

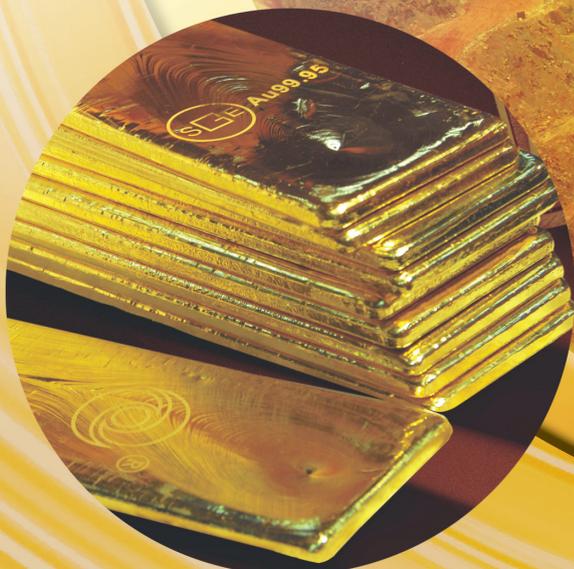


紫金礦業集團股份有限公司
ZIJIN MINING GROUP COMPANY LIMITED*

(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)



2012

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 (Resigned on 28 March 2012)
Qiu Xiaohua (Appointed on 28 May 2012)
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 AND INTERNAL CONTROL COMMITTEE

Lin Yongjing
Su Congfu
Chen Yuchuan
Wang Xiaojun
Peng Jiaqing
Chen Jinghe (*Chairman*)
Luo Yingnan (*President*)

AUTHORISED REPRESENTATIVE

Chen Jinghe
Liu Xiaochu (Resigned on 28 March 2012)
Lan Fusheng (Appointed on 28 March 2012)

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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LEGAL CONSULTANT OF THE COMPANY (HONG KONG LAWS)

Li & Partners

AUDITORS

PRC Auditors:
Ernst & Young Hua Ming

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STOCK CODE

2899

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 2012 (the “reporting period”). This report has been reviewed and passed by the Board and the audit and internal control committee.

The following unaudited consolidated financial information was prepared in accordance with China Accounting Standards for Business Enterprises (“CAS”) and the related laws and regulations.

On 5 May 2011, the Company sold all the portion of shares it held in Continental Minerals Corporation (“Continental Minerals”), a company listed in Canada, to an offeror for an investment income of RMB227,153,047.21, as recognized in the 2011 interim report. The Company subsequently entered into agreements with the same offeror in July and November 2011 to acquire 45% equity interest of Gold Eagle Mining Investment Limited (“Gold Eagle”), a subsidiary of the offeror. As the sale of shares of Continental Minerals and acquisition of equity interests of Gold Eagle involved the same mining assets and the acquisition of equity interests of Gold Eagle was formally concluded around a 6-month period after the sale of shares of Continental Minerals, as a matter of prudence, the Company reversed the investment income in the annual consolidated financial statements of year 2011, which was recognized in the 2011 interim report.

For sake of the comparability between 2012 and 2011 interim reports, the Company has made relevant adjustment to 2011 interim results in this report and reversed the investment income recognized in the 2011 interim report.

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 further deterioration of European debt crisis, the slowdown of the growth of the global economy, and the soft demand in investment and consumption, it casted a great pressure to the market demand. The gold price has substantially dropped from US\$1,920 per ounce, its highest price made in last year, the gold price was fluctuating in the low trend and it could not bounced back in the first half of 2012. The closing price by the end of June 2012 was US\$1,597.41 per ounce. Under the impact of the increase in inventory and substantial drop of demand, the non-ferrous metal continued its downturn from the fourth quarter last year. Although prices may slightly rebound from the support of the imports from China, the insufficient demand will cause the price to keep on dropping. The copper closing price in June 2012 in the London Metals Exchange ("LME") was US\$7,738 per tonne and the zinc closing price was US\$1,878 per tonne.

(1 troy ounce = 31.1035 grammes)

PRODUCTION AND OPERATION

Operation Overview

During the first half of the year, under the impact of the slow demand of gold and other base metals, the prices of copper, iron, zinc and lead have dropped. In this severe and complicated economic situation, the Group prioritised growth maintenance as the most important work in this year. Detailed working plans and its execution measures have been issued. Under the hard working and effort of all staff, the Group gained the initial results in growth maintenance and the production restored to the right track.

During the reporting period, the Group generated a turnover of RMB20.993 billion, representing a 32.43% growth over the same period last year (same period last year: RMB15.852 billion), and realised a net profit attributable to the equity holders of the parent of RMB2.385 billion, representing a decrease of 19.95% over the same period last year (same period last year: RMB2.979 billion (adjusted)). As at the end of June 2012, the Group's total assets was RMB60.537 billion, representing a 15.71% growth as compared with the beginning of the year (at beginning of the year: RMB52.320 billion), and the net assets attributable to the equity holders of the parent was RMB25.230 billion, representing a 0.88% growth as compared with the beginning of the year (at beginning of the year: RMB25.009 billion).

Operation Overview

1. Gold Mine Business

During the reporting period, the Group produced 42,928.43kg (1,380,180 ounces) of gold representing a 27.27% growth over the same period last year (same period last year: 33,730.82kg).

Among which the Group produced 14,358.50kg (461,636 ounces) of mine-produced gold representing a 0.44% growth (14,295.56kg the same period last year) over the same period last year, among which Zijinshan Gold Mine produced 8,076.49kg (259,665 ounces); Hunchun Zijin produced 1,130.77kg (36,355 ounces); Guizhou Shuiyindong Gold Mine produced 1,200.13kg (38,585 ounces); ZGC produced 621.63kg (19,986 ounces); and the other gold mines in the Group produced 3,329.48kg (107,045 ounces).

The Group produced 28,569.93kg (918,544 ounces) of refinery gold, representing a 47% growth over the same period last year (19,435.26kg the same period last year), of which, Henan Luoyang Zijin Yinhui Gold Refinery Co., Ltd. produced 15,336.60kg (493,083 ounces); the Company's gold refinery plants produced 9,192.67kg (295,551 ounces); Fujian Jinshan Gold Refinery Plant produced 3,233.12kg (103,947 ounces); and the other plants in the Group produced 807.54kg (25,963 ounces).

Sales income generated from the Group's gold business represented approximately 63.28% (after elimination) of the total sales income during the reporting period, and the gold business generated about 70.60% of the total net profit attributable to the equity holders of the parent company.

2. Copper Mine Business

During the reporting period, the Group produced 84,741.75 tonnes of copper, representing a 88.50% growth over the same period last year (44,955.87 tonnes the same period last year); the production of which include 1,406.46 tonnes of mine-produced copper cathodes, (1,475.70 tonnes the same period last year); 44,181.08 tonnes of mine-produced copper in concentrates form, representing a 5.18% growth over the same period in the last year (42,005.58 tonnes the same period last year); and 39,154.21 tonnes of new refinery-produced copper.

In which, Ashele Copper Mine produced 16,010.24 tonnes of copper in concentrates form, representing a decrease of 10.01% over the same period last year (17,790.94 tonnes the same period last year); Qinghai Deerni Copper Mine produced 14,241.81 tonnes of copper in concentrates form, representing a 1.38% growth over the same period last year (14,047.89 tonnes the same period last year); Zijinshan Copper Mine recovered and produced 513.40 tonnes copper cathodes from waste water (801.94 tonnes the same period last year), and produced 5,886.01 tonnes copper in concentrates form, representing a 71.87% growth over the same period last year (3,424.73 tonnes the same period last year); Hunchun Zijin produced 4,734.84 tonnes of copper in concentrates form, representing a 2.12% growth over the same period last year (4,636.46 tonnes the same period last year); and 39,154.21 tonnes of new refinery-produced copper.

During the reporting period, sales income of the Group from copper business represented approximately 15.38% (after elimination) of the total sales income of the Group and net profit from the copper business represented about 17.32% of the total net profit attributable to the equity holders of the parent company.

Operation Overview

3. Zinc Mine and Lead Mine Business

During the reporting period, the Group produced 104,079.04 tonnes of zinc, which decreased by 4.65% over the same period last year (109,151.70 tonnes the same period last year), among which Bayannaer Zijin Zinc Refinery Plant produced 87,426.78 tonnes zinc bullion, representing a decrease of 6.92% over the same period last year (93,924.85 tonnes the same period last year); 16,652.26 tonnes mine-produced zinc in concentrates form, representing an increase of 9.36% over the same period last year (15,226.85 tonnes the same period last year). Among which, Wulatehaoqi Zijin produced 11,066.14 tonnes mine-produced zinc in concentrates form, representing an increase of 41.40% over the same period last year (7,826.15 tonnes the same period last year); Ashele Copper Mine produced 4,253.01 tonnes of zinc in concentrates form and other mines produced 1,333.11 tonnes of zinc in concentrates form.

During the reporting period, 1,999.70 tonnes lead in concentrates form was produced, representing a 38.44% growth over the same period last year (1,444.42 tonnes the same period last year).

During the reporting period, sales income from zinc and lead business of the Group represented approximately 5.95% (after elimination) of the total sales income of the Group, and net profit from zinc and lead business represented about 1.1% of the total net profit attributable to the equity holders of the parent company.

4. Iron, Silver and Other Businesses

During the reporting period, the Group produced 91,361.41kg silver, representing an increase of 47.39% over the same period last year (61,987.35kg the same period last year), among which 23,876.74kg of silver as by-product produced in refineries, representing an increase of 239.79% over the same period last year (7,026.96kg the same period last year); and 67,484.67kg was mine-produced silver, representing a 22.79% growth over the same period last year (54,960.39kg the same period last year).

Among which Wuping Zijin produced 26,171.21kg of silver, Ashele Copper Mine produced 12,967.71kg silver from other associated metals, Shanxi Zijin produced 9,418.37kg silver from other associated metals, Wulatehouqi Zijin produced 7,679.20kg of silver from other associated metals, the other mines in the Group produced 11,248.18kg of silver from associated metals, Zijin Copper Refinery produced 16,699.87kg of silver (by-product) and Fujian Jinshan Gold Refinery produced 7,176.87kg of silver (by-product).

During the reporting period, the Group produced 971,900 tonnes of iron concentrates, representing an increase of 32.57% over the same period last year (733,100 tonnes the same period last year).

Sales income from the Group's iron ore, silver and other businesses represented approximately 15.39% (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 10.98% of the total net profit attributable to the equity holders of the parent company.

Operation Overview

5. External Investment

Following the principle of “acquisition of large projects while leaving small ones, gold in priority, upholding copper and other base metals”, the Company has conducted specific studies, evaluation, investment analysis, field studies, due diligent works and kept track of the major domestic and overseas projects.

During the reporting period, the Company completed the acquisition of Guangxi Longsheng Pannei Gold Mine in the domestic market. In the overseas market, the Company has made a cash offer for acquisition of an Australian company Norton Gold Fields Limited. Currently, the Company has controlled more than half of its equity interest and made a reorganisation of its board of directors. The offer will be closed on 20 August 2012.

6. Projects Construction

During the reporting period, the constructions of some major projects have been completed and commenced their production. The constructions of Heilongjiang Duobaoshan Copper Mine, Luoning Zijin gold refinery plant, and Guizhou Zijin Jingfeng refinery plant have basically been completed and started the trial run. The progress of the construction of Bayanhaer Gold Mine, Wulagen Zinc-Lead Mine, renovation of ZGC Taror oxidize ores process plant, Zijin Copper copper anode sludge recovery project, Yuanyang Huaxi new 450t/d plant innovation project and Kuitun Tongguan tailings comprehensive utilization of circular economy project was smooth and will have trial run after the completion of construction by the end of this year. The development progress of Zijin Longxing Tuva Zinc-lead Mine and Inner Mongolia Wulatehouqi Zijin Sanguikou Zinc-lead Mine was smooth.

The rectification of Zijinshan Copper Mine hydro-metallurgical plant has been completed and it commenced its trial run.

7. Safety and Environmental Protection

The Group upholds the principle of “safety first, environmental protection in priority, prevention as main measure, consolidated control and management” as working directives, continuously enforces the rectification work and input in safety and environmental protection. It generally increased the awareness of safety and environmental protection, perfected the related facility and equipment and apparently uplifted the related standards in all subsidiaries.

During the reporting period, a great progress has been made in the follow-up reconstruction and consolidated rectification and management of environmental protection of Zijinshan Copper Mine, it has completed 61 items of rectification as required and it entered into examination stage. The appointed evaluation institutes have fully completed all the evaluation works. Xinjiang Ashele Copper and Guizhou Zijin have been evaluated as “excellent mining business of economic use and integrated utilisation in mining resources” by the Ministry of Land and Resources. Shanxi Zijin gained a prize of “2011 non-coal mining safety production model business” in Shanxi Province.

Operation Overview

8. Geological Exploration

During the reporting period, the Group invested RMB180 million in exploration and 64 exploration projects have commenced their field work. The volume of actual works of the Group includes the following: 129,900 metres drilling, 12,000 metres tunnel exploration, and 18,600 sq. metres trench exploration. The volume of exploration work increased substantially when compared over the same period last year.

The Group has made good achievements in Zijinshan Mine Luoboling section copper (molybdenum) detailed exploration, ZGC Taror gold mine supplementary detailed exploration, Guizhou Zijin Nayang section detailed exploration and Gansu Yate Dujiagou gold mine detailed exploration. The Group has reported Xinjiang Wuqia Wulugen Tashi I district 39-24 lines zinc-lead exploration project and Fujian Liancheng Gutian mining district Guokeng section copper multi-metal detailed exploration project and gained second grade prize and third grade prize of China Non-ferrous Exploration Prize respectively.

As at 30 June 2012, the Group has a total of 219 exploration rights, covering an area of 4,341 sq.km and a total of 60 mining rights, covering an area of 151 sq.km.

9. Enterprise Management and Control

During the reporting period, the Company continuously followed the requirement of “Basic Norms of Corporate Internal Control” and other supplemental directives to design and implement the annual working plan of internal control. The Company fully implemented the building of internal control system and internal control evaluation work which enables a sustained perfection in the internal control system and business flow. The building of ERP information system progressed smoothly. The scientific measures in evaluation of internal control system has been further improved.

During the reporting period, the Company steadily put forward the management in technology projects which gradually strengthened the ability in technological innovation. Zijinshan integrated utilization resources demonstration base has gained RMB200 million specific fund from central government. The Group gained one first grade prize and three second grade prizes from China Gold Association, two second grade prizes from Fujian Scientific and Technological Prize, and four items of patents (of which two are invention patents). “ZIJIN” brand high purity zinc ingots produced in Bayannaer Zijin registered successfully in LME.

The Company gained a prize of “donation with caring heart enterprise” from the Seventh Zhonghua Charity Prize.

Management Discussion and Analysis

OPERATION RESULTS

During the reporting period, the management of the Company implemented comprehensively and intensively the resolutions of the general meetings and the meetings of board of directors and meticulously organised the production. The Group realised a sales income of RMB20.993 billion (same period last year: RMB15.852 billion), representing an increase of 32.43% over the corresponding period last year.

The table below sets out the sales by products for the six months ended 30 June 2012 and 30 June 2011 respectively:

Items Product	January – June 2012				January – June 2011					
	Unit price (tax excluded)		Amount		Unit price (tax excluded)		Amount			
	RMB	Volume	RMB' 000		RMB	Volume	RMB' 000			
Mine-produced gold	321.63	/g	13,943	Kg	4,484,360	297.95	/g	14,013	Kg	4,175,170
Refinery, processed and trading gold	334.48	/g	28,390	Kg	9,495,890	306.30	/g	19,354	Kg	5,928,070
Mine-produced silver	3.99	/g	64,760	Kg	258,140	4.65	/g	54,853	Kg	255,280
Mine-produced copper	42,043	/t	46,881	t	1,971,040	52,921	/t	41,174	t	2,178,960
Refinery copper	48,205	/t	34,185	t	1,647,880	51,377	/t	1,415	t	72,710
Mine-produced zinc	7,821	/t	16,530	t	129,280	9,483	/t	14,574	t	138,200
Refinery zinc	12,999	/t	91,840	t	1,193,800	15,288	/t	90,836	t	1,388,660
Iron concentrates	624	/t	1.155	Mt	721,240	709	/t	0.4847	Mt	343,710
Others					3,144,450					2,219,630
Internal sales elimination					-2,053,560					-848,120
Total					20,992,520					15,852,270

Note:

During the reporting period, the other sales include: RMB418 million income from copper pipes, RMB340 million income from copper belts, RMB355 million income from tungsten products, RMB368 million income from silver products, and RMB1.663 billion income from other products, intermediate services and other services.

The Group's sales revenue increased sharply for the six months ended 30 June 2012 as compared with same period last year which was mainly due to the following reasons: (1) the sales volume of the Company's refinery products increased sharply over the same period last year: the sales volume of refinery, processed and trading gold and refinery copper increased by 46.69% and 2,315.60% respectively; in which approximately RMB820 million (before elimination) increase of sales revenue was attributed to the changes in sales volume of mining products while approximately RMB5.513 billion (before elimination) increase of sales revenue was attributed to the changes in sales volume of refinery and processed products.

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 cost, 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 2012 and 30 June 2011. (Note 1)

Product	Unit selling cost (RMB)			Compared with the same period last year %	Gross profit margin(%)	
	Jan-Jun 2012	Jan-Jun 2011	Unit		Jan-Jun 2012	Jan-Jun 2011
Mine-produced gold	106.93	81.27	/g	31.57	66.75	72.72
Refinery, processed and trading gold	333.11	304.74	/g	9.31	0.41	0.51
Mine-produced silver	1.99	1.96	/g	1.44	50.06	57.84
Mine-produced copper	12,984	12,660	/t	2.56	69.12	76.08
Refinery copper (Note 2)	49,657	N/A	/t	N/A	-3.01	N/A
Mine-produced zinc	2,483	2,674	/t	-7.14	68.25	71.80
Refinery zinc	13,286	15,079	/t	-11.89	-2.21	1.36
Iron concentrates	224	200	/t	11.76	64.18	71.78
Overall					26.02	36.22
Overall (Refinery entities excluded)					68.37	73.52

Note 1: The gross profit margin by products were analyzed based on the figures before offsetting internal sales, the overall gross profit margin was calculated after offsetting internal sales.

Note 2: The 200,000 tonnes Copper Refinery project was put in trial production this year, while the small amount of refinery copper was produced as by-product in the zinc refinery project same period last year, therefore their costs are not comparable.

The Group's overall gross profit margin is 26.02%, representing a decrease of 10.20 percentage points over the same period last year. It was mainly attributed to the increase in the sales income proportion from the low gross profit margin refinery, processing and trading sector; the overall gross profit margin (excluding processed and refined products) is 68.37%, representing a decrease of 5.15 percentage points over the same period last year. During the reporting period, the adverse impact of decrease in selling price and increase in costs resulted in the general decline of gross profit margin as compared to the same period last year.

Management Discussion and Analysis

Detailed analysis as follow:

During the reporting period, the effect of the increase of processing low-grade ore, the increase of raw and auxiliary materials prices, the rise of labour costs, and the increased inputs in safety and environmental protection, led to the increase in costs. The unit selling costs of the main products like mine-produced gold, mine-produced copper, and iron concentrates increased by 31.57%, 2.56% and 11.76% respectively. Among the main products of the Group, only the prices of gold and tungsten concentrates increased over the same period last year, and the prices of other products dropped significantly. The unit selling prices of the main products like mine-produced silver, mine-produced copper, mine-produced zinc, and iron concentrates decreased by 14.19%, 20.56%, 17.53% and 11.99% respectively.

Main activities by products

Unit: RMB' 000

Products	Revenue	Cost	Gross profit margin (%)	Revenue	Cost increased/	Gross profit
				increased/ decreased compared the same period last year (%)	decreased/ compared the same period last year (%)	margin increased/ decreased in percentage points compared the same period last year
Mine-produced gold	4,484,360	1,490,890	66.75	7.41	30.91	-5.97
Refinery, processed and trading gold	9,495,890	9,456,950	0.41	60.19	60.34	-0.10
Mine-produced silver	258,140	128,910	50.06	1.12	19.76	-7.78
Mine-produced copper	1,971,040	608,700	69.12	-9.54	16.78	-6.96
Refinery copper	1,647,880	1,697,510	-3.01	2,166.50	4,938.80	N/A
Mine-produced zinc	129,280	41,050	68.25	-6.45	5.33	-3.55
Refinery zinc	1,193,800	1,220,190	-2.21	-14.03	-10.92	-3.57
Iron concentrates	721,240	258,310	64.18	109.84	166.29	-7.60
Others	3,144,450	2,436,150	22.53	41.67	44.72	-1.64
Internal elimination	-2,053,560	-1,808,270				
Total	20,992,520	15,530,390	26.02	32.43	53.61	-10.20

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

Major suppliers and customers

During the reporting period, the total purchase from the top five suppliers was RMB3,502,390,000, representing 54.31% of the Company's total purchase.

During the reporting period, the total revenue from the top five customers was RMB14,053,860,000, representing 66.95% of the Company's total revenue.

Management Discussion and Analysis

SELLING EXPENSES

The selling expenses of the Group for the first half of 2012 was RMB293,800,000, representing an increase of 65.73% over the same period last year (the same period last year: RMB177,270,000). The increase in selling expenses was mainly due to the increase in sales volume and the unit cost for transportation, rendering an increase in transportation cost by RMB55,920,000 in Qinghai West and RMB42,030,000 in Xinjiang Jinbao respectively over the same period last year. In addition, the selling and distribution of products after the commencement of the production in Zijin Copper's refinery plant and Xiamen gold selling company's expansion in gold selling business also contributed to the increase in selling expenses.

ADMINISTRATIVE EXPENSES

The administrative expenses in the first half of 2012 amounted to RMB887,298,200, representing an increase of 28.75% over the same period last year (the same period last year: RMB689,176,300). It was mainly due to: the increase in commodity price under inflation, the Group increased RMB67,750,000 in administrative labour cost (including salaries, staff welfare, social insurances and housing contributions, etc.), representing an increase of 28.72% over the same period last year. In addition, the increase in depreciation expenses of RMB32,830,000 for fixed assets, such as the office buildings, motor vehicles, etc., the increase in consultancy fee of RMB21,620,000, the increase in travelling and office expenses of RMB12,360,000, the increase in the taxes of RMB12,380,000; the capitalization of construction costs into assets after the commencement of production of 200,000 tonnes copper refinery plant, Qinghai Company, Duobaoshan copper mines, etc., the management fees were the main factors for the increase in administrative expenses.

FINANCE COSTS

During the reporting period, the Group's total finance costs was RMB327,823,100, representing an increase of 135.55% over the same period last year (the same period last year: RMB139,171,900). Compared to first half of last year, the increase of finance costs was mainly due to the commencement of production of 2 refinery projects, and the increase in acquisition projects causing the increase in demand of cash, the gold leasing and the bank loans. In addition, the issue of US dollar bonds last year also increased the interest expenses over the same period last year.

PROVISION FOR ASSETS IMPAIRMENT

During the reporting period, the Group did not make provision for asset impairment (the same period last year: RMB187,750,000).

FINANCIAL DERIVATIVE TOOLS

During the reporting period, the Group's realised profits of RMB131,230,000 (the same period last year: RMB20,700,000) upon the settlement of derivative contracts, in which gold futures realised profits of RMB1,256,000, copper futures realised profits of RMB132,700,000, zinc futures realised losses of RMB2,880,000 (the same period last year: gold futures realised profits of RMB11,660,000, copper futures realised profits of RMB9,040,000).

During the reporting period, the Group recorded a loss of RMB45,000,000 from the change in fair value of financial derivative tools. The Group recorded an increase of unrealised loss amounted RMB43,714,600 from the change in the fair value the financial derivatives over the same period last year.

Management Discussion and Analysis

As at 30 June 2012, the Group held 17,477kg gold position in futures contracts; (all for the hedging purpose of gold leasing business), 14,735 tonnes copper position in futures contracts, and 10,950 tonnes zinc position in futures contracts.

DONATIONS

During the reporting period, the Group donated a total amount of RMB88,680,000 (the same period last year: RMB65,010,000), in which, the Company donated RMB73,260,000 and Qinghai West donated RMB3,240,000.

WORKING CAPITAL AND SOURCES OF FUND

As at 30 June 2012, the Group's cash and cash equivalents was RMB5,647,000,000, representing a decrease of RMB1,825,000,000 or 24.4% over the same period last year, and an increase of RMB730,000,000 or 14.85% as compared to the beginning of 2012.

In the first half of 2012, net cash inflow generated from the Group's operating activities was RMB2,935,000,000, representing a decrease of RMB709,000,000 over the same period last year, in which, the cash inflow generated from operating activities was RMB21,252,000,000, representing an increase of RMB5,147,000,000 over the same period last year; cash outflow generated in operating activities was RMB18,317,000,000, representing an increase of RMB5,856,000,000 over the same period last year. The main reason for the decrease in net cash inflow generated from the Group's operating activities was due to the increase in production cost and resources tax resulted from processing of low cut-off grade ores and the decrease of selling price in copper and silver, etc. over the same period last year.

In the first half of 2012, net cash outflow generated from the Group's investing activities was RMB5,619,000,000, representing an increase of RMB3,082,000,000, in which, the main investing expenditure included (1) cash payment of RMB3,946,000,000 for the Group's purchase of fixed assets, intangible assets and other long-term assets; (2) cash payment of RMB1,439,000,000 for the Group's external investment; (3) cash payment of RMB689,000,000 for other investing related activities.

In the first half of 2012, net cash inflow generated from the Group's financing activities was RMB3,398,000,000, representing an increase of RMB812,000,000 over the same period last year. It was mainly due to the increase in loan financing.

As at 30 June 2012, the Group's total borrowings amounted to RMB9,563,000,000 (31 December 2011: RMB6,349,000,000). Among which, the amount repayable within one year was about RMB5,330,000,000, the amount repayable within two to five years was about RMB1,714,000,000, the amount repayable within more than five years was about RMB2,519,000,000. The interest rates of all bank borrowings range from 1.75% to 7.879% (2011: range from 2.19% to 7.879%).

The Group's daily capital requirements and capital expenditures in maintenance nature can be financed from its internal cash flow. The Group also has about RMB64 billion loan credit lines for non-specified purposes provided by the major banks.

Management Discussion and Analysis

GEARING RATIO

Gearing ratio refers to the proportion of consolidated total liabilities to the consolidated total equity. As at 30 June 2012, the Group's consolidated total liabilities amounted to RMB30,226,550,000 (30 June 2011: RMB17,874,480,000) and the Group's consolidated total equity was RMB30,310,570,000 (30 June 2011: RMB27,648,540,000). As at 30 June 2012, the gearing ratio of the Group was 0.9972 (30 June 2011: 0.6465).

PLEGDED ASSETS OF THE GROUP

Details of the pledged assets of the Group are set out in notes V.1, V.21, V.29 and V.30 to the financial statements.

INTEREST AND CURRENCY HEDGING POLICY

As of 30 June 2012, the Group has not entered into any foreign currency agreements or derivatives to hedge against our foreign currency and interest 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 and interest risks.

CONTINGENT LIABILITIES

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

NET CURRENT ASSETS

	As at 30 June 2012 (Unaudited) RMB	As at 31 December 2011 (Audited) RMB
Current assets	21,189,756,991.82	17,931,875,798
Less: Current liabilities	(22,325,127,822.76)	(16,364,642,839)
Net current (liabilities) /assets	(1,135,370,830.94)	1,567,232,959

TOTAL ASSETS LESS CURRENT LIABILITIES

	As at 30 June 2012 (Unaudited) RMB	As at 31 December 2011 (Audited) RMB
Total assets	60,537,124,412.74	52,320,199,332
Less: Current liabilities	(22,325,127,822.76)	(16,364,642,839)
Total assets less current liabilities	38,211,996,589.98	35,955,556,493

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 used proceeds	Total unused proceeds	Usage and placement of unused proceeds
2008	Initial Public Offering	9,806,960.20	339,211.2	9,907,808	-100,847.8	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	339,211.2	9,907,808	-100,847.8	/

The Company's initial public offering of A Shares raised net proceeds of RMB9,806,960,200 in April 2008 in the PRC. As at 30 June 2012, the Company has used an accumulated amount of RMB9,907,808,000. The overused net proceeds amounted to RMB100,847,800 (interest income excluded) and the total balance of the specific account deposited with proceeds raised amounted to RMB75,444,500. The difference of RMB176,292,300 was attributed to the interest income of specific account deposited with proceeds raised and expenses of bank charges, which 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	1,522,526.8	1,524,113.2	Yes	Construction basically completed		First half of 2012: Production of gold of 8,076.49kg; recovering copper of 513.4 tonnes; copper concentrates containing copper of 5,886.01 tonnes, realized net profit of RMB1,307,331,200 (included the production capacity before technological innovation)	Yes		
Hunchun Zijin Shuguang Gold and Copper Mine technological innovation and expansion project	No	461,500	461,815.6	Yes	Construction completed and commenced production		First half of 2012: Production of gold of 1,130.77kg; copper of 4,734.84 tonnes; realized net profit of RMB278,204,700 (included the production capacity before technological innovation)	Yes		
200 tonnes daily refractory gold processing and refining project	No	198,094	198,094	Yes	Construction completed and commenced production		First half of 2012: Production of processed gold of 3,233.12kg; silver of 7,176.87kg; realized net profit of RMB16,271,100	Yes		
Mining resources exploration project	Yes	17,067.6	17,067.6							
Acquisition of the exploration right in Zhongliao Copper Mine Wuziqiang Jintonghu section project	No	196,800	196,800	Yes	Acquisition completed					

Management Discussion and Analysis

2. Use of proceeds for different projects (continued)

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	RMB' 000
Increase capital injection in Zijin Tongguan for the acquisition of equity interest in Montemrico Metals plc project	No	603,000	603,000	Yes	Acquisition completed						
Acquisition and development of the ZGC Gold Mine in Tajikistan	Yes	763,629.7	763,706.9	Yes	Acquisition completed, under development and construction		The first half of 2012: Production of gold of 621.63kg, realized net profit of RMB98,292,000				
Acquisition of 70% interest in Zijin Longwing (Tuva Lead Zinc Mine)	No	271,600	271,600	Yes	Acquisition completed, under development and construction						
Comprehensive Utilisation of Circular Economy for the Qinghai Deerni Tailings Project		342,105.1	279,281.5	Yes	Project construction basically completed, entering into pilot production						
200,000 tonnes/year copper refinery project of Zijin Copper Co., Ltd.		807,835.4	824,329.2	Yes	Project construction basically completed, entering into pilot production						
Supplemental working capital	Yes	4,768,000	4,768,000	Yes							
Total	/	9,952,158.6	9,907,808	/	/	/	/	/	/	/	/

Management Discussion and Analysis

- (1) The results of projects no. 4, 5, 6 and 8 cannot be assessed individually in short-term, in which projects no. 5, 6 and 8 are acquisitions of mineral rights. Upon the completion of the acquisition, the Company will have an increase in resources reserves and strengthen its core competencies, which will be beneficial to the Company's development in the long-run.
- (2) For the details of the change of use of proceeds, please refer to the table of "Status of change of use of proceeds" below.
- (3) For the details of the use of proceeds, please refer to the specific report.

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 Utilization of Circular Economy for the Qinghai Deerni Tailings Project	Mining resources exploration project	342,105.1	279,281.5	Yes		Project construction basically completed, entering into pilot production			
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	807,835.4	824,329.2	Yes		Project construction basically completed, entering into pilot production			
Total	/	1,149,940.5	1,103,610.7	/	/	/	/	/	/

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 accurately estimate the investment returns. Thus, according to 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 (for details please refer to the circular dated: 3 November 2010).

Due to the difficulty in the overseas logistic and other reasons, the development projects of ZGC Gold Mine in Tajikistan have been delayed. To improve the efficiency of use of proceeds, according to the proceeds management of the Company and the approval of 2010 Annual General Meeting, the unused proceeds of RMB552,527,200 (including interest) and the unused proceeds of RMB255,308,200 from supplemental working capital (including interest) will be injected in the 200,000 tonnes/year Copper Refinery Project of Zijin Copper Co., Ltd. (for details please refer to the notice of 2010 annual general meeting dated: 13 April 2011).

Management Discussion and Analysis

4. Other investments

1. Asset Acquisitions

Currency: RMB

Transaction parties	Target assets	Date	Price	Net profit contributed to the Company from date of acquisition to reporting period end	Net profit contributed to the 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 liabilities	Proportion of net profit generated by asset acquired contributed to listed company to their total profit (%)	Type of connection
Natural persons Liu Zhendong and Pan Jianyun	70% of the shares in Guangxi Longsheng County Dexin Mining Company Limited	1 April 2012	73,500,000			No	Valuation	Yes	Yes		
Shareholder(s) of Norton Gold Fields Limited	All the issued shares of Norton Gold Fields Limited (except for the shares held by the Company and its subsidiaries)	Offer starts from 18 July 2012	A\$180,300,000, equivalent to approximately RMB1.107 billion			No					

According to the agreement reached on 1 April 2012 among the Company and natural persons Liu Zhendong and Pan Jianyun, the capital of Guangxi Longsheng County Dexin Mining Company Limited ("Dexin Mining") was increased from RMB31.5 million to RMB105 million. The Company invested RMB53.55 million in cash, representing 51% interest in the increased capital of Dexin Mining. Funing Zhenglong Gold Mining Development Company Limited ("Funing Zhenglong") a subsidiary of the Company invested RMB19.95 million in cash, representing 19% interest in the increased capital of Dexin Mining. The Company and Funing Zhenglong together hold 70% interest in Dexin Mining. Dexin Mining is principally engaged in the development of Pannei gold mine in Guangxi. According to the "Valuation Consultation Report of the Mining Rights for Guangxi Longsheng County Pannei Gold Mine" (Shaanqingdekuangping (2011) No.53) issued by Shaanxi Qinde Mining Rights Asset Appraisal Company Limited, using the discounted cash flow method and the method of exploration cost-effectiveness, the assessed value of the mining rights of Pannei gold mine and the exploration rights of Dadi gold mine was RMB80.6255 million.

Management Discussion and Analysis

The Company entered into the “Bid Implementation Deed” with Norton Gold Fields Limited (“Norton”) on 31 May 2012. Through the Company’s wholly owned subsidiary Jinyu (H.K.) International Mining Company Limited (“Jinyu”), the Company issued a conditional off-market cash offer takeover bid of A\$0.25 per share (equivalent to approximately RMB1.535) for all the issued shares of Norton (except for the shares held by the Company and its subsidiaries), including any newly issued shares for any existing options exercised in accordance with related terms before the close of the offer. The transaction amount of this offer amounted to approximately A\$180,300,000, equivalent to approximately RMB1.107 billion. Jinyu issued the offer on 18 July 2012, in which it is still in progress and the offer will close on 20 August 2012, unless extended. Norton is mainly engaged in gold exploration and mining operations in Australia and its major asset is the Paddington gold project.

2. Formation of Joint Venture Company

According to the cooperation agreement entered into among the Company’s subsidiary, Fuyun Jinshan Mining Company Limited (“Fuyun Jinshan”), Xinjiang Jinbao Mining Company Limited (“Xinjiang Jinbao”) and Turpan Yurun Iron and Steel Industry Trading Company Limited (“Yurun Iron”) on 9 January 2012, the parties jointly invested to establish Xinjiang Aleitai Jinhao Iron Company Limited (“Jinhao Iron”), the shareholding ratios were 51%, 10% and 39%, respectively. The initial registered capital of the new company is RMB10 million, which will be increased to RMB500 million later, in which Fuyun Jinshan will invest RMB200 million as contribution in kind and RMB55 million as monetary contribution; Xinjiang Jinbao will invest RMB50 million as monetary contribution; Yurun Iron will invest RMB195 million as monetary contribution. As at 30 June 2012, Fuyun Jinshan and Xinjiang Jinbao invested RMB5.1 million and RMB25.5 million in cash respectively. Jinhao Iron is principally engaged in the purchase and processing of iron ore and iron powder, etc.

Management Discussion and Analysis

5. MATERIAL CONNECTED TRANSACTIONS DURING THE REPORTING PERIOD

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	Price of connected transaction	Total transaction amount	Percentage of amount related to similar transactions (%)	Reason for the difference between transaction price and market price
Fujian Xinhua Engineering Company Limited	Others	Provision of service	Provision of exploitation contracting services for Qinghai Deerni Copper Mine and Zijinshan Gold Mine	Market price		97,082,711.08		
Fujian Shanghang Ting River Hydropower Co., Ltd.	A subsidiary of a shareholder of the Company	Loans	The Company's subsidiary, Zijin Mining Group Finance Co., Ltd. provided loans to its associate	Market price		30,000,000		
China Non-ferrous Metals Import and Export Xinjiang Company	Other connected person	Sale of goods	The Company's controlling subsidiary Xinjiang Ashele Copper Company Limited sold copper concentrates to it	Market price		29,564,008.93		

The pricing of the above connected transactions is based on the prevailing market price. There is no unfairness in these connected transactions and the transaction amounts are relatively small, therefore there is no adverse effect on the Company's independency.

Fujian Xinhua Engineering Company Limited ("Xinhua Engineering") has provided mining exploitation contracting services for Zijinshan Gold Mine and Deerni Copper Mine for many years. As modern large-scale mines, with reference to the requirements in working facilities, production techniques, safety and environmental protection, sustainable contractors are required. The connected natural person of the Company, Mr. Chen Fashu has transferred the 51% interest in all of Xinhua Engineering to an independent third party, and completed the change of business registration in May 2011. According to the Listing Rules of the Shanghai Stock Exchange, Xinhua Engineering will not be a connected person of the Company immediately after 12 months from the date when the change of business registration is completed.

Fujian Shanghang Ting River Hydropower Co., Ltd. ("Ting River Hydropower") is an associate 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. As at the end of the reporting period, Zijin Finance has provided loans in the amount of RMB30 million to Ting River Hydropower.

The Company's subsidiary, Xinjiang Ashele Copper Co., Ltd. ("Xinjiang Ashele"), sold copper concentrates to the wholly owned subsidiary China Non-ferrous Metals Import and Export Xinjiang Company of its substantial shareholder Xinjiang Non-ferrous Metals Industry (Group) Company Limited. It is Xinjiang Ashele's ordinary business in selling copper concentrates and the contract is entered into under normal commercial terms, which reflects the principle of fairness and reasonableness.

Management Discussion and Analysis

OUTLOOK

Business Environment

The gold price is expected to rise and continue fluctuating at a high level under the impact of the sustained European debt crisis, the uncertain prospect of the US economy, the sustained downward trend of the growth of the emerging economies and the continuing turbulence in global economy. In relation to the price of base metals, the factors in favour of the short position seem stronger than the factors in favour of long position. A sustained soft price trend of the base metals will be expected in the short term.

Business Objectives

In 2012, the Group plans to produce gold of approximately 30 tonnes from mines; copper of approximately 100,000 tonnes from mines, silver of approximately 125 tonnes from mines, zinc of approximately 42,000 tonnes from mines, iron concentrates (containing iron calcine) of approximately 1.96 million tonnes; processed gold of approximately 50 tonnes, refinery silver of approximately 96.3 tonnes, refinery copper of approximately 124,800 tonnes, refinery zinc bullion of approximately 200,000 tonnes.

The Company will not make any adjustment to its main products 2012 production plan at this stage. 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.

Management Discussion and Analysis

Measures

The Company will continue to put “growth maintenance” as a target in the second half of 2012. Under the preconditions of safety and environmental protection, the Company will strive to achieve the production target of the year. The Company will organize and dispatch resources meticulously, emphasize dynamic management in production process, control and reduce the operating cost, improve requirements on cost analysis and promote meticulous management steadily. In the meantime, the Company will exercise strict control over the non-productive cost and explore the internal cost saving potential to ease the impact of the rising labour expenses and price inflation.

The Company will focus on the production restoration of Zijinshan Copper Mine hydro-metallurgical plant. Concerning the projects of 200,000 tonnes/year copper refinery, ZGC Taror oxidize ores process plant renovation, Kuitun Tongguan tailings comprehensive utilization of circular economy project, Wulagen Zinc-Lead Mine, Yuanyang Huaxi new 450t/d technical upgrading and Bayanhaer Gold Mine, the Company will collect and conclude the trial run data in these major projects to ensure the smooth production in second half of 2012. The Company will speed up the construction of the projects of Tuva Zinc-lead Mine, Sanguikou Zinc-lead Mine, Gansu Yate integrated development and Kyrgyzstan Zuoan Gold Mine.

The Company will further increase input in exploration and mainly focus on the exploration of the surrounding and bottom areas of productive mines and the risk exploration overseas.

In relation to investment and acquisition, the Company will focus on the integration works after the acquisition of an Australian company Norton Gold Fields Limited, and complete the rating and issue of bonds overseas. The Company will take the slowdown of economy and soft metal prices as an opportunity, by putting internationalisation as a main target, steadily proceeding with the due diligence works and follow-up work and try to make a substantial breakthrough in acquisition.

Share Capital and Shareholders

CHANGE OF ISSUED SHARES

As at 30 June 2012, the Company has issued 21,811,963,650 ordinary shares of RMB0.1 each.

Unit: share

	30 June 2012	30 June 2011
Domestic shares/A shares	15,803,803,650	10,535,869,100
H shares	6,008,160,000	4,005,440,000
Total shares	21,811,963,650	14,541,309,100

SHAREHOLDING STRUCTURE

As at 30 June 2012, the Company has a total of 945,022 shareholders, of which 1,014 are holders of H Shares and 944,008 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. (Notes 2 & 3)	Domestic Shares	6,316,353,180	28.96%
2. HKSCC Nominees Limited (Note 1)	H Shares	5,976,152,371	27.40%
3. Xinhua Industrial Group Co., Ltd.	Domestic Shares	2,431,619,756	11.15%
4. Xiamen Hengxing Group Co., Ltd.	Domestic Shares	342,983,887	1.57%
5. Shanghang County Jinshan Trading Co., Ltd.	Domestic Shares	256,245,000	1.17%
6. Chen Jinghe	Domestic Shares	132,000,000	0.61%
7. CITIC Securities Co., Ltd.	Domestic Shares	74,713,958	0.34%
8. Industrial and Commercial Bank of China – Shangzheng 50 Exchange-traded Funds	Domestic Shares	72,415,488	0.33%
9. Industrial and Commercial Bank of China - Huitianfu Growth Focus Securities Investment Fund	Domestic Shares	68,814,033	0.32%
10. Bank of Communications Limited –Yi Fonda 50 Index Securities Investment Fund	Domestic Shares	64,681,274	0.30%

Note:

1. HKSCC Nominees Limited is holding 5,976,152,371 H shares in the Company as a nominee, representing 27.40 % 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.
2. 208,484,145 A shares of the Company held by Minxi Xinghang State-owned Assets Investment Co., Ltd. has to be transferred to the National Social Security Fund Council, that part of the stock is frozen.
3. Minxi Xinghang State-owned Assets Investment Co., Ltd. has pledged 1,800,000,000 A shares of the Company.

Share Capital and Shareholders

SUBSTANTIAL SHAREHOLDERS

So far as the Directors, supervisors and chief executives are aware, as at 30 June 2012, 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 Securities and Futures Ordinance ("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	Approximate	Long/short positions
				percentage of the total number of issued domestic shares	percentage of the total number of issued H shares	
Minxi Xinghang State-owned Assets Investment Co., Ltd.	Domestic Shares	6,316,353,180	28.96%	39.97%	—	Long
Xinhuadu Industrial Group Company Limited	Domestic Shares	2,431,619,756 (Note 1)	11.15%	15.39%	—	Long
Chen Fashu	Domestic Shares	2,446,736,046 (Note 2)	11.22%	15.48%	—	Long
BlackRock, Inc.	H Shares	509,258,426 (Note 3)	2.33%	—	8.47%	Long
BlackRock, Inc.	H Shares	35,021,596 (Note 3)	0.16%	—	0.58%	Short
Morgan Stanley	H Shares	663,179,587 (Note 4)	3.04%	—	11.04%	Long
Morgan Stanley	H Shares	632,688,690 (Note 4)	2.90%	—	10.53%	Short

Notes:

- (1) Xinhuadu Industrial Group Company Limited holds 2,431,619,756 domestic shares in the Company.
- (2) Mr. Chen Fashu holds 15,116,290 domestic shares in the Company. Mr. Chen Fashu also holds 73.56% interests in the issued share capital of Xinhuadu Industrial Group Company Limited. Pursuant to Section 316 of the SFO, Mr. Chen Fashu is deemed to be interested in 2,431,619,756 domestic shares in the Company. Therefore, Mr. Chen Fashu is deemed to be interested in 2,446,736,046 domestic shares in the Company.
- (3) BlackRock, Inc. is interested in 509,258,426 H shares (Long position) of the Company (representing approximately 8.47% of the total issued H shares of the Company) and 35,021,596 H shares (Short position) of the Company (representing approximately 0.58% of the total issued H shares of the Company).

Share Capital and Shareholders

According to the disclosure form filed by BlackRock, Inc. on 3 July 2012, 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.	509,258,426 (Long position) 35,021,596 (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	% control	Direct interest	Number of shares
Trident Merger, LLC	1209 Orange Street, Wilmington DE 19801, United States	Blackrock Inc.	100.00	N	Long position 3,880,250
BlackRock Investment Management, LLC.	1 University Square Drive Princeton, NJ 08540, United States	Trident Merger, LLC	100.00	Y	Long position 3,880,250
BlackRock Holdco 2 Inc.	1209 Orange Street, Wilmington DE 19801, United States	Blackrock Inc.	100.00	N	Long position 505,378,176 Short position 35,021,596
BlackRock Financial Management, Inc.	40 East 52nd Street, New York NY 10022, United States	BlackRock Holdco 2 Inc.	100.00	Y	Long position 505,378,176 Short position 35,021,596
BlackRock Holdco 4 LLC	40 East 52nd Street, New York, 10022, United States	BlackRock Financial Management, Inc.	100.00	N	Long position 335,739,617
BlackRock Holdco 6 LLC	40 East 52nd Street, New York, 10022, United States	BlackRock Holdco 4 LLC	100.00	N	Long position 335,739,617
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 335,739,617
BlackRock Institutional Trust Company, N.A.	400 Howard St, San Francisco, CA, 94105-2618	BlackRock Delaware Holdings, Inc.	100.00	Y	Long position 335,739,617
BlackRock Fund Advisors	Howard Street, San Francisco, CA 94105, United States	BlackRock Institutional Trust Company, N.A.	100.00	Y	Long position 233,561,000

Share Capital and Shareholders

Name of controlled corporation	Address and place of incorporation	Name of controlling shareholder	% control	Direct interest	Number of shares
BlackRock Advisors Holdings Inc.	40 East 52nd Street, New York, 10022, United States	BlackRock Financial Management, Inc.	100.00	N	Long position Short position 169,638,559 35,021,596
BlackRock Capital Holdings, Inc.	40 East 52nd Street, New York, NY 10022, USA	BlackRock Advisors Holdings Inc.	100.00	N	Long position Short position 6,523,731 1,940,000
BlackRock Advisors, LLC.	100 Bellevue Parkway, Wilmington DE 19809, United States	BlackRock Capital Holdings, Inc.	100.00	Y	Long position Short position 6,523,731 1,940,000
BlackRock International Holdings Inc.	40 East 52nd Street, New York, 10022, United States	BlackRock Advisors Holdings Inc.	100.00	N	Long position Short position 163,114,828 33,081,596
BR Jersey International LP	One Waverley Place, 4th Floor, St. Helier, Jersey, JE1 0BR	BlackRock International Holdings Inc.	100.00	N	Long position Short position 163,114,828 33,081,596
BlackRock (Institutional) Canada Ltd	250 Yonge Street, Suite 2400, Toronto ON M5B 2M6, Canada	BR Jersey International LP	100.00	N	Long position 508,000
BlackRock Holdings Canada Limited	161 Bay Street, Suite 2500, Toronto, Ontario M5J 2S1	BlackRock (Institutional) Canada Ltd	100.00	N	Long position 508,000
BlackRock Asset Management Canada Limited	161 Bay Street, Suite 2500, Toronto, Ontario M5J 2S1, Canada	BlackRock Holdings Canada Limited	100.00	Y	Long position 508,000
BlackRock HK Holdco Limited	35/F Cheung Kong Center, 2 Queen's Road Central, Hong Kong	BR Jersey International LP	100.00	N	Long position Short position 16,410,226 14,325,444
BlackRock Asset Management North Asia Limited	16/F, Cheung Kong Center, 2 Queen's Road Central, Hong Kong	BlackRock HK Holdco Limited	100.00	Y	Long position Short position 16,410,226 14,325,444
BlackRock Australia Holdco Pty Ltd	Level 18, 120 Collins Street, Melbourne VIC 3000, Australia	BR Jersey International LP	100.00	N	Long position 299,500
BlackRock Asset Management Australia Limited	Level 43, Grosvenor Place, 225 George Street, Sydney, NSW 2000, Australia	BlackRock Australia Holdco Pty Ltd	100.00	Y	Long position 250,000

Share Capital and Shareholders

Name of controlled corporation	Address and place of incorporation	Name of controlling shareholder	% control	Direct interest	Number of shares
BlackRock Investment Management (Australia) Limited	Level 43, Grosvenor Place, 225 George Street, Sydney, NSW 2000, Australia	BlackRock Australia Holdco Pty Ltd	100.00	Y	Long position 49,500
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 3,082,500
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 3,082,500
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 3,082,500
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 3,082,500
BlackRock Group Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom	BR Jersey International LP	100.00	N	Long position 142,814,602 Short position 18,756,152
BlackRock International Limited	40 Tophichen Street, Edinburgh, EH3 8JB, United Kingdom	BlackRock Group Limited	100.00	Y	Long position 5,570,000
Blackrock Advisors (UK) Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom	BlackRock Group Limited	100.00	Y	Long position 36,560,402 Short position 18,756,152
BlackRock (Netherlands) B.V.	Rembrandt Tower, 17th Floor, Amstelplein 1, 1096 HA, Amsterdam, Netheralnds	BlackRock Group Limited	100.00	Y	Long position 84,000
BlackRock Luxembourg Holdco S.a.r.l.	6D, Route de Trèves, Senningerberg, L-2633, Luxembourg	BlackRock Group Limited	100.00	N	Long position 74,712,200
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 52,883,200
BlackRock Asset Management Ireland Limited	JPMorgan House, International Financial Services Centre, Dublin 1, Ireland	BlackRock Investment Management Ireland Holdings Ltd	100.00	Y	Long position 52,883,200

Share Capital and Shareholders

Name of controlled corporation	Address and place of incorporation	Name of controlling shareholder	% control	Direct interest	Number of shares
BlackRock (Luxembourg) S.A.	6D, Route de Trèves, Senningerberg, L-2633, Luxembourg	BlackRock Luxembourg Holdco S.a.r.l.	100.00	Y	Long position 21,829,000
BlackRock Investment Management (UK) Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom	BlackRock Group Limited	100.00	N	Long position 25,888,000
BlackRock Holdings Deutschland GmbH	Operturm, Bockenheimer Landstraße 2-4, 60306 Frankfurt am Main, Germany	BlackRock Investment Management (UK) Limited	100.00	N	Long position 916,000
BlackRock Asset Management Deutschland AG	Max-Joseph-Straße 6, D-80333, München, Germany	BlackRock Holdings Deutschland GmbH	100.00	Y	Long position 916,000
BlackRock Fund Managers Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom	BlackRock Investment Management (UK) Limited	100.00	Y	Long position 20,702,000
BlackRock Investment Management (Korea) Limited	23F, Seoul Finance Centre, 84 Taepyungro 1-ka, Jung-ku, Seoul, 100-768, Korea, Republic of	BlackRock Fund Managers Limited	100.00	Y	Long position 5,000

- (4) Morgan Stanley is interested in 663,179,587 H shares (Long position) of the Company (representing approximately 11.04% of the total issued H shares of the Company) and 632,688,690 H shares (Short position) of the Company (representing approximately 10.53% of the total issued H shares of the Company).

According to the disclosure form filed by Morgan Stanley on 4 July 2012, the following interests in shares were held by Morgan Stanley in the following capacities:

Capacity	No. of Shares
Interest of corporation controlled by Morgan Stanley	663,179,587 (Long position) 632,688,690 (Short position)

Share Capital and Shareholders

These shares were held by Morgan Stanley through its controlled corporations, the details of which are as follows:

Name of controlled corporation	Address and place of incorporation	Name of controlling shareholder	% control	Direct interest	Number of shares	
Morgan Stanley Capital Management, L.L.C.	1585 Broadway, New York, 10036, New York, U.S.A. Place of Incorporation: Delaware	Morgan Stanley	100.00	N	Long position	663,179,587
					Short position	632,142,690
Morgan Stanley Domestic Holdings, Inc.	1585 Broadway, New York, 10036, New York, U.S.A. Place of Incorporation: Delaware	Morgan Stanley Capital Management, L.L.C.	100.00	N	Long position	359,376,855
					Short position	413,232,709
Morgan Stanley International Incorporated	1585 Broadway, New York, 10036, New York, U.S.A. Place of incorporation: Delaware.	Morgan Stanley Domestic Holdings, Inc.	10.00	N	Long position	359,376,855
					Short position	413,232,709
Morgan Stanley International Incorporated	1585 Broadway, New York, 10036, New York, U.S.A. Place of incorporation: Delaware.	Morgan Stanley	90.00	N	Long position	359,376,855
					Short position	413,232,709
Morgan Stanley International Limited	25 Cabot Square, Canary Wharf, London E14 4QA, England. Place of incorporation: England & Wales.	Morgan Stanley International Incorporated	100.00	N	Long position	305,475,695
					Short position	360,922,109
Morgan Stanley Group (Europe)	25 Cabot Square, Canary Wharf, London E14 4QA, England. Place of incorporation: England & Wales.	Morgan Stanley International Limited	98.30	N	Long position	305,475,695
					Short position	360,922,109
Morgan Stanley UK Group	25 Cabot Square, Canary Wharf, London E14 4QA, England. Place of incorporation: England & Wales.	Morgan Stanley Group (Europe)	100.00	N	Long position	305,475,695
					Short position	360,922,109
Morgan Stanley & Co. International plc.	25 Cabot Square, Canary Wharf, London E14 4QA, England. Place of incorporation: England & Wales.	Morgan Stanley UK Group	100.00	Y	Long position	305,475,695
					Short position	360,922,109

Share Capital and Shareholders

Name of controlled corporation	Address and place of incorporation	Name of controlling shareholder	% control	Direct interest	Number of shares	
Morgan Stanley Domestic Holdings, Inc.	1585 Broadway, New York, 10036, New York, U.S.A. Place of Incorporation: Delaware	Morgan Stanley Capital Management, L.L.C.	100.00	N	Long position	304,469,292
					Short position	218,909,981
Morgan Stanley & Co, LLC	Corporation Trust Center, 1209 Orange Street, Wilmington, DE19801, U.S.A. Place of incorporation: Delaware	Morgan Stanley Domestic Holdings, Inc.	100.00	Y	Long position	164,987,981
					Short position	163,197,981
Morgan Stanley Capital Services Inc.	Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801 USA. Place of incorporation: Cayman Islands.	Morgan Stanley Domestic Holdings, Inc.	100.00	Y	Long position	138,814,751
					Short position	55,712,000
Morgan Stanley International Holdings Inc.	Corporation Trust Center, 1209 Orange Street, Wilmington, DE19801, U.S.A. Place of incorporation: Delaware.	Morgan Stanley International Incorporated	18.00	N	Long position	53,355,160
					Short position	52,310,600
Morgan Stanley International Holdings Inc.	Corporation Trust Center, 1209 Orange Street, Wilmington, DE19801, U.S.A. Place of incorporation: Delaware.	Morgan Stanley	72.00	N	Long position	53,355,160
					Short position	52,310,600
Morgan Stanley International Holdings Inc.	Corporation Trust Center, 1209 Orange Street, Wilmington, DE19801, U.S.A. Place of incorporation: Delaware.	Morgan Stanley Domestic Holdings, Inc.	10.00	N	Long position	53,355,160
					Short position	52,310,600
Morgan Stanley Asia Pacific (Holdings) Limited	c/o Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104. Place of Incorporation: Cayman Island	Morgan Stanley International Holdings Inc.	100.00	N	Long position	26,642,000
					Short position	26,264,000
MSDW-JL Holdings I Limited	c/o Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104. Place of incorporation: Cayman Islands	Morgan Stanley Asia Pacific (Holdings) Limited	100.00	N	Long position	26,642,000
					Short position	26,264,000

Share Capital and Shareholders

Name of controlled corporation	Address and place of incorporation	Name of controlling shareholder	% control	Direct interest	Number of shares	
Morgan Stanley (Hong Kong) Holdings Limited	46th Floor, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong SAR. Place of incorporation: Hong Kong.	Morgan Stanley Asia Pacific (Holdings) Limited	100.00	N	Long position	26,642,000
					Short position	26,264,000
Morgan Stanley Asia Regional (Holdings) III LLC	c/o Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104. Place of incorporation: Cayman Islands	Morgan Stanley Asia Pacific (Holdings) Limited	100.00	N	Long position	26,642,000
					Short position	26,264,000
Morgan Stanley (Singapore) Holdings Pte Ltd.	#16-01 Capital Square, 23 Church Street, Singapore 049481. Place of incorporation: Singapore.	Morgan Stanley Asia Regional (Holdings) III LLC	100.00	N	Long position	26,642,000
					Short position	26,264,000
Morgan Stanley Asia Regional (Holdings) IV Limited	c/o Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104. Place of incorporation: Cayman Islands	Morgan Stanley (Singapore) Holdings Pte Ltd.	100.00	N	Long position	26,642,000
					Short position	26,264,000
Morgan Stanley Japan (Holdings) Ltd.	c/o Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104. Place of incorporation: Cayman Islands	MSDW-JL Holdings I Limited	70.00	N	Long position	26,642,000
					Short position	26,264,000
Morgan Stanley Japan (Holdings) Ltd.	c/o Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104. Place of incorporation: Cayman Islands	Morgan Stanley (Singapore) Holdings Pte Ltd.	10.00	N	Long position	26,642,000
					Short position	26,264,000
Morgan Stanley Japan (Holdings) Ltd.	c/o Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104. Place of incorporation: Cayman Islands	Morgan Stanley International Holdings Inc.	10.00	N	Long position	26,642,000
					Short position	26,264,000
Morgan Stanley Japan (Holdings) Ltd.	c/o Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104. Place of incorporation: Cayman Islands	Morgan Stanley (Hong Kong) Holdings Limited	10.00	N	Long position	26,642,000
					Short position	26,264,000

Share Capital and Shareholders

Name of controlled corporation	Address and place of incorporation	Name of controlling shareholder	% control	Direct interest	Number of shares	
MSDW-JL Holdings II Limited	c/o Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104. Place of incorporation: Cayman Islands	Morgan Stanley Japan (Holdings) Ltd.	100.00	N	Long position	26,642,000
					Short position	26,264,000
MSJL Holdings 4682 Limited	c/o Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104. Place of incorporation: Cayman Islands	MSDW-JL Holdings II Limited	100.00	N	Long position	26,642,000
					Short position	26,264,000
MSJL Holdings Limited	c/o Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104. Place of incorporation: Cayman Islands	MSJL Holdings 4682 Limited	100.00	N	Long position	26,642,000
					Short position	26,264,000
MS CYM Preferred Ltd.	c/o Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104. Place of incorporation: Cayman Islands	MSJL Holdings 4682 Limited	100.00	N	Long position	26,642,000
					Short position	26,264,000
MSJS Preferred YK	Yebisu Garden Place Tower, 4-20-3 Ebisu, Shibuya-ku, Tokyo 150-6009, Japan. Place of incorporation: Japan	MS CYM Preferred Ltd.	100.00	N	Long position	26,642,000
					Short position	26,264,000
Morgan Stanley Japan Holdings Co., Ltd	Yebisu Garden Place Tower, 4-20-3 Ebisu, Shibuya-ku, Tokyo 150-6009, Japan. Place of incorporation: Japan	Morgan Stanley Asia Regional (Holdings) IV Limited	18.60	N	Long position	26,642,000
					Short position	26,264,000
Morgan Stanley Japan Holdings Co., Ltd	Yebisu Garden Place Tower, 4-20-3 Ebisu, Shibuya-ku, Tokyo 150-6009, Japan. Place of incorporation: Japan	MSJS Preferred YK	7.06	N	Long position	26,642,000
					Short position	26,264,000

Share Capital and Shareholders

Name of controlled corporation	Address and place of incorporation	Name of controlling shareholder	% control	Direct interest	Number of shares	
Morgan Stanley Japan Holdings Co., Ltd	Yebisu Garden Place Tower, 4-20-3 Ebisu, Shibuya-ku, Tokyo 150-6009, Japan. Place of incorporation: Japan	MSJL Holdings Limited	74.34	N	Long position	26,642,000
					Short position	26,264,000
Mitsubishi UFJ Morgan Stanley Securities	2-5-2 Marunouchi, Chiyoda-ku, Tokyo Japan. Place of incorporation: Japan	Morgan Stanley Japan Holdings Co., Ltd	40.00	Y	Long position	26,642,000
					Short position	26,264,000
MSDW Equity Financing Services (Luxembourg) S.a.r.l.	8-10, rue Mathias Hardt, Luxembourg, L-1717, Luxembourg. Place of incorporation: Luxembourg.	Morgan Stanley International Holdings Inc.	100.00	Y	Long position	26,046,600
					Short position	26,046,600
Morgan Stanley Tower LLC	1585 Broadway, New York, NY 10036. Place of incorporation: Delaware	Morgan Stanley	100.00	N	Long position	666,560
					Short position	0
Morgan Stanley Commercial Financial Services, Inc.	1585 Broadway, New York, NY 10036. Place of incorporation: Delaware	Morgan Stanley	100.00	N	Long position	666,560
					Short position	0
MS Financing Inc.	1585 Broadway, New York, NY 10036. Place of incorporation: Delaware	Morgan Stanley Tower LLC	100.00	N	Long position	666,560
					Short position	0
Morgan Stanley & Co, LLC	Corporation Trust Center, 1209 Orange Street, Wilmington, DE19801, U.S.A. Place of incorporation: Delaware	Morgan Stanley Domestic Holdings, Inc.	100.00	N	Long position	666,560
					Short position	0
MS Beta Holdings LLC	2000 Westchester Avenue, Purchase, NY 10577. Place of incorporation: Delaware	MS Financing Inc.	100.00	N	Long position	666,560
					Short position	0
MS Alpha Holdings LLC	2000 Westchester Avenue, Purchase, NY 10577. Place of incorporation: Delaware	Morgan Stanley & Co, LLC	100.00	N	Long position	666,560
					Short position	0

Share Capital and Shareholders

Name of controlled corporation	Address and place of incorporation	Name of controlling shareholder	% control	Direct interest	Number of shares	
MS Gamma Holdings LLC	2000 Westchester Avenue, Purchase, NY 10577. Place of incorporation: Delaware	Morgan Stanley International Holdings Inc.	100.00	N	Long position	666,560
					Short position	0
Morgan Stanley JV Holdings LLC	2000 Westchester Avenue, Purchase, NY 10577. Place of incorporation: Delaware	MS Beta Holdings LLC	33.84	N	Long position	666,560
					Short position	0
Morgan Stanley JV Holdings LLC	2000 Westchester Avenue, Purchase, NY 10577. Place of incorporation: Delaware	MS Alpha Holdings LLC	65.87	N	Long position	666,560
					Short position	0
Morgan Stanley JV Holdings LLC	2000 Westchester Avenue, Purchase, NY 10577. Place of incorporation: Delaware	Morgan Stanley Commercial Financial Services, Inc.	0.29	N	Long position	666,560
					Short position	0
Morgan Stanley Smith Barney Holdings LLC	2000 Westchester Avenue, Purchase, NY 10577. Place of incorporation: Delaware	Morgan Stanley JV Holdings LLC	47.00	N	Long position	666,560
					Short position	0
Morgan Stanley Smith Barney Holdings LLC	2000 Westchester Avenue, Purchase, NY 10577. Place of incorporation: Delaware	MS Gamma Holdings LLC	4.00	N	Long position	666,560
					Short position	0
Morgan Stanley Smith Barney LLC	2000 Westchester Avenue, Purchase, NY 10577. Place of incorporation: Delaware	Morgan Stanley Smith Barney Holdings LLC	100.00	Y	Long position	564,560
					Short position	0
Morgan Stanley Capital (Luxembourg) S.A.	38-40 rue Sainte Zithe, L-2763 Luxembourg. Place of incorporation: Luxembourg.	Morgan Stanley International Incorporated	93.75	Y	Long position	546,000
					Short position	0

Share Capital and Shareholders

Name of controlled corporation	Address and place of incorporation	Name of controlling shareholder	% control	Direct interest	Number of shares	
Morgan Stanley Smith Barney (UK) Holdings Limited	20 Bank Street, Canary Wharf, London, E14 4AD, United Kingdom. Place of incorporation: United Kingdom	Morgan Stanley Smith Barney Holdings LLC	100.00	N	Long position	102,000
					Short position	0
Morgan Stanley Private Wealth Management Limited	20 Bank Street, Canary Wharf, London E14 4AD. Place of incorporation: United Kingdom	Morgan Stanley Smith Barney (UK) Holdings Limited	100.00	Y	Long position	102,000
					Short position	0
Morgan Stanley Capital (Cayman Islands) Limited	Ugland House, South Church Street, PO Box 309, George Town, Grand Cayman, Cayman Islands. Place of incorporation: Cayman Islands.	Morgan Stanley	100.00	Y	Long position	0
					Short position	546,000

Save as disclosed above and so far as the Directors are aware, as at 30 June 2012, 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 register of members and other published information, the Directors consider that the Company has complied 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 2012, 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 2012:

Director	Number of domestic shares/amount of equity interest held	Nature of interest	Long/short positions	Approximate percentage of shareholding in the same class of securities	Approximate percentage of shareholding in the registered capital
Chen Jinghe	132,000,000	Personal	Long	0.84%	0.61%
Luo Yingnan	7,500,000	Personal	Long	0.05%	0.03%
Lan Fusheng	7,500,000	Personal	Long	0.05%	0.03%
Zou Laichang	1,500,000	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.

Others

STAFF OF THE GROUP

Total number of current staff	22,055
Retired employees that the Group is responsible for the retirement expenses	206

Profession structure

Classification	Number of staff
Mining	1,766
Processing	4,705
Refining	2,072
Geology	815
Infrastructure	446
Electrical and Mechanical	2,034
Accounting	645
Surveying	370
Finance	1,170
Chemistry	1,122
Management	1,491
Others	5,419
Total	22,055

Education

Classification	Number of staff
Doctorial degree	29
Master degree	211
Bachelor degree	2,541
Tertiary education	3,802
Secondary school or below	15,472
Total	22,055

As at 30 June 2012, the Group had a total of 22,055 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. The Group does not have any share option scheme for employees. Details of the employees' costs of the Group are set out in notes V.52, V.53 and VI. 5(H)

MATERIAL LITIGATION AND ARBITRATION

Currency: RMB

Plaintiff(s)/Applicant(s)	Defendant(s)	Jointly and severally liable parties	Type of proceedings	Basic information of proceedings/(arbitration)	Amount involved in the litigation /(arbitration)	Progress of proceedings
Guangdong Province Xinyi City People's Government	Xinyi Zijin · Xinyi Baoyuan	No	Civil	On 21 September 2010, as Xinyi Zijin's tailing pool dam overflowed and broke, caused casualties and property damages downstream. In October 2010, Xinyi City People's Government filed the claims for 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
Villagers of Qianpai Town, Xinyi City and Qingyuan water supply plant, etc. (Total 2,480 cases)	Xinyi Zijin · Xinyi Baoyuan · Zijin Mining	Engineering, Design, Construction, and Supervision units as defendants, in about 2,000 lawsuits, Xinyi City Shihuadi power plant and its 13 partners have been joined as additional defendants	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 for property damages in 2011.	Originally claimed RMB311,929,227 as compensation, changed to RMB371,948,239.8 later	Case is in progress
Shihuadi power plant	Xinyi Zijin · Xinyi Baoyuan · Zijin Mining	Engineering, Design, Construction and Supervision units as defendants	Civil	On 21 September 2010, as Xinyi Zijin's tailing pool dam overflowed and broke, plaintiff alleged that the collapse of tailing pool dam caused the collapse of the power plant dam and claimed for property damage.	Claimed RMB13 million	Case is in progress
Zijin Mining Group Company Limited	Zhongxing Henghe Investment Group Company Limited	No	Civil	On 28 April 2010, the plaintiff entered into a Share Transfer Framework Agreement with the defendant. Since the defendant failed to refund the deposit on time, the plaintiff filed the claims.	Claimed RMB45 million	Case is in progress
Hubei Province Hefeng County Zijin Mining Company Limited	Hefeng County Hongfeng Mining Company Limited	No	Civil	On 5 August 2011, the plaintiff entered into a Mining and Exploration Rights Transfer Agreement with the defendant. Since the defendant breached the contract, the plaintiff filed the claims.	Claimed RMB20 million	Case is in progress

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

Others

CORPORATE GOVERNANCE

During the reporting period, the Company strictly complied with the “Company Law”, the “Securities Law”, “Corporate Governance Guidelines of Listed Companies”, “Listing Rules of the Shanghai Stock Exchange”, “Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited” and other domestic and overseas laws and regulations requirements, to constantly improve the corporate governance structure and standardize its operation.

During the reporting period, the Company strictly complied with the “Basic Norms of Corporate Internal Control” and the relevant requirements of its supporting guidelines, through the development and implementation of the annual internal control specification implementation of work to comprehensively promote the establishment of internal control and internal evaluation work. With the continuing efforts of the first half of the year, the control system of the Company continued to improve with a sounder internal control system, business processes continued to optimize, ERP information system was established in an orderly manner, and the internal control evaluation system was further improved.

During the reporting period, as required by the “Notice in relation to further implementation of cash dividend distribution of listed companies” issued by China Securities Regulatory Commission, the Company planned to amend and improve the articles of association in relation to the terms on profit distribution, develop the rules on shareholders’ dividends return (subject to shareholder meeting’s approval), further improve the decision-making procedures and mechanisms of profit distribution matters in board meeting and shareholders’ meeting, and ensure the continuity and stability of the Company’s dividend distribution policy.

The execution of profit distribution policy during the reporting period

On 28 May 2012, the Company passed the resolutions of “The proposal to raise the proportion of cash dividend for profit distribution of the Company for the year ended 31 December 2011” submitted by a shareholder at the 2011 annual general meeting. Based on the total shares of 21,811,963,650 of the Company as at 31 December 2011, a dividend of RMB0.10 (tax included) per share (a total of RMB2,181,196,365 in cash) was distributed, and the undistributed profit was retained for future distribution. The above profit distribution proposal was completed on 12 July 2012.

The status of formulation and execution of profit distribution policy during the reporting period

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 average annual realized distributable profit of last three years. The “Proposal to raise the proportion of cash dividend for profit distribution of the Company for the year ended 31 December 2011” submitted by a shareholder was considered and approved at the Company’s 2011 Annual General Meeting, based on the total number of shares of 21,811,963,650 as at 31 December 2011, to distribute cash dividend RMB0.10 (including tax) per share to all shareholders. The Company distributed the cash dividends of RMB2,181,196,365 in total. The remaining undistributed profit will be carried forward to the next financial year. The above profit distribution proposal was implemented on 12 July 2012.

According to the essence of the Notice in Relation to Further Implementing Cash Dividend Distribution of Listed Companies (Zheng Jian Fa [2012] No.37) of China Securities Regulatory Commission and the Notice in Relation to Further Implementing Cash Dividend Distribution (Min Zheng Jian Gongsizi [2012] No.28) of China Securities Regulatory Commission Fujian Bureau, in order to improve the decision making of the Company's profit distribution and supervisory mechanism, while overseeing the Company's production management and sustainable development and maintaining a reasonable return to investors of the Company, with reference to the terms related to profit distribution policy in the Company's articles of association, the board of the Company formulated profit distribution and return plan for the next three years (2012-2014) and will make amendments to the Company's articles of association accordingly (the above contents have been considered and approved by the board of directors, but subject to the Company's annual general meeting's approval), the amendments to the articles of association are as follows:

1. Principles of profit distribution

The Company should put the reasonable returns to the investors as an important matter in the distribution of profit, while taking into account the sustainable development of the Company, and maintaining the continuity and stability of the profit distribution policy which complied with the provisions of relevant laws and regulations. The Company's distribution of profits shall not exceed the cumulative distributable profits and shall not harm the Company's sustainable business capacity. The Company is actively promoting the distribution of dividends in cash.

2. Forms of profit distribution

The Company can adopt distribution of dividends in cash or bonus issue, and would actively promote the distribution of dividends in cash.

3. Conditions of profit distribution in cash

In accordance with the Company Law and the relevant laws and regulations and the provisions of the articles of association, when the current year's net realized profit of the Company after covering losses, and deduction of statutory reserve fund and discretionary reserve is positive, and the audit body has issued a standard unqualified audit report for the Company's annual financial report (interim distribution of cash dividend can be unaudited), the Company shall make a cash distribution plan unless there is an occurrence of special circumstances (such as major investment plans or significant cash expenditures, etc.).

When the Company meets the above conditions of profit distribution in cash but does not distribute dividends in cash with special reasons, the board should give specific explanations for the reasons of not distributing dividends in cash, the usage of non-distributed retained profits, and then submit them with the comments of independent directors to the shareholders' meeting for consideration and approval.

Others

4. Interval and proportion of profit distribution

With satisfaction of the aforementioned conditions to distribute dividends in cash, the Company's cumulative distribution of cash profits for the latest 3 years shall not be less than 60% of the average annual distributable profits realized for the last 3 years. That is:

(the accumulated cash dividends in last 3 consecutive years \geq 60% x the accumulation of annual distributable profit in last 3 consecutive years/3.)

In principle, the Company's annual distribution of cash dividends shall not be less than 15% of the realized distributable profits for the year (excluding the accumulated undistributed profits of last year).

The board of the Company can propose a distribution of interim cash dividends according to the Company's operating and financial situation.

5. Conditions for bonus issue

The board of the Company may consider adopting bonus issue and conversion of capital reserves to issued capital for distribution. The Company should consider the scale of the existing share capital when issuing bonus shares and dividends, and focus on capital expansion and performance growth simultaneously.

6. Formulation procedure of profit distribution policy

According to the provisions of the articles of association of the Company, after fully considering a variety of factors such as the Company's profitability, cash flow, continuing production, investment demand together with the requests of shareholders (especially minority shareholders), and the opinions of independent directors and supervisors, the board of directors proposes the annual or interim profit distribution proposal for the board's consideration and approval.

The profit distribution proposal shall be approved by a majority vote of all directors of the board at the board meeting. The profit distribution proposal shall be approved by more than half of the voting rights held by shareholders attending a general meeting of shareholders.

When formulating the distribution of cash dividend policy, the board of the Company should actively communicate and exchange views with shareholders, especially minority shareholders through a variety of channels (including but not limited to telephone, fax and e-mail communication), to fully listen to the views and requests of the minority shareholders, and provide timely responses to minority shareholders' concerns.

7. Amendment procedure of profit distribution policy

If there were major changes in the external environment or the Company's own operating conditions, which required an adjustment of the profit distribution policy, the Company should fully consider protecting the minority shareholders' interests. The amended profit distribution policy must not violate the relevant laws and regulations and the relevant provisions of regulatory documents. The proposal to amend the profit distribution policy shall be submitted to the board and shareholders' meeting for consideration and approval. The proposal for amendment of the profit distribution policy shall be approved by more than two-thirds of all directors at the board meeting, independent directors should give independent opinions. The proposal for amendment of the profit distribution policy shall be approved by more than two-thirds of the voting rights held by shareholders attending the shareholders' meeting.

The board of directors should fully listen to the opinions of shareholders (especially minority shareholders), independent directors and supervisors when considering and approving the amendment of profit distribution policy especially the distribution of cash dividends.

8. The Company's shareholders, independent directors and supervisory committee should supervise the execution progress and decision-making procedures of the Company's profit distribution policy executed by the board of directors and management.
9. In case where any shareholder has illegally taken up the Company's capital when the profit distribution proposal is brought into practice, the Company shall deduct the cash dividends allocated to such shareholder to repay the amount of capital taken.
10. The power to forfeit the uncollected dividends shall be exercised after the relevant limitation period expired.
11. The board of directors of the Company shall comply with applicable laws, administrative regulations, departmental rules and regulations, regulatory documents and the profit distribution policy set out in the articles of association when formulating, considering and executing the profit distribution policy.
12. The company should disclose in periodic reports the execution progress of distribution plan and cash dividend distribution policy during the reporting period, and indicate whether they have complied with relevant laws and regulations.

Interim dividend

The Board proposed to pay no dividend for the six months ended 30 June 2012. (The dividend for the six months ended 30 June 2011 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 2012.

Others

Corporate Governance Report

As required by Corporate Governance Code A.1.8, an issuer should arrange appropriate insurance cover in respect of potential legal action against its directors, the board of directors currently considers that the Company and the board of directors have adopted sufficient measures to prevent directors from committing errors and minimise the risk in claims against the directors. Therefore, the Company has not made any relevant insurance arrangement at this stage. However, the board of directors will review this policy of insurance from time to time and may arrange insurance cover later. As required by Corporate Governance Code F.1.3, an issuer's company secretary should report to the board chairman and/or the chief executive. The board of directors considers that the company secretary in Hong Kong should report to the secretary of board of directors to meet the management needs of the Group and it enables a unified management of all listing related matters in Hong Kong and mainland.

Save as disclosed above, for the six months ended 30 June 2012, the Board confirmed that the Group has adopted and complied with the provisions of the Corporate Governance Code and Corporate Governance Report and has followed most of its recommended best practices with no deviation (for details, please refer to the Group's 2011 Annual Report).

Audit and Internal Control Committee

The audit and internal control committee has reviewed the Group's unaudited financial report for the six months ended 30 June 2012 and further discussed the auditing, internal control and financial reporting matters. The audit and internal control committee considers that the Group's financial report for the six months ended 30 June 2012 was in compliance with the applicable accounting standards and relevant laws and regulations and had made sufficient 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 must have appropriate professional qualifications or accounting related financial management expertise. The Company appointed four independent non-executive directors and one of them possesses accounting and related financial management expertise. Details of the independent non-executive directors have been provided in the Group's 2011 annual report.

Securities Transactions by Directors of the Company

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 2012.

Shareholdings of Directors and Supervisors in the Company

As at 30 June 2012, Mr. Chen Jinghe, the Chairman of the Board of the Company held 132,000,000 shares, Mr. Luo Yingnan, President, held 7,500,000 shares, Mr. Lan Fusheng, Vice Chairman, held 7,500,000 shares, and Mr. Zou Laichang, Standing Vice President, held 1,500,000 shares in the Company.

Appointment and Dismissal of Auditors

According to the approval in the 2010 annual general meeting, the Company decided not to re-appoint international auditors — Ernst & Young since 2011. According to the approval in the 2011 annual general meeting, the Company continuously reappointed Ernst & Young Hua Ming to audit the Company's financial statements in 2012 according to the China Auditing Standards.

Appointment or Resignation of Director, Supervisor, and Senior Management

The board of directors of the Company received a resignation letter from Mr. Liu Xiaochu (劉曉初) ("Mr. Liu") on 28 March 2012. Mr. Liu resigned as the Company's executive director, vice-chairman, and authorized representative under the requirement of The Stock Exchange of Hong Kong Limited with effect from 28 March 2012 due to his personal health issue.

Mr. Liu confirmed that he has no disagreement with the Board and there are no matters that need to be brought to the attention of the shareholders of the Company in relation to his resignation.

Mr. Qiu Xiaohua (邱曉華) was recommended as a director candidate at the Fourteenth meeting of the fourth Board of Directors and it has been proposed to be appointed at the 2011 annual general meeting. The 2011 annual general meeting reviewed and approved the resolution of "Election of Mr. Qiu Xiaohua as a director of the fourth Board of Directors of the Company". Mr. Qiu Xiaohua has been appointed as the Company's director with effect from 28 May 2012 till the end of the term of the fourth Board of Directors.

The Punishment and Rectification to the Company, Directors, Supervisors, Senior Managers, Shareholders and Substantial Shareholders

The Company received the "Decision of Administrative Punishment" ([2012]No.10) issued by the China Securities Regulatory Commission on 9 May 2012, for the Company's failure to timely disclose the 7.3 waste water leakage incident of Zijinshan copper hydrometallurgical plant, in which the Company violated Article 67 of the Securities Law, and constituted an offense described in Article 193 of the Securities Law. According to Article 193 of the Securities Law, the China Securities Regulatory Commission decided to issue:

1. a warning and order Zijin Mining to correct and impose a fine of RMB300,000;
2. a warning to Chen Jinghe and impose a fine of RMB100,000;
3. a warning to Luo Yingnan and Zou Laichang and impose each a fine of RMB50,000;
4. a warning to Liu Xiaochu, Lan Fusheng and Huang Xiaodong.

All the above fines has been settled.

Others

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

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

Fujian, PRC 10 August 2012

As at the date of this report, the Board of Directors of the Company comprises Messrs. Chen Jinghe (Chairman), Luo Yingnan, Qiu Xiaohua, 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 2012
RMB**FINANCIAL STATEMENTS (AS PREPARED IN ACCORDANCE WITH CAS)***In this report, unless otherwise indicated in the context, the currency is RMB.*

ASSETS	Note V	30 June 2012 RMB (Unaudited)	31 December 2011 RMB (Audited)
Current assets			
Cash and cash equivalents	1	7,220,946,043.46	6,180,009,655.00
Held-for-trading financial assets	2	345,891,093.38	264,029,003.00
Bills receivables	3	747,996,213.10	574,697,737.00
Trade receivables	4	1,080,843,029.89	489,112,425.00
Advance to suppliers	5	829,785,319.47	1,691,517,698.00
Other receivables	6	1,765,925,247.80	987,302,617.00
Inventories	7	8,339,798,517.86	7,160,297,387.00
Other current assets	8	858,571,526.86	584,909,276.00
Total current assets		21,189,756,991.82	17,931,875,798.00
Non-current assets			
Available-for-sale financial assets	9	834,654,454.23	938,012,473.00
Held-to-maturity investments	10		
Long-term equity investments	11	4,608,025,649.85	3,203,933,411.00
Investment properties	12	50,034,683.72	51,056,575.00
Fixed assets	13	12,117,765,897.63	10,145,321,562.00
Construction in progress	14	8,469,894,070.66	7,898,525,167.00
Construction materials		287,106,036.60	333,854,223.00
Intangible assets	15	7,409,991,320.00	7,138,194,099.00
Goodwill	16	338,979,724.60	338,979,724.00
Long-term deferred expenses	17	810,682,815.61	769,907,533.00
Deferred tax assets	18	521,891,965.27	434,359,241.00
Other non-current assets	19	3,898,340,802.75	3,136,179,526.00
Total non-current assets		39,347,367,420.92	34,388,323,534.00
Total assets		60,537,124,412.74	52,320,199,332.00

Consolidated Balance Sheet

As at 30 June 2012

RMB

		30 June 2012	31 December 2011
		RMB	RMB
		(Unaudited)	(Audited)
LIABILITIES AND EQUITY	Note V		
Current liabilities			
Short-term loans	21	5,212,949,460.15	3,815,092,312.00
Held-for-trading financial liabilities	22	5,697,727,002.43	4,005,648,200.00
Trade payables	23	4,144,921,826.34	3,232,112,911.00
Advances from clients	24	1,389,050,581.97	1,012,751,443.00
Accrued payroll and welfare	25	203,327,314.21	276,852,910.00
Tax and levies payables	26	1,309,241,672.87	1,709,391,219.00
Dividends payables	27	2,189,076,365.00	23,125,841.00
Other payables	28	2,017,438,609.79	2,073,223,413.00
Non-current liabilities due within one year	29	161,394,990.00	216,444,590.00
Other current liabilities			
Total current liabilities		22,325,127,822.76	16,364,642,839.00
Non-current liabilities			
Long-term loans	30	4,226,094,322.41	2,360,713,448.00
Bonds payables	31	3,004,437,828.30	2,987,514,948.00
Long-term payables	32	162,478,740.46	159,595,217.00
Deferred tax liabilities	18	222,882,292.84	226,385,417.00
Other non-current liabilities	33	285,535,309.30	88,670,506.00
Total non-current liabilities		7,901,428,493.31	5,822,879,536.00
Total liabilities		30,226,556,316.07	22,187,522,375.00
Owners' interest (or shareholders' interest)			
Paid-up (share) capital	34	2,181,196,365.00	2,181,196,365.00
Capital reserve	35	7,664,196,737.36	7,689,487,793.00
Special reserve	36	55,731,662.79	33,491,518.00
Statutory reserve	37	1,319,401,104.00	1,319,401,104.00
Retained profits	38	14,207,668,507.71	14,004,152,348.00
Exchange translation differences		(198,528,030.99)	(219,118,195.00)
Owners' interest (or shareholders' interest)		25,229,666,345.87	25,008,610,933.00
Non-controlling interests	39	5,080,901,750.80	5,124,066,024.00
Total equity		30,310,568,096.67	30,132,676,957.00
Total equity and liabilities		60,537,124,412.74	52,320,199,332.00

Consolidated Income Statement

For the six months ended 30 June 2012
RMB

	Note V	For the 6 months ended 30 June 2012 RMB (Unaudited)	For the 6 months ended 30 June 2011 RMB (Unaudited)
Operating revenue	40	20,992,524,396.47	15,852,267,784.94
Less: Operating cost	40	15,530,386,362.51	10,110,447,993.36
Sales taxes and levies	41	232,458,328.85	170,010,692.74
Selling expenses	52	293,800,158.63	177,271,288.35
Administrative expenses	53	887,298,205.47	689,176,321.06
Finance costs	42	327,823,100.87	139,171,923.08
Impairment provision of assets	43	375.00	187,753,240.00
Add:Gains/(Losses) from changes in fair value	44	(64,176,643.31)	158,314,378.71
Investment income	45	247,959,419.06	181,091,382.18
Including:Share of profits of associates and jointly-controlled entities		121,606,792.29	120,029,043.83
Operating profits		3,904,540,640.89	4,717,842,087.24
Add:Non-operating income	46	48,127,181.88	48,238,594.15
Less:Non-operating expenses	47	108,671,386.37	91,480,781.59
Including:Loss from disposal of non-current assets		10,051,804.50	13,274,895.44
Total profits		3,843,996,436.40	4,674,599,899.80
Less:Income tax	48	1,003,983,712.55	1,137,070,227.53
Net profits		2,840,012,723.85	3,537,529,672.27
Including:Net profit attributable to the owners of the parent		2,384,712,524.71	2,978,982,425.55
Net profit attributable to non-controlling interests		455,300,199.14	558,547,246.72
Earnings per share			
Basic earnings per share	49	0.109	0.137
Other comprehensive income	50	(6,309,161.75)	(146,994,967.95)
Total comprehensive income		2,833,703,562.10	3,390,534,704.32
Including:			
Total comprehensive income attributable to the owners of the parent		2,378,403,362.96	2,835,690,387.67
Total comprehensive income attributable to non-controlling interests		455,300,199.14	554,844,316.65

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2012

RMB

	Equity attributable to the owners of the parent										Total Equity
	Paid-up (share) capital	Capital reserve	Special reserve	Statutory reserve	Retained profits	Exchange translation differences	Sub-total	Non-controlling interest			
1. Closing balance of previous year Add: Changes in accounting policy	2,181,196,365.00	7,689,487,793.00	33,491,518.00	1,319,401,104.00	14,004,152,348.00	(219,118,195.00)	25,008,610,933.00	5,124,066,024.00			30,132,676,957.00
2. Opening balance of current year	2,181,196,365.00	7,689,487,793.00	33,491,518.00	1,319,401,104.00	14,004,152,348.00	(219,118,195.00)	25,008,610,933.00	5,124,066,024.00			30,132,676,957.00
3. Increase(decrease) for current year	(25,291,055.64)	22,240,144.79			203,516,159.71	20,590,164.01	221,055,412.87	(43,164,273.20)			177,891,139.67
(1) Net profits					2,384,712,524.71		2,384,712,524.71	455,300,199.14			2,840,012,723.85
(2) Other comprehensive income	(26,899,325.76)					20,590,164.01	(6,309,161.75)	2,323,577.92			(3,985,583.83)
Total comprehensive income	(26,899,325.76)				2,384,712,524.71	20,590,164.01	2,378,403,362.96	457,623,777.06			2,836,027,140.02
(3) Except profits allocation, transactions with shareholders as owners	1,608,270.12						1,608,270.12	135,450,000.00			137,058,270.12
1. Shareholders' injection of capital								135,450,000.00			135,450,000.00
2. Others*	1,608,270.12						1,608,270.12				1,608,270.12
(4) Special reserve			22,240,144.79				22,240,144.79				22,240,144.79
1. Transferred to special reserve in the year			104,506,543.01				104,506,543.01				104,506,543.01
2. Used for the year			(82,266,398.22)				(82,266,398.22)				(82,266,398.22)
(5) Profits allocation					(2,181,196,365.00)		(2,181,196,365.00)	(636,238,050.26)			(2,817,434,415.26)
1. Transferred to statutory reserve					(2,181,196,365.00)		(2,181,196,365.00)	(636,238,050.26)			(2,817,434,415.26)
2. Allocated to shareholders											
(6) Internal transfer between equity											
4. Closing balance for the year	2,181,196,365.00	7,664,196,737.36	55,731,662.79	1,319,401,104.00	14,207,668,507.71	(198,528,030.99)	25,229,666,345.87	5,080,901,750.80			30,310,568,096.67

Unaudited

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2011

RMB

	Equity attributable to the owners of the parent						Unaudited Total Equity
	Paid-up (share) capital	Capital reserve	Special reserve	Statutory reserve	Retained profits	Exchange translation differences	
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)	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)	26,028,670,830.00
3. Increase(decrease) for current year	727,065,455.00	(633,079,559.04)	3,818,348.18		1,354,486,730.14	(21,797,800.17)	1,710,104,330.19
(1) Net profits					2,808,617,640.14		3,367,164,886.86
(2) Other comprehensive income		93,985,895.96				(21,797,800.17)	68,485,165.72
Total comprehensive income		93,985,895.96			2,808,617,640.14	(21,797,800.17)	3,435,650,052.58
(3) Except profits allocation, transactions with shareholders as owners							
1. Shareholders' injection of capital							
2. Others*							
(4) Special reserve			3,818,348.18				125,645,388.59
1. Transferred to special reserve in the year			95,035,726.98				135,000,000.00
2. Used for the year			(91,217,378.80)				(9,354,611.41)
(5) Profits allocation							
1. Transferred to statutory reserve							7,289,733.05
2. Allocated to shareholders							123,154,602.34
(6) Internal transfer between equity		(727,065,455.00)					(115,864,869.29)
4. Closing balance for the year	2,181,196,365.00	8,744,051,558.96	60,319,030.18	999,800,342.00	11,419,801,650.14	(143,105,224.17)	27,738,775,160.19

Consolidated Cash Flow Statement

For the six months ended 30 June 2012

RMB

Items	For the six months ended 30 June 2012 <i>RMB</i> <i>(Unaudited)</i>	For the six months ended 30 June 2011 <i>RMB</i> <i>(Unaudited)</i>
1. Cash flow from operating activities:		
Cash received from sales of goods and rendering services	21,236,708,130.88	16,092,384,201.81
Refund of taxes and levies	15,443,033.24	12,843,388.48
Sub-total of cash inflows from operating activities	21,252,151,164.12	16,105,227,590.29
Cash paid for goods purchased and services rendered	14,349,341,777.84	9,511,039,096.30
Cash paid to and on behalf of employees	1,072,719,524.68	616,137,444.68
Payments for taxes and levies	2,358,000,972.07	1,922,057,362.04
Other cash paid relating to operating activities (Note V.51)	536,967,561.37	412,247,871.21
Sub-total of cash outflows in operating activities	18,317,029,835.96	12,461,481,774.23
Net cash flows from operating activities	2,935,121,328.16	3,643,745,816.06
2. Cash flows from investing activities:		
Cash received from disposal of investments	43,871,800.60	390,995,258.23
Cash received from return on investments	29,812,289.29	42,144,199.74
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	3,896,646.75	6,025,601.79
Net cash received from disposal of subsidiaries and other business units	9,355,817.91	9,815,997.48
Cash receipts relating to other investing activities (Note V.51)	442,471,314.84	402,456,303.73
Sub-total of cash inflows from investing activities	529,407,869.39	851,437,360.97
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	3,945,719,649.08	2,075,775,552.08
Cash paid for investments	1,439,125,831.38	937,971,827.87
Cash paid for acquisition of subsidiaries and other business units	73,350,000.00	236,628,427.02
Cash payments relating to other investing activities (Note V.51)	689,888,619.47	138,339,881.29
Sub-total of cash outflows in investing activities	6,148,084,099.93	3,388,715,688.26
Net cash flows from investing activities	(5,618,676,230.54)	(2,537,278,327.29)

Consolidated Cash Flow Statement

For the six months ended 30 June 2012
RMB

Items	For the six months ended 30 June 2012 RMB (Unaudited)	For the six months ended 30 June 2011 RMB (Unaudited)
3. Cash flows from financing activities:		
Cash received from investments	131,007,000.00	130,805,000.00
Cash received from borrowings	7,607,418,614.75	6,010,795,262.15
Cash received from other financing activities	170,490,387.16	37,005,965.29
Sub-total of cash inflows from financing activities	7,908,916,001.91	6,178,606,227.44
Cash paid for repayment of borrowings	3,532,137,347.28	2,596,546,690.73
Cash paid for dividends or profit distribution or interests repayment	870,105,768.43	735,925,994.48
Cash payment relating to other financing activities (Note V.51)	108,732,949.25	260,459,550.97
Sub-total of cash outflows in financing activities	4,510,976,064.96	3,592,932,236.18
Net cash flows from financing activities	3,397,939,936.95	2,585,673,991.26
4. Effects of changes of exchange rate on cash and cash equivalents	15,480,802.22	(11,278,399.33)
5. Net increase in cash and cash equivalents	729,865,836.79	3,680,863,080.70
Reconciliation of net profits to net cash flows from operating activities:		
1. Net profits	2,384,712,524.71	2,978,982,425.55
Add: Net profit attributable to non-controlling interests	455,300,199.14	558,547,246.72
Less: Unrealized loss on investment		
Add: Asset impairment provision	375.00	187,753,240.00
Depreciation of fixed assets	643,529,442.83	434,914,762.13
Amortisation of intangible assets and long-term deferred expenses	127,223,201.09	178,455,719.35
Loss/(gain) on disposal of fixed assets, intangible assets and other long-term assets	9,377,442.77	12,109,290.91
Loss/(gain) on change in fair value	64,176,643.31	(158,314,378.71)
Finance costs	327,823,100.87	139,171,923.08
Loss/(gain) on investments	(247,959,419.06)	(181,091,382.18)
Decrease/(increase) in deferred tax assets	(87,532,724.27)	(88,260,512.72)
Increase/(decrease) in deferred tax liabilities	(3,503,124.16)	22,584,904.30
Decrease/(increase) in inventories	(1,179,501,130.86)	(576,955,665.06)
Decrease/(increase) in trade receivables	(1,729,112,488.06)	(269,043,572.39)
Increase/(decrease) in trade payables	2,098,302,107.61	389,025,301.85
Others	72,285,177.24	15,866,513.23
Net cash flows from operating activities	2,935,121,328.16	3,643,745,816.06

Consolidated Cash Flow Statement

For the six months ended 30 June 2012

RMB

Items	For the six months ended 30 June 2012 RMB (Unaudited)	For the six months ended 30 June 2011 RMB (Unaudited)
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)	5,647,053,701.79	7,472,335,053.70
Less: Opening balance of cash (Note V.1)	4,917,187,865.00	3,791,471,973.00
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents	0.00	
Net increase in cash and cash equivalents	729,865,836.79	3,680,863,080.70

Balance Sheet

As at 30 June 2012
RMB

ASSETS	Note XI	30 June 2012 RMB (Unaudited)	31 December 2011 RMB (Audited)
Current assets			
Cash and cash equivalents		5,205,184,901.46	3,129,014,590.00
Held-for-trading financial assets		52,764,111.71	17,266,049.00
Bills receivables		52,854,607.88	51,714,483.00
Dividends receivables		10,462,500.00	10,462,500.00
Trade receivables	1	497,280,983.02	185,986,403.00
Advance to suppliers		118,716,279.44	92,419,151.00
Other receivables	2	6,564,678,200.01	5,791,930,414.00
Inventories		395,518,155.52	354,692,389.00
Other current assets		174,218,993.33	139,226,654.00
Total current assets		13,071,678,732.37	9,772,712,633.00
Non-current assets			
Available-for-sale financial assets		524,114,734.44	628,953,457.00
Long-term equity investments	3	11,617,282,969.28	11,314,517,179.00
Long-term receivables			
Fixed assets		1,000,385,737.53	1,007,236,197.00
Construction in progress		1,919,952,884.77	1,521,097,734.00
Construction materials		11,595,104.98	7,703,927.00
Intangible assets		345,053,606.88	351,252,411.00
Long-term deferred expenses		68,025,861.09	67,540,287.00
Deferred tax assets		226,541,903.13	218,479,375.00
Other non-current assets		1,132,165,186.41	1,115,103,131.00
Total non-current assets		16,845,117,988.51	16,231,883,698.00
Total assets		29,916,796,720.88	26,004,596,331.00

Balance Sheet

As at 30 June 2012
RMB

	30 June 2012 RMB (Unaudited)	31 December 2011 RMB (Audited)
LIABILITIES AND EQUITY		
Current liabilities		
Short-term loans	925,268,384.27	918,268,384.00
Held-for-trading financial liabilities	4,567,601,992.21	3,490,174,465.00
Trade payables	227,366,339.43	170,401,663.00
Advances from clients	5,915,202.32	2,110,280.00
Accrued payroll and welfare	140,584,378.70	162,244,197.00
Dividends payables	2,181,196,365.00	
Tax and levies payables	492,682,120.08	734,182,864.00
Other payables	762,950,724.56	305,890,146.00
Non-current liabilities due within one year	37,712,700.00	43,212,700.00
Total current liabilities	9,341,278,206.57	5,826,484,699.00
Non-current liabilities		
Long-term loans		
Long-term payables	131,026,004.17	130,610,691.00
Projects payables	208,992,301.01	9,060,768.00
Other non-current liabilities		
Deferred tax liabilities		—
Total non-current liabilities	340,018,305.18	139,671,459.00
Total liabilities	9,681,296,511.75	5,966,156,158.00
Owners' interest (or shareholders' interest)		
Paid-up (share) capital	2,181,196,365.00	2,181,196,365.00
Capital reserve	8,689,122,361.97	8,714,239,590.00
Special reserve	16,020.84	16,021.00
Statutory reserve	1,090,812,600.39	1,090,812,600.00
Retained profits	8,274,352,860.93	8,052,175,597.00
Total equity	20,235,500,209.13	20,038,440,173.00
Total equity and liabilities	29,916,796,720.88	26,004,596,331.00

Income Statement

For the six months ended 30 June 2012
RMB

	Note XI	For the 6 months ended 30 June 2012 RMB (Unaudited)	For the 6 months ended 30 June 2011 RMB (Unaudited)
Operating revenue	4	6,153,162,231.82	3,934,927,273.48
Less: Operating cost	4	3,902,233,794.23	1,717,457,353.08
Sales taxes and levies		80,772,609.03	52,538,039.21
Selling expenses		8,237,014.21	5,069,470.91
Administrative expenses		290,598,708.78	235,452,197.52
Finance costs		63,320,064.48	60,048,346.62
Impairment provision of assets		0.00	50,000,000.00
Add:Gains/(Losses) from changes in fair value		(23,986,601.51)	(841,443.61)
Investment income	5	1,120,028,990.65	647,223,042.57
Including:Share of profits of associates and jointly-controlled entities		26,860,590.09	5,002,728.88
Operating profits		2,904,042,430.23	2,460,743,465.10
Add: Non-operating income		623,495.21	10,917,442.15
Less: Non-operating expenses		75,417,003.68	37,191,690.67
Including: Loss from disposal of non-current assets		412,629.32	701,962.76
Total profits		2,829,248,921.76	2,434,469,216.58
Less: Income tax		425,875,298.95	434,890,685.73
Net profits		2,403,373,622.81	1,999,578,530.85
Other comprehensive income		(25,117,228.33)	(133,012,393.42)
Total comprehensive income		2,378,256,394.48	1,866,566,137.43

Statement of Changes in Equity

For the six months ended 30 June 2012

RMB

Unaudited

	Paid-up (share) capital	Capital reserve	Special reserve	Statutory reserve	Retained profits	Total Equity
1. Closing balance of previous year Add: Changes in accounting policy (Note II)	2,181,196,365.00	8,714,239,590.30	16,020.84	1,090,812,600.39	8,052,175,603.12	20,038,440,179.65
1. Opening balance of current year	2,181,196,365.00	8,714,239,590.30	16,020.84	1,090,812,600.39	8,052,175,603.12	20,038,440,179.65
2. Increase/(decrease) for current year		(25,117,228.33)			222,177,257.81	197,060,029.48
(1) Net profits					2,403,373,622.81	2,403,373,622.81
(2) Other comprehensive income		(25,117,228.33)				(25,117,228.33)
Total comprehensive income		(25,117,228.33)			2,403,373,622.81	2,378,256,394.48
(3) Special reserve						
1. Transferred to special reserve in the year						
2. Used for the year						
(4) Profits allocation					(2,181,196,365.00)	(2,181,196,365.00)
1. Transferred to statutory reserve						
2. Allocated to shareholders					(2,181,196,365.00)	(2,181,196,365.00)
(5) Internal transfer between equity						
3. Closing balance for the year	2,181,196,365.00	8,689,122,361.97	16,020.84	1,090,812,600.39	8,274,352,860.93	20,235,500,209.13

Statement of Changes in Equity

For the six months ended 30 June 2011
RMB

	Unaudited					
	Paid-up (share) capital	Capital reserve	Special 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)						0.00
						0.00
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) Special reserve			(499,996.85)			(499,996.85)
1. Transferred to special reserve in 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. Transferred to 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

Cash Flow Statement

For the six months ended 30 June 2012

RMB

	For the six months ended 30 June 2012 <i>RMB</i> <i>(Unaudited)</i>	For the six months ended 30 June 2011 <i>RMB</i> <i>(Unaudited)</i>
1. Cash flow from operating activities:		
Cash received from sales of goods and rendering services	5,051,517,061.96	3,894,764,045.01
Refund of taxes and levies		0.00
Sub-total of cash inflows from operating activities	5,051,517,061.96	3,894,764,045.01
Cash paid for goods purchased and services rendered	2,889,514,102.95	1,594,463,526.94
Cash paid to and on behalf of employees	191,069,612.32	150,075,473.51
Payments for taxes and levies	830,007,674.24	626,950,224.22
Cash paid relating to other operating activities	160,705,792.16	664,540,641.72
Sub-total of cash outflows in operating activities	4,071,297,181.67	3,036,029,866.39
Net cash flows from operating activities	980,219,880.29	858,734,178.62
2. Cash flows from investing activities:		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	0.00	417,353.21
Cash received from disposal of investments	7,912,362.10	9,816,074.70
Cash received from return on investments	1,103,975,026.47	664,972,299.04
Cash receipts relating to other investing activities	299,453,429.59	117,172,693.13
Sub-total of cash inflows from investing activities	1,411,340,818.16	792,378,420.08
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	432,865,215.01	195,879,749.51
Cash paid for investments	243,367,491.69	1,942,794,478.56
Cash payments relating to other investing activities	424,905,260.18	89,784,270.13
Sub-total of cash outflows in investing activities	1,101,137,966.88	2,228,458,498.20
Net cash flows from investing activities	310,202,851.28	(1,436,080,078.12)

Cash Flow Statement

For the six months ended 30 June 2012
RMB

	For the six months ended 30 June 2012 RMB (Unaudited)	For the six months ended 30 June 2011 RMB (Unaudited)
3. Cash flows from financing activities:		
Cash received from equity investments		
Cash received from borrowings	485,000,000.00	2,052,994,692.98
Cash received from other financing activities	789,601,007.82	
Sub-total of cash inflows from financing activities	1,274,601,007.82	2,052,994,692.98
Cash paid for repayment of borrowings	483,500,000.00	451,400,000.00
Cash paid for dividends or profit distribution or interests repayment	5,353,428.05	74,249,382.46
Cash payment relating to other financing activities		9,915,793.48
Sub-total of cash outflows in financing activities	488,853,428.05	535,565,175.94
Net cash flows from financing activities	785,747,579.77	1,517,429,517.04
4. Effects of changes of exchange rate on cash and cash equivalents		(995,576.68)
5. Net increase in cash and cash equivalents	2,076,170,311.34	939,088,040.86

Cash Flow Statement

For the six months ended 30 June 2012

RMB

Supplemental information	For the six months ended 30 June 2012	For the six months ended 30 June 2011
	RMB	RMB
	(Unaudited)	(Unaudited)
(1) Reconciliation of net profits to net cash flows from operating activities:		
Net profits	2,403,373,622.81	1,999,578,530.85
Add: Depreciation of fixed assets	80,612,641.32	73,400,494.90
Asset impairment provision	0.00	50,000,000.00
Amortisation of intangible assets and long-term deferred expenses	21,563,242.59	23,166,724.91
Loss/(gain) on disposal of fixed assets, intangible assets and other long-term assets	348,590.38	666,959.47
Loss/(gain) on change in fair value	23,986,601.51	(841,443.61)
Loss/(gain) on investments	(1,120,028,990.65)	(647,223,042.57)
Finance costs	63,320,064.48	60,048,346.62
Decrease/(increase) in inventories	13,802,990.98	(15,724,474.12)
Decrease/(increase) in deferred income tax assets	(8,062,527.66)	(26,647,052.89)
Increase/(decrease) in deferred income tax liabilities	0.00	(31,299,391.00)
Decrease/(increase) in trade receivables	(338,125,540.73)	(896,309,593.72)
Increase/(decrease) in trade payables	(160,570,814.74)	269,918,119.78
Net cash flows from operating activities	980,219,880.29	858,734,178.62
Non-cash investing and financing activities:		
(2) Impairment provision on equity investments in associates		
Net decrease in cash and cash equivalents:		
(3) Closing balance of cash and cash equivalents	5,205,184,901.46	2,575,101,225.86
Less: Opening balance of cash and cash equivalents	3,129,014,590.12	1,636,013,185.00
Net increase in cash and cash equivalents	2,076,170,311.34	939,088,040.86

Notes to Financial Statements

As at 30 June 2012
RMB

I. GENERAL INFORMATION OF THE GROUP

Zijin Mining Group Company Limited (“the Company”) is a joint stock limited liability company, registered in Fujian Province of the People’s Republic of China (“PRC”) on 6 September 2000, under the “Company Law of the People’s Republic of China” (“the Company Law”). The Company’s business registration number is 3500001002192.

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

Pursuant to the Resolution at the First Extraordinary 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 Hong Kong dollar (“HKD”)3.3 (approximately RMB3.516) per share; Minxi Xinghang, 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 (approximately RMB3.516) per share. As a result of the issue, the Company’s registered capital changed to RMB131,413,091. Pursuant to the Resolution at the Annual General Meeting dated 28 May 2004 for Year 2003, on the transfer of capital reserve into issued capital, the Company transferred its 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. Pursuant to the Resolution at the Annual General Meeting dated 31 May 2005 for Year 2004 on the transfer of capital reserve into issued capital, the Company transferred 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. Pursuant to the Resolution at the Annual General Meeting for Year 2005, dated 18 May 2006, on the transfer of capital reserve into issued capital, the Company transferred 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). Pursuant to the Resolution at the Annual General Meeting for Year 2006, dated 30 April 2007, on the transfer of capital reserve into issued capital, the Company transferred 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. On 25 April 2008, as approved by the China Securities Regulatory Committee ([2008] No.417) and the Shanghai Stock Exchange (Shang Zheng Shang Zi [2008] No. 29), respectively, the Company 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 (“IPO A shares”). As such, the Company’s registered capital changed to RMB1,454,130,910.

Notes to Financial Statements

As at 30 June 2012
RMB

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 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. Since the date of commencement listed in A shares, up to 27 April 2009, these proportion of restricted shares floated publicly, which representing a total proportion of 33.87% of issued capital. Up to the date of this report, all the Company's issued shares are publicly floating.

Pursuant to the Resolution at the Annual General Meeting for year 2010 on the transfer of capital reserve into issued capital dated 30 May 2011, the Company transferred capital reserve of RMB727,065,455 into 7,270,654,550 shares with nominal value of RMB0.1 per share, that is issued 5 new shares for every 10 existing shares based on the total number of issued shares accounting to 14,541,309,100 issued shares as bonus as at the year of 2010. As at 30 June 2012, the total number of issued shares is 21,811,963,650.

The Company's scope of business includes: Exploration of minerals (permitted items and time limit refer to details in the mineral resources exploration permit(s)), open pit (only for branches) strip mining of gold and copper ores; process and refinery of gold and copper ores; development and sales of conventional machinery and equipment; retail of gold products; information technology service; data of industrial production (excluding sedan cars less than 9 seats); sales of chemical products (excluding dangerous chemical products); hydropower generation; investment in mining industry, hotel industry and mine engineering construction; foreign trade. (The above scope shall be subject to the approval from related departments before the commencement of business if it relates to national specific trades.)

The largest shareholder of the Group is Minxi Xinghang which registered in the PRC.

The financial statements have been approved by the Company's board resolution on 10 August 2012.

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 and 38 specific Standards of the Accounting Standards for Business Enterprises ("ASBE") issued by the Ministry of Finance ("MoF") on 15 February 2006, and Application Guidance for ASBE and other relevant regulations issued thereafter (hereafter referred to as "CAS").

The financial statements have been prepared on a going concern basis.

Except for certain financial instruments, the financial statements have been prepared using historical cost as the principal of measurement in financial statements. Where assets are impaired, provisions for asset impairment are made in accordance with relevant requirements.

Notes to Financial Statements

As at 30 June 2012
RMB

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

2. Statement of compliance with CAS

The financial statements have been prepared in accordance with CAS, and presented truly and completely the Company's and consolidated financial position as at 30 June 2012, and the Company's and consolidated financial performance and cash flows for the first half of 2012.

3. Accounting period

The Group has adopted the calendar year as its accounting year, i.e., from 1 January to 31 December.

4. Functional currency

The Group adopts RMB as functional currency and presentation currency for its financial statements. Except for specific indications, the financial statements are denominated in RMB.

The subsidiaries of the Group, jointly-controlling entities and associates determined their own functional currencies according to their primary economic environment in which they operate. Foreign functional currencies are translated into RMB when preparing financial statements.

5. Business combination

A business combination refers to a transaction or event bringing together two or more separate enterprises into one reporting entity. Business combinations are classified into business combinations involving enterprises under common control and business combinations not involving enterprises under common control.

Business combinations involving enterprises under common control

A business combination involving enterprises under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory. In a business combination under common control, the party which obtains control of other combining enterprise(s) on the combination date is the merging party, the other combining enterprise(s) is (are) the merged party (parties). The combination date is the date on which the merging party actually obtains control of the merged (parties).

Assets and liabilities obtained shall be measured at their respective carrying amounts as recorded by the combining entities at the date of the combination. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination/ the aggregate face value of shares issued as consideration is adjusted to the share premium in capital reserve. If the share premium is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

Notes to Financial Statements

As at 30 June 2012
RMB

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

5. Business combination (continued)

Business combinations not involving enterprises under common control

A business combination not involving enterprises under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties before and after the combination. In a business combination not involving common control, the party which obtains control of other combining enterprise(s) on the combination date is the acquirer, the other combining enterprise(s) is (are) the acquiree(s). The combination date is the date on which the acquirer actually obtains control of the acquiree(s).

The acquiree's identifiable assets, liabilities and contingent liabilities, acquired by the acquirer in a business combination, that meet the recognition criteria shall be measured at fair value at the acquisition date.

Where the sum of the fair value of combination consideration (or the fair value of issued equity securities) and the fair value of the equity interest held in the acquiree prior to the acquisition date exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is treated as an asset and recognised as goodwill, which is subsequently measured at cost less accumulated impairment losses. Where the sum of the fair value of combination consideration (or the fair value of issued equity securities) and the fair value of the equity interest held in the acquiree prior to the acquisition date is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer firstly reassesses the measurement of the fair values of the acquiree's identifiable assets, liabilities and contingent liabilities and measurement of the consideration of combination. If after that reassessment, the sum of the fair value of combination consideration (or the fair value of issued equity securities) and the fair value of the equity interest held in the acquire prior to the acquisition date is still less than the acquirer's interest in the sum of the fair value of the acquiree's identifiable net assets, the acquirer recognises the remaining difference immediately in profit or loss for the current period.

6. Preparation of consolidated financial statements

The scope of consolidation in the consolidated financial statements is determined on the basis of control. The consolidated financial statements include the financial statements of the Company and its subsidiaries for the period ended 30 June 2012. A subsidiary is an entity whose financial and operating policies is under the control of the Company, directly or indirectly.

Where the accounting policies or accounting periods adopted by subsidiaries are inconsistent with those of the Company, appropriate adjustments are made to the subsidiaries' financial statements in accordance with the accounting policies or accounting periods of the Company. All intra-group balances, transactions, unrealised profit or loss and dividends are eliminated on consolidation.

When the amount of loss for the period attributable to the non-controlling shareholders of a subsidiary exceeds the non-controlling shareholders' portion of the opening balance of owners' equity of the subsidiary, the excess amount is still allocated against non-controlling interests. Acquisition of non-controlling interests or disposal of interest in a subsidiary that does not result in the loss of control over the subsidiary is accounted for as an equity transaction.

Notes to Financial Statements

As at 30 June 2012
RMB

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

6. Preparation of consolidated financial statements (continued)

Where a subsidiary is acquired through a business combination involving enterprises not under common control, the operating results and cash flows of the acquiree shall be included in the consolidated financial statements of the acquirer from the acquisition date till the date that such control ceased. In preparation of the consolidated financial statements, the financial statements of the acquired subsidiary shall be adjusted based on the fair value of the subsidiary's identifiable assets, liabilities and contingent liabilities determined at the acquisition date.

Where a subsidiary is acquired through a business combination during the reporting period involving enterprises under common control, the acquiree's operating results and cash flows shall be included in the consolidated financial statements as if the acquiree is under control of the group at the very beginning of the period and the comparative amounts of the consolidated financial statements of the Group shall be restated accordingly.

7. Cash and cash equivalents

Cash comprises the Group's cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are the Group's short-term, 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 of financial statements denominated in foreign currencies

The Group's foreign currency transactions are recorded in the respective functional currency on initial recognition.

A foreign currency transaction is recorded in the functional currency on initial recognition, by applying the prevailing exchange rate on the date of transaction or the average exchange rate through the transaction period. At the balance sheet date, monetary items denominated in foreign currencies are translated into the functional currency using the spot exchange rates at the balance sheet date. Exchange differences arising from the differences between the spot exchange rates prevailing at the balance sheet date and those on initial recognition or at the previous balance sheet date, except that exchange differences related to a specific-purpose borrowing denominated in foreign currency that qualify for capitalisation are capitalised as part of the cost of the qualifying asset during the capitalisation period, are recognised in profit or loss for the period. Non-monetary items denominated in foreign currencies measured at cost are recorded in the functional currency by applying prevailing exchange rate on the date of transaction with no subsequent re-translation. Non-monetary items denominated in foreign currencies measured at fair value are re-translated at the spot exchange rate on the date the fair value is determined. Difference between the re-translated functional currency amount and the original functional currency amount is recognised in profit or loss or as other comprehensive income.

Notes to Financial Statements

As at 30 June 2012
RMB

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

8. Foreign currency transactions and translation of financial statements denominated in foreign currencies (continued)

For the purpose of preparing the consolidated financial statements, financial statements of a foreign operation are translated from the foreign currency into functional currency using the following method: assets and liabilities on the balance sheet are translated at the spot exchange rate prevailing at the balance sheet date; shareholders' equity items except for retained earnings are translated at the spot exchange rates at the dates on which such items arose; all items in the income statement as well as items reflecting the distribution of profits are translated at the spot exchange rates on the dates of the transactions or average exchange rates during the transactions period. The exchange differences arising on translation of financial statements denominated in foreign currencies are recorded as other comprehensive income and presented separately under shareholders' equity in the balance sheet. For disposals of equity interest in foreign operations, the proportionate share of the other comprehensive income arising on translation of financial statements of foreign operations is reclassified to profit or loss. For partial disposals, the reclassification is determined on disposal percentage.

Cash flows arising from a transaction in foreign currency and the cash flows of a foreign subsidiary are translated at the average exchange rate of the transaction period of cash flows. The effect of exchange rate changes on cash and cash equivalents is regarded as a reconciling item and presented separately in the statements of cash flows.

9. Financial instruments

Financial instruments are contracts that formed the financial assets of one entity, and meanwhile formed the financial liabilities or equity instruments of other entities.

Recognition and derecognition of financial instruments

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

The Group derecognises a financial asset, part of a financial asset or group of financial assets, if one of the following conditions is satisfied:

- (1) The contractual rights to the cash flows from the financial asset expire;
- (2) the contractual rights to the cash flows from the financial asset is transferred out, or obligated to transfer out all generated cash flows upon receipt; and (a) the financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset are transferred to the transferee; or (b) the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, but has not retained control of the financial asset.

The Group derecognises a financial liability only when the underlying obligation is settled, discharged or expired. An agreement between the Group (an existing borrower) and an existing creditor to replace the original financial liability with a new financial liability with substantially different sedater, or to modify the original financial liability's terms substantially, is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the original financial liability derecognised and the new financial liability recognised should be recognised in profit or loss for the current period.

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II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

9. Financial instruments (continued)

Recognition and derecognition of financial instruments (continued)

Purchases or sales of financial assets under regular ways are recognised and derecognised on a trade date accounting basis. Purchases or sales under regular ways are purchases or sales of financial assets that require receipt or delivery of assets within the period generally established by regulation or convention in the marketplace. Trade date is the date that the Group commits to purchase or sell the asset.

Classification and measurement of financial assets

On initial recognition, the Group's financial assets are classified into one of the categories including: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables, and available-for-sale investments. Classification of financial assets of the Group is determined on initial recognition. Financial assets are initially measured at fair value. For financial assets at fair value through profit or loss, transaction costs are immediately recognised in profit or loss. For other financial assets, transaction costs are included in their initial recognised amounts.

Subsequent measurement of financial assets is determined on the classification:

Financial Assets at Fair Value through Profit or Loss ("FVTPL")

The Group's financial assets at FVTPL are all financial assets held for trading. A financial asset is classified as held for trading if one of the following conditions is satisfied: (1) it has been acquired principally for the purpose of selling in the near term; or (2) on initial recognition it is part of a portfolio of identified financial instruments that the Group manages collectively and there is objective evidence that the Group manages the portfolio with a recent pattern of short-term profit-taking; or (3) it is a derivative that is not designated and effective hedging instrument, or a financial guarantee contract, or a derivative that is linked to and must be settled by delivery of an unquoted equity instrument (without a quoted price in an active market) whose fair value cannot be reliably measured. The above financial instruments are subsequently measured at fair value, realised and unrealised profit or loss is recognised when incurred. Dividends or interest income from financial assets at FVTPL are recognised as profit or loss.

An entity shall not reclassify any financial assets out of the FVTPL category if upon initial recognition it was designated by the entity as at FVTPL; and an entity shall not reclassify any financial assets into the FVTPL category after initial recognition.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Group's management has the positive intention and ability to hold to maturity. Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method. Gains or losses arising from derecognition, impairment or amortisation is recognised in profit or loss.

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II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

9. Financial instruments (continued)

Classification and measurement of financial assets (continued)

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 subsequently measured at amortised cost using the effective interest method. Gains or losses arising from derecognition, impairment or amortisation is recognised in profit or loss.

Available-for-sale investments

Available-for-sale investments include non-derivative financial assets that are designated on initial recognition as available for sale, and financial assets that are not classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments. Available-for-sale investments are subsequently measured at fair value. The discounted or premium amount of available-for-sale investments is amortised using the effective interest method and the amortisation is recognised as an interest income or expense. Except for impairment losses and exchange differences arising from monetary financial assets are recognised as profit or loss, available-for-sale investments are subsequently measured at fair value, and gains or losses arising from changes in the fair value are recognised as other comprehensive income and included in capital reserve. Accumulated gains or losses arising from changes in the fair value are classified as profit or losses on derecognition or when impairment arose. Dividends and interest earned from available-for-sale investments are recognised in profit and loss.

Equity investment instrument without a quoted price in an active market, whose fair value cannot be reliably measured, is recognised and subsequently measured at cost.

Classification and measurement of financial liabilities

On initial recognition, financial liabilities are classified into financial liabilities at FVTPL and other financial liabilities. Classification of financial liabilities of the Group is determined on initial recognition. For financial liabilities at FVTPL, transaction costs are immediately recognised in profit or loss. For other financial liabilities, transaction costs are included at their initial recognised amounts.

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II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

9. Financial instruments (continued)

Classification and measurement of financial liabilities (continued)

Subsequent measurement of financial liabilities is determined on the classification:

Financial liabilities at fair value through profit or loss

Financial liabilities at FVTPL consist of financial liabilities held for trading. A financial liability is classified as held for trading if one of the following conditions is satisfied: (1) It has been acquired principally for the purpose of repurchasing in the near term; or (2) on initial recognition it is part of a portfolio of identified financial instruments that the Group manages collectively and there is objective evidence that the Group manages the portfolio with a recent pattern of short-term profit-taking; or (3) It is a derivative, except for a derivative that is a designated and effective hedging instrument, or a financial guarantee contract, or a derivative that is linked to and must be settled by delivery of an unquoted equity instrument (without a quoted price in an active market) whose fair value cannot be reliably measured. Financial liabilities at FVTPL are subsequently measured at fair value. Any realised and unrealised gains or losses to the financial liabilities are recognised in profit or loss.

An entity shall not reclassify any financial liabilities out of the FVTPL category if upon initial recognition it was designated by the entity as at FVTPL; and an entity shall not reclassify any financial liabilities into the FVTPL category after initial recognition.

Other financial liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial guarantee contracts

A financial guarantee contract is a contract by which the guarantor and the lender agree that the guarantor would settle the debts or bear obligations in accordance with terms of the contract in case the borrower fails to settle the debts. Financial guarantee contracts are measured at fair value on initial recognition. Subsequent to initial recognition, financial guarantee contracts that are not designated as financial liabilities at FVTPL are measured at the higher of: (a) the amount of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period; and (b) the amount initially recognised less cumulative amortisation recognised in accordance with the principles of revenue recognition.

Derivatives

The Group uses derivative financial instruments, such as forward commodity purchase contracts for hedging of price fluctuation risk. Derivatives are initially measured at fair value at the date when the derivative contracts are entered into and are subsequently measured at fair value. Derivatives are recognised as assets when the fair value is positive and as liabilities when the fair value is negative. For derivative financial assets that are linked to and must be settled by delivery of such unquoted equity instruments, and do not have a quoted market price in an active market and whose fair value cannot be reliably measured, they are measured at cost.

Except for the effective portion of cash flow hedge which should be recorded in other comprehensive income, changes in fair value on derivatives are recognised as profit or loss.

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II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

9. Financial instruments (continued)

Fair value of financial instrument

For a financial asset or a financial liability which has an active market, the Group uses the quoted price in the active market to establish its fair value. For a financial instrument which has no active market, the Group establishes fair value by using a valuation technique. Valuation techniques include using the prices of recent arm's length market transactions between sophisticated and willing parties, and making reference to the current fair value of other instruments with same nature in substance, discounted cash flows method and option pricing models.

Impairment of financial assets

The Group assesses the book value of financial assets at each balance sheet date. If there is objective evidence that a financial asset is impaired, the Group makes provision for any impairment loss. Objective evidence of an impaired financial asset is that, arising from one or more events that occurred after the initial recognition of the asset which affected, the estimated future cash flows of the financial asset, and its effect can be reliably measured.

Financial assets measured at amortised cost

If there is an objective evidence that a financial asset is impaired, the carrying amount of the financial asset is reduced to the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The reduced amount is recognised in profit or loss. The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (the effective interest rate upon initially recognition), and the value of the relevant guaranty should also be taken into account. If a financial asset has a variable interest rate, the present value of the estimated future cash flows are discounted at the prevailing interest rate as specified in the contract.

For a financial asset with individually significant amount, the Group assesses the asset individually for impairment. If any objective evidence indicates that it has been impaired, the impairment losses are recognised in profit or loss for the current period. For a financial asset that is not individually significant, the Group assesses the asset individually for impairment or includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. If the Group determines that no objective evidence of impairment exists for an individually-assessed financial asset (whether individual amount is significant or not), the asset is grouped into a financial asset group with similar credit risk characteristics and the Group collectively reassesses them for impairment. Assets for which an impairment loss is individually recognised are not included in a collective assessment of impairment.

If, subsequent to the recognition of an impairment losses on financial assets carried at amortised cost, there is objective evidence of a recovery in value of the financial assets which can be related objectively to an event occurring after the impairment is recognised, the previously recognized impairment loss is reversed through profit and loss. However, the reversal is made to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what its amortised cost would have been had the impairment not been recognised.

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II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

9. Financial instruments (continued)

Impairment of financial assets (continued)

Available-for-sale investments

If there is objective evidence that an available-for-sale investment is impaired, the cumulative loss arising from decline in fair value previously recognised directly in capital reserve is reclassified from the capital reserve to profit or loss. The amount of the cumulative loss that is reclassified from capital reserve to profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value, less any impairment losses on that financial asset previously recognised in profit or loss.

If, subsequent to the recognition of an impairment loss on an available-for-sale investment, there is objective evidence of a recovery in value of the financial asset, the previously recognized impairment loss is reversed. The amount of reversal of impairment losses on available-for-sale equity instruments is recognised as other comprehensive income and included in the capital reserve, while the amount of reversal of impairment losses on available-for-sale debt instruments is recognized in profit or loss.

Financial assets measured at cost

If an impairment loss has been incurred on the financial assets measured at cost, the carrying amount of the financial asset is reduced to the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. The amount of reduction is recognised as an impairment loss in profit or loss. The impairment losses on such financial asset is not reversed once it is recognised.

For long-term equity investments accounted for using the cost method in accordance with the requirements of the “Accounting Standards for Business Enterprises No. 2 - Long-term Equity Investments” and which is not quoted in an active market and its fair value cannot be measured reliably, impairment is accounted for in accordance with the above principle.

Transfer of financial assets

The Group derecognises a financial asset when it has been transferred and substantially all the risks and rewards of ownership of the financial asset is transferred to the transferee; The group does not derecognise for those financial asset transferred while retains all the risk and rewards of the ownership.

The Group neither transfers nor retains substantially all the risk and rewards of ownership of financial asset: derecognised when the Group retains no control of the financial instrument; if the Group retains control of the financial asset, it recognises the financial asset to the extent of its continuing involvement in the transferred financial asset and recognises an associated liability.

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II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Hedge accounting

Hedging activities of the Group include fair value hedges.

Fair value hedges refer to hedging of exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, the risk management objective and its strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Group will assess the hedging instrument's effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Designated effective hedge accounting for hedges through fair value will be recorded as follows:

A gain or loss arising from a change in fair value of a derivative that is designated and qualifies as a fair value hedge is recognised in profit or loss. A gain or loss on the hedged item attributable to the hedged risk is recognised in profit or loss, with a corresponding adjustment to the carrying amount of the hedged item.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold (except for replacement or extension), terminated, or exercised, or no longer qualifies for hedge accounting.

11. Receivables

- (1) Receivables that are individually significant and for which bad debt provision has been assessed individually

A receivable that exceeds RMB10,000,000 is deemed as an individually significant receivable by the Group. If there are objective evidence that the receivable has been impaired, the carrying amount of the receivable is reduced to the present value of estimated future cash flows. The amount of reduction is recognised as an impairment loss in profit or loss. Objective evidence shows that a receivable is impaired, arising from one or more events that occurred subsequent to the initial recognition of the financial asset which affected the estimated future cash flows of the receivable, and its effect can be reliably measured, have been affected.

- (2) Receivables that are not individually significant and for which bad debt provision has been assessed individually

For receivables that are not significant individually, if there are objective evidence that the receivable has been impaired, the carrying amount of the receivable is reduced to the present value of estimated future cash flows. The amount of reduction is recognised as an impairment loss in profit or loss.

Notes to Financial Statements

As at 30 June 2012
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II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

12. Inventories

The Group's inventories mainly include raw materials, work in progress, finished goods, consumable materials and development costs, etc.

Inventories are initially measured at cost. Cost of inventories comprises all costs of purchase, costs of conversion, cost of land, cost of construction and other expenditures incurred in bringing the inventories to their present location and condition. The actual cost of inventories upon delivery is calculated using the weighted average method. Consumable materials included low value consumption and packing materials, which are recorded at cost in full upon delivery. After the completion of development, all relevant development costs will be allocated based on the saleable areas. Cost for unsold area is recorded as development properties.

The perpetual inventory system is maintained for stock system.

At the balance sheet date, inventories are measured at the lower of cost and net realisable value. If the net realisable value is below the cost of inventories, a provision for decline in value of inventories is made and recorded in profit or loss. After the provision for decline in value of inventories is made, if the circumstances that previously caused inventories to be written down below cost no longer exist so that the net realisable value of inventories is higher than their book value, the original provision for decline in value is reversed and the reversal is included in profit or loss for the period.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion, the estimated costs necessary to make the sale and relevant taxes. For finished goods, provision for decline in value is made based on item-by-item basis; for raw materials, provision for decline in value is made based on categories of inventories.

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As at 30 June 2012
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II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

13. Long-term equity investments

Long-term equity investments includes equity investments in subsidiaries, jointly-controlled entities, associates and long-term equity investments over which the Group does not have control, joint control or significant influence, and without quoted prices in an active market that fair values cannot be reliably measured.

The long-term equity investment is initially measured at its cost. For a long-term equity investment acquired through a business combination involving enterprises under common control, the investment cost of the long-term equity investment is the attributable share of the carrying amount of the owners' equity of the acquiree at the date of combination. For a long-term equity investment acquired through business combination not involving enterprises under common control, the investment cost of the long-term equity investment is the cost of acquisition. For a long-term equity investment acquired through business combination not involving enterprises under common control and achieved in stages, the investment cost of a long-term equity investment is the aggregate of the carrying amount of the equity interest held in the acquiree prior to the acquisition date and the cost of the additional investment at the acquisition date. The investment cost is the aggregate of the fair values, at the acquisition date, of the assets given, liabilities incurred or assumed, and equity securities issued by the acquirer in exchange for control of the acquiree. The costs of the investments acquired other than business combination are recognised as follows: a) acquired by cash, the investment is initially recognised at the actual consideration paid plus the expenses, taxes and other required expenditures directly attributable to the acquisition; b) acquired through issuing of equity securities, the investment is initially recognised at the fair value of issuing equity instruments; and c) acquired through investment by investors, the investment is initially recognized at the consideration pertaining to the investment contract or agreement unless the value is unfair; and d) acquired through exchange of non-monetary assets, the cost of investment is initially recognised in accordance with the requirements of the "Accounting Standards for Business Enterprises No. 7 - Exchange of Non-monetary Assets".

For long-term equity investments over which the Group does not have joint control or significant influence and without quoted prices in an active market, whose fair values cannot be reliably measured, the Group accounts for such long-term equity investments using the cost method. For long-term equity investments over which the Company has control are accounted for using the cost method in the Company's separate financial statements. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its operating activities.

Under the cost method, a long-term equity investment is measured at initial investment cost. Except for cash dividends or profits distribution already declared but not yet paid that are included in the price or consideration actually paid upon acquisition of the long-term equity investment, investment income is recognised in the period in accordance with the attributable share of cash dividends or profit distributions declared by the investee. The long-term equity investment is reviewed for determination of impairment according to related accounting policy.

For long-term equity investments over which the Group have joint control or significant influence, the Group accounts for such long-term equity investments using the equity method. Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating policy decisions relating to the activity require the 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 is not control or joint control over those policies.

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II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

13. Long-term equity investments (continued)

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, the difference is recognised in profit or loss for the period, and the cost of the long-term equity investment is adjusted accordingly.

Under the equity method, the Group recognises its share of the net profit or loss of the investee for the period as investment income or loss for the period. The Group recognises its share of the investee's net profit or loss based on the fair value of the investee's individual separately identifiable assets, etc. at the acquisition date after making appropriate adjustments to conform with the Group's accounting policies and accounting period. Unrealised profit or loss resulting from the Group's transactions with its associates and jointly-controlled entities are recognised as investment income or loss to the extent that those attributable to the Group's equity interest are eliminated. However, unrealised losses resulting from the Group's transactions with its associates and jointly-controlled entities which represent impairment losses on the transferred assets are not eliminated. The Group shall reduce the carrying amount of the long-term equity investment for shares of dividends declared of the invested enterprise. However, the share of net loss is only recognized to the extent that the carrying value of the investment is reduced to zero, except to the extent that the Group has incurred obligations to assume additional losses. Changes in owners' equity of the investee other than net profit or loss are correspondingly adjusted to the carrying amount of the long-term equity investment, and recognised in the shareholders' equity.

On disposal of a long term equity investment, the difference between the proceeds actually received and receivable and the carrying amount is recognised in profit or loss for the period. For a long-term equity investment accounted for using the equity method, the amount included in the shareholders' equity attributable to the proportion interest disposed is transferred to profit or loss for the period.

More details about the method of impairment assessment and determination of the provision for impairment loss for investments in subsidiaries, jointly-controlled entities and associates are disclosed in Note II 26. Details about the method of impairment assessment and provision for impairment loss of other long-term equity investment that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured, are disclosed in Note II 9.

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As at 30 June 2012
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II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

14. Investment properties

An investment property is a property held to earn rentals or for capital appreciation or both. It includes a building that is leased out, a land use right or a leased-out building held for transfer upon capital appreciation.

An investment property is measured initially at cost. Subsequent expenditures incurred for such investment properties are included in the cost of the investment properties when it is probable that economic benefits associated with an investment property will flow to the Group and the subsequent expenditures can be measured reliably. Other subsequent expenditures are recognised in profit or loss in the period in which they are incurred.

The Group uses the cost model for subsequent measurement of investment properties, and adopts a depreciation policy for the investment properties which are consistent with that for buildings.

For details of impairment provision for investment properties measured at cost are given in Note II 26.

15. Fixed assets

A fixed asset is recognised only when it is probable that economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. Subsequent expenditures incurred for the fixed asset are included in the cost of the fixed asset and if it is probable that economic benefits associated with the asset will flow to the Group and the subsequent expenditures can be measured reliably. Meanwhile the carrying amount of the replaced part is derecognised. Other subsequent expenditures are recognised in profit or loss in the period in which they are incurred.

Fixed assets are initially measured at cost and the effect of any expected costs of abandoning the asset at the end of its use is considered. The cost of a fixed asset is the aggregate cost of purchase price, related taxes and any directly attributable expenditure to bring the asset to its working condition for its intended use. When the Company was incorporated, the used fixed assets invested by shareholders were recorded based on valuation using the replacement cost approach.

Notes to Financial Statements

As at 30 June 2012
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II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

15. Fixed assets (continued)

A mining asset (included in Note V.13 Constructions in mines) is depreciated over its designed estimated production using the units-of-production method. Other fixed assets are depreciated over their useful lives using the straight-line method. The annual depreciation rate which is decided with the useful life, estimated net residual value rate and annual depreciation rate of each category of fixed assets 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 reviews the useful life and estimated net residual value of a fixed asset and the depreciation method applied at least once at each financial year-end, and accounts for any change as a change in an accounting estimate.

Details on the method for impairment test and provision of fixed assets are disclosed in Note II 26.

16. Construction in progress

Construction in progress is measured at its actual cost. The actual cost includes various construction expenditures during the construction period, borrowing costs capitalised before it is ready for intended use and other relevant costs.

Construction in progress is transferred to a fixed asset when it is ready for intended use.

Details on the method for impairment test and provision of construction in progress, are disclosed in Note II 26.

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As at 30 June 2012
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II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

17. Borrowing costs

Borrowing costs refer to interest and other related costs incurred by the Group in connection with the borrowing of funds. Borrowing costs include interest, amortisation of discounts or premiums, ancillary expenses and exchange differences arising from foreign currency borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset are capitalised when expenditures for such asset fully filled the conditions of capitalisation, other borrowing costs are recorded in profit or loss. Qualifying assets are assets (fixed assets, investment properties and inventories, etc.) that necessarily take a substantial period of time for acquisition, construction or production to get ready for their intended use or sale.

The capitalisation of borrowing costs can commence only when all of the following conditions are satisfied:

- (1) Expenditures for the asset are being incurred;
- (2) Borrowing costs are being incurred; and
- (3) Activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have been commenced.

Capitalisation of borrowing costs ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale. The actual amounts of any borrowing costs subsequently incurred shall be recognised in profit or loss in the period in which they are incurred.

During the capitalisation period, the amount of interest to be capitalised for each accounting period shall be determined as follows:

- (1) Where funds are borrowed under a specific-purpose borrowing for the acquisition, the amount of interest to be capitalised shall be the actual interest expense less any bank interest earned from depositing the borrowed funds or any investment income on the temporary investment of these funds.
- (2) Where funds are borrowed under general-purpose borrowing and are utilised for the acquisition, the company shall determine the amount of interest to be capitalised on such borrowings by applying a capitalisation rate to the weighted average of the excess amounts of cumulative expenditures on the asset over and above the amounts of specific-purpose borrowings.

Capitalisation of borrowing costs shall be suspended during periods in which the acquisition, construction or production of qualifying assets is interrupted abnormally for a continuous period of more than three months. The borrowing costs incurred during these periods shall be recognized in profit or loss for the current period until the acquisition, construction or production is resumed.

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II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

18. Intangible assets

Intangible assets are recognised and measured on initial recognition at cost only if the related economic benefits will probably flow into the Group and their costs can be measured reliably. However, the intangible assets acquired through business combination should be measured at fair value separately as intangible assets when their fair values can be reliably measured.

The useful life of the intangible assets shall be assessed according to the estimated beneficial period expected to generate economic benefits. An intangible asset shall be regarded as having an indefinite useful life when there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Group.

The useful lives of intangible assets are as follows:

Type	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 of a mine is assessed according to the total mineral resource inferred and measured)
Exclusive fishing rights	Time limit for the rights of use (50 years)
Membership of Shanghai Gold Exchange	Time limit for the rights of use (10 years)

Land use rights obtained by the Group are accounted for as intangible assets. As for the construction of plants, factories and other buildings of the Group, the related land use rights, plants, factories and other buildings were accounted for as intangible assets and fixed assets, respectively. Purchase price of land and building was allocated between cost of land use right and building respectively. Purchase price was recognised as cost of fixed assets, only if the allocation was impracticable.

Intangible assets with a finite useful life are amortised over their estimated useful lives using the straight-line method or other reasonable systematic method. For an intangible asset with a finite useful life, the Group reviews the useful life and amortisation method at the end of the financial year, and makes adjustments when necessary.

Intangible assets with indefinite useful lives are tested for impairment annually, irrespective of whether there is any indication that the assets may be impaired. Intangible assets with indefinite useful lives may not be amortised. The Group reviews the service life of intangible assets with indefinite useful lives at the end of the financial year. Where there is evidence to prove the intangible assets have a finite service life, the intangible assets can be amortised according to the above accounting standards for intangible assets with a finite useful life.

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II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

18. Intangible assets (continued)

Exploration and development expenditure is recognised at cost less impairment. Exploration and development expenditure includes cost of geological prospecting for technical consultancy and commercial development of feasibility study which incurred on existing mineral properties, costs of drilling and other associated activities. Such expenditures may be capitalised when the mineral properties are proved to be commercially available and recognise in intangible assets which will be amortised under units of production method. If any construction was abandoned in the development phase, all costs shall be written off and recognised in profit or loss.

Details on the methods of impairment test and impairment provision of intangible assets are given in Note II 26.

19. Long-term deferred assets

Long-term deferred assets represent expenses incurred that should be borne and amortised over the current and subsequent periods (together of more than one year). Long-term deferred assets mainly include land compensation cost, etc. Land compensation costs are amortised over the estimated beneficial useful lives of 5 to 50 years, other long-term deferred assets are amortised over estimated useful life.

20. Contingent liabilities

Except for contingent consideration and contingent liabilities arising from business combinations, contingent liabilities are recognised when the Group has an obligation related to a contingency, which meets all the below conditions:

- (1) It is a present obligation related to a contingency;
- (2) it is probable that an outflow of economic benefits will be required to settle the obligation; and
- (3) the amount of the obligation can be measured reliably.

The amount recognised as a contingent liability is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account factors pertaining to a contingency such as the risks, uncertainties and time value of money. A contingent liability is reviewed at balance sheet's date. Where there are objective evidences that the recognised amount does not reflect the best estimation of the contingency, the contingent liability would be adjusted according to the best estimated amount.

Notes to Financial Statements

As at 30 June 2012
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II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

21. Revenue

Revenue is recognised when it is probable that the economic benefits will flow into the Group, the amount can be measured reliably and all of the following conditions are satisfied.

Revenue from sale of goods

Sales of goods are recognised when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold and the relevant amounts of costs can be measured reliably. The amount of sale of goods is determined by the contract or agreed price received or receivable from the buyer, except that the received or receivable contract or agreed price is unfair. Transaction based on contracted deferred payment, it has been a contract of financing, the revenue should be measured by the fair value of the contracted price.

Revenue from the rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably at the balance sheet date, revenue associated with the transaction shall be recognised using the proportion of completion method. Otherwise, revenue shall be recognised to the extent of costs incurred that are expected to be recoverable. The outcome of a transaction involving the rendering of services can be estimated reliably when all of the following conditions are satisfied: (i) the amount of revenue can be measured reliably; (ii) it is probable that the associated economic benefits will flow to the Company; (iii) the stage of completion of the transaction can be measured reliably and (iv) the costs incurred and to be incurred for the transaction can be measured reliably. The Group determines the stage of completion of a transaction by the proportion of services performed to date to the total services to be performed. The amount of rendering of services income is determined by the contract or agreed price received or receivable, except that the received or receivable contract or agreed price is unfair.

When the Group enters into a contract which contains sale of goods and rendering services, if the portions of revenue in relation with sale of goods and rendering services can be measured separately and individually, the revenue for sale of goods and rendering service should be accounted for separately. Otherwise, the entire revenue should be accounted for as sale of goods.

Interest income

Interest income is recognised on a time proportion basis taking into account the principal outstanding and the effective interest rate applicable.

Rental income

Revenue from operating leases is recognised on the straight-line basis over the lease terms, contingent rents are credited to profit or loss in the period in which they are actually incurred.

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As at 30 June 2012
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II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

22. Government grants

A government grant is recognised only when the Group can comply with the conditions attaching to the grant and the Group will receive the grant. If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a non-monetary asset, it is measured at fair value. If the fair value cannot be reliably determined, it is measured at a nominal amount. For a government grant related to income, if the grant is a compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognised as deferred income, and recognised in profit or loss over the periods in which the related costs are recognised. If the grant is a compensation for related expenses or losses already incurred, the grant is recognised immediately in profit or loss for the period. A government grant related to an asset is recognised as deferred income, and evenly amortised to profit or loss over the useful life of the related asset. A government grant measured at a nominal amount is recognised immediately in profit or loss for the period.

23. Income tax

The income tax expenses include current income tax and deferred tax. Current and deferred tax expenses or income are recognised in profit or loss for the period, except when they arise from transactions or events that are directly recognised in owners' equity, in which case they are recognised in owners' equity; and when they arise from business combinations, in which case they adjust the carrying amount of goodwill.

At the balance sheet date, current income tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid (or recovered) according to the requirements of tax laws.

At the balance sheet date, for temporary differences between the carrying amounts of certain assets or liabilities and their tax base, or between the nil carrying amount of those items that are not recognised as assets or liabilities and their tax base that can be determined according to tax laws, deferred tax assets and liabilities are recognised using the balance sheet liability method.

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

- (1) That the deferred tax liability arises from: the initial recognition of goodwill or the initial recognition of an asset or liability in transactions that are not business combinations 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 investments in subsidiaries, associates and jointly-controlled entities, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

Notes to Financial Statements

As at 30 June 2012
RMB

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

23. Income tax (continued)

For deductible temporary differences, deductible losses and tax credits that can be carried forward, deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible losses and tax credits can be utilised, except:

- (1) Where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in transactions that are not business combinations 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 investments in subsidiaries, associates and jointly-controlled entities, 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 available against which the temporary differences can be utilised.

At the balance sheet date, deferred tax assets and liabilities are measured at related tax rates according to the requirements of tax laws during the period that the assets expected to be recovered or the liabilities expected to be paid. The recognition of deferred tax assets and liabilities also take the recovery or the repayment terms into account.

At the balance sheet date, the carrying amount of deferred tax assets is reviewed and reduced if it is no longer probable that sufficient taxable profits will be available in the future to allow the benefit of deferred tax assets to be utilised. At the balance sheet date, the carrying amount of deferred tax assets is reviewed and recognised to extend that available taxable profits in the future will allow the benefits of deferred tax assets to be utilised.

When the Group has a legal right to settle current tax assets and liabilities on a net basis, and deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity, deferred tax assets and deferred tax liabilities are offset and presented on a net basis.

24. Operating leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of an asset to the lessee. All other leases are classified as operating leases.

As lessee under operating leases

Operating lease payments are recognised on the straight-line basis over the term of the relevant lease, and are either included in the cost of related asset or charged to profit or loss for the period. Contingent rents are charged to profit or loss in the period in which they are actually incurred.

As lessor under operating leases

Rental income from operating leases is recognised in profit or loss on the straight-line basis over the term of the relevant lease. Contingent rents are credited to profit or loss in the period in which they are actually incurred.

Notes to Financial Statements

As at 30 June 2012
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II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

25. Non-current assets held for sale

The non-current assets excluding financial assets and deferred tax assets that meet the following conditions are accounted for as non-current assets held for sale:

- (1) the Group has determined to dispose of;
- (2) has entered into an irrevocable transfer agreement with the transferee; and
- (3) it is highly probable that the transfer will be completed within one year.

An individual asset or a group of assets classified as non-current assets held for sale do not provide for depreciation or amortisation. Non-current assets held for sale are measured at fair value less disposal cost to the extent of the original carrying amount at the time that the conditions for classification as non-current assets held for sale are fulfilled. The portion that carrying amount exceeds the fair value less disposal cost is recognised as impairment losses in profit or loss.

26. Impairment of assets

Impairment of assets other than inventories, deferred tax assets, financial assets and long-term equity investments measured at cost which have no quoted market prices in an active market and the fair value cannot be reliably measured is recognised based on the following method:

The Group assesses at each balance sheet date whether there is any indication that the assets may be impaired. If there is any indication that such assets may be impaired, recoverable amounts are estimated for such assets and impairment test will be carried out. Goodwill arising in a business combination and an intangible asset with an indefinite useful life shall be assessed for impairment annually, irrespective of whether there is any indication incurred. Impairment test of intangible assets should be performed at each year end, even if they were not ready for use.

The recoverable amount of an asset is the higher of fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. Recoverable amount is estimated on individual basis. If it is not practical to estimate the recoverable amount of an individual asset, the recoverable amount of the assessed group to which the asset belongs will be estimated. Identification of an asset group shall be based on whether there are major cash inflows which are independent from other assets or asset groups.

If the recoverable amount of an asset or asset group is less than its carrying amount, the carrying amount shall be reduced to its recoverable amount. The reduction is recognised as an impairment loss and charged to profit or loss. A provision for impairment losses of the assets is recognized accordingly. Except for impairment of fair value premium of assets through step business combinations not involving enterprises under common control would be recorded to extent of recognised capital reserve.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash generating units, that are expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is so allocated represents those are expected to benefit from the synergies of the combination and is not larger than reportable segments determined by the Group.

Notes to Financial Statements

As at 30 June 2012
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II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

26. Impairment of assets (continued)

In testing an asset group or a set of asset groups to which goodwill has been allocated for impairment, the Group shall first test the asset group or the set of asset groups excluding the amount of goodwill allocated for impairment. It shall determine and compare the recoverable amount with the related carrying amount and recognise any impairment loss. After that, the Group shall test the asset group or set of asset groups including the goodwill for impairment. The carrying amount is compared to its recoverable amount. If the carrying amount of the asset group or set of asset groups is higher than its recoverable amount, an impairment loss on goodwill shall be recognised. Firstly, the impairment loss shall be allocated to reduce the carrying amount of any goodwill allocated to asset group or set of asset groups. Then, the impairment loss shall be allocated to the other assets of the asset group or set of asset groups on the basis of the carrying amount of each asset in the asset group or set of asset groups.

Once an impairment loss is recognised, it shall not be reversed in any subsequent period.

27. Employee benefits

Employee benefits refer to all forms of consideration given and other relevant expenditures incurred by the Group in exchange for service rendered by employees. In the accounting period in which an employee has rendered service to the Group, the Group recognises the employee benefits payable as a liability. For those liabilities fall due more than one year after the balance sheet date, and if the effect of discount is material, it is recorded as the present value of the liabilities.

The Group participates in the employee social security system, such as basic pension insurance, medical insurance, unemployment insurance, housing funds and other social security established by the government in accordance with relevant requirements. The related expenditures are either included in cost of related assets or charged to profit or loss in the period when they are incurred.

When the Group terminates the employment relationship with employees before the expiry of the employment contracts or provides compensation as an offer to encourage employees to accept voluntary redundancy, if the Group has a formal plan for termination of employment relationship or has made an offer for voluntary redundancy which will be implemented immediately, and the Group cannot unilaterally withdraw the termination plan or the redundancy offer, a provision for the compensation payable arising from the termination of employment relationship with employees is recognised with a corresponding charge to the profit or loss for the period.

Internal retirement plans for staff applied the same accounting treatment as termination benefits. The payments made to employee benefits including payroll and social insurance during the termination of rendering service to retirement, which meets the conditions of termination benefits is recognised as employee benefits payable, and recorded in profit or loss.

Notes to Financial Statements

As at 30 June 2012
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II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

28. Profits distribution

Cash dividends of the Company are recognised as a liability after they are approved by the shareholders in a general meeting.

29. Related party

When a party controls, jointly controls or exercises significant influence over another party, or when two or more parties are under the control, joint control or significant influence of the same party, the related party relationships are constituted.

30. Segment reporting

Reportable segments are identified based on operating segments which are determined based on the structure of the Group's internal organisation, management requirements and internal reporting system.

An operating segment is a component of the Group that meets the following respective conditions:

- (1) Engage in business activities from which it may earn revenues and incur expenses;
- (2) Whose operating results are regularly reviewed by the Company's management to make decisions about resources to be allocated to the segment and assess its performance;
- (3) For which financial information regarding financial position, operation result and cash flows are available.

Two or more operating segments can be combined as an operating segment when they have similar economic characteristics and meet certain conditions.

Notes to Financial Statements

As at 30 June 2012
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II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

31. Significant accounting estimates and estimation 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, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require 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, apart from those involving estimations, 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 portfolio. 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 leased out on operating leases.

Classification between investment properties and fixed assets

The Group signed contracts to lease out buildings. The Group determined that the leased out building is held to earn rentals or for capital appreciation or both and is accounted for as investment properties.

Income tax

As a result of the fact that certain matters relating to the income taxes have not been confirmed by the local tax bureau, objective estimates and judgements based on currently enacted tax laws, regulations and other related policies are required in determining the provision of income tax expenses to be made. Where the final tax outcome of these matters is different from the amounts originally recorded, the differences will be accounted in the income tax expenses in the period in which the differences are realised.

Notes to Financial Statements

As at 30 June 2012
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II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

31. Significant accounting estimates and estimation uncertainty (continued)

Estimation uncertainty

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 are discussed below.

Impairment of available-for-sale investments

When an available-for-sale investment is impaired, the impairment losses and cumulative loss arising from decline in fair value previously recognised directly in capital reserve is reclassified from the capital reserve to profit or loss. The impairment loss is the cost of available-for-sales investments less any repayments and amortisation. A provision for impairment will be made for available-for-sale investments when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of “significant” or “prolonged” requires judgement from management. Besides, the Group also assesses other related factors, i.e., fluctuation of stock prices. Reversal of impairment losses of available-for-sale investments should not be recognised in profit or loss.

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

The Group assesses whether there are any indicators of impairment for non-current assets other than financial assets at the end of financial year. Intangible assets with an indefinite life are tested for impairment annually and at other times when such indicator exists. Other non-current assets other than financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its estimated future cash flow. The calculation of the fair value less costs to sell is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When estimated future cash flow calculations are undertaken, management must estimate the expected future cash flows from the asset or cash generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives of its property, plant and equipment. This estimation is based on the actual useful lives of property, plant and equipment with similar nature and functions and the historical experience. Management will increase the depreciation charge where useful lives are shorter than previously estimated lives, and will write off or write down technically obsolete or idle assets.

Notes to Financial Statements

As at 30 June 2012
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II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

31. Significant accounting estimates and estimation uncertainty (continued)

Estimation uncertainty (continued)

Impairment of goodwill

Goodwill is tested for impairment at least once at the end of each year. For the purpose of impairment testing, present value of cash flows, which are generated from sets of assets or asset groups with goodwill allocated, is estimated. The Group will estimate the present value of cash flows from sets of assets or asset groups and choose a suitable discount rate in order to calculate the present value of those cash flows. Details are disclosed in Note V 16.

Exploration and development expenditures

Determination of the capitalisation amount of exploration and development expenditures requires estimation of future cash flows and determination of a suitable discount rate in order to calculate the present value.

Bad debt provision for receivables

Bad debt provision for receivables is estimated according to objective evidence (i.e., the possibility of bankruptcy or serious financial difficulties of debtors) which will affect the recoverability of receivables. Bad debt provision is reviewed at each financial year end.

Inventory provision determined on net realisable value

Inventory provision is provided for those obsolete and slow-moving inventories or inventories with carrying amount higher than net realisable value. At the balance sheet date, inventory provision is re-estimated individually for obsolete and slow-moving items or inventories whose carrying amount exceeding the net realizable amount.

Proved mineral reserves

According to above accounting policies, mining assets, mining rights and exploration rights are depreciated and amortised using the units of production method according to proved mineral reserves. Proved mineral reserves are estimated based on professional knowledge, experience and industrial practice. Generally, the estimation basis on probing and estimation could not be absolutely accurate. The estimation of reserves may need to be updated in accordance with new technologies and new information. The update of estimation mineral reserves will result in changes or effect of the Group's operation and development plan, and hence the Group's operation and results.

Deferred tax assets

To the extent that it is probable that the deferred tax assets will ultimately be realised, deferred tax assets shall be recognised for all unused tax losses. Management's judgement regarding the timing and amount of future taxable profit, and considerations for tax planning strategies, are needed when estimating the amount of deferred tax assets.

Notes to Financial Statements

As at 30 June 2012
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II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

31. Significant accounting estimates and estimation uncertainty (continued)

Estimation uncertainty (continued)

Estimated Compensation

The Group is involved in a number of environmental litigations. The estimated compensation is based on the management's understanding of the litigations and the opinions of legal counsel or legal representatives. These estimations are likely to be updated according to the progress of litigations. This may affect the Group's operation and results.

III. TAX

1. Major taxes and tax rates

Value-added Tax	Sales for final gold products and carrying-gold minerals are exempted from value-added tax. The value-added tax rate for sales of mining and processing of non-ferrous metals such as iron concentrates, gold concentrates, copper concentrates, zinc concentrates, copper cathodes, zinc bullion, and material sales and processing is 17%. 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	Depending on the location of different taxpayers, the tax rates were 1%, 5% or 7%.
Resources Tax	Tax rates for gold resources ranged from RMB2 to RMB6 (2011: RMB2 to RMB6) per tonne depending on the gold ore quantity; Tax rates for copper resources ranged from RMB6 to RMB7 (2011: RMB6 to RMB7) per tonne depending on the copper ore quantity; Tax rate for iron resources was RMB7.14 (2011: RMB7.14) per tonne according to ore quantity; Tax rate for zinc and lead resources was RMB20 (2011: RMB20) per tonne according to ore quantity.
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	Provision for the PRC corporate income tax has been made at the rate of 25% based on the taxable profits except for certain companies in the Group which are further mentioned below; Provision for Hong Kong profits tax has been made at the rate of 16.5% on the assessable profits arising in Hong Kong for the year.*

Notes to Financial Statements

As at 30 June 2012
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III. TAX (continued)

2. Tax incentives and approvals

Pursuant to Notice of the State Council on the Implementation of the Transitional Preferential Policies in respect of Enterprise Income Tax (Guo Fa [2007] No.39), enterprises which enjoy preferential tax treatment under the original tax law, administrative rules and regulations and related legal documents which was in effect, shall transit as follows: from 1 January 2008, legally prescribed tax rates shall apply to enterprises covered under the original preferential corporate income tax policy within five years after the implementation of the new policy. Enterprises which were granted a preferential tax rate of 15% under the original preferential policy shall pay corporate income tax at a rate of 18% in 2008, 20% in 2009, 22% in 2010, 24% in 2011 and 25% in 2012, respectively. Zijin Mining Group (Xiamen) Investment Company Limited ("Xiamen Zijin") and Xiamen Zijin Mining and Metallurgy Technology Company Limited were granted a tax concession at a preferential tax rate of 24% for 2011.

Notes to Financial Statements

As at 30 June 2012

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IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

Company Name	Organization code	Place of registration	Nature of business	Type of corporation	Paid-up capital/Registered capital		Investment of the Group RMB	Shareholding		Voting rights	Note
					RMB			Direct	Indirect		
Guizhou Zijin Mining Company Limited ("Guizhou Zijin")	73097727-8	Zhenfeng County, Qianxinan Zhou, Guizhou	Carry out exploration of mineral resources and research within Shuijingdong area	Limited liability company	200,000,000		112,000,000	51%	5%	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, refinery and processing technology and design, cooperation and transfer of scientific and technological achievements	Limited liability company	400,000,000		400,000,000	100%	—	100%	Note2
Hunchun Zijin Mining Company Limited ("Hunchun Zijin")	74456685-9	Hunchun, Jilin	Mining, refinery and processing of copper and other non-ferrous metals, mineral resources, geological exploration and its information technology services	Limited liability company	200,000,000		200,000,000	96.63%	3.37%	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	Limited liability company	300,000,000		300,000,000	100%	—	100%	Note4
Fujian Zijin Investment Company Limited ("Zijin Investment")	76176521-9	Shanghang County, Longyan, Fujian	Investment and technology information services	Limited liability company	564,000,000		564,000,000	99.11%	0.89%	100%	Note5
Gold Mountains (H.K.) International Mining Co., Ltd. ("Gold Mountains")	N/A	Hong Kong, PRC	Investment	Limited liability company	HK\$88,500,001		HK\$88,500,001	100%	—	100%	Note6

/HK\$1 billion

Notes to Financial Statements

As at 30 June 2012

RMB

IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENTS (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)

Company Name	Organization code	Place of registration	Nature of business	Type of corporation	Paid-up capital/ Registered capital		Investment of the Group	Shareholding		Voting rights	Note
					RMB	RMB		Direct	Indirect		
Zijin International Mining Company Limited ("Zijin International")	77041032-4	Beijing	Investment, import & export, consulting services of mining technology	Limited liability company	300,000,000	300,000,000	300,000,000	95%	5%	100%	Note7
Bayanbaer Zijin Non-ferrous Metals Company Limited ("Bayanbaer Zijin")	76786644-0	Bayanbaer, Inner Mongolia	Zinc refinery	Limited liability company	375,000,000	252,000,000	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	Limited liability company	300,000,000	300,000,000	300,000,000	—	100%	100%	Note9
Fuyun Jinchuan Mining Company Limited ("Fuyun Jinchuan")	78469998-X	Fuyun, Aletai, Xinjiang	Mineral processing, direct reduction pellets and mineral processing, refining and selling, geology, mineral resources exploration and information technology services	Limited liability company	120,000,000	72,000,000	72,000,000	—	60%	60%	Note10
Chongji Zijin Mining Company Limited ("Chongji Zijin")	78084088-6	Chongji, Zhangjiakou, Hebei	Mining, processing and refining of gold and other mineral products, sale of mineral products and gold; geology and mineral resources exploration and information technology services	Limited liability company	237,500,000	142,540,000	142,540,000	60%	—	60%	Note11
Fujian Jinchuan Gold Refinery Company Limited ("Jinchuan Refinery")	78901087-0	Shanghai, Longyan, Fujian	Refining of gold and other non-ferrous metal, processing of refining waste of non-ferrous metals	Limited liability company	298,000,000	298,000,000	298,000,000	100%	—	100%	Note12

Notes to Financial Statements

As at 30 June 2012
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IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENTS (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)

Company Name	Organization code	Place of registration	Nature of business	Type of corporation	Paid-up capital/Registered capital		Investment of the Group RMB	Shareholding		Voting rights	Note
					RMB	RMB		Direct	Indirect		
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	Limited liability company	1,179,600,000	1,179,600,000	100%	—	100%	Note 13	
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	Limited liability company	159,100,000	159,100,000	80%	20%	100%	Note 15	
Xinyi Zijin Mining Company Limited ("Xinyi Zijin")	66498436-4	Xinyi, Guangdong	Refining, processing and sale of tin and gold, mineral resources technology services	Limited liability company	200,000,000	200,000,000	100%	—	100%	Note 16	
Yuanjiang County Huaxi Gold Company Limited ("Yuanjiang Huaxi")	79211756-4	Yuanjiang, Honghe, Yunnan	Mineral exploration, mining, processing, procurement and sale of gold, silver, copper, lead, iron, tungsten and tin; geological exploration technology consulting services	Limited liability company	150,000,000	150,000,000	—	100%	100%	Note 17	
Heilongjiang Duobaoshan Copper Company Limited ("Heilongjiang Duobaoshan")	78193694-3	Heihe, Heilongjiang	Sale of mineral products, development, consultation and transfer of mining technology	Limited liability company	800,000,000	408,000,000	—	51%	51%	Note 8	
Wenshan Malipo Zijin Tungsten Group Co., Ltd. ("Malipo Zijin")	79724451-1	Malipo, Wenshan, Yunnan	Mainly engaged in mining investment, open pit/underground mining, processing, refining and sale of multi-metal mines	Limited liability company	1,000,000,000	775,180,000	—	77.52%	77.52%	Note 19	

Notes to Financial Statements

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IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENTS (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)

Company Name	Organization code	Place of registration	Nature of business	Type of corporation	Paid-up capital/Registered capital		Investment of the Group	Shareholding		Voting rights	Note
					RMB	RMB		Direct	Indirect		
Shangri-la Huaxi Mining Company Limited ("Shangri-la Huaxi")	7972687-4	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	Limited liability company	40,000,000	40,000,000	40,000,000	—	100%	100%	Note20
Shanghai Jinshan Mining Company Limited ("Jinshan Mining")	66507451-4	Shanghai, Longyan, Fujian	Sale of mineral products, mining machinery and equipment	Limited liability company	100,000,000	70,000,000	70,000,000	—	70%	70%	Note21
Qinghai West Copper Mining Co., Ltd. ("Qinghai West")	71052565-3	Maqin, Golog Tibetan-Autonomous Prefecture, Qinghai	Exploration and mining of copper mines, technology consultation	Limited liability company	120,000,000	120,000,000	120,000,000	100%	—	100%	Note22
Fujian Zijin Real Estate Company Limited ("Zijin Real Estate")	67193079-4	Xiamen City, Fujian Province	Real estate development	Limited liability company	500,000,000	500,000,000	500,000,000	60%	40%	100%	Note23
Zijin Mining Group Northeast Asia Company Limited ("Northeast Asia Zijin")	67334624-1	Changchun City, Jilin Province	Investment in non-ferrous metal, other precious metal, nonmetal, sales of mineral products (excluding for those special approval requirements), export and import trading (excluding for those special approval requirements), technology consultation in mining geology and resources	Limited liability company	600,000,000	600,000,000	600,000,000	100%	—	100%	Note24
Fujian Jinshan Investment Company Limited ("Jinshan Investment")	67651193-5	Shanghai County, Longyan City, Fujian Province	Mining investment, sales of mineral products self-operation and agent of import and export (excluding prohibited commodities and technology)	Limited liability company	10,000,000	8,000,000	8,000,000	80%	—	80%	Note25

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IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENTS (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)

Company Name	Organization code	Place of registration	Nature of business	Type of corporation	Paid-up capital/Registered capital		Investment of the Group	Shareholding		Voting rights	Note
					RMB	RMB		Direct	Indirect		
Zijin Mining Group Qinghai Company Limited ("Qinghai Zijin")	67915178-7	Xining City, Qinghai Province	Refining, processing, sales and investment of mineral products; mineral resource technology support; sales and production of equipment, machineries, building and construction materials; self-operation and agent of import and export of commodities	Limited liability company	450,066,993	450,066,993	450,066,993	100%	—	100%	Note26
Malpo Jinhua Mining Company Limited ("Malpo Jinhua")	67873293-4	Malpo County, Wenshan State, Yunnan Province	Sales of non-ferrous metal, other metals and precious metal, and nonmetal mineral products; technology consultation in mining geology and resources information	Limited liability company	30,000,000	30,000,000	30,000,000	—	100%	100%	Note27
Malpo Zijin Luowei Tungsten Products Development Company Limited ("Malpo Tungsten")	79724451-1	Mali County, Wenshan State, Yunnan Province	Purchase and sales of mineral products, APT, tungsten, and tungsten powder; import and export, purchase and sales of chemical materials	Limited liability company	50,000,000	25,500,000	25,500,000	—	51%	51%	Note28
Malpo Jinguo Mining Company Limited ("Malpo Jinguo")	67362506-4	Mali County, Wenshan State, Yunnan Province	Open-pit and underground mining, processing and refining of tungsten, tin, and other metals; acquisition of mining rights and geological exploration consultation	Limited liability company	70,000,000	35,700,000	35,700,000	—	51%	51%	Note29
Jinfeng (H.K.) International Mining Company Limited ("Jinfeng H.K.")	N/A	Hong Kong	Investment	Limited liability company	HKD1	HKD1	HKD1	—	100%	100%	Note30
Xinjiang Jimma International Logistics Company Limited ("Xinjiang Jimma")	67633284-9	Urumqi City, Xinjiang Autonomous Region	Domestic trading, import and export of commodities and technologies; sales of mineral products; construction materials, vehicles, spare parts; mining investment	Limited liability company	10,000,000	10,000,000	10,000,000	—	100%	100%	Note31

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IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENTS (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)

Company Name	Organization code	Place of registration	Nature of business	Type of corporation	Paid-up capital/ Registered capital		Investment of the Group RMB	Shareholding		Voting rights	Note
					RMB	RMB		Direct	Indirect		
Liancheng Zijin Mining Company Limited ("Liancheng Zijin")	67845873-6	Liancheng County, Longyan City, Fujian Province	Establishment, refining, mining and sales of copper and molybdenum (prohibited to involve in operation during the establishment)	Limited liability company	280,000,000	280,000,000	280,000,000	—	100%	100%	Note32
Kingbao Mining Limited ("Kingbao Mining")	N/A	Hong Kong	Mining, exploration; sales of mineral resources; import and export; project construction; real estate development; agent sales of commodities	Limited liability company	HKD10,000/ HKD4,000,000	HKD9,000	HKD9,000	—	90%	90%	Note33
Guizhou Xinheji Mining Company Limited ("Guizhou Xinheji")	75019157-1	Xiren County, Qianxinan Zhou Guizhou Province	Exploration, mining, refining, processing of refractory gold mine; mining geology resource exploration and information technical support; sales of self-manufactured products in the approved scope, and areas in compliance with regulations and rules.	Limited liability company	40,000,000	20,400,000	20,400,000	—	51%	51%	Note34
Zijin Mining Group Finance Company Limited ("Finance Company")	69437785-6	Shanghang County, Longyan City, Fujian Province	Provide services to affiliates, including finance advisory, credit verification and related advisory, agent services; assist to settle payments; approved insurance agent services; guarantee provision; entrusted loans and investment among member units; bills settlement and factoring among member units; internal account settlement and clearing among member units; settlement solutions design; acceptance of deposits from member units; application for loans and finance lease and inter-bank borrowings.	Limited liability company	500,000,000	475,000,000	475,000,000	95%	—	95%	Note35

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IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENTS (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)

Company Name	Organization code	Place of registration	Nature of business	Type of corporation	Paid-up capital/ Registered capital		Investment of the Group RMB	Shareholding		Voting rights	Note
					RMB	RMB		Direct	Indirect		
Xinjiang Jimeng Mining Company Limited ("Jimeng Mining")	69340238-6	Changji State, Xinjiang Autonomous Region	Mining investment; sales of mineral products and exploration technical support information consultation	Limited liability company	50,000,000	50,000,000	50,000,000	100%	—	100%	Note36
Zijin Xiangyu (Longyan) Logistics Company Limited ("Xiangyu Logistics")	69663482-8	Longyan City, Fujian Province	Purchase, sales, storage, and distribution of mineral products, machinery and equipment, spare parts, construction materials and steel cargo agent of shipping, air freight, land transport; corporate logistics and supply chain advisory; economics information consultancy and logistics area development	Limited liability company	20,000,000	13,000,000	13,000,000	65%	—	65%	Note37
Yongding Zijin Longshu Ecological Industry Development Company Limited ("Zijin Longshu")	55956067-4	Yongding County, Fujian Province	Ecological aquatic cultivation; ecological traveling and ecological agriculture development	Limited liability company	430,000,000/ 500,000,000	350,000,000	350,000,000	—	70%	70%	Note38
Zijin International Finance Company Limited ("International Finance")	N/A	Hong Kong	Bond issuance	Limited liability company	HKD1	HKD1	HKD1	—	100%	100%	Note39

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

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

(2) Principle subsidiaries acquisition not involving enterprises under common control

Company Name	Organization code	Place of registration	Nature of business	Type of corporation	Paid-up capital/Registered capital		Investment of the Group RMB	Shareholding		Voting rights	Note
					RMB	RMB		Direct	Indirect		
Helongjiang Zijin Longyong Mining Company Limited (“Helongjiang Longyong”)	79502922-8	Harbin City, Helongjiang Province	Mining, technical development, import and export of commodities and technologies	Limited liability company	450,000,000	315,000,000	—	70%	70%	Note40	
Russia Longyong Company Limited (“Russia Longyong”)	1055406364980	Russia	Mining of zinc and lead	Limited liability company	Russia Rubles (“RUB”) 700,000,000	RUB 700,000,000	—	100%	100%	Note40	
Wuqia County Jinqiang Mining Development Company Limited (“Wuqia Jinqiang”)	78179649-3	Wuqia County, Kergaz Autonomous Prefecture of Kizilsu, Xinjiang	Exploration and mining of Wulugan lead and zinc mine in Wuqia County	Limited liability company	100,000,000	80,000,000	—	80%	80%	Note41	
Malipo Jinwei Mining Company Limited (“Malipo Jinwei”)	79722896-8	Malipo County, Wenshan State, Yunnan Province	Processing and sales of tungsten and tin and other non-ferrous metals; exploration, development and advisory of multi-metal mining in the scope of approved area	Limited liability company	160,000,000	81,600,000	—	51%	51%	Note42	
Huamin Mining Company Limited (“Huamin Mining”)	7755888-4	Xiamen City, Fujian Province	Solid mining exploration; wholesale of stone products; construction materials and metal products; processing and sales of mineral products; investment in geology research and related technical advisory	Limited liability company	156,410,000	79,769,000	51%	—	51%	Note43	

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

1. The status of the Company's substantial subsidiaries is as follows: (including the subsidiaries indirectly held by subsidiaries) (continued)
- (2) Principle subsidiaries acquisition not involving enterprises under common control (continued)

Company Name	Organization code	Place of registration	Nature of business	Type of corporation	Paid-up capital/Registered capital		Investment of the Group	Shareholding		Voting rights	Note
					RMB	RMB		Direct	Indirect		
Luoyang Yinhui Gold Refinery Company Limited ("Luoyang Yinhui")	71911432-7	Luoyang City, Henan Province	Gold and silver refining and purchase of mining gold; gold transaction agency; sales of mineral products and mining design and research	Limited liability company	150,000,000	105,000,000	70%	—	70%	Note44	
Yunnan Huaxi Mineral Resources Company Limited ("Yunnan Huaxi")	75719538-3	Kunming City, Yunnan Province	Mining right operation; mineral resource development and research; sales and processing of mineral products; geological exploration technical support	Limited liability company	200,000,000	106,000,000	53%	—	53%	Note45	
Wulatehouqi Zijin Mining Company Limited ("Wulatehouqi Zijin")	76446796-2	Wulate Bajinaoer City, Inner Mongolia	Flotation and sales of sulphuric iron powder, zinc, lead, and acid production	Limited liability company	150,000,000	142,500,000	—	95%	95%	Note46	
Longkou Jinfeng Company Limited ("Longkou Jinfeng")	70582836-9	Longkou City, Shandong Province	Gold refining; machinery spraying and molding; processing of package material; wholesale, packaging and processing of hardware	Limited liability company	10,000,000	10,000,000	—	100%	100%	Note47	
Longkou Jintai Gold Company Limited ("Longkou Jintai")	74895614-1	Longkou City, Shandong Province	Gold mining; mining, refinery, processing and sales of non-ferrous metal and nonmetal; exploration of mineral resources and technical support	Limited liability company	200,000,000	180,000,000	90%	—	90%	Note48	
Funing Zhengrong Gold Mining Exploration Company Limited ("Funing Zhengrong")	75718233-9	Funing County, Wenshan State, Yunnan Province	Mining, process and sale of gold	Limited liability company	120,000,000	61,200,000	—	51%	51%	Note49	

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

1. The status of the Company's substantial subsidiaries is as follows: (including the subsidiaries indirectly held by subsidiaries) (continued)
- (2) Principle subsidiaries acquisition not involving enterprises under common control (continued)

Company Name	Organization code	Place of registration	Nature of business	Type of corporation	Paid-up capital/Registered capital		Investment of the Group	Shareholding		Voting rights	Note
					RMB	RMB		Direct	Indirect		
Hunchun Zijin Tianhong Mining Company Limited ("Hunchun Tianhong")	79521633-3	Hunchun City, Jilin Province	Investment in mines and mining, sales of mining machines and accessories; self-operation and agent of import and export of commodities and technology	Limited liability company	5,000,000	3,500,000	3,500,000	—	70%	70%	Note50
Mongolia Tianhong Company Limited ("Mongolia Tianhong")	NA	Bayingole District, Mongolia	Development, processing and sales of mineral resources; overseas trading	Limited liability company	Mongolian Tugrik ("MNT") 2,382,842,600	MNT 2,382,842,600	MNT 2,382,842,600	—	100%	100%	Note50
JV Zerafshan LLC ("ZGC")	NA	Tajikistan	Production and sales of gold	Limited liability company	United States dollar ("USD") 24,249,091	USD 186,818	USD 186,818	—	75%	75%	Note51
Gansu Yate Mining Company Limited ("Gansu Yate")	79489492-7	Li County, Longnan City, Gansu Province	Mining, processing and refinery of gold and sales of gold products and associated products	Limited liability company	30,000,000	22,500,000	22,500,000	75%	—	75%	Note52
Xinjiang Astele Copper Company ("Xinjiang Astele")	71296908-X	Aletai City, Xinjiang	Development and exploration of geological resources; production, processing and sales of mineral products; technological services of geological mining; cargo transportation; environmental protection and development of tourism	Limited liability company	250,000,000	127,500,000	127,500,000	51%	—	51%	Note53
Luoning Huatai Mining Development Company Limited ("Luoning Huatai")	73248166-3	Luoyang City, Henan Province	Underground mining, refinery, processing and sales of non-ferrous metal mineral products	Limited liability company	20,000,000	20,000,000	20,000,000	—	100%	100%	Note54

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

1. The status of the Company's substantial subsidiaries is as follows: (including the subsidiaries indirectly held by subsidiaries) (continued)
- (2) Principle subsidiaries acquisition not involving enterprises under common control (continued)

Company Name	Organization code	Place of registration	Nature of business	Type of corporation	Paid-up capital/Registered capital		Investment of the Group RMB	Shareholding		Voting rights	Note
					RMB	RMB		Direct	Indirect		
Sino Trend Hydro Power Investment Limited ("Sino Trend Hydro Power")	N/A	British Virgin Islands	Hydroelectric power	Limited liability company	USD3,500,000/ USD50,000,000	USD3,500,000	—	—	100%	100%	Note55
Fujian Jinyi Copper Company Limited ("Jinyi Copper")	77934346-3	Shanghai County, Longyan City, Fujian Province	Development and production of inner thread copper tube with high capacities used in the manufacturing of refrigerators and air-conditioners	Limited liability company	300,000,000	300,000,000	46.5%	53.5%	100%	100%	Note56
Zijin Copper Company Limited ("Zijin Copper")	68508216-7	Shanghai County, Longyan City, Fujian Province	Refinery and sales of copper cathodes, gold and silver, production and sales of vitrol	Limited liability company	1,818,300,000	1,818,300,000	100%	—	100%	100%	Note57
Neimeng Jinhua Gold Exploration Company Limited ("Neimeng Jinhua")	N/A	British Virgin Islands	Geological research	Limited liability company	USD1,000	USD550	—	55%	55%	55%	Note58
Inner Mongolia Jizhong Mining Company Limited ("Jizhong Mining")	79716773-9	Sonid Zuoqi, Inner Mongolia	Exploration, mining, processing and sales of gold and associated precious metals resource	Limited liability company	USD20,000,000	USD20,000,000	—	100%	100%	100%	Note58
Inner Mongolia Alpakai Resources Company Limited ("Alpakai Resources")	7678759-3	Hehehot City, Inner Mongolia	Exploration of solid minerals	Limited liability company	USD500,000	USD500,000	—	100%	100%	100%	Note58

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

1. The status of the Company's substantial subsidiaries is as follows: (including the subsidiaries indirectly held by subsidiaries) (continued)
- (2) Principle subsidiaries acquisition not involving enterprises under common control (continued)

Company Name	Organization code	Place of registration	Nature of business	Type of corporation	Paid-up capital/Registered capital		Investment of the Group	Shareholding		Voting rights	Note
					RMB	RMB		Direct	Indirect		
Alynyken Limited Liability Company ("Alynyken")	NA	Kyrgyz Republic	Exploration and ore processing	Limited liability company	SOM10,000	SOM16,000	RMB	—	60%	60%	Note59
United Summit Investment Limited ("United Summit Investment")	NA	British Virgin Islands	Mining	Limited liability company	USD1	USD1	USD1	—	100%	100%	Note60
Huaxin Mining Company Limited ("Huaxin Mining")	7898603-9	Urumqi City, Xinjiang Autonomous Region	Mining	Limited liability company	46,500,000	46,500,000	46,500,000	—	100%	100%	Note60
Long Province Resources Company Limited ("Long Province Resources")	NA	Hong Kong	Mines investment	Limited liability company	HKD100	HKD100	HKD100	—	100%	100%	Note61
Gansu Longjin Mineral Resources Company Limited ("Gansu Long Jin")	7565957-8	Lanzhou City, Gansu Province	Exploration of the mining resources within the exploration right areas (excluding areas prohibited by government)	Limited liability company	USD12,876,000	USD11,588,400	USD11,588,400	—	90%	90%	Note61
Gansu Longao Mining Company Limited ("Gansu Long Ao")	7565956-8	Lanzhou City, Gansu Province	Exploration of the mining resources within the exploration right areas (excluding areas prohibited by government)	Limited liability company	USD13,174,000	USD11,461,380	USD11,461,380	—	87%	87%	Note61

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

1. The status of the Company's substantial subsidiaries is as follows: (including the subsidiaries indirectly held by subsidiaries) (continued)
- (2) Principle subsidiaries acquisition not involving enterprises under common control (continued)

Company Name	Organization code	Place of registration	Nature of business	Type of corporation	Paid-up capital/Registered capital		Investment of the Group	Shareholding		Voting rights	Note
					RMB	RMB		Direct	Indirect		
Sanning City Hongguo Mining Company Limited ("Sanning Hongguo")	76617631-7	Sha County, Sanning City, Fujian Province	Exploration of mines	Limited liability company	30,000,000	19,500,000	—	65%	65%	Note62	
Xinjiang Jinbao Mining Company Limited ("Xinjiang Jinbao")	74520691-9	Fuyun County, Aletai District, Xinjiang Autonomous Region	Mining of iron and geological research	Limited liability company	50,000,000	28,000,000	—	56%	56%	Note63	
Longsheng County Dexin Mining Company Limited	799741220-0	Longsheng County, Guangxi Province	Mining of gold, processing and sale of mineral products, investment in mines	Limited liability company	105,000,000	73,500,000	51%	19%	70%	Note64	

Notes to Financial Statements

As at 30 June 2012
RMBIV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENTS
(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 by shared 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 by shared dividend of RMB15,300,000 and by shared equity of RMB5,100,000 and the Company's subsidiary Xiamen Zijin made further investment by shared dividend of RMB1,500,000 and by 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 2012, 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, Fuzhou 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 2012, 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.

Notes to Financial Statements

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IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENTS (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 2012, 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 2012, 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 STATEMENTS (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 2012, 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 a letter of confirmation of investment made on 31 December 2010 between Gold Mountains HK and the Company, the shareholders loan of HK\$838,500,000 in total made by the Company to Gold Mountains HK was used to increase investment in Gold Mountains HK. As of 30 June 2012, the Company held 100% equity interest in Gold Mountains HK which had a total paid-up share capital of HK\$838,500,001 and registered capital of HK\$1,000,000,000. 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 its share capital. According to a resolution passed on a shareholders' meeting of Zijin International on 16 February 2011, Zijin International transferred retained earnings of RMB200,000,000, which was attributable to the Company and Xiamen Zijin, to increase share capital. As of 30 June 2012, the registered capital of Zijin International was RMB300,000,000 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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As at 30 June 2012
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IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENTS (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 a 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 2012, 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 Xingaurun 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 2012, 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.

Notes to Financial Statements

As at 30 June 2012
RMB**IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENTS
(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 2012, 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 2012, the registered capital of Chongli Zijin was RMB237,500,000; 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 2012, 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: 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 2012, 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.

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As at 30 June 2012
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IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

Note 15: 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 Fanshi County Yixingzhai Gold Mining Company Limited at consideration of RMB46,140,000 and RMB7,960,000 respectively. As at 30 June 2012, 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 16: The Company originally held 80% equity interest each in Xinyi Baoyuan Mining Company Limited ("Xinyi Baoyuan") and Guangdong Xinyi Dongkeng Gold Co., Ltd. ("Xinyi Dongkeng") respectively. According to the resolutions of the shareholders' meetings of Xinyi Baoyuan and Xinyi Dongkeng passed on 16 August 2006, all shareholders unanimously consented to merge Xinyi Baoyuan and Xinyi Dongkeng to form Xinyi Zijin. Xinyi Zijin was established on 17 January 2007 with registered capital of RMB100,000,000 on its formation for which the Company held 80% equity interest. As the process of transfer of mining rights from Xinyi Baoyuan and Xinyi Dongkeng to Xinyi Zijin was still in progress, the merger by absorption of Xinyi Baoyuan and Xinyi Dongkeng has not yet completed since the formation of Xinyi Zijin. According to an equity transfer agreement made on 26 March 2007, the Company purchased 20% equity interest of Xinyi Zijin from the other shareholders of Xinyi Zijin at a consideration of RMB63,900,000. After the completion of the acquisition, the Company held 100% equity interests in Xinyi Zijin. 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 2012, the Company held 100% equity interests in Xinyi Zijin. As such Xinyi Zijin as a subsidiary of the Company was the subject of consolidation. As at 30 June 2012, the process of transfer of mining rights from Xinyi Baoyuan and Xinyi Dongkeng to Xinyi Zijin is still in progress; the merger by absorption of Xinyi Baoyuan and Xinyi Dongkeng has not yet completed.

Note 17: 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 Yonghong 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 Huaxi, Yuanyang County Hongyuan Mining Development Company Limited ("Yuanyang Hongyuan"), 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 2012, 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.

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As at 30 June 2012
RMB**IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENTS
(continued)****1. The status of the Company's substantial subsidiaries is as follows: (including the subsidiaries indirectly held by subsidiaries) (continued)**

Note 18: 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 on 30 November 2007, the registered capital of Duobaoshan 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 (the Company's wholly-owned subsidiary) on 16 January 2009. According to a resolution passed on a shareholders' meeting of Duobaoshan on 11 January 2011, the registered capital of Duobaoshan increased from RMB600,000,000 to RMB800,000,000 and North-East Asia Zijin paid capital of RMB102,000,000 in cash. After the completion of increase in capital, the total paid-up capital of Duobaoshan was RMB800,000,000. As at 30 June 2012, North-East Asia Zijin held 51% equity interest in Duobaoshan. As such Duobaoshan as a subsidiary of the Company was the subject of consolidation.

Note 19: 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 Luowei 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 an extraordinary general meeting on 10 June 2008, the Company transferred 2% equity interest in Malipo Zijin to Malipo County Hongyuan Investment Company Limited, 1% equity interest in Malipo Zijin to Malipo County Yong Hui Development Company Limited, 1.54% equity interest in Malipo Zijin to Wu Qinglin, a representative of Nan Yang Tian Village, 1% equity interest in Malipo Zijin to Liang Yuanan, a representative of Mao Ping Village, 0.8% equity interest in Malipo Zijin to Li Junmeng and 0.7% equity interest in Malipo Zijin to Xie Yuanming 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. According to an equity transfer agreement made on 20 March 2010, South West Company transferred 0.44% equity interest in Malipo Zijin to a natural person, Tao Qifu, at a consideration of RMB4,420,000. As at 30 June 2012, South West Company held 77.52% equity interest in Malipo Zijin. As such, Malipo Zijin as a subsidiary of the Company was the subject of consolidation.

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As at 30 June 2012
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IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

Note 20: 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 in 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 Bihong at a consideration RMB19,600,000. According to an agreement for the transfer of equity interest dated on 23 July 2008, Yunnan Huaxi transferred 30% equity interest in Shangri-la Huaxi to South West Company at a consideration RMB84,000,000. 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 Tinggang, a minority shareholder of Shangri-la Huaxi at consideration of RMB8,400,000. As at 30 June 2012, the registered capital of Shangri-la Huaxi was RMB40,000,000, and Yunnan Huaxi, a subsidiary of the Company, held 60% equity interest in Shangri-la Huaxi, and South West Company, another subsidiary of the Company, held 40% equity interest in Shangri-la Huaxi. As such Shangri-la Huaxi as a subsidiary of the Company was the subject of consolidation.

Note 21: 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 in 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 on a pro-rata basis so as to maintain 70% equity interest in Jinshan Mining. As at 30 June 2012, 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 22: 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 2012, 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.

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As at 30 June 2012
RMB**IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENTS
(continued)****1. The status of the Company's substantial subsidiaries is as follows: (including the subsidiaries indirectly held by subsidiaries) (continued)**

- Note 23: 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. According to the resolution passed in a shareholders' meeting on 26 December 2011, the registered capital of Zijin Real Estate increased from RMB200,000,000 to RMB500,000,000 and the Company paid further capital of RMB300,000,000 in cash, in aggregate representing 60% equity interest in Zijin Real Estate after the increase of capital. As at 30 June 2012, the Company and Xiamen Zijin, a subsidiary of the Company, held 60% and 40% equity interests in Zijin Real Estate respectively. As such Zijin Real Estate as a subsidiary of the Company was the subject of consolidation.
- Note 24: 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 2012, the registered 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.
- Note 25: 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 2012, 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 26: 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. On 11 January 2011, the registered capital of Qinghai Zijin increased from RMB100,000,000 to RMB450,066,993 and the Company made further investment of RMB350,066,993, representing 100% equity interest in Qinghai Zijin after the capital enlargement. As such Qinghai Zijin as a subsidiary of the Company was the subject of consolidation.
- Note 27: 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 2012, 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 28: 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 Guowei Investment Company Limited, Malipo Zijin paid capital of RMB36,320,000 in cash representing 51% equity interest in Malipo Tungsten. As at 30 June 2012, 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 2012, 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.

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

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

- Note 29: 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 2012, 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.
- Note 30: Jinfeng HK was established on 16 October 2007 with registered capital of HK\$1 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 2012, 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 31: 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 2012, 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 32: 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, representing 100% equity interest in Liancheng Zijin after the increase of capital. As at 30 June 2012, 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 33: 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 2012, the registered capital and paid-up capital of Kingbao Mining were HK\$4,000,000 and HK\$10,000 respectively. As at 30 June 2012, 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.

Notes to Financial Statements

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

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

- Note 34: 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 Guizhou Xingren 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 Xingren County Gold Development Company Limited, Guiyang Qianjin Geology Mining Company Limited and Xingren County Hongji 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, representing 51% equity interest in Guizhou Xinhengji after the capital enlargement. As at 30 June 2012, 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 35: 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 Lianhua International Trust Limited paid capital of RMB25,000,000. As at 30 June 2012, 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 36: 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, representing 100% equity interest in Jinneng Mining after the increase of capital. As at 30 June 2012, 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 37: 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 2012, 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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As at 30 June 2012

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

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

Note 38: 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, Xihuadu Industrial Group Company Limited, Fujian Province Haixia Kejia 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, representing 70% equity interest in Zijin Longhu after the capital enlargement. As at 30 June 2012, the paid-up capital of Zijin Longhu was RMB430,000,000; 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 39: International Finance was established on 14 April 2011 with registered capital of HK\$1 on its formation for which Gold Mountains HK, a subsidiary of the Company, paid capital of HK\$1 representing 100% equity interest in International Finance. As at 30 June 2012, Gold Mountains HK, a subsidiary of the Company, held 100% equity interest in International Finance. As such International Finance as a subsidiary of the Company was the subject of consolidation.

Note 40: 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. Before the increase of capital, Heilongjiang Longxing held 100% equity interest in Russia Longxing; after the acquisition of increased capital in Heilongjiang Longxing, Zijin International indirectly controlled 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, 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, representing 70% equity interest in Heilongjiang Longxing after the increase of capital. According to resolutions passed on 20 January 2011 and 10 August 2011 in shareholders' meetings of Heilongjiang Longxing, the registered capital of Heilongjiang Longxing increased from RMB300,000,000 to RMB450,000,000 for which North-East Asia Zijin paid capital of RMB105,000,000 in cash, representing 70% equity interest in Heilongjiang Longxing after the increase of capital. As at 30 June 2012, North-East Asia Zijin, 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. As at 30 June 2012, 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.

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As at 30 June 2012

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

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

- Note 41: 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, 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 2012, 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.
- Note 42: 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 Luowei 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 paid capital of RMB81,600,000 in cash and paid consideration of RMB43,819,700 to Yunnan Luowei Mining Development Company Limited, 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 2012, 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 43: According to an agreement for the increase of capital made between the Company, the natural persons shareholders, Zhu Hongxing and Rao Huihui, 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, 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 2012, 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 44: According to an equity transfer agreement made between the Company and Mr. Ma Yinshuan, 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 2012, 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.

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

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

Note 45: According to an equity transfer agreement made between the Company, Jiujiang Huiming Development Company Limited ("Jiujiang Huiming") 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 2012, 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.

Note 46: 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 Mengxing 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 were 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. According to a resolution passed in a shareholders' meeting of Wulatehouqi Zijin on 13 March 2011, the registered capital of Wulatehouqi Zijin was increased from RMB50,000,000 to RMB150,000,000 in which RMB70,000,000 was paid out by bonus issue of Wulatehouqi Zijin and the remaining balance of the increased capital was paid by the shareholders in cash. Zijin International further invested RMB28,500,000 in cash. As at 30 June 2012, the registered capital of Wulatehouqi Zijin was RMB150,000,000; Zijin International, a subsidiary of the Company, invested in aggregate of RMB142,500,000 representing 95% equity interest in Wulatehouqi Zijin. As such Wulatehouqi Zijin as a subsidiary of the Company was the subject of consolidation.

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As at 30 June 2012
RMB**IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENTS
(continued)****1. The status of the Company's substantial subsidiaries is as follows: (including the subsidiaries indirectly held by subsidiaries) (continued)**

Note 47: 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 0.147% equity interest in Longkou Jinfeng and 7.3184% 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 2012, the paid-up capital of Longkou Jinfeng was RMB10,000,000 for which 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.

Note 48: 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 2012, the registered capital of Longkou Jintai was RMB200,000,000 for which the Company held 90% equity interest in Longkou Jintai. As such Longkou Jintai as a subsidiary of the Company was the subject of consolidation.

Note 49: According to an agreement for the increase of capital made between South West Company, a subsidiary of the Company, and the natural persons, Ran Houbi 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, 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 Houbi and Cao Shifen 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 Minox Investment Company Limited, an original shareholder of South West Gold Company, held 49% equity interest in Funing Zhenglong. As at 30 June 2012, 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.

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As at 30 June 2012

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IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENTS (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 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 2012, 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 2012, 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.
- Note 51: According to an equity transfer agreement made between North West Company, a subsidiary of the Company, and Avocet Mining on 28 June 2007, North 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 North West Company held 100% equity interest in CBML. Before acquisition, CBML held 75% equity interest in ZGC; after the acquisition of CBML, North West Company indirectly control 75% equity interest in ZGC. In 2008, CBML transferred 75% equity interest in ZGC to Jinfeng HK, a wholly-owned subsidiary of North West Company. As at 30 June 2012, the registered capital of ZGC was US\$24,249,091 (equivalent approximately to RMB184,724,725) for which North West Company indirectly held 75% equity interest in ZGC. As such, ZGC as a subsidiary of the Company was the subject of consolidation.
- Note 52: 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 2012, the registered capital of Gansu Yate was RMB30,000,000 for which 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 53: 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 at 30 June 2012, 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.

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As at 30 June 2012

RMB

IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENTS (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 equity transfer agreements made between Luoyang Yinhui, a subsidiary of the Company, Song Xiumiao, Liu Kexuan, Zhang Xuehu and Hu Guanmin 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 Xuezhen, Yang Songfeng 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 2012, the registered capital of Luoning Huatai was RMB20,000,000 for which 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.

Note 55: Pursuant to the share transfer agreement entered into between Jinfeng HK, the Company's subsidiary, Sino Infrastructure Corporation, and World Power Investment Limited, the original shareholder of Sino Trend Hydro Power, dated 30 April 2009, Jinfeng HK acquired a 100% equity interest in Sino Trend Hydro Power and a shareholders' loan of RMB107,134,526 at a consideration of USD40,615,090 (equivalent to RMB278,914,202). Sino Trend Hydro Power held three offshore companies registered in the British Virgin Islands, which were Sino Trend Hydro Power (Shanghang) Investment Company Limited ("Shanghang Investment"), Sino Trend Hydro Power (Zhouning) Investment Company Limited ("Zhouning Investment") and Sino Trend Hydro Power (Zhenghe) Investment Company Limited ("Zhenghe Investment"). Shanghang Investment held a 55% equity interest in Fujian Shanghang Jinshan Hydro Power Company Limited ("Shanghang Jinshan Hydro Power"), Zhouning Investment held a 100% equity interest in Zhouning Longxi Hydro Power Company Limited, Zhenghe Investment held a 70% equity interest in Xiawenyang Hydro Power Company Limited. Pursuant to the Share Transfer Agreement entered into between Jinfeng HK and Zhaoheng International Hydro Power Company Limited dated 16 July 2010, Jinfeng HK transferred the 100% equity interest in Zhenghe Investment and the 100% equity interest in Zhouning Investment at a consideration of RMB183,536,169. As at 30 June 2012, the paid-in capital of Sino Trend Hydro Power was USD3,500,000. Jinfeng HK, the Company's subsidiary, held a 100% equity interest in Sino Trend Hydro Power, and indirectly held a 55% equity interest in Shanghang Jinshan Hydro Power. As such, Sino Trend Hydro Power and Shanghang Jinshan Hydro Power were included in the scope of consolidation as a subsidiary.

Note 56: 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, Zijin Investment 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 17 May 2011, the Company acquired 46.5% equity interests in Jinyi Copper at a consideration of RMB93,500,000. Later, the registered capital of Jinyi Copper was increased from RMB200,000,000 to RMB300,000,000 for which the Company, Zijin Investment and Best Ground Group, the subsidiaries of the Company, further invested RMB46,500,000, RMB28,500,000 and RMB25,000,000 respectively in proportion to their shareholdings in Jinyi Copper. As at 30 June 2012, the registered capital of Jinyi Copper was RMB300,000,000 for which the Company, Zijin Investment and Best Ground Group, the subsidiaries of the Company, held in aggregate of 100% equity interest in Jinyi Copper. As such, Jinyi Copper as a subsidiary of the Company was the subject of consolidation.

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

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

Note 57: 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. In 2010, the Company made further investment of RMB200,000,000 in Zijin Copper. In 2011, the registered capital of Zijin Copper was increased from RMB600,000,000 to RMB1,818,300,000 for which the Company further invested RMB1,218,300,000 in cash. As at 30 June 2012, the Company held 100% equity interest in Zijin Copper. As such, Zijin Copper as a subsidiary of the Company was the subject of consolidation.

Note 58: 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 Aipaike Resources Company Limited ("Aipaike Resources"). Pursuant to an equity transfer agreement made in November 2010, Zijin International acquired 5% equity interest in Jinzhong Mining from Inner Mongolia Nonferrous Geological Mining Group at a consideration of RMB20,000,000, and the acquisition was completed on 29 March 2011. As at 30 June 2012, Jinyu HK, being a subsidiary of the Company, held 55% equity interest in Neimeng Jinhua and indirectly held 100% 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 59: Pursuant to an equity transfer agreement entered into between Superb Pacific Limited ("Superb Pacific"), a subsidiary of the Company and Summer Gold Limited Liability Partnership ("Summer Gold") on 15 August 2011, Superb Pacific acquired 60% equity interest in Altynken held by Summer Gold at a consideration of USD34,600,000 (equivalent to RMB220,228,263). As at 30 June 2012, the Group held a 60% equity interest in Altynken. As such, Altynken was included in the scope of consolidation as a subsidiary.

Note 60: Pursuant to an equity transfer agreement entered into between Golden Asia Mining (BVI) Limited ("Golden Asia Mining"), the subsidiary of the Company, and Fortune Source International Limited in March 2011, Golden Asia Mining acquired 100% equity interest in United Summit Investment at a consideration of RMB80,847,819. United Summit Investment is an investment holding company, holding 100% equity interest in Huaxin Mining. After the acquisition, the Company held 100% equity interest in Huaxin Mining indirectly. As at 30 June 2012, the registered capital of Huaxin Mining was RMB46,500,000; United Summit Investment, the subsidiary of the Company, held 100% equity interest in Huaxin Mining. As such, Huaxin Mining was included in the scope of consolidation as a subsidiary.

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As at 30 June 2012
RMB**IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENTS
(continued)****1. The status of the Company's substantial subsidiaries is as follows: (including the subsidiaries indirectly held by subsidiaries) (continued)**

Note 61: Pursuant to an equity transfer agreement entered into between Ding Jin Limited, the subsidiary of the Company, and Warrior Advance Pty Ltd. dated 4 November 2011, Ding Jin Limited acquired 100% equity interest in Long Province Resources at a consideration of A\$142,096,698 (equivalent to RMB910,964,048). Long Province Resources held 90% equity interest in Gansu Long Jin and 87% equity interest in Gansu Long Ao. After the acquisition, Ding Jin Limited, held a 90% equity interest in Gansu Long Jin and an 87% equity interest in Gansu Long Ao indirectly. As such, Gansu Long Jin and Gansu Long Ao were included in the scope of consolidation as subsidiaries. As at 30 June 2012, Ding Jin Limited, the subsidiary of the Company, held 100% equity interest in Long Province Resources. As such, Long Province Resources was included in the scope of consolidation as a subsidiary.

Note 62: According to an equity transfer agreement made between Zijin Investment, a subsidiary of the Company, and Li Liyou, a natural person shareholder of Sanming City Hongguo Mining Development Company ("Sanming Hongguo"), on 21 May 2011, Zijin Investment acquired 65% equity interests in Sanming Hongguo at a consideration of RMB159,900,000. As at 30 June 2012, Zijin Investment, being a subsidiary of the Company, held 65% equity interest in Sanming Hongguo. As such, Sanming Hongguo as a subsidiary of the Company was the subject of consolidation.

Note 63: Pursuant to the agreement entered into between the Company and Xinjiang Jinbao dated 18 March 2004, Xinjiang Jinbao enlarged its registered capital from RMB5,000,000 to RMB50,000,000, the Company injected capital of RMB30,000,000 in cash, holding a 60% equity interest in Xinjiang Jinbao after the capital enlargement. Pursuant to the share transfer agreement entered into between North West Company, the subsidiary of the Company, and the Company dated 23 July 2004, the Company transferred the 60% equity interest in Xinjiang Jinbao to North West Company at a consideration of RMB33,000,000. Pursuant to the agreement entered into between North West Company and non-controlling shareholders of Xinjiang Jinbao dated 10 July 2006, Xinjiang Jinbao transferred 12,000,000 shares at RMB1 per share of North West Company, representing a 12% equity interest in North West Company, to the Company at the consideration of RMB12,000,000, and North West Company transferred the 4% equity interest in Xinjiang Jinbao to the 3 individual shareholders for free. As at 30 June 2012, North West Company, the Company's subsidiary, held a 56% equity interest in Xinjiang Jinbao. As such, Xinjiang Jinbao was included in the scope of consolidation as a subsidiary.

Note 64: Pursuant to the agreement entered into between the Company and natural persons Liu Zhendong, Pan Jianyun dated 1 April 2012, Dexin Mining enlarged its registered capital from RMB31,500,000 to RMB105,000,000, the Company injected capital of RMB53,550,000 in cash, holding a 51% equity interest in Dexin Mining after the capital enlargement. The Company's wholly owned subsidiary Funing Zhenglong injected capital of RMB19,950,000 in cash, holding a 19% equity interest in Dexin Mining after the capital enlargement. As at 30 June 2012, the Company held a 70% equity interest in Dexin Mining. As such, Dexin Mining was included in the scope of consolidation as a subsidiary.

The management of the Company considered that fund transfers from the subsidiaries to the Company are free from restriction.

Details of non-controlling interests of subsidiaries are given in Note V. 39.

Notes to Financial Statements

As at 30 June 2012
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IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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.

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 period ended 30 June 2012:

	Note	30 June 2012 closing net assets	Net loss up to the end of the period
Longsheng County Dexin Mining Company Limited	(Note IV.4)	104,876,696.29	(123,303.71)
Xinjiang Jinhao Iron		130,050,000.00	—
Ankang Jinfeng Mining		14,846,991.00	(153,009.00)
		249,773,687.29	(276,312.71)

The entities no longer included as subsidiaries in the scope of consolidation for the period ended 30 June 2012:

	Note	Net assets as at date of disposal	Net gain/(loss) from the beginning of the period to the date of disposal
Hunan Jinfeng Mining Company Limited ("Hunan Jinfeng")	(Note IV.5)	20,556,414.42	(7,005.35)

Notes to Financial Statements

As at 30 June 2012
RMBIV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENTS
(continued)

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

	Note	Goodwill amount	Goodwill accounting method
Longsheng County Dexin Mining Company Limited	Note IV.1.Note 64	—	Purchase method
Ankang Jinfeng Mining		—	Purchase method

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

	Longsheng County Dexin Mining Company Limited	Ankang Jinfeng Mining	Total
Current assets	1,483,181.51	10,329,544.39	11,812,725.90
Non-current assets	150,329,082.11	283,191,298.05	433,520,380.16
Current liabilities	46,812,263.62	118,520,842.44	165,333,106.06
Non-current liabilities	0.00	0.00	0.00
	105,000,000.00	175,000,000.00	280,000,000.00
Non-controlling interest	31,500,000.00	52,500,000.00	84,000,000.00
Add: Goodwill arising on acquisition	0.00	0.00	0.00
Consideration for business combination	73,500,000.00	122,500,000.00	196,000,000.00

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IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENTS (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:

	Longsheng County Dexin Mining Company Limited	Ankang Jinfeng Mining	Total
Current assets	1,483,181.51	10,329,544.39	11,812,725.90
Non-current assets	76,829,082.11	123,191,298.05	200,020,380.16
Current liabilities	46,812,263.62	118,520,842.44	165,333,106.06
Non-current liabilities	0.00	0.00	0.00
Sub-total	31,500,000.00	15,000,000.00	46,500,000.00
Non-controlling interest	9,450,000.00	4,500,000.00	13,950,000.00
Total equity interest attributable to the Group	22,050,000.00	10,500,000.00	32,550,000.00

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

	Longsheng County Dexin Mining Company Limited	Ankang Jinfeng Mining	Total
Operating revenue	216,015.59	0.00	216,015.59
Net loss	(123,303.71)	(153,009.00)	(276,312.71)
Net cash flow	28,388,218.69	2,105,780.12	30,493,998.81

Notes to Financial Statements

As at 30 June 2012
RMBIV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENTS
(continued)4. Business combination involving enterprises not under common control for the year
(continued)

Net cash flow acquired from the above subsidiaries:

	Longsheng County Dexin Mining Company Limited	Ankang Jinfeng Mining	Total
Price paid for the acquisition of subsidiaries	73,500,000.00	122,500,000.00	196,000,000.00
Cash and cash equivalents paid for the acquisition of subsidiaries	73,500,000.00	122,500,000.00	196,000,000.00
Less: Cash and cash equivalents held by the subsidiaries as at date of acquisition	73,505,083.56	5,851,262.36	79,356,345.92
Net cash outflow in acquisition of subsidiaries	(5,083.56)	116,648,737.64	116,643,654.08

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

Name of entity removed from scope of consolidation	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 Jinfeng	Anhua, Hunan	Mining, process and sales of vanadium ore	100%	100%	Deregistered	31 March 2012

Notes to Financial Statements

As at 30 June 2012
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IV. SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

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

	Hunan Jinfeng
Current assets	20,556,414.42
Non-current assets	—
Current liabilities	—
Non-current liabilities	—
	20,556,414.42
Non-controlling interest	—
	20,556,414.42
Gain/ (loss) on disposal	—
Consideration for the disposal	20,556,414.42
	Hunan Jinfeng
Operating revenue	—
Operating cost	—
Net profit/(loss)	(7,005.35)
Price received for the disposal of the subsidiary	20,556,414.42
Cash and cash equivalents received for the disposal of the subsidiary	20,556,414.42
Less: Cash and cash equivalents held by the subsidiary	—
Net cash inflow from disposal of subsidiary	—

6. The exchange rates for the major reporting items of the overseas operating entities

	Closing rates	
	30 June 2012	31 December 2011
USD	6.3249	6.3009
HKD	0.8155	0.8107
RUB	0.1911	0.1966

Notes to Financial Statements

As at 30 June 2012
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CASH AND CASH EQUIVALENTS

	30 June 2012			31 December 2011		
	Original currency	Exchange rates	RMB	Original currency	Exchange rates	RMB
Cash						
RMB	11,840,501.02	1.0000	11,840,501.02	6,895,007	1.0000	6,895,007
Bank Deposit						
RMB	4,963,084,222.45	1.0000	4,963,084,222.45	3,708,448,592	1.0000	3,708,448,592
HKD	301,496,017.20	0.81522	245,785,583.14	778,623,250	0.8107	631,229,869
USD	60,008,612.23	6.3249	379,548,471.50	58,538,832	6.3009	368,847,326
GBP	39,249.08	9.8169	385,304.27	417,407	9.7116	4,053,692
CAD	3,374,493.47	6.1223	20,659,661.39	7,807,135	6.1777	48,230,140
AUD	949,954.19	6.3474	6,029,739.25	1,941,313	6.4093	12,442,460
RUB	53,876,107.76	0.19108	10,294,646.67	16,100,458	0.1966	3,165,350
Others	N/A	N/A	9,425,572.10	N/A	N/A	7,379,012
Cash & cash equivalents	N/A	N/A	5,647,053,701.79	N/A	N/A	4,790,691,448
Other currency RMB (Note 1)	1,573,892,341.67	1.0000	1,573,892,341.67	1,389,318,207	1.0000	1,389,318,207
			7,220,946,043.46			6,180,009,655

Note 1: As at 30 June 2012 and 31 December 2011, the Group's other currency balance in RMB includes the reserve of ecological restoration for closure, which was RMB54,169,031.81 and RMB53,372,359 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 environmental reclamation and restoration for mine closure; RMB568,000,000 and RMB567,800,000 were pledged for short-term borrowings; RMB59,147,486.45 and RMB65,105,946 dedicated to donations, in which its right to use is limited; RMB108,634,577.96 and RMB45,747,114 belong to other margin deposit, in which its rights to use is limited; RMB1,312,530,633.70 and RMB530,061,797 were time deposits for more than three months. In addition, on 30 June 2012, as the Company's subsidiary, Xinyi Zijin had litigation with the government of Xinyi City and its victims, bank deposit of RMB239,713.36 was frozen by the court.

At 30 June 2012, the amount which the Group deposited in overseas is equivalent to RMB745,223,567.04 (31 December 2011: RMB655,755,035).

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.

Notes to Financial Statements

As at 30 June 2012
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. HELD-FOR-TRADING FINANCIAL ASSETS

	30 June 2012	31 December 2011
Held-for-trading debt investment	4,378,000.00	16,542,000
Held-for-trading equity investment	127,348,843.90	136,299,568
Derivative financial assets	172,638,010.35	111,187,435
Others	41,526,239.13	—
	345,891,093.38	264,029,003

Management considers that there is no significant restriction for turning held-for-trading financial assets into cash as at 30 June 2012.

3. BILLS RECEIVABLES

	30 June 2012	31 December 2011
Bank acceptance drafts	738,996,213.10	571,697,737
Commercial acceptance drafts	9,000,000.00	3,000,000
	747,996,213.10	574,697,737

As at 30 June 2012, the balance of bills receivables did not have the amount due from shareholders holding 5% or above voting rights of the Company (31 December 2011: Nil). As at 30 June 2012, the balance did not have the bills receivables which were pledged (31 December 2011: Nil). As at 30 June 2012, the book value of bills receivables under factoring arrangement for short-term loans was RMB123,535,000 (31 December 2011: RMB3,839,092).

As at 30 June 2012 and 31 December 2011, there was no bill which was converted to accounts receivables due to dishonored drawer; the Group did not transfer by endorsement of any bills receivables on 30 June 2012 (31 December 2011: RMB5,200,000).

Notes to Financial Statements

As at 30 June 2012
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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 2012	31 December 2011
Within 1 year	980,402,189.12	475,470,028
Over 1 year but within 2 years	65,635,653.78	13,069,973
Over 2 years but within 3 years	27,850,870.64	421,188
Over 3 years	7,122,256.20	318,801
	1,081,010,969.74	489,279,990

Movement of bad debt provision for trade receivables:

	As at 31 December 2011	Provision in this period	Reduction in the period Reversal	Write off	As at 30 June 2012
2012	167,565	374.85	—	—	167,939.85

Notes to Financial Statements

As at 30 June 2012
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. TRADE RECEIVABLES (continued)

	30 June 2012				31 December 2011			
	Book value balance		Provision for bad debt		Book value balance		Provision for bad debt	
	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)
Single significant item	872,623,065.22	80.72	—	—	339,700,589	69.43	—	—
Other insignificant items	208,387,904.52	19.28	167,939.85	0.08	149,579,401	30.57	167,565	0.11
	1,081,010,969.74	100	167,939.85	0.02	489,279,990	100	167,565	0.11

The Group has no trade receivables denominated in foreign currency as at 30 June 2012 and 31 December 2011.

The status of top 5 trade receivables in amount:

30 June 2012:

Name	Relationship with the Group	Amount	Aging	Percentage to total trade receivables (%)
Xinjiang Bayi Steel Group Co., Ltd.	Third party	229,325,862.70	Within 1 year	21.21
Jinchuan Group Co., Ltd.	Third party	147,756,318.30	Within 1 year	13.67
Fujian Shanghang Taiyang Copper Co., Ltd.	Third party	73,592,109.26	Within 1 year	6.81
Xiamen Baotuo Resources Co., Ltd.	Third party	24,253,626.98	Within 1 year	2.24
TCL Air-conditioner (Zhongshan) Co., Ltd.	Third party	23,565,547.01	Within 1 year	2.18
		498,493,464.25		46.11

As at 30 June 2012, the balance of trade receivables did not have amount due from shareholders holding 5% or above voting rights of the Company (31 December 2011: Nil). As at 30 June 2012, the proportion of trade receivables from related parties to the aggregate total amount of trade receivables in the balance was nil.

Notes to Financial Statements

As at 30 June 2012
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. ADVANCE TO SUPPLIERS

An aging analysis of advance to suppliers is as below:

	30 June 2012		31 December 2011	
	Book value balance	Percentage (%)	Book value balance	Percentage (%)
Within 1 year	692,638,295.46	83.47	1,620,926,836	95.83
Over 1 year but within 2 years	123,951,484.94	14.94	58,174,732	3.44
Over 2 years but within 3 years	5,066,166.25	0.61	4,996,901	0.29
Over 3 years	8,129,372.82	0.98	7,419,229	0.44
	829,785,319.47	100	1,691,517,698	100

As at 30 June 2012, the top 5 advance to suppliers in amount is set below:

Name of entity	Relationship with the Group	Amount	Prepayment time	Reason for not settlement
Xiamen Land Development Corporation	Third party	165,846,172.00	Within 1 year	Transaction not yet completed
Yunnan Copper Co., Ltd.	Third party	193,169,574.26	Within 1 year	Transaction not yet completed
Zhong Fujin	Third party	201,000,000.00	Within 1 year	Transaction not yet completed
Liancheng Land Reserve Center	Third party	81,200,000.00	Within 1 year	Transaction not yet completed
Chifeng Jilong Mining Co., Ltd.	Third party	74,092,653.15	Within 1 year	Transaction not yet completed
		715,308,399.41		

On 30 June 2012, the Group has not made any prepayment to shareholders holding 5% or above voting shares of the Company (31 December 2011: Nil).

As at 30 June 2012, the Group's USD advance to suppliers amounted to USD12,335,583.34, equivalent to RMB78,021,331.06, the exchange rate was USD1 to RMB6.3249. As at 31 December 2011, the Group's USD advance to suppliers amounted to USD 8,794,797, equivalent to RMB55,415,136, the exchange rate was USD1 to RMB6.3009. As at 30 June 2012, the Group's HKD advance to suppliers amounted to HKD3,506,201.95, equivalent to RMB2,858,325.96, the exchange rate was HKD1 to RMB0.81522. As at 31 December 2011, the Group's HKD advance to suppliers amounted to HKD312,097, equivalent to RMB265,563, the exchange rate was HKD1 to RMB0.8509.

Notes to Financial Statements

As at 30 June 2012
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. OTHER RECEIVABLES

An aging analysis of other receivables is as follows:

	30 June 2012	31 December 2011
Within 1 year	991,585,876.09	480,564,295
Over 1 year but within 2 years	539,436,516.84	114,835,953
Over 2 years but within 3 years	68,287,052.87	308,822,222
Over 3 years	176,493,656.00	92,958,001
	1,775,803,101.80	997,180,471

Movement of bad debt provision for other receivables:

	As at 31 December 2011	Provision in this period	Reduction in the period Reversal Write off	As at 30 June 2012
30 June 2012	9,877,854.00			9,877,854.00

	30 June 2012				31 December 2011			
	Book value balance		Provision for bad debt		Book value balance		Provision for bad debt	
	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)
Single significant item	1,114,675,790.04	62.77	300,000.00	0.03	666,899,001	66.88	300,000	0.04
Other insignificant items	661,127,311.76	37.23	9,577,854.00	1.45	330,281,470	33.12	9,577,854	2.90
	1,775,803,101.80	100	9,877,854.00	0.56	997,180,471	100	9,877,854	0.99

Notes to Financial Statements

As at 30 June 2012
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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 2012:

Name of entity	Relationship with the Group	Amount	Aging	Percentage to total other receivables
Longyan Land Reserve Center	Third party	480,000,000.00	Within 1 year	26.88
Mr. He Maoxiong (Note 1)	Third party	188,000,000.00	2-3 years	10.53
Xiamen Zijin Tongguan Investment Development Co., Ltd.	The Group's associate	118,353,084.00	Within 1 year	6.63
Shanghai Finance Bureau (Note 2)	Third party	50,000,000.00	2-3 years	2.80
Xinhu Futures Brokers Co., Ltd.	Third party	45,766,587.54	Within 1 year	2.56
		882,119,671.54		49.40

Note 1: In December 2009, Qinghai Zijin, one of the subsidiaries of the Group, planned to acquire the shares of Lenghu Bindi Potash Fertilizer Company Limited ("Bindi Potash Fertilizer") from an individual shareholder, Mr. He Maoxiong, and prepaid RMB198,000,000 as the deposit for shares acquisition. The management of the Group decided to terminate the share acquisition plan in 2011, thus the deposit of RMB198,000,000 was reclassified from other non-current assets to other receivables. As at 30 June 2012, the Company's balance of the receivables was RMB188,000,000.

Note 2: 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.

As at 30 June 2012, the balance of other receivables did not have an amount due from shareholders holding 5% or above voting rights of the Company (31 December 2011: Nil). As at 30 June 2012, the proportion of other receivables from related parties to the aggregate total amount of other receivables was 9.92% (31 December 2011: 6.39%), further information are disclosed in Note VI - Related Party Transactions.

As at 30 June 2012, the Group's USD dominated other receivables amounted to USD2,373,150.67, equivalent to RMB15,009,940.67, the exchange rate was USD1 to RMB6.3249. As at 31 December 2011, the Group's USD other receivables amounted to USD592,892, equivalent to RMB3,735,753, the exchange rate was USD1 to RMB6.3009. As at 30 June 2012, the Group's HKD other receivables amounted to HKD13,224,215.88, equivalent to RMB10,780,645.27, the exchange rate was HKD1 to RMB0.81522. As at 31 December 2011, the Group's HKD other receivables amounted to HKD30,267,276, equivalent to RMB24,537,681, the exchange rate was HKD1 to RMB0.8107.

Notes to Financial Statements

As at 30 June 2012
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. INVENTORIES

	30 June 2012	31 December 2011
Raw materials	971,986,591.89	4,389,101,991
Work in progress	3,053,078,639.84	1,058,614,679
Finished goods	3,508,271,663.66	1,069,504,156
Property development cost	815,116,681.01	699,999,271
Working materials	10,408,887.58	19,239,843
	8,358,862,463.98	7,236,459,940
Less: Write down of inventories to net realizable value	19,063,946.12	76,162,553
	8,339,798,517.86	7,160,297,387

The movements of inventory provision are as follows:

	As at		Reduction in the year		As at
	31 December 2011	Provision in this year	Reversal	Write off	30 June 2012
30 June 2012					
Raw materials	20,298,711	—	—	(1,475,704.62)	18,823,006.38
Finished goods	55,863,842	—	—	(55,622,902.26)	240,939.74
	76,162,553	—	—	(57,098,606.88)	19,063,946.12

30 June 2012	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 2012, the balance did not involve inventories with restrictions on the ownership (31 December 2011: RMB45,101,009).

Notes to Financial Statements

As at 30 June 2012

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. OTHER CURRENT ASSETS

	30 June 2012	31 December 2011
Deposit for futures contracts	63,768,882.09	79,279,785
Deposit for gold transactions	137,576,956.78	83,226,333
Liquid cash for futures contracts	39,200,918.66	43,153,015
Taxes recoverable (Note 1)	544,735,818.01	364,968,285
Others (Note 2)	73,288,951.32	14,281,858
	858,571,526.86	584,909,276
Less: Impairment provision for other current assets	—	—
	858,571,526.86	584,909,276

Note 1: Balance represented the recoverable amount of the corporate income tax and value-added tax paid by the Group pursuant to relevant taxation laws and regulations.

Note 2: The balance includes trust products of RMB35,000,000.

9. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	30 June 2012	31 December 2011
HKSAR, PRC		
China Hanking Holdings Limited	120,937,634.28	127,312,028
G-Resources Group Limited	43,340,353.80	46,372,753
	164,277,988.08	173,684,781
Other districts		
Inter-Citic Minerals Inc.	120,163,001.13	120,936,511
Aquarius Platinum Limited	4,523,295.05	15,287,574
Jayden Resources Inc.	1,890,079.89	5,641,695
Equitas Resources Corp.	2,239,334.34	5,282,138
Norton Gold Fields Limited	231,627,810.60	172,442,990
Glencore International Corp.	309,932,945.14	444,736,784
	670,376,466.15	764,327,692
	834,654,454.23	938,012,473

Notes to Financial Statements

As at 30 June 2012
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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					
Xiamen Zijin Zhonghang Real Estate Company Limited ("Xiamen Zijin Zhonghang")	Xiamen City, Fujian Province	Development and management of real estate, property management, business information consulting services, marketing and technology consulting	250,000,000	50%	50%
Xinjiang Aletai Zijin Tebian Company Limited ("Zijin Tebian")	Aletai City, Xinjiang	Sales and processing of black metals and non-ferrous metals	40,000,000	50%	50%
Shandong Guoda	Zhaoyuan, Shandong	Production of gold, silver, electrolytic copper & sulfuric acid and sales of self products	173,430,000	30.05%	30.05%
Associates					
Fujian Makeng Mining Co., Ltd. ("Fujian Makeng")	Longyan, Fujian	Mining of iron mines and geological research	200,000,000	31.50%	31.50%
Ting River Hydropower	Shanghang, Fujian	Electricity supply	69,000,000	49%	49%
Tibet Yulong Copper Company Limited ("Tibet Yulong")	Changdou, Tibet	Mining of copper and geological research	625,000,000	22%	22%
Wuping Zijin Hydro-electric Co., Ltd. ("Wuping Zijin Hydro-electric")	Wuping, Fujian	Investment in hydro-electric and hydro-electricity generation	60,000,000	48%	48%
Xiamen Zijin Tongguan Investment Development Co., Ltd. ("Zijin Tongguan")	Xiamen, Fujian	Investment in mines, wholesales & retailing of mining products	1,350,000,000	45%	45%
Fujian Haixia Kehua Company Limited ("Haixia Kehua")	Yongan, Fujian	Production of explosives for civil use	230,000,000	28%	28%
Hunchun Jindi Mining Co., Ltd. ("Hunchun Jindi")	Hunchun, Yanbian Korean Autonomous Prefecture, 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 County, Ngawa Tibetan and Qiang Autonomous Prefecture	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")	Yanbian Korean Autonomous Prefecture	Provision of guarantee for SMEs & individuals	200,000,000	25%	25%
Luoyang Huayin Guarantee Co., Ltd. ("Luoyang Huayin")	Luoyang, Henan	Guarantees for finance, factoring notes & performance for guarantee	10,000,000	20%	20%
Shanghang Xinyuan Water Co., Ltd. ("Shanghang Xinyuan")	Shanghang, Fujian	Water supply	300,000,000	38%	38%
Wancheng Commercial	Wulatehouqi, Bayannaer, Inner Mongolia	Sales & mining of zinc, lead, sulfur, copper & iron	12,000,000	47.50%	47.50%

Notes to Financial Statements

As at 30 June 2012
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

Name	Place of registration	Nature of service	Registered capital	Percentage of equity attributable to the Group	Percentage of voting right attributable to the Group
Xiamen Modern Terminals Co., Ltd. ("Xiamen Modern Terminals")	Xiamen, Fujian	Terminal construction, port facilities management, operation of cargo handling and storage in ports (with approval licence)	355,580,000	25%	25%
Xinjiang Wuxin Copper Co., Ltd. ("Wuxin Copper")	Fukang, Xinjiang	Sales, processing and refinery of copper, gold, silver & other non-ferrous metals	790,000,000	34%	34%
Xinjiang Kanas Travel Co., Ltd. ("Xinjiang Kanas Travel")	Buerjin, Xinjiang	Tourism, food & beverage	107,000,000	25%	25%
Xinjiang Tianlong Mining Company Limited ("Xinjiang Tianlong")	Fukang, Xinjiang	Integration of coal, power generation and aluminum business and cement production	648,924,562	23.03%	23.03%
Wengfu Zijin Chemical Co., Ltd. ("Wengfu Zijin Chemical")	Shanghang, Fujian	Production of monoammonium-phosphate, diammonium phosphate, gypsum block & cement additives (in construction)	500,000,000	40%	40%
Casa Mining Ltd. ("Casa Mining")	BVI	Mineral mining, refinery & sales	USD50,000	30%	30%
Qinghai Copper Co., Ltd. ("Qinghai Copper")	Xining, Qinghai	Refinery of copper	800,000,000	30%	30%
Kuitun Yutong Logistics Co., Ltd.	Kuitun, Xinjiang	Transport of goods	5,000,000	20%	20%
Gold Eagle Mining	Hong Kong	Investment, development and trading of mineral resources	HKD4,000,000,000	45%	45%

Notes to Financial Statements

As at 30 June 2012

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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 six months ended 30 June 2012)	Net profits (For six months ended 30 June 2012)
Jointly-controlled entity					
Xiamen Zijin Zhonghang	291,193,783.93	42,152,451.15	249,041,332.78	1,000,000.00	(474,274.65)
Shandong Guoda	1,011,576,287.00	461,248,403.30	550,327,883.70	1,034,385,169.50	33,795,481.16
Zijin Tebian	38,881,944.58	400.34	38,881,544.24	0.00	(492,071.01)
Associates					
Ting River Hydropower	189,363,811.27	115,020,150.67	74,343,660.60	11,158,434.13	3,830,620.87
Wuping Zijin Hydro-electric	140,070,815.71	70,560,590.48	69,510,225.23	12,611,541.81	3,544,044.44
Qinghai Copper	617,942,760.34	457,942,760.34	160,000,000.00	—	—
Haixia Kehua	917,760,000.00	356,540,000.00	561,220,000.00	444,990,000.00	50,040,000.00
Shanghai Xinyuan	551,251,865.39	251,368,063.42	299,883,801.97	4,000,115.57	(62,358.55)
Hunchun Jindi	92,234,502.46	114,698.15	92,119,804.31	—	(934,541.65)
Yanbian Credit Security	323,978,710.80	98,179,170.23	225,799,540.57	—	4,004,631.28
Xinjiang Kanas Travel	224,998,703.51	49,418,342.11	175,580,361.40	8,803,655.05	3,129,245.97
Fujian Makeng	2,383,106,142.73	1,744,869,632.19	638,236,510.54	172,587,489.02	44,438,119.55
Songpan Zijin	78,034,977.39	215,594.82	77,819,382.57	—	(59,683.40)
Wancheng Commercial	290,761,074.32	174,591,246.34	116,169,827.98	321,383,715.60	150,057,410.21
Tibet Yulong	2,534,924,760.75	1,683,705,202.57	851,219,558.18	7,735,102.55	848,552.23
Xinjiang Tianlong	2,660,704,609.03	743,387,824.05	1,917,316,784.98	354,089,328.30	26,383,632.69
Wuxin Copper	1,320,989,317.71	537,186,823.71	783,802,494.00	311,552.45	(2,495,172.03)
Luoyang Huayin	10,642,260.27	1,461,000.10	9,181,260.17	—	(353.89)
Xiamen Modern Terminals	1,101,231,485.12	727,712,854.98	373,518,630.14	41,458,196.87	(1,677,883.59)
Casa Mining	106,365,843.30	9,626,497.80	96,739,345.50	—	(9,942,742.80)
Wengfu Zijin Chemical	1,289,452,212.01	789,452,212.01	500,000,000.00	—	—
Zijin Tongguan	1,624,104,656.71	286,221,225.10	—	—	(6,720,596.64)
Gold Eagle Mining	2,928,981,119.00	122,460,250.37	2,806,520,868.80	46,643.34	(7,903,972.72)
Kuitun Yutong Logistics	7,441,311.89	2,616,089.02	4,825,222.87	—	(17,477.13)

Notes to Financial Statements

As at 30 June 2012
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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
Equity investments accounted for by equity method:							
Jointly-controlled entity	(i)	159,734,600.00	406,393,674.00	22,003,075.17	109,568,491.56		318,828,257.61
Associates	(i)	2,802,285,511.39	2,513,616,505.00	1,537,051,178.51	53,614,000.00	53,614,000.00	3,997,053,683.51
Equity investments accounted for by cost method	(ii)	161,651,620.00	304,494,564.00				304,494,564.00
Less: Impairment provision for long-term equity investments			20,571,332.00		8,220,476.73		12,350,855.27
			3,203,933,411.00	1,559,054,253.68	154,962,014.83	53,614,000.00	4,608,025,649.85

Movements of provision for impairment losses of long-term equity investments:

30 June 2012

	As at 31 December 2011	Provision in this period	Reduction in the period Reversal	Write off	As at 30 June 2012
Jointly-controlled entity - Shandong Guoda	20,571,332			8,220,476.73	12,350,855.27
	20,571,332			8,220,476.73	12,350,855.27

Notes to Financial Statements

As at 30 June 2012

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. LONG-TERM EQUITY INVESTMENTS (continued)

Long-term equity investments under the equity method

30 June 2012

	Equity adjustments							Closing balance
	Original investment	Changes for the period	Including: cash dividends	Accumulated changes	Other equities		Provision for impairment loss	
					Additions for the period	Accumulated changes		
Jointly-controlled entity								
Xiamen Zijin Zhonghang	125,000,000.00	(479,333.21)	—	(479,333.21)	—	—	—	124,520,666.79
Shandong Guoda	95,903,314.66	(23,254,797.84)	—	78,404,276.16	—	—	(12,350,855.27)	161,956,735.55
Zijin Tebian	20,000,000.00	—	—	—	—	—	—	20,000,000.00
Associates								
Wancheng Commercial	166,895,356.00	18,579,510.05	(49,250,000.00)	(15,643,053.95)	—	—	—	151,252,302.05
Haixia Kehua	64,400,000.00	15,704,748.86	(3,864,000.00)	92,033,946.86	—	—	—	156,433,946.86
Shanghai Xinyuan	114,000,000.00	(23,696.25)	—	8,688.75	—	—	—	114,008,688.75
Hunchun Jindi	40,000,000.00	(373,816.66)	—	(3,051,232.66)	—	—	—	36,948,767.34
Yanbian Credit Security	50,000,000.00	501,157.82	(500,000.00)	5,536,112.82	—	—	—	55,536,112.82
Xinjiang Kanas Travel	48,870,000.00	—	—	9,072,389.00	—	—	—	57,942,389.00
Xinjiang Tianlong	379,653,678.00	—	—	28,020,259.00	—	—	—	407,673,937.00
Kuitun Yutong Logistics Co., Ltd.	1,000,000.00	—	—	—	—	—	—	1,000,000.00
Wuxin Copper	268,600,000.00	(848,358.49)	—	(2,231,498.49)	—	—	—	266,368,501.51
Casa Mining	69,790,313.00	(2,982,822.84)	—	(2,982,822.84)	—	—	—	66,807,490.16

Notes to Financial Statements

As at 30 June 2012
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. LONG-TERM EQUITY INVESTMENTS (continued)

Long-term equity investments under the equity method (continued)

	Equity adjustments						Closing balance
	Original investment	Changes for the period	Including: cash dividends	Accumulated changes	Other equities	Provision for impairment loss	
				Accumulated changes	Additions for the period	Accumulated changes	
Xiamen Modern Terminals	120,000,000.00	—	—	(2,892,907.00)	—	—	117,107,093.00
Fujian Makeng	31,860,000.00	13,998,007.66	—	162,236,320.66	—	2,454,250.00	196,550,570.66
Songpan Zijin	39,400,000.00	—	—	(150,215.00)	—	—	39,249,785.00
Tibet Yulong	137,500,000.00	188,881.49	—	(55,302,015.51)	—	—	82,197,984.49
Zijin Tongguan	607,500,000.00	(2,332,040.08)	—	(94,777,444.08)	—	(23,760,561.00)	488,961,994.92
Ting River Hydropower	33,810,000.00	1,877,004.23	—	2,675,561.23	—	—	36,485,561.23
Wuping Zijin Hydro-electric	32,095,000.00	1,701,141.33	—	3,986,097.33	—	—	36,081,097.33
Luoyang Huayin	2,000,000.00	—	—	—	—	—	2,000,000.00
Qinghai Copper	48,000,000.00	—	—	—	—	—	48,000,000.00
Wengfu Zijin Chemical	200,000,000.00	—	—	—	—	—	200,000,000.00
Gold Eagle Mining	1,436,447,461.39	—	—	—	—	—	1,436,447,461.39
	4,132,725,123.05	22,255,586.07	(53,614,000.00)	204,463,129.07	—	(21,306,311.00)	4,303,531,085.85

As at 30 June 2012, there is no material restrictions on the realisation of investment and the wire transfer of the investment income back to the Group.

Notes to Financial Statements

As at 30 June 2012

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. LONG-TERM EQUITY INVESTMENTS (continued)

Long-term equity investments under the cost method

	Sichuan Liwu Copper Co., Ltd.	Nanjing China Net Communication Co., Ltd.	Sichuan Multi Rongda Mining Co., Ltd.	Hunan Nonferrous Metals Corp. Ltd.	Xinjiang Xinxin Mining Industry Co., Ltd.	Luoyang Yongming Gold Lead Refinery Company Limited	Luoyang Commercial Bank	Shanghai Agricultural Commercial Bank	Wulatehouji Ruifeng Lead Refinery Company Limited	Xinjiang Tianshan Railway Company Limited	Others	Total
Original investment	19,850,000	25,000,000	45,797,517	30,000,000	18,314,097	40,000,000	1,000,000	89,900,000	7,000,000	19,200,000	8,432,950	304,494,564
As at 31 December 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	7,000,000	19,200,000	8,432,950	304,494,564
Increase for the period	—	—	—	—	—	—	—	—	—	—	—	—
Decrease for the period	—	—	—	—	—	—	—	—	—	—	—	—
Foreign currency translation	—	—	—	—	—	—	—	—	—	—	—	—
As at 30 June 2012	19,850,000	25,000,000	45,797,517	30,000,000	18,314,097	40,000,000	1,000,000	89,900,000	7,000,000	19,200,000	8,432,950	304,494,564
Percentage held by the Company	5.77%	8.62%	12.00%	1.37%	3.77%	10%	0.24%	10%	7%	12%	N/A	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.

Notes to Financial Statements

As at 30 June 2012
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

12. INVESTMENT PROPERTIES

Use cost model for subsequent measurement:

30 June 2012

	Buildings
Original price: At the beginning of the year	62,627,049.00
Accumulated depreciation: Opening balance	11,570,474.00
Depreciation for the period	1,021,891.28
Closing balance	12,592,365.28
Net book value: Closing balance	50,034,683.72
Opening balance	51,056,575.00
Impairment provision Opening and Closing balance	—
Book value: Closing balance	50,034,683.72
Opening balance	51,056,575.00

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

There are no investment properties of which certificates of title have not been obtained as at 31 June 2012.

Notes to Financial Statements

As at 30 June 2012
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. FIXED ASSETS

30 June 2012

	Buildings	Constructions in mines	Power generating and transmission equipment	Plant, machinery and equipment	Building improvements	Office & computer equipment	Vehicles	Total (Note 1)
Original cost								
Opening balance	3,149,726,275.00	5,411,953,495.00	652,200,698.00	4,241,106,415.00	25,434,919.00	176,559,986.00	646,691,507.00	14,303,673,295.00
Purchase and acquisition of subsidiaries	120,301,012.36	338,518,316.06	6,022,369.65	264,878,272.90	662,122.44	21,953,530.60	68,430,519.63	820,766,143.64
Transferred from construction in progress	618,445,120.65	541,576,144.28	4,536,044.35	943,867,568.79	6,522,315.25	1,825,592.46	2,086,917.94	2,118,859,703.72
Transferred out to fixed assets held-for-sale								
Disposal	200,384,612.87	23,176,353.12	3,877,322.45	48,622,039.63	192,437.91	2,818,629.26	133,547,757.33	412,619,152.57
Closing balance	3,688,087,795.14	6,268,871,602.22	658,881,789.55	5,401,230,217.06	32,426,918.78	197,520,479.80	583,661,187.24	16,830,679,989.79
Accumulated depreciation								
Opening balance	466,783,799.00	1,601,409,124.00	210,398,660.00	1,340,199,053.00	13,522,244.00	93,815,834.00	300,737,833.00	4,026,866,547.00
Provision	88,812,684.46	230,920,385.54	26,001,270.35	239,548,866.51	1,218,111.46	16,332,226.28	40,695,898.23	643,529,442.83
Other increase								
Transferred out to fixed assets held-for-sale								
Transfers	51,095,522.24	4,411,449.28	1,000,403.01	19,233,833.17	192,814.99	1,555,099.45	11,477,961.53	88,967,083.67
Closing balance	504,500,961.22	1,827,918,060.26	235,399,527.34	1,560,514,086.34	14,547,540.47	108,592,960.83	329,955,769.70	4,581,428,906.16
Impairment provision								
Opening balance	776,559.00	100,372,191.00		30,336,436.00				131,485,186.00
Provision								
Decrease								
Closing balance	776,559.00	100,372,191.00		30,336,436.00				131,485,186.00
Net book value								
Closing balance	3,182,810,274.92	4,340,581,350.96	423,482,262.21	3,810,379,694.72	17,879,378.31	88,927,518.97	253,705,417.54	12,117,765,897.63
Opening balance	2,682,165,917.00	3,710,172,180.00	441,802,038.00	2,870,570,926.00	11,912,675.00	82,744,152.00	345,953,674.00	10,145,321,562.00

Note 1: As at 30 June 2012, the fixed assets of Xinyi Zijin Mining Company Limited, a subsidiary of the Company, with net book value amounted to RMB280,686,837.03 were frozen by the court due to the prosecution brought by Xinyi City People's Government and victims for damages (31 December 2011: RMB281,908,642).

Notes to Financial Statements

As at 30 June 2012
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. FIXED ASSETS (continued)

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

	30 June 2012		31 December 2011	
	Original cost	Net book value	Original cost	Net book value
Buildings	5,379,612.57	161,388.38	3,388,692	101,661
Constructions in mines	257,916,561.60	—	405,113,992	—
Power generation equipment & power transmission system	9,362,211.33	280,866.34	8,391,781	251,753
Plant, machinery and equipment	200,959,222.91	6,028,776.69	113,800,593	3,414,018
Building improvements	208,913.90	6,267.42	7,319,394	219,582
Office & computer equipment	26,100,084.38	783,002.53	18,779,886	563,397
Vehicles	14,623,116.95	438,693.51	14,393,366	431,801
	514,549,723.64	7,698,994.87	571,187,704	4,982,212

Fixed assets that are temporarily idle:

30 June 2012

	Constructions in mines	Power generating and transmission equipment	Plant, machinery and equipment	Office & computer equipment	Vehicles	Total
Original cost	10,859,091.20	43,629.75	62,402,262.28	86,886.00	270,120.00	73,661,989.23
Accumulated depreciation	1,649,933.87	—	18,459,987.74	47,380.70	—	20,157,302.31
Impairment provision	—	—	11,175.63	—	—	11,175.63
Net book value	9,209,157.33	43,629.75	43,931,098.91	39,505.30	270,120.00	53,493,511.29

The Group did not have any fixed assets under finance lease arrangement.

Notes to Financial Statements

As at 30 June 2012
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. FIXED ASSETS (continued)

As at 30 June 2012, 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	1,180,393,084.40	Application in progress	2013
Constructions in mines	680,748,793.63	Application in progress	2013
	1,861,141,878.03		

Notes to Financial Statements

As at 30 June 2012
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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 funds	Percentage of use of budget	Percentage of progress
Zhijian Gold and Copper Mines joint opening pit mining project	1,521,040,800.00	1,473,570,135.00	384,117,980.92	33,176,382.28	5,304,834.05	1,819,206,899.59	IPO proceeds	71%	56%
Zhijian headquarters infrastructure project	172,000,000.00	46,937,246.00	45,151,570.67			92,088,816.67	Internal cash	73%	99%
Guizhou infrastructure project	435,000,000.00	226,660,408.00	133,284,859.04		45,001,169.60	314,944,097.44	Internal cash	115%	99%
Xinjiang Zijin infrastructure project	63,466,000.00	23,867,484.00	4,259,968.62			28,127,452.62	Internal cash	85%	72%
Xinjiang Jinbao infrastructure project	1,200,000,000.00	21,924,307.00	12,004,774.40		6,160,237.71	27,768,843.69	Internal cash	99%	98%
Fuyun Jinsan infrastructure project	400,000,000.00	104,186,408.00	21,440,017.88		12,960,582.25	112,665,843.63	Internal cash	100%	97%
Wuqia Jinwang infrastructure project	350,000,000.00	330,907,145.00	155,366,131.12			486,273,276.12	Internal cash	42%	36%
Hunchn infrastructure project	461,500,000.00	35,280,958.00	21,467,807.67		10,014,411.85	46,734,353.82	IPO proceeds	101%	75%
Qinghai West infrastructure project	660,000,000.00	51,839,240.00	5,284,498.60		7,193,538.59	49,930,200.01	Internal cash	90%	96%
Xinjiang Ashlee infrastructure project	700,000,000.00	360,833,713.00	140,973,345.28		38,123.00	501,768,935.28	Internal cash	130%	99%
Guangdong Xinyi Baoyuan infrastructure project	274,000,000.00	11,207,279.00	41,608,310.00	7,816,798.11	32,912,859.72	12,085,931.17	Internal cash	105%	99%
Guangdong Xinyi Dongkeng infrastructure project	106,000,000.00	15,841,821.00		3,611,311.80	8,369,308.23	3,861,200.97	Internal cash	103%	99%
Fujian Zijin Copper infrastructure project	7,000,000.00	6,896,861.00	3,623,243.00	4,566,142.14		5,953,961.86	Internal cash	93%	86%
Bayannaoer Zijin infrastructure project	1,350,000,000.00	162,433,862.00	159,726,316.28		1,002,753.30	321,157,424.98	Bank deposit	99%	89%
Hebei Chongli infrastructure project	450,000,000.00	61,243,702.00	9,738,009.65			70,981,711.65	Internal cash/ Loan	101%	99%
Shanxi Zijin infrastructure project	66,000,000.00	28,725,993.00	14,419,044.41	2,205,955.61	972,331.99	39,966,749.81	Internal cash	125%	99%
Longkou Jintai infrastructure project	200,000,000.00	91,678,301.00	1,452,214.23	372,135.52	1,056,413.34	91,701,966.37	Internal cash	97%	96%
Wulashouqi Zijin infrastructure project	657,750,000.00	415,226,752.00	207,026,845.04	43,873,655.33		578,379,941.71	Internal cash/ Loan	108%	99%
Henan Jinda infrastructure project	480,000,000.00	40,451,752.00	939,259.85			41,391,011.85	Internal cash	8%	7%
Yuanyang County Huaxi infrastructure project	61,980,000.00	61,508,971.00	55,347,716.19	4,320,229.70	670,588.20	111,865,869.29	Internal cash	121%	99%
Heilongjiang Duobaoshan infrastructure project	1,880,186,121.00	790,257,960.00	175,245,066.16	3,587,220.52	725,690.00	961,190,115.64	Internal cash	72%	71%
Shangri-la Huaxi infrastructure project	31,146,142.00	1,217,998.00	460,000.00			1,677,998.00	Internal cash	93%	74%
Yunnan Malipo Zijin infrastructure project	267,928,400.00	71,509,756.00	23,195,555.83	42,913,035.30	346,146.00	51,446,130.53	Internal cash	108%	99%
Tajikistan ZGC infrastructure project	1,305,345,000.00	346,606,560.00	99,004,542.34			445,611,102.34	IPO proceeds	22%	73%
Heilongjiang Zijin Longxing infrastructure project	600,000,000.00	572,887,156.00	161,631,872.65			734,519,028.65	Internal cash	45%	26%

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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 funds	Percentage of use of budget	Percentage of progress
Shanghang County Ganlong infrastructure project	330,380,000.00	138,662,170.00	27,129,286.63			165,791,456.63	Internal cash	7%	99%
Longkou Jinfeng infrastructure project	36,506,611.00	25,648,037.00	6,734,123.35	670,000.00		31,712,160.35	Internal cash	99%	98%
Wuping Zijin infrastructure project	291,510,000.00	208,217,545.00	23,018,198.33	17,529,456.29		213,706,287.04	Internal cash	100%	87%
Luoning Huatai infrastructure project	275,000,000.00	142,469,536.00	167,775,882.97	23,248,276.88	8,115,924.17	278,881,217.92	Internal cash/Loan	130%	93%
Zijin Qinghai infrastructure project	571,920,000.00	95,163,370.00	33,369,548.10			128,532,918.10	Internal cash	144%	45%
Xinjiang Jinneng infrastructure project	70,000,000.00	66,367,205.00	3,119,786.48	365,771.21		69,121,220.27	Internal cash	59%	33%
Zijin Copper infrastructure project	2,614,095,800.00	1,745,243,387.00	636,093,639.50	1,878,023,186.04		503,313,840.46	Internal cash	87%	87%
Inner Mongolia Jinzhong Mining infrastructure project	269,573,900.00	176,383,171.00	38,285,813.31	34,677,436.87		179,991,547.44	Internal cash/Loan	33%	19%
Others	223,714,229.00	38,138,531.00	18,828,288.94	17,902,710.12	49,998.06	39,014,111.76	Internal cash	N/A	N/A
	18,383,043,005.00	7,989,994,720.00	2,831,123,517.44	2,118,859,703.72	140,894,910.06	8,561,363,623.66			
Impairment provision for construction in progress		(91,469,553.00)				(91,469,553.00)			
		7,898,525,167.00				8,469,894,070.66			

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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	83,053,773.00	19,884,599.28	—	102,938,372.28	5.33%
Wuping Zijin	13,485,404.00	1,476,089.79	1,280,209.00	13,681,284.79	6.72%
Wulatehouqi Zijin	11,316,589.00	3,185,266.56	—	14,501,855.56	7.36%
Heilongjiang Duobaoshan	18,791,889.00	43,420,470.14	—	62,212,359.14	7.61%
Bayannaer Zijin	1,838,553.00	5,279,746.84	—	7,118,299.84	4.48%-7.54%
	128,486,208.00	73,246,172.61	1,280,209.00	200,452,171.61	

Movements in impairment provision for construction in progress:

	Opening balance	Provision for the period	Transferred out for the period	Closing balance	Reason
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.

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As at 30 June 2012
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

15. INTANGIBLE ASSETS

30 June 2012

	Exploration & mining rights	Land use rights	Membership of Shanghai Gold Exchange and others	Total
Original cost				
Opening balance	7,939,056,040.00	522,871,005.00	131,181,641.00	8,593,108,686.00
Increase for the period	324,450,937.96	54,110,817.69	268,034,222.52	646,595,978.17
Decrease for the period	273,210,470.84	26,800,551.12	—	300,011,021.96
Closing balance	7,990,296,507.12	550,181,271.57	399,215,863.52	8,939,693,642.21
Accumulated amortisation				
Opening balance	722,798,692.00	77,959,161.00	5,661,407.00	806,419,260.00
Provision for the period	62,650,740.79	12,084,537.51	1,291,181.05	76,026,459.35
Decrease for the period	—	1,238,724.14	—	1,238,724.14
Closing balance	785,449,432.79	88,804,974.37	6,952,588.05	881,206,995.21
Impairment provision				
Opening balance	648,495,327.00	—	—	648,495,327.00
Provision for the period	—	—	—	—
Decrease for the period	—	—	—	—
Closing balance	648,495,327.00	—	—	648,495,327.00
Net book value				
Closing balance	6,556,351,747.33	461,376,297.20	392,263,275.47	7,409,991,320.00
Opening balance	6,567,762,021.00	444,911,844.00	125,520,234.00	7,138,194,099.00

As at 30 June 2012 and 31 December 2011, there are no restriction on the ownership of the intangible assets balances.

Notes to Financial Statements

As at 30 June 2012
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. GOODWILL

30 June 2012

	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	—
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 Jinye	3,106,883.00			3,106,883.00	(3,106,883.00)
Longkou Jinfeng	5,550,718.00			5,550,718.00	(5,550,718.00)
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	
	407,849,644.00			407,849,644.00	(68,869,920.00)

Notes to Financial Statements

As at 30 June 2012
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

17. LONG-TERM DEFERRED EXPENSES

	30 June 2012			31 December 2011		
	Land compensation cost (Note 1)	Others (Note 2)	Total	Land compensation cost (Note 1)	Others (Note 2)	Total
Opening balance	253,837,351.00	524,530,182.00	778,367,533.00	248,329,229.00	516,947,015.00	765,276,244.00
Additions for the period	26,371,490.00	125,469,781.79	151,841,271.79	28,230,945.00	153,738,324.00	181,969,269.00
Amortization for the period	(23,382,884.60)	(27,813,857.14)	(51,196,741.74)	(22,530,425.00)	(114,582,485.00)	(137,112,910.00)
Other decrease	(7,598,887.23)	(52,270,360.21)	(59,869,247.44)	(192,398.00)	(31,572,672.00)	(31,765,070.00)
Impairment provision	(8,460,000.00)	—	(8,460,000.00)	(8,460,000.00)	—	(8,460,000.00)
Closing balance	240,767,069.17	569,915,746.44	810,682,815.61	245,377,351.00	524,530,182.00	769,907,533.00

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 2012 and 31 December 2011, the other long-term deferred expenses include mainly: mining shaft development fee of RMB148,836,912.34 and RMB149,939,328; road use fee of RMB75,909,196.29 and RMB76,269,541; resources compensation cost of RMB49,973,631.03 and RMB34,521,956; amortization cost of copper anode and cathode of RMB189,848,636.81 and RMB155,011,121; resources integration fee of RMB22,677,469.20 and RMB25,197,188; forest compensation fee of RMB55,995,830.27 and RMB56,056,520; transformation of power lines of RMB26,674,070.50 and RMB27,534,528 respectively. The amortization period of the board of copper anodes and cathodes was 18 months and the amortization period of other long-term deferred expenses ranges from 5 to 50 years.

Notes to Financial Statements

As at 30 June 2012
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

18. DEFERRED TAX ASSETS/LIABILITIES

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

Recognised deferred tax assets:

	Unrealised profit from internal sales	Differences in depreciation policies	Impairment provision for assets	Deductible losses	Others	Total
At 31 December 2011	91,218,734.00	3,540,784.00	20,467,333.00	88,485,161.00	230,647,229.00	434,359,241.00
Recognised in income statement	30,658,047.66	715,264.46	(2,304,194.23)	44,025,748.77	8,372,409.45	81,467,276.11
Recognised in equity	—	—	—	—	6,065,448.16	6,065,448.16
As at 30 June 2012	121,876,781.66	4,256,048.46	18,163,138.77	132,510,909.77	245,085,086.61	521,891,965.27

As at 30 June 2012, the above deferred tax assets recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available.

Recognised deferred tax liabilities:

	Changes in fair value of available- for-sale financial assets	Fair value adjustment for acquisition of subsidiaries	Changes in fair value of held- for-trading financial assets/ liabilities	Total
At 31 December 2011	—	210,626,371.00	15,759,046.00	226,385,417.00
Recognised in income statement	—	(608,397.58)	(121,104.23)	(729,501.81)
Recognised in equity	—	(2,773,622.35)	—	(2,773,622.35)
As at 30 June 2012	—	207,244,351.07	15,637,941.77	222,882,292.84

Notes to Financial Statements

As at 30 June 2012

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

18. DEFERRED TAX ASSETS/LIABILITIES (continued)

Deferred tax assets not yet recognized:

	30 June 2012	31 December 2011
Deductible temporary differences	684,318,302.46	705,005,605
Deductible tax loss	430,110,442.34	306,677,801
	1,114,428,744.80	1,011,683,406

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

	30 June 2012	31 December 2011
2012	—	10,682,926.00
2013	20,986,523.18	29,021,303.00
2014	38,609,587.68	32,801,879.00
2015	85,763,072.63	126,209,898.00
2016	94,578,923.47	107,961,795.00
2017	190,172,335.38	—
	430,110,442.34	306,677,801.00

Notes to Financial Statements

As at 30 June 2012
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

18. DEFERRED TAX ASSETS/LIABILITIES (continued)

The following temporary differences arising from assets and liabilities:

	30 June 2012	31 December 2011
Taxable temporary differences		
Fair value adjustment for acquisition of subsidiaries	857,376,554.60	870,904,633
Including: Intangible assets	795,124,498.60	806,218,985
Fixed assets	62,252,056.00	64,685,648
Fair value adjustment for disposal of subsidiaries	(28,399,150.00)	(28,399,150)
Changes in the fair value of available-for-sale financial assets	—	—
Changes in the fair value of held-for-trading financial liabilities	62,551,766.76	63,036,184
	891,529,171.36	905,541,667

	30 June 2012	31 December 2011
Deductible temporary differences		
Provision for bad debt	624,000.00	624,000
Write-down of inventories to net realizable value and unrealized loss	514,161,651.04	400,746,237
Impairment provision for fixed assets	36,840,882.48	36,840,882
Differences in fixed assets depreciation policies	17,024,193.84	14,163,136
Impairment provision for other non-current assets	6,000,000.00	6,000,000
Accrued payroll and welfare	54,738,278.24	65,367,378
Other non-current liabilities	16,220,000.20	15,020,000
Deductible tax loss	530,043,639.08	353,940,644
Mineral resources compensation fee not yet paid	102,771,824.16	132,048,996
Donations	200,000,000.00	200,000,000
Changes in the fair value of available-for-sale financial assets	294,715,940.00	261,226,300
Others	314,427,452.04	251,459,391
	2,087,567,861.08	1,737,436,964

Notes to Financial Statements

As at 30 June 2012
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

19. OTHER NON-CURRENT ASSETS

	30 June 2012			31 December 2011		
	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	1,170,973,888.00	1,971,205,638.00	3,142,179,526.00	779,502,928.00	2,601,435,464.00	3,380,938,392.00
Increase for the period	231,299,215.95	921,134,295.01	1,152,433,510.96	504,930,026.00	1,291,275,142.00	1,796,205,168.00
Decrease for the period	(121,972,757.73)	(263,242,296.53)	(385,215,054.26)	(34,308,236.00)	(1,761,876,018.00)	(1,796,184,254.00)
Transferred out to long-term equity investment				—	—	—
Transferred out to intangible assets	(5,057,179.95)		(5,057,179.95)	(79,150,830.00)	(159,628,950.00)	(238,779,780.00)
Closing balance	1,275,243,166.27	2,629,097,636.48	3,904,340,802.75	1,170,973,888.00	1,971,205,638.00	3,142,179,526.00
Impairment provision						
Opening balance		(6,000,000.00)	(6,000,000.00)	—	(6,000,000.00)	(6,000,000.00)
Provision for the period			0.00	—	—	—
Decrease for the period			0.00	—	—	—
Closing balance		(6,000,000.00)	(6,000,000.00)	—	(6,000,000.00)	(6,000,000.00)
Closing book value	1,275,243,166.27	2,623,097,636.48	3,898,340,802.75	1,170,973,888.00	1,965,205,638.00	3,136,179,526.00
Opening book value	1,170,973,888.00	1,965,205,638.00	3,136,179,526.00	779,502,928.00	2,595,435,464.00	3,374,938,392.00

Note 1: The Group's balances of investment prepayment, right of use fees and others include mainly: land use right fee of RMB504,946,432.29 (2011: RMB404,709,277); prepaid exploration and mining rights fee of RMB97,453,435.14 (2011: RMB90,794,935); investment prepayment of RMB496,359,490.59 (2011: RMB244,000,000); prepaid construction fee of RMB835,728,194.05 (2011: RMB799,884,130); prepaid Longhu integrated development right fee of RMB247,477,010.79 (2011: RMB205,312,029); prepaid forest land compensation of RMB315,551,380.64 (2011: RMB71,376,047), long-term receivables of RMB82,850,584.29 (2011: RMB110,803,035).

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

20. IMPAIRMENT PROVISION FOR ASSETS

	31 December 2011 Book value	Provision for the period	Reduction in the year		30 June 2012 Book value
			Reversal	Write-off	
Bad debt provision	10,045,419.00	600.00	(225.00)	0.00	10,045,794.00
Including: Trade receivables	167,565.00	600.00	(225.00)		167,940.00
Other receivables	9,877,854.00				9,877,854.00
Inventory provision	76,162,553.00			(57,098,606.88)	19,063,946.12
Impairment of other current assets	0.00				0.00
Impairment of long-term equity investments	20,571,332.00			(8,220,476.73)	12,350,855.27
Impairment of constructions in progress	91,469,553.00				91,469,553.00
Impairment of fixed assets	131,485,186.00				131,485,186.00
Impairment of intangible assets	648,495,327.00				648,495,327.00
Impairment of goodwill	68,869,920.00				68,869,920.00
Other non-current assets	6,000,000.00				6,000,000.00
Impairment of long-term deferred expenses	8,460,000.00				8,460,000.00
	1,071,604,709.00	1,200.00	(450.00)	(65,319,083.61)	1,006,286,375.39

The Group made written-off of inventory provision of RMB57,098,607.37 for the year, which was provided in previous years and wrote off as a result of realized sales for the year.

The Group made written-off of impairment of long-term equity investments of RMB8,220,476.82 for the year, which was provided in previous years in relation to Shandong Guoda and wrote off as a result of disposal of part of the equity interest for the year.

Notes to Financial Statements

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

21. SHORT-TERM LOANS

	30 June 2012	31 December 2011
Unsecured and non-guaranteed loans	4,543,081,075.88	3,144,823,928
Secured loans with security under the lenders' custody (Note 1)	660,368,384.27	660,268,384
Secured loans with security under the Group's custody	9,500,000.00	10,000,000
	5,212,949,460.15	3,815,092,312

Note 1: As at 31 December 2011, a time deposit of RMB362,000,000 of the Company is pledged as collateral against a bank borrowing of RMB360,268,384 from Bank of China Limited, Longyan Branch. As at 31 December 2011, a time deposit of RMB205,800,000 of Jinyi Copper, a subsidiary of the Group, is pledged as collateral against a bank borrowing of RMB300,000,000 from Bank of China Limited, Tokyo Branch. As at 30 June 2012, a time deposit of RMB200,000 of Gansu Yate, a subsidiary of the Group, is pledged as collateral against a bank borrowing of RMB100,000 from Industrial and Commercial Bank of China.

As at 30 June 2012, the short-term borrowings of the Group included loans of USD108,000,000 from ICBC (Asia) Limited. (As at 31 December 2011, the short-term borrowings included unsecured and non-guaranteed loans of USD32,470,858 from Industrial and Commercial Bank of China.)

As at 30 June 2012, the interest rates for the above loans range from 1.75% to 7.87% (31 December 2011: from 2.90% to 7.54%).

As at both 30 June 2012 and 31 December 2011, the Group has no short-term loans that were matured but not yet repaid.

22. HELD-FOR-TRADING FINANCIAL LIABILITIES

	30 June 2012	31 December 2011
Gold leasing (Note 1)	5,494,560,098.70	3,812,933,000
Derivative financial liabilities	203,166,903.73	192,715,200
	5,697,727,002.43	4,005,648,200

Note 1: In order to save finance cost, the Company made gold leasing business with different commercial banks with leasing periods ranging from 1 month to 1 year.

Notes to Financial Statements

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

23. TRADE PAYABLES

An aging analysis of the trade payables is as follows:

	30 June 2012	31 December 2011
Within 1 year	3,937,868,911.29	3,183,091,120
Over 1 year but within 2 years	175,241,048.71	32,755,004
Over 2 years but within 3 years	9,703,031.36	2,192,175
Over 3 years	22,108,834.98	14,074,612
	4,144,921,826.34	3,232,112,911

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

As at 30 June 2012, the trade payables balances of the Group include amount of RMB10,641,409.01 (31 December 2011: RMB6,613,030) 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 RMB6,594,442.17 due to shareholders who hold 5% or above voting rights of the Company (31 December 2011: RMB5,872,276).

As at 30 June 2012, the trade payables did not have significant amount due over 1 year (31 December 2011: Nil).

As at 30 June 2012, the trade payables balances of the Group include amount of USD3,858,366.52 (equivalent to approximately RMB24,403,782.41 at exchange rate of USD1=RMB6.3249). As at 31 December 2011, the trade payables balances of the Group include amount of USD288,113,954 (equivalent to approximately RMB1,815,377,215 at exchange rate of USD1=RMB6.3009).

24. ADVANCES FROM CLIENTS

As at 30 June 2012, the advances from clients include amount of RMB8,015,608.19 received from related parties (31 December 2011: RMB748,248), the details of which are disclosed in Note VI - Related Party Transactions. The advances from clients of the Group do not include any amount due to shareholders who hold 5% or above voting rights of the Company.

As at 30 June 2012, the advances from clients of the Group did not include any foreign currency. (31 December 2011: HKD8,001,300, equivalent to approximately RMB6,486,654 at exchange rate of HKD1=RMB0.8107).

As at 30 June 2012, the advances from clients did not have significant amount due over 1 year (31 December 2011: Nil).

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

25. ACCRUED PAYROLL AND WELFARE

30 June 2012

	Opening balance	Increase for the year	Decrease for the year	Closing balance
Salaries payable	240,013,020.90	734,703,430.32	816,029,450.62	158,687,000.60
Welfare payable	2,014,650.65	64,874,983.86	61,728,602.67	5,161,031.84
Housing fund	2,303,717.57	24,251,691.48	23,911,087.02	2,644,322.03
Social security	10,466,035.85	85,471,011.27	85,224,849.00	10,712,198.12
Including: Pension insurance	7,309,242.32	52,895,230.82	52,165,952.71	8,038,520.43
Medical insurance	133,412.69	18,568,466.34	16,881,958.33	1,819,920.70
Unemployment insurance	1,462,266.49	4,945,448.32	5,050,791.15	1,356,923.66
Maternity insurance	137,172.68	1,618,067.69	1,660,454.03	94,786.34
Work injury insurance	1,423,941.67	7,443,798.10	9,465,692.78	(597,953.01)
Trade union and staff education funds	21,576,529.52	22,675,514.78	18,960,248.38	25,291,795.92
Non-monetary benefits	471,160.19	1,511,238.16	1,139,013.55	843,384.80
Termination benefits	0.00	1,360,684.98	1,363,222.51	(2,537.53)
Others	7,795.32	419,311.75	436,988.64	(9,881.57)
	276,852,910.00	935,267,866.60	1,008,793,462.39	203,327,314.21

As at 30 June 2012 and 31 December 2011, the accrued payroll and welfare did not include amount that should be paid but not yet paid. As at 30 June 2012, the balances are expected to be paid within 2012.

26. TAX AND LEVIES PAYABLES

	30 June 2012	31 December 2011
Resources tax	78,270,840.69	67,542,652
Value-added tax	135,412,468.62	147,459,966
Business tax	8,832,558.68	9,530,388
Corporate income tax	871,808,494.33	1,297,351,781
Resources compensation tax	182,779,218.23	161,271,639
Others	32,138,092.32	26,234,793
	1,309,241,672.87	1,709,391,219

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

27. DIVIDENDS PAYABLES

	30 June 2012	31 December 2011
"A" shares held by public in PRC (Note 1)	1,580,380,365.00	—
"H" shares held by public (Note 1)	600,816,000.00	—
Chongli County State-owned Assets Management Centre	6,000,000.00	—
Tongling Jinchan Mining Co., Ltd.	—	17,841,100
Anhui Province Geology and Mineral Resources Bureau - Team 321	—	3,481,200
Others	1,880,000.00	1,803,541
	2,189,076,365.00	23,125,841

Note 1: On 28 May 2012, the Company passed the resolution of profit distribution of the Company for the year ended 31 December 2011 at the 2011 annual general meeting. A dividend of RMB1 (tax included) per 10 shares was distributed. The above profit distribution proposal was completed at the early of July 2012.

28. OTHER PAYABLES

	30 June 2012	31 December 2011
Construction equipment fee	1,045,011,162.14	836,797,758
Exploration rights and mining rights payables	83,496,643.11	80,472,062
Donation payables (Note 1)	65,480,000.00	78,069,218
Advances from third party	105,088,227.82	111,712,712
Withholding tax	0.00	59,731,116
Security deposit	255,715,618.62	182,939,723
Consideration for equity investment	18,197,431.25	275,560,244
Agency fee	10,271,845.28	8,543,198
Loss on futures payables	2,956,005.88	4,060,227
Accrued maintenance costs	10,749,564.06	6,754,773
Non-controlling interest payables	1,780,856.01	13,840,529
Others	418,691,255.62	414,741,853
	2,017,438,609.79	2,073,223,413

Notes to Financial Statements

As at 30 June 2012

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

28. OTHER PAYABLES (continued)

As at 30 June 2012, the other payables include an amount of RMB15,300,439.17 due to shareholders who hold 5% or above voting rights of the Company (31 December 2011: RMB18,377,522), the details of which are disclosed in Note VI - Related Party Transactions.

As at 30 June 2012, the significant other payables over 1 year:

Units	Amount payable	Reason for not repayment
Heilongjiang Longxing International Resource Development Group Limited	41,400,000	Mining rights fee
Habahe County Finance Bureau (Note1)	65,480,000	
	106,880,000	

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 2012, amount of RMB65,480,000 was not yet paid. A specified account was set up and RMB59,147,486.45 was deposited into the account for solely the donation purpose and the right to use the account is restricted.

As at 30 June 2012, the other payables balances of the Group include amounts of USD65,961.67 (equivalent to approximately RMB417,200.96 at exchange rate of USD1=RMB6.3249) and HKD3,238,695.13 (equivalent to approximately RMB2,640,249.04 at exchange rate of HKD1=RMB0.81522). As at 31 December 2011, the other payables balances of the Group include amounts of USD955,061 (equivalent to approximately RMB6,017,724 at exchange rate of USD1=RMB6.3009) and HKD406,313 (equivalent to approximately RMB329,398 at exchange rate of HKD1=RMB0.8107).

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

29. NON-CURRENT LIABILITIES DUE WITHIN ONE YEAR

	30 June 2012	31 December 2011
Long-term loans due within one year (Note V. 30)	123,682,290.00	173,231,890
Long-term payables due within one year	37,712,700.00	43,212,700
	161,394,990.00	216,444,590

Long-term loans due within one year:

	30 June 2012	31 December 2011
Unsecured and non-guaranteed loans	123,682,290.00	143,231,890
Secured loans with security under the Group's custody	—	30,000,000
	123,682,290.00	173,231,890

As at 30 June 2012, the long-term loans due within one year did not have any amount overdue with extension granted.

As at 30 June 2012, the top 5 long-term loans due within one year:

Lenders	Loan start date	Loan maturity date	Currency	Interest rate (%)	30 June 2012	31 December 2011
ICBC - Bayannaoer branch	14 January 2010	14 July 2012	RMB	5.13	50,000,000.00	50,000,000
ICBC - Bayannaoer branch	27 January 2010	27 July 2012	RMB	5.13	30,000,000.00	30,000,000
ICBC - Fuyun branch	8 December 2007	17 December 2012	RMB	6.89	10,400,000.00	20,000,000
ICBC - Fuyun branch	8 December 2007	17 December 2012	RMB	6.89	20,000,000.00	20,000,000
Bank of China - Longyan branch	5 March 2010	5 March 2013	USD	LIBOR+2%	13,282,290.00	13,231,890
					123,682,290.00	133,231,890

As at 30 June 2012, there are no long-term loans that are due but not yet paid.

Notes to Financial Statements

As at 30 June 2012
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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 2012

Lenders	Time to maturity	Original amount	Annual interest rate (%)	Interest payable	Closing balance	Criteria for lending
Shanghang Charity Fund Shanghang County	3 years	19,600,000.00	10	—	26,280,000.00	Unsecured
Finance Bureau	10 years	56,109,000.00	—	—	11,200,000.00	Unsecured
Fujian Minxi Geologist	5 years	4,232,700.00	—	—	232,700.00	Unsecured
		79,641,700.00		—	37,712,700.00	

As at 30 June 2012, the non-current liabilities due within one year did not have any amounts due to related parties. As at 30 June 2012, 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 2012	31 December 2011
Secured loans	—	30,000,000
Guaranteed loans	802,187,574.41	158,782,680
Unsecured loans	3,547,589,038.00	2,345,162,658
Sub-total	4,349,776,612.41	2,533,945,338
Including: Long-term loans due within one year	(123,682,290.00)	(173,231,890)
	4,226,094,322.41	2,360,713,448

As at 30 June 2012 and 31 December 2011, the long-term loans include foreign currency loans of USD254,490,000 and USD75,150,000 respectively. As at 30 June 2012 and 31 December 2011, there are no long-term loans that are due but not yet paid.

Notes to Financial Statements

As at 30 June 2012
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

30 LONG-TERM LOANS (continued)

As at 30 June 2012, the top 3 long-term loans are as follows:

Lenders	Loan start date	Loan maturity date	Currency	Interest rate (%)	30 June 2012	
					Foreign currency	Functional currency
Bank of China The Export-import Bank of China	2012-03-20	2014-03-19	USD	3.50%	81,140,000	513,202,386.00
Agricultural Bank of China – HK Branch	2012-05-17	2018-12-30	USD	LIBOR+5.0%p.a	51,800,000	327,629,820.00
	2012-01-13	2015-01-13	USD	LIBOR+1.7%p.a	48,500,000	306,757,650.00
					1,147,589,856.00	

As at 30 June 2012, the Group did not have any non-current assets held-for-sale with corresponding long-term loans.

31. BONDS PAYABLES

Face value	Issue date	Term of the bond	Price of the bond	Interest rate	30 June 2012
USD280,000,000	30 June 2011	5 years	USD275,258,022	4.25%	RMB1,752,588,733.17
USD200,000,000	24 July 2011	5 years	USD275,258,022	4.25%	RMB1,251,849,095.13

International Finance, a subsidiary of the Company, issued credit enhanced bonds with a principal value of USD280,000,000 on 30 June 2011, carrying an annual interest rate of 4.25% and mature on 30 June 2016. The issuing price was 99.276% of the principal value. Payments of principal and interest in respect of the bonds are backed by an irrevocable standby letter of credit (the "Standby Letter of Credit") issued by Bank of China Limited, Paris Branch (the "LC Bank"). Interest on the bonds is payable semi-annually in arrears.

On 24 July 2011, the second batch of bonds with a principal value of USD200,000,000 (the "Further Bonds") was issued by International Finance and according to the issuing circular, was consolidated and formed a single series with the bonds issued on 30 June 2011 (the "Original Bonds"). The issue price of the Further Bonds was based on 99.852% of the principal value, plus accrued interest in respect of the period from (excluding) 30 June 2011 to 24 July 2011. Other than the issue price, the terms of the Further Bonds are the same as the Original Bonds. Payments of principal and interest in respect of the Further Bonds are backed by the Standby Letter of Credit issued by the LC Bank, of which the maximum guarantee was raised to USD600,000,000.

As at 30 June 2012, there were no bonds that are due but not yet paid.

Notes to Financial Statements

As at 30 June 2012
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

32. LONG-TERM PAYABLES

	30 June 2012	31 December 2011
Mining rights fee not yet paid	19,831,534.00	19,598,834.00
Entrusted investment	80,586,375.90	85,671,063.00
Deposit for restoration and improvement of ecological environment in mines	85,193,686.94	82,725,517.00
Others	14,579,843.62	14,812,503.00
Sub-total	200,191,440.46	202,807,917.00
Including: Long-term payables due within one year	(37,712,700.00)	(43,212,700.00)
	162,478,740.46	159,595,217.00

As at 30 June 2012, the top 5 long-term payables are as follows:

Unit	Time to maturity	Opening balance	Annual		Closing balance	Lending criteria
			interest rate (%)	Interest payable		
Deposit for Restoration and Improvement of Ecological Environment in Mines (Note 1)	Long-term	68,320,794.27	—		68,320,794	Unsecured
Shanghang Charity Fund (Note 2)	Long-term	19,600,000.00	10	—	26,280,000	Unsecured
Committee of Jingmei Village (Note 3)	10 years	32,146,062.90	10	—	32,561,376	Unsecured
Shanghang Finance Bureau (Note 4)	10 years	56,109,000.00	—	—	22,509,000	Unsecured
Gansu Yate Investment Group Co., Ltd. (Note 5)	Long-term	9,000,000.00			9,000,000	Unsecured
		185,175,857.17		—	158,671,170	

Notes to Financial Statements

As at 30 June 2012
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

32. LONG-TERM PAYABLES (continued)

Note 1: As from 1 January 2003, the Company has provided annually a Deposit for Restoration of Ecological Environment in Closing Mines (later renamed as Deposit for Restoration and Improvement of Ecological 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 specific bank account (Note V.1 Note 1). According to the "Administrative Approach for Restoration and Improvement of Ecological 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 Ecological Environment in Mines is calculated based on the area of mines and other approved impact co-efficient.

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

Note 3: According to the agreement, the Company pays annually 10% of fixed returns to the counter party. The Company will repay the balance in an one-off fashion within the 10th year of the agreement.

Note 4: The payables represent the acquisition cost not yet paid to the Shanghang Finance Bureau in relation to the purchase cost of Zijinshan copper mining right. According to a 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 for the period	Decrease for the period	Closing balance
Expenditure for science projects	438,893.00	1,700,000.00		2,138,893.00
Environmental protection construction fund	36,332,860.00			36,332,860.00
Subsidy for mine exploration	1,200,000.00		1,200,000.00	0.00
Refund of land compensation	27,543,313.00		94,383.00	27,448,930.00
Special subsidy for integrated demonstration base (Note 1)	0.00	200,000,000.00		200,000,000.00
Other subsidies	23,155,440.00	37,030.60	3,577,844.30	19,614,626.30
Total	88,670,506.00	201,737,030.60	4,872,227.30	285,535,309.30

Note 1: Special subsidy for integrated demonstration base is a non-repayable special construction fund issued by the government to finance and subsidise the enterprise such as Zijinshan gold and copper mine which was officially approved by the State Ministry of Land and Resources and the Ministry of Finance as the first batch selected demonstration base for national mineral resources comprehensive utilization.

Notes to Financial Statements

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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 RMB2,181,196,365. The face value of each share is RMB0.1. The type and structures of the shares are shown as below:

30 June 2012

	Opening balance		Increase/(decrease) for the period		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						
Total shares with sales restrictions						
2. Shares with no sales restrictions						
A shares	15,803,803,650	72.45%			15,803,803,650	72.45%
H shares	6,008,160,000	27.55%			6,008,160,000	27.55%
Total shares with no sales restrictions	21,811,963,650	100.00%			21,811,963,650	100.00%
3. Total shares	21,811,963,650	100.00%			21,811,963,650	100.00%

Notes to Financial Statements

As at 30 June 2012
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

35. CAPITAL RESERVE

30 June 2012

	Opening balance	Increase for the period	Decrease for the period	Closing balance
Share premium	8,004,531,780.00			8,004,531,780.00
Including: Premium on acquisition of non-controlling interests of subsidiaries	(1,080,061,600.00)			(1,080,061,600.00)
Changes in fair value of business combination not under common control by steps	37,406,271.00			37,406,271.00
Share of share premium contributed by non-controlling interest in subsidiaries	72,700,130.00			72,700,130.00
Capital reserve converted into shares	(727,065,455.00)			(727,065,455.00)
Other comprehensive income (Note 1)	(314,001,615.00)		(26,899,325.76)	(340,900,940.76)
Others	(1,042,372.00)	1,608,270.12	—	565,898.12
	7,689,487,793.00	1,608,270.12	(26,899,325.76)	7,664,196,737.36

Note 1: Details of changes in other comprehensive income can be referred to Note V.50: Other comprehensive income.

36. SPECIAL RESERVE

30 June 2012

	Opening balance	Increase for the period	Decrease for the period	Closing balance
Safety fee	33,491,518.00	104,506,543.01	82,266,398.22	55,731,662.79

Notes to Financial Statements

As at 30 June 2012
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

37. STATUTORY RESERVE

30 June 2012

	Opening balance	Increase for the period	Decrease for the period	Closing balance
Statutory reserve	1,319,401,104.00	—	—	1,319,401,104.00

According to Company Law and the Company's articles of association, the Company provides 10% of net profits as statutory reserve. When accumulated statutory reserve reaches or exceeds 50% of the Company's registered capital, the Company can make no provision for it.

The Company can provide for discretionary reserve after the provision of statutory reserve is made. The discretionary reserve can be used to offset accumulated losses of previous years or increase the share capital with relevant approvals.

38. RETAINED PROFITS

	30 June 2012	31 December 2011
Retained profits at the beginning of period	14,004,152,348.00	10,065,314,920
Net profits attributable to the owners of the parent	2,384,712,524.71	5,712,569,100
Less: Transfer to statutory reserve	—	319,600,762
Proposed final dividend	2,181,196,365.00	1,454,130,910
Retained profits at the end of period	14,207,668,507.71	14,004,152,348

Notes to Financial Statements

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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 2012	31 December 2011
Xinjiang Ashele Copper Company Limited	925,776,316.41	897,883,050
Bayannaoer Zijin Non-ferrous Metals Company Limited	347,324,779.78	359,939,618
Huanmin Mining Company Limited	246,320,094.01	248,580,849
Guizhou Zijin Mining Company Limited	454,226,297.46	445,630,439
Heilongjiang Duobaoshan Copper Company Limited	453,782,310.19	454,727,282
Wenshan Malipo Zijin Tungsten Group Company Limited	283,953,877.22	273,118,233
Yunnan Huaxi Mineral Resources Company Limited	235,334,832.55	257,307,364
Chongli Zijin Mining Company Limited	184,953,733.94	214,608,669
Neimeng Jinhua Gold Exploration Company Limited	142,413,192.90	155,697,301
Altynken Limited Liability Company	137,950,598.54	145,990,333
Long Province Resources Company Limited	122,426,709.50	133,628,430
Henan Jinda Mining Co., Ltd.	98,777,784.00	98,777,784
Gansu Yate Mining Company Limited	99,861,365.03	95,580,832
Luoyang Yinhui Gold Refinery Company Limited	44,558,422.27	86,312,292
Sanming City Hongguo Mining Company Limited	86,096,074.59	86,100,000
Sino Trend Hydro Power Investment Ltd.	76,330,062.35	71,457,357
Others	1,140,815,300.06	1,098,726,191
	5,080,901,750.80	5,124,066,024

Notes to Financial Statements

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

40. OPERATING REVENUE AND COST

Operating revenue is shown as below:

	For the six months ended 30 June 2012	For the six months ended 30 June 2011
Revenue from main operations	20,507,368,899.43	15,561,655,009.63
Revenue from other operations	485,155,497.04	290,612,775.31
	20,992,524,396.47	15,852,267,784.94

Operating cost is shown as below:

	For the six months ended 30 June 2012	For the six months ended 30 June 2011
Cost of main operations	15,166,576,235.84	9,941,566,778.12
Cost of other operations	363,810,126.67	168,881,215.24
	15,530,386,362.51	10,110,447,993.36

Operating segment information is set out below:

	For the six months ended 30 June 2012		For the six months ended 30 June 2011	
	Revenue	Cost	Revenue	Cost
Gold bullion	3,393,681,205.54	984,749,959.84	3,146,098,964.78	737,263,649.56
Processed gold	9,279,953,675.90	9,004,017,122.31	5,897,344,478.40	5,711,853,708.93
Ore concentrates	3,571,935,846.13	1,197,212,990.45	3,867,163,269.49	1,080,828,770.45
Zinc bullion	1,193,801,863.74	1,137,450,594.96	1,388,664,621.47	1,307,942,537.32
Copper cathodes	1,608,807,020.31	1,604,200,926.87	149,423,559.07	94,153,139.22
Others	1,459,189,287.81	1,238,944,641.41	1,112,960,116.42	1,009,524,972.64
	20,507,368,899.43	15,166,576,235.84	15,561,655,009.63	9,941,566,778.12

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.

Notes to Financial Statements

As at 30 June 2012
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

40. OPERATING REVENUE AND COST (continued)

During the first half of 2012 and the year of 2011, more than 98% of the operating revenue comes from the sales of commodity. As such, the management of the Group considers 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 2012 is shown below:

	For the six months ended 30 June 2012	Percentage of total operating revenue
Shanghai Gold Exchange*	11,645,292,758.28	55.47%
Jinchuan Group Co., Ltd.	781,932,719.92	3.72%
Silver Non-ferrous Metal Co.	779,238,680.55	3.71%
Shanghai Shangmin Metal Materials Co., Ltd.	510,022,104.87	2.43%
Wuhan Central Western Steel Trading Co., Ltd.	337,376,798.33	1.61%
	14,053,863,061.95	66.94%

* The ultimate customers are not known.

41. SALES TAXES AND LEVIES

	For the six months ended 30 June 2012	For the six months ended 30 June 2011
Business Tax	20,468,731.12	12,963,633.91
Urban Maintenance and Construction Tax	19,239,089.37	16,927,287.20
Resources Tax	160,806,852.79	117,732,148.74
Educational levies	23,230,434.44	19,126,330.36
Others	8,713,221.13	3,261,292.53
	232,458,328.85	170,010,692.74

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

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

42. FINANCE COSTS

	For the six months ended 30 June 2012	For the six months ended 30 June 2011
Interest expenses (Note 1)	347,329,343.63	259,629,549.79
Less: Interest income	(60,841,606.78)	(143,369,487.97)
Exchange gains	30,285,583.06	(12,577,664.74)
Others	11,049,780.96	35,489,526.00
	327,823,100.87	139,171,923.08

Capitalised finance costs are included in construction in progress. For the six months ended 30 June 2012, the above mentioned interest income did not include the interest income that arises from the impaired financial assets (six months ended 30 June 2011: nil).

Note 1: The above interest expenses included interest of RMB64,373,466.51 on bonds payable for the six months ended 30 June 2012.

43. IMPAIRMENT PROVISION OF ASSETS

	For the six months ended 30 June 2012	For the six months ended 30 June 2011
Bad debt provision for trade and other receivables	375.00	18,240.00
Write down of inventories to net realizable value	—	—
Impairment provision for long-term equity investments	—	—
Impairment provision for construction in progress	—	—
Impairment provision for fixed assets	—	105,680,368.00
Impairment provision for goodwill	—	44,319,632.00
Impairment provision for intangible assets	—	37,735,000.00
	375.00	187,753,240.00

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

44. GAINS/LOSSES FROM CHANGES IN FAIR VALUE

	For the six months ended 30 June 2012	For the six months ended 30 June 2011
Share investment	(19,177,782.20)	157,318,011.88
Futures hedging	(16,767,802.19)	—
Futures contract and gold leasing	(28,231,058.92)	996,366.83
	(64,176,643.31)	158,314,378.71

45. INVESTMENT INCOME

	For the six months ended 30 June 2012	For the six months ended 30 June 2011
Investment income from long-term equity investments recognized and measured by equity method	121,606,792.29	120,029,043.83
Investment income from long-term equity investments recognized and measured by cost method	—	230,000.00
Investment income from disposal of certain subsidiaries	—	7,658,530.60
Investment gains/losses from disposal of held-for-trading financial assets (Note 1)	134,264,857.10	20,701,231.39
Interest income from Glencore's bonds	—	32,433,180.00
Investment income from disposal of available-for-sale financial assets (Note 2)	—	—
Others	(7,912,230.33)	39,396.36
	247,959,419.06	181,091,382.18

Note 1: During the reporting period of 2012, the investment income from the disposal of held-for-trading financial assets includes the gains of RMB131,226,802 from the settlement of futures contracts (six months ended 30 June 2011: RMB20,701,231).

Note 2: On 5 May 2011, the Company sold all the portion of shares it held in Continental Minerals Corporation ("Continental Minerals"), a company listed in Canada, to an offeror for an investment income of RMB227,153,047.21, as recognized in the 2011 interim report. The Company subsequently entered into agreements with the same offeror in July and November 2011 to acquire 45% equity interest of Gold Eagle Mining Investment Limited ("Gold Eagle"), a subsidiary of the offeror. As the sale of shares of Continental Minerals and acquisition of equity interests of Gold Eagle involved the same mining assets and the acquisition of equity interests of Gold Eagle was formally concluded around a 6-month period after the sale of shares of Continental Minerals, as a matter of prudence, the Company reversed the investment income in the annual consolidated financial statements of year 2011, which was recognized in the 2011 interim report. For sake of the comparability between 2012 and 2011 interim reports, the Company has made relevant adjustment to 2011 interim results in this report and reversed the investment income recognized in the 2011 interim report.

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As at 30 June 2012
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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 to total profits from long-term equity investments recognized and measured by cost method:

Investees	For the six months ended 30 June 2012	For the six months ended 30 June 2011	Reason for the change between current period and last period
Nanjing China Net Communication Co., Ltd.	—	100,000	No dividend for the period
Luoyang Commercial Bank	—	130,000	No dividend for the period
	—	230,000	

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

Investees	For the six months ended 30 June 2012	For the six months ended 30 June 2011	Reason for the change between current period and last period
Shandong Guoda	22,482,408.38	13,615,217.37	Change in net profit of the investee
Wancheng Commercial Mining Co., Ltd.	67,829,510.05	102,939,398.13	Change in net profit of the investee
Fujian Haixia Kehua Joint Stock Company Limited	19,568,748.86	15,142,426.00	Change in net profit of the investee
Fujian Makeng Mining Co., Ltd.	13,998,007.66	18,571,733.16	Change in net profit of the investee
Ting River Hydro-power Co., Ltd.	1,877,004.23	2,637,317.44	Change in net profit of the investee
	125,755,679.18	152,906,092.10	

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

As at 30 June 2012, there is no material restrictions on the realisation of the investment income back to the Group.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

46. NON-OPERATING INCOME

	For the six months ended 30 June 2012	For the six months ended 30 June 2011
Gain on disposal of non-current assets	516,956.78	1,165,604.53
Including: Gain on disposal of fixed assets	516,956.78	803,083.80
Gain on disposal of intangible assets	—	—
Net income from penalty	3,084,427.42	1,073,625.68
Government grants	38,012,706.75	29,747,202.41
Others	6,513,090.93	16,252,161.53
	48,127,181.88	48,238,594.15

Government grants taking into account the gains/losses for the current period are set out below:

	For the six months ended 30 June 2012	For the six months ended 30 June 2011
Government grants related to assets	167,465.10	8,268,276.59
Grants related to technological improvement projects	94,383.00	178,276.59
Grants related to environmental protection	73,082.10	—
Exploration fee	—	8,090,000.00
Scientific research fee	—	—
Others	—	—
Government grants related to income	37,845,241.65	21,478,925.82
Special government incentives	10,032,600.00	8,092,499.00
Tax refund	1,691,044.72	5,327,689.41
Others	26,121,596.93	8,058,737.41
	38,012,706.75	29,747,202.41

Notes to Financial Statements

As at 30 June 2012
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

47. NON-OPERATING EXPENSES

	For the six months ended 30 June 2012	For the six months ended 30 June 2011
Donation	88,681,704.78	65,005,319.38
Loss on disposal of non-current assets	10,051,804.50	13,274,895.44
Including: Loss on disposal of fixed assets	10,051,804.50	13,274,895.44
Loss on disposal of intangible assets	—	—
Penalty expenses	5,680,240.94	4,472,054.22
Others	4,257,636.15	8,728,512.55
	108,671,386.37	91,480,781.59

48. INCOME TAX

	For the six months ended 30 June 2012	For the six months ended 30 June 2011
Current income tax	1,086,180,490.47	1,160,610,930.07
Deferred income tax	(82,196,777.92)	(23,540,702.54)
	1,003,983,712.55	1,137,070,227.53

Notes to Financial Statements

As at 30 June 2012
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

48. INCOME TAX (continued)

The reconciliation from total profits to income tax is shown below:

	For the six months ended 30 June 2012	For the six months ended 30 June 2011
Total profits	3,843,996,436.40	4,674,599,899.80
Income tax calculated based on applicable tax rate (Note 1)	960,999,109.10	1,168,649,974.95
Effect on different tax rates applicable to certain subsidiaries	(15,249,645.36)	(37,102,123.82)
Underprovision/(overprovision) in prior years	(21,590,071.00)	(5,591,756.49)
Non-taxable income	(42,487,268.36)	(39,178,766.96)
Non-deductible expenses and unrecognized temporary timing differences and deductible losses	110,739,103.79	50,292,899.85
Others	11,572,484.38	
Income tax charge at the Group's effective tax rate	1,003,983,712.55	1,137,070,227.53

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

Notes to Financial Statements

As at 30 June 2012
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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 ordinary shares in issue. 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 potential dilution on the ordinary shares.

Basic earnings per share is calculated as follows:

	For the six months ended 30 June 2012	For the six months ended 30 June 2011
Profit		
Net profit attributable to the equity holders of the parent	2,384,712,524.71	2,978,982,425.55
Shares		
The weighted average number of ordinary shares in issue	21,811,963,650	21,811,963,650

Notes to Financial Statements

As at 30 June 2012
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

50. OTHER COMPREHENSIVE INCOME

	For the six months ended 30 June 2012	For the six months ended 30 June 2011
Gain/(loss) related to available-for-sale financial assets	(68,483,957.32)	(121,494,237.71)
Less: Effects on income tax related to available-for-sale financial assets	(8,372,409.44)	—
Reclassification adjustments for gains included in the consolidated income statement	(33,212,222.12)	—
	(26,899,325.76)	(121,494,237.71)
Share of other comprehensive income of investee recognized and measured by equity method		
Exchange differences on the translation of foreign operations	20,590,164.01	(25,500,730.24)
	(6,309,161.75)	(146,994,967.95)

Notes to Financial Statements

As at 30 June 2012
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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 2012	For the six months ended 30 June 2011
Other cash paid relating to operating activities	536,967,561.37	412,247,871.21
Including: Selling expenses	41,227,971.79	36,769,365.68
Administrative expenses	292,976,716.04	203,899,813.15
Donations	91,211,704.78	107,483,838.71
Cash paid for security deposits	40,583,275.42	31,958,685.08
Others	70,967,893.34	32,136,168.59
Other cash receipts relating to investing activities	442,471,314.84	402,456,303.73
Including: Cash received from time deposit	—	399,424,484.12
Others	442,471,314.84	3,031,819.61
Other cash payments relating to investing activities	689,888,619.47	138,339,881.29
Including: Security deposits for futures	—	
Cash payment for acquiring non-controlling interests	99,000,000.00	93,500,000.00
Others	590,888,619.47	44,839,881.29
Other cash payment relating to financing activities	108,732,949.25	260,459,550.97
Including: Pledged cash for loan	200,000.00	249,000,000.00
Handling charges	11,049,780.96	—
Others	97,483,168.29	11,459,550.97

Notes to Financial Statements

As at 30 June 2012
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

52. SELLING EXPENSES

	For the six months ended 30 June 2012	For the six months ended 30 June 2011
Staff salaries and welfare	17,878,816.69	12,599,057.73
Transportation	228,703,954.27	126,172,910.82
Loading charges	4,647,753.45	3,292,025.39
Storage fees	1,466,299.21	1,857,351.54
Packaging	3,008,018.45	2,442,929.07
Insurance	2,098,343.14	1,012,430.30
Agency handling charges on consignment sales	8,000,914.09	7,675,997.59
Advertising	1,115,291.85	200,078.20
Depreciation	2,593,439.50	1,709,444.35
Consumables	3,395,976.38	3,370,730.05
Others	20,891,351.60	16,938,333.31
	293,800,158.63	177,271,288.35

53. ADMINISTRATIVE EXPENSES

	For the six months ended 30 June 2012	For the six months ended 30 June 2011
Staff salaries and welfare	303,642,748.54	235,890,104.06
Office fees	23,511,308.10	18,160,093.56
Business travel and conferences	24,351,751.16	17,338,225.62
Various regulatory fees	132,719,352.40	167,552,024.97
Various taxes	32,271,391.46	19,887,129.02
Depreciation	77,050,853.40	44,218,242.11
Research and development	43,744,500.98	38,973,262.47
Audit fee	7,160,596.31	5,938,104.68
Entertainment	25,688,766.21	20,595,007.39
Repair and maintenance	3,378,758.20	3,021,417.01
Start-up costs	1,501,040.44	5,590,813.59
Professional consultancy fees	29,991,023.82	8,370,413.20
Asset insurance	4,895,834.49	1,301,520.97
Others	177,390,279.96	102,339,962.41
	887,298,205.47	689,176,321.06

Notes to Financial Statements

As at 30 June 2012
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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. Subsidiaries

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.

Notes to Financial Statements

As at 30 June 2012
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VI. RELATED PARTY TRANSACTIONS (continued)

4. Other related party

Name of related party	Relationship with the Company	Organisation code
Fujian Xinhua Engineering Company Limited ("Xinhua Engineering") (Note 1)	Subsidiary of the shareholder of the Company	70536011-0
Xinjiang Non-ferrous Metal Industry (Group) Company Limited ("Xinjiang Non-ferrous Metal")	A non-controlling shareholder of Xinjiang Ashele	73446875-3
Xinjian Non-ferrous Logistics Co., Ltd. ("Xinjian Logistics")	A non-controlling shareholder of Xinjiang Ashele	73446875-3
Sichuan Bureau of Geology and Mineral Resources Exploration Development ("Sichuan Geology")	A non-controlling shareholder of Sichuan Ganzi Zijin Co., Ltd.	45072463-9
Shanghang Hongyang Mine Engineering Co. ("Hongyang Mine")	A non-controlling shareholder of Guizhou Zijin and Hunchun Zijin	70532775-9
Longxiang Group	A non-controlling shareholder of Shanghang Jinshan Hydro Power Station Co., Ltd.	72644183-3
Guangxi Wantaicheng Construction and Investment Co., Ltd. ("Guangxi Wantaicheng")	A non-controlling shareholder of Wuqia Jinwang	29994242-1
Chongli Finance Bureau State-owned Assets Management Centre	A non-controlling shareholder of Chongli Zijin	N/A
Jilin The Sixth Geological Survey	A non-controlling shareholder of Hunchun Zijin	605390056
Tongling Jinchan	A non-controlling shareholder of Tongling Zijin	748938437
Gu Xinguang	A non-controlling shareholder of Xinjiang Jinbao	N/A
Xiamen Mine Communication Tech. Co., Ltd. ("Xiamen Mine Communication Tech")	The company on which the related party of the Company places significant influences	76172376-4
China Heilongjiang Longxing International Resources Development Group Co., Ltd.	A non-controlling shareholder of Heilongjiang Longxing	772632200

Note 1: The connected natural person of the Company, Mr. Chen Fashu has transferred the 51% interest in all of Xinhua Engineering to an independent third party, and completed the change of business registration in May 2011. According to the Listing Rules of the Shanghai Stock Exchange, Xinhua Engineering will not be a connected person of the Company immediately after 12 months from the date when the change of business registration is completed.

Notes to Financial Statements

As at 30 June 2012
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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	For the six months ended 30 June 2012		For the six months ended 30 June 2011	
	Amount	Percentage (%)	Amount	Percentage (%)
Shandong Guoda (Note 1) Sales of gold and copper ores	171,956,835.67	0.82	161,357,770.38	1.02
Xinjiang Non-ferrous Metal (Note 1) Sales of copper concentrates	29,564,008.93	0.14	—	—
	201,520,844.60	0.96	161,357,770.38	1.02

(B) Commodity purchases from related party

Trading nature	For the six months ended 30 June 2012		For the six months ended 30 June 2011	
	Amount	Percentage (%)	Amount	Percentage (%)
Wancheng Commercial (Note 1) Purchase of zinc concentrates	130,591,517.10	0.84	181,923,022.45	2.41
Haixia Kehua (Note 1) Purchase of raw materials	14,101,618.06	0.09	13,009,771.40	0.17
	144,693,135.16	0.93	194,932,793.85	2.58

(C) Providing service to related party

Trading nature	For the six months ended 30 June 2012		For the six months ended 30 June 2011	
	Amount	Percentage (%)	Amount	Percentage (%)
Tibet Yulong (Note 1) Provision of engineering service	—	—	3,613,482.55	2.23

Notes to Financial Statements

As at 30 June 2012
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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	For the six months ended 30 June 2012		For the six months ended 30 June 2011	
	Amount	Percentage (%)	Amount	Percentage (%)
Xinjiang Non-ferrous Metal (Note 1) Transportation	1,588,359.26	0.01	1,746,125.90	0.04
Xinhuadu Engineering (Note 1) Mining service	97,082,711.08	0.63	53,940,750.80	1.22
	98,671,070.34	0.64	55,686,876.70	1.26

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 parties.

(E) Acquisition of equity interest from related party

Name of related party	Trading nature	Note	For the six months ended 30 June 2012	For the six months ended 30 June 2011
Minxi Xinghang	Purchase of 46.5% equity interest in Jinyi Copper	IV.1 Note 56	—	93,500,000.00

Notes to Financial Statements

As at 30 June 2012
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VI. RELATED PARTY TRANSACTIONS (continued)

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

(F) Guarantee to related party

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

30 June 2012

Guarantor	Guaranteed company	Guarantee amount	Guarantee start date	Guarantee expiry date	Is guarantee lapsed
The Company	Wengfu Zijin Chemical (Note VII.2)	396,000,000	28 April 2011	27 April 2019	No
North West Company	Xinjiang Tianlong (Note VII.3)	28,400,000	31 October 2011	31 October 2013	No
Zijin Investment	Ting River Hydropower (Note VII.1)	30,000,000	31 January 2005	30 January 2014	No
Xinjiang Ashele	Wuxin Copper	34,000,000	17 January 2012	17 January 2014	No
		488,400,000			

30 June 2011

Guarantor	Guaranteed company	Guarantee amount	Guarantee start date	Guarantee expiry date	Is guarantee lapsed
Zijin Investment	Ting River Hydropower	50,000,000	31 January 2005	30 January 2014	No
The Company	Zijin Tongguan	108,000,000	11 June 2007	10 June 2017	No
The Company	Wengfu Zijin Chemical	48,000,000	28 April 2011	27 April 2019	No
		206,000,000			

(2) Related party as guarantor of bank loan to the Group

30 June 2012

Guarantor	Guaranteed company	Guarantee amount	Guarantee start date	Guarantee expiry date	Is guarantee lapsed
China Heilongjiang Longxing International Resources Development Group Co., Ltd.	Heilongjiang Longxing	USD23,100,000	29 December 2011	29 December 2018	No

Notes to Financial Statements

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VI. RELATED PARTY TRANSACTIONS (continued)

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

(G) Loan to related party

30 June 2012

Name of borrower	Note	Loan		
		Amount	Start date	Expiry date
Ting River Hydropower	Note 1	20,000,000	12 November 2010	11 November 2013
Ting River Hydropower	Note 1	10,000,000	31 August 2011	30 August 2014

2011

Name of borrower	Note	Loan		
		Amount	Start date	Expiry date
Ting River Hydropower	Note 1	20,000,000	12 November 2010	11 November 2013
Ting River Hydropower	Note 1	10,000,000	31 August 2011	30 August 2014

Note 1: Finance Company, a subsidiary of the Company, and Ting River Hydropower entered into a loan agreement on 12 November 2010. Finance Company provided a loan of RMB20,000,000 with an interest rate of 5.6% per annum and maturity on 11 November 2013, the loan is unsecured. Finance Company and Ting River Hydropower entered into a supplementary agreement on 31 August 2011, Finance Company provided Ting River Hydropower an additional loan at an amount of RMB10,000,000 with an interest rate of 6.9825% per annum and maturity on 30 August 2014, the loans are unsecured.

(H) Salaries of key management staff and directors

	For the six months ended 30 June 2012		For the six months ended 30 June 2011	
	Amount	Percentage (%)	Amount	Percentage (%)
Salaries of directors	13,495,070.77	1.77%	13,435,673.88	2.50%
Salaries of key management staff	9,755,909.54	1.28%	9,330,187.50	1.74%
	23,250,980.31	3.05%	22,765,861.38	4.24%

Notes to Financial Statements

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VI. RELATED PARTY TRANSACTIONS (continued)

6 Related party balances in receivables and payables

Trade receivables	30 June 2012	31 December 2011
Tibet Yulong	26,100.00	28,406
Haixia Kehua	—	10,060
Shandong Guoda	—	1,722,937
	26,100.00	1,761,403
Dividends payables	30 June 2012	31 December 2011
Tongling Jinchan	—	17,841,100.00
Chongli Finance Bureau State-owned Assets Management Centre	6,000,000.00	—
	6,000,000.00	17,841,100.00
Trade payables	30 June 2012	31 December 2011
Haixia Kehua	3,263,422.67	672,495
Fujian Xinhua Engineering Company Limited	6,594,442.17	5,872,276
Xiamen Mine Communication Tech	783,544.17	68,259
	10,641,409.01	6,613,030
Other receivables		
Chongli Finance Bureau State-owned Assets Management Centre	—	30,082,674
Zijin Tongguan	127,395,767.61	—
Sichuan Geology	—	2,000,000
Wancheng Commercial	2,200.63	106,516
Ting River Hydropower	28,388,158.69	—
Makeng Mining	23,505.98	—
Tibet Yulong	64,182.38	—
Longxiang Group	20,315,666.65	31,490,333
	176,189,481.94	63,679,523

Notes to Financial Statements

As at 30 June 2012
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VI. RELATED PARTY TRANSACTIONS (continued)

6 Related party balances in receivables and payables (continued)

	30 June 2012	31 December 2011
Other payables		
Sichuan Geology	100,000.00	—
Hongyang Mine	4,747,242.92	7,792,158
Zijin Tongguan	12,520,113.08	—
Fujian Xinhua Engineering Company Limited	15,300,439.17	18,377,522
Xiamen Mine Communication Tech	1,685,535.74	1,586,116
	34,353,330.91	27,755,796
Advance to suppliers		
Wancheng Commercial	2,431,549.72	203,032,907.00
Fujian Xinhua Engineering Company Limited	34,748,111.32	767,888.00
Tibet Yulong	1,852.90	—
Xiamen Mine Communication Tech	181,934.70	3,278,364.00
	37,363,448.64	207,079,159.00
Advances from clients		
Tibet Yulong	3,743,319.35	—
Shandong Guoda	4,272,288.84	748,248.00
	8,015,608.19	748,248.00
Other non-current assets		
Tibet Yulong	132,000,000.00	132,000,000.00

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

Notes to Financial Statements

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VII. CONTINGENT EVENTS

	30 June 2012	31 December 2011
Contingent liabilities arising from external guarantees		
Ting River Hydropower (Note 1)	30,000,000.00	30,000,000
Zijin Tongguan	—	108,000,000
Wengfu Zijin Chemical (Note 2)	396,000,000.00	204,000,000
Xinjiang Tianlong (Note 3)	28,400,000.00	30,000,000
Wuxin Copper (Note 4)	34,000,000.00	—
Mortgage guarantee for small property owners (Note 5)	202,546,000.00	106,247,782
Subtotal	690,946,000.00	478,247,782
Contingent liabilities arising from pending litigations (Note 6)	416,553,960.00	416,553,960.00
Total	1,107,499,960.00	894,801,742.00

Note 1: As at 30 June 2012, Zijin Investment, a subsidiary of the Company, granted to Ting River Hydropower, an associate of the Company, a maximum joint and several guarantee in respect of bank loans at an amount of RMB50,000,000 (31 December 2011: RMB50,000,000). As at 30 June 2012, Ting River Hydropower has utilised the facility of RMB30,000,000 (31 December 2011: RMB30,000,000).

Note 2: As at 30 June 2012, the Company granted to Wengfu Zijin Chemical, an associate of the Company, a maximum joint and several guarantee in respect of bank loans at an amount of RMB450,000,000 based on the proportion of shareholding. (31 December 2011: RMB450,000,000). As at 30 June 2012, Wengfu Zijin Chemical has utilised the facility of RMB396,000,000 (31 December 2011: RMB204,000,000).

Note 3: As at 30 June 2012, North West Company, a subsidiary of the Company, granted to Xinjiang Tianlong, an associate of the Company, a maximum joint and several guarantee in respect of bank loans at an amount of RMB60,000,000. (31 December 2011: RMB60,000,000). As at 30 June 2012, Xinjiang Tianlong has utilized the facility of RMB28,400,000 (31 December 2011: RMB30,000,000).

Note 4: As at 30 June 2012, Xinjiang Ashele Copper Company, a subsidiary of the Company, granted to Wuxin Copper, an associate of the Company, a maximum joint and several guarantee in respect of bank loans at an amount of RMB34,000,000. (31 December 2011: Nil). As at 30 June 2012, Wuxin Copper has utilized the facility of RMB34,000,000 (31 December 2011: Nil).

Note 5: As at 30 June 2012, Zijin Real Estate, a subsidiary of the Company, granted to small property owners mortgage guarantees in respect of bank loans at an amount of RMB202,546,000 (31 December 2011: RMB106,247,782).

Note 6: On 21 September 2010, the tailing pool dam of Xinyi Yinyan Tin Mine of Xinyi Zijin, a wholly-owned subsidiary of the Group, overflow and broke, causing casualties and property damages downstream as a result of the heavy rainfall and mudflow brought by the Typhoon No.11 - "Fanapi". As at 30 June 2012, the claims arising from the litigation of the incident was RMB416,553,960. Currently, the related litigations are still in progress. According to the opinions of the legal advisors, the Group is still in the process of estimating the amount of compensation due to the complexity of the legal cases.

The management of the Group considers that the possibility of the guaranteed companies' non-repayment or failure in fulfilling their borrowers' 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.

Notes to Financial Statements

As at 30 June 2012
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VIII. COMMITMENTS

		30 June 2012	31 December 2011
Capital Commitments			
Contracted, but not provided	Note 1	2,202,261,882.21	1,961,331,442
Approved by the Board of directors, but not contracted	Note 2	727,467,095.95	1,513,892,487
		2,929,728,978.16	3,475,223,929
		30 June 2012	31 December 2011
Investment commitments			
Contracted, but not provided	Note 3	74,400,000.00	1,507,373,728
Approved by the Board of directors, but not contracted	Notes 4 & 5	1,267,000,000.00	99,000,000
		1,341,400,000.00	1,606,373,728

Note 1: As at 30 June 2012, this item includes capital commitments of RMB2,202,261,882.21 which is related to the construction of factory buildings, purchase of machinery and construction in mines (at the end of 2011: RMB1,961,331,442).

Note 2: As at 30 June 2012, this item includes capital commitments of RMB727,467,095.95 which is related to the construction of factory buildings, purchase of machinery and construction in mines (at the end of 2011: RMB1,513,892,487).

Note 3: According to the cooperation agreement entered into among the Company's subsidiary, Fuyun Jinshan Mining Company Limited ("Fuyun Jinshan"), Xinjiang Jinbao Mining Company Limited ("Xinjiang Jinbao") and Turpan Yurun Iron and Steel Industry Trading Company Limited ("Yurun Iron") on 9 January 2012, the parties jointly invested to establish Xinjiang Aleitai Jinhao Iron Industry Company Limited ("Jinhao Iron"), the shareholding ratios were 51%, 10% and 39%, respectively. The initial registered capital of Jinhao Iron is RMB10 million, which will be increased to RMB500 million later, in which Fuyun Jinshan will invest RMB200 million as contribution in kind and RMB55 million as monetary contribution; Xinjiang Jinbao will invest RMB50 million as monetary contribution; Yurun Iron will invest RMB195 million as monetary contribution. As at 30 June 2012, Fuyun Jinshan and Xinjiang Jinbao invested RMB5.1 million and RMB25.5 million in cash respectively, remaining RMB49.90 million and RMB24.50 million not yet invested respectively.

Note 4: As at 30 June 2012, the investment committee of the Company basically approved the investment proposal of Zijin Real Estate "in relation to the bid of the land section F in financial district of Longyan City with ICBC – Longyan branch and its subsequent construction". The whole investment project involved approximately RMB160 million.

Note 5: Through the Company's wholly owned subsidiary Jinyu (H.K.) International Mining Company Limited ("Jinyu"), the Company issued a conditional off-market cash offer takeover bid of A\$0.25 per share (equivalent to approximately RMB1.535) for all the issued shares of Norton Gold Fields Limited ("Norton") (except for the shares held by the Company and its subsidiaries), including any newly issued shares for any existing options exercised in accordance with related terms before the offer close. The transaction amount of this offer amounted to approximately A\$180,300,000, equivalent to approximately RMB1.107 billion.

Notes to Financial Statements

As at 30 June 2012

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IX. POST BALANCE SHEET EVENT

Through the Company's wholly owned subsidiary, Jinyu, the Company issued a conditional off-market cash offer takeover bid for all the issued shares of Norton. As at the date of the report, the Company has acquired over 50% equity interest of Norton (including 16.98% equity interest already owned by the Company before the offer). As announced on 3 August 2012, the Company has obtained control over a majority of the Norton shares and Norton's board of directors has been reconstituted.

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 irrevocable operating leases as follows:

	30 June 2012	30 June 2011
Within 1 year (Including 1 year)	4,765,059	5,233,021
1 to 2 years (Including 2 years)	4,563,719	5,233,021
2 to 3 years (Including 3 years)	4,563,719	5,233,021
Over 3 years	3,519,325	12,865,963
	17,411,822	28,565,026

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 irrevocable operating leases falling due as follows:

	30 June 2012	30 June 2011
Within 1 year (Including 1 year)	2,436,926.78	1,643,000
1 to 2 years (Including 2 years)	1,509,231.70	1,200,000
2 to 3 years (Including 3 years)	1,200,000.00	1,220,000
Over 3 years	600,000.00	—
	5,746,158.48	4,063,000

Notes to Financial Statements

As at 30 June 2012
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X. OTHER SIGNIFICANT MATTERS (continued)

3. Assets and liabilities measured at fair value

30 June 2012

Items	Opening balance	Changes in fair value for the period as gains/(losses)	Accumulated changes in fair value recognized as equity	Impairment provided for the period	Closing balance
Financial assets					
Financial assets measured at fair value through profit or loss (excluding derivative financial assets)	177,456,835.00	(25,112,659.77)			131,726,843.90
Derivative financial assets	86,572,168.00	(19,177,782.20)			214,164,249.48
Available-for-sale financial assets	938,012,473.00		(26,899,325.76)		834,654,454.23
	1,202,041,476.00	(44,290,441.97)	(26,899,325.76)		1,180,545,547.61
Financial liabilities	4,005,648,200.00	(19,886,201.34)			5,697,727,002.43

Notes to Financial Statements

As at 30 June 2012
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X. OTHER SIGNIFICANT MATTERS (continued)

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:

- (a) the gold bullion segment is the production of gold bullion through the Group's integrated processes, i.e., mining, processing and refining;
- (b) the processed gold segment is the production of gold bullion by refining gold concentrates;
- (c) the copper cathodes segment is the production of copper cathodes;
- (d) the zinc bullion segment is the production of zinc bullion;
- (e) the ore concentrates segment comprises, principally, the production of gold concentrates, copper concentrates, zinc concentrates and iron concentrates; and
- (f) others segment comprises, principally, the production of vitriol, 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.

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, interest-bearing bank 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

As at 30 June 2012
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X. OTHER SIGNIFICANT MATTERS (continued)

4. OPERATING SEGMENT INFORMATION (continued)

For the six months ended 30 June 2012

Items	Gold bullion	Processed gold	Copper cathodes	Refinery copper	Copper concentrates	Ore concentrates	Zinc bullion	Others	Unallocated assets, liabilities and operating expenses	Eliminations	Consolidated
1. Operating revenue including Sales to external customers	3,394,666,179.16	9,495,887,104.36	61,523,627.71	1,647,884,958.13	1,909,512,258.72	2,572,159,191.51	1,193,801,863.74	2,755,870,842.28	0.00	(2,038,781,629.14)	20,992,524,396.47
In-segment sales	3,393,681,205.54	9,279,953,675.90	41,388,503.61	1,567,418,516.70	1,620,717,866.42	1,951,217,979.71	1,193,801,863.74	1,944,344,784.85		(2,038,781,629.14)	20,992,524,396.47
2. Operating expenses including: (1) Operating cost	984,973.62	215,933,428.46	20,135,124.10	80,466,441.43	288,794,392.30	620,941,211.80	0.00	811,526,057.43	0.00		
Including: (1) Operating cost	(1,000,023,234.75)	(9,456,953,847.19)	(65,843,604.25)	(1,697,308,632.17)	(542,857,828.34)	(1,066,946,265.14)	(1,220,187,226.80)	(2,287,834,746.12)	0.00	1,808,269,022.25	(15,530,386,362.51)
Including: Cost of sales to external customers	(964,749,959.84)	(9,004,017,122.31)	(34,624,419.14)	(1,569,576,507.73)	(417,435,816.93)	(779,777,173.52)	(1,137,450,594.96)	(1,602,754,768.08)			
In-segment cost	(15,873,274.91)	(452,936,724.88)	(31,219,185.11)	(127,932,124.44)	(125,422,011.41)	(287,069,091.62)	(82,736,631.84)	(685,079,978.04)	0.00	1,808,269,022.25	
(2) Sales taxes and levies	(82,048,985.77)	(3,000.00)	0.00	(5,565.26)	(56,451,399.84)	(66,351,070.59)	(1,570,688.67)	(25,827,618.72)	0.00	0.00	(232,458,328.85)
(3) Others	(93,661,248.01)	(25,338,571.26)	(12,253,143.80)	(21,961,349.78)	(163,526,124.83)	(278,012,405.55)	(62,233,909.64)	(172,767,573.56)	(679,267,138.54)	0.00	(1,508,921,464.97)
3. Operating profit	2,233,221,011.92	250,594,982.33	(5,489,059.33)	(24,024,906.07)	983,304,524.83	826,877,330.05	(7,453,329.53)	142,994,824.49	(679,267,138.54)		3,720,758,240.15
4. Total assets	7,380,286,860.56	2,292,340,131.12	3,888,041,404.63	4,950,757,794.78	3,480,975,967.70	10,782,842,728.84	3,635,810,985.79	12,371,517,309.42	11,654,751,229.90		60,437,124,412.74
5. Total liabilities	2,473,163,151.88	1,090,526,675.21	1,577,862,033.49	3,193,406,370.16	565,544,880.81	6,570,558,319.53	2,395,185,198.20	3,979,214,307.01	8,281,095,379.77		30,126,556,316.07
6. Supplemental information											0.00
(1) Depreciation and amortisation expenses	123,455,672.79	86,231,425.53	9,612,926.88	44,862,672.27	140,065,727.92	223,714,201.80	63,572,942.27	110,021,972.38			801,537,541.84
(2) Capital expenditure	992,344,641.09	586,084,102.40	125,225,700.02	880,458,166.87	627,483,897.80	1,153,973,530.37	226,122,620.08	577,226,384.40			5,163,219,048.03

Notes to Financial Statements

As at 30 June 2012
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X. OTHER SIGNIFICANT MATTERS (continued)

4. OPERATING SEGMENT INFORMATION (continued)

For the six months ended 30 June 2011

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)		777,908,808.12	(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)		777,908,808.12	
(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)		4,566,189,566.35
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 expenditure	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

Notes to Financial Statements

As at 30 June 2012
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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 2012 RMB	For the six months ended 30 June 2011 RMB
Profits before tax		
Segmental profits	3,720,758,240.15	4,566,189,566.35
Interest income and dividend income	60,841,606.78	176,032,667.97
Unallocated expenses	299,168,921.77	109,599,630.14
Finance costs	(358,379,124.59)	(295,119,075.79)
Profits attributable to associates	111,194,438.47	335,360,227.46
Profits attributable to jointly-controlled entities	10,412,353.82	9,689,930.88
Profits before tax	3,843,996,436.40	4,901,752,947.01

5. Comparative figures

For sake of the comparability between 2012 and 2011 interim reports and avoid misleading the investors, the Company has made relevant adjustment to 2011 interim results in this report and reversed the investment income of RMB227,153,047.21 recognized in the 2011 interim report for the disposal of Continental Minerals. Details are explained in Note V.45 - INVESTMENT INCOME.

6. Others

On 21 December 2009, the Company entered into an asset management contract No. QDIIZH2009-004 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 USD0.2 billion. The relevant arrangement was approved by the resolution passed in the Third board's 17th meeting on 10 September 2009 and the permission of China Securities Regulatory Committee on 29 September 2009. As at 30 June 2012, the Company has paid in aggregate amount of RMB906,000,000 into the QDI account for delegating of ICBCCS for equity investment (31 December 2011: RMB906,000,000).

Notes to Financial Statements

As at 30 June 2012

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X. OTHER SIGNIFICANT MATTERS (continued)

7. Explanation in relation to the restatement of comparative figures in 2012 interim report

The Group has made adjustments to the comparative figures in 2012 interim report in relation to the investment income recognized in 2011 interim report for the disposal of Continental Minerals. The descriptions and amounts of the adjustments are as follows: investment income is reduced by RMB227,153,047.21; the income tax is reduced by RMB56,788,261.80. The net effect of the abovementioned retrospective adjustments for the periods ended on 30 June 2012 and 2011 on the net profits is stated as follows:

	For six months ended 30 June 2012	For six months ended 30 June 2011
Reversal of investment income for the disposal of Continental Minerals	—	(227,153,047.21)

Notes to Financial Statements

As at 30 June 2012
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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 aging analysis of trade receivables is as follows:

	30 June 2012	31 December 2011
Within 1 year	467,234,610.09	161,231,264
Over 1 year but within 2 years	30,028,134.88	24,742,379
Over 2 years but within 3 years	37,733.94	25,462
Over 3 years	95,217.56	75,811
	497,395,696.47	186,074,916

Movements of bad debt provision for trade receivables:

	As at 31 December 2011	Provision in this year	Reduction in the year Reversal	Write off	As at 30 June 2012
2012	88,513	26,200.45	—	—	114,713.45

	As at 30 June 2012				As at 31 December 2011			
	Book value balance		Provision for bad debt		Book value balance		Provision for bad debt	
	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)
Single significant items	492,686,183.99	99.05			178,015,220	95.67		
Other insignificant items	4,709,512.48	0.95	114,713.45	2.44	8,059,696	4.33	88,513	1.10
	497,395,696.47	100	114,713.45	0.02	186,074,916	100	88,513	0.05

The Group has no trade receivables denominated in foreign currency as at 30 June 2012 and 31 December 2011.

Notes to Financial Statements

As at 30 June 2012
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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 2012

Name	Relationship with the Company	Amount	Aging	Percentage to total trade receivables (%)
Zijin Copper Company Limited	A subsidiary of the Company	324,943,661.85	Within 1 year	65.33
Zijin Mining Group (Xiamen) Marketing Company Limited	A subsidiary of the Company	63,140,006.82	Within 1 year	12.69
Fujian Jinshan Gold Refinery Company Limited	A subsidiary of the Company	46,879,562.62	Within 1 year	9.43
Fujian Zijin Copper Company Limited	A subsidiary of the Company	17,302,959.19	Within 1 year	3.48
Zijin Mining Group (Xiamen) Investment Co., Ltd.	A subsidiary of the Company	15,617,917.01	Within 1 year	3.14
Total		467,884,107.49		94.07

As at 30 June 2012, the balance of trade receivables does not include an amount due from shareholders holding 5% or above voting rights of the Company (31 December 2011: Nil).

2. Other receivables

An aging analysis of other receivables is as follows:

	30 June 2012	31 December 2011
Within 1 year	2,697,816,434.61	1,965,863,203.00
Over 1 year but within 2 years	2,548,325,579.04	2,382,720,188.00
Over 2 years but within 3 years	1,141,286,769.97	1,042,350,930.00
Over 3 years	184,267,057.69	407,345,159.00
	6,571,695,841.31	5,798,279,480.00

Notes to Financial Statements

As at 30 June 2012
RMBXI. NOTES TO COMPANY'S FINANCIAL STATEMENTS FOR SIGNIFICANT ITEMS
(continued)

2. Other receivables (continued)

Movements of bad debt provision for other receivables:

	As at 31 December 2011	Provision in this year	Reduction in the year Reversal Write off	As at 30 June 2012
2012	6,349,066	668,575.30		7,017,641.30

	As at 30 June 2012				As at 31 December 2011			
	Book value balance		Provision for bad debt		Book value balance		Provision for bad debt	
	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)
Single significant items	6,418,646,019.20	97.67	—	—	5,657,856,774	97.58	—	—
Other insignificant items	153,049,822.11	2.33	7,017,641.30	4.59	140,422,706	2.42	6,349,066	4.52
	6,571,695,841.31	100	7,017,641.30	0.11	5,798,279,480	100	6,349,066	0.11

The status of top 5 other receivables in amount:

30 June 2012

Name	Relationship with the Company	Amount	Aging	Percentage to total other receivables (%)
Zijin Mining Group North West Company Limited	A subsidiary of the Company	796,720,682.08	Within 1 year	11.94
Fujian Zijin Investment Company Limited	A subsidiary of the Company	756,840,059.96	Within 1 year	11.34
Fujian Zijin Real Estate Company Limited	A subsidiary of the Company	709,730,045.11	Within 1 year	10.64
Longyan Land Reserve Centre (Note 1)	Third party	480,000,000.00	Within 1 year	7.19
Zijin Mining Group North-East Asia Company Limited	A subsidiary of the Company	442,000,442.75	Within 1 year	6.63
		3,185,291,229.90		47.74

Note 1: On 18 June 2012, the Company and the government of Longyan City entered into a cooperative agreement to develop a piece of land at the centre of Longyan City. The fund is basically provided by the Company, calculated at the rate of 15% of guaranteed annual revenue and is paid quarterly. The sale of the land will be announced before 31 December 2013.

The Company's balance of other receivables does not include an amount due from substantial shareholders holding 5% or above shares of the Company as at 30 June 2012 (31 December 2011: Nil).

The Company has no other receivables denominated in foreign currency as at 30 June 2012 and 31 December 2011.

Notes to Financial Statements

As at 30 June 2012
RMBXI. NOTES TO COMPANY'S FINANCIAL STATEMENTS FOR SIGNIFICANT ITEMS
(continued)

3. Long-term equity investments

		31 December 2011	Increase for the period	Decrease for the period	30 June 2012
Equity investments recognised and measured by cost method					
Subsidiaries	(i)	10,804,430,516.00	295,905,200.00	10,000,000.00	11,090,335,716.00
Other equity investments	(ii)	164,750,000.00			164,750,000.00
Equity investments recognised and measured by equity method					
Associates	(iii)	825,739,993.00	26,860,590.28	10,000,000.00	842,600,583.28
Total		11,794,920,509.00	322,765,790.28	20,000,000.00	12,097,686,299.28
Impairment provision					
Subsidiaries	(i)	(480,403,330.00)			(480,403,330.00)
		11,314,517,179.00	322,765,790.28	20,000,000.00	11,617,282,969.28

Notes to Financial Statements

As at 30 June 2012

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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

	31 December 2011	Increase for the period	Decrease for the period	30 June 2012
Anhui Zijin	6,000,000.00	—	—	6,000,000.00
Bayannaer Zijin	297,300,000.00	—	—	297,300,000.00
Jinshan Refinery	298,000,000.00	—	—	298,000,000.00
Jinshan Investment	8,000,000.00	—	—	8,000,000.00
Jinyi Copper	140,000,000.00	—	—	140,000,000.00
Wuping Zijin Hydro-electric	18,618,000.00	—	—	18,618,000.00
Zijin Real Estate	300,000,000.00	—	—	300,000,000.00
Fujian Zijin				
Hotel Management	10,000,000.00	—	—	10,000,000.00
Fujian Zijin				
Mining Technology	5,000,000.00	—	—	5,000,000.00
Zijin Investment	559,000,000.00	—	—	559,000,000.00
Gansu Yate	254,232,724.41	99,000,000.00	—	353,232,724.41
Guizhou Zijin	30,600,000.00	—	—	30,600,000.00
Hebei Chongli Zijin	142,500,000.00	—	—	142,500,000.00
Henan Jinda Mining Co., Ltd.	129,880,000.00	—	—	129,880,000.00
Luoyang Yinhui	105,000,000.00	—	—	105,000,000.00
Hunan Jinfeng	10,000,000.00	—	10,000,000.00	—
Huanmin Mining	306,000,000.00	—	—	306,000,000.00
Hunchun Zijin	185,437,499.59	—	—	185,437,499.59
Gold Mountains HK	645,621,990.00	143,355,200.00	—	788,977,190.00
Dexin Mining	—	53,550,000.00	—	53,550,000.00
Inner Mongolia Zijin	100,000,000.00	—	—	100,000,000.00
Qinghai West	936,000,000.00	—	—	936,000,000.00
Longkou Jintai	192,000,000.00	—	—	192,000,000.00
Shanxi Zijin	127,284,117.65	—	—	127,284,117.65
Ankang Zijin	68,800,000.00	—	—	68,800,000.00
Sichuan Zizhou Zijin	24,000,000.00	—	—	24,000,000.00
Tongling Zijin	25,500,000.00	—	—	25,500,000.00
Xiamen Zijin	401,776,000.00	—	—	401,776,000.00
Zijin Mining and Metallurgy Test Company Limited	50,000,000.00	—	—	50,000,000.00

Notes to Financial Statements

As at 30 June 2012
RMB**XI. NOTES TO COMPANY'S FINANCIAL STATEMENTS FOR SIGNIFICANT ITEMS
(continued)****3. Long-term equity investments (continued)****(i) Investments in subsidiaries (continued)**

	31 December 2011	Increase for the period	Decrease for the period	30 June 2012
Xinjiang Ashele	139,335,849.00	—	—	139,335,849.00
Jinneng Mining	50,000,000.00	—	—	50,000,000.00
Xinyi Zijin	243,900,000.00	—	—	243,900,000.00
Yunnan Huaxi	86,830,000.00	—	—	86,830,000.00
Zijin International	47,500,000.00	—	—	47,500,000.00
Xiamen Marketing	20,000,000.00	—	—	20,000,000.00
Zijin Finance	475,000,000.00	—	—	475,000,000.00
North-East Asia Zijin	600,000,000.00	—	—	600,000,000.00
Qinghai Zijin	450,066,992.53	—	—	450,066,992.53
North West Company	300,000,000.00	—	—	300,000,000.00
South West Company	1,179,600,000.00	—	—	1,179,600,000.00
Zijin Copper	1,822,647,342.82	—	—	1,822,647,342.82
Xiangyu Logistics	13,000,000.00	—	—	13,000,000.00
	10,804,430,516.00	295,905,200.00	10,000,000.00	11,090,335,716.00

Impairment provision for long-term investments in subsidiaries:

	31 December 2011	Increase for the period	Transfer out the deregistered subsidiary	30 June 2012
Anhui Zijin	6,000,000			6,000,000
Gansu Yate	43,019,351			43,019,351
Longkou Jintai	187,483,979			187,483,979
Xinyi Zijin	243,900,000			243,900,000
	480,403,330			480,403,330

Notes to Financial Statements

As at 30 June 2012
RMBXI. 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 2011	19,850,000	25,000,000	30,000,000	89,900,000	164,750,000
Increase for the period					
Decrease for the period					
30 June 2012	19,850,000	25,000,000	30,000,000	89,900,000	164,750,000
Percentage of shareholding of investees	5.77%	8.62%	1.37%	10%	N/A

Notes to Financial Statements

As at 30 June 2012

RMB

XI. NOTES TO COMPANY'S FINANCIAL STATEMENTS FOR SIGNIFICANT ITEMS (continued)

3. Long-term equity investments (continued)

(iii) Associates

30 June 2012

Investees	Percentage of shareholdings	Initial investment	Accumulated additional investments	Adjustment to profit and loss			Impairment provision			Closing balance	
				Increase/ (decrease) for the period	Dividend in cash	Investment disposed and transfer out	Accumulated Increase/ (decrease)	Increase for the period	Investment disposed and transfer out		Accumulated Increase/ (decrease)
Mekong Mining	31.50%	2,520,000.00	29,340,000.00	13,998,007.85	—	—	162,236,320.06	—	—	2,454,249.84	196,550,569.90
Theet Yulong	22.00%	243,750,000.00	(106,250,000.00)	188,881.49	—	—	(55,302,015.51)	—	—	—	82,197,984.49
Songpan Zijin	34.00%	39,400,000.00	—	—	—	—	(150,215.00)	—	—	—	39,249,785.00
Zijin Tongguan	45.00%	4,500,000.00	603,000,000.00	(2,332,040.08)	—	—	(94,777,444.08)	—	—	(23,760,560.05)	488,961,995.87
Wancheng Commercial	10.00%	71,966,977.00	—	15,005,741.02	(10,000,000.00)	—	(36,326,728.98)	—	—	—	35,640,248.02
		362,136,977.00	526,090,000.00	26,860,590.28	(10,000,000.00)	—	(24,320,083.51)	—	—	(21,306,310.21)	842,600,583.28

Notes to Financial Statements

As at 30 June 2012
RMBXI. 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 2012	For the six months ended 30 June 2011
Operating revenue from main operations	5,933,511,232.36	3,807,757,998.02
Revenue from other operations	219,650,999.46	127,169,275.46
	6,153,162,231.82	3,934,927,273.48

Operating segment information is set out below:

	For the six months ended 30 June 2012		For the six months ended 30 June 2011	
	Revenue	Cost	Revenue	Cost
Gold bullion and processed and trading gold	5,609,246,356.82	3,607,048,723.90	3,592,430,838.83	1,539,040,370.77
Copper cathodes	20,135,124.10	31,219,185.11	—	—
Copper concentrates	244,528,763.79	108,969,256.33	180,594,561.78	88,950,429.53
Others	59,600,987.65	45,523,912.50	34,732,597.41	21,894,065.29
	5,933,511,232.36	3,792,761,077.84	3,807,757,998.02	1,649,884,865.59

The operating revenue derived from the top five customers is shown below:

	For the six months ended 30 June 2012	Percentage of total operating revenue (%)
Shanghai Gold Exchange*	5,252,226,087.06	85.36
Zijin Copper Company Limited	324,943,661.85	5.28
Zijin Mining Group (Xiamen) Marketing Company Limited	215,897,003.96	3.51
Meizhou Jincheng Industrial and Trading Company Limited	54,971,128.06	0.89
Fujian Jinyi Copper Co., Ltd.	45,231,919.18	0.74
	5,893,269,800.11	95.78

* The ultimate customers are not known.

Notes to Financial Statements

As at 30 June 2012
RMBXI. NOTES TO COMPANY'S FINANCIAL STATEMENTS FOR SIGNIFICANT ITEMS
(continued)

5. Investment income

	For the six months ended 30 June 2012	For the six months ended 30 June 2011
Investment gains from disposal of held-for-trading financial assets (Note 1)	23,480,134.73	14,059,197.15
Investment income from long-term equity investments recognized and measured by equity method	26,860,590.09	5,002,728.88
Investment income from long-term equity investments recognized and measured by cost method	1,103,112,031.55	654,970,369.04
Investment income from holding available-for-sale financial assets	(23,423,765.72)	
Others	(10,000,000.00)	(26,809,252.50)
	1,120,028,990.65	647,223,042.57

Note 1: The investment gains from disposal of held-for-trading financial assets were profits from futures contracts (six months ended 30 June 2011: gains of RMB15,734,326.14).

For six months ended 30 June 2012, 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 2012	For the six months ended 30 June 2011	Reason for the change between current period and last period
Qinghai West	400,000,000.00	300,000,000.00	Fluctuations in the dividend allocation
Xinjiang Ashele	204,000,000.00	102,000,000.00	Fluctuations in the dividend allocation
Hunchun Zijin	193,250,000.00	—	Fluctuations in the dividend allocation
Hebei Chongli Zijin	85,608,026.47	108,774,369.04	Fluctuations in the dividend allocation
Guizhou Zijin	76,500,000.00	—	Fluctuations in the dividend allocation
	959,358,026.47	510,774,369.04	

Notes to Financial Statements

As at 30 June 2012
RMBXI. 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 2012:

Investees	For the six months ended 30 June 2012	For the six months ended 30 June 2011	Reason for the change between current period and last period
Wancheng Commercial	15,005,741.02	26,344,469.17	Change in net profit of the investee
Makeng Mining	13,998,007.85	10,893,608.16	Change in net profit of the investee
Tibet Yulong	188,881.49	(3,609,934.35)	Change in net profit of the investee
Zijin Tongguan	(2,332,040.08)	(28,625,414.10)	Change in net profit of the investee
Total	26,860,590.28	5,002,728.88	

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 2012, there is no material restrictions on the transfer of the investment income back to the Group.

Notes to Financial Statements

As at 30 June 2012
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 2012
Net profit attributable to the owners of the parent	2,384,712,524.71
Add/(Less):	
Gain or loss on disposal of non-current assets	9,345,271.27
Government subsidies recognised in profit and loss for the current period	(38,012,706.75)
Donation	88,681,704.78
Changes in fair value of held-for-trading financial assets and liabilities in relation to non-recurring operating activities	47,408,841.12
Gain or loss on disposal of held-for-trading financial assets and liabilities and available-for-sale financial assets in relation to non-recurring operating activities	(3,038,055.10)
Net loss/(gain) on transfer of equity investment	0.00
Apart from the above, other non-operating net expenses	3,059,935.19
	2,492,157,515.22
Effect of non-recurring profit and loss on income tax	(25,659,242.01)
	2,466,498,273.21
Effect of non-recurring profit and loss on non-controlling interest	5,405,165.01
	2,471,903,438.22

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 futures contracts business which is directly related to the daily normal business of the Group and the metal futures contracts relate to the same or similar products produced by the Group. The purpose of entering into the futures contracts is to minimize the risk of product price fluctuation and enhance the Group's profit stability from normal business. The Group enters futures 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 futures contracts as non-recurring.

Notes to Financial Statements

As at 30 June 2012
RMB**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 2012**

Items		Weighted average return on equity (%)		Basic earnings per share *
		Fully diluted	Weighted average	
Net profit attributable to the owners of the parent	2,384,712,524.71	9.45	9.45	0.109
Net profit attributable to the owners of the parent after deduction of non-recurring items	2,471,903,438.22	9.80	9.79	0.113

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	2,978,982,425.55	12.83	13.53	0.137
Net profit attributable to the owners of the parent after deduction of non-recurring items	2,864,983,021.55	12.34	13.00	0.131

Notes to Financial Statements

As at 30 June 2012
RMB

XI. NOTES TO COMPANY'S FINANCIAL STATEMENTS FOR SIGNIFICANT ITEMS (continued)

Supplemental information (continued)

(2) Return on equity and earnings per share (continued)

Net assets attributable to the owners of the parent

	30 June 2012	30 June 2011
Net assets at the end of the period attributable to the owners of the parent	25,229,666,345.87	23,216,948,373.85
Weighted average net assets attributable to the owners of the parent	25,240,316,215.27	22,039,549,157.59

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.

(3) Analysis of changes in items in consolidated financial statements

1. Held-for-trading financial assets

Compared with the balance as at 31 December 2011, the Group's held-for-trading financial assets as at 30 June 2012 increased by RMB81,862,000 (approximately 31%). The main reasons were due to (1) the increase in investment of RMB77,090,000 in hedging business by Zijin Copper; (2) the increase in investments of RMB12,920,000 in futures contracts by Bayannaer Zijin.

2. Bills receivables

Compared with the balance as at 31 December 2011, the Group's bills receivables as at 30 June 2012 increased by RMB173,298,500 (approximately 30.15%). The main reasons were: (1) the increase in bills receivables of RMB95,640,000 as a result of the increase in sales volume by Xinjiang Jinbao for the first half of 2012; (2) the increase in bills receivables of RMB52,600,000 as a result of the increase in sales volume after the formal commencement of production by Zijin Copper in 2012.

Notes to Financial Statements

As at 30 June 2012
RMB

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)

3. Trade receivables

Compared with the balance as at 31 December 2011, the Group's trade receivables as at 30 June 2012 increased by RMB591,730,600 (approximately 120.98%). The main reasons were due to the increase in sales volume by some of the mining enterprises for the first half of 2012 and the increase in trade receivables by a new refinery production enterprise. The enterprises with increased trade receivables included: Xinjiang Jinbao (increase of RMB225,733,000) and Zijin Copper (increase of RMB101,361,100).

4. Prepayments

Compared with the balance as at 31 December 2011, the Group's balance of prepayments as at 30 June 2012 decreased by RMB861,732,400 (approximately 50.94%). The main reason was due to the prepayments for raw materials made at the beginning of the year has been inspected and accepted for storage in the reporting period.

5. Other receivables

Compared with the balance as at 31 December 2011, the Group's other receivables as at 30 June 2012 increased by RMB778,622,600 (approximately 78.86%). The main reason was due to the land cooperation and development fund of RMB480,000,000 in Longyan City in the reporting period.

6. Other current assets

Compared with the balance as at 31 December 2011, the Group's other current assets as at 30 June 2012 increased by RMB273,662,200 (approximately 46.79%). The main reasons were due to the increase in deductible value-added tax and prepaid enterprise income tax by Zijin Copper, Xinjiang Ashele, Zijin Real Estate, Qinghai Zijin, Duobaoshan and Xiamen Marketing Company etc. as at 30 June 2012.

7. Long-term equity investments

Compared with the balance as at 31 December 2011, the Group's long-term equity investments as at 30 June 2012 increased by RMB1,404,092,200 (approximately 43.82%). The main reason was due to the increase in investments in Gold Eagle in the first half of 2012.

Notes to Financial Statements

As at 30 June 2012
RMB

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)

8. *Short-term loans*

Compared with the balance as at 31 December 2011, the Group's short-term loans as at 30 June 2012 increased by RMB1,397,857,100 (approximately 36.64%). The main reason was due to the increase in loans for operations in 2012.

9. *Held-for-trading financial liabilities*

Compared with the balance as at 31 December 2011, the Group's held-for-trading financial liabilities as at 30 June 2012 increased by RMB1,692,078,800 (approximately 42.24%). The main reason was due to the increase in gold leasing business in 2012.

10. *Advances from clients*

Compared with the balance as at 31 December 2011, the Group's advances from clients as at 30 June 2012 increased by RMB376,299,000 (approximately 37.16%). The main reason was due to the increase in advances from new clients for product sales in 2012.

11. *Dividends payables*

Compared with the balance as at 31 December 2011, the Group's dividends payables as at 30 June 2012 increased by RMB2,165,950,500 (approximately 9,365.93%). The main reason was due to the provision of dividends payables of RMB2,181,196,400 made by the headquarters of the Group in June 2012 according to the resolutions passed at the shareholders' meeting.

12. *Long-term loans*

Compared with the balance as at 31 December 2011, the Group's long-term loans as at 30 June 2012 increased by RMB1,865,380,900 (approximately 79.02%). The main reason was due to the increase in loans for the construction projects in Longxing and Zijin Copper, etc. in the first half of 2012.

13. *Other non-current liabilities*

Compared with the balance as at 31 December 2011, the Group's other non-current liabilities as at 30 June 2012 increased by RMB196,864,800 (approximately 222.02%). The main reason was due to the receipt of government fund of RMB200 million by Zijinshan copper, gold and non-ferrous metals integrated utilization mineral resources demonstration base in the first half of 2012.

Notes to Financial Statements

As at 30 June 2012
RMB

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)

14. *Special reserve*

Compared with the balance as at 31 December 2011, the Group's project special as at 30 June 2012 increased by RMB22,240,100 (approximately 66.41%). The main reason was due to the provision of fees for safety production measures in excess of actual usage in the first half of 2012.

15. *Operating revenue*

Compared with the same period of 2011, the Group's operating revenue for the six months ended 30 June 2012 increased by RMB5,140,256,600 (approximately 32.43%). The main reason was due to the increase in sales income of RMB3.568 billion for processed and trading gold, and RMB1.56 billion for copper cathodes in the first half of 2012.

16. *Operating cost*

Compared with the same period of 2011, the Group's operating cost for the six months ended 30 June 2012 increased by RMB5,419,938,400 (approximately 53.61%). The main reason was due to the increase in staff salaries and cost of raw materials as a result of increase in sales in the first half of 2012.

17. *Sales taxes and levies*

Compared with the same period of 2011, the Group's sales taxes and levies for the six months ended 30 June 2012 increased by RMB62,447,600 (approximately 36.73%). The main reason was due to the increase in resources tax and business tax in the first half of 2012.

18. *Selling expenses*

Compared with the same period of 2011, the Group's selling expenses for the six months ended 30 June 2012 increased by RMB116,528,900 (approximately 65.73%). The main reasons were due to the increase in transportation volume and cost of transportation in the first half of 2012.

19. *Finance costs*

Compared with the same period of 2011, the Group's finance costs for the six months ended 30 June 2012 increased by RMB188,651,200 (approximately 135.55%). The main reasons were due to, for the first half of 2012: (1) the increase in interest expense arising from the increase in the amount of financing; (2) the increase in interest expense for bond issue; and, (3) the increase in lease expenses arising from new gold leasing business.

Notes to Financial Statements

As at 30 June 2012
RMB

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)

20. *Impairment provision of assets*

Compared with the same period of 2011, the Group's impairment provision of assets for the six months ended 30 June 2012 decreased by RMB187,752,900 (approximately 99.99%). The main reason was due to the impairment provision of RMB150,000,000 made for Xinyi Zijin and RMB37,735,000 made for Kingbao Mining Ltd. in the same period of last year.

21. *Gains/(Losses) from changes in fair value*

Compared with the same period of 2011, the Group's gains/(losses) from changes in fair value for the six months ended 30 June 2012 decreased by RMB222,491,000 (approximately 140.54%). The main reason was due to the recognition of gain of RMB188,000,000 from changes in fair value of the Glencore's convertible bonds in the same period of last year.

22. *Investment income*

Compared with the same period of 2011, the Group's investment income for the six months ended 30 June 2012 increased by RMB66,868,000 (approximately 36.93%). The main reason was due to the increase in profit for the settlement of futures contracts by Zijin Copper in the first half of 2012.

23. *Other comprehensive income*

Compared with the same period of 2011, the Group's other comprehensive income for the six months ended 30 June 2012 increased by RMB140,685,800 (approximately 95.71%). The main reasons were due to the decrease in the unrealized loss for the available-for-sale financial assets in the first half of 2012 and the increase in gain for the exchange translation differences.



紫金礦業集團股份有限公司
ZIJIN MINING GROUP COMPANY LIMITED*