886)	—	(19,392)	—	(20,278)
Depreciation charges	(191,052)	(228,926)	(441,404)	—	(861,382)
Closing net book amount	**2,745,622**	**4,822,187**	**2,176,029**	**3,167,936**	**12,911,774**
As at 31 December 2015					
Cost	3,919,068	6,845,145	4,234,005	3,167,936	18,166,154
Accumulated depreciation	(1,157,011)	(1,990,848)	(2,057,801)	—	(5,205,660)
Impairment provision	(16,435)	(32,110)	(175)	—	(48,720)
Net book amount	**2,745,622**	**4,822,187**	**2,176,029**	**3,167,936**	**12,911,774**
Year ended 31 December 2016					
Opening net book amount	2,745,622	4,822,187	2,176,029	3,167,936	12,911,774
Additions	19,934	16,831	224,246	1,497,625	1,758,636
Transfers upon completion of construction	660,737	1,453,893	227,744	(2,342,374)	—
Transfer to construction in progress	—	—	(4,889)	4,889	—
Transfer to investment properties (Note 16)	(31,993)	—	—	—	(31,993)
Disposals/write-off	(3,300)	(1,383)	(15,840)	(29,108)	(49,631)
Disposal of subsidiaries (Note 40(f))	(103,075)	—	(6,772)	—	(109,847)
Depreciation charges	(227,737)	(274,980)	(455,913)	—	(958,630)
Provision for impairment	—	—	(7,391)	—	(7,391)
Closing net book amount	**3,060,188**	**6,016,548**	**2,137,214**	**2,298,968**	**13,512,918**
As at 31 December 2016					
Cost	4,434,122	8,310,892	4,520,910	2,298,968	19,564,892
Accumulated depreciation	(1,357,499)	(2,262,234)	(2,376,130)	—	(5,995,863)
Impairment provision	(16,435)	(32,110)	(7,566)	—	(56,111)
Net book amount	**3,060,188**	**6,016,548**	**2,137,214**	**2,298,968**	**13,512,918**

	Buildings	Mining structures	Plant machinery and equipment	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2017					
Opening net book amount	3,060,188	6,016,548	2,137,214	2,298,968	13,512,918
Additions	10,823	182,265	201,151	2,109,298	2,503,537
Acquisition of a joint operation	1,235,928	3,589,350	1,939,333	256,580	7,021,191
Transfers upon completion of construction	595,898	1,138,544	313,941	(2,048,383)	—
Transfer to construction in progress	(87)	—	(57,725)	57,812	—
Transfer to investment properties (Note 16)	(2,902)	—	—	—	(2,902)
Disposals/write-off	(7,524)	(64)	(16,820)	(8,415)	(32,823)
Depreciation charges	(396,093)	(526,305)	(723,187)	—	(1,645,585)
Provision for impairment	(5,715)	—	(117)	—	(5,832)
Currency translation differences	(41,196)	(124,689)	(64,575)	(9,098)	(239,558)
Closing net book amount	**4,449,320**	**10,275,649**	**3,729,215**	**2,656,762**	**21,110,946**
As at 31 December 2017					
Cost	6,259,115	13,216,013	6,819,353	2,665,860	28,960,341
Accumulated depreciation	(1,746,449)	(2,783,565)	(3,017,929)	—	(7,547,943)
Impairment provision	(22,150)	(32,110)	(7,634)	—	(61,894)
Currency translation differences	(41,196)	(124,689)	(64,575)	(9,098)	(239,558)
Net book amount	**4,449,320**	**10,275,649**	**3,729,215**	**2,656,762**	**21,110,946**
Three months ended 31 March 2018					
Opening net book amount	4,449,320	10,275,649	3,729,215	2,656,762	21,110,946
Additions	4,626	147,225	32,988	576,772	761,611
Transfer to construction in progress	—	—	(11,715)	11,715	—
Transfers upon completion of construction	16,859	239,715	39,717	(296,291)	—
Disposals/write-off (Note a)	(64)	—	(13,209)	—	(13,273)
Depreciation charges	(117,133)	(183,293)	(202,195)	—	(502,621)
Currency translation differences	(46,620)	(131,548)	(61,758)	(8,450)	(248,376)
Closing net book amount	**4,306,988**	**10,347,748**	**3,513,043**	**2,940,508**	**21,108,287**
As at 31 March 2018					
Cost	6,280,536	13,602,953	6,854,096	2,958,056	29,695,641
Accumulated depreciation	(1,863,582)	(2,966,858)	(3,207,086)	—	(8,037,526)
Impairment provision	(22,150)	(32,110)	(7,634)	—	(61,894)
Currency translation differences	(87,816)	(256,237)	(126,333)	(17,548)	(487,934)
Net book amount	**4,306,988**	**10,347,748**	**3,513,043**	**2,940,508**	**21,108,287**

(a) The disposals/write-off for the three months ended 31 March 2018 included an amount of approximately RMB11,785,000 which was arisen from the change in the discount rate used for the asset retirement obligations as disclosed in Note 32.

Depreciation of the Group charged to profit or loss and capitalised as construction in progress is analysed as follows:

	Year ended 31 December			Three months ended 31 March	
	2015	**2016**	**2017**	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Cost of sales	746,961	809,770	1,473,466	220,566	465,925
General and administrative expenses	98,744	133,299	122,799	27,784	29,978
Capitalised as construction in progress	15,677	15,561	49,320	15,945	6,718
	861,382	958,630	1,645,585	264,295	502,621

The Group has capitalised borrowing costs and weighted average rate of its general borrowings were as follows:

	Year ended 31 December			Three months ended 31 March
	2015	**2016**	**2017**	**2018**
Capitalised borrowing costs (RMB'000)	47,174	30,339	9,412	1,045
Weighted average rate (%)	5.45	4.73	3.91	4.75

The Group was in the process of applying the ownership certificates for certain buildings as follows:

	As at 31 December			As at 31 March
	2015	**2016**	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Net book value	919,272	1,031,368	993,571	922,938

Company

	Buildings	Mining structures	Plant machinery and equipment	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2015					
Cost	583,482	666,355	656,072	190,971	2,096,880
Accumulated depreciation	(152,106)	(126,900)	(307,308)	—	(586,314)
Net book amount	**431,376**	**539,455**	**348,764**	**190,971**	**1,510,566**
Year ended 31 December 2015					
Opening net book amount	431,376	539,455	348,764	190,971	1,510,566
Additions	1,395	—	6,112	154,044	161,551
Transfers upon completion of construction	10,093	74,213	43,767	(128,073)	—
Disposals/write-off	(212)	—	(9,775)	—	(9,987)
Depreciation charges	(24,716)	(15,557)	(74,956)	—	(115,229)
Closing net book amount	**417,936**	**598,111**	**313,912**	**216,942**	**1,546,901**
As at 31 December 2015					
Cost	593,599	740,568	685,541	216,942	2,236,650
Accumulated depreciation	(175,663)	(142,457)	(371,629)	—	(689,749)
Net book amount	**417,936**	**598,111**	**313,912**	**216,942**	**1,546,901**
Year ended 31 December 2016					
Opening net book amount	417,936	598,111	313,912	216,942	1,546,901
Additions	5,544	—	2,259	200,910	208,713
Transfers upon completion of construction	7,255	36,116	44,447	(87,818)	—
Transfer to investment properties (Note 16)	(31,993)	—	—	—	(31,993)
Disposals/write-off	(87)	—	(2,591)	(4,410)	(7,088)
Depreciation charges	(31,920)	(17,976)	(72,637)	—	(122,533)
Closing net book amount	**366,735**	**616,251**	**285,390**	**325,624**	**1,594,000**
As at 31 December 2016					
Cost	567,677	776,684	708,476	325,624	2,378,461
Accumulated depreciation	(200,942)	(160,433)	(423,086)	—	(784,461)
Net book amount	**366,735**	**616,251**	**285,390**	**325,624**	**1,594,000**

	Buildings	Mining structures	Plant machinery and equipment	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2017					
Opening net book amount	366,735	616,251	285,390	325,624	1,594,000
Additions	5,907	—	3,200	332,879	341,986
Transfers upon completion of construction	12,299	29,302	91,956	(133,557)	—
Transfer to construction in progress	—	—	(38,269)	38,269	—
Transfer to investment properties (Note 16)	(2,902)	—	—	—	(2,902)
Disposals/write-off	(558)	—	(2,153)	(5,936)	(8,647)
Depreciation charges	(22,961)	(19,080)	(66,280)	—	(108,321)
Closing net book amount	**358,520**	**626,473**	**273,844**	**557,279**	**1,816,116**
As at 31 December 2017					
Cost	581,487	805,986	727,164	557,279	2,671,916
Accumulated depreciation	(222,967)	(179,513)	(453,320)	—	(855,800)
Net book amount	**358,520**	**626,473**	**273,844**	**557,279**	**1,816,116**
Three months ended 31 March 2018					
Opening net book amount	358,520	626,473	273,844	557,279	1,816,116
Additions	—	—	—	89,322	89,322
Transfers upon completion of construction	1,052	—	17,900	(18,952)	—
Transfer to construction in progress	—	—	(11,230)	11,230	—
Depreciation charges	(5,501)	(7,040)	(11,762)	—	(24,303)
Closing net book amount	**354,071**	**619,433**	**268,752**	**638,879**	**1,881,135**
As at 31 March 2018					
Cost	582,539	805,986	724,594	638,879	2,761,238
Accumulated depreciation	(228,468)	(186,553)	(455,842)	—	(880,103)
Net book amount	**354,071**	**619,433**	**268,752**	**638,879**	**1,881,135**

Depreciation of the Company charged to profit or loss and capitalised as construction in progress is analysed as follows:

	Year ended 31 December			Three months ended 31 March	
	2015	**2016**	**2017**	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Cost of sales	77,801	84,321	73,884	25,422	15,779
General and administrative expenses	32,522	32,925	29,516	6,593	4,394
Capitalised as construction in progress	4,906	5,287	4,921	1,125	4,130
	115,229	122,533	108,321	33,140	24,303

The Company was in the process of applying the ownership certificates for certain buildings as follows:

	As at 31 December			As at 31 March
	2015	**2016**	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Net book value	106,815	102,593	29,001	22,227

16 Investment properties

	Year ended 31 December			Three months ended 31 March
	2015	**2016**	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Opening net book amount	216,216	207,925	234,470	226,684
Additions	722	991	329	—
Transfer from property, plant and equipment (Note 15)	—	31,993	2,902	—
Depreciation charges	(9,013)	(6,439)	(11,017)	(2,083)
Closing net book amount	**207,925**	**234,470**	**226,684**	**224,601**

An independent valuation of the Group's investment properties was performed by an independent valuer to determine the fair value of the investment properties as at each balance sheet date and details of which are summarised as below.

	As at 31 December			As at 31 March
	2015	**2016**	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Fair value of investment properties	244,919	291,261	295,921	292,077

Amounts recognised in profit and loss for investment properties

	Year ended 31 December			Three months ended 31 March	
	2015	**2016**	**2017**	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*unaudited*)	*RMB'000*
Rental income	20,052	11,906	19,732	2,534	2,410
Direct operating expenses from properties that generated rental income	(1,244)	(983)	(760)	(198)	(171)
	18,808	10,923	18,972	2,336	2,239

17 Land use rights

	Year ended 31 December			Three months ended 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Opening net book amount	247,931	244,598	305,079	339,824
Additions	4,754	87,206	45,245	6,461
Disposals	(10)	—	—	—
Disposals of subsidiaries (Note 40(f))	—	(17,249)	—	—
Amortisation charge	(8,077)	(9,476)	(10,500)	(2,878)
Closing net book amount	244,598	305,079	339,824	343,407
Cost	311,012	376,218	421,463	427,924
Accumulated amortisation	(58,377)	(63,102)	(73,602)	(76,480)
Impairment provision	(8,037)	(8,037)	(8,037)	(8,037)
Net book amount	244,598	305,079	339,824	343,407

The Group's land use rights represent prepaid operating lease payments for leasehold land located in the PRC with lease periods of 50 years.

Amortisation of the Group charged to profit or loss and capitalised as construction in progress is analysed as follows:

	Year ended 31 December			Three months ended 31 March	
	2015	2016	2017	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
General and administrative expenses	8,077	9,209	10,500	2,270	2,878
Capitalised as construction in progress	—	267	—	—	—
	8,077	9,476	10,500	2,270	2,878

The Group was in the process of applying the ownership certificates for certain land use rights as follows:

	As at 31 December			As at 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Net book value	8,773	39,779	43,878	32,097

18 Intangible assets

	Mining and exploration rights	Patent rights	Software licenses	Trademark and others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2015					
Cost	12,056,400	13,361	44,880	894	12,115,535
Accumulated amortisation	(2,243,293)	(7,236)	(14,455)	(878)	(2,265,862)
Net book amount	**9,813,107**	**6,125**	**30,425**	**16**	**9,849,673**
Year ended 31 December 2015					
Opening net book amount	9,813,107	6,125	30,425	16	9,849,673
Additions	28,722	—	2,364	—	31,086
Transferred to other non-current assets	—	—	(4,410)	—	(4,410)
Amortisation charges	(588,257)	(1,337)	(4,362)	(2)	(593,958)
Disposals	(178)	—	—	—	(178)
Closing net book amount	**9,253,394**	**4,788**	**24,017**	**14**	**9,282,213**
As at 31 December 2015					
Cost	12,085,122	13,361	42,493	894	12,141,870
Accumulated amortisation	(2,831,728)	(8,573)	(18,476)	(880)	(2,859,657)
Net book amount	**9,253,394**	**4,788**	**24,017**	**14**	**9,282,213**
Year ended 31 December 2016					
Opening net book amount	9,253,394	4,788	24,017	14	9,282,213
Additions	2,418,694	—	1,031	2,326	2,422,051
Amortisation charges	(580,648)	(1,337)	(4,410)	(2)	(586,397)
Closing net book amount	**11,091,440**	**3,451**	**20,638**	**2,338**	**11,117,867**

	Mining and exploration rights	Patent rights	Software licenses	Trademark and others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2016					
Cost	14,503,816	13,361	43,524	3,220	14,563,921
Accumulated amortisation	(3,412,376)	(9,910)	(22,886)	(882)	(3,446,054)
Net book amount	**11,091,440**	**3,451**	**20,638**	**2,338**	**11,117,867**
Year ended 31 December 2017					
Opening net book amount	11,091,440	3,451	20,638	2,338	11,117,867
Additions	1,507,860	—	4,262	127	1,512,249
Amortisation charges	(609,349)	(1,337)	(4,583)	(2)	(615,271)
Closing net book amount	**11,989,951**	**2,114**	**20,317**	**2,463**	**12,014,845**
As at 31 December 2017					
Cost	16,011,676	13,361	47,786	3,347	16,076,170
Accumulated amortisation	(4,021,725)	(11,247)	(27,469)	(884)	(4,061,325)
Net book amount	**11,989,951**	**2,114**	**20,317**	**2,463**	**12,014,845**
Three months ended 31 March 2018					
Opening net book amount	11,989,951	2,114	20,317	2,463	12,014,845
Additions	—	—	—	9,916	9,916
Amortisation charges	(151,713)	(334)	(1,127)	(1)	(153,175)
Closing net book amount	**11,838,238**	**1,780**	**19,190**	**12,378**	**11,871,586**
As at 31 March 2018					
Cost	16,011,676	13,361	47,786	13,263	16,086,086
Accumulated amortisation	(4,173,438)	(11,581)	(28,596)	(885)	(4,214,500)
Net book amount	**11,838,238**	**1,780**	**19,190**	**12,378**	**11,871,586**

Amortisation of the Group charged to profit or loss is analysed as follows:

	Year ended 31 December			Three months ended 31 March	
	2015	2016	2017	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Cost of sales	588,257	580,648	609,349	156,532	151,714
General and administrative expenses	5,701	5,749	5,922	1,473	1,461
	593,958	586,397	615,271	158,005	153,175

19 Goodwill

	As at 31 December			As at 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Goodwill on business combinations in the PRC (note a)	120,694	120,694	120,694	120,694
Goodwill on acquisition of the joint operation (note b)	—	—	1,042,959	1,042,959
Currency translation differences	—	—	(36,980)	(74,868)
	120,694	120,694	1,126,673	1,088,785

(a) This balance comprised of the goodwill arose from the Group's acquisition of a non-wholly owned subsidiary, Chifeng Chaihulanzi Gold Mining Co., Ltd. ("Chifeng Chai Gold") of approximately RMB65,340,000 and the goodwill as taken up upon the acquisition of Guilaizhuang (an acquisition which has been accounted for as a business combination under common control as mentioned in Note 27(b)(ii)) of approximately RMB55,354,000.

The Directors have performed impairment assessments on the aforesaid goodwill and concluded that no impairment charge has to be recognised. The recoverable amount of each cash-generating unit has been determined based on a value-in-use calculation using cash flow projection based on a financial budget covering a five-year period approved by management. The pre tax discount rates applied to the cash flow projections for each year/period are in a range from 11% to 13%. The key assumptions as adopted by the Directors in the impairment assessment are summarised as below:

- Gold output - The values assigned to the future revenues are estimated based on the annual gold production, which is in line with the processing capacity of each cash-generating unit, taking into consideration the expected future capital expenditure and capacity expansion.
- Mining costs - The basis used to determine the values assigned to the mining costs is the input requirements in accordance with the long-term mining plan at real unit costs.
- Commodity price - Future commodity prices in the valuation model are estimated by management based on their industry experience, historic price trends and independent expert reports and commentaries.
- Discount rates - The discount rates used are based on a weighted average cost of capital, and are real rates, before tax reflecting specific risks relating to the cash-generating units.

(b) The goodwill of US$153,956,000 (approximately RMB1,042,959,000 on the acquisition date) was resulted from the acquisition of 50% interest in the AGBII Group (Notes 11(b) and 38) on 30 June 2017. The AGBII Group principally engages in the production and sale of gold globally. The goodwill was allocated to the Veladero mine as owned by MAG, the subsidiary of AGBII. The acquisition was completed on 30 June 2017 and the Directors have determined the goodwill on the acquisition based on a purchase price allocation ("PPA") as performed by an independent valuer. The key assumption used in the PPA included in the expected Life of Mine ("LOM") to be 12 years, gold prices ranging from US$1,307 per ounce to US$1,332 per ounce over the span of the LOM and a discount rate of 6.5%.

The Directors revisited the assumptions used in the PPA valuation and concluded that there were no indicators of impairment on the aforesaid goodwill. The recoverable amount of US$1,151.5 million (approximately RMB7,800.7 million) has been determined based on its estimated FVLCD, which has been determined to be greater than the carrying amounts of the Group's interest in the AGBII Group plus the aforesaid goodwill on acquisition of US$1,037.5 million (approximately RMB7,028.4 million) by US$114 million (approximately RMB772.3 million). The key assumptions and estimates used in determining the FVLCD are related to commodity prices, discount rates, net asset value multiples for gold assets, operating costs, exchange rates, capital expenditures, the LOM production profile and continued license to operate. In addition, assumptions are related to observable market evaluation metrics, including identification of comparable entities, and associated market values per ounce and per pound of reserves and/or resource as well as the valuation of resources beyond what is included in LOM plans.

A 2.5% increase in estimated discount rate, a 5% decrease in estimated gold prices or a decrease of 3.3 years in LOM, all changes taken in isolation in the FVLCD calculations, would remove the remaining headroom.

The following table sets forth the impact of reasonable possible changes in each of the key assumptions, with all other variables held constant, of goodwill impairment testing of Veladero mine at the dates indicated.

Possible changes of key assumptions	Recoverable amount of the cash-generating unit exceeding its carrying amount by	
	As at 31 December 2017	**As at 31 March 2018**
	RMB'000	*RMB'000*
Pre-tax discount rate increases by 1 percentage point	429,631	286,982
Pre-tax discount rate increases by 2 percentage points	135,219	8,648
Life of mine decreases 1 year	710,129	547,659
Life of mine decreases 2 years	463,952	308,834
Gold price decreases by 1%	598,017	448,256
Gold price decreases by 3%	303,046	173,177

Reasonably possible changes in key assumptions would not lead to impairment as of 31 December 2017 and 31 March 2018, respectively.

20 Financial instruments by category

	Financial assets at amortised cost	Assets at FVOCI	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 31 March 2018			
Assets as per balance sheet			
Financial assets at fair value through other comprehensive income	—	2,015	2,015
Trade and other receivables excluding non-financial assets	315,126	—	315,126
Restricted bank deposits	146,989	—	146,989
Cash and cash equivalents	2,473,693	—	2,473,693
Total	2,935,808	2,015	2,937,823

	Liabilities at FVPL	Liabilities at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Liabilities as per balance sheet			
Borrowings	—	10,127,201	10,127,201
Trade and other payables excluding non-financial liabilities	—	3,330,465	3,330,465
Other non-current liabilities	—	77,832	77,832
Financial liabilities at fair value through profit or loss	6,499,031	—	6,499,031
Total	6,499,031	13,535,498	20,034,529

	Loans and receivables	Assets at FVOCI	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 31 December 2017			
Assets as per balance sheet			
Available-for-sale financial assets	—	2,015	2,015
Trade and other receivables excluding non-financial assets	317,032	—	317,032
Restricted bank deposits	669,942	—	669,942
Cash and cash equivalents	2,402,814	—	2,402,814
Total	3,389,788	2,015	3,391,803

	Liabilities at FVPL	Liabilities at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Liabilities as per balance sheet			
Borrowings	—	10,974,926	10,974,926
Trade and other payables excluding non-financial liabilities	—	3,515,273	3,515,273
Other non-current liabilities	—	83,435	83,435
Financial liabilities at fair value through profit or loss	5,751,411	—	5,751,411
Total	5,751,411	14,573,634	20,325,045

	Loans and receivables	Assets at FVOCI	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 31 December 2016			
Assets as per balance sheet			
Available-for-sale financial assets	—	2,015	2,015
Trade and other receivables excluding non-financial assets	186,565	—	186,565
Restricted bank deposits	143,855	—	143,855
Cash and cash equivalents	1,159,795	—	1,159,795
Total	1,490,215	2,015	1,492,230

	Liabilities at FVPL	Liabilities at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Liabilities as per balance sheet			
Borrowings	—	4,407,091	4,407,091
Trade and other payables excluding non-financial liabilities	—	2,654,697	2,654,697
Other non-current liabilities	—	19,097	19,097
Financial liabilities at fair value through profit or loss	3,169,789	—	3,169,789
Total	3,169,789	7,080,885	10,250,674

	Loans and receivables	Assets at FVOCI	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 31 December 2015			
Assets as per balance sheet			
Available-for-sale financial assets	—	4,157	4,157
Trade and other receivables excluding non-financial assets	160,660	—	160,660
Restricted bank deposits	109,481	—	109,481
Cash and cash equivalents	497,271	—	497,271
Total	767,412	4,157	771,569

	Liabilities at FVPL	Liabilities at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Liabilities as per balance sheet			
Borrowings	—	4,137,502	4,137,502
Trade and other payables excluding non-financial liabilities	—	2,309,089	2,309,089
Other non-current liabilities	—	26,746	26,746
Financial liabilities at fair value through profit or loss	4,777,391	—	4,777,391
Total	4,777,391	6,473,337	11,250,728

21 Available-for-sale financial assets/ financial assets at fair value through other comprehensive income

Available-for-sale financial assets

	Year ended 31 December			Three months ended 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Beginning of the year/period	42,641	4,157	2,015	2,015
Additions	2,047	—	—	—
Disposals	(6,855)	(686)	—	—
Net realised and unrealised fair value losses charged to equity	(33,676)	(1,456)	—	—
Reclassified to financial assets at fair value through other comprehensive income	—	—	—	(2,015)
End of the year/period	**4,157**	**2,015**	**2,015**	**—**

Financial assets at fair value through other comprehensive income

	Year ended 31 December			Three months ended 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Beginning of the year/period	—	—	—	—
Reclassified from available-for-sale financial assets	—	—	—	2,015
End of the year/period	**—**	**—**	**—**	**2,015**

Available-for-sale financial assets/ financial assets at fair value through other comprehensive income include the following:

	As at 31 December			As at 31 March
	2015	**2016**	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Listed securities, at fair value:				
- Equity securities, listed in the PRC	2,142	—	—	—
Unlisted securities, at cost:				
- Equity securities (note b)	2,015	2,015	2,015	2,015
	4,157	2,015	2,015	2,015

(a) Available-for-sale financial assets/ financial assets at fair value through other comprehensive income are all denominated in RMB.

(b) These investments carried at cost represented investments in equity shares of unlisted entities that do not have a quoted market price in an active market and the fair value of which cannot be reliably measured.

(c) None of these financial assets is either past due or impaired.

(d) The net realised and unrealised fair value losses transferred to equity, net of the related tax impact, are analysed as below:

	Year ended 31 December			Three months ended 31 March
	2015	**2016**	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Net fair value losses charged to equity	(33,676)	(1,456)	—	—
Associated deferred income tax credited to equity (Note 13(e))	8,419	364	—	—
	(25,257)	(1,092)	—	—
Attributable to:				
- Owners of the Company	(14,269)	(636)	—	—
- Non-controlling interests	(10,988)	(456)	—	—
	(25,257)	(1,092)	—	—

22 Other non-current assets

Group

	As at 31 December			As at 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Prepayments for:				
- construction in progress and equipment	267,923	131,858	120,402	218,628
- mining and exploration rights	519,984	52,118	496,672	497,026
- land use rights	141,411	134,703	125,573	125,573
Value-added tax recoverable	—	123,471	54,540	49,368
Others	72,096	52,140	34,830	33,387
Total	1,001,414	494,290	832,017	923,982

Company

	As at 31 December			As at 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Prepayments for:				
- construction in progress and equipment	6,498	18,858	17,116	24,063
- mining and exploration rights	—	—	398,894	398,894
- land use rights	3,800	—	—	—
Value-added tax recoverable	—	7,705	21,396	15,025
Others	8,378	5,894	4,733	8,177
Total	18,676	32,457	442,139	446,159

23 Trade and other receivables

Group

	As at 31 December			As at 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables (Note a)				
- related parties (Note 40(d))	5,555	7,558	5,722	16,281
- third parties	24,838	19,774	116,410	148,121
	30,393	27,332	122,132	164,402
Less: provision for impairment of trade receivables	(5,536)	(6,087)	(5,745)	(5,673)
Trade receivables - net	24,857	21,245	116,387	158,729
Notes receivable	7,888	4,100	19,066	3,650
Prepayments				
- related parties (Notes d and 40(d))	2,750	2,998	2,171	3,421
- third parties	307,290	112,954	173,133	191,809
	310,040	115,952	175,304	195,230
Amounts due from related parties (Notes e and 40(d))	50,008	61,930	65,430	14,249
Deposits	69,928	97,020	78,257	79,221
Payments on behalf of third parties	52,271	41,195	37,078	40,873
Advances to staff	3,676	8,410	9,065	4,198
Others	59,069	50,030	74,921	95,990
	234,952	258,585	264,751	234,531
Less: provision for impairment of other receivables	(107,037)	(97,365)	(89,393)	(88,005)
Other receivables — net	127,915	161,220	175,358	146,526
Value-added tax recoverable	12,965	30,852	228,505	279,361
Dividends receivable from the associate	—	—	6,221	6,221
Total	483,665	333,369	720,841	789,717

(a) Aging analysis of trade receivables at each balance date based on invoice dates were as follows:

	As at 31 December			As at 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	21,883	14,759	114,775	156,921
1 - 2 years	1,161	5,075	77	465
2 - 3 years	1,471	1,055	82	47
Over 3 years	5,878	6,443	7,198	6,969
	30,393	27,332	122,132	164,402

(b) There is no trade receivables that are past due but not impaired as at each balance sheet date.

(c) Trade receivables that are impaired

	As at 31 December			As at 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables - impaired	22,245	26,774	14,120	14,494
Provision	(5,536)	(6,087)	(5,745)	(5,673)
	16,709	20,687	8,375	8,821

The individually impaired receivables mainly relate to customers which are in unexpectedly difficult economic situations. It was assessed that a portion of the receivables is expected to be recovered. The ageing of these receivables is as follows:

	As at 31 December			As at 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	13,735	14,201	6,763	7,013
1 - 2 years	1,161	5,075	77	465
2 - 3 years	1,471	1,055	82	47
Over 3 years	5,878	6,443	7,198	6,969
	22,245	26,774	14,120	14,494

(d) Prepayments to related parties comprise mainly prepayments for raw materials and services. Details of prepayments to related parties are shown in Note 40(d).

(e) Amounts due from related parties mainly represented payments on behalf of related parties and these amounts are unsecured, interest free and repayable on demand.

(f) Movement of provision for impairment of trade and other receivables is as follows:

	Year ended 31 December			Three months ended 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of the year/period	96,693	112,573	103,452	95,138
Provision	16,588	6,475	8,428	1,367
Reversal	(708)	(10,355)	(17,133)	(2,809)
Written-off	—	(5,241)	—	(18)
Others	—	—	391	—
At the end of the year/period	112,573	103,452	95,138	93,678

(g) There are no collaterals for trade and other receivables.

(h) The carrying amounts of trade and other receivables are denominated in the following currencies:

	As at 31 December			As at 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
RMB	483,665	333,369	400,926	426,264
USD	—	—	318,067	361,809
HKD	—	—	1,848	1,644
	483,665	333,369	720,841	789,717

Company

	As at 31 December			As at 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables (Note a)				
- related parties	466,357	251,400	207,891	277,327
- third parties	4,973	5,832	—	—
	471,330	257,232	207,891	277,327
Less: provision for impairment of trade receivables	(249)	(540)	—	—
Trade receivables - net	471,081	256,692	207,891	277,327
Prepayments				
- related parties (Note d)	2,750	2,989	500	3,047
- third parties	273	912	23,027	36,266
	3,023	3,901	23,527	39,313
Amounts due from related parties (Note e)	2,543,786	2,576,695	3,267,283	3,732,323
Deposits	2,914	2,180	12,376	1,318
Payments on behalf of third parties	11,004	12,008	1,895	20,313
Advances to staff	708	896	967	—
Others	9,274	1,648	1,353	4,963
	2,567,686	2,593,427	3,283,874	3,758,917
Less: provision for impairment of other receivables	(25,756)	(23,603)	(14,754)	(12,590)
Other receivables — net	2,541,930	2,569,824	3,269,120	3,746,327
Value-added tax recoverable	5,241	5,832	8,366	19,506
Dividends receivable	124,338	168,873	919,845	919,845
Total	3,145,613	3,005,122	4,428,749	5,002,318

(a) Aging analysis of trade receivables at each balance date based on invoice dates were as follows:

	As at 31 December			As at 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	471,330	252,259	207,891	277,327
1 - 2 years	—	4,973	—	—
	471,330	257,232	207,891	277,327

(b) Trade receivables that are not impaired

	As at 31 December			As at 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	466,357	251,749	207,891	277,327

(c) Trade receivables that are impaired

	As at 31 December			As at 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables - impaired	4,973	5,483	—	—
Provision	(249)	(540)	—	—
	4,724	4,943	—	—

The individually impaired receivables mainly relate to customers which are in unexpectedly difficult economic situations. It was assessed that a portion of the receivables is expected to be recovered. The ageing of these receivables is as follows:

	As at 31 December			As at 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	4,973	510	—	—
1 - 2 years	—	4,973	—	—
	4,973	5,483	—	—

(d) Prepayments to related parties comprise mainly prepayments for raw materials and services.

(e) Amounts due from related parties mainly represented advances to related companies and payments on behalf of related parties which are all unsecured, interest free and repayable on demand.

(f) Movement of provision for impairment of trade and other receivables is as follows:

	Year ended 31 December			Three months ended 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of the year/period	17,131	26,005	24,143	14,754
Provision	8,874	953	5,451	534
Reversal	—	(2,815)	(14,832)	(2,698)
Written-off	—	—	(8)	—
At end of the year/period	26,005	24,143	14,754	12,590

(g) There are no collaterals for trade and other receivables.

(h) The carrying amounts of trade and other receivables are denominated in the following currencies:

	As at 31 December			As at 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
RMB	3,145,613	3,005,122	4,428,749	5,002,318

24 Inventories

	As at 31 December			As at 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	128,279	1,238,642	1,817,902	2,274,464
Work in progress	399,173	8,219	37,532	198,376
Finished goods	132,276	91,535	1,216,755	993,414
Others	31,752	31,572	30,105	30,161
	691,480	1,369,968	3,102,294	3,496,415
Less: non-current portion (note a)	—	—	(143,896)	(141,151)
	691,480	1,369,968	2,958,398	3,355,264

(a) The non-current portion of inventories represent ore that the Group does not expect to process in the next 12 months.

The cost of inventories recognised as expense and included in 'cost of sales' is as follows:

	Year ended 31 December			Three months ended 31 March	
	2015	2016	2017	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Cost of inventories	32,685,123	41,834,738	42,560,908	7,876,260	11,909,178
Including: Inventory write-down	3,120	26	—	—	—

Movement of the provision for impairment of inventories is as follows:

	Year ended 31 December			Three months ended 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of the year/period	199	3,319	129	129
Provision	3,319	129	—	—
Reversal	(199)	(103)	—	—
Written-off	—	(3,216)	—	—
At the end of the year/period	3,319	129	129	129

25 Cash and bank balances

Group

(a) Restricted bank deposits

	As at 31 December			As at 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Restricted bank deposits				
- current	109,481	143,855	149,744	146,989
- non-current	—	—	520,198	—
	109,481	143,855	669,942	146,989

The analysis of restricted bank deposits of the Group on each balance sheet date is as follows:

	As at 31 December			As at 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Security deposits for a syndicated bank borrowing	—	—	520,198	—
Security deposits for issuance of notes	93,821	69,610	63,417	58,565
Security deposits for environmental restoration and governance	3,230	72,770	85,827	88,424
Security deposits for legal claims	12,430	1,475	—	—
Others	—	—	500	—
	109,481	143,855	669,942	146,989

(b) Cash and cash equivalents

	As at 31 December			As at 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash on hand	431	437	477	444
Short-term deposits of original maturity within 3 months with banks	367,273	1,025,984	1,803,805	1,719,596
Short-term deposits with a financial institution (Note 40(d))	129,567	133,374	598,532	753,653
	497,271	1,159,795	2,402,814	2,473,693

(c) Cash and bank deposits (including restricted bank deposits of the Group) are denominated in the following currencies:

	As at 31 December			As at 31 March
	2015	**2016**	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
RMB	606,752	1,303,650	2,309,617	2,071,346
USD	—	—	761,275	549,206
Other currencies	—	—	1,864	130
	606,752	1,303,650	3,072,756	2,620,682

Cash and bank deposits mainly represent RMB-denominated deposits placed with banks and the associate in the PRC. The conversion of RMB-denominated deposits into foreign currencies and remittance out of the PRC are subject to certain PRC rules and regulations of foreign exchange control promulgated by the PRC government.

The carrying amount of bank deposits approximates their fair value.

Company

(a) Restricted bank deposits

	As at 31 December			As at 31 March
	2015	**2016**	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Restricted bank deposits				
- current	4,693	12,346	15,601	15,681
- non-current	—	—	520,198	—
	4,693	12,346	535,799	15,681

The analysis of restricted bank deposits of the Company on each balance sheet date is as follows:

	As at 31 December			As at 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Security deposits for a syndicated bank borrowing	—	—	520,198	—
Security deposits for issuance of notes	4,693	12,346	14,779	14,737
Security deposits for environmental restoration and governance	—	—	822	944
	4,693	12,346	535,799	15,681

(b) Cash and cash equivalents

	As at 31 December			As at 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash on hand	36	54	69	47
Short-term deposits of original maturity within 3 months with banks	43,745	869,288	828,886	929,200
Short-term deposits with a financial institution	104,256	107,133	545,888	630,425
	148,037	976,475	1,374,843	1,559,672

(c) Cash and bank deposits (including restricted bank deposits of the Company) are denominated in the following currencies:

	As at 31 December			As at 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
RMB	152,730	988,821	1,910,642	1,575,353

The carrying amount of bank deposits approximates their fair value.

26 Share capital and treasury shares

(i) Share capital

Ordinary shares, issued and fully paid:

	As at 31 December 2015		As at 31 December 2016		As at 31 December 2017		As at 31 March 2018	
	Number of shares	**Share capital**	**Number of shares**	**Share capital**	**Number of shares**	**Share capital**	**Number of shares**	**Share capital**
	(thousands)	*RMB'000*	*(thousands)*	*RMB'000*	*(thousands)*	*RMB'000*	*(thousands)*	*RMB'000*
Domestic shares ("A shares") of RMB1.00 each								
- held by Shandong Gold Group	715,098	715,098	831,934	831,934	831,934	831,934	831,934	831,934
- held by other shareholders	707,974	707,974	1,025,185	1,025,185	1,025,185	1,025,185	1,025,185	1,025,185
	1,423,072	1,423,072	1,857,119	1,857,119	1,857,119	1,857,119	1,857,119	1,857,119

During the year ended 31 December 2016, the Company has issued 434,046,401 shares (Note 27(b)(ii)).

On 17 October 2016, the Company has completed the registration of the above 434,046,401 shares in total with the China Securities Depository and Clearing Co., Ltd., Shanghai Branch and hence increasing the Company's issued share capital from 1,423,072,408 shares to 1,857,118,809 shares.

(ii) Treasury shares

	Year ended 31 December 2015		Year ended 31 December 2016		Year ended 31 December 2017		Three months ended 31 March 2018	
	Number of shares	Treasury capital	Number of shares	Treasury capital	Number of shares	Treasury capital	Number of shares	Treasury capital
	(thousands)	*RMB'000*	*(thousands)*	*RMB'000*	*(thousands)*	*RMB'000*	*(thousands)*	*RMB'000*
At beginning of the year/period	2,482	543	2,491	6,385	2,491	6,385	2,491	6,385
Purchased	272	6,483	—	—	—	—	—	—
Sold	(263)	(641)	—	—	—	—	—	—
At end of the year/period	2,491	6,385	2,491	6,385	2,491	6,385	2,491	6,385

The treasury shares represented the shares of the Company as acquired by the Company's subsidiary, Shandong Jinzhou, which remained unsold as of the respective balance sheet dates.

27 Reserves

(i) ***Reserves movement of the Group***

	Capital reserve	Statutory and other reserve funds	Available-for-sale financial assets	Transactions with non-controlling interests	Foreign currency translation	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2015	**1,449,260**	**406,419**	**14,905**	**(16,997)**	**—**	**1,935**	**1,855,522**
Available-for-sale financial assets	—	—	(14,269)	—	—	—	(14,269)
Other comprehensive loss	**—**	**—**	**(14,269)**	**—**	**—**	**—**	**(14,269)**
Appropriations from retained earnings (Note a)	—	45,254	—	—	—	—	45,254
Acquisition of non-controlling interests (Note 39(ii))	—	—	—	1,332	—	—	1,332
Treasury shares	—	—	—	6,580	—	—	6,580
Others	—	—	—	—	—	14,522	14,522
Transactions with owners in their capacity as owners	**—**	**45,254**	**—**	**7,912**	**—**	**14,522**	**67,688**
Balance at 31 December 2015	**1,449,260**	**451,673**	**636**	**(9,085)**	**—**	**16,457**	**1,908,941**

	Capital reserve	Statutory and other reserve funds	Available-for-sale financial assets	Transactions with non-controlling interests	Foreign currency translation	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2016	**1,449,260**	**451,673**	**636**	**(9,085)**	**—**	**16,457**	**1,908,941**
Available-for-sale financial assets	—	—	(636)	—	—	—	(636)
Share of other comprehensive income of the associate	—	—	—	—	—	105	105
Other comprehensive (loss)/income	**—**	**—**	**(636)**	**—**	**—**	**105**	**(531)**
Appropriations from retained earnings (Note a)	—	19,482	—	—	—	—	19,482
Capital injection from the Parent Company (Note b(i))	106,961	—	—	—	—	—	106,961
Issuance of ordinary shares (Note b(ii))	4,564,652	—	—	—	—	—	4,564,652
Consideration for the combination of entities or businesses under common control (Note b(ii))	(1,541,467)	—	—	—	—	—	(1,541,467)
Acquisition of non-controlling interests (Notes 39(i) and 39(ii))	—	—	—	(219,356)	—	—	(219,356)
Others	—	—	—	—	—	(13,670)	(13,670)
Transactions with owners in their capacity as owners	**3,130,146**	**19,482**	**—**	**(219,356)**	**—**	**(13,670)**	**2,916,602**
Balance at 31 December 2016	**4,579,406**	**471,155**	**—**	**(228,441)**	**—**	**2,892**	**4,825,012**

	Capital reserve	Statutory and other reserve funds	Available-for-sale financial assets	Transactions with non-controlling interests	Foreign currency translation	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2017	**4,579,406**	**471,155**	**—**	**(228,441)**	**—**	**2,892**	**4,825,012**
Share of other comprehensive income of the associate	—	—	—	—	—	(56)	(56)
Currency translation differences	—	—	—	—	(2,482)	—	(2,482)
Other comprehensive loss	**—**	**—**	**—**	**—**	**(2,482)**	**(56)**	**(2,538)**
Appropriations from retained earnings (Note a)	—	81,488	—	—	—	—	81,488
Acquisition of non-controlling interests (Note 39(ii))	—	—	—	1,312	—	—	1,312
Others	—	—	—	—	—	605	605
Transactions with owners in their capacity as owners	**—**	**81,488**	**—**	**1,312**	**—**	**605**	**83,405**
Balance at 31 December 2017	**4,579,406**	**552,643**	**—**	**(227,129)**	**(2,482)**	**3,441**	**4,905,879**

	Capital reserve	Statutory and other reserve funds	Available-for-sale financial assets	Transactions with non-controlling interests	Foreign currency translation	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2018	**4,579,406**	**552,643**	**—**	**(227,129)**	**(2,482)**	**3,441**	**4,905,879**
Share of other comprehensive income of the associate	—	—	—	—	—	(49)	(49)
Currency translation differences	—	—	—	—	(4,299)	—	(4,299)
Other comprehensive loss	**—**	**—**	**—**	**—**	**(4,299)**	**(49)**	**(4,348)**
Others	—	—	—	—	—	(35)	(35)
Transactions with owners in their capacity as owners	**—**	**—**	**—**	**—**	**—**	**(35)**	**(35)**
Balance at 31 March 2018	**4,579,406**	**552,643**	**—**	**(227,129)**	**(6,781)**	**3,357**	**4,901,496**

(ii) ***Retained earnings and reserves movement of the Company***

	Retained earnings	Capital reserve	Statutory and other reserve funds	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2015	3,441,296	298,200	576,895	666	4,317,057
Profit for the year	466,914	—	—	—	466,914
Total comprehensive income	466,914	—	—	—	466,914
Appropriations from retained earnings	(45,254)	—	45,254	—	—
Dividends	(142,307)	—	—	—	(142,307)
Others	—	—	—	2,957	2,957
Transactions with owners in their capacity as owners	(187,561)	—	45,254	2,957	(139,350)
Balance at 31 December 2015	3,720,649	298,200	622,149	3,623	4,644,621
Balance at 1 January 2016	3,720,649	298,200	622,149	3,623	4,644,621
Profit for the year	205,419	—	—	—	205,419
Share of other comprehensive income of the associate	—	—	—	105	105
Total comprehensive income	205,419	—	—	105	205,524
Appropriations from retained earnings	(19,482)	—	19,482	—	—
Issuance of ordinary shares	—	4,564,652	—	—	4,564,652
Dividends	(142,307)	—	—	—	(142,307)
Others	—	—	—	(3,145)	(3,145)
Transactions with owners in their capacity as owners	(161,789)	4,564,652	19,482	(3,145)	4,419,200
Balance at 31 December 2016	3,764,279	4,862,852	641,631	583	9,269,345

	Retained earnings	Capital reserve	Statutory and other reserve funds	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2017	3,764,279	4,862,852	641,631	583	9,269,345
Profit for the year	825,006	—	—	—	825,006
Share of other comprehensive income of the associate	—	—	—	(56)	(56)
Total comprehensive income/(loss)	825,006	—	—	(56)	824,950
Appropriations from retained earnings	(81,488)	—	81,488	—	—
Dividends	(331,938)	—	—	—	(331,938)
Others	—	—	—	(478)	(478)
Transactions with owners in their capacity as owners	(413,426)	—	81,488	(478)	(332,416)
Balance at 31 December 2017	4,175,859	4,862,852	723,119	49	9,761,879
Balance at 1 January 2018	4,175,859	4,862,852	723,119	49	9,761,879
Profit for the period	2,723	—	—	—	2,723
Share of other comprehensive income of the associate		—	—	(49)	(49)
Total comprehensive income/(loss)	2,723	—	—	(49)	2,674
Others	—	—	—	36	36
Transactions with owners in their capacity as owners	—	—	—	36	36
Balance at 31 March 2018	4,178,582	4,862,852	723,119	36	9,764,589

(a) Statutory and other reserve funds

In accordance with the PRC Company Law and the Company's articles of association, the Company is required to set aside 10% of its profit after tax as determined in accordance with the relevant accounting principles and financial regulations applicable to PRC companies ("PRC GAAP") and regulations applicable to the Company, to the statutory reserve funds until such reserve reaches 50% of the registered capital of the Company. The appropriation to the reserve must be made before any distribution of dividends to equity holders before reaching 50% threshold mentioned above. The statutory surplus reserve can be used to offset previous years' losses, if any, and part of the statutory surplus reserve can be capitalised as the Company's share capital provided that the amount of such reserve remaining after the capitalisation shall not be less than 25% of the share capital of the Company.

(b) Capital reserves

(i) The increase in capital reserve of RMB106,961,000 during the year ended 31 December 2016 represented the capital as injected by the Parent Company to the Dongfeng Project for financing its expenses or capital expenditure as incurred prior to Group's acquisition of the Dongfeng Project in October 2016 as described in Note (ii) below.

(ii) In October 2016, the Company has issued 117,425,346 shares at RMB14.3 per share through non-public offering and 316,621,055 shares to the Parent Company and two of its subsidiaries (collectively the "then controlling parties") at RMB14.13 per share for acquisition of 70.65% equity interest in Guilaizhuang, 100% equity interest in Penglai, Dongfeng exploration rights and related assets and liabilities ("Dongfeng Project") (collectively the "Combining Entities or Businesses") and the Xinli exploration rights ("Xinli Exploration Rights"). The premium on the issue of the shares (net of the related transaction costs for the issue) of RMB4,564,652,000 has been credited to capital reserve during the financial year ended 31 December 2016.

The Group's acquisitions of the aforesaid Combining Entities or Businesses have been accounted for as business combinations under common control. Hence, the financial information of the aforesaid Combining Entities or Businesses have been consolidated by the Group as if they have been combined from the earliest date presented in the Historical Financial Information. The difference between the considerations as settled for the aforesaid business combinations under common control and the Group's share of the book values of the net assets as acquired (from the then controlling parties' perspectives) of approximately RMB1,541,467,000 has been debited to capital reserve during the year ended 31 December 2016.

28 Trade and other payables

Group

	As at 31 December			As at 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables (Note a)				
- third parties	413,042	398,108	949,419	925,780
- related parties (Note 40(d))	37,036	25,848	12,662	24,989
	450,078	423,956	962,081	950,769
Notes payable	440,421	515,888	388,878	436,942
Payable for purchases of property, plant and equipment and mining rights	720,306	570,334	800,143	685,053
Deposits received from contractors	206,487	260,297	267,631	259,076
Purchase consideration payable	191,827	191,827	191,827	191,827
Customer deposits and receipts in advance	135,726	171,398	127,219	—
Contract liabilities (Note b)	—	—	—	230,490
Other taxes payable	46,688	72,840	135,563	71,091
Dividends payable	39,340	34,535	188,863	117,628
Amounts due to related parties (Notes d and 40(d))	83,127	503,376	517,147	512,488
Salaries and staff welfare payable	69,101	95,917	149,389	99,041
Interest payable	104,800	100,271	110,576	95,033
Others	72,703	54,213	88,127	81,649
Total	2,560,604	2,994,852	3,927,444	3,731,087

(a) Aging analysis of trade payable of the Group on each balance sheet date based on invoice dates were as follows:

	As at 31 December			As at 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Less than 1 year	420,513	399,255	942,330	916,791
1 - 2 years	14,158	13,733	8,365	20,037
2 - 3 years	9,809	1,996	1,714	3,861
Over 3 years	5,598	8,972	9,672	10,080
	450,078	423,956	962,081	950,769

(b) With effective from 1 January 2018, receipts in advance from customers have been classified as 'contract liabilities' in accordance with IFRS 15.

(c) Aging analysis of notes payable of the Group on each balance sheet date based on issue dates of the notes were as follows:

	As at 31 December			As at 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Less than 1 year	440,421	515,888	388,878	436,942

(d) Amounts due to related parties of the Group mainly represented payables for purchases of property, plant and equipment and mining rights.

(e) The carrying amounts of trade and other payables of the Group are denominated in the following currencies:

	As at 31 December			As at 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
RMB	2,560,604	2,994,852	3,242,226	3,498,675
USD	—	—	684,857	232,412
HKD	—	—	361	—
	2,560,604	2,994,852	3,927,444	3,731,087

(f) The carrying amounts of trade and other payables of the Group approximate their fair values.

(g) Certain of the Group's bank deposits have been secured to banks for the issue of certain notes payable, as follows:

	As at 31 December			As at 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Bank deposits secured to banks for issuance of notes (Note 25(a))	93,821	69,610	63,417	58,565
Notes payable being secured	396,946	344,342	320,788	289,233

Company

	As at 31 December			As at 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables				
- third parties	38,893	40,289	56,941	54,076
- related parties	4,140	9,720	9,912	5,250
	43,033	50,009	66,853	59,326
Notes payable	22,818	61,728	75,257	74,355
Payable for purchases of property, plant and equipment and mining rights	19,929	28,502	48,737	32,886
Deposits received from contractors	49,679	53,143	62,377	56,170
Purchase consideration payable	191,827	191,827	191,827	191,827
Customer deposits and receipts in advance	326	2,707	2,753	—
Contract liabilities	—	—	—	2,305
Other taxes payable	12,548	14,298	21,161	7,790
Dividends payable	2,144	2,393	153,588	82,353
Amounts due to related parties (Note c)	251,271	695,398	545,083	695,770
Salaries and staff welfare payable	32,222	33,490	4,694	4,118
Interest payable	104,181	100,143	107,820	89,238
Others	16,324	18,856	22,585	28,811
Total	746,302	1,252,494	1,302,735	1,324,949

(a) Aging analysis of trade payable of the Company on each balance sheet date based on invoice dates were as follows:

	As at 31 December			As at 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Less than 1 year	37,948	42,474	66,515	58,969
1 - 2 years	520	4,196	131	157
2 - 3 years	3,400	65	28	27
Over 3 years	1,165	3,274	179	173
	43,033	50,009	66,853	59,326

(b) Aging analysis of notes payable of the Company on each balance sheet date based on issue dates of the notes were as follows:

	As at 31 December			As at 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Less than 1 year	22,818	61,728	75,257	74,355

(c) Amounts due to related parties of the Company mainly represented payables for purchases of property, plant and equipment and mining rights.

(d) The carrying amounts of trade and other payables of the Company are denominated in the following currencies:

	As at 31 December			As at 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
RMB	746,302	1,252,494	1,302,735	1,324,949

(e) The carrying amounts of trade and other payables of the Company approximate their fair values.

(f) Certain of the Company's bank deposits have been secured to banks for the issue of certain notes payable, as follows:

	As at 31 December			As at 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Bank deposits secured to banks for issuance of notes (Note 25(a))	4,693	12,346	14,779	14,737
Notes payable being secured	22,818	61,728	75,257	73,685

29 Financial liabilities at fair value through profit or loss

Group

	Year ended 31 December			Three months ended 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of the year/period	4,721,902	4,777,391	3,169,789	5,751,411
Proceeds received during the year/period	6,676,567	5,381,588	6,467,964	3,014,838
Changes in fair value of the obligations associated with outstanding gold leasing contracts	112,996	(16,998)	26,799	15,582
Settlement during the year/period	(6,734,074)	(6,972,192)	(3,913,141)	(2,282,800)
At end of the year/period	4,777,391	3,169,789	5,751,411	6,499,031

The Group financed through entering into gold leasing contracts with banks to lease gold from banks and subsequently sold the gold through the Shanghai Gold Exchange to obtain financing. Upon maturity of those lease contracts, the Group has to return to such banks with gold of the same quantity and specification, which would be usually purchased through the Shanghai Gold Exchange. The maturity periods of gold leasing contracts are generally less than 1 year (1 year inclusive). The Group has designated the liabilities associated with such gold leasing arrangements as financial liabilities at fair value through profit or loss. Realised or unrealised fair value gain/loss on gold leasing contracts are recognised and presented in the consolidated statement of profit or loss as 'finance costs' (Note 10). The fair value of all gold leasing contracts are determined based on current ask prices in an active market.

The Group had also entered into certain gold forward/future contracts for managing part of the risk associated with the fluctuation in the purchase prices of gold for its operations or managing the price risk associated with the aforesaid gold leasing contracts. These gold forward/future contracts have also been designated as financial liabilities at fair value through profit or loss. Realised and unrealised fair values gain/loss on the gold forward/future contracts are recognised in the consolidated statement of profit or loss as 'other gains/(losses), net' (Note 7).

Company

	Year ended 31 December			Three months ended 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of the year/period	3,690,389	4,777,391	2,826,212	5,436,791
Proceeds received during the year/period	6,138,851	4,829,002	6,068,184	3,014,838
Changes in fair value of the obligations associated with outstanding gold leasing contracts	50,720	(27,175)	39,216	17,886
Settlement during the year/period	(5,102,569)	(6,753,006)	(3,496,821)	(2,145,760)
At end of the year/period	4,777,391	2,826,212	5,436,791	6,323,755

30 Borrowings

Group

	As at 31 December			As at 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current				
Long-term bank borrowings				
- secured (Note a)	—	—	4,835,308	4,225,603
- unsecured	120,000	110,000	1,960,259	1,886,430
Corporate bonds (Note b)	3,286,503	3,290,394	3,294,480	2,684,522
	3,406,503	3,400,394	10,090,047	8,796,555
Less: borrowings due within one year	—	(22,000)	(1,998,228)	(1,998,885)
	3,406,503	3,378,394	8,091,819	6,797,670
Current				
Short-term bank borrowings - unsecured	440,000	490,000	598,000	1,238,167
Borrowings from related parties (Note 40(c))	290,999	116,697	286,879	92,479
Corporate bonds (Note b)	—	400,000	1,998,228	1,998,885
Current portion of long-term bank borrowings	—	22,000	—	—
	730,999	1,028,697	2,883,107	3,329,531
Total	**4,137,502**	**4,407,091**	**10,974,926**	**10,127,201**

(a) ***Secured borrowings pledged as security***

As at 31 December 2017, bank borrowings of US$740 million (approximately RMB4,835,308,000) are wholly repayable in June 2020 and secured by 50% equity interest in AGBII and 2.155% equity interest in MAG as held by SDHK.

In March 2018, the Group has early repaid a portion of the aforesaid bank borrowings of US$68 million and the outstanding bank borrowings of US$672 million (approximately RMB4,225,603,200) remained wholly repayable in June 2020.

(b) ***Corporate bonds***

	As at 31 December			As at 31 March
	2015	**2016**	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current				
Corporate bonds payable	3,300,000	3,300,000	1,300,000	688,996
Less: commission payable	(13,497)	(9,606)	(3,748)	(3,359)
	3,286,503	3,290,394	1,296,252	685,637
Current				
Corporate bonds payable	—	400,000	2,000,000	2,000,000
Less: commission payable	—	—	(1,772)	(1,115)
	—	400,000	1,998,228	1,998,885
Total	**3,286,503**	**3,690,394**	**3,294,480**	**2,684,522**

On 3 September 2013, the Company issued 20,000,000 corporate bonds with a par value of RMB100 each and received total proceeds of RMB2,000,000,000. The bonds are fully repayable on 3 September 2018 when they become due. These bonds carry a coupon rate of 5.16% per annum and the interest charge will be paid on 3 September annually in each of the following five years. The effective interest rate is 5.30% per annum. The underwriting commission for the issue of the bond amounted to RMB12,000,000 and was settled by the Company.

On 30 March 2015, the Company issued 13,000,000 corporate bonds with a par value of RMB100 each and received a total proceeds of RMB1,300,000,000. The bonds are fully repayable on 30 March 2020 when they become due. These bonds carry a coupon rate of 4.80% per annum and the interest charge will be paid on 30 March annually in each of the following five years. The effective interest rate is 4.94% per annum. The underwriting commission for the issue of the bond amounted to RMB7,800,000 and was settled by the Company. In March 2018, the Company partially redeemed 6,110,040 corporate bonds at a total consideration amounted to RMB611,004,000.

On 8 April 2016, the Company issued 4,000,000 corporate bonds with a par value of RMB100 each and received a total proceeds of RMB400,000,000. The bonds were fully repaid on 8 April 2017 when they became due. These bonds carried a coupon rate of 2.82% per annum.

The bonds are initially recognised at the amount of the total proceeds net of the commission paid on the dates of issuance.

Accrued interests for the corporate bonds are recorded in interest payable as follows:

	As at 31 December			As at 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Interest payable for current bonds	—	8,366	34,400	60,200
Interest payable for non-current bonds	81,200	81,200	46,800	—

The fair values of non-current bonds are as follows:

	As at 31 December			As at 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current bonds	3,449,800	3,453,500	1,310,400	690,374

(c) ***Borrowings from a third party***

In September 2014, the Group obtained a loan of RMB1,000 million from ICBC Credit Suisse Asset Management Co., Ltd. (工銀瑞信投資管理有限公司, "ICBC-CS Asset Management") to finance its capital injection to several subsidiaries. In 2015, the Group had fully repaid the loan.

(d) ***The Group's borrowings were repayable as follows:***

	As at 31 December			As at 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within one year	730,999	1,028,697	2,883,107	3,329,531
Between one and two years	—	2,021,674	—	685,637
Between two and five years	3,406,503	1,356,720	8,091,819	6,112,033
	4,137,502	4,407,091	10,974,926	10,127,201

(e) ***The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at the end of the year/period are as follows:***

	As at 31 December			As at 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Less than 6 months	660,999	606,697	854,879	639,879
6 — 12 months	70,000	22,000	30,000	690,767
1 - 5 years	120,000	88,000	6,795,567	6,112,033
	850,999	716,697	7,680,446	7,442,679

(f) The carrying amount of bank borrowings are not materially different from their fair value as at each balance date. The fair value are based on cash flows discounted using a market rate and are within level 2 of the fair value hierarchy.

(g) ***The Group's borrowings are denominated in the following currencies:***

	As at 31 December			As at 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
RMB	4,137,502	4,407,091	4,179,359	4,015,168
USD	—	—	6,795,567	6,112,033
	4,137,502	4,407,091	10,974,926	10,127,201

(h) ***The average coupon rates of the Group's borrowings for the respective years/period are summarised as below.***

	As at 31 December			As at 31 March
	2015	2016	2017	2018
Average coupon rates	5.49%	4.84%	2.89%	3.55%

Company

	As at 31 December			As at 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current				
Corporate bonds	3,286,503	3,290,394	3,294,480	2,684,522
Less: borrowings due within one year	—	—	(1,998,228)	(1,998,885)
	3,286,503	3,290,394	1,296,252	685,637
Current				
Short-term bank borrowings - unsecured	290,000	390,000	500,000	700,000
Borrowings from related parties	—	—	170,000	—
Corporate bonds	—	400,000	1,998,228	1,998,885
	290,000	790,000	2,668,228	2,698,885
Total	**3,576,503**	**4,080,394**	**3,964,480**	**3,384,522**

(a) ***The Company's borrowings were repayable as follows:***

	As at 31 December			As at 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within one year	290,000	790,000	2,668,228	2,698,885
Between one and two years	—	1,995,674	—	685,637
Between two and five years	3,286,503	1,294,720	1,296,252	—
	3,576,503	4,080,394	3,964,480	3,384,522

(b) ***The exposure of the Company's borrowings to interest rate changes and the contractual repricing dates at the end of the years/period are as follows:***

	As at 31 December			As at 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Less than 6 months	290,000	390,000	670,000	500,000
6 — 12 months	—	—	—	200,000
	290,000	390,000	670,000	700,000

(c) ***The Company's borrowings are denominated in the following currencies:***

	As at 31 December			As at 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
RMB	3,576,503	4,080,394	3,964,480	3,384,522

(d) ***The average coupon rates of the Company's borrowings for the respective years/period are summarised as below.***

	As at 31 December			As at 31 March
	2015	2016	2017	2018
Average coupon rates	5.39%	5.05%	4.39%	4.35%

31 Deferred income tax

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

	As at 31 December			As at 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Deferred income tax assets	167,220	161,722	152,421	165,028
Deferred income tax liabilities	(2,068,968)	(1,992,750)	(4,135,396)	(3,997,270)
Deferred income tax liabilities (net)	(1,901,748)	(1,831,028)	(3,982,975)	(3,832,242)

The gross movement on the deferred income tax account is as follows:

	Year ended 31 December			Three months ended 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Beginning of the year/period	(2,024,211)	(1,901,748)	(1,831,028)	(3,982,975)
Credited to profit or loss (Note 13)	114,044	70,356	123,936	68,265
Credited to other comprehensive income (Note 13(e))	8,419	364	—	—
Acquisition of a joint operation (Note 38)	—	—	(2,358,331)	—
Currency translation differences	—	—	82,448	82,468
End of the year/period	(1,901,748)	(1,831,028)	(3,982,975)	(3,832,242)

The movement in deferred income tax assets during the year/period, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred income tax assets	Property, plant and equipment	Unrealised profit	Financial liabilities at fair value through profit or loss	Provision for impairment	Tax losses	Provisions for asset retirement obligations	Inter-company interest payable and withholding tax	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2015	156,778	26,747	2,902	39,210	—	—	—	—	225,637
(Charged)/credited to profit or loss	(6,893)	(5,323)	6,715	4,750	86	—	—	—	(665)
At 31 December 2015	149,885	21,424	9,617	43,960	86	—	—	—	224,972
At 1 January 2016	149,885	21,424	9,617	43,960	86	—	—	—	224,972
(Charged)/credited to profit or loss	(8,179)	(21,424)	2,639	884	29,195	—	—	—	3,115
At 31 December 2016	141,706	—	12,256	44,844	29,281	—	—	—	228,087
At 1 January 2017	141,706	—	12,256	44,844	29,281	—	—	—	228,087
Credited/(charged) to profit or loss	21,474	—	16,359	(2,223)	(29,281)	(20,972)	(38,617)	13,006	(40,254)
Acquisition of a joint operation	—	—	—	—	—	71,995	40,282	3,822	116,099
Currency translation differences	—	—	—	—	—	(2,220)	(816)	(342)	(3,378)
At 31 December 2017	163,180	—	28,615	42,621	—	48,803	849	16,486	300,554
At 1 January 2018	163,180	—	28,615	42,621	—	48,803	849	16,486	300,554
Credited/(charged) to profit or loss	2,397	12,930	2,683	(148)	—	—	—	—	17,862
Currency translation differences	—	(143)	—	—	—	(1,837)	(32)	(621)	(2,633)
At 31 March 2018	165,577	12,787	31,298	42,473	—	46,966	817	15,865	315,783

The movement in deferred income tax liabilities during the year/period, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred income tax liabilities	Mining and exploration rights	Financial liabilities at fair value through profit or loss	Available-for-sale financial assets	Property, plant and equipment	Inventories	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2015	(2,210,120)	(30,945)	(8,783)	—	—	(2,249,848)
Credited to profit or loss	87,712	26,997	—	—	—	114,709
Credited to other comprehensive income	—	—	8,419	—	—	8,419
At 31 December 2015	(2,122,408)	(3,948)	(364)	—	—	(2,126,720)
At 1 January 2016	(2,122,408)	(3,948)	(364)	—	—	(2,126,720)
Credited/(charged) to profit or loss	77,997	(10,756)	—	—	—	67,241
Credited to other comprehensive income	—	—	364	—	—	364
At 31 December 2016	(2,044,411)	(14,704)	—	—	—	(2,059,115)
At 1 January 2017	(2,044,411)	(14,704)	—	—	—	(2,059,115)
Credited to profit or loss	42,352	1,427	—	99,840	20,571	164,190
Acquisition of a joint operation	—	—	—	(2,315,122)	(159,308)	(2,474,430)
Currency translation differences	—	—	—	80,504	5,322	85,826
At 31 December 2017	(2,002,059)	(13,277)	—	(2,134,778)	(133,415)	(4,283,529)
At 1 January 2018	(2,002,059)	(13,277)	—	(2,134,778)	(133,415)	(4,283,529)
Credited/(charged) to profit or loss	23,540	(2,666)	—	29,529	—	50,403
Currency translation differences	—	—	—	80,076	5,025	85,101
At 31 March 2018	(1,978,519)	(15,943)	—	(2,025,173)	(128,390)	(4,148,025)

Deferred income tax assets are recognised for tax losses carried-forward to the extent that realisation of the related tax benefit through future taxable profits is probable. The Group does not recognise the following deferred income tax assets as management believes that it is more likely than not that such tax losses would not be utilised before they expire, details of which are as follows:

	As at 31 December			As at 31 March
	2015	**2016**	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Deferred income tax assets not recognised	61,866	66,399	86,203	101,006
The corresponding accumulated tax losses of the subsidiaries which deferred income tax have not been recognised	247,463	265,594	386,918	410,917

The aforesaid tax losses that have not been recognised as deferred income tax assets will be expired in the following years:

	As at 31 December			As at 31 March
	2015	**2016**	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
2016	13,645	—	—	—
2017	24,520	19,164	—	—
2018	29,865	25,916	25,916	25,916
2019	39,736	34,238	34,238	34,238
2020	139,697	87,472	87,472	87,472
2021	—	98,804	98,804	98,804
2022	—	—	129,113	129,113
2023	—	—	—	17,106
Undated (note (i))	—	—	11,375	18,268
	247,463	265,594	386,918	410,917

(i) This amount is attributable to SDHK that has unused tax losses that may be carried forward indefinitely.

32 Provision for asset retirement obligations

	Year ended 31 December			Three months ended 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Beginning of the year/period	—	—	29,965	570,586
Interest charge on unwinding of discounts	—	871	5,021	2,299
Additional provision	—	29,094	182,754	—
Acquisition of a joint operation	—	—	365,818	—
Change in discount rate (Note 15(a))	—	—	—	(11,785)
Currency translation differences	—	—	(12,972)	(13,652)
End of the year/period	—	29,965	570,586	547,448

Provision for asset retirement obligations represented the estimated amount and timing of future closure and restoration projects.

33 Other non-current liabilities

	As at 31 December			As at 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Consideration payable for Shandong Xinhui's acquisition of a portfolio of assets and liabilities of Jinxing (note a)	—	—	61,430	56,960
Payable for mining rights	25,394	17,745	10,094	10,094
Provision for a legal claim (note b)	—	—	7,721	6,863
Others	1,352	1,352	4,190	3,915
	26,746	19,097	83,435	77,832
Less: current portion (note a)	—	—	(12,992)	(8,523)
	26,746	19,097	70,443	69,309

(a) On 26 September 2017, Shandong Xinhui, Qingdao Pingdu Jinxing Gold Mining Co. Ltd. (Jinxing") and Dazhuangzi Villagers' Committee of Pingdu Xinhe Town (平度市新河鎮大莊子村民委員會), the former shareholder of Jinxing entered into an asset reorganisation agreement (the "Agreement"). Pursuant to the Agreement, Shandong Xinhui acquired a portfolio of assets and liabilities of Jinxing, including part of the receivables and payables, property, plant and equipment and exploration rights at a total consideration of RMB174 million. As of 31 March 2018, the Group has settled part of consideration of RMB108 million and the remaining non-interest bearing consideration of RMB66 million (the "Remaining Consideration") will be paid by instalments prior to 2026. As at 31 March 2018, the carrying amount of the Remaining Consideration (which was initially recognised at fair value and subsequently measured at amortised cost) as included as "other non-current liabilities" amounted to approximately RMB57 million (31 December 2017: RMB61 million) and the current portion of which to be settled within the next twelve months amounted to approximately RMB9 million (31 December 2017: RMB13 million).

(b) The provision of US$1.1 million (equivalent to approximately RMB6.9 million) is recognised in connection with certain outstanding labour claims of MAG, a non-wholly owned subsidiary of the Group's joint operation.

34 Dividends

	Year ended 31 December			**Three months ended 31 March**
	2015	**2016**	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
2014, 2015 and 2016 final dividend of RMB0.1 per ordinary share	142,307	142,307	184,410	—
2017 interim dividend of RMB0.08 per ordinary share	—	—	147,528	—
	142,307	**142,307**	**331,938**	**—**

Pursuant to the distribution notice dated 18 May 2018, the eligible shareholders as at 24 May 2018 are entitled to a cash dividend of RMB0.04 per share, totalling RMB73,764,000.

35 Cash generated from operations

	Year ended 31 December			Three months ended 31 March	
	2015	2016	2017	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Profit before income tax	981,737	1,697,976	1,604,445	417,803	489,550
Adjustments for:					
- Depreciation of property, plant and equipment and investment properties (Note 8)	854,718	949,508	1,607,282	250,428	497,986
- Amortisation (Note 8)	631,996	619,519	648,678	165,397	158,779
- Net losses on disposals/write-off of property, plant and equipment, land use rights and intangible assets	13,651	22,036	22,267	2,718	987
- Provision for/(reversal of) impairment, net (Note 8)	19,000	3,537	(2,873)	2,315	(1,442)
- Net gains from disposal of available-for-sale investment (Note 7)	(53,774)	(2,456)	—	—	—
- Net gains from disposal of subsidiaries (Note 7)	—	(58,253)	—	—	—
- Net increase/(decrease) in deferred revenue	898	(5,510)	1,430	(638)	(198)
- Fair value (gains)/losses on gold future/forward contracts (Note 7)	(27,174)	(1,067)	(11,305)	18,084	(17,077)
- Share of profit of the associate (Note 12)	(22,881)	(27,662)	(34,024)	(7,950)	(9,028)
- Finance costs (Note 10)	451,033	376,361	575,966	112,108	190,685
- Net foreign exchange (gains)/losses (Note 10)	—	(763)	17,547	43	—
- Finance income (Note 10)	(12,429)	(10,988)	(37,445)	(5,201)	(9,241)
	2,836,775	3,562,238	4,391,968	955,107	1,301,001
Changes in working capital (excluding the effects of acquisitions and exchange differences on consolidation):					
- Inventories	(44,650)	(679,007)	(58,466)	(329,894)	(448,657)
- Trade and other receivables	242,030	136,853	(348,751)	(116,655)	(80,243)
- Trade and other payables	(240,585)	299,053	182,643	366,171	39,271
- Other non-current assets	(4,675)	(23,298)	63,131	35,385	719
Cash generated from operations	**2,788,895**	**3,295,839**	**4,230,525**	**910,114**	**812,091**

(a) Proceeds from sale of property, plant and equipment, land use rights and intangible assets comprise:

	Year ended 31 December			Three months ended 31 March	
	2015	**2016**	**2017**	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Net book amount	20,466	49,631	32,823	2,902	13,273
Net losses on disposal of property, plant and equipment, land use rights and intangible assets	(13,651)	(22,036)	(22,267)	(2,718)	(987)
Change in the discount rate used for the asset retirement obligations	—	—	—	—	(11,785)
Proceeds from disposal of property, plant and equipment, land use rights and intangible assets	**6,815**	**27,595**	**10,556**	**184**	**501**

(b) Major non-cash transactions

During the year ended 31 December 2016, the Company purchased 70.65% equity interest in Guilaizhuang, 100% equity interest in Penglai, the Dongfeng Project and Xinli Exploration Rights at a total consideration of RMB4,473,856,000 which are settled through the issue of the Company's shares to Shandong Gold Group, Shandong Gold Non-ferrous Metal Mine Group Co., Ltd., Shandong Gold Geological Mine Exploration Co., Ltd., Jinmao Mining Group and Wang Zhiqiang (Note 27(b)(ii)).

(c) Reconciliation for liabilities from financing activities

	Liabilities from financing activities					
	Bonds due within 1 year	Bonds due after 1 year	Borrowings due within 1 year	Borrowings due after 1 year	Financial liabilities at fair value through profit or loss	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2015	**—**	**(1,990,885)**	**(1,290,540)**	**(1,000,000)**	**(4,721,902)**	**(9,003,327)**
Cash flows	—	(1,300,000)	591,024	880,000	57,507	228,531
Interest charged by related companies	—	—	(37,456)	—	—	(37,456)
Interest paid to related companies	—	—	5,973	—	—	5,973
Other non-cash movements	—	4,382	—	—	(112,996)	(108,614)
As at 31 December 2015	**—**	**(3,286,503)**	**(730,999)**	**(120,000)**	**(4,777,391)**	**(8,914,893)**
Cash flows	(400,000)	—	75,457	10,000	1,590,604	1,276,061
Reclass to current liabilities	—	—	(22,000)	22,000	—	—
Interest charged by related companies	—	—	(5,775)	—	—	(5,775)
Interest paid to related companies	—	—	54,620	—	—	54,620
Other non-cash movements	—	(3,891)	—	—	16,998	13,107
As at 31 December 2016	**(400,000)**	**(3,290,394)**	**(628,697)**	**(88,000)**	**(3,169,789)**	**(7,576,880)**

	Liabilities from financing activities					
	Bonds due within 1 year	**Bonds due after 1 year**	**Borrowings due within 1 year**	**Borrowings due after 1 year**	**Financial liabilities at fair value through profit or loss**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cash flows	400,000	—	(189,300)	(6,905,184)	(2,554,823)	(9,249,307)
Foreign exchange adjustments	—	—	—	131,617	—	131,617
Reclass to current liabilities	(1,998,228)	1,998,228	(66,000)	66,000	—	—
Interest charged by related companies	—	—	(9,908)	—	—	(9,908)
Interest paid to related companies	—	—	9,026	—	—	9,026
Other non-cash movements	—	(4,086)	—	—	(26,799)	(30,885)
As at 31 December 2017	**(1,998,228)**	**(1,296,252)**	**(884,879)**	**(6,795,567)**	**(5,751,411)**	**(16,726,337)**
Cash flows	—	611,004	(450,674)	432,358	(732,038)	(139,350)
Foreign exchange adjustments	—	—	4,907	251,176	—	256,083
Interest charged by related companies	—	—	(2,264)	—	—	(2,264)
Interest paid to related companies	—	—	2,264	—	—	2,264
Other non-cash movements	(657)	(389)	—	—	(15,582)	(16,628)
As at 31 March 2018	**(1,998,885)**	**(685,637)**	**(1,330,646)**	**(6,112,033)**	**(6,499,031)**	**(16,626,232)**

36 Contingencies

The Veladero Mine held by the AGBII Group, a joint operation of the Group, experienced several environmental incidents as set out below:

— Release of cyanide-bearing process solution incident in 2015 — the failure of a valve on a leach pad pipeline at the Veladero Mine resulted in the release of cyanide-bearing process solution into a nearby waterway through a diversion channel gate that was open at the time of the incident;

— Release of crushed-ore saturated with process solution incident in 2016 - ice rolled down the slope of the leach pad damaged a pipe carrying process solution, and caused some material to leave the leach pad; and

— Release of gold-bearing process solution incident in 2017 - the monitoring system at the Veladero Mine detected a rupture of a pipe carrying gold-bearing process solution on the leach pad.

As of 31 March 2018, MAG, the subsidiary of AGBII, was involved in several ongoing administrative and civil proceedings with respect to the abovementioned environmental incidents.

In assessing loss contingencies, the AGBII Group has evaluated the legal proceedings and determined that no amounts should be made for any potential liabilities or asset impairment relating to the aforesaid legal proceedings as an amount cannot be reasonably estimated.

The Group has evaluated the legal proceedings with the assistance from its external legal counsel. Additionally, the Group will be indemnified by Barrick Gold Corporation (but only until 30 June 2019) for any losses suffered in relation to any final decision against MAG in respect of legal proceedings commenced by the third parties (including government authorities) in relation to these incidents as occurred prior to the Group's acquisition of its interest in the AGBII Group. As a result, no provision has been made for any potential liabilities or asset impairment relating to the aforesaid legal proceedings.

Other than those as disclosed above, the Group does not have any other pending litigations which may result in a significant loss to the Group.

37 Commitments

(a) ***Capital commitments***

Capital expenditure contracted for by the Group at the balance sheet date but not yet incurred is as follows:

	As at 31 December			As at 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Property, plant and equipment	202,509	159,997	355,692	487,394
Mining and exploration rights	—	—	366,465	366,465

(b) ***Operating lease commitments — where the Group is the lessee***

The Group leases various plant and machinery under cancellable operating lease agreements. The lease expenditures charged to profit or loss during the financial years ended 31 December 2015, 2016 and 2017 and three months ended 31 March 2018 were disclosed in Note 8.

The Group has commitments to make the following future minimum lease payments under non-cancelable operating leases are as follows:

	As at 31 December			As at 31 March
	2015	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Land and buildings:				
- Within 1 year	7,387	7,440	14,640	14,347
- From 1 year to 5 years	16,063	14,207	31,294	31,385
- Over 5 years	88,731	91,639	90,981	90,919
	112,181	113,286	136,915	136,651
Machinery:				
- Within 1 year	885	1,035	14,445	9,699
- From 1 year to 5 years	3,205	2,270	18,989	16,430
- Over 5 years	300	200	—	—
	4,390	3,505	33,434	26,129
Others:				
- Within 1 year	940	1,318	2,663	1,783
- From 1 year to 5 years	166	100	575	751
	1,106	1,418	3,238	2,534
Total	117,677	118,209	173,587	165,314

38 Business combinations

On 30 June 2017, the Group has completed the acquisition of 50% interest in the AGBII Group (Note 11(b)).

The following table summarises the consideration paid or, payable by the Group, the fair value of assets acquired and liabilities assumed at the acquisition date.

	USD'000	*RMB'000*
Consideration:		
At 30 June 2017		
Total consideration — in cash	989,700	6,704,624
Recognised amounts of identifiable assets acquired and liabilities assumed		
Trade and other receivables	636	4,309
Inventories	225,342	1,526,557
Other current assets	4,440	30,078
Non-current portion of inventories	21,744	147,303
Property, plant and equipment	1,036,430	7,021,191
Trade and other payables	(50,445)	(341,735)
Other non-current liabilities	(279)	(1,889)
Provisions	(54,000)	(365,818)
Deferred income tax liabilities (net)	(348,124)	(2,358,331)
Total identifiable net assets	**835,744**	**5,661,665**
Goodwill (Note 19)	153,956	1,042,959
	989,700	6,704,624

The goodwill arose from the deferred income tax liabilities that were resulted due to fair value adjustments on the net identifiable assets.

39 Transactions with non-controlling interests

Acquisition of additional interest in a subsidiary

(i) In 2016, the Company acquired an additional 49% of equity shares of Penglai for a purchase consideration of RMB414,775,000. After the step-up acquisition of additional shares, the Company owns 100% equity interest in Penglai. The effect of changes in the ownership interest of Penglai on the equity attributable to owners of the Company during the year ended 31 December 2016 is summarised as follows:

	2016
	RMB'000
Carrying amount of non-controlling interests acquired	194,478
Consideration paid to non-controlling interests	(414,775)
Excess of consideration paid recognised within equity	(220,297)

(ii) During the financial years ended 31 December 2015, 2016 and 2017 and three months ended 31 March 2017 and 2018, Shandong Jinzhou repurchased its ordinary shares owned by its employees, which resulted in a decrease in non-controlling interests and an increase in reserves. The effect of changes in the ownership interest in Shandong Jinzhou on the equity attributable to owners of the Company in respective years/periods are summarised as follows:

	Year ended 31 December			Three months ended 31 March	
	2015	2016	2017	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Carrying amount of non-controlling interests acquired	19,596	10,524	13,368	—	—
Considerations paid for repurchases of shares	(18,264)	(9,583)	(12,056)	—	—
Gain recognised within equity	1,332	941	1,312	—	—

40 Related party transactions

The directors of the Company consider that Shandong Gold Group, a company registered in the PRC, as the Company's parent company. The State-owned Assets Supervision and Administration Commission of Shandong Provincial People's Government is the ultimate controlling party. The Group has extensive transactions with the Parent Company. For the purpose of disclosures of related party transactions, to the extent possible, the Group has procedures in place to assist the identification of the immediate ownership structure of its customers and suppliers as to whether they are related parties.

Management believes that all material related party transactions and balances, of which they are aware of, have been adequately disclosed. Sales of goods and provision of services to related parties are at state-prescribed prices or prices that are also available to other customers. The Group considers that these sales are activities in the ordinary course of business. In addition to the transactions detailed elsewhere in these financial information, the Group had the following material transactions with related parties.

(a) ***Transaction with Shandong Gold Group and fellow subsidiaries***

	Year ended 31 December			Three months ended 31 March	
	2015	**2016**	**2017**	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Purchases of electricity	367,733	368,859	367,944	58,732	60,033
Purchases of construction services	131,516	125,875	103,944	9,961	14,829
Purchases of processing services	2,501	6,896	3,162	201	305
Purchases of gold	729,890	283,250	48,597	2,837	4,451
Purchases of other services	18,642	11,615	29,565	1,402	1,977
Total purchases	1,250,282	796,495	553,212	73,133	81,595
Sales of processing services	1,239	4	738	—	—
Sales of gold	550,292	692,914	136,193	27,197	21,150
Sales of other metals	1,288	59,382	23,011	352	668
Sales of other materials and services	2,502	1,645	4,428	1,154	1,078
Total sales	555,321	753,945	164,370	28,703	22,896
Acquisition of mining and exploration rights	125,386	5,386	464,058	—	—
Total acquisitions	125,386	5,386	464,058	—	—

(b) ***Property leasing***

	Year ended 31 December			Three months ended 31 March	
	2015	**2016**	**2017**	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Rental fees paid to Shandong Gold Group and fellow subsidiaries	4,322	4,116	4,209	1,052	3,291
Rental fees received from Shandong Gold Group and fellow subsidiaries	7,787	6,964	7,213	1,803	1,803

(c) ***Loans obtained from related parties***

	Year ended 31 December			Three months ended 31 March	
	2015	**2016**	**2017**	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Loans obtained from Shandong Gold Group and fellow subsidiaries:					
At beginning of the year/period	155,540	260,999	76,697	76,697	7,579
Drawdown during the year/period	73,976	30,000	20,000	—	—
Repayments paid during the year/period	—	(165,456)	(90,000)	—	—
Interest charged	31,483	3,141	1,582	872	—
Interest paid	—	(51,987)	(700)	(326)	—
At end of the year/period	**260,999**	**76,697**	**7,579**	**77,243**	**7,579**
Loans obtained from the associate:					
At beginning of the year/period	310,000	30,000	40,000	40,000	279,300
Drawdown during the year/period	870,000	1,100,000	1,559,300	235,000	450,600
Repayments during the year/period	(1,150,000)	(1,090,000)	(1,320,000)	(210,000)	(645,000)
Interest charged	5,973	2,633	8,326	613	2,264
Interest paid	(5,973)	(2,633)	(8,326)	(613)	(2,264)
At end of the year/period	**30,000**	**40,000**	**279,300**	**65,000**	**84,900**

	Year ended 31 December			Three months ended 31 March	
	2015	**2016**	**2017**	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Total loans obtained from related parties:					
At beginning of the year/period	465,540	290,999	116,697	116,697	286,879
Drawdown during the year/period	943,976	1,130,000	1,579,300	235,000	450,600
Repayments during the year/period	(1,150,000)	(1,255,457)	(1,410,000)	(210,000)	(645,000)
Interest charged	37,456	5,775	9,908	1,485	2,264
Interest paid	(5,973)	(54,620)	(9,026)	(939)	(2,264)
At end of the year/period	**290,999**	**116,697**	**286,879**	**142,243**	**92,479**

The loans obtained from related parties are denominated in RMB and due within one year.

	Year ended 31 December			Three months ended 31 March	
	2015	**2016**	**2017**	**2017**	**2018**
				(unaudited)	
Average interest rates	5.41%	4.86%	4.42%	4.69%	4.36%

(d) Year-end balances arising from sales/purchases of goods/services

	As at 31 December			As at 31 March
	2015	**2016**	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Receivables from related parties				
Trade receivables				
- Shandong Gold Group and fellow subsidiaries	5,555	7,558	5,722	16,281
Other receivables				
- Shandong Gold Group and fellow subsidiaries	50,008	61,878	65,430	14,249
- Associate	—	52	—	—
	50,008	61,930	65,430	14,249
Dividends receivable				
- Associate	—	—	6,221	6,221
Prepayments				
- Shandong Gold Group and fellow subsidiaries	2,750	2,998	2,171	3,421
Deposits with a financial institution				
- Associate	129,567	133,374	598,532	753,653
Other non-current assets				
- Shandong Gold Group and fellow subsidiaries	480,988	15,456	476,155	476,155
	668,868	**221,316**	**1,154,231**	**1,269,980**
Payables to related parties				
Trade payables				
- Shandong Gold Group and fellow subsidiaries	37,036	25,848	12,662	24,989
Other payables				
- Shandong Gold Group and fellow subsidiaries	83,127	503,376	517,147	512,488
Dividends payable				
- Shandong Gold Group and fellow subsidiaries	22,506	22,506	110,582	104,690
Receipts in advance				
- Shandong Gold Group and fellow subsidiaries	45,173	60,269	37,849	38,288
Other non-current liabilities				
- Shandong Gold Group	25,394	17,745	10,094	10,094
	213,236	**629,744**	**688,334**	**690,549**

(e) Key management compensation

Key management includes directors (executive and non-executive), members of the Executive Committee and respective department heads. The compensation paid or payable to key management for employee services is shown below:

	Year ended 31 December			Three months ended 31 March	
	2015	**2016**	**2017**	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Salaries and other short-term employee benefits					
- Directors and supervisors	4,108	7,653	7,962	1,211	1,602
- Other key management	4,659	5,291	3,198	750	810
	8,767	12,944	11,160	1,961	2,412

(f) ***Disposal of subsidiaries***

On 27 October 2016, the Board of Directors approved the Proposal on Transferring 100% Equity Interest of Shandong Xinyi Ornaments Ltd ("Shandong Xinyi") and Shandong Jinbo Jingmao Ltd. ("Shandong Jinbo") to Shandong Gold Real Estate Tourism Group Co., Ltd. ("Shandong Gold Tourism"). All parties entered into the equity transfer agreement to transfer 100% equity interest of Shandong Xinyi and Shandong Jinbo at RMB4,665,000 and RMB55,850,000 respectively to Shandong Gold Tourism. The gain from the disposals of the equity interests in the aforesaid subsidiaries is analysed as follows:

	Shandong Xinyi	**Shandong Jinbo**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
Fair value of the consideration	4,665	55,850	60,515
Less: Carrying value of former subsidiary's net assets	—	(2,262)	(2,262)
Gain on interests sold	4,665	53,588	58,253

The major classes of assets and liabilities of the disposal group are as follows:

	As at 31 October 2016	
	Shandong Xinyi	**Shandong Jinbo**
	RMB'000	*RMB'000*
Assets :		
- Cash and cash equivalents	—	33
- Other receivables	—	390
- Property, plant and equipment	—	109,847
- Land use rights	—	17,249
Total assets of the disposed subsidiaries	—	127,519
Liabilities:		
- Trade and other payables	—	(125,257)
Total liabilities of the disposed subsidiaries	—	(125,257)
Total net assets of the disposal subsidiaries	—	2,262

41 Benefits and interests of directors

Directors' and chief executive's emoluments

The remuneration of every director and the chief executive is set out below:

For the three months ended 31 March 2018:

Name	Fees	Salary	Bonuses	Social benefits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Chairman					
Li Guohong (李國紅)	—	39	155	15	209
Executive directors					
Chen Daojiang (陳道江)	—	39	154	15	208
Wang Lijun (王立君)	—	39	148	15	202
Wang Peiyue (王培月)	—	39	148	15	202
Wang Xiaoling (汪曉玲)	—	39	147	15	201
Tang Qi (湯琪)	—	39	147	15	201
Independent non-executive directors					
Gao Yongtao (高永濤)	—	45	—	—	45
Lu Bin (盧斌)	—	45	—	—	45
Xu Ying (許穎)	—	45	—	—	45
Total	—	369	899	90	1,358

For the year ended 31 December 2017:

Name	Fees	Salary	Bonuses	Social benefits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Chairman					
Li Guohong (李國紅)	—	305	400	99	804
Executive directors					
Chen Daojiang (陳道江)	—	133	335	81	549
Wang Lijun (王立君)	—	204	259	82	545
Wang Peiyue (王培月)	—	245	703	87	1,035
Wang Xiaoling (汪曉玲)	—	214	553	88	855
Qiu Ziyu (邱子裕)*	—	144	337	114	595
Tang Qi (湯琪)**	—	24	—	5	29
Independent non-executive directors					
Gao Yongtao (高永濤)	—	125	—	—	125
Bingsheng Teng ***	—	110	—	—	110
Jiang Jun (姜軍) ****	—	110	—	—	110
Lu Bin (盧斌) *****	—	15	—	—	15
Xu Ying (許穎) ******	—	15	—	—	15
Total	—	1,644	2,587	556	4,787

* Qiu Ziyu ceased being an executive director from 21 November 2017.

** Tang Qi was elected as an executive director from 21 November 2017.

*** Bingsheng Teng ceased being an independent director from 8 December 2017.

**** Jiang Jun ceased being an independent director from 8 December 2017.

***** Lu Bin was elected as an independent director from 8 December 2017.

****** Xu Ying was elected as an independent director from 8 December 2017.

For the year ended 31 December 2016:

Name	Fees	Salary	Bonuses	Social benefits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Chairman					
Li Guohong (李國紅)*	—	342	733	40	1,115
Wang Lijun (王立君)**	—	246	169	71	486
Executive directors					
Chen Daojiang (陳道江)	—	196	517	51	764
Wang Peiyue (王培月)***	—	160	694	51	905
Wang Xiaoling (汪曉玲)****	—	90	529	31	650
Qiu Ziyu (邱子裕)	—	144	364	58	566
Bi Hongtao (畢洪濤)*****	—	60	104	20	184
Liu Qingde (劉清德)******	—	112	—	—	112
Sun Youmin (孫佑民)*******	—	127	—	20	147
Independent non-executive directors					
Gao Yongtao (高永濤)	—	120	—	—	120
Bingsheng Teng	—	120	—	—	120
Jiang Jun (姜軍)	—	120	—	—	120
Total	—	1,837	3,110	342	5,289

* Li Guohong was elected as the chairman from 16 May 2016.
** Wang Lijun ceased being the chairman from 15 May 2016.
*** Wang Peiyue was elected as a director from 16 May 2016.
**** Wang Xiaoling was elected as a director from 16 May 2016.
***** Bi Hongtao ceased being a director from 16 May 2016.
****** Liu Qingde ceased being a director from 16 May 2016.
******* Sun Youmin ceased being a director from 16 May 2016.

For the year ended 31 December 2015:

Name	Fees	Salary	Bonuses	Social benefits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Chairman					
Wang Lijun (王立君)*	—	185	190	56	431
Chen Yumin (陳玉民)**	—	37	27	10	74
Executive directors					
Chen Daojiang (陳道江)***	—	146	216	42	404
Bi Hongtao (畢洪濤)****	—	143	151	34	328
Liu Qingde (劉清德)	—	144	182	38	364
Sun Youmin (孫佑民)	—	144	220	46	410
Qiu Ziyu (邱子裕)*****	—	144	179	44	367
Cui Lun (崔侖)******	—	29	22	10	61
Lin Pufang (林樸芳)*******	—	22	—	—	22
Independent non-executive directors					
Gao Yongtao (高永濤)	—	120	—	—	120
Bingsheng Teng	—	120	—	—	120
Jiang Jun (姜軍)	—	120	—	—	120
Total	—	1,354	1,187	280	2,821

* Wang Lijun was elected as the chairman from 11 February 2015.
** Chen Yumin ceased being the chairman from 10 February 2015.
*** Chen Daojiang was elected as a director from 27 February 2015.
**** Bi Hongtao was elected as a director from 27 February 2015.
***** Qiu Ziyu was elected as a director from 27 February 2015.
****** Cui Lun ceased being a director from 10 February 2015.
******* Lin Pufang ceased being a director from 10 February 2015.

In addition to the directors' emoluments as disclosed above, certain directors who are also directors of the Parent Company and certain fellow subsidiaries received emoluments from different related companies during the years ended 31 December 2015, 2016 and 2017 and the three months ended 31 March 2018, part of which is in respect of their services rendered to the Group in respective years. No apportionment has been made as the directors consider that it is impracticable to apportion this amount between their services rendered to the Group and their services rendered to the Parent Company and the respective fellow subsidiaries.

42 Events after the reporting period

Save as disclosed in the Historical Financial Information, no other significant subsequent events take place subsequent to 31 March 2018.

III. ADDITIONAL FINANCIAL INFORMATION OF AGBII

The Group acquired 50% interest in AGBII Group on 30 June 2017. The pre-acquisition financial information of AGBII, including the consolidated balance sheets of AGBII as at 31 December 2015 and 2016 and 30 June 2017, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated cash flow statements for the years ended 31 December 2015 and 2016 and the six months ended 30 June 2016 and 2017 are presented as follows:

Consolidated statements of comprehensive income of AGBII

	Section III	Year ended 31 December		Six months ended 30 June	
	Note	2015	2016	2016	2017
		USD'000	*USD'000*	*USD'000* *(Unaudited)*	*USD'000*
Revenue	1	706,251	683,258	309,192	320,188
Cost of sales	2	(494,978)	(467,011)	(202,070)	(217,764)
Gross profit		211,273	216,247	107,122	102,424
General and administrative expenses		(1,339)	893	300	(2,208)
Exploration, evaluation and project expenses		(2,262)	(910)	(302)	(2,645)
Impairment reversals	3	—	275,200	—	—
Loss on currency translation		(52,443)	(19,054)	(12,236)	(5,216)
Other (expenses)/income		(1,648)	1,025	1,434	46
Profit from operations		153,581	473,401	96,318	92,401
Finance income	4	10,733	8,030	3,674	2,210
Finance costs	4	(31,464)	(26,292)	(13,333)	(9,953)
Profit before income tax		132,850	455,139	86,659	84,658
Income tax expenses	5	(62,624)	(168,320)	(33,305)	(33,989)
Profit for the year/period		70,226	286,819	53,354	50,669
Attributable to:					
Equity holders of Argentina Gold (Bermuda) II Ltd. ("AGBII")		68,291	280,564	52,207	49,514
Non-controlling interests		1,935	6,255	1,147	1,155
		70,226	286,819	53,354	50,669

Consolidated balance sheets of AGBII

	Section III	As at 31 December		As at 30 June
	Note	2015	2016	2017
		USD'000	*USD'000*	*USD'000*
Assets				
Non-current assets				
Non-current portion of inventory		34,436	38,446	42,576
Property, plant and equipment	6	835,942	1,072,596	1,155,617
Loans receivable due from related parties		649,163	221,651	—
Receivables due from related parties		37,507	1,583	—
Other assets		33	38	38
		1,557,081	1,334,314	1,198,231
Current assets				
Cash and equivalents		23,738	95,952	47,632
Trade receivables		1,363	1,739	—
Inventories	7	285,286	316,851	395,932
Receivables due from related parties		8,492	175,273	14
Current loans receivable due from related parties		29,028	427,512	—
Other current assets		112,896	67,063	90,713
		460,803	1,084,390	534,291
Total assets		2,017,884	2,418,704	1,732,522
Liabilities				
Non-current liabilities				
Payable due to related parties		48,541	55	—
Loans payable due to related parties		400,000	92,000	282,850
Provisions	8	59,383	60,042	110,809
Deferred income tax liabilities	9	230,197	334,390	355,073
		738,121	486,487	748,732

	Section III Note	As at 31 December 2015	As at 31 December 2016	As at 30 June 2017
		USD'000	*USD'000*	*USD'000*
Current liabilities				
Trade payables and accruals		111,295	101,950	100,350
Current income tax liabilities		—	—	629
Payables due to related parties		2,946	68,368	2,305
Current loans due to related parties		50,391	358,391	25,368
Other current liabilities		738	1,360	541
		165,370	530,069	129,193
Total liabilities		903,491	1,016,556	877,925
Carve out equity attributable to AGBII shareholders		1,084,736	1,366,215	787,214
Non-controlling interests		29,657	35,933	67,383
Total carve out equity		1,114,393	1,402,148	854,597
Total liabilities and carve out equity		2,017,884	2,418,704	1,732,522

Consolidated statements of changes in equity of AGBII

	Section III Note	Ordinary Shares	Capital stock	Retained earnings	Contributed surplus	Total carve out equity attributable to equity holders of AGBII	Non-controlling interests	Total carve out equity
		Attributable to equity holders of AGBII						
		(in thousands)	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*
Balance at 1 January 2015		43	228,249	1,512,037	(728,573)	1,011,713	27,616	1,039,329
Profit for the year		—	—	68,291	—	68,291	1,935	70,226
Other decreases		—	—	—	4,732	4,732	106	4,838
Balance at 31 December 2015		**43**	**228,249**	**1,580,328**	**(723,841)**	**1,084,736**	**29,657**	**1,114,393**
Balance at 1 January 2016		**43**	**228,249**	**1,580,328**	**(723,841)**	**1,084,736**	**29,657**	**1,114,393**
Profit for the year		—	—	280,564	—	280,564	6,255	286,819
Other decreases		—	—	—	915	915	21	936
Balance at 31 December 2016		**43**	**228,249**	**1,860,892**	**(722,926)**	**1,366,215**	**35,933**	**1,402,148**
Balance at 1 January 2017		**43**	**228,249**	**1,860,892**	**(722,926)**	**1,366,215**	**35,933**	**1,402,148**
Profit for the period		—	—	49,514	—	49,514	1,155	50,669
Transactions with owners								
Dividend distribution		—	—	(767,885)	—	(767,885)	—	(767,885)
Funding from non-controlling interest		—	—	—	—	—	27,157	27,157
Other increases		—	—	—	139,370	139,370	3,138	142,508
Balance at 30 June 2017		**43**	**228,249**	**1,142,521**	**(583,556)**	**787,214**	**67,383**	**854,597**

Consolidated statements of cash flows of AGBII

	Section III	Year ended 31 December		Six months ended 30 June	
	Note	2015	2016	2016	2017
		USD'000	*USD'000*	*USD'000* *(Unaudited)*	*USD'000*
Operating activities					
Profit for the year/period		70,226	286,819	53,354	50,669
Adjustments for the following items:					
Depreciation		109,506	120,081	51,540	63,558
Finance costs, net		20,731	18,262	9,659	7,744
Impairment reversals		—	(275,200)	—	—
Income tax expenses		62,624	168,320	33,305	33,989
Net currency translation losses		52,443	19,054	12,236	5,216
Gains on sale of non-current assets/investments		(605)	(218)	(218)	(370)
Change in working capital		(22,390)	(49,827)	(3,167)	(107,540)
Other operating activities		8,743	(97,946)	(121,502)	(45,285)
Operating cash flows before interest and income taxes		301,278	189,345	35,207	7,981
Net interest paid		(9,518)	(7,456)	—	(9,013)
Income taxes paid		(17,880)	(3,863)	(2,735)	—
Net cash generated from/(used in) operating activities		**273,880**	**178,026**	**32,472**	**(1,032)**
Investing activities					
Property, plant and equipment					
Capital expenditures		(223,000)	(106,000)	(40,878)	(112,420)
Issuance of loans receivables		(221,651)	—	—	—
Settlement of loan receivables		221,651	—	—	—
Net cash used in investing activities		**(223,000)**	**(106,000)**	**(40,878)**	**(112,420)**
Financing activities					
Debt					
Repayments		(31,200)	—	—	—
Proceeds		—	—	—	25,368
Funding from non-controlling interests		—	—	—	40,000
Net cash used in financing activities		**(31,200)**	**—**	**—**	**65,368**
Effect of exchange rate changes on cash and equivalents		(1,007)	188	(112)	(236)
Net increase/(decrease) in cash and equivalents		18,673	72,214	(8,518)	(48,320)
Cash and equivalents at beginning of year/period		5,065	23,738	23,738	95,952
Cash and equivalents at the end of year/period		**23,738**	**95,952**	**15,220**	**47,632**

Notes to the additional financial information of AGBII

1 ***Revenue***

	Year ended 31 December		Six months ended 30 June	
	2015	**2016**	**2016**	**2017**
	USD'000	*USD'000*	*USD'000* *(Unaudited)*	*USD'000*
Spot market sales	688,194	660,891	295,738	309,416
Other sales	18,057	22,367	13,454	10,772
	706,251	**683,258**	**309,192**	**320,188**

For the six months ended 30 June 2017, revenue is presented net of direct sales taxes of nil (years ended 31 December 2016 and 2015: USD 1,539,000 and USD 33,722,000 respectively).

Revenues include the sale of by-products from the mine of AGBII.

2 ***Cost of sales***

	Year ended 31 December		Six months ended 30 June	
	2015	**2016**	**2016**	**2017**
	USD'000	*USD'000*	*USD'000* *(Unaudited)*	*USD'000*
Direct mining cost	358,704	320,014	139,166	140,794
Depreciation	109,506	120,081	51,540	63,558
Royalty expense	25,278	24,399	10,615	11,983
Community relations	1,490	2,517	749	1,429
	494,978	**467,011**	**202,070**	**217,764**

For the six months ended 30 June 2017, direct mining cost includes charges to reduce the cost of inventory to net realisable value of nil (years ended 31 December 2016 and 2015: nil and USD 15,848,000 respectively) and employee costs of USD 52,187,000 (years ended 31 December 2016 and 2015: USD 36,121,000 and USD 85,681,000 respectively).

Direct mining cost includes the costs of extracting by-products.

3 ***Impairment reversals***

For the six-month period ended 30 June 2017, AGBII recorded impairment reversals of nil (2016 and 2015: USD 275,200,000 and nil respectively) for non-current assets.

In the fourth quarter of 2016, AGBII management reviewed the updated Life of Mine ("LOM") plan for the operating mine site for indicators of impairment or reversal, and noted no indicators of impairment, but did note an indicator of potential impairment reversal.

As a result of improvements in the cost structure at the Veladero mine in Argentina, AGBII expanded the open pit in the LOM plan, increasing the expected production and the number of years in the plan. These changes increased Veladero's Fair Value Less Costs of Disposal ("FVLCD") which has resulted in a full reversal of the non-current asset impairment loss recorded in 2013. After reflecting the amount of depreciation that would have been taken on the impaired assets, an amount of USD 275 million was recorded as an impairment reversal in the fourth quarter of 2016. The recoverable amount, based on the mine's FVLCD, was USD 1.6 billion.

4 ***Finance income and costs***

	Year ended 31 December		**Six months ended 30 June**	
	2015	**2016**	**2016**	**2017**
	USD'000	*USD'000*	*USD'000* *(Unaudited)*	*USD'000*
Interest	29,978	24,977	12,597	9,116
Accretion	1,486	1,315	736	837
Finance income	(10,733)	(8,030)	(3,674)	(2,210)
Finance costs, net	**20,731**	**18,262**	**9,659**	**7,743**

5 ***Income tax expenses***

	Year ended 31 December		Six months ended 30 June	
	2015	**2016**	**2016**	**2017**
	USD'000	*USD'000*	*USD'000* (*Unaudited*)	*USD'000*
Tax on profit				
Current tax				
Charge for the year/period	4,765	64,127	17,173	18,255
Adjustment in respect of prior years/periods	558	—	—	(2,675)
	5,323	64,127	17,173	15,580
Deferred tax				
Origination and reversal of the temporary differences in the current year/period	57,842	104,343	16,132	16,768
Adjustment in respect of prior years/periods	(541)	(150)	—	1,641
	57,301	104,193	16,132	18,409
Income tax expenses	**62,624**	**168,320**	**33,305**	**33,989**
Tax expense				
Current				
Argentina	5,323	64,127	17,173	15,580
International	—	—	—	—
	5,323	**64,127**	**17,173**	**15,580**
Deferred				
Argentina	57,301	104,193	16,132	18,409
International	—	—	—	—
	57,301	104,193	16,132	18,409
Income tax expenses	**62,624**	**168,320**	**33,305**	**33,989**

Reconciliation to Argentinean Statutory Rate:

	Year ended 31 December		Six months ended 30 June
	2015	**2016**	**2017**
	USD'000	*USD'000*	*USD'000*
At 35% statutory rate	46,497	159,299	29,630
(Decrease)/increase due to:			
Impact of foreign tax rates	(1,474)	(861)	(326)
Income not subject to tax	(46,476)	(16,485)	436
Net currency translation losses on deferred tax balances	62,250	22,548	—
Adjustments in respect of prior years/period	17	(150)	—
Other withholding taxes	3,747	2,967	—
Other items	(1,937)	1,002	4,249
Income tax expenses	**62,624**	**168,320**	**33,989**

Statutory rate for Argentina

AGBII operates in foreign tax jurisdictions that have tax rates different from the Argentinean statutory rate.

Currency translation

Deferred tax balances are subject to remeasurement for changes in currency exchange rates each period. The most significant balances are Argentinean deferred tax liabilities. The income tax expenses for year ended 31 December 2016 were USD 22,548,000 (2015: USD 62,250,000), primarily arose from translation losses due to the weakening of the Argentinean peso against the US dollar. These losses are included within deferred tax expense.

6 ***Property, plant, and equipment***

	As at 31 December		As at 30 June
	2015	**2016**	**2017**
	USD'000	*USD'000*	*USD'000*
Net book value			
- Buildings, plant and equipment	125,212	293,846	294,934
- Mining property costs subject to depreciation	637,610	718,100	784,933
- Mining property costs not subject to depreciation	73,120	60,650	75,750
	835,942	1,072,596	1,155,617

7 ***Inventories***

	As at 31 December		As at 30 June
	2015	**2016**	**2017**
	USD'000	*USD'000*	*USD'000*
Raw materials			
- Ore in stockpiles	34,436	38,446	42,576
- Ore on leach pads	136,095	171,818	265,780
Mine operating supplies	132,092	120,184	124,327
Work in process	17,099	17,134	5,825
Finished products	—	7,715	—
	319,722	355,297	438,508
Non-current ore in stockpiles	(34,436)	(38,446)	(42,576)
	285,286	**316,851**	**395,932**

8 ***Provisions***

A. *Provisions*

	As at 31 December		As at 30 June
	2015	**2016**	**2017**
	USD'000	*USD'000*	*USD'000*
Environmental rehabilitation ("PER")	59,185	59,715	110,251
Share-based payments	198	327	558
	59,383	**60,042**	**110,809**

B. *Environmental rehabilitation*

	Year ended 31 December		Six months ended 30 June
	2015	2016	2017
	USD'000	*USD'000*	*USD'000*
At the beginning of the year/period	59,249	59,185	59,715
PERs (decreasing)/arising in the year/period	(1,524)	(781)	49,699
Settlements, in cash	(26)	(4)	—
Accretion	1,486	1,315	837
At the end of the year/period	**59,185**	**59,715**	**110,251**

The eventual settlement of all PERs is expected to take place between 2017 and 2050.

9 ***Deferred income tax***

Recognition and measurement

Deferred income tax assets and liabilities where temporary differences exist between the carrying amounts of assets and liabilities in the AGBII's balance sheet and their tax bases are recorded. The measurement and recognition of deferred income tax assets and liabilities takes into account: substantively enacted rates that will apply when temporary differences reverse; interpretations of relevant tax legislation; estimates of the tax bases of assets and liabilities; and the deductibility of expenditures for income tax purposes. In addition, the measurement and recognition of deferred tax assets takes into account tax planning strategies. The effect of changes in the assessment of these estimates and factors when they occur are recognised. Changes in deferred income tax assets and liabilities are allocated between net income, other comprehensive income, and goodwill based on the source of the change.

Sources of deferred income tax assets and liabilities

	As at 31 December		As at 30 June
	2015	**2016**	**2017**
	USD'000	*USD'000*	*USD'000*
Deferred income tax assets			
- Environmental rehabilitation	4,731	3,257	1,182
- Other working capital	17,392	19,319	1,132
- Other	1,970	846	(131)
	24,093	23,422	2,183
Deferred income tax liabilities			
- Property, plant and equipment	(229,382)	(332,196)	(332,276)
- Inventory	(24,908)	(25,616)	(24,980)
	(254,290)	(357,812)	(357,256)
Deferred income tax liabilities (net)	**(230,197)**	**(334,390)**	**(355,073)**

The deferred income tax liability of USD 334,390,000 is expected to be realised in more than one year.

Recognition of deferred income tax assets

Deferred income tax assets taking into account the effects of local tax law are recognised. Deferred income tax assets are fully recognised when AGBII conclude that sufficient positive evidence exists to demonstrate that it is probable that a deferred income tax asset will be realised. The main factors considered are:

- Historic and expected future levels of taxable income;
- Tax plans that affect whether tax assets can be realised; and
- The nature, amount and expected timing of reversal of taxable temporary differences.

Levels of future income are mainly affected by: market gold, copper and silver prices; forecasted future costs and expenses to produce gold and copper reserves; quantities of proven and probable gold and copper reserves; market interest rates; and foreign currency exchange rates. If these factors or other circumstances change, an adjustment to the recognition of deferred assets to reflect the latest assessment of the amount of deferred tax assets that is probable will be recorded.

Deferred income tax assets not recognised

	As at 31 December		As at 30 June
	2015	2016	2017
	USD'000	*USD'000*	*USD'000*
Argentina	—	98,396	—

Deferred income tax assets not recognised relate to non-capital loss carry forwards of USD 98,396,000, which will expire in 2021.

Source of changes in deferred income tax balances

	Year ended 31 December		Six months ended 30 June
	2015	2016	2017
	USD'000	*USD'000*	*USD'000*
Deferred income tax (charge)/credit associated with changes in:			
temporary differences			
- Property, plant and equipment	(44,902)	(102,814)	(7,006)
- Environmental rehabilitation	(271)	(1,474)	(2,074)
- Inventory	(19,088)	(708)	635
- Others	6,960	803	(9,963)
	(57,301)	(104,193)	(18,408)

IV. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company or the Group in respective to any period subsequent to 31 March 2018 and up to date of this report. Save as disclosed in this report, no dividend or distribution has been declared or made by the Company in respect of any period subsequent to 31 March 2018.