



**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)  
(Stock Code : 2899)



Interim Report  
**2016**

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## Corporate Information

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

### EXECUTIVE DIRECTORS

Chen Jinghe (Chairman)  
Wang Jianhua (President)  
Qiu Xiaohua  
Lan Fusheng  
Zou Laichang  
Fang Qixue  
Lin Hongfu

### NON-EXECUTIVE DIRECTOR

Li Jian

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Lu Shihua  
Ding Shida  
Zhu Guang (Appointed on 20 June 2016)  
Sit Hoi Wah, Kenneth  
Qiu Guanzhou (Resigned on 20 June 2016)

### AUDIT AND INTERNAL CONTROL COMMITTEE

Lu Shihua  
Wang Jianhua  
Qiu Xiaohua  
Li Jian  
Ding Shida  
Zhu Guang (Appointed on 20 June 2016)  
Sit Hoi Wah, Kenneth  
Qiu Guanzhou (Resigned on 20 June 2016)

### AUTHORISED REPRESENTATIVE

Chen Jinghe  
Lan Fusheng

### SUPERVISORS

Lin Shuiqing  
Xu Qiang  
Fan Wensheng  
Liu Wenhong  
Zhang Yumin

### COMPANY SECRETARY

Fan Cheung Man

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 7503A, Level 75, International Commerce Centre  
1 Austin Road West, Kowloon, Hong Kong

### LEGAL ADDRESS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

1 Zijin Road, Shanghang County, Fujian Province, the PRC

### LEGAL CONSULTANT OF THE COMPANY (HONG KONG LAWS)

Li & Partners

### AUDITORS

PRC Auditors:  
Ernst & Young Hua Ming LLP

### HONG KONG H SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716, 17th Floor, Hopewell Centre,  
183 Queen's Road East, Wanchai, Hong Kong

### WEBSITE

[www.zjky.cn](http://www.zjky.cn)

### STOCK CODE

Hong Kong Stock Exchange: 02899  
Shanghai Stock Exchange: 601899

## Definition

*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

In this report, unless otherwise indicated in the context, the following expressions have the meanings set out below:

A Share(s)	The domestic share(s) issued by the Company to domestic investors with a nominal value of RMB0.10 each, which are listed on the Shanghai Stock Exchange
A Shareholder(s)	Holder(s) of A Share(s)
Ashele Copper	Xinjiang Ashele Copper Company Limited, a subsidiary of the Company
Bayannaer Zijin	Bayannaer Zijin Non-ferrous Metals Company Limited, a subsidiary of the Company
BNL	Barrick (Niugini) Limited, a company under joint operation of the Company
Board, Board of Directors	The board of Directors of the Company
CSRC	China Securities Regulatory Commission
Director(s)	The director(s) of the Company
DR Congo	The Democratic Republic of the Congo
Duobaoshan Copper	Heilongjiang Duobaoshan Copper Co., Ltd., a subsidiary of the Company
Guizhou Zijin	Guizhou Zijin Mining Company Limited, a subsidiary of the Company
H Share(s)	The overseas-listed foreign invested share(s) in the Company's share capital, with a nominal value of RMB0.10 each, which are listed on the Hong Kong Stock Exchange
H Shareholder(s)	Holder(s) of H Share(s)
Heilong Mining	Heilong Mining Group Company Limited
Hunchun Multi-metals	Hunchun Multi-metals Company Limited, a wholly-owned subsidiary of the Company
Hunchun Zijin	Hunchun Zijin Mining Company Limited, a wholly-owned subsidiary of the Company
Longnan Zijin	Longnan Zijin Mining Company Limited, a subsidiary of the Company
Luoning Huatai	Luoning Huatai Mining Development Company Limited, a subsidiary of the Company
Luoning Zijin	Luoning Zijin Gold Refinery Company Limited, a subsidiary of the Company
Minxi Xinghang	Minxi Xinghang State-owned Assets Investment Company Limited, a substantial shareholder of the Company
Norton	Norton Gold Fields Limited, a wholly-owned subsidiary of the Company
Real Estate Company	Fujian Zijin Real Estate Company Limited, a wholly-owned subsidiary of the Company
Russia Longxing	Russia Longxing Company Limited, a subsidiary of the Company
Shanxi Zijin	Shanxi Zijin Mining Company Limited, a wholly-owned subsidiary of the Company
Supervisor(s)	The supervisor(s) of the Company
Ting River Hydropower	Fujian Shanghang Ting River Hydropower Co., Ltd., an associate of the Company
Tongshan Company	Heilongjiang Tongshan Mining Company Limited
West Copper	Qinghai West Copper Mining Company Limited, a wholly-owned subsidiary of the Company
Wulatehouqi Zijin	Wulatehouqi Zijin Mining Company Limited, a subsidiary of the Company
Wuping Zijin	Wuping Zijin Mining Company Limited, a subsidiary of the Company
ZGC	JV Zeravshan LLC, a subsidiary of the Company
Zijin Capital Company	Zijin Mining Group Capital Investment Co., Ltd., a wholly-owned subsidiary of the Company
Zijin Copper	Zijin Copper Company Limited, a wholly-owned subsidiary of the Company
Zijin Finance	Zijin Mining Group Finance Co., Ltd., a subsidiary of the Company
Zijin Zinc Industry	Xinjiang Zijin Zinc Industry Co., Ltd., a subsidiary of the Company

## Basic Information for the Report

*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

The board of directors (the “Board”) of Zijin Mining Group Co., Ltd.\* (the “Company”) is pleased to announce the unaudited interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2016 (“this period”/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.

This report contains some forward looking statements and future plans of the Company, which do not constitute any actual commitment to investors. Investors are advised to exercise caution when dealing in the shares of the Company.

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

# Operation Overview

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## DISCUSSION AND ANALYSIS BY THE BOARD ON THE OPERATION OF THE COMPANY DURING THE REPORTING PERIOD

### 1. Market Environment During the Reporting Period

During the reporting period, under the impacts of adoption of accommodative fiscal policies by major national central banks in the world, Britain exiting from the European Union and waning expectation of an interest rate hike by the Federal Reserve of the United States, capitals seeking for safe haven invested heavily on gold ETFs, strengthening the momentum of gold price. The opening price of gold was US\$1,062.47 per ounce. Its highest price was US\$1,358.59 per ounce and its lowest price was US\$1,061.79 per ounce. The closing price at the end of June 2016 was US\$1,321.7 per ounce, which represented an increase of 24.4% compared with the beginning of the year. The average price was US\$1,220.28 per ounce, which represented a 1.18% increase compared with the same period last year. As global economic recovery was still slow, copper price remained volatile at low levels. The opening price of copper was US\$4,716 per tonne. Its highest price was US\$5,131 per tonne and its lowest price was US\$4,318 per tonne. The closing price at the end of June 2016 was US\$4,850.5 per tonne, which represented an increase of 2.85% compared with the beginning of the year. The average price was US\$4,698.34 per tonne, which represented a decrease of 21% compared with the same period last year. Zinc price kept rebounding from low ranges due to tightening supply. The opening price of zinc was US\$1,610 per tonne. Its highest price was US\$2,116 per tonne and its lowest price was US\$1,444.5 per tonne. The closing price at the end of June 2016 was US\$2,105 per tonne, which represented an increase of 30.7% compared with the beginning of the year. The average price was US\$1,794.85 per tonne, still represented a 16% decrease compared with the same period last year.

### 2. Condition of the Industry

In the first half of 2016, global gold production was 1,537.585 tonnes, representing an increase of 1.18% compared with the same period last year. China's gold production reached 229.102 tonnes, representing an increase of 0.16% compared with the same period last year.

In the first half of 2016, global gold consumption was 1,569.694 tonnes, representing a decrease of 11.99% compared with the same period last year. China's gold consumption reached 528.52 tonnes, representing a decrease of 7.68% compared with the same period last year.

Official figure published by the People's Bank of China indicated that the national gold reserve increased by 60.96 tonnes. As at the end of June 2016, China's gold reserve reached 1,823.29 tonnes, which ranked in the world's 6th place in terms of volume.

Due to rebound of gold price, gold industry ramped up capital investment. According to the statistics of National Bureau of Statistics of the People's Republic of China, in the first half of 2016, investment in fixed assets by the gold industry in China amounted to RMB21.14 billion, representing an increase of 12.24% compared with the same period last year. Among which, investment in fixed assets by the mining and processing sectors amounted to RMB19.643 billion, representing an increase of 14.65% compared with the same period last year.

### 3. Management Analysis

#### *Business Overview*

During the reporting period, the Company adhered to the work focuses of "clinging to reforms, maintaining growth and boosting development" as initiated by the Board, by which the reform of management structure was basically completed, and important transitions including shifting management and control from regional-based to business segment-based and professionalisation of management were achieved. The whole management structure was further optimised, management efficiency was also improved. The Company achieved its best ever quarterly performance across various indicators in the first quarter of 2016. Based on the success of the first quarter, the Company captured the continuous uptick of gold and zinc prices in the second quarter, successfully attaining outstanding results in the production and operation of the Company's substance business segments. Domestic mining businesses also delivered promising results, with the profits of refining and processing business setting new record. Overseas projects also saw a positive trend of development, their contribution to the profit of the Company is steadily increasing.

## Operation Overview *(continued)*

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At the same time, in accordance with the Company's risk management targets and for the purpose of maintaining stability in operating results, the Company hedged a certain portion of its mineral products based on expected annual sales volume. Since gold price escalated substantially over the beginning of the year during the reporting period, hedging would offset the income arising from spot sales of products against rising product prices, hence resulting in significant decline in the Company's net profit attributable to owners of the parent during the reporting period. Moreover, since the Company held certain amount of gold leasing and a portion of which was not hedged, rising gold price would lead to a reduction in the Company's profit.

During the reporting period, the Group realised sales income of RMB38.89 billion, representing an increase of 0.15% compared with the same period last year (same period last year: RMB38.832 billion), and a net profit attributable to owners of the parent of RMB538 million, representing a decrease of 59.86% compared with the same period last year (same period last year: RMB1.341 billion).

As at the end of June 2016, the Group's total assets was RMB87.494 billion, representing an increase of 4.27% compared with the beginning of the year (at the beginning of the year: RMB83.914 billion), and net assets attributable to owners of the listed company was RMB26.623 billion, representing a decrease of 3.32% compared with the beginning of the year (at the beginning of the year: RMB27.537 billion).

### *Gold Business*

During the reporting period, the Group produced 110,142kg of gold, representing a decrease of 11.63% compared with the same period last year (same period last year: 124,632kg).

Among which the Group produced 20,445kg of mine-produced gold, representing a growth of 17.39% over the same period last year (same period last year: 17,416kg), among which Zijinshan gold and copper mine produced 4,165kg, BNL produced 3,525kg, Norton produced 2,566kg; Longnan Zijin produced 1,639kg, ZGC produced 1,549kg, Hunchun Zijin produced 1,314kg, Guizhou Zijin produced 960kg, and other gold mining enterprises in the Group produced 4,727kg of mine-produced gold in aggregate.

The Group produced 89,697kg of refinery, processed and trading gold, representing a decrease of 16.34% compared with the same period last year (same period last year: 107,216kg).

Sales income generated from the Group's gold business represented approximately 63.41% (after elimination) of the total operating income during the reporting period, and the products generated about 45.1% of the total gross profit.

### *Copper Business*

During the reporting period, the Group produced 273,701 tonnes of copper, representing a growth of 29.55% over the same period last year (same period last year: 211,273 tonnes).

Among which, the production included 74,754 tonnes of mine-produced copper (including 12,425 tonnes of copper cathodes), representing a decrease of 3.29% compared with the same period last year (same period last year: 77,294 tonnes). In which, Zijinshan gold and copper mine produced 27,539 tonnes (including 12,318 tonnes of copper cathodes), Ashele Copper produced 20,218 tonnes, Duobaoshan Copper produced 11,351 tonnes (including 107 tonnes of copper cathodes), West Copper produced 7,161 tonnes, Hunchun Zijin produced 6,065 tonnes, and other mining enterprises in the Group produced 2,420 tonnes of mine-produced copper in aggregate.

198,947 tonnes of refinery copper were produced, representing a growth of 48.49% over the same period last year (same period last year: 133,979 tonnes). In which, Zijin Copper produced 154,916 tonnes of refinery copper.

Sales income from the Group's copper business represented approximately 17.64% (after elimination) of the total operating income during the reporting period, and the products generated about 23.67% of the total gross profit.

## Operation Overview *(continued)*

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### *Lead and Zinc Business*

During the reporting period, the Group produced 225,349 tonnes of zinc, representing a growth of 24.52% over the same period last year (same period last year: 180,979 tonnes).

Among which, the Group produced 122,946 tonnes of mine-produced zinc in concentrate form, representing an increase of 78.46% compared with the same period last year (same period last year: 68,891 tonnes). Among which, Zijin Zinc Industry produced 49,347 tonnes, Wulatehouqi Zijin produced 35,862 tonnes, Russia Longxing produced 31,783 tonnes, Ashele Copper produced 5,020 tonnes and other mining enterprises in the Group produced 934 tonnes of mine-produced zinc in concentrate form in aggregate.

102,403 tonnes of zinc bullion was produced from Bayannaer Zijin, representing a decrease of 8.64% compared with the same period last year (same period last year: 112,088 tonnes).

During the reporting period, 18,169 tonnes of lead in concentrate form were produced, representing a growth of 81.55% over the same period last year (same period last year: 10,008 tonnes).

Sales income from the Group's lead and zinc business represented approximately 5.57% (after elimination) of the total operating income during the reporting period, and the products generated about 13.74% of the total gross profit.

### *Silver Business*

During the reporting period, the Group produced 282,300kg of silver, representing an increase of 45.24% compared with the same period last year (same period last year: 194,374kg).

Among which, 110,661kg was mine-produced silver, representing an increase of 8.46% compared with the same period last year (same period last year: 102,032kg). In which, Wuping Zijin produced 39,479kg of silver, Shanxi Zijin produced 15,967kg of silver from other associated metals, Ashele Copper produced 12,241kg of silver from other associated metals, Luoning Huatai produced 11,449kg of silver from other associated metals, Zijinshan gold and copper mine produced 8,752kg of silver from other associated metals, and other mining entities in the Group produced 22,773kg of silver from other associated metals.

The Group produced 171,639kg of refinery silver (by-product), representing an increase of 85.87% compared with the same period last year (same period last year: 92,342kg), among which Zijin Copper produced 134,202kg of refinery silver (by-product), Hunchun Multi-metals produced 25,616kg of refinery silver (by-product), Luoning Zijin produced 8,992kg of refinery silver (by-product), Bayannaer Zijin produced 2,310kg of refinery silver (by-product), and other refinery entities in the Group produced 519kg of refinery silver (by-product).

Sales income from the Group's silver business represented approximately 1.64% (after elimination) of the total operating income of the Group during the reporting period, and the products generated about 2.66% of the total gross profit.

### *Iron Mine Business*

During the reporting period, no iron concentrates were produced by the Group (same period last year: 1,600,000 tonnes).

### *Other Business*

Sales income from the Group's other products represented approximately 11.74% (after elimination) of the total operating income of the Group during the reporting period, and generated about 14.83% of the total gross profit.

### *External Investment*

During the reporting period, the Company completed acquisition of the equity interest in Heilong Mining with a consideration of RMB1.56122 billion, obtained the headquarters assets of Heilong Mining Group Company Limited, an additional 49% equity interest in Heilongjiang Duobaoshan Copper Company Limited and 100% equity interest in Heilongjiang Tongshan Mining Company Limited respectively. Such acquisition will considerably raise the copper resources reserve and production volume of mine-produced copper of the Company, enhancing its competitiveness and sustainability in the industry.

## Operation Overview *(continued)*

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The Company will enhance the integration of Duobaoshan copper mine in Heilongjiang with its surrounding resources, scale up development, achieve cost effectiveness, improve resource utilisation rate and efficiency of production and management, enhance profitability, and endeavour to build a large-scale copper mining entity with annual production capacity of 80,000 to 90,000 tonnes of copper as soon as possible.

### *Project Construction*

During the reporting period, the Group's major construction projects proceeded smoothly. Among which, both of the construction period and amount of investment of the Kolwezi copper mine project in the DR Congo are expected to be reduced substantially. The Guizhou Shuiyindong gold mine's hot and pressurised pre-oxidation project is being implemented smoothly as planned.

Moreover, in the first half of 2016, the Company established Zijin Mining Construction Co., Ltd., commencing full integration and optimisation of the Group's construction business. The recent plan of the Group has outlined the goal to build a construction group combining design and engineering capacities, also to accelerate the progress of nurturing the Company's own design and construction force.

### *Safety and Environmental Protection*

During the reporting period, the Company remained vigilant on safety and environmental protection to implement thoroughly various requirements of the new Production Safety Law, the measures include strengthening accountability of production safety at the base level, constantly striving for the target of "double zeros" by fostering full and orderly environmental control, optimising the orderliness of production at the mining and refining sites, and confronting the challenges brought by extreme weather conditions. No material incident associated with production safety or accidental environment pollution arose. A good trend of improvement was sustained for production safety and environmental protection, and the Company has received high accolade from local governments, the communities and all aspects of the society. The Group also launched a pilot scoring system for safety at Zijin Copper and Ashele Copper, targeting to promote a safety assessment system which ensures every member of the staff is accountable and required to follow the benchmark.

### *Geological Exploration*

During the reporting period, the Group invested approximately RMB74.5527 million in geological exploration and completed 81,380 metres of exploration drilling and 1,340 metres of tunnel exploration. By exploring for new deposits from the currently owned mines, the Company has achieved promising results in expanding gold and copper mineral resources. Projects such as Yueyang silver mine, Yixingzhai gold mine, Jinshan-Liba gold mine, the Kolwezi copper mine, Norton, etc., have delivered satisfactory results in resources expansion, the aggregate volume of metal resources (grade 333 or above) newly added from exploration were 17.05 tonnes of gold, 74,300 tonnes of copper, 1,100 tonnes of lead and zinc, and 9,600 tonnes (copper equivalents) of other minerals.

At the Kamo a copper mine, which is an important investment project of the Company in 2015 and 47% interest of which is owned by the Company, a high-grade, thick and large copper deposit was discovered in the Kakula exploration area, approximately 5 kilometers southwest of the main mining area of the Kamo a copper mine. The aforesaid copper deposit is flat-lying, shallow and with huge potential of resources, which makes it probably one of the most valuable and important discoveries in the field of global metal mineral exploration in the recent years and will bring a substantial and positive effect to the development of the project in the future.

In the first half of 2016, the Company also completed integration and marketisational reform of geological exploration business, and further enhanced the strength in exploration of the headquarters and entities specialising in mining geology.

### *Financial Business and Taxation*

During the reporting period, the Company successfully captured critical market opportunities to issue ultra short-term financing bonds and corporate bonds, which helped optimise financial structure and lower financing costs, and provide capital support to and security for the Company's project construction and daily operation.

During the reporting period, the Company was also actively preparing for the reforms of value-added tax in lieu of business tax and resource tax, striving to alleviate its tax burden.

# Management Discussion and Analysis

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## 1. OPERATING RESULTS

During the reporting period, the Group recorded operating income of RMB38.890 billion, representing an increase of 0.15% compared with the same period last year (same period last year: RMB38.832 billion).

The table below sets out the sales by products for the six months ended 30 June 2016 and 30 June 2015 respectively:

Items Product name	January – June 2016			January – June 2015		
	Unit price (tax excluded) RMB	Sales volume	Amount RMB'000	Unit price (tax excluded) RMB	Sales volume	Amount RMB'000
Mine-produced gold	228.80	/g 20,342	kg 4,654,280	220.21	/g 16,979	kg 3,738,960
Refinery, processed and trading gold	254.85	/g 90,443	kg 23,049,090	232.90	/g 106,732	kg 24,857,410
Mine-produced silver	2.16	/g 108,355	kg 233,900	2.16	/g 101,386	kg 218,790
Mine-produced copper	25,313	/t 73,793	t 1,867,910	30,918	/t 77,239	t 2,388,050
Refinery copper	30,705	/t 197,816	t 6,073,860	36,869	/t 133,100	t 4,907,290
Mine-produced zinc	6,684	/t 126,547	t 845,870	8,272	/t 67,928	t 561,930
Refinery zinc	12,184	/t 101,519	t 1,236,940	13,910	/t 109,531	t 1,523,540
Iron concentrates	402	/t 0.7259	Mt 291,590	404	/t 0.7545	Mt 305,200
Others (Note 1)			6,372,920			3,935,240
Internal sales elimination			-5,736,460			-3,603,970
Total			38,889,900			38,832,440

Note 1: During the reporting period, other sales income mainly included: RMB2.891 billion from copper trading, RMB487 million from refinery and processed silver, RMB288 million from gold manufacturing products, RMB278 million from copper pipe, RMB227 million from copperplates and RMB2.202 billion from other products, intermediate services and other services, etc.

## 2. ANALYSIS OF COST AND GROSS PROFIT MARGIN

The Group is mainly engaged in mine development and refinery and processing. The Group's cost of sales of products mainly includes mining, processing, refining, mineral products and concentrates procurement costs, ore transportation costs, raw materials consumption, energy consumption, salaries and depreciation and amortisation of assets, etc.

The table below sets out details of the unit cost of sales and gross profit margin by product for the six months ended 30 June 2016 and 30 June 2015 respectively (Note 1)

Item	Unit	Unit cost of sales			Gross profit margin (%)	
		Jan-Jun 2016	Jan-Jun 2015	Compared with the same period last year %	Jan-Jun 2016	Jan-Jun 2015
Mine-produced gold	RMB/g	143.31	139.38	2.82	37.36	36.71
Refinery, processed and trading gold	RMB/g	252.20	232.29	8.57	1.04	0.26
Mine-produced silver	RMB/g	1.19	1.51	-21.18	44.77	29.91
Mine-produced copper	RMB/t	15,626	16,368	-4.53	38.27	47.06
Refinery copper	RMB/t	29,069	36,111	-19.50	5.33	2.06
Mine-produced zinc	RMB/t	3,328	4,239	-21.49	50.21	48.75
Refinery zinc	RMB/t	11,036	13,226	-16.56	9.42	4.91
Iron concentrates	RMB/t	172.36	162.67	5.96	57.09	59.78
<b>Overall gross profit margin</b>					<b>11.05</b>	<b>9.83</b>
<b>Overall gross profit margin of mining entities</b>					<b>39.43</b>	<b>42.29</b>

Note 1: The gross profit margin by product was calculated based on the figures before eliminating internal sales, the overall gross profit margin was calculated after eliminating internal sales.

## Management Discussion and Analysis *(continued)*

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The Group's overall gross profit margin was 11.05%, representing an increase of 1.22 percentage points compared with the same period last year. In which, the overall gross profit margin of mining entities was 39.43%, representing a decrease of 2.86 percentage points compared with the same period last year. The overall gross profit margin of refinery entities was 2.14%, representing an increase of 1.3 percentage points compared with the same period last year.

### 3. ANALYSIS OF FINANCIAL DATA

#### (1) Selling expenses

The selling expenses of the Group for the first half of 2016 was RMB332,120,000, representing a decrease of 15.17% compared with the same period last year (same period last year: RMB391,520,000), which was mainly due to the stagnant sales of products to certain external overcapacity iron and steel enterprises, resulting in a decrease in transportation expenses and other expenses compared with the same period last year.

#### (2) Administrative expenses

The administrative expenses of the Group for the first half of 2016 was RMB1,341,880,000, representing an increase of 14.50% compared with the same period last year (same period last year: RMB1,171,920,000), which was mainly due to the increase in the number of enterprises which were newly acquired and newly commenced production. If non-comparable factors are excluded, the administrative expenses for the first half of 2016 decreased by RMB19,820,000 compared with the same period last year.

#### (3) Financial expenses

The financial expenses of the Group for the first half of 2016 was RMB439,930,000, representing an increase of 1.24% compared with the same period last year (same period last year: RMB434,560,000). If non-comparable factors such as newly acquired enterprises and newly commenced production are excluded, the financial expenses for the first half of 2016 decreased by RMB10,130,000 compared with the same period last year.

#### (4) Impairment losses on assets

The Group provided impairment losses on assets of RMB5,640,000 in the first half of 2016 (same period last year: RMB82,160,000), including (1) net provision of -RMB370,000 on bad debts after offsetting between provision and reversal of provision for bad debts; (2) net provision of RMB6,010,000 on inventories after offsetting between provision and reversal for decline in value of inventories.

#### (5) Investment income

The investment income of the Group during the first half of 2016 was -RMB455,920,000 (same period last year: RMB253,460,000). The significant fluctuation of investment income compared with the same period last year was mainly due to greater year-on-year losses from (1) hedging business and (2) gold leasing business.

#### (6) Derivative financial instruments in unsettled positions

As at the end of the reporting period, the change in fair value of hedging contracts held by the Group amounted to -RMB689,290,000 (31 December 2015: unrealised gains of RMB94,820,000).

As at the end of the reporting period, the changes in fair value of the unsettled positions of gold leasing spots and futures hedging on gold leasing was -RMB276,410,000 (31 December 2015: unrealised gains of RMB24,590,000).

## Management Discussion and Analysis *(continued)*

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### (7) Donations

During the reporting period, the Group donated a total amount of RMB65,960,000 (same period last year: RMB86,250,000).

### (8) Working capital and sources of fund

As at 30 June 2016, the Group's cash and cash equivalents was RMB5,698,000,000, representing an increase of RMB2,407,000,000 or 73.14% compared with the same period last year.

During the reporting period, the accumulated net cash inflow from the Group's operating activities was RMB3,632,000,000, representing a decrease in inflow of RMB219,000,000 compared with the same period last year, in which, the cash inflows from operating activities was RMB41,900,000,000, representing a decrease of RMB1,704,000,000 compared with the same period last year; cash outflows used in operating activities was RMB38,269,000,000, representing a decrease of RMB1,484,000,000 compared with the same period last year. The main reason for the decrease in net cash flows from the Group's operating activities was the decrease in price of major metals, which contributed to the decrease in net cash flow from operating activities.

During the reporting period, net cash outflow used in the Group's investing activities was RMB3,527,000,000, representing a decrease in outflow of RMB578,000,000 compared with the same period last year. The main investing expenditures in the first half of 2016 included: (1) cash payments of RMB2,250,000,000 for acquisition or construction of fixed assets, intangible assets and other long-term assets; and (2) net cash outflow of RMB1,040,000,000 from cash payments for and cash receipt from investment.

During the reporting period, net cash inflow from the Group's financing activities was RMB706,000,000, while during the same period last year, the net cash inflow was RMB74,000,000. The main reason was the increase in financing activities in the first half of 2016 compared with the same period last year.

As at 30 June 2016, the Group's total borrowings amounted to RMB39,209,000,000 (31 December 2015: RMB36,410,000,000), among which, the amount repayable within one year was approximately RMB17,560,000,000, the amount repayable within one to two years was approximately RMB3,490,000,000, the amount repayable within three to five years was approximately RMB16,203,000,000, the amount repayable within more than five years was approximately RMB1,956,000,000. The interest rates for all the aforesaid borrowings ranged from 0.40% to 5.145% per annum.

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 RMB137.2 billion loan credit lines for non-specified purposes provided by banks.

## Management Discussion and Analysis *(continued)*

*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

### (9) Analysis on changes in other financial data in the financial statements

Unit: RMB'000

Item	Balance as at period end/ amount for the current period	Balance as at the beginning of the year/same period last year	Changes (%)
Operating income	38,889,900	38,832,440	0.15
Operating costs	34,594,050	35,015,200	-1.2
Selling expenses	332,120	391,520	-15.17
Administrative expenses	1,341,880	1,171,920	14.50
Financial expenses	439,930	434,560	1.24
Net cash flow from operating activities	3,631,640	3,851,330	-5.70
Net cash flow used in investing activities	-3,527,390	-4,104,520	Not applicable
Net cash flow from financing activities	705,590	74,450	847.7
Research and development expenditures	144,670	159,550	-9.33
Cash and cash equivalents	7,236,590	5,498,300	31.62
Financial assets at fair value through profit or loss	857,870	548,350	56.45
Bills receivable	421,610	264,370	59.48
Prepayments	1,202,510	842,470	42.74
Current portion of non-current assets	31,500	458,040	-93.12
Construction materials	389,440	240,140	62.17
Advances from customers	2,515,890	1,918,150	31.16
Dividends payable	1,303,180	119,000	995.11
Current portion of non-current liabilities	2,244,770	6,053,650	-62.92
Other current liabilities	4,000,000	1,004,820	298.08
Bonds payable	13,300,000	8,300,000	60.24
Impairment losses on assets	5,640	82,160	-93.14
Losses/gains on changes in fair value	-719,950	337,690	Not applicable
Investment income	-455,920	253,460	Not applicable
Income tax expenses	40,120	496,670	-91.92
Net other comprehensive income after tax	-169,040	-128,770	Not applicable

#### Explanation of the reasons for changes:

- (1) Operating income: please refer to the above analysis;
- (2) Operating costs: please refer to the above analysis;
- (3) Selling expenses: please refer to the above analysis;
- (4) Administrative expenses: please refer to the above analysis;
- (5) Financial expenses: please refer to the above analysis;
- (6) Net cash flow from operating activities: please refer to the above analysis;
- (7) Net cash flow used in investing activities: please refer to the above analysis;

## Management Discussion and Analysis *(continued)*

*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

- (8) Net cash flow from financing activities: please refer to the above analysis;
- (9) Research and development expenditures: basically unchanged;
- (10) Cash and cash equivalents: the increase was mainly due to the cash flows from operating activities and issuance of ultra short-term financing bonds and corporate bonds in the first half of 2016;
- (11) Financial assets at fair value through profit or loss: mainly due to increase in fair value of stock investment;
- (12) Bills receivable: due to the change in settlement method of product sales of certain subsidiaries, there was an increase in bills settlement;
- (13) Prepayments: mainly due to increase in prepayments for purchasing materials as a result of the expansion of the Company's business scale and certain subsidiaries moving from construction phase into production phase;
- (14) Current portion of non-current assets: mainly due to certain items being reclassified to long-term receivables;
- (15) Construction materials: mainly due to the increase in specialised materials and equipment for infrastructure and technological innovation projects of certain subsidiaries;
- (16) Advances from customers: mainly due to the increase in advances from customers of Real Estate Company for sales of houses in the first half of 2016;
- (17) Dividends payable: according to the resolution passed at the shareholders' general meeting, dividend for year 2015 was provided by the Company in the first half of 2016;
- (18) Current portion of non-current liabilities: mainly due to repayment of the US\$480 million bonds in the first half of 2016;
- (19) Other current liabilities: due to the newly issued ultra short-term financing bonds in the first half of 2016;
- (20) Bonds payable: due to the issuance of corporate bonds in the first half of 2016;
- (21) Impairment losses on assets: no material impairment on assets was made in the first half of 2016;
- (22) Losses/gains on changes in fair value: mainly due to losses from hedging and gold leasing in the first half of 2016;
- (23) Investment income: mainly due to losses from hedging and gold leasing in the first half of 2016;
- (24) Income tax expenses: mainly due to the decrease in taxable profits and related tax provisions of the parent company and its subsidiaries in the first half of 2016;
- (25) Net other comprehensive income after tax: mainly due to the adoption of hedge accounting in the first half of 2016 and changes in fair value of available-for-sale investments.

## Management Discussion and Analysis *(continued)*

*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

### 4. OTHERS

#### Analysis and descriptions of the implementation progress of various types of financing and major asset reorganisation of the Company

In view of the rather drastic changes taking place in the market since the second half of 2015, the resolution regarding the termination of the Company's non-public issuance of A Shares was considered and approved at the seventeenth meeting of the fifth Board convened on 29 April 2016. The Company received the "CSRC's Notice for Terminating the Review for Administrative Permission" (2016 No. [335]) in June 2016.

The resolutions relating to the non-public issuance of A Shares of the Company in 2016 were considered and approved at the eighteenth meeting of the fifth Board convened on 8 July 2016. Pursuant to the issuance proposal, the Company proposed to issue not more than 1,553,398,058 A Shares (1,553,398,058 shares inclusive) to not more than ten specific investors at a minimum subscription price of RMB3.09 per share to raise gross proceeds of not more than RMB4.8 billion. Since the profit distribution proposal of the Company for 2015 was completed in July 2016, the minimum subscription price was adjusted to RMB3.03 per share and the number of shares to be issued was adjusted to not more than 1,584,158,415 shares (1,584,158,415 shares inclusive). The issuing objects include Minxi Xinghang State-owned Assets Investment Company Limited ("Minxi Xinghang"), the controlling shareholder of the Company, and Phase 1 of the Employee Stock Ownership Scheme of the Company (the "Employee Stock Ownership Scheme"). In which, Minxi Xinghang has undertaken to subscribe by way of cash with a subscription amount of RMB900 million. The Employee Stock Ownership Scheme has undertaken to subscribe by way of cash with a subscription amount of RMB401.7 million. The above resolutions were considered and approved by the second extraordinary general meeting in 2016, the second A Shareholders' class meeting in 2016 and the second H Shareholders' class meeting in 2016 convened on 25 August 2016. The Company is actively pushing forward various relevant tasks.

The Company was approved to issue corporate bonds with face value of not more than RMB8 billion publicly to qualified investors according to the approval document issued by the CSRC (Zhengjian Xuke [2016] No. 285). The corporate bonds will be issued by tranches. The Company issued the first tranche of the corporate bonds in March 2016. The total issuing size was RMB5 billion. In which, the term of type one is 5 years, the issuer has an option of adjusting the coupon rate while the investors have an option of redemption at the end of the third year. The actual issued amount was RMB3 billion with final coupon rate of 2.99%. Type two has a term of 5 years. The actual issued amount was RMB2 billion with final coupon rate of 3.37%. The Company issued the second tranche of the corporate bonds in July 2016. The total issuing size was RMB3 billion. In which, the term of type one is 5 years, the issuer has an option of adjusting the coupon rate while the investors have an option of redemption at the end of the third year. The actual issued amount was RMB1.8 billion with final coupon rate of 3.05%. Type two has a term of 5 years. The actual issued amount was RMB1.2 billion with final coupon rate of 3.45%.

The proposal for a general mandate to issue debt financing instruments was considered and approved at the Company's 2014 annual general meeting. The Company proposed to issue debt financing instruments on a one-off basis or by tranches within or outside the PRC with a total cumulative amount not exceeding RMB10 billion (RMB10 billion inclusive) or the equivalent in foreign currency. Pursuant to the authorisation, the extraordinary meeting of the fifth Board approved the "proposal in relation to registering and issuing ultra short-term financing bonds" on 19 July 2015. The Company received the notice of registration acceptance issued by the National Association of Financial Market Institutional Investors in September 2015. The registered amount of the ultra short-term financing bonds of the Company is RMB8 billion. The registered amount is valid for 2 years commencing from the issuance date of the notice. The Company issued ultra short-term financing bonds with an aggregate amount of RMB7 billion during 2015 and 2016. The outstanding balance as at the end of the reporting period was RMB4 billion.

## Management Discussion and Analysis *(continued)*

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The resolutions in relation to issuance of renewable corporate bonds were considered and approved at the extraordinary meeting of the fifth Board on 5 August 2016. The Board resolved that the Company may seek favourable timing to issue the renewable corporate bonds ("Renewable Corporate Bonds" or the "Bonds") in a timely manner, subject to the validity period of the resolutions. The size of issuance of the Renewable Corporate Bonds will be no more than RMB5 billion (RMB5 billion inclusive). The maturity is 5+N years. The Renewable Corporate Bonds to be issued are fixed-rate bonds. The interest is calculated per annum using simple interest method and there will not be any compound interest. In case of deferred interest payment, interest should be accrued on each deferred interest at the coupon rate prevailing at the current term. The face value of the Renewable Corporate Bonds is RMB100 each and the Bonds are non-guaranteed. The Bonds are to be publicly issued, the proceeds raised are intended to be used in supplementing working capital and other purposes as authorised by the laws and regulations. The validity period of the resolutions regarding issuance of the Renewable Corporate Bonds shall be 24 months commencing from the date of consideration and approval at the shareholders' general meeting. The aforesaid resolutions were considered and approved at the second extraordinary general meeting in 2016 convened by the Company on 25 August 2016.

### Gearing ratio

Gearing ratio refers to the proportion of consolidated total liabilities to the consolidated total equity. As at 30 June 2016, the Group's consolidated total liabilities amounted to RMB56,774,420,000 (30 June 2015: RMB45,203,300,000) and the Group's consolidated total equity was RMB30,719,920,000 (30 June 2015: RMB32,554,120,000). As at 30 June 2016, the gearing ratio of the Group was 1.8481 (30 June 2015: 1.3886).

### Non-recurring profit or loss items and their amounts

Unit: RMB

Non-recurring profit or loss items	Amount	Note (if applicable)
Gains or losses on disposal of non-current assets	-8,962,330	
Government grants recognised in the statement of profit or loss, except for government grants closely related to the Company's normal operations, which are in line with the country's policies, calculated according to certain standards or continuously granted in fixed amount	76,529,802	
Gains or losses on changes in fair value from held-for-trading financial assets and financial liabilities, investment gains on disposal of held-for-trading financial assets and financial liabilities and available-for-sale investments except for the effective portion of hedge closely related to the Company's ordinary operating activities	-70,163,720	Including gains on investment of stocks, funds and bonds amounted to RMB225,566,376, and losses on the non-effective portion of hedging instruments from cash-flow hedges amounted to RMB295,730,096
Non-operating income and expenses other than the aforesaid items	-61,578,195	Including donation expenses of the Company amounted to RMB65,962,188
Impact on the non-controlling interests	1,437,294	
Impact on income tax	36,692,647	
<b>Total</b>	<b>-26,044,502</b>	

## Management Discussion and Analysis *(continued)*

*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

### Pledged assets

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

### Currency and interest rate hedging policy

Details of the Group's currency and interest rate hedging policy for the six months ended 30 June 2016 are set out in Note VIII.2 to the financial statements. During the reporting period, the Group used cross currency swap to manage currency risk, details of the transactions are set out in Notes V.2 and VIII.2 to the financial statements.

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 currency and interest rate risks.

### Contingencies

Details of the contingencies of the Group are set out in Note XI to the financial statements.

### Net current liabilities

	<b>As at 30 June 2016 (Unaudited) RMB</b>	As at 31 December 2015 (Audited) RMB
Current assets	<b>23,297,792,957</b>	21,794,847,042
Less: Current liabilities	<b>32,329,264,656</b>	31,526,388,423
Net current liabilities	<b>(9,031,471,699)</b>	(9,731,541,381)

### Total assets less current liabilities

	<b>As at 30 June 2016 (Unaudited) RMB</b>	As at 31 December 2015 (Audited) RMB
Total assets	<b>87,494,331,999</b>	83,914,033,655
Less: Current liabilities	<b>32,329,264,656</b>	31,526,388,423
Total assets less current liabilities	<b>55,165,067,343</b>	52,387,645,232

## Management Discussion and Analysis *(continued)*

*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

### OUTLOOK FOR THE SECOND HALF OF 2016

#### Description of the progress of operation plan

##### Operating environment

Beginning from the second half of 2016, the effectiveness of the first sets of favourable policies for economic transformation and upgrade in the Thirteenth Five-year Plan as promulgated by the PRC government, including tax reduction policies such as value-added tax in lieu of business tax, and specific measures such as cutting excessive industrial capacity, de-stocking, de-leveraging, lowering corporate costs and improving weak links, are anticipated to unleash and continue to bring positive stimulation to the market. Nevertheless, the economy is still likely to undergo enormous pressure.

Fundamentals of mining industry will recover gradually, with prices of bulk commodities bottoming out, and global mining investment gathering momentum. Under the impacts of adoption of accommodative fiscal policies by major national central banks in the world and the Federal Reserve of the United States pushing back the timetable of an interest rate hike, gold will serve a good counter-inflation instrument and a safe haven asset. The trend of a positive twist of gold price is confirmed, the market value of gold corporations is likely to surge, sending up the cost of overseas mergers and acquisitions. Under such background, Chinese mining companies will brace for more difficulties and challenges in the course of "going out" for merger and acquisition opportunities.

##### Production plan

The planned production volumes of major mineral products of the Company for year 2016 are: mine-produced gold of 42.5 tonnes or 15% growth year-on-year; mine-produced copper of 155,000 tonnes or 3% growth year-on-year; mine-produced lead and zinc of 270,000 tonnes or 36% growth year-on-year; other mineral products of 30,000 tonnes (copper equivalent).

The above plan was made in light of the current economic condition, market situation and the existing conditions of the Company. The Board may revise the production plan from time to time in accordance with the prevailing circumstances.

##### Measures

In the second half of 2016, the Group will further consolidate and deepen the main tasks of "clinging to reforms, maintaining growth and boosting development" as initiated by the Board. Key measures are as follows:

##### In the aspect of "clinging to reforms"

The Company will insist on market standards and value creation principle as the yardstick, and with the guidance of the Group's master reform plan, promote deep structural reform in management and human resources, complete in all aspects the amendments and improvements to various basic management policies, and improve mechanisms, streamline work processes and increase efficiency.

This year, the reform of the Group's management system, primarily characterised by a business segment-oriented approach, has achieved magnificent outcomes. Specialisation of management not only has significantly enhanced the Group's level of management, but has also been a vital factor driving the Company's key business segments to achieve crucial operating results in the first half of 2016.

##### In the aspect of "maintaining growth"

By using a series of technological and management measures, the Company aims to raise productivity and production volume, and boost efficiency with cost reduced, to ensure the full-year target of "maintaining growth" can be reached. Construction of projects will be accelerated, the newly commenced projects should reach production and operational targets as soon as possible; technological upgrade and intelligent transformation will be attached with high importance, and the levels of automation, digitalisation and modernisation of equipment in mines will be practically enhanced, to significantly raise labour productivity per person; the advantage of group-wide central procurement will be leveraged to bargain for better prices and lower procurement costs.

## Management Discussion and Analysis *(continued)*

*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

### **Production and operation**

Domestic mining business should accelerate the digitalisation and intelligent transformation of large mines' production system, and enhance their energy conversion rate to reduce unit energy consumption. It should also take full advantage of the favourable conditions of key production entities, including processing plant No. 3 of Zijinshan copper mine, Duobaoshan Copper, Deerni copper mine and major zinc-producing entities, etc., to boost volume growth.

Refining and processing business should further enhance their technological capacities, intelligent transformation and specialisation of management, and improve operational efficiency of the corporation, labour productivity per person, and turnovers of materials and capital.

### **Project construction**

The targets are to speed up the development progress of the flotation processing plant of Zijinshan copper mine, hot pressurised system of Shuiyindong gold mine, exploration of the deep parts of Ashele copper mine and other projects, in order to ensure commencement of production in the second half of 2016 as scheduled; the overall development of Duobaoshan copper mine and Tongshan copper mine is expected to get faster, so as to maximise their production capacity and efficiency as soon as possible; development of the Kolwezi copper mine will be actively pushed ahead to strive for commencement of production in the first half of 2017; management of the construction projects should be fully strengthened, the Company's own construction force should be developed more rapidly.

### **Safety and environmental protection**

"Zero casualty and zero environmental incident" are the targets that the Company endlessly pursues. The protection for production safety will be fully enhanced, awareness of production safety and environmental protection will be raised and the respective responsibilities will be implemented to the base level to consolidate and enhance achievements made in regulating environmental control.

### **Science, technology and geological exploration**

Science, technology and geological exploration tasks will be guided by economic principles. In the aspects of slope angle improvement in open-pit mining, technological upgrade for deep underground mining, enhancement of recovery rate in ore processing, etc., the Company will also seek major breakthroughs in the reform of base-level key production techniques. Digitalised and automated technology will also be reformed and utilised in the whole process of exploration, mining, processing, refining and trading, etc.

### **In the aspect of "boosting development"**

#### **Business development**

The Company will boost the development of its three major businesses, namely gold, copper and zinc. The development of gold business will be a priority, for which the Company will strive to attain material breakthroughs in volume of retained resources and production volume; the target for mine-produced copper is to rank the first in terms of national production volume in three years' time; and the target of mine-produced zinc is to further solidify its position as the second place in volume produced in the country.

#### **Overseas business**

The Company will adhere to internationalisation as the roadmap for development, and follow the strategy of overseas merger and acquisition. To raise resources reserve, productivity and production volume for stronger support to sustainable development, the Company will thoroughly study the trends in global mining industry, taking bold steps to seek and capture market opportunities. Moreover, top global practices and standards will be utilised to measure performance, the operation and management of overseas enterprises will be fully enhanced to boost profitability.

#### **Capital and financial operation**

The Company will vigorously push ahead the non-public issuance of A Shares. Better market judgment and industrial analysis will be introduced to strengthen risk management of hedging.

## Management Discussion and Analysis *(continued)*

*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

### ANALYSIS ON OPERATING STATUS BASED ON INDUSTRY, PRODUCT AND REGION

#### 1. Status of main businesses by industry and product

Unit: RMB'000

By product	Status of main businesses by product					
	Operating income	Operating costs	Gross profit margin (%)	Changes in operating income compared with same period last year (%)	Changes in operating costs compared with same period last year (%)	Changes in gross profit margin in percentage point compared with same period last year
Mine-produced gold	4,654,280	2,915,330	37.36	24.48	23.19	Increased by 0.65 percentage point
Refinery, processed and trading gold	23,049,090	22,809,490	1.04	-7.27	-8.00	Increased by 0.78 percentage point
Mine-produced silver	233,900	129,180	44.77	6.91	-15.76	Increased by 14.86 percentage points
Mine-produced copper	1,867,910	1,153,060	38.27	-21.78	-8.79	Decreased by 8.79 percentage points
Refinery copper	6,073,860	5,750,360	5.33	23.77	19.64	Increased by 3.27 percentage points
Mine-produced zinc	845,870	421,160	50.21	50.53	46.25	Increased by 1.46 percentage points
Refinery zinc	1,236,940	1,120,410	9.42	-18.81	-22.66	Increased by 4.51 percentage points
Iron concentrates	291,590	125,123.60	57.09	-4.46	1.94	Decreased by 2.69 percentage points
Others	6,372,920	5,815,420	8.75	61.94	69.39	Decreased by 4.01 percentage points
Internal elimination	-5,736,460	-5,645,480				
Total	38,889,900	34,594,050	11.05	0.15	-1.20	Increased by 1.22 percentage points

Note: The analysis by product is based on the figures before eliminating internal sales.

#### 2. Status of main businesses by region

Over 93.04% of the Company's operating income was originated from customers in Mainland China, and 50.74% of the operating income was from the Shanghai Gold Exchange. Therefore, it is not necessary to sort customers by region.

#### 3. Information on major suppliers and customers

During the reporting period, the Group's total procurement amount from the top five suppliers was RMB10.111 billion, representing 29.23% of the Group's total procurement amount. The Group's major suppliers included Shanghai Gold Exchange, Glencore International AG, etc.

During the reporting period, the Group's total sales income from the top five customers amounted to RMB22.914 billion, representing 58.92% of the Group's total sales income. The Group's major customers included Shanghai Gold Exchange, Australian Mint, Shanghai Huiao Non-ferrous Metals Company Limited, etc.

## INVESTMENT STATUS

### Analysis on external equity investment

During the reporting period, the Company continued to carry out the development strategy of "internationalisation, project upsizing, asset securitisation", with main focus on gold and copper resources, and completed the mineral investment projects, such as acquisition of equity interest in Heilong Mining, participation in capital enlargement of Pretium Resources Inc. in Canada, etc. At the same time, the Company continued to pay attention to and keep track of a batch of important mineral projects in preparation for increasing its future reserve, production volume and value.

## Management Discussion and Analysis *(continued)*

*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

### Analysis of the Company's major subsidiaries and associates

#### (1) Operating status and results of subsidiaries or associates affecting the Company's net profit for over 10%

RMB'000

Company name	Total assets	Net assets	Operating income	Operating profit	Net profit
Barrick (Niugini) Limited	3,384,400	1,194,280	999,500	326,000	295,850
Xinjiang Ashele Copper Company Limited	3,134,470	1,438,660	577,640	249,750	198,360
Zijin Copper Company Limited	6,464,100	1,948,540	11,764,860	140,640	139,690
Hunchun Zijin Mining Company Limited (including Hunchun Multi-metals)	6,130,300	1,678,690	2,190,490	85,100	57,880

#### (2) Operating status and results of other major subsidiaries

RMB'000

Company name	Major products	Registered capital	Total assets	Net assets	Net profit
Xinjiang Zijin Zinc Industry Company Limited	Zinc concentrates	346,500	1,310,900	537,130	79,020
Longnan Zijin Mining Company Limited	Gold bullion/Gold concentrates	242,220	909,320	325,470	57,630
Heilongjiang Duobaoshan Copper Company Limited	Copper concentrates	800,000	2,680,330	922,320	9,740
Qinghai West Copper Mining Company Limited	Copper concentrates	120,000	1,370,890	1,221,790	4,750
Wulatehouqi Zijin Mining Company Limited	Zinc concentrates	150,000	2,072,810	626,460	-4,840
Hebei Chongli Zijin Mining Company Limited	Gold	237,500	627,590	406,370	-18,360
Bayannaer Zijin Non-ferrous Metals Company Limited	Zinc bullion	375,000	3,058,780	810,020	-40,950
Guizhou Zijin Mining Company Limited	Gold bullion/Gold concentrates	200,000	2,328,660	823,800	-41,810

## Management Discussion and Analysis *(continued)*

*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

### Projects using non-proceeds funds

RMB million

Project name	Planned investment amount	Progress	Investment for the reporting period	Accumulated actual investment	Project return status
Longnan Zijin (Gansu Li County gold mine project)	1,400	Feasibility study reports of phase 2 of the 8,000 tonnes/day processing project and biological pre-oxidation were completed. Internal approval has been obtained and external approval is proceeding smoothly; stripping of mining infrastructure is in progress.	33	528	Planned to produce about 6 tonnes of mine-produced gold a year after completion of the two phases of the project and upon reaching the designated production capacity; income from investment in biological pre-oxidation project will reach 27.23%.
Technological innovation of ZGC gold mine in Tajikistan	1,916	The stripping of open-pit infrastructure of Jilau and Taror has been completed. The construction of Jilau 10,000 tonnes processing plant is completed and is operating in one production line.	47	1,525	Upon completion of technological innovation, it will increase production capacity by about 3.5 tonnes of gold a year.
The Kolwezi copper mine project in the DR Congo	3,529	Most of the designs of flotation processing, electricity, etc. were completed and related plans have been submitted; construction and installation works are in full swing; the stripping of infrastructure proceeded in an orderly manner; the first-stage mining area for high-grade ores has been determined.	261.8	386.5	Annual production capacity planned to reach 7,212 tonnes of copper sulphide concentrates (containing 60% copper), 43,616 tonnes of crude copper (containing 90% copper) and 8,203 tonnes of copper cathode.
40,000 tonnes (25,000 tonnes for flotation processing, 15,000 tonnes for heap leaching) processing plant at the Zijinshan gold and copper mine	815	The whole construction process is approaching conclusion; contracts for major equipment have been awarded. It is expected that production will commence in September 2016.	303	518	Upon completion of the project, the annual production capacity is expected to reach copper concentrates containing copper of 37,000 tonnes, copper cathodes of 11,600 tonnes, gold associated with other metals of 1.02 tonnes and silver of 26.47 tonnes.
<b>Total</b>	<b>7,660</b>	<b>/</b>	<b>644.8</b>	<b>2,957.5</b>	<b>/</b>

## Share Capital and Shareholders

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

### CHANGE OF ISSUED SHARES

From January to June 2016, the Company repurchased 2,500,000 H Shares at the Stock Exchange of Hong Kong Limited. Details are as follow:

At the 2014 annual general meeting, the first A Shareholders' class meeting in 2015 and the first H Shareholders' class meeting in 2015 convened by the Company on 11 May 2015, a resolution in relation to the proposal of granting a general mandate to the Board of the Company to repurchase H Shares was approved. The effective period of the resolution was from the date of the shareholders' general meetings passing the resolution to the date of the 2015 annual general meeting convened in 2016. According to the authorisation, the Company continued to implement repurchase of H Shares in the first half of 2016 and repurchased 2,500,000 H Shares in aggregate with the total amount paid of HK\$4,845,000 (excluding commission and other expenses). Up to the present, the cancellation of the H Shares repurchased in 2015 and the first half of 2016 has been completed at Computershare Hong Kong Investor Services Limited, and the change of business registration in the PRC for the cancellation of the repurchased H Shares was also completed in late July 2016.

Details of the Company's issued ordinary shares (with par value of RMB0.1 each) as at 30 June 2016 are set out in Note V.38 to the financial statements.

### SHAREHOLDING STRUCTURE OF SUBSTANTIAL SHAREHOLDERS

As at 30 June 2016, the Company has a total of 975,428 shareholders, of which 973 are H Shareholders and 974,455 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:

Name of shareholders	Class of shares	Number of shares held	Approximate percentage of shareholding in the registered capital*
1. HKSCC Nominees Limited (Note 1)	H Shares	5,706,276,079	26.49%
	Domestic shares	16,113,959	0.07%
	Total	5,722,390,038	26.57%
2. Minxi Xinghang State-owned Assets Investment Co., Ltd. (Notes 2 & 3)	Domestic shares	5,671,353,180	26.33%
3. Xinhua Industrial Group Company Limited	Domestic shares	1,059,766,772	4.92%
4. China Securities Finance Corporation Limited	Domestic shares	698,227,794	3.24%
5. China Resources SZITIC Trust Co., Ltd.–Zhuque Exclusive Collective Trust Plan No. 7	Domestic shares	316,260,000	1.47%
6. National Social Security Fund 108	Domestic shares	219,999,684	1.02%
7. Central Huijin Asset Management Ltd.	Domestic shares	191,694,700	0.89%
8. Shanghang County Jinshan Trading Co., Ltd.	Domestic shares	110,905,000	0.51%
9. Chen Jinghe	Domestic shares	102,000,000	0.47%
	H Shares	2,000,000	0.01%
	Total	104,000,000	0.48%
10. Industrial and Commercial Bank of China-Guangfa Large-cap Growth Mixed Securities Investment Fund	Domestic shares	78,000,109	0.36%

## Share Capital and Shareholders *(continued)*

*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

Notes:

- \* Percentage calculation is based on 21,540,743,650 shares.
- 1. HKSCC Nominees Limited is holding 5,706,276,079 H Shares and 16,113,959 domestic shares in the Company as a nominee, representing approximately 26.57% in aggregate 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 custodian business for customers.
- 2. 208,484,145 domestic shares of the Company held by Minxi Xinghang State-owned Assets Investment Co., Ltd. has to be transferred to National Council for Social Security Fund, PRC, that part of the stocks is frozen.
- 3. Minxi Xinghang State-owned Assets Investment Co., Ltd. has pledged 1,070,000,000 domestic shares of the Company.

### SUBSTANTIAL SHAREHOLDERS

So far as the Directors, Supervisors and chief executive of the Company are aware, as at 30 June 2016, the interests and long/short positions of shareholders (except Directors, Supervisors and the chief executive of the Company) in the shares or underlying shares 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 required to be notified to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO are as follows:

Name of shareholders	Class of shares	Number of shares/equity interest held	Approximate percentage of the total number of issued shares*	Approximate percentage of the total number of issued domestic shares	Approximate percentage of the total number of issued H Shares**	Long/short positions
Minxi Xinghang State-owned Assets Investment Co., Ltd.	Domestic shares	5,671,353,180	26.33%	35.89%	—	Long
Xinhuadu Industrial Group Company Limited	Domestic shares	1,059,766,772 (Note 1)	4.92%	6.71%	—	Long
Chen Fashu	Domestic shares	1,074,883,062 (Note 2)	4.99%	6.80%	—	Long
The Bank of New York Mellon Corporation	H Shares	331,345,826 (Note 3)	1.54%	—	5.74%	Long
The Bank of New York Mellon Corporation	H Shares	322,812,356 (Note 3)	1.50%	—	5.60%	Lending pool
BlackRock, Inc.	H Shares	307,185,698 (Note 4)	1.43%	—	5.32%	Long
BlackRock, Inc.	H Shares	1,446,000 (Note 4)	0.01%	—	0.03%	Short

Notes:

- \* Percentage calculation is based on 21,540,743,650 shares.
- \*\* Percentage calculation is based on 5,769,010,000 H Shares.

## Share Capital and Shareholders *(continued)*

*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

- (1) Xinhuadu Industrial Group Company Limited holds 1,059,766,772 domestic shares in the Company.
- (2) Mr. Chen Fashu holds 15,116,290 domestic shares in the Company. Mr. Chen Fashu also holds 76.87% 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 hold 1,059,766,772 domestic shares in the Company. Therefore, Mr. Chen Fashu is deemed to be interested in 1,074,883,062 domestic shares in the Company.
- (3) The Bank of New York Mellon Corporation holds 331,345,826 H Shares (long position) of the Company (representing approximately 5.74% of the 5,769,010,000 total issued H Shares of the Company) and 322,812,356 H Shares (lending pool) of the Company (representing approximately 5.60% of the 5,769,010,000 total issued H Shares of the Company).

According to the disclosure form filed by The Bank of New York Mellon Corporation on 22 June 2016, the following interests in shares were held by The Bank of New York Mellon Corporation in the following capacity:

Capacity	No. of shares
Corporations controlled by The Bank of New York Mellon Corporation	331,345,826 (Long position)
	322,812,356 (Lending pool)

These shares were held by The Bank of New York Mellon Corporation 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 (Y/N)	Number of shares	
The Bank of New York Mellon	225 Liberty Street New York, NY 10286 USA USA (New York)	The Bank of New York Mellon Corporation	100.00	Y	Long position	331,345,826

- (4) BlackRock, Inc. holds 307,185,698 H Shares (long position) of the Company (representing approximately 5.32% of the 5,769,010,000 total issued H Shares of the Company) and 1,446,000 H Shares (short position) of the Company (representing approximately 0.03% of the 5,769,010,000 total issued H Shares of the Company).

According to the disclosure form filed by BlackRock, Inc. on 30 June 2016, the following interests in shares were held by BlackRock, Inc. in the following capacity:

Capacity	No. of shares
Corporations controlled by BlackRock, Inc.	307,185,698 (Long position)
	1,446,000 (Short position)

## Share Capital and Shareholders *(continued)*

*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

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 (Y/N)	Number of shares	
Trident Merger, LLC	1209 Orange Street, Wilmington DE 19801, United States (Delaware, USA)	BlackRock, Inc.	100.00	N	Long position	3,054,250
BlackRock Investment Management, LLC	1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States (Delaware, USA)	Trident Merger, LLC	100.00	Y	Long position	3,054,250
BlackRock Holdco 2, Inc.	1209 Orange Street, Wilmington DE 19801, United States (Delaware, USA)	BlackRock, Inc.	100.00	N	Long position Short position	304,131,448 1,446,000
BlackRock Financial Management, Inc.	1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States (Delaware, USA)	BlackRock Holdco 2, Inc.	100.00	N	Long position Short position	302,281,448 1,446,000
BlackRock Financial Management, Inc.	1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States (Delaware, USA)	BlackRock Holdco 2, Inc.	100.00	Y	Long position	1,850,000
BlackRock Holdco 4, LLC	1209 Orange Street, Wilmington DE 19801, United States (Delaware, USA)	BlackRock Financial Management, Inc.	100.00	N	Long position Short position	152,500,587 512,000
BlackRock Holdco 6, LLC	1209 Orange Street, Wilmington DE 19801, United States (Delaware, USA)	BlackRock Holdco 4, LLC	100.00	N	Long position Short position	152,500,587 512,000
BlackRock Delaware Holdings Inc.	1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States (Delaware, USA)	BlackRock Holdco 6, LLC	100.00	N	Long position Short position	152,500,587 512,000
BlackRock Institutional Trust Company, National Association	1225 17th Street, Suite 300, Denver, CO 80202 (Colorado, USA)	BlackRock Delaware Holdings Inc.	100.00	Y	Long position Short position	75,928,587 512,000
BlackRock Fund Advisors	400 Howard Street San Francisco, CA 94105, United States (California, USA)	BlackRock Delaware Holdings Inc.	100.00	Y	Long position	76,572,000
BlackRock Capital Holdings, Inc.	1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States (Delaware, USA)	BlackRock Financial Management, Inc.	100.00	N	Long position	4,616,000
BlackRock Advisors, LLC	1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States (Delaware, USA)	BlackRock Capital Holdings, Inc.	100.00	Y	Long position	4,616,000
BlackRock International Holdings, Inc.	1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States (Delaware, USA)	BlackRock Financial Management, Inc.	100.00	N	Long position Short position	145,164,861 934,000
BR Jersey International Holdings L.P.	13 Castle Street, St. Helier, Jersey, Channel Islands JE4 5UT (Jersey)	BlackRock International Holdings, Inc.	86.00	N	Long position Short position	145,164,861 934,000

## Share Capital and Shareholders *(continued)*

*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

Name of controlled corporation	Address and place of incorporation	Name of controlling shareholder	% control	Direct interest (Y/N)	Number of shares	
BlackRock Cayco Limited	c/o Walkers SPV Limited, P.O. Box 908GT, Walker House, Mary Street, George Town, British West Indies, Cayman Islands (Cayman Islands)	BlackRock HK Holdco Limited	100.00	N	Long position	6,118,000
BlackRock Trident Holding Company Limited	Taney Hall, Eglinton Terrace, Dundrum, Dublin 14, Ireland (Ireland)	BlackRock Cayco Limited	100.00	N	Long position	6,118,000
BlackRock Japan Holdings GK	Marunouchi Trust Tower Main, 1-8-3 Marunouchi, Chiyoda-ku, Tokyo 100-8217 (Japan)	BlackRock Trident Holding Company Limited	100.00	N	Long position	6,118,000
BlackRock Japan Co., Ltd.	Marunouchi Trust Tower Main, 1-8-3 Marunouchi, Chiyoda-ku, Tokyo 100-8217 (Japan)	BlackRock Japan Holdings GK	100.00	Y	Long position	6,118,000
BlackRock Canada Holdings LP	161 Bay Street, Suite 2500, Toronto, Ontario M5J 2S1, Canada (Ontario, Canada)	BR Jersey International Holdings L.P.	99.90	N	Long position	490,000
BlackRock Canada Holdings ULC	161 Bay Street, Suite 2500, Toronto, Ontario M5J 2S1, Canada (Ontario, Canada)	BlackRock Canada Holdings LP	100.00	N	Long position	490,000
BlackRock Asset Management Canada Limited	161 Bay Street, Suite 2500, Toronto, Ontario M5J 2S1, Canada (Ontario, Canada)	BlackRock Canada Holdings ULC	100.00	Y	Long position	490,000
BlackRock Australia Holdco Pty. Ltd.	Level 26, 101 Collins Street Melbourne VIC 3000 Australia (Victoria, Australia)	BR Jersey International Holdings L.P.	100.00	N	Long position	858,000
BlackRock Investment Management (Australia) Limited	Level 26, 101 Collins Street Melbourne VIC 3000 Australia (Victoria, Australia)	BlackRock Australia Holdco Pty. Ltd.	100.00	Y	Long position	858,000
BlackRock (Singapore) Holdco Pte. Ltd.	20 Anson Road #18-01 079912 Singapore (Singapore)	BR Jersey International Holdings L.P.	100.00	N	Long position	8,913,181
BlackRock Asia-Pac Holdco, LLC	1209 Orange Street, Wilmington DE 19801, United States (Delaware, USA)	BlackRock (Singapore) Holdco Pte. Ltd.	100.00	N	Long position	8,913,181
BlackRock HK Holdco Limited	13th Floor, One Pacific Place, 88 Queensway, Hong Kong (Hong Kong)	BlackRock Asia-Pac Holdco, LLC	100.00	N	Long position	8,913,181
BlackRock Asset Management North Asia Limited	15/F, 16/F, 17/F Champion Tower & 17/F ICBC Tower, 3 Garden Road, Central, Hong Kong	BlackRock HK Holdco Limited	100.00	Y	Long position	2,795,181
BlackRock Group Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BR Jersey International Holdings L.P.	90.00	N	Long position Short position	134,903,680 934,000
BlackRock (Netherlands) B.V.	Rembrandt Tower, 17th floor, Amstelplein, Amsterdam Netherlands (Amsterdam, Netherlands)	BlackRock Group Limited	100.00	Y	Long position	1,328,000

Share Capital and Shareholders *(continued)**(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

Name of controlled corporation	Address and place of incorporation	Name of controlling shareholder	% control	Direct interest (Y/N)	Number of shares	
BlackRock Advisors (UK) Limited	12 Throgmorton Avenue, London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock Group Limited	100.00	Y	Long position	51,857,660
BlackRock International Limited	Exchange Place One, 1 Semple Street, Edinburgh, EH3 8BL, United Kingdom (Scotland, United Kingdom)	BlackRock Group Limited	100.00	N	Long position	136,000
BlackRock International Limited	Exchange Place One, 1 Semple Street, Edinburgh, EH3 8BL, United Kingdom (Scotland, United Kingdom)	BlackRock Group Limited	100.00	Y	Long position	2,084,000
BlackRock Luxembourg Holdco S.à r.l.	35 A, avenue J.F. Kennedy L-1855 Luxembourg	BlackRock Group Limited	100.00	N	Long position Short position	49,704,341 184,000
BlackRock Investment Management Ireland Holdings Limited	JP Morgan House, International Financial Services Centre, Dublin 1, Ireland (Ireland)	BlackRock Luxembourg Holdco S.à r.l.	100.00	N	Long position	39,378,341
BlackRock Asset Management Ireland Limited	JP Morgan House, International Financial Services Centre, Dublin 1, Ireland (Ireland)	BlackRock Investment Management Ireland Holdings Limited	100.00	Y	Long position	39,378,341
BLACKROCK (Luxembourg) S.A.	35 A, avenue J.F. Kennedy L-1855 Luxembourg	BlackRock Luxembourg Holdco S.à r.l.	100.00	Y	Long position Short position	10,298,000 184,000
BlackRock Investment Management (UK) Limited	12 Throgmorton Avenue, London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock Group Limited	100.00	N	Long position Short position	2,148,250 750,000
BlackRock Investment Management (UK) Limited	12 Throgmorton Avenue, London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock Group Limited	100.00	Y	Long position	27,645,429
BlackRock Fund Managers Limited	12 Throgmorton Avenue, London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock Investment Management (UK) Limited	100.00	Y	Long position Short position	2,148,250 750,000
BlackRock Life Limited	12 Throgmorton Avenue, London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock International Limited	100.00	Y	Long position	136,000
BlackRock UK Holdco Limited	12 Throgmorton Avenue, London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock Luxembourg Holdco S.à r.l.	100.00	N	Long position	28,000
BlackRock Asset Management (Schweiz) AG	Bahnhofstrasse 39 8001 Zurich, Switzerland (Switzerland)	BlackRock UK Holdco Limited	100.00	Y	Long position	28,000

Further information in respect of derivative interests:

Cash settled (Unlisted derivatives)	Long position	738,000
	Short position	184,000

## Disclosure of Interests and Short Positions of the Directors, Supervisors and Chief Executive of the Company

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

As at 30 June 2016, the interests and short positions of the Directors, Supervisors and chief executive of the Company in the shares, underlying shares or debentures 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 of Hong Kong Limited pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors, Supervisors and chief executive 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 Issuers (the "Model Code"), to be notified to the Company and the Stock Exchange of Hong Kong Limited are as follows:

Shareholdings of the Directors, Supervisors and chief executive of the Company as at 30 June 2016:

Director	Class of shares	Number of shares 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	Domestic shares	102,000,000	Personal	Long	0.65%	0.47%
	H Shares	2,000,000	Personal	Long	0.03%	0.01%
	Total	104,000,000	Personal	Long		0.48%
Wang Jianhua	Domestic shares	700,000	Personal	Long	0.01%	0.01%
Lan Fusheng	Domestic shares	7,530,510	Personal	Long	0.05%	0.03%
Zou Laichang	Domestic shares	1,430,000	Personal	Long	0.01%	0.01%
Fang Qixue	Domestic shares	301,000	Personal	Long	0.01%	0.01%
Lin Hongfu	Domestic shares	862,500	Personal	Long	0.01%	0.01%

Supervisor	Class of shares	Number of shares 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**
Lin Shuiqing	Domestic shares	300,000	Personal	Long	0.01%	0.01%
Liu Wenhong	Domestic shares	24,450	Personal	Long	0.01%	0.01%
	H Shares	10,000	Personal	Long	0.01%	0.01%
	Total	34,450	Personal	Long		0.01%

\* Percentage calculation of domestic shares is based on 15,803,803,650 shares, percentage calculation of H Shares is based on 5,769,010,000 shares.

\*\* Percentage calculation is based on 21,540,743,650 shares.

Save as disclosed above, none of the Directors, Supervisors and chief executive or their associates has any interest or short position in the shares, underlying shares or debentures of the Company or its associated corporations (as defined in the SFO) during the reporting period. None of the Directors, Supervisors and chief executive or their spouse or children under the age of 18 years is holding any option to subscribe shares, underlying shares 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, Supervisors or chief executive of the Company to be benefited by acquiring the shares, underlying shares or debentures of the Company or other body corporates.

## Others

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

## STAFF OF THE GROUP

As at 30 June 2016, the number of current staff of the Company was 24,890, including 7,560 overseas staff. Among that, the total number of staff in domestic enterprises and Chinese staff in overseas enterprises was 17,671. The structures of their profession, education and age are listed below:

### 1. Profession structure of staff of the Company

Classification	Number of staff	Percentage (%)
Administration and management	3,887	22.00%
Technical	4,236	23.97%
Sales	255	1.44%
Finance	471	2.67%
Production	8,822	49.92%
<b>Total</b>	<b>17,671</b>	<b>100.00%</b>

### 2. Education level of staff of the Company

Qualification	Number of staff	Percentage (%)
Bachelor degree or above	2,918	16.51%
Tertiary education	3,409	19.29%
Secondary school or below	11,344	64.20%
<b>Total</b>	<b>17,671</b>	<b>100.00%</b>

### 3. Age structure of staff of the Company

Age	Number of staff	Percentage (%)
Below 30	4,744	26.85%
30-50	11,126	62.96%
Above 50	1,801	10.19%
<b>Total</b>	<b>17,671</b>	<b>100.00%</b>

The Group persisted in the “people-oriented” human resources management policy, adhered to the concept of “fair competition, survival of the outstanding ones and dismissal of the unfitted ones, promoting strengths and improving weaknesses of staff and allowing them to perform their best in the right positions” for talents, actively promoted the human resources-related reforms, perfected the normative system comprising the co-existence of the three main salary systems: annual salary system, negotiated salary system and structured salary system, and the collaborative human resources management and control system of the Group and its subsidiaries. The recruitment, training, appraisal and remuneration management systems of human resources were further optimised.

## Others *(continued)*

*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

### MAJOR LITIGATIONS AND ARBITRATIONS

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#### Summary and type of event

The dispute between Xinyi Zijin Mining Co., Ltd. and the 6 hydropower plants including Shihuadi hydropower station in Qianpai Town, Xinyi City and a water treatment plant for liability for damages due to collapse of structures in the “9.21 flooding” in 2010.

The dispute between the Company and Zhongxing Henghe Investment Group Company Limited regarding a share transfer framework agreement.

#### Index for details

For details, please refer to the Company’s 2015 annual report disclosed on HKEXnews website (<http://www.hkexnews.hk>) on 29 April 2016.

For details, please refer to the Company’s 2015 annual report disclosed on HKEXnews website (<http://www.hkexnews.hk>) on 29 April 2016.

### ASSET TRANSACTIONS AND CORPORATE MERGERS

#### Acquisitions, disposals of assets and corporate mergers which have been published in provisional announcements and without changes for subsequent implementation

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#### Summary and type of event

The Company entered into a share transfer agreement (the “Agreement”) with the 3 shareholders of Heilong Mining Group Company Limited (“Heilong Mining”), namely Beijing Zhongrui Chuangxiang Investment Company Limited, Qinghai West Resources Company Limited and Qinghai West Rare and Precious Metals Company Limited (collectively the “Transferors”), and Hangzhou Nabel Group Company Limited, as the guarantor, on 3 June 2016. The Company would acquire 100% equity interest in Heilong Mining (after detaching certain assets pursuant to the Agreement) held by the Transferors with cash consideration of RMB1.56122 billion.

Heilong Mining holds 49% equity interest in Heilongjiang Duobaoshan Copper Company Limited (“Duobaoshan Company”), 100% equity interest in Heilongjiang Tongshan Mining Company Limited (“Tongshan Company”), 100% equity interest in Heilongjiang Baoshan Mining Company Limited (“Baoshan Company”), 100% equity interest in Nenjiang County Survey and Mapping and Mineral Products Company Limited (“Survey and Mapping Company”) and 100% equity interest in Heilongjiang Heilong Resources Investment Company Limited (“Resources Company”) respectively. Pursuant to the Agreement, Heilong Mining will detach the 100% equity interests it holds in Baoshan Company, Survey and Mapping Company and Resources Company respectively.

The Company currently holds 51% equity interest in Duobaoshan Company. After the completion of the transaction, the Company will hold 100% equity interest in Duobaoshan Company, Tongshan Company and Heilong Mining respectively. The major assets of the above 3 companies include the headquarters building of Heilong Mining, 11 exploration rights and 3 mining rights, etc.

#### Index for details

For details, please refer to the Company’s announcement disclosed on HKEXnews website (<http://www.hkexnews.hk>) on 6 June 2016.

## Others (continued)

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

## MATERIAL CONNECTED TRANSACTION

### Summary of event

Fujian Shanghang Ting River Hydropower Co., Ltd. ("Ting River Hydropower") is a subsidiary of Minxi Xinghang, the Company's substantial shareholder, and an associate of Zijin Finance, the Company's subsidiary. Zijin Finance provided financial services to Ting River Hydropower. As at the end of the reporting period, Zijin Finance has provided loans in the amount of RMB21.5 million to Ting River Hydropower.

### Index for details

For details, please refer to the Company's announcement disclosed on HKEXnews website (<http://www.hkexnews.hk>) on 9 January 2014.

## OTHERS

- (1) During the reporting period, the Company further strengthened risk management, improved hedging business, accounted for the hedging business using hedge accounting, and used futures contracts to engage in cash flow hedges based on estimated sales of mine-produced gold and mine-produced copper in the next 12 months.
- (2) Warning in respect of forecast of possible accumulated net loss from the beginning of the year to the end of the next reporting period or warning in respect of any significant changes in accumulated net profit as compared with that of the corresponding period of the previous year and the reasons thereof

Since the beginning of 2016, there were substantial volatilities in the prices of major metals including gold, copper, zinc, etc. It may substantially affect the Company's operating results for the next reporting period. Investors are advised to be cautious of investment risk.

## Undertakings and performance

### Undertakings by the listed companies, shareholders holding over 5% of shares, controlling shareholders and actual controllers, which were made during the reporting period or remained to be valid within the reporting period

Background of the undertaking	Type of the undertaking	Undertaking parties	Contents of the undertaking	Time of undertaking and its validity period	Whether there is validity period	Whether the undertaking has been strictly complied with
<b>Undertaking related to reform of shareholding structure</b>	Avoidance of competition within the same industry	Minxi Xinghang State-owned Assets Investment Co., Ltd.	During the period of being the substantial shareholder of the Company, Minxi Xinghang and its wholly-owned or controlling enterprises will not engage in any business that is in competition with or constitutes a competitive threat to the Company's main business or main products within or outside the PRC, including investing, acquiring, merging or entrusting to operate and manage locally or globally a company, business or other economic organisation which main business or product is the same with or similar to that of the Company. If the Company develops any new business segment in the future, the Company will have the priority to enter that business industry while Minxi Xinghang and its other wholly-owned or controlling enterprises will not develop the same business segment.	The undertaking was made by Minxi Xinghang when the A Shares of the Company were listed in 2008. The undertaking is valid so long as Minxi Xinghang is the substantial shareholder of the Company.	Yes	Yes

## Others (continued)

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

Background of the undertaking	Type of the undertaking	Undertaking parties	Contents of the undertaking	Time of undertaking and its validity period	Whether there is validity period	Whether the undertaking has been strictly complied with
Other undertakings	Others	Minxi Xinghang State-owned Assets Investment Co., Ltd.	Not to reduce the number of shares of the Company held within 6 months from the date of the undertaking	Within 6 months from 11 July 2015	Yes	Yes
	Others	The Directors, Supervisors and senior management of the Company	Not to reduce the number of shares of the Company held within 6 months from the date of the undertaking	Within 6 months from 11 July 2015	Yes	Yes
	Others	Minxi Xinghang State-owned Assets Investment Co., Ltd.	Not to reduce the number of shares of the Company held during the period of the undertaking	From 8 January 2016 to 31 December 2016	Yes	Yes

### Information of corporate bonds

- (1) Overview of the Company's corporate bonds which were publicly issued, are listed on the stock exchange and undue on the date of disclosure of this report:

RMB'000

Name of bond	Abbreviation	Code	Date of issuance	Date of maturity	Outstanding balance	Interest rate	Payment of principal and interest	Listing place
2016 Corporate Bonds (the First Tranche) (Type One) of Zijin Mining Group Co., Ltd.*	16 Zijin 01	136304	18 March 2016	18 March 2021	3,000,000	2.99%	Interest to be paid annually, principal to be repaid in full at maturity.	Shanghai Stock Exchange
2016 Corporate Bonds (the First Tranche) (Type Two) of Zijin Mining Group Co., Ltd.*	16 Zijin 02	136305	18 March 2016	18 March 2021	2,000,000	3.37%	Interest to be paid annually, principal to be repaid in full at maturity.	Shanghai Stock Exchange
2016 Corporate Bonds (the Second Tranche) (Type One) of Zijin Mining Group Co., Ltd.*	16 Zijin 03	136549	15 July 2016	15 July 2021	1,800,000	3.05%	Interest to be paid annually, principal to be repaid in full at maturity.	Shanghai Stock Exchange
2016 Corporate Bonds (the Second Tranche) (Type Two) of Zijin Mining Group Co., Ltd.*	16 Zijin 04	136550	15 July 2016	15 July 2021	1,200,000	3.45%	Interest to be paid annually, principal to be repaid in full at maturity.	Shanghai Stock Exchange

**Others** *(continued)*

*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

(2) Arrangement regarding suitability of investors

The issuing objects in the issuance of 2016 Corporate Bonds (the First Tranche) of Zijin Mining Group Co., Ltd.\* and 2016 Corporate Bonds (the Second Tranche) of Zijin Mining Group Co., Ltd.\* are qualified investors in compliance with laws and regulations.

(3) Settlement of interests and principals of the corporate bonds during the reporting period

Dates of payment of the initial interest accrued of 2016 Corporate Bonds (the First Tranche) of Zijin Mining Group Co., Ltd.\* and 2016 Corporate Bonds (the Second Tranche) of Zijin Mining Group Co., Ltd.\* will be 18 March 2017 and 15 July 2017, respectively. No interest payment was made during the reporting period.

**Use of proceeds raised from corporate bonds**

As at the date of this report, the RMB5 billion of proceeds raised from 2016 Corporate Bonds (the First Tranche) of Zijin Mining Group Co., Ltd.\* has been fully used for supplementing working capital; and the RMB3 billion of proceeds raised from 2016 Corporate Bonds (the Second Tranche) of Zijin Mining Group Co., Ltd.\* has been fully used for supplementing working capital. The unused balance of the proceeds from both tranches of corporate bonds is RMB0.

During the reporting period, the designated account for the proceeds raised was well operated.

**Settlement of interests and principals of other bonds and debt financing instruments of the Company**

As at 30 June 2016, the balance of the issued medium-term notes and ultra short-term financing bonds of the Company was RMB8.3 billion and RMB4 billion respectively. The interest payments were settled on schedule.

**SUPPLEMENTAL INFORMATION****Corporate Governance**

During the reporting period, the Company strictly complied with the "Company Law of the PRC", the "Securities Law of the PRC", "Code of Corporate Governance for Listed Companies", "Rules Governing the Listing of Stocks on Shanghai Stock Exchange", "Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited" (the "Listing Rules") and other domestic and overseas laws and regulations requirements, to constantly improve the corporate governance structure, establish a sound internal control system and regulate the Company's operation. During the reporting period, the Company revised the Implementation Policy for the Audit and Internal Control Committee of the Board of Directors of Zijin Mining Group Co., Ltd.\* pursuant to Appendix 14 of the Listing Rules newly revised by the Stock Exchange of Hong Kong Limited, which was submitted to and considered and approved by the Board. The actual operation of the Company complies with the requirements of the relevant corporate governance regulations for listed companies issued by the regulatory authorities.

**The Execution of or Adjustment to the Profit Distribution Plan During the Reporting Period**

On 20 June 2016, the 2015 annual general meeting of the Company considered and approved the profit distribution plan of the Company for 2015. Based on the total number of 21,540,743,650 shares of the Company (after deduction of the repurchased H Shares), a dividend of RMB0.6 (tax included) per every 10 shares (a total of RMB1,292,444,619 in cash) was provided, and the undistributed profit was retained for future distribution. The above profit distribution was completed on 22 July 2016.

For details, please refer to the Company's announcements disclosed on the HKEXnews website dated 8 June 2016, 14 June 2016 and 22 July 2016.

## Others *(continued)*

*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

### Interim Dividend

The Board proposed to pay no dividend for the six months ended 30 June 2016. (The dividend for the six months ended 30 June 2015 was nil)

### Purchase, Redemption or Sale of Listed Securities of the Company

At the 2014 annual general meeting, the first A Shareholders' class meeting in 2015 and the first H Shareholders' class meeting in 2015 convened by the Company on 11 May 2015, a resolution in relation to the proposal of granting a general mandate to the Board of the Company to repurchase H Shares was approved. The effective period of the resolution was from the date of the shareholders' general meetings passing the resolution to the date of the 2015 annual general meeting convened in 2016. According to the authorisation, the Company continued to implement repurchase of H Shares in the first half of 2016 and repurchased 2,500,000 H Shares in aggregate with the total amount paid of HK\$4,845,000 (excluding commission and other expenses). Up to the present, the cancellation of the H Shares repurchased in 2015 and the first half of 2016 has been completed at Computershare Hong Kong Investor Services Limited, and the change of business registration in the PRC for the cancellation of the repurchased H Shares has also been completed.

Save as disclosed above, 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 2016.

### Corporate Governance Report

As required by provision A.1.8 of Appendix 14 Corporate Governance Code and Corporate Governance Report to the Listing Rules (the "CG Code"), an issuer should arrange appropriate insurance cover in respect of potential legal action against its directors. The Board currently considers that the Company and the Board 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 will review this policy of insurance from time to time and may arrange insurance later. As required by provision F.1.3 of the CG Code, an issuer's company secretary should report to the board chairman and/or the chief executive. The Board considers that the company secretary in Hong Kong reporting to the secretary to the Board is more suitable to meet the management needs of the Group and it enables a unified management of all listing related matters in Hong Kong and Mainland China. The provision A.5.6 of the CG Code stipulates that the nomination committee (or the board) should have a policy concerning diversity of board members, and should disclose the policy or a summary of the policy in the corporate governance report. The nomination and remuneration committee of the Company would review the Board composition from time to time and from a number of aspects, including but not limited to skills, experience, knowledge, expertise, culture, independence, age and gender. It considered that the Board diversity is proper and therefore the update of policy is not required.

In view of the recent amendments to the CG Code effective for the accounting period beginning on 1 January 2016, the Board has adopted a revised Implementation Policy for the Audit and Internal Control Committee of the Board of Directors of Zijin Mining Group Co., Ltd.\* on 25 March 2016 in order to comply with certain changes related to risk management and internal control section of the CG Code.

Save as disclosed above, for the six months ended 30 June 2016, the Board confirmed that the Group has adopted and complied with the provisions of the CG Code and has followed most of its recommended best practices with no deviation.

### Audit and Internal Control Committee

The audit and internal control committee of the Board has reviewed the Group's unaudited financial report for the six months ended 30 June 2016 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 2016 was in compliance with the applicable accounting standards and relevant laws and regulations and had made sufficient disclosure.

**Others** *(continued)**(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)***Independent Non-executive Directors**

In compliance with rules 3.10(1) and 3.10(2) of the 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 or 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 Company's 2015 annual report.

**Securities Transactions by Directors and Supervisors**

The Group has adopted the Model Code as set out in Appendix 10 of the Listing Rules as the model code for the trading of securities by Directors and Supervisors of the Group. The effective date was 23 December 2003. Having made specific reasonable enquiries with all Directors and Supervisors of the Company, the Group confirmed that all Directors and Supervisors have complied with the provisions of the Model Code for the six months ended 30 June 2016.

**Changes in Directors, Supervisors and Senior Management of the Company**

<b>Name</b>	<b>Position</b>	<b>Change</b>	<b>Reasons for change</b>	<b>Effective date</b>
Qiu Guanzhou	Independent non-executive Director	Resignation	Personal work reason	20 June 2016
Zhu Guang	Independent non-executive Director	Appointment	Replacement of independent non-executive Director	20 June 2016

**Biographical details of Mr. Zhu Guang**

Mr. Zhu Guang (朱光), male, aged 59, Chinese, was born in 1957 with Heilongjiang ancestry. He is a member of the Chinese Communist Party. He graduated from the University of International Business and Economics in 1987 and obtained a Master degree in International Economy; in 2003, he was granted a Doctoral degree in Economics by the Central University of Finance and Economics. He currently serves as the vice-chairman of HOPU Jinghua (Beijing) Investment Consultancy Co., Ltd. ("HOPU Investment"). At the same time, he is a visiting professor of the Central South University and the Central University of Finance and Economics.

Mr. Zhu joined China Minmetals Corporation since 1987. He served as the general manager of Minmetals Trading Co., Ltd. in 1994 to oversee the businesses of iron and steel raw materials (iron ores, scrap steel, scrap vessel businesses) and iron and steel products; in 1995, he served as the general manager of Minmetals International Non-ferrous Metals Co., Ltd.; in 1999, he served as the senior vice-president and Party Member of China Minmetals Corporation to oversee the non-ferrous metals business segment. From 2009 to the present, he has been working with HOPU Investment and has been serving as the president of Longming iron mine on behalf of HOPU Investment.

Previously, Mr. Zhu has also held a number of other positions namely the vice-chairman of Xiamen Tungsten Co., Ltd., vice-president of China Tungsten Industry Association, chairman of International Tungsten Industry Association, and the chairman of Jiangxi Tungsten Industry Group Co., Ltd., China United Copper Co., Ltd., Minmetals Aluminium Company Limited and Sherwin Alumina L.P. of the United States, respectively, and vice-chairman of Guangxi Huayin Aluminium Co., Ltd., etc.

The term of Mr. Zhu is from the date of the 2015 annual general meeting to the expiry of the fifth term of the Board being 24 October 2016.

As at 30 June 2016, Mr. Zhu did not have and/or is not deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company or its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Mr. Zhu does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company. Save as disclosed herein, Mr. Zhu has not held any directorship in other public companies the securities of which are listed on any securities markets in Hong Kong or overseas in the last three years preceding the date of his appointment and does not hold any other position with the Company or any of its subsidiaries.

Mr. Zhu's remuneration package will be based on the remuneration formula for the independent non-executive Directors of the fifth term stated in Appendix 2 to the circular of the Company dated 25 September 2013 which was approved by an extraordinary general meeting of the Company on 25 October 2013.

## Others *(continued)*

*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

### Appointment and Dismissal of Auditors

According to the resolution passed at the Company's 2015 annual general meeting, the Company reappointed Ernst & Young Hua Ming LLP as the auditor in 2016.

### Details of the Shareholders' General Meetings

Session of meeting	Convening date	Resolutions for the shareholders' general meeting	Index of the designated website publishing the resolutions	Date of publishing poll results of the resolutions
The first extraordinary general meeting in 2016, the first A Shareholders' class meeting in 2016 and the first H Shareholders' class meeting in 2016	11 January 2016	<p><b>The first extraordinary general meeting in 2016:</b></p> <p><b>Special resolutions:</b> The adjustments to the Proposal on the Non-public Issuance of A Shares of the Company (revised version), the Plan for the Non-public Issuance of A Shares of the Company (3rd revision), the dilutive impact of the Non-public Issuance of A Shares on immediate returns and the adoption of recovery measures, the authorisation to the Board to handle all the matters relating to the Non-public Issuance of A Shares;</p> <p><b>Ordinary resolutions:</b> The satisfaction of the conditions for the Non-public Issuance of A Shares of the Company, the Feasibility Report on the Use of Proceeds Raised in the Non-public Issuance of A Shares (3rd revision), Zhuoxin Investments' purchase of gold and silver bullion from BNL, which constitutes a continuing connected transaction.</p> <p><b>The first A Shareholders'/H Shareholders' class meetings in 2016:</b></p> <p><b>Special resolutions:</b> The adjustments to the Proposal on the Non-public Issuance of A Shares of the Company (revised version), the Plan for the Non-public Issuance of A Shares of the Company (3rd revision), the authorisation to the Board to handle all the matters relating to the Non-public Issuance of A Shares.</p>	www.hkexnews.hk	11 January 2016

## Others (continued)

*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

Session of meeting	Convening date	Resolutions for the shareholders' general meeting	Index of the designated website publishing the resolutions	Date of publishing poll results of the resolutions
2015 annual general meeting	20 June 2016	<p><b>Special resolutions:</b> The proposal of executing progress of repurchase of H shares and the change of registered capital of the Company, the proposal of amendments to the articles of association of the Company, the proposal of a general mandate for the Company to issue debt financing instruments, the proposal of the Company to provide guarantee to its overseas wholly-owned subsidiaries for the loans, the proposal of provision of counter-guarantee for 2016 finance of Fujian Makeng Mining Co., Ltd.;</p> <p><b>Ordinary resolutions:</b> Report of the Board of Directors of the Company for 2015, Report of the Independent Directors of the Company for 2015, Report of Supervisory Committee of the Company for 2015, the Company's financial report for the year ended 31 December 2015, the Company's 2015 annual report and its summary report, the profit distribution plan of the Company for the year ended 31 December 2015, the calculation and distribution proposal for the remuneration of the Executive Directors and Chairman of Supervisory Committee of the Company for the year ended 31 December 2015, the reappointment of Ernst &amp; Young Hua Ming (LLP) as the Company's auditor for the year ended 31 December 2016 and authorisation of the chairman of the Board of Directors, president and financial controller to determine the remuneration, the proposal of electing Mr. Zhu Guang (朱光先生) as an independent non-executive director of the fifth Board of Directors of the Company and authorising the Board of Directors to enter into service contract and/or appointment letter with the newly elected director subject to such terms and conditions as the Board of Directors shall think fit and to do all such acts and things and handle all other related matters as necessary.</p>	www.hkexnews.hk	20 June 2016

All resolutions proposed at the above shareholders' general meetings were approved.

## Others *(continued)*

*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

### Post Balance Sheet Events

1. On 25 August 2016, the Company convened the second extraordinary general meeting in 2016, the second A Shareholders' class meeting in 2016 and the second H Shareholders' class meeting in 2016 to consider the resolutions regarding the proposal on the non-public issuance of A Shares of the Company (including connected transactions of subscription of A Shares by Minxi Xinghang and subscription of A Shares pursuant to the Employee Stock Ownership Scheme), issuance of the renewable corporate bonds, etc. All resolutions were duly approved. For details, please refer to the notices of the Second Extraordinary General Meeting in 2016 and the Second H Shareholders' Class Meeting in 2016 dated 11 July 2016, the circular and the revised notice of the Second Extraordinary General Meeting in 2016 dated 10 August 2016 and the announcement of Resolutions Passed at the Second Extraordinary General Meeting in 2016, the Second A Shareholders' Class Meeting in 2016 and the Second H Shareholders' Class Meeting in 2016 dated 25 August 2016.
2. On 8 July 2016, the Company and Jin Cheng Mining Limited ("Jin Cheng Mining"), a wholly-owned subsidiary of the Company, jointly entered into a share acquisition agreement with Zhejiang Huayou Cobalt Co., Ltd. ("Huayou Cobalt"). Jin Cheng Mining acquired 21% equity interest and the relevant interests in La Compagnie Minière de Musonoie Global SAS of the DR Congo ("Musonoie") held by Huayou Cobalt with a consideration of US\$34 million. After completion of the acquisition, the Company will hold 72% equity interest in Musonoie through Jin Cheng Mining. Musonoie owns the Kolwezi copper mine project in the DR Congo.

The details of the Group's other post balance sheet events are set out in Note XIII to the financial statements.

### Publishing Interim Report on the Website of The Stock Exchange of Hong Kong Limited

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

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

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

Fujian, PRC, 26 August 2016

As at the date of this report, the Board of Directors of the Company comprises Messrs. Chen Jinghe (Chairman), Wang Jianhua, Qiu Xiaohua, Lan Fusheng, Zou Laichang, Fang Qixue and Lin Hongfu as executive Directors, Mr. Li Jian as non-executive Director, and Messrs. Lu Shihua, Ding Shida, Zhu Guang, and Sit Hoi Wah, Kenneth as independent non-executive Directors.

\* The English name of the Company is for identification purpose only

## Consolidated Balance Sheet

As at 30 June 2016

RMB

*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

ASSETS	Note V	30 June 2016 (Unaudited)	31 December 2015 (Audited)
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	1	7,236,590,168	5,498,295,305
Financial assets at fair value through profit or loss	2	857,866,347	548,352,730
Bills receivable	3	421,605,655	264,373,037
Trade receivables	4	953,256,666	864,682,728
Prepayments	5	1,202,512,690	842,469,851
Other receivables	6	1,472,969,561	1,215,636,233
Inventories	7	9,904,125,825	10,951,318,480
Current portion of non-current assets	8	31,500,000	458,040,000
Other current assets	9	1,217,366,045	1,151,678,678
Total current assets		<b>23,297,792,957</b>	21,794,847,042
<b>NON-CURRENT ASSETS</b>			
Available-for-sale investments	10	1,227,624,679	972,008,647
Long-term equity investments	11	7,308,104,542	6,941,121,652
Investment properties	12	164,208,374	168,402,512
Fixed assets	13	28,865,858,698	29,359,351,288
Construction in progress	14	7,133,050,257	6,160,763,924
Construction materials	15	389,435,801	240,135,740
Intangible assets	16	10,019,130,157	10,283,969,425
Goodwill	17	496,758,705	496,758,705
Long-term deferred assets	18	1,134,114,274	1,084,220,930
Deferred tax assets	19	942,064,331	793,211,659
Other non-current assets	20	6,516,189,224	5,619,242,131
Total non-current assets		<b>64,196,539,042</b>	62,119,186,613
<b>TOTAL ASSETS</b>		<b>87,494,331,999</b>	83,914,033,655

## Consolidated Balance Sheet *(continued)*

As at 30 June 2016

RMB

*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

LIABILITIES AND OWNERS' EQUITY	Note V	30 June 2016 (Unaudited)	31 December 2015 (Audited)
<b>CURRENT LIABILITIES</b>			
Short-term borrowings	22	5,115,822,982	5,394,474,750
Financial liabilities at fair value through profit or loss	23	7,247,957,030	6,804,872,854
Bills payable	24	269,273,521	231,175,265
Trade payables	25	4,069,282,963	4,442,840,507
Advances from customers	26	2,515,892,741	1,918,146,839
Employee benefits payable	27	403,416,187	569,619,991
Taxes payable	28	593,457,449	698,586,919
Dividends payable	29	1,303,181,952	119,000,981
Other payables	30	4,566,206,161	4,289,196,570
Current portion of non-current liabilities	31	2,244,773,670	6,053,652,249
Other current liabilities	32	4,000,000,000	1,004,821,498
Total current liabilities		<b>32,329,264,656</b>	31,526,388,423
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings	33	8,348,852,226	9,251,188,420
Bonds payable	34	13,300,000,000	8,300,000,000
Long-term payables	35	1,094,744,980	1,171,224,739
Provision	36	739,919,631	720,404,428
Deferred income	37	480,754,579	503,275,426
Deferred tax liabilities	19	480,880,229	513,296,967
Total non-current liabilities		<b>24,445,151,645</b>	20,459,389,980
<b>TOTAL LIABILITIES</b>		<b>56,774,416,301</b>	51,985,778,403
<b>EQUITY</b>			
Share capital	38	2,154,074,365	2,154,324,365
Capital reserve	39	7,171,510,932	7,232,538,557
Other comprehensive income	40	(965,222,639)	(830,177,675)
Special reserve	41	175,634,863	139,524,461
Surplus reserve	42	1,319,401,104	1,319,401,104
Retained earnings	43	16,767,468,254	17,521,563,160
Equity attributable to owners of the parent		<b>26,622,866,879</b>	27,537,173,972
Non-controlling interests		<b>4,097,048,819</b>	4,391,081,280
<b>TOTAL EQUITY</b>		<b>30,719,915,698</b>	31,928,255,252
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>87,494,331,999</b>	83,914,033,655

The financial statements were signed by:

Legal representative:  
**Chen Jinghe**

Principal in charge of accounting:  
**Lin Hongying**

Head of accounting department:  
**Wu Honghui**

# Consolidated Statement of Profit or Loss

For the period ended 30 June 2016

RMB

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

	Note V	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)
<b>OPERATING INCOME</b>	44	<b>38,889,899,709</b>	38,832,439,537
Less: Operating costs	44	<b>34,594,052,055</b>	35,015,201,697
Taxes and surcharges	45	<b>389,604,660</b>	415,226,067
Selling expenses	46	<b>332,124,951</b>	391,516,830
Administrative expenses	47	<b>1,341,882,050</b>	1,171,923,947
Financial expenses	48	<b>439,930,366</b>	434,556,891
Impairment losses on assets	49	<b>5,637,118</b>	82,162,710
Add: (Losses)/gains on changes in fair value	50	<b>(719,947,740)</b>	337,686,299
Investment (losses)/income	51	<b>(455,916,389)</b>	253,463,357
Including: Share of profits/(losses) of associates and joint ventures		<b>166,791,958</b>	(162,033,012)
<b>OPERATING PROFIT</b>		<b>610,804,380</b>	1,913,001,051
Add: Non-operating income	52	<b>103,829,667</b>	102,154,260
Less: Non-operating expenses	53	<b>97,840,390</b>	108,468,861
Including: Losses on disposal of non-current assets		<b>16,719,346</b>	15,594,414
<b>PROFIT BEFORE TAX</b>		<b>616,793,657</b>	1,906,686,450
Less: Income tax expenses	54	<b>40,123,348</b>	496,673,012
<b>NET PROFIT</b>		<b>576,670,309</b>	1,410,013,438
Including: Attributable to owners of the parent		<b>538,349,713</b>	1,341,155,185
Non-controlling interests		<b>38,320,596</b>	68,858,253
Earnings per share			
Basic earnings per share	55	<b>0.025</b>	0.062
<b>NET OTHER COMPREHENSIVE INCOME AFTER TAX</b>			
Changes in fair value of available-for-sale investments		<b>399,398,705</b>	(98,624,639)
Effective portion of cash flow hedges		<b>(479,355,367)</b>	—
Exchange differences arising from translation of financial statements denominated in foreign currencies		<b>(55,088,302)</b>	(21,209,508)
Other comprehensive income attributable to owners of the parent		<b>(135,044,964)</b>	(119,834,147)
Other comprehensive income attributable to non-controlling interests		<b>(33,995,445)</b>	(8,931,599)
<b>SUBTOTAL OF NET OTHER COMPREHENSIVE INCOME AFTER TAX</b>		<b>(169,040,409)</b>	(128,765,746)
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>407,629,900</b>	1,281,247,692
Attributable to:			
Owners of the parent		<b>403,304,749</b>	1,221,321,038
Non-controlling interests		<b>4,325,151</b>	59,926,654

# Consolidated Statement of Changes in Equity

For the period ended 30 June 2016

RMB

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

(Unaudited)	Attributable to owners of the parent							Total equity	
	Share capital	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Subtotal		Non-controlling interests
I. Closing balance of the preceding year	2,154,324,365	7,232,538,557	(830,177,675)	139,524,461	1,319,401,104	17,521,563,160	27,537,173,972	4,391,081,280	31,928,255,252
Add: Changes in accounting policies	—	—	—	—	—	—	—	—	—
II. Opening balance of current year	2,154,324,365	7,232,538,557	(830,177,675)	139,524,461	1,319,401,104	17,521,563,160	27,537,173,972	4,391,081,280	31,928,255,252
III. Changes for the current period	(250,000)	(61,027,625)	(135,044,964)	36,110,402	—	(754,094,906)	(914,307,093)	(294,032,461)	(1,208,339,554)
(I) Net profit	—	—	—	—	—	538,349,713	538,349,713	38,320,596	576,670,309
(II) Other comprehensive income	—	—	(135,044,964)	—	—	—	(135,044,964)	(33,995,445)	(169,040,409)
(III) Except profits allocation, transactions with shareholders as owners	(250,000)	(61,027,625)	—	—	—	—	(61,277,625)	(112,310,824)	(173,588,449)
1. Repurchase H Shares	(250,000)	(3,852,088)	—	—	—	—	(4,102,088)	—	(4,102,088)
2. Others	—	(57,175,537)	—	—	—	—	(57,175,537)	(112,310,824)	(169,486,361)
(IV) Special reserve	—	—	—	36,110,402	—	—	36,110,402	1,022,601	37,133,003
1. Transfer to special reserve in the current period	—	—	—	324,289,275	—	—	324,289,275	32,330,185	356,619,460
2. Amount utilised in the current period	—	—	—	(288,178,873)	—	—	(288,178,873)	(31,307,584)	(319,486,457)
(V) Profit distributions	—	—	—	—	—	(1,292,444,619)	(1,292,444,619)	(187,069,389)	(1,479,514,008)
1. Transfer to surplus reserve	—	—	—	—	—	—	—	—	—
2. Distributions to owners	—	—	—	—	—	(1,292,444,619)	(1,292,444,619)	(187,069,389)	(1,479,514,008)
(VI) Transfers within owners' equity	—	—	—	—	—	—	—	—	—
IV. Closing balance of the current period	2,154,074,365	7,171,510,932	(965,222,639)	175,634,863	1,319,401,104	16,767,468,254	26,622,866,879	4,097,048,819	30,719,915,698

## Consolidated Statement of Changes in Equity (continued)

For the period ended 30 June 2015

RMB

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

(Unaudited)	Attributable to owners of the parent							Total equity	
	Share capital	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Subtotal		Non-controlling interests
I. Closing balance of the preceding year Add: Changes in accounting policies	2,157,281,365	7,329,951,989	(447,341,491)	108,445,194	1,319,401,104	17,591,716,635	28,059,454,796	5,609,467,549	33,668,922,345
II. Opening balance of current year	2,157,281,365	7,329,951,989	(447,341,491)	108,445,194	1,319,401,104	17,591,716,635	28,059,454,796	5,609,467,549	33,668,922,345
III. Changes for the current period	(2,957,000)	(101,079,806)	(119,834,147)	43,357,058	—	(384,669,907)	(565,183,802)	(549,615,250)	(1,114,799,052)
(I) Net profit	—	—	—	—	—	1,341,155,185	1,341,155,185	68,858,253	1,410,013,438
(II) Other comprehensive income	—	—	(119,834,147)	—	—	—	(119,834,147)	(8,931,599)	(128,765,746)
(III) Except profits allocation, transactions with shareholders as owners	(2,957,000)	(101,079,806)	—	—	—	—	(104,036,806)	(257,063,419)	(361,100,225)
1. Repurchase H Shares	(2,957,000)	(61,358,600)	—	—	—	—	(64,315,600)	—	(64,315,600)
2. Others	—	(39,721,206)	—	—	—	—	(39,721,206)	(257,063,419)	(296,784,625)
(IV) Special reserve	—	—	—	43,357,058	—	—	43,357,058	5,749,258	49,106,316
1. Transfer to special reserve in the current period	—	—	—	359,024,375	—	—	359,024,375	34,046,118	393,070,493
2. Amount utilised in the current period	—	—	—	(315,667,317)	—	—	(315,667,317)	(28,296,860)	(343,964,177)
(V) Profit distributions	—	—	—	—	—	(1,725,825,092)	(1,725,825,092)	(358,227,743)	(2,084,052,835)
1. Transfer to surplus reserve	—	—	—	—	—	—	—	—	—
2. Distributions to owners	—	—	—	—	—	(1,725,825,092)	(1,725,825,092)	(358,227,743)	(2,084,052,835)
(VI) Transfers within owners' equity	—	—	—	—	—	—	—	—	—
IV. Closing balance of the current period	2,154,324,365	7,228,872,183	(567,175,638)	151,802,252	1,319,401,104	17,207,046,728	27,494,270,994	5,059,852,299	32,554,123,293

## Consolidated Statement of Cash Flows

For the period ended 30 June 2016

RMB

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

Items	Note V	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash receipts from sale of goods and rendering of services		<b>41,642,916,129</b>	42,928,723,226
Refund of taxes		<b>103,431,885</b>	78,030,474
Other cash receipts relating to operating activities	56	<b>154,482,041</b>	597,372,435
Sub-total of cash inflows from operating activities		<b>41,900,830,055</b>	43,604,126,135
Cash payments for goods purchased and services received		<b>32,954,889,232</b>	36,012,753,328
Cash payments to and on behalf of employees		<b>1,415,376,175</b>	1,474,558,502
Payments of various types of taxes		<b>1,517,508,925</b>	1,689,786,803
Other cash payments relating to operating activities	56	<b>2,381,413,356</b>	575,701,601
Sub-total of cash outflows used in operating activities		<b>38,269,187,688</b>	39,752,800,234
Net cash flow from operating activities		<b>3,631,642,367</b>	3,851,325,901
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Cash receipts from disposals and recovery of investments		<b>386,486,639</b>	1,315,312,909
Cash receipts from investment income		<b>79,511,471</b>	66,715,328
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		<b>23,055,286</b>	21,002,737
Net cash receipts from disposals of subsidiaries and other business units		<b>500</b>	5,157,736
Other cash receipts relating to investing activities	56	<b>557,229,366</b>	253,881,157
Sub-total of cash inflows from investing activities		<b>1,046,283,262</b>	1,662,069,867
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		<b>2,250,115,977</b>	1,930,867,515
Cash payments to acquire investments		<b>1,425,596,122</b>	2,358,324,107
Cash payments for acquisitions of subsidiaries and other business units		<b>—</b>	74,115,009
Other cash payments relating to investing activities	56	<b>897,958,749</b>	1,403,280,365
Sub-total of cash outflows used in investing activities		<b>4,573,670,848</b>	5,766,586,996
Net cash flow used in investing activities		<b>(3,527,387,586)</b>	(4,104,517,129)

## Consolidated Statement of Cash Flows *(continued)*

For the period ended 30 June 2016

RMB

*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

Items	Note V	<b>For the six months ended 30 June 2016 (Unaudited)</b>	For the six months ended 30 June 2015 (Unaudited)
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Cash receipts from capital contributions		<b>5,000,000</b>	—
Cash receipts from borrowings		<b>19,935,532,900</b>	9,569,635,021
Other cash receipts relating to financing activities	56	—	36,847,378
Sub-total of cash inflows from financing activities		<b>19,940,532,900</b>	9,606,482,399
Cash repayments of borrowings		<b>18,132,494,117</b>	8,601,463,190
Cash payments for distribution of dividends or profits or settlement of interest expenses		<b>746,671,542</b>	776,764,040
Other cash payments relating to financing activities	56	<b>355,776,289</b>	153,804,091
Sub-total of cash outflows used in financing activities		<b>19,234,941,948</b>	9,532,031,321
Net cash flow from financing activities		<b>705,590,952</b>	74,451,078
<b>IV. EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>		<b>42,677,188</b>	(41,639,322)
<b>V. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>852,522,921</b>	(220,379,472)

## Consolidated Statement of Cash Flows *(continued)*

For the period ended 30 June 2016

RMB

*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

<b>Supplementary information:</b>	<b>For the six months ended 30 June 2016 (Unaudited)</b>	For the six months ended 30 June 2015 (Unaudited)
1. Reconciliation of net profit to net cash flow from operating activities:		
Net profit attributable to owners of the parent	<b>538,349,713</b>	1,341,155,185
Add: Profit attributable to non-controlling interests	<b>38,320,596</b>	68,858,253
Less: Unrealised loss on investments	—	—
Add: Asset impairment provision	<b>5,637,118</b>	82,162,710
Depreciation of fixed assets	<b>1,251,327,800</b>	1,233,722,053
Amortisation of intangible assets and long-term deferred assets	<b>409,389,423</b>	288,177,180
Losses on disposal of fixed assets, intangible assets and other long-term assets	<b>8,962,330</b>	10,908,459
Losses/(gains) on changes in fair values	<b>719,947,740</b>	(337,686,299)
Financial expenses	<b>641,661,441</b>	464,496,128
Losses on investments	<b>191,211,766</b>	151,675,426
(Increase)/decrease in deferred tax assets	<b>(18,541,302)</b>	141,436,036
Decrease in deferred tax liabilities	<b>(32,416,738)</b>	(95,384,890)
Decrease in inventories	<b>1,058,760,074</b>	15,437,145
Increase in receivables from operating activities	<b>(869,242,972)</b>	(460,728,300)
(Decrease)/increase in payables from operating activities	<b>(311,724,622)</b>	947,096,815
Others	—	—
<b>Net cash flow from operating activities</b>	<b>3,631,642,367</b>	3,851,325,901
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/(decrease) in cash and cash equivalents:		
Closing balance of cash and cash equivalents (Note V.1)	<b>5,698,221,214</b>	3,291,380,984
Less: Opening balance of cash and cash equivalents (Note V.1)	<b>4,845,698,293</b>	3,511,760,456
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>852,522,921</b>	(220,379,472)

## Balance Sheet

As at 30 June 2016

RMB

*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

<b>ASSETS</b>	Note XV	<b>30 June 2016 (Unaudited)</b>	31 December 2015 (Audited)
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		<b>5,083,337,724</b>	5,555,543,969
Financial assets at fair value through profit or loss		<b>194,485,802</b>	218,434,790
Bills receivable		<b>43,443,228</b>	128,255,276
Trade receivables	1	<b>1,508,233,322</b>	1,155,553,241
Prepayments		<b>225,535,368</b>	148,039,976
Dividends receivable		<b>36,482,500</b>	173,454,513
Other receivables	2	<b>13,168,333,229</b>	10,210,376,131
Inventories		<b>266,330,636</b>	344,552,122
Other current assets		<b>319,431,899</b>	185,438,330
<b>Total current assets</b>		<b>20,845,613,708</b>	18,119,648,348
<b>NON-CURRENT ASSETS</b>			
Available-for-sale investments	3	<b>184,750,000</b>	184,750,000
Long-term equity investments	4	<b>13,088,589,784</b>	12,828,712,989
Fixed assets	5	<b>3,162,603,853</b>	3,306,131,657
Construction in progress	6	<b>674,517,909</b>	571,988,264
Construction materials		<b>3,140,034</b>	2,199,389
Intangible assets	7	<b>283,573,581</b>	280,478,397
Long-term deferred assets	8	<b>188,690,133</b>	193,804,328
Deferred tax assets		<b>304,436,310</b>	152,734,672
Other non-current assets	9	<b>13,893,756,875</b>	10,914,782,781
<b>Total non-current assets</b>		<b>31,784,058,479</b>	28,435,582,477
<b>TOTAL ASSETS</b>		<b>52,629,672,187</b>	46,555,230,825

## Balance Sheet *(continued)*

As at 30 June 2016

RMB

*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

<b>LIABILITIES AND OWNERS' EQUITY</b>	Note XV	<b>30 June 2016 (Unaudited)</b>	31 December 2015 (Audited)
<b>CURRENT LIABILITIES</b>			
Short-term borrowings		<b>363,358,875</b>	337,667,200
Financial liabilities at fair value through profit or loss		<b>3,560,200,347</b>	4,032,032,769
Trade payables	11	<b>594,228,831</b>	444,495,428
Bills payable		<b>82,570,791</b>	66,371,800
Advances from customers		<b>4,752,650</b>	4,548,242
Employee benefits payable		<b>76,391,196</b>	138,424,013
Dividends payable		<b>1,292,444,619</b>	—
Taxes payable		<b>58,908,268</b>	204,504,609
Other payables		<b>1,238,856,325</b>	917,718,996
Current portion of non-current liabilities		<b>2,340,825,880</b>	1,310,700,000
Other current liabilities		<b>4,122,863,688</b>	1,122,863,688
<b>Total current liabilities</b>		<b>13,735,401,470</b>	8,579,326,745
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings		<b>3,320,386,520</b>	5,106,267,600
Bonds payable		<b>13,300,000,000</b>	8,300,000,000
Long-term payables	12	<b>229,527,534</b>	322,527,534
Deferred income		<b>298,889,099</b>	325,688,274
Deferred tax liabilities		—	27,630,156
Other non-current liabilities		<b>80,206,405</b>	80,206,405
<b>Total non-current liabilities</b>		<b>17,229,009,558</b>	14,162,319,969
<b>TOTAL LIABILITIES</b>		<b>30,964,411,028</b>	22,741,646,714
<b>EQUITY</b>			
Share capital		<b>2,154,074,365</b>	2,154,324,365
Capital reserve		<b>8,576,035,058</b>	8,579,887,146
Other comprehensive income		<b>(203,021,736)</b>	—
Special reserve		<b>4,088,306</b>	—
Surplus reserve		<b>1,090,812,600</b>	1,090,812,600
Retained earnings		<b>10,043,272,566</b>	11,988,560,000
<b>TOTAL EQUITY</b>		<b>21,665,261,159</b>	23,813,584,111
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>52,629,672,187</b>	46,555,230,825

## Statement of Profit or Loss

For the period ended 30 June 2016

RMB

*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

	Note XV	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)
<b>OPERATING INCOME</b>	13	<b>1,816,229,985</b>	9,506,155,771
Less: Operating costs	13	<b>1,150,508,400</b>	8,599,165,132
Taxes and surcharges		<b>166,475,315</b>	165,416,397
Selling expenses		<b>8,230,731</b>	13,099,106
Administrative expenses		<b>315,940,752</b>	312,289,956
Financial expenses		<b>(33,448,303)</b>	(22,049,394)
Impairment losses on assets		—	(307,530)
Add: (Losses)/gains on changes in fair value		<b>(771,367,262)</b>	194,379,400
Investment (losses)/income	14	<b>(363,689,058)</b>	314,138,066
Including: Share of losses of associates		<b>(7,623,205)</b>	(19,719,638)
<b>OPERATING PROFIT</b>		<b>(926,533,230)</b>	947,059,570
Add: Non-operating income		<b>30,429,709</b>	29,713,357
Less: Non-operating expenses		<b>21,294,874</b>	41,813,622
Including: Losses on disposal of non-current assets		<b>1,035,983</b>	2,478,741
<b>PROFIT BEFORE TAX</b>		<b>(917,398,395)</b>	934,959,305
Less: Income tax expenses		<b>(264,555,580)</b>	182,953,056
<b>NET PROFIT</b>		<b>(652,842,815)</b>	752,006,249
<b>OTHER COMPREHENSIVE INCOME</b>		<b>(203,021,736)</b>	—
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>(855,864,551)</b>	752,006,249

## Statement of Changes in Equity

For the period ended 30 June 2016

RMB

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

(Unaudited)							Total equity
	Share capital	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	
I. Closing balance of the preceding year	2,154,324,365	8,579,887,146	—	—	1,090,812,600	11,988,560,000	23,813,584,111
Add: Changes in accounting policies	—	—	—	—	—	—	—
I. Opening balance of current year	2,154,324,365	8,579,887,146	—	—	1,090,812,600	11,988,560,000	23,813,584,111
II. Changes for the period	(250,000)	(3,852,088)	(203,021,736)	4,088,306	—	(1,945,287,434)	(2,148,322,952)
(I) Net profit	—	—	—	—	—	(652,842,815)	(652,842,815)
(II) Other comprehensive income	—	—	(203,021,736)	—	—	—	(203,021,736)
(III) Except for profit allocation, transactions with shareholders as owners	(250,000)	(3,852,088)	—	—	—	—	(4,102,088)
1. Repurchase H Shares	(250,000)	(3,852,088)	—	—	—	—	(4,102,088)
2. Others	—	—	—	—	—	—	—
(IV) Special reserve	—	—	—	4,088,306	—	—	4,088,306
1. Transfer to special reserve in the current period	—	—	—	191,270,859	—	—	191,270,859
2. Amount utilised in the current period	—	—	—	(187,182,553)	—	—	(187,182,553)
(V) Profit distributions	—	—	—	—	—	(1,292,444,619)	(1,292,444,619)
1. Transfer to surplus reserve	—	—	—	—	—	—	—
2. Distributions to owners	—	—	—	—	—	(1,292,444,619)	(1,292,444,619)
(VI) Transfer within owners' equity	—	—	—	—	—	—	—
III. Closing balance of the current period	2,154,074,365	8,576,035,058	(203,021,736)	4,088,306	1,090,812,600	10,043,272,566	21,665,261,159

For the period ended 30 June 2015

RMB

(Unaudited)							Total equity
	Share capital	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	
I. Closing balance of the preceding year	2,157,281,365	8,591,958,808	—	—	1,090,812,600	11,977,595,634	23,817,648,407
Add: Changes in accounting policies	—	—	—	—	—	—	—
I. Opening balance of current year	2,157,281,365	8,591,958,808	—	—	1,090,812,600	11,977,595,634	23,817,648,407
II. Changes for the period	(2,957,000)	(61,358,600)	—	—	—	(973,818,843)	(1,038,134,443)
(I) Net profit	—	—	—	—	—	752,006,249	752,006,249
(II) Other comprehensive income	—	—	—	—	—	—	—
(III) Except for profit allocation, transactions with shareholders as owners	(2,957,000)	(61,358,600)	—	—	—	—	(64,315,600)
1. Repurchase H Shares	(2,957,000)	(61,358,600)	—	—	—	—	(64,315,600)
2. Others	—	—	—	—	—	—	—
(IV) Special reserve	—	—	—	—	—	—	—
1. Transfer to special reserve in the current period	—	—	—	—	—	—	—
2. Amount utilised in the current period	—	—	—	—	—	—	—
(V) Profit distributions	—	—	—	—	—	(1,725,825,092)	(1,725,825,092)
1. Transfer to surplus reserve	—	—	—	—	—	—	—
2. Distributions to owners	—	—	—	—	—	(1,725,825,092)	(1,725,825,092)
(VI) Transfer within owners' equity	—	—	—	—	—	—	—
III. Closing balance of the current period	2,154,324,365	8,530,600,208	—	—	1,090,812,600	11,003,776,791	22,779,513,964

## Statement of Cash Flows

For the period ended 30 June 2016

RMB

*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

	<b>For the six months ended 30 June 2016 (Unaudited)</b>	For the six months ended 30 June 2015 (Unaudited)
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash receipts from sale of goods and rendering of services	<b>1,356,466,018</b>	9,508,365,816
Refund of taxes	—	752,800
Other cash receipts relating to operating activities	<b>562,886,268</b>	1,512,376,979
Sub-total of cash inflows from operating activities	<b>1,919,352,286</b>	11,021,495,595
Cash payments for goods purchased and services received	<b>747,404,381</b>	8,294,288,370
Cash payments to and on behalf of employees	<b>283,600,103</b>	283,977,476
Payments of various types of taxes	<b>405,144,423</b>	492,500,245
Other cash payments relating to operating activities	<b>197,045,607</b>	1,298,230,277
Sub-total of cash outflows used in operating activities	<b>1,633,194,514</b>	10,368,996,368
Net cash flow from operating activities	<b>286,157,772</b>	652,499,227
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	<b>18,522,898</b>	18,484,918
Cash receipts from disposals of subsidiaries	—	—
Cash receipts from disposals and recovery of investments	<b>8,783,624</b>	49,413,637
Cash receipts from investment income	<b>179,243,020</b>	214,026,026
Other cash receipts relating to investing activities	<b>1,753,794,657</b>	1,211,578,475
Sub-total of cash inflows from investing activities	<b>1,960,344,199</b>	1,493,503,056
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	<b>545,412,227</b>	535,832,546
Cash payments to acquire investments	<b>529,744,000</b>	151,257,544
Other cash payments relating to investing activities	<b>6,987,239,196</b>	2,656,132,000
Sub-total of cash outflows used in investing activities	<b>8,062,395,423</b>	3,343,222,090
Net cash flow used in investing activities	<b>(6,102,051,224)</b>	(1,849,719,034)
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Cash receipts from capital contributions	—	—
Cash receipts from borrowings	<b>12,441,655,307</b>	3,512,029,805
Other cash receipts relating to financing activities	<b>67,000,000</b>	1,000,000
Sub-total of cash inflows from financing activities	<b>12,508,655,307</b>	3,513,029,805
Cash repayments of borrowings	<b>6,894,425,624</b>	2,207,022,293
Cash payments for distribution of dividends or profits or settlement of interest expenses	<b>184,118,277</b>	189,713,492
Other cash payments relating to financing activities	<b>120,024,246</b>	85,840,856
Sub-total of cash outflows used in financing activities	<b>7,198,568,147</b>	2,482,576,641
Net cash flow from financing activities	<b>5,310,087,160</b>	1,030,453,164
<b>IV. EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<b>(7,151,117)</b>	(4,702,993)
<b>V. NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(512,957,409)</b>	(171,469,636)

## Statement of Cash Flows *(continued)*

For the period ended 30 June 2016

RMB

*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

<b>Supplementary Information</b>	<b>For the six months ended 30 June 2016 (Unaudited)</b>	For the six months ended 30 June 2015 (Unaudited)
(1) Reconciliation of net profit to net cash flows from operating activities:		
Net profit	<b>(652,842,815)</b>	752,006,249
Add: Depreciation of fixed assets	<b>209,745,855</b>	195,073,349
Asset impairment provision	—	(307,530)
Amortisation of intangible assets and long-term deferred assets	<b>34,556,334</b>	21,762,958
Losses on disposal of fixed assets, intangible assets and other long-term assets	<b>984,627</b>	2,197,937
Losses/(gains) on changes in fair value	<b>771,367,262</b>	(194,379,400)
Losses/(gains) on investments	<b>279,382,747</b>	(132,539,223)
Financial expenses	<b>467,040,283</b>	339,638,248
Decrease in inventories	<b>78,221,486</b>	84,324,075
(Increase)/decrease in deferred tax assets	<b>(84,027,726)</b>	12,124,708
(Decrease)/increase in deferred tax liabilities	<b>(27,630,156)</b>	47,554,262
Increase in receivables from operating activities	<b>(510,995,151)</b>	(415,307,998)
Decrease in payables from operating activities	<b>(279,644,974)</b>	(59,648,408)
Net cash flow from operating activities	<b>286,157,772</b>	652,499,227
(2) Non-cash investing and financing activities:		
Provision for impairment on equity investments in associates	—	—
(3) Net decrease in cash and cash equivalents:		
Closing balance of cash and cash equivalents	<b>3,999,382,852</b>	3,120,839,524
Less: Opening balance of cash and cash equivalents	<b>4,512,340,261</b>	3,292,309,160
Net decrease in cash and cash equivalents	<b>(512,957,409)</b>	(171,469,636)

# Notes to Financial Statements

For the period ended 30 June 2016

RMB

*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

## I. CORPORATE INFORMATION

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 (the "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 91350000157987632G.

As approved by the People's Government of Fujian Province (Min Zheng Ti Gu (2000) No.22), on 17 August 2000, Minxi Xinghang State-owned Assets Investment Company Limited ("Minxi Xinghang") as the principal promoter, together with other promoters including Xinhua Industrial Group Company Limited, Shanghang County Jinshan Trading Company Limited ("Shanghang County Jinshan Trading"), Fujian Xinhua Engineering Company Limited, Xiamen Hengxing Group Company Limited, Fujian Xinhua Department Store Company Limited, Fujian Gold Group Company Limited ("Fujian Gold Group") and Fujian Minxi Geological Team ("Minxi Geological Team") and others, 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 was 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 in relation to Issuing Overseas-listed Foreign Shares by Fujian Zijin Mining Industry Company Limited" (Zheng Jian Guo He Zi [2003] No.41) granted by the China Securities Regulatory Committee on 18 November 2003, the Company publicly issued 400,544,000 overseas-listed foreign shares with a nominal value of RMB0.1 per share at an issue price of Hong Kong dollar ("HKD") 3.3 (approximately RMB3.516) per share; and Minxi Xinghang, Fujian Gold Group and Minxi Geological Team 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 was changed to RMB131,413,091. Pursuant to the Resolution at the Annual General Meeting for year 2003 dated 28 May 2004 on the conversion of capital reserve into share capital, the Company converted its capital reserve of RMB131,413,091 into 1,314,130,910 shares with a nominal value of RMB0.1 per share; the Company's registered capital was then changed to RMB262,826,182. Pursuant to the Resolution at the Annual General Meeting for year 2004 dated 31 May 2005 on the conversion of capital reserve into share capital, the Company converted capital reserve of RMB262,826,182 into 2,628,261,820 shares with a nominal value of RMB0.1 per share; the Company's registered capital was then changed to RMB525,652,364. Pursuant to the Resolution at the Annual General Meeting for the year 2005, dated 18 May 2006, on the conversion of capital reserve into share capital, the Company converted capital reserve of RMB525,652,364 into 5,256,523,640 shares with a nominal value of RMB0.1 per share (i.e., every 10 existing ordinary shares for 10 newly issued ordinary shares as a 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 the year 2006, dated 30 April 2007, on the conversion of capital reserve into share capital, the Company converted capital reserve of RMB262,826,182 into 2,628,261,820 shares with a nominal value of RMB0.1 per share (i.e., every 10 existing ordinary shares for 2.5 newly issued ordinary shares as a bonus issue based on the 10,513,047,280 issued shares as at the end of 2006). As such, the Company's registered capital was 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 a nominal value of RMB0.1 per share at an issue price of RMB7.13 per share and the shares of the Company were listed on the Shanghai Stock Exchange ("IPO A shares"). As such, the Company's registered capital was changed to RMB1,454,130,910.

The 1,050,000,000 IPO A shares issued through the internet became publicly floating on the Shanghai Stock Exchange on 25 April 2008. The 350,000,000 IPO A shares issued through other means 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 lockup period of 36 months, the aggregate of 4,924,966,980 shares held by other holders of domestic shares had a lockup period of 12 months from the date when the IPO A shares were listed. Such shares became publicly floating on 27 April 2009, representing a total of 33.87% of the issued capital. Up to the end of the reporting period, all the Company's issued shares are publicly floating.

## Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

### I. CORPORATE INFORMATION *(continued)*

Pursuant to the Resolution at the Annual General Meeting for the year 2010 on the conversion of capital reserve into share capital dated 30 May 2011, the Company converted capital reserve of RMB727,065,455 into 7,270,654,550 shares with a nominal value of RMB0.1 per share, i.e., 5 new ordinary shares for every 10 existing ordinary shares based on the total number of issued shares of 14,541,309,100 as at the end of 2010.

On 28 May 2013, the Company held the 2012 Annual General Meeting, the first A Shareholders' class meeting in 2013 and the first H Shareholders' class meeting in 2013. A resolution in relation to the proposal of granting a general mandate to the board of directors of the Company to repurchase H shares was approved. The Company carried out repurchases of H shares on 21 August 2013, 13 November 2013, 4 December 2013, 10 December 2013, 16 December 2013, 18 December 2013 and 23 December 2013, respectively. As at 31 December 2013, the aggregate number of repurchased H shares reached 111,806,000.

On 28 May 2014, the Company held the 2013 Annual General Meeting, the first A Shareholders' class meeting in 2014 and the first H Shareholders' class meeting in 2014. A resolution in relation to the proposal of granting a general mandate to the board of directors of the Company to repurchase H shares was approved. The Company carried out repurchases of H shares on 3 January 2014, 10 January 2014, 7 February 2014, 15 September 2014, 18 September 2014, 19 September 2014, 22 September 2014, 28 October 2014, 6 November 2014, 7 November 2014 and 18 November 2014, respectively. As at 31 December 2014, the aggregate number of repurchased H shares reached 127,344,000.

On 11 May 2015, the Company held the 2014 Annual General Meeting, the first A Shareholders' class meeting in 2015 and the first H Shareholders' class meeting in 2015. A resolution in relation to the proposal of granting a general mandate to the board of directors of the Company to repurchase H shares was approved. The Company carried out repurchases of H shares on 9 June 2015, 10 June 2015, 17 June 2015, 18 June 2015, 19 June 2015, 22 June 2015, 23 June 2015, 26 June 2015, 29 June 2015, 30 June 2015 and 13 January 2016, respectively. As at 30 June 2016, the aggregate number of repurchased H shares reached 32,070,000. Details are disclosed in Note V.38.

The Company and its subsidiaries (collectively the "Group") are mainly engaged in exploration of minerals, mining and processing of gold ores; gold refinery; mining and processing of copper ores; copper refinery; integration service on information and technology systems; consultation service on information and technology; sales of jewellery and ornaments, crafts and art products, mineral products, machinery and equipment, chemical products (excluding dangerous chemical products and precursor chemical products of poisons); hydropower generation; investment in mining industry, hotel industry and construction industry; foreign trade; land transportation of general goods; land transportation of hazardous goods. Open pit mining of copper and gold ores; research and development of mining engineering technology, mining machinery and equipment specifically for use in metallurgy; manufacture of mining machinery and equipment specifically for use in metallurgy (only for branches). (Items which require approvals under the law shall be subject to the approval from relevant departments before the commencement of business.)

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

The financial statements were approved by the Company's board of directors on 26 August 2016.

The scope of consolidation in the consolidated financial statements is determined on the basis of control. The changes in the current year are disclosed in Note VI.

## Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

RMB

*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

### II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements were prepared in accordance with the Basic Standards and the Specific Standards of the Accounting Standards for Business Enterprises (“ASBE”) issued by the Ministry of Finance, and Application Guidance for ASBE, interpretations and other relevant regulations issued and revised 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 principle of measurement. Where assets are impaired, provisions for asset impairment are made in accordance with the relevant requirements.

As at 30 June 2016, the Group recorded current assets of RMB23,297,792,957 and current liabilities of RMB32,329,264,656. The balance of the current assets was less than that of the current liabilities. In view of such circumstance, the directors of the Company have given consideration to the future liquidity of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern:

- (1) The balance of the Group’s unissued ultra short-term financing bonds registered in 2015 at the National Association of Financial Market Institutional Investors amounted to RMB7 billion. As at 30 June 2016, the unissued balance amounted to RMB4 billion, which will be issued before 15 September 2017 depending on the financial condition of the Company.
- (2) The Group has sufficient bank line of credit.

The directors of the Company believe that the Group has adequate resources to continue operation and fulfill the due financial obligations. The directors of the Company therefore are of the opinion that it is appropriate to adopt the going concern basis in preparing the consolidated financial statements.

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The Group has made accounting policies and accounting estimates according to its own operation and production characteristics, which are mainly reflected in bad debt provisions for trade receivables, inventory costing methods, and depreciation methods for fixed assets.

#### 1. Statement of compliance with CAS

The financial statements have been prepared in accordance with CAS, and presented truthfully and completely the Company’s and Group’s financial positions as at 30 June 2016, and the Company’s and Group’s financial performance and cash flows for the period then ended.

#### 2. Accounting period

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

#### 3. Functional currency

The Company adopts Renminbi (“RMB”) to prepare its financial statements. Except for specially noted instructions, the financial statements are denominated in RMB.

The subsidiaries of the Group, joint arrangements and associates determine their own functional currencies according to their primary economic environment in which they operate. The Group adopts RMB to prepare its financial statements.

## Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

RMB

*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

#### 4. 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 involving enterprises 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 party (parties).

Assets and liabilities (including goodwill arising from the acquisition of the merged party by the ultimate controlling party) obtained shall be measured at their respective carrying amounts as recorded by the ultimate controlling party 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 against share premium in capital reserve. If the share premium is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

##### **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 enterprises under common control, the party which obtains control of other combining enterprise(s) on the combination date is the acquirer, and 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 not involving enterprises under common control, that meet the recognition criteria shall be measured at the fair value at the acquisition date.

Where 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 exceed the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognised as goodwill, which is subsequently measured at cost less accumulated impairment losses. Where 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 are 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 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. If after that reassessment, 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 are still less than the acquirer's interest in 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.

If the business combination not involving enterprises under common control is achieved in stages, the previously held equity interest is remeasured at the fair value on the acquisition date and any resulting gain or loss is recognised in investment income for the current period. For the other comprehensive income generated under equity method from the equity interest which is already held before the acquisition date, the same accounting treatment of which the investee directly disposes of the related assets and liabilities should be used, changes in owners' equity of the investee other than net profit or loss, other comprehensive income and profits distribution are recognised in profit or loss for the current period when the investments are acquired.

## Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

RMB

*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

#### 5. Consolidation of 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 2016. A subsidiary is an entity (including an entity, a separable part of an investee, and the structural entities controlled by the Company, etc.) which is under the control of the Company.

The accounting policies and accounting periods of the Company and subsidiaries should be consistent in the preparation of the consolidated financial statements. Where the accounting policies adopted by subsidiaries are probably inconsistent with those of the Company, appropriate adjustments are made to the subsidiaries' financial statements in accordance with the accounting policies of the Company. All assets, liabilities, equity, income, expenses and cash flows arising from intra-group transactions 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.

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

Where a subsidiary is acquired through a business combination 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 was under the control of the Group at the very beginning and the comparative amounts of the consolidated financial statements of the Group shall be restated accordingly.

If a change in any facts and circumstances gives rise to one or more changes in controlling factors, the Group will reassess whether it controls the investee or not.

Change in non-controlling interests that does not result in the loss of control over the subsidiary is accounted for as an equity transaction.

#### 6. Joint arrangement

Joint arrangement has two types: joint operation and joint venture. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

The Group recognises in relation to its interest in a joint operation: its assets, including its share of any assets held jointly; its liabilities, including its share of any liabilities incurred jointly; its revenue from the sale of its share of the output arising from the joint operation; its share of the revenue from the sale of the output by the joint operation; and its expenses, including its share of any expenses incurred jointly. Joint operation is measured by the proportionate consolidation method.

#### 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 change in value.

## Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

RMB

*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

#### 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 end of reporting period, foreign currency monetary items are translated into the functional currency using the spot exchange rates at the end of reporting period. Exchange differences arising from the differences between the spot exchange rates prevailing at the end of reporting period and those on initial recognition or at the previous end of reporting period, 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. Foreign currency non-monetary items measured at historical cost are re-translated at the spot exchange rate on the date of transaction but the functional currency is not changed. Foreign currency non-monetary items measured at fair value are re-translated at the spot exchange rate on the date the fair value is determined. Differences between the re-translated functional currency amount and the original functional currency amount are recognised in profit or loss or as other comprehensive income depending on the nature of the non-monetary items.

For the purpose of preparing the consolidated financial statements, financial statements of a foreign operation are translated from its functional currency into RMB using the following method: assets and liabilities on the balance sheet are translated at the spot exchange rate prevailing at the end of reporting period; shareholders' equity items except for retained earnings are translated at the spot exchange rates at the dates on which such items arose; income and expenses in the statement of profit or loss are translated at the spot exchange rates on the dates of the transactions or average exchange rates during the transaction period. The exchange differences arising on translation of financial statements denominated in foreign currencies are recognised as other comprehensive income. For disposals of equity interests in foreign operations, the proportionate share of the accumulated exchange differences arising on translation of financial statements in other comprehensive income of foreign operations is reclassified to profit or loss. For partial disposals, the reclassification is determined on proportion of disposal.

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 statement of cash flows.

#### 9. Financial instruments

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

##### **Recognition and derecognition of financial instruments**

Financial assets and 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, i.e. offset from the accounts and balance sheet, if one of the following conditions is satisfied:

- (1) The contractual rights to the cash flows from the financial asset expire; or
- (2) The contractual rights to the cash flows from the financial asset is transferred out, or obligated to transfer out all generated cash flows on receipt; and (a) 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.

## Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

RMB

*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

#### 9. Financial instruments *(continued)*

##### **Recognition and derecognition of financial instruments *(continued)***

The Group derecognises a financial liability only when the underlying present obligation is settled, discharged or expired. An agreement to replace the original financial liability with a new financial liability with substantially different terms, 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 financial liability derecognised and the new financial liability should be recognised in profit or loss for the current period.

All regular means of purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular means of purchases or sales are purchases or sales of financial assets that require 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 financial 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. 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 by its classification:

##### *Financial assets at fair value through profit or loss ("FVTPL")*

The Group's financial assets at FVTPL include financial assets held for trading and financial assets designated upon initial recognition as at FVTPL. 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) it is part of a portfolio of identified financial instruments that the Group manages together and there is objective evidence that the Group has a recent actual 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 the financial assets at FVTPL is recognised as profit or loss.

An entity shall not reclassify any financial assets out of the FVTPL category if upon initial recognition they were 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 are recognised in profit or loss.

##### *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 impairment or amortisation are recognised in profit or loss.

## Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

RMB

*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

#### 9. Financial instruments *(continued)*

##### **Classification and measurement of financial assets** *(continued)*

###### *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 FVTPL, 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 foreign currency monetary financial assets which 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. Accumulated gains or losses arising from changes in the fair value are classified as profit or loss on derecognition or when impairment arises. Dividends and interest earned from available-for-sale investments are recognised in profit or loss.

An 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 of the Group are classified into financial liabilities at FVTPL and other financial liabilities. 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.

Subsequent measurement of financial liabilities is determined by the classification.

###### *Financial liabilities at FVTPL*

The Group's financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. 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 together and there is objective evidence that the Group has a recent actual 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 they were 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.

##### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts, or there is an intention to settle on a net basis, or to realise the financial assets and settle the financial liabilities simultaneously.

## Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

RMB

*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

#### 9. Financial instruments *(continued)*

##### **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 balance sheet date; 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 price fluctuation risk, and cross currency swap contracts for hedging interest rate and foreign exchange rate fluctuation risk, respectively. 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 derivatives which are 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, they are measured at cost.

Except for the effective portion of cash flow hedging which is recorded in other comprehensive income, and later reclassified to profit or loss when the hedged item affects profit or loss, changes in fair value on derivatives are recognised in profit or loss.

##### **Impairment of financial assets**

The Group assesses the carrying amount of financial assets at the end of each reporting period. If there is objective evidence that a financial asset is impaired, the Group determines the amount of any impairment loss. Objective evidence that a financial asset is impaired is an evidence that, arising from one or more events that occurred after the initial recognition of the asset, the estimated future cash flows of the financial asset, which can be reliably measured, have been affected. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, a debtor or debtors breach(es) contract (i.e. default or delinquency in interest or principal payments, etc.), it is very probable that they will enter bankruptcy or other financial reorganisation, and observable data indicates that there is a measurable decrease in the estimated future cash flows.

##### *Financial assets measured at amortised cost*

If a financial asset measured at amortised cost is impaired, the carrying amount of the financial asset is reduced through the use of an allowance account to the present value of estimated future cash flows (excluding future credit losses that have not been incurred). 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 initial recognition), and the value of the relevant guaranty should also be taken into account. Interest income continues to be accrued on the reduced carrying amount and are accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

## Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

RMB

*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

#### 9. Financial instruments *(continued)*

##### **Impairment of financial assets** *(continued)*

###### *Financial assets measured at amortised cost (continued)*

For a financial asset that is individually significant, 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 significant or not), it includes the asset in a group of financial assets with similar credit risk characteristics and 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 loss 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 recognised impairment loss is reversed and recognised in profit or loss. However, the reversal is made to the extent that the carrying amount of the financial asset at the date the impairment reversed does not exceed what the amortised cost would have been when the impairment has not been recognised.

###### *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 other comprehensive income is reclassified from other comprehensive income to profit or loss. The amount of the cumulative loss that is reclassified from other comprehensive income 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.

Objective evidence that an available-for-sale equity instrument investment is impaired includes significant or prolonged decline in the fair value below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the length of period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss is measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss. Impairment losses on equity instruments classified as available-for-sale are not reversed through the statement of profit or loss. Increases in their fair value after impairment are recognised directly in other comprehensive income.

The determination of what is "significant" or "prolonged" requires judgment. In making this judgment, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets measured at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

If, subsequent to the recognition of an impairment loss on an available-for-sale debt instrument, there is objective evidence of a recovery in the fair value of the financial asset, which can be related objectively to an event occurring after the impairment is recognised, the previously recognised impairment loss is reversed and recognised in profit or loss.

## Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

#### 9. Financial instruments *(continued)*

##### **Impairment of financial assets *(continued)***

###### *Financial assets measured at cost*

If there is objective evidence that 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 loss on such financial asset is not reversed once it is recognised.

##### **Transfer of financial assets**

The Group derecognises a financial asset when it has transferred substantially all the risks and rewards of ownership of the financial asset to the transferee. The Group does not derecognise those financial assets as transferred when it retains substantially all the risks and rewards of the ownership.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of financial assets, the related accounting treatments are as follows: the Group derecognises financial assets when it retains no control on them, and associated assets and liabilities are recognised at the same time. 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.

Continuing involvement that takes the form of a financial guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the amount of financial guarantee. The amount of financial guarantee is the maximum amount of consideration that the Group could be required to repay.

#### 10. Hedge accounting

The Group uses certain financial instruments to hedge against its metal price risks. The Group accounts for the hedges that meet the criteria with hedge accounting. The Group uses cash flows hedges and the hedging instruments are forward contracts. The hedged item is the estimated sales of mine-produced gold and mine-produced copper of the Group in the next 12 months.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and 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 entity will assess the effectiveness of changes in the hedging instrument's cash flows in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective and are assessed on an ongoing basis to ensure that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income. The portion of the gain or loss on the hedging instrument that is determined to be a non-effective hedge is recognised in profit or loss. The portion of hedging instrument that is determined to be an effective hedge is recognised based on the lesser of the following (in absolute amounts): (1) the cumulative gain or loss on the hedging instrument from inception of the hedge; and (2) the cumulative change in present value of the expected future cash flows on the hedged item from inception of the hedge. If the forecast transaction is expected to occur, the amount recognised in other comprehensive income is reclassified into profit or loss of the current period.

## Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

#### 10. Hedge accounting *(continued)*

If the forecast transaction is no longer expected to occur, the gain or loss on the hedging instrument that remains recognised directly in other comprehensive income from the period when the hedge was effective shall be reclassified into profit or loss immediately. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognised in other comprehensive income is not reclassified into profit or loss until the forecast transaction occurs.

#### 11. Receivables

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

For a receivable that exceeds RMB10,000,000 and in which there is objective evidence that an impairment loss has been incurred on the receivable, 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 that a receivable is impaired is that, arising from one or more events that occurred subsequent to the initial recognition of the asset, the estimated future cash flows of the receivable, which can be reliably measured, have been affected.

##### **(2) Receivables that are not individually significant but for which bad debt provision has been assessed individually**

For receivables that are not significant individually, if there is objective evidence that an impairment loss has been incurred, 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.

#### 12. Inventories

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

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. 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. Some spare parts and materials directly related to production are amortised periodically (for example, steel ball is depreciated using the units-of-production method, and for some spare parts with a great value such as anode plate, lining board, are amortised over their actual useful lives). For property development business, all relevant costs of development will be allocated by apportionment of saleable areas at the completion stage. Cost for unsold area is recorded as development properties.

The perpetual inventory system is maintained for the stock system.

At the end of reporting period, 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 cost, 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 raw materials, provision for decline in value is made based on the categories of inventories. For finished goods, provision for decline in value is made on an item-by-item basis.

## Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

#### 13. Long-term equity investments

Long-term equity investments include equity investments in subsidiaries, joint arrangements and associates.

The long-term equity investment is initially measured at its cost. For a long-term equity investment acquired through business combination involving enterprises under common control, the initial investment cost of the long-term equity investment is the attributable share of the carrying amount of the owners' equity of the merged party in the ultimate controlling party's consolidated financial statements at the date of combination. The difference between initial investment cost and the carrying amount of the consideration is adjusted against capital reserve. If the capital reserve is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings. For the other comprehensive income which is already held before the acquisition date, on the disposal of the investment, the same accounting treatment of the related assets and liabilities directly disposed of by the investee should be used, changes in owners' equity of the investee other than net profit or loss, other comprehensive income and profits distribution are recognised in profit or loss when the investments are disposed of. Among which, those remained as long-term equity investments will be charged into the statement of profit or loss proportionately, those transferred as financial instruments will be fully charged to the statement of profit or loss. For a long-term equity investment acquired through business combination not involving enterprises under common control, the initial investment cost of a 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 initial investment cost of the 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. For the other comprehensive income generated under equity method which is already held before the acquisition date, on the disposal of the investment, the same accounting treatment of the related assets and liabilities directly disposed of by the investee should be used, changes in owners' equity of the investee other than net profit or loss, other comprehensive income and profits distribution are recognised in profit or loss when the investments are disposed of. Among which, those remained as long-term equity investments will be charged into the statement of profit or loss proportionately, those transferred as financial instruments will be fully charged to the statement of profit or loss. For long-term equity investment which is a financial instrument and already held before the acquisition date, the accumulated fair value changes previously recorded as other comprehensive income should be transferred into the profit or loss for the period under cost method. The initial 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 equity securities, the investment is initially recognised at the fair value of issuing equity instruments; and c) acquired through exchange of non-monetary assets, the cost of investment is initially recognised in accordance with the requirements of "Accounting Standards for Business Enterprises No. 7 – Exchange of Non-monetary Assets".

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 achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Under the cost method, a long-term equity investment is measured at initial investment cost. If there are additional investments or disinvestments, the cost of the long-term equity investment shall be adjusted. Investment income is recognised in the period in accordance with the attributable share of cash dividends or profits distribution declared by the investee.

For long-term equity investments over which the Group has 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 arrangement, which exists only when the decisions about the relevant activities require the unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operational policy decisions of the investee but is not control or joint control over those policies.

## Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

### III. 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 and other comprehensive income of the investee for the period as investment income or loss and other comprehensive income for the period, respectively. The Group recognises its share of the investee's net profit or loss based on the fair value of the investee's identifiable assets and others at the acquisition date after making appropriate adjustments to conform with the Group's accounting policies and accounting period. Unrealised profits or losses resulting from the Group's transactions with its associates and joint ventures are recognised as investment income or loss to the extent that those attributable to the Group's equity interest are eliminated, except for the business arising from the assets disposed or sold. However, unrealised losses resulting from the Group's transactions with its associates and joint ventures which represent impairment losses on the transferred assets are not eliminated. The Group shall reduce the carrying amount of the long-term equity investments for shares of profits or cash dividends declared of the investee. However, the share of net loss is only recognised 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, other comprehensive income and profits distribution are correspondingly adjusted to the carrying amount of the long-term equity investments, and recognised in the shareholders' equity.

On disposal of a long-term equity investment, the difference between the proceeds actually received and the carrying amount is recognised in profit or loss for the period. For the other comprehensive income generated from a long-term equity investment under equity method, if the equity method is not applied any more, the same accounting treatment of which the investee directly disposes the related assets and liabilities should be used, changes in owners' equity of the investee other than net profit or loss, other comprehensive income and profits distribution are recognised in profit or loss for the period. If the equity method is still applied, the same accounting treatment of the related assets and liabilities directly disposed of by the investee should be used and recognised in profit or loss for the period in proportion, and changes in owners' equity of the investee other than net profit or loss, other comprehensive income and profits distribution are recognised in profit or loss for the period on pro-rata basis.

#### 14. Investment properties

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

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.

## Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

#### 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. At the same time, 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 for bringing the asset to its working condition for its intended use. When the Company was established, the used fixed assets invested by shareholders were recorded based on valuation using the replacement cost approach.

A mining asset (included in Note V.13 Fixed assets) is depreciated over its designated estimated production using the units-of-production method; an asset formed by work safety fund and production maintenance fund is depreciated one time. Other fixed assets are depreciated over their useful lives using the straight-line method, except that the joint operation, BNL, uses units-of-production method. The depreciation period, estimated net residual value rate and annual depreciation rate of each category of fixed assets are as follows:

Category	Depreciation period	Estimated net residual value rate	Annual depreciation rate
Buildings	8-50 years	0%-5%	1.90-12.50%
Power generation and transmission equipment	8-30 years	0%-5%	3.17-12.50%
Plant, machinery and equipment	5-15 years	0%-5%	6.33-20.00%
Motor vehicles	4-10 years	0%-5%	9.50-25.00%
Furniture, fixtures and others	3-10 years	0%-5%	9.50-33.33%

In addition, fixed assets held under finance lease are depreciated using the same depreciation method as other fixed assets. The assets are depreciated over their estimated useful lives where ownership of the assets can be reasonably estimated to be gained when the lease periods end; otherwise, the leased assets are depreciated over the shorter of the lease terms and the estimated useful lives of the assets.

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 adjusts for any changes when necessary.

#### 16. Construction in progress

Construction in progress is measured at its actual cost. The actual cost includes various necessary 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 its intended use.

## Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

### III. 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 a qualifying asset are capitalised when expenditures for such assets fulfill the conditions of capitalisation, whereas 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 bring the asset for its intended use or sale have 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; or
- (2) Where funds are borrowed under general-purpose borrowings and are utilised for the acquisition, the Group 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 except those become ready for their intended use or sale. The borrowing costs incurred during these periods shall be recognised in profit or loss for the current period until the acquisition, construction or production is resumed.

#### 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 not involving enterprises under common control 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 for the Group. 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.

## Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

#### 18. Intangible assets *(continued)*

A mining right (included in Note V.16 Intangible assets) is amortised using the units-of-production method. An exploration right will not be amortised until it is transferred to mining right which is amortised using the units-of-production method. Other intangible assets are amortised over their useful lives using the straight-line method. The estimated useful lives of each category of intangible assets are as follows:

Categories	Useful lives
Land use rights	Beneficial lives (30-50 years)
Exclusive fishing rights	Beneficial lives (50 years)
Membership of Shanghai Gold Exchange	Beneficial lives (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 and other buildings were accounted for as intangible assets and fixed assets, respectively. Purchase costs of land use rights and buildings were recognised as intangible assets and fixed assets separately. Purchase costs were recognised as cost of fixed assets, only if the separation 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 methods. For an intangible asset with a finite useful life, the Group reviews the useful life and amortisation method at least once at each financial year-end, 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 that the intangible assets have a finite service life, the intangible assets can be amortised according to the accounting standards for intangible assets with a finite useful life.

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

#### 19. Long-term deferred assets

Long-term deferred assets represent expenses already incurred and to be amortised over a period longer than one year. Long-term deferred assets mainly include land compensation cost and others. Land compensation costs are amortised evenly over the estimated beneficial useful lives of 5 to 50 years, whereas other long-term deferred assets are amortised over respective estimated useful lives.

#### 20. Impairment of assets

Impairment of assets other than inventories, deferred tax assets and financial assets are recognised based on the following method:

The Group assesses at the end of each reporting period 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 tests are performed. Goodwill arising in a business combination and an intangible asset with an indefinite useful life shall be assessed for impairment at least at each year end, irrespective of whether there is any indication incurred. Impairment tests of intangible assets should be performed annually, even if they are not ready for use.

## Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

#### 20. Impairment of assets *(continued)*

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. The recoverable amount is estimated on an individual basis. If it is not practical to estimate the recoverable amount of an individual asset, the recoverable amount of the asset 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 asset is recognised accordingly.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated on a reasonable basis to each of the Group's cash-generating units, or to relevant groups of cash-generating units if it is difficult to do so. 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 a reported segment by the Group.

In testing an asset group or a set of asset groups to which goodwill has been allocated for impairment, if there is evidence of 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 recoverable amount of the asset group or set of asset groups is lower than its carrying 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 the 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 (excluding goodwill) on the basis of the proportion 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.

#### 21. Employee benefits

Employee benefits are all types of benefits except share-based payment given by the Group in exchange for the services rendered by employees and termination of employment. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term benefits that are provided to the employees, their spouses, children, dependents, late employee's family members and other beneficiaries.

##### **Short-term employee benefits**

During an accounting period when employees render service to the entity, the amount of short-term employee benefits should be recognised as a liability, and be recognised in profit or loss for the period or in cost of related assets.

##### **Post-employment benefits (define contribution plans)**

The employees in the Group participate in social insurance and unemployment insurance scheme administrated by the local governments, and the related expenditures are recorded in cost of related assets or profit or loss in the period when they are incurred.

##### **Termination benefits**

The Group recognises a liability and charges to profit or loss for termination benefits at the earlier of the following dates: a) when the Group can no longer withdraw from the termination plan or the redundancy offer; and b) when the Group recognises costs or expense for a restructuring plan which involves the payment of termination benefits.

## Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

#### 22. Contingent liabilities

Except for contingent consideration and contingent liabilities arising from business combinations not involving enterprises under common control, contingent liabilities are recognised when the Group has an obligation related to a contingency, which meets all of the following conditions:

- (i) It is a present obligation related to a contingency;
- (ii) it is probable that an outflow of economic benefits will be required to settle the obligation; and
- (iii) 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 end of reporting period, taking into account factors pertaining to a contingency such as the risks, uncertainties and time value of money. The carrying amount of a contingent liability is reviewed at the end of reporting period. Where there is objective evidence that the recognised carrying amount does not reflect the best estimation of the contingency, the contingent liability would be adjusted according to the best estimated amount.

#### 23. 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 incurred or to be incurred 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. For transaction based on contracted deferred payment, which embedded 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 end of reporting period, 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 service income is determined by the contracted or agreed consideration 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 of services, if the portions of revenue in relation to the sale of goods and rendering of services can be measured separately and individually, the revenue for sale of goods and rendering of services 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.

## Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

#### 23. Revenue *(continued)*

##### **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.

#### 24. 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.

Asset-related government grants are recognised when the government document designates that the government grants are used for purchasing, constructing or forming long-term assets. If the government document is inexplicit, the Company should make a judgment based on the basic conditions to obtain the government grants, and recognise them as asset-related government grants if the conditions are for purchasing, constructing or forming long-term assets. Otherwise, the government grants should be income-related.

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.

#### 25. 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.

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 end of reporting period, for temporary differences between the carrying amounts of certain assets or liabilities and their tax base, or between carrying amount of 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 taxable temporary difference 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, taxable profit or loss nor deductible losses; and,
- (2) In respect of taxable temporary differences associated with investments in subsidiaries, interests in joint arrangement and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

## Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

#### 25. 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 temporary differences, deductible losses and tax credits can be utilised, except:

- (1) Where the deductible temporary differences arises from transactions that are not business combinations and, at the time of the transaction, affects neither the accounting profit, taxable profit or loss nor deductible losses; and
- (2) In respect of deductible temporary differences associated with investments in subsidiaries, interests in joint arrangements and associates, 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 end of reporting period, deferred tax assets and liabilities are measured at applicable tax rates according to the requirements of tax laws during the period that the assets are expected to be recovered or the liability expected to be repaid. The recognition of deferred tax assets and liabilities also take the recovery or the repayment terms into account.

At the end of reporting period, 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 end of reporting period, the carrying amount of unrecognised deferred tax assets is reviewed and recognised to the extent it is probable that available taxable profits in the future will allow all or part of the benefit 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.

#### 26. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership 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 rentals are charged to profit or loss in the period in which they actually incur.

##### **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 rentals are charged to profit or loss in the period in which they are actually incurred.

##### **As lessee under finance leases**

An asset held under finance leases is initially recognised at the lower between the leased assets' fair value and the present value of minimum lease payments on the lease commencement date. The amount of long-term payables will be recognised as minimum lease payments accordingly, and the differences between the leased assets' fair value and the present value of minimum lease payments will be recorded as unrecognised financing costs which will be amortised by the effective interest method over the term of the relevant lease. Contingent rentals will be recognised in profit or loss when they actually incur.

## Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

#### 27. Share repurchase

The considerations and transaction costs occurred in repurchasing the Company's own equity instruments are deducted from equity. Equity movements are recognised on the issue (including refinance), repurchase, sale, or cancellation of the Group's own equity instruments.

#### 28. Profit distribution

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

#### 29. Work safety fund and production maintenance fund

The work safety fund and production maintenance fund accrued pursuant to regulations are recognised as cost of relevant products or profit or loss in the period, and are stated as special reserves at the same time. For the utilisation of the fee to pay for safety relevant expenses, the special reserves shall be reversed directly. Capitalised expenditure shall be aggregated and recognised in fixed assets when the asset is ready for its intended use. The actual expenditure shall be offset with the balance of special reserves and full depreciation is provided for the asset at the same amount.

#### 30. Fair value measurement

The Group measures its derivative financial instruments and listed equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market is one that is accessible by the Group as at the measurement date. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Unobservable inputs are adopted only when observable inputs are not available or impracticable to be obtained.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities obtainable on measurement date

Level 2 – based on inputs, other than quoted price included within level 1, that are observable, either directly or indirectly, for the assets or liabilities

Level 3 – based on inputs for the assets or liabilities that are unobservable

For assets and liabilities measured at fair value that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between fair value measurement levels in the hierarchy by reassessing categorisation at the end of each reporting period.

## Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

#### 31. Significant accounting judgments and estimates

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts and disclosure of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the balance sheet date. 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.

##### **Judgments**

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

##### *Corporate income tax*

As a result of the fact that certain matters relating to the corporate income taxes have not been confirmed by the local tax bureau as at the end of the reporting period, objective estimates and judgments based on currently enacted tax laws, regulations and other related policies are required in determining the provision for income tax expenses to be made for the reporting period. 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.

##### *Joint arrangement – the investment in the offshore mining fund by the Group*

The Group has determined that although the Group holds 90.5% participants shares of Sprott-Zijin Mining Fund ("Sprott Fund"), based on the co-operation agreement between the Group and Sprott Inc. (a fund management company incorporated in Canada, "Sprott"), investment decision-making was controlled by the investment committee, and the Group and Sprott have joint control over the investment committee of Sprott Fund. As such, the Group recognised its investment in the Sprott Fund as an investment in a joint venture.

##### *Joint arrangement – the investment in Barrick (Niugini) Limited ("BNL") by the Group*

The Group has determined that BNL is jointly controlled by Gold Mountains (H.K.) International Mining Company Limited, a wholly-owned subsidiary of the Company, and Barrick (PD) Australia Pty Limited, and each of the parties has rights to the assets, obligations for the liabilities of BNL, and is eligible to BNL's output and recognises the expenses incurred in the proportion of 50% each. Therefore, the Group recognised its investment in BNL as an investment in a joint operation.

##### *Joint arrangement – the investment in Kamoā Holding Limited ("Kamoā") by the Group*

The Group has determined that Kamoā is jointly controlled by Gold Mountains (H.K.) International Mining Company Limited, a wholly-owned subsidiary of the Company, and Ivanhoe Mines US LLC, and the two parties have rights to the net assets of Kamoā in proportion of 49.5% each. As such, the Group recognised its investment in Kamoā as an investment in a joint venture.

##### **Estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that may cause a material adjustment to the carrying amounts of assets and liabilities, are discussed below.

## Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

#### 31. Significant accounting judgments and estimates *(continued)*

##### **Estimation uncertainty** *(continued)*

###### *Bad debt provision for trade receivables*

Bad debt provision for trade receivables is estimated by management according to objective evidence (i.e., the possibility of bankruptcy or serious financial difficulties of debtors) which will affect the recoverable amount of trade receivables. Bad debt provision is reviewed at least at every financial year-end for re-estimation.

###### *Inventory provision determined on net realisable value*

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

###### *Impairment of available-for-sale investments*

The Group classifies certain assets as available-for-sale investments and directly recognises movements of their fair value in other comprehensive income. When the fair value declines, management makes assumption about the decline in value to determine whether there is an impairment that should be recognised in the statement of profit or loss.

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

The Group assesses whether there are any indication of impairment for non-current assets other than financial assets at the balance sheet date. Intangible assets with an indefinite life are tested for impairment annually and at other times when such an indication exists. Non-current assets other than financial assets are tested for impairment when there are indication that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or assets group exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its present value of future cash flows. 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 value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or asset group and choose a suitable discount rate in order to calculate the present value of those cash flows.

###### *Impairment of goodwill*

Goodwill is tested for impairment at least at the end of each year. For the purpose of impairment testing, the present value of future cash flows, which are generated from sets of assets or asset groups considered together with allocated goodwill, is estimated. The Group estimates the present value of future cash flows from sets of assets or asset groups by forecasting the related cash flow and selecting a suitable discount rate.

###### *Useful lives of property, plant and equipment*

Management determines the estimated useful lives of the Group's 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 less than previously estimated lives, and will write off or write down technically obsolete or non-strategic assets that have been abandoned.

## Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

#### 31. Significant accounting judgments and estimates *(continued)*

##### **Estimation uncertainty** *(continued)*

###### *Exploration expenditures*

Determination of the capitalisation amount of exploration expenditures requires estimation of future cash flows of the related assets by the management, choosing a suitable discount rate and estimation of beneficial useful lives in order to calculate the present value.

###### *Proved mineral reserves*

Proved mineral reserves are estimated based on professional knowledge, experience and industrial practice. Most of the time, the estimation basis on probing and estimation may not be very accurate. The estimation is updated in accordance with new technologies and new information. Any changes in estimation will have impacts on amounts of mining assets' depreciation and mining rights' amortisation using the units-of-production method, and on the stripping ratio which was used in the capitalisation of stripping costs. That may result in changes of or impacts on the Group's development and operation programme, and the Group's operation and operating results.

###### *Deferred tax assets*

To the extent that it is probable that there are sufficient taxable profits to offset deductible losses, deferred tax assets shall be recognised for all unused deductible losses. Substantial management's judgment 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.

###### *Estimated compensation*

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

###### *Provision for environmental rehabilitation and restoration of mines*

Pursuant to the regulations in the countries where the mines locate, the Group recognises provision for environmental rehabilitation and restoration of mines. The amount of provision is an estimate based upon the life of mining tenement, mine closure and cost of such rehabilitation, which depends on an overall judgment of management.

## Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

### IV. TAX

#### 1. Major taxes and tax rates

Value-added tax ("VAT")	<p>Sales of final gold products and carrying-gold minerals are exempted from VAT. The output VAT rate for mining and processing of iron concentrates and non-ferrous metals such as gold concentrates, copper concentrates, zinc concentrates, and copper cathodes, zinc bullion, material sales and processing is 17%. The taxpayer is required to remit the VAT balance after deducting the VAT paid on eligible purchases to the tax authority.</p> <p>VAT rate for transportation service income is 11%, and that for trademark royalty income and technical service income is 6%. Small-scale taxpayer's VAT rate for all the income mentioned above is 3%.</p> <p>On 18 March 2016, the executive meeting of the State Council of the PRC considered and approved the full expansion of the "value-added tax in lieu of business tax" pilot arrangement. It was clearly stipulated that, starting from 1 May 2016, the scope of the pilot arrangement should be fully expanded to cover construction industry, real estate industry, finance industry and life-style service industry. In which, construction industry and real estate industry are subject to a tax rate of 11%, finance industry and life-style service industry are subject to a tax rate of 6%. Under the requirement of the arrangement, the newly acquired immovable properties of all enterprises will be included in the scope of VAT deduction, and they are still entitled to the preferential business tax treatments which they have previously been granted. The objective of the value-added tax in lieu of business tax reform is to avoid adding extra tax burden across all industries. The Ministry of Finance and State Administration of Taxation jointly issued the "Notice regarding the Full Expansion of the Value-added Tax in lieu of Business Tax Pilot Arrangements" (Caishui [2016] No. 36) on 23 March 2016, which sets out the detailed implementation method, provision of relevant matters and provisions of the transitional policies for the pilot arrangement, VAT exemption on cross-border taxable activities and provisions of tax exemption policies, etc.</p>
Business tax	<p>Business tax rate for real-estate rental income and hotel service revenue is 5%, and that for construction labor income is 3%. On 1 May 2016, after the full expansion of "value-added tax in lieu of business tax", business tax was cancelled for all industries.</p>
Urban maintenance and construction tax	<p>Levied on actual payment of turnover tax at rates ranging from 1% to 7%.</p>
Resource tax	<p>Tax rates for gold resources ranged from RMB1.5 to RMB7 per tonne depending on the gold ore quantity; tax rates for copper resources ranged from RMB6 to RMB7 per tonne depending on the copper ore quantity; tax rates for iron resources ranged from RMB6.4 to RMB12.8 per tonne according to the ore quantity of the concentrates; tax rate for zinc-lead resources was RMB20 per tonne according to the ore quantity of the concentrates.</p>
Resource compensation fee	<p>The resource compensation fee is calculated according to a certain proportion of mineral sales revenue. The formula is: mineral sales revenue x resource compensation rate x coefficient of mining recovery. Resource compensation rates range from 2% to 4%.</p>

## Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

### IV. TAX *(continued)*

#### 1. Major taxes and tax rates *(continued)*

Corporate income tax	Provision for tax for the Company and the Company's subsidiaries incorporated and operating in the PRC has been made at the rate of 25% based on the taxable profits, except for certain companies in the Group which enjoyed tax concession and preferential tax rate under approval documents and are further mentioned below. Provision for tax for the Company's subsidiaries incorporated and operating in Hong Kong has been made at the rate of 16.5% on the assessable profits for the year. Provision for tax for the Company's subsidiaries incorporated and operating in Australia and the Democratic Republic of the Congo has been made at the rate of 30% on the assessable profits for the year. Provision for tax for the Company's subsidiaries incorporated and operating in South Africa has been made at the rate of 28% on the assessable profits for the year. Provision for tax for the Company's subsidiaries incorporated and operating in the Republic of Tajikistan has been made at the rate of 15% on the assessable profits for the year. Provision for tax for the Company's subsidiaries incorporated and operating in the Russian Federation has been made at the rate of 20% on the assessable profits for the year. Provision for tax for the Company's subsidiaries incorporated and operating in the Kyrgyz Republic has been made at the rate determined by the scope of the revenue.
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#### 2. Tax incentives

- (1) Pursuant to the Notice of the Ministry of Finance, the General Administration of Customs and the State Administration of Taxation on the Issues of Preferential Taxation Policies for Further Implementing the Western Development Strategy (Cai Shui [2011] No. 58), from 1 January 2011 to 31 December 2020, the enterprises in the western region, which are principally engaged in encouraged industries as indicated in the Catalogue of Encouraged Industries of Western Region and the Catalogue of Industrial Structure Adjustment Guidance (2011 version) (Revised) (The National Development and Reform Commission Order [2013] No. 21) and which derive over 70% of their full-year operating income from the encouraged industries could apply for tax incentives. After getting in-charge tax bureau's approval, those enterprises could enjoy a reduced corporate income tax ("CIT") rate of 15%. In 2016, the following subsidiaries obtained the in-charge tax bureau's approval and were granted a reduced CIT rate of 15%:
  - (a) Pursuant to the Notice of Tax Issue (Ha Di Shui Tong [2016] No. 436) issued by the Xinjiang Autonomous Region Habahe County Local Tax Bureau on 1 April 2016, Xinjiang Ashele Copper Company Limited ("Xinjiang Ashele") was entitled to a tax concession of Western Development at a preferential CIT rate of 15% in 2016.
  - (b) Pursuant to the Tax Preference Application approved by Xinjiang Autonomous Region Wuqia County State Tax Bureau on 18 March 2016, Xinjiang Zijin Zinc Industry Company Limited ("Xinjiang Zijin Zinc Industry") was entitled to a tax concession of Western Development at a preferential CIT rate of 15% in 2016.
  - (c) Pursuant to the Notice of Tax Issue (Fu Di Shui Tong [2014] No. 54) issued by the Xinjiang Autonomous Region Fuyun County Local Tax Bureau on 12 December 2014, Xinjiang Jinbao Mining Company Limited ("Xinjiang Jinbao") was entitled to a tax concession of Western Development at a preferential CIT rate of 15% in 2016.
  - (d) Pursuant to the Approval to the Application of Qinghai West Copper Company Limited to Enjoy Tax Concession of Western Development (Qin Guo Shui Han [2014] No.78) issued by Qinghai Province Maqin County State Tax Bureau on 30 October 2014, Qinghai West Copper Company Limited ("Qinghai West") was entitled to a tax concession of Western Development at a preferential CIT rate of 15% in 2016.
- (2) On 17 July 2015, Yuanyang County Huaxi Gold Company Limited received the certificate of high and new technology enterprise. Pursuant to the Registration List of Tax Relief and Exemption of Taxpayers issued by Yuanyang County Local Tax Bureau on 4 January 2016, Yuanyang County Huaxi Gold Company Limited was entitled to a tax concession at a preferential CIT rate of 15% in 2016.

## Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

### V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### 1. CASH AND CASH EQUIVALENTS

	<b>30 June 2016</b>	31 December 2015
Cash	<b>5,602,146</b>	6,800,046
Bank deposits	<b>5,577,052,316</b>	4,785,504,001
Other monetary funds (Note 1)	<b>1,653,935,706</b>	705,991,258
	<b>7,236,590,168</b>	5,498,295,305

Note 1: As at 30 June 2016, the balance of other monetary funds mainly included: (1) Land restoration and environmental rehabilitation costs of RMB67,046,441 (31 December 2015: RMB66,308,378). Pursuant to the rules of Longyan Municipal Government, the Company provided deposit for restoration and improvement of ecological environment in mines and deposited the fund in a specified bank account. The fund was restricted to the use of land restoration and environmental rehabilitation; (2) Guarantee deposits of RMB52,979,001 (31 December 2015: RMB64,952,233), which were restricted to use; (3) Time deposits with maturity for more than three months of RMB1,418,343,512 (31 December 2015: RMB521,336,401); and (4) Deposit in the Shanghai Gold Exchange of RMB115,566,752 (31 December 2015: RMB53,394,246).

As at 30 June 2016, cash and cash equivalents in the equivalent amount of RMB1,430,711,891 (31 December 2015: RMB510,984,359) were deposited outside Mainland China.

Current deposits earn interest at the rate based on current deposit interest rates. Maturities of short-term time deposits range from 7 days to 12 months depending on the fund arrangement of the Group. Time deposits earn interest at the respective rates of different maturities.

#### 2. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>30 June 2016</b>	31 December 2015
Held-for-trading financial assets		
Held-for-trading equity investments (Note 1)	<b>439,876,255</b>	263,630,628
Derivative financial assets (Note 2)	<b>273,708,315</b>	143,268,440
Cross currency swap ("CCS") (Note 3)	<b>7,809,006</b>	14,359,008
Others (Note 4)	<b>136,472,771</b>	127,094,654
	<b>857,866,347</b>	548,352,730

Note 1: The investments in stocks aimed at making short-term profits.

Note 2: In the derivative financial assets, the Group has entered into gold forward contracts in accordance with the quantity, specification and repayment terms of gold to be returned to banks for the purpose of hedging certain risks arising from gold price fluctuation from gold leasing business. As at 30 June 2016, gains on changes in fair value arising from gold forward contracts were RMB177,457,122 (31 December 2015: gains on changes in fair value of RMB1,936,000).

Note 3: In the current year, the Group has used CCS contracts to hedge the currency risk and interest rate risk. As at 30 June 2016, gains on changes in fair value arising from CCS contracts were RMB7,809,006 (31 December 2015: gains on changes in fair value of RMB14,359,008).

Note 4: The Group has purchased money market funds in overseas markets through Essence Securities Co., Ltd. As at 30 June 2016, the money market funds have been disposed (31 December 2015: all of them were disposed). The Group has purchased funds through securities companies and the domestic secondary market. As at 30 June 2016, gains on changes in fair value arising from the funds were RMB64,335 (31 December 2015: gains of RMB7,848,659).

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

## 3. BILLS RECEIVABLE

	30 June 2016	31 December 2015
Bank acceptance bills	<b>339,226,423</b>	235,873,037
Commercial acceptance bills	<b>82,379,232</b>	28,500,000
	<b>421,605,655</b>	264,373,037

Bills receivable which have been pledged are as follows:

	30 June 2016	31 December 2015
Bank acceptance bills	—	3,470,000

Bills receivable endorsed or discounted by the Group to other parties which were not yet due at balance sheet date are as follows:

	30 June 2016		31 December 2015	
	Derecognised	Not derecognised	Derecognised	Not derecognised
Bank acceptance bills	<b>304,790,197</b>	—	253,331,072	—

As at 30 June 2016, there were no bills receivable which were converted to trade receivables due to the drawer's inability to settle the note on maturity (31 December 2015: Nil).

## 4. TRADE RECEIVABLES

Trade receivables are interest-free with a credit period of one to six months in general.

An ageing analysis of the trade receivables, based on the invoice dates, is as follows:

	30 June 2016	31 December 2015
Within 1 year	<b>813,340,180</b>	744,550,678
Over 1 year but within 2 years	<b>97,415,761</b>	113,127,156
Over 2 years but within 3 years	<b>38,208,601</b>	10,267,525
Over 3 years	<b>10,656,477</b>	3,554,066
	<b>959,621,019</b>	871,499,425
Less: Bad debt provision	<b>6,364,353</b>	6,816,697
	<b>953,256,666</b>	864,682,728

The sales of gold bullion are settled on the transaction dates. The credit periods on the sales of other products such as copper cathodes, zinc bullion and ore concentrates range from 1 to 6 months. The Group maintains strict control over its outstanding trade receivables. Overdue balances are reviewed regularly by senior management. As mentioned above and because of the fact that the Group's trade receivables were related to a large number of diversified customers, there is no significant concentration of credit risk.

## Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

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

#### 4. TRADE RECEIVABLES *(continued)*

The movements of bad debt provision for the trade receivables are as follows:

	At 1 January	Additions	Reductions		At 30 June
			Reversal	Write-off	
30 June 2016	6,816,697	—	(434,036)	(18,308)	6,364,353

	30 June 2016				
	Carrying amount		Bad debt provision		Net book value
	Amount	Proportion (%)	Amount	Proportion (%)	
Individually significant and for which bad debt provision has been assessed individually	885,197,788	92.24	—	—	885,197,788
Individually not significant but for which bad debt provision has been assessed individually	74,423,231	7.76	6,364,353	8.55	68,058,878
	959,621,019	100	6,364,353	0.66	953,256,666

In the first half of 2016, no provision for bad debt was made (full year of 2015: RMB2,834,823), and there was reversal of bad debts of RMB434,036 (2015: RMB111,269).

In the first half of 2016, there was write-off of bad debt provision of RMB18,308 (2015: RMB42,501).

As at 30 June 2016, the five entities with the largest balances of trade receivables are as follows:

Name of entity	Amount	Proportion of trade receivables (%)		Ageing	Closing balance of bad debt provision
Baosteel Group Xinjiang Bayi Iron & Steel Company Limited	235,934,500	24.59		Within 1 year	—
Zisen (Xiamen) Supply Chain Management Co., Ltd.	95,642,957	9.97		Within 1 year	—
Golmud West Steel Trading Co., Ltd.	82,015,407	8.55		Within 1 year	—
Intercontinental Resources HK Co., Ltd.	80,959,637	8.44		Within 1 year	—
Shanghai Red Heron International Trade Co., Ltd.	38,627,609	4.03		Within 1 year	—
	533,180,110	55.58			—

Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

## 5. PREPAYMENTS

Ageing analysis of the prepayments is as follows:

	30 June 2016		31 December 2015	
	Carrying amount	Proportion (%)	Carrying amount	Proportion (%)
Within 1 year	925,857,556	76.64	727,382,869	85.76
Over 1 year but within 2 years	167,025,354	13.82	51,020,746	6.02
Over 2 years but within 3 years	49,767,930	4.12	23,901,167	2.82
Over 3 years	65,536,940	5.42	45,822,159	5.40
	<b>1,208,187,780</b>	<b>100</b>	848,126,941	100.00
Less: Bad debt provision	(5,675,090)		(5,657,090)	
	<b>1,202,512,690</b>		842,469,851	

As at 30 June 2016, there were no prepayments with significant balances aged over one year (31 December 2015: Nil).

The five entities with the largest balances of prepayments at 30 June 2016 are as follows:

Name of entity	Amount	Proportion of prepayments (%)
Yunnan Copper Company Limited	86,367,359	7.15
Yu Hongxu	61,807,018	5.12
Penavico Shenzhen Logistics Limited, Tianjin Branch	53,454,109	4.42
MRI Trading AG	33,105,975	2.74
Shanghai Tanqiao Commercial Company Limited	30,086,730	2.49
Total	<b>264,821,191</b>	<b>21.92</b>

## 6. OTHER RECEIVABLES

Ageing analysis of the other receivables is as follows:

	30 June 2016	31 December 2015
Within 1 year	1,218,626,851	976,164,493
Over 1 year but within 2 years	26,710,614	50,422,531
Over 2 years but within 3 years	68,529,491	22,608,484
Over 3 years	320,192,506	328,049,421
	<b>1,634,059,462</b>	1,377,244,929
Less: Bad debt provision	161,089,901	161,608,696
	<b>1,472,969,561</b>	1,215,636,233

## Notes to Financial Statements (continued)

For the period ended 30 June 2016

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

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

#### 6. OTHER RECEIVABLES (continued)

The movements of bad debt provision for other receivables are as follows:

	At 1 January	Additions	Reductions		At 30 June
			Reversal	Write-off	
At 30 June 2016	161,608,696	44,440	—	(563,235)	161,089,901

	30 June 2016				
	Carrying amount		Bad debt provision		Net book value
	Amount	Proportion (%)	Amount	Proportion (%)	
Individually significant and for which bad debt provision has been assessed individually	915,307,471	56.01	150,992,416	16.50	764,315,055
Individually not significant but for which bad debt provision has been assessed individually	718,751,991	43.99	10,097,485	1.40	708,654,506
	1,634,059,462	100	161,089,901	9.86	1,472,969,561

As at 30 June 2016, other receivables, which were individually significant and for which bad debt provision has been provided, were as follows:

	Carrying amount	Bad debt provision	Proportion (%)	Reason for providing bad debt provision
Xiamen Zijin Tongguan Investment Development Company Limited	200,646,121	140,992,416	70.27	No progress for the project
Chongli Dongping Gold Mining Company Limited	10,024,878	10,000,000	99.75	Borrower has no operation
	210,670,999	150,992,416	71.67	

Other receivables by nature are as follows:

	30 June 2016	31 December 2015
Advanced material costs	122,091,645	140,789,003
Due from non-controlling shareholders	65,120,507	54,566,943
Staff loan and reserve fund	25,621,553	36,751,641
Due from third parties	194,827,950	137,331,317
Receivables from associates and joint ventures	178,146,683	177,123,355
Security and deposits	177,055,931	101,754,981
Interest receivables	13,397,620	4,953,731
Receivables from disposal of assets	182,588,510	124,503,515
Deferred expenses	175,916,525	185,622,637
Receivables for settlement of hedging	—	154,617,360
Others	499,292,538	259,230,446
	1,634,059,462	1,377,244,929
Less: Bad debt provision	161,089,901	161,608,696
	1,472,969,561	1,215,636,233

Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*6. OTHER RECEIVABLES *(continued)*

The five entities with the largest balances of other receivables as at 30 June 2016 are as follows:

Name of entity	Amount	Proportion of other receivables (%)	Nature	Ageing	Closing balance of bad debt provision
Xiamen Zijin Tongguan Investment Development Company Limited	200,646,121	12.28	Associate	Over 1 year but within 3 years / over 3 years	140,992,416
Xiamen Zijin Zhonghang Real Estate Company Limited	68,616,223	4.20	Associate	Within 1 year	—
Xiamen Minxing Investment Company Limited	30,683,478	1.88	Advance to third party	Over 2 years but within 3 years	—
PRC Urat Customs	30,060,349	1.84	Deposit for VAT	Within 1 year	—
Zisen (Xiamen) Supply Chain Management Co., Ltd.	16,086,013	0.98	Associate	Within 1 year	—
	346,092,184	21.18			140,992,416

## 7. INVENTORIES

	30 June 2016			31 December 2015		
	Carrying amount	Inventory provision	Net book value	Carrying amount	Inventory provision	Net book value
Raw materials	2,767,805,392	(37,602,303)	2,730,203,089	3,209,088,612	(31,823,611)	3,177,265,001
Work in progress	3,602,036,549	(2,559,105)	3,599,477,444	3,579,247,568	(4,716,135)	3,574,531,433
Finished goods	701,895,037	(52,805,804)	649,089,233	1,550,912,997	(101,256,860)	1,449,656,137
Goods in transit	45,454,691	—	45,454,691	25,629,947	—	25,629,947
Properties under development	2,875,766,877	—	2,875,766,877	2,689,084,580	—	2,689,084,580
Reusable materials	4,134,491	—	4,134,491	35,151,382	—	35,151,382
	9,997,093,037	(92,967,212)	9,904,125,825	11,089,115,086	(137,796,606)	10,951,318,480

The movements of inventory provision are as follows:

	At 1 January	Additions	Reductions Reversal or write-off	At 30 June
<b>30 June 2016</b>				
Raw materials	31,823,611	12,370,830	(6,592,138)	37,602,303
Work in progress	4,716,135	2,642,676	(4,799,706)	2,559,105
Finished goods	101,256,860	4,891,332	(53,342,388)	52,805,804
Total	137,796,606	19,904,838	(64,734,232)	92,967,212

## Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

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

#### 7. INVENTORIES *(continued)*

30 June 2016	Basis of net realisable value	Basis of making provision for inventories	Reasons for reversal
Raw materials	Market price of raw materials/market price of relevant finished goods	Defective and obsolete/ decrease in market price of relevant finished goods	Increase in market price of relevant finished goods
Work in progress	Market price of relevant finished goods	Decrease in market price of finished goods	Increase in market price of finished goods
Finished goods	Market price/contract price	Decrease in market price	Increase in market price

As at 30 June 2016 and 31 December 2015, there was no inventory pledged as collateral.

As at 30 June 2016, carrying amount of inventories included capitalised interest expense of RMB48,492,718 (31 December 2015: RMB37,983,363).

#### 8. CURRENT PORTION OF NON-CURRENT ASSETS

	30 June 2016	31 December 2015
Long-term receivables due within one year	<b>31,500,000</b>	458,040,000

#### 9. OTHER CURRENT ASSETS

	30 June 2016	31 December 2015
Deposit for hedging	<b>231,524,603</b>	156,235,835
Deposit for gold transactions	<b>3,299,614</b>	1,113,281
Liquid cash for hedging	<b>18,740,150</b>	128,685,311
Deductible taxes (Note 1)	<b>638,140,384</b>	728,428,642
Others	<b>325,661,294</b>	137,215,609
	<b>1,217,366,045</b>	1,151,678,678

Note 1: Balance represented the recoverable amount of input value-added tax and corporate income tax prepaid by the Group.

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

## 10. AVAILABLE-FOR-SALE INVESTMENTS

	30 June 2016			31 December 2015		
	Carrying amount	Impairment provision	Net book value	Carrying amount	Impairment provision	Net book value
Available-for-sale equity instruments						
Measured at fair value	680,726,795	—	680,726,795	446,220,051	(21,109,288)	425,110,763
Measured at cost	553,509,207	(6,611,323)	546,897,884	553,509,207	(6,611,323)	546,897,884
	<b>1,234,236,002</b>	<b>(6,611,323)</b>	<b>1,227,624,679</b>	999,729,258	(27,720,611)	972,008,647

Available-for-sale investments measured at fair value are as follows:

	30 June 2016	31 December 2015
Cost of equity instruments	<b>313,420,207</b>	488,256,952
Fair value	<b>680,726,795</b>	425,110,763
Accumulated changes in fair value recognised as other comprehensive income	<b>367,306,588</b>	(42,036,901)
Impairment provision at the end of the period	—	(21,109,288)

## Notes to Financial Statements (continued)

For the period ended 30 June 2016

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

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

## 10. AVAILABLE-FOR-SALE INVESTMENTS (continued)

Available-for-sale investments measured at cost are as follows:

## 30 June 2016

	Carrying amount				Impairment provision				Proportion of equity interest (%)	Cash dividends received for the year
	At 1 January	Additions	Reductions	At 30 June	At 1 January	Additions	Reductions	At 30 June		
Sichuan Livu Copper Company Limited	19,850,000	—	—	19,850,000	—	—	—	—	5.77	300,000
Fujian Shanghang Rural Commercial Bank	89,900,000	—	—	89,900,000	—	—	—	—	10	16,800,000
Nanjing China Net Communication Company Limited	25,000,000	—	—	25,000,000	—	—	—	—	8.62	—
Fujian Shanghang Xingcheng Guarantee	50,000,000	—	—	50,000,000	—	—	—	—	20	—
Muli County Rongqia Mining Company Limited	62,017,517	—	—	62,017,517	—	—	—	—	12	8,400,000
Xinjiang Xinxin Wulatehouqi Ruifeng Lead Refinery Company Limited	18,314,097	—	—	18,314,097	—	—	—	—	2.56	—
CASA Mining Limited	10,500,000	—	—	10,500,000	(6,611,323)	—	—	(6,611,323)	3.03	—
Solanera Resources Ltd	41,932,791	—	—	41,932,791	—	—	—	—	8.01	—
Zhenfeng Rural Credit Cooperative Union	7,771,757	—	—	7,771,757	—	—	—	—	2.8	—
Xinjiang Tianshan Railway Company Limited	11,074,000	—	—	11,074,000	—	—	—	—	9.8	980,000
Luoyang Commercial Bank	19,200,000	—	—	19,200,000	—	—	—	—	12	—
Jiangxi Jinhuan Mining Company Limited	1,000,000	—	—	1,000,000	—	—	—	—	0.12	—
Bindi Potash	4,864,063	—	—	4,864,063	—	—	—	—	55	—
Others	187,106,400	—	—	187,106,400	—	—	—	—	3.6	—
	4,978,582	—	—	4,978,582	—	—	—	—	N/A	—
	553,509,207	—	—	553,509,207	(6,611,323)	—	—	(6,611,323)		26,480,000

Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*10. AVAILABLE-FOR-SALE INVESTMENTS *(continued)*

Movements of impairment provision for available-for-sale investments are as follows:

	<b>30 June 2016</b>	31 December 2015
Impairment provision at 1 January	<b>27,720,611</b>	108,328,882
Additions	—	740,039
<i>Including: transferred from other comprehensive income</i>	—	740,039
Reductions	<b>(21,109,288)</b>	(81,348,310)
Impairment provision at period end	<b>6,611,323</b>	27,720,611

## 11. LONG-TERM EQUITY INVESTMENTS

	30 June 2016			31 December 2015		
	Carrying amount	Impairment provision	Net book value	Carrying amount	Impairment provision	Net book value
Investments in joint ventures	3,877,583,538	(12,350,855)	3,865,232,683	3,685,819,145	(12,350,855)	3,673,468,290
Investments in associates	3,605,629,443	(162,757,584)	3,442,871,859	3,430,410,946	(162,757,584)	3,267,653,362
Total	7,483,212,981	(175,108,439)	7,308,104,542	7,116,230,091	(175,108,439)	6,941,121,652

## Notes to Financial Statements (continued)

For the period ended 30 June 2016

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

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

## 11. LONG-TERM EQUITY INVESTMENTS (continued)

30 June 2016

	Movements during the year							Provision for impairment losses at 30 June
	At 1 January	Additions	Reductions	Income under the equity method	Other comprehensive income	Other changes in equity	Cash dividends declared by investee	
<b>Joint ventures</b>								
Gold Eagle Mining Investment Limited	1,146,745,610	—	—	(9,082,349)	—	—	—	—
Sprott-Zijin Mining Fund	511,527,749	—	—	272,267,961	—	—	—	1,137,663,261
Shandong Guoda Gold Company Limited	167,763,707	—	—	7,586,371	—	—	(5,601,535)	169,748,543
Xiamen Zijin Zhonghang Real Estate Company Limited	173,904,294	—	—	(2,843,113)	—	—	—	171,061,181
Guizhou Funeng Zijin Energy Company Limited	74,816,879	—	—	—	—	—	—	74,816,879
Guizhou Southwest Zijin Gold Development Company Limited	20,358,520	—	—	(555,642)	—	—	—	19,802,878
Fujian Longhu Fishery Ecological Development Company Limited	9,297,020	—	—	(174,531)	—	—	—	9,122,489
Gold Mountains Sprott Capital Management Limited	1,128,861	—	—	468,805	—	—	—	1,597,666
Kamoa	1,557,725,650	—	—	(63,003,962)	—	—	—	1,494,721,688
Fujian Zijin Cuiyu Jewellery Development Co., Ltd.	10,200,000	—	(7,300,000)	290,000	—	—	(290,000)	2,900,000
Porgera Service Company	—	2,388	—	—	—	—	—	2,388
<b>Subtotal</b>	<b>3,673,468,290</b>	<b>2,388</b>	<b>(7,300,000)</b>	<b>204,953,540</b>	<b>—</b>	<b>—</b>	<b>(5,891,535)</b>	<b>3,865,232,683</b>
								<b>(12,350,855)</b>

## Notes to Financial Statements (continued)

For the period ended 30 June 2016

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

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

## 11. LONG-TERM EQUITY INVESTMENTS (continued)

30 June 2016 (continued)

	Movements during the year										Provision for impairment losses at 30 June
	At 1 January	Additions	Reductions	Income under the equity method	Other comprehensive income	Other changes in equity	Cash dividends declared by investee	Provision for impairment losses	At 30 June		
<b>Associates</b>											
Longyan Makeng	746,406,411	41,500,000	—	(11,213,232)	—	—	—	—	776,693,179	—	
Xinjiang Tianlong	365,860,929	—	—	(3,247,004)	—	—	—	—	362,613,925	—	
Zijin Tongguan	364,252,197	—	—	609,520	—	—	—	—	364,861,717	(162,757,584)	
Wengfu Zijin	289,497,971	—	—	(7,432,517)	—	—	—	—	282,065,454	—	
Wuxin Copper	25,495,912	—	—	(25,495,912)	—	—	—	—	—	—	
Haixia Technology	208,465,085	—	—	(540,676)	—	—	—	—	207,924,409	—	
Wancheng Commercial	159,795,324	—	—	5,796,035	—	—	—	—	165,591,359	—	
Xiamen Modern Terminals	132,482,516	—	—	3,160,775	—	(6,250,000)	—	—	129,393,291	—	
Tibet Yulong	135,737,190	—	—	1,469,932	—	—	—	—	137,207,122	—	
Shanghai Xinyuan	114,070,106	—	—	(249,103)	—	—	—	—	113,821,003	—	
Yanbian Credit Security	71,378,757	—	—	751,197	—	(500,000)	—	—	71,629,954	—	
Kanas Tourism	62,456,411	—	—	(3,298,680)	—	—	—	—	59,157,731	—	
Qinghai Copper	272,000,000	—	—	—	—	—	—	—	272,000,000	—	
Ting River Hydropower	48,146,132	—	—	6,971,534	—	—	—	—	55,117,666	—	
Songpan Zijin	39,249,785	—	—	—	—	—	—	—	39,249,785	—	
Wuping Zijin Hydropower	37,338,140	—	—	7,715,331	—	(2,719,300)	—	—	42,334,171	—	
Hunchun Jindi	47,476,774	—	—	(224,879)	—	—	—	—	47,251,895	—	
Longyan Zijin AVIC	143,757,259	—	—	(2,704,524)	—	—	—	—	141,052,735	—	
Luoyang Huayin	1,806,463	—	—	—	—	—	—	—	1,806,463	—	
Kuitun Yutong	1,000,000	—	—	(980,000)	—	—	—	—	1,000,000	—	
Zisen (Xiamen)	980,000	—	—	—	—	—	—	—	—	—	
Jinyue Huichuang	—	3,000,000	—	—	—	—	—	—	3,000,000	—	
Changsha Science	—	166,600,000	—	2,500,000	—	—	—	—	169,100,000	—	
Subtotal	3,267,653,362	211,100,000	—	(26,412,203)	—	(9,469,300)	—	—	3,442,871,859	(162,757,584)	
Total	6,941,121,652	211,102,388	(7,300,000)	178,541,337	—	(15,360,835)	—	—	7,308,104,542	(175,108,439)	

## Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

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

#### 11. LONG-TERM EQUITY INVESTMENTS *(continued)*

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

30 June 2016	At 1 January	Additions	Reductions	At 30 June
Joint venture – Shandong Guoda	12,350,855	—	—	12,350,855
Associate – Zijin Tongguan	162,757,584	—	—	162,757,584
	175,108,439	—	—	175,108,439

#### 12. INVESTMENT PROPERTIES

Buildings subsequently measured at cost:

	30 June 2016
<b>Cost</b>	
At 1 January	197,083,801
Transferred from construction in progress	—
Other transfers	(547,561)
At 30 June	196,536,240
<b>Accumulated depreciation</b>	
At 1 January	28,681,289
Depreciation for the period	3,687,754
Other transfers	(41,177)
At 30 June	32,327,866
<b>Provision for impairment loss</b>	
At 1 January and 30 June	—
<b>Net book value</b>	
At 30 June	164,208,374
At 1 January	168,402,512

The investment properties were leased to third parties under operating leases.

\* The Group's investment properties are situated in Mainland China and are held under medium-term leases.

As at 30 June 2016, there were no investment properties for which certificates of title have not been obtained (31 December 2015: Nil).

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

## 13. FIXED ASSETS

30 June 2016

	Buildings	Mining assets	Power generation and transmission equipment	Plant, machinery and equipment	Motor vehicles	Furniture and fixtures and others	Total
<b>Cost</b>							
At 1 January 2016	6,969,205,669	19,634,125,453	1,304,953,080	11,258,738,330	1,068,257,536	400,256,176	40,635,536,244
Purchase additions	12,963,046	345,700,955	1,396,632	232,218,991	36,020,832	6,019,128	634,319,584
Transferred from construction in progress	1,720,093	131,326,465	2,615,659	32,941,711	—	3,498,981	172,102,909
Disposals or write-off	(4,114,433)	(61,283,370)	(2,195,504)	(59,272,143)	(30,456,045)	(5,124,837)	(162,446,332)
At 30 June 2016	6,979,774,375	20,049,869,503	1,306,769,867	11,464,626,889	1,073,822,323	404,649,448	41,279,512,405
<b>Accumulated depreciation</b>							
At 1 January 2016	1,467,813,456	4,035,070,448	477,381,586	4,019,021,255	620,178,861	213,157,415	10,832,623,021
Depreciation for the period	152,297,567	458,396,248	45,188,607	509,413,875	58,204,910	24,138,839	1,247,640,046
Disposals or write-off	(2,325,884)	(36,512,639)	(1,273,834)	(43,223,075)	(22,108,369)	(4,254,962)	(109,698,763)
At 30 June 2016	1,617,785,139	4,456,954,057	521,296,359	4,485,212,055	656,275,402	233,041,292	11,970,564,304
<b>Impairment</b>							
At 1 January 2016	3,374,458	334,362,125	1,565,040	102,598,611	1,643,208	18,493	443,561,935
Impairment provided for the period	—	—	—	2,460	—	—	2,460
Disposals or write-off	—	—	(472,970)	(2,022)	—	—	(474,992)
At 30 June 2016	3,374,458	334,362,125	1,092,070	102,599,049	1,643,208	18,493	443,089,403
<b>Net book value</b>							
At 30 June 2016	5,358,614,778	15,258,553,321	784,381,438	6,876,815,785	415,903,713	171,589,663	28,865,858,698
At 1 January 2016	5,498,017,755	15,264,692,880	826,006,454	7,137,118,464	446,435,467	187,080,268	29,359,351,288

Fixed assets that are fully depreciated but still in use are as follows:

	30 June 2016		31 December 2015	
	Cost	Net book value	Cost	Net book value
Buildings	39,576,985	108,892	34,244,893	180,355
Mining assets	921,519,938	5,950,308	905,388,962	5,775,359
Power generation and transmission equipment	44,011,201	1,763,418	37,980,430	1,525,105
Plant, machinery and equipment	675,300,302	21,254,206	597,430,681	18,968,284
Motor vehicles	108,276,378	3,831,546	102,869,569	3,618,545
Furniture and fixtures and others	109,851,649	3,982,893	97,453,545	3,575,605
	1,898,536,453	36,891,263	1,775,368,080	33,643,253

## Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

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

#### 13. FIXED ASSETS *(continued)*

Fixed assets that are temporarily idle are as follows:

##### 30 June 2016

	Cost	Accumulated depreciation	Impairment provision	Net book value
Buildings	23,065,755	(8,148,724)	(495,085)	14,421,946
Mining assets	66,823,931	(10,932,761)	(6,846,827)	49,044,343
Plant, machinery and equipment	145,498,595	(56,466,763)	(36,549,985)	52,481,847
Motor vehicles	4,718,194	(2,756,604)	(677,642)	1,283,948
Power generation and transmission equipment	4,652,016	(1,089,920)	(186,260)	3,375,836
Furniture and fixtures and others	2,235,356	(1,407,041)	(517)	827,798
	<b>246,993,847</b>	<b>(80,801,813)</b>	<b>(44,756,316)</b>	<b>121,435,718</b>

##### 31 December 2015

	Cost	Accumulated depreciation	Impairment provision	Net book value
Buildings	24,961,888	(9,835,805)	(1,960,667)	13,165,416
Mining assets	55,956,628	(15,887,437)	(1,948,685)	38,120,506
Plant, machinery and equipment	84,242,485	(31,838,680)	(9,644,936)	42,758,869
Motor vehicles	18,564,162	(14,199,890)	(448,888)	3,915,384
Power generation and transmission equipment	5,954,199	(3,170,737)	(684,854)	2,098,608
Furniture and fixtures and others	1,951,087	(1,643,288)	(25,149)	282,650
	<b>191,630,449</b>	<b>(76,575,837)</b>	<b>(14,713,179)</b>	<b>100,341,433</b>

Fixed assets leased under finance leases are as follows:

##### 30 June 2016

	Cost	Accumulated depreciation	Impairment provision	Net book value
Plant, machinery and equipment	4,040,000	(613,014)	—	3,426,986
Motor vehicles	3,294,784	(1,144,631)	—	2,150,153
	<b>7,334,784</b>	<b>(1,757,645)</b>	<b>—</b>	<b>5,577,139</b>

Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*13. FIXED ASSETS *(continued)*Fixed assets leased under finance leases are as follows: *(continued)*

31 December 2015

	Cost	Accumulated depreciation	Impairment provision	Net book value
Plant, machinery and equipment	4,040,000	(453,097)	—	3,586,903
Motor vehicles	3,149,806	(897,402)	—	2,252,404
	7,189,806	(1,350,499)	—	5,839,307

There were no fixed assets of the Group leased out under finance leases.

Fixed assets of which certificates of title have not been obtained are as follows:

Item	30 June 2016 Net book value	31 December 2015 Net book value	Reasons why certificates of title have not been obtained
Buildings	823,573,801	852,299,998	In the process of applying
Mining assets	314,877,488	304,327,533	In the process of applying
	1,138,451,289	1,156,627,531	

## 14. CONSTRUCTION IN PROGRESS

Carrying amount	30 June 2016		31 December 2015		
	Impairment provision	Net book value	Carrying amount	Impairment provision	Net book value
7,137,639,241	(4,588,984)	7,133,050,257	6,165,352,908	(4,588,984)	6,160,763,924

## Notes to Financial Statements (continued)

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

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

## 14. CONSTRUCTION IN PROGRESS (continued)

The movements of important construction in progress in the first half of 2016 are as follows:

	Budget	At 1 January 2016	Additions	Transferred to fixed assets	Other reductions	At 30 June 2016	Contribution to budget (%)	Progress of construction (%)	Balance of capitalised interest as at 30 June 2016	Including: capitalised interest for the year	Interest rate of capitalisation (%)	Source of funds
Altynken infrastructure project	1,516,622,800	1,508,715,621	147,131,499	(22,946,062)	—	1,632,901,058	101	99	203,919,383	43,322,657	9.37	Equity fund/Loan
Jinhao Iron infrastructure project	2,065,284,300	719,002,117	—	—	(349,425)	718,652,692	99	99	169,452	—	N/A	N/A
Ashele Copper infrastructure project	938,760,700	558,119,133	127,620,390	—	—	685,739,523	85	86	16,315,376	5,591,667	4.38	Equity fund/Loan
Zijinshan gold and copper mine joint open pit mining project	2,964,393,113	418,490,088	98,421,289	(580,401)	—	516,330,976	70	74	—	—	N/A	Equity fund
ZGC infrastructure project	1,433,800,000	389,777,010	55,552,859	—	—	445,329,869	99	99	242,679,253	48,448,867	7-12	Equity fund/Loan
Hunchun Zijin infrastructure project	1,698,200,000	188,763,312	90,687,013	(27,704,926)	(6,778,439)	224,966,960	98	99	4,123,154	—	3-15	Equity fund/Loan
Russia Longxing infrastructure project	2,649,200,000	68,188,808	8,675,443	—	(14,373,409)	62,490,842	101	99	7,810,143	—	5.5-1.8	Equity fund/Loan
Others	6,613,511,434	2,334,296,819	697,126,873	(120,871,520)	(59,324,851)	2,851,227,321	N/A	N/A	176,957,211	61,105,245	N/A	Equity fund/Loan
	19,879,772,347	6,165,352,908	1,225,215,366	(172,102,909)	(80,826,124)	7,137,639,241			651,973,972	158,468,436		
Impairment provision		(4,588,984)				(4,588,984)						
		6,160,763,924				7,133,050,257						

Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)***V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***14. CONSTRUCTION IN PROGRESS** *(continued)*

Movements in impairment provision for construction in progress:

30 June 2016	At			At	
	1 January	Additions	Reductions	30 June	Reasons for provision
Chongli Zijin infrastructure project	227,165	—	—	227,165	Expected recoverable amount less than carrying amount
Xinjiang Jinbao infrastructure project	3,649,228	—	—	3,649,228	Suspension of construction
Others	712,591	—	—	712,591	Expected recoverable amount less than carrying amount
	<b>4,588,984</b>	—	—	<b>4,588,984</b>	

**15. CONSTRUCTION MATERIALS**

	30 June 2016	31 December 2015
Dedicated materials	217,811,775	184,091,663
Dedicated equipment	171,624,026	56,044,077
	<b>389,435,801</b>	240,135,740

## Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

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

#### 16. INTANGIBLE ASSETS

##### 30 June 2016

	Exploration and mining rights	Land use rights	Membership of Shanghai Gold Exchange and others	Total
<b>Cost</b>				
At 1 January 2016	10,586,022,813	1,915,537,032	185,745,097	12,687,304,942
Purchase additions	47,938,461	10,239,093	922,573	59,100,127
Disposals or write-off	(1,100,000)	—	—	(1,100,000)
Other reductions	(64,424,482)	—	—	(64,424,482)
At 30 June 2016	10,568,436,792	1,925,776,125	186,667,670	12,680,880,587
<b>Accumulated amortisation</b>				
At 1 January 2016	1,935,184,300	263,923,766	22,958,939	2,222,067,005
Amortisation provided for the period	239,081,027	28,218,443	3,916,304	271,215,774
Disposals or write-off	(660,000)	—	—	(660,000)
Other reductions	(12,140,861)	—	—	(12,140,861)
At 30 June 2016	2,161,464,466	292,142,209	26,875,243	2,480,481,918
<b>Impairment</b>				
At 1 January 2016	106,098,205	—	75,170,307	181,268,512
Impairment provided for the period	—	—	—	—
Disposals or write-off	—	—	—	—
At 30 June 2016	106,098,205	—	75,170,307	181,268,512
<b>Net book value</b>				
At 30 June 2016	8,300,874,121	1,633,633,916	84,622,120	10,019,130,157
At 1 January 2016	8,544,740,308	1,651,613,266	87,615,851	10,283,969,425

Land use rights of which the certificates of title have not been obtained as at 30 June 2016 are as follows:

	30 June 2016 Net book value	Reasons why certificates of title have not been obtained
Land beside the Zijin Avenue	14,019,869	In progress of applying
Land use rights of Wulatehouqi Zijin	75,719,687	In progress of applying
Land use rights of Duobaoshan Copper (storage of explosives, management and living areas)	581,424,823	In progress of applying
Land use rights of Xinjiang Ashele's new tailing pool	142,776,923	In progress of applying

All the lands owned by the Group are situated in Mainland China and held under medium-term leases.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

## 17. GOODWILL

30 June 2016

	At 1 January	Additions Business combination not involving enterprises under common control	Reductions Disposal	At 30 June
Xinjiang Ashele	12,906,890	—	—	12,906,890
Qinghai West	455,874	—	—	455,874
Hunchun Zijin	71,099,520	—	—	71,099,520
Yunnan Huaxi	33,161,050	—	—	33,161,050
Xiamen Zijin Investment	1,241,101	—	—	1,241,101
Shanxi Zijin	2,503,610	—	—	2,503,610
Xinyi Zijin	44,319,632	—	—	44,319,632
Norton Gold Fields	157,778,981	—	—	157,778,981
Wulatehouqi Zijin	119,097,944	—	—	119,097,944
Bayannaoer Zijin	14,531,538	—	—	14,531,538
Zijin Copper	4,340,000	—	—	4,340,000
Sino Trend Hydropower	79,642,197	—	—	79,642,197
	<b>541,078,337</b>	—	—	<b>541,078,337</b>

Changes in the impairment of goodwill are as follows:

30 June 2016

	At 1 January	Additions Provision	Reductions Disposal	At 30 June
Xinyi Zijin	44,319,632	—	—	44,319,632
	<b>44,319,632</b>	—	—	<b>44,319,632</b>

## Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

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

#### 18. LONG-TERM DEFERRED ASSETS

**30 June 2016**

	At 1 January	Additions	Amortisation	Other reductions	At 30 June
Land compensation costs (Note 1)	172,399,417	60,000	(10,371,087)	—	162,088,330
Others (Note 2)	911,821,513	195,323,758	(127,802,562)	(7,316,765)	972,025,944
	<b>1,084,220,930</b>	<b>195,383,758</b>	<b>(138,173,649)</b>	<b>(7,316,765)</b>	<b>1,134,114,274</b>

Note 1: The land compensation costs related to the compensation paid for the occupation of forest lands at mining sites. The amortisation period ranges from 5 to 50 years.

Note 2: As at 30 June 2016 and 31 December 2015, other long-term deferred assets mainly included: mining shaft development expenditure of RMB213,789,878 and RMB238,856,821, respectively; highway tolls of RMB38,553,075 and RMB41,815,926, respectively; amortisation costs of bi-polar plates of RMB233,706,320 and RMB224,340,837, respectively; resource integration fees of RMB18,614,083 and RMB20,553,970, respectively; forest compensation expenditure of RMB141,772,641 and RMB175,192,463, respectively, and reconstruction costs of power supply lines of RMB21,711,035 and RMB22,822,238, respectively. The useful lives of bi-polar plates are 18 months, and the amortisation period of other long-term deferred assets ranges from 5 to 50 years.

#### 19. DEFERRED TAX ASSETS/LIABILITIES

	30 June 2016		31 December 2015	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Deferred tax assets				
Impairment provision	455,926,140	113,981,535	462,188,542	115,547,135
Elimination of unrealised profit arising from intra-group transactions	380,273,024	96,807,822	381,875,108	100,866,928
Deductible losses	1,306,875,377	341,568,759	1,492,725,309	388,299,589
Differences in depreciation policies	108,244,186	27,061,047	107,855,521	26,963,880
Changes in the fair value of held-for-trading financial assets	752,258,213	188,064,553	—	—
Expenses accrued but not yet paid and others	670,756,014	174,580,615	564,471,867	161,534,127
	<b>3,674,332,954</b>	<b>942,064,331</b>	<b>3,009,116,347</b>	<b>793,211,659</b>

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*19. DEFERRED TAX ASSETS/LIABILITIES *(continued)*

	30 June 2016		31 December 2015	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Deferred tax liabilities				
Fair value adjustments arising from business combination not involving enterprises under common control	<b>1,269,931,453</b>	<b>320,123,336</b>	1,509,728,864	375,168,953
Changes in fair value of financial liabilities at fair value through profit or loss	<b>184,700,293</b>	<b>46,175,073</b>	184,264,963	46,066,241
Differences in amortisation policies for exploration and development costs	<b>381,939,399</b>	<b>114,581,820</b>	306,872,577	92,061,773
	<b>1,836,571,145</b>	<b>480,880,229</b>	2,000,866,404	513,296,967

Deferred tax assets not recognised are as follows:

	30 June 2016	31 December 2015
Deductible temporary differences	<b>1,975,987,434</b>	1,412,918,656
Deductible tax losses	<b>5,042,363,295</b>	4,737,915,465
	<b>7,018,350,729</b>	6,150,834,121

Deductible losses of unrecognised deferred tax assets will be expired in the following years:

	30 June 2016	31 December 2015
2016	—	474,219,962
2017	<b>459,129,374</b>	459,129,374
2018	<b>567,887,911</b>	567,887,911
2019	<b>1,927,027,277</b>	1,927,027,277
2020	<b>1,309,650,941</b>	1,309,650,941
2021	<b>778,667,792</b>	—
	<b>5,042,363,295</b>	4,737,915,465

## Notes to Financial Statements (continued)

For the period ended 30 June 2016

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

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

## 20. OTHER NON-CURRENT ASSETS

	30 June 2016	31 December 2015
Exploration and development costs	2,439,527,574	2,395,891,982
Prepaid investment costs, prepayment for exploration and mining rights and others (Note 1)	4,076,661,650	3,223,350,149
	<b>6,516,189,224</b>	5,619,242,131

Note 1: As at 30 June 2016, the Group's balance of prepaid investment costs, prepayment for exploration and mining rights and others mainly comprised of prepayment for land use rights of RMB49,530,419 (31 December 2015: RMB49,530,419); prepaid exploration and mining rights of RMB37,640,279 (31 December 2015: RMB36,007,579); prepaid investment costs of RMB466,444,000 (31 December 2015: RMB154,200,000); prepayment for purchase of equipment of RMB279,236,412 (31 December 2015: RMB276,871,834); prepayment for purchase of Yongding Longhu integrated development rights of RMB204,962,108, of which accrued provision for impairment in previous years was RMB90,000,000 and the net amount after provision was RMB114,962,108 (31 December 2015: original value was RMB204,962,108 and net book value was RMB114,962,108); long-term receivables of RMB2,174,286,288 (31 December 2015: RMB1,701,430,603); deposit for restoration and improvement of ecological environment in mines of RMB139,147,818 (31 December 2015: RMB135,871,813); ores of RMB613,640,774 which were expected not to be processed within one year (31 December 2015: RMB599,006,983).

## 21. PROVISION FOR IMPAIRMENT OF ASSETS

## 30 June 2016

	At 1 January	Additions	Reductions		At 30 June
			Reversal	Write-off	
Bad debt provision	174,082,483	62,440	(434,036)	(581,543)	173,129,344
<i>Including: Trade receivables</i>	<i>6,816,697</i>	<i>—</i>	<i>(434,036)</i>	<i>(18,308)</i>	<i>6,364,353</i>
<i>Other receivables</i>	<i>161,608,696</i>	<i>44,440</i>	<i>—</i>	<i>(563,235)</i>	<i>161,089,901</i>
<i>Prepayments</i>	<i>5,657,090</i>	<i>18,000</i>	<i>—</i>	<i>—</i>	<i>5,675,090</i>
Inventory provision	137,796,606	19,904,838	(13,898,584)	(50,835,648)	92,967,212
Impairment of available-for-sale investments	27,720,611	—	—	(21,109,288)	6,611,323
Impairment of long-term equity investments	175,108,439	—	—	—	175,108,439
Impairment of fixed assets	443,561,935	2,460	—	(474,992)	443,089,403
Impairment of construction in progress	4,588,984	—	—	—	4,588,984
Impairment of intangible assets	181,268,512	—	—	—	181,268,512
Impairment of goodwill	44,319,632	—	—	—	44,319,632
Impairment of other non-current assets	174,356,111	—	—	—	174,356,111
	<b>1,362,803,313</b>	<b>19,969,738</b>	<b>(14,332,620)</b>	<b>(73,001,471)</b>	<b>1,295,438,960</b>

Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

## 22. SHORT-TERM BORROWINGS

	<b>30 June 2016</b>	31 December 2015
Unsecured and non-guaranteed loans	<b>5,115,822,982</b>	5,394,474,750
	<b>5,115,822,982</b>	5,394,474,750

As at 30 June 2016, the interest rates of the above borrowings ranged from 0.40% to 3.20% per annum (31 December 2015: 0.65% to 5.88% per annum).

As at 30 June 2016 and 31 December 2015, there were no short-term borrowings of the Group that were overdue but not yet repaid.

## 23. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>30 June 2016</b>	31 December 2015
Held-for-trading financial liabilities		
Gold leasing business (Note 1)	<b>6,218,841,186</b>	6,411,589,909
Derivative financial liabilities (Note 2)	<b>1,029,115,844</b>	393,282,945
	<b>7,247,957,030</b>	6,804,872,854

Note 1: The Group financed by leasing gold from banks and subsequently selling through the Shanghai Gold Exchange. On maturity, the Group would return gold with the same quantity and specification purchased through the Shanghai Gold Exchange, and pay rental fees to banks. The maturity period is within 1 year. As at 30 June 2016, losses on changes in fair value of the financial liabilities were RMB408,883,539 (31 December 2015: Gains of RMB370,183,706).

Note 2: The Group has engaged in gold forward contracts in accordance with the quantity, specification and repayment terms of gold to be returned to banks in the future for the purpose of hedging certain risks arising from gold price fluctuation from the gold leasing business. As at 30 June 2016, losses on changes in fair value arising from the above derivative financial liabilities were RMB19,002,746 (31 December 2015: Losses of RMB353,466,885).

## 24. BILLS PAYABLE

	<b>30 June 2016</b>	31 December 2015
Bank acceptances	<b>269,273,521</b>	231,175,265
Commercial acceptances	—	—
	<b>269,273,521</b>	231,175,265

As at 30 June 2016, there were no bills payable that were due but unpaid (31 December 2015: Nil).

## Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

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

#### 25. TRADE PAYABLES

An ageing analysis of the trade payables, based on the invoice dates, is as follows:

	<b>30 June 2016</b>	31 December 2015
Within 1 year	<b>3,350,603,305</b>	4,090,194,880
Over 1 year but within 2 years	<b>390,004,629</b>	173,463,348
Over 2 years but within 3 years	<b>258,826,306</b>	160,961,200
Over 3 years	<b>69,848,723</b>	18,221,079
	<b>4,069,282,963</b>	4,442,840,507

Trade payables are interest-free and are normally settled within three months.

As at 30 June 2016, there was no significant balance of trade payables aged more than one year (31 December 2015: Nil).

#### 26. ADVANCES FROM CUSTOMERS

	<b>30 June 2016</b>	31 December 2015
Advances from sales of commodity housing	<b>1,859,328,697</b>	1,604,973,213
Advances from sales of goods	<b>656,564,044</b>	313,173,626
	<b>2,515,892,741</b>	1,918,146,839

As at 30 June 2016, there was no significant balance of advances from customers aged more than one year (31 December 2015: Nil).

#### 27. EMPLOYEE BENEFITS PAYABLE

##### 30 June 2016

	<b>At 1 January</b>	<b>Additions</b>	<b>Reductions</b>	<b>At 30 June</b>
Short-term employee benefits	<b>563,352,836</b>	<b>1,015,561,361</b>	<b>(1,179,823,091)</b>	<b>399,091,106</b>
Post-employment benefits (defined contribution plan)	<b>3,499,189</b>	<b>76,509,865</b>	<b>(76,611,606)</b>	<b>3,397,448</b>
Termination benefits	<b>1,131,639</b>	<b>47,304,779</b>	<b>(48,224,099)</b>	<b>212,319</b>
Other employee benefits due within 1 year	<b>1,636,327</b>	<b>6,312,592</b>	<b>(7,233,605)</b>	<b>715,314</b>
	<b>569,619,991</b>	<b>1,145,688,597</b>	<b>(1,311,892,401)</b>	<b>403,416,187</b>

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*27. EMPLOYEE BENEFITS PAYABLE *(continued)*

Short-term employee benefits are as follows:

**30 June 2016**

	At 1 January	Additions	Reductions	At 30 June
Wages or salaries, bonuses, allowances and subsidies	467,915,799	845,715,106	(1,071,012,174)	242,618,731
Staff welfare	29,540,491	61,485,379	(7,519,823)	83,506,047
Social security contributions	(30,451)	36,378,171	(34,936,694)	1,411,026
<i>Including: Medical insurance</i>	<i>(109,189)</i>	<i>26,652,029</i>	<i>(26,325,394)</i>	<i>217,446</i>
<i>Accident insurance</i>	<i>30,251</i>	<i>7,647,184</i>	<i>(6,606,658)</i>	<i>1,070,777</i>
<i>Maternity insurance</i>	<i>48,487</i>	<i>2,078,958</i>	<i>(2,004,642)</i>	<i>122,803</i>
Housing fund	2,660,922	38,936,099	(39,258,914)	2,338,107
Union running costs and employee education costs	53,285,883	24,489,839	(19,705,421)	58,070,301
Short-term compensated absence	—	7,390,065	(7,390,065)	—
Short-term profit-sharing plan	9,980,192	1,166,702	—	11,146,894
	<b>563,352,836</b>	<b>1,015,561,361</b>	<b>(1,179,823,091)</b>	<b>399,091,106</b>

Defined contribution plan is as follows:

**30 June 2016**

	At 1 January	Additions	Reductions	At 30 June
Basic pension insurance	2,799,765	71,167,994	(71,248,346)	2,719,413
Unemployment insurance	699,424	5,341,871	(5,363,260)	678,035
	<b>3,499,189</b>	<b>76,509,865</b>	<b>(76,611,606)</b>	<b>3,397,448</b>

## 28. TAXES PAYABLE

	30 June 2016	31 December 2015
Value-added tax	138,598,689	24,773,192
Business tax	—	10,625,792
Corporate income tax	129,428,216	336,577,552
Resource tax	50,940,018	46,506,570
Resource compensation fee	209,377,261	201,431,641
Others	65,113,265	78,672,172
	<b>593,457,449</b>	<b>698,586,919</b>

## Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

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

#### 29. DIVIDENDS PAYABLE

	<b>30 June 2016</b>	31 December 2015
A Shares and H Shares held by public (Note 1)	<b>1,292,444,619</b>	—
Guizhou Province Geology and Mineral Resources Exploration and Development Bureau Team 105	<b>7,500,000</b>	7,500,000
China Gold Henan Company	<b>1,573,320</b>	1,687,500
Luoning County Funiu Mining Development Center	<b>1,551,599</b>	1,866,599
China Non-ferrous Metal Import and Export Xinjiang Corp.	—	40,000,000
Gansu Jiuzhou Exploration Mining Company Limited	—	36,261,394
Xinjiang Uyghur Autonomous Region Geology and Mineral Exploration and Development Bureau	—	26,000,000
Xinjiang Baokai Nonferrous Metals Mining Co., Ltd.	—	4,000,000
Others	<b>112,414</b>	1,685,488
	<b>1,303,181,952</b>	119,000,981

Note 1: On 20 June 2016, the 2015 annual general meeting passed a resolution of profit distribution of the Company for the year ended 31 December 2015. A dividend of RMB0.6 (tax included) per 10 shares was provided. The above profit distribution proposal was completed on 22 July 2016. As at 30 June 2016, there was no balance of dividends payable aged more than one year.

#### 30. OTHER PAYABLES

	<b>30 June 2016</b>	31 December 2015
Payables for construction work and equipment	<b>1,759,881,482</b>	1,444,369,226
Payables for exploration and mining rights	<b>363,031,067</b>	415,494,072
Donations payable	<b>3,250,010</b>	8,661,028
Amounts due to third parties	<b>496,639,000</b>	383,272,811
Withholding income tax	<b>25,672,633</b>	28,862,580
Deposits	<b>186,170,987</b>	272,721,990
Investment costs payable for equities	<b>572,461,234</b>	922,041,124
Payables for agent service	<b>17,456,406</b>	12,721,728
Payables for losses on hedging	<b>201,671,230</b>	117,521,614
Accrued maintenance costs	<b>26,729,302</b>	17,259,533
Due to non-controlling shareholders	<b>30,623,059</b>	32,255,421
Interest payables	<b>571,586,335</b>	275,649,946
Others	<b>311,033,416</b>	358,365,497
	<b>4,566,206,161</b>	4,289,196,570

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*30. OTHER PAYABLES *(continued)*

As at 30 June 2016, the significant balance of other payables aged more than one year is as follows:

	Balance	Reason for not being settled
Mr. Zhu Hongxing	27,892,481	Payables not yet settled
Jiangxi Installation Engineering Jilin Co., Ltd.	24,787,010	Construction payments not yet settled
Xiamen Minxing Investment Company Limited	19,600,000	Payables not yet settled
Shanghai Clear Environmental Protection Science and Technology Co., Ltd.	19,100,000	Construction payments not yet settled
Shanxi Industrial Equipment Installation Company Limited	17,215,732	Construction payments not yet settled
Huamei Group Company Limited	16,853,676	Construction payments not yet settled
Shanghang Hongyang Mining Engineering Company Limited	15,591,277	Construction payments not yet settled
China 8th Metallurgical Construction Group Company Limited	24,371,590	Construction payments not yet settled
China 15th Metallurgical Construction Group Company Limited	12,362,887	Construction payments not yet settled
Zhejiang Xinwang Mining Industry Company Limited	12,242,681	Construction payments not yet settled
Payment for acquisition of Qinghai West Copper Mining Company Limited	11,367,600	Payment for acquisition not yet settled
	<b>201,384,934</b>	

## 31. CURRENT PORTION OF NON-CURRENT LIABILITIES

	30 June 2016	31 December 2015
Long-term borrowings due within one year	2,224,773,670	2,921,400,286
Long-term payables due within one year	20,000,000	20,000,000
Bonds payable due within one year	—	3,112,251,963
	<b>2,244,773,670</b>	6,053,652,249

## 32. OTHER CURRENT LIABILITIES

	30 June 2016	31 December 2015
Short-term financing bonds (Note 1)	4,000,000,000	1,004,821,498

Note 1:

Date of issuance	Amount (RMB)	Date of initial interest accrued	Maturity date	Duration	Interest rate
23 October 2015	1,000,000,000	26 October 2015	22 July 2016	270 days	3.20%
14 January 2016	2,000,000,000	14 January 2016	24 March 2016	70 days	2.66%
21 March 2016	2,000,000,000	21 March 2016	18 November 2016	242 days	2.80%
23 March 2016	1,000,000,000	23 March 2016	24 November 2016	247 days	2.79%

## Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

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

#### 33. LONG-TERM BORROWINGS

	<b>30 June 2016</b>	31 December 2015
Unsecured and non-guaranteed loans	<b>10,573,625,896</b>	12,172,588,706
Subtotal	<b>10,573,625,896</b>	12,172,588,706
Including: Long-term borrowings due within one year (Note V.31)	<b>(2,224,773,670)</b>	(2,921,400,286)
	<b>8,348,852,226</b>	9,251,188,420

As at 30 June 2016, interest rates of the Group's long-term borrowings ranged from 1.20% to 5.145% per annum (31 December 2015: 1.20% to 6.15% per annum).

Maturity analysis of long-term borrowings is as follows:

	<b>30 June 2016</b>	31 December 2015
Within 1 year or repayable on demand	<b>2,224,773,670</b>	2,921,400,286
Over 1 year but within 2 years	<b>3,490,282,762</b>	4,607,768,401
Over 2 years but within 5 years	<b>2,902,915,344</b>	3,108,907,072
Over 5 years	<b>1,955,654,120</b>	1,534,512,947
	<b>10,573,625,896</b>	12,172,588,706

#### 34. BONDS PAYABLE

	<b>30 June 2016</b>	31 December 2015
Bonds payable	—	3,112,251,963
Medium-term notes	<b>8,300,000,000</b>	8,300,000,000
Corporate bonds	<b>5,000,000,000</b>	—
	<b>13,300,000,000</b>	11,412,251,963
Including: Bonds payable due within one year	—	(3,112,251,963)
	<b>13,300,000,000</b>	8,300,000,000

## Notes to Financial Statements (continued)

For the period ended 30 June 2016

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

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

## 34. BONDS PAYABLE (continued)

As at 30 June 2016, the balance of bonds payable is as follows:

Currency	Type	Face value	Issue date	Duration of the bond	Issue value of the bond	At 1 January	Issued in the current year	Interest accrued for current year	Amortisation of discount/premium	Interest paid for the year	At 30 June
RMB	Medium-term note	2,500,000,000	23 October 2013	5 years	2,500,000,000	2,500,000,000	—	71,250,000	—	—	2,500,000,000
RMB	Medium-term note	2,500,000,000	5 September 2014	5 years	2,500,000,000	2,500,000,000	—	68,750,000	—	—	2,500,000,000
RMB	Medium-term note	3,300,000,000	11 September 2015	5 years	3,300,000,000	3,300,000,000	—	72,600,000	—	—	3,300,000,000
RMB	Corporate bond (Note1)	2,000,000,000	18 March 2016	5 years	2,000,000,000	—	2,000,000,000	18,909,444	—	—	2,000,000,000
RMB	Corporate bond (Note 2)	3,000,000,000	18 March 2016	3+2 years	3,000,000,000	—	3,000,000,000	25,165,834	—	—	3,000,000,000
		13,300,000,000			13,300,000,000	8,300,000,000	5,000,000,000	256,675,278	—	—	13,300,000,000

Note 1: On 18 March 2016, the Company issued corporate bonds with face value amounted to RMB2 billion on Shanghai Stock Exchange. The duration of the bonds is 5 years with coupon rate of 3.37%. Interest is to be paid annually and principal is to be repaid in full at maturity.

Note 2: On 18 March 2016, the Company issued corporate bonds with face value amounted to RMB3 billion on Shanghai Stock Exchange. The duration of the bonds is 5 years with coupon rate of 2.99%. The issuer has an option of adjusting the coupon rate while the investors have an option of redemption at the end of the third year. Interest is to be paid annually and principal is to be repaid in full at maturity.

## Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

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

#### 35. LONG-TERM PAYABLES

	<b>30 June 2016</b>	31 December 2015
Payables for acquisition of equities/debts	<b>717,895,305</b>	712,827,145
Payables for mining rights	<b>23,823,576</b>	23,823,576
Entrusted investment	<b>81,923,014</b>	234,206,740
Deposit for restoration and improvement of ecological environment in mines	<b>84,857,054</b>	91,475,464
Others	<b>206,246,031</b>	128,891,814
Subtotal	<b>1,114,744,980</b>	1,191,224,739
Including: Long-term payables due within one year	<b>(20,000,000)</b>	(20,000,000)
	<b>1,094,744,980</b>	1,171,224,739

Maturity analysis of long-term payables is as follows:

	<b>30 June 2016</b>	31 December 2015
Within 1 year or repayable on demand	<b>20,000,000</b>	20,000,000
Over 1 year but within 2 years	<b>588,941,024</b>	568,244,809
Over 2 years but within 5 years	<b>301,503,768</b>	383,715,937
Over 5 years	<b>204,300,188</b>	219,263,993
	<b>1,114,744,980</b>	1,191,224,739

#### 36. PROVISION

<b>30 June 2016</b>	<b>At 1 January</b>	<b>Additions</b>	<b>Reductions</b>	<b>At 30 June</b>
Provision for environmental rehabilitation and restoration of mines	<b>720,404,428</b>	<b>32,575,679</b>	<b>(13,060,476)</b>	<b>739,919,631</b>

Norton Gold Fields, a subsidiary of the Group, and BNL, a joint operation of the Group, recognised a provision for environmental rehabilitation and restoration of mines based on the estimation of the life of mining tenement, mine closure and cost of such rehabilitation.

#### 37. DEFERRED INCOME

As at 30 June 2016, the Group's deferred income was government grants relating to assets or income. The components and movements are as follows:

<b>30 June 2016</b>	<b>At 1 January</b>	<b>Additions</b>	<b>Reductions</b>	<b>At 30 June</b>
Government grants	<b>503,275,426</b>	<b>11,323,607</b>	<b>(33,844,454)</b>	<b>480,754,579</b>

Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*37. DEFERRED INCOME *(continued)*

As at 30 June 2016, the items of liabilities related to government grants are as follows:

			Recognised as	Other	At 30 June	Related to
	At 1 January	Additions	non-operating income for the year			
Expenditures for science projects	5,770,952	9,295,000	(901,625)	—	14,164,327	Assets
Fund for environmental protection projects	70,833,716	—	(3,196,518)	—	67,637,198	Assets
Refund of land compensation	109,606,353	—	(94,383)	—	109,511,970	Assets
Fund for comprehensive utilisation of mineral resources	312,382,571	2,000,000	(28,704,793)	—	285,677,778	Assets
Other financial subsidies	4,681,834	28,607	(947,135)	—	3,763,306	Assets
	503,275,426	11,323,607	(33,844,454)	—	480,754,579	

## 38. SHARE CAPITAL

The nominal value of each share of the Company is RMB0.1. The types and structures of the shares are as follows:

## 30 June 2016

	At 1 January		Movements	At 30 June	
	Number of shares	Proportion (%)	Others	Number of shares	Proportion (%)
1. Non-restricted tradable shares					
RMB ordinary shares	15,803,803,650	73.36	—	15,803,803,650	73.37
Foreign-owned shares listed overseas	5,739,440,000	26.64	(2,500,000)	5,736,940,000	26.63
Total non-restricted tradable shares	21,543,243,650	100.00	(2,500,000)	21,540,743,650	100.00
2. Total shares	21,543,243,650	100.00	(2,500,000)	21,540,743,650	100.00

In the first half of 2016, details about repurchasing of H Shares are as follows:

Date of repurchase	Number of shares repurchased	Aggregate repurchase price (HKD)	Highest price paid per share (HKD)	Lowest price paid per share (HKD)
13 January 2016	2,500,000	4,860,063.07	1.95	1.91
	2,500,000	4,860,063.07		

## Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

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

#### 39. CAPITAL RESERVE

30 June 2016

	At 1 January	Additions	Reductions	At 30 June
Share premium (Note 1)	7,278,211,918	—	(48,152,138)	7,230,059,780
Others	(45,673,361)	—	(12,875,487)	(58,548,848)
	7,232,538,557	—	(61,027,625)	7,171,510,932

Note 1: In the first half of 2016, due to the acquisitions of the non-controlling interests of the Company's subsidiaries, namely Xiamen Zijin Design, Shanxi Yilian Gold Mine, and Golden China Nei Men, the share premium in capital reserve correspondingly decreased by RMB150,134, RMB298,761 and RMB43,851,155 respectively. Due to the repurchase of H Shares, the capital reserve decreased by RMB3,852,088.

#### 40. OTHER COMPREHENSIVE INCOME

30 June 2016

	At 1 January	Movements			At 30 June
		Amount before tax	Income tax	Amount after tax	
Changes in fair value of available-for-sale investments	(103,157,746)	399,302,212	96,493	399,398,705	296,240,959
Effective portion of cash flow hedges	—	(609,570,261)	130,214,894	(479,355,367)	(479,355,367)
Exchange differences arising from translation of financial statements denominated in foreign currencies	(727,019,929)	(55,088,302)	—	(55,088,302)	(782,108,231)
	(830,177,675)	(265,356,351)	130,311,387	(135,044,964)	(965,222,639)

Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*40. OTHER COMPREHENSIVE INCOME *(continued)*

The movements of other comprehensive income recognised in the statement of profit or loss for the current period is as follows:

Items	Amount before tax	Less: Amount of other comprehensive income recognised in previous period transferred into profit or loss during the current period	Less: Income tax	Attributable to the parent	Attributable to non-controlling interests
Changes in fair value of available-for-sale investments	389,624,503	(9,663,235)	(96,493)	399,398,705	(14,474)
Effective portion of cash flow hedges	(840,122,350)	(205,314,609)	(130,214,894)	(479,355,367)	(25,237,480)
Exchange differences arising from translation of financial statements denominated in foreign currencies	(63,831,793)	—	—	(55,088,302)	(8,743,491)
	(514,329,640)	(214,977,844)	(130,311,387)	(135,044,964)	(33,995,445)

## 41. SPECIAL RESERVE

## 30 June 2016

	At 1 January	Additions	Reductions	At 30 June
Production maintenance fund	—	6,786,213	(6,786,213)	—
Work safety fund	139,524,461	317,503,062	(281,392,660)	175,634,863
	139,524,461	324,289,275	(288,178,873)	175,634,863

## 42. SURPLUS RESERVE

## 30 June 2016

	At 1 January	Additions	Reductions	At 30 June
Statutory reserve	1,319,401,104	—	—	1,319,401,104

Pursuant to the stipulations of the Ministry of Finance of the PRC, provision for statutory reserve is optional if the aggregate balance of the statutory reserve reaches 50% of a company's registered capital. In the current year, the balance of the statutory reserve has reached 50% of the Company's registered capital. Therefore, no provision for statutory reserve was made. The Company can provide a discretionary reserve after the provision for statutory reserve is made. Discretionary reserve can be used to offset accumulated losses for previous years or be transferred to issue capital on approval.

## Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

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

#### 43. RETAINED EARNINGS

	<b>30 June 2016</b>	30 June 2015
Closing balance of the preceding year and opening balance of the current year	<b>17,521,563,160</b>	17,591,716,635
Net profit attributable to the owners of the parent	<b>538,349,713</b>	1,341,155,185
Less: Appropriation for the statutory reserve	—	—
Proposed final dividend in cash for ordinary shares	<b>1,292,444,619</b>	1,725,825,092
Retained earnings as at the end of the period	<b>16,767,468,254</b>	17,207,046,728

At the 2015 annual general meeting of the Company held on 20 June 2016, cash dividend distribution of RMB0.06 per share was approved. The amount of cash dividend amounted to RMB1,292,444,619.

#### 44. OPERATING INCOME AND OPERATING COSTS

Analysis of operating income is as follows:

	<b>For the six months ended 30 June 2016</b>		For the six months ended 30 June 2015	
	<b>Operating income</b>	<b>Operating costs</b>	Operating income	Operating costs
Principal operations	<b>38,633,691,955</b>	<b>34,441,620,891</b>	38,612,060,731	34,905,301,193
Other operations	<b>256,207,754</b>	<b>152,431,164</b>	220,378,806	109,900,504
	<b>38,889,899,709</b>	<b>34,594,052,055</b>	38,832,439,537	35,015,201,697

During the first half of 2016, over 99% of the operating income arose from sales of commodities. As such, the management of the Group considers that disclosure of the operating income and costs based on the nature of income is unnecessary.

#### 45. TAXES AND SURCHARGES

	<b>For the six months ended 30 June 2016</b>	For the six months ended 30 June 2015
Business tax	<b>15,219,867</b>	24,599,961
Urban maintenance and construction tax	<b>22,639,147</b>	25,184,824
Resource tax	<b>300,926,245</b>	331,398,606
Education surcharges	<b>24,053,274</b>	28,451,059
Others	<b>26,766,127</b>	5,591,617
	<b>389,604,660</b>	415,226,067

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

## 46. SELLING EXPENSES

	<b>For the six months ended 30 June 2016</b>	For the six months ended 30 June 2015
Salaries and welfares	<b>26,101,161</b>	29,948,882
Transportation and unloading expenses	<b>252,121,190</b>	301,520,433
Storage expenses	<b>1,725,949</b>	1,389,329
Packing expenses	<b>2,291,424</b>	3,791,382
Insurance expenses	<b>2,425,929</b>	1,956,873
Charge of commission sales	<b>6,150,918</b>	7,654,328
Advertising expenses	<b>2,159,643</b>	6,401,203
Depreciation and amortisation expenses	<b>7,996,746</b>	10,427,907
Material consumption	<b>1,980,416</b>	2,622,386
Others	<b>29,171,575</b>	25,804,107
	<b>332,124,951</b>	391,516,830

## 47. ADMINISTRATIVE EXPENSES

	<b>For the six months ended 30 June 2016</b>	For the six months ended 30 June 2015
Research and development expenses	<b>108,594,652</b>	92,521,010
Salaries and welfares	<b>481,961,927</b>	477,797,090
Administrative and office expenses	<b>63,436,202</b>	56,204,067
Travelling and meeting expenses	<b>41,305,879</b>	19,145,369
Stipulated fees	<b>127,200,458</b>	123,080,524
Taxes	<b>68,526,747</b>	61,152,342
Depreciation expenses	<b>186,833,546</b>	188,031,553
Amortisation of intangible assets	<b>29,080,116</b>	40,141,690
Amortisation of deferred expenses	<b>40,180,179</b>	29,930,381
Audit fees	<b>8,847,503</b>	7,738,775
Repair and maintenance costs	<b>23,150,594</b>	3,877,155
Professional consulting expenses	<b>54,290,125</b>	20,075,874
Exploration expenses	<b>15,887,628</b>	7,469,282
Others	<b>92,586,494</b>	44,758,835
	<b>1,341,882,050</b>	1,171,923,947

## Notes to Financial Statements (continued)

For the period ended 30 June 2016

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

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

## 48. FINANCIAL EXPENSES

	For the six months ended 30 June 2016	For the six months ended 30 June 2015
Interest expenses:	<b>743,205,384</b>	669,923,519
Including: Bank loans	<b>365,759,399</b>	467,409,759
Bonds payable	<b>328,010,010</b>	202,513,760
Ultra short-term financing bonds	<b>49,435,975</b>	—
Less: Interest income	<b>168,977,791</b>	64,716,495
Capitalised interest expenses	<b>162,565,399</b>	255,884,897
Exchange (gains)/losses	<b>(32,753,284)</b>	34,777,258
Bank charges	<b>61,021,456</b>	50,457,506
	<b>439,930,366</b>	434,556,891

Capitalised interest expenses were included in construction in progress and inventories. During the first half of 2016, no interest income arose from impaired financial assets (six months ended 30 June 2015: Nil).

## 49. IMPAIRMENT LOSSES ON ASSETS

	For the six months ended 30 June 2016	For the six months ended 30 June 2015
Bad debt provision for trade and other receivables	<b>(371,596)</b>	(8,050,579)
Provision for decline in value of inventories	<b>6,006,254</b>	36,100,536
Impairment on fixed assets	<b>2,460</b>	21,776,073
Impairment on available-for-sale investments	—	740,039
Impairment on other non-current assets	—	31,596,641
	<b>5,637,118</b>	82,162,710

## 50. (LOSSES)/GAINS ON CHANGES IN FAIR VALUE

	For the six months ended 30 June 2016	For the six months ended 30 June 2015
Financial assets at fair value through profit or loss	<b>374,990,971</b>	301,392,302
Financial liabilities at fair value through profit or loss	<b>(1,094,938,711)</b>	36,293,997
	<b>(719,947,740)</b>	337,686,299

Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*50. (LOSSES)/GAINS ON CHANGES IN FAIR VALUE *(continued)*

Details of (losses)/gains on changes in fair value:

	For the six months ended 30 June 2016	For the six months ended 30 June 2015
1. Investments in held-for-trading equity instruments – stocks	244,000,443	16,028,498
2. Gold leasing spot at fair value	<b>(779,067,245)</b>	(52,690,638)
3. Hedging instruments – non-effective hedging derivative instruments	<b>(264,574,848)</b>	—
4. Derivative instruments not designated as hedges	71,835,916	376,048,770
(4-1) Currency swap	<b>(6,163,442)</b>	—
(4-2) Hedging on gold leasing	<b>502,659,961</b>	106,640,396
(4-3) (Losses)/Gains from changes in fair value of hedging of commodities	<b>(424,660,603)</b>	269,408,374
5. Others	7,857,994	(1,700,331)
	<b>(719,947,740)</b>	337,686,299

## 51. INVESTMENT (LOSSES)/INCOME

	For the six months ended 30 June 2016	For the six months ended 30 June 2015
Gains/(Losses) from long-term equity investments under the equity method	166,791,958	(162,033,012)
Losses on disposal of subsidiaries	<b>(10,147,278)</b>	(1,771,335)
Gains from available-for-sale investments	72,692,353	79,589,045
Including: Gains from available-for-sale investments measured at cost	<b>26,480,000</b>	40,860,200
Gains from available-for-sale investments measured at fair value	<b>46,212,353</b>	38,728,845
(Losses)/Gains on disposal of financial assets and liabilities at fair value through profit or loss (Note 1)	<b>(694,517,945)</b>	329,841,151
Others	9,264,523	7,837,508
	<b>(455,916,389)</b>	253,463,357

Note 1: Details of (losses)/gains on disposal of financial assets and liabilities at fair value through profit or loss:

	For the six months ended 30 June 2016	For the six months ended 30 June 2015
1. Investments in held-for-trading equity instruments – stocks	<b>(63,991,256)</b>	(23,017,773)
2. Gold leasing spot at fair value	<b>(214,900,994)</b>	273,500,623
3. Hedging instruments – non-effective hedging derivative instruments	<b>(31,155,248)</b>	—
4. Derivative instruments not designated as hedges	<b>(366,692,766)</b>	81,042,012
(4-1) Currency swap	<b>22,206,164</b>	453,194
(4-2) Hedging on gold leasing	<b>(155,349,555)</b>	(324,549,965)
(4-3) Investment (losses)/gains from hedging of commodities	<b>(233,549,375)</b>	405,138,783
5. Others	<b>(17,777,681)</b>	(1,683,711)
	<b>(694,517,945)</b>	329,841,151

## Notes to Financial Statements (continued)

For the period ended 30 June 2016

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

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

## 52. NON-OPERATING INCOME

	For the six months ended 30 June 2016	For the six months ended 30 June 2015
Gains on disposal of non-current assets	7,757,016	4,685,955
Including: Gains on disposal of fixed assets	7,757,016	4,585,955
Gains on disposal of intangible assets	—	100,000
Penalty income	3,552,244	3,444,929
Government grants	76,529,802	76,915,612
Others	15,990,605	17,107,764
	<b>103,829,667</b>	102,154,260

Analysis of government grants recognised in the profit or loss in the current period is as follows:

	For the six months ended 30 June 2016	For the six months ended 30 June 2015
Government grants related to assets:		
Expenditures for science projects	901,625	650,000
Environmental protection	3,196,518	1,960,883
Refund for land compensation	—	1,491,486
Comprehensive utilisation of mineral resources	28,704,793	24,469,874
Others	1,041,518	5,252,862
	<b>33,844,454</b>	33,825,105
Government grants related to income:		
Special government rewards	3,854,294	7,465,570
VAT subsidies	820	330,414
Tax refunds	15,119,202	5,984,079
Others	23,711,032	29,310,444
	<b>42,685,348</b>	43,090,507
	<b>76,529,802</b>	76,915,612

## 53. NON-OPERATING EXPENSES

	For the six months ended 30 June 2016	For the six months ended 30 June 2015
Donations	65,962,188	86,252,634
Losses on disposal of non-current assets	16,719,346	15,594,414
Including: Losses on disposal of fixed assets and other non-current assets	16,719,346	15,594,414
Penalties	1,523,667	2,402,534
Others	13,635,189	4,219,279
	<b>97,840,390</b>	108,468,861

Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

## 54. INCOME TAX EXPENSES

	<b>For the six months ended 30 June 2016</b>	For the six months ended 30 June 2015
Current income tax	<b>91,081,388</b>	450,621,866
Deferred tax expenses	<b>(50,958,040)</b>	46,051,146
	<b>40,123,348</b>	496,673,012

Reconciliation of income tax expenses to profit before tax is as follows:

	<b>For the six months ended 30 June 2016</b>	For the six months ended 30 June 2015
Profit before tax	<b>616,793,657</b>	1,906,686,450
Tax at the statutory tax rate (Note 1)	<b>154,198,414</b>	476,671,612
Effect of different tax rates applicable to certain subsidiaries	<b>(210,356,377)</b>	(99,783,169)
Adjustments in respect of current tax of previous periods	<b>(10,925,299)</b>	(53,990,446)
Income not subject to tax	<b>(74,750,529)</b>	(136,263,352)
Non-deductible investment losses	—	162,033,012
Expenses not deductible for tax purposes and unrecognised temporary differences and deductible tax losses	<b>181,957,139</b>	148,005,355
Tax charge at the Group's effective tax rate	<b>40,123,348</b>	496,673,012

Note 1: Provision for the PRC corporate income tax expenses has been made at applicable tax rates based on the estimated taxable profits. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing and in accordance with current laws, interpretations and customs in the countries/jurisdictions in which the enterprise operates.

## 55. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the consolidated net profit for the current period attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding. 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. There were no potential dilutive ordinary shares for the Company.

Basic earnings per share is calculated as follows:

	<b>For the six months ended 30 June 2016</b>	For the six months ended 30 June 2015
Earnings		
Consolidated net profit attributable to the owners of the parent	<b>538,349,713</b>	1,341,155,185
Shares		
Weighted average number of ordinary shares outstanding	<b>21,540,924,206</b>	21,570,802,850
Earnings per share	<b>0.025</b>	0.062

## Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

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

#### 56. NOTES TO STATEMENT OF CASH FLOWS

Significant cash flows of the Group are as follows:

	<b>For the six months ended 30 June 2016</b>	For the six months ended 30 June 2015
Other cash receipts relating to operating activities	<b>154,482,041</b>	597,372,435
Including: Interest income	<b>88,277,252</b>	64,716,495
Government grants	<b>46,798,998</b>	45,185,259
Cash received from security and deposits	<b>19,405,791</b>	487,470,681
Others	—	—
Other cash payments relating to operating activities	<b>2,381,413,356</b>	575,701,601
Including: Selling expenses	<b>89,024,578</b>	48,487,764
Administrative expenses	<b>158,705,222</b>	119,664,246
Donations	<b>25,075,473</b>	25,159,573
Cash paid for security and deposits	<b>2,108,608,083</b>	382,390,018
Others	—	—
Other cash receipts relating to investing activities	<b>557,229,366</b>	253,881,157
Including: Cash received from time deposits	<b>350,000,000</b>	45,544,170
Others	<b>207,229,366</b>	208,336,987
Other cash payments relating to investing activities	<b>897,958,749</b>	1,403,280,365
Including: Cash paid for time deposits with maturity for more than three months	<b>897,397,885</b>	1,375,227,877
Settled borrowings from third parties	—	15,605,795
Others	<b>560,864</b>	12,446,693
Other cash receipts relating to financing activities	—	36,847,378
Including: Release of pledged bank deposits	—	—
Others	—	36,847,378
Other cash payments relating to financing activities	<b>355,776,289</b>	153,804,091
Including: Pledged cash for loans	—	—
H Shares repurchase	<b>8,458,192</b>	64,315,600
Bank charges	<b>58,605,343</b>	34,493,468
Others	<b>288,712,754</b>	54,995,023



## Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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### VI. CHANGES IN THE SCOPE OF CONSOLIDATION

#### 1. ACQUISITION OF SUBSIDIARIES

There was no acquisition of subsidiaries in the first half of 2016.

#### 2. DISPOSAL OF SUBSIDIARIES

Company name	Place of registration	Principal activities	Proportion of equity attributable to the Group (%)	Proportion of voting right attributable to the Group (%)	Reason for deconsolidation
Shaanxi Dadi Mining Company Limited ("Shaanxi Dadi")	Ankan City, Shaanxi Province	Geological exploration	70.00	70.00	Disposal
Shaanxi Xihe Mining Company Limited ("Shaanxi Xihe")	Ankan City, Shaanxi Province	Geological exploration	70.00	70.00	Disposal
Ankan City Shunda Mining Company Limited ("Ankan Shunda")	Ankan City, Shaanxi Province	Geological exploration	70.00	70.00	Disposal
Ankan City Sanxin Metal Minerals Company Limited ("Ankan Sanxin")	Ankan City, Shaanxi Province	Geological exploration	70.00	70.00	Disposal

The financial information of the aforesaid disposed subsidiaries on disposal date is as follows:

Items	Shaanxi Dadi (Note 1)
Current assets	2,526,806
Non-current assets	15,778,256
Current liabilities	(478,320)
Non-current liabilities	—
Net assets	17,826,742
Non-controlling interests	(2,108,704)
Equity attributable to the Group	19,935,446
Consideration of disposal	9,788,168
Loss on disposal	(10,147,278)

Note 1: Shaanxi Xihe, Ankan Shunda and Ankan Sanxin are wholly-owned subsidiaries of Shaanxi Dadi. The relevant financial data as at the disposal date is the sub-consolidation data of Shaanxi Dadi.

#### 3. NEWLY ESTABLISHED SUBSIDIARY

Zijin Mining Group Gold Refinery Company Limited ("Gold Refinery") was incorporated in Shanghang County, Fujian Province in January 2016. Its registered capital at incorporation was RMB50,000,000. The Company contributed RMB50,000,000 to hold 100% equity interest in Gold Refinery. As at 30 June 2016, Gold Refinery was included in the scope of consolidation.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

## VII. INVESTMENTS IN OTHER ENTITIES

## 1. INVESTMENTS IN THE SUBSIDIARIES

Status of the Company's major subsidiaries is as follows:

## (1) Major subsidiaries acquired by establishment or investment

Company name	Principal place of business	Place of registration	Principal activities	Registered capital RMB	Proportion of ownership interest (%)	
					Direct	Indirect
Gold Mountains (H.K.)	Hong Kong	Hong Kong	Trading and investment	HKD838,500,001	100	—
Zijin Copper	Shanghang County, Longyan City, Fujian Province	Shanghang County, Longyan City, Fujian Province	Refining and sales of copper cathode, gold, silver and crude selenium; production and sales of industrial vitriol and copper sulphate	2,116,300,000	100	—
Xinyi Zijin	Xinyi City, Guangdong Province	Xinyi City, Guangdong Province	Refining, processing and sales of tin and gold; technical services for mineral resources	200,000,000	100	—
Qinghai West	Maqin County, Guoluo Prefecture, Qinghai Province	Maqin County, Guoluo Prefecture, Qinghai Province	Exploration and mining of copper, zinc and cobalt mines and technical consultation service	120,000,000	100	—
Zijin Real Estate	Xiamen City, Fujian Province	Xiamen City, Fujian Province	Real estate development and operation, lease of construction machinery and equipment	500,000,000	60	40
Zijin Mining Group Finance Company Limited ("Finance Company")	Shanghang County, Longyan City, Fujian Province	Shanghang County, Longyan City, Fujian Province	Financial services and consultancy to member units; credit verification and related advisory; agent services; assisting member units to settle payments; approved insurance agency services; guarantee provision to member units; entrusted loans and investments among member units; bill acceptance and discounting among member units; internal account settlement and clearing among member units; acceptance of deposits from member units; application for loans and finance leases; inter-company borrowings; underwriting corporate bonds for member units; equity investments in financial institutions; investment in securities (excluding stocks traded in the secondary market) and business approved by China Banking Regulatory Commission in accordance with relevant laws, administrative regulations and other regulations as stated in the approval documents	531,557,000	95	—

## Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

### VII. INVESTMENTS IN OTHER ENTITIES *(continued)*

#### 1. INVESTMENTS IN THE SUBSIDIARIES *(continued)*

Status of the Company's major subsidiaries is as follows: *(continued)*

#### (2) Major subsidiaries acquired by business combination not involving enterprises under common control

Company name	Principal place of business	Place of registration	Principal activities	Registered capital RMB	Proportion of ownership interest (%)	
					Direct	Indirect
Xinjiang Ashele	Aletai City, Xinjiang Uyghur Autonomous Region	Aletai City, Xinjiang Uyghur Autonomous Region	Exploration and development of geological resources; production, processing and sales of mineral products; technological services of geological mining; motor transportation; environmental protection, development of tourism and hotel investment	250,000,000	51	—
Norton Gold Fields	Australia	Australia	Production of gold; geological resource exploration and related information and technological services	AUD186,844,557	—	100
Bayannaoer Zijin	Bayannaoer City, Inner Mongolia	Bayannaoer City, Inner Mongolia	Refining, mining, milling and processing of zinc and other non-ferrous metals, ferrous metals and energy mineral resources, sale of mineral products	375,000,000	67.20	—
Hunchun Zijin	Hunchun City, Jilin Province	Hunchun City, Jilin Province	Mining, milling, refining and processing of gold, copper and other non-ferrous metal and non-metallic mineral products; sale of mineral products; mineral resources exploration information and technical services	200,000,000	96.63	3.37
Luoyang Zijin Yinhui Gold Refinery Company Limited ("Luoyang Yinhui")	Luoyang City, Henan Province	Luoyang City, Henan Province	Refinery of gold and silver; testing and examination; purchase of gold ore; gold transaction agency; sales of mineral products and mining pit design and research	150,000,000	70	—

Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*VII. INVESTMENTS IN OTHER ENTITIES *(continued)*1. INVESTMENTS IN THE SUBSIDIARIES *(continued)*

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

**30 June 2016**

	Percentage of equity interest held by non-controlling interests (%)	Profit/(Loss) attributable to non-controlling interests	Dividend paid to non-controlling interests	Accumulated balances of non-controlling interests at the reporting date
Xinjiang Ashele	49.00	101,426,329	—	699,758,755
Heilongjiang Duobaoshan	49.00	5,229,627	(181,300,000)	433,414,307
Guizhou Zijin	44.00	(7,715,355)	—	358,981,093
Bayannaer Zijin	32.80	(13,393,063)	—	284,932,406
Xinjiang Jinbao	44.00	15,618,056	—	264,724,481
Luoyang Kunyu	30.00	(5,910,920)	—	271,053,713
Jinhao Iron	61.48	(35,106,026)	—	(267,043,999)
Huanmin Mining	49.00	63,022	—	242,780,690
Wenshan Malipo Zijin	24.08	(7,824,303)	—	234,626,452
NKWE	39.53	(728,837)	—	232,094,534
Yunnan Huaxi	47.00	675,981	—	218,271,671
Chongli Zijin	40.00	1,297,282	—	151,975,752
Longnan Zijin	15.78	4,397,602	—	134,088,500
Kuitun Tongguan	49.00	(8,927,650)	—	(128,756,930)
Altynken	40.00	(4,698,147)	—	127,300,785
Henan Jinda	43.50	(126,222)	—	98,858,484
Malipo Jinwei	61.28	(3,279,946)	—	94,604,019
Tongling Zijin	49.00	1,508,846	—	83,477,627
Heilongjiang Longxing	30.00	(13,948,005)	—	62,747,277
Inner Mongolia Jinzhong	42.75	(2,093,487)	—	—
Others	Not applicable	11,855,812	(5,769,389)	499,159,202
Total		38,320,596	(187,069,389)	4,097,048,819

## Notes to Financial Statements (continued)

For the period ended 30 June 2016

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## VII. INVESTMENTS IN OTHER ENTITIES (continued)

## 1. INVESTMENTS IN THE SUBSIDIARIES (continued)

The major financial information of the above subsidiaries is stated below. These amounts are before elimination of intra-group items:

	30 June 2016									
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Operating income	Net profit/(loss)	Total comprehensive income	Cash flow from operating activities
Xinjiang Ashele	998,400,965	2,136,064,264	3,134,465,229	637,860,161	1,057,945,000	1,695,805,161	577,640,950	198,361,941	198,361,941	334,127,886
Heilongjiang Duobaoshan	207,120,035	2,473,206,930	2,680,326,965	1,072,865,479	685,143,280	1,758,008,759	373,912,622	9,737,962	9,737,962	189,519,209
Guizhou Zijin	371,386,249	1,957,274,624	2,328,660,873	1,104,862,178	400,000,000	1,504,862,178	480,962,004	(41,807,646)	(41,807,646)	(75,833,559)
Bayannaer Zijin	635,404,501	2,423,376,559	3,058,781,060	1,227,099,635	1,021,658,833	2,248,758,468	1,346,097,918	(40,951,571)	(40,951,571)	207,882,149
Xinjiang Jinbao	723,150,901	584,493,746	1,307,644,647	717,616,028	7,608,428	725,224,456	291,629,921	39,758,137	39,758,137	69,357,513
Luoyang Kunyu	77,168,903	822,543,928	899,712,831	128,479,811	193,823,576	322,303,387	213,430,735	(8,767,590)	(8,767,590)	43,980,190
Jinzhao Iron	100,957,417	1,723,296,188	1,824,253,605	1,019,641,031	940,958,036	1,960,599,067	98,786,404	(57,102,002)	(57,102,002)	362,298,836
Huanmin Mining	38,075,098	452,025,058	490,100,156	39,412,844	128,084,012	167,496,856	—	128,617	128,617	(504,417)
Weishan Malipo Zijin	352,363,095	1,630,180,318	1,982,543,413	868,217,077	—	868,217,077	84,725,173	(32,493,762)	(32,493,762)	15,407,362
Yunnan Huaxi	149,339,941	177,493,090	326,833,031	495,161	—	495,161	83,760	1,438,257	1,438,257	(879,222)
Chongji Zijin	67,989,598	559,603,115	627,592,713	221,149,018	70,337	221,219,355	194,750,195	(18,361,217)	(18,361,217)	70,609,542
Longnan Zijin	99,312,467	810,008,547	909,321,014	445,659,724	138,195,128	583,854,852	300,468,974	57,633,473	57,633,473	80,917,152
Kuitun Tongguan	80,986,409	542,168,045	623,154,454	572,220,689	25,273,720	597,494,409	16,282,153	(18,219,693)	(18,219,693)	4,418,981
Altyken	14,457,042	2,073,057,347	2,087,514,389	2,153,056,690	2,981,740	2,156,038,430	—	—	—	6,587,407
Henan Jinda	314,692	230,106,484	230,421,176	3,165,348	—	3,165,348	—	(290,165)	(290,165)	(191,576)
Malipo Jinwei	39,066,110	234,287,069	273,353,179	149,267,355	—	149,267,355	—	(5,352,350)	(5,352,350)	(2,984,367)
Tongling Zijin	100,200,037	80,001,279	180,201,316	8,947,179	—	8,947,179	19,432,677	3,579,965	3,579,965	(6,222,143)
Heilongjiang Longxing	1,539,162,458	400,451,270	1,939,613,728	1,249,210,758	424,500,000	1,673,710,758	—	(46,493,349)	(46,493,349)	(23,212,799)
Inner Mongolia Jimzhong	78,945,293	360,420,689	439,365,982	177,745,335	19,000,000	196,745,335	150,101,924	4,160,374	4,160,374	100,616,824

## Notes to Financial Statements (continued)

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

## VII. INVESTMENTS IN OTHER ENTITIES (continued)

### 2. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

30 June 2016

Company name	Principal place of business	Place of registration	Principal activities	Registered capital RMB	Proportion of ownership interest (%)	Accounting treatment	
					Directly	Indirectly	
<b>Joint ventures</b>							
Shandong Guoda (Note 1)	Zhaoyuan City, Shandong Province	Zhaoyuan City, Shandong Province	Production of gold, silver, copper cathode and vitriol, sale of self-produced products	173,430,000	—	30.05	Equity method
Xiamen Zijin Zhonghang	Xiamen City, Fujian Province	Xiamen City, Fujian Province	Development, operation and management of real estate, property management, business information consulting services, marketing and technical consulting	250,000,000	—	50	Equity method
Gold Eagle Mining (Note 2)	Hong Kong	Hong Kong	Trading and investment	HKD3,498,500	—	45	Equity method
Southwest Zijin Gold	Zhenfeng County, Guizhou Province	Zhenfeng County, Guizhou Province	Research and development of manufacturing technology, design and processing, wholesale, retail and technical consultation of precious metals, jewellery and jade products	100,000,000	—	50	Equity method
Guizhou Funeng Zijin (Note 3)	Anshun City, Guizhou Province	Anshun City, Guizhou Province	Power and electricity investment	200,000,000	—	50	Equity method
Gold Mountains Sprott	Cayman Islands	Cayman Islands	Fund management	USD50,000	—	60	Equity method
Sprott Fund	Cayman Islands	Cayman Islands	Fund-raising and investment	USD50,000	—	90.50	Equity method
Fujian Longshu Fishery	Longyan City, Fujian Province	Longyan City, Fujian Province	Ecological aquaculture, fishing, aquatic product processing, recreational fishing business, tourism, tourism real estate development	21,500,000	—	51.16	Equity method
Zijin Cufu (Note 4)	Longyan City, Fujian Province	Longyan City, Fujian Province	Trading of precious metals, fine processing of gold, processing and retail of jewellery and ornaments, diamond and jade, recovery of metal materials	20,000,000	—	51.00	Equity method
Kamao	Democratic Republic of the Congo	Barbados	Mining of copper mineral	USD 14,000	—	49.5	Equity method
Poopera Service Company	Australia	Australia	Provision of financial, accounting and human resources services	AUD1,000	—	50	Equity method
<b>Associates</b>							
Ting River Hydropower	Shanghang County, Fujian Province	Shanghang County, Fujian Province	Hydroelectric power generation	69,000,000	—	49	Equity method
Wuping Zijin Hydropower	Wuping County, Fujian Province	Wuping County, Fujian Province	Hydroelectric power generation and investment in hydropower industry	60,000,000	—	48	Equity method
Qinghai Copper	Xining City, Qinghai Province	Xining City, Qinghai Province	Refinery of copper	800,000,000	—	34	Equity method
Haixia Technology (Note 5)	Yong'an City, Fujian Province	Yong'an City, Fujian Province	Production of explosives for civilian use	231,500,000	—	16.06	Equity method
Shanghang Xinyuan	Shanghang County, Fujian Province	Shanghang County, Fujian Province	Pipe water supply	300,000,000	—	38	Equity method
Hunchun Jindi (Note 6)	Yanbian Korean Autonomous Prefecture	Hunchun City	Analysis and testing of mineral geological exploration, technology development, consulting and transfer, sale of mineral products	100,000,000	—	51	Equity method
Yanbian Credit Security	Yanbian Korean Autonomous Prefecture	Yanbian Korean Autonomous Prefecture	Provide loan guarantees for SMEs and individuals	200,000,000	—	25	Equity method
Kanas Travel	Buerjin County, Xinjiang	Buerjin County, Xinjiang	Catering and travel services	107,000,000	—	21.09	Equity method
Longyan Makeng	Longyan City, Fujian Province	Longyan City, Fujian Province	Iron and molybdenum mining	700,000,000	41.5	—	Equity method
Songan Zijin	Ngawa Tibetan and Qiang Autonomous Prefecture	Songan County	Sale of industrial production materials, equipment and instruments, development, manufacture and sale of general machinery	80,000,000	34	—	Equity method
Wandeng Commercial	Bayannaoer City, Inner Mongolia	Wulatehouqi	Mining, processing and sale of zinc, lead, vitriol, copper and iron	73,440,000	10	37.5	Equity method
Tibet Yulong	Changdu Prefecture, Tibet Autonomous Region	Changdu County	Mining of copper mineral and geological studies	625,000,000	22	—	Equity method

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

## VII. INVESTMENTS IN OTHER ENTITIES (continued)

## 2. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

## 30 JUNE 2016 (continued)

Company name	Principal place of business	Place of registration	Principal activities	Registered capital RMB	Proportion of ownership interest (%)		Accounting treatment
					Directly	Indirectly	
<b>Associates (continued)</b>							
Xinjiang Tianlong	Fukang City, Xinjiang, Xinjiang	Fukang City, Xinjiang, Xinjiang	Limestone mining, cement production, intensive processing and refining of non-ferrous metals	868,935,192	—	16.42	Equity method
Wuxin Copper	Fukang City, Xinjiang, Xinjiang	Fukang City, Xinjiang, Xinjiang	Sale, processing and refining of copper, gold, silver and other non-ferrous metals	830,000,000	—	34	Equity method
Luoyang Huayin	Luoyang City, Henan Province	Luoyang City, Henan Province	Providing guarantee for financing, bill discounted acceptance and performance	10,000,000	—	20	Equity method
Xiamen Modern Terminals	Xiamen City, Fujian Province	Xiamen City, Fujian Province	Dock construction, dock and other port facilities operation, cargo loading and storage operation	355,580,000	—	25	Equity method
Wengfu Zijin	Shanghang County, Fujian Province	Shanghang County, Fujian Province	Production of monoammonium phosphate, diammonium hydrogen phosphate, gypsum block, and cement additive	782,000,000	—	38.87	Equity method
Zijin Tongguan	Xiamen City, Fujian Province	Xiamen City, Fujian Province	Investment holding of mining companies, wholesale and retail of mineral products, refinery of copper	1,350,000,000	45	—	Equity method
Kuitun Yutong	Kuitun City, Xinjiang	Kuitun City, Xinjiang	Logistics and transportation services	5,000,000	—	20	Equity method
Longyan Zijin A/VIC	Longyan City, Fujian Province	Longyan City, Fujian Province	Development, operation and management of real estate, property management, car park service	20,408,163	—	49	Equity method
Zesen (Xiamen)	Xiamen City, Fujian Province	Xiamen City, Fujian Province	Supply chain management, management and consultation of investment, business information consultation, investment consultation	10,000,000	—	49	Equity method
Changsha Science Environmental Protection	Changsha City, Hunan Province	Changsha City, Hunan Province	Prevention and treatment of wastewater and air pollutants, treatment and disposal of solid wastes	68,000,000	—	25	Equity method
Fujian Jinyue Huichuang	Fuzhou City, Fujian Province	Fuzhou City, Fujian Province	Design, development, manufacturing, sales and repair of automated and intelligent equipment; integration service of information system; wholesale, purchasing and sales-on-behalf of electrical products, metal hardware and electrical products, machinery and equipment; technical consultation service of computer	10,000,000	10	20	Equity method

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

### VII. INVESTMENTS IN OTHER ENTITIES *(continued)*

#### 2. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES *(continued)*

- Note 1: Pursuant to the articles of association of Shandong Guoda, the board of directors of Shandong Guoda consists of five directors, including two appointed by the Group and three appointed by Shandong Zhaojin Group Zhaoyuan Gold Smelting Company Limited. The operating decisions of Shandong Guoda are effective only when approved by two-thirds of the directors. Therefore, the management considers that the Group has joint control over Shandong Guoda, and accounts for it as a joint venture.
- Note 2: Pursuant to the shareholders' agreement related to Gold Eagle Mining, Gold Eagle Mining's board of directors consists of five directors, including two appointed by the Group and three appointed by Jinchuan Group. The operating decisions of Gold Eagle Mining are effective only when approved by two-thirds of the directors. Therefore, the management considers that the Group has joint control over Gold Eagle Mining, and accounts for it as a joint venture.
- Note 3: In December 2014, Guizhou Zijin and Fujian Coal and Electricity Company Limited jointly established Guizhou Funeng Zijin in the respective shareholding ratios of 50% and 50%. Pursuant to the agreement between the two parties, the board of directors of Guizhou Funeng Zijin consists of five directors, including two appointed by the Group and three appointed by Fujian Coal and Electricity Company Limited. The operating decisions of Guizhou Funeng Zijin are effective only when approved by two-thirds of the directors. Therefore, the management considers that the Group has joint control over Guizhou Funeng Zijin, and accounts for it as a joint venture.
- Note 4: On 3 February 2015, Southern Investment, a wholly-owned subsidiary of the Company, jointly established Zijin Cuifu with Fujian Jincuiju Jewellery Development Company Limited ("Jincuiju") in the respective shareholding ratios of 51% and 49%. The board of directors of Zijin Cuifu consists of five directors, including three appointed by Southern Investment (one of them being appointed as the chairman) and two appointed by Jincuiju. The operation of Zijin Cuifu is carried out under contracted operation by the general manager delegated by Jincuiju. Pursuant to the articles of association of Zijin Cuifu, operating decisions of Zijin Cuifu are effective only when approved by over two-thirds of the directors. Therefore, the management considers that the Group has joint control over Zijin Cuifu, and accounts for it as a joint venture.
- Note 5: Pursuant to the articles of association of Haixia Technology, the board of directors of Haixia Technology consists of six directors, including one appointed by the Group, three appointed by Fujian Province Mechanical and Electrical (Holding) Company Limited and two appointed by Fujian Energy Group Company Limited. The chairman of supervisory committee, deputy general manager and the chief financial officer of Haixia Technology are appointed by the Group. Therefore, the management of the Group considers that the Group has significant influence over the financial and operating decisions of Haixia Technology, and accounts for it as an associate.
- Note 6: In June 2015, Hunchun Zijin entered into an agreement with Jilin Hunchun Border Economic Cooperation Zone Infrastructure Investment Company Limited ("Cooperation Zone"). Cooperation Zone transferred 11% equity interest in Hunchun Jindi to Hunchun Zijin. However, after the increase in shareholding, the proportion of directors delegated by Hunchun Zijin in the board of directors of Hunchun Jindi does not change. Hunchun Zijin cannot conclude the operating decisions of Hunchun Jindi and no controlling power is assumed. Therefore, the management of the Group considers that the Group merely has significant influence over Hunchun Jindi, and accounts for it as an associate.

## Notes to Financial Statements (continued)

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

## VII. INVESTMENTS IN OTHER ENTITIES (continued)

## 2. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

The significant joint ventures of the Group include Shandong Guoda, Xiamen Zijin Zhonghang, Gold Eagle Mining, Sprott Fund and Kamo, which are accounted for using the equity method.

The financial information of the above significant joint ventures is set out below, which was adjusted to book value per consolidated financial statements in accordance with the Group's accounting policies:

## 30 June 2016

	Shandong Guoda	Xiamen Zijin Zhonghang	Gold Eagle Mining	Sprott Fund	Kamo
Current assets	975,892,756	522,613,351	745,054,084	1,486,842,359	41,228,591
Including: Cash and cash equivalents	120,094,475	338,161,301	665,359,720	139,031,438	25,466,832
Non-current assets	444,482,300	152,175,803	3,321,803,772	—	533,997,950
Total assets	1,420,375,056	674,789,154	4,066,857,856	1,486,842,359	575,226,541
Current liabilities	808,087,784	298,745,053	1,264,690,935	529,523,005	117,538,013
Non-current liabilities	5,915,755	8,480,705	112,911,838	—	2,715,259,394
Total liabilities	814,003,539	307,225,758	1,377,602,773	529,523,005	2,832,797,407
Non-controlling interests	—	—	(45,510,688)	—	(112,803,555)
Equity attributable to owners of the parent	606,371,517	367,563,396	2,734,765,771	957,319,354	(2,144,767,311)
Share of net assets based on proportion of ownership interest	182,214,641	183,781,698	1,210,164,787	866,374,015	(1,117,497,579)
Adjustments	(12,350,855)	—	—	—	—
Impairment provision	(12,350,855)	—	—	—	—
Goodwill	—	—	—	—	—
Elimination of unrealised profit arising from intra-group transactions	—	—	—	—	—
Others	—	—	—	—	—
Book value of equity investments	169,748,543	171,061,181	1,137,663,261	783,795,710	1,494,721,688
Operating income	1,350,936,959	46,454,842	—	354,161,433	—
Financial expenses	11,277,422	(2,694,200)	20,249,151	(5,194,731)	95,894,370
Including: Interest income	(329,568)	(2,705,415)	—	(5,194,731)	—
Including: Interest expenses	11,474,534	—	20,248,339	—	95,894,413
Income tax expenses	2,336,277	10,165,661	—	—	—
Net profit/(loss)	8,388,058	(5,686,226)	(20,311,325)	359,356,164	(131,913,027)
Other comprehensive income	—	—	—	—	—
Total comprehensive income/(loss)	8,388,058	(5,686,226)	(20,311,325)	359,356,164	(131,913,027)
Dividends received	5,601,535	—	—	—	—

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

## VII. INVESTMENTS IN OTHER ENTITIES (continued)

## 2. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

The significant associates of the Group include Longyan Makeng, Tibet Yulong, Zijin Tongguan, Haixia Technology, Xiamen Modern Terminals, Wuxin Copper, Xinjiang Tianlong and Wengfu Zijin, which are accounted for using the equity method.

The financial information of the above significant associates is set out below, which was adjusted to book value per consolidated financial statements in accordance with the Group's accounting policies:

## 30 June 2016

	Longyan Makeng	Tibet Yulong	Zijin Tongguan	Haixia Technology	Xiamen Modern Terminals	Wuxin Copper	Xinjiang Tianlong	Wengfu Zijin
Current assets	427,320,676	486,951,866	45,399,481	604,696,687	47,398,786	1,440,043,089	1,062,534,678	458,312,006
Non-current assets	3,516,470,084	5,340,719,136	1,681,653,512	1,250,133,009	901,253,315	2,201,929,822	3,409,848,165	2,180,384,229
Total assets	3,943,790,760	5,827,671,002	1,727,052,993	1,854,829,696	948,652,101	3,641,972,911	4,472,382,843	2,638,696,235
Current liabilities	1,221,017,393	2,053,841,230	450,147,804	593,182,641	57,095,654	2,874,268,785	2,382,190,952	835,877,732
Non-current liabilities	1,649,980,861	2,675,959,819	30,255,285	61,438,637	467,280,241	844,642,828	341,029,802	1,053,766,750
Total liabilities	2,870,998,254	4,729,801,049	480,403,089	654,621,278	524,375,895	3,718,911,613	2,723,220,754	1,889,644,482
Non-controlling interests	—	—	118,393,389	175,053,237	—	—	—	—
Equity attributable to owners of the parent	1,072,792,506	1,097,869,953	1,128,256,515	1,025,155,181	424,276,206	(76,938,702)	1,749,162,089	749,051,753
Share of net assets based on proportion of ownership interest	445,208,890	241,531,390	560,992,457	192,753,472	106,069,051	(26,159,160)	287,212,415	291,156,416
Adjustments	—	—	—	—	—	—	—	—
Impairment provision	—	—	(162,757,584)	—	—	—	—	—
Goodwill	331,615,363	—	—	—	—	—	—	—
Book value of equity investments	776,693,179	137,207,122	364,861,717	207,924,409	129,393,291	—	362,613,925	282,065,454
Operating income	184,730,383	563,434,364	—	437,488,696	65,858,005	277,940,551	796,164,731	640,439,297
Net profit/(loss)	(23,227,510)	15,078,968	3,320,134	(3,366,601)	12,608,436	(94,929,707)	(19,774,928)	(19,139,651)
Other comprehensive income	—	—	—	—	—	—	—	—
Total comprehensive income/(loss)	(23,227,510)	15,078,968	3,320,134	(3,366,601)	12,608,436	(94,929,707)	(19,774,928)	(19,139,651)
Dividends received	—	—	—	—	6,250,000	—	—	—

The following table illustrates the aggregate financial information of the Group's joint ventures and associates that are not individually significant:

	30 June 2016
Joint ventures	
Aggregate book value of the Group's investments in joint ventures	108,242,300
Items below were calculated by the proportion of equity interest	
Share of net profit of joint ventures	28,631
Share of other comprehensive income of joint ventures	—
Share of total comprehensive income of joint ventures	28,631
Associates	
Aggregate book value of the Group's investments in associates	1,182,112,762
Items below were calculated by the proportion of equity interest	
Share of net profit of associates	16,276,911
Share of other comprehensive income of associates	—
Share of total comprehensive income of associates	16,276,911

## Notes to Financial Statements (continued)

For the period ended 30 June 2016

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

## VIII. FINANCIAL INSTRUMENTS AND RISKS

## 1. CLASSIFICATION OF FINANCIAL INSTRUMENTS

The carrying amounts of each category of financial instruments as at the reporting date are as follows:

## 30 June 2016

## Financial assets

	Financial assets at fair value through profit or loss		Loans and receivables	Available-for-sale investments	Total
	Designated as such upon initial recognition	Fair value change			
Cash and cash equivalents	—	—	7,169,543,727	—	7,169,543,727
Financial assets at fair value through profit or loss	—	857,866,347	—	—	857,866,347
Bills receivable	—	—	421,605,655	—	421,605,655
Trade receivables	—	—	953,256,666	—	953,256,666
Other receivables	—	—	1,297,053,036	—	1,297,053,036
Other current assets	—	—	579,225,661	—	579,225,661
Available-for-sale investments	—	—	—	680,726,795	680,726,795
Other non-current assets - long-term receivables	—	—	2,174,286,288	—	2,174,286,288
	—	857,866,347	12,594,971,033	680,726,795	14,133,564,175

## Financial liabilities

	Financial liabilities at fair value through profit or loss		Other financial liabilities	Total
	Designated as such upon initial recognition	Fair value change		
Short-term borrowings	—	—	5,115,822,982	5,115,822,982
Financial liabilities at fair value through profit or loss	—	7,247,957,030	—	7,247,957,030
Bills payable	—	—	269,273,521	269,273,521
Trade payables	—	—	4,069,282,963	4,069,282,963
Dividends payable	—	—	1,303,181,952	1,303,181,952
Other payables	—	—	4,513,804,226	4,513,804,226
Current portion of non-current liabilities	—	—	2,244,773,670	2,244,773,670
Other current liabilities	—	—	4,000,000,000	4,000,000,000
Long-term borrowings	—	—	8,348,852,226	8,348,852,226
Bonds payable	—	—	13,300,000,000	13,300,000,000
Long-term payables	—	—	1,009,887,926	1,009,887,926
	—	7,247,957,030	44,174,879,466	51,422,836,496

## Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

### VIII. FINANCIAL INSTRUMENTS AND RISKS *(continued)*

#### 2. RISK OF FINANCIAL INSTRUMENTS

The Group's principal financial instruments, other than derivative financial instruments, include cash and cash equivalents, loans, trade receivables, financial assets/liabilities at fair value through profit or loss, available-for-sale financial instruments, borrowings, trade payables and bonds payable, etc. The main purpose of these financial instruments is to support the Group's operations.

The Group also conducts derivative transactions. Its principal derivative financial instruments mainly include forward contracts with the purpose of market risk management. The Group will manage the market risk of the derivative financial instruments in accordance with the variance between actual metal prices in the active market and target prices estimated by the management, etc.

The Group's principal risks of financial instruments are credit risk, liquidity risk, and market risk. Policies of the risk management of the Group are summarised below.

##### **Credit risk**

The Group only trades with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms should be subject to credit verification procedures. In addition, trade receivable balances are monitored on an ongoing basis to ensure the Group's exposure to bad debt is not significant. For offshore transactions that are not denominated in the functional currency of the relevant operating units, the Group does not provide the credit terms except those with specific approvals provided by the head of credit control.

The credit risk of the Group's financial assets, which comprises cash and cash equivalents, available-for-sale investments, loans, trade receivables and certain derivative instruments, arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The Group is also exposed to credit risk for providing financial guarantees.

Since the Group only trades with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed through customer/counterparty, by geographical region and by industry sector. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's trade receivables are widely dispersed in different sectors and industries. The Group does not hold any collateral or other credit enhancements over its trade receivable balances.

There is no significant past due relating to those financial assets that were not impaired individually or aggregately.

As at 30 June 2016, trade receivables that were not past due nor impaired were related to a large number of diversified customers without default history.

##### **Liquidity risk**

The Group uses a circulation liquidity management planning tool to manage the liquidity risk. The planning tool considers the maturity of the financial instruments and expected cash flows generated from operation.

The Group aims to maintain the balance between continuity and flexibility in funding by obtaining debentures, bank borrowings and other loans. As at 30 June 2016, approximately 56% of the Group's borrowings (31 December 2015: 59%) would mature within 12 months.

## Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

### VIII. FINANCIAL INSTRUMENTS AND RISKS *(continued)*

#### 2. RISK OF FINANCIAL INSTRUMENTS *(continued)*

##### Liquidity risk *(continued)*

The table below summarises the maturity profile of the Group's financial liabilities as at the end of the reporting period based on the contractual undiscounted cash flows:

	Within 1 year	Over 1 year but within 5 years	Over 5 years	Total
Short-term borrowings	5,132,812,382	—	—	5,132,812,382
Financial liabilities at fair value through profit or loss	7,247,957,030	—	—	7,247,957,030
Bills payable	269,273,521	—	—	269,273,521
Trade payables	4,069,282,963	—	—	4,069,282,963
Dividends payable	1,303,181,952	—	—	1,303,181,952
Other payables	4,513,804,226	—	—	4,513,804,226
Other current liabilities	4,035,625,556	—	—	4,035,625,556
Long-term borrowings	2,277,979,763	6,913,073,222	2,169,013,507	11,360,066,492
Bonds payable	582,300,000	14,856,918,889	—	15,439,218,889
Long-term payables	20,000,000	805,587,738	204,300,188	1,029,887,926
	29,452,217,393	22,575,579,849	2,373,313,695	54,401,110,937

##### Interest rate risk

The Group's interest rate risk exposures arise primarily from its debts bearing floating interest rates.

The Group maintains an appropriate fixed-rate and floating-rate debt portfolio to manage the interest costs. As at 30 June 2016, approximately 56% (31 December 2015: 61%) of the interest-bearing borrowings were fixed-rate debts.

##### Currency risk

There are limited hedging instruments available in the PRC that can be used to reduce the currency risk arising from transactions between RMB and other currencies. This year, the Group adopted cross currency swap to manage the currency risk.

##### Equity instruments price risk

Equity instruments price risk is the risk that the fair values of equity securities change as a result of changes in the levels of equity indices and the values of individual securities. The Group was exposed to equity price risk arising from individual equity investments classified as financial assets at fair value through profit or loss (Note V.2) and available-for-sale investments (Note V.10) as at 30 June 2016. The Group's listed investments were listed on the Shanghai, Toronto, New York, London, Hong Kong and Australian stock exchanges, etc., and were measured at quoted market prices at the end of the reporting period.

##### Commodity price risk

The Group's exposure to commodity price risk principally relates to the market price fluctuation in major metals, such as gold, copper, zinc and silver, and crude oil of raw materials. The price fluctuation can affect the Group's operating results.

The Group entered into forward contracts for gold, copper, zinc, silver and crude oil. The maximum holding positions of these forward contracts were approved by the board of directors of the Company and executed by the Company's hedging planning team which is composed of top management of the Company.

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*VIII. FINANCIAL INSTRUMENTS AND RISKS *(continued)*

## 3. CAPITAL MANAGEMENT

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, repurchase shares or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the period ended 30 June 2016.

The Group monitors capital using debt-to-asset ratio, which is total liabilities divided by total assets. The Group's policy is to maintain the debt-to-asset ratio under 65%. The debt-to-asset ratio as at the end of the reporting periods was as follows:

	<b>30 June 2016</b>	31 December 2015
Total assets	<b>87,494,331,999</b>	83,914,033,655
Total liabilities	<b>56,774,416,301</b>	51,985,778,403
Debt-to-asset ratio	<b>64.89%</b>	61.95%

## IX. DISCLOSURE OF FAIR VALUE

## 1. ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

## 30 June 2016

	Fair value measurement using			Total
	Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Measured at fair value				
Financial assets at fair value through profit or loss				
Held-for-trading equity investments	<b>439,876,255</b>	—	—	<b>439,876,255</b>
Derivative financial assets	<b>273,708,315</b>	—	—	<b>273,708,315</b>
Cross currency swap	—	<b>7,809,006</b>	—	<b>7,809,006</b>
Others	<b>136,472,771</b>	—	—	<b>136,472,771</b>
Available-for-sale investments				
Listed available-for-sale equity instruments	<b>680,726,795</b>	—	—	<b>680,726,795</b>
Total assets measured at fair value	<b>1,530,784,136</b>	<b>7,809,006</b>	—	<b>1,538,593,142</b>
Financial liabilities at fair value through profit or loss				
Gold leasing business	<b>6,218,841,186</b>	—	—	<b>6,218,841,186</b>
Derivative financial liabilities	<b>1,029,115,844</b>	—	—	<b>1,029,115,844</b>
Total liabilities measured at fair value	<b>7,247,957,030</b>	—	—	<b>7,247,957,030</b>

## Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

### IX. DISCLOSURE OF FAIR VALUE *(continued)*

#### 1. ASSETS AND LIABILITIES MEASURED AT FAIR VALUE *(continued)*

In the first half of 2016, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfer into or out of Level 3.

#### 2. ESTIMATION OF FAIR VALUE

The net book values of the Group's financial instruments were approximate to their fair values.

The management has assessed the fair values of cash and cash equivalents, bills receivable, trade receivables, other receivables, other current assets, bills payable, trade payables, dividends payable, other payables, current portion of non-current liabilities and other current liabilities, which were approximate to their carrying amounts due to their short-term maturities.

The fair values of financial assets and financial liabilities are the amounts at which the instruments could be exchanged or debts could be settled respectively, in an arm's length transaction between knowledgeable and willing parties, other than in a forced liquidation or distress sales. The following methods and assumptions were used to estimate the fair value.

Fair values of other non-current assets, short-term and long-term borrowings, long-term payables and bonds payable have been calculated by discounting the expected future cash flows using market profitability rates currently available of other financial instruments with similar terms, credit risk and remaining maturities. As at 30 June 2016, the Group's own non-performance risk for short-term and long-term borrowings was assessed to be insignificant. The fair values of listed equity investments are measured at quoted market prices.

The Group has entered into derivative financial instrument contracts with a number of counterparties (mainly financial institutions with high credit ratings). Derivative financial instruments, including forward contracts and cross currency swap contracts, are measured using a valuation technique that is similar to the forward pricing and swap models and the present value method. The model covers a number of market observable inputs, including credit quality of counterparties, spot and forward exchange rates and yield curves. The carrying values of forward contracts and cross currency swap contracts are approximate to their fair values.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)***X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS****1. THE LARGEST SHAREHOLDER OF THE COMPANY**

Name of the entity	Type of entity	Place of registration	Legal representative	Nature of business	Registered capital	Proportion of the Company's ownership	Proportion of the Company's voting powers	Ultimate controlling entity
Minxi Xinghang State-owned Assets Investment Company Limited ("Minxi Xinghang")	100% state-owned	No. 110 Zhenxing Road, Linjiang Village, Shanghang County, Longyan City, Fujian Province	Mr. Liu Shimin	Investment in Fujian	RMB368 million	26.33%	26.33%	Minxi Xinghang

**2. SUBSIDIARIES OF THE COMPANY**

Major subsidiaries of the Company are disclosed in Note VII.1.

**3. JOINT VENTURES AND ASSOCIATES**

Information about joint ventures and associates is disclosed in Note VII.2.

**4. OTHER RELATED PARTIES OF THE COMPANY**

Name of entity	Relationship between the related parties and the Company
Sichuan Bureau of Geology and Mineral Exploration ("Sichuan Geology")	A non-controlling shareholder of Sichuan Ganzi Zijin Mining Company Limited ("Ganzi Zijin")
Hongyang Mining	A non-controlling shareholder of Guizhou Zijin
Chongli Finance Bureau State-owned Assets Management Center	A non-controlling shareholder of Chongli Zijin
Jilin The Sixth Geological Survey	A non-controlling shareholder of Tumen Shuguang Mining Company Limited
Shanghang County Jinshan Trading	A non-controlling shareholder of the Company

## Notes to Financial Statements (continued)

For the period ended 30 June 2016

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

## X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (continued)

## 5. RELATED PARTY TRANSACTIONS

## (A) Sales of products and rendering of services to related parties

Nature of transaction	For the six months ended 30 June 2016		For the six months ended 30 June 2015	
	Amount	Proportion (%)	Amount	Proportion (%)
Shandong Guoda Sales of gold and copper ore	27,187,989	0.07	26,560,682	0.07
Wengfu Zijin Sales of vitriol	24,217,981	0.06	70,950,918	0.18
Wuxin Copper Sales of copper concentrates	5,290,524	0.01	157,670,003	0.41
Xinjiang Non-ferrous Materials Sales of copper concentrates	104,719,144	0.27	—	—
Longhu Fishery Sales of fish and rental	270,602	—	453,809	0.00
Makeng Mining Sales of products	763,699	—	170,003	0.00
Zisen (Xiamen) Supply Chain Sales of metal concentrates	219,410,314	0.56	—	—
	<b>381,860,253</b>	<b>0.97</b>	255,805,415	0.66

## (B) Purchase of products and receipt of services from related parties

Nature of transaction	For the six months ended 30 June 2016		For the six months ended 30 June 2015	
	Amount	Proportion (%)	Amount	Proportion (%)
Wancheng Commercial Purchase of raw materials	64,679,534	0.63	50,454,259	0.14
Haixia Technology Purchase of raw materials	1,042,793	0.01	11,792,954	0.03
Sichuan Geology Exploration service	—	—	363,600	0.00
Xiamen Zijin Zhonghang Construction service	22,832,422	0.22	102,744,585	0.29
Southwest Zijin Gold Purchase of low purity gold	389,823,199	3.78	531,513,885	1.52
	<b>478,377,948</b>	<b>4.64</b>	696,869,283	1.98

Note: Transactions, such as sales and purchase of raw materials, receipt of services and sales of products against shareholders of the Company, associates, joint ventures, non-controlling shareholders of subsidiaries and companies controlled by non-controlling shareholders were made at market prices and settled under similar conditions offered to third parties.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)***X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS** *(continued)***5. RELATED PARTY TRANSACTIONS** *(continued)***(C) Related party guarantees**

- a) The Group's guarantees for bank loans of related parties

**30 June 2016**

Guarantor	Guaranteed party	Guaranteed amount	Inception date of guarantee	Expiration date of guarantee	Whether execution of guarantee has been completed
The Company	Wengfu Zijin	170,400,000	28 April 2011	27 April 2019	No

- b) Related party's guarantees for bank loans of the Group

As at 30 June 2016, there was no provision for guarantee for bank loans from related parties to the Group.

**(D) Borrowings to related parties****30 June 2016**

Borrowers	Amount of borrowings	Inception date	Maturity date	Annual interest rate
Ting River Hydropower	6,000,000	1 November 2013	31 October 2016	6.46%
Ting River Hydropower	8,000,000	8 November 2013	7 November 2016	6.46%
Ting River Hydropower	7,500,000	16 January 2014	15 January 2017	6.30%
Zijin Tongguan	9,000,000	13 April 2012	31 December 2016	—
Zijin Tongguan	109,350,000	20 June 2012	31 December 2016	—
Zijin Tongguan	9,000,000	14 January 2013	31 December 2016	—
Zijin Tongguan	13,500,000	31 October 2013	31 December 2016	—
Zijin Tongguan	5,400,000	31 July 2014	31 December 2016	—
Zijin Tongguan	4,500,000	21 January 2015	31 December 2016	—
Zijin Tongguan	6,300,000	29 May 2015	31 December 2016	—
Zijin Tongguan	6,975,000	23 July 2015	31 December 2016	—
Zijin Tongguan	2,286,000	15 December 2015	31 December 2016	—
Zijin Tongguan	3,429,000	15 January 2016	31 December 2016	—
Zijin Tongguan	21,276,000	29 June 2016	31 December 2016	—
Gold Eagle Mining	150,395,616	11 July 2012	30 June 2018	LIBOR+2.60%
Gold Eagle Mining	343,164,600	16 May 2014	15 May 2017	LIBOR+2.60%
Longyan Zijin AVIC	419,440,000	18 March 2016	16 December 2016	5.54%
Kamoa	1,201,288,530	8 December 2015	—	LIBOR+7%
Kamoa	33,156,000	2 January 2016	—	LIBOR+7%
Kamoa	51,226,524	15 March 2016	—	LIBOR+7%
	<b>2,411,187,270</b>			

## Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

### X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

#### 5. RELATED PARTY TRANSACTIONS *(continued)*

##### (E) Compensation of key management and directors' remuneration

	For the six months ended 30 June 2016	For the six months ended 30 June 2015
Directors' remuneration	8,411,445	7,822,493
Compensation of key management	3,637,306	4,980,846
	<b>12,048,751</b>	12,803,339

#### 6. AMOUNTS DUE FROM/TO RELATED PARTIES

Trade receivables	30 June 2016	31 December 2015
Zisen (Xiamen) Supply Chain	95,642,957	—
Wengfu Zijin	10,652,225	8,236,935
Makeng Mining	283,377	—
Shandong Guoda	3,350	—
	<b>106,581,909</b>	8,236,935

Trade payables	30 June 2016	31 December 2015
Haixia Technology	32,516,245	30,256,572
Wancheng Commercial	3,198,645	—
Zisen (Xiamen) Supply Chain	131,453,141	—
Southwest Zijin Gold	38,020,220	29,857,946
	<b>205,188,251</b>	60,114,518

Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)***X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS** *(continued)***6. AMOUNTS DUE FROM/TO RELATED PARTIES** *(continued)*

<b>Other receivables</b>	<b>30 June 2016</b>	31 December 2015
Sichuan Geology	<b>2,900,000</b>	2,000,000
Ting River Hydropower	<b>2,924,479</b>	—
Jilin The Sixth Geological Survey	—	4,000,000
Wuxin Copper	<b>49,916</b>	—
Qinghai Copper	<b>5,030</b>	—
Xinjiang Tianlong	<b>35,159</b>	—
Zijin Tongguan	<b>200,646,121</b>	175,755,365
Longyan Zijin AVIC	<b>68,616,223</b>	—
Zisen (Xiamen) Supply Chain	<b>16,086,013</b>	—
Wancheng Commercial	—	30,503
Makeng Mining	<b>88,007</b>	—
Longhu Fishery	<b>45,828</b>	—
	<b>291,396,776</b>	181,785,868
<b>Current portion of non-current assets</b>	<b>30 June 2016</b>	31 December 2015
Longyan Zijin AVIC	—	419,440,000
Ting River Hydropower	<b>21,500,000</b>	18,600,000
	<b>21,500,000</b>	438,040,000
<b>Other payables</b>	<b>30 June 2016</b>	31 December 2015
Sichuan Geology	—	488,471
Hongyang Mining	<b>21,377,828</b>	22,376,244
Longyan Zijin AVIC	<b>19,600,370</b>	—
	<b>40,978,198</b>	22,864,715
<b>Prepayments</b>	<b>30 June 2016</b>	31 December 2015
Haixia Technology	—	153,572
Tibet Yulong	—	1,853
Xiamen Zijin Zhonghang	<b>11,990,941</b>	58,643,463
Jilin The Fifth Geological Survey	<b>47,843</b>	—
Wancheng Commercial	—	3,576,109
Shanghang County Jinshan Trading	—	2,547,110
	<b>12,038,784</b>	64,922,107

## Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

### X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

#### 6. AMOUNTS DUE FROM/TO RELATED PARTIES *(continued)*

<b>Advances from customers</b>	<b>30 June 2016</b>	31 December 2015
Shandong Guoda	<b>5,259,897</b>	14,830,674
Xinjiang Wuxin Copper	—	2,925,868
Wengfu Zijin	—	1,912,332
	<b>5,259,897</b>	19,668,874
<b>Other non-current assets</b>	<b>30 June 2016</b>	31 December 2015
Gold Eagle Mining	<b>493,560,216</b>	516,603,709
Ting River Hydropower	—	8,500,000
Tibet Yulong	<b>132,000,000</b>	132,000,000
Longyan Zijin AVIC	<b>419,440,000</b>	—
Kamoa	<b>1,285,671,054</b>	1,176,336,893
	<b>2,330,671,270</b>	1,833,440,602
<b>Long-term payables</b>	<b>30 June 2016</b>	31 December 2015
Minxi Xinghang	<b>87,015,200</b>	30,000,000

Related party balances in receivables and payables were interest-free, unsecured and had no fixed terms of repayment.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)***XI. CONTINGENCIES**

	<b>30 June 2016</b>	31 December 2015
Contingencies arising from guarantees provided to external parties		
Wengfu Zijin (Note 1)	<b>170,400,000</b>	253,200,000
Xinjiang Investment and Development (Note 2)	<b>106,728,700</b>	106,728,700
Fujian Rare Earth Group (Note 3)	<b>332,000,000</b>	—
Subtotal	<b>609,128,700</b>	359,928,700
Contingencies arising from pending litigation (Note 4)	<b>27,519,089</b>	43,144,709
Total	<b>636,647,789</b>	403,073,409

Note 1: As at 30 June 2016, the Company granted to Wengfu Zijin, an associate of the Group, joint guarantees in respect of bank loans at a cap of RMB450,000,000 (31 December 2015: RMB450,000,000). As at 30 June 2016, Wengfu Zijin utilised RMB170,400,000 (31 December 2015: RMB253,200,000) of the guarantee facility.

Note 2: As at 30 June 2016, Xinjiang Tianlong, an associate of the Group, applied for bank loans in the amount of RMB650 million, its financing was guaranteed by its controlling shareholder, Xinjiang Investment and Development (Group) Co., Ltd. ("Xinjiang Investment and Development"). Northwest Company provided counter-guarantee with its 16.42% equity interest in Xinjiang Tianlong and all of the interests derived from such shareholding as collaterals for Xinjiang Investment and Development (31 December 2015: RMB106,728,700).

Note 3: As at 30 June 2016, Makeng Mining, an associate of the Company, applied for bank loans in the amount of RMB800 million, which was guaranteed by its controlling shareholder, Fujian Rare Earth (Group) Co., Ltd. The Company provided counter-guarantee with its 41.5% equity interest in Makeng Mining and all of the interests derived from such shareholding as collaterals for Fujian Rare Earth (Group) Co., Ltd. (31 December 2015: Nil).

Note 4: On 21 September 2010, the mud and rock flow resulting from a severe typhoon caused the collapse of the tailing dam of Yinyan tin mine in Xinyi City, Guangdong Province of Xinyi Zijin, a wholly-owned subsidiary of the Company, resulting in casualties and property losses in the houses, farmlands and water resources facilities downstream (the "Xinyi Dam Collapse Incident"). Later, the Company and Xinyi Zijin were sued in succession by the Xinyi Municipal Government, victims and entities affected by the Incident. Compensations to casualties and most of the property losses were paid off.

As at 30 June 2016, six hydropower stations including those from Shihuadi and one water supply plant claimed compensation for property losses of RMB70,663,798 from the Company and Xinyi Zijin. On 31 December 2015, Xinyi Municipal Court made the first verdict, ruling that Xinyi Zijin needs to compensate RMB27,519,089 for the victims, at the same time, the Company bore a supplementary liability for the compensation within an amount of RMB100,000,000 for the principal and interest. The Company, Xinyi Zijin and other defendants had filed an appeal and the second hearing is pending. As at 30 June 2016, Xinyi Zijin made a provision of RMB27,519,089 according to the first verdict.

Based on the Group's evaluation of the credit rating and repayment ability of the recipients of the guarantees, the management of the Group considered that the probability that recipients of the guarantees could not repay the liabilities and settle the obligations was remote, and it was unnecessary to accrue related contingent liabilities.

## Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

### XII. COMMITMENTS

	<b>30 June 2016</b>	31 December 2015
Capital commitments (Note 1)	<b>1,168,644,134</b>	1,315,854,359
Investment commitments (Note 2, Note 3)	<b>1,484,108,405</b>	195,727,500
	<b>2,652,752,539</b>	1,511,581,859

Note 1: As at 30 June 2016, the capital commitments related to the acquisition and construction of property, plant, machinery and equipment, and mining assets were RMB1,168,644,134 (31 December 2015: RMB1,315,285,955).

Note 2: At the fourth extraordinary meeting of the Board of the Company convened on 3 June 2016, the "Resolution regarding Acquisition of Heilong Mining Group Company Limited" was considered and approved. It was agreed to acquire 100% equity interest in Heilong Mining Group Company Limited from the 3 shareholders of Heilong Mining Group Company Limited, namely Beijing Zhongrui Chuangxiang Investment Company Limited, Qinghai West Resources Company Limited and Qinghai West Rare and Precious Metals Company Limited. The first installment for acquiring the equity interest of RMB312,244,000 was settled before 30 June 2016, and the rest of the payment of RMB1,248,976,000 is expected to be settled before the end of August 2016.

Note 3: At the thirty-fourth meeting of the fifth Execution and Investment Committee of the Company convened on 4 June 2016, the "Resolution regarding Acquisition of 21% Shares of La Compagnie Minière de Musonoie Global SAS and 29.17% Equity Interest in Realtin Mining Company Limited held by Zhejiang Huayou Cobalt Co., Ltd." was considered and approved. It was agreed to acquire 21% of the equity interest and the relevant interests in La Compagnie Minière de Musonoie Global SAS and 29.17% equity interest in Realtin Mining Company Limited held by Zhejiang Huayou Cobalt Co., Ltd. with a consideration of USD34 million and USD1,458,500 respectively. The consideration for acquiring the abovementioned equity interests of the two companies is equivalent to RMB235,132,405, which is expected to be settled before the end of August 2016.

### XIII. POST BALANCE SHEET EVENTS

1. The eighteenth meeting of the fifth Board convened on 8 July 2016 considered and approved the "Resolution regarding Phase 1 of the Employee Stock Ownership Scheme of the Company (Draft) and its summary" and "Resolution regarding Formulation of the Administrative Policy of the Employee Stock Ownership Scheme of the Company", etc. Phase 1 of the Employee Stock Ownership Scheme of the Company will subscribe the Company's A Shares in cash at the same subscription price as other issuing objects in the total amount of RMB401.7 million. For details, please refer to "Announcement in relation to the Resolutions Passed at the Eighteenth Meeting of the Fifth Term of the Board of Directors of Zijin Mining Group Co., Ltd.\*".
2. The eighteenth meeting of the fifth Board convened on 8 July 2016 considered and approved the "Resolution regarding the Non-public Issuance of A Shares of Zijin Mining Group Co., Ltd.\* in 2016". The total proceeds to be raised in the non-public issuance will be not more than RMB4.8 billion (issuance expense inclusive) and will be used in construction of the Kolwezi copper mine in the DR Congo, Zijin Copper's capacity expansion project for comprehensive recovery of end materials in production and supplementing working capital of the Company. For details, please refer to "Announcement in relation to the Resolutions Passed at the Eighteenth Meeting of the Fifth Term of the Board of Directors of Zijin Mining Group Co., Ltd.\*".

## Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

### XIII. POST BALANCE SHEET EVENTS *(continued)*

3. Resource tax reform: On 10 May 2016, the Ministry of Finance and the State Administration of Taxation of the PRC issued the "Notice on Full Implementation of Resource Tax Reform". Further to the reform of levying taxes based on price over coal, crude oil, natural gas, etc., broad reform is also to be enforced on other types of mineral resources, actively introducing favourable conditions to phase in resource tax on natural resources such as water, forest, pasture, tidal flat, etc. The reform of resource tax based on price and pilot reform of water resource tax are effective from 1 July 2016. At the same time of reforming resource tax based on price, the resource compensation rates for all categories of resources are reduced to zero. Price adjustment fund is no longer collected to curb various types of unlawful fees levied on mineral resources by local administrative authorities. The reform of resource tax based on price is positive to reducing corporate tax burden as a whole.
4. For the purposes of thoroughly implementing the "Overall Reform Plan for the Company" which was considered and approved by the Board of the Company, transforming the Group's management from three levels into two levels, an extraordinary meeting of the fifth term of the Board was convened on 5 August 2016, at which the "Resolution in relation to Absorptions and Mergers of Regional Companies" was considered and approved. The Company intends to absorb and merge its four regional companies, namely Zijin Mining Group Southwest Company Limited, Zijin Mining Group Southern Investment Company Limited, Zijin Mining Group Northwest Company Limited and Zijin International Mining Company Limited, respectively.
5. On 15 July 2016, the Company successfully issued the second tranche of corporate bonds on the Shanghai Stock Exchange, the outstanding balances of the bonds were RMB1.8 billion and RMB1.2 billion respectively. The date of issuance and maturity of the bonds is 15 July 2016 and 15 July 2021, with interest rates being 3.05% and 3.45%, respectively. Interests are to be paid annually, and principals are to be repaid in full at maturity.
6. At the fourth extraordinary meeting of the Board of the Company convened on 3 June 2016, the "Resolution regarding Acquisition of Heilong Mining Group Company Limited" was considered and approved, and a share transfer agreement was entered into on the same day. The Company would acquire 100% equity interest in Heilong Mining Group Company Limited collectively held by Beijing Zhongrui Chuangxiang Investment Company Limited, Qinghai West Resources Company Limited and Qinghai West Rare and Precious Metals Company Limited. Details are set out in Note 2 of Note XII. "Commitments".
7. At the thirty-fourth meeting of the fifth Execution and Investment Committee of the Company convened on 4 June 2016, the "Resolution regarding Acquisition of 21% Shares of La Compagnie Minière de Musonoie Global SAS and 29.17% Equity Interest in Realtin Mining Company Limited held by Zhejiang Huayou Cobalt Co., Ltd." was considered and approved, and a share transfer agreement was entered into on 8 July 2016. The Company would acquire 21% equity interest and the relevant interests in La Compagnie Minière de Musonoie Global SAS and 29.17% equity interest in Realtin Mining Company Limited held by Zhejiang Huayou Cobalt Co., Ltd. Details are set out in Note 3 of Note XII. "Commitments".

## Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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### XIV. OTHER SIGNIFICANT EVENTS

#### 1. LEASING

##### As lessor

As at the balance sheet date, irrevocable operating lease contracts entered into by the Group are as follows:

	<b>30 June 2016</b>	30 June 2015
Within 1 year (including 1 year)	<b>10,862,124</b>	22,294,373
Over 1 year but within 2 years (including 2 years)	<b>10,554,641</b>	19,600,215
Over 2 years but within 3 years (including 3 years)	<b>37,754,468</b>	17,016,915
Over 3 years but within 5 years (including 5 years)	<b>20,900,090</b>	27,870,345
Over 5 years	<b>52,981,818</b>	100,538,212
	<b>133,053,141</b>	187,320,060

##### As lessee

Significant operating lease: pursuant to the operating lease agreements entered into with lessors, the minimum lease payments under irrevocable operating leases are fall due as follows:

	<b>30 June 2016</b>	30 June 2015
Within 1 year (including 1 year)	<b>401,689</b>	19,191,283
Over 1 year but within 2 years (including 2 years)	<b>551,100</b>	9,564,450
Over 2 years but within 3 years (including 3 years)	<b>1,489,775</b>	2,898,938
Over 3 years	<b>20,678,772</b>	—
	<b>23,121,336</b>	31,654,671

#### 2. OPERATING SEGMENT INFORMATION

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 measure of adjusted operating profit before tax. The adjusted operating profit before tax is measured consistently with the Group's operating profit before tax except that interest income, finance costs, dividend income, share of profits of joint ventures and associates, fair value gains/(losses) from the Group's financial instruments as well as head office and corporate expenses are excluded from this measurement.

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

Segment liabilities exclude derivative financial instruments, bank and other borrowings, loans from ultimate controlling entities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment transfers are made with reference to the fair values used for sales made to third parties.

## Notes to Financial Statements (continued)

For the period ended 30 June 2016

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

## XIV. OTHER SIGNIFICANT EVENTS (continued)

## 2. OPERATING SEGMENT INFORMATION (continued)

For the six months ended 30 June 2016

Items	Gold bullion	Processed gold	Gold concentrates	Copper cathodes	Refinery copper	Copper concentrates	Other concentrates	Zinc bullion	Others	Eliminations	Total
1. Operating income including sales to external customers	2,494,071,447	22,925,433,540	2,283,862,068	369,287,091	6,059,754,934	1,512,727,449	1,620,231,936	1,268,796,932	6,092,191,750	(5,736,457,438)	38,889,899,709
Intersegment sales	957,435,616	21,419,915,340	2,283,862,068	369,287,091	4,976,528,948	1,512,727,449	1,621,385,715	1,204,843,492	4,543,913,990	—	38,889,899,709
	1,536,635,831	1,505,518,200	—	—	1,083,225,986	—	(1,153,779)	63,953,440	1,548,277,760	(5,736,457,438)	—
2. Segment profit	530,669,233	191,123,093	350,353,059	26,352,828	257,096,695	400,330,790	480,786,129	112,896,963	374,534,175	—	2,724,142,965
3. Segment assets	47,321,330,869	11,358,544,582	11,418,806,245	7,269,402,817	5,332,140,351	16,391,037,096	13,290,436,580	2,656,091,101	56,535,594,923	(95,013,318,814)	76,560,065,750
Unallocated assets	—	—	—	—	—	—	—	—	—	—	10,934,266,249
Total assets	—	—	—	—	—	—	—	—	—	—	87,494,331,999
4. Segment liabilities	29,115,306,585	7,759,519,280	6,478,477,669	4,245,554,392	3,501,252,637	9,051,698,223	10,137,511,898	17,300,082,952	49,207,925,738	(93,811,523,046)	27,415,806,328
Unallocated liabilities	—	—	—	—	—	—	—	—	—	—	29,358,609,973
Total liabilities	—	—	—	—	—	—	—	—	—	—	56,774,416,301
5. Supplemental information											
(1) Depreciation and amortisation	368,681,165	84,320,004	323,829,943	87,339,804	118,454,047	190,546,267	183,568,753	100,764,477	226,501,180	—	1,684,005,640
(2) Capital expenditure	620,600,234	148,962,747	149,753,054	95,335,296	69,928,878	214,961,863	174,298,734	34,833,567	741,441,604	—	2,250,115,977

## Notes to Financial Statements (continued)

For the period ended 30 June 2016

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

**XIV. OTHER SIGNIFICANT EVENTS (continued)**  
**2. OPERATING SEGMENT INFORMATION (continued)**

**For the six months ended 30 June 2015**

Items	Gold bullion	Processed gold	Gold concentrates	Copper cathodes	Refinery copper	Copper concentrates	Copper concentrates	Other concentrates	Zinc bullion	Others	Eliminations	Total
1. Operating income including Sales to external customers	1,564,045,427	24,804,955,581	2,229,611,575	599,572,429	4,870,221,278	2,009,514,057	1,458,401,438	1,458,401,438	1,523,537,395	3,376,542,866	(3,603,962,509)	38,832,439,537
	1,562,220,227	23,721,154,924	2,065,919,657	415,603,356	4,104,674,218	2,009,046,868	1,415,977,254	1,415,977,254	1,204,843,492	2,332,999,541	—	38,832,439,537
Intersegment sales	1,825,200	1,083,800,657	163,691,918	183,969,073	765,547,060	467,189	42,424,184	42,424,184	318,693,903	1,043,543,325	(3,603,962,509)	—
2. Segment profit	393,675,643	31,945,521	403,171,273	80,699,795	55,705,648	688,366,137	380,201,456	380,201,456	7,645,172	147,070,526	—	2,188,481,171
3. Segment assets												
Unallocated assets	33,581,309,204	8,729,799,219	9,218,296,252	5,667,127,800	6,098,406,201	14,900,330,669	14,229,820,237	14,229,820,237	2,880,131,733	45,228,604,136	(721,52,356,705)	68,381,468,746
Total assets	—	—	—	—	—	—	—	—	—	—	—	9,375,955,980
4. Segment liabilities												
Unallocated liabilities	17,582,613,362	5,217,252,648	4,815,777,952	2,902,703,030	4,878,461,627	6,876,157,946	9,866,481,361	9,866,481,361	21,516,130,588	36,698,390,607	(68,980,421,759)	22,013,547,362
Total liabilities	—	—	—	—	—	—	—	—	—	—	—	23,189,754,071
5. Supplemental information												
(1) Depreciation and amortisation	120,665,045	83,378,034	404,617,535	66,366,443	97,767,237	199,832,205	213,778,834	213,778,834	96,233,071	239,760,829	—	1,521,899,233
(2) Capital expenditure	829,196,940	215,558,088	227,620,162	139,933,944	150,883,163	367,922,183	351,365,795	351,365,795	71,116,835	1,116,794,460	—	3,470,091,570

Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)***XV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS****1. TRADE RECEIVABLES**

The trade receivables are interest-free with a credit period of one to six months in general.

An ageing analysis of the trade receivables, based on the invoice dates, is as follows:

	<b>30 June 2016</b>	31 December 2015
Within 1 year	<b>1,119,652,971</b>	646,983,445
Over 1 year but within 2 years	<b>388,421,389</b>	481,656,390
Over 2 years but within 3 years	<b>88,924</b>	26,917,390
Over 3 years	<b>221,529</b>	165,815
	<b>1,508,384,813</b>	1,155,723,040
Less: Bad debt provision	<b>151,491</b>	169,799
	<b>1,508,233,322</b>	1,155,553,241

The movements of bad debt provision for the trade receivables are as follows:

	At 1 January	Additions	Reductions		At 30 June
			Reversal	Write-off	
30 June 2016	<b>169,799</b>	—	—	<b>(18,308)</b>	<b>151,491</b>

	30 June 2016				Net book value
	Carrying amount		Bad debt provision		
	Amount	Proportion (%)	Amount	Proportion (%)	
Individually significant and for which bad debt provision has been assessed individually	<b>1,486,838,825</b>	<b>98.57</b>	—	—	<b>1,486,838,825</b>
Individually not significant but for which bad debt provision has been assessed individually	<b>21,545,988</b>	<b>1.43</b>	<b>151,491</b>	<b>0.70</b>	<b>21,394,497</b>
	<b>1,508,384,813</b>	<b>100.00</b>	<b>151,491</b>	<b>0.01</b>	<b>1,508,233,322</b>

In the first half of 2016, no provision for bad debt was made (2015: RMB29,020), and there was no reversal or write-off of bad debts (2015: Nil).

In the first half of 2016, the actual amount of write-off of trade receivables was RMB18,308 (2015: Nil).

## Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

### XV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

#### 1. TRADE RECEIVABLES *(continued)*

As at 30 June 2016, the five entities with the largest balances of trade receivables are as follows:

Name of entity	Amount	Proportion of trade receivables (%)	Ageing	Closing balance of bad debt provision
Zijin Copper Company Limited	1,177,481,868	78.06	Within 0-2 years	—
Fujian Zijin Copper Company Limited	266,486,684	17.67	Within 1 year	—
Zijin Xiangyu (Longyan) Logistics Company Limited	19,684,285	1.30	Within 1 year	—
Fuyun Jinshan Mining and Metallurgy Co., Ltd.	12,371,979	0.82	Within 0-2 years	—
Zijin Copper Company Limited Gold Refinery Plant	10,814,009	0.72	Within 1 year	—
	<b>1,486,838,825</b>	<b>98.57</b>		<b>—</b>

#### 2. OTHER RECEIVABLES

Ageing analysis of the other receivables is as follows:

	30 June 2016	31 December 2015
Within 1 year	<b>7,249,187,072</b>	3,972,632,030
Over 1 year but within 2 years	<b>56,439,863</b>	1,344,654,231
Over 2 years but within 3 years	<b>1,486,985,877</b>	495,553,093
Over 3 years	<b>4,521,708,405</b>	4,543,524,765
	<b>13,314,321,217</b>	10,356,364,119
Less: Bad debt provision	<b>145,987,988</b>	145,987,988
	<b>13,168,333,229</b>	10,210,376,131

The movements of bad debt provision for other receivables are as follows:

	At 1 January	Additions	Reductions	At 30 June
			Reversal      Write-off	
30 June 2016	<b>145,987,988</b>	—	—	<b>145,987,988</b>

Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*XV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*2. OTHER RECEIVABLES *(continued)*

	30 June 2016				Net book value
	Carrying amount		Bad debt provision		
	Amount	Proportion (%)	Amount	Proportion (%)	
Individually significant and for which bad debt provision has been assessed individually	11,180,603,800	83.97	140,992,416	1.26	11,039,611,384
Individually not significant but for which bad debt provision has been assessed individually	2,133,717,417	16.03	4,995,572	0.23	2,128,721,845
	<b>13,314,321,217</b>	<b>100.00</b>	<b>145,987,988</b>	<b>1.10</b>	<b>13,168,333,229</b>

As at 30 June 2016, other receivables, which were individually significant and for which bad debt provision had been provided, were as follows:

	Carrying amount	Bad debt provision	Proportion (%)	Reason for providing bad debt provision
Zijin Tongguan	191,246,460	140,992,416	73.72	No progress for the project

Other receivables by nature are as follows:

	30 June 2016	31 December 2015
Security and deposits	24,459,624	30,158,908
Advanced material costs	24,771,455	24,419,461
Deferred expenses	15,334,183	16,125,907
Receivables for settlement of hedging	62,290,105	39,932,234
Staff loan and reserve fund	10,762,325	2,061,333
Due from subsidiaries	12,762,263,460	9,566,834,568
Due from associates and joint ventures	191,908,086	589,251,046
Due from governments	33,955,710	—
Others	188,576,269	87,580,662
	<b>13,314,321,217</b>	10,356,364,119
Less: Bad debt provision	<b>145,987,988</b>	145,987,988
	<b>13,168,333,229</b>	10,210,376,131

## Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

### XV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

#### 2. OTHER RECEIVABLES *(continued)*

The five entities with the largest balances of other receivables as at 30 June 2016 are as follows:

	Nature	Amount	Ageing	Proportion of other receivables (%)	Closing balance of bad debt provision
Gold Mountains (H.K.) International Mining Company Limited	Due from subsidiaries	3,996,221,517	0-3 years and over 3 years	30.01	—
Zijin Mining Group Southern Investment Co., Ltd.	Due from subsidiaries	1,079,000,223	0-3 years and over 3 years	8.10	—
Fujian Zijin Real Estate Company Limited	Due from subsidiaries	865,708,368	0-3 years and over 3 years	6.50	—
Heilongjiang Zijin Longxing Mining Company Limited	Due from subsidiaries	672,138,688	0-3 years and over 3 years	5.05	—
Zijin Mining Group Northwest Company Limited	Due from subsidiaries	638,899,104	0-3 years and over 3 years	4.80	—
		7,251,967,900		54.46	—

#### 3. AVAILABLE-FOR-SALE INVESTMENTS

	Carrying amount	30 June 2016 Impairment provision	Net book value
Available-for-sale equity instruments measured at cost	184,750,000	—	184,750,000
	184,750,000	—	184,750,000

Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)***XV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS** *(continued)***3. AVAILABLE-FOR-SALE INVESTMENTS** *(continued)*

Available-for-sale investments measured at cost are as follows:

**30 June 2016**

	Carrying amount				Impairment provision				Proportion of equity interest (%)	Cash dividends received for the year
	At 1 January	Additions	Reductions	At 30 June	At 1 January	Additions	Reductions	At 30 June		
Shanghai Rural Commercial Bank	89,900,000	—	—	89,900,000	—	—	—	—	10.00	16,800,000
Nanjing China Net	25,000,000	—	—	25,000,000	—	—	—	—	8.62	—
Liwu Copper	19,850,000	—	—	19,850,000	—	—	—	—	5.77	300,000
Xingcheng Guarantee	50,000,000	—	—	50,000,000	—	—	—	—	20.00	—
	184,750,000	—	—	184,750,000	—	—	—	—		17,100,000

**4. LONG-TERM EQUITY INVESTMENTS**

	30 June 2016		
	Carrying amount	Impairment provision	Net book value
Investments in subsidiaries	12,015,391,400	(286,919,351)	11,728,472,049
Investments in associates	1,522,875,319	(162,757,584)	1,360,117,735
	13,538,266,719	(449,676,935)	13,088,589,784

## Notes to Financial Statements (continued)

For the period ended 30 June 2016

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

## XV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (continued)

## 4. LONG-TERM EQUITY INVESTMENTS (continued)

## (i) Investments in subsidiaries

	1 January 2015	Additions	Reductions	31 December 2015	Additions	Reductions	30 June 2016	Provision for impairment losses at 30 June 2016
Zijin Copper	2,120,647,343	—	—	2,120,647,343	—	—	2,120,647,343	—
Zijin Mining Group Southwest Company Limited	1,184,821,221	1,946,778	—	1,186,767,999	—	—	1,186,767,999	—
Qinghai West Copper Mining Company Limited	936,000,000	—	—	936,000,000	—	—	936,000,000	—
Gold Mountains (H.K.)	802,313,038	49,330,361	—	851,643,399	—	—	851,643,399	—
Luoyang Kunyu	700,000,000	1,316,274	—	701,316,274	—	(25,000,000)	676,316,274	—
Zijin Mining Group Northeast Asia Company Limited	672,896,373	510,319	—	673,406,692	—	(673,406,692)	—	—
Finance Company	475,000,000	—	—	475,000,000	—	—	475,000,000	—
Xiamen Investment Company	402,061,613	—	(5,000,000)	397,061,613	—	—	397,061,613	—
Longnan Zijin	370,505,723	—	—	370,505,723	—	—	370,505,723	(43,019,351)
Bayannaer Zijin	329,844,784	—	—	329,844,784	—	—	329,844,784	—
Northwest Company	324,535,956	2,210,245	—	326,746,201	—	—	326,746,201	—
Southern Investment Company	588,989,827	5,000,000	(275,785,150)	318,204,677	—	—	318,204,677	—
Huanmin Mining	306,000,000	—	—	306,000,000	—	—	306,000,000	—
Zijin Real Estate	300,000,000	—	—	300,000,000	—	—	300,000,000	—
Shanghai Jinshan Mining Company Limited	—	275,785,150	—	275,785,150	—	—	275,785,150	—
Xinyi Zijin	243,900,000	—	—	243,900,000	—	—	243,900,000	(243,900,000)
Capital Investment Company	—	200,000,000	—	200,000,000	200,000,000	—	400,000,000	—
Zijin International Mining Company Limited	188,579,656	19,357,058	—	207,936,714	673,406,692	—	881,343,406	—
Hunchun Zijin	185,437,500	—	—	185,437,500	—	—	185,437,500	—
Fujian Zijin Copper Company Limited	—	145,808,417	—	145,808,417	—	—	145,808,417	—
Chongli Zijin	142,500,000	—	—	142,500,000	—	—	142,500,000	—
Xinjiang Ashele	139,335,849	—	—	139,335,849	—	—	139,335,849	—
Henan Jinda	129,880,000	—	—	129,880,000	—	—	129,880,000	—
Shanxi Zijin	127,284,118	—	—	127,284,118	—	—	127,284,118	—
Luoyang Zijin Yinhui	105,000,000	—	—	105,000,000	—	—	105,000,000	—

## Notes to Financial Statements (continued)

For the period ended 30 June 2016

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

## XV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (continued)

## 4. LONG-TERM EQUITY INVESTMENTS (continued)

## (i) Investments in subsidiaries (continued)

	1 January 2015	Additions	Reductions	31 December 2015	Additions	Reductions	30 June 2016	Provision for impairment losses at 30 June 2016
Yunnan Huaxi	86,830,000	—	—	86,830,000	—	—	86,830,000	—
Ankang Zijin	86,036,088	1,751,383	—	87,787,471	—	—	87,787,471	—
Longsheng County Dexin Mining Company Limited	53,550,000	—	—	53,550,000	—	—	53,550,000	—
Xiamen Zijin Mining and Metallurgy Technology Company Limited	50,000,000	—	—	50,000,000	—	—	50,000,000	—
Xinjiang Jinneng Mining Co., Ltd.	50,000,000	—	—	50,000,000	—	—	50,000,000	—
Shenzhen Zijin Global Metals Exchange Company Limited	46,000,000	—	—	46,000,000	—	—	46,000,000	—
Zijin Mining Group Gansu Mining Development Company Limited	30,000,000	13,460,000	—	43,460,000	—	—	43,460,000	—
Guizhou Zijin	30,600,000	—	—	30,600,000	—	—	30,600,000	—
Tongling Zijin Mining Company Limited	25,500,000	—	—	25,500,000	—	—	25,500,000	—
Xiamen Boshang Zijin E-Commerce Company Limited	25,500,000	—	—	25,500,000	—	—	25,500,000	—
Ganzi Zijin	24,000,000	—	—	24,000,000	—	—	24,000,000	—
Zijin Mining Group (Xiamen) Sales Company Limited	20,000,000	—	—	20,000,000	—	—	20,000,000	—
Wuping Zijin	19,465,037	—	—	19,465,037	—	—	19,465,037	—
Zijin Xiangyu (Longyan) Logistics Company Limited	13,000,000	—	—	13,000,000	—	—	13,000,000	—
Fujian Zijin Hotel Management Company Limited	10,000,000	—	—	10,000,000	—	—	10,000,000	—
Fujian Zijin Metallurgy Testing Technology Company Limited	5,000,000	—	—	5,000,000	—	—	5,000,000	—
Inner Mongolia Zijin	100,000,000	—	(100,000,000)	—	—	—	—	—
Fujian Jinyi Copper Co., Ltd.	144,924,016	413,949	(144,924,016)	413,949	—	—	413,949	—
NKWE	—	3,272,490	—	3,272,490	—	—	3,272,490	—
Zijin Mining Group Gold Refinery Co., Ltd.	—	—	—	—	50,000,000	—	50,000,000	—
	11,595,938,142	720,162,424	(525,709,166)	11,790,391,400	923,406,692	(698,406,692)	12,015,391,400	(286,919,351)

## Notes to Financial Statements (continued)

For the period ended 30 June 2016

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

## XV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (continued)

## 4. LONG-TERM EQUITY INVESTMENTS (continued)

## (ii) Investments in associates

30 June 2016

Investee	At 1 January	Movements during the year										Provision for impairment losses at 30 June	
		Additions	Reductions	Income under the equity method	Other comprehensive income	Other changes in equity	Cash dividends declared by investee	Provision for impairment losses	Others	At 30 June			
Longyan Makeng	746,406,411	41,500,000	—	(11,213,232)	—	—	—	—	—	—	—	776,693,179	—
Tibet Yulong	135,737,190	—	—	1,469,932	—	—	—	—	—	—	—	137,207,122	—
Songpan Zijin	39,249,785	—	—	—	—	—	—	—	—	—	—	39,249,785	—
Zijin Tongguan	364,252,197	—	—	609,520	—	—	—	—	—	—	—	364,861,717	(162,757,584)
Wancheng	39,595,357	—	—	1,510,575	—	—	—	—	—	—	—	41,105,932	—
Commercial	1,325,240,940	41,500,000	—	(7,623,205)	—	—	—	—	—	—	—	1,359,117,735	(162,757,584)

## Notes to Financial Statements (continued)

For the period ended 30 June 2016

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

## XV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (continued)

## 5. FIXED ASSETS

30 June 2016

	Power generation and transmission equipment						Total
	Buildings	Mining assets	Plant, machinery and equipment	Motor vehicles	Furniture and fixtures and others		
<b>Cost</b>							
At 1 January 2016	608,094,375	3,747,952,077	824,968,928	91,436,570	91,728,563	5,415,779,476	
Purchase additions	108,021	21,561,337	55,628,851	1,128,033	769,009	79,680,251	
Transferred from construction in progress	—	202,644	314,966	—	—	580,401	
Disposals or write-off	(9,415,931)	(2,459,052)	(63,733)	(1,549,890)	(3,124,729)	(38,986,099)	
At 30 June 2016	598,786,465	3,767,257,006	858,539,981	91,014,713	89,372,843	5,457,054,029	
<b>Accumulated depreciation</b>							
At 1 January 2016	149,230,678	1,343,650,648	473,335,809	55,006,793	59,333,232	2,106,474,913	
Depreciation for the period	16,829,122	147,727,491	34,072,893	6,613,691	3,475,279	209,745,855	
Disposals or write-off	(5,412,468)	(1,125,507)	(24,821)	(755,844)	(2,399,706)	(24,941,476)	
At 30 June 2016	160,647,332	1,490,252,632	492,185,572	60,864,640	60,408,805	2,291,279,292	
<b>Impairment</b>							
At 1 January 2016	—	286,562	2,871,555	—	1,632	3,172,906	
Impairment provided for the period	—	—	—	—	—	—	
Disposals or write-off	—	—	(2,022)	—	—	(2,022)	
At 30 June 2016	—	286,562	2,869,533	—	1,632	3,170,884	
<b>Net book value</b>							
At 30 June 2016	438,139,133	2,276,717,812	363,484,876	30,150,073	28,962,406	3,162,603,853	
At 1 January 2016	458,863,697	2,404,014,867	348,761,564	36,429,777	32,393,699	3,306,131,657	

## Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

### XV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

#### 5. FIXED ASSETS *(continued)*

Fixed assets that are fully depreciated but still in use are as follows:

	30 June 2016		31 December 2015	
	Cost	Net book value	Cost	Net book value
Buildings	22,900,357	—	894,952	4,400
Mining assets	646,919,097	3,861,530	509,839,347	995,454
Power generation and transmission equipment	11,411,925	340,214	363,750	7,313
Plant, machinery and equipment	236,909,112	6,408,931	173,846,293	4,859,732
Motor vehicles	18,372,154	525,384	9,546,841	288,704
Furniture and fixtures and others	30,394,836	970,268	25,836,322	838,772
	<b>966,907,481</b>	<b>12,106,327</b>	720,327,505	6,994,375

Fixed assets that are temporarily idle are as follows:

#### 30 June 2016

	Cost	Accumulated depreciation	Impairment provision	Net book value
Mining assets	295,290	165,768	—	129,522
Plant, machinery and equipment	13,850,138	6,459,688	—	7,390,450
Furniture and fixtures and others	12,378	7,935	—	4,443
	<b>14,157,806</b>	<b>6,633,391</b>	—	<b>7,524,415</b>

There were no fixed assets of the Company leased or leased out under finance leases.

Fixed assets of which certificates of title have not been obtained as at 30 June 2016 are as follows:

Item	Net book value	Reasons why certificates of title have not been obtained
Buildings	159,052,533	In the process of applying

#### 6. CONSTRUCTION IN PROGRESS

#### 30 June 2016

Carrying amount	Impairment provision	Net book value
674,517,909	—	674,517,909

Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*XV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*6. CONSTRUCTION IN PROGRESS *(continued)*

30 June 2016

	Budget	At 1 January 2016	Additions	Transferred to fixed assets	Other reductions	At 30 June 2016	Contribution to budget	Progress of construction	Balance of capitalised interest as at 30 June 2016	Including: capitalised interest for the year	Interest rate of capitalisation (%)	Source of funds
Zhijunshan gold and copper mine joint open pit mining project	2,964,393,113	418,490,088	98,421,289	(580,401)	—	516,330,976	70%	74%	—	—	N/A	Equity fund
Zhijin headquarters infrastructure project	152,107,365	152,074,246	6,112,687	—	—	158,186,933	118%	99%	—	—	N/A	Equity fund
Others	—	1,423,930	—	—	(1,423,930)	—	N/A	N/A	—	—	N/A	Equity fund
	3,116,500,478	571,988,264	104,533,976	(580,401)	(1,423,930)	674,517,909			—	—		
Impairment provision	—	—	—	—	—	—	—	—	—	—	—	—
		571,988,264				674,517,909						

For the period ended 30 June 2016, there were no borrowing costs eligible for capitalisation of the Company (2015: Nil).

As at 30 June 2016, there was no impairment provision for construction in progress of the Company (31 December 2015: Nil).

## Notes to Financial Statements (continued)

For the period ended 30 June 2016

RMB

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

## XV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (continued)

## 7. INTANGIBLE ASSETS

30 June 2016

	Exploration and mining rights	Land use rights	Membership of Shanghai Gold Exchange and others	Total
<b>Cost</b>				
At 1 January 2016	388,099,802	96,667,701	3,975,917	488,743,420
Purchase additions	—	—	7,390,132	7,390,132
Disposals or write-off	—	—	—	—
At 30 June 2016	388,099,802	96,667,701	11,366,049	496,133,552
<b>Accumulated amortisation</b>				
At 1 January 2016	188,155,384	18,690,976	1,418,663	208,265,023
Amortisation provided for the period	2,256,150	1,129,749	909,049	4,294,948
Disposals or write-off	—	—	—	—
At 30 June 2016	190,411,534	19,820,725	2,327,712	212,559,971
<b>Impairment</b>				
At 1 January 2016 and 30 June 2016	—	—	—	—
<b>Net book value</b>				
At 30 June 2016	197,688,268	76,846,976	9,038,337	283,573,581
At 1 January 2016	199,944,418	77,976,725	2,557,254	280,478,397

## 8. LONG-TERM DEFERRED ASSETS

30 June 2016

	At 1 January	Additions	Amortisation	Other reductions	At 30 June
Land compensation costs (Note 1)	31,952,186	—	(4,038,218)	—	27,913,968
Others (Note 2)	161,852,142	25,179,445	(26,223,168)	(32,254)	160,776,165
	193,804,328	25,179,445	(30,261,386)	(32,254)	188,690,133

Note 1: The land compensation costs related to the compensation paid for the occupation of forest lands at mining sites. The amortisation period ranges from 5 to 50 years.

Note 2: Other long-term deferred assets mainly included forest compensation expenditure of RMB48,911,127 (31 December 2015: RMB52,426,978). The amortisation period is 10 years.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)***XV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS** *(continued)***9. OTHER NON-CURRENT ASSETS**

	<b>30 June 2016</b>	31 December 2015
Exploration and development costs	<b>133,168,065</b>	124,699,720
Prepaid investment costs, prepayment for exploration and mining rights and others (Note 1)	<b>13,760,588,810</b>	10,790,083,061
	<b>13,893,756,875</b>	10,914,782,781

Note 1: Mainly included prepayment for land use rights of RMB6,000,000 (2015: RMB6,000,000); prepaid investment costs of RMB843,144,000 (2015: RMB530,900,000); long-term receivables of RMB10,672,479,388 (2015: RMB10,253,039,388).

**10. PROVISION FOR IMPAIRMENT OF ASSETS****30 June 2016**

	At 1 January	Additions	Reductions		At 30 June
			Reversal	Write-off	
Bad debt provision	146,612,016	—	—	(18,308)	146,593,708
<i>Including: Trade receivables</i>	<i>169,799</i>	<i>—</i>	<i>—</i>	<i>(18,308)</i>	<i>151,491</i>
<i>Other receivables</i>	<i>145,987,988</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>145,987,988</i>
<i>Prepayments</i>	<i>454,229</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>454,229</i>
Inventory provision	2,407,696	—	—	—	2,407,696
Impairment of available-for-sale investments	—	—	—	—	—
Impairment of long-term equity investments	449,676,935	—	—	—	449,676,935
Impairment of fixed assets	3,172,906	—	—	(2,022)	3,170,884
Impairment of other non-current assets	45,000,000	—	—	—	45,000,000
	<b>646,869,553</b>	<b>—</b>	<b>—</b>	<b>(20,330)</b>	<b>646,849,223</b>

**11. TRADE PAYABLES**

Trade payables are interest-free and are normally settled within three months.

As at 30 June 2016, there was no significant balance of trade payables aged more than one year (31 December 2015: Nil).

**12. LONG-TERM PAYABLES**

	<b>30 June 2016</b>	31 December 2015
Entrusted investment	<b>84,206,740</b>	234,206,740
Deposit for restoration and improvement of ecological environment in mines	<b>68,320,794</b>	68,320,794
Loan from a shareholder	<b>87,000,000</b>	30,000,000
Subtotal	<b>239,527,534</b>	332,527,534
Including: Long-term payables due within one year	<b>(10,000,000)</b>	(10,000,000)
	<b>229,527,534</b>	322,527,534

## Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

RMB

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### XV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

#### 12. LONG-TERM PAYABLES *(continued)*

Maturity analysis of long-term payables is as follows:

	<b>30 June 2016</b>	31 December 2015
Within 1 year or repayable on demand	<b>10,000,000</b>	10,000,000
Over 1 year but within 2 years	<b>38,945,000</b>	11,745,000
Over 2 years but within 5 years	<b>92,830,626</b>	163,250,990
Over 5 years	<b>97,751,908</b>	147,531,544
	<b>239,527,534</b>	332,527,534

#### 13. OPERATING INCOME AND OPERATING COSTS

	<b>For the six months ended 30 June 2016</b>		For the six months ended 30 June 2015	
	<b>Operating income</b>	<b>Operating costs</b>	Operating income	Operating costs
Principal operations	<b>1,709,213,392</b>	<b>1,063,704,396</b>	9,391,319,808	8,514,924,471
Other operations	<b>107,016,593</b>	<b>86,804,004</b>	114,835,963	84,240,661
	<b>1,816,229,985</b>	<b>1,150,508,400</b>	9,506,155,771	8,599,165,132

#### 14. INVESTMENT (LOSSES)/INCOME

	<b>For the six months ended 30 June 2016</b>	For the six months ended 30 June 2015
Gains from long-term equity investments under the cost method and gains from available-for-sale investments at cost	<b>34,171,007</b>	159,843,733
Investment losses from long-term equity investments under the equity method	<b>(7,623,205)</b>	(19,719,638)
(Losses)/gains on disposal of financial assets and financial liabilities at fair value through profit or loss (Note 1)	<b>(372,459,178)</b>	156,604,970
Gains on disposal of available-for-sale investments	<b>—</b>	17,400,000
Others	<b>(17,777,682)</b>	9,001
	<b>(363,689,058)</b>	314,138,066

Note 1: Included losses of RMB378,888,205 on settlement of futures contracts (first half of 2015: gains on settlement of RMB180,606,547).

Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

RMB

*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)***SUPPLEMENTARY INFORMATION TO FINANCIAL STATEMENTS****(1) SUMMARY OF NON-RECURRING PROFIT OR LOSS**

<b>Item</b>	<b>30 June 2016</b>
Net profit attributable to owners of the parent	<b>538,349,713</b>
Add/(less): Non-recurring profit or loss attributable to owners of the parent	
Net losses on disposals of non-current assets	<b>8,962,330</b>
Government grants recognised in the statement of profit or loss	<b>(76,529,802)</b>
Gains or losses on changes in fair value arising from financial assets and financial liabilities at fair value through profit or loss, investment gains on disposal of financial assets at fair value through profit or loss and available-for-sale investments except for the effective portion of hedge relating to the ordinary operating activities of the Group, gold leasing business and forward contracts (Note 1)	<b>70,163,720</b>
Other non-operating income and expenses other than the aforesaid items (Note 2)	<b>61,578,195</b>
	<b>602,524,156</b>
Impact on income tax	<b>(36,692,647)</b>
	<b>565,831,509</b>
Impact on the non-controlling interests (after tax)	<b>(1,437,294)</b>
	<b>564,394,215</b>

The non-recurring profit or loss of the Group was recognised under the China Securities Regulatory Commission ("CSRC") Announcement [2008] No. 43, Explanatory Announcement No. 1 on Information Disclosure for Companies Making Public Offering of Securities – Non-recurring Profit or Loss. The hedging transactions of the Group are directly related to the ordinary operating activities, of which the underlying assets are the mineral products or similar metal futures of the Group, which are aimed at reducing the risk of significant profitability fluctuation from ordinary operations in light of price fluctuation. The hedging transactions are frequent and the Group has continued and will continue to engage in such hedging transactions in the foreseeable future. For the above-mentioned reasons, the gains or loss on hedging is not classified as non-recurring profit or loss.

Notes to significant non-recurring profit or loss items:

- (1) Including gains from trading stocks, funds and bonds amounted to RMB225,566,376 and losses from non-effective portion of hedging instruments of cash flow hedges of RMB295,730,096.
- (2) Including donations of RMB65,962,188.

## Notes to Financial Statements *(continued)*

For the period ended 30 June 2016

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### SUPPLEMENTARY INFORMATION TO FINANCIAL STATEMENTS *(continued)*

#### (2) RETURN ON NET ASSETS AND EARNINGS PER SHARE

##### For the six months ended 30 June 2016

Item	Weighted average return on net assets (%)		Basic earnings per share (EPS) <sup>#</sup>
	Fully diluted	Weighted average	
Net profit attributable to owners of the parent	538,349,713	2.02	1.95
Net profit after non-recurring profit or loss attributable to ordinary shareholders of the Company	564,391,215	2.12	2.04

##### For the six months ended 30 June 2015

Item	Weighted average return on net assets (%)		Basic earnings per share (EPS) <sup>#</sup>
	Fully diluted	Weighted average	
Net profit attributable to owners of the parent	1,341,155,185	4.88	4.73
Net profit after non-recurring profit or loss attributable to ordinary shareholders of the Company	1,321,866,423	4.81	4.66

##### Net assets attributable to ordinary shareholders of the Company

	30 June 2016	31 December 2015
Net assets at period end attributable to ordinary shareholders of the Company	26,622,866,879	27,537,173,972
Weighted average net assets attributable to ordinary shareholders of the Company	27,652,685,474	27,557,058,230

The above-mentioned return on net assets and earnings per share were calculated according to the Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings Per Share (revision 2010) issued by the CSRC.

<sup>#</sup> There were no potential dilutive ordinary shares for the period ended 30 June 2016 (2015: Nil).



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

