



紫金礦業集團股份有限公司

ZIJIN MINING GROUP COMPANY LIMITED*

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

(在中華人民共和國註冊成立的股份有限公司)

(Stock Code 股份代號：2899)

2011 Interim Report
中期報告

*For identification purpose only
*僅供識別

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Corporate Information

EXECUTIVE DIRECTORS

Chen Jinghe (*Chairman*)
Luo Yingnan (*President*)
Liu Xiaochu
Lan Fusheng
Huang Xiaodong
Zou Laichang

NON-EXECUTIVE DIRECTOR

Peng Jiaqing

INDEPENDENT NON-EXECUTIVE DIRECTORS

Su Congfu
Chen Yuchuan
Lin Yongjing
Wang Xiaojun

SUPERVISORS

Lin Shuiqing
Xu Qiang
Lin Xinxi
Zhang Yumin
Liu Xianhua

COMPANY SECRETARY

Fan Cheung Man

AUDIT COMMITTEE

Lin Yongjing
Su Congfu
Chen Yuchuan
Wang Xiaojun
Peng Jiaqing
Liu Xiaochu

AUTHORISED REPRESENTATIVE

Chen Jinghe
Liu Xiaochu

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LEGAL CONSULTANT OF THE COMPANY

(Hong Kong laws)
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AUDITORS

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Basic Information for the Report

The board of directors (the "Board") of Zijin Mining Group Co., Ltd.* (the "Company") announces the unaudited interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2011 (the "reporting period"). This report has been reviewed and passed by the Board and the audit committee.

According to the *Consultation Conclusion on Acceptance of Mainland Accounting and Auditing Standards and Mainland Audit Firms for Mainland Incorporated Companies Listed in Hong Kong* which was published by The Stock Exchange of Hong Kong Limited ("SEHK") in December 2010, starting from 15 December 2010, the Mainland incorporated companies listed in Hong Kong are allowed to prepare financial statements, for the purpose of fulfilling the financial reporting requirements of the SEHK, in accordance with the China Accounting Standards for Business Enterprises ("CAS") and to arrange for such financial statements to be audited by a limited number of Mainland China audited firms which are approved by the Ministry of Finance of China and the China Securities Regulatory Commission for such purpose ("Auditing Arrangement"). The Company passed a resolution in respect of the amendment of its Articles of Association in 2010 Annual General Meeting and the Company started to adopt CAS and the related laws and regulations in preparation of the financial statements from the year 2011 onwards.

The following unaudited consolidated financial information was prepared in accordance with CAS and the related laws and regulations.

The accounting data for 6 months ended 30 June 2010 has been restated based on 25% profit tax rate.

The calculation of the financial indicators for the interim results and annual results of 2010 and interim results of 2011 was based on the total number of shares (21,811,963,650 shares) after the conversion of capital reserve to share capital.

The report is written in both Chinese and English. In the case of any discrepancies, the Chinese version shall prevail over its English version.

Operation Overview

MARKET REVIEW

During the reporting period, under the impact of the US and European debt crisis, US dollar continued to depreciate, and the risk-avoidance function and the investment needs for gold were the main factors to sustain its strong pricing trend in the international market in the first half of 2011. The international opening price of gold in 2011 was US\$1,421 per ounce. During the reporting period, the price of gold reached its lowest at US\$1,308 per ounce and its highest at US\$1,632 per ounce. The closing price was US\$1,500 per ounce, representing an increase of US\$258 per ounce or 20.77% over the closing price of the same period last year.

During the reporting period, the price of copper has been adjusted after reaching a peak. In February 2011, the price of copper in the London Metals Exchange (“LME”) reached its highest at US\$10,189.09 per tonne, the highest price of copper in Shanghai was RMB75,050 per tonne, the lowest was RMB66,380 per tonne and the closing price was RMB69,860 per tonne.

During the reporting period, the price of zinc fluctuated with a downward trend in the domestic and international markets. In the first half of 2011, its highest price was US\$2,545 per tonne recorded on 21 February 2011 and its lowest price was US\$2,098 per tonne recorded on 16 May 2011. In mid-May 2011, zinc’s lowest price (0# zinc) in Shanghai reached RMB16,250 per tonne. It then kept its price fluctuation in this range in June 2011 and its closing price stayed at RMB17,000 per tonne at the end of June 2011.

(1 troy ounce = 31.1035 grammes)

PRODUCTION AND OPERATION

Operation Overview

During the reporting period, the Group generated a turnover of RMB15.852 billion representing a 17.77% growth (same period last year: RMB13.46 billion) and realised a net profit attributable to the equity holders of the parent of RMB3.149 billion, representing a 24.87% growth when compared with the corresponding period last year (same period last year: RMB2.522 billion (restated)). As at the end of June 2011, the Group's total assets was RMB45.523 billion, representing a 18.55% growth (at beginning of the year: RMB38.401 billion), and the net assets attributable to the equity holders of the parent was RMB23.172 billion representing a 6.14% growth when compared with the beginning of the year (at beginning of the year: RMB21.832 billion).

1. Gold Mine Business

During the reporting period, the Group produced 33,730.82kg (1,084,470.24 ounces) of gold representing a decrease of 8.12% over the same period last year (same period last year: 36,710.71kg).

Among which the Group produced 14,295.56kg (459,612.58 ounces) of mine-produced gold representing a decrease of 9.61% (15,816.09kg the same period last year) over the same period last year, among which Zijinshan Gold Mine produced 8,195.95kg (263,505.71 ounces); Hunchun Zijin produced 1,087.31kg (34,957.80 ounces); Guizhou Shuiyindong Gold Mine produced 960.96kg (30,895.56 ounces); the other gold mines in the Group produced 4,051.34kg (130,253.51 ounces) of gold.

The Group produced 19,435.26kg (624,857.65 ounces) of refinery gold, representing a decrease of 6.98% over the same period last year (20,894.62kg the same period last year), of which, Henan Luoyang Zijin Yinhui Gold Refinery Co., Ltd. produced 13,877.55kg (446,173.26 ounces); the Company's gold refinery plants produced 3,636.61kg (116,919.64 ounces); Fujian Jinshan Gold Refinery Plant produced 1,620.94kg (52,114.39 ounces); and the other plants in the Group produced 300.16kg (9,650.36 ounces).

Sales income generated from the Group's gold business represented approximately 61.86% (after elimination) of the total sales income during the reporting period, and the gold business generated about 66.90% of the total net profit attributable to the equity holders of the parent company.

Operation Overview

2. Copper Mine Business

During the reporting period, the Group produced 44,955.87 tonnes of copper, representing a decrease of 4.75% when compared with the same period last year (47,196.96 tonnes the same period last year); the production of which included 1,475.70 tonnes mine-produced copper cathodes, representing a decrease of 73.31% when compared with the same period last year (5,528.72 tonnes the same period last year); 42,005.58 tonnes copper in concentrates form, representing a 3.12% growth when compared with the same period last year (40,734.96 tonnes the same period last year); and 1,474.59 tonnes refinery-produced copper.

In which, Ashele Copper Mine produced copper concentrates consisting of 17,790.94 tonnes copper, representing a 9.28% growth when compared with the same period last year (16,279.63 tonnes the same period last year); Qinghai Deerni Copper Mine produced copper concentrates consisting of 14,047.89 tonnes copper, representing a 4.56% growth when compared with the same period last year (13,435.39 tonnes the same period last year); Hunchun Zijin produced copper concentrates consisting of 4,636.46 tonnes copper, representing a 5.08% growth when compared with the same period last year (4,412.33 tonnes the same period last year).

In the reporting period, sales income of the Group from copper business represented approximately 14.20% (after elimination) of the total sales income of the Group and net profit from the copper business represented about 26.45% of the total net profit attributable to the equity holders of the parent company.

3. Zinc Mine and Lead Mine Business

During the reporting period, the Group produced 109,151.70 tonnes of zinc, which decreased by 1.23% when compared with the corresponding period last year (110,513.80 tonnes the same period last year), among which Bayannaer Zijin Zinc Refinery Plant produced 93,924.85 tonnes zinc bullion, representing an increase of 3.19% when compared with the same period last year (91,022.68 tonnes the same period last year); 15,226.85 tonnes mine-produced zinc in concentrates form representing a decrease of 21.88% when compared with the same period last year (19,491.12 tonnes the same period last year). Among which, Wulatehaoqi Zijin produced 7,826.15 tonnes mine-produced zinc in concentrate form representing a decrease of 26.66% when compared with the same period last year (10,671.22 tonnes the same period last year); Ashele Copper Mine produced 6,129.02 tonnes zinc in concentrate form and other mines produced 1,271.68 tonnes zinc in concentrate form.

During the reporting period, 1,444.42 tonnes lead in concentrates form was produced, representing a 32.14% decrease when compared with the same period last year (2,128.48 tonnes the same period last year).

During the reporting period, sales income from zinc and lead business of the Group represented approximately 9.30% (after elimination) of the total sales income of the Group, and represented about 1.52% of the total net profit attributable to the equity holders of the parent company.

Operation Overview

4. *Iron, Silver and Other Businesses*

During the reporting period, the Group produced 61,987.35kg silver, representing a decrease of 6.41% when compared with the same period last year (66,234.09kg the same period last year), among which 7,026.96kg was refined silver, representing a decrease of 46.19% when compared with the same period last year (13,058.49kg the same period last year); and 54,960.39kg was mine-produced silver, representing a 3.36% growth when compared with the same period last year (53,175.6kg the same period last year), of which Wuping Zijin produced 13,444.97kg of silver, Ashele Copper Mine produced 11,992.95kg silver from other associated metals, Shanxi Zijin produced 11,921.47kg silver, Wulatehouqi Zijin produced 7,343.45kg silver, the other mines in the Group produced 10,257.55kg silver from associated metals and Jinshan Gold Refinery produced 7,026.96kg refined silver.

During the reporting period, the Group produced 733,100 tonnes of iron concentrates, representing an increase of 91.11% when compared with the same period last year (383,600 tonnes the same period last year).

Sales income from the Group's iron ore, silver and other businesses represented approximately 14.64% (after elimination) of the total sales income of the Group during the reporting period, and net profit of iron ore, silver and other businesses represented about 5.13% of the total net profit attributable to the equity holders of the parent company.

5. *External Investment*

During the reporting period, in accordance with the working plan established at the beginning of the year, the Company has been conducting specific studies and evaluation of domestic and overseas projects, and the Group has amended its investment strategy to invest in risk exploration companies overseas: the Company has participated again in the placement of CASA Minerals Ltd. ("CASA") and invested US\$6.55 million and increased the shareholding of CASA to 30%; the Company has acquired a Canadian mining company, Equitas Resources Corp. ("Equitas") about 17.69% of its ordinary shareholding with the consideration of C\$1.35 million; the Company has invested US\$100 million in the subscription shares of Glencore International Plc in its IPO; the Company has acquired 100% shareholding of United Summit Investment Limited (a BVI company) with the consideration of RMB140 million which enables the Company to integrate and co-ordinate the development in Xinjiang Wulagen Zinc-lead Mine through the 100% ownership of its wholly-owned subsidiary, Wuqia Huaxin Mining Co., Ltd.

In relation to domestic acquisitions:

Fujian Jinyi Copper Products Co., Ltd. has become a wholly-owned subsidiary of the Company by acquisition of its 46.5% shareholding in a bidding with consideration of RMB93.5 million; the Company has invested RMB19.2 million and owned 12% shareholding of Xinjiang Tianshan Railway Co., Ltd.; the Company has invested RMB159.9 million and owned 65% shareholding of Fujian Hongguo Co., Ltd. Fujian Hongguo Co., Ltd. owns a silver multi-metal mine in Sha County, Fujian; Qinghai Copper Co., Ltd. has been jointly formed by the Company's wholly-owned subsidiary, Qinghai West Copper Co., Ltd. (which contributed RMB240 million as equity capital), Western Mining Joint Stock Co., Ltd, and Geermu Shenghua Mining Co., Ltd. The Company owns 30% of its shareholding. The Company has initially invested RMB48 million. Qinghai Copper Co., Ltd. will build a copper refinery plant with 100,000 tonnes capacity.

Operation Overview

6. *Projects Construction*

During the reporting period, the construction of Mongolia Tianhong Gold Mine has been completed and it has started its production in early July 2011. The construction of Inner Mongolia Jinzhong Mining Aobao Gold Mine was smooth and will have trial run by the end of this year. The construction of Guizhou Zijin's phase three technological innovation has been started in the first half of 2011 and will have a trial run in September 2011. The exploration works of Guizhou Zijin Changtian Gold Mine and the infrastructure works of Guizhou Xinhengji Huilong Gold Mine have been commenced orderly. Tajikistan ZGC Gold Mine's Taror oxidize ores 2,000 tonnes/day process plant started the production in August 2011. The other development and technological innovation projects have been carried out smoothly. Luoning Zijin Gold Refinery project has smoothly commenced its construction. Zijin Copper's 200,000 tonnes refinery plant was in a comprehensive equipment installation stage. The progress of Duobaoshan Copper Mine project was smooth and will have trial run by the end of this year. Qinghai Zijin's tailings comprehensive utilisation project will start production at the end of September this year. The development progress of Zijin Longxing Tuva Zinc-lead Mine and Inner Mongolia Wulatehouqi Zijin Sanguikou Zinc-lead Mine were smooth.

7. *Geological Exploration*

During the reporting period, the Group invested RMB94 million in exploration and 63 exploration projects have commenced its work. The volume of actual works of the Group includes the following: 89,800 metres drilling, 9,600 metres tunnel exploration, and 11,100 sq. metres trench exploration. The progress of field exploration works was smooth. The Group has made good achievements in searching mining deposit in the deepest part and surrounding part of Xinjiang Ashele Copper Mine, Chongli Zijin Dongping Gold Mine, Gansu Yate Dujiagou Gold Mine, Henan Luoning County Luyuangou and Hongnianggou Gold Mine, Shuiyindong Gold Mine Nayang section, and Zijinshan Jintonghu section. The mining resource is expected to have a larger growth.

As at 30 June 2011, the Group has a total of 243 exploration rights, covering an area of 4,979.46 sq.km and a total of 60 mining rights, covering an area of 151.4425 sq.km.

8. *Rectification progress of Zijinshan Gold and Copper Mine*

During the reporting period, qualified units have been commissioned by Zijinshan Gold and Copper Mine to carry out a post-environmental impact assessment, hydrological and geological evaluation and mine safety evaluation etc., the units have completed the first draft of the evaluation report; the recent safety and environmental rectification plan of Zijinshan Gold and Copper Mine has been reviewed and approved by the experts. Rectification works has been fully commenced and expects to be completed by the end of 2011.

Management Discussion and Analysis

OPERATION RESULTS

During the reporting period, the management of the Company followed the annual production plan and meticulously organised the production, the Group realised a sales income of RMB15.852 billion (same period last year: RMB13.46 billion), representing an increase of 17.77% over the corresponding period last year.

The table below sets out the sales by products for the six months ended 30 June 2011 and 30 June 2010 respectively:

Items Product	January - June 2011			January - June 2010		
	Unit price (tax excluded)	Volume	Amount	Unit price (tax excluded)	Volume	Amount
	RMB		RMB'000	RMB		RMB'000
Mine-produced gold bullion	307.63/g	10,226Kg	3,145,830	255.07/g	11,509Kg	2,935,480
Mine-produced gold concentrates	271.83/g	3,787Kg	1,029,340	227.50/g	4,142Kg	942,260
Processed gold	306.30/g	19,354Kg	5,928,070	250.73/g	21,021Kg	5,270,540
Copper concentrates	52,722/t	39,874t	2,102,240	42,432/t	41,883t	1,777,140
Mine-produced copper cathodes	59,033/t	1,300t	76,720	48,031/t	7,010t	336,720
Zinc bullion	15,288/t	90,836t	1,388,660	14,993/t	66,295t	993,940
Zinc concentrates	9,483/t	14,574t	138,200	9,003/t	18,287t	164,640
Iron concentrates	709/t	484,743t	343,710	611/t	203,488t	124,320
Others			2,547,620			1,583,020
Internal sales			-848,120			-667,570
Total			15,852,270			13,460,490

Note:

During the reporting period, the other sales income mainly includes RMB480 million income from copper pipes, RMB362 million income from copper belts, RMB303 million income from silver products, and RMB1,403 million income from other products, intermediary business and other servicing business.

The Group's sales income for the six months ended 30 June 2011 increased significantly over the same period last year, which was mainly attributable to:

The selling price of the Company's main products increased substantially over the same period last year. The selling prices of gold, mine-produced copper, and iron concentrates increased 21.38%, 22.40%, and 16.04% respectively when compared with the corresponding period last year, in which, the increase in unit price of mine-produced products increased the sales income by RMB1.459 billion (before elimination); and the increase in unit price of refined and processed products increased the sales income by RMB1.267 billion (before elimination).

Management Discussion and Analysis

ANALYSIS OF GROSS PROFIT AND GROSS PROFIT MARGIN

The Group is mainly engaged in mine development. The Group's cost of sales mainly includes mining, processing and refining costs, ore transportation cost, raw materials consumption, salary and depreciation on fixed assets etc. The table below sets out details of the gross profit margin for the periods ended 30 June 2010 and 30 June 2011.

Product	Unit selling cost (RMB)				Gross profit margin (%)		
	Jan-Jun Year	Jan-Jun 2010	Unit	Compared with last year %	Jan-Jun 2011	Jan-Jun 2010	Compared with last year
Mine-produced gold bullion	73.47	65.59	/g	12.01	76.12	74.28	1.84
Mine-produced gold concentrates	102.35	88.18	/g	16.07	62.35	61.24	1.11
Processed gold	304.74	249.76	/g	22.01	0.51	0.39	0.12
Copper concentrates	11,585	10,212	/t	13.44	78.03	75.93	2.10
Mine-produced copper cathodes	45,644	19,070	/t	139.35	22.68	60.30	-37.62
Zinc bullion	15,079	13,756	/t	9.62	1.36	8.25	-6.89
Zinc concentrates	2,674	3,099	/t	-13.71	71.80	65.58	6.22
Iron concentrates	200	195	/t	2.60	71.78	68.08	3.70
Overall					36.22	36.20	0.02
Overall(Refinery entities excluded)					73.52	71.17	2.35

Note: The following analysis is based on the figures before offsetting of internal sales.

The Group's overall gross profit margin is 36.22%, representing an increase of 0.02% over the corresponding period last year. The overall gross profit margin (excluding processed and refined products) is 73.52%, representing an increase of 2.35% over the corresponding period last year. During the reporting period, the increase in product price eliminated the adverse impact of increase in costs and it enables the Group to have a stable gross profit margin.

SELLING AND DISTRIBUTION COSTS

The selling expenses of the Group for the first half of 2011 was RMB177,270,000, representing an increase of 23.5% compared with the same period last year (the same period last year: RMB143,540,000). The increase in selling expenses was mainly due to the increase in sales volume by 113.68% in Xinjiang Jinbao Mining Company Limited ("Xinjiang Jinbao") and 37.02% in Bayannaer Zijin Non-ferrous Metals Company Limited ("Bayannaer Zijin"), rendering an increase in selling expenses by RMB5,530,000 in Xinjiang Jinbao and RMB9,170,000 in Bayannaer Zijin respectively when compared to the same period last year. In addition, the selling expense in Xinjiang Ashele Copper Company Limited ("Ashele Copper") increased by RMB6,550,000 compared with the same period last year. Xiamen Zijin Investment extended its gold sales operation, rendering an increase in selling expenses by RMB3,410,000.

Management Discussion and Analysis

ADMINISTRATIVE EXPENSES

The Group's administrative expenses in the first half of 2011 amounted to RMB689,176,300, representing an increase of 27.36% over the same period last year (the same period last year: RMB541,120,000). It was mainly due to an increase in income or production volume which led to an increase of RMB45,820,000 in resource compensation fee and other standard charges, representing an increase of 37.64% over the same period last year. Following an increase in commodity price, the Group increased RMB48,540,000 in labour cost, representing an increase of 32.07% over the same period last year and increased RMB8,500,000 in technological development over the same period last year. In addition, the increase in depreciation expenses and relevant taxes were the main factors for an increase in administrative expenses.

FINANCE COSTS

During the reporting period, the Group's total finance costs was RMB139,171,900, representing an increase of 85.53% over the same period last year (the same period last year: RMB75,010,000). The increase of general finance costs was mainly due to increase in bank loans and rising interest rates compared with the same period last year.

PROVISION FOR ASSETS IMPAIRMENT

During the reporting period, the Group's provision for asset impairment was RMB187,750,000 (the same period last year: RMB135,510,000), The provision includes an impairment provision of fixed assets of RMB105,680,000 and an impairment provision for goodwill of RMB44,320,000 and an impairment provision for intangible assets of RMB37,735,000.

FINANCIAL DERIVATIVE TOOLS

During the reporting period, the Group's realised profits of RMB20,700,000 upon closing out derivative contract position, in which gold futures realised profits of RMB11,660,000, copper futures realised profits of RMB9,040,000 (the same period last year: gold futures realised losses of RMB20,480,000, copper futures realised profits of RMB16,180,000, zinc futures realised losses of RMB3,880,000).

During the reporting period, the change in fair value of the Group's position of its financial derivative tools resulted in losses of RMB1,285,400. The unrealised loss of the change in the fair value of the Group's position of its financial derivatives decreased RMB12,504,600.

As at 30 June 2011, the Group and the Company entered into gold future contracts (buying position: 100 kg, selling position: 160 kg), copper future contract position was 1,325 tonnes, zinc future contract position was 850 tonnes, and entered into 1.86 tonnes gold future contracts for the commencement of gold leasing business.

DONATIONS

During the reporting period, the Group donated a total amount of RMB65,010,000 (the same period last year: RMB94,900,000). The Company donated RMB33,140,000, Malipo Zijin donated RMB20,750,000, Guizhou Zijin donated RMB6,050,000 etc.

Management Discussion and Analysis

WORKING CAPITAL AND SOURCES OF FUND

As at 30 June 2011, the Group's cash and cash equivalents was RMB7,472,000,000, representing an increase of RMB3,141,000,000 or 72.52% over the corresponding period last year, and an increase of RMB3,681,000,000 or 97.1% over the end of last year.

In the first half year, net cash inflow generated from the Group's operating activities was RMB3,644,000,000, representing an increase of RMB464,000,000 over the corresponding period last year. The cash inflow generated from operating activities was RMB16,105,000,000, representing an increase of RMB2,987,000,000 over the same period last year; cash outflow generated from operating activities was RMB12,461,000,000, representing an increase of RMB2,522,000,000 over the same period last year. The main reason for the increase in net cash inflow generated from the Group's operating activities was due to a significant increase in selling prices of gold, copper, and silver etc when compared to the same period last year.

In the first half year, net cash outflow generated from the Group's investing activities was RMB2,537,000,000, representing a decrease of RMB1,139,000,000. The main investing expenditure included (1) cash payment of RMB2,076,000,000 for the Group's purchase of fixed assets, intangible assets and other long-term assets; (2) cash payment of RMB938,000,000 for the Group's overseas investment.

In the first half year, net cash inflow generated from the Group's financing activities was RMB2,586,000,000, representing an increase in the amount of RMB751,000,000 over the corresponding period last year. It was mainly due to the fact that the Company's 2010 dividend was paid in July 2010, and the cash deposit for loans pledge.

As at 30 June 2011, the Group's total borrowings amounted to RMB8,713,000,000 (31 December 2010: RMB7,340,000,000). Among which, the amount repayable within one year was about RMB5,943,000,000, the amount repayable within two to five years was about RMB2,145,000,000, the amount repayable more than five years was about RMB625,000,000. The interest rates of all bank borrowings range from 2.19% to 7.879% (2010: range from 2.29% to 6.89%).

The Group's daily capital requirements and capital expenditures were financed from its internal cash flow. The Group also has about RMB45 billion loan credit lines for non-specified purposes provided by the major banks.

GEARING RATIO

Gearing ratio refers to the proportion of consolidated total liabilities to the consolidated total equity. As at 30 June 2011, the Group's consolidated liabilities amounted to RMB17,874,486,000 (30 June 2010: RMB11,829,439,000) and the Group's consolidated equity was RMB27,648,544,000 (30 June 2010: RMB23,112,251,000). As at 30 June 2011, the gearing ratio of the Group was 0.65 (30 June 2010: 0.51).

PLEGGED ASSETS OF THE GROUP

Details of the pledged assets of the Group are set out in notes V.1 and V.13 to the financial statements.

Management Discussion and Analysis

INTEREST AND CURRENCY HEDGING POLICY

For the period ended 30 June 2011, the Group entered into the following major interest rate swap contracts:

1. The Group entered into an interest rate swap contract for US\$102,440,000 with a bank for three years and the fixed interest rate is 2.1925%; and
2. the Group entered into an interest rate swap contract for US\$97,000,000 with a bank for three years and the fixed interest rate is 2.56%.

As of 30 June 2011, the Group has not entered into any foreign currency agreements or derivatives to hedge against our foreign currency risks.

Save as disclosed above, the Group does not have formal currency hedging policy and has not entered into any major forward currency contracts or derivatives to hedge against our foreign currency risks.

CONTINGENT LIABILITIES

Details of the contingent liabilities of the Group are set out in note VII to the financial statements.

Management Discussion and Analysis

INVESTMENT STATUS

1. Use of proceeds

RMB'000

Year	Type of financing	Total proceeds	Proceeds used in this reporting period	Accumulated use of proceeds	Total unused proceeds	Usage and placement of unused proceeds
2008	Initial Public Offering	9,806,960.20	155,037.50	8,859,990.30	946,969.90 (interest excluded)	Proceeds were injected in the projects stated in IPO prospectus and the amended projects, unused proceeds were deposited into the Company's specific bank accounts.
Total	/	9,806,960.20	155,037.50	8,859,990.30	946,969.90 (interest excluded)	/

The Company's initial public offering raised net proceeds of A Shares of RMB9,806,960,200 in April 2008 in the PRC. As at 30 June 2011, the Company has used an accumulated amount of RMB8,859,990,300. The unused net proceeds in the amount of RMB946,969,900 (interest income excluded) is deposited in a specific bank account for the raised proceeds or in time deposit accounts of the Company.

Management Discussion and Analysis

2. Use of proceeds for different projects

RMB'000

Project name	Project amended	Proposed investment	Actual investment	On schedule	Progress	Expected gains	Gains generated	Expected gains achieved	Explanation of projects did not meet the expected progress and gains	Reasons for amendments and procedure for change of use of proceeds
Zijinshan Gold and Copper Mine joint open pit mining project	No	1,522,526.80	1,524,113.20	Yes	Construction basically completed		First half of 2011: Production of gold of 8,195.95kg; recovering copper of 801.94 tonnes; realized net profit of RMB1,350,148,100 (included the production capacity before technological innovation)	Yes		
Hunchun Zijin Shuguang Gold and Copper Mine technological innovation and expansion project	No	461,500.00	431,072.10	Yes	Construction completed and commenced production		First half of 2011: Production of gold of 1,087.31kg; copper of 4,636.46 tonnes; realized net profit of RMB247,876,400 (included the production capacity before technological innovation)	Yes		
200 tonnes daily refractory gold processing and refining project	No	198,094.00	198,094.00	Yes	Construction completed and commenced production		First half of 2011: Production of processed gold of 1,620.94kg; silver of 7,026.96kg; realized net profit of RMB21,281,900	Yes		
Mining resources exploration project	Yes	17,067.60	17,067.60	No						
Acquisition of the exploration right in Zhonglao Copper Mine Wuziqilong Jintonghu section exploration project	No	196,800.00	196,800.00	Yes	Mining right changing procedures completed					
Increase capital injection in Zijin Tongguan for the acquisition of equity interest in Monterrico Metals plc project	No	603,000.00	603,000.00	Yes	Acquisition of equity interest completed					

Management Discussion and Analysis

RMB'000

Project name	Project amended	Proposed investment	Actual investment	On schedule	Progress	Expected gains	Gains generated	Expected gains achieved	Explanation of projects did not meet the expected progress and gains	Reasons for amendments and procedure for change of use of proceeds
Acquisition and development of the ZGC Gold Mine in Tajikistan	Yes	763,629.70	732,825.70	No	Acquisition completed, under development and construction		Acquisition completed, under development and construction, first half of 2011: Production of gold of 595.73kg, realized net profit of RMB37,925,600	Note		
Acquisition of 70% interest in Zijin Longxing (Tuva Lead Zinc Mine)	No	271,600.00	271,600.00	Yes	Acquisition completed		Under development and construction			
Comprehensive Utilisation of Circular Economy for the Qinghai Deerni Tailings Project		342,105.10	95,180.50	Yes	Under construction					
200,000 tonnes/year copper refinery Project of Zijin Copper Co., Ltd.		807,835.40	22,237.20	Yes	Under construction					
Supplemental working capital	Yes	4,768,000.00	4,768,000.00	Yes						
Total	/	9,952,158.60	8,859,990.30	/	/	/	/	/	/	/

1. The Company strived to carry out technological innovation and development for ZGC project. Due to the overseas logistic supply difficulty problem, the development will be delayed.
2. The results of project no. 4, 5, 6 and 8 cannot be assessed individually in short-term, in which project no. 5, 6 and 8 belong to acquisition of mining rights. Upon the completion of the acquisition, the Company will have expanded resources reserves with strengthened core competencies, which will be beneficial to the Company's development in the long-run.
3. For the details of the change of use of proceeds, please refer to the table of "Status of change of use of proceeds" below.
4. For the details of the use of proceeds, please refer to the specific report.

Management Discussion and Analysis

3. Status of change of use of proceeds

Currency: RMB'000

Name of new project	Corresponding original project	Proposed investment	Actual investment	On Schedule	Income projection	Gains	Progress	Expected gains achieved	Explanation of projects did not meet the expected progress and gains
Comprehensive Utilisation of Circular Economy for the Qinghai Deerni Tailings Project	Mining resources exploration project	342,105.10	95,180.50	Yes			Under construction		
200,000 tonnes/year copper refinery Project of Zijin Copper Co., Ltd.	Acquisition & development of the ZGC Gold Mine in Tajikistan and supplemental working capital	807,835.40	22,237.20	Yes			Under construction		
Total	/	1,149,940.50	117,417.70	/	/	/	/	/	/

- The investment period and cycle for the mining resources exploration project is relatively long, that the risk associated with the investment in exploration is high, and that it is difficult to estimate with any accuracy the investment returns. After the approval of the first 2010 extraordinary general meeting, the proposed investment sum of RMB342,105,100 (including interest) not yet applied towards the mineral resources exploration project will be re-directed and invested in the Comprehensive Utilization of Circular Economy for the Qinghai Deerni Tailings Project. This change has been announced in accordance with the listing rules (details refer to the circular dated: 3 November 2010).
- With the completion of the acquisition of the shares of the ZGC Gold Mine in Tajikistan and its development project, the Group is actively developing its technological innovation construction. The regulatory authorities had approved the construction fund, and agreed the construction fund would be paid in the form of shareholder loans. Due to the overseas logistic supply difficulty problem, the development will be delayed. According to the relevant regulations of the Shanghai Stock Exchange and the proceeds management of the Company, the unused proceeds of RMB552,527,200 (remain unchanged for the RMB56,142,900 transferred to ZGC's NRA account) for "Acquisition and development of the ZGC Gold Mine in Tajikistan" as at 31 March 2011 and the unused proceeds of RMB255,308,200 from supplemental working capital (interest included), representing a total amount of RMB807,835,400 (interest included) will be injected in "200,000 tonnes/year copper refinery Project of Zijin Copper Co., Ltd.". This change has been approved at the 2010 Annual General Meeting held on 30 May 2011. This change has been announced in accordance with the listing rules (details refer to the notice of 2010 annual general meeting dated: 13 April 2011).

Management Discussion and Analysis

4. Other investments

1. Asset Acquisition

Currency: RMB'000

Transaction parties	Target assets	Date	Price	Net profit contributed to listed company from date of acquisition to reporting period end	Net profit contributed to listed company from beginning of the year to reporting period end (applicable to business combination under same control)	Connected Transaction (If yes, explain pricing principles)	Pricing principles for asset acquisition	Completion of transfer of rights of property	Completion of transfer of creditor's rights and liabilities	Proportion of net profit generated by asset acquired contributed to listed company to their total profit (%)	Type of connection
Fortune Source International Limited	100% equity interest and shareholder's loan rights of Wuqia Huaxin Mining Company Limited	5 May 2011	140,000			No		Yes	Yes		
Li Liyou	65% equity interest of Sanming City Hongguo Mining Company Limited	21 May 2011	159,900			No		Yes	Yes		
Minxi Xinghang State-owned Assets Investment Company Limited	46.5% equity interest of Fujian Jinyi Copper Co., Ltd.	24 May 2011	93,500			Yes	Bidding, valuation				Associate of shareholder

- (1) On 5 May 2011, the Company's wholly owned subsidiary, Golden Asia Mining (BVI) Limited ("Golden Asia") entered into an agreement with Fortune Source International Limited and other parties in relation to the sale of all the issued shares and shareholder's loan rights of United Summit Investment Limited. Golden Asia acquired 100% equity interest and shareholder's loan rights of its subsidiary, Wuqia Huaxin Mining Company Limited ("Wuqia Huaxin") with the consideration of RMB140 million. Wuqia Huaxin mainly owned a lead and zinc mine in Wuqia County, Xinjiang, which is adjacent to the mining region of Xinjiang Jinwang Mining Company's Wulagen Zinc and Lead Mine of the Company (same ore body). After the acquisition, the goal to unify planning and development of mines can be achieved.

Management Discussion and Analysis

- (2) On 21 May 2011, the Company's wholly owned subsidiary, Fujian Zijin Investment Company Limited ("Fujian Zijin Investment") entered into a share transfer contract with an individual shareholder Li Liyou and agreed to acquire 65% equity interest of Sanming City Hongguo Mining Company Limited ("Hongguo Mining") with the consideration of RMB159,900,000. Hongguo Mining mainly owned a Silver and multi-metals Mine in Sanming, Fujian.
- (3) Minxi Xinghang State-owned Assets Investment Company Limited ("Minxi Xinghang") sold its 46.5% equity interest in Fujian Jinyi Copper Products Company Limited ("Jinyi Copper") by a bid through Longyan City Equity Exchange at the bottom price of RMB93.5 million. The Company participated in the bid for not more than RMB93.5 million. According to the valuation report issued by Xiamen City University Assets Appraisal Co., Ltd., the value of Jinyi Copper's total equity assessed based on income approach was RMB200,390,000, the corresponding value of the 46.5% equity interest acquired was RMB93,181,350. Since the Company is the only transferee in this bid, according to the relevant regulations of Longyan City Equity Exchange, a share purchase agreement will be applied to this share transfer. The Company entered into the "Property Transaction Contract" with Minxi Xinghang on 24 May 2011. The Company is the transferee of the 46.5% equity interest of Jinyi Copper sold by Minxi Xinghang at the consideration of RMB93.5 million. Upon the completion of the acquisition of equity interest, Jinyi Copper will become a wholly owned subsidiary of the Company.

2. Disposal of assets

Currency: RMB'000

Transaction parties	Asset disposed	Date	Price	Net profit of asset disposed contributed to listed company from the beginning of the year to the disposal date		Gains or losses arising on disposal	Connected Transaction (If yes, explain pricing principles)	Pricing principles for asset disposal	Completion of transfer of rights of property	Completion of transfer of creditor's rights and liabilities	Proportion of net profit generated by asset disposal contributed to listed company to their total profit (%)	Type of connection
Hubei Qianyi Investment Company Limited	60% equity interest of Hunan Zijin Mining Company Limited	24 May 2011	12,000				No		Yes	Yes		

The Company and the minority shareholder, Wenzhou Yuanjing Mining Investment Company Limited ("Wenzhou Yuanjing") of Hunan Zijin Mining Company Limited ("Hunan Zijin") entered into a "Share Transfer Agreement" with Hubei Qianyi Investment Company Limited on 24 May 2011. The Company and Wenzhou Yuanjing sold 100% equity interest of Hunan Zijin with a consideration of RMB20 million. The Company and Wenzhou Yuanjing respectively owns 60% and 40% equity interest of Hunan Zijin. Hunan Zijin is holding 100% equity interest of Hunan Anhua Xinfeng Mining Company Limited and 95% equity interest of Anhua Zijin Antimony Tungsten Mining Company Limited.

Management Discussion and Analysis

3. Status of joint venture company

- (1) According to the resolution passed at the Company's board meeting held on 26 April 2011, Qinghai Copper Company Limited ("Qinghai Copper") which was jointly set up by Qinghai West Copper Mining Co., Ltd. ("Qinghai West"), a wholly owned subsidiary of the Company, Western Mining Joint Stock Co., Ltd. and Geermu Shenghua Mining Company Limited, has a registered capital of RMB0.8 billion, in which Qinghai West owns 30% with the consideration of RMB0.24 billion. RMB48 million has been settled in the initial investment. Qinghai Copper is mainly engaged in the 100,000 tonnes copper refinery project.
- (2) According to the resolution passed at the meeting of the Company's investment committee held on 23 May 2011, Xinjiang Tianshan Railway Company Limited ("Xinjiang Tianshan") which was jointly set up by Xinjiang Jinneng Mining Co., Ltd. ("Xinjiang Jinneng"), a wholly owned subsidiary of the Company, Xinjiang Yaou Railway Economic Development Centre and other 5 companies, has a registered capital of RMB0.16 billion, in which Xinjiang Jinneng owns 12% with the consideration of RMB19.2 million. Xinjiang Tianshan is mainly engaged in the construction of railway for coal in between Zhundong Meitian Jiangjunmiao station — Beishan station — Jijihu station.
- (3) The Company's subsidiary, Xinjiang Ashele Copper Company Limited ("Xinjiang Ashele") and Xinjiang Xinxin Mining Company Limited ("Xinjiang Xinxin") jointly set up Xinjiang Wuxin Copper Co., Ltd. ("Wuxin Copper"). The initial registered capital was RMB0.1 billion, Xinjiang Ashele owns 34% with the consideration of RMB34 million. Wuxin Copper enlarged its registered capital from RMB0.1 billion to RMB0.6 billion and then further enlarged from RMB0.6 billion to RMB0.79 billion. Xinjiang Ashele injected RMB0.17 billion and RMB66 million in accordance with the shareholding. At the end of the reporting period, Xinjiang Ashele owns 34% with the consideration of RMB0.2686 billion. Wuxin Copper is mainly engaged in the 100,000 tonnes copper refinery project.
- (4) The Company, Glencore International Plc ("Glencore") and other parties entered into an agreement on 4 May 2011, pursuant to which the Company will participate in the initial public offer of Glencore as a cornerstone investor and invest US\$100 million in 11,682,242 new shares of Glencore. The shares subscribed by the Company will be subject to a 6-month lock up period. Glencore's main businesses are marketer of commodities, with the production, refinement, processing, storage and transport of these products etc.
- (5) On 8 April 2011, Golden Star Mining (BVI) Limited, a wholly-owned subsidiary of the Company ("Golden Star Mining"), and CASA Minerals Ltd. ("CASA") entered into an agreement, pursuant to which Golden Star Mining will subscribe for 131,000 shares (at USD50 per share) of CASA at consideration of USD6,550,000. In addition to the 133,334 shares of CASA already acquired in 2010, Golden Star Mining will in aggregate hold 264,334 shares of CASA, representing approximately 30% of the issued shares of CASA after the completion of transaction. CASA's main business is the exploration of gold mine in Congo, Africa.

Management Discussion and Analysis

- (6) According to the resolution passed by the Company's investment committee, Zijin Mining Group North West Company Limited, a wholly-owned subsidiary of the Company ("Zijin North-west"), will further subscribe for additional 19,685,039 shares of Xinjiang Tianlong Mining Company Limited ("Xinjiang Tianlong") at consideration of RMB50 million. In addition to the 129,784,913 shares of Xinjiang Tianlong already acquired in 2010, Zijin North-west will in aggregate hold 149,469,952 shares of Xinjiang Tianlong, representing approximately 23.0335% of the issued shares of Xinjiang Tianlong after the completion of transaction. Xinjiang Tianlong is mainly engaged in the unified operation of coal, electricity, aluminum, cement and other associate business.
- (7) On 29 June 2011, Yield Gold Group Limited, a wholly-owned subsidiary of the Company ("Yield Gold"), and Equitas Resources Corp. ("Equitas") entered into an agreement, pursuant to which Yield Gold will subscribe for 9 million ordinary shares of Equitas at a price of C\$0.15 per share (each ordinary share of Equitas carries 0.5 warrant, of which the exercise price is C\$0.2) at a total consideration of C\$1.35 million, representing approximately 17.69% of the issued shares of Equitas after the completion of transaction. Equitas is a junior exploration company listed in the Toronto Stock Exchange in Canada. The core asset of Equitas is the Day Copper-Gold Porphyry Project in Canada.

5. MATERIAL CONNECTED TRANSACTIONS

Connected transaction related to daily operations

Currency: RMB

Parties of the connected transaction	Connected relationship	Type of connected transaction	Content of connected transaction	Method of pricing	Total transaction amount	Percentage of amount related to similar transactions(%)	Payment method	Market price	Reason for the difference between transaction price and market price
Fujian Xinhua Engineering Company Limited	A subsidiary of a shareholder of the Company	Provision of service	Provision of exploitation contracting services for Deerni Copper Mine and Zijinshan Gold Mine	Market price	53,940,750.80				
Fujian Shanghang Ting River Hydropower Co., Ltd.	A subsidiary of a shareholder of the Company	Loans	the Company's subsidiary, Zijin Finance provided loans to its associate	Market price	20,000,000.00				

Fujian Xinhua Engineering Company Limited has provided mining exploitation contracting services for Deerni Copper Mine and Zijinshan Gold Mine for many years. As a modern large-scale mine, with reference to the requirements in working facilities, production techniques, safety and environmental protection, sustainable contractors are required.

Management Discussion and Analysis

Ting River Hydropower Co., Ltd. (“Ting River Hydropower”) is an associate company of the Company’s wholly-owned subsidiary, Zijin Mining Group Finance Co., Ltd. (“Zijin Finance”) It is Zijin Finance’s ordinary business in providing financial services to Ting River Hydropower.

The pricing of the above connected transactions is based on the prevailing market price. There is no unfairness in these connected transactions and there is no adverse effect on the independency of the Company.

Connected transactions as a result of acquisition and disposal of assets

Currency: RMB’000

Parties of the connected transaction	Connected relationship	Type of connected transaction	Content of connected transaction	Method of pricing	Book value of asset transferred	Estimated value of assets transferred	Selling price	Reason for the difference between selling price and book value or estimated price	Payment method	Gain on disposal of asset
Minxi Xinghang State-owned Assets Investment Co., Ltd.	Company’s substantial shareholder	Acquisition of shares	Participation in the bid for a 46.5% equity interest of Jinyi Copper held by the Company’s substantial shareholder, Minxi Xinghang	Public bid and asset valuation		93,181.35	93,500			

Minxi Xinghang State-owned Assets Investment Co., Ltd. (“Minxi Xinghang”) sold 46.5% equity interest of Fujian Jinyi Copper Co., Ltd. (“Jinyi Copper”) through public bid at Longyan City Equity Exchange Centre at the bottom price of RMB93.5 million. The Company participated in the bid for the equity interest to be sold by Minxi Xinghang for not more than RMB93.5 million. According to the valuation report produced based on income approach by Xiamen City University Assets Appraisal Co., Ltd., the value of Jinyi Copper’s total equity was RMB200,390,000. The value of 46.5% equity interest of Jinyi Copper was approximately RMB93,181,350. As our Company is the only one who interested in the 46.5% equity interest of Jinyi Copper, pursuant to relevant regulations of Longyan City Equity Exchange Centre, such equity interest transfer was made by agreement. The Company and Minxi Xinghang entered into the Share Purchase Agreement on 24 May 2011, pursuant to which the Company purchased 46.5% equity interest of Jinyi Copper held by Minxi Xinghang at the consideration of RMB93.5 million. After the completion of transaction, Jinyi Copper will become a wholly owned subsidiary of the Company.

Management Discussion and Analysis

OUTLOOK

Business Environment

The gold price is expected to continue fluctuating at a high level under the impact of the uncertainty prospect of the US economy, the sustained worry of the European sovereign debt crisis, global inflation pressure and the tensioned situations in the North Africa and Middle East. The price trends of other major metal commodities will also be affected by the factors mentioned above. It is expected that copper price will fluctuate in a wide price range in the second half of 2011.

It is expected that a stable growth in the Company's major operational indicators will be maintained. The Company's operation will face new challenges under the impact of inflation, rise in costs, uplifting of standards in safety and environmental protection, negative effect of Guangdong Xinyi Zijin "9.21" incident and the cancellation of High and New Technology qualification caused by the negative effect of "7.3" incident.

Business Objectives

In 2011, the Group plans to produce gold of approximately 29.76 tonnes from mines; copper metal of approximately 87,800 tonnes; silver of approximately 131.35 tonnes; processed gold of approximately 32.81 tonnes; refined zinc of approximately 200,000 tonnes; zinc in concentrate form of approximately 34,900 tonnes from mines; iron concentrates of approximately 1,574,900 tonnes.

The Company will not make an adjustment to its main products in 2011 production plan. Please note that the above plan was made on the basis of the current economic condition, market situation and the existing conditions of the Company. The Board may amend the production plan from time to time in accordance with the relevant circumstances.

Share Capital and Shareholders

CHANGE OF ISSUED SHARES

As at 30 June 2011, the Company has issued 14,541,309,100 ordinary shares of RMB0.1 each.

Unit: share

	30 June 2011	30 June 2010
Domestic shares/A shares	10,535,869,100	10,535,869,100
H shares	4,005,440,000	4,005,440,000
Total shares	14,541,309,100	14,541,309,100

SHAREHOLDING STRUCTURE

As at 30 June 2011, the Company has a total of 918,807 shareholders, of which 971 are holders of H Shares and 917,836 are holders of Domestic Shares. By approximate percentage of shareholding in the registered capital, the shareholdings of the Company's top ten shareholders are as follows:

Shareholders' names	Class of Shares	Number of Shares held	Approximate percentage of shareholding in the registered capital
1. Minxi Xinghang State-owned Assets Investment Co., Ltd.	Domestic Shares	4,210,902,120	28.96%
2. HKSCC Nominees Limited (Note 1)	H Shares	3,983,468,659	27.39%
3. Xinhua Industrial Group Co., Ltd.	Domestic Shares	1,634,576,071	11.24%
4. Xiamen Hengxing Group Co., Ltd.	Domestic Shares	297,450,000	2.05%
5. Shanghang County Jinshan Trading Co., Ltd.	Domestic Shares	170,830,000	1.17%
6. Chen Jinghe	Domestic Shares	88,000,000	0.61%
7. Industrial and Commercial Bank of China - Shangzheng 50 Exchange-traded Funds	Domestic Shares	45,725,966	0.31%
8. Bank of China - Harvest Hushen 300 Equity Fund	Domestic Shares	27,751,795	0.19%
9. China Life Insurance Company Limited-dividend - Personal dividend-005L-FH002Shanghai	Domestic Shares	22,249,942	0.15%
10. Guotai Junan - China Construction Bank - The Hong Kong and Shanghai Banking Corporation Ltd.	Domestic Shares	20,583,944	0.14%

Note:

- (1) HKSCC Nominees Limited is holding 3,983,468,659 H shares in the Company as a nominee, representing 27.39% of the Company's shares in issue. HKSCC Nominees Limited is a member of the Central Clearing and Settlement System, which carries out securities registration and trust business for customers.

Share Capital and Shareholders

SUBSTANTIAL SHAREHOLDERS

So far as the Directors, supervisors and chief executives are aware, as at 30 June 2011, the interests and long/short positions of substantial shareholders (other than directors, supervisors and the chief executives of the Company) in the issued share capital of the Company which will be required, pursuant to Section 336 of the SFO, to be entered into the register referred to therein, or holding 5% or above in the issued share capital of the Company which will be required to be notified to the Company are as follows:

Name of shareholders	Class of shares	Number of shares/equity interest held	Approximate percentage of the total number of issued shares	Approximate percentage of total number of issued domestic shares	Approximate percentage of total number of issued H shares	Long/short positions
Minxi Xinghang State-owned Assets Investment Co., Ltd.	Domestic Shares	4,210,902,120	28.96%	39.97%	—	Long
Xinhuadu Industrial Group Company Limited	Domestic Shares	1,634,576,071 (Note 1)	11.24%	15.52%	—	Long
Chen Fashu	Domestic Shares	1,644,653,598 (Note 2)	11.31%	15.61%	—	Long
Blackrock, Inc.	H Shares	532,153,335 (The number of shares includes the bonus issue in 2011. For details please refer to Note 3)	2.44%	—	8.86%	Long
Blackrock, Inc.	H Shares	39,517,287 (The number of shares includes the bonus issue in 2011. For details please refer to Note 3)	0.18%	—	0.66%	Short
JPMorgan Chase & Co.	H Shares	354,944,285 (Note 4)	2.44%	—	8.86%	Long
JPMorgan Chase & Co.	H Shares	13,232,705 (Note 4)	0.09%	—	0.33%	Short
JPMorgan Chase & Co.	H Shares	63,897,417	0.44%	—	1.60%	Lending pool

Notes:

- (1) Xinhuadu Industrial Group Company Limited holds 1,634,576,071 domestic shares in the Company.
- (2) Mr. Chen Fashu holds 10,077,527 domestic shares in the Company. Mr. Chen Fashu also holds 73.56% interests in the issued share capital of Xinhuadu Industrial Group Company Limited, under Section 316 of the SFO, Mr. Chen Fashu is deemed to be interested in 1,634,576,071 domestic shares in the Company. Therefore, Mr. Chen Fashu is deemed to be interested in 1,644,653,598 domestic shares in the Company.
- (3) According to the securities disclosure form filed on 4 July 2011, the interest of Blackrock, Inc. as at 29 June 2011 was based on the number of shares after the issue of the 2011 bonus issue.

Share Capital and Shareholders

Blackrock, Inc. is interested in 532,153,335 H shares (Long position) of the Company (representing approximately 8.86% of the total issued H shares) and 39,517,287 H shares (Short position) of the Company (representing approximately 0.66 % of the total issued H shares).

According to the disclosure form filed by Blackrock, Inc. on 4 July 2011, the following interests in shares were held by Blackrock, Inc. in the following capacity:

Capacity	No. of Shares
Interest of corporation controlled by Blackrock, Inc.	532,153,335 (Long position) 39,517,287 (Short position)

These shares were held by Blackrock, Inc. through its controlled corporations, the details of which are as follows:

Name of controlled corporation	Address and place of incorporation	Name of controlling shareholder	% Direct		Number of shares
			control	interest	
Trident Merger, LLC	1209 Orange Street, Wilmington DE 19801, United States	Blackrock Inc.	100.00	N	Long position 11,338,250
BlackRock Investment Management, LLC.	800 Scudders Mill Road, Plainsboro NJ 08536, U.S.A	Trident Merger, LLC	100.00	Y	Long position 11,338,250
BlackRock Holdco 2 Inc.	1209 Orange Street, Wilmington DE 19801, United States	Blackrock Inc.	100.00	N	Long position Short position 520,815,085 39,517,287
BlackRock Financial Management, Inc.	40 East 52nd Street, New York NY 10022, United States	BlackRock Holdco 2 Inc.	100.00	Y	Long position Short position 520,815,085 39,517,287
BlackRock Holdco 4 LLC	40 East 52nd Street, New York, 10022, United States	BlackRock Financial Management, Inc.	100.00	N	Long position 321,946,617
BlackRock Holdco 6 LLC	40 East 52nd Street, New York, 10022, United States	BlackRock Holdco 4 LLC	100.00	N	Long position 321,946,617
BlackRock Delaware Holdings, Inc.	c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States	BlackRock Holdco 6 LLC	100.00	N	Long position 321,946,617
BlackRock Institutional Trust Company, N.A.	400 Howard St, San Francisco, CA, 94105-2618	BlackRock Delaware Holdings, Inc.	100.00	Y	Long position 321,946,617
BlackRock Fund Advisors	Howard Street, San Francisco, CA 94105, United States	BlackRock Institutional Trust Company, N.A.	100.00	Y	Long position 280,955,000
BlackRock Advisors Holdings Inc.	40 East 52nd Street, New York, 10022, United States	BlackRock Financial Management, Inc.	100.00	N	Long position Short position 198,391,468 39,517,287
BlackRock Capital Holdings, Inc.	40 East 52nd Street, New York, NY 10022, USA	BlackRock Advisors Holdings Inc.	100.00	N	Long position Short position 6,458,625 2,114,894

Share Capital and Shareholders

Name of controlled corporation	Address and place of incorporation	Name of controlling shareholder	% Direct control	interest	Number of shares	
BlackRock Advisors, LLC.	100 Bellevue Parkway, Wilmington DE 19809, United States	BlackRock Capital Holdings, Inc.	100.00	Y	Long position	6,458,625
					Short position	2,114,894
BlackRock International Holdings Inc.	40 East 52nd Street, New York, 10022, United States	BlackRock Advisors Holdings Inc.	100.00	N	Long position	191,932,843
					Short position	37,402,393
BR Jersey International LP	Forum House, Grenville Street, St. Helier, JE1 0BR, Jersey	BlackRock International Holdings Inc.	100.00	N	Long position	191,932,843
					Short position	37,402,393
BlackRock (Institutional) Canada Ltd	250 Yonge Street, Suite 2400, Toronto ON M5B 2M6, Canada	BR Jersey International LP	100.00	N	Long position	384,000
BlackRock Holdings Canada Limited	161 Bay Street, Suite 2500, Toronto, Ontario M5J 2S1	BlackRock (Institutional) Canada Ltd	100.00	N	Long position	384,000
BlackRock Asset Management Canada Limited	161 Bay Street, Suite 2500, Toronto, Ontario M5J 2S1, Canada	BlackRock Holdings Canada Limited	100.00	Y	Long position	384,000
BlackRock HK Holdco Limited	35/F Cheung Kong Center, 2 Queen's Road Central, Hong Kong, SAR, China	BR Jersey International LP	100.00	N	Long position	21,191,500
					Short position	19,361,500
BlackRock Asset Management North Asia Limited	2503-05 One International Finance Centre, 1 Harbour View Street, Central, Hong Kong.	BlackRock HK Holdco Limited	100.00	Y	Long position	21,191,500
					Short position	19,361,500
BlackRock Australia Holdco Pty Ltd	Level 18, 120 Collins Street, Melbourne VIC 3000, Australia	BR Jersey International LP	100.00	N	Long position	847,500
BlackRock Asset Management Australia Limited	Level 43, Grosvenor Place, 225 George Street, Sydney, NSW 2000, PO Box N43, Grosvenor Place NSW 1220, Australia	BlackRock Australia Holdco Pty Ltd	100.00	Y	Long position	96,000
BlackRock Investment Management (Australia) Limited	Level 43, Grosvenor Place, 225 George Street, Sydney, NSW 2000, PO Box N43, Grosvenor Place NSW 1220, Australia	BlackRock Australia Holdco Pty Ltd	100.00	Y	Long position	751,500
BlackRock Cayco Ltd.	c/o Walkers SPV Limited, P.O. Box 908GT, Walker House, Mary Street, George Town, British West Indies, Cayman Islands	BR Jersey International LP	100.00	N	Long position	7,006,500
BlackRock Trident Holding Company Limited	Riverside Two, Sir John Rogerson's Quay, Grand Canal Dock, Dublin, 2, Ireland	BlackRock Cayco Ltd.	100.00	N	Long position	7,006,500

Share Capital and Shareholders

Name of controlled corporation	Address and place of incorporation	Name of controlling shareholder	% Direct control	interest	Number of shares	
BlackRock Japan Holdings GK	Sapia Tower, 1-7-12 Marunouchi, Chiyoda-ku, Tokyo, 100-0005, Japan	BlackRock Trident Holding Company Limited	100.00	N	Long position	7,006,500
BlackRock Asset Management Japan Limited	Marunouchi Trust Tower Main, -8-3 Marunouchi, Chiyoda-ku, Tokyo 100-8217	BlackRock Japan Holdings GK	100.00	Y	Long position	7,006,500
BlackRock Group Limited	33 King William Street, London EC4R 9AS United Kingdom	BR Jersey International LP	100.00	N	Long position Short position	162,503,343 18,040,893
BlackRock International Ltd.	40 Torphichen Street, Edinburgh, Scotland, EH3 8JB, United Kingdom	BlackRock Group Limited	100.00	Y	Long position	4,584,000
Blackrock Advisors UK Ltd.	Murray House, 1 Royal Mint Court, London, EC3N 4HH, United Kingdom	BlackRock Group Limited	100.00	Y	Long position Short position	21,097,143 18,040,893
BlackRock Luxembourg Holdco S.a.r.l.	6D, Route de Trèves, Senningerberg, L-2633, Luxembourg	BlackRock Group Limited	100.00	N	Long position	103,688,200
BlackRock Investment Management Ireland Holdings Ltd	First Floor, Fitzwilton House, Wilton Place, Dublin 2, Ireland	BlackRock Luxembourg Holdco S.a.r.l.	100.00	N	Long position	52,145,200
BlackRock Asset Management Ireland Ltd	JPMorgan House, International Financial Services Centre, Dublin 1, Ireland	BlackRock Investment Management Ireland Holdings Ltd	100.00	Y	Long position	52,145,200
BlackRock Investment Management (LUX)	6D, Route de Trèves, Senningerberg, L-2633, Luxembourg	BlackRock Luxembourg Holdco S.a.r.l.	100.00	Y	Long position	51,543,000
BlackRock Investment Management (UK) Ltd	33 King William Street, London, England, EC4R 9AS, United Kingdom	BlackRock Group Limited	100.00	N	Long position	33,134,000
BlackRock Holdings Deutschland GmbH	Operturm, Bockenheimer Landstraße 2-4 , 60306 Frankfurt am Main, Germany	BlackRock Investment Management (UK) Ltd	100.00	N	Long position	686,000
BlackRock Asset Management Deutschland AG	Max-Joseph-Straße 6, D-80333, München, Germany	BlackRock Holdings Deutschland GmbH	100.00	Y	Long position	686,000
BlackRock Fund Managers Ltd	33 King William Street, London, England, EC4R 9AS, United Kingdom	BlackRock Investment Management (UK) Ltd	100.00	Y	Long position	30,612,000
BlackRock Investment Management (Korea) Limited	23F, Seoul Finance Centre, 84 Taepyungro 1-ka, Jung-ku, Seoul, 100-768, Korea, Republic of	BlackRock Fund Managers Ltd	100.00	Y	Long position	165,000

Share Capital and Shareholders

- (4) JPMorgan Chase & Co. is interested in 354,944,285 H shares (Long position) of the Company (representing approximately 8.86% of the total issued H shares) and 13,232,705 H shares (Short position) of the Company (representing approximately 0.33% of the total issued H shares).

According to the disclosure form filed by JPMorgan Chase & Co. on 11 April 2011, the following interests in shares were held by JPMorgan Chase & Co. in the following capacities:

Capacity	No. of Shares
Beneficial owner	20,006,868 (Long position) 13,232,705 (Short position)
Investment manager	271,040,000 (Long position)
Custodian corporation/ approved lending agent	63,897,417 (Long position)

These shares were held by JPMorgan Chase & Co. through its controlled corporations, the details of which are as follows:

Name of controlled corporation	Address and place of incorporation	Name of controlling shareholder	% Direct		Number of shares	
			control	interest	Long position	Short position
JPMorgan Chase Bank, N.A.	1111 Polaris Parkway, Columbus, Ohio 43240	JPMorgan Chase & Co.	100.00	Y	63,897,417 0	0
J.P. Morgan Whitefriars Inc.	500 Stanton Christiana Road, Newark, Delaware, USA (United States)	J.P. Morgan Overseas Capital Corporation	100.00	Y	8,906,868 869,130	0
J.P. Morgan Overseas Capital Corporation	500 Stanton Christiana Road, Newark, Delaware, USA (United States)	J.P. Morgan International Finance Limited	100.00	N	8,906,868 2,132,705	0
J.P. Morgan International Finance Limited	500 Stanton Christiana Road, Newark, Delaware, USA (United States)	Bank One International Holdings Corporation	100.00	N	20,006,868 13,232,705	0
Bank One International Holdings Corporation	1 Bank One Plaza, Chicago, Illinois	J.P. Morgan International Inc.	100.00	N	20,006,868 13,232,705	0
J.P. Morgan International Inc.	270 Park Avenue, New York, N.Y.10017 (United States)	JPMorgan Chase Bank, N.A.	100.00	N	20,006,868 13,232,705	0
JPMorgan Chase Bank, N.A.	1111 Polaris Parkway, Columbus, Ohio 43240	JPMorgan Chase & Co.	100.00	N	20,006,868 13,232,705	0
JF Asset Management Limited	21st Floor Chater House 8 Connaught Road Central Hong Kong (Hong Kong)	JPMorgan Asset Management (Asia) Inc.	100.00	Y	239,286,000 0	0
JPMorgan Asset Management (Asia) Inc.	270 Park Avenue New York (United States)	JPMorgan Asset Management Holdings Inc.	100.00	N	252,456,000 0	0
JPMorgan Asset Management Holdings Inc.	270 Park Avenue New York (United States)	JPMorgan Chase & Co.	100.00	N	271,040,000 0	0

Share Capital and Shareholders

Name of controlled corporation	Address and place of incorporation	Name of controlling shareholder	% Direct control	interest	Number of shares	
JF International Management Inc.	Palm Grove House, P.O. Box 438, Road Town, Tortola (British Virgin Islands)	JPMorgan Asset Management (Asia) Inc.	100.00	Y	Long position Short position	2,196,000 0
JPMorgan Asset Management (Taiwan) Limited	3/F.,No.65 and 17/F, No. 65, 67 and 69 Tun Hwa S. Road Sec. 2 Taipei (Taiwan)	JPMorgan Asset Management (Asia) Inc.	100.00	Y	Long position Short position	10,974,000 0
J.P. Morgan Securities Ltd.	125 London Wall London EC2Y 5AJ London (England)	J.P. Morgan Chase International Holdings	98.95	Y	Long position Short position	11,100,000 11,100,000
J.P. Morgan Chase International Holdings	125 London Wall London (England)	J.P. Morgan Chase (UK) Holdings Limited	100.00	N	Long position Short position	11,100,000 11,100,000
J.P. Morgan Chase (UK) Holdings Limited	125 London Wall London (England)	J.P. Morgan Capital Holdings Limited	100.00	N	Long position Short position	11,100,000 11,100,000
J.P. Morgan Capital Holdings Limited	125 London Wall London (England)	J.P. Morgan International Finance Limited	100.00	N	Long position Short position	11,100,000 11,100,000
China International Fund Management Co Ltd	20th Floor, Aurora Plaza 99 Fu Cheng Road Putong Shanghai 200120 Shanghai (China, Peoples Republic)	JPMorgan Asset Management (UK) Limited	49.00	Y	Long position Short position	18,584,000 0
JPMorgan Asset Management (UK) Limited	125 London Wall Co. No.01161446 London (England)	JPMorgan Asset Management Holdings (UK) Limited	100.00	N	Long position Short position	18,584,000 0
JPMorgan Asset Management Holdings (UK) Limited	125 London Wall Reg No.2218729 London (England)	JPMorgan Asset Management International Limited	100.00	N	Long position Short position	18,584,000 0
JPMorgan Asset Management International Limited	125 London Wall Reg No.4194548 London (England)	JPMorgan Asset Management Holdings Inc.	100.00	N	Long position Short position	18,584,000 0
J.P. Morgan Whitefriars (UK)	125 London Wall Reg. Nol 02860996, London (England)	J.P. Morgan Whitefriars Inc.	99.99	Y	Long position Short position	0 1,263,575
J.P. Morgan Whitefriars Inc.	500 Stanton Christiana Road, Newark, Delaware, USA (United States)	J.P. Morgan Overseas Capital Corporation	100.00	N	Long position Short position	0 1,263,575

Share Capital and Shareholders

Save as disclosed above and so far as the Directors are aware, as at 30 June 2011, no other person (other than the Directors, supervisors, chief executives or members of senior management of the Company) had an interest or short position in the Company's shares or underlying shares (as the case may be) which would fall to be disclosed to the Company and the Stock Exchange of Hong Kong Limited (the "Stock Exchange") under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO, or was otherwise a substantial shareholder (as such term is defined in the Listing Rules) of the Company.

Based on members register and other published information, the Directors consider that the Company complies with the Listing Rules in relation to the requirement of minimum public shareholding.

Disclosure of Interests and Short Positions of the Directors and Supervisors of the Company

As at 30 June 2011, the interests of the Directors or supervisors of the Company in the shares or equity or debt securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors are taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO to be entered into the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the Stock Exchange are as follows:

Shareholdings of Directors and supervisors in the Company as at 30 June 2011:

Director	Number of domestic shares/ amount of Equity interest held	Nature of Interest	Long/short positions	Proximate percentage of share holding in such class of securities	Proximate percentage of share holding in the registered capital
Chen Jinghe	88,000,000	Personal	Long	0.84%	0.61%
Liu Xiaochu	4,828,350	Personal	Long	0.05%	0.03%
Luo Yingnan	5,000,000	Personal	Long	0.05%	0.03%
Lan Fusheng	5,000,000	Personal	Long	0.05%	0.03%
Zou Laichang	1,000,000	Personal	Long	0.01%	0.01%

Save as disclosed above, none of the Directors and supervisors or their associates has any interest in the securities of the Company or its associated company (as defined in the SFO) during the reporting period. None of the Directors and supervisors or their spouse or children under the age of 18 years is holding any option to subscribe securities or debentures of the Company, or has exercised any such option.

Save as disclosed above, no arrangement has been entered into between the Company or its holding company or its subsidiaries during any time in the reporting period, which will allow the Directors or supervisors of the Company to be benefited by acquiring the shares or debentures of the Company or other body corporates.

STAFF OF THE GROUP

Total number of current staff	21,006
Retired employees that the Group is responsible for the retirement expenses	180

Profession structure

Classification	Number of staff
Mining	2,020
Processing	5,322
Refining	1,321
Geology	981
Infrastructure	811
Electrical and Mechanical	1,403
Accounting	797
Surveying	532
Finance	996
Chemistry	1,106
Management	1,574
Others	4,143
Total	21,006

Education

Classification	Number of staff
Doctorial degree	37
Master degree	197
Bachelor degree	2,671
Tertiary education	3,469
Secondary school or below	14,632
Total	21,006

As at 30 June 2011, the Group had 21,006 employees. According to the human resources development strategy and planning, the Group implemented a programme of global talent recruitment. The Group introduced various methods in staff training including the establishment of three strata training system, job orientation, on-job training, technique competition, and external assigned training. In order to solve the bottle neck problem in recruiting key professionals, the Group paid high attention to a result-oriented training integrated with production, academic and research, and the strategic co-operation with universities. The Group believes in the harmonic development among the enterprise, staff and the community and has built an annual salary system, negotiated salary system, structured salary system which are mainly interlocked with the enterprise's performance. The allocation of personal income will be based on the personal appraisal. The Group will motivate staff to create value to the enterprise and realize the personal goal simultaneously to achieve the maximization of value to shareholders.

Others

CORPORATE GOVERNANCE

On 29 March 2010, the Company received a “Notice of Case Investigation” from the China Securities Regulatory Commission (no. Minzhengjianlitongzi 1001). The Company is still under investigation in relation to the suspected violation of laws and regulations in respect of information disclosure.

On 19 July 2010, the Company received a “Notice of Case Investigation” from the China Securities Regulatory Commission (no. Minzhengjianlitongzi 1003). The Company is still under investigation in relation to the suspected violation of laws and regulations in respect of information disclosure.

THE EXECUTION OF PROFIT DISTRIBUTION POLICY IN THE REPORTING PERIOD

On 30 May 2011, the Company passed the resolutions of “The profit distribution of the Company for the year ended 31 December 2010” and “The proposal of conversion from capital reserve to share capital” at the 2010 annual general meeting. Based on the total shares of 14,541,309,100 of the Company as at 31 December 2010, a dividend of RMB0.10 (tax included) per share, a total of RMB1,454,130,910 in cash was distributed, the undistributed profit was retained for future distribution. Based on the total shares of 14,541,309,100 of the Company as at 31 December 2010, the Company issued bonus issue on the basis of 5 new shares for every 10 existing shares to all shareholders. After the conversion of 7,270,654,550 shares, the total number of shares of the Company will reach 21,811,963,650 shares.

On 5 July 2011, the additional shares issued in the capital conversion commenced trading in Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited respectively. The dividend was distributed on 8 July 2011.

For details of profit distribution and conversion from capital reserve to share capital, please refer to the announcements published on 30 May 2011, 3 July 2011 and 8 July 2011.

THE EXECUTION OF THE PROFIT DISTRIBUTION POLICY IN THE COMPANY’S ARTICLES OF ASSOCIATION

The profit distribution policy in the Company’s Articles of Association: I. Reasonable returns to our investors is an important factor when the Company distributes its profit; II. the Company provides cash dividend or bonus share; III. Accumulated cash dividends for the latest three years are not less than 60% of annual realized profit; i.e. accumulated distributable profit of latest 3 years \geq (the last year realized distributable profit + latest 2nd year realized distributable profit + latest 3rd year realized distributable profit) \div 3 \times 60%. The cash dividends distribution proposal in 2010: base on the total share of 14,541,309,100 as at 31 December 2010, to distribute cash dividend RMB0.10 (including tax) per share to all shareholders. The Company distributed the cash dividends of RMB1,454,130,910 in total. The remaining undistributed profit carried forward to the next financial year. The above profit distribution proposal was implemented on 8 July 2011.

THE PUNISHMENT AND RECTIFICATION TO THE COMPANY AND ITS DIRECTORS, SUPERVISORS, SENIOR MANAGERS, SHAREHOLDERS AND SUBSTANTIAL SHAREHOLDERS

In relation to the incident of the leakage of waste water at Zijinshan Gold and Copper Mine copper hydro-metallurgical plant of the Company happened in July 2010, according to the criminal judgment [(2011) Yanxingzhongzi No. 42] the Fujian Province Longyan City Middle People's Court upheld the decision in respect of the item one in the criminal judgment [(2011) Longxinxingchuzi No. 31] issued by the Longyan City Xinluo District People's Court, which was that: "Zijinshan Gold and Copper Mine of the Company committed a serious offence relating to environmental pollution and was fined the sum of RMB30 million (including the original administrative fine).

INTERIM DIVIDEND

The Board proposed to pay no dividend for the six months ended 30 June 2011. (The dividend for the six months ended 30 June 2010 was nil.)

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 June 2011.

CORPORATE GOVERNANCE

For the six months ended 30 June 2011, the Board confirmed that the Group has adopted and complied with the provisions of the Code on Corporate Governance Practices and has followed most of its recommended best practices with no deviation (for details, please refer to the Group's 2010 Annual Report).

AUDIT COMMITTEE

The audit committee has reviewed the Group's unaudited financial report for the six months ended 30 June 2011 and further discussed the auditing, internal control and financial reporting matters. The audit committee considers the Group's financial report for the six months ended 30 June 2011 was in compliance with the applicable accounting standards and relevant laws and regulations and had made appropriate disclosure.

INDEPENDENT NON-EXECUTIVE DIRECTORS

In compliance with rules 3.10(1) and 3.10(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"), which states the Company should appoint a sufficient number of independent non-executive directors and that at least one of them should possess the appropriate professional qualification in accounting or a related financial management expertise. The Company appointed 4 independent non-executive directors and one of them possessed accounting and related financial management expertise. Details of the independent non-executive directors have been provided in the Group's 2010 annual report.

SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

During the reporting period, the Company adopted the required standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") in Appendix 10 of the Listing Rules. Having made reasonable inquiries to all directors, the Group confirmed that all directors complied with the Model Code for the six months ended 30 June 2011.

Others

MAJOR LITIGATION AND ARBITRATION

Unit: Yuan
Currency: RMB

Plaintiff(s)	Defendants	Jointly and severally liable parties	Type of proceedings	Basic information of proceedings	Amount of fine or claims	Progress of proceedings	Hearing result and impacts of proceedings	Execution progress of verdict
Longyan City Xinluo District People's Procuratorate	Zijinshan Gold and Copper Mine	No	Criminal	"7.3" Zijinshan Copper Mine hydro-metallurgical plant environmental incident, Zijinshan Gold and Copper Mine and other five individual defendants have been sued by prosecutor for committing substantial environmental pollution offence	A fine of RMB30 million (including administrative fine) as a result of the judgment of the first trial	Fujian Province Longyan City Middle People's Court has completed the hearing	Zijinshan Gold and Copper Mine of Zijin Mining Group Co., Ltd.* was sentenced to have committed a substantial environmental pollution offence and has been sentenced to pay a fine in the sum of RMB30 million (including administrative fine).	Executed
Guangdong Province Xinyi City People's Government	Xinyi Zijin · Xinyi Baoyuan	No	Civil	On 21 September 2010, as Xinyi Zijin's tailing pool dam overflow and broke, caused casualties and property damages downstream. In October 2010, Xinyi City People's Government filed the claims of property damages.	Proceedings amount of RMB19.5 million, more claims will be requested if the confirmed loss exceeds the original claims.	Case is in progress		

Others

Unit: Yuan
Currency: RMB

Plaintiff(s)	Defendants	Jointly and severally liable parties	Type of proceedings	Basic information of proceedings	Amount of fine or claims	Progress of proceedings	Hearing result and impacts of proceedings	Execution progress of verdict
Villagers of Datong Village and Shuanghe Village, Xinyi City	Zijin Mining, Xinyi Zijin, Xinyi Baoyuan	Xinyi City People's Court ordered to join 4 companies which were in charge of design, construction, supervision, and examination and appraisal of the tailing dam as additional defendants; in relation to 17 victims in Shuanghe Village and agreed to join Xinyi City Shihuadi power plant and its 13 partners as additional defendants	Civil	On 21 September 2010, as Xinyi Zijin's tailing pool dam overflowed and broke, caused 5 deaths in Datong Villiage downstream and the collapse of Shihuadi power plant caused 17 deaths in Shuanghe Village in Qianpai Town. Villagers commenced personal injury proceedings in December 2010.	RMB11,678,317.33 as compensation for injuries	Case is in progress		
Villagers of Qianpai Town, Shihuadi hydro-power plant, Qianfeng hydro-power plant and Qingyuan water supply plant in Xinyi City (Total 2,478 cases)	Xinyi Zijin, Xinyi Baoyuan, Zijin Mining	4 units: Engineering, Design, Construction, Supervision	Civil	On 21 September 2010, Xinyi Zijin's tailing pool dam overflowed and broke, led to damages to the plaintiffs' property. Plaintiffs filed the claims of property damages in 2011.	RMB315,580,552.39 as compensation	Case is in progress		

Save as disclosed above, the Company has no material litigation or arbitration during the reporting period.

Others

APPOINTMENT AND DISMISSAL OF AUDITORS

In December 2010, the Ministry of Finance, the Recommended Committee of China Securities Regulatory Commission for the accounting firms auditing the H shares enterprises, Hong Kong Financial Services and the Treasury Bureau, the Hong Kong Securities and Futures Commission, Hong Kong Exchanges and Clearing Limited (“Stock Exchange”), Hong Kong Financial Reporting Council and Hong Kong Institute of Certified Public Accountants reached consensus to allow a PRC company listed in HK or a HK company listed in the PRC to prepare the financial statements according to local accounting standards and audit by local accounting firms according to local auditing standards. In order to reduce audit costs, the Company decided not to re-appoint international auditors - Ernst & Young and appointed Ernst & Young Hua Ming to audit the Company’s financial statements for 2011 according to the China Auditing Standards and to take over the responsibilities stated in the “Listing Rules of the Stock Exchange”.

OTHER MATERIAL AGREEMENT

During the reporting period, the Company’s wholly owned subsidiary, Best Ground Group Limited (“Best Ground”) entered into a deed of termination with Marigold Time International Limited (“Marigold Time International”) on 6 January 2011 to terminate the share transfer agreement and its supplemental agreement entered in 2009 and 2010 respectively. Pursuant to the provision of the termination agreement, Best Ground will repurchase the shares representing 70% equity interest in China Gold Development Group (H.K.) Limited (“China Gold”). China Gold currently holds 50.05% equity interest of Shandong Guoda Gold Company Limited.

OTHER MAJOR EVENTS

In March 2011, the Company received a “Notice of cancellation of recognition of Zijin Mining Group Co., Ltd.* as a high technology enterprise” (Minkegao[2011] No.15) issued by the Fujian Recognition of New and High Technology Enterprises Leading Committee as a result of the leakages of acid copper-contained waste water from the Company’s Zijinshan Gold and Copper Mine copper hydro-metallurgical plant, causing serious pollution to Ting River. According to Article 15 of “Recognition of New and High Technology Enterprises Management Policy”(Guokefahuo[2008] No. 172), the committee decided to cancel the recognition of the Company as a new and high technology enterprise with effect from 3 July 2010. As a result of the cancellation of the recognition of the new and high technology enterprise, a change of the Company’s applicable profit tax rate from 15% to 25% has been implemented.

APPROVAL OF STATUS CHANGE OF SHARES HELD BY A MAJOR SHAREHOLDER

Minxi Xinghang State-owned Assets Investment Company Limited (“Minxi Xinghang”), being the controlling shareholder of the Company, held 4,210,902,120 shares of the Company, all of which were held prior to the initial public offering of the A shares of the Company. In accordance with the relevant provisions of the Company Law and the Rules Governing the Listing of Stock on Shanghai Stock Exchange, when the Company made the public offer of the A shares, Minxi Xinghang undertook that it would not within 36 months since the listing of A shares of the Company, transfer to, or assign other parties, to manage the shares of the Company held by it, nor would the shares be acquired by the Company. In accordance with the undertaking of Minxi Xinghang and relevant regulations, the 4,210,902,120 A shares of the Company held by Minxi Xinghang were released from selling restrictions and were available in the market on 25 April 2011.

POST BALANCE SHEET EVENT

1. Pursuant to a resolution passed at the 2010 annual general meeting held for the purpose of approving, among other matters, the proposal of conversion of capital reserve into share capital, on the basis of 5 new shares for every 10 existing shares, additional 7,270,654,550 shares has been issued on the basis of total 14,541,309,100 shares in issue as at 31 December 2010. After the conversion, the total number of shares increased to 21,811,963,650 shares. Dealing of the additional shares commenced on 5 July 2011.

Details of other post balance sheet events of the Group are set out in note IX to the financial statements.

Others

DISCLOSURE FOR INTERIM REPORT ON THE WEBSITE OF THE HONG KONG STOCK EXCHANGE

When appropriate, the Company will post all the information as required by Appendix 16 of the Listing Rules at The Hong Kong Stock Exchange Limited's website (<http://www.hkex.com.hk>).

This report is written in both Chinese and English. In the case of any discrepancies, the Chinese version of this report shall prevail over its English version.

By Order of the Board of Directors
Zijin Mining Group Co., Ltd.*
Chen Jinghe
Chairman

Fujian, PRC 9 August 2011

As at the date of this report, the Board of Directors of the Company comprises Messrs. Chen Jinghe (Chairman), Luo Yingnan, Liu Xiaochu, Lan Fusheng, Huang Xiaodong, and Zou Laichang as executive directors, Mister. Peng Jiaqing as non-executive director, and Messrs. Su Congfu, Chen Yuchuan, Lin Yongjing, and Wang Xiaojun as independent non-executive directors.

* The Company's English name is for identification purpose only

Consolidated Balance Sheet

As at 30 June 2011
RMB

FINANCIAL STATEMENTS (AS PREPARED IN ACCORDANCE WITH CAS)

In this report, unless otherwise indicated in the context, the currency is RMB.

	Note V	30 June 2011 (Unaudited)	31 December 2010 (Audited)
ASSETS			
Current assets			
Cash and cash equivalents	1	8,290,241,479.27	4,651,209,600.00
Held-for-trading financial assets	2	683,259,065.40	388,384,383.00
Bills receivables	3	375,864,945.28	326,625,938.00
Trade receivables	4	562,400,371.97	669,093,678.00
Advance to suppliers	5	870,729,284.37	631,892,986.00
Other receivables	6	491,299,895.64	792,011,714.00
Inventories	7	4,059,637,796.06	3,482,682,131.00
Other current assets	8	155,837,829.65	118,665,426.00
Total current assets		15,489,270,667.64	11,060,565,856.00
Non-current assets			
Available-for-sale financial assets	9	2,181,627,136.82	2,058,973,823.00
Held-to-maturity investments		—	—
Long-term equity investments	11	2,976,806,874.48	2,673,804,272.00
Investment properties	12	52,078,466.72	53,100,358.00
Fixed assets	13	8,422,136,963.91	8,444,568,258.00
Construction in progress	14	5,539,067,475.01	3,999,386,221.00
Construction materials		152,378,193.18	113,160,383.00
Intangible assets	15	5,413,390,548.96	5,292,918,677.00
Goodwill	16	338,979,724.00	383,299,356.00
Long-term deferred expenses	17	772,208,672.63	752,546,244.00
Deferred income tax assets	18	225,443,216.92	193,970,966.00
Other non-current assets	19	3,959,642,957.99	3,374,938,392.00
Total non-current assets		30,033,760,230.62	27,340,666,950.00
Total assets		45,523,030,898.26	38,401,232,806.00

Consolidated Balance Sheet

As at 30 June 2011
RMB

	Note V	30 June 2011 (Unaudited)	31 December 2010 (Audited)
LIABILITIES AND EQUITY			
Current liabilities			
Short-term loans	21	5,465,521,478.61	4,496,151,701.00
Held-for-trading financial liabilities	22	600,027,491.91	2,321,910.00
Trade payables	23	1,438,400,216.43	1,024,790,051.00
Advances from clients	24	944,973,933.01	430,106,172.00
Accrued payroll and welfare	25	201,595,460.60	237,155,968.00
Tax and levies payables	26	878,640,458.41	1,030,360,245.00
Dividends payables	27	1,465,726,190.56	29,070,369.00
Other payables	28	1,344,990,562.15	1,734,015,864.00
Non-current liabilities due within one year	29	515,920,202.90	652,448,993.00
Other current liabilities		—	—
Total current liabilities		12,855,795,994.58	9,636,421,273.00
Non-current liabilities			
Long-term loans	30	2,769,181,244.00	2,303,074,858.00
Bonds payables	31	1,787,652,080.67	—
Long-term payables	32	160,832,582.74	157,147,490.00
Deferred income tax liabilities	18	242,011,106.30	219,426,202.00
Other non-current liabilities	33	59,013,426.30	56,492,153.00
Total non-current liabilities		5,018,690,440.01	2,736,140,703.00
Total liabilities		17,874,486,434.59	12,372,561,976.00
Owners' interest (or shareholders' interest)			
Paid-up (share) capital	34	2,181,196,365.00	1,454,130,910.00
Capital reserve	35	8,313,091,291.62	9,377,131,118.00
Project reserve	36	60,319,030.18	56,500,682.00
Statutory reserve	37	999,800,342.00	999,800,342.00
Retained profits	38	11,760,531,220.96	10,065,314,920.00
Exchange translation differences		(143,105,224.17)	(121,307,424.00)
Equity attributable to the owners of the parent		23,171,833,025.59	21,831,570,548.00
Non-controlling interests	39	4,476,711,438.08	4,197,100,282.00
Total equity		27,648,544,463.67	26,028,670,830.00
Total equity and liabilities		45,523,030,898.26	38,401,232,806.00

Consolidated Income Statement

For the six months ended 30 June 2011
RMB

	Note V	For the 6 months ended 30 June 2011 (Unaudited)	After restatement For the 6 months ended 30 June 2010 (Unaudited)	Before restatement For the 6 months ended 30 June 2010 (Unaudited)
Operating revenue	40	15,852,267,784.94	13,460,489,921.89	13,460,489,921.89
Less: Operating cost	40	10,110,447,993.36	8,588,253,477.95	8,588,253,477.95
Sales taxes and levies	41	170,010,692.74	162,673,847.93	162,673,847.93
Selling expenses	52	177,271,288.35	143,536,866.16	143,536,866.16
Administrative expenses	53	689,176,321.06	541,118,324.58	541,118,324.58
Finance costs	42	139,171,923.08	75,013,355.73	75,013,355.73
Impairment provision of assets	43	187,753,240.00	135,506,622.68	135,506,622.68
Add: Gains/(Losses) from changes in fair value	44	158,314,378.71	(26,791,685.40)	(26,791,685.40)
Investment income	45	408,244,429.39	73,816,797.76	73,816,797.76
Including: Share of profits of associates and jointly-controlled entities		120,029,043.83	57,171,188.90	57,171,188.90
Operating profits		4,944,995,134.45	3,861,412,539.22	3,861,412,539.22
Add: Non-operating income	46	48,238,594.15	24,517,472.67	24,517,472.67
Less: Non-operating expenses	47	91,480,781.59	112,771,599.32	112,771,599.32
Including: Loss from disposal of non-current assets		13,274,895.44	4,214,349.70	4,214,349.70
Total profits		4,901,752,947.01	3,773,158,412.57	3,773,158,412.57
Less: Income tax	48	1,193,858,489.33	852,960,703.65	668,329,433.34
Net profits		3,707,894,457.68	2,920,197,708.92	3,104,828,979.23
Including: Net profit attributable to the owners of the parent		3,149,347,210.96	2,522,175,232.15	2,706,806,502.46
Net profit attributable to non-controlling interests		558,547,246.72	398,022,476.77	398,022,476.77

Note: The Board proposed to pay no dividend for the six months ended 30 June 2011. (The dividend for the six months ended 30 June 2010 was nil.)

Consolidated Income Statement

For the six months ended 30 June 2011
RMB

	<i>Note V</i>	For the 6 months ended 30 June 2011 <i>(Unaudited)</i>	After restatement For the 6 months ended 30 June 2010 <i>(Unaudited)</i>	Before restatement For the 6 months ended 30 June 2010 <i>(Unaudited)</i>
Earnings per share				
Basic earnings per share	49	0.144	0.116	0.124
Other comprehensive income	50	(362,475,101.62)	4,795,234.34	4,795,234.34
Total comprehensive income		3,345,419,356.06	2,924,992,943.26	3,109,624,213.57
Including:				
Total comprehensive income attributable to the owners of the parent		2,790,575,039.41	2,527,692,569.90	2,712,323,840.21
Total comprehensive income attributable to non-controlling interests		554,844,316.65	397,300,373.36	397,300,373.36

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2011
RMB

	Equity attributable to the owners of the parent							Non-controlling interests	Total equity
	Paid-up (share) capital	Capital reserve	Project reserve	Statutory reserve	Retained profits	Exchange translation differences	Sub-total		
1. Closing balance of previous year	1,454,130,910.00	9,377,131,118.00	56,500,682.00	999,800,342.00	10,065,314,920.00	(121,307,424.00)	21,831,570,548.00	4,197,100,282.00	26,028,670,830.00
Add: Changes in accounting policy	—	—	—	—	—	—	—	—	—
2. Opening balance of current year	1,454,130,910.00	9,377,131,118.00	56,500,682.00	999,800,342.00	10,065,314,920.00	(121,307,424.00)	21,831,570,548.00	4,197,100,282.00	26,028,670,830.00
3. Increase/(decrease) for current year	—	(336,974,371.38)	3,818,348.18	—	1,695,216,300.96	(21,797,800.17)	1,340,262,477.59	279,611,156.08	1,619,873,633.67
(1) Net profits	—	—	—	—	3,149,347,210.96	—	3,149,347,210.96	558,547,246.72	3,707,894,457.68
(2) Other comprehensive income	—	(336,974,371.38)	—	—	—	(21,797,800.17)	(358,772,171.55)	(3,702,930.07)	(362,475,101.62)
Total comprehensive income	—	(336,974,371.38)	—	—	3,149,347,210.96	(21,797,800.17)	2,790,575,039.41	554,844,316.65	3,345,419,356.06
(3) Except profit allocation, transaction with shareholders as owners	—	—	—	—	—	—	—	125,645,388.59	125,645,388.59
1. Shareholders' injection of capital	—	—	—	—	—	—	—	135,000,000.00	135,000,000.00
2. Others*	—	—	—	—	—	—	—	(9,354,611.41)	(9,354,611.41)
(4) Project reserve	—	—	3,818,348.18	—	—	—	3,818,348.18	3,471,384.87	7,289,733.05
1. Recognised for the year	—	—	95,035,726.98	—	—	—	95,035,726.98	28,118,875.36	123,154,602.34
2. Used for the year	—	—	91,217,378.80	—	—	—	91,217,378.80	24,647,490.49	115,864,869.29
(5) Profits allocation	—	—	—	—	(1,454,130,910.00)	—	(1,454,130,910.00)	(404,349,934.03)	(1,858,480,844.03)
1. Recognised statutory reserve	—	—	—	—	—	—	—	—	—
2. Allocated to shareholders	—	—	—	—	(1,454,130,910.00)	—	(1,454,130,910.00)	(404,349,934.03)	(1,858,480,844.03)
(6) Internal transfer between equity	727,065,455.00	(727,065,455.00)	—	—	—	—	—	—	—
4. Closing balance for the year	2,181,196,365.00	8,313,091,291.62	60,319,030.18	999,800,342.00	11,760,531,220.96	(143,105,224.17)	23,171,833,025.59	4,476,711,438.08	27,648,544,463.67

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2010
RMB

	Equity attributable to the owners of the parent							Non-controlling interests	Total equity
	Paid-up (share) capital	Capital reserve	Project reserve	Statutory reserve	Retained profits	Exchange translation differences	Sub-total		
1. Closing balance of previous year	1,454,130,910.00	9,049,520,390.00	71,752,895.00	999,800,342.00	6,691,529,106.00	(96,553,522.00)	18,170,180,121.00	3,443,284,863.00	21,613,464,984.00
Add: Changes in accounting policy (Note II.25)	—	—	—	—	—	—	—	—	—
2. Opening balance of current year	1,454,130,910.00	9,049,520,390.00	71,752,895.00	999,800,342.00	6,691,529,106.00	(96,553,522.00)	18,170,180,121.00	3,443,284,863.00	21,613,464,984.00
3. Increase/(decrease) for current year	—	(31,556,667.79)	23,319,857.03	—	1,068,044,322.15	9,292,187.43	1,069,099,698.82	245,055,242.98	1,314,154,941.80
(1) Net profits	—	—	—	—	2,522,175,232.15	—	2,522,175,232.15	398,022,476.77	2,920,197,708.92
(2) Other comprehensive income	—	(3,774,849.68)	—	—	—	9,292,187.43	5,517,337.75	(722,103.41)	4,795,234.34
Total comprehensive income	—	(3,774,849.68)	—	—	2,522,175,232.15	9,292,187.43	2,527,692,569.90	(722,103.41)	2,526,970,466.49
(3) Except profit allocation, transaction with shareholders as owners	—	—	—	—	—	—	—	—	—
1. Shareholders' injection of capital	—	(27,781,818.11)	—	—	—	—	(27,781,818.11)	13,793,573.01	(13,988,245.10)
2. Others*	—	—	—	—	—	—	—	30,450,000.00	30,450,000.00
(4) Project reserve	—	(27,781,818.11)	—	—	—	—	(27,781,818.11)	(16,656,426.99)	(44,438,245.10)
1. Recognised for the year	—	—	23,319,857.03	—	—	—	23,319,857.03	5,922,082.03	29,241,939.06
2. Used for the year	—	—	144,646,417.28	—	—	—	144,646,417.28	24,261,992.38	168,908,409.66
(5) Profits allocation	—	—	(121,326,560.25)	—	—	—	(121,326,560.25)	(18,339,910.35)	(139,666,470.60)
1. Recognised statutory reserve	—	—	—	—	(1,454,130,910.00)	—	(1,454,130,910.00)	(171,960,785.42)	(1,626,091,695.42)
2. Allocated to shareholders	—	—	—	—	(1,454,130,910.00)	—	(1,454,130,910.00)	(171,960,785.42)	(1,626,091,695.42)
4. Closing balance for the year	1,454,130,910.00	9,017,963,722.21	95,072,752.03	999,800,342.00	7,759,573,428.15	(87,261,334.57)	19,239,279,819.82	3,688,340,105.98	22,927,619,925.80

Details of which please refer to Note V.34.

Consolidated Cash Flow Statement

As at 30 June 2011
RMB

Items	For the six months ended 30 June 2011 (Unaudited)	For the six months ended 30 June 2010 (Unaudited)
1. Cash flow from operating activities:		
Cash received from sales of goods and rendering services	16,092,384,201.81	13,103,190,841.35
Refund of taxes and levies	12,843,388.48	15,163,970.29
Sub-total of cash inflows from operating activities	16,105,227,590.29	13,118,354,811.64
Cash paid for goods purchased and services rendered	9,511,039,096.30	7,678,882,120.81
Cash paid to and on behalf of employees	616,137,444.68	571,439,734.65
Payments for taxes and levies	1,922,057,362.04	1,400,557,408.92
Other cash paid relating to operating activities (note V.51)	412,247,871.21	287,897,870.06
Sub-total of cash outflows from operating activities	12,461,481,774.23	9,938,777,134.44
Net cash flows from operating activities	3,643,745,816.06	3,179,577,677.20
2. Cash flows from investing activities:		
Cash received from disposal of investments	390,995,258.23	66,272,315.98
Cash received from return on investments	42,144,199.74	53,826,746.40
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	6,025,601.79	6,343,110.34
Net cash received from disposal of subsidiaries and other business units	9,815,997.48	10,300,000.00
Cash receipts relating to other investing activities (note V.51)	402,456,303.73	27,392,792.76
Sub-total of cash inflows from investing activities	851,437,360.97	164,134,965.48
Cash paid for acquisition of, intangible assets and other long-term assets	2,075,775,552.08	1,569,604,823.56
Cash paid for investments	937,971,827.87	2,042,468,800.05
Cash paid for acquisition of subsidiaries and other business units	236,628,427.02	—
Other cash payments relating to investing activities (note V.51)	138,339,881.29	228,510,511.09
Sub-total of cash outflows from investing activities	3,388,715,688.26	3,840,584,134.70
Net cash flows from investing activities	(2,537,278,327.29)	(3,676,449,169.22)

Consolidated Cash Flow Statement

As at 30 June 2011
RMB

Items	For the six months ended 30 June 2011 <i>(Unaudited)</i>	For the six months ended 30 June 2010 <i>(Unaudited)</i>
3. Cash flows from financing activities:		
Cash received from investments	130,805,000.00	—
Cash received from borrowings	6,010,795,262.15	7,546,897,042.52
Cash received from other financing activities	37,005,965.29	—
Sub-total of cash inflows from financing activities	6,178,606,227.44	7,546,897,042.52
Cash paid for repayment of borrowings	2,596,546,690.73	4,054,944,949.97
Cash paid for dividends and profit distribution or interests repayment	735,925,994.48	1,642,893,477.81
Other cash payment relating to financing activities (note V.51)	260,459,550.97	14,327,201.99
Sub-total of cash outflows from financing activities	3,592,932,236.18	5,712,165,629.77
Net cash flows from financing activities	2,585,673,991.26	1,834,731,412.75
4. Effects of changes of exchange rate on cash and cash equivalents	(11,278,399.33)	(5,961,663.48)
5. Net increase in cash and cash equivalents	3,680,863,080.70	1,331,898,257.25

Consolidated Cash Flow Statement

As at 30 June 2011
RMB

Items	For the six months ended 30 June 2011 (Unaudited)	For the six months ended 30 June 2010 (Unaudited)
Reconciliation of net profits to net cash flows from operating activities:		
1. Net profits	3,149,347,210.96	2,522,175,232.25
Add: Net profit attributable to non-controlling interests	558,547,246.72	398,022,476.77
Less: Unrealized loss on investment	—	—
Add: Asset impairment provision	187,753,240.00	135,506,622.68
Depreciation of fixed assets	434,914,762.13	379,929,234.71
Amortisation of intangible assets and long-term deferred expenses	178,455,719.35	168,487,097.25
Loss/(gain) on disposal of fixed assets, intangible assets and other long-term assets	12,109,290.91	(95,874.85)
(Gain)/loss on change in fair value	(158,314,378.71)	26,791,685.40
Finance costs	139,171,923.08	75,013,355.73
Gain on investments	(408,244,429.39)	(73,816,797.76)
Increase in deferred income tax assets	(31,472,250.92)	(8,355,400.35)
Increase/(decrease) in deferred income tax liabilities	22,584,904.30	(2,773,620.63)
Increase in inventories	(576,955,665.06)	(154,203,978.48)
Increase in trade receivables	(269,043,572.39)	(880,054,173.12)
Increase in trade payables	389,025,301.85	566,270,586.48
Others	15,866,513.23	26,681,231.22
Net cash flows from operating activities	3,643,745,816.06	3,179,577,677.20
2. Non-cash investing and financing activities:		
Conversion of debt into capital	—	—
Convertible bonds matured within 1 year	—	—
Finance leased fixed assets	—	—
3. Net increase in cash and cash equivalents:		
Closing balance of cash (note V.1)	7,472,335,053.70	4,330,953,472.25
Less: Opening balance of cash (note V.1)	3,791,471,973.00	2,999,055,215.00
Add: Closing balance of cash equivalents	—	—
Less: Opening balance of cash equivalents	—	—
Net increase in cash and cash equivalents	3,680,863,080.70	1,331,898,257.25

Balance Sheet

As at 30 June 2011
RMB

ASSETS	Note XI	30 June 2011 (Unaudited)	31 December 2010 (Audited)
Current assets			
Cash and cash equivalents		3,070,100,549.79	2,205,081,046.00
Held-for-trading financial assets		36,095,241.39	7,610,019.00
Bills receivables		61,400,000.00	80,325,474.00
Dividends receivables		10,462,500.00	92,815,911.00
Trade receivables	1	123,519,374.01	63,880,756.00
Advances to suppliers		140,188,065.37	10,462,500.00
Other receivables	2	5,796,846,088.24	4,964,489,949.00
Inventories		284,029,602.12	268,305,128.00
Other current assets		144,003,621.80	101,648,489.00
Total current assets		9,666,645,042.72	7,794,619,272.00
Non-current assets			
Available-for-sale financial assets		745,594,832.01	251,671,265.00
Long-term equity investments	3	10,608,035,364.14	9,317,852,553.00
Long-term receivables		241,116,213.25	—
Fixed assets		888,107,707.08	904,977,431.00
Construction in progress		1,123,182,578.63	975,138,343.00
Construction materials		5,106,416.66	5,535,016.00
Intangible assets		358,893,881.48	374,315,576.00
Long-term deferred expenses		73,278,600.48	78,961,520.00
Deferred income tax assets		134,277,951.89	107,630,899.00
Other non-current assets		920,598,937.20	1,262,584,779.00
Total non-current assets		15,098,192,482.82	13,278,667,382.00
Total assets		24,764,837,525.54	21,073,286,654.00

Balance Sheet

As at 30 June 2011
RMB

LIABILITIES AND EQUITY	30 June 2011 (Unaudited)	31 December 2010 (Audited)
Current liabilities		
Short-term loans	2,630,000,000.00	1,567,389,850.00
Held-for-trading financial liabilities	608,656,569.17	2,321,910.00
Trade payables	223,318,309.77	220,602,743.00
Advances from clients	37,950,181.20	10,714,042.00
Accrued payroll and welfare	137,480,269.63	138,077,300.00
Dividends payables	1,454,130,910.00	—
Tax and levies payables	470,408,580.54	506,708,905.00
Other payables	627,194,503.27	372,488,699.00
Non-current liabilities due within one year	361,558,762.90	443,113,763.00
Total current liabilities	6,550,698,086.48	3,261,417,212.00
Non-current liabilities		
Long-term loans	—	—
Long-term payables	132,844,628.27	126,044,628.00
Deferred income	9,155,151.00	9,249,534.00
Deferred income tax liabilities	—	31,299,391.00
Total non-current liabilities	141,999,779.27	166,593,553.00
Total liabilities	6,692,697,865.75	3,428,010,765.00
Owners' interest (or shareholders' interest)		
Paid-up (share) capital	2,181,196,365.00	1,454,130,910.00
Capital reserve	8,883,320,167.79	9,728,469,476.00
Project reserve	16,027.15	516,024.00
Statutory reserve	771,211,838.00	771,211,838.00
Retained profits	6,236,395,261.85	5,690,947,641.00
Total equity	18,072,139,659.79	17,645,275,889.00
Total equity and liabilities	24,764,837,525.54	21,073,286,654.00

Income Statement

For the six months ended 30 June 2011
RMB

	Note XI	For the six months ended 30 June 2011 (Unaudited)	After restatement For the 6 months ended 30 June 2010 (Unaudited)	Before restatement For the 6 months ended 30 June 2010 (Unaudited)
Operating revenue	4	3,934,927,273.48	3,720,312,731.05	3,720,312,731.05
Less: Operating cost	4	1,717,457,353.08	1,476,439,599.76	1,476,439,599.76
Sales taxes and levies		52,538,039.21	77,980,877.07	77,980,877.07
Selling expenses		5,069,470.91	5,470,647.42	5,470,647.42
Administrative expenses		235,452,197.52	211,139,788.08	211,139,788.08
Finance costs		60,048,346.62	9,654,014.96	9,654,014.96
Impairment provision of assets		50,000,000.00	—	—
Add: Losses from changes in fair value		(841,443.61)	(17,702,009.94)	(17,702,009.94)
Investment income	5	647,223,042.57	821,686,736.51	821,686,736.51
Including: Share of profits of associates		5,002,728.88	17,062,198.26	17,062,198.26
Operating profits		2,460,743,465.10	2,743,612,530.33	2,743,612,530.33
Add: Non-operating income		10,917,442.15	5,489,166.28	5,489,166.28
Less: Non-operating expenses		37,191,690.67	75,445,778.62	75,445,778.62
Including: Loss on disposal of non-current assets		701,962.76	1,358,979.47	1,358,979.47
Total profits		2,434,469,216.58	2,673,655,917.99	2,673,655,917.99
Less: Income tax		434,890,685.73	461,578,175.77	276,946,905.46
Net profits		1,999,578,530.85	2,212,077,742.22	2,396,709,012.53
Other comprehensive income		(133,012,393.42)	24,111,335.61	24,111,335.61
Total comprehensive income		1,866,566,137.43	2,236,189,077.83	2,420,820,348.14

Statement of Changes in Equity

For the six months ended 30 June 2011
RMB

	Paid-up (share) capital	Capital reserve	Project reserve	Statutory reserve	Retained profits	Total equity
1. Closing balance of previous year	1,454,130,910.00	9,728,469,476.00	516,024.00	771,211,838.00	5,690,947,641.00	17,645,275,889.00
Add: Changes in accounting policy (Note II.24)	—	—	—	—	—	—
1. Opening balance of current year	1,454,130,910.00	9,728,469,476.00	516,024.00	771,211,838.00	5,690,947,641.00	17,645,275,889.00
2. Increase/(decrease) for current year	—	(118,083,853.21)	(499,996.85)	—	545,447,620.85	426,863,770.79
(1) Net profits	—	—	—	—	1,999,578,530.85	1,999,578,530.85
(2) Other comprehensive income	—	(118,083,853.21)	—	—	—	(118,083,853.21)
Total comprehensive income	—	(118,083,853.21)	—	—	2,016,029,324.02	1,897,945,470.81
(3) Project reserve	—	—	(499,996.85)	—	—	(499,996.85)
1. Recognised for the year	—	—	—	—	—	—
2. Used for the year	—	—	(499,996.85)	—	—	(499,996.85)
(4) Profits allocation	—	—	—	—	(1,454,130,910.00)	(1,454,130,910.00)
1. Recognised statutory reserve	—	—	—	—	—	—
2. Allocated to shareholders	—	—	—	—	(1,454,130,910.00)	(1,454,130,910.00)
(5) Internal transfer between equity	727,065,455.00	(727,065,455.00)	—	—	—	—
3. Closing balance for the year	2,181,196,365.00	8,883,320,167.79	16,027.15	771,211,838.00	6,236,395,261.85	18,072,139,659.79

Statement of Changes in Equity

For the six months ended 30 June 2010
RMB

	Paid-up (share) capital	Capital reserve	Project reserve	Statutory reserve	Retained profits	Total equity
1. Closing balance of previous year	1,454,130,910.00	9,636,336,580.00	671,181.00	771,211,838.00	4,052,566,770.00	15,914,917,279.00
Add: Changes in accounting policy (Note II.24)	—	—	—	—	—	—
1. Opening balance of current year	1,454,130,910.00	9,636,336,580.00	671,181.00	771,211,838.00	4,052,566,770.00	15,914,917,279.00
2. Increase/(decrease) for current year	—	24,111,335.61	28,499,051.56	—	757,946,832.22	810,557,219.39
(1) Net profits	—	—	—	—	2,212,077,742.22	2,212,077,742.22
(2) Other comprehensive income	—	24,111,335.61	—	—	—	24,111,335.61
Total comprehensive income	—	24,111,335.61	—	—	2,212,077,742.22	2,236,189,077.83
(3) Project reserve	—	—	28,499,051.56	—	—	28,499,051.56
1. Recognised for the year	—	—	59,998,935.38	—	—	59,998,935.38
2. Used for the year	—	—	(31,499,883.82)	—	—	(31,499,883.82)
(4) Profits allocation	—	—	—	—	(1,454,130,910.00)	(1,454,130,910.00)
1. Recognised statutory reserve	—	—	—	—	—	—
2. Allocated to shareholders	—	—	—	—	(1,454,130,910.00)	(1,454,130,910.00)
3. Closing balance for the year	1,454,130,910.00	9,660,447,915.61	29,170,232.56	771,211,838.00	4,810,513,602.22	16,725,474,498.39

Cash Flow Statement

As at 30 June 2011
RMB

	For the six months end 30 June 2011 (Unaudited)	For the six months end 30 June 2010 (Unaudited)
1. Cash flow from operating activities:		
Cash received from sales of goods and rendering services	3,894,764,045.01	3,556,066,780.22
Refund of taxes and levies	—	56,403.30
Sub-total of cash inflows from operating activities	3,894,764,045.01	3,556,123,183.52
Cash paid for goods purchased and services rendered	1,594,463,526.94	1,196,793,438.25
Cash paid to and on behalf of employees	150,075,473.51	134,238,556.40
Payments for taxes and levies	626,950,224.22	421,489,864.42
Other cash paid relating to operating activities	664,540,641.72	539,700,616.06
Sub-total of cash outflows from operating activities	3,036,029,866.39	2,292,222,475.13
Net cash flows from operating activities	858,734,178.62	1,263,900,708.39
2. Cash flows from investing activities:		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	417,353.21	(59,706.36)
Net cash received from disposal of subsidiaries	9,816,074.70	200,000,000.00
Cash received from return on investments	664,972,299.04	760,518,401.62
Cash receipts relating to other investing activities	117,172,693.13	137,781,421.70
Sub-total of cash inflows from investing activities	792,378,420.08	1,098,240,116.96
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	195,879,749.51	174,296,656.00
Cash paid for investments	1,942,794,478.56	631,789,345.50
Other cash payments relating to investing activities	89,784,270.13	242,121,744.29
Sub-total of cash outflows from investing activities	2,228,458,498.20	1,048,207,745.79
Net cash flows from investing activities	(1,436,080,078.12)	50,032,371.17
3. Cash flows from financing activities:		
Cash received from equity investments	—	—
Cash received from borrowings	2,052,994,692.98	2,973,780,000.00
Cash received from other financing activities	—	36,285,714.09
Sub-total of cash inflows from financing activities	2,052,994,692.98	3,010,065,714.09
Cash paid for repayment of borrowings	451,400,000.00	1,968,045,284.18
Cash paid for dividends and profit distribution or interest repayment	74,249,382.46	1,465,064,561.94
Other cash payment relating to financing activities	9,915,793.48	2,922,899.66
Sub-total of cash outflows from financing activities	535,565,175.94	3,436,032,745.78
Net cash flows from financing activities	1,517,429,517.04	(425,967,031.69)
4. Effects of changes of exchange rate on cash and cash equivalents	(995,576.68)	(384,580.69)
5. Net increase in cash and cash equivalents	939,088,040.86	887,581,467.18

Cash Flow Statement

As at 30 June 2011
RMB

Supplemental information	For the six months end 30 June 2011 (Unaudited)	For the six months end 30 June 2010 (Unaudited)
Reconciliation of net profits to net cash flows from operating activities:		
(1) Net profits	1,999,578,530.85	2,212,077,742.22
Add: Depreciation	73,400,494.90	71,443,345.64
Asset impairment provision	50,000,000.00	—
Amortisation of intangible assets and long-term deferred expenses	23,166,724.91	23,339,157.40
Loss/(gain) on disposal of fixed assets, intangible assets and other long-term assets	666,959.47	(393,614.46)
Loss on change in fair value	(841,443.61)	17,702,009.94
Gain on investments	(647,223,042.57)	(821,686,736.51)
Finance costs	60,048,346.62	9,654,014.96
(Increase)/decrease in inventories	(15,724,474.12)	92,096,333.26
(Increase)/decrease in deferred income tax assets	(26,647,052.89)	2,655,291.49
Decrease in deferred income tax liabilities	(31,299,391.00)	—
Increase in trade receivables	(896,309,593.72)	(457,769,357.93)
Increase in trade payables	269,918,119.78	114,782,522.38
Net cash flows from operating activities	858,734,178.62	1,263,900,708.39
Non-cash investing and financing activities:		
(2) Impairment provision on equity investments in associates	—	—
(3) Net decrease in cash and cash equivalents: Closing balance of cash and cash equivalents	2,575,101,225.86	2,635,721,521.18
Less: Opening balance of cash and cash equivalents	1,636,013,185.00	1,748,140,054.00
Net increase in cash and cash equivalents	939,088,040.86	887,581,467.18

Notes to Financial Statements

30 June 2011
RMB

I. GENERAL INFORMATION OF THE GROUP

Zijin Mining Group Company Limited (“the Company”) is a joint stock limited company registered in Fujian Province of the People’s Republic of China (“PRC”) on 6 September 2000 pursuant to the “Company Law of the People’s Republic of China” (“the Company Law”). The Company’s business registration number is 350000100016737.

On 17 August 2000, after the approval (Min Zheng Ti Gu (2000) No.22) of the People’s Government of Fujian Province, Minxi Xinghang State-owned Assets Investment Company Limited as the principal promoter, together with other promoters such as Xinhua Industrial Group Company Limited, Shanghang County Jinshan Trading Co., Ltd., Fujian Xinhua Engineering Company Limited, Xiamen Hengxing Industrial Company Limited, Fujian Xinhua Department Store Company Limited, Fujian Gold Group Company Limited and Fujian Minxi Geologist Team etc, transformed Fujian Province Minxi Zijin Mining Group Co., Ltd. into Fujian Zijin Mining Industry Company Limited by using 31 December 1999 as the base date of reorganization. On 16 June 2004, the Company’s name changed from Fujian Zijin Mining Industry Company Limited to Zijin Mining Group Company Limited.

According to the resolution passed on the first Extra-ordinary General Meeting on 28 June 2003 and the approval (Zheng Jian Guo He Zi [2003] No.41) “In Relation To the Approval of Issuing Overseas Listed Foreign Shares by Fujian Zijin Mining Industry Company Limited” granted by the China Securities Regulatory Committee on 18 November 2003, the Company publicly issued 400,544,000 overseas listed foreign shares with nominal value of RMB0.1 per share at an issue price of HKD3.3 (equivalent to RMB3.516) per share; Minxi Xinghang State-owned Assets Investment Company Limited, Fujian Gold Group Company Limited and Fujian Minxi Geologist Team reduced and sold their 36,413,090 State-owned shares at an issue price of HKD3.3 (equivalent to RMB3.516) per share. As a result of the issue, the Company’s registered capital changed to RMB131,413,091. According to the resolution passed on 28 May 2004 at 2003 Annual General Meeting in relation to the conversion of capital reserve into share capital, the Company converted capital reserve of RMB131,413,091 into 1,314,130,910 shares with nominal value of RMB0.1 per share; the Company’s registered capital then changed to RMB262,826,182. According to the resolution passed on 31 May 2005 at 2004 Annual General Meeting in relation to the conversion of capital reserve into share capital, the Company converted capital reserve of RMB262,826,182 into 2,628,261,820 shares with nominal value of RMB0.1 per share; the Company’s registered capital then changed to RMB525,652,364. According to the resolution passed on 18 May 2006 at 2005 Annual General Meeting in relation to the conversion of capital reserve into share capital, the Company converted capital reserve of RMB525,652,364 into 5,256,523,640 shares with nominal value of RMB0.1 per share (i.e. every 10 existing ordinary shares for 10 new issued ordinary shares as bonus issue based on the 5,256,523,640 issued shares as at the end of 2005). According to the resolution passed on 30 April 2007 at 2006 Annual General Meeting in relation to the conversion of capital reserve into share capital, the Company converted capital reserve of RMB262,826,182 into 2,628,261,820 shares with nominal value of RMB0.1 per share (i.e. every 10 existing ordinary shares for 2.5 new issued ordinary shares as bonus issue based on the 10,513,047,280 issued shares as at the end of 2006). As such, the Company’s registered capital changed to RMB1,314,130,910. The Company, after obtaining the approval ([2008] No.417) granted by China Securities Regulatory Committee and the approval (Shang Zheng Shang Zi [2008] No. 29) granted by the Shanghai Stock Exchange, issued 1.4 billion ordinary shares with nominal value of RMB0.1 per share at an issue price of RMB7.13 per share and listed on the Shanghai Stock Exchange on 25 April 2008 (“IPO A shares”). As such, the Company’s registered capital changed to RMB1,454,130,910.

Notes to Financial Statements

30 June 2011
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I. GENERAL INFORMATION OF THE GROUP *(continued)*

The 1,050,000,000 IPO A shares issued through internet became publicly floating on the Shanghai Stock Exchange on 25 April 2008. The 350,000,000 IPO A shares issued through other ways became publicly floating on the Shanghai Stock Exchange on 25 July 2008. Except for 4,210,902,100 shares held by Minxi Xinghang State-owned Assets Investment Company Limited with a lock-up period of 36 months, the aggregate of 4,924,966,980 shares held by other domestic share shareholders had a lock-up period of 12 months. As at the date of this report, all the Company's issued shares are publicly floating.

According to the resolution passed on 30 May 2011 at the Annual General Meeting, the Company converted capital reserve into share capital and issued 5 new shares for every 10 existing shares based on the total number of issued shares as at the end of 2010. The new shares became publicly floating on 5 July 2011. As at the date of this report, the total number of issued shares is 21,811,963,650.

The Company's scope of business includes: exploration of mineral resources (for permitted items, the permitted periods, please refer to the permits for exploration of mineral resources); open pit mining and under ground mining (limited to branches) of gold and copper; process and refining of gold and copper mines; sales of mineral products and research, production and sales of ordinary machines and equipment; retailing of gold products; information technology services; industrial production information (excluding 9-seats or below vehicles); sales of chemical products (excluding dangerous chemical items); hydropower; investment in mining business, hotel business and construction in mine; foreign trade. (The above activities may include permitted operating items which require the approval of the relevant governmental bodies before operation.) The Group's largest shareholder is Minxi Xinghang State-owned Assets Investment Company Limited which was established in the PRC. For details, please refer to Note V.34.

The financial statements have been approved by the Company's board resolution on 9 August 2011.

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1. Basis of preparation of financial statements

The financial statements were prepared in accordance with the Basic Standard, 38 specific standards of the China Accounting Standards for Business Enterprises issued by Ministry of Finance in February 2006, and the Application Guidance for Accounting Standards for Business Enterprises, Interpretations for Accounting Standards for Business Enterprises and other relevant regulations (hereafter referred to as "the Accounting Standards for Business Enterprises" or "CAS").

The financial statements were prepared on the going concern basis.

When preparing the financial statements, except for certain financial instruments, historical cost is the valuation convention. Non-current assets held for sale are stated at the lower of fair value less costs to sale and their carrying amounts. When assets are impaired, provision should be made according to the relevant regulations.

Notes to Financial Statements

30 June 2011
RMB

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

2. Statement of compliance with the Accounting Standards for Business Enterprises

The financial statements have been prepared according to the CAS and they truly and completely reflected the financial position of the Group and the Company as at 30 June 2011 and the operating performance and cash flow for the six months ended 30 June 2011.

3. Accounting period

The Group's accounting year is the calendar year, i.e. starts from 1 January and ends on 31 December every year.

4. Reporting currency

The financial statements are presented in Renminbi ("RMB") unless stated otherwise.

The subsidiaries of the Group, jointly-controlled entities and associates decide their own functional currencies according to their major economic environment in which they operate, but convert the functional currencies into RMB when preparing financial statements.

5. Business combination

Business combinations refer to the transactions or events in which two or more independent enterprises combine to form a single reporting entity. Business combination can be a combination involving enterprises under common control or a combination involving enterprises not under common control.

Business combination involving enterprises under common control

Business combination involving enterprises under common control is one under which the participating enterprises both before and after combination are under the ultimate control, not one of temporary, by a common party or the same parties. As at the date of combination, one participating enterprise is the absorbing party and the other participating enterprise is the absorbed party. The date of combination is the date on which the absorbing party substantially gains control over the the absorbed party.

The assets and liabilities obtained by the absorbing party in a business combination are measured at the carrying amount on the date of combination. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid (or aggregate fair value of newly-issued share capital) for the combination is treated as an adjustment to capital surplus (share premium). If the capital surplus (share premium) is not sufficient to absorb the difference, the remaining balance is adjusted against retained earnings.

Notes to Financial Statements

30 June 2011
RMB

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

5. Business combination *(continued)*

Business combination involving enterprises not under common control

Business combination involving enterprises not under common control is one under which the participating enterprises both before and after combination are not under the ultimate control by a common party or the same parties. As at the date of acquisition, one participating enterprise is the acquirer and the other participating enterprise is the acquiree. The date of acquisition is the date on which the acquirer substantially gains control over the the acquiree.

The identifiable assets, liabilities and contingent liabilities of the acquiree in a business combination not under common control are measured at fair value at the date of acquisition.

Where the sum of fair value of consideration (or the fair value of equity instruments issued) and the fair value of equity interest purchased before acquisition is larger than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognized as goodwill, net of accumulated impairment in the subsequent measurement; Where the sum of fair value of consideration (or the fair value of equity instruments issued) and the fair value of equity interest purchased before acquisition is lower than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the fair value of the acquiree's identifiable assets, liabilities, contingent liabilities and the fair value of consideration (or the fair value of equity instruments issued) and the fair value of equity interest purchased before acquisition should be re-examined at first. If after re-examination, the sum of fair value of consideration (or the fair value of equity instruments issued) and the fair value of equity interest purchased before acquisition is still lower than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognized in profit or loss for the current period.

6. Consolidated financial statements

Consolidated financial statements are prepared on the basis of control, comprising the financial statements of the Company and all of its subsidiaries as at 30 June 2011. A subsidiary refers to an enterprise or entity which is under the control of the Company.

In preparing the consolidated financial statements, the subsidiaries adopt the same accounting policies and accounting periods as the Company. Where the accounting policies are inconsistent between the Company and the subsidiaries, the financial statements of subsidiaries are adjusted in accordance with the accounting policies of the Company. All significant intra-group balances, transactions, unrealised profit and loss and dividend are fully offset on consolidation.

Where the amount of losses for the current period attributed to the minority shareholders of a subsidiary exceeds the minority shareholders' portion of opening balance of owners' equity of the subsidiary, the excess amount is allocated against minority interests. Under the condition of not losing control, the changes in minority interests are classified as equity transactions.

For a subsidiary that is acquired in business combination involving enterprises not under common control, the operating results and cash flow of the acquiree are consolidated from the date on which the Group obtains control and ceased to be consolidated from the date that such control ceases. In preparing the consolidated financial statements, the fair values of the identifiable assets, liabilities and contingent liabilities of the acquiree as at the date of acquisition are used as a basis for consolidation adjustments.

Notes to Financial Statements

30 June 2011
RMB

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

6. Consolidated financial statements *(continued)*

For a subsidiary that is absorbed in business combination involving enterprises under common control, the operating results and cash flow of the absorbed party are consolidated from the beginning of the accounting period in which the business combination occurs. In preparing the comparative consolidated financial statements, the pre-merger items are adjusted and treated as if they existed, since under common control of ultimate controlling party, before the merger.

7. Cash and cash equivalents

Cash refers to cash on hand, and call deposits with banks. Cash equivalents refer to short-term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

8. Foreign currency transactions and translation

Foreign currency transactions are translated into RMB, the reporting currency.

Foreign currency transactions are translated initially at the exchange rates prevailing at the dates of the transactions or the average rates for that period. At balance sheet date, monetary items denominated in foreign currencies are translated into RMB using the spot exchange rates on the balance sheet date. Exchange differences arising from these translations are recognized in profit or loss for the current period, except for those attributable to foreign currency borrowings that are specifically for the acquisition or construction of qualifying assets, which are capitalized as part of the cost of those assets. Non-monetary items denominated in foreign currencies that are measured at historical costs are translated at the exchange rates prevailing at the dates of the transactions, without change of the recorded amount denominated in reporting currency. Non-monetary items denominated in foreign currencies that are measured at fair values are translated using the spot exchange rates on the fair value measuring date; exchange differences arising from these translations are recognized in profit or loss for the current period or other comprehensive income.

In preparing the financial statements of foreign operations, their functional currencies are translated into RMB, the reporting currency. The asset and liability items in the balance sheets for overseas operations are translated at the spot exchange rates on the balance sheet date. Items among the shareholders' equity other than "retained earnings" are translated at the spot exchange rates of the transaction dates. The income and expense item in the income statements of overseas operations are translated at the spot exchanges rates of transaction dates or the average rates for the current period. The differences arising from the above translation are presented as other comprehensive income separately in the owners' equity in the balance sheet. On disposal of foreign operations, the relevant portion of other comprehensive income is transferred out to profit or loss for the current period.

The cash flows of overseas operations are translated at the average exchange rates for the current period. The effect of exchange rate changes on cash is presented separately in the cash flow statement.

Notes to Financial Statements

30 June 2011
RMB

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

9. Financial instruments

Financial instruments refer to financial assets of one enterprise which result in contractual liabilities or equity instruments of other entities.

Recognition and derecognition of financial instruments

Financial assets or financial liabilities are recognized when the Group becomes a contractual party to a financial instrument.

A financial asset or group of similar financial assets shall be partly or entirely derecognized when one of the following conditions is fulfilled:

- (1) The contractual rights to receive the cash flows from the financial asset expire;
- (2) The right to receive cash flows from the financial asset is transferred or according to agreement an obligation to pay the cash flows on-time to a third party is born; and (a) all the risks and rewards of ownership of the financial asset are substantially transferred; or (b) no control of the financial asset is retained although all the risks and rewards of the financial assets are substantially neither transferred nor retained.

A financial liability shall be derecognized when the current obligation is discharged, rescinded or expired. If original provisions in the agreement of the financial liability are replaced by the same lender with the provisions which are substantially different from original ones, or the original provisions are amended substantially, or the original provisions are amended substantially, the original financial liability is derecognized and a new financial liability is recognized; the difference is recognized as profit or loss for the current period.

Financial assets traded in normal ways are recognized and derecognized on transaction dates. Financial assets traded in normal ways means the financial assets are traded and settled within time limits according to agreements, regulations and prevalent rules. Transaction date means the date on which the Group commits to buy or sell the financial assets.

Notes to Financial Statements

30 June 2011
RMB

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

9. Financial instruments *(continued)*

Classification and measurement of financial assets

Financial assets of the Group are classified into following categories at initial recognition: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. The Group classifies the financial assets at initial recognition. For financial assets that are recognized initially at fair value, the changes in fair value of the financial assets are recognized in the profit or loss for the current period, and the relevant transaction costs are recognized directly in the profit or loss for the current period. The relevant transaction costs of other financial assets are recognized as cost initially.

The subsequent measurement of financial assets depends on its classification:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include held-for-trading financial assets. A held-for-trading financial asset is one fulfilled one of the following conditions: the intention of acquisition of which is for short-term sales; it is part of centrally administrated and identifiable financial instruments and it can be objectively shown that the part of financial instruments is administered for short-term profit; it is derivative but specified as effective hedging instruments in relation to financial guarantee contracts except for derivatives linked to equity instruments that are not quoted in an active market, the fair value of which cannot be reliably measured and needed for physical delivery and settlement. In relation to this type of financial assets, it is measured at fair value for subsequent measurement and all realized and unrealized profits or losses are recognized in profit or loss for current period. The relevant dividend and interest income of the financial assets at fair value through profit or loss are recognized in profit or loss for current period.

Financial assets can be classified as financial assets at fair value through profit or loss at initial recognition only if it can fulfill one of the followings conditions:

- (1) The classification can eliminate or substantially reduce the inconsistency in the relevant gains or losses recognized or measured under different basis of measurement of financial instruments.
- (2) The documents for risk management and investment strategy formally specifies that the financial insruments are administered, assessed and reported to key management on the basis of fair value.
- (3) It is a mixed instrument that attaches one or more embedded derivatives unless the embedded derivatives attached has no material effects on the cash flows of the mixed instrument or the embedded derivatives clearly should not be separated from the relevant mixed instrument.
- (4) The embedded derivatives attached in the mixed instrument need to be separated but it cannot be separately measured at its initial recognition or at subsequent balance sheet dates.

Notes to Financial Statements

30 June 2011
RMB

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

9. Financial instruments *(continued)*

Classification and measurement of financial assets *(continued)*

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

Equity instruments that are not quoted in an active market and the fair value of which cannot be reliably measured cannot be classified as financial assets at fair value through profit or loss.

Once an enterprise classifies a financial asset as financial asset at fair value through profit or loss at initial recognition, the financial asset cannot be reclassified as other types of financial asset; other types of financial assets also cannot be reclassified as financial asset at fair value through profit or loss.

According to the above conditions, the financial assets of this type specified by the Group include principally held-for-trading financial assets.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed maturity and fixed or determinable receipts that management has the positive intention and ability to hold to maturity. Held-to-maturity investments are accounted for by using effective interest rate method and at amortised cost on subsequent measurement. The gains or losses on amortization, impairment and derecognition are recognized in profit or loss for the current period.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are accounted for by using effective interest rate method and at amortised cost on subsequent measurement. The gains or losses on amortization and impairment are recognized in profit or loss for the current period.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories mentioned above at initial recognition. Available-for-sale financial assets are measured at fair value for subsequent measurement. Its interest or expenses are recognized by effective interest rate method on the amortisation of its discount or premium. Except for impairment loss and foreign currency exchange difference which are recognized in profit or loss for the current period, the changes in fair value of available-for-sale financial assets are recognized in capital reserve in other comprehensive income until when the available-for-sale financial assets are derecognized or impaired and the accumulated gains or losses are transferred out to profit or loss for the current period. The relevant dividend and interest income of the available-for-sale financial assets are recognized in profit or loss for current period.

For those equity investments that are not quoted in an active market and the fair value of which cannot be reliably measured, they are measured at cost.

Notes to Financial Statements

30 June 2011
RMB

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

9. Financial instruments *(continued)*

Classification and measurement of financial liabilities

Financial liabilities are classified into the following categories at initial recognition: financial liabilities at fair value through profit or loss and other financial liabilities. The Group classifies financial liabilities at initial recognition. The changes in fair value and the relevant transaction expenses of the financial liabilities at fair value through profit or loss are recognized in profit or loss for current period. The relevant transaction expenses of the other financial liabilities are recognized as cost at initial recognition.

The subsequent measurement of financial liabilities depends on its classification:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include held-for-trading financial liabilities. Held-for-trading financial liabilities are the ones that satisfy one of the followings conditions: The intention for bearing the financial liabilities is for short-term redemption; they are part of the centrally administered and identifiable financial instruments and it can be objectively shown that the part of financial instruments is administered for short-term profit; it is derivative but specified as effective hedging instruments in relation to financially guaranteed contracts except for derivatives linked to equity instruments that are not quoted in an active market, the fair value of which cannot be reliably measured and needed for physical delivery and settlement. In relation to this type of financial liabilities, they are measured at fair value for subsequent measurement and all realized and unrealized profits or losses are recognized in profit or loss for current period.

Once an enterprise classifies a financial liability as financial liability at fair value through profit or loss at initial recognition, the financial liability cannot be reclassified as other types of financial liability; other types of financial liabilities also cannot be reclassified as financial liability at fair value through profit or loss.

Other financial liability

This category of financial liability is accounted for by using effective interest rate method and measured at amortised cost on subsequent measurement.

Financial guarantee contract

Financial guarantee contract is the contract between the guarantor and the creditor in which when the debtor fails to fulfil its debt obligation, the guarantor takes over or commits to the debt obligation of the borrower under the contract. The liability of financial guarantee contract is recognized at fair value at initial recognition. Financial liabilities not classified as financial liabilities at fair value through profit or loss are recognized at the higher of the best estimate of relevant expenses under the contract as at balance sheet date and the amortised cost on subsequent measurement.

Notes to Financial Statements

30 June 2011
RMB

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

9. Financial instruments *(continued)*

Derivative financial instrument

The Group uses derivative financial instruments such as commodity forward contracts for hedging the commodity price risk. Derivative financial instruments are measured at fair value at contract date at initial recognition and at fair value for subsequent measurement. Positive fair value represents derivative financial assets. Negative fair value represents derivative financial liabilities. However, derivative financial instruments that are not quoted in an active market, the fair value of which cannot be reliably measured and needed for physical delivery and settlement are measured at cost.

Except for portion of gain or loss in the cash flow hedge determined to be an effective hedge is recognized in other comprehensive income, the changes in fair value of derivative instruments are recognized as profit or loss for the current period.

Fair value of financial instruments

The fair value of a financial instrument that is traded in active market is determined at the quoted price in the active market. The fair value of a financial instrument that is not traded in an active market is determined by using valuation technique. Valuation techniques include using price of recent market transactions between knowledgeable and willing parties, referring to the current fair value of another financial asset that is substantially the same with the concerned instrument, discounted cash flow analysis and option pricing model.

Impairment of financial assets

The Group assesses the carrying amounts of financial assets at each balance sheet date. If there is objective evidence that a financial asset is impaired, the Group shall determine the amount of impairment loss. The objective evidence of impairment loss of financial assets refers to events that actually happen after initial recognition, that have future cash flow impact on the financial assets and that the effects can be reliably measured.

Financial assets measured at amortised cost

When there is objective evidence that an impairment loss on a financial asset measured at amortised cost has occurred, the amount of loss is measured at the difference between the asset's carrying amount and the present value of its estimated future cash flows (excluding future credit losses that have not been incurred) and such loss is recognized in profit or loss for current period. The discounted future cash flows is ascertained by the actual effective rate (i.e. the effective rate at initial recognition) and value of relevant security. For those using floating rate, the discounted future cash flows is ascertained by the current effective rate as the discount rate.

Notes to Financial Statements

30 June 2011
RMB

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

9. Financial instruments *(continued)*

Impairment of financial assets *(continued)*

Financial assets measured at amortised cost (continued)

Impairment test is made on individual significant financial asset on single item basis. If there is objective evidence that impairment loss has occurred, such loss is recognized in profit or loss for current period. Financial assets with insignificant individual amounts should be grouped into financial asset groups with similar credit risk profile or characteristics, and tested on group basis or individually. Financial assets (including individual financial assets with significant and insignificant amounts) that do not show impairment loss in individual impairment test, should be grouped into financial asset groups with similar credit risks profile or characteristics for impairment test on group basis. For financial assets that are impaired individually, they should not be grouped into financial asset groups with similar credit risk profile or characteristics for impairment test again.

For those financial assets that are measured at amortised cost and are impaired, if there is objective evidence that the value of the financial asset is recovered and the recovery is related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed and the amount of reversal is recognized in profit or loss for the current period. However the carrying amount of the financial asset cannot exceed the amortised cost before impairment provision.

Available-for-sale financial assets

If there is objective evidence that the available-for-sale financial asset has impaired, the cumulative loss arising from the decline in fair value that had originally been recognized in other comprehensive income is removed and recognized as impairment loss in profit or loss for current period. The amount of the cumulative loss that is removed should be difference between the acquisition cost net of any principal repayment and amortisation, and current fair value, less any impairment loss previously recognised in profit or loss.

For an investment in debt instrument classified as available-for-sale on which impairment loss have been recognized, if in subsequent period its fair value increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the previously recognized impairment loss is reversed and recognized in profit or loss for the current period. For an investment in equity instrument classified as available-for-sale on which impairment losses have been recognized, the increase in its fair value in a subsequent period is not reversed through profit and loss, and is recognized in other comprehensive income directly.

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II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

9. Financial instruments *(continued)*

Financial assets impairment *(continued)*

Financial assets measured at cost

If there is objective evidence that the value of the financial asset has impaired, the amount of loss is measured at the difference between the carrying amount and the present value of its future cash flows discounted at market rate of return and such loss is recognized in profit or loss for the current period. The impairment loss cannot be reversed.

Long-term equity investments that are measured at cost basis according to CAS No.2 - Long-Term Equity Investment, with no quoted price in an active market and whose fair value cannot be reliably measured are impaired according to the above principles.

Transfer of financial assets

A financial asset shall be derecognized when the Group has substantially transferred all the risks and rewards of ownership of the financial asset; a financial asset shall not be derecognized when the Group substantially retains all the risks and rewards of ownership of the financial asset.

When the Group neither transferred nor retained substantially all the risks and rewards of the financial assets, the treatments are as follows: (1) If the control on the financial assets is given up, the financial assets are derecognized and the resulting assets and liabilities are recognized; (2) If the control on the financial assets is not given up, the relevant financial assets are recognized and according to the degree of continuing involvement in the financial assets and recognised respective liabilities.

10. Trade receivables

(1) Trade receivables that are individually significant and subject to separate provision for bad debt

The Group uses the criteria that the individual amount exceeding RMB10 million and there is objective evidence that the value of the trade receivables has impaired, the amount of loss is measured at the difference between the carrying amount and the present value of its estimated future cash flows and such loss is recognized in profit or loss for the current period. The objective evidence of impairment loss of trade receivable refers to events that actually happen after initial recognition, that have future cash flow impact on the financial assets and that the effects can be reliably measured.

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II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

10. Trade receivables *(continued)*

- (2) Trade receivables that are not individually significant but subject to separate provision for bad debt

If the Group considers that individual amount is not significant and there is objective evidence that the value of the trade receivables has impaired, the amount of loss is measured at the difference between the carrying amount and the present value of its estimated future cash flows and such loss is recognized in profit or loss for the current period.

11. Inventories

- (2) Inventories include raw materials, work in progress, finished goods, turnover materials and development cost.

Inventories are measured at cost at initial recognition. Cost of inventories includes procurement cost, processing cost, land cost, construction cost and other costs. Cost of inventories issued are determined using weighted average method. Turnover materials include low-value consumable supplies and packaging materials etc; low-value consumable supplies and packaging materials are one-off amortised. After completion of development, all relevant development cost are allocated according to saleable area. The portion attributable to the unused saleable area is allocated to commodity under development.

Perpetual inventory system is used for inventory system.

As at the balance sheet date, inventories are valued at lower of cost and net realizable value. When cost is higher than net realizable value, provision of write down of inventories to net realizable value is made and the amount is recorded for in profit or loss for the current period. If the factor that caused the write down of inventories disappears and the net realizable value becomes higher than carrying amount of inventories, the amount previously written down but not exceeding that originally provided is written back and the amount recovered is recorded profit or loss for the current period.

Net realizable value is the amount based on the estimated selling price in ordinary course of business, less estimated costs to completion and estimated cost of sale and related taxes. Provision for write down of inventories to net realizable value is made on individual item basis and for raw materials, based on categories.

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II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

12. Long-term equity investments

Long-term equity investments comprise equity investments in its subsidiaries, jointly controlled entities, associates and equity investments where the Group does not have control, joint control or significant influence over the investees and which are not quoted in an active market and whose fair value cannot be reliably measured.

Long-term equity investments are accounted for using cost method when acquired at initial measurement. For long-term equity investments obtained through business combination involving enterprises under common control, the initial investment cost is measured at the share of book value of owners' equity in the absorbed party; for long-term equity investments obtained through business combination involving enterprises not under common control, the initial investment cost is measured at the consideration paid for the acquisition (for piece-meal acquisition, the initial investment cost is the sum of book values of equity investments of the acquiree in the acquiror before the date of acquisition and the increased investment cost as at the date of acquisition). Consideration paid for the acquisition is the sum of fair values of assets paid by the acquiror, incurred or committed liabilities and the equity instruments issued. Except for long-term equity investments obtained through business combination, the initial investment cost is ascertained as follows: For long-term equity investments obtained by cash payment, the initial investment cost includes the cash actually paid and expenses directly related to the purchase of the long-term equity investments, taxes and other necessary expenses; for long-term equity investments obtained by issuing equity instruments, the initial investment cost is the fair value of equity instruments issued; for long-term equity investments obtained by injection of assets, the initial investment cost is the negotiated price or value under agreement, unless the negotiated price or value under agreement is unfair; for long-term equity investments obtained by exchange of non-monetary assets, the initial investment cost is ascertained according to CAS No.7 - Exchange of Non-Monetary Assets.

The Group uses cost method for accounting of long-term equity investments where the Group does not have joint control or significant influence over the investees and which are not quoted in an active market and whose fair value cannot be reliably measured. The Company uses cost method for measurement of long-term equity investments where the Company can exercise control. Control is the power to govern on the financial and operating policies of the investee so as to obtain benefits from its operating activities of that investee.

When using cost method, the long-term equity investments is measured at initial investment cost and its cum cash dividend and profit sharing declared but not yet paid by the investees. The cash dividend declared but not yet paid by the investees and the share of profits in the investee are recognized as investment income for the current period. Impairment provision is also considered for the long-term equity investments according to the relevant policies.

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II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

12. Long-term equity investments *(continued)*

The Group uses equity method for accounting of long-term equity investments where the Group can exercise joint control or significant influence over the investees. Joint control is the contractually agreed sharing of control over an economic activity and exists only when the strategic financial and operating decisions relating to the activity require unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but cannot exercise control or joint control over those policies with the other party.

When using equity method and the initial investment cost of a long-term equity investment exceeds the investor's share of fair value of the investee's identifiable net assets at the time of acquisition, the long-term equity investment is allocated to the initial investment cost. When using equity method and the initial investment cost of a long-term equity investment is less than the investor's share of fair value of the investee's identifiable net assets at the time of acquisition, the difference shall be included in profit or loss for the current period and the cost of long-term equity investment shall be adjusted accordingly.

When using equity method after long-term equity investment is acquired, the share of net profit or loss of the investee is recognized as investment income or loss and the book value of the long-term equity investment is adjusted accordingly. When recognizing the share of profit or loss in the investee, the net profit or loss of the investee is adjusted on basis of the investee's identifiable net assets at the time of acquisition, the Group's accounting policies and accounting period and the elimination of the share of profit or loss arising from intra-group transactions between associates and jointly-controlled entities (However, loss in intra-group transactions that are attributable to the impairment loss shall be wholly recognized.). The book value of long-term equity investment is reduced by the amount of profit appropriation or cash dividend declared by the investee. The Group discontinues recognizing its share of net losses of an investee after the carrying amount of long-term equity investment together with any long-term interest that, in substance, form part of the investor's net investment in the investee are reduced to zero except when the Group has obligations for additional loss. For changes in owners' equity of the investee other than those arising from its net profit or loss, the carrying value of long-term equity investment is adjusted accordingly.

On disposal of long-term equity investments, the difference between the carrying amount and the consideration actually received is recognized in profit or loss for the current period. For those long-term equity investments that are equity accounted, the original portion that is included in owners' equity is transferred to profit or loss for the current period on disposal.

The impairment test and the method of impairment provision for long-term equity investments in subsidiaries, jointly-controlled entities and associates are disclosed in Note II.25. The impairment test and the method of impairment provision for long-term equity investments which are not quoted in an active market and whose fair value cannot be reliably measured are disclosed in Note II.9.

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II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

13. Investment properties

Investment properties are properties that are held for leasing and/or capital appreciation including leased buildings, and land use rights and leased constructions that shall be transferred once they are appreciated.

Investment properties are measured initially at cost. Subsequent expenditures incurred in relation to an investment property is included in the cost of investment property when it is probable that the associated economic benefits will flow to the Group and its cost can be reliably measured. Otherwise, the expenditures are recognized in profit or loss in the period in which they are incurred.

The Group adopts the cost model for subsequent measurement of the investment properties. Depreciation methods are consistent with that for buildings and constructions in fixed assets.

The impairment test and the method of impairment provision for investment properties that use the cost model for subsequent measurement are disclosed in Note II.25.

14. Fixed assets

Fixed assets are recognized only if it is probable that economic benefits will flow to the Group and the costs can be reliably measured. Subsequent expenditures incurred for a fixed asset are included in the cost of the fixed asset when the recognition criteria are fulfilled and the book value of the replaced part ceases to be recognised; Otherwise, the expenditures are recognized in profit or loss in the period in which they are incurred.

Fixed assets are measured initially at cost after consideration of the impact of expected disposal cost. Cost of purchasing fixed assets includes the purchase price, related taxes and other expenses that are directly attributable to bringing the fixed assets to a state ready for their intended use. The used fixed assets injected by the founding shareholder(s) and formed part of initial investment when the Company was formed are valued at replacement cost after asset valuation.

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RMB**II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES** *(continued)***14. Fixed assets** *(continued)*

Except for constructions in mines (including those disclosed in Note V.13) which are depreciated based on mining production and estimated production volume, other fixed assets are depreciated by using straight-line method. The depreciation rates are based on the type of fixed assets, estimated useful lives and estimated residual values, the details of which are as follows:

Type	Useful lives	Estimated net residual values	Annual depreciation rates
Buildings	8-35 years	3%	2.77-12.13%
Power generation equipment & power transmission system	8-30 years	3%	3.23-12.13%
Machinery	5-15 years	3%	6.47-19.4%
Decoration	5 years	3%	19.4%
Office & electronic equipment	4-10 years	3%	9.7-24.25%
Vehicles	6 years	3%	16.17%

The Group at least reviews useful lives, estimated net residual values and depreciation methods at the end of each financial year and adjusts them accordingly when necessary.

The impairment test and the method of impairment provision for fixed assets are disclosed in Note II.25.

15. Construction in progress

Construction in progress is measured at actual cost including any necessary expenses during the construction, borrowing cost that are eligible for capitalization and other related costs necessary to bring the assets ready for their intended use.

Construction in progress is transferred to fixed assets when the assets are ready for their intended use.

The impairment test and the method of impairment provision for construction in progress are disclosed in Note II.25.

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II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

16. Borrowing costs

Borrowing costs are interest expenses arising from the Group's borrowing and other related costs including loan interest, amortization of discount or premium, ancillary cost and the exchange differences in relation to foreign currency loan borrowings etc.

The borrowing costs that are directly attributable to the acquisition and construction of a fixed asset are capitalized; other borrowing costs are recognized as profit or loss for the period in which they incurred. Assets that are qualified for capitalization are those that need a substantially long period of time for acquisition and construction to get ready for their intended use or those ready for sale such as fixed assets, investment properties and inventories.

Borrowing costs should fulfill simultaneously the following conditions before they can commence capitalisation:

- (1) Asset expenditures are already incurred;
- (2) Borrowing costs are already incurred;
- (3) The acquisition or production activities that are necessary to bring the assets ready for their intended use or ready for sale were already started.

The capitalization of borrowing costs ceases when the qualified asset under acquisition and construction or production becomes ready for its intended use or ready for sale. The borrowing cost incurred thereafter are recognized in profit or loss for the current period.

During capitalization period, the amount of interest capitalized for each accounting period is ascertained as follows:

- (1) For specific borrowings, the amount of borrowing costs eligible for capitalization is the actual interest expenses incurred during the period deducted by interest earned from temporary deposit or investment income.
- (2) For general borrowings, the amount of borrowing costs eligible for capitalization is determined by applying the weighted average effective interest rate of general borrowings used, to the weighted average of the excess amount of cumulative expenditures on the asset over the amount of specific borrowings.

Capitalisation of borrowing costs is suspended during periods in which the acquisition and construction or production of a fixed asset is interrupted abnormally (not arising from the state that the assets are ready for their intended use or ready for sale) and the interruption lasts for 3 months. During the period of interruption, borrowing costs are recognized as profit or loss for the period in which they are incurred, until the acquisition and construction or production is resumed.

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II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

17. Intangible assets

Intangible assets are recognized only if it is probable that economic benefits will flow to the Group and the costs can be reliably measured. In this case, the intangible assets are valued at cost at initial recognition. However, for intangible assets that are acquired in business combination, if they can be measured reliably at fair value, the intangible assets shall be recognized individually at fair value.

The useful lives of intangible assets are assessed based on the period during which they are expected to bring economic benefits to the Group. The intangible assets with uncertain useful lives are those that the length of duration to bring economic benefits to the Group cannot be foreseen.

The useful lives of the intangible assets are as follows:

Categories	Useful lives
Land use rights	Time limit for the rights of use (30-50 years)
Exploration & mining rights	Time limit for the rights of use (2-30 years) (The time limit is assessed according to the total mineral resource inferred and measured)
Membership of Shanghai Gold Exchange	Time limit for the rights of use (10 years)

The Group generally accounts for the land use rights acquired as intangible assets. The self-constructed buildings and the relevant land use rights are accounted for as fixed assets and intangible assets respectively. Consideration paid for both land and buildings are allocated between the land use rights and buildings; those price cannot be reasonably apportioned is wholly accounted for as fixed assets.

Those intangible assets with finite useful lives are amortised by using straight-line method or other reasonable methods of amortization during their useful lives. The Group at least reviews the useful lives and method of amortization of the intangible assets with finite useful lives at the end of each financial year and adjusts them if necessary.

Impairment tests are performed annually on those intangible assets with uncertain useful lives whether impairment indication exists or not. This category of intangible assets does not amortise but is reviewed for their useful lives every accounting period. If evidence is shown that their useful lives are finite, the intangible assets shall be accounted for according to the above accounting policy for intangible assets with finite useful lives.

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II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

17. Intangible assets *(continued)*

Exploration expenses can be shown as acquisition cost after deduction of impairment loss. Exploration expenses include expenses in relation to the technical and commercial feasibility study on the relevant geological survey, exploration drilling and trench sampling in the existing mines. Exploration expenses in relation to the mines that can be reasonably ascertained with the commercial feasibility in production are capitalized, accounted for as exploration and mining rights in tangible assets and are amortised using volume production method. If the construction is given up on the development stage, all relevant expenses are written off and accounted for as profit or loss for the current period.

The impairment test and the method of impairment provision for intangible assets are disclosed in Note II.25.

18. Long-term deferred expenses

The long-term deferred expenses of the Group are the expenditure that have been paid but should be recognized as expenses to be amortised more than one year. The long-term deferred expenses include mainly the land compensation costs etc. The land compensation costs are amortised for 5-50 years according to beneficial period in general. Other long-term deferred expenses are amortised according to their respective beneficial periods.

19. Accrued liabilities

Except for contingent consideration and contingent liabilities arising in business combination, any obligations in relation to contingent events that fulfill the following conditions are recognized as accrued liabilities by the Group:

- (1) the obligation is the existing obligation committed by the Group;
- (2) the performance of the obligation is likely to result in an outflow of economic benefits from the Group;
- (3) the amount of the obligation can be measured reliably.

Accrued liabilities are measured at the best estimates of expenses on performance of the current obligation at initial recognition after integrated consideration of the factors such as risk, uncertainty and currency time value of the contingent events. At each year end date, the book values of accrued liabilities are reviewed. When concrete evidence is shown that the book values cannot reflect the current best estimates, the book values shall be adjusted to reflect the best current estimates.

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II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

20. Revenue

Revenue is recognized when the economic benefits will most likely flow to the Group, the related amount can be reliably measured and the following criteria are met at the same time:

Revenue in relation to sale of goods

Revenue is realized when the Group transferred substantially the risk and rewards of ownership of goods to the buyer, the Group does not retain the continuing administration and actual effective control associated with the ordinary ownership of the goods and the relevant costs incurred or to be incurred can be measured reliably. The revenue in relation to sale of goods is measured according to the received or receivable price from the buyer or the contract or negotiated amount unless this amount is unfair. For transaction based on contract or negotiated with deferred payment and finance nature, revenue is measured at fair value of the contract or negotiated price.

Revenue in relation to rendering of services

As at balance sheet date, revenue is recognized using the percentage of completion method if the result of transaction of rendering services can be reliably estimated otherwise revenue is measured at amount that incurred and are expected to be able to compensate the cost of rendering the service. The result of transaction of rendering services can be reliably estimated if the following conditions are fulfilled at the same time: the amount of revenue can be measured reliably; it is probable that relevant economic benefits will flow to the Group; the progress of completion can be assessed reliably; the costs incurred or to be incurred in relation to the transaction can be measured reliably. The Group measures the progress of completion by using the ratio of services rendered to the total services that should be rendered. The total revenue in relation rendering of services is measured according to the the contract or negotiated amount unless this amount is unfair.

When the Group enters into a contract of sale of goods and rendering services with other enterprise and if the portions of revenue in relation to sale of goods and rendering services can be measured separately and individually, the revenue for sale of goods and revenue for rendering service are accounted for separately. If the portions of revenue in relation to sale of goods and rendering services cannot be measured separately or individually, the revenue for the whole contract are accounted for as revenue in relation to sale of goods.

Interest income

It is determined in accordance with the time and effective interest rate on the Group's capital used by other parties.

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II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

20. Revenue *(continued)*

Rental income

Rental income under operating lease are recognized using straight-line method over lease periods. Contingent rent are recognized as profit or loss for the period incurred.

21. Government grants

Government grants are recognized when the attached pre-requisit conditions are fulfilled. For a government grant in the form of transfer of monetary assets, the grant is measured at the amount received or receivable. For a government grant in the form of transfer of non-monetary assets, the grant is measured at fair value; if the fair value is not reliably determinable, the grant is measured at nominal amount. For government grants related to income, where the grant is a compensation for related expenses or losses to be incurred in the subsequent periods, the grants shall be recognized as deferred income, and included in profit or loss over the periods in which the related cost are recognized; where the grant is a compensation for related expenses or losses already incurred, the grant shall be recognized immediately in profit or loss for the current period. For government grants related to assets, the grants shall be recognized as deferred income, and evenly allocated to profit or loss over the useful lives of the relevant assets; however, government grants measured at nominal amount are recognized immediately in profit or loss for the current period.

22. Income tax

Income tax comprises current and deferred tax. Except for goodwill adjustment arising from business combination or transactions in relation to owners' equity, all other income taxes are recognized as profit or loss for the current period under income tax expenses or revenue.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities according to tax laws.

Deferred tax is provided, using liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes and on the temporary difference between the tax bases and their carrying value for the items which are eligible to be recognised in accordance with prevalent tax regulations but not recognised as assets or liabilities under financial reporting standards.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- 1) where the deferred tax liability arises from the initial recognition of goodwill, the initial recognition of an asset or liability in a transaction with the characteristic that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- 2) in respect of taxable temporary differences associated with interests in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

22. Income tax *(continued)*

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- 1) where the deferred tax asset relating to the deductible temporary differences arises from a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- 2) In respect of deductible temporary differences associated with interests in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be probably available in future against which the temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the applicable tax rates that are expected to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

The carrying amount of deferred tax assets is reviewed at the balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the balance sheet date and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

23. Operating leases

A finance lease is a lease that substantially transfers all the risks and rewards incidental to ownership of an asset. An operating lease is a lease other than a finance lease.

Lessee of operating leases

Lease payments under operating leases are recognised on a straight-line basis over each period of the lease and are either capitalized as part of the cost of related assets or charged as an expense for the current period. Contingent rentals are recognised as profit or loss for the current period when actually occurred.

Lessor of operating leases

Lease rentals under operating leases are recognised on a straight-line basis over the period of the lease and are included as an income for the current period.

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II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

24. Non-current assets held for sale

Non-current assets, except for financial assets and deferred tax assets, satisfying the following conditions are classified as held for sale by the Group:

- (1) the Group has made a resolution for the disposal of non-current asset;
- (2) an irrevocable contract with the transferee has been signed; and
- (3) the transfer will be completed within one year.

Single item of non-current asset and a group of non-current asset classified as to be disposed do not provide for depreciation or amortization but are measured at fair value net of disposal cost not exceeding the original carrying amount when the conditions for sale are fulfilled. The portion that original carrying amount exceeding the fair value net of disposal cost is recognized as impairment loss in profit or loss for the current period.

25. Impairment loss

Except for inventories, deferred tax assets, financial assets and long-term equity investments whose fair value cannot be reliably measured, which are not quoted in an active market and reported using cost method, impairment loss is determined as follows:

The Group judges if there is indication of impairment loss as at balance sheet date. If there is any indication of existence of impairment, the Group will estimate the recoverable amount and perform impairment test accordingly. Goodwill that arises from business combination and intangible assets with undefined useful lives are tested at least once a year for impairment by the year end, irrespective of whether there is any indication that they may be impaired. Intangible assets that are not ready for their intended use are also tested annually for impairment.

The recoverable amount is the higher of an asset's fair value less disposal cost and the present value of the future cash flows expected to derive from the asset. The recoverable amount is determined and recognized on the individual asset basis. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the relevant group of assets to which the asset belongs is determined. Identification of asset group is based on whether the main cash flow it generates is independent from other assets or asset groups.

When the recoverable amount of an asset or asset group is lower than its carrying amount, the Group shall reduce the carrying amount to recoverable amount. The amount reduced is recognized as profit or loss for the current period and make a provision for asset impairment.

In conducting impairment test, the carrying amount of goodwill arising from business combination is allocated in a reasonable way to the related asset groups from the date of acquisition. If it is difficult to allocate to the related asset groups, the goodwill will be allocated to the related asset groups. Related asset groups or groups of related asset groups are groups which are expected to benefit from the synergies of the business combination and are not bigger than the Group's reporting segments.

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II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

25. Impairment loss *(continued)*

If there is indication that the related asset groups or groups of related asset groups, including goodwill allocated, will be impaired in impairment test, recoverable amount is first determined on the related asset groups or groups of related asset groups without goodwill allocated and recognized the corresponding impairment loss. Impairment test is then performed on the related asset groups or groups of related asset groups including goodwill allocated; its carrying amount and recoverable amount are compared. If the recoverable amount is less than the carrying amount, the impairment loss is first allocated to reduce the carrying amount of goodwill in the related asset groups or groups of related asset groups; the excess is then allocated to reduce the carrying amounts of assets in the related asset groups or groups of related asset groups according to proportion of carrying amount of assets excluding goodwill in the related asset groups or groups of related asset groups.

Once the above asset impairment is recognised, it will not be reversed in the subsequent accounting periods.

26. Staff salaries

Staff salaries are various expenses and rewards paid by the Group to staff arising from the provision of service by the staff. Accrued payroll are recognized as liabilities during the accounting period the staff provide service. If the impact of discounted amount of accrued payroll due over 1 year as at balance sheet date is significant, the amount shall be shown at discounted value.

The social security insurance including pension insurance, medical insurance, unemployment insurance and housing provident fund administered by the local government paid for the employees by the Group are accounted for as cost of relevant assets or profit or loss for the period incurred.

Where the group terminates the employment relationship with employees before the end of the employment contract or offers compensation for encouraging employees to accept voluntary redundancy, a provision for termination benefits for the compensation shall be recognized with a corresponding charge to profit or loss for the current period when the Group has made a formal plan for termination of an employment relationship or an offer for voluntary redundancy which will be implemented immediately and cannot be withdrawn by the Group unilaterally.

In relation to early retirement scheme for employees, it applies the same principles as above. The Group accounts for early termination benefits as accrued payroll and social welfares. When the recognition criteria in respect of termination benefits are met, the benefits proposed to be paid by the Group for the period from the discontinuation of service by an employee to his normal retirement date are recognized as liabilities with a corresponding charge to profit or loss for the current period.

27. Dividend distribution

Cash dividend is recognized as a liability after the dividend is approved by the shareholders at the annual general meeting.

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II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

28. Related parties

Related parties arise where one party controls or jointly controls the other party; or one party can exert significant influence over the other party; or two or more parties are under common control or jointly control by one party.

29. Segment report

The Group identifies operating segments based on the internal organization structure, management requirements and internal reporting system. Operating segments form the basis for the Group to identify reportable segments and disclose segment information of reportable segments.

Operating segment is a component that satisfies all of the following conditions within the Group:

- (1) The component is able to earn revenue and incur expenses in daily ordinary activities;
- (2) The management of the Group is able to assess the operating result of the component periodically so as to decide the resource allocation and comment on its result;
- (3) The Group can access to the corresponding accounting information of the component such as its financial position, operating result and cash flows etc.

Two or more operating segments having the similar economic characteristics and satisfy certain requirements can be combined into one single operating segment.

30. Significant accounting estimates and its uncertainty

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities as at the balance sheet date. However, uncertainty about these assumptions and estimates could result in a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Operating lease commitments - as lessor

The Group has entered into commercial property leases on its investment properties. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties which are therefore treated as operating leases.

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II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

30. Significant accounting estimates and its uncertainty *(continued)*

Judgements (continued)

Classification of investment properties and fixed assets

The Group has entered into commercial property leases on its buildings and construction. The Group has determined, based on an evaluation of the terms and conditions of the arrangements and the intention of the management in holding these buildings, that the Group retains the ownership of these properties for the purpose of earning rental income and capital appreciation and the properties are therefore treated as investment properties.

Classification of non-current assets held for sale

The board of directors of the Group resolves that certain non-current assets which will be transferred within 1 year under the agreement of irrevocable asset transfer are, based on the terms and conditions of the arrangements, classified as non-current assets held for sale.

Corporate income tax

As at reporting date, the Group did not complete the corporate income tax final settlement procedures. Therefore the Group made an objective estimate of provision for corporate income tax for the reporting period based on current tax laws and other relevant tax policies. The Group will adjust the difference in income tax for the current period in which it is incurred if there is any discrepancy between the actual tax and tax provided after the final settlement of corporate income tax.

Uncertainty in estimation

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the future accounting periods, are discussed below.

Impairment of available-for-sale financial assets

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in the income statement, is removed from other comprehensive income and recognised in the current income statement. When there is a significant or prolonged decline in the fair value of an available-for-sale financial asset below its cost or other objective evidence indicates impairments, impairment provision shall be made. The determination of what is "significant" or "prolonged" requires judgement from management. Besides the Group would also assess the impact of other factors such as volatility of share price. In the case of equity investments classified as available for sale, its impairment losses on equity interests are not reversible through the income statement.

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II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

30. Significant accounting estimates and its uncertainty *(continued)*

Judgements (continued)

Impairment of non-current assets excluding financial assets (excluding goodwill)

The Group judges whether evidence exists that the non-current assets excluding financial assets may be impaired as at reporting date. In case of intangible assets with undefined useful lives, apart from annual impairment test, impairment shall be performed if evidence exists that the assets may be impaired. For non-current assets other than financial assets, impairment test is performed if evidence shows that their carrying amounts cannot be recovered. When the carrying amount of an asset or a group of assets is higher than the recoverable amount (i.e. the higher of the fair value net of disposal cost and the discounted estimated future cash flows), it shows an impairment. The fair value net of disposal cost is determined by similar asset negotiated selling price in an arm's length transaction or the public market price, after deduction of the incremental cost directly attributable to the asset disposal. When calculating the discounted estimated future cash flows, the management must estimate the expected future cash flow of that asset or that group of assets and choose an appropriate discount rate to ascertain the carrying value of the future cash flows. For details, please refer to note V.26.

Useful lives of buildings, construction and machinery

The estimated useful lives of buildings, construction and machinery are determined based on the past experience on the actual useful lives of the past buildings, construction and machinery with similar nature and functions. If the the useful lives of these buildings, construction and machinery are shortened, the Company shall increase the depreciation and dispose the idle or technological obsoleted fixed assets.

Impairment of goodwill

The Group at least perform impairment test on goodwill on an annual basis. This requires an estimate on the discounted future cash flows on the asset group or groups of asset groups allocated with goodwill. When calculating the discounted future cash flows, the Group must estimate the expected future cash flow of asset group or group of asset groups and choose an appropriate discount rate for the cash flows. For details, please refer to note V.26.

Exploration cost

When capitalizing the cost, management must estimate the expected future cash flows, appropriate discount rate and assumption about the expected beneficial period of the relevant asset.

Provision for bad debt on trade receivables

Management determines the provision for bad debt on trade receivables according to the objective evidences that affect the recovery of trade receivable (such as the bankruptcy of debtor or the possibility of significant financial difficulty of the debtor). Management shall re-assess the provision for bad debt at the end of the year.

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II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

30. Significant accounting estimates and its uncertainty *(continued)*

Judgements (continued)

Provision for write down of inventories to net realizable value

The Company values inventories at the lower of cost and the net realizable value according to the inventory accounting policy. When cost is higher than net realizable value and the inventories become obsolete and slow-moving, provision for write down of inventories to net realizable value is made. Management shall re-assess whether the single item of inventories becomes obsolete and slow-moving and whether net realizable value is lower than cost at the end of the year.

Measured mineral reserves

Construction in mines, mining rights and exploration rights are amortised according to production volume method based on measured mineral reserves.

Measured mineral reserves are generally estimated based on judgement from the relevant knowledge, experience and commercial practice. In general, the judgement based on detection and measurement on the measured mineral reserves cannot be very accurate. After new technology or new information are obtained, such estimation may need to be updated. This may result in changes in the Group's operations and development plans and consequently may affect the Group's operations and performance.

Deferred income tax asset

To the extent that it is probable that there will be sufficient taxable income to offset the taxable loss, deferred income tax asset shall be recognized based on the unused taxable loss. This requires management to make a lot of judgments to estimate the amount and timing of future taxable income, together with tax planning strategies in order to determine the amount of deferred tax assets.

Expected damages

The Group is involved in a number of environmental litigations, the estimates of damages are based on the management's understanding of litigation and the reference to comments made by the legal counsel or legal representative. These estimates may need to be updated according to the progress of legal proceedings. This may affect the Group's operations and performance.

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II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

31. The exchange rates adopted by the Group's foreign operating entities

	Closing rate	
	30 June 2011	31 December 2010
USD	6.4716	6.6227
HKD	0.8316	0.8509
CAD	6.6722	6.6043
RUB	0.231	0.2164

III. TAX

1. The Group's principal tax items and related tax rates

Value-added Tax	Sales of gold and gold compounds are exempt from value-added tax. Sales tax for mining and processing of non-ferrous metals such as iron concentrates, copper concentrates, zinc concentrates is computed on 17% of the sales revenue. Sales tax for copper cathodes, zinc bullion, raw materials is computed on 17% of the sales and processing income. Value-added tax is computed on the difference after deduction of allowable input value-added tax.
Business Tax	Business tax is computed on 5% of rental income, 3% of transportation services income, 3% of construction service income, 5% of hotel services income and 5% of trademark usage fee income.
Urban Maintenance and Construction Tax	Urban maintenance and construction tax is calculated on rates range from 1% to 7% of the turnover tax payable.
Resources Tax	Gold mine resources tax payable is based on the mining outputs and ranges from RMB2 to RMB6 per tonne; copper mine resources tax payable is based on the mining outputs and ranges from RMB6 to RMB7 per tonne; iron mine resources tax payable is based on the mining outputs of RMB7.14 per tonne; lead and zinc mine resources tax payable is based on the mining outputs of RMB20 per tonne.
Resources Compensation Tax	Resources compensation tax is levied based on certain proportion of the Compensation Tax on minerals sales income and calculated as: mineral sales income x resources compensation rate x mining and recovery coefficients. The resources compensation rate ranges from 2% to 4%.
Corporate Income Tax	Corporate Income Tax is computed on 25% of taxable profits.

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III. TAX (continued)

2. Tax incentives and approval documents

According to the transitional preferential policy “Notice on Implementation of Transitional Preferential Policy on Corporate Income Tax issued by the State Council of the People’s Republic of China” (Guo Fa[2007]No.39), enterprises in accordance with the original tax laws, the administrative regulations and the documents with the same legally binding power as administrative regulations to enjoy preferential corporate income tax, shall follow the below transitional measures: From 1 January 2008, the companies that originally enjoy preferential tax rates will transit to the statutory tax rate within 5 years after new tax law comes into force. For those enterprises that applied 15% corporate income tax rate shall apply 18% in 2008, 20% in 2009, 22% in 2010, 24% in 2011 and 25% in 2012. Zijin Mining Group (Xiamen) Investment Co., Ltd. and Zijin Mining and Metallurgy Test Company Limited applied 24% for the calculation of 2011 Corporate Income Tax.

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IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENT

1. The status of the Company's substantial subsidiaries is as follows: (including the subsidiaries indirectly held by subsidiaries)

(1) Substantial subsidiaries obtained through set up or investment

	Organization code	Place of registration	Nature of business	Paid-up capital/ Registered capital RMB	Investment of the Group RMB	Shareholding	Voting rights	Note
Guizhou Zijin Mining Company Limited ("Guizhou Zijin")	73097727-8	Zhenfeng County, Qianxinan Zhou, Guizhou	Carry out exploration of mineral resources and research within Shuiyindong area	200,000,000	112,000,000	56%	56%	Note1
Zijin Mining Group (Xiamen) Investment Co., Ltd. ("Xiamen Zijin")	70546552-9	Xiamen, Fujian	Carry out geological research and exploration of gold and other non-ferrous metals and its mining, smelting and processing technology; cooperation and transfer of scientific and technological achievements	400,000,000	400,000,000	100%	100%	Note2
Hunchun Zijin Mining Company Limited ("Hunchun Zijin")	74456685-9	Hunchun, Jilin	Mining, smelting and processing of copper and other non-ferrous metals, mineral resources, geological exploration and its information technology services	200,000,000	200,000,000	100%	100%	Note3
Zijin Mining Group North West Company Limited ("North West Company")	76378183-7	Urumqi, Xinjiang	Sale of mineral products and consulting services of mineral geological exploration technology	300,000,000	300,000,000	100%	100%	Note4
Fujian Zijin Investment Company Limited ("Zijin Investment")	76176521-9	Shanghai County, Longyan, Fujian	Investment and information technology services	564,000,000	564,000,000	100%	100%	Note5
Gold Mountains (H.K.) International Mining Co., Ltd. ("Gold Mountains HK")	N/A	Hong Kong, PRC	Investment	HK\$838,500,001 /HK\$1 billion	HK\$838,500,001	100%	100%	Note6

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IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENT (continued)

1. The status of the Company's substantial subsidiaries is as follows: (including the subsidiaries indirectly held by subsidiaries) (continued)

(1) Substantial subsidiaries obtained through set up or investment (continued)

	Organization code	Place of registration	Nature of business	Paid-up capital/ Registered capital RMB	Investment of the Group RMB	Shareholding	Voting rights	Note
Zijin International Mining Company Limited ("Zijin International")	77041052-4	Beijing	Investment, import & export, consulting services of mining technology	100,000,000	100,000,000	100%	100%	Note7
Bayannaer Zijin Non-ferrous Metals Company Limited ("Bayannaer Zijin")	76786644-0	Bayannaer, Inner Mongolia	Zinc smelting	375,000,000	252,000,000	67.2%	67.2%	Note8
Fujian Zijin Copper Company Limited ("Fujian Zijin Copper")	76615601-7	Shanghai, Longyan, Fujian	Production and development of copper alloy sheet and strip	300,000,000	300,000,000	100%	100%	Note9
Fuyun Jinshan Mining Company Limited ("Fuyun Jinshan")	78469998-X	Fuyun, Aleitai, Xinjiang	Mineral processing, direct reduction pellets and mineral processing, refining and selling, geology mineral resources exploration and information technology services	120,000,000	72,000,000	60%	60%	Note10
Chongli Zijin Mining Company Limited ("Chongli Zijin")	78084088-6	Chongli, Zhangjiakou, Hebei	Mining, process and refining of gold and other mineral products, sale of mineral products and gold, geology and mineral resources exploration and information technology services	237,500,000	142,500,000	60%	60%	Note11
Fujian Jinshan Gold Refinery Company Limited ("Jinshan Refinery")	78901087-0	Shanghai, Longyan, Fujian	Refining of gold and other non-ferrous metal, processing of non-ferrous metals refining waste	298,000,000	298,000,000	100%	100%	Note12
Heilongjiang Zijin Mining Investment Company Limited ("Heilongjiang Zijin")	79502922-8	Harbin, Heilongjiang	Investment in industry and mining with own assets; mining technology development; distribution of minerals and mining machinery and equipment; import and export of technology and goods, domestic trade	130,000,000	115,000,000	88.46%	88.46%	Note13

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IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENT (continued)

1. The status of the Company's substantial subsidiaries is as follows: (including the subsidiaries indirectly held by subsidiaries) (continued)

(1) Substantial subsidiaries obtained through set up or investment (continued)

	Organization code	Place of registration	Nature of business	Paid-up capital/ Registered capital RMB	Investment of the Group RMB	Shareholding	Voting rights	Note
Zijin Mining Group South West Company Limited ("South West Company")	79515408-8	Kunming, Yunnan	Sale of precious metals, non-ferrous metals, other metals and non-metallic mineral products, mining geology, mining resources information and technology consulting services	1,179,600,000	1,179,600,000	100%	100%	Note 14
Hunan Jimfeng Mining Company Limited ("Hunan Jimfeng")	79474193-4	Anhua, Yiyang, Hunan	Mining, process and sales of vanadium ore	22,500,000/ 50,000,000	22,500,000	100%	100%	Note 15
Shanxi Zijin Mining Company Limited ("Shanxi Zijin")	77959258-X	Fanshi, Xinzhou, Shanxi	Mining, refining and processing of gold, non-ferrous metals and non-metallic mineral products, sale of mineral products; mining geology, mining resources information and technology consulting services	159,100,000	159,100,000	100%	100%	Note 16
Xinyi Zijin Mining Company Limited ("Xinyi Zijin")	66498436-4	Xinyi, Guangdong	Refining, processing and sale of tin and gold, mineral resources technology services	200,000,000	200,000,000	100%	100%	Note 17
Yuanyang County Huaxi Gold Company Limited ("Yuanyang Huaxi")	79211756-4	Yuanyang, Honghe, Yunnan	Mineral exploration, mining, processing, procurement and sale of gold, silver, copper, lead, iron, tungsten, tin; geological exploration technology consulting services	150,000,000	150,000,000	100%	100%	Note 18
Heilongjiang Duobaoshan Copper Company Limited ("Duobaoshan")	78193694-3	Heihe, Heilongjiang	Sale of mineral products. Development, consultation and transfer of mining technology	600,000,000	306,000,000	51%	51%	Note 19
Wenshan Malipo Zijin Tungsten Group Co., Ltd. ("Malipo Zijin")	79724451-1	Malipo, Wenshan, Yunnan	Mainly engaged in mining investment, open pit/underground mining of multi-metal mines, and processing, refining and sale	1,000,000,000	779,600,000	77.96%	77.96%	Note 20

Notes to Financial Statements

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IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENT (continued)

1. The status of the Company's substantial subsidiaries is as follows: (including the subsidiaries indirectly held by subsidiaries) (continued)

(1) Substantial subsidiaries obtained through set up or investment (continued)

	Organization code	Place of registration	Nature of business	Paid-up capital/ Registered capital RMB	Investment of the Group RMB	Shareholding	Voting rights	Note
Shangri-la Huaxi Mining Company Limited ("Shangri-la Huaxi")	79722687-4	Shangri-La, Diqing Tibetan Autonomous Prefecture, Yunnan	Sale of non-ferrous metals, other metals and non-metallic mineral products, mining geology, mining resources information, technology consulting services, development of mineral resources, underground mining of copper mines	40,000,000	40,000,000	100%	100%	Note21
Shanghai Jinshan Mining Company Limited ("Jinshan Mining")	66507451-4	Shanghai, Longyan, Fujian	Sale of mineral products, mining machinery and equipments	100,000,000	70,000,000	70%	70%	Note22
Qinghai West Copper Mining Co., Ltd. ("Qinghai West")	71052565-3	Maqin, Golog Tibetan Autonomous Prefecture, Qinghai	Exploration and mining of copper mines, technology consultation	120,000,000	120,000,000	100%	100%	Note23
Fujian Zijin Real Estate Company Limited ("Zijin Real Estate")	67193079-4	Xiamen, Fujian	Real estate development	200,000,000	200,000,000	100%	100%	Note24
Zijin Mining Group North-East Asia Company Limited ("North-East Asia Zijin")	67334624-1	Changchun, Jilin	Investment in projects of non-ferrous metals, precious metals, other metals and non-metallic sale of commodities (except those specially approved); import and export trading (except those specially approved); mining location, mining resources information technology consultation	600,000,000	600,000,000	100%	100%	Note25

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30 June 2011
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IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENT (continued)

1. The status of the Company's substantial subsidiaries is as follows: (including the subsidiaries indirectly held by subsidiaries) (continued)

(1) Substantial subsidiaries obtained through set up or investment (continued)

	Organization code	Place of registration	Nature of business	Paid-up capital/ Registered capital RMB	Investment of the Group RMB	Shareholding	Voting rights	Note
Imer Mongolia Zijin Mining Company Limited ("Inner Mongolia Zijin")	67693176-1	Hohhot, Inner Mongolia	Investment in metal, non-metal, energy and mining industry and chemical industry, distribution of mineral and chemical products, mineral resources, mining resources, information technology consulting services	100,000,000	100,000,000	100%	100%	Note26
Fujian Jinshan Investment Company Limited ("Jinshan Investment")	67651193-5	Shanghai, Longyan, Fujian	Investment in mining industry, sale of mineral products; import and export business of all kinds of goods and technology (except those run by state-appointed companies or goods & technology prohibited for import and export)	10,000,000	8,000,000	80%	80%	Note27
Zijin Mining Group Qinghai Company Limited ("Qinghai Zijin")	67915178-7	Xining, Qinghai	Refining, processing and sale of mineral products; investment; technology consultation services; production and sale of construction materials, machinery and electrical products and equipment; import and export business of various commodities	450,066,992.53	450,066,992.53	100%	100%	Note28
Malipo Jinhua Mining Company Limited ("Malipo Jinhua")	67873293-4	Malipo, Wenshan, Yunnan	Sale of precious metals, non-ferrous metals, other metals and non-metallic mineral products, mining geology, mining resources, information, technology consultation services	30,000,000	30,000,000	100%	100%	Note29
Malipo Zijin Luowei Tungsten Products Development Company Limited ("Malipo Tungsten")	79724451-1	Malipo, Wenshan, Yunnan	Procurement and sale of mineral products, processing and sale of APT, tungsten powder and tungsten products; import and export trading, sourcing and sale of chemical raw materials	50,000,000	25,500,000	51%	51%	Note30

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IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENT (continued)

1. The status of the Company's substantial subsidiaries is as follows: (including the subsidiaries indirectly held by subsidiaries) (continued)

(1) Substantial subsidiaries obtained through set up or investment (continued)

	Organization code	Place of registration	Nature of business	Paid-up capital/ Registered capital RMB	Investment of the Group RMB	Shareholding	Voting rights	Note
Malipo Jinguo Mining Company Limited ("Malipo Jinguo")	67362506-4	Mali, Wenshan, Yunnan	Open pit/underground mining of tungsten, tin and multi-metals mines; process and refining of tungsten, tin and other metals; acquisition of mining rights, processing and sale of multi-metals mines; geological exploration and technology consultation services	70,000,000	35,700,000	51%	51%	Note31
Jinfeng (HK) International Mining Company Limited ("Jinfeng HK")	N/A	Hong Kong	Investment	HK\$1/ HK\$10,000	HK\$1	100%	100%	Note32
Xinjiang Jimmai International Logistics Company Limited ("Xinjiang Jimmai")	67633284-9	Wulumuqi, Xinjiang	General business: domestic trade, import and export of goods and technology; sale of mineral products, construction materials, vehicles and parts; mining investment	10,000,000	10,000,000	100%	100%	Note33
Liancheng Zijin Mining Company Limited ("Lianchen Zijin")	67845873-6	Liancheng, Longyan, Fujian	Construction: process, refining and sale of copper, molybdenum mines (production and business activities are prohibited during construction period)	280,000,000	280,000,000	100%	100%	Note34
Kingbao Mining Ltd. ("Kingbao Mining")	N/A	Hong Kong	Engaged in mining, exploration, sale of mineral resources, import and export business, engineering, construction, real estate development, cargo sales agents etc.	HK\$10,000/ HK\$4,000,000	HK\$9,000	90%	90%	Note35

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IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENT (continued)

1. The status of the Company's substantial subsidiaries is as follows: (including the subsidiaries indirectly held by subsidiaries) (continued)

(1) Substantial subsidiaries obtained through set up or investment (continued)

	Organization code	Place of registration	Nature of business	Paid-up capital/ Registered capital RMB	Investment of the Group RMB	Shareholding	Voting rights	Note
Guizhou Xinhengji Mining Company Limited ("Guizhou Xinhengji")	75019157-1	Xingren, Qianxinan, Guizhou	In the target area approved by the state, in accordance with the state regulations, engaged in refractory gold exploration, mining, process and refining, processing, geology, mineral exploration and information, technology services, sale of corporate-made products	40,000,000	20,400,000	51%	51%	Note36
Zijin Mining Group Finance Company Limited ("Finance Company")	69437785-6	Shanghai, Longyan, Fujian	Act as financial adviser for the Group's members and provide consultation and agency for credit appraisal and related matters; assist members for processing of transaction; approved to handle insurance business; provide security for members; handle principal loans and investments commission in between members; handle members' bill reimbursement; internal transfer between members and design the corresponding ways of settlement; absorption of members' deposits; handle members' loans and finance lease; engage in industry lending.	500,000,000	475,000,000	95%	95%	Note37
Xinjiang Jimeng Mining Co., Ltd. ("Jimeng Mining")	69340238-6	Changjizhou, Xinjiang	Mining investment, sale of mineral products, geological exploration information, technology consultation services	50,000,000	50,000,000	100%	100%	Note38

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IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENT (continued)

1. The status of the Company's substantial subsidiaries is as follows: (including the subsidiaries indirectly held by subsidiaries) (continued)

(1) Substantial subsidiaries obtained through set up or investment (continued)

	Organization code	Place of registration	Nature of business	Paid-up capital/ Registered capital RMB	Investment of the Group RMB	Shareholding	Voting rights	Note
Zijin Xiangyu (Longyan) Logistics Co., Ltd. ("Xiangyu Logistics")	69663482-8	Longyan, Fujian	Sourcing, sale, warehousing and distribution of mining products, mechanical and electrical equipment, machinery spare parts, building materials and steel; contracting sea, air and land freight forwarding services and transportation consulting business; logistics supply chain management consultation, economic information consultation; develop logistics park	20,000,000	13,000,000	65%	65%	Note39
Yongding Zijin Longhu Ecological Industry Development Company Limited ("Zijin Longhu")	55956067-4	Yongding, Fujian	Development of ecological aquaculture, eco-tourism and eco-agriculture	400,000,000/ 500,000,000	350,000,000	70%	70%	Note40

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IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENT (continued)

1. The status of the Company's substantial subsidiaries is as follows: (including the subsidiaries indirectly held by subsidiaries) (continued)

(2) Substantial subsidiaries obtained through business combination not under common control

	Organization code	Place of registration	Nature of business	Paid-up capital/ Registered capital RMB	Investment of the Group RMB	Shareholding	Voting rights	Note
Xinjiang Jimbao Mining Company Limited ("Xinjiang Jinbao")	74520691-9	Fuyun, Aletai, Xinjiang	Mining of iron ore and geological studies	50,000,000	28,000,000	56%	56%	Note41
Heilongjiang Longxing Mining Company Limited ("Heilongjiang Longxing")	79502922-8	Harbin, Heilongjiang	Mining technology development, import and export of goods and technology	300,000,000	210,000,000	70%	70%	Note42
Russia Longxing Company Limited ("Russia Longxing")	1055406364980	Russia	Lead and zinc mining	RUB 700,000,000	RUB 700,000,000	100%	100%	Note42
Wuqia Jinwang Mining Development Company Limited ("Wuqia Jinwang")	78179649-3	Wuqia, Kezizhou, Kezilesukeer, Xinjiang	Exploration and development of lead-zinc mine in Wulugan, Wuqia	100,000,000	80,000,000	80%	80%	Note43

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IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENT (continued)

1. The status of the Company's substantial subsidiaries is as follows: (including the subsidiaries indirectly held by subsidiaries) (continued)

(2) Substantial subsidiaries obtained through business combination not under common control (continued)

	Organization code	Place of registration	Nature of business	Paid-up capital/ Registered capital RMB	Investment of the Group RMB	Shareholding	Voting rights	Note
Malipo Jinwei Mining Company Limited ("Malipo Jinwei")	79722896-8	Malipo, Wenshan, Yunnan	Purchase and sale of tin and tungsten mines and processing and sale of non-ferrous metal; exploration and development of multi-metals within the approved area and consulting services etc.	138,800,000/ 160,000,000	81,600,000	51%	51%	Note44
Huanmin Mining Company Limited ("Huanmin Mining")	77535888-4	Xiamen, Fujian	Solid mineral exploration; wholesale of stone products, construction materials and metal products; processing and sale of mineral products; investment in geological mining industry and related technology consultation services	156,410,000	79,769,100	51%	51%	Note45
Luoyang Yinhui Gold Refinery Company Limited ("Luoyang Yinhui")	71911452-7	Luoyang, Henan	Gold and silver refining, procurement of mining gold, gold trading agent, sale of mineral products, mining design studies	150,000,000	105,000,000	70%	70%	Note46
Yunnan Huaxi Mineral Resources Company Limited ("Yunnan Huaxi")	75719558-3	Kunming, Yunnan	Mining rights operations, development and research of mineral resources; processing and sale of mineral products, geological exploration, technology consultation services	200,000,000	106,000,000	53%	53%	Note47
Wulatehouqi Zijin Mining Company Limited ("Wulatehouqi Zijin")	76446796-2	Wulatehouqi, Bayannaer, Inner Mongolia	Pyrite flotation, process, acid production and sales, sale of iron ore, flotation and sale of lead, zinc and sulphide	50,000,000	47,500,000	95%	95%	Note48
Longkou Jinfeng Company Limited ("Longkou Jinfeng")	70582836-9	Longkou, Shandong	Gold production; mechanical spraying and casting; packaging materials processing; handicrafts and fruit processing, packaging, wholesaling	10,000,000	10,000,000	100%	100%	Note49

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IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENT (continued)

1. The status of the Company's substantial subsidiaries is as follows: (including the subsidiaries indirectly held by subsidiaries) (continued)
- (2) Substantial subsidiaries obtained through business combination not under common control (continued)

	Organization code	Place of registration	Nature of business	Paid-up capital/ Registered capital RMB	Investment of the Group RMB	Shareholding	Voting rights	Note
Longkou Jintai Gold Company Limited ("Longkou Jintai")	74895614-1	Longkou, Shandong	Gold mining, non-ferrous metals and non-metallic mineral mining, refining, processing and sale, mineral resources exploration and information technology services	200,000,000	180,000,000	90%	90%	Note50
Wujia Huaxin Mining Company Limited ("Huaxin Mining")	650000410001416	Wujia, Xinjiang	Mining, refining and sale of mineral products	46,500,000	46,500,000	100%	100%	Note51
Funing Zhenglong Gold Mining Exploration Company Limited ("Funing Zhenglong")	75718253-9	Funing, Wenshan, Yunnan	Mining, process and sale of gold mines	120,000,000	61,200,000	51%	51%	Note52
Hunchun Zijin Tianhong Mining Company Limited ("Hunchun Tianhong")	79521653-3	Hunchun, Jilin	Investment in mines and mining industry; sale of mining machinery and parts; run and contract import and export of various commodities and technologies	5,000,000	3,500,000	70%	70%	Note53
Mongolia Tianhong Company Limited ("Mongolia Tianhong")	N/A	Bayingole, Mongolia	Development, processing and sale of mineral resources; foreign trading	MNT 2,382,842,600	MNT 2,382,842,600	100%	100%	Note53
JV Zeravshan LLC ("ZGC")	N/A	Tajikistan	Production and sale of gold	US\$24,249,091	US\$18,186,818	75%	75%	Note54

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IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENT (continued)

1. The status of the Company's substantial subsidiaries is as follows: (including the subsidiaries indirectly held by subsidiaries) (continued)

(2) Substantial subsidiaries obtained through business combination not under common control (continued)

	Organization code	Place of registration	Nature of business	Paid-up capital/ Registered capital RMB	Investment of the Group RMB	Shareholding	Voting rights	Note
Gansu Yate Mining Company Limited ("Gansu Yate")	79488492-7	Li County, Longnan, Gansu	Mining, processing, extracting and refining of gold mines, sale of its products and by-products	30,000,000	18,000,000	60%	60%	Note55
Xinjiang Ashele Copper Company ("Xinjiang Ashele")	71296908-X	Aletai, Xinjiang Uyghur Autonomous Region	Exploration and development of geological mineral products and resources, production, processing and sale of mineral products, technological services of geological mining industry, vehicles transportation, environmental protection and tourism development	250,000,000	127,500,000	51%	51%	Note56
Luoning Huatai Mining Development Company Limited ("Luoning Huatai")	73248166-3	Luoyang, Henan	Underground mining, refining, processing and sale of non-ferrous metal ore	20,000,000	20,000,000	100%	100%	Note57
Sino Trend Hydro Power Investment Ltd. ("Sino Trend Hydro Power")	N/A	British Virgin Islands	Hydropower	US\$3,500,000/ 50,000,000	US\$3,500,000	100%	100%	Note58
Fujian Jinyi Copper Company Limited ("Jinyi Copper")	77934346-3	Shanghang, Longyan, Fujian	Development and construction, production of high-performance inner spiral copper pipes for cooling of air-conditioners and refrigerator, and other copper and copper alloy tubes	200,000,000	107,000,000	100%	100%	Note59

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IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENT (continued)

1. The status of the Company's substantial subsidiaries is as follows: (including the subsidiaries indirectly held by subsidiaries) (continued)

(2) Substantial subsidiaries obtained through business combination not under common control (continued)

	Organization code	Place of registration	Nature of business	Paid-up capital/ Registered capital RMB	Investment of the Group RMB	Shareholding	Voting rights	Note
Zijin Copper Company Limited ("Zijin Copper")	68508216-7	Shanghai, Longyan, Fujian	Refining and sale of cathode copper, gold, silver; production and sale of industrial sulfuric acid	600,000,000/ 1,000,000,000	600,000,000	100%	100%	Note60
Neimeng Jinhua Gold Exploration Company Limited ("Neimeng Jinhua")	N/A	British Virgin Islands	Geological exploration	US\$1,000	US\$550	55%	55%	Note61
Inner Mongolia Jinzhong Mining Company Limited ("Jinzhong Mining")	79716773-9	Sunitezuoqi, Inner Mongolia	Exploration, mining, processing and sale of gold and associated precious metal mineral resources	US\$20,000,000	US\$19,000,000	95%	95%	Note61
Inner Mongolia Alpaik Resources Company Limited ("Alpaik Resources")	7678759-3	Hohhot, Inner Mongolia	Solid mineral exploration	US\$500,000	US\$500,000	100%	100%	Note61
Sanming City Hongguo Mining Development Company ("Hongguo Mining")	76617631-7	Sha County, Sanming, Fujian	Investigation of multi-metals mines, sale of granite and other stone handicrafts	30,000,000	30,000,000	65%	65%	Note62

Management of the Company believes that the ability to transfer fund from the Group's subsidiary to the parent company was not limited.

The above subsidiaries are included in scope of consolidation, all of them are companies with limited liability.

Non-controlling interest in substantial subsidiaries, please refer to Note V. 39.

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IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENT

*(continued)*1. The status of the Company's substantial subsidiaries is as follows: (including the subsidiaries indirectly held by subsidiaries) *(continued)*

Note 1: Guizhou Zijin was established on 17 December 2001 with registered capital of RMB10,000,000 on its formation for which the Company owned 55% equity interest and the Company's subsidiary Xiamen Zijin owned 10% equity interest in Guizhou Zijin. According to a resolution passed on a shareholders' meeting of Guizhou Zijin on 26 January 2003, the registered capital of Guizhou Zijin increased from RMB10,000,000 to RMB30,000,000 on 24 March 2003, the Company and its subsidiary Xiamen Zijin made further investment in cash of RMB9,800,000 representing 51% equity interest and RMB500,000 representing 5% equity interest in the enlarged capital of Guizhou Zijin respectively. According to a resolution passed on a shareholders' meeting of Guizhou Zijin on 21 January 2005, the Company and its subsidiary Xiamen Zijin made further investment in dividend of RMB15,300,000 and RMB1,500,000 respectively on 10 March 2005, increasing Guizhou Zijin's registered capital to RMB60,000,000 in which the Company owned 51% equity interest and the Company's subsidiary Xiamen Zijin owned 5% equity interest. According to a resolution passed on a shareholders' meeting of Guizhou Zijin on 13 February 2006, the registered capital of Guizhou Zijin increased from RMB60,000,000 to RMB100,000,000 on 28 February 2006, the Company made further investment in shared dividend of RMB15,300,000 and in shared equity of RMB5,100,000 and the Company's subsidiary Xiamen Zijin made further investment in shared dividend of RMB1,500,000 and in shared equity of RMB500,000. According to a resolution passed on a shareholders' meeting of Guizhou Zijin on 9 January 2010, Guizhou Zijin transferred retained earnings of RMB100,000,000 to increase share capital. As of 30 June 2011, the registered capital of Guizhou Zijin was RMB200,000,000, the Company and its subsidiary Xiamen Zijin held 51% and 5% equity interest in Guizhou Zijin respectively. As such, Guizhou Zijin was included in the scope of consolidation as a subsidiary.

Note 2: Xiamen Zijin was established on 9 March 2001 with registered capital of RMB10,000,000 on its formation for which the Company owned 86.5% equity interest in Xiamen Zijin. Subsequently, Xiamen Zijin's registered capital increased from RMB10,000,000 to RMB15,000,000, the Company made further investment of RMB4,325,000 in cash, representing 86.5% equity interest in Xiamen Zijin's enlarged capital. According to a resolution passed on a shareholders' meeting of Xiamen Zijin on 16 May 2004, the registered capital of Xiamen Zijin increased from RMB15,000,000 to RMB80,000,000 on 9 May 2004, the Company injected RMB64,065,000 in cash, representing 96.3% equity interest in Xiamen Zijin's enlarged capital. According to the share transfer agreement entered into between the Company's subsidiary, Zijin International and Longyan City Wangyuan Information Technology Company Limited ("Wangyuan Technology"), Zijin International acquired Wangyuan Technology's 1.5% equity interest in Xiamen Zijin with the consideration of RMB1,200,000. According to another share transfer agreement entered into between the Company, Fujian Xinhua Engineering Company Limited, Fujian Xinhua Technology Company Limited, Zijin International and Xiamen Hengxing Industrial Company Limited, the Company paid RMB256,000, RMB1,280,000, RMB1,920,000 and RMB1,280,000 to acquire 0.2%, 1%, 1.5% and 1% equity interest of Xiamen Zijin respectively. On 24 December 2009, the registered capital of Xiamen Zijin enlarged from RMB80,000,000 to RMB400,000,000, the Company further invested RMB320,000,000. As of 30 June 2011, the Company held 100% equity interest of Xiamen Zijin's enlarged capital. As such, Xiamen Zijin was included in the scope of consolidation as a subsidiary.

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IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENT

(continued)

1. The status of the Company's substantial subsidiaries is as follows: (including the subsidiaries indirectly held by subsidiaries) *(continued)*

Note 3: Hunchun Zijin was established on 10 January 2003 with registered capital of RMB10,000,000 on its formation for which the Company owned 67% equity interest and the Company's subsidiary Xiamen Zijin owned 6% equity interest in Hunchun Zijin. According to a resolution passed on a shareholders' meeting of Hunchun Zijin on 18 April 2003, the registered capital of Hunchun Zijin increased from RMB10,000,000 to RMB30,000,000 on 20 May 2003, the Company and its subsidiary Xiamen Zijin made further investment in cash of RMB13,400,000 representing 67% equity interest and RMB1,200,000 representing 6% equity interest in the enlarged capital of Hunchun Zijin respectively. According to a resolution passed on a shareholders' meeting of Hunchun Zijin on 1 August 2003, the registered capital of Hunchun Zijin increased from RMB30,000,000 to RMB50,000,000 on 9 December 2003, the Company and its subsidiary Xiamen Zijin made further investment in cash of RMB13,400,000 representing 67% equity interest and RMB1,200,000 representing 6% equity interest in the enlarged capital of Hunchun Zijin respectively. According to the share transfer agreement signed on 18 June 2005, the Company and its subsidiary Xiamen Zijin paid RMB12,562,500 and RMB1,125,000 to Hunchun Gold and Copper Mining Company Limited to acquire its 8.375% and 0.75% shareholding in Hunchun Zijin respectively. According to the share transfer agreement signed on 26 July 2006, the Company acquired in aggregate 17.875% equity interest owned by Xiamen Hengxing Mining Company Limited, Fujian Shanghang Hongyang Mining Engineering Company Limited and other shareholders with a total consideration of RMB89,375,000. According to a resolution passed on a board meeting of Hunchun Zijin on 29 July 2006, the registered capital of Hunchun Zijin increased from RMB50,000,000 to RMB100,000,000 on 14 August 2006, the Company made further investment in cash of RMB50,000,000. According to a resolution passed on a board meeting of Hunchun Zijin on 1 December 2006, Hunchun Zijin transferred retained earnings of RMB100,000,000 as of 12 April 2007 to increase share capital. As of 30 June 2011, the registered capital of Hunchun Zijin was RMB200,000,000, the Company and its subsidiary Xiamen Zijin held 96.63% and 3.37% equity interest in Hunchun Zijin respectively. As such, Hunchun Zijin was included in the scope of consolidation as a subsidiary.

Note 4: North West Company was established on 9 August 2004 with registered capital of RMB100,000,000 on its formation for which the Company owned 68% equity interest in North West Company. According to the agreement dated 28 October 2004 entered into between the Company's subsidiary Xinjiang Jinbao and China Metallurgy Geology Prospecting Engineering Northwestern Division, Xinjiang Jinbao acquired 12% equity interest of North West Company with the consideration of RMB12,000,000. According to the agreement entered into between the Company and China Metallurgy Geology Prospecting Engineering Northwestern Division on 19 December 2005, the Company acquired its 20% equity interest of North West Company with the consideration of RMB20,000,000. According to another share transfer agreement entered into between the Company and its subsidiary Xinjiang Jinbao on 10 July 2006, the Company paid RMB12,000,000 to acquire the 12% equity interest of North West Company held by Xinjiang Jinbao. According to a resolution passed on a shareholders' meeting of North West Company on 17 May 2010, the registered capital of North West Company increased from RMB100,000,000 to RMB300,000,000, the Company made further investment of RMB200,000,000 in cash. As of 30 June 2011, the Company held 100% of the enlarged capital of North West Company. As such, North West Company was included in the scope of consolidation as a subsidiary.

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IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENT

(continued)

1. The status of the Company's substantial subsidiaries is as follows: (including the Subsidiaries indirectly held by subsidiaries) *(continued)*

- Note 5: Zijin Investment was established on 30 April 2004 with registered capital of RMB100,000,000 on its formation for which the Company owned 95% equity interest and the Company's subsidiary Xiamen Zijin owned 5% equity interest in Zijin Investment. According to a resolution passed on a shareholders' meeting of Zijin Investment on 13 June 2005, the registered capital of Zijin Investment increased from RMB100,000,000 to RMB150,000,000, the Company made further investment of RMB50,000,000 in cash, representing 96.67% equity interest of enlarged capital of Zijin Investment. According to a resolution passed on a shareholders' meeting of Zijin Investment on 16 May 2006, the registered capital of Zijin Investment increased from RMB150,000,000 to RMB200,000,000, the Company made further investment of RMB50,000,000 in cash. According to a resolution passed on a shareholders' meeting of Zijin Investment on 13 May 2008, the registered capital of Zijin Investment increased from RMB200,000,000 to RMB550,000,000, the Company made further investment of RMB350,000,000 in cash. According to a resolution passed on a shareholders' meeting of Zijin Investment on 26 September 2010, the registered capital of Zijin Investment increased from RMB550,000,000 to RMB564,000,000, the Company further invested with physical assets. As of 30 June 2011, the Company and its subsidiary Xiamen Zijin held 99.11% and 0.89% equity interest of enlarged capital of Zijin Investment respectively. As such, Zijin Investment was included in the scope of consolidation as a subsidiary.
- Note 6: Gold Mountains HK was established on 3 November 2004 with registered capital of HK\$10,000 and paid-up capital of HK\$1. The Company held 100% equity interest in Gold Mountains HK. According to the shareholder's resolution of 31 March 2011 of Gold Mountains HK, Gold Mountains HK's registered share capital was increased on the same day from HK\$10,000 to HK\$1,000,000,000. New shares were allotted to the Company for cash consideration. As of 30 June 2011, the Company held 100% equity interest in Gold Mountains HK, with a total paid-up share capital of HK\$838,500,001. As such, Gold Mountains HK was included in the scope of consolidation as a subsidiary.
- Note 7: Zijin International was established on 10 January 2005 with registered capital of RMB50,000,000 on its formation for which the Company owned 95% equity interest and the Company's subsidiary Xiamen Zijin owned 5% equity interest in Zijin International. According to a resolution passed on a shareholders' meeting of Zijin International on 20 February 2007, Zijin International transferred retained earnings of RMB50,000,000 to increase share capital. As of 30 June 2011, the registered capital of Zijin International was RMB100,000,000 in which the Company and its subsidiary Xiamen Zijin held 95% and 5% equity interest respectively. As such, Zijin International was included in the scope of consolidation as a subsidiary.

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IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENT

(continued)

1. The status of the Company's substantial subsidiaries is as follows: (including the subsidiaries indirectly held by subsidiaries) *(continued)*

Note 8: Bayannaer Zijin was established on 22 November 2004, the Company invested RMB15,000,000 in cash. As of 31 December 2004, the registered capital and paid-up capital of Bayannaer Zijin was RMB250,000,000 and RMB25,000,000 respectively. The Company held 60% equity interest in Bayannaer Zijin. In 2005, the Company invested RMB135,000,000 in cash. As of 31 December 2005, the paid-up capital of Bayannaer Zijin was RMB192,500,000, in which the Company held 77.92% equity interest in it. According to a resolution passed on a shareholders' meeting of Bayannaer Zijin on 23 July 2006, the registered capital of Bayannaer Zijin increased from RMB250,000,000 to RMB300,000,000, the Company made further investment of RMB75,000,000 in cash, representing 75% equity interest in Bayannaer Zijin. According to the share transfer agreement entered into between the Company and the individual shareholder Liu Daonan, on 5 December 2007, the Company acquired 3% equity interest of Bayannaer Zijin with the consideration of RMB28,800,000. According to a resolution passed on a shareholders' meeting of Bayannaer Zijin for capital enlargement on 24 December 2007, it was resolved to absorb Western Mining Joint Stock Company Limited ("Western Mining") as new shareholder and the amount of capital enlargement was RMB240,000,000, the Company's shareholding was diluted to 62.4% accordingly. According to the share transfer agreement entered into between the Company and the individual shareholder Huang Mao. On 16 December 2009, the Company acquired 4.8% equity interest of Bayannaer Zijin with the consideration of RMB43,200,000. As of 30 June 2011, the registered capital of Bayannaer Zijin was RMB375,000,000, the Company held 67.2% equity interest in Bayannaer Zijin. As such, Bayannaer Zijin was included in the scope of consolidation as a subsidiary.

Note 9: Fujian Zijin Copper was established on 9 August 2004 in which Zijin Investment and Xiamen Zijin, subsidiaries of the Company, agreed to pay capital of RMB31,500,000 and RMB2,100,000 respectively, representing 30% and 2% equity interest in Fujian Zijin Copper. Zijin Investment paid in cash of RMB5,040,000 in 2004 and RMB26,460,000 in 2005. On 14 June 2005, Zijin Investment purchased 5.51%, 2.28% and 1.22% equity interests in Fujian Zijin Copper from Shanghai Boai Jiankang Investment Company Limited, Hongfeng Holdings Company Limited and Xiamen Zijin at consideration of RMB5,790,000, RMB2,400,000 and RMB1,290,000 respectively. According to a resolution passed on a shareholders' meeting of Fujian Zijin Copper on 14 June 2005, the registered capital of Fujian Zijin Copper increased from RMB105,000,000 to RMB129,000,000 and Zijin Investment made further investment of RMB24,000,000 in cash. According to a resolution passed on a shareholders' meeting of Fujian Zijin Copper on 18 October 2007, the registered capital of Fujian Zijin Copper increased from RMB129,000,000 to RMB190,000,000, and Zijin Investment and Xiamen Zijin made further investments of RMB30,725,700 and RMB380,000 respectively. On 6 November 2008, Best Ground Group Limited ("Best Ground Group"), a subsidiary of the Company, purchased 31.22% and 16.97% equity interests in Fujian Zijin Copper from Xinguoyun Group Company Limited and Hongfeng Holdings Company Limited at consideration of RMB56,349,535 and RMB30,637,500 respectively. On 6 November 2008, Zijin Investment purchased 0.81% equity interest in Fujian Zijin Copper from Shanghai Bayson Company Limited at a consideration of RMB1,467,085. According to a resolution passed on a shareholders' meeting of Fujian Zijin Copper on 7 February 2009, the registered capital of Fujian Zijin Copper increased from RMB190,000,000 to RMB300,000,000 and Zijin Investment made further investment of RMB110,000,000 in cash. As at 30 June 2011, Zijin Investment, a subsidiary of the Company, held 69.08% equity interests in Fujian Zijin Copper; Xiamen Zijin, another subsidiary of the Company, held 0.4% equity interests in Fujian Zijin Copper; Best Ground Group, another subsidiary of the Company, held 30.52% equity interests in Fujian Zijin Copper. As such Fujian Zijin Copper as a subsidiary of the Company was the subject of consolidation.

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RMB**IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENT***(continued)***1. The status of the Company's substantial subsidiaries is as follows: (including the subsidiaries indirectly held by subsidiaries) *(continued)***

- Note 10: Fuyun Jinshan was established on 10 April 2006 with registered capital of RMB120,000,000 on its formation in which North West Company, a subsidiary of the Company, paid capital of RMB72,000,000 in cash, representing 60% equity interest in Fuyun Jinshan. As at 30 June 2011, North West Company, being a subsidiary of the Company, held 60% equity interests in Fuyun Jinshan. As such Fuyun Jinshan as a subsidiary of the Company was the subject of consolidation.
- Note 11: Chongli Zijin was established on 1 January 2006 with registered capital of RMB57,000,000 on its formation for which the Company paid capital of RMB34,200,000 in cash, representing 60% equity interest in Chongli Zijin. According to a resolution passed on a shareholders' meeting of Chongli Zijin on 9 March 2006, the registered capital of Chongli Zijin increased from RMB57,000,000 to RMB237,500,000 and the Company made further investment of RMB108,300,000 in cash. As at 30 June 2011, the registered capital of Chongli Zijin was RMB237,500,000 and the paid-up capital of Chongli Zijin was RMB142,500,000; the Company held 60% equity interests in Chongli Zijin. As such Chongli Zijin as a subsidiary of the Company was the subject of consolidation.
- Note 12: Jinshan Refinery was established on 30 May 2006 with registered capital of RMB50,000,000 on its formation for which the Company paid the whole capital in cash. According to a resolution passed on a shareholders' meeting of Jinshan Refinery on 10 October 2007, the registered capital of Jinshan Refinery increased from RMB50,000,000 to RMB100,000,000 and the Company made further investment of RMB50,000,000. According to a resolution passed on a shareholders' meeting of Jinshan Refinery on 22 April 2008, the registered capital of Jinshan Refinery increased from RMB100,000,000 to RMB298,000,000 and the Company made further investment of RMB198,000,000. As at 30 June 2011, the Company held 100% equity interests in Jinshan Refinery. As such Jinshan Refinery as a subsidiary of the Company was the subject of consolidation.
- Note 13: Heilongjiang Zijin was established on 10 October 2006 with registered capital of RMB100,000,000 on its formation for which Hunchun Zijin, a subsidiary of the Company, paid capital of RMB85,000,000 in cash, representing 85% equity interest in Heilongjiang Zijin. According to a resolution passed on a shareholders' meeting of Heilongjiang Zijin on 6 January 2008, the registered capital of Heilongjiang Zijin increased from RMB100,000,000 to RMB110,000,000 and Hunchun Zijin made further investment of RMB10,000,000. According to a resolution passed on a shareholders' meeting of Heilongjiang Zijin on 15 August 2008, the registered capital of Heilongjiang Zijin increased from RMB110,000,000 to RMB130,000,000 and Hunchun Zijin made further investment of RMB20,000,000. As at 30 June 2011, Hunchun Zijin, being a subsidiary of the Company, held 88.46% equity interests in Heilongjiang Zijin. As such Heilongjiang Zijin as a subsidiary of the Company was the subject of consolidation.

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IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENT

(continued)

1. The status of the Company's substantial subsidiaries is as follows: (including the subsidiaries indirectly held by subsidiaries) *(continued)*

- Note 14: South West Company was established on 23 October 2006 with registered capital of RMB50,000,000 on its formation for which the Company paid all the capital in cash, representing 100% equity interest in South West Company. According to a resolution passed on a shareholders' meeting of South West Company on 7 August 2007, the registered capital of South West Company increased from RMB50,000,000 to RMB200,000,000 and the Company made further investment of RMB150,000,000 in cash. According to a resolution passed on a shareholders' meeting of South West Company on 10 July 2008, the registered capital of South West Company increased from RMB200,000,000 to RMB300,000,000 and the Company made further investment of RMB100,000,000 in cash. On 7 June 2009, the registered capital of South West Company increased from RMB300,000,000 to RMB400,000,000 and the Company made further investment of RMB100,000,000 in cash. According to a resolution passed on a shareholders' meeting of South West Company on 23 November 2009, the registered capital of South West Company increased from RMB400,000,000 to RMB1,179,600,000 on 14 January 2010 and the Company paid consideration of RMB779,600,000 in the form of 77.96% equity interest in Malipo Zijin as additional investment in South West Company. As at 30 June 2011, the Company held 100% equity interest in South West Company. As such, South West Company as a subsidiary of the Company was the subject of consolidation.
- Note 15: Hunan Jinfeng was established on 1 January 2007 with registered capital of RMB50,000,000 on its formation for which the Company and Gold Mountains HK, a subsidiary of the Company, paid capital of RMB10,000,000 and RMB12,500,000 in cash respectively, representing 75% and 25% equity interest in Hunan Jinfeng. As at 30 June 2011, the Company and Gold Mountains HK, a subsidiary of the Company, held 75% and 25% equity interest in Hunan Jinfeng respectively. As such, Hunan Jinfeng as a subsidiary of the Company was the subject of consolidation.
- Note 16: Shanxi Zijin was established on 1 January 2006 in which the Company and Zijin International, a subsidiary of the Company, paid capital of RMB81,140,000 and RMB23,860,000 in cash respectively, representing 51% and 15% equity interest in Shanxi Zijin. According to an equity transfer agreement made between the Company, Zijin International and Yixingzhai Gold Mining Company Limited on 10 October 2006, the Company and Zijin International acquired 29% and 5% equity interests in Shanxi Zijin from Yixingzhai Gold Mining Company Limited at consideration of RMB46,140,000 and RMB7,960,000 respectively. As at 30 June 2011, the registered capital of Shanxi Zijin was RMB159,100,000, and the Company and Zijin International held 80% and 20% equity interests in Shanxi Zijin. As such Shanxi Zijin as a subsidiary of the Company was the subject of consolidation.
- Note 17: Xinyi Zijin was established on 17 January 2007 with registered capital of RMB100,000,000 on its formation for which the Company paid consideration in Xinyi Zijin in the form of cash and equity interests in subsidiaries in Xinyi Baoyuan Mining Company Limited ("Xinyi Baoyuan") and Guangdong Xinyi Dongkeng Gold Co., Ltd. ("Xinyi Dongkeng"). According to a resolution passed on a shareholders' meeting of Xinyi Zijin on 8 August 2008, the registered capital of Xinyi Zijin increased by RMB100,000,000 and the Company made further investment of RMB100,000,000 in cash. As at 30 June 2011, the Company held 100% equity interests in Xinyi Zijin. As such Xinyi Zijin as a subsidiary of the Company was the subject of consolidation. Long-term equity investments in Xinyi Baoyuan and Xinyi Dongkeng were replaced by long-term equity investments in Xinyi Zijin.

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IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENT

(continued)

1. The status of the Company's substantial subsidiaries is as follows: (including the subsidiaries indirectly held by subsidiaries) *(continued)*

Note 18: Yuanyang Huaxi was established on 18 January 2007 with registered capital of RMB90,000,000 on its formation for which Yunnan Huaxi, a subsidiary of the Company, paid consideration of RMB6,737,000 in cash and RMB56,263,000 in the form of physical assets and mining rights, representing 70% equity interest in Yuanyang Huaxi. According to an agreement for the transfer of equity interest dated in March 2009, South West Company, a subsidiary of the Company, purchased 10% equity interest in Yuanyang Huaxi from 6 natural person shareholders of Yuanyang Huaxi including Li Yon Gon at a consideration of RMB67,500,000. According to an agreement for the transfer of equity interest dated 7 December 2009, South West Company purchased 20% equity interest in Yuanyang Huaxi from a shareholder of Yuanyang County Hongyuan Mining Development Company Limited at a consideration of RMB162,000,000. According to a resolution passed on a shareholders' meeting of Yuanyang Huaxi on 5 January 2010, the registered capital of Yuanyang Huaxi increased from RMB90,000,000 to RMB150,000,000 and Yunnan Huaxi and South West Company paid capital of RMB42,000,000 and RMB18,000,000 respectively. As at 30 June 2011, the registered capital of Yuanyang Huaxi was RMB150,000,000, and Yunnan Huaxi and South West Company, being subsidiaries of the Company, held in aggregate of 100% equity interest in Yuanyang Huaxi. As such Yuanyang Huaxi as a subsidiary of the Company was the subject of consolidation.

Note 19: Duobaoshan was established on 5 January 2006 in which the Company paid consideration of RMB93,000,000 representing 31% equity interest in Duobaoshan. According to an agreement for the transfer of equity interest dated on 9 August 2007, the Company purchased 20% equity interest in Duobaoshan from Western Mining Group Company Limited at a consideration of RMB60,000,000. According to a resolution passed on a shareholders' meeting of Duobaoshan Copper on 30 November 2007, the registered capital of Duobaoshan Copper increased from RMB300,000,000 to RMB600,000,000 and the Company paid capital of RMB153,000,000 in cash. According to the Group's regional administration requirement, the Company transferred all equity interest in Duobaoshan to North-East Asia Zijin on 16 January 2009. As at 30 June 2011, North-East Asia Zijin held 51% equity interest in Duobaoshan. As such Duobaoshan as a subsidiary of the Company was the subject of consolidation.

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IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENT

(continued)

1. The status of the Company's substantial subsidiaries is as follows: (including the subsidiaries indirectly held by subsidiaries) *(continued)*

Note 20: Malipo Zijin was established on 16 February 2007 with registered capital of RMB100,000,000 on its formation for which the Company paid capital of RMB20,000,000 representing 51% equity interest in Malipo Zijin. According to an agreement of increase capital signed by the Company, Malipo County State-owned Assets Holdings Company Limited and Malipo Lo Wei Investment Company Limited on 26 September 2007, the registered capital of Malipo Zijin increased from RMB100,000,000 to RMB1,000,000,000 and the Company made further investment of RMB229,000,000 in cash, in aggregate representing 85% equity interest in Malipo Zijin after the increase of capital. On 31 August 2008 the Company made further investment of RMB601,000,000 in Malipo Zijin. On 22 December 2008, on the basis of a resolution passed in a shareholders' meeting on 10 June 2008, the Company transferred equity interest in Malipo Zijin of 2% to Malipo County Hung Yuan Investment Company Limited, 1% to Malipo County Yung Hui Development Company Limited, 1.54% to Wu Qing Lin, a representative of Nan Young Tin Village, 1% to Liang Yuan An, a representative of Mou Ping Village, 0.8% to Li Jun Meng and 0.7% to Xie Yuan Ming at consideration of RMB20,000,000, RMB10,000,000, RMB15,400,000, RMB10,000,000, RMB8,000,000 and RMB7,000,000 respectively. According to the Group's regional administration requirements, the Company transferred all equity interest in Malipo Zijin to South West Company, a wholly-owned subsidiary of the Company, on 14 January 2010. As at 30 June 2011, South West Company, a subsidiary of the Company, held 77.96% equity interest in Malipo Zijin. As such, Malipo Zijin as a subsidiary of the Company was the subject of consolidation.

Note 21: Shangri-la Huaxi was established on 30 January 2007 with registered capital of RMB10,000,000 on its formation for which Yunnan Huaxi, a subsidiary of the Company, paid capital of RMB9,000,000 representing 90% equity interest in Shangri-la Huaxi. According to a resolution passed on a shareholders' meeting of Shangri-la Huaxi on 20 March 2007, the registered capital of Shangri-la Huaxi increased from RMB10,000,000 to RMB40,000,000 and Yunnan Huaxi made further investment of RMB27,000,000 in cash. According to an agreement for the transfer of equity interest dated on 23 July 2008, South West Company, another subsidiary of the Company, purchased 7% equity interest in Shangri-la Huaxi from Zhang Bi Hong at a consideration RMB19,600,000. According to an agreement for the transfer of equity interest dated 14 April 2010, South West Company purchased 3% equity interest in Shangri-la Huaxi from Lu Ting Gang, a minority shareholder of Shangri-la Huaxi at consideration of RMB8,400,000. As at 30 June 2011, the registered capital of Shangri-la Huaxi was RMB40,000,000, and Yunnan Huaxi, a subsidiary of the Company, held 90% equity interest in Shangri-la Huaxi, and South West Company, another subsidiary of the Company, held 10% equity interest in Shangri-la Huaxi. As such Shangri-la Huaxi as a subsidiary of the Company was the subject of consolidation.

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RMB**IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENT***(continued)***1. The status of the Company's substantial subsidiaries is as follows: (including the subsidiaries indirectly held by subsidiaries) *(continued)***

Note 22: Jinshan Mining was established on 26 May 2007 with registered capital of RMB50,000,000 on its formation for which RMB10,000,000 was paid on the first settlement and Zijin Investment, a subsidiary of the Company, paid capital of RMB7,000,000 representing 70% equity interest in Jinshan Mining. On 21 July 2008, Zijin Investment paid RMB28,000,000 on the second settlement of registered capital. On 27 November 2009, Jinshan Mining increased its registered capital to RMB100,000,000; as a consequence, Zijin Investment further invested RMB35,000,000 in pro-rata shares of Jinshan Mining so as to maintain 70% equity interest in Jinshan Mining. As at 30 June 2011, the registered capital of Jinshan Mining was RMB100,000,000, and Zijin Investment, a subsidiary of the Company, held 70% equity interest in Jinshan Mining. As such Jinshan Mining as a subsidiary of the Company was the subject of consolidation.

Note 23: Qinghai West was established on 24 January 2003 with registered capital of RMB10,000,000 on its formation. According to a resolution passed on a shareholders' meeting of Qinghai West on 11 April 2004, the registered capital of Qinghai West increased from RMB10,000,000 to RMB120,000,000 and the Company paid capital of RMB72,000,000 for acquiring 60% equity interest in Qinghai West after the increase of capital. According to an agreement for the transfer of equity interest dated on 12 August 2008, the Company purchased 33.5% and 6.5% equity interest in Qinghai West from Shanxi Runlong Mining Co., Ltd. and the Labour Union Committee of Zijin Mining Group Company Limited at consideration of RMB723,600,000 and RMB140,400,000 respectively. As at 30 June 2011, the registered capital of Qinghai West was RMB120,000,000, and the Company held 100% equity interest in Qinghai West. As such Qinghai West as a subsidiary of the Company was the subject of consolidation.

Note 24: Zijin Real Estate was established on 17 March 2008 with registered capital of RMB20,000,000 on its formation for which the Company paid capital of RMB20,000,000 representing 100% equity interest in Zijin Real Estate. According to the resolution passed in a shareholders' meeting on 13 June 2008, the registered capital of Zijin Real Estate increased from RMB20,000,000 to RMB200,000,000 and the Company paid further capital of RMB180,000,000 in cash, in aggregate representing 100% equity interest in Zijin Real Estate after the increase of capital. According to the Group's regional administration requirements, the Company transferred all equity interest in Zijin Real Estate to Xiamen Zijin, a wholly-owned subsidiary of the Company, on 22 February 2010. As at 30 June 2011, Xiamen Zijin, a subsidiary of the Company, held 100% equity interest in Zijin Real Estate. As such Zijin Real Estate as a subsidiary of the Company was the subject of consolidation.

Note 25: North-East Asia Zijin was established on 3 July 2008 with registered capital of RMB500,000,000 on its formation for which the Company paid capital of RMB500,000,000 representing 100% equity interest in North-East Asia Zijin. In 2009, the Company further invested RMB100,000,000. As at 30 June 2011, the paid-up capital of North-East Asia Zijin was RMB600,000,000 and the Company held 100% equity interest in North-East Asia Zijin. As such North-East Asia Zijin as a subsidiary of the Company was the subject of consolidation.

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IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENT

(continued)

1. The status of the Company's substantial subsidiaries is as follows: (including the subsidiaries indirectly held by subsidiaries) *(continued)*

- Note 26: Inner Mongolia Zijin was established on 5 August 2008 with registered capital of RMB100,000,000 on its formation for which the Company paid capital of RMB100,000,000 representing 100% equity interest in Inner Mongolia Zijin. As at 30 June 2011, the Company held 100% equity interest in Inner Mongolia Zijin. As such Inner Mongolia Zijin as a subsidiary of the Company was the subject of consolidation.
- Note 27: Jinshan Investment was established on 5 June 2008 with registered capital of RMB10,000,000 on its formation for which the Company paid capital of RMB8,000,000 representing 80% equity interest in Jinshan Investment. As at 30 June 2011, the Company held 80% equity interest in Jinshan Investment. As such Jinshan Investment as a subsidiary of the Company was the subject of consolidation.
- Note 28: Qinghai Zijin was established on 4 November 2008 with registered capital of RMB100,000,000 on its formation for which the Company paid capital of RMB100,000,000 representing 100% equity interest in Qinghai Zijin. According to a resolution passed on a shareholders' meeting of Qinghai Zijin on 15 December 2010, the registered capital of Qinghai Zijin increased from RMB100,000,000 to RMB450,066,992.53 and the Company made investment in aggregate of RMB450,066,992.53. As at 30 June 2011, the Company held 100% equity interest in Qinghai Zijin. As such Qinghai Zijin as a subsidiary of the Company was the subject of consolidation.
- Note 29: Malipo Jinhua was established on 8 September 2008 with registered capital of RMB30,000,000 on its formation for which Yunnan Huaxi, a subsidiary of the Company, paid capital of RMB30,000,000 in cash representing 100% equity interest in Malipo Jinhua. As at 30 June 2011, Yunnan Huaxi, a subsidiary of the Company, held 100% equity interest in Malipo Jinhua. As such Malipo Jinhua as a subsidiary of the Company was the subject of consolidation.
- Note 30: Malipo Tungsten was established on 21 January 2008 with registered capital of RMB50,000,000 on its formation. According to the agreement "In relation to Cooperation and Formation Malipo Zijin Tungsten Products Company Limited" signed by Malipo Zijin, a subsidiary of the Company, and Malipo Guo Wei Investment Company Limited, Malipo Zijin paid capital of RMB36,320,000 in cash representing 51% equity interest in Malipo Tungsten. As at 30 June 2011, Malipo Zijin has paid total capital of RMB36,320,000 and the registered and paid-up capital of Malipo Tungsten was RMB50,000,000. As at 30 June 2011, Malipo Zijin, being a subsidiary of the Company, held 51% equity interest in Malipo Tungsten. As such Malipo Tungsten as a subsidiary of the Company was the subject of consolidation.
- Note 31: Malipo Jinguo was established on 21 April 2008 with registered capital of RMB70,000,000 on its formation for which Malipo Zijin, a subsidiary of the Company, paid capital of RMB35,700,000 in cash, representing 51% equity interest in Malipo Jinguo. As at 30 June 2011, the registered and paid-up capital of Malipo Jinguo was RMB70,000,000 and Malipo Zijin, being a subsidiary of the Company, held 51% equity interest in Malipo Jinguo. As such Malipo Jinguo as a subsidiary of the Company was the subject of consolidation.

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IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENT

(continued)

1. The status of the Company's substantial subsidiaries is as follows: (including the subsidiaries indirectly held by subsidiaries) *(continued)*

- Note 32: Jinfeng HK was established on 16 October 2007 with registered capital of HK\$10,000 on its formation for which North West Company, a subsidiary of the Company, paid capital of HK\$1, representing 100% equity interest in Jinfeng HK. As at 30 June 2011, North West Company, being a subsidiary of the Company, held 100% equity interest in Jinfeng HK. As such Jinfeng HK as a subsidiary of the Company was the subject of consolidation.
- Note 33: Xinjiang Jinmai was established on 24 July 2008 with registered capital of RMB10,000,000 on its formation for which North West Company, a subsidiary of the Company, paid capital of RMB10,000,000, representing 100% equity interest in Xinjiang Jinmai. As at 30 June 2011, North West Company, being a subsidiary of the Company, held 100% equity interest in Xinjiang Jinmai. As such Xinjiang Jinmai as a subsidiary of the Company was the subject of consolidation.
- Note 34: Liancheng Zijin was established on 5 August 2008 with registered capital of RMB110,000,000 on its formation for which Huanmin Mining, a subsidiary of the Company, paid capital of RMB110,000,000 representing 100% equity interest in Liancheng Zijin. According to a resolution passed in a shareholders' meeting of Liancheng Zijin on 1 September 2008, the registered capital of Liancheng Zijin increased from RMB110,000,000 to RMB280,000,000 and Huanmin Mining made further investment of RMB170,000,000 in cash, in aggregate representing 100% equity interest in Liancheng Zijin after the increase of capital. As at 30 June 2011, Huanmin Mining, being a subsidiary of the Company, held 100% equity interest in Liancheng Zijin. As such Liancheng Zijin as a subsidiary of the Company was the subject of consolidation.
- Note 35: Kingbao Mining was established on 23 March 2005 with registered capital of HK\$4,000,000 and paid-up capital of HK\$10,000 on its formation for which Gold Mountains HK, a subsidiary of the Company, paid capital of US\$700,000 (equivalent approximately to RMB5,437,050) in cash representing 50% equity interest in Kingbao Mining. According to an agreement for the transfer of equity interest dated on 18 April 2008, Gold Mountains HK purchased 40% equity interest in Kingbao Mining from Wanbao Mining Company Limited ("Wanbao Mining") at a consideration of US\$20,000,000 (equivalent approximately to RMB129,023,625). As at 30 June 2011, the registered capital and paid-up capital of Kingbao Mining were HK\$4,000,000 and HK\$10,000 respectively. As at 30 June 2011, Gold Mountains HK, being a subsidiary of the Company, held 90% equity interest in Kingbao Mining. As such Kingbao Mining as a subsidiary of the Company was the subject of consolidation.

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IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENT

(continued)

1. The status of the Company's substantial subsidiaries is as follows: (including the subsidiaries indirectly held by subsidiaries) *(continued)*

Note 36: Guizhou Xinhengji was established on 30 September 2003 with registered and paid-up capital of RMB10,000,000 on its formation for which Guizhou Zijin, a subsidiary of the Company, paid capital of RMB2,000,000 in cash representing 20% equity interest in Guizhou Xinhengji. According to an agreement for the transfer of equity interest dated on 3 December 2007, Guizhou Zijin purchased 14% and 9% of equity interest in Guizhou Xinhengji from Guizhou Geology and Mineral Exploration Development Company and Xin Ren County Gold Development Company Limited at consideration of RMB6,400,000 and RMB5,976,700 respectively. According to the document "Agreement for Increase of Capital in Guizhou Xinhengji Mining Company Limited" signed by Guizhou Zijin, Hong Kong Xinhengji Company Limited, Guizhou Xin Ren County Gold Development Company Limited, Guiyang Mojin Geology Mineral Industry Company Limited and Xin Ren County Hungji Resources Development Company Limited on 3 December 2007, the registered capital of Guizhou Xinhengji increased from RMB10,000,000 to RMB40,000,000 and Guizhou Zijin made further investment of RMB25,955,100, in aggregate representing 51% equity interest in Guizhou Xinhengji. As at 30 June 2011, the registered and paid-up capital of Guizhou Xinhengji were RMB40,000,000 and RMB40,000,000 respectively; and Guizhou Zijin, being a subsidiary of the Company, held 51% equity interest in Guizhou Xinhengji. As such Guizhou Xinhengji as a subsidiary of the Company was the subject of consolidation.

Note 37: According to the approval document "Yin Jian Fu [2009] No.343" dated 16 September 2009, issued by the China Banking Regulatory Commission, Finance Company was formed on 24 September 2009 with registered capital of RMB500,000,000 for which the Company paid capital of RMB475,000,000 representing 95% equity interest in the Finance Company; and Hualian International Trust Limited paid capital of RMB25,000,000. As at 30 June 2011, the Company held 95% equity interest in the Finance Company. As such, the Finance Company as a subsidiary of the Company was the subject of consolidation.

Note 38: Jinneng Mining was established on 17 August 2009 with registered capital of RMB20,000,000 on its formation for which the Company paid capital of RMB20,000,000 representing 100% equity interest in Jinneng Mining. According to a resolution passed in a shareholders' meeting of Jinneng Mining on 2 February 2010, the registered capital of Jinneng Mining increased from RMB20,000,000 to RMB50,000,000 and the Company made further investment of RMB30,000,000 in cash, in aggregate representing 100% equity interest in Jinneng Mining after the increase of capital. As at 30 June 2011, the Company held 100% equity interest in Jinneng Mining. As such Jinneng Mining as a subsidiary of the Company was the subject of consolidation.

Note 39: Xiangyu Logistics was established on 25 November 2009 with registered capital of RMB20,000,000 on its formation for which the Company paid capital of RMB13,000,000, representing 65% equity interest in Xiangyu Logistics. As at 30 June 2011, the Company held 65% equity interest in Xiangyu Logistics. As such Xiangyu Logistics as a subsidiary of the Company was the subject of consolidation.

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IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENT

(continued)

1. The status of the Company's substantial subsidiaries is as follows: (including the subsidiaries indirectly held by subsidiaries) *(continued)*

Note 40: Zijin Longhu was established on 26 July 2010 with registered capital of RMB200,000,000 on its formation for which Zijin Investment, a subsidiary of the Company, paid capital of RMB180,000,000, representing 90% equity interest in Zijin Longhu. According to a resolution passed in a shareholders' meeting of Zijin Longhu on 17 September 2010, the registered capital of Zijin Longhu increased from RMB200,000,000 to RMB240,000,000 and Zijin Investment made further investment of RMB40,000,000 in cash, in aggregate representing 91.67% equity interest in Zijin Longhu after the increase of capital. According to the Agreement for Increase of Capital in Zijin Longhu signed by Zijin Investment, Yongding County State-owned Assets Investment Company Limited, Xinhua Industrial Group Company Limited, Fujian Province Hai Xia Ke Jia Tours Company Limited and Xiamen Hengxing Group Company Limited on 24 December 2010, the registered capital of Zijin Longhu increased from RMB240,000,000 to RMB500,000,000 and Zijin Investment made further investment of RMB130,000,000, in aggregate representing 70% equity interest in Zijin Longhu. As at 30 June 2011, Zijin Investment, being a subsidiary of the Company, held 70% equity interest in Zijin Longhu. As such Zijin Longhu as a subsidiary of the Company was the subject of consolidation.

Note 41: According to an agreement made between the Company and Xinjiang Jinbao on 18 March 2004, the registered capital of Xinjiang Jinbao increased from RMB5,000,000 to RMB50,000,000 for which the Company paid capital of RMB30,000,000, in aggregate representing 60% equity interest in Xinjiang Jinbao after the increase of capital. According to an agreement made between the Company and North West Company, a subsidiary of the Company, on 23 July 2004, the Company transferred 60% equity interest in Xinjiang Jinbao to North West Company at consideration of RMB33,000,000. According to an agreement made between North West Company and other shareholders on 10 July 2006, Xinjiang Jinbao transferred 12,000,000 shares of North West Company, representing 12% equity interest in North West Company, to the Company at the consideration of RMB1 per share, and North West Company transferred 4% equity interest in Xinjiang Jinbao to the 3 natural person shareholders at nil consideration. As at 30 June 2011, North West Company, being a subsidiary of the Company, held 56% equity interest in Xinjiang Jinbao. As such Xinjiang Jinbao as a subsidiary of the Company was the subject of consolidation.

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IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENT

(continued)

1. The status of the Company's substantial subsidiaries is as follows: (including the subsidiaries indirectly held by subsidiaries) *(continued)*

Note 42: According to an agreement for increase of capital made between Zijin International, a subsidiary of the Company, and Heilongjiang Longxing International Resources Development Group Company Limited on 29 June 2007, the registered capital of Heilongjiang Longxing increased from RMB5,000,000 to RMB100,000,000 for which Zijin International paid capital of RMB70,000,000, in aggregate representing 70% equity interest in Heilongjiang Longxing after the increase of capital. As at 31 December 2008, Zijin International, being a subsidiary of the Company, held 70% equity interest in Heilongjiang Longxing. As such Heilongjiang Longxing as a subsidiary of the Company was the subject of consolidation. Before the increase of registered capital, Heilongjiang Longxing held 100% equity interest in Russia Longxing after the acquisition of increased capital in Heilongjiang Longxing, Zijin International indirectly control 100% equity interest in Russia Longxing. According to the Group's regional administration requirements, Zijin International transferred all equity interest in Heilongjiang Longxing to North-East Asia Zijin, a subsidiary of the Company, at the beginning of 2009. According to resolutions passed on 22 February 2009 and 7 July 2009 in shareholders' meetings of Heilongjiang Longxing, the registered capital of Heilongjiang Longxing increased from RMB100,000,000 to RMB200,000,000 for which North-East Asia Zijin paid capital of RMB70,000,000 in cash, in aggregate representing 70% equity interest in Heilongjiang Longxing after the increase of capital. According to a resolution passed on 8 April 2010 in shareholders' meeting of Heilongjiang Longxing, the registered capital of Heilongjiang Longxing increased from RMB200,000,000 to RMB300,000,000 for which North-East Asia Zijin paid capital of RMB70,000,000 in cash, in aggregate representing 70% equity interest in Heilongjiang Longxing after the increase of capital. As at 30 June 2011, the registered capital of Russia Longxing was RUB700,000,000 (equivalent to approximately RMB210,210,210); North-East Asia Zijin, being a subsidiary of the Company, indirectly control 100% equity interest in Russia Longxing. As such Russia Longxing as a subsidiary of the Company was the subject of consolidation.

Note 43: According to an agreement for increase of capital made between North West Company, a subsidiary of the Company, Guangxi Wantaicheng Investment Company Limited ("Guangxi Wantaicheng") and Xinjiang Xinhui Mining Company Limited ("Xinjiang Xinhui") on 16 January 2007, the registered capital of Wuqia Jinwang increased from RMB10,000,000 to RMB100,000,000 for which North West Company paid capital of RMB60,000,000 in cash, in aggregate representing 60% equity interest in Wuqia Jinwang after the increase of capital. According to an equity transfer agreement made between North West Company and Guangxi Wantaicheng on 25 August 2010, North West Company purchased 20% equity interest in Wuqia Jinwang at a consideration of RMB28,000,000. As at 30 June 2011, North West Company, being a subsidiary of the Company, held 80% equity interest in Wuqia Jinwang. As such Wuqia Jinwang as a subsidiary of the Company was the subject of consolidation.

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IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENT

*(continued)*1. The status of the Company's substantial subsidiaries is as follows: (including the subsidiaries indirectly held by subsidiaries) *(continued)*

Note 44: Malipo Jinwei was established on 31 January 2007 with registered capital of RMB38,000,000 on its formation. According to an agreement for increase of capital made between Malipo Zijin, a subsidiary of the Company, Yunnan Lo Wei Mining Development Company Limited, and Malipo County Tungsten Company Limited on 16 September 2007, the registered capital of Malipo Jinwei increased from RMB38,000,000 to RMB160,000,000 for which Malipo Zijin Tungsten paid capital of RMB81,600,000 in cash and paid consideration of RMB43,819,700 to Yunnan Lo Wei Mining Development Company Limited, in aggregate representing 51% equity interest in Malipo Jinwei after the increase of capital. The increase of registered capital was completed on 26 May 2008. As at 30 June 2011, Malipo Zijin, being a subsidiary of the Company, held 51% equity interest in Malipo Jinwei. As such Malipo Jinwei as a subsidiary of the Company was the subject of consolidation.

Note 45: According to an agreement for the increase of capital made between the Company, the natural persons, Zhu Hong Xing and Rao Hui Hui, and Fujian Longyan Engineering Machines (Group) Company Limited on 18 July 2008, the registered capital of Huanmin Mining increased from RMB61,000,000 to RMB427,000,000 for which the Company paid capital of RMB274,788,000 in cash, in aggregate representing 51% equity interest in Huanmin Mining after the increase of capital. As at 31 December 2008, the registered capital of Huanmin Mining increased to RMB156,410,000 for which the Company paid further capital of RMB244,800,000 in cash. As at 30 June 2011, the registered and paid-up capital of Huanmin Mining were both RMB156,410,000; the Company held 51% equity interest in Huanmin Mining. As such Huanmin Mining as a subsidiary of the Company was the subject of consolidation.

Note 46: According to an equity transfer agreement made between the Company and Mr. Ma Yin Shuan, a shareholder of Luoyang Yinhui on 25 October 2005, the Company acquired 70% equity interest in Luoyang Yinhui at a consideration of RMB70,000,000. According to a resolution passed in a shareholders' meeting of Luoyang Yinhui on 10 September 2007, the registered capital of Luoyang Yinhui increased from RMB100,000,000 to RMB150,000,000 and the Company made further investment of RMB35,000,000 in cash. As at 30 June 2011, the registered capital of Luoyang Yinhui was RMB150,000,000; the Company held 70% equity interest in Luoyang Yinhui. As such Luoyang Yinhui as a subsidiary of the Company was the subject of consolidation.

Note 47: According to an equity transfer agreement made between the Company, Jiujiang Huimin Development Company Limited ("Jiujiang Huimin") and Jiujiang South Asia Investment Management Company Limited ("Jiujiang South Asia") and Beijing City Fengde Venture Capital Consulting Company Limited ("Beijing Fengde") on 5 August 2005, the Company acquired 42% equity interest in Yunnan Huaxi at a consideration of RMB52,500,000. According to another equity transfer agreement made between the Company and Xiamen Qiaoxing Investment Company Limited ("Xiamen Qiaoxing") on 29 August 2005, the Company acquired further 11% equity interest in Yunnan Huaxi at a consideration of RMB13,750,000. According to a resolution passed in a shareholders' meeting of Yunnan Huaxi on 29 March 2007, the registered capital of Yunnan Huaxi increased from RMB50,000,000 to RMB100,000,000 and the Company made further investment of RMB26,500,000 in cash. According to a resolution passed in a shareholders' meeting of Yunnan Huaxi on 20 January 2010, the retained earnings of Yunnan Huaxi amounting to RMB100,000,000 was converted into paid-up capital. As at 30 June 2011, the registered capital of Yunnan Huaxi was RMB200,000,000; the Company held 53% equity interest in Yunnan Huaxi. As such Yunnan Huaxi as a subsidiary of the Company was the subject of consolidation.

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IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENT

(continued)

1. The status of the Company's substantial subsidiaries is as follows: (including the subsidiaries indirectly held by subsidiaries) *(continued)*

Note 48: According to an equity transfer agreement made between Zijin International, a subsidiary of the Company, and Huang Mao and Liu Daonan, the natural person shareholders, Zijin International acquired 60% equity interest in Wulatehouqi Mongxin Chemical Industrial Company Limited (later renamed as Wulatehouqi Zijin Mining Company Limited ("Wulatehouqi Zijin")) at a consideration of RMB600,000. According to a resolution passed in a shareholders' meeting of Wulatehouqi Zijin on 13 January 2007, the capital reserve and statutory reserve of Wulatehouqi Zijin converted into paid-up capital of RMB40,000,000; after the conversion, Zijin International held 60% equity interest in Wulatehouqi Zijin. According to an equity transfer agreement made between Zijin International and Liu Daonan, the natural person shareholder, on 14 December 2007, Zijin International acquired further 13% equity interest in Wulatehouqi Zijin at a consideration of RMB140,000,000. According to an equity transfer agreement made between Zijin International and Huang Mao, the natural person shareholder, on 16 December 2009, Zijin International acquired further 22% equity interest in Wulatehouqi Zijin at a consideration of RMB150,000,000. As at 30 June 2011, the registered capital of Wulatehouqi Zijin was RMB50,000,000; Zijin International, being a subsidiary of the Company, held 95% equity interest in Wulatehouqi Zijin. As such Wulatehouqi Zijin as a subsidiary of the Company was the subject of consolidation.

Note 49: According to an equity transfer agreement made between Hunchun Zijin, a subsidiary of the Company, and Jiang Zhenlong and Su Xiaofeng, the natural person shareholders on 5 September 2006, Hunchun Zijin acquired 100% equity interest in Hunchun Jinfeng at a consideration of RMB75,000,000. As at 30 June 2007, the registered capital of Hunchun Jinfeng was RMB10,000,000; Hunchun Zijin held 100% equity interest in Hunchun Jinfeng. Before acquisition, Hunchun Jinfeng held 61.6616% equity interest in Longkou Jinye Investment Co., Ltd. ("Longkou Jinye"); Longkou Jinye held 83.7% equity interest in Longkou Jinfeng Company Limited ("Longkou Jinfeng"). After the acquisition of Hunchun Jinfeng, Hunchun Zijin indirectly controlled Longkou Jinye and Longkou Jinfeng. On 30 August 2006, the Company purchased 7.083% equity interest in Longkou Jinfeng at a consideration of RMB3,000,000. Later on 31 December 2006, Hunchun Zijin purchased 31.02% equity interest in Longkou Jinye and 9.07% equity interest in Longkou Jinfeng with total consideration of RMB47,166,910. According to an equity transfer agreement made on 1 February 2007, the Company and Hunchun Zijin purchased 0.15% equity interest in Longkou Jinfeng and 7.32% equity interest in Longkou Jinye from the minority shareholders of Longkou Jinfeng and Longkou Jinye at consideration of RMB5,550,718 and RMB7,245,110 respectively. After the acquisition, the Company and Hunchun Zijin together held 100% equity interests in Longkou Jinfeng and Longkou Jinye. At the beginning of 2010, according to the Group's regional management requirement, the Company and Hunchun Zijin transferred all the equity interest in Longkou Jinfeng to Zijin International, a subsidiary of the Company. As at 30 June 2011, the paid-up capital of Longkou Jinfeng was RMB10,000,000; Zijin International, being a subsidiary of the Company, held 100% equity interest in Longkou Jinfeng. As such Longkou Jinfeng as a subsidiary of the Company was the subject of consolidation.

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RMB**IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENT***(continued)***1. The status of the Company's substantial subsidiaries is as follows: (including the subsidiaries indirectly held by subsidiaries) *(continued)***

Note 50: According to an agreement made between the Company, Longkou Jinxing Gold Company Limited and Longkou Gold Group Company Limited on 11 April 2006, the Company acquired 51% equity interest in Longkou Jintai Gold Company Limited ("Longkou Jintai") at a consideration of RMB255,000. At the same time the registered capital of Longkou Jintai increased from RMB500,000 to RMB200,000,000 for which the Company made further investment of RMB101,745,000. According to an agreement made between the Company and Longkou Jinxing Gold Company Limited on 28 December 2006, the Company acquired additional 39% equity interest in Longkou Jintai at a consideration of RMB90,000,000. After the completion of acquisition, the Company held 90% equity interest in Longkou Jintai. As at 30 June 2011, the registered capital of Longkou Jintai was RMB200,000,000.

Note 51: According to an agreement made between Golden Asia Mining (BVI) Limited ("Golden Asia Mining"), a subsidiary of the Company, and Fortune Source International Limited in relation to the sale and purchase of issued shares in United Summit Investment Limited and shareholders loan, Golden Asia Mining acquired 100% equity interest in Huaxin Mining at a consideration of RMB140,000,000. As at 30 June 2011, Golden Asia Mining, being a subsidiary of the Company, held 100% equity interest in Huaxin Mining. As such Huaxin Mining as a subsidiary of the Company was the subject of consolidation.

Note 52: According to an agreement for the increase of capital made between South West Company, a subsidiary of the Company, and the natural persons, Ran Hou Bi and Cao Shifen, the registered capital of Funing Zhenglong increased from RMB1,000,000 to RMB120,000,000 for which South West Company paid capital of RMB61,200,000 in cash, in aggregate representing 51% equity interest in Funing Zhenglong after the increase of capital. According to an equity transfer agreement made between South West Company, and the natural persons, Ran Hou Bi and Tso Xi Fun on 26 July 2007, South West Company acquired additional 49% equity interest in Funing Zhenglong at a consideration of RMB66,300,000. On 15 December 2008, Funing Zhenglong merged with South West Gold Company Limited ("South West Gold Company"). After the completion of merging, the registered capital of Funing Zhenglong was still RMB120,000,000 for which South West Company held 51% equity interest in Funing Zhenglong and Xiamen Minxing Investment Company Limited, an original shareholder of South West Gold Company, held 49% equity interest in Funing Zhenglong. As at 30 June 2011, South West Company, being a subsidiary of the Company, held 51% equity interest in Funing Zhenglong. As such Funing Zhenglong as a subsidiary of the Company was the subject of consolidation.

Note 53: According to an equity transfer agreement made between Hunchun Zijin, a subsidiary of the Company, and Yantai Tianhong Investment Company Limited on 14 November 2006, Hunchun Zijin acquired 70% equity interest in Hunchun Tianhong at a consideration of RMB51,800,000; the transaction was completed on 4 April 2007. As at 30 June 2011, the registered capital of Hunchun Tianhong was RMB5,000,000 for which Hunchun Zijin held 70% equity interest in Hunchun Tianhong. Before the acquisition, Hunchun Tianhong held 100% equity interest in Mongolia Tianhong. As at 30 June 2011, the registered capital of Mongolia Tianhong was MNT2,382,842,600 (equivalent approximately to RMB16,051,991); after the acquisition of Hunchun Tianhong, Hunchun Zijin, being a subsidiary of the Company, indirectly control Mongolia Tianhong. As such Hunchun Tianhong and Mongolia Tianhong as subsidiaries of the Company were the subjects of consolidation.

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IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENT

(continued)

1. The status of the Company's substantial subsidiaries is as follows: (including the subsidiaries indirectly held by subsidiaries) *(continued)*

Note 54: According to an equity transfer agreement made between South West Company, a subsidiary of the Company, and Avocet Mining on 28 June 2007, South West Company acquired 100% equity interest in Commonwealth British Minerals (UK) Ltd. ("CBML") at a consideration of US\$45,100,000 (equivalent approximately to RMB345,426,590). As 31 December 2008, the registered capital of CBML was GBP10,000,000 (equivalent approximately to RMB145,807,000) for which South West Company held 100% equity interest in CBML; As such, CBML as a subsidiary of the Company was the subject of consolidation. Before acquisition, CBML held 75% equity interest in ZGC; after the acquisition of CBML, South West Company indirectly control 75% equity interest in ZGC. In 2008, CBML transferred 75% equity interest in ZGC to Jinfeng, a wholly-owned subsidiary of the Company. As 30 June 2011, the registered capital of ZGC was US\$24,249,091 (equivalent approximately to RMB184,724,725) for which South West Company indirectly held 75% equity interest in ZGC; As such, ZGC as a subsidiary of the Company was the subject of consolidation.

Note 55: According to an equity exchange agreement made between the Company and Gansu Jinhui Wine Group Company Limited on 2 May 2008, the Company acquired 60% equity interest in Gansu Yate at consideration of RMB117,700,000 in cash and 15% equity interest in Wancheng Commercial Dongshengmiao Company Limited ("Wancheng Commercial"). As at 30 June 2011, the Company held 60% equity interest in Gansu Yate. As such Gansu Yate as a subsidiary of the Company was the subject of consolidation.

Note 56: According to an equity transfer agreement made between the Company, China Geology Mining Company and Zhongbao Technology Investment Holding Company Limited on 20 December 2002, the Company acquired 44% and 9% equity interests in Xinjiang Ashele at a total consideration of RMB144,800,000. On 11 January 2003, with approval of Xinjiang Geological, Mining and Prospecting Development Bureau, the Company transferred 2% equity interest in Xinjiang Ashele at a consideration of RMB5,000,000. As 30 June 2011, the registered capital of Xinjiang Ashele was RMB250,000,000 for which the Company held 51% equity interest in Xinjiang Ashele. As such, Xinjiang Ashele as a subsidiary of the Company was the subject of consolidation.

Note 57: According to equity transfer agreements made between Luoyang Yinhui, a subsidiary of the Company, Song Xiumiao, Liu Ke Xuan, Zhang Xue Hu and Hu Guan Min on 10 September 2007 and 12 September 2007 respectively, Luoyang Yinhui acquired 34% equity interest in Luoning Huatai at a total consideration of RMB84,286,000. As at 31 December 2007, Luoyang Yinhui held 34% equity interest in Luoning Huatai which was treated as an associate. According to equity transfer agreements made between Luoyang Yinhui and natural person shareholders, Si Xue Zhen, Yang Song Feng and Song Xiumiao on 18 October 2007 and 28 December 2007 and a supplemental agreement made on 13 November 2008 respectively, Luoyang Yinhui acquired additional 66% equity interest in Luoning Huatai at a total consideration of RMB185,249,000. The equity transfer was completed in 2008. As at 30 June 2011, Luoyang Yinhui, being a subsidiary of the Company, held 100% equity interest in Luoning Huatai. As such Luoning Huatai as a subsidiary of the Company was the subject of consolidation.

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RMB**IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENT***(continued)***1. The status of the Company's substantial subsidiaries is as follows: (including the subsidiaries indirectly held by subsidiaries) *(continued)***

Note 58: According to an equity transfer agreement made between Jinfeng, a subsidiary of the Company, Sino Infrastructure Corporation ("SICO") and World Power Investment Limited ("WPIL") on 30 April 2009, Jinfeng HK acquired 100% equity interest in Sino Trend Hydro Power Investment Ltd. ("Sino Trend") and shareholders loan of RMB107,134,526 at a consideration of US\$40,615,090 (equivalent to RMB278,914,202). As at 30 June 2011, Sino Trend held 100% equity interest in Sino Trend Hydro Power (Shanghang) Investment Company Limited ("Shanghang Investment"). Shanghang Investment held 55% equity interest in Shanghang Jinshan Hydro Power Station Co., Ltd. ("Jinshan Hydro Power"). As 30 June 2011, Jinfeng HK, being a subsidiary of the Company, held 100% equity interest in Sino Trend and indirectly held 55% equity interest in Jinshan Hydro Power. As such Jinshan Hydro Power as a subsidiary of the Company was the subject of consolidation.

Note 59: According to an equity transfer agreement made between Best Ground Group, a subsidiary of the Company, Master Achieve Enterprises Limited ("MAEL") and Zijin Investment, another subsidiary of the Company, on 8 April 2009, Best Ground Group acquired 9% and 16% equity interests in Jinyi Copper from MAEL and Zijin Investment at consideration of RMB17,100,000 and RMB30,400,000 respectively; before the transaction, Zijin Investment held 49% equity interests in Jinyi Copper. According to an equity transfer agreement made between Zijin Investment and Minxi Xinghang on 8 April 2009, Zijin Investment transferred 4.5% equity interests in Jinyi Copper to Minxi Xinghang at a consideration of RMB8,550,000. Immediately after the share transfer, the Company and Best Ground Group held in aggregate of 53.5% equity interests in Jinyi Copper. According to an equity transfer agreement made between the Company and Minxi Xinghang on 24 May 2011, the Company acquired 46.5% equity interests in Jinyi Copper at a consideration of RMB93,500,000. As 30 June 2011, the registered capital of Jinyi Copper was RMB200,000,000 for which the Company and Best Ground Group, a subsidiary of the Company, held in aggregate of 100% equity interests in Jinyi Copper. As such, Jinyi Copper as a subsidiary of the Company was the subject of consolidation.

Note 60: Zijin Copper was established on 10 March 2009 with registered capital of RMB1,000,000,000 on its formation and paid-up capital of RMB200,000,000 on the first settlement for which the Company paid capital of RMB100,000,000 representing 50% equity interest in Zijin Copper. According to an equity transfer agreement made between the Company and Minxi Xinghang State-owned Assets Investment Company Limited ("Minxi Xinghang") on 8 November 2009, the Company acquired additional 50% equity interest in Zijin Copper at a total consideration of RMB104,340,000. The equity transfer was completed on 16 November 2009. After the transfer, the Company made further investment of RMB200,000,000 in Zijin Copper. On 31 December 2010, the Company made further investment of RMB200,000,000 in Zijin Copper. As 30 June 2011, the Company held 100% equity interest in Zijin Copper. As such, Zijin Copper as a subsidiary of the Company was the subject of consolidation.

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IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENT

(continued)

1. The status of the Company's substantial subsidiaries is as follows: (including the subsidiaries indirectly held by subsidiaries) *(continued)*

Note 61: According to an equity transfer agreement made between Jinyu (H.K.) International Mining Co., Ltd. ("Jinyu HK"), a subsidiary of the Company, and Huixinda International Investment Company Limited ("Huixinda"), an original shareholder of Neimeng Jinhua, on 30 March 2010, Jinyu HK acquired 55% equity interests in Neimeng Jinhua at a consideration of RMB181,500,000. Neimeng Jinhua held 95% equity interest in Inner Mongolia Jinzhong Mining Company Limited ("Jinzhong Mining") and 100% equity interest in Inner Mongolia Aipieke Resources Company Limited ("Aipaike Resources"). As 30 June 2011, Jinyu HK, being a subsidiary of the Company, held 55% equity interest in Neimeng Jinhua and indirectly held 95% equity interest in Jinzhong Mining and 100% equity interest in Aipaike Resources. As such, Jinzhong Mining and Aipaike Resources as subsidiaries of the Company were the subjects of consolidation.

Note 62: According to an equity transfer agreement made between Fujian Zijin Investment Company Limited ("Zijin Investment"), a subsidiary of the Company, and Li Liyou, a natural person shareholder of Sanming City Hongguo Mining Development Company ("Hongguo Mining"), on 21 May 2011, Zijin Investment acquired 65% equity interests in Hongguo Mining at a consideration of RMB159,900,000. As 30 June 2011, Zijin Investment, being a subsidiary of the Company, held 65% equity interest in Hongguo Mining. As such, Hongguo Mining as a subsidiary of the Company was the subject of consolidation.

2. Changes in scope of consolidation

Except for those newly formed subsidiaries for the year and those disclosed in Note IV.3、4 and 5, the scope of consolidation is the same as that of previous year.

The Group held 50.05% equity interest and voting 50.05% in Shangdong Guoda Gold Company Limited ("Shangdong Guoda"). However according to the Articles of Association of Shangdong Guoda, any resolution in relation to significant operating strategies must be passed by two-third of the directors before they become valid and effective. Therefore the management of the Group considers that the Group does not exert controls over Shangdong Guoda which is in consequence not included in the scope of consolidation.

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RMB**IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENT***(continued)***3. The entities newly included in the scope of consolidation and those excluded from the scope of consolidation for the year**

The entities newly included as subsidiaries in the scope of consolidation for the year 2011

	Note	30 June 2011 closing net assets	Accumulated net loss from purchase date up to the end of period
Wuqia County Huaxin Mining Company Limited ("Huaxin Mining")	(Note IV.4(i))	44,338,924.30	(1,051,926.17)
Sanming City Hongguo Mining Development Company ("Hongguo Mining")	(Note IV.4(ii))	28,088,178.43	(104,078.00)

The entities no longer included as subsidiaries in the scope of consolidation for the year 2011

	Note	Net assets as at date of disposal	Net gain/(loss) from the beginning of of the period to date of disposal
Hunan Zijin Mining Company Limited ("Hunan Zijin")	(Note IV.5(i))	4,276,229.83	(9,578,122.29)
		4,276,229.83	(9,578,122.29)

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IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENT

(continued)

4. Business combination involving enterprises not under common control for the year

	Note	Goodwill amount	Goodwill accounting method
Wuqia County Huaxin Mining Company Limited ("Huaxin Mining")	(i)	—	Purchase method
Sanming City Hongguo Mining Development Company ("Hongguo Mining")	(ii)	—	Purchase method
		—	

(i) According to an agreement made between Golden Asia Mining (BVI) Limited ("Golden Asia Mining"), a subsidiary of the Company, and Fortune Source International Limited in relation to the sale and purchase of issued shares in United Summit Investment Limited and shareholders loan, Golden Asia Mining acquired 100% equity interest in Huaxin Mining at a consideration of RMB140,000,000. As at 30 June 2011, Golden Asia Mining, being a subsidiary of the Company, held 100% equity interest in Huaxin Mining. As such Huaxin Mining as a subsidiary of the Company was the subject of consolidation.

(ii) According to an equity transfer agreement made between Fujian Zijin Investment Company Limited ("Zijin Investment"), a subsidiary of the Company, and Li Liyou, a natural person shareholder of Sanming City Hongguo Mining Development Company ("Hongguo Mining"), on 21 May 2011, Zijin Investment acquired 65% equity interests in Hongguo Mining at a consideration of RMB159,900,000. As 30 June 2011, Zijin Investment, being a subsidiary of the Company, held 65% equity interest in Hongguo Mining. As such, Hongguo Mining as a subsidiary of the Company was the subject of consolidation.

The fair value of the identifiable assets and liabilities of the above subsidiaries purchased as at the date of acquisition:

	Huaxin Mining	Hongguo Mining	Total
Current assets	15,961,636.70	83,535.76	16,045,172.46
Non-current assets	134,447,682.76	247,116,464.24	381,564,147.00
Current liabilities	70,654,243.26	1,200,000.00	71,854,243.26
Non-current liabilities	—	—	—
	79,755,076.20	246,000,000.00	325,755,076.20
Non-controlling interest	—	86,100,000.00	86,100,000.00
Add: Goodwill arising on acquisition	—	—	—
Consideration for business combination	79,755,076.20	159,900,000.00	239,655,076.20

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IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENT

*(continued)*4. Business combination involving enterprises not under common control for the year
(continued)

The book value of the identifiable assets and liabilities of the above subsidiaries purchased as at the date of acquisition:

	Huaxin Mining	Hongguo Mining	Total
Current assets	15,961,636.70	83,535.76	16,045,172.46
Non-current assets	99,701,537.65	29,308,720.67	129,010,258.32
Current liabilities	70,272,323.88	1,200,000.00	71,472,323.88
	45,390,850.47	28,192,256.43	73,583,106.90
Non-controlling interest	—	9,867,289.75	9,867,289.75

The operating result and cash flow from the date of acquisition to the end of the year:

	Huaxin Mining	Hongguo Mining	Total
Operating revenue			
Net loss	(1,051,926.17)	(104,078.00)	(1,156,004.17)
Net cash flow	(2,447,092.01)	4,433,960.82	1,986,868.81

Net cash flow acquired from the above subsidiaries:

	Huaxin Mining	Hongguo Mining	Total
Price paid for the acquisition of subsidiaries	79,765,076.20	159,900,000.00	239,665,076.20
Cash and cash equivalents paid for the acquisition of subsidiaries	79,765,076.20	159,900,000.00	239,665,076.20
Less: Cash and cash equivalents held by the subsidiaries as at date of acquisition	2,976,713.42	59,935.76	3,036,649.18
Net cash outflow from acquisition of subsidiaries	76,788,362.78	159,840,064.24	236,628,427.02

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IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENT

(continued)

5. Entities ceased to be subsidiaries as a result of losing control in equity interest for the year

Name	Place of registration	Business nature	The Group's holding percentage	The Group's voting right percentage	Reason for ceasing to be a subsidiary	Date of disposal
Hunan Zijin	Hunan Anhua	Investment and exploration in mineral resources	60%	60%	disposed	24 May 2011

Note: According to an equity transfer agreement made between the Company, Wenzhou Yuanjing Mining Investment Company Limited, a minority shareholder of Hunan Zijin, and Hubei Qianyi Investment Company Limited, the Company and Wenzhou Yuanjing Mining Investment Company Limited transferred 100% equity interest in Hunan Zijin at a consideration of RMB20,000,000. As such, Hunan Zijin (including Hunan Anhua Xinfeng Mining and Anhua Zijin Antimony Tungsten Mining Company Limited, which are the subsidiaries of Hunan Zijin) was no longer included in consolidation.

The relevant financial information in relation to the subsidiary disposed above is as follows:

	Hunan Zijin		Total	
	As at date of disposal	31 December 2010	As at date of disposal	31 December 2010
	Book value	Book value	Book value	Book value
Current assets	6,576,503.39	25,074,897.25	6,576,503.39	25,074,897.25
Non-current assets	75,141,716.98	66,356,879.22	75,141,716.98	66,356,879.22
Current liabilities	77,441,990.54	77,371,104.66	77,441,990.54	77,371,104.66
Non-current liabilities	4,276,229.83	14,060,671.81	4,276,229.83	14,060,671.81
Non-controlling interest	2,118,685.73	6,156,254.43	2,118,685.73	6,156,254.43
Gain/ (loss) on disposal	2,157,544.10	7,904,417.38	2,157,544.10	7,904,417.38
Gain/ (loss) on disposal	7,658,530.60		7,658,530.60	
Consideration for the disposal	9,816,074.70		9,816,074.70	

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30 June 2011
RMB**IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENT***(continued)***5. Entities ceased to be subsidiaries as a result of losing control in equity interest for the year** *(continued)*

The operating results of the subsidiary disposed above from 1 January 2011 to date of disposal is as follows:

	Hunan Zijin	Total
Operating revenue	1,368,266.92	1,368,266.92
Operating cost	2,505,428.07	2,505,428.07
Net profits/(losses)	(9,784,441.98)	(9,784,441.98)
Price for the disposal of subsidiaries	9,816,074.70	9,816,074.70
Cash and cash equivalents received for the disposal of subsidiaries	9,816,074.70	9,816,074.70
Less: Cash and cash equivalents held by the subsidiaries	77.22	77.22
Net cash inflow from disposal of subsidiaries	9,815,997.48	9,815,997.48

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CASH AND CASH EQUIVALENTS

	30 June 2011			31 December 2010		
	Original currency	Exchange rates	RMB	Original currency	Exchange rates	RMB
Cash						
RMB	6,592,752.53	1	6,592,752.53	7,135,015.00	1	7,135,015.00
Bank Deposit						
RMB	4,834,887,881.92	1	4,834,887,881.92	3,188,403,709.00	1	3,188,403,709.00
HKD	62,553,169.82	0.8316	52,019,216.02	156,067,730.00	0.8509	132,798,031.00
USD (Note 2)	306,041,114.52	6.4716	1,980,575,676.73	52,213,930.00	6.6227	345,797,193.00
GBP	38,775.36	10.3986	403,209.50	38,786.00	10.3247	400,449.00
CAD	62,619,814.56	6.6722	417,811,926.72	13,628,249.00	6.6043	90,005,044.00
RUB	718,126,618.61	0.231	165,887,248.90	26,765,315.00	0.2164	5,792,014.00
Others	N/A	N/A	14,157,141.38	N/A	N/A	21,140,518.00
Cash & cash equivalents	N/A	N/A	7,472,335,053.70	N/A	N/A	3,791,471,973.00
Other currency						
RMB (Note 1)			817,906,425.57			859,737,627.00
			8,290,241,479.27			4,651,209,600.00

Note 1: As at 30 June 2011 and 31 December 2010, the Group's other currency balance of RMB includes the reserve of ecological restoration closure, which was RMB52,786,565.26 and RMB52,719,201 respectively. According to the relevant regulations of Longyan Municipal People's Government, the Company has made the provision for restoration and improvement of ecological environment in mining and deposited the money in the specific bank account. The deposit can only be used for mining and environmental reclamation after restoration closure; RMB362 million and RMB113 million were pledged for short-term borrowings; RMB64,592,820.10 and RMB64,202,673 dedicated to donations, in which its right to use is limited; RMB126,913,113.14 and RMB36,523,828 belong to other margin deposit, in which its rights to use is limited; RMB553,718,420.68 and RMB591,142,905 were time deposits for more than three months. In addition, on 30 June 2011, as the Company's wholly owned subsidiary, Xinyi Zijin had litigation with the government of Xinyi City and its victims, bank deposit of RMB1,853,048.51 was frozen by the court.

Note 2: The Group's balance in USD bank account includes the capital of USD276,230,311 (equivalent to RMB 1,787,652,080.66) collected from bonds issue.

At 30 June 2011, the amount which the Group deposited in overseas is equivalent to RMB 1,940,110,038.78 (31 December 2010: RMB654,585,117).

Interest income is derived from the interest rates of the bank demand deposits. The periods of deposits for short-term time deposits vary from 30 days to 12 months, depending on the cash needs of the Group and interest income is derived according to the corresponding bank's time deposit rates.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. HELD-FOR-TRADING FINANCIAL ASSETS

	30 June 2011	31 December 2010
Held-for-trading debt investment	—	—
Held-for-trading equity investment	221,551,245.00	115,529,143.00
Derivative financial assets	461,707,820.40	272,855,240.00
	683,259,065.40	388,384,383.00

Management considers that there is no significant restriction for turning held-for-trading financial assets into cash as at 30 June 2011.

3. BILLS RECEIVABLES

	30 June 2011	31 December 2010
Bank acceptance drafts	314,864,945.28	313,625,938.00
Commercial acceptance drafts	61,000,000.00	13,000,000.00
	375,864,945.28	326,625,938.00

As at 30 June 2011, the balance of bills receivables did not have the amount due from shareholders holding 5% or above voting rights of the Company (31 December 2010: Nil). As at 30 June 2011, the book value did not have the bills receivables which were pledged (31 December 2010: Nil). As at 30 June 2011, the book value of bills receivables that have been discounted for short-term loans was RMB2 million (31 December 2010: RMB336,106,022).

As at 30 June 2011 and 31 December 2010, there was no bill which was converted to accounts receivables due to dishonored drawer; the Group had transferred by endorsement the bills receivables which is not yet due of the book value of RMB 7,067,600 on 30 June 2011 (31 December 2010: RMB45.7 million).

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. TRADE RECEIVABLES

The credit period on sales is generally 3 months. Trade receivables are non-interest bearing.

An aging analysis of the trade receivables is as follows:

	30 June 2011	31 December 2010
Within 1 year	549,317,075.22	666,336,231.00
Over 1 year but within 2 years	12,165,398.14	2,225,270.00
Over 2 years but within 3 years	697,073.75	372,895.00
Over 3 years	311,845.86	250,303.00
	562,491,392.97	669,184,699.00

Movement of bad debt provision for trade receivables:

	As at 31 December 2010	Provision this year	Decrease Write-back	Written-off	As at 30 June 2011
2011	91,021.00	—	—	—	91,021.00

	30 June 2011				31 December 2010			
	Book value balance Amount	Percentage (%)	Provision for bad debt Amount	Percentage provided (%)	Book value balance Amount	Percentage (%)	Provision for bad debt Amount	Percentage provided (%)
Single significant item	378,546,809.18	67.30	—	—	590,469,015.00	88.24	—	—
Other insignificant items	183,944,583.79	32.70	91,021.00	0.05	78,715,684.00	11.76	91,021.00	0.12
	562,491,392.97	100.00	91,021.00	0.02	669,184,699.00	100.00	91,021.00	0.01

The Group has no trade receivables denominated in foreign currency as at 30 June 2011 and 31 December 2010.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. TRADE RECEIVABLES (continued)

The status of top 5 trade receivables in amount:

30 June 2011:

Name	Relationship with the Group	Amount	Aging	Percentage to total trade receivables (%)
Jinchuan Group Co., Ltd.	Third party	92,466,558.17	Within 1 year	16.44
Xinjiang Bayi Steel Group Co., Ltd.	Third party	44,290,178.44	Within 1 year	7.88
Guangdong Zhigao Air-conditioning Co., Ltd.	Third party	29,051,903.55	Within 1 year	5.17
Lingbao Gold Co., Ltd.	Third party	21,710,188.06	Within 1 year	3.86
Guangdong Kelong Air-conditioning Co., Ltd.	Third party	21,497,059.24	Within 1 year	3.82
		209,015,887.46		37.17

As at 30 June 2011, the balance of trade receivables did not have amount from shareholders holding 5% or above voting rights of the Company (31 December 2010: Nil). As at 30 June 2011, the proportion of trade receivables from related parties to the aggregate total amount of trade receivables in the balance was 0.46% (31 December 2010: 0.16%), further information are disclosed in Note VI - related parties and their transactions.

5. ADVANCE TO SUPPLIERS

The analysis of the age of advance to suppliers is as below:

	30 June 2011		31 December 2010	
	Book value	Percentage (%)	Book value	Percentage (%)
Within 1 year	812,359,224.89	93.30	560,966,034.00	88.78
Over 1 year but within 2 years	38,891,521.56	4.47	61,819,901.00	9.78
Over 2 years but within 3 years	4,720,720.69	0.54	4,087,434.00	0.65
Over 3 years	14,757,817.23	1.69	5,019,617.00	0.79
	870,729,284.37	100.00	631,892,986.00	100.00

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. ADVANCE TO SUPPLIERS (continued)

As at 30 June 2011, the advance to suppliers paid over 1 year and the amount of which is significant is as follows:

Name	Relationship with the Group	Amount	Prepayment time
Gazprom Neft Oil and Gas Company	Third party	5,191,546.84	1-2 years

As at 30 June 2011, the top 5 advance to suppliers in amount is set below:

Name	Relationship with the Group	Amount	Prepayment time	Reason for not settlement
Xiamen Zhongbing Trading Co., Ltd.	Third party	90,457,326.22	Within 1 year	Transaction not yet completed
Shanghang County Jinshan Trading Company	Shareholder of the Company	57,612,621.04	Within 1 year	Transaction not yet completed
Cao Jiasheng	Third party	45,500,000.00	Within 1 year	Transaction not yet completed
Huang Zhaoming	Third party	26,980,006.89	Within 1 year	Transaction not yet completed
Hebei Chongli County Sitaizui Village People's Government	Third party	22,998,094.00	Within 1 year	Transaction not yet completed
		243,548,048.15		

On 30 June 2011, the Group has not made any prepayment for the debts of shareholders holding 5% or above voting shares of the Company. (31 December 2011: Nil).

As at 30 June 2011, the Group's USD advance to suppliers amounted to USD2,462,247.26, equivalent to RMB15,934,679.38, the exchange rate was USD1 to RMB6.4716. As at 31 December 2010, the Group's USD advance to suppliers amounted to USD 2,689,077, equivalent to RMB17,915,360, the exchange rate was USD1 to RMB6.6227. As at 30 June 2011, the Group's HKD advance to suppliers amounted to HKD312,086.01, equivalent to RMB259,536.97, the exchange rate was HKD1 to RMB0.83162. As at 31 December 2010, the Group's HKD advance to suppliers amounted to HKD312,097, equivalent to RMB265,563, the exchange rate was HKD1 to RMB0.8509.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. OTHER RECEIVABLES

An aging analysis of other receivables is as follows:

	As at 30 June 2011	As at 31 December 2010
Within 1 year	298,565,988.98	599,053,117.00
Over 1 year but within 2 years	81,921,415.61	123,964,448.00
Over 2 years but within 3 years	83,752,192.74	44,292,068.00
Over 3 years	36,281,077.31	33,904,620.00
	500,520,674.64	801,214,253.00

Movement of bad debt provision for other receivables:

	As at 31 December 2010	Provision for the period	Decrease		As at 30 June 2011
			Written-back	Written-off	
30 June 2011	9,202,539.00	18,240.00	—	—	9,220,779.00

	30 June 2011				31 December 2010			
	Book value balance Amount	Percentage (%)	Provision for bad debt Amount	Percentage provided (%)	Book value balance Amount	Percentage (%)	Provision for bad debt Amount	Percentage provided (%)
Single significant item	194,212,813.66	38.80	1,436,672.00	0.74	347,926,886.00	43.42	821,887.00	0.23
Other insignificant items	306,307,860.98	61.20	7,784,107.00	2.54	453,287,367.00	56.58	8,380,652.00	1.85
	500,520,674.64	100.00	9,220,779.00	1.84	801,214,253.00	100.00	9,202,539.00	1.15

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. OTHER RECEIVABLES (continued)

The top 5 other receivables in amount is as below:

30 June 2011

Name	Relationship with the Group	Amount	Aging	Percentage to total other receivables (%)
Shanghai Finance Bureau (Note 1)	Third party	50,000,000.00	2-3 years	9.99
Shanghai County Electricity Company	Third party	23,619,957.29	1-2 years	4.72
Shanghai Ting River Hydro-electric Co., Ltd.	The Group's associate	20,000,000.00	Within 1 year	3.96
Yili Hasake Zizhi Zhou People's Procuratorate Aleitai Branch (Note 2)	Third party	15,755,520.00	Within 1 year	3.15
Guizhou Province Qianxi Nanzhou Finance Bureau	Third party	12,139,968.00	1-3 years	2.42
		121,515,445.29		24.24

Note 1: The balance represents the security deposit paid by Fujian Zijin Real Estate Company Limited, a subsidiary of the Company, to the local government. The deposit will be refunded upon completion and acceptance of the construction.

Note 2: The balance represents the litigation fee paid by Xinjiang Jinbao on behalf of its non-controlling interest, Gu Xinguang, according to the notice from the Yili Hasake Zizhi Zhou People's Procuratorate Aleitai Branch.

As at 30 June 2011, the balance of other receivables did not have amount due from shareholders holding 5% or above voting rights of the Company (31 December 2010: Nil). As at 30 June 2011, the proportion of other receivables from related parties to the aggregate total amount of other receivables in the balance was 5.74% (31 December 2010: 4.14%), further information are disclosed in Note VI - Related Party Transactions.

As at 30 June 2011, the Group's USD dominated other receivables amounted to USD524,867.06, equivalent to RMB3,396,729.66, the exchange rate was USD1 to RMB6.4716. As at 31 December 2010, the Group's USD other receivables amounted to USD421,911, equivalent to RMB2,810,886, the exchange rate was USD1 to RMB6.6227. As at 30 June 2011, the Group's HKD other receivables amounted to HKD9,505,160.55, equivalent to RMB7,904,681.62, the exchange rate was HKD1 to RMB0.83162. As at 31 December 2010, the Group's HKD other receivables amounted to HKD8,486,265, equivalent to RMB7,220,963, the exchange rate was HKD1 to RMB0.8509.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. INVENTORIES

	30 June 2011	31 December 2010
Raw materials	1,174,721,000.75	1,339,307,396.00
Work in progress	917,657,325.01	760,196,304.00
Finished goods	1,035,421,984.89	822,174,834.00
Working materials	8,474,081.30	28,292,884.00
Property development cost	928,779,606.11	538,126,915.00
	4,065,053,998.06	3,488,098,333.00
Less: Write down of inventories to net realizable value	(5,416,202.00)	(5,416,202.00)
	4,059,637,796.06	3,482,682,131.00

Movement of write down of inventories to net realizable value:

30 June 2011	As at 31 December 2010	Provision for the period	Decrease Written-back	Written-off	As at 30 June 2011
Raw materials	5,416,202.00	—	—	—	5,416,202.00
	5,416,202.00	—	—	—	5,416,202.00

30 June 2011	Basis for write down of inventories to net realizable value	Reason for written-back	Percentage of written-back to closing inventories
Raw materials	Lower of net realizable value and cost	The market price of the relevant finished goods rise	

As at 30 June 2011, the balance did not involve inventories with restrictions on the ownership (31 December 2010: Nil).

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. OTHER CURRENT ASSETS

	30 June 2011	31 December 2010
Non-current assets held-for-sale	—	—
Security deposit for deferred gold transactions	101,725,698.10	98,397,221.00
Liquid cash for future contracts	51,277,923.70	16,601,664.00
Others	2,834,207.85	3,666,541.00
	155,837,829.65	118,665,426.00
Less: Impairment provision for other current assets	—	—
	155,837,829.65	118,665,426.00

9. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	30 June 2011	31 December 2010
Available-for-sale equity instruments		
Continental Minerals Corporation	—	365,305,654.00
GLENCORE INTERNATIONAL PLC(Note 1)	596,461,701.76	—
Jayden Resources Inc.	5,682,830.30	10,954,057.00
Aquarius Platinum Limited	32,988,863.90	36,268,059.00
Inter-Citic Minerals Inc.	187,967,234.66	317,005,255.00
	823,100,630.62	729,533,025.00
Available-for-sale debt instruments		
Glencore Finance (Europe) S.A. (Note 2)	1,358,526,506.20	1,329,440,798.00
	2,181,627,136.82	2,058,973,823.00

Note 1: In May 2011, the Company through QDII in London Stock Exchange purchased 11,682,242 shares of Glencore International Plc at average price of RMB55.7572 per share with a total cost of RMB651,368,704.81, the fair value of which as at 30 June 2011 was RMB596,461,701.76.

Note 2: The available-for-sale debt instrument has a lock-up period for sale, the period of which is from the purchase date to 22 December 2012. Details of it in 2011 are as follows:

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

9. AVAILABLE-FOR-SALE FINANCIAL ASSETS (continued)

	Type of bonds	Face value	Maturity date	Initial cost of investment	Opening balance	Interest for the period	Accumulated receivables	Closing balance
Glencore Finance (Europe) S.A.	Convertible bond	1,324,540,000.00	31 December 2014	1,324,540,000.00	—	32,433,180.00	76,492,212.00	1,820,234,326.40

In May 2010, the Company's wholly-owned subsidiary, Golden Lake Mining (BVI) Limited ("Golden Lake"), subscribed and paid for US\$200 million in aggregate principal amount of 5% p.a. convertible bonds due in 2014 issued by Glencore Finance (Europe) S.A. ("Glencore"). The bonds are traded in Luxemburg Stock Exchange. The interests are payable on 30 June and 31 December each year for 5 years, the maturity date of which is 31 December 2014. The bonds can be converted into shares of Glencore International Plc. The management of the Group has intention to exercise the conversion right. As at 30 June 2011, the shares of Glencore International Plc have been listed in London Stock Exchange. Before the date of maturity, the Group and the issuer of the bonds have right to redeem the bonds under specified conditions. As at date of purchase, the Group classified the liability portion of the convertible bonds as available-for-sale financial assets under non-current assets and the conversion portion of the convertible bonds as held-for-trading financial assets (derivative financial assets) under current assets. As at 30 June 2011, the fair value of the liability portion of the convertible bonds was RMB1,358,526,506; the fair value of the conversion portion of the convertible bonds was RMB461,707,820.40. The Group recognized other comprehensive income of RMB29,085,708.00 and gains from changes in fair value of RMB188,852,580.40 respectively.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

10. INTEREST IN JOINTLY-CONTROLLED ENTITIES AND ASSOCIATES

Name	Place of registration	Nature of service	Registered capital	Percentage of equity attributable to the Group	Percentage of voting right attributable to the Group
Jointly-controlled entity					
Shandong Guoda Gold Company Limited ("Shandong Guoda")	Zhaoyuan Shandong	Production and sales of gold, silver, electrolytic copper & sulfuric acid products	173,430,000	50.05%	50.05%
Associates					
Fujian Longyan Makeng Mining Co., Ltd. ("Makeng Mining")	Longyan Fujian	Mining of iron mines and geological research	200,000,000	31.5%	31.5%
Wuping Zijin Hydro-electric Co., Ltd. ("Wuping Zijin Hydro-electric")	Wuping Fujian	Investment in hydro-electric and hydro-electricity supply	60,000,000	48%	48%
Shanghai Ting River Hydro-electric Co., Ltd. ("Ting River Hydro-electric")	Shanghai Fujian	Electricity supply	69,000,000	49%	49%
Xiamen Zijin Tongguan Investment Development Co., Ltd. ("Zijin Tongguan")	Xiamen Fujian	Investment in mines, wholesales & retailing of mines products	1,350,000,000	45%	45%
Fujian Haixia Kehua Company Limited ("Haixia Kehua")	Yong'an Fujian	Production of explosives for civil use	230,000,000	28%	28%
Tibet Yulong Copper Company Limited ("Tibet Yulong")	Changdoug Tibet	Mining of copper mines and geological research	625,000,000	22%	22%
Qiubei Yun Copper Huaxi Mining Co., Ltd. ("Qiubei Yun Copper")	Qiubei Yunnan	Sales & purchase of mining products; geological exploration & technical advisory service	5,000,000	40%	40%
Hunchun Jindi Mining Co., Ltd. ("Hunchun Jindi")	Hunchun Jilin	Geological exploration, analysis, testing & technical development advisory service, transfer; sales of mining products	100,000,000	40%	40%
Songpan County Zijin Industrial and Trading Company Limited ("Songpan Zijin")	Songpan Sichuan	Sales of industrial production information, instruments & meters; sales & production of ordinary machinery	180,000,000	34%	34%
Yanbianzhou SMEs Credit Security Investment Co., Ltd. ("Yanbian Credit Security")	Yanbianzhou Jilin	Provision of guarantee for SMEs & individuals	100,000,000	20%	20%
Luoyang Huayin Guarantee Co., Ltd. ("Luoyang Huayin")	Luoyang Henan	Guarantees for finance, discounted notes & performance for guarantee	10,000,000	20%	20%
Shanghai Xinyuan Water Co., Ltd. ("Shanghai Xinyuan")	Shanghai Fujian	Water supply	300,000,000	38%	38%
Wancheng Commercial Dongshengmiao Co., Ltd. ("Wancheng Commercial")	Wulatehouqi Inner Mongolia	Sales & mining of zinc, lead, sulfur & copper	12,000,000	47.5%	47.5%
Xiamen Modern Terminals Co., Ltd. ("Xiamen Modern Terminals")	Xiamen Fujian	Terminal construction, port facilities management, cargo handling and storage (with approval licence)	355,580,000	25%	25%
Xinjiang Wuxin Copper Co., Ltd. ("Wuxin Copper")	Fukang Xinjiang	Sales & refinery of copper, gold, silver & other non-ferrous metals	790,000,000	34%	34%
Xinjiang Kanas Travel Co., Ltd. ("Xinjiang Kanas Travel")	Bulinjin Xinjiang	Tourism, food & beverage	107,000,000	25.234%	25.234%
Wengfu Zijin Chemical Co., Ltd. ("Wengfu Zijin Chemical")	Shanghai Fujian	Production of monoammonium-phosphate, diammonium phosphate, gypsum block & cement additives (in construction)	500,000,000	40%	40%
Xinjiang Tianlong Mining Company Limited ("Xinjiang Tianlong")	Fukang Xinjiang	Production of cement	648,924,562	23.0335%	23.0335%
CASA Minerals Ltd.	BVI	Mineral mining, refinery & sales	USD 50,000	30%	30%
Qinghai Copper Co., Ltd. ("Qinghai Copper")	Qinghai Xining	Production of copper cathodes, gold, refinery silver & sulfuric acid	800,000,000	30%	30%

The above jointly-controlled entities and associates are all limited liability companies.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

10. INTEREST IN JOINTLY-CONTROLLED ENTITIES AND ASSOCIATES (continued)

	Total assets closing balance	Total liabilities closing balance	Net assets closing balance	Operating revenue (For the six months ended 30 June 2011)	Net profits (For the six months ended 30 June 2011)
Jointly-controlled entity					
Shandong Guoda	1,093,119,919.79	628,053,149.11	465,066,770.68	715,109,211.41	30,123,117.16
Associates					
Ting River Hydro-electric	301,795,985.22	195,659,882.92	106,136,102.30	12,178,545.00	(1,572,397.85)
Wuping Zijin Hydro-electric	142,575,105.68	78,036,235.05	64,538,870.63	6,427,902.47	(1,197,890.40)
Haixia Kehua	795,600,000.00	285,290,000.00	510,310,000.00	397,100,000.00	55,430,000.00
Shanghang Xinyuan	567,416,708.49	264,202,811.49	303,213,897.00	3,573,145.15	6,679.89
Hunchun Jindi	94,721,111.03	72,448.97	94,648,662.06	—	(979,808.69)
Yanbian Credit Security	306,539,302.79	88,631,949.06	217,907,353.73	7,651,600.00	4,453,853.33
Wancheng Commercial	313,982,203.11	147,329,862.83	166,652,340.28	348,378,736.87	198,005,709.09
Songpan Zijin	78,066,857.34	187,791.37	77,879,065.97	—	—
Tibet Yulong	1,991,554,916.02	1,075,956,290.99	915,598,625.03	373,978.93	(16,408,792.50)
Makeng Mining	2,263,565,624.74	1,725,972,500.44	537,593,124.30	164,001,704.07	58,957,883.04
Zijin Tongguan	1,685,137,936.30	277,306,238.00	1,407,831,698.30	—	(63,612,031.33)
Qiubei Yun Copper	9,436,420.10	376,175.50	9,060,244.60	—	(231,740.86)
Xiamen Modern Terminals	983,974,221.38	598,145,004.97	385,829,216.41	30,402,217.84	(4,217,137.82)
Luoyang Huayin	10,642,094.16	1,460,480.10	9,181,614.06	—	(353.89)
Wuxin Copper	864,853,279.88	76,748,075.73	788,105,204.15	254,603.85	(771,702.67)
Xinjiang Kanas Travel	20,656.50	5,836.40	14,820.10	860.40	(1,189.00)
Xinjiang Tianlong	1,877,793,054.57	517,253,909.64	1,360,539,144.93	352,419,114.64	53,312,714.59
Wengfu Zijin Chemical	249,914,750.44	(85,249.56)	250,000,000.00	—	—
Qinghai Copper Co., Ltd. (Note 1)	160,000,000.00	—	160,000,000.00	—	—

Note 1: In early 2011, Qinghai Copper Company Limited ("Qinghai Copper") which was jointly set up by Qinghai West Copper Mining Co., Ltd. ("Qinghai West"), a wholly-owned subsidiary of the Company, Western Mining Joint Stock Co., Ltd. ("Western Mining") and Geermu Shenghua Mining Company Limited ("Geermu Shenghua"), has a registered capital of RMB0.8 billion, in which Western Mining owns 40%, Qinghai West owns 30% and Geermu Shenghua owns 30%. RMB0.16 billion has been injected. Qinghai Copper is mainly engaged in the copper cathodes, gold, silver and production of sulfuric acid refinery project.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. LONG-TERM EQUITY INVESTMENTS

		Original investment	Opening balance	Increase for the period	Decrease for the period	Including: cash dividend for the period	Closing balance for the period
Equity investments accounted for by equity method:							
Jointly-controlled entities	(i)	159,734,600.00	240,668,542.00	9,689,930.88	—	—	250,358,472.88
Associates	(i)	1,364,838,050.00	2,171,612,497.77	335,360,227.46	42,544,161.92	42,544,161.92	2,464,428,563.31
Equity investments accounted for by cost method	(ii)	161,651,620.00	282,094,564.23	496,606.06	—	—	282,591,170.29
Less: Impairment provision for long-term equity investments			(20,571,332.00)	—	—	—	(20,571,332.00)
			2,673,804,272.00	345,546,764.40	42,544,161.92	42,544,161.92	2,976,806,874.48

Impairment provision for long-term equity investments:

30 June 2011

	Opening balance	Provided	Decrease Written-back	Decrease Written-off	Closing balance
Jointly-controlled entity - Shandong Guoda	20,571,332.00	—	—	—	20,571,332.00
	20,571,332.00	—	—	—	20,571,332.00

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. LONG-TERM EQUITY INVESTMENTS (continued)

Equity investments accounted for by equity method

30 June 2011

	Equity adjustments						Closing balance	
	Original investment	Accumulated increase/(decrease) in investment	Increase or/(decrease) for the period	Including: shared cash dividend	Accumulated increase/(decrease)	Increase/(decrease) for the period		Other equity
Jointly-controlled entity								
Shandong Guoda	159,734,600.00	—	9,689,930.88	—	90,623,872.88	—	(20,571,332.00)	229,787,140.88
Associates								
Ting River	24,500,000.00	9,310,000.00	(770,474.95)	—	1,866,842.49	—	—	35,676,842.49
Hydro-electric Wuping Zijin	22,800,000.00	9,295,000.00	(574,987.39)	—	1,599,851.45	—	—	33,694,851.45
Haixia Kehua	64,400,000.00	—	15,142,426.00	(4,508,231.00)	68,084,741.15	—	—	132,484,741.15
Shanghang Xinyuan	25,000,000.00	89,000,000.00	2,538.36	—	24,887.12	—	—	114,024,887.12
Hunchun Jindi	40,000,000.00	—	(391,923.48)	—	(2,054,082.46)	—	—	37,945,917.54
Yanbian Credit Security	20,000,000.00	30,000,000.00	890,770.67	(200,000.00)	3,327,808.13	—	—	53,327,808.13
Wancheng Commercial	166,895,356.00	—	96,343,250.29	(28,759,167.48)	30,947,127.88	—	—	197,842,483.88
Songpan Zijin	39,400,000.00	—	—	—	(150,215.00)	—	—	39,249,785.00
Tibet Yulong	243,750,000.00	(106,250,000.00)	(3,609,934.35)	—	(39,810,983.51)	—	—	97,689,016.49
Making Mining	2,520,000.00	29,340,000.00	10,893,608.16	—	130,994,244.16	—	—	165,308,494.16
Zijin Tongguan	4,500,000.00	603,000,000.00	(28,625,414.10)	—	(86,689,306.69)	—	—	497,050,132.01
Qubei Yun Copper	2,000,000.00	1,900,000.00	(88,061.53)	—	(445,702.18)	—	—	3,454,297.82

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. LONG-TERM EQUITY INVESTMENTS (continued)

	Equity adjustments						Closing balance	
	Original investment	Accumulated increase/(decrease) in investment	Increase/(decrease) for the period	Including: shared cash dividend	Accumulated increase/(decrease)	Increase/(decrease) for the period		Accumulated increase/(decrease)
Xiamen Modern Terminals	120,000,000.00	—	(1,054,284.46)	—	(1,289,015.78)	—	118,710,984.22	—
Luoyang Huayin	2,000,000.00	—	—	—	—	—	2,000,000.00	—
Wuxin Copper Xnjiang Kanas	34,000,000.00	234,600,000.00	(262,378.91)	—	(496,978.91)	—	268,103,021.09	—
Travel Xnjiang Tianlong	48,870,000.00	—	—	—	2,511,862.28	—	51,381,862.28	—
Wengfu Zijin Chemical	329,653,678.00	50,000,000.00	10,662,542.92	(9,076,763.44)	18,078,194.48	—	397,731,872.48	—
CASA Minerals Ltd. Qinghai Copper Co., Ltd.	100,000,000.00	—	—	—	—	—	100,000,000.00	—
	26,549,016.00	44,202,550.00	—	—	—	—	70,751,566.00	—
	48,000,000.00	—	—	—	—	—	48,000,000.00	—
	1,524,572,650.00	994,397,550.00	108,247,608.11	(42,544,161.92)	217,123,147.49	—	2,694,215,704.19	(20,571,332.00)

As at 30 June 2011, there is no material restrictions on the realisation of investment and the wire transfer of the investment income back to the Group.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. LONG-TERM EQUITY INVESTMENTS (continued)

Equity investments accounted for by cost method

	Sichuan Liwu Copper Co., Ltd.	Nanjing China Net Communication Co., Ltd.	Sichuan Muli Rongda Mining Co., Ltd.	Hunan Nonferrous Metals Corp. Ltd.	Xinjiang Xinixi Mining Industry Co., Ltd.	Luoyang Yongning Gold Lead Refinery Company Limited	Luoyang Commercial Bank	Shanghai Agricultural Commercial Bank	Wulatehouqi Ruifeng Lead Refinery Company Limited	Others	Total
Original investment	19,850,000	25,000,000	27,612,000	30,000,000	18,314,097	30,000,000	1,000,000	1,500,000	3,500,000	8,375,523	165,151,520
As at 31 December 2010	19,850,000	25,000,000	45,797,517	30,000,000	18,314,097	40,000,000	1,000,000	89,900,000	3,500,000	8,732,950	282,094,564
Increase for the period	—	—	—	—	—	—	—	—	—	496,606.29	496,606.29
Decrease for the period	—	—	—	—	—	—	—	—	—	—	—
Foreign currency translation	—	—	—	—	—	—	—	—	—	—	—
As at 30 June 2011	19,850,000	25,000,000	45,797,517	30,000,000	18,314,097	40,000,000	1,000,000	89,900,000	3,500,000	9,229,556.29	282,591,170.29
Percentage held by the Company	5.77%	8.62%	12.00%	1.37%	3.77%	10%	0.24%	10%	7%	N/A	

The percentage of voting rights of the above investments held by the Group equal to the percentage of shares held by the Group.

There is no material restrictions on the wire transfer of the investment income from the investees back to the Group.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

12. INVESTMENT PROPERTIES

Subsequent measurement using cost method:

30 June 2011

	Buildings
Original price:	
At the beginning of the year	62,627,049.00
Accumulated depreciation:	
Opening balance	9,526,691.00
Provided for the period	1,021,891.28
Closing balance	10,548,582.28
Net book value:	
Closing balance	52,078,466.72
Opening balance	53,100,358.00
Impairment provision	
Opening and Closing balance	—
Book value:	
Closing balance	52,078,466.72
Opening balance	53,100,358.00

The investment properties were leased to third parties as operating lease.

As at 30 June 2011, there were no certificates of titles of the investment properties that have not been completed.

Notes to Financial Statements

30 June 2011
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. FIXED ASSETS

30 June 2011

	Buildings	Constructions in mines	Power generating and transmission equipment (Note 1)	Plant, machinery and equipment	Building improvements	Furniture and fixtures	Vehicles	Total (Note 2)
Original cost								
Opening balance	2,312,288,239.00	4,503,062,982.00	602,980,989.00	3,737,222,402.00	24,433,136.00	140,549,742.00	550,865,659.00	11,871,403,149.00
Purchase and acquisition of subsidiaries	14,309,238.46	65,666,557.64	19,176,014.92	160,615,849.49	1,034,428.31	15,168,624.58	68,047,679.42	344,018,392.82
Transferred from construction in progress	121,748,175.24	97,902,258.76	1,085,133.81	9,965,365.98	—	121,456.00	1,898,061.24	232,720,451.03
Transferred out to fixed assets held-for-sale	—	—	—	—	—	—	—	—
Disposal & scrap	9,677,060.11	52,988,877.22	4,541,990.74	35,918,561.24	121,454.00	3,076,324.39	10,913,371.68	117,237,639.38
Closing balance	2,438,668,592.59	4,613,642,921.18	618,700,146.99	3,871,885,056.23	25,346,110.31	152,763,498.19	609,898,027.98	12,330,904,353.47
Accumulated depreciation								
Opening balance	332,068,994.00	1,369,620,217.00	165,662,374.00	1,073,011,226.00	12,429,499.00	77,102,826.00	248,396,423.00	3,278,291,559.00
Provision	65,554,354.51	143,973,932.01	14,889,317.75	167,565,337.34	832,281.40	11,344,998.68	30,754,540.44	434,914,762.13
Other increase	—	—	—	—	—	—	—	—
Transferred out to fixed assets held-for-sale	—	—	—	—	—	—	—	—
Transfers	3,168,453.15	13,661,931.63	1,560,581.41	15,549,310.64	43,521.00	2,489,841.02	3,543,250.72	40,016,889.57
Closing balance	394,454,895.36	1,499,932,217.38	178,991,110.34	1,225,027,252.70	13,218,259.40	85,957,983.66	275,607,712.72	3,673,189,431.56
Impairment provision								
Opening balance	(3,121,169.00)	(116,673,323.00)	—	(28,748,840.00)	—	—	—	(148,543,332.00)
Provision (Note 2)	—	(105,680,368.00)	—	—	—	—	—	(105,680,368.00)
Decrease	—	(18,645,742.00)	—	—	—	—	—	(18,645,742.00)
Closing balance	(3,121,169.00)	(203,707,949.00)	—	(28,748,840.00)	—	—	—	(235,577,958.00)
Net book value								
Closing balance	2,041,092,528.23	2,910,002,754.80	439,709,036.65	2,618,108,963.53	12,127,850.91	66,805,514.53	334,290,315.26	8,422,136,963.91
Opening balance	1,977,098,076.00	3,016,769,442.00	437,318,615.00	2,635,462,336.00	12,003,637.00	63,446,916.00	302,469,236.00	8,444,568,258.00

Note 1: On 26 February 2009, Shanghang Jinshan Hydro Power Station Co., Ltd., a subsidiary of the Company, pledged the power generation equipment and power transmission system with face value of RMB 42,739,800 to the Agricultural Bank of China for a long-term loan of RMB30,000,000 (Note V.29). As at 30 June 2011, the loan was not yet due for repayment.

Note 2: As at 30 June 2011, the fixed assets of Xinyi Zijin Mining Company Limited, a subsidiary of the Company, with net book value amounted to RMB290,937,182.29 were frozen by the court due to the prosecution brought by Xinyi City People's Government and victims for damages.

Notes to Financial Statements

30 June 2011
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. FIXED ASSETS (continued)

Fixed assets that are fully depreciated but still continued in use:

	30 June 2011		31 December 2010	
	Original cost	Net book value	Original cost	Net book value
Buildings	868,333.20	26,050.00	3,294,510.00	98,835.00
Constructions in mines	427,368,079.03	8,145,564.41	391,153,575.00	—
Power generation equipment & power transmission system	3,608,511.78	142,303.32	7,503,084.00	225,093.00
Machinery	108,313,453.08	3,803,936.78	92,683,813.00	2,780,514.00
Decoration	7,120,547.66	—	7,283,548.00	218,506.00
Office & computer equipment	16,049,304.14	539,553.69	4,007,095.00	120,213.00
Vehicles	11,770,304.64	419,839.74	7,789,157.00	233,675.00
	575,098,533.53	13,077,247.94	513,714,782.00	3,676,836.00

Fixed assets that are temporarily not in use:

30 June 2011

	Buildings	Constructions in mines	Power generation equipment & power transmission system	Machinery	Office & computer equipment	Vehicles	Total
Original cost	—	—	3,589,283.52	70,769.00	17,530.00	4,089,167.10	7,766,749.62
Accumulated depreciation	—	—	1,098,101.45	41,281.80	—	1,139,383.25	2,278,766.50
Impairment provision	—	—	—	—	—	—	—
Net book value	—	—	2,491,182.07	29,487.20	17,530.00	2,949,783.85	5,487,983.12

Notes to Financial Statements

30 June 2011
RMB**V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***13. FIXED ASSETS** *(continued)*

The Group did not have any finance-leased fixed assets.

As at 30 June 2011, fixed assets for which the process of obtaining certificates of titles has not been completed:

Items	Net book value	Reasons for process of obtaining certificates of titles not yet completed	Expected completion time for obtaining certificates of titles
Buildings	852,149,609.40	Application in progress	2012
Constructions in mines	803,073,711.92	Application in progress	2012
	1,655,223,321.32		

Notes to Financial Statements

30 June 2011
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. CONSTRUCTION IN PROGRESS

	Budget amount	Opening balance	Increase for the period	Transfer to fixed assets	Other decrease	Closing balance	Sources of fund	Percentage of use of budget of progress
Zijinshan Gold and Copper Mines joint opening pit mining project	1,521,040,800.00	859,834,041.00	148,743,084.14	4,076,975.80	514,986.68	1,003,985,162.66	IPO proceeds	71%
Zijin headquarters infrastructure project	172,000,000.00	111,832,405.00	14,267,112.72	7,521,603.75	—	118,577,913.97	Internal cash	73%
Guizhou infrastructure project	435,000,000.00	199,679,871.00	70,394,815.24	62,356,163.84	—	207,718,522.40	Internal cash	115%
Xinjiang Zijin infrastructure project	63,466,000.00	49,907,968.00	4,237,034.91	—	—	54,145,002.91	Internal cash	85%
Xinjiang Jimbao infrastructure project	205,000,000.00	6,863,439.00	829,509.93	2,312,835.98	—	5,380,112.95	Internal cash	99%
Fujian Jinchuan infrastructure project	400,000,000.00	57,498,771.00	13,882,812.51	2,559,406.09	—	68,822,177.42	Internal cash	100%
Wuyang Jinwang infrastructure project	350,000,000.00	114,517,277.00	26,474,501.52	—	—	140,991,778.52	Internal cash	42%
Hunchun infrastructure project	461,500,000.00	92,036,931.00	13,806,449.73	—	1,085,154.55	104,758,226.18	IPO proceeds	101%
Qinghai West infrastructure project	660,000,000.00	104,732,915.00	9,313,309.24	57,485,460.63	—	56,560,763.61	Internal cash	90%
Xinjiang Ashele infrastructure project	570,000,000.00	104,490,784.00	176,294,704.05	—	22,236,864.29	258,548,623.76	Internal cash	130%
Guangdong Baoyuan infrastructure project	267,000,000.00	8,289,269.00	15,199,017.41	—	—	23,488,286.41	Internal cash	105%
Guangdong Xinyi Dongkeng infrastructure project	76,000,000.00	7,418,477.00	2,731,310.98	—	—	10,149,787.98	Internal cash	103%
Fujian Zijin Copper infrastructure project	402,030,000.00	4,843,596.00	258,299.14	—	17,000.00	5,084,895.14	Internal cash	93%
Bayannaoer Zijin infrastructure project	1,350,000,000.00	166,195,816.00	35,044,153.84	—	—	201,239,969.84	Bank deposit	99%
Hebei Chongli infrastructure project	450,000,000.00	37,979,406.00	25,007,155.20	28,058,089.97	10,375,501.46	24,552,969.77	Internal cash/ Loan	101%
Shanxi Zijin infrastructure project	66,000,000.00	13,364,693.00	16,846,586.24	4,497,664.25	9,613,632.13	16,099,982.86	Internal cash	125%
Longkou Jintai infrastructure project	200,000,001.00	91,678,301.00	—	—	—	91,678,301.00	Internal cash	97%
Wulatehouqi Zijin infrastructure project	657,750,001.00	242,189,491.00	60,061,102.19	—	—	302,250,593.19	Internal cash/ Loan	99%
Henan Jinda infrastructure project	480,000,000.00	36,304,671.00	1,938,175.72	—	—	38,242,846.72	Internal cash	8%
Yuanyang County Huaxi infrastructure project	61,980,000.00	44,993,670.00	13,407,678.57	2,866,585.66	—	55,534,762.91	Internal cash	121%
Hunan Zijin infrastructure project	16,650,001.00	15,943,593.00	—	—	15,943,593.00	—	Internal cash	94%

Notes to Financial Statements

30 June 2011
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. CONSTRUCTION IN PROGRESS (continued)

	Budget amount	Opening balance	Increase for the period	Transfer to fixed assets	Other decrease	Closing balance	Sources of cash	Percentage of use of budget of progress
Heilongjiang Duobaoshan infrastructure project	1,880,186,121.00	154,134,729.00	272,889,720.86	—	6,411,798.22	420,612,651.64	Internal cash	72%
Shangri-la Huaxi infrastructure project	31,146,142.00	1,217,998.00	340,725.50	—	—	1,558,723.50	Internal cash	93%
Yunnan Malipo Zijin infrastructure project	267,928,400.00	150,272,704.00	25,563,483.22	3,605,493.04	3,200,912.97	169,029,781.21	Internal cash	108%
Tajikistan ZGC infrastructure project	1,305,345,000.00	72,643,461.00	128,818,835.70	10,722,806.03	12,684,966.35	178,054,524.32	IPO proceeds	22%
Heilongjiang Zijin Longxing infrastructure project	600,000,000.00	163,594,963.00	110,442,975.84	—	—	274,037,938.84	Internal cash	45%
Shanghai County Ganlong infrastructure project	330,380,000.00	19,144,993.00	3,806,687.98	—	—	22,951,680.98	Internal cash	7%
Jinyi Copper infrastructure project	189,900,000.00	52,528,980.00	—	548,060.72	1,506,249.79	50,474,669.49	Internal cash	99%
Longkou Jinfeng infrastructure project	36,506,611.00	2,174,526.00	533,208.52	—	—	2,707,734.52	Internal cash	100%
Wuping Zijin infrastructure project	244,910,000.00	201,754,631.00	75,182,603.41	34,882,475.07	—	242,054,759.34	Internal cash/ Loan	93%
Luoning Huatai infrastructure project	36,000,000.00	34,522,189.00	16,173,841.50	1,564,248.79	—	49,131,781.71	Internal cash	144%
Zijin Qinghai infrastructure project	571,920,000.00	236,429,276.00	101,679,249.36	—	—	338,108,525.36	Internal cash	59%
Xinjiang Jinneng infrastructure project	70,000,000.00	35,054,140.00	13,216,643.77	—	—	48,270,783.77	Internal cash	87%
Zijin Copper infrastructure project	2,614,095,800.00	506,479,231.00	379,470,452.36	—	—	885,949,683.36	Internal cash/ Loan	33%
Inner Mongolia Jinzhong Mining infrastructure project	269,573,900.00	87,195,208.00	31,244,575.94	—	—	118,439,783.94	Internal cash	45%
Others	223,714,229.00	3,113,360.00	48,099,032.31	9,662,581.41	206,485.07	41,343,325.83	Internal cash	N/A
	17,537,023,006.00	4,090,855,774.00	1,856,198,849.55	232,720,451.03	83,797,144.51	5,630,537,028.01		
Impairment provision for construction in progress		(91,469,553.00)				(91,469,553.00)		
		3,999,386,221.00				5,539,067,475.01		

Notes to Financial Statements

30 June 2011
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. CONSTRUCTION IN PROGRESS (continued)

Changes in capitalized borrowing cost:

	Opening balance	Capitalised interest for the period	Transferred out for the period	Closing balance	Rates of capitalised interest for the period
Zijin Copper Company Limited 200,000 tonnes copper refinery project	18,614,047.00	34,829,901.05	—	53,443,948.05	5.13%-6.14%
Hebei Chongli Zijin Mining Company Limited	7,498,772.59	3,630,267.10	8,651,767.62	2,477,272.07	5.32%
Wuping Zijin	11,301,108.68	4,966,127.67	1,633,984.63	14,633,251.72	5.76%
Wulatehouqi Zijin infrastructure project	5,981,436.00	1,363,323.07	—	7,344,759.07	6.65%
	43,395,364.27	44,789,618.89	10,285,752.25	77,899,230.91	

Impairment provision for construction in progress

	Opening balance	Provision for the period	Transferred out for the period	Closing balance	Reason for provision
Longkou Jintai infrastructure project	91,469,553.00	—	—	91,469,553.00	Note 1
	91,469,553.00	—	—	91,469,553.00	

Note 1: After the exploration work, the Group considered that some of the underground tunnels in the mines could not be used. As such, impairment provision was made for the relevant parts.

Notes to Financial Statements

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

15. INTANGIBLE ASSETS

30 June 2011

	Exploration & mining rights	Land use rights	Membership of Shanghai Gold Exchange and others	Total
Original cost				
Opening balance	5,848,394,933.00	419,871,117.00	25,546,701.00	6,293,812,751.00
Increase for the period	267,341,279.76	23,878,186.94	4,273,259.47	295,492,726.17
Decrease for the period	43,173,256.40	5,283,497.00	—	48,456,753.40
Closing balance	6,072,562,956.36	438,465,806.94	29,819,960.47	6,540,848,723.77
Accumulated amortisation				
Opening balance	533,149,433.00	60,116,328.00	3,656,670.00	596,922,431.00
Provision for the period	94,764,321.28	10,680,905.80	874,773.73	106,320,000.81
Decrease for the period	12,816,814.00	632,040.00	—	13,448,854.00
Closing balance	615,096,940.28	70,165,193.80	4,531,443.73	689,793,577.81
Impairment provision				
Opening balance	403,971,643.00	—	—	403,971,643.00
Provision for the period	37,735,000.00	—	—	37,735,000.00
Decrease for the period	4,042,046.00	—	—	4,042,046.00
Closing balance	437,664,597.00	—	—	437,664,597.00
Net book value				
Closing balance	5,019,801,419.08	368,300,613.14	25,288,516.74	5,413,390,548.96
Opening balance	4,911,273,857.00	359,754,789.00	21,890,031.00	5,292,918,677.00

As at 30 June 2011 and 31 December 2010, there are no restriction on the ownership of the intangible assets balances.

Notes to Financial Statements

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. GOODWILL

30 June 2011

	Opening balance	Increase for the period	Decrease for the period	Closing balance	Impairment provision
Xinjiang Ashele	12,906,890.00	—	—	12,906,890.00	—
Qinghai West	455,874.00	—	—	455,874.00	—
Hunchun Zijin	71,099,520.00	—	—	71,099,520.00	—
Yunnan Huaxi	33,161,050.00	—	—	33,161,050.00	—
Xiamen Zijin	1,241,101.00	—	—	1,241,101.00	—
Sichuan Jiuzhaigou	8,757,428.00	—	—	8,757,428.00	(8,757,428.00)
Shanxi Zijin	2,503,610.00	—	—	2,503,610.00	—
Shandong Jintai	14,291,025.00	—	—	14,291,025.00	(14,291,025.00)
Guangdong Xinyi	44,319,632.00	—	—	44,319,632.00	(44,319,632.00)
Longkou Jinfeng	8,657,601.00	—	—	8,657,601.00	(8,657,601.00)
Funing Zhenglong	1,601,662.00	—	—	1,601,662.00	(1,601,662.00)
Wulatehouqi	119,097,944.00	—	—	119,097,944.00	—
Bayannaer Zijin	14,531,538.00	—	—	14,531,538.00	—
Zijin Copper	4,340,000.00	—	—	4,340,000.00	—
Sino Trend	79,642,197.00	—	—	79,642,197.00	—
	416,607,072.00	—	—	416,607,072.00	(77,627,348.00)

Notes to Financial Statements

30 June 2011
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

17. LONG-TERM DEFERRED EXPENSES

	30 June 2011			31 December 2010		
	Land compensation costs (Note 1)	Others (Note 2)	Total	Land compensation costs (Note 1)	Others (Note 2)	Total
Opening balance	248,329,229.00	516,947,015.00	765,276,244.00	207,233,787.00	373,147,514.00	580,381,301.00
Additions	2,223,824.05	96,676,738.73	98,900,562.78	61,146,070.00	237,207,241.00	298,353,311.00
Amortization	14,279,270.68	57,856,447.86	72,135,718.54	18,918,212.00	88,769,209.00	107,687,421.00
Other decrease	289,821.40	11,082,594.21	11,372,415.61	1,132,416.00	4,638,531.00	5,770,947.00
Impairment provision	8,460,000.00	—	8,460,000.00	8,460,000.00	4,270,000.00	12,730,000.00
Closing balance	227,523,960.97	544,684,711.66	772,208,672.63	239,869,229.00	512,677,015.00	752,546,244.00

Note 1: The land compensation costs relate to the compensation for the use of forest in mining sites. The amortization period ranges from 10 to 50 years.

Note 2: As at 30 June 2011 and 31 December 2010, the other long-term deferred expenses include mainly: mining shaft development fee of RMB134,701,319.78 and RMB139,615,177; road use fee of RMB71,471,809.06 and RMB64,250,833; resource compensation cost of RMB78,792,231.43 and RMB57,224,445; amortization cost of anode and cathode of RMB137,504,661.67 and RMB141,208,207; resource integration fee of RMB50,094,197.51 and RMB27,996,875; forest compensation fee of RMB43,672,952.37 and RMB53,011,335; transformation of power lines of RMB28,447,539.78 and RMB29,370,163. The amortization period of other long-term deferred expenses ranges from 5 to 50 years.

Notes to Financial Statements

30 June 2011
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

18. DEFERRED INCOME TAX ASSETS/LIABILITIES

Deferred income tax assets and deferred income tax liabilities are not net-off and are not shown as net balance.

Recognised deferred income tax assets:

	Unrealized profit from internal sales	Differences in depreciation policies	Impairment provision for assets	Deductible losses	Others	Total
At 31 December 2010	21,072,953.00	3,044,300.00	11,125,954.00	35,634,698.00	123,093,061.00	193,970,966.00
Recognised in income statement	15,655,374.44	1,943,864.60	12,500,000.44	(6,179,151.76)	(509,729.68)	23,410,358.04
Recognised in equity	—	—	—	—	8,061,892.88	8,061,892.88
At 30 June 2011	36,728,327.44	4,988,164.60	23,625,954.44	29,455,546.24	130,645,224.20	225,443,216.92

As at 30 June 2011, the above deferred income tax assets recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available.

Recognised deferred income tax liabilities:

	Changes in fair value of available-for-sale financial assets	Fair value adjustment for acquisition of subsidiaries	Income from disposal of available-for-sale financial assets	Total
At 31 December 2010	31,299,391.00	188,126,811.00	—	219,426,202.00
Recognised in income statement	—	(130,344.50)	56,788,261.80	56,657,917.30
Recognised directly in equity	(31,299,391.00)	(2,773,622.00)	—	(34,073,013.00)
Fair value adjustment	—	—	—	—
Disposal of subsidiaries	—	—	—	—
At 30 June 2011	—	185,222,844.50	56,788,261.80	242,011,106.30

Notes to Financial Statements

30 June 2011
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

18. DEFERRED INCOME TAX ASSETS/LIABILITIES (continued)

Deferred income tax assets not yet recognized:

	30 June 2011	31 December 2010
Deductible temporary differences	751,557,256.00	640,761,804.00
Deductible tax loss	303,570,941.35	292,855,105.00
	1,055,128,197.35	933,616,909.00

The deductible loss of the unrecognized deferred income tax assets will be expired in the following years:

	30 June 2011	31 December 2010
2012	10,769,926.00	19,174,748.00
2013	13,924,205.80	29,106,700.00
2014	93,956,811.39	97,208,240.00
2015	110,051,280.02	131,447,425.00
2016	74,868,718.14	—
	303,570,941.35	276,937,113.00

Notes to Financial Statements

30 June 2011
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

18. DEFERRED INCOME TAX ASSETS/LIABILITIES (continued)

The temporary differences caused by the following assets and liabilities:

	30 June 2011	31 December 2010
Taxable temporary differences		
Fair value adjustment for aquisition of subsidiaries	769,260,524.00	780,906,390.00
Including: Intangible assets	699,707,696.00	711,353,562.00
Fixed assets	69,552,828.00	69,552,828.00
Fair value adjustment for disposal of subsidiaries	(28,369,150.00)	(28,399,150.00)
Disposal of available-for-sale financial assets	227,153,047.20	—
Changes in fair value of available-for-sale financial assets	—	125,197,566.00
	968,044,421.20	877,704,806.00
Deductible temporary differences		
Provision for bad debt	1,491,172.00	1,491,172.00
Write-down of inventories to net realizable value and unrealized gain/loss	147,745,721.52	83,657,371.00
Impairment provision for fixed assets	85,253,286.20	35,253,286.00
Differences in fixed assets depreciation policies	19,952,658.38	12,177,201.00
Impairment provision for other non-current assets	6,000,000.00	6,000,000.00
Accrued payroll and welfare	72,928,345.72	62,039,735.00
Other non-current liabilities	16,350,000.00	26,123,556.00
Deductible tax loss	117,822,184.96	142,538,792.00
Mineral resource compensation fee not yet paid	116,893,783.54	101,304,516.00
Others	317,335,714.04	305,298,233.00
	901,772,866.36	775,883,862.00

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

19. OTHER NON-CURRENT ASSETS

	30 June 2011			31 December 2010		
	Exploration and development cost	Investment prepayment, right of use fee & others (Note 1)	Total	Exploration and development cost	Investment prepayment, right of use fee & others	Total
Opening balance	779,502,928.00	2,601,435,464.00	3,380,938,392.00	586,322,897.00	1,637,684,659.00	2,224,007,556.00
Increase for the period	96,101,986.34	654,206,342.23	750,308,328.57	263,547,005.00	1,135,663,714.00	1,399,210,719.00
Decrease for the period	(7,765,655.88)	(157,838,106.70)	(165,603,762.58)	(61,059,287.00)	(171,912,909.00)	(232,972,196.00)
Transferred out to long-term equity investment	—	—	—	—	—	—
Transferred out to intangible assets	—	—	—	(9,307,687.00)	—	(9,307,687.00)
Closing balance	867,839,258.46	3,097,803,699.53	3,965,642,957.99	779,502,928.00	2,601,435,464.00	3,380,938,392.00
Impairment provision						
Opening balance	—	(6,000,000.00)	(6,000,000.00)	—	—	—
Provision for the period	—	—	—	—	(6,000,000.00)	(6,000,000.00)
Decrease for the period	—	—	—	—	—	—
Closing balance	—	(6,000,000.00)	(6,000,000.00)	—	(6,000,000.00)	(6,000,000.00)
Closing book value	867,839,258.46	3,091,803,699.53	3,959,642,957.99	779,502,928.00	2,595,435,464.00	3,374,938,392.00
Opening book value	779,502,928.00	2,595,435,464.00	3,374,938,392.00	586,322,897.00	1,637,684,659.00	2,224,007,556.00

Note 1: The Group's balances of investment prepayment, right of use fees and others include mainly: land use right fee of RMB151,799,096.02 (2010: RMB173,334,986); prepaid exploration and mining rights fee of RMB98,794,128.98 (2010: RMB84,253,760); investment prepayment of RMB578,101,115.39 (2010: RMB465,415,958); prepaid construction fee of RMB1,750,418,264.02 (2010: RMB1,369,723,753); prepaid Longhu integrated development right fee of RMB337,100,000 (2010: RMB247,000,000); the loan of RMB30,000,000 (2010: RMB39,000,000) granted by Jinshan Hydro Power, a wholly owned subsidiary of the Company, to a minority shareholder, Longxiang Group, before Jinshan Hydro Power became a wholly owned subsidiary of the Company. The interest rate of the loan is 5.4% p.a. and repayable within 3 years. As at 30 June 2011, the interest receivable is RMB310,083.33.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

20. IMPAIRMENT PROVISION FOR ASSETS

	31 December 2010	Provision for the period	Decrease for the period		30 June 2011
	Book value		Written-back	Written-off	Book value
Bad debt provision	9,293,560.00	18,240.00	—	—	9,311,800.00
Including: trade receivable	91,021.00	—	—	—	91,021.00
other receivable	9,202,539.00	18,240.00	—	—	9,220,779.00
Write-down of inventories to net realizable value	5,416,202.00	—	—	—	5,416,202.00
Impairment provision for other current assets	—	—	—	—	—
Impairment loss on available- for-sale financial assets	—	—	—	—	—
Impairment provision for long-term equity investments	20,571,332.00	—	—	—	20,571,332.00
Impairment provision for construction in progress	91,469,553.00	—	—	—	91,469,553.00
Impairment provision for fixed assets	148,543,332.00	105,680,368.00	—	18,645,742.00	235,577,958.00
Impairment provision for intangible assets	403,971,643.00	37,735,000.00	—	4,042,046.00	437,664,597.00
Impairment provision for goodwill	33,307,716.00	44,319,632.00	—	—	77,627,348.00
Other non-current assets	6,000,000.00	—	—	—	6,000,000.00
Impairment provision for long-term deferred expenses	12,730,000.00	—	—	4,270,000.00	8,460,000.00
	731,303,338.00	187,753,240.00	—	26,957,788.00	892,098,790.00

This year, the Group recognized impairment provision for fixed assets of RMB105,680,368, impairment provision for intangible assets of RMB37,735,000, impairment provision for goodwill of RMB44,319,632. Of which Xinyi Zijin include impairment provision for goodwill of RMB44,319,632 and impairment provision for fixed assets of RMB105,680,368; Kingbao Mining Ltd. made impairment provision for its mining right in Myanmar of RMB37,735,000.

This year, the Group wrote off impairment provision for assets in total of RMB26,957,788 which were related to the various provisions made for Hunan Zijin in previous years. The amount was recognized as investment losses on this write-off.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

21. SHORT-TERM LOANS

	30 June 2011	31 December 2010
Unsecured loans	5,465,521,478.61	4,339,677,151.00
Secured loans	—	156,474,550.00
	5,465,521,478.61	4,496,151,701.00

As at 30 June 2011, the interest rates for the above loans range from 2.1925% to 7.879% (31 December 2010: from 2.29% to 6.39%).

As at 30 June 2011, the short-term loans comprised no foreign currency loans. (31 December 2010: included short-term secured loans of HK\$16,500,000 from the Bank of China, short-term secured loans of HK\$350,000,000 with pledge of foreign currency from the Standard Chartered Bank).

As at both 30 June 2011 and 31 December 2010, the Group has no short-term loans that were matured but not yet repaid.

22. HELD-FOR-TRADING FINANCIAL LIABILITIES

	30 June 2011	31 December 2010
Gold leasing (Note 1)	596,420,213.00	—
Derivative financial liabilities	3,607,278.91	2,321,910.00
	600,027,491.91	2,321,910.00

Note 1: In order to reduce the financing cost, the Company engaged in gold leasing business with ICBC - Shanghai Branch with leasing period for 1 year. As at 30 June 2011, the volume of leasing was 1,860 kg.

23. TRADE PAYABLES

Trade payables are non-interest bearing and are generally repaid within 3 months.

As at 30 June 2011, the trade payables balances of the Group include amount of RMB37,766,136.56 (31 December 2010: RMB7,322,480) due to related parties, the details of which are disclosed in Note VI. - Related Party Transactions. The trade payables balances of the Group include amount of RMB4,966,951 due to shareholders who hold 5% or above voting rights of the Company (31 December 2010: RMB6,435,997).

As at 30 June 2011, the trade payables balances of the Group include amount of US\$52,898.22 (equivalent to approximately RMB342,336.11 at exchange rate of US\$1=RMB6.4716). As at 31 December 2010, the trade payables balances of the Group include amount of US\$1,522,564 (equivalent to approximately RMB10,053,696).

As at 30 June 2011, the trade payables did not have significant amount due over 1 year (31 December 2010: Nil).

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

24. ADVANCES FROM CLIENTS

As at 30 June 2011, the advances from clients include amount of RMB20,514,295 received from related parties (31 December 2010: RMB3,328,470), the details of which are disclosed in Note VI-Related Party Transactions. The advances from clients balances of the Group does not include any amount due to shareholders who hold 5% or above voting rights of the Company.

As at 30 June 2011, the advances from clients balances of the Group include amount of US\$94,642.97, equivalent to approximately RMB612,491.44 at exchange rate of US\$1=RMB6.4716. (31 December 2010: US\$1,464, equivalent to approximately RMB9,696).

As at 30 June 2011, the advances from clients did not have significant amount due over 1 year (31 December 2010: Nil).

25. ACCRUED PAYROLL AND WELFARE

30 June 2011

	Opening balance	Increase	Decrease	Closing balance
Salaries, bonus, allowances and subsidies	211,202,017.00	537,432,006.66	581,422,986.73	167,211,036.93
Staff welfare	269,266.00	56,129,161.46	55,139,066.71	1,259,360.75
Social security	5,750,658.00	56,209,086.98	52,528,443.59	9,431,301.39
Including: Pension insurance	4,143,431.00	35,188,634.81	32,728,499.65	6,603,566.16
Medical insurance	24,593.00	11,431,506.40	10,661,736.01	794,363.39
Unemployment insurance	1,346,020.00	3,223,134.67	2,855,797.50	1,713,357.17
Work injury insurance	224,530.00	5,425,134.39	5,419,703.59	229,960.80
Maternity insurance	12,084.00	940,676.71	862,706.84	90,053.87
Housing fund	2,280,697.00	16,804,317.84	15,826,005.07	3,259,009.77
Trade union and staff education	16,322,423.00	15,443,977.08	12,392,032.81	19,374,367.27
Compensation for termination of employment contracts	954,621.00	4,034,595.90	4,396,407.41	592,809.49
Others	376,286.00	939,110.08	847,821.08	467,575.00
	237,155,968.00	686,992,256.00	722,552,763.40	201,595,460.60

As at 30 June 2011 and 31 December 2010, the accrued payroll and welfare did not include amount that should be paid but not yet paid. As at 30 June 2011, the balances are expected to be paid within 2011.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

26. TAX AND LEVIES PAYABLES

	30 June 2011	31 December 2010
Resources tax	32,892,859.62	43,576,448.00
Value-added tax	(8,818,195.01)	94,379,558.00
Business tax (Note 1)	(19,160,225.96)	6,830,325.00
Corporate income tax	665,598,604.31	681,185,605.00
Resources compensation tax	173,095,795.73	154,340,421.00
Others	35,031,619.72	50,047,888.00
	878,640,458.41	1,030,360,245.00

Note 1: As at 30 June 2011, the business tax payable is RMB19,160,225.96. The amount is related to tax on the advanced receipts from sales of properties by Fujian Zijin Real Estate Company Limited, a wholly owned subsidiary of the Company.

27. DIVIDENDS PAYABLES

	30 June 2011	31 December 2010
"A" shares held by public in PRC (Note 1)	1,053,586,910.00	—
Including: Minxi Xinghang State-owned Assets Investment Company Limited	421,090,212.00	—
"H" shares held by public (Note 1)	400,544,000.00	—
Jinfeng Investment Company	5,000,000.00	—
Gu Xinguang	5,885,280.56	12,998,304.00
Tongling Jinchan Mining Co., Ltd.	—	12,802,265.00
Anhui Province Geology and Mineral Resources Bureau - Team 321	—	2,559,800.00
Others	710,000.00	710,000.00
	1,465,726,190.56	29,070,369.00

Note 1: On 30 March 2011, the Board of Directors of the Company passed the resolution of "The profit distribution of the Company for the year ended 31 December 2010" at the 4th meeting. Based on the total shares of 14,541,309,100 of the Company as at 31 December 2010, a dividend of RMB0.10 (tax inclusive) per share, a total of RMB1,454,130,910 in cash was distributed in early July 2011. The resolution was also passed at the 2010 annual general meeting.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

28. OTHER PAYABLES

	30 June 2011	31 December 2010
Construction equipment fee	394,511,559.62	498,901,585.00
Exploration rights and mining rights payables	29,620,486.02	119,426,662.00
Donation payables (Note 1)	179,949,502.19	225,601,404.00
Advances from third party	84,324,118.76	79,352,139.00
Loan to associates	—	167,389,850.00
Withholding tax	30,045,427.82	20,812,184.00
Security deposit	110,932,500.96	157,045,264.00
Consideration for equity investment	98,252,009.00	41,855,600.00
Agency fee	9,170,435.26	19,146,681.00
Loss on futures payables	1,423,752.00	1,456,994.00
Accrued maintenance costs	19,437,370.03	4,101,123.00
Non-controlling interest payables	3,074,072.50	11,046,220.00
Administrative penalty	—	20,436,870.00
Others	384,249,327.99	367,443,288.00
	1,344,990,562.15	1,734,015,864.00

As at 30 June 2011, the other payables include an amount of RMB24,536,852.80 due to shareholders who hold 5% or above voting rights of the Company (31 December 2010: RMB184,173,967), the details of which are disclosed in Note VI - Related Party Transactions.

As at 30 June 2011, the age of significant other payables over 1 year:

Units	Amount payable	Reason for not repayment
Heilongjiang Longxing International Resource Development Group Limited	56,400,000.00	Mining rights fee, planned to be paid in 2011
Habahe County Finance Bureau	71,980,000.00	Note 1
	128,380,000.00	

Note 1: According to the agreement between Xinjiang Ashele, a subsidiary of the Company, and Habahe County Finance Bureau in 2008, Xinjiang Ashele agreed to donate an amount of RMB98,427,094 to Habahe County Finance Bureau. As at 30 June 2011, amount of RMB71,980,000 was not yet paid and planned to be paid in 2011. A specified account was set up and RMB64,592,820.10 was deposited into the account for solely the donation purpose.

As at 30 June 2011, the other payables balances of the Group include amount of US\$181,479.15 (equivalent to approximately RMB1,174,460.48 at exchange rate of US\$1=RMB6.4716). As at 31 December 2010, the other payables balances of the Group include amounts of US\$240,659 (equivalent to approximately RMB1,593,813 at exchange rate of US\$1=RMB6.6227) and HK\$9,169,700.49 (equivalent to approximately RMB7,625,706.32 at exchange rate of HK\$1=RM0.83162).

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

29. NON-CURRENT LIABILITIES DUE WITHIN ONE YEAR

	30 June 2011	31 December 2010
Long-term loans due within one year (Note V. 30)	477,941,440.00	540,470,230.00
Long-term payables due within one year	37,978,762.90	111,978,763.00
	515,920,202.90	652,448,993.00

Long-term loans due within one year:

	30 June 2011	31 December 2010
Unsecured loans	477,941,440.00	540,470,230.00

As at 30 June 2011, the long-term loans due within one year did not have any amount overdue but extension granted. The long-term loans due within one year include: (1) Loan of US\$8.4 million from Bank of China - Longyan branch (equivalent to RMB54,361,440); (2) Loan of US\$50 million from China Development Bank - Fujian branch (equivalent to RMB323,580,000).

As at 30 June 2011, the top 5 long-term loans due within one year:

Lenders	Loan start date	Loan maturity date	Currency	Interest rate(%)	30 June 2011	31 December 2010
China Development Bank	29 December 2006	28 December 2011	US\$	3.60	323,580,000.00	331,135,000.00
China Construction Bank - Aleitai branch	20 October 2006	19 October 2011	RMB	6.56	—	150,000,000.00
ICBC - Bayannaer branch	7 May 2010	26 July 2011	RMB	5.4	70,000,000.00	20,000,000.00
Bank of China	23 October 2006	22 October 2011	RMB	5.83	—	39,335,230.00
Bank of China - Longyan branch	31 March 2010	30 March 2015	US\$	LIBOR+2.0%p.a	54,361,440.00	—
Agricultural Bank of China (Note)	26 February 2009	24 February 2012	RMB	6.10	30,000,000.00	—
					477,941,440.00	540,470,230.00

As at 30 June 2011, there are no long-term loans that are due but not yet paid.

Note: On 26 February 2009, Shanghang Jinshan Hydro Power Station Co., Ltd., a subsidiary of the Company, pledged the power generation equipment and power transmission system with book value of RMB42,739,800 to the Agricultural Bank of China for a long-term loan of RMB30,000,000. As at 30 June 2011, the loan was not yet due for repayment.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

29. NON-CURRENT LIABILITIES DUE WITHIN ONE YEAR (continued)

The top 5 long-term payables due within one year:

30 June 2011

Lenders	Time to maturity	Original amount	Annual interest rate (%)	Interest payable	Closing balance	Criteria for lending
Jinmi Villagers Committee Shanghang County	Within 1 year	161,000,000.00	5 or 10	—	32,146,062.90	Unsecured
Finance Bureau	10 years	56,109,000.00	—	—	5,600,000.00	Unsecured
Fujian Minxi Geologist	5 years	4,232,700.00	—	—	232,700.00	Unsecured
		221,341,700.00		—	37,978,762.90	

As at 30 June 2011, the non-current liabilities due within one year did not have any amounts due to related parties, the details of which are disclosed in Note VI - Related Party Transactions. As at 30 June 2011, the non-current liabilities due within one year did not have any amounts due to shareholders who hold 5% or above voting rights of the Company.

30. LONG-TERM LOANS

	30 June 2011	31 December 2010
Secured loans	Note V. 13.Note 1 30,000,000.00	30,000,000.00
Guaranteed loans	—	—
Unsecured loans	3,217,122,684.00	2,813,545,088.00
Sub-total	3,247,122,684.00	2,843,545,088.00
Including: Long-term loans due within one year	(477,941,440.00)	(540,470,230.00)
	2,769,181,244.00	2,303,074,858.00

As at 30 June 2011 and 31 December 2010, the long-term loans include foreign currency loans of US\$242,890,000 and US\$207,840,000 respectively. As at 30 June 2011 and 31 December 2010, there are no long-term loans that are due but not yet paid.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

30. LONG-TERM LOANS (continued)

As at 30 June 2011, the top 3 long-term loans are as follows:

Lenders	Loan start date	Loan maturity date	Currency	Interest rate (%)	30 June 2011	
					Foreign currency	Functional currency
ICBC China Construction Bank	4 May 2010	3 May 2015	US\$	2.1925%	102,440,000.00	662,950,704.00
Agricultural Bank of China - HK Branch	5 May 2010	8 April 2015	US\$	2.56%	97,000,000.00	627,745,200.00
	20 June 2011	20 June 2014	US\$	LIBOR+1.8%p.a	43,650,000.00	282,485,340.00
						1,573,181,244.00

As at 30 June 2011, the Group did not have non-current assets held-for-sale with corresponding long-term loans.

31. BONDS PAYABLES

Face value	Interest start date	Maturity date	Recognized	Interest rate	Interest payable for the period	Accumulated	Closing balance
			opening amount			interest payable	
US\$280,000,000	30 June 2011	30 June 2016	RMB1,787,652,080.67	4.25%	—	—	RMB1,787,652,080.67

On 24 June 2011, the Company and Zijin International Finance Company Limited, a wholly owned subsidiary of the Company entered into a subscription agreement with BOCI Asia Limited and BNP Paribas, Hong Kong Branch in relation to an offer and sale of the USD Bonds. The Company issued USD Bonds with the aggregate principal amount of US\$280,000,000. The USD Bonds will be denominated in USD, will have a maturity of 5 years due on 30 June 2016, and will bear a fixed interest rate of 4.25 % per annum during its term with interest payable semi-annually in arrear. The issue price of the USD Bonds will be 99.276% of the principal amount of the USD Bonds.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

32. LONG-TERM PAYABLES

	30 June 2011	31 December 2010
Mining rights fee not yet paid	16,909,000.00	13,998,834.00
Entrusted investment	50,525,000.00	43,725,000.00
Deposit for restoration and improvement of egological environment in mines	83,376,000.55	81,047,054.00
Others	10,022,582.19	18,376,602.00
	160,832,582.74	157,147,490.00

As at 30 June 2011, the top 5 long-term payables are as follows:

Unit	Time to maturity	Opening balance	Interest rate (%)	Interest payable	Closing balance	Lending criteria
Deposit for Restoration and Improvement of Egological Environment in Mines (Note 1)	Long-term	59,588,184.00	—	—	83,376,000.55	Unsecured
Shanghang County Charity Fund (Note 2)	Long-term	19,600,000.00	10	—	31,780,000.00	Unsecured
Shanghang County Caixitongkang Village (Note 3)	25 years	18,745,000.00	10	—	18,745,000.00	Unsecured
Shanghang Finance Bureau (Note 4)	10 years	56,109,000.00	—	—	16,909,000.00	Unsecured
Gansu Yate Investment Group Co.Ltd. (Note 5)	Long-term	9,000,000.00	—	—	9,000,000.00	Unsecured
		163,042,184.00		—	159,810,000.55	

Note 1: As from 1 January 2003, the Company provides annually a Deposit for Restoration of Egological Environment in Closing Mines (later renamed as Deposit for Restoration and Improvement of Egological Environment in Mines) at RMB1 per tonne of ores mined according to the grade of ore volume greater than 0.5g per tonne. The amounts are deposited and managed into a specified bank account (Note V.1. Note 1). According to the "Administrative Approach for Restoration and Improvement of Egological Environment in Mines in Fujian Province (Tentative)" jointly issued by the Department of Land Resources of Fujian, Finance Department of Fujian and Department of Environmental Protection of Fujian, 1 January 2007, the Deposit for Restoration and Improvement of Egological Environment in Mines is calculated based on the area of mines and other approved impact co-efficients.

Note 2: According to the agreement, the Company pays annually 10% of fixed returns to the Shanghang County Charity Fund.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

32. LONG-TERM PAYABLES (continued)

Note 3: The payables represent the land compensation and compensation for relocation and production for Shanghang County Caixitongkang Village. According to the agreement, the Company pays annually 10% of fixed returns and at the 25th year of the agreement, the Company will repay a one-off lump-sum compensation to the village.

Note 4: The payables represent the acquisition cost not yet paid to the Shanghang Finance Bureau in relation to the copper mining right. According to mutual agreement, the outstanding amount will be repaid within 10 years from July 2005.

Note 5: The payables represent the loan borrowed from Gansu Yate Investment Group Co., Ltd., a holding company of the non-controlling interest (Gansu Jinhui Alcohol Co., Ltd.) in Gansu Yate Mining Company Limited, a subsidiary of the Company. The amount was used as the general working capital of Gansu Yate Mining Company Limited.

33. OTHER NON-CURRENT LIABILITIES

	Opening balance	Increase	Decrease	Closing balance
3 science and technology funds	1,672,237.00	—	1,198,211.18	474,025.82
Environmental protection construction fund	36,296,193.00	—	10,986,132.82	25,310,060.18
Subsidy for mine exploration	1,000,000.00	—	—	1,000,000.00
Other subsidies	17,523,723.00	14,800,000.00	94,382.70	32,229,340.30
Total	56,492,153.00	14,800,000.00	12,278,726.70	59,013,426.30

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

34. PAID-UP (SHARE) CAPITAL

The Company's registered and fully paid-up capital is RMB1,454,130,910. The face value of each share is RMB0.1. The type and structures of the shares are shown as below:

30 June 2011:

	Opening balance		Increase/(decrease)		Closing balance	
	No. of shares	Percentage	Sales restrictions expired	Capital reserve converted into shares	No. of shares	Percentage
1. Shares with sales restrictions						
Shares held by the State	4,210,902,120	28.96%	(4,210,902,120)	—	—	—
Shares held by legal persons of the State	—	—	—	—	—	—
Shares held by non-legal persons of the State in PRC	—	—	—	—	—	—
Shares held by natural persons of the State in PRC	—	—	—	—	—	—
Total shares with sales restrictions	4,210,902,120	28.96%	(4,210,902,120)	—	—	—
2. Shares with no sales restrictions						
A shares	6,324,966,980	43.49%	4,210,902,120	5,267,934,550	15,803,803,650	72.45%
H shares	4,005,440,000	27.55%	—	2,002,720,000	6,008,160,000	27.55%
Total shares with no sales restrictions	10,330,406,980	71.04%	4,210,902,120	7,270,654,550	21,811,963,650	100.00%
3. Total shares	14,541,309,100	100.00%	—	7,270,654,550	21,811,963,650	100.00%

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

34. PAID-UP (SHARE) CAPITAL *(continued)*

On 28 May 2004, the Company passed a resolution of converting share premium into share capital in a general meeting, by which the Company issued 1,314,130,910 new shares with nominal value of RMB0.1 on the basis of 1 new share for every 1 existing share. On 31 May 2005, the Company passed a resolution of converting capital reserve into share capital in a general meeting, by which the Company issued 2,628,261,820 new shares of nominal value RMB0.1 by converting a capital reserve of RMB262,826,182 on the basis of 10 new shares for every 10 existing shares and the total number of issued shares of 2,628,261,820 shares at the end of 2004. The increase in paid-up capital was verified by Shanghang An Yong (United) Accounting Firm according to "Hang An Yong [2005] Bian Yan Zi No. 014 Yan Zi Bao Gao". On 18 May 2006, the Company passed a resolution of converting capital reserve into share capital in a general meeting, by which the Company issued 5,256,523,640 shares of nominal value RMB0.1 by converting a capital reserve of RMB525,652,364 on the basis of 10 new shares for every 10 existing shares and the total number of issued shares of 5,256,523,640 shares at the end of 2005. The increase in paid-up capital was verified by Shanghang An Yong (United) Accounting Firm according to "Hang An Yong [2006] Bian Yan Zi No. 008 Yan Zi Bao Gao". On 30 April 2007, the Company passed a resolution of converting capital reserve into share capital in a general meeting, by which the Company issued 2,628,261,820 shares of nominal value RMB0.1 by converting a capital reserve of RMB262,826,182 on the basis of 2.5 new shares for every 10 existing shares and the total issued shares of 10,513,047,280 shares at the end of 2006. The increase in paid-up capital was verified by Shanghang An Yong (United) Accounting Firm according to "Hang An Yong [2007] Bian Yan Zi 008 Yan Zi Bao Gao". On 25 April 2008, the Company publicly issued 1,400,000,000 new shares of nominal value RMB0.1. The increase in paid-up capital was verified by Tian Jian Hua Zheng Zhong Zhou Accounting Firm according to "Tian Jian Hua Zheng Zhong Zhou Yen (2008) GF Zhi Di 020005 Hou Yen Zi Bao Gao". On 30 May 2011, the Company passed a resolution of converting capital reserve into share capital in a general meeting, by which the Company will issued 21,811,963,650 new shares by converting a capital reserve on the basis of 5 new shares for every 10 existing shares and the total number of issued shares as at the end of 2010. The business registration changes are in progress.

Notes to Financial Statements

30 June 2011
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

35. CAPITAL RESERVE

30 June 2011

	Opening balance	Current period	Decrease for the period	Closing balance
Share premium	8,895,757,965.00	—	(727,065,455.00)	8,168,692,510.00
Including: Non-controlling interest in acquisition of subsidiaries	(1,080,061,600.00)	—	—	(1,080,061,600.00)
Changes in fair value of step-by-step business combination not under common control	201,567,001.00	—	—	201,567,001.00
Share of share premium contributed by non-controlling interest in subsidiaries	72,700,130.00	—	—	72,700,130.00
Other comprehensive income (Note 1)	482,415,525.00	—	(336,974,371.38)	145,441,153.62
Others	(1,042,372.00)	—	—	(1,042,372.00)
	9,377,131,118.00	—	(1,064,039,826.38)	8,313,091,291.62

Note 1: The decrease for the period represents the loss of RMB121,494,237.71 in change in fair value of available-for-sale financial assets and the transfer out of RMB215,480,133.67 of an available-for-sale financial asset "Continental Minerals Corporation" from capital reserve to income statement.

36. PROJECT RESERVE

30 June 2011

	Opening balance	Increase for the period	Decrease for the period	Closing balance
Repair and maintenance fee	—	11,501,638.02	8,783,918.31	2,717,719.71
Safety fee	56,500,682.00	83,534,088.97	82,433,460.50	57,601,310.47
	56,500,682.00	95,035,726.99	91,217,378.81	60,319,030.18

Notes to Financial Statements

30 June 2011
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

37. STATUTORY RESERVE

2011	Opening balance	Increase for the period	Decrease for the period	Closing balance
Statutory reserve	999,800,342.00	—	—	999,800,342.00

According to Company Law and the Company's Articles, the Company provides 10% of net profits as statutory reserve. When accumulated statutory reserve reach or exceed 50% of the Company's registered capital, no more provision is made.

The Company can provide for discretionary reserve after statutory reserve is made. Once approved, the discretionary reserve can be used to offset accumulated losses for previous years or increase the share capital.

38. RETAINED PROFITS

	30 June 2011	31 December 2010
Retained earnings at the beginning of period	10,065,314,920.00	6,691,529,106.00
Net profits attributable to the owners of the parent	3,149,347,210.96	4,827,916,726.00
Less: Transfer to statutory reserve	—	—
Proposed final dividend	(1,454,130,910.00)	(1,454,130,912.00)
Retained earnings at the end of period	11,760,531,220.96	10,065,314,920.00

On 30 March 2011, the Board of Directors proposed a final dividend of RMB0.1 per ordinary share in aggregate of RMB1,454,130,910. The resolution was passed at the 2010 annual general meeting on 30 May 2011.

Notes to Financial Statements

30 June 2011
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

39. NON-CONTROLLING INTERESTS

The Group's significant non-controlling interests:

	30 June 2011	31 December 2010
Xinjiang Ashele Copper Company Limited	913,978,212.01	719,600,124.00
Bayannaoer Zijin Non-ferrous Metals Company Limited	370,725,772.50	355,544,685.00
Huanmin Mining Company Limited	250,722,772.22	252,976,397.00
Guizhou Zijin Mining Company Limited	323,207,238.00	313,589,252.00
Malipo Zijin Tungsten Products Company Limited	249,253,867.88	233,771,653.00
Yunnan Huaxi Mineral Resources Company Limited	209,075,513.14	223,646,934.00
Gansu Yate Mining Company Limited	97,775,256.37	104,743,615.00
Chongli Zijin Mining Company Limited	155,307,669.55	181,206,227.00
Henan Jinda Mining Co., Ltd.	98,777,784.00	98,777,784.00
Sino Trend Hydro Power Investment Ltd.	68,258,596.07	78,688,543.00
Luoyang Yinhui Gold Refinery Company Limited	101,204,012.70	90,552,521.00
	2,838,286,694.44	2,653,097,735.00

40. OPERATING REVENUE AND COST

Operating revenue is shown as below:

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Operating revenue from main operations	15,561,655,009.63	13,256,272,385.06
Revenue from other operations	290,612,775.31	204,217,536.83
	15,852,267,784.94	13,460,489,921.89

Operating cost is shown as below:

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Cost from main operations	9,941,566,778.12	8,442,863,934.53
Cost from other operations	168,881,215.24	145,389,543.42
	10,110,447,993.36	8,588,253,477.95

Notes to Financial Statements

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

40. OPERATING REVENUE AND COST (continued)

Operating segment information is set out below:

	For the six months ended 30 June 2011		For the six months ended 30 June 2010	
	Revenue	Cost	Revenue	Cost
Gold bullion	3,146,098,964.78	737,263,649.56	2,926,887,117.38	746,570,023.37
Processed gold	5,897,344,478.40	5,711,853,708.93	5,264,518,996.36	5,146,291,425.32
Ore concentrates	3,867,163,269.49	1,080,828,770.45	3,015,881,236.82	941,600,915.46
Zinc bullion	1,388,664,621.47	1,307,942,537.32	993,940,008.93	869,353,692.76
Copper cathodes	149,423,559.07	94,153,139.22	213,354,337.91	98,961,321.45
Others	1,403,572,891.73	1,178,406,187.87	841,690,687.66	640,086,556.17
	15,852,267,784.94	10,110,447,993.35	13,256,272,385.06	8,442,863,934.53

The operating revenue and operating cost of the Group principally arise from the mining, processing and refining for mineral products and almost all of them are sourced from mainland China. As such, the management of the Group considers that there is no need to disclose the segmental revenue and cost based on the industry and geographical area.

During the first half of 2011 and the whole year of 2010, more than 98% of the operating revenue comes from the sales of commodity. As such, the management of the Group consider that there is no need to disclose the segmental revenue and cost based on the nature of income.

The operating revenue derived from the top five customers for the six months ended 30 June 2011 is shown below:

	For the six months ended 30 June 2011	Proportion of operating revenue
Shanghai Gold Exchange*	8,785,499,570.12	55.42%
Jinchuan Group Co., Ltd.	860,569,903.92	5.43%
Silver Non-ferrous Metal Co.	664,105,743.94	4.19%
Shanghai Shangming Metal Materials Co., Ltd.	307,633,492.36	1.94%
Wuhan Central Western Steel Trading Co., Ltd.	265,002,195.01	1.67%
	10,882,810,905.35	68.65%

* The ultimate customers are not known.

Notes to Financial Statements

30 June 2011
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

41. SALES TAX AND LEVIES

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Business Tax	12,963,633.91	8,142,028.23
Urban Maintenance and Construction Tax	16,927,287.20	23,715,295.33
Resources Tax	117,732,148.74	112,553,440.76
Educational levies	19,126,330.36	15,161,035.04
Others	3,261,292.53	3,102,048.57
	170,010,692.74	162,673,847.93

Please refer to Note III for standards of calculation of business tax and surcharges.

42. FINANCE COSTS

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Interest expense	259,629,549.79	111,473,170.11
Less: Interest income	(143,369,487.97)	(39,579,191.78)
Exchange gains	(12,577,664.74)	(102,762.00)
Others	35,489,526.00	3,222,139.40
	139,171,923.08	75,013,355.73

For the six months ended 30 June 2011, the above mentioned interest income excluded income that arises from the impaired financial assets (six months ended 30 June 2010: nil).

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

43. IMPAIRMENT PROVISION OF ASSETS

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Bad debt	18,240.00	24,795,633.20
Write down of inventories to net realizable value	—	(499,218.38)
Impairment provision for long-term equity investments	—	69,275,113.60
Impairment provision for construction in progress	—	8,419,976.26
Impairment provision for fixed assets	105,680,368.00	33,515,118.00
Impairment provision for goodwill	44,319,632.00	—
Impairment provision for intangible assets	37,735,000.00	—
	187,753,240.00	135,506,622.68

44. GAINS/LOSSES FROM CHANGES IN FAIR VALUE

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Held-for-trading financial assets	158,314,378.71	(26,791,685.40)

For the reporting period in 2011, the gains/losses from changes in fair value of held-for-trading financial assets include changes in fair value of equity investment, bonds and future contracts.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

45. INVESTMENT INCOME

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Investment income from long-term equity investments recognized and measured by equity method	120,029,043.83	57,171,188.90
Investment income from long-term equity investments recognized and measured by cost method	230,000.00	2,829,000.00
Investment income from disposal of certain subsidiaries	7,658,530.60	(1,651,960.80)
Investment income from disposal of held-for-trading financial assets (Note 1)	20,701,231.39	3,877,252.72
Interest income from Glencore's bonds	32,433,180.00	9,639,894.35
Investment income from disposal of available-for-sale financial assets	227,153,047.21	—
Others	39,396.36	1,951,422.59
	408,244,429.39	73,816,797.76

Note 1: For the six months ended 30 June 2011, the investment income from the disposal of held-for-trading financial assets includes the gains of RMB20,701,231.00 from the settlement of forward contracts (2010: loss of RMB8,183,947.89).

Notes to Financial Statements

30 June 2011
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

45. INVESTMENT INCOME (continued)

The top five investees based on the proportion of investment income from long-term equity investments recognized and measured by cost method to total profits:

Investees	For the six months ended 30 June 2011	For the six months ended 30 June 2010	Reason for the change between current period and last period
Xinjiang Xinxin Mining Industry Co., Ltd.	—	2,829,000.00	No dividend for the period
Nanjing China Net Communication Co., Ltd.	100,000.00	—	Dividend for the period
Luoyang Commercial Bank	130,000.00	—	Dividend for the period
	230,000.00	2,829,000.00	

The top five investees based on the proportion of investment income from long-term equity investments recognized and measured by equity method to total profits:

Investees	For the six months ended 30 June 2011	For the six months ended 30 June 2010	Reason for the change between current period and last period
Shandong Guoda	13,615,217.37	—	Shandong Guoda was recognised as asset to be disposed in same period last year
Wancheng Commercial	102,939,398.13	35,505,345.35	Change in net profit of the investee
Fujian Haixia Kehua	15,142,426.00	9,354,800.00	Change in net profit of the investee
Fujian Longyan Makeng Mining Co., Ltd.	18,571,733.16	23,694,052.16	Change in net profit of the investee
Xinjiang Tianlong Mining Company Limited	10,662,542.92	609,081.00	Change in net profit of the investee
	160,931,317.58	69,163,278.51	

Notes to Financial Statements

30 June 2011
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

45. INVESTMENT INCOME (continued)

The investees adopt the same accounting policies and the same accounting period as that of the Group. As such, the Group directly calculates the investment income from the net profits in the books of the investees.

As at 30 June 2011, there is no material restrictions on the transfer of the investment income back to the Group.

46. NON-OPERATING INCOME

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Gain on disposal of non-current assets	1,165,604.53	4,118,474.85
Including: Gain on disposal of fixed assets	803,083.80	1,802,425.85
Gain on disposal of intangible assets	—	2,316,049.00
Net income from penalty	1,073,625.68	816,092.98
Government grants	29,747,202.41	14,254,797.08
Others	16,252,161.53	5,328,107.76
	48,238,594.15	24,517,472.67

Government grants recorded as the gains/losses for the current period are set out below:

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Assets related government grants	8,268,276.59	1,789,383.00
Grants related to technological improvement projects	178,276.59	1,324,383.00
Grants related to environmental protection	—	150,000.00
Exploration fee	8,090,000.00	—
Scientific research fee	—	—
Others	—	315,000.00
Government grants related to income	21,478,925.82	12,465,414.08
Special government incentives	8,092,499.00	9,402,999.55
Tax refund	5,327,689.41	251,363.84
Others	8,058,737.41	2,811,050.69
	29,747,202.41	14,254,797.08

Notes to Financial Statements

30 June 2011
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

47. NON-OPERATING EXPENSES

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Donation	65,005,319.38	94,896,809.65
Loss on disposal of non-current assets	13,274,895.44	4,214,349.70
Including: Loss on disposal of fixed assets	13,274,895.44	2,744,349.70
Loss on disposal of intangible assets	—	1,470,000.00
Penalty expenses	4,472,054.22	4,743,490.98
Others	8,728,512.55	8,916,948.99
	91,480,781.59	112,771,599.32

48. INCOME TAX

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Current income tax	1,160,610,930.07	864,089,724.63
Deferred income tax	33,247,559.26	(11,129,020.98)
	1,193,858,489.33	852,960,703.65

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

48. INCOME TAX (continued)

The relationship between income tax and total profits is shown below:

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Total profits	4,901,752,947.01	3,773,158,412.57
Income tax calculated based on applicable tax rate (Note 1)	1,225,438,236.75	565,973,761.89
Effect on different tax rates applicable to certain subsidiaries	(37,102,123.82)	275,460,302.24
Overprovision in prior years	(5,591,756.49)	(6,795,388.57)
Non-taxable income	(39,178,766.96)	(12,786,989.45)
Non-deductible expenses	50,292,899.85	31,109,017.54
Others	—	—
Income tax payable calculated on the Group's effective tax rate	1,193,858,489.33	852,960,703.65

Note 1: The income tax of the Group is estimated based on the taxable income and applicable tax rates in the PRC. Income tax in other countries where the Group operates is based on the taxable income in those countries or jurisdictions and applicable tax rates according to the prevalent laws, explanatory announcements and conventions in those countries.

Notes to Financial Statements

30 June 2011
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

49. EARNINGS PER SHARE

Basic earnings per share is calculated as the net profit attributable to the owners of the parent of the ordinary shares of the Company divided by the weighted average number of issued ordinary shares. The number of newly issued ordinary shares is ascertained as from the date the consideration is due (generally the issue date of shares) according to the provisions in the issuing agreement.

The Company has no potentially diluting events on the ordinary shares.

Basic earnings per share is calculated as follows:

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Income		
Net profit attributable to the equity holders of the parent	3,149,347,210.96	2,522,175,232.15
Shares		
The weighted average number of ordinary shares in issue (Note 1)	21,811,963,650	21,811,963,650

Note 1: The registration date of the increase in paid-up share capital converted from the capital reserve is 1 July 2011. As such, the number of shares used in the calculation of earnings per share is the number following that increase.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

50. OTHER COMPREHENSIVE INCOME

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Loss related to available-for-sale financial assets	(121,494,237.71)	(2,009,571.38)
Less: Effects on income tax related to available-for-sale financial assets	—	—
Net amount of reclassification of previously-recognised other comprehensive income to income statements	(215,480,133.67)	—
	(336,974,371.38)	(2,009,571.38)
Share of other comprehensive income of investee recognized and measured by equity method	—	(1,765,278.30)
Exchange differences on the translation of foreign operations	(25,500,730.24)	8,570,084.02
	(362,475,101.62)	4,795,234.34

Notes to Financial Statements

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

51. DEFINITIONS OF ITEMS IN CONSOLIDATED CASH FLOW STATEMENT

Significant cash flow of the Group is as follows:

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Other cash paid relating to operating activities	412,247,871.21	87,897,870.06
Including: Selling expenses	36,769,365.68	48,994,763.00
Administrative expenses	203,899,813.15	98,243,944.13
Donations	107,483,838.71	105,488,309.44
Cash paid for security deposits	31,958,685.08	35,170,853.49
Others	32,136,168.59	—
Other cash receipts relating to investing activities	402,456,303.73	27,392,792.76
Including: Cash received from time deposit	399,424,484.12	9,000,000.00
Others	3,031,819.61	18,392,792.76
Other cash payments relating to investing activities	138,339,881.29	228,510,511.09
Including: Cash payment for operating future contracts	—	78,271,037.72
Cash payment for acquiring non-controlling interests	93,500,000.00	—
#QDIIZH2009-004 asset management	—	125,000,000.00
Others	44,839,881.29	25,239,473.37
Other cash payment relating to financing activities	260,459,550.97	14,327,201.99
Including: Pledged cash for loan	249,000,000.00	—
Handling charges	—	2,991,670.05
Others	11,459,550.97	11,335,531.94

Notes to Financial Statements

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

52. SELLING EXPENSES

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Staff salaries and welfare	12,599,057.73	8,812,796.34
Transportation	126,172,910.82	106,865,699.28
Loading charges	3,292,025.39	3,164,515.79
Storage fees	1,857,351.54	489,760.53
Packaging	2,442,929.07	3,164,515.79
Insurance	1,012,430.30	1,714,394.04
Agency handling charges on consignment sales	7,675,997.59	6,629,602.38
Advertising	200,078.20	412,080.48
Depreciation	1,709,444.35	811,944.82
Consumables	3,370,730.05	2,815,100.72
Others	16,938,333.31	8,656,455.99
	177,271,288.35	143,536,866.16

53. ADMINISTRATIVE EXPENSES

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Staff salaries and welfare	199,966,293.08	151,329,682.42
Office fees	18,160,093.56	15,248,536.63
Business travel and conferences	17,338,225.62	12,419,442.56
Various regulatory fees	167,552,024.97	109,717,717.14
Various taxes	19,887,129.02	17,361,737.43
Depreciation	44,218,242.11	38,381,454.04
Research and development	38,973,262.47	30,476,223.06
Audit fee	5,938,104.68	6,772,051.69
Entertainment	20,595,007.39	11,584,442.13
Repair and maintenance	3,021,417.01	1,946,996.62
Start-up costs	5,590,813.59	6,254,175.25
Professional consultancy fees	8,370,413.20	13,841,835.37
Asset insurance	1,301,520.97	1,704,063.15
Others	138,263,773.39	124,079,967.09
	689,176,321.06	541,118,324.58

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VI. RELATED PARTY TRANSACTIONS

1. The first substantial shareholder

Company name	Type of enterprise	Place of registration	Legal representative	Nature of business	Registered capital	Percentage of holding in the Company	Percentage of voting right in the Company	Organisation code
Minxi Xinghang State-owned Assets Investment Company Limited ("Minxi Xinghang")	State-owned enterprise	No. 110 Zhenxing Road Linjiang Village, Shanghang County Longyan City Fujian Province	Liu Shimin	Investment in Fujian	RMB138.9 million	28.96%	28.96%	70511151-X

The ultimate control of the Company is also Minxi Xinghang State-owned Assets Investment Company Limited.

2. Subsidiary

Major subsidiaries are disclosed in Note IV. - Scope of Consolidation for the Consolidated Financial Statements.

3. Jointly-controlled entities and associates

Jointly-controlled entities and associates are disclosed in Note V.10.

4. Other related party

Name of related party	Relationship with the Company	Organisation code
Jinshan Trading	Shareholder of the Company	72420046-2
Fujian Xinhua Engineering Company Limited ("Fujian Xinhua")	Subsidiary of the shareholder of the Company	70536011-0
Xinjiang Non-ferrous Metal Industry (Group) Company Limited ("Xinjiang Non-ferrous Metal")	Minority shareholder of Xinjiang Ashele	73446875-3
Xinjiang Geological, Mining and Prospecting Development Bureau ("Xinjiang Geological")	Minority shareholder of Xinjiang Ashele	45761014-0
Xinjian Non-ferrous Logistics Co., Ltd. ("Xinjian Logistics")	Minority shareholder of Xinjiang Ashele	73446875-3
Sichuan Bureau of Geology and Mineral Resources Exploration Development ("Sichuan Geology")	Minority shareholder of Sichuan Ganzi Zijin Co., Ltd.	45072463-9
Shanghang Hongyang Mine Engineering Co. ("Hongyang Mine")	Minority shareholder Guizhou Zijin and Hunchun Zijin	70532775-9
Longxiang Group	Minority shareholder of Shanghang Jinshan Hydro Power Station Co., Ltd.	72644183-3
Guizhou Geology	Minority shareholder of Guizhou Wuchuan Zijin Resources Co., Ltd.	429401544
Chongli Finance Bureau State-owned Assets Management Centre	Minority shareholder of Chongli Zijin Mining Company Limited	N/A

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VI. RELATED PARTY TRANSACTIONS (continued)

5. Major transactions between the Group and the related party

(A) Commodity sales to related party

	Trading nature	Jan-Jun 2011		Jan-Jun 2010	
		Amount	Percentage(%)	Amount	Percentage(%)
Shandong Guoda (Note 1)	Sales of gold and copper ores	161,357,770.38	1.02	502,650,623.00	3.81
		161,357,770.38	1.02	502,650,623.00	3.81

(B) Commodity purchases from related party

	Trading nature	Jan-Jun 2011		Jan-Jun 2010	
		Amount	Percentage(%)	Amount	Percentage(%)
Wancheng Commercial (Note 1)	Purchase of zinc concentrates	181,923,022.45	2.41	131,266,958.00	2.06
Haixia Kehua (Note 1)	Purchase of raw materials	13,009,771.40	0.17	20,534,361.00	0.32
		194,932,793.85	2.58	151,801,319.00	2.38

(C) Providing service to related party

	Trading nature	Jan-Jun 2011		Jan-Jun 2010	
		Amount	Percentage(%)	Amount	Percentage(%)
Tibet Yulong (Note 1)	Provision of engineering service	3,613,482.55	2.23	801,222.00	0.76

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VI. RELATED PARTY TRANSACTIONS (continued)

5. Major transactions between the Group and the related party (continued)

(D) Accepting service from related party

	Trading nature	Jan-Jun 2011		Jan-Jun 2010	
		Amount	Percentage(%)	Amount	Percentage(%)
Sichuan Geology (Note 1)	Geology and exploration service	—	—	140,000.00	—
Xinjiang Non-ferrous Metal (Note 1)	Transportation	1,746,125.90	0.04	1,212,023.00	0.02
Fujian Xinhuaadu (Note 1)	Mining service	53,940,750.80	1.22	78,539,729.00	1.23
		55,686,876.70	1.26	78,891,752.00	1.25

(E) Acquisition of equity interest from related party

Name of related party	Trading nature	Note	Jan - Jun 2011	Jan - Jun 2010
Minxi Xinghang	Purchase of 46.5% equity interest in Jinyi Copper	IV. 1.Note 59	93,500,000.00	—

(F) Loan from related party

Name of related party	Trading nature	Note	Jan - Jun 2011	Jan - Jun 2010
Zijin Tongguan	Loan	Note 2	—	189,900,000.00

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VI. RELATED PARTY TRANSACTIONS (continued)

5. Major transactions between the Group and the related party (continued)

(G) Guarantee from related party

- (1) The Group as guarantor of bank loan to related party

30 June 2011

Guarantor	Guaranteed company	Guarantee amount	Guarantee start date	Guarantee expiry date	Is guarantee lapsed
Fujian Zijin Investment Company Limited	Shanghang Ting River Hydro-electric Co., Ltd. (Note VII.1)	50,000,000	1/31/2005	1/30/2014	no
The Company	Xiamen Zijin Tongguan Investment Development Co., Ltd. (Note VII.2)	108,000,000	6/11/2007	6/10/2017	no
The Company	Wengfu Zijin Chemical Co., Ltd. (Note VII.3)	48,000,000	4/28/2011	4/28/2019	no
		206,000,000			

30 June 2010

Guarantor	Guaranteed company	Guarantee amount	Guarantee start date	Guarantee expiry date	Is guarantee lapsed
The Company	Shangdong Guoda (Note VII.2)	40,000,000	5/12/2010	11/12/2010	no
The Company	Shangdong Guoda (Note VII.2)	40,000,000	9/30/2009	9/30/2010	no
Fujian Zijin Investment Company Limited	Shanghang Ting River Hydro-electric Co., Ltd. (Note VII.1)	50,000,000	1/31/2005	1/30/2014	no
The Company	Xiamen Zijin Tongguan Investment Development Co., Ltd. (Note VII.3)	265,500,000	6/29/2007	6/28/2017	no
		395,500,000			

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VI. RELATED PARTY TRANSACTIONS (continued)

5. Major transactions between the Group and the related party (continued)

(H) Other major related party transactions

(1) Salaries of key management staff and directors

	Jan - Jun 2011		Jan - Jun 2010	
	Amount	Percentage (%)	Amount	Percentage (%)
Salaries of directors	13,435,673.88	2.50%	11,817,555.00	2.34
Salaries of key management staff	9,330,187.50	1.74%	9,372,339.00	1.85
	22,765,861.38	4.24%	21,189,894.00	4.19

Note 1: The Group sells or purchases raw materials, accepts services and sells finished goods to part of the shareholders, associates, the non-controlling interest in jointly-controlled entities and the entities controlled by the non-controlling shareholders on the basis of market price and the terms of transaction settlements are the same as that with unrelated party.

Note 2: On 10 June 2010, the Company, Finance Company which is a subsidiary of the Company, and Xiamen Zijin Tongguan Investment Development Co., Ltd. ("Zijin Tongguan"), an associate of the Group, entered into an entrusted loan contract under which Zijin Tongguan entrusts Finance Company to provide a loan of RMB189.9 million to the Company at an annual rate of 4% with maturity date on 6 June 2011. As at 30 June 2011, the loan was repaid.

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VI. RELATED PARTY TRANSACTIONS (continued)

6. Related party balances in receivables and payables

Trade receivables	30 June 2011	31 December 2010
Jinshan Trading	2,548,348.96	1,026,752.00
Tibet Yulong	29,116.00	29,116.00
	2,577,464.96	1,055,868.00
Trade payables	30 June 2011	31 December 2010
Haixia Kehua	431,631.97	886,483.00
Fujian Xinhua Engineering Company Limited	4,966,951.00	6,435,997.00
Wancheng Commercial	31,821,353.46	—
Jinshan Trading	546,200.13	—
	37,766,136.56	7,322,480.00
Other receivables		
Chongli Finance Bureau State-owned Assets Management Centre	—	35,000,000.00
Sichuan Geology	2,000,000.00	2,000,000.00
Wancheng Commercial	136,556.84	130,979.00
Shanghang Ting River Hydro-electric Co., Ltd.	20,000,000.00	20,000,000.00
Jinshan Trading	1,901,410.95	3,915,314.00
Wuping Zijin Hydro-electric Co., Ltd.	4,579,652.72	—
Makeng Mining	40,855.52	—
Tibet Yulong	70,078.13	—
	28,728,554.16	61,046,293.00
Other payables		
Sichuan Geology	10,111,571.68	10,111,572.00
Hongyang Mine	2,456,046.98	5,522,545.00
Zijin Tongguan	—	167,389,850.00
Fujian Xinhua Engineering Company Limited	10,239,576.24	1,150,000.00
Jinshan Trading	1,729,657.90	—
	24,536,852.80	184,173,967.00

Notes to Financial Statements

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VI. RELATED PARTY TRANSACTIONS (continued)

6. Related party balances in receivables and payables (continued)

Trade payables	30 June 2011	31 December 2010
Advance to suppliers		
Jinshan Trading	57,612,621.04	68,582,519.00
Wancheng Commercial	—	43,082,595.00
	57,612,621.04	111,665,114.00
Advances from clients		
Shandong Guoda	16,175,190.91	3,328,470.00
Jinshan Trading	585,785.24	—
Tibet Yulong	3,753,319.35	—
	20,514,295.50	3,328,470.00
Other non-current assets	30 June 2011	31 December 2010
Longxiang Group	30,310,083.33	40,822,500.00
Tibet Yulong	132,000,000.00	132,000,000.00
	162,310,083.33	172,822,500.00

The related party balances in receivables and payables are non-interest bearing, unsecured and without fixed repayment terms.

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VII. CONTINGENT EVENTS

Contingent liabilities arising from external guarantees	30 June 2011	31 December 2010
Shanghang Ting River Hydro-electric Co., Ltd. (Note 1)	50,000,000.00	50,000,000.00
Xiamen Zijin Tongguan Investment Development Co., Ltd. (Note 2)	108,000,000.00	243,000,000.00
Wengfu Zijin Chemical Co., Ltd. (Note 3)	48,000,000.00	—
	206,000,000.00	293,000,000.00

Note 1: As at 30 June 2011 and 31 December 2010, Fujian Zijin Investment Company Limited, a subsidiary of the Company, provided a maximum joint and several guarantee of RMB50 million in respect of bank loan to the Group's associate, Shanghang Ting River Hydro-electric Co., Ltd. As at 30 June 2011 and 31 December 2010, Shanghang Ting River Hydro-electric Co., Ltd. had drawn bank loan of RMB50 million.

Note 2: As at 30 June 2011, the Company provided a guarantee of RMB297 million in respect of bank loan to the Group's associate, Xiamen Zijin Tongguan Investment Development Co., Ltd. (31 December 2010: RMB297 million). As at 30 June 2011, Xiamen Zijin Tongguan Investment Development Co., Ltd. had drawn bank loan of RMB108 million (31 December 2010: RMB243 million).

Note 3: As at 30 June 2011, the Company provided a guarantee in respect of bank loan with amount according to shareholding proportion of the loan and not exceeding RMB450 million to the Group's associate, Wengfu Zijin Chemical Co., Ltd. (31 December 2010: Nil). As at 30 June 2011, Wengfu Zijin Chemical Co., Ltd. had utilised guarantee of RMB48 million (31 December 2010: Nil).

The management of the Group considers that the possibility of the guaranteed companies' non-repayment or failure in fulfilling their guarantee obligations is remote after the assessment of the level of credit and the repayment abilities of the guaranteed companies. As such, no relevant contingent liabilities were recognized in the financial statements.

	30 June 2011	31 December 2010
Contingent liabilities arising from pending litigation	346,750,000.00	276,751,994.00
	346,750,000.00	276,751,994.00

On 21 September 2010, the tailing pool dam of Xinyi Yinyan Tin Mine of Xinyi Zijin, a wholly-owned subsidiary of the Group, overflowed and broke, causing casualties and property damages downstream as a result of the heavy rainfall and mudflow brought by the Typhoon No.11 - Fanyabi.

Notes to Financial Statements

30 June 2011
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VIII.COMMITMENTS

		30 June 2011	31 December 2010
Capital Commitments			
Contracted, but not yet provided	Note 1	932,055,384.63	2,678,322,933.00
Approved by the Board of directors, but not yet contracted	Note 2	259,240,783.03	1,144,261,172.00
		1,191,296,167.66	3,822,584,105.00
		30 June 2011	31 December 2010
Investment commitments			
Approved by the Board of Directors, but not yet contracted	Notes 3 、 4 、 5	311,200,000.00	147,180,000.00
		311,200,000.00	147,180,000.00

Note 1: As at 30 June 2011, this item includes capital commitments of RMB932,055,384.63 which is related to the building of factory buildings, and purchase of machinery and construction in mines (at the end of 2010: RMB2,678,322,933).

Note 2: As at 30 June 2011, this item includes capital commitments of RMB259,240,783.03 which is related to the building of factory buildings, and purchase of machinery and construction in mines (at the end of 2010: RMB1,144,261,172).

Note 3: On 29 April 2010, Fujian Zijin Copper Company Limited, a wholly-owned subsidiary of the Company, Guizhou Wengfu Group and Guizhou Shan Shui Logistics Co., Ltd. entered into a contract to form Wengfu Zijin Chemical Co., Ltd. in which Zijin Copper will pay RMB200 million as consideration, holding 40% equity interest in Wengfu Zijin Chemical Co., Ltd. As at 30 June 2011, RMB100 million has been settled by Zijin Copper.

Note 4: According to the resolution passed at the Company's board meeting held on 26 April 2011, Qinghai Copper Company Limited ("Qinghai Copper") which was jointly set up by Qinghai West Copper Mining Co., Ltd. ("Qinghai West"), a wholly owned subsidiary of the Company, Western Mining Joint Stock Co., Ltd. and Geermu Shenghua Mining Company Limited, has a registered capital of RMB0.8 billion, in which Qinghai West owns 30% with the consideration of RMB0.24 billion. As at 30 June 2011, RMB48 million has been settled in the initial investment.

Note 5: According to the resolution passed at the board meeting, Xinjiang Tianshan Railway Company Limited ("Xinjiang Tianshan") which was jointly set up by Xinjiang Jinneng Mining Co., Ltd. ("Xinjiang Jinneng"), a wholly owned subsidiary of the Company, and other companies, has a registered capital of RMB0.16 billion, in which Xinjiang Jinneng Mining Co., Ltd. owns 12% with the consideration of RMB19.2 million.

Notes to Financial Statements

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IX. POST BALANCE SHEET EVENT

1. Pursuant to the share transfer agreement signed among the Company and three individual shareholders of Shaanxi Huayi Mining Co., Ltd., Huang Qingshan, Zhao Ning, and Zhang Yong on 15 July 2011, the Company will invest RMB68.8 million to acquire 100% equity interest of Shaanxi Huayi Mining Co., Ltd. As at the date of this report, the Company has paid RMB38 million out of the total consideration.
2. Further to the initial issue of the US\$280,000,000 bonds ("Original Bonds") on 24 June 2011 by the Company's wholly owned subsidiary, Zijin International Finance Co., Ltd., the issuer has offered an additional US\$200,000,000 in aggregate principal amount of 4.25 per cent. credit enhanced bonds due 2016 (the "Further Bonds") to institutional and professional investors outside of the United States pursuant to Regulation S under the U.S. Securities Act. The Further Bonds shall be consolidated and form a single series with the Original Bonds. The Further Bonds are backed by a standby letter of credit issued by Bank of China, Paris Branch. The closing of the issue of the Further Bonds in aggregate principal amount of US\$200,000,000 has been completed on 27 July 2011. As at the date of this report, Zijin International Finance Co., Ltd., a wholly owned subsidiary of the Company, has issued in total US\$480,000,000 4.25 per cent. credit enhanced bonds due 2016 pursuant to Regulation S under the U.S. Securities Act.
3. The Company and Luminous Gold Ltd., ("Luminous Gold") its wholly owned subsidiary entered into a shares subscription agreement with Norton Gold Fields Ltd. ("Norton Gold") on 25 July 2011. Luminous Gold has agreed to subscribe for, or the Company shall procure that one or more other nominees subscribes for an aggregate of 138,350,000 shares of Norton Gold. The subscription price is A\$0.20 (approximately RMB1.39616) (based on the exchange rate A\$1 = RMB6.9808 which was disclosed by Bank of China on 22 July 2011) per share of Norton Gold. The total consideration is A\$27,670,000 (approximately RMB193,158,736). Including 5,900,000 shares of Norton Gold acquired from the open market and owned by the Company through ICBCCS QDII specific account, the Group will hold approximately 16.98% of the enlarged issued shares of Norton Gold after the completion of this acquisition. As at the date of this report, the Company has transferred the initial acquisition consideration of A\$14.42 million into the QDII specific RMB account.
4. Pursuant to the agreement signed between the Company's wholly owned subsidiary, Zijin Mining Group North-west Co., Ltd. and Xinjiang Tebian Electric Group Co., Ltd. on 20 May 2011, Zijin Mining Group North-west Co., Ltd. and Xinjiang Tebian Electric Group Co., Ltd. agreed to invest RMB50 million each to form Xinjiang Aletai Zijin Tebian Co., Ltd. As at the date of this report, the investment fund has not been paid.

Notes to Financial Statements

30 June 2011
RMB**X. OTHER SIGNIFICANT MATTERS****1. Business combination**

Details included in Note IV. 4 and 5

2. Leases**As lessor**

As at the reporting date, the Group entered non-cancellable operating leases as follows:

	30 June 2011	30 June 2010
Within 1 year (Including 1 year)	5,233,021.00	6,446,519.00
1 to 2 years (Including 2 years)	5,233,021.00	6,500,519.00
2 to 3 years (Including 3 years)	5,233,021.00	6,162,809.00
Over 3 years	12,865,963.00	13,423,897.00
	28,565,026.00	32,533,744.00

The above operating leases are about leasing of investment properties.

As lessee

Significant operating leases: according to the lease agreement engaged with the lessor, the minimum lease payments under non-cancellable operating leases falling due as follows:

	30 June 2011	30 June 2010
Within 1 year (Including 1 year)	1,643,000.00	1,844,000.00
1 to 2 years (Including 2 years)	1,200,000.00	1,806,000.00
2 to 3 years (Including 3 years)	1,220,000.00	1,252,000.00
Over 3 years	—	1,800,000.00
	4,063,000.00	6,702,000.00

Notes to Financial Statements

30 June 2011
RMB**X. OTHER SIGNIFICANT MATTERS** (continued)**3. Assets and liabilities measured at fair value**

30 June 2011

Items	Opening balance	Changes in fair value for the year as gains/(losses)	Accumulated changes in fair value recognized as equity	Impairment provided	Closing balance
Financial assets					
Financial assets measured at fair value through profit or loss (excluding derivative financial assets)	115,529,143.00	(29,252,832.78)	—	—	221,551,245.00
Derivative financial assets	272,855,240.00	188,852,580.40	—	—	461,707,820.40
Available-for-sale financial assets	2,058,993,823.00	—	(121,494,237.71)	—	2,181,627,136.82
	2,447,378,206.00	159,599,747.62	(121,494,237.71)	—	2,864,886,202.22
Financial liabilities	2,321,910.00	(1,285,368.91)	—	—	600,027,491.91

4. Operating segment information

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

- the gold bullion segment is the production of gold bullion through the Group's integrated processes, i.e., mining, processing and refining;
- the processed gold segment is the production of gold bullion by refining gold concentrates;
- the copper cathodes segment is the production of copper cathodes;
- the zinc bullion segment is the production of zinc bullion;
- the ore concentrates segment comprises, principally, the production of gold concentrates, copper concentrates, zinc concentrates and iron concentrates; and
- others segment comprises, principally, the production of sulfuric acid, copperplate, silver, iron, etc.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a benchmark after adjustment to total operating profit. The benchmark is consistent with the Group's total operating profit excluding interest income, finance costs, dividend income, gains/(losses) from changes in fair value of the Group's financial instruments and head office overheads.

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X. OTHER SIGNIFICANT MATTERS *(continued)*

4. Operating segment information *(continued)*

Segment assets exclude money funds, equity and debt investments at fair value through profit or loss, derivative financial instruments and other unallocated assets of head office as these assets are managed on a group basis.

Segment liabilities exclude derivative financial instruments, borrowings and loan facilities, debts owed to ultimate controller and other unallocated liabilities of head office as these liabilities are managed on a group basis.

The prices for inter-segment transfers are determined with reference to the selling prices adopted for transactions with third parties at the prevailing market prices.

Notes to Financial Statements

30 June 2011
RMB**X. OTHER SIGNIFICANT MATTERS** (continued)**4. Operating segment information** (continued)

For the six months ended 30 June 2011 (Unaudited)

Currency: RMB

Items	Gold bullion	Processed gold	Ore concentrates	Zinc bullion	Copper cathodes	Others	Unallocated assets, liabilities and operating expenses	Eliminations	Consolidated
1. Operating revenue	3,145,832,255.83	5,928,068,778.68	4,239,941,319.76	1,388,664,621.47	149,423,559.07	1,848,455,727.84	—	(848,118,477.71)	15,852,267,784.94
Including: Sales to external customers	3,146,098,964.78	5,897,344,478.40	3,867,163,269.49	1,388,664,621.47	149,423,559.07	1,403,572,891.73	—	—	15,852,267,784.94
Intersegment sales	(266,708.95)	30,724,300.28	372,778,050.27	—	—	444,882,836.11	—	(848,118,477.71)	—
2. Operating expenses									
(1) Operating cost	(751,274,905.56)	(5,897,895,632.21)	(1,231,940,937.45)	(1,369,726,989.26)	(93,006,825.85)	(1,544,511,511.15)	—	777,908,808.11	(10,110,447,993.35)
Including: Cost of sales to external customers	(737,263,649.56)	(5,711,853,708.93)	(1,080,828,770.45)	(1,307,942,537.32)	(94,153,139.22)	(1,178,406,187.87)	—	—	(10,110,447,993.35)
Intersegment cost of sales	(14,011,256.00)	(186,041,923.28)	(151,112,167.00)	(61,784,451.94)	1,146,313.37	(366,105,323.28)	—	777,908,808.11	—
(2) Sales taxes and levies	(58,398,658.39)	(347,893.80)	(93,247,071.11)	(885,639.98)	(32,727.64)	(17,098,701.82)	—	—	(170,010,692.74)
(3) Others	(89,706,188.39)	(6,346,711.82)	(418,026,697.34)	(100,277,300.42)	(13,778,120.53)	(87,828,664.69)	(289,655,849.31)	—	(1,005,619,532.50)
3. Operating profit*	2,260,730,468.44	178,796,163.85	2,275,060,730.59	(20,440,856.25)	41,459,571.68	120,239,337.34	(289,655,849.31)	—	4,566,189,566.34
4. Total assets	3,594,589,876.78	1,100,639,175.76	11,845,783,874.20	3,127,991,933.38	15,604,359.61	6,040,110,152.70	19,798,311,525.83	—	45,523,030,898.26
5. Total liabilities	644,031,491.41	967,613.75	3,802,945,485.71	2,021,352,707.93	7,388,336.06	1,899,794,667.88	9,498,006,131.85	—	17,874,486,434.59
6. Supplemental information									
(1) Depreciation and amortisation expenses	135,662,053.50	35,440,760.73	232,374,112.14	62,096,000.53	80,144,625.38	71,047,512.64	—	—	616,765,064.92
(2) Capital expenditures	822,961,793.35	98,342,921.80	1,478,248,733.28	87,002,505.72	553,858,747.98	730,049,712.92	—	—	3,770,464,415.05

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X. OTHER SIGNIFICANT MATTERS (continued)

4. Operating segment information (continued)

For the six months ended 30 June 2010 (Unaudited)

Currency: RMB

Items	Unallocated assets/ liabilities and operating expenses							Eliminations	Consolidated
	Gold bullion	Processed gold	Ore concentrates	Zinc bullion	Copper cathodes	Others	Unallocated assets/ liabilities and operating expenses		
1. Operating revenue	2,935,483,829.21	5,270,538,339.88	3,355,368,124.21	993,940,008.93	370,030,242.57	1,202,701,902.05	—	(667,572,524.96)	13,460,489,921.89
Including: Sales to external customers	2,926,887,117.38	5,264,518,996.36	3,015,881,236.82	993,940,008.93	213,354,337.91	1,045,908,224.49	—	—	13,460,489,921.89
Intersegment sales	8,596,711.83	6,019,343.52	339,486,887.39	—	156,675,904.66	156,793,677.56	—	(667,572,524.96)	—
2. Operating expenses	(754,884,535.48)	(5,250,140,872.86)	(1,067,019,404.74)	(911,923,400.13)	(156,218,110.78)	(1,005,485,903.00)	—	557,418,749.04	(8,588,253,477.95)
Including: Cost of sales to external customers	(746,570,023.37)	(5,146,291,425.32)	(941,600,915.46)	(869,353,692.76)	(98,961,321.45)	(785,476,099.59)	—	—	(8,588,253,477.95)
Intersegment cost of sales	(8,314,512.11)	(103,849,447.54)	(125,418,489.28)	(42,569,707.37)	(57,256,789.33)	(220,009,803.41)	—	557,418,749.04	—
(2) Sales taxes and levies	(67,161,569.22)	(38,304.97)	(62,601,682.04)	(683,598.42)	(22,473,420.77)	(9,715,272.51)	—	—	(162,673,847.93)
(3) Others	(53,871,568.49)	(7,026,661.63)	(311,549,402.50)	(94,911,693.47)	(25,538,352.49)	(52,001,074.07)	(214,769,793.82)	—	(759,668,546.47)
3. Operating profit*	2,059,283,956.30	111,162,604.44	1,700,129,236.82	28,991,024.28	66,381,243.20	198,715,778.32	(214,769,793.82)	—	3,949,894,049.54
4. Total assets	1,761,279,329.98	640,060,480.39	7,688,824,629.35	2,781,857,505.73	1,405,649,304.59	6,334,156,414.27	14,329,862,649.09	—	34,941,690,313.40
5. Total liabilities	603,860,399.77	635,620,140.13	3,594,228,735.60	2,109,433,574.65	136,450,164.80	2,929,070,559.68	1,823,516,247.14	—	11,832,179,821.77
6. Supplemental information									
(1) Depreciation and amortisation expenses	111,158,026.54	28,952,132.46	211,577,421.83	56,631,185.19	67,775,063.08	72,322,502.86	—	—	548,416,331.96
(2) Capital expenditures	101,731,550.04	7,346,489.54	464,768,378.47	84,466,174.88	83,470,339.28	393,652,346.01	—	—	1,135,435,278.22

* Operating profit is an external operating profit (loss) after elimination of income or costs from inter-segment transactions.

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X. OTHER SIGNIFICANT MATTERS *(continued)*

4. Operating segment information *(continued)*

The following table presents the reconciliations of reportable profit before tax to the Group's consolidated amounts:

	For the six months ended 30 June 2011 RMB	For the six months ended 30 June 2010 RMB
Profits before tax		
Segmental profits	4,566,189,566.35	3,949,894,049.54
Interest income and dividend income	176,032,667.97	52,048,086.13
Unallocated expenses	109,599,630.14	(171,259,602.49)
Finance costs	(295,119,075.79)	(114,695,309.51)
Profits attributable to associates	335,360,227.46	57,171,188.90
Profits attributable to jointly-controlled entities	9,689,930.88	—
Profits before tax	4,901,752,947.01	3,773,158,412.57

5. Comparative figures

The Company's applicable income tax rate was changed from 15% to 25%. For comparison purpose, the accounting data for 6 months ended 30 June 2010 has been restated based on 25% profit tax rate.

6. Others

On 21 December 2009, the Company entered into an asset management contract No. QDIHZH2009-004 with ICBCCS and ICBC through which the Company as a specific customer of ICBCCS and is eligible to make foreign listed equity investments in mining industry at a maximum limit of US\$0.2 billion. The relevant arrangement was approved by the resolution passed in board meeting on 10 September 2009 and the permission of PRC Securities Supervision and Administration Committee on 29 September 2009. As at 30 June 2011, the Company has paid in aggregate amount of RMB826,000,000 into the QDII account for delegating of ICBCCS for equity investment.

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30 June 2011
RMB**X. OTHER SIGNIFICANT MATTERS** (continued)**7. Explanation about the retroactive adjustments for the same previous period in 2011 interim report**

According to the document "Min Ke Gao[2011] No.15" issued by Fujian Province New High-Tech Enterprise Authentication and Administration Leading Committee, the Company the qualification of New High-Tech Enterprise since 3 July 2010. Meanwhile the document "Reply from Longyan Municipal Local Taxation Bureau in relation to the Timing of Implementation of Corporate Income Tax Policy after Zijin Mining Group Company Limited was cancelled from the Qualification of New High-Tech Enterprise" (Yan De Shui Han[2011] No.26) clearly specified that from 1 January 2010, the applicable tax rate for the Company in providing 2010 corporate income tax would be 25%. The Group applied the Statutory tax rate of 25% on provision of 2010 corporate income tax and included in its 2010 annual report.

To fairly present the comparison of the Group's 2011 interim result with the corresponding period in 2010, on the basis of the above 2 documents, the Group retroactively restated the consolidated income statement of the Group and income statement of the Company for 2010 interim report. The adjusted items included income tax expenses and this resulted in changes in net profit and net profit attributable to the owners of the parent. The adjusted amount is RMB184,631,270.31. The adjustments can be seen as follows:

Items affected by the adjustments	For the six months ended 30 June 2010 Before adjustment RMB	Adjusted amount RMB	For the six months ended 30 June 2010 After adjustment RMB
Group's consolidated income statement:			
Income tax	668,329,433.34	184,631,270.31	852,960,703.65
Net profit	3,104,828,979.23	(184,631,270.31)	2,920,197,708.92
Net profit attributable to the owners of the parent	2,706,806,502.46	(184,631,270.31)	2,522,175,232.15
Basic earnings per share	0.124	(0.008)	0.116
Total comprehensive income	3,109,624,213.57	(184,631,270.31)	2,924,992,943.26
Total comprehensive income attributable to the owners of the parent	2,712,323,840.21	(184,631,270.31)	2,527,692,569.90
Company's income statement:			
Income tax	276,946,905.46	184,631,270.31	461,578,175.77
Net profit	2,396,709,012.53	(184,631,270.31)	2,212,077,742.22
Basic earnings per share	0.110	(0.008)	0.102
Total comprehensive income	2,420,820,348.14	(184,631,270.31)	2,236,189,077.83

Notes to Financial Statements

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XI. NOTES TO COMPANY'S FINANCIAL STATEMENTS FOR SIGNIFICANT ITEMS

1. Trade receivables

The credit period on sales is generally 3 months. Trade receivables are non-interest bearing.

An analysis of the age of trade receivables is as follows:

	As at 30 June 2011	As at 31 December 2010
Within 1 year	123,116,003.69	83,792,740.00
Over 1 year but within 2 years	448,383.64	9,035,873.00
Over 2 years but within 3 years	48,445.10	19,422.00
Over 3 years	21,255.03	56,389.00
	123,634,087.46	92,904,424.00

Movement of bad debt provision for trade receivables:

	Opening balance	Provision for this period	Decrease		Closing balance
			Written-back	Written-off	
2011	88,513.00	26,200.45	—	—	114,713.45

	30 June 2011				31 December 2010			
	Book value balance Amount	Percentage (%)	Provision for bad debt Amount	Percentage provided (%)	Book value balance Amount	Percentage (%)	Provision for bad debt Amount	Percentage provided (%)
Single significant items	111,427,226.98	90.13	—	—	88,008,836.00	94.73	—	—
Other insignificant items	12,206,860.48	9.87	114,713.45	0.94	4,895,588.00	5.27	88,513.00	1.81
	123,634,087.46	100.00	114,713.45	0.09	92,904,424.00	100.00	88,513.00	0.10

The Group has no trade receivables denominated in foreign currency as at 30 June 2011 and 31 December 2010.

Notes to Financial Statements

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XI. NOTES TO COMPANY'S FINANCIAL STATEMENTS FOR SIGNIFICANT ITEMS (continued)

1. Trade receivables (continued)

The status of top 5 trade receivables in amount:

30 June 2011:

Name	Relationship with the Company	Amount	Aging	Percentage to total trade receivables (%)
Fujian Jinshan Gold Refinery Company Limited	A subsidiary of the Company	42,837,642.07	Within 1 year	34.65
Xiamen Zijin High-Tech Co., Ltd.	A subsidiary of the Company	24,047,518.84	Within 1 year	19.45
Fujian Jinyi Copper Co., Ltd.	A subsidiary of the Company	17,608,103.88	Within 1 year	14.24
Fujian Zijin Copper Company Limited	A subsidiary of the Company	17,302,959.19	Within 1 year	14.00
Longyan City Shengdaxin Mining Company Limited	Third party	6,728,513.74	Within 1 year	5.44
Total		108,524,737.72		87.78

As at 30 June 2011, the balance of trade receivables does not include amount from shareholders holding 5% or above voting rights of the Company (31 December 2010: Nil).

2. Other receivables

An aging analysis of other receivables is as follows:

	As at 30 June 2011	As at 31 December 2010
Within 1 year	3,074,293,411.48	2,805,795,574.00
Over 1 year but within 2 years	1,898,281,228.16	1,576,721,473.00
Over 2 years but within 3 years	550,576,526.96	401,406,589.00
Over 3 years	329,233,126.32	186,053,987.00
	5,852,384,292.92	4,969,977,623.00

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XI. NOTES TO COMPANY'S FINANCIAL STATEMENTS FOR SIGNIFICANT ITEMS (continued)

2. Other receivables (continued)

Movement of bad debt provision for trade receivables:

	Opening balance	Provision for this period	Decrease		Closing balance
			Written-back	Written-off	
2011	5,487,674.00	50,050,530.68	—	—	55,538,204.68

	30 June 2011				31 December 2010			
	Book value balance Amount	Percentage (%)	Provision for bad debt Amount	Percentage provided (%)	Book value balance Amount	Percentage (%)	Provision for bad debt Amount	Percentage provided (%)
Single significant item	5,653,971,497.04	96.61%	50,000,000.00	0.88%	4,882,517,457.00	98.24	—	—
Other insignificant items	198,412,795.88	3.39%	5,538,204.68	2.79%	87,460,166.00	1.76	5,487,674.00	6.27
	5,852,384,292.92	100%	55,538,204.68	0.95%	4,969,977,623.00	100	5,487,674.00	0.12

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XI. NOTES TO COMPANY'S FINANCIAL STATEMENTS FOR SIGNIFICANT ITEMS (continued)

2. Other receivables (continued)

The status of top 5 other receivables in amount:

30 June 2011:

Name	Relationship with the Company	Amount	Aging	Percentage to total other receivables (%)
Zijin Mining Group North West Company Limited	A subsidiary of the Company	755,495,962.43	Within 1 year	12.91
Fujian Zijin Investment Company Limited	A subsidiary of the Company	734,963,698.78	Within 1 year	12.56
Zijin Mining Group North-East Asia Company Limited	A subsidiary of the Company	585,081,765.14	Within 1 year	10.00
Zijin Mining Group Qinghai Company Limited	A subsidiary of the Company	563,713,499.46	Within 1 year	9.63
Fujian Zijin Real Estate Company Limited	A subsidiary of the Company	444,871,100.90	Within 1 year	7.60
		3,084,126,026.71		52.70

As at 30 June 2011, the balance of trade receivables does not include amount from shareholders holding 5% or above voting rights of the Company (31 December 2010: Nil).

As at 30 June 2011 and 31 December 2010, the Company's other receivables include amounts due from its subsidiaries of RMB4,348,346,213 and RMB4,881,873,692 respectively. All other receivables are unsecured, non-interest bearing with no fixed repayment terms except for loans to subsidiaries of RMB1,715,116,213 with interest rates ranging from 5.31% to 10.00% as at 30 June 2011 and loans to subsidiaries of RMB2,067,116,213 with interest rates ranging from 4.86% to 10.00% as at the end of 2010.

The Company's balance of other receivables does not include amount from substantial shareholders holding 5% or above shares of the Company.

The Company has no other receivables denominated in foreign currency as at 30 June 2011 and 31 December 2010.

Notes to Financial Statements

30 June 2011
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XI. NOTES TO COMPANY'S FINANCIAL STATEMENTS FOR SIGNIFICANT ITEMS (continued)

3. Long-term equity investments

		31 December 2010	Increase	Decrease	30 June 2011
Equity investments recognised and measured by cost method					
Subsidiaries (i)	8,805,069,951.00	1,331,807,341.26	52,800,000.00		10,084,077,292.26
Other equity investments (ii)	164,750,000.00	—	—		164,750,000.00
Equity investments recognised and measured by equity method					
Associates (iii)	844,610,603.00	5,002,728.88	10,001,930.00		839,611,401.88
Total	9,814,430,554.00	1,336,810,070.14	62,801,930.00		11,088,438,694.14
Impairment provision Subsidiaries (i)	(496,578,001.00)	—	16,174,671.00		(480,403,330.00)
	9,317,852,553.00	1,336,810,070.14	46,627,259.00		10,608,035,364.14

(i) Investments in subsidiaries

	31 December 2010	Increase	Decrease	30 June 2011
Guizhou Zijin	30,600,000.00	—	—	30,600,000.00
Anhui Zijin	6,000,000.00	—	—	6,000,000.00
Xiamen Zijin	401,776,000.00	—	—	401,776,000.00
Xinjiang Ashele	139,335,849.00	—	—	139,335,849.00
Hunchun Zijin	185,437,500.00	—	—	185,437,500.00
Tongling Zijin	25,500,000.00	—	—	25,500,000.00
Jiuzhaigou Zijin	43,524,000.00	—	—	43,524,000.00
Ganzi Zijin	24,000,000.00	—	—	24,000,000.00
Zijin Investment	559,000,000.00	—	—	559,000,000.00
Qinghai West	936,000,000.00	—	—	936,000,000.00
North West Company	300,000,000.00	—	—	300,000,000.00
Bayannaoer	297,300,000.00	—	—	297,300,000.00
Gold Mountains				
Hong Kong	645,621,989.00	—	—	645,621,989.00
Zijin International	47,500,000.00	—	—	47,500,000.00
Yunnan Huaxi	86,830,000.00	—	—	86,830,000.00
Henan Jinda	129,880,000.00	—	—	129,880,000.00
Luoyang Yinhui	105,000,000.00	—	—	105,000,000.00
Mongolia Zijin	1,489,770.00	—	—	1,489,770.00
Xinyi Zijin	243,900,000.00	—	—	243,900,000.00

Notes to Financial Statements

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XI. NOTES TO COMPANY'S FINANCIAL STATEMENTS FOR SIGNIFICANT ITEMS (continued)

3. Long-term equity investments (continued)

(i) Investments in subsidiaries (continued)

	31 December 2010	Increase	Decrease	30 June 2011
Jinshan Refinery	298,000,000.00	—	—	298,000,000.00
Zijin Hotel Management	10,000,000.00	—	—	10,000,000.00
Zijin Mining and Metallurgy	5,000,000.00	—	—	5,000,000.00
Chongli Zijin	142,500,000.00	—	—	142,500,000.00
Longkou Jintai	192,000,000.00	—	—	192,000,000.00
Shanxi Zijin	127,284,118.00	—	—	127,284,118.00
South West Company	1,179,600,000.00	—	—	1,179,600,000.00
Hunan Zijin	52,800,000.00	—	52,800,000.00	—
Hunan Jinfeng Mining and Metallurgy Technology	10,000,000.00	—	—	10,000,000.00
Wuping Zijin	50,000,000.00	—	—	50,000,000.00
Jinshan Investment	18,618,000.00	—	—	18,618,000.00
Gansu Yate	8,000,000.00	—	—	8,000,000.00
Huanmin Mining	254,232,725.00	—	—	254,232,725.00
Zijin Inner Mongolia	306,000,000.00	—	—	306,000,000.00
Zijin North-East Asia	100,000,000.00	—	—	100,000,000.00
	600,000,000.00	—	—	600,000,000.00

Notes to Financial Statements

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XI. NOTES TO COMPANY'S FINANCIAL STATEMENTS FOR SIGNIFICANT ITEMS (continued)

3. Long-term equity investments (continued)

(i) Investments in subsidiaries (continued)

	31 December 2010	Increase	Decrease	30 June 2011
Zijin Qinghai	100,000,000.00	—	—	100,000,000.00
Finance Company	475,000,000.00	—	—	475,000,000.00
Zijin Copper	604,340,000.00	1,218,307,341.26	—	1,822,647,341.26
Xinjiang Jinneng	50,000,000.00	20,000,000.00	—	70,000,000.00
Zijin Xiangyu Logistics	13,000,000.00	—	—	13,000,000.00
Jinyi Copper	—	93,500,000.00	—	93,500,000.00
	8,805,069,951.00	1,331,807,341.26	52,800,000.00	10,084,077,292.26

Impairment provision for long-term investments in subsidiaries

	31 December 2010	Increase	Transfer out with deregistered subsidiary	30 June 2011
Anhui Zijin	6,000,000.00	—	—	6,000,000.00
Gansu Yate	43,019,351.00	—	—	43,019,351.00
Longkou Jintai	187,483,979.00	—	—	187,483,979.00
Xinyi Zijin	243,900,000.00	—	—	243,900,000.00
Hunan Zijin	16,174,671.00	—	16,174,671.00	—
	496,578,001.00	—	16,174,671.00	480,403,330.00

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XI. NOTES TO COMPANY'S FINANCIAL STATEMENTS FOR SIGNIFICANT ITEMS (continued)

3. Long-term equity investments (continued)

(ii) Other equity investments

	Sichuan Liwu Copper Company Limited	Nanjing China Net Communication Co., Ltd.	Hunan Non- ferrous Metals Corp. Ltd.	Shanghang County Rural Credit Cooperative Association	Total
31 December 2010	19,850,000.00	25,000,000.00	30,000,000.00	89,900,000.00	164,750,000.00
Increase	—	—	—	—	—
Decrease	—	—	—	—	—
30 June 2011	19,850,000.00	25,000,000.00	30,000,000.00	89,900,000.00	164,750,000.00
Percentage of shareholding of investees	5.77%	8.62%	1.37%	10%	N/A

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XI. NOTES TO COMPANY'S FINANCIAL STATEMENTS FOR SIGNIFICANT ITEMS (continued)

3. Long-term equity investments (continued)

(iii) Associates

30 June 2011

Investees	Percentage of shareholdings	Initial investment	Adjustment to profit and loss				Impairment provision			
			Accumulated additional investments	Increase/ (decrease) for the period	Dividend in cash	Investment disposed and transfer out	Accumulated increase/ (decrease)	Increase/ (decrease) for the period	Investment disposed and transfer out	Accumulated increase/ (decrease) Closing balance
Makeng Mining	31.50%	2,520,000.00	29,340,000.00	10,893,608.16	—	—	130,994,244.16	—	2,454,250.00	165,308,494.16
Tibet Yulong	22.00%	243,750,000.00	(106,250,000.00)	(3,609,934.35)	—	—	(39,810,982.35)	—	—	97,689,017.65
Songpan Zijin	34.00%	39,400,000.00	—	—	—	—	(150,215.00)	—	—	39,249,785.00
Zijin Tongguan Wancheng	45.00%	4,500,000.00	603,000,000.00	(28,625,414.10)	—	—	(86,689,307.10)	—	(23,760,561.00)	497,050,131.90
Commercial	10.00%	71,966,977.00	—	26,344,469.17	10,001,930.00	—	(31,653,003.83)	—	—	40,313,973.17
		362,136,977.00	526,090,000.00	5,002,728.88	10,001,930.00	—	(27,309,264.12)	—	(21,306,311.00)	839,611,401.88

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XI. NOTES TO COMPANY'S FINANCIAL STATEMENTS FOR SIGNIFICANT ITEMS (continued)

4. Operating revenue

Operating revenue is shown as below:

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Operating revenue from main operations	3,807,757,998.02	3,636,424,475.02
Revenue from other operations	127,169,275.46	83,888,256.03
	3,934,927,273.48	3,720,312,731.05

Operating segment information is set out below:

	For the six months ended 30 June 2011		For the six months ended 30 June 2010	
	Revenue	Cost	Revenue	Cost
Gold bullion	3,592,430,838.83	1,539,040,370.77	3,108,948,700.23	1,234,373,374.63
Copper cathodes	—	—	511,085,063.45	170,482,360.47
Copper ore concentrates	180,594,561.78	88,950,429.53	—	—
Others	34,732,597.41	21,894,065.29	16,390,711.34	10,072,597.45
	3,807,757,998.02	1,649,884,865.59	3,636,424,475.02	1,414,928,332.55

The operating revenue derived from the top five customers is shown below:

	For the six months ended 30 June 2011	Percentage of total operating revenue (%)
Shanghai Gold Exchange *	3,513,057,312.79	89.28
Xiamen Zijin High-Tech Co., Ltd.	30,756,778.91	0.78
Fujian Jinshan Gold Refinery Company Limited	21,708,331.33	0.55
Fujian Jinyi Copper Co., Ltd	17,608,103.88	0.45
Fujian Zijin Copper Company Limited	17,302,959.19	0.44
	3,600,433,486.10	91.50

* The ultimate customers are not known.

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XI. NOTES TO COMPANY'S FINANCIAL STATEMENTS FOR SIGNIFICANT ITEMS (continued)

5. Investment income

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
(3) Investment gains/losses from disposal of held-for-trading financial assets (Note 1)	14,059,197.15	3,420,056.01
(4) Investment income from long-term equity investments recognized and measured by equity method	5,002,728.88	17,062,198.26
(5) Investment income from long-term equity investments recognized and measured by cost method	654,970,369.04	801,204,482.24
(6) Others (Note 2)	(26,809,252.50)	—
(7)	647,223,042.57	821,686,736.51

Note 1: During the reporting period of 2011, the investment income from the disposal of held-for-trading financial assets includes the gains of RMB15,734,326.14 from the settlement of forward contracts (six months ended 30 June 2010: gains of RMB3,420,056.01).

Note 2: Other investment income includes loss on disposal of equity investment in Hunan Zijin of RMB26,809,252.50.

The top five investees based on the proportion of investment income from long-term equity investments recognized and measured by cost method to total profits:

	For the six months ended 30 June 2011	For the six months ended 30 June 2010	Reason for the change between current period and last period
Investees			
Qinghai West	300,000,000.00	350,000,000.00	Fluctuations in the dividend allocation
Chongli Zijin Mining	108,774,369.04	35,428,101.62	Fluctuations in the dividend allocation
Xinjiang Ashele	102,000,000.00	51,000,000.00	Fluctuations in the dividend allocation
Henan Luoyang Zijin Yinhui	56,000,000.00	—	Fluctuations in the dividend allocation
Yunnan Huaxi	37,100,000.00	26,500,000.00	Fluctuations in the dividend allocation
	603,874,369.04	462,928,101.62	

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RMB**XI. NOTES TO COMPANY'S FINANCIAL STATEMENTS FOR SIGNIFICANT ITEMS** (continued)**5. Investment income** (continued)

The status of investment income from long-term equity investments recognized and measured by equity method for the six months ended 30 June 2011:

Investees	For the six months ended 30 June 2011	For the six months ended 30 June 2010	Reason for the change between current period and last period
Wancheng Commercial	26,344,469.17	9,489,308.93	Change in net profit of the investee
Makeng Mining	10,893,608.16	21,919,137.40	Change in net profit of the investee
Tibet Yulong	(3,609,934.35)	(3,073,099.16)	Change in net profit of the investee
Zijin Tongguan	(28,625,414.10)	(11,273,148.91)	Change in net profit of the investee
Total	5,002,728.88	17,062,198.26	

The investees adopt the same accounting policies and the same accounting period as that of the Company. As such, the Company recognises the investment income directly from the net profits in the books of the investees.

As at 30 June 2011, there is no material restrictions on the transfer of the investment income back to the Group.

Notes to Financial Statements

30 June 2011
RMB**XI. NOTES TO COMPANY'S FINANCIAL STATEMENTS FOR SIGNIFICANT ITEMS** (continued)

Supplemental information

(1) Non-recurring profit and loss

Items	For the six months ended 30 June 2011
Net profit attributable to the owners of the parent	3,149,347,210.96
Add/(Less):	
Gain or loss on disposal of non-current assets	12,109,290.91
Government subsidies recognised in profit and loss for the current period	(29,747,202.41)
Donation	65,005,319.38
Changes in fair value of held-for-trading financial assets and liabilities in relation to non-recurring operating activities	(157,318,011.88)
Gain or loss on disposal of held-for-trading financial assets and liabilities in relation to non-recurring operating activities	(259,586,227.21)
Net loss/(gain) on transfer of equity investment	(7,658,530.50)
Apart from the above, other non-operating net expenses	(4,125,220.44)
	2,768,026,628.81
Effect of non-recurring profit and loss on income tax	94,675,363.90
	2,862,701,992.71
Effect of non-recurring profit and loss on non-controlling interest	2,281,028.84
	2,864,983,021.55

The Group discloses non-recurring profit and loss according to the Announcement [2008] No.43 - "Definitive Announcement No. 1 in relation to the Information Disclosure by Publicly Issued Company - Non-Recurring Profit and Loss" issued by the China Securities Regulatory Committee. The Group carries out future contracts business which is directly related to the daily normal business of the Group and the metal future contracts relate to the same or similar products produced by the Group. The purpose of entering into the future contracts is to minimize the risk of product price fluctuation and hence the Group's profit stability from normal business. The group enters future contracts frequently and will continue in foreseeable future for the above-mentioned purpose. As such, the management of the Group does not classify the gains and losses on future contracts as non-recurring.

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XI. NOTES TO COMPANY'S FINANCIAL STATEMENTS FOR SIGNIFICANT ITEMS (continued)

Supplemental information (continued)

(2) Return on equity and earnings per share

For the six months ended 30 June 2011

Items		Weighted average return on equity (%)		Basic earnings per share *
		Fully diluted	Weighted average	
Net profit attributable to the owners of the parent	3,149,347,210.96	13.59	14.30	0.144
Net profit attributable to the owners of the parent after deduction of non-recurring items	2,864,983,021.55	12.38	13.02	0.131

For the six months ended 30 June 2010

Items		Weighted average return on equity (%)		Basic earnings per share *
		Fully diluted	Weighted average	
Net profit attributable to the owners of the parent	2,522,175,232.15	11.55	13.14	0.116
Net profit attributable to the owners of the parent after deduction of non-recurring items	2,576,206,986.03	11.88	13.43	0.118

Net assets attributable to the owners of the parent

	30 June 2011	30 June 2010
Net assets at the end of the period attributable to the owners of the parent	23,171,833,025.59	21,831,570,548.00
Weighted average net assets attributable to the owners of the parent	22,016,991,483.46	19,189,440,273.80

The above return on equity and earnings per share are prepared according to "Reporting Rule No.9 in relation to the Information Disclosure by Public Company - Computation and Disclosure of Return on Equity and Earnings Per Share" (2010 Amended) issued by the China Securities Regulatory Committee.

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XI. NOTES TO COMPANY'S FINANCIAL STATEMENTS FOR SIGNIFICANT ITEMS *(continued)*

Supplemental information *(continued)*

(3) Analysis of changes in items in consolidated financial statements

1. Cash and cash equivalents

Compared with the balance as at 31 December 2010, the Group's cash and cash equivalents as at 30 June 2011 increased by RMB3,639,031,880 (approximately 78.24%). The main reasons were due to the increase in metal price of the Group in 2011, the increase in net cash flow from operating activities and the successful issue in bonds of US\$280 million.

2. Held-for-trading financial assets

Compared with the balance as at 31 December 2010, the Group's held-for-trading financial assets as at 30 June 2011 increased by RMB294,874,680 (approximately 75.92%). The main reasons were due to the increase in fair value of Glencore's convertible bonds for the period and the increase in investments in equity instruments.

3. Bills receivables

Compared with the balance as at 31 December 2010, the Group's bills receivables as at 30 June 2011 increased by RMB49,239,010 (approximately 15.08%). The main reason was increase in bills settlement due to the increase in production scale of processed products and increase in sales by subsidiaries of the Group in 2011.

4. Trade receivables

Compared with the balance as at 31 December 2010, the Group's trade receivables as at 30 June 2011 decreased by RMB106,693,310 (approximately 15.95%). The main reasons were due to increase in the Group's recovery of trade receivables and cash sales.

5. Prepayments

Compared with the balance as at 31 December 2010, the Group's balance of prepayments as at 30 June 2011 increased by RMB238,836,300 (approximately 37.80%). The main reason was due to the increase in prepayments as a result of increased investments in infrastructure projects, processing and logistics business.

6. Other receivables

Compared with the balance as at 31 December 2010, the Group's other receivables as at 30 June 2011 decreased by RMB300,711,820 (approximately 37.97%). The main reasons were the decrease in receivables in security deposit and the decrease in current accounts due from the associates and jointly-controlled entities.

Notes to Financial Statements

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XI. NOTES TO COMPANY'S FINANCIAL STATEMENTS FOR SIGNIFICANT ITEMS *(continued)*

Supplemental information *(continued)*

(3) Analysis of changes in items in consolidated financial statements *(continued)*

7. Inventories

Compared with the balance as at 31 December 2010, the Group's inventories as at 30 June 2011 increased by RMB576,955,670 (approximately 16.57%). The main reasons were the increase in property development cost of RMB390 million by the real estate company and the increase in finished product inventories of some subsidiaries.

8. Other current assets

Compared with the balance as at 31 December 2010, the Group's other current assets as at 30 June 2011 increased by RMB37,172,400 (approximately 31.33%). The main reason was due to the increase in futures margin.

9. Available-for-sale financial assets

Compared with the balance as at 31 December 2010, the Group's available-for-sale financial assets as at 30 June 2011 increased by RMB122,653,310 (approximately 5.96%). This resulted from purchase of Glencore's convertible bonds of RMB590 million, disposal of Continental Minerals Corporation of RMB365 million and the decrease in fair value of ICI shares of RMB120 million.

10. Long-term equity investments

Compared with the balance as at 31 December 2010, the Group's long-term equity investments as at 30 June 2011 increased by RMB303,002,600 (approximately 11.33%). The main reason was due to the increase in investments in associates, for instance in Qinghai West Copper of RMB48 million, Xinjiang Tianlong of RMB50 million, Wuxin Copper of RMB64.6 million, CASA of RMB44.2 million and other increase in equity investments in associates and jointly-controlled entities.

11. Fixed assets

Compared with the balance as at 31 December 2010, the Group's fixed assets as at 30 June 2011 decreased by RMB22,431,290 (approximately 0.27%). No material changes was recognised.

12. Construction in progress

Compared with the balance as at 31 December 2010, the Group's construction in progress as at 30 June 2011 increased by RMB1,539,681,250 (approximately 38.50%). The main reason was due to the increased investments in the infrastructure projects in subsidiaries such as Zijin Copper, Heilongjiang Duobaoshan Copper, Heilongjiang Longxing Tuva Lead-Zinc Mine etc.

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XI. NOTES TO COMPANY'S FINANCIAL STATEMENTS FOR SIGNIFICANT ITEMS *(continued)*

Supplemental information *(continued)*

(3) Analysis of changes in items in consolidated financial statements *(continued)*

13. Intangible assets

Compared with the balance as at 31 December 2010, the Group's intangible assets as at 30 June 2011 increased by RMB120,471,870 (approximately 2.28%). No material changes was recognised.

14. Other non-current assets

Compared with the balance as at 31 December 2010, the Group's other non-current assets as at 30 June 2011 increased by RMB584,704,570 (approximately 17.32%). The main reason was due to the increase in construction prepayments and payment for comprehensive development rights in Longhu in current year.

15. Long-term deferred expenses

Compared with the balance as at 31 December 2010, the Group's long-term deferred expenses as at 30 June 2011 increased by RMB19,662,430 (approximately 2.61%). No material changes was recognised.

16. Short-term loans

Compared with the balance as at 31 December 2010, the Group's short-term loans as at 30 June 2011 increased by RMB1,787,652,080. The main reason was due to the Group's new issue of medium to long-term bonds of USD280 million in the first half of 2011.

17. Bonds payables

Compared with the balance as at 31 December 2010, the Group's bonds payables as at 30 June 2011 increased by RMB969,369,780 (approximately 21.56%). The main reason was due to the increase in short-term finance to meet the Group's needs for production and operating cash flows.

18. Trade payables

Compared with the balance as at 31 December 2010, the Group's trade payables as at 30 June 2011 increased by RMB413,610,170 (approximately 40.36%). The main reason was due to the increase in payables on raw materials by subsidiaries, which engage in processing and refinery such as Bayannaoer Zijin, Luoyang Yinhu.

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XI. NOTES TO COMPANY'S FINANCIAL STATEMENTS FOR SIGNIFICANT ITEMS *(continued)*

Supplemental information *(continued)*

(3) Analysis of changes in items in consolidated financial statements *(continued)*

19. Tax and levies payables

Compared with the balance as at 31 December 2010, the Group's tax and levies payables as at 30 June 2011 decreased by RMB151,719,790 (approximately 14.72%). The main reason was due to the Group's input VAT from fixed assets for infrastructure enterprises to be set-off and the prepayments of business tax in relation to sales of properties by real estate enterprises for the current period.

20. Other payables

Compared with the balance as at 31 December 2010, the Group's other payables as at 30 June 2011 decreased by RMB389,025,300 (approximately 22.43%). The main reason was due to the repayment of loans to the Group's associates for the current period.

21. Long-term loans and non-current liabilities due within one year

Compared with the balance as at 31 December 2010, the Group's long-term loans and non-current liabilities due within one year as at 30 June 2011 increased by RMB329,577,600 (approximately 11.15%). The main reason was due to the Group's increase in long-term finance for the current year.

22. Held-for-trading financial liabilities

Compared with the balance as at 31 December 2010, the Group's held-for-trading financial liabilities as at 30 June 2011 increased by RMB597,705,580 (approximately 257 times). The main reason was due to the entering into of 1.86 tonnes gold leasing contracts with ICBC for the purpose of lowering finance cost in the first half of 2011.

23. Operating revenue

Compared with the same period for 2010, the Group's operating revenue for the six months ended 30 June 2011 increased by RMB2,391,777,860 (approximately 17.77%). The main reason was due to significant increase in selling price of gold products, mine-produced copper and iron ores for the period.

24. Administrative expenses

Compared with the same period for 2010, the Group's administrative expenses for the six months ended 30 June 2011 increased by RMB148,058,000 (approximately 27.36%). The main reasons were due to the increase in government levies such as resources compensation fee as a result of the Group's increased production and sales; the increases in labour cost and investment in technological development for the period; and the increase in management expenses as a result of the increase in depreciation, amortization and start up cost.

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XI. NOTES TO COMPANY'S FINANCIAL STATEMENTS FOR SIGNIFICANT ITEMS *(continued)*

Supplemental information *(continued)*

(3) Analysis of changes in items in consolidated financial statements *(continued)*

25. Finance costs

Compared with the same period for 2010, the Group's finance costs for the six months ended 30 June 2011 increased by RMB64,158,570 (approximately 85.53%). The main reasons were due to national monetary contraction and increase in loan interest rates, which consequently result in the increase in consolidated finance costs.

26. Gains from changes in fair value

Compared with the same period for 2010, the Group's gains from changes in fair value for the six months ended 30 June 2011 increased by RMB185,106,060 (approximately 690.91%). The main reason was due to the increase in fair value of the equity portion of Glencore's convertible bonds held by the Group for the current period.

27. Investment income

Compared with the same period for 2010, the Group's investment income for the six months ended 30 June 2011 increased by RMB334,427,630 (approximately 453.05%). The main reason was due to the gain of disposal of shares of Continental Minerals Corporation and the increase in investment income from futures contracts for the current year.

28. Non-operating expenses

Compared with the same period for 2010, the Group's non-operating expenses for the six months ended 30 June 2011 decreased by RMB21,290,820 (approximately 18.88%). The main reason was due to the decrease in donation by the Company for the current period.

29. Income tax

Compared with the same period for 2010, the Group's income tax expenses for the six months ended 30 June 2011 increased by RMB340,897,790 (approximately 39.97%). The main reasons for the increase in the Group's income tax expenses for the current period were due to the increase in profits for the first half of 2011 compared with the same period for 2010 and the expiration of tax preferential treatment period for some subsidiaries such as Qinghai West Copper Co., Ltd., Xinjiang Ashele Copper Company Limited, Hunchun Zijin Mining Company Limited and the applicable tax rate resumed to 25% in 2011.

