



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)



2017
INTERIM REPORT

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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*)
Lan Fusheng (*President*)
Zou Laichang
Lin Hongfu
Fang Qixue
Lin Hongying

NON-EXECUTIVE DIRECTOR

Li Jian

INDEPENDENT NON-EXECUTIVE DIRECTORS

Lu Shihua
Zhu Guang
Sit Hoi Wah, Kenneth
Cai Meifeng

AUDIT AND INTERNAL CONTROL COMMITTEE

Lu Shihua
Lan Fusheng
Li Jian
Zhu Guang
Sit Hoi Wah, Kenneth
Cai Meifeng

AUTHORISED REPRESENTATIVE

Chen Jinghe
Lan Fusheng

SUPERVISORS

Lin Shuiqing
Xu Qiang
Fan Wensheng
Liu Wenhong
Lan Liying

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
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WEBSITE

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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)
Altynken	Altynken Limited Liability Company, a subsidiary of the Company
Ashele Copper	Xinjiang Ashele Copper Company Limited, a subsidiary of the Company
Bayannaouer Zijin	Bayannaouer 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 wholly-owned 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)
Heilongjiang Zijin Copper	Heilongjiang Zijin Copper Company Limited, a wholly-owned subsidiary of the Company
Hong Kong Stock Exchange, Stock Exchange	The Stock Exchange of Hong Kong Limited
Hunchun Zijin	Hunchun Zijin Mining Company Limited, a wholly-owned subsidiary of the Company
Jilin Zijin Copper	Jilin Zijin Copper Company Limited, a wholly-owned subsidiary of the Company
Listing Rules	The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
Longnan Zijin	Longnan Zijin Mining Company Limited, a subsidiary of the Company
Luoyang Kunyu	Luoyang Kunyu Mining Co., Ltd., 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
PRC	The People's Republic of China but for the purpose of this report, excludes Hong Kong SAR, Macau SAR and Taiwan
Qinghai West Copper	Qinghai West Copper Mining Company Limited, a wholly-owned subsidiary of the Company
Russia Longxing	Russia Longxing Company Limited, a subsidiary of the Company
Supervisor(s)	The supervisor(s) of the Company
Wulatehouqi Zijin	Wulatehouqi Zijin Mining Company Limited, a subsidiary of the Company
Xinyi Zijin	Xinyi Zijin Mining Company Limited, a wholly-owned subsidiary of the Company
ZGC	JV Zeravshan LLC, a subsidiary of the Company
Zijin Copper	Zijin Copper Company Limited, a wholly-owned subsidiary of the Company
Zijin Zinc Industry, Xinjiang Zijin Zinc Industry	Xinjiang Zijin Zinc Industry Co., Ltd., a wholly-owned subsidiary of the Company

Basic Information of 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 2017 (“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

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

OVERVIEW OF THE COMPANY'S OPERATION

1. The Company's main businesses, operating model and conditions of the industry during the reporting period

(1) Business scope

The Group is mainly engaged in the exploration and mining of gold, copper, zinc and other metal mineral resources, supplemented by refining, processing and sales of related products. Exploitation of gold, copper and zinc mineral resources is the core component of the Group's business, and other metals, such as silver, tungsten and iron, are developed as supplementary products. The Company also covers refining and processing businesses to an optimal extent, as well as other mining-related businesses such as research and development, construction, trading and finance, etc. Its major mining projects spread across 16 provinces and regions in China and 9 overseas countries.

(2) Operating model

Obtain mineral resources by exploration or acquisition: The Company prioritises mineral resources as the key strategy, and emphasises mineral resources as the foundation for mining corporation's survival and further development. Its solid mineral surveying is qualified as A-grade by authorised institutions in the PRC. Over 60% of domestic resources are obtained through self-operated exploration, which ensures low cost and sustainability of resources reserves. Also, the Company proceeded resource acquisition amid adverse industrial cycles, and such mergers and acquisitions of projects help maintain the Company's low-cost advantage.

Obtain mineral resources by mining: The Company always focuses on mineral resources development and utilisation as its main business, with gold, copper and zinc being the core segments, and strives to take full advantage of its technological and managerial strength. Aiming to develop mines in a low-cost, high-tech and efficient manner, the Company insists on a 100% ownership or dominant controlling interests in mines and incorporates new technology and innovative management concepts into the operation. During the reporting period, the number of major large-scale mines in production within and outside the PRC held by the Company under controlling holding or through associates was 13 and 5 respectively.

Achieve value enhancement by refining and processing: To achieve greater synergy and properly branch out its business, the Company is also engaged in refining and processing business of gold, copper and zinc to an optimal extent to supplement its mining business. Steps were taken to perfect the industrial chain and expand business scale, in order to realise extra income by value creation, maintain higher security for the business, and benefit from a combination of incomes from mine-produced products and refined products at different stages.

Combine mining with finance and trading: The Company makes the best use of its finance companies and capital investment companies to carry out effective management and operation of capital. It also proactively explores the pathway to a successful combination between mining and finance, strives to reduce financing costs for the corporation, and enhances the platform for selling, trading and marketing gold and other metal products.

Technological research and construction businesses: Focusing on geological, mining, processing, metallurgical and environmental protection application-related researches, the Company has developed a complete research and development system. It also owns the exclusive State Key Laboratory in the domestic gold industry, national enterprise technology centre, workstations for academicians' scientific research, workstations for post-doctors' scientific research, A-grade designing entities and its own construction teams, possessing relatively strong capacity in mining development design and construction.

Operation Overview *(continued)*

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(3) Market environment

During the reporting period, China's economy remained stable and trended positively, and its economic growth rate was obviously higher than the global average; global economy has been recovering in general, and increasing economic momentum is expected from emerging markets and developing economies.

Depreciation of the US dollars, geopolitical uncertainties and the need for safe haven lent strong support to gold price. The opening price of gold in London was US\$1,151.2/ounce at the beginning of 2017, which bounced up to US\$1,296/ounce in April and June respectively, and closed at US\$1,241.6/ounce at the end of June 2017, representing a 7.9% increase compared with the beginning of the year. The average price of gold was US\$1,238.60/ounce, representing a 1.43% increase compared with the same period last year.

Shrinking supply and low inventory were the contributing factors for keeping base metal prices at high levels. Moreover, due to the impacts of China's supply-side reform, stringent environmental policies and efforts to cut obsolete production capacity, and labour strikes at the world's major copper mines, copper price continued to escalate. The opening price of copper in London was US\$5,542.5/tonne at the beginning of the year, which reached the highest price at US\$6,204/tonne and the lowest price at US\$5,462.5/tonne, and closed at US\$5,959/tonne at the end of June 2017, representing a 7.5% increase compared with the beginning of the year; average price was US\$5,755/tonne, representing a 22% increase compared with the same period last year.

Tightened supply prompted strong growth in zinc price during the first half of 2017. The opening price of zinc in London was US\$2,567.5/tonne at the beginning of the year, which reached the highest price at US\$2,980.5/tonne and the lowest at US\$2,427.5/tonne, and closed at US\$2,765/tonne at the end of June 2017, representing a 7.7% increase compared with the beginning of the year; average price was US\$2,687/tonne, representing a 49% increase compared with the same period last year.

(4) Condition of the industry

In the first half of 2017, the volume of global gold production was 1,557.2 tonnes, representing a decrease of 0.3% compared with the same period last year. China's gold production volume was 206.542 tonnes, representing a decrease of 9.85% compared with the same period last year. During the same period, the volume of global gold consumption was 2,026.1 tonnes, representing a decrease of 12.5% compared with the same period last year. China's gold consumption volume was 545.23 tonnes, representing an increase of 9.89% compared with the same period last year.

As at the end of June 2017, China's gold reserve reached 1,842.57 tonnes, representing a 1.06% increase compared with the same period last year and ranking at the world's 6th place in terms of volume.

2. Significant changes in the Company's major assets during the reporting period

The total assets of the Company as at 30 June 2017 amounted to RMB94.876 billion, representing a 6.34% growth compared with the end of last year, in which overseas assets amounted to RMB21.538 billion, representing 22.70% of the total assets.

The Company has been investing in overseas regions since 2005. After more than 10 years of development, the overseas assets of the Company have been growing steadily. Currently, the Company's overseas mineral projects are distributed across 9 countries and regions, namely Tajikistan, Kyrgyzstan, Tuva of Russia, South Africa, the DR Congo, Australia, Papua New Guinea, Peru, etc. The Company is one of the earliest mining corporations which have been investing overseas under China's "going-out" policy. It has been developing rapidly and is well-placed in the state's strategy of "One Belt, One Road".

Operation Overview *(continued)*

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3. Analysis on core competitiveness during the reporting period

In the first half of 2017, the new term of the Board convened a strategic meeting, at which the idea of “innovation is the core competitiveness of the corporation” was determined to be one of the Company’s strategic priorities. The Company’s beliefs of innovation are to properly apply general scientific theories to the actual conditions, seek for the type of innovation that best suits corporate needs, relentlessly challenge the achievement of itself for more innovative breakthroughs, make best use of the Company’s advantages, and avoid or improve its weaknesses. The Board emphasised that the Company shall solidify its leading position in domestic gold, copper and zinc industries under the new market trends, and boost self-confidence in the Company’s strategy, strength and culture in the course of internationalisation.

In China, the Company is one of the corporations possessing the most gold and copper mineral resources on equity basis, and output of its key mineral products ranks at top positions in the domestic industry with a particularly considerable growth in copper and zinc outputs. These favourable factors have laid a solid foundation for the Company to raise its earnings and achieve sustainable development. Leveraging on its innovative capacity, the Company has developed strong edge in project investment and cost control. The Company’s earnings from mining business are promising in spite of a subdued mining market environment. Currently, there are clear signs that the mining market is turning positive, which will contribute to the substantial growth in the Company’s performance.

DISCUSSION AND ANALYSIS ON OPERATING PERFORMANCE

Business Overview

During the reporting period, the Company continued to adhere to the work focus of “clinging to reforms, maintaining growth and boosting development” as formulated by the Board, emphasised on fostering innovation to be the core competitiveness, tightly monitored the corporation in safety, environmental protection, occupational health and compliance aspects, prioritised growth in key indicators as the target of work, and made best use of the reform in business segment-based management system. As a result, the growth potential of the Company’s business segments was enhanced, the overall efficiency was apparently improved, and its position in the industry was further solidified.

Mining segment delivered promising results, with the production volume of gold, copper, zinc and other key metals continuing to lead the industry. In particular, mine-produced gold reached 18,856kg during the reporting period, representing a decrease of 7.77% compared with the same period last year (same period last year: 20,445kg); mine-produced copper reached 91,535 tonnes (in which 8,608 tonnes were copper cathodes), representing an increase of 22.45% compared with the same period last year (same period last year: 74,754 tonnes); mine-produced zinc in concentrate form reached 141,906 tonnes, representing an increase of 15.42% compared with the same period last year (same period last year: 122,946 tonnes). Refining and processing segment strictly controlled risks and strived to lower costs and raise efficiency, and therefore the performance of this segment has been improving. The development and operation of overseas business segment was also enhanced. The Company also rightly captured the favourable rise in product prices, which steadily increased contribution to the Company’s results. The Tuva zinc and multi-metals mine in Russia achieved substantial improvement in the volume of mineral ores processed, ore recovery rates in processing and other indicators; and Norton made significant achievements in management reform, cost reduction and efficiency enhancement.

The Company also achieved breakthroughs in equity financing aspect. The non-public issuance of A Shares to specific investors concluded smoothly with a total of RMB4.635 billion raised, significantly optimised the Company’s financial structure. On the other hand, the Company’s innovation in technology and management continued to improve. China’s first ever hot-pressure pre-oxidation facility for refractory gold ores, which has reached internationally advanced standard, officially commenced production in Guizhou Shuiyindong. This was a new breakthrough in the competitiveness of the Company’s core technology. The reform in salary and benefit policy, as well as the formation of talents succession scheme attained excellent outcomes. The performance in safety, environmental protection and occupational health management continued to improve, compliance in operation was firmly implemented and effectively provided protection to the Company. Moreover, the Company enhanced the overall asset quality by grasping rising market prices in time to dispose of or amortise certain non-performing assets.

Operation Overview *(continued)*

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During the reporting period, the Group realised sales income of RMB37.524 billion, representing a decrease of 3.51% compared with the same period last year (same period last year: RMB38.890 billion), and a net profit attributable to owners of the parent of RMB1.505 billion, representing an increase of 179.63% compared with the same period last year (same period last year: RMB538 million).

As at the end of June 2017, the Group's total assets amounted to RMB94.876 billion, representing an increase of 6.34% compared with the beginning of the year (at the beginning of the year: RMB89.218 billion), and net assets attributable to owners of the listed company amounted to RMB32.964 billion, representing an increase of 18.74% compared with the beginning of the year (at the beginning of the year: RMB27.762 billion).

During the reporting period, the Company substantially enhanced its efficiency. In order to ensure stability in operation, the Company's mines used more low-grade resources and enhanced comprehensive utilisation of resources. This led to an increase in costs and partially affected current earnings. Moreover, impairment was provided for the assets with indication of impairment based on their conditions, which affected the realisation of certain earnings. The fluctuation in exchange rates caused unrealised exchange losses on the Company's foreign currencies; the inventory level of certain subsidiaries increased; and due to the transfer of a portion of products from the Company's mines to its refining enterprises, the unrealised sales of such products affected current earnings.

Gold Business

During the reporting period, the Group produced 86,083kg of gold, representing a decrease of 21.84% compared with the same period last year (same period last year: 110,142kg).

In which, the Group produced 18,856kg of mine-produced gold, representing a decrease of 7.77% compared with the same period last year (same period last year: 20,445kg).

Production volume of major mines (kg)	BNL	3,666
	Norton	3,221
	Zijinshan gold and copper mine	2,064
	ZGC	2,011
	Hunchun Zijin	1,101
	Altynken	979
	Luoyang Kunyu	922
Total production volume of other mines (kg)		4,892

The Group produced 67,227kg of refinery, processed and trading gold, representing a decrease of 25.05% compared with the same period last year (same period last year: 89,697kg).

Sales income generated from the Group's gold business represented approximately 45.38% (after elimination) of the total operating income during the reporting period, and the products generated approximately 26.61% of the total gross profit.

Copper Business

During the reporting period, the Group produced 310,589 tonnes of copper, representing a growth of 13.48% compared with the same period last year (same period last year: 273,701 tonnes).

In which, the production included 91,535 tonnes of mine-produced copper, representing an increase of 22.45% compared with the same period last year (same period last year: 74,754 tonnes).

Operation Overview *(continued)*

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Production volume of major mines (tonnes)	Zijinshan gold and copper mine	37,184
	Ashele Copper	22,031
	Duobaoshan Copper	16,404
	Hunchun Zijin	5,858
	Qinghai West Copper	4,800
	Russia Longxing	3,131
Total production volume of other mines (tonnes)		2,127

219,054 tonnes of refinery copper were produced in smelting enterprises, representing a growth of 10.11% over the same period last year (same period last year: 198,947 tonnes), in which, Zijin Copper produced 153,536 tonnes of refinery copper and Jilin Zijin Copper produced 63,933 tonnes of refinery copper respectively.

Sales income from the Group's copper business represented approximately 26.06% (after elimination) of the total operating income during the reporting period, and the products generated approximately 32.46% of the total gross profit.

Lead and Zinc Business

During the reporting period, the Group produced 244,828 tonnes of zinc, representing a growth of 8.64% compared with the same period last year (same period last year: 225,349 tonnes).

In which, the Group produced 141,906 tonnes of mine-produced zinc in concentrate form, representing an increase of 15.42% compared with the same period last year (same period last year: 122,946 tonnes).

Production volume of major mines (tonnes)	Russia Longxing	50,101
	Zijin Zinc Industry	44,366
	Wulatehouqi Zijin	43,544
	Ashele Copper	2,785
Total production volume of other mines (tonnes)		1,110

102,922 tonnes of zinc bullion were produced from Bayannaer Zijin, representing an increase of 0.51% compared with the same period last year (same period last year: 102,403 tonnes).

During the reporting period, 19,329 tonnes of lead in concentrate form were produced, representing a growth of 6.38% over the same period last year (same period last year: 18,169 tonnes).

Sales income from the Group's lead and zinc business represented approximately 9.39% (after elimination) of the total operating income during the reporting period, and the products generated approximately 24.27% of the total gross profit.

Silver, Iron Mine and Other Business

During the reporting period, the Group produced 336,883kg of silver, representing an increase of 19.33% compared with the same period last year (same period last year: 282,300kg), among which, 122,710kg was mine-produced silver, representing an increase of 10.89% compared with the same period last year (same period last year: 110,661kg). The Group produced 214,172kg of refinery silver (by-product), representing an increase of 24.78% compared with the same period last year (same period last year: 171,639kg). Sales income from the Group's silver business represented approximately 5.10% (after elimination) of the total operating income of the Group during the reporting period, and the products generated about 2.93% of the total gross profit.

During the reporting period, the Group produced 1.2901 million tonnes of iron concentrates (same period last year: nil). Sales income from iron mine business represented about 1.32% (after elimination) of total operating income during the reporting period, and the gross profit represented about 5.20% of the total gross profit.

During the reporting period, sales income from other products represented about 12.75% (after elimination) of total operating income, and the gross profit represented about 8.53% of the total gross profit.

Operation Overview *(continued)*

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Geological Exploration

During the reporting period, substantial outcomes were attained from the geological exploration of the Company's current projects to increase resources reserves. In particular, projects including the Kakula mining section of Kamo copper mine in the DR Congo, Kolwezi copper mine, Yixingzhai-Yilian gold mine, mineral zones no. 1 and no. 2 of Duobaoshan copper mine and supplementary exploration of Yueyang silver mine achieved rather significant breakthroughs. The aggregate volume of additional metal resources (grade 333 or above) obtained from exploration was 10.57 tonnes of gold, 1.6626 million tonnes of copper, 21,700 tonnes of lead and zinc and 168.68 tonnes of silver.

During the reporting period, the Company continued to enhance the market-based management of geological exploration segment, and kept promoting the internationalisation, standardisation and informatisation of geological exploration segment. Certain projects were selected to be the important target projects in overseas exploration.

Key Measures Taken During the Reporting Period:

Continued to deepen reform, introduced innovation in management to release growth potentials

During the reporting period, the new term of the Board, the supervisory committee and management of the Company continued to push for stronger reform, releasing the intrinsic potentials for upgrade and quality enhancement.

The Company ensured legal compliance in corporate governance, perfected decision-making mechanism, amended meeting rules, and further formalised the decision-making procedures for important matters. It also reorganised and rearranged important duties, authority and work process, and strengthened the role of the board of directors and supervisory committee at the subsidiary level. The reform in business-based management system was deepened to stimulate the dynamics of business segments. Moreover, talent development scheme was thoroughly implemented, a training and management system for future senior management and outstanding young talents was initially established, with particular focus placed on global competition trends. The Company also implemented reform in salary and benefit policies, improved appraisal mechanism, strengthened performance management and stimulated the work enthusiasm of employees.

Emphasised the leading role of technology, promoted growth by technological innovation

During the reporting period, the Company vigorously advanced the research and development of important generic technology and design of construction project, etc., achieving significant outcomes in efficiency creation and enhancement with the use of technology.

China's first ever hot-pressure pre-oxidation facility for refractory gold ores, which has reached internationally advanced standard, commenced production in Guizhou Shuiyindong. The project offered a new way for extracting gold from refractory ores, which substantially expanded the usable resources of the mines. The eco-friendly technology introduced a brand-new model for the industry to achieve upgrade and transformation. Based on the technological achievements recently attained, the Company is actively preparing for the convention of its fifth Scientific and Technological Conference.

Operation Overview *(continued)*

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

Completed the non-public issuance of A Shares to specific investors, the Company's substantial shareholder and management considerably increased their shareholdings in the Company

During the reporting period, the Company completed the non-public issuance of A Shares to specific investors smoothly and raised a total of RMB4.635 billion. This provided a strong capital support to the Company's new round of business development, optimised its shareholding structure and reduced its debt ratio.

Under the non-public issuance of A Shares to specific investors, the Company's substantial shareholder and employee stock ownership scheme subscribed for RMB900 million and RMB401.7 million respectively, and other investors, such as China-Africa Development Fund Co., Ltd. and five other sovereign wealth funds (industry funds), as well as some sizeable corporations, subscribed for a total of RMB3.3 billion. Through the employee stock ownership scheme, the Company's Directors and senior management subscribed for a total of RMB61.51 million.

Since 2016, the Company's Directors and senior management have been increasing their stakes in the Company's shares. Presently, most of the Company's senior management own shares in the Company. Their shareholdings in the Company rank high among China's listed state-owned enterprises. In particular, Mr. Chen Jinghe, the Company's chairman who already owned a total of 110 million A/H Shares in the Company before the issuance and was the 13th investor holding the most of the Company's shares which are not subject to trading moratorium, subscribed for 31.1 million units of employee stock ownership scheme, which was equivalent to an additional 10 million A Shares of the Company. With the Company's substantial shareholder, management and employees considerably increasing their shareholdings in the Company, capital market will have stronger confidence in the Company. The enterprise can extensively attract market resources to assist future corporate development, and the Company's share value is strongly supported.

Overseas projects attained new breakthroughs, the Company's internationalisation progress speeding up

During the reporting period, the Company's overseas projects maintained a good trend of development. The outputs of the Porgera gold mine in Papua New Guinea, the Jilau/Taror gold mine in Tajikistan, and the zinc and multi-metals mine in Tuva, Russia increased. The Company also continued to advance the preparatory work of the Rio Blanco copper mine project in Peru and the platinum group metal project in South Africa. The resources reserves of overseas projects, production volume of mines and other indicators were trending positively. As at the end of 2016, the resources volume of gold, copper and zinc possessed by overseas projects represented 52%, 62% and 10% of the Group's total volume respectively. In the first half of 2017, the volume of mine-produced gold and mine-produced zinc from overseas projects were 9.97 tonnes and 50,100 tonnes, representing 53% and 35% of the Group's total output respectively.

Ecological civilisation achieved new progress, efforts stepped up in the building of green mines and promotion of occupational health

During the reporting period, the Board of the Company considered and approved the Resolution in relation to Extensively Enhance the Development of Green Mines and the Resolution in relation to Fully Strengthen Occupational Health Management, in order to vigorously improve safety, environmental protection and occupational health management.

Management Discussion and Analysis

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

STATUS OF MAIN BUSINESS

1 Operating results

During the reporting period, operating income of RMB37.524 billion was recorded, representing a decrease of 3.51% compared with the same period last year (same period last year: RMB38.890 billion).

The table below sets out the sales by product for the six months ended 30 June 2017 and 30 June 2016 respectively:

Item Product name	January – June 2017			January – June 2016		
	Unit price (tax excluded) RMB	Sales volume	Amount RMB'000	Unit price (tax excluded) RMB	Sales volume	Amount RMB'000
Mine-produced gold	239.51	/g 18,092	kg 4,333,410	228.80	/g 20,342	kg 4,654,280
Refinery, processed and trading gold	276.42	/g 67,179	kg 18,569,450	254.85	/g 90,443	kg 23,049,090
Mine-produced silver	2.59	/g 122,210	kg 317,090	2.16	/g 108,355	kg 233,900
Mine-produced copper	32,558	/t 93,898	t 3,057,100	25,313	/t 73,793	t 1,867,910
Refinery copper	39,584	/t 221,145	t 8,753,720	30,705	/t 197,816	t 6,073,860
Mine-produced zinc	13,058	/t 145,374	t 1,898,300	6,684	/t 126,547	t 845,870
Refinery zinc	18,833	/t 102,228	t 1,925,260	12,184	/t 101,519	t 1,236,940
Iron concentrates	402	/t 1.2318	Mt 494,640	402	/t 0.7259	Mt 291,590
Others (Note 1)			8,879,760			6,372,920
Internal sales elimination			-10,705,110			-5,736,460
Total			37,523,630			38,889,900

Note 1: During the reporting period, other sales income mainly included: RMB5.135 billion from logistics and trading, RMB751 million from refinery and processed silver, RMB208 million from gold manufacturing products, RMB384 million from copper pipe, RMB373 million from copperplates and RMB2.029 billion from other products, services, etc.

2 Analysis on costs and gross profit margin

The Group is mainly engaged in mine development and refinery and processing. The Group's costs of sales of products mainly includes mining, processing, refining, mineral products and concentrates procurement costs, ore transportation costs, raw materials consumption, energy, salaries and depreciation of fixed 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 2017 and 30 June 2016 respectively (Note 1):

Item	Unit	Unit cost of sales			Gross profit margin (%)	
		Jan-Jun 2017	Jan-Jun 2016	Compared with the same period last year (%)	Jan-Jun 2017	Jan-Jun 2016
Mine-produced gold	RMB/g	162.03	143.31	13.06%	32.35	37.36
Refinery, processed and trading gold	RMB/g	273.94	252.2	8.62%	0.90	1.04
Mine-produced silver	RMB/g	1.45	1.19	21.85%	44.24	44.77
Mine-produced copper	RMB/t	16,431	15,626	5.15%	49.53	38.27
Refinery copper	RMB/t	37,781	29,069	29.97%	4.55	5.33
Mine-produced zinc	RMB/t	5,197	3,328	56.16%	60.2	50.21
Refinery zinc	RMB/t	17,253	11,036	56.33%	8.39	9.42
Iron concentrates	RMB/t	152.89	172.36	-11.30%	61.92	57.09
Overall gross profit margin					14.59	11.05
Overall gross profit margin of mining entities					44.69	39.43

Management Discussion and Analysis *(continued)*

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

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

The Group's overall gross profit margin was 14.59%, representing an increase of 3.54 percentage points compared with the same period last year. This was mainly influenced by an increase in the price of mine-produced products. In which, the overall gross profit margin of mining entities was 44.69%, representing an increase of 5.26 percentage points compared with the same period last year and the overall gross profit margin of refinery entities was 2.62%, representing an increase of 0.48 percentage point 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 2017 was RMB389.06 million, representing an increase of 17.14% compared with the same period last year (same period last year: RMB332.12 million), which was mainly due to an increase in sales volume of products for the first half of 2017.

(2) Administrative expenses

The administrative expenses of the Group for the first half of 2017 was RMB1.48615 billion, representing an increase of 12.45% compared with the same period last year (same period last year: RMB1.32165 billion), which was mainly attributable to the increase in exploration expenditure for geological prospecting activities with no positive results for the first half of 2017.

(3) Financial expenses

The financial expenses of the Group for the first half of 2017 was RMB1.21760 billion, representing an increase of 176.80% compared with the same period last year (same period last year: RMB439.93 million). It was mainly due to an increase in the scale of financing and the impact of foreign exchange rate fluctuations.

(4) Impairment losses on assets

The Group provided impairment losses on assets of RMB237.94 million in the first half of 2017 (same period last year: RMB5.64 million), including (1) net provision of RMB4.83 million for bad debts after offsetting between provision and reversal of bad debts; (2) net provision of RMB6.74 million on inventories after offsetting between provision and reversal for decline in value of inventories; (3) provision of RMB191.52 million for impairment losses on fixed assets; (4) provision of RMB34.85 million for impairment losses on intangible assets.

(5) Investment income

The investment income of the Group during the first half of 2017 was RMB82.81 million, representing an increase of RMB538.73 million compared with the same period last year (same period last year: losses of RMB455.92 million). It was mainly due to a sharp decrease in hedging volume of mine-produced products for the first half of 2017 compared with the same period last year.

(6) Derivative financial instruments in unsettled positions

As at the end of the reporting period, the changes in fair value of hedging held by the Group amounted to -RMB53.1 million (31 December 2016: changes in fair value of -RMB8.1 million).

(7) Donations

During the reporting period, the Group donated a total of RMB54.77 million (same period last year: RMB65.96 million).

Management Discussion and Analysis *(continued)*

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

(8) Working capital and sources of fund

As at 30 June 2017, the Group's cash and cash equivalents was RMB6.941 billion, representing an increase of RMB1.243 billion or 21.81% compared with the same period last year.

During the reporting period, the accumulated net cash inflow from the Group's operating activities was RMB3.306 billion, representing a decrease in inflow of RMB326 million compared with the same period last year, in which, the cash inflows from operating activities was RMB39.712 billion, representing a decrease of RMB2.189 billion compared with the same period last year; cash outflows used in operating activities was RMB36.406 billion, representing a decrease of RMB1.863 billion compared with the same period last year. The main reason for the decrease in net cash flow from the Group's operating activities was the increase in bills receivable and trade receivables.

During the reporting period, net cash outflow used in the Group's investing activities was RMB3.611 billion, representing an increase in outflow of RMB84 million compared with the same period last year. The main investing expenditures in the first half of 2017 included: (1) cash payments of RMB1.639 billion for acquisition and construction of fixed assets, intangible assets and other non-current assets; and (2) net cash outflow of RMB813 million for cash payments for and recovery of investment.

During the reporting period, net cash inflow from the Group's financing activities was RMB2.652 billion, while during the same period last year, the net cash inflow was RMB706 million. The main reason was the non-public issuance of A Shares in the first half of 2017.

As at 30 June 2017, the Group's total borrowings amounted to RMB42.589 billion (31 December 2016: RMB42.979 billion), among which, the amount repayable within one year was approximately RMB20.821 billion, the amount repayable within one to two years was approximately RMB3.352 billion, the amount repayable within two to five years was approximately RMB14.081 billion, the amount repayable within more than five years was approximately RMB4.335 billion. The interest rates for all the aforesaid borrowings ranged from 0.40% to 5.7% 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 RMB134.6 billion loan credit lines for non-specified purposes provided by banks.

4 Analysis on operating status by industry, product or 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 the same period last year (%)	Changes in operating costs compared with the same period last year (%)	Changes in gross profit margin in percentage point compared with the same period last year
Mine-produced gold	4,333,410	2,931,490	32.35	-6.89	0.55	Decreased by 5.01 percentage points
Refinery, processed and trading gold	18,569,450	18,403,210	0.90	-19.44	-19.32	Decreased by 0.14 percentage point
Mine-produced silver	317,090	176,820	44.24	35.57	36.88	Decreased by 0.54 percentage point
Mine-produced copper	3,057,100	1,542,820	49.53	63.66	33.80	Increased by 11.26 percentage points
Refinery copper	8,753,720	8,355,140	4.55	44.12	45.30	Decreased by 0.77 percentage point
Mine-produced zinc	1,898,300	755,560	60.20	124.42	79.40	Increased by 9.99 percentage points
Refinery zinc	1,925,260	1,763,760	8.39	55.65	57.42	Decreased by 1.03 percentage points
Iron concentrates	494,640	188,340	61.92	69.64	50.52	Increased by 4.83 percentage points
Others	8,879,760	8,218,750	—	39.34	41.33	—
Internal elimination	-10,705,110	-10,286,930				
Total	37,523,630	32,048,960	14.59	-3.51	-7.36	Increased by 3.54 percentage points

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

Management Discussion and Analysis *(continued)*

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

(2) Status of main businesses by region

Over 93.24% of the Company's operating income was originated from customers in Mainland China, and 39.07% 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 RMB10.770 billion, representing 33.61% of the Group's total procurement amount. The Group's major suppliers included Shanghai Gold Exchange, Louis Dreyfus Commodities Metals Trading Co., Ltd., etc.

During the reporting period, the Group's total sales income from the top five customers amounted to RMB20.056 billion, representing 53.45% of the Group's total sales income. The Group's major customers included Shanghai Gold Exchange, Guangzhou Lianhua Industrial Company Limited, Fujian Shanghang Taiyang Copper Company Limited, Trafigura Investment Company, etc.

5 Analysis on changes in 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/amount for the same period last year	Changes (%)
Operating income	37,523,630	38,889,900	-3.51
Operating costs	32,048,960	34,594,050	-7.36
Selling expenses	389,060	332,120	17.14
Administrative expenses	1,486,150	1,321,650	12.45
Financial expenses	1,217,600	439,930	176.77
Net cash flow from operating activities	3,305,810	3,631,640	-8.97
Net cash flow used in investing activities	-3,611,500	-3,527,390	Not applicable
Net cash flow from financing activities	2,651,700	705,590	275.81
Research and development expenditures	133,140	144,670	-7.97
Taxes and surcharges	568,840	409,830	38.80
Impairment losses on assets	237,940	5,640	4,118.79
Gains/(Losses) on changes in fair value	570,490	-719,950	Not applicable
Investment income/(losses)	82,810	-455,920	Not applicable
Share of profits of associates and joint ventures	16,570	166,790	-90.07
Non-operating income	88,150	103,830	-15.1
Non-operating expenses	252,210	97,840	157.78
Income tax expenses	388,450	40,120	868.22
Net profit attributable to non-controlling interests	257,320	38,320	571.50

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.

Management Discussion and Analysis *(continued)*

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

- (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.
- (8) Net cash flow from financing activities: Please refer to the above analysis.
- (9) Research and development expenditures: Basically unchanged.
- (10) Taxes and surcharges: Mainly due to the increase in resource tax in the first half of 2017; and as required by the Provisions on the Accounting Treatment for Value-added Tax (Cai Kuai [2016] No. 22), part of the tax originally accounted for as administrative expenses was presented under this category in the first half of 2017.
- (11) Impairment losses on assets: Mainly due to provision for impairment losses on certain fixed and intangible assets in the first half of 2017.
- (12) Gains/(Losses) on changes in fair value: Mainly due to a substantial increase in fair value of certain held for trading financial assets and reduction in losses from hedging in the first half of 2017 compared with the same period last year.
- (13) Investment income/(losses): Mainly due to a sharp decrease in the amount of hedging of mine-produced products in the first half of 2017 compared with the same period last year.
- (14) Share of profits of associates and joint ventures: Mainly due to a decrease in net market value of funds under equity method in the first half of 2017.
- (15) Non-operating income: Mainly due to the increase in income from sales of intangible assets and the receipts of government grants in the first half of 2017.
- (16) Non-operating expenses: Mainly due to the disposal of some fixed assets in the first half of 2017.
- (17) Income tax expenses: Mainly due to the increase in profitability in the first half of 2017.
- (18) Net profit attributable to non-controlling interests: Mainly due to the increase in profitability of certain non-wholly owned subsidiaries in the first half of 2017.

Gearing ratio

Gearing ratio refers to the proportion of consolidated total liabilities to consolidated total equity. As at 30 June 2017, the Group's consolidated total liabilities amounted to RMB58,405,567,060 (30 June 2016: RMB56,774,416,301) and the Group's consolidated total equity was RMB36,470,114,162 (30 June 2016: RMB30,719,915,698). As at 30 June 2017, the gearing ratio of the Group was 1.6015 (30 June 2016: 1.8481).

Management Discussion and Analysis *(continued)*

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

Non-recurring profit or loss items and their amounts

Unit: RMB

Non-recurring profit or loss items	Amount	Note (if applicable)
Losses on disposal of non-current assets	-115,555,873	
Government grants recognised in the statement of profit or loss for the current period, except for government grants which are closely related to the Company's normal business operations, and in line with the country's policies, calculated according to certain standards or continuously granted in fixed amount	88,860,692	
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 normal business operations	693,988,489	Including gains on investment of stocks, funds and bonds, etc. amounted to RMB693,988,489
Impairment losses on available-for-sale investments	—	
Non-operating income and expenses other than the aforesaid items	-50,505,001	Including donation expenses of the Company amounted to RMB54,772,126
Impact on the non-controlling interests	13,343,512	
Impact on income tax	1,558,506	
Total	631,690,325	

Net current liabilities

	30 June 2017 (Unaudited) RMB	31 December 2016 (Audited) RMB
Current assets	31,190,156,526	24,140,208,828
Less: Current liabilities	34,356,262,378	33,851,986,645
Net current liabilities	(3,166,105,852)	(9,711,777,817)

Total assets less current liabilities

	30 June 2017 (Unaudited) RMB	31 December 2016 (Audited) RMB
Total assets	94,875,681,222	89,217,700,259
Less: Current liabilities	34,356,262,378	33,851,986,645
Total assets less current liabilities	60,519,418,844	55,365,713,614

Management Discussion and Analysis *(continued)*

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Progress of operation plan

Operating environment

In the second half of 2017, developed economies such as Europe and the United States are expected to stabilise and gradually recover. According to the forecast of IMF, the growth rate of global economy in 2017 and 2018 will rise to 3.5% and 3.6% respectively, and stronger economic momentum is expected among the emerging markets and developing economies. Chinese economy will remain stable and sustain a positive trend, the results of supply-side reform will begin to emerge, and the cyclical consolidation of bulk commodities has probably completed.

As the Federal Reserves of the United States intends to shrink its balance sheet, some volatility may be felt by the financial market. Moreover, concerns relating to the US debt ceiling are looming large. All these factors will make gold the best safe haven, lending strong support to gold price.

Base metals will also have a positive outlook in the second half of 2017. With fundamental improvement in the macro-economy and more balanced supply and demand, softened growth of copper output after the peak of release in global copper production capacity, and impact of labour strikes in the copper mines of major copper-producing countries, the volume of copper production may record a negative growth in 2017. However, China's demand for copper will remain stable and may exceed expectation. In future, a slight excess demand is anticipated in global copper market, prompting copper price to remain at the upside. In terms of zinc, despite a slight increase in global zinc supply and output of refined zinc, the short supply of zinc is still large, offering strong support to zinc price.

Management measures for the second half of 2017

In the second half of 2017, the Company will remain focused on "clinging to reforms, maintaining growth and boosting development" as the main target of work, take actions to adapt to and grasp the right opportunities under the new norm of economic development, achieve advancement with more innovation, and complete various tasks with high efficiency. The key measures to be taken are as follows:

1) Deepen management reform and further release growth potentials

On top of consolidating past achievements, the Company will focus on the issues arising from development process and perfect the reformative measures to strive for more successful achievements.

Targeting on raising core competitiveness and operational efficiency of the corporation, the Company will insist on compliant operation and management, clarify rights, obligations and responsibilities, and develop a better regulated and more effective governance structure which can align with the needs of internationalisation development well and allow stronger check and balance. The Company will continue to advance business-based management reform, promote quality and efficiency enhancement among its various business segments, and further release the intrinsic growth potentials. The mechanisation, informatisation and intelligence level of the Company's projects will also be raised.

2) Implement measures for maintaining growth, fully complete the production and operational targets for year 2017

Grasp the right market opportunities to expand output and raise efficiency: Under suitable production condition and with sufficient measures for ensuring safety, environmental protection and occupational health, the Company will seize the opportunities of rising prices of its key mineral products, particularly the rising prices of copper and zinc, to tap into the potentials of suitable mines and expand their outputs, maximise production and sales, and achieve better efficiency.

Strive to achieve designated production capacity for new projects and make significant progress in project development: For the Kolwezi copper mine in the DR Congo, the Company will strive to commence production and reach the designated production capacity as early as practicable. Other key projects including phase 2 of the Duobaoshan copper mine project and phase 2 of Tuva zinc and multi-metals mine project will also be developed in full swing.

Seize important targets and forgo small operations, raise asset utilisation efficiency: By following market standard and upholding value creation as the core principle, the Company will speed up the disposal of non-performing assets which have minimal contribution to the Company and fail to reach expected targets. Dormant assets will also be activated, resources will be allocated to the key projects which have a stronger value creating capacity to improve operational efficiency.

Management Discussion and Analysis *(continued)*

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Enhance management on financial segment: The business concept of the Company's segments will be emphasised to better serve the needs of substance business segments. Capital will be deployed more effectively to lower debt ratio and promote healthy corporate development. Moreover, more in-depth financial market research will be carried out, in order to safely carry out reforms in financial management system, enhance capacity of risk mitigation and resolution, and improve financing ability.

3) Enhance management of overseas projects, strive to achieve breakthroughs in the merger and acquisition of key projects

The Company will fully enhance the operation and management of overseas projects, raise the output of products, place more efforts on prospecting from the current projects, and actively carry out surveying in important overseas mineral resources to enhance the Company's sustainability.

The Company will grasp the critical juncture of acquisition, tighten the control on the non-wholly owned important projects, and realise breakthroughs in acquisition of such projects through equity-related measures.

Additionally, important overseas in-production projects which are in line with the Company's development strategies will be closely monitored and studied. The Company will strive to significantly expand its gold resources reserves and product outputs through merger and acquisition.

4) Strengthen the leading role of technology and enhance core competitiveness

Technological innovation is the core competitiveness of the Company and an important guiding force for the Company's new round of business development.

Taking the opportunity of the convention of the Scientific and Technological Conference, which is scheduled in the second half of 2017, the Company will extensively reflect on the recent achievements made in important technological innovation and the relevant experience, including the development of hot-pressure pre-oxidation technology and its industrial application, etc., to systematically prepare for the next stage of technological innovation, promote further enhancement in technological innovation, develop a new batch of highly adaptive self-owned intellectual property rights and technology, raise the core competitiveness of the enterprise, consolidate and expand the Company's comparative advantages in the industry, and enhance the Company's efficiency.

5) Fully improve safety, environmental protection and occupational health management

The Company will attach greater importance to the safety and environmental protection related tasks, emphatically implement production safety score-based system, establish a highly effective and regulated safety management system, and incorporate engineering contractors into the safety management system for a unified management. These measures will ensure that each and every member of the Company has an obligation and a role to play in the management of safety, and the achievement of the "three zeros" target (zero death in workplace, zero occupational disease, zero environmental incident). Moreover, the Company will fully enhance the development of ecological civilisation and green mines and the management of occupational health, set good examples, provide demonstration and guidance; it will also actively promote occupational disease control at the source, take precautions against and control the development of occupational diseases, to provide a safe and healthy production and living environment for the Company's employees and contractors, and pragmatically protect the occupational health of workers.

6) Emphasise the introduction and training of interdisciplinary talents with global exposure, strengthen the development of talent pool for future succession

The Company will continue to advance reform in human resources management system, emphasise the introduction and training of interdisciplinary talents with global exposure, pay attention to the development of talent pool for future succession, and focus on targeted training of future senior management and outstanding young talents. The Company will not only have strong faith in its strategy, capacity and culture, but will also cultivate a stronger sense of integrity, discipline, work ethics and career dedication.

Management Discussion and Analysis *(continued)*

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Analysis on assets and liabilities

Status of assets and liabilities

Unit: RMB

Item	Amount at the end of the reporting period	Proportion to total assets at the end of the reporting period (%)	Amount at the end of 2016	Proportion to total assets at the end of 2016 (%)	Percentage change in the amount at the end of the reporting period compared with the amount at the end of 2016 (%)
Cash and cash equivalents	8,597,925,019	9.06	5,022,502,044	5.63	71.19
Financial assets at fair value through profit or loss	2,474,695,270	2.61	1,251,779,930	1.40	97.69
Bills receivable	1,521,849,982	1.60	875,760,717	0.98	73.77
Prepayments	1,601,399,840	1.69	869,773,560	0.97	84.12
Financial liabilities at fair value through profit or loss	163,608,178	0.17	93,140,487	0.10	75.66
Bills payable	128,446,184	0.14	252,074,617	0.28	-49.04
Employee benefits payable	420,640,037	0.44	652,672,744	0.73	-35.55
Dividends payable	1,511,566,682	1.59	27,165,124	0.03	5,464.37
Other current liabilities	3,000,000,000	3.16	5,000,000,000	5.60	-40.00
Capital reserve	11,153,190,489	11.76	6,703,357,022	7.51	66.38
Other comprehensive income	-197,289,231	—	-642,687,760	—	-69.30

Explanation of the reasons for changes

- (1) Cash and cash equivalents: Mainly attributable to the proceeds received from the non-public issuance of Renminbi-denominated ordinary A Shares of the Company during the first half of 2017.
- (2) Financial assets at fair value through profit or loss: Mainly attributable to the increase in stock prices in the first half of 2017, and inclusion of Zijin Global Fund into the scope of consolidation.
- (3) Bills receivable: Mainly attributable to the increase in the sales using bills for settlement by certain subsidiaries during the first half of 2017.
- (4) Prepayments: Mainly attributable to the increase in the prepayments for procurement costs of materials in the first half of 2017.
- (5) Financial liabilities at fair value through profit or loss: Mainly attributable to the losses on changes in fair value of copper futures.
- (6) Bills payable: Mainly attributable to the decrease of purchase using bills for settlement by certain subsidiaries during the first half of 2017.
- (7) Employee benefits payable: Mainly attributable to the payment of year-end bonus accrued last year in the first half of 2017.
- (8) Dividends payable: Mainly attributable to the accrual of dividend for year 2016 pursuant to the resolution passed at the shareholders' general meeting in the first half of 2017.
- (9) Other current liabilities: Mainly attributable to the repayment of ultra short-term financing bonds in the first half of 2017.

Management Discussion and Analysis *(continued)*

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- (10) Capital reserve: Mainly attributable to the share premium arising from the proceeds received from non-public issuance of Renminbi-denominated ordinary A Shares of the Company during the first half of 2017.
- (11) Other comprehensive income: Mainly attributable to the transfer of effective part of cash flow hedging instruments and increase in the fair value of available-for-sale investments in the first half of 2017.

Key non-equity investments

Project name	Amount (RMB billion)	Progress	Investment during the reporting period (RMB billion)	Accumulated actual investment (RMB billion)	Project return status
Longnan Zijin (Gansu Yate) Li County gold mine project	1.4	Feasibility study reports of phase 2 of the 8,000 tonnes/day processing project and biological pre-oxidation were completed. Approval for the project is in progress.	0.003	0.586	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.
Kolwezi copper mine project in the DR Congo	3.529	The construction of the project is speeding up.	0.252	1.36	About 60,000 tonnes of copper will be produced annually after completion of the project and upon reaching the designated production capacity.
Phase 2 construction of Duobaoshan copper mine	2.477	The project is in preparatory stage. Approvals for water and soil conservation were obtained and safety pre-assessment was completed. Approval process of the project has been initiated, approvals for mining permit and land use right are in progress.	0.2656	0.4496	Upon completion of construction of phase 2 and technological innovation of phase 1, the annual production capacity is expected to increase to 80,000 tonnes of copper.
Heilongjiang Zijin Copper refinery project (supplementary to the development of Duobaoshan copper mine)	1.788	Under construction.	0.059	0.065	About 150,000 tonnes of standard copper cathodes will be produced annually after completion of the project and upon reaching the designated production capacity.

Management Discussion and Analysis *(continued)*

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Analysis of major subsidiaries and associates

1. Operating status and results of subsidiaries/associates affecting the Company's net profit for over 10%

Unit: RMB'000

Company name	Total assets	Net assets	Operating income	Operating profit	Net profit
Jin Heng Mining Company Limited	1,670,360	1,125,520	—	656,260	656,260
Xinjiang Ashele Copper Company Limited	3,433,230	1,624,060	819,650	412,320	336,190
Wulatehouqi Zijin Mining Company Limited	2,214,320	1,008,100	749,240	351,650	283,520
Russia Longxing Company Limited	3,572,130	179,630	769,280	274,760	272,330
Xinjiang Zijin Zinc Industry	1,001,060	754,280	717,400	237,470	206,130
Hunchun Zijin Mining Company Limited	1,684,940	1,068,920	695,040	226,440	204,480
Xinjiang Jinbao Mining Company Limited	1,152,600	758,940	495,540	250,550	202,960
Zijin Copper Company Limited	8,122,890	2,391,940	8,610,400	224,150	180,480

2. Analysis on operating status and results of major subsidiaries

Unit: RMB'000

Company name	Major product	Registered capital	Total assets	Net assets	Net profit
Xinjiang Ashele Copper Company Limited	Copper concentrate	250,000	3,433,230	1,624,060	336,190
Wulatehouqi Zijin Mining Company Limited	Zinc concentrate	150,000	2,214,320	1,008,100	283,520
Russia Longxing Company Limited	Zinc concentrate	RUB700 million	3,572,130	179,630	272,330
Xinjiang Zijin Zinc Industry	Zinc concentrate	346,500	1,001,060	754,280	206,130
Hunchun Zijin Mining Company Limited	Copper concentrate	150,000	1,684,940	1,068,920	204,480
Xinjiang Jinbao Mining Company Limited	Iron concentrate	50,000	1,152,600	758,940	202,960
Zijin Copper Company Limited	Copper cathode	2,116,300	8,122,890	2,391,940	180,480
Heilongjiang Duobaoshan Copper Co., Ltd.	Copper concentrate	2,000,000	3,216,600	1,369,560	177,100
Bayannaer Zijin Non-ferrous Metals Company Limited	Zinc bullion	375,000	3,053,680	973,060	68,860
Zijin Mining Group Finance Co., Ltd.	Finance	531,560	6,942,290	958,990	62,140
Wenshan Malipo Zijin Tungsten Group Company Limited	Tungsten products	1,000,000	1,889,760	1,094,840	-2,230
Xinjiang Aletai Jinhao Iron Company Limited	Spheroidal graphite iron	810,000	1,757,620	-338,780	-48,690
Gold Mountains (H.K.) International Mining Co., Ltd.	Trading and investment	HKD2.3996 billion	19,146,160	2,180,330	-336,020

Management Discussion and Analysis *(continued)*

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3. Joint operation

Unit: RMB'000

Company name	Major product	Registered capital	Total assets	Net assets	Net profit
Barrick (Niugini) Limited	Gold	AUD443.32 million	3,246,850	1,155,960	142,370

Possible risks

1. Metals price risks: The fluctuation in the prices of gold, copper and zinc has direct and substantial impact on the Company's operating results.
2. Financial market risks: The Company holds certain amount of financial assets and assets in foreign currencies. Risk of asset price fluctuation arises from fluctuation in interest rate, foreign exchange rate, stock market price, etc.
3. Safety and environmental protection risks: Being a traditional production industry, mining has relatively higher safety and environmental protection risks.
4. Policy and community risks: The policies towards mining industry in the PRC are in an adjustment period. Local projects of the Company have certain policy risks. The laws and policies of some overseas countries are not well-established, and some local communities are powerful. Overseas projects have certain country and community risks.

Share Capital and Shareholders

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

CHANGE IN ISSUED SHARES

Table on change in issued shares

Unit: Share

	Before the change		Movement (+, -)				After the change		
	Number of shares	Proportion (%)	Additional A Shares issued	Bonus shares	Conversion of capital reserve to share capital	Others	Subtotal	Number of shares	Proportion (%)
I. Shares subject to trading moratorium	0	0	+1,490,475,241	0	0	0	+1,490,475,241	1,490,475,241	6.47%
1. Shareholding of state-owned entities	0	0	+905,723,471	0	0	0	+905,723,471	905,723,471	3.93%
2. Shareholding of other domestic investors	0	0	+584,751,770	0	0	0	+584,751,770	584,751,770	2.54%
In which: Shareholding of non-state owned domestic entities	0	0	+584,751,770	0	0	0	+584,751,770	584,751,770	2.54%
Shareholding of domestic natural persons	0	0	0	0	0	0	0	0	0
II. Shares not subject to trading moratorium	21,540,743,650	93.53%	0	0	0	0	0	21,540,743,650	93.53%
1. Renminbi-denominated ordinary shares	15,803,803,650	73.37%	0	0	0	0	0	15,803,803,650	68.62%
2. Overseas-listed foreign invested shares	5,736,940,000	26.63%	0	0	0	0	0	5,736,940,000	24.91%
III. Total number of shares	21,540,743,650	100%	+1,490,475,241	0	0	0	+1,490,475,241	23,031,218,891	100%

Details of change in issued shares

Pursuant to the approval document issued by the CSRC (Zhengjian Xuke [2017] No. 289), the Company completed the non-public issuance of 1,490,475,241 Renminbi-denominated ordinary A Shares on 7 June 2017. Registration and custody formalities relating to the additional A Shares issued were completed at China Securities Depository and Clearing Corporation Limited (Shanghai Branch) on 7 June 2017. For details, please refer to the announcement in relation to the issuance results of non-public issuance of A Shares and changes in share capital of the Company dated 8 June 2017 disclosed on HKEXnews website. Respective change of business registration was also completed. The registered capital of the Company was changed to RMB2,303,121,889.1.

Details of the Company's issued ordinary shares (with par value of RMB0.1 each) as at 30 June 2017 are set out in Note V.38 to the financial statements.

Share Capital and Shareholders *(continued)*

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

SHAREHOLDING STRUCTURE OF SUBSTANTIAL SHAREHOLDERS

As at 30 June 2017, the Company has a total of 844,417 shareholders, of which 947 are H Shareholders and 843,470 are holders of domestic shares. By approximate percentage of shareholding in the share 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 share capital*
1. Minxi Xinghang State-owned Assets Investment Company Limited (Notes 1 & 2)	Domestic shares	5,960,742,247	25.88%
2. HKSCC Nominees Limited (Note 3)	H Shares	5,708,074,479	24.78%
3. Xinhua-Guosen Securities-17 Xinhua EB Guarantee and Trust Assets Special Account	Domestic shares	735,184,681	3.19%
4. China Securities Finance Corporation Limited	Domestic shares	695,076,020	3.02%
5. National Social Security Fund 108	Domestic shares	369,999,572	1.61%
6. China-Africa Development Fund Co., Ltd.	Domestic shares	321,543,408	1.40%
7. Central Huijin Asset Management Ltd.	Domestic shares	191,694,700	0.83%
8. Huarong Ruitong Equity Investment Management Co., Ltd. (Note 4)	Domestic shares	160,771,704	0.70%
9. Industrial Securities Asset Management – Everbright Bank - Industrial Securities Asset Management Zunrui Collective Asset Management Scheme No. 5	Domestic shares	144,694,533	0.63%
10. Ganlanmu Investment (Beijing) Company Limited	Domestic shares	134,019,292	0.58%

Notes:

- * Percentage calculation based on 23,031,218,891 shares.
- 1. 208,484,145 domestic shares of the Company held by Minxi Xinghang State-owned Assets Investment Co., Ltd. have to be transferred to National Council for Social Security Fund, the PRC, that part of the stock is frozen.
- 2. Minxi Xinghang State-owned Assets Investment Co., Ltd. pledged 289,389,067 domestic shares of the Company.
- 3. HKSCC Nominees Limited is holding 5,708,074,479 H Shares in the Company as a nominee, representing approximately 24.78% 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.
- 4. Huarong Ruitong Equity Investment Management Co., Ltd. pledged 160,771,704 domestic shares of the Company.

Share Capital and Shareholders *(continued)*

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

SUBSTANTIAL SHAREHOLDERS

So far as the Directors, Supervisors and chief executive of the Company are aware, as at 30 June 2017, the interests and long/short positions of shareholders (except the Directors, Supervisors and 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 held	Approximate percentage in the total number of issued shares*	Approximate percentage of shareholding in the total number of issued domestic shares	Approximate percentage of shareholding in the total number of issued H Shares	Long/Short positions
Minxi Xinghang State-owned Assets Investment Co., Ltd.	Domestic shares	5,960,742,247	25.88%	34.47%	—	Long
BlackRock, Inc.	H Shares	372,619,011 (Note 1)	1.62%	—	6.50%	Long
BlackRock, Inc.	H Shares	1,324,000 (Note 1)	0.01%	—	0.02%	Short
The Bank of New York Mellon Corporation	H Shares	332,227,776 (Note 2)	1.44%	—	5.79%	Long
The Bank of New York Mellon Corporation	H Shares	323,508,306 (Note 2)	1.40%	—	5.64%	Lending pool

Notes:

* Percentage calculation based on 23,031,218,891 shares.

(1) BlackRock, Inc. holds 372,619,011 H Shares (long position) of the Company (representing approximately 6.50% of the 5,736,940,000 total issued H Shares of the Company) and 1,324,000 H Shares (short position) of the Company (representing approximately 0.02% of the 5,736,940,000 total issued H Shares of the Company).

According to the disclosure form filed by BlackRock, Inc. on 20 June 2017, the following interests in shares were held by BlackRock, Inc. in the following capacity:

Capacity	Number of shares
Corporations controlled by BlackRock, Inc.	372,619,011 (Long position)
	1,324,000 (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	2,236,250
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	2,236,250
BlackRock Holdco 2, Inc.	1209 Orange Street, Wilmington DE 19801, United States (Delaware, USA)	BlackRock, Inc.	100.00	N	Long position Short position	370,382,761 1,324,000
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	361,504,761 1,324,000
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	8,878,000
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	220,231,587 824,000
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	220,231,587 824,000
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	220,231,587 824,000
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	120,682,587 824,000
BlackRock Fund Advisors	400 Howard Street San Francisco, CA 94105, United States (California, USA)	BlackRock Delaware Holdings Inc.	100.00	Y	Long position	99,549,000
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	2,668,000
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	2,668,000
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	138,605,174 500,000
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	138,605,174 500,000
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	24,111,974

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 Trident Holding Company Limited	Taney Hall, Eglinton Terrace, Dundrum, Dublin 14, Ireland (Ireland)	BlackRock Cayco Limited	100.00	N	Long position	24,111,974
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	24,111,974
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	24,111,974
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	584,000
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	584,000
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	584,000
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	1,336,000
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	1,336,000
BlackRock (Singapore) Holdco Pte. Ltd.	20 Anson Road #18-01 079912 Singapore (Singapore)	BR Jersey International Holdings L.P.	100.00	N	Long position	27,709,935
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	27,529,935
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	27,529,935
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	3,417,961
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	108,975,239 500,000
BlackRock (Netherlands) B.V.	Rembrandt Tower, 17th floor, Amstelplein, Amsterdam Netherlands (Amsterdam, Netherlands)	BlackRock Group Limited	100.00	Y	Long position	1,328,000
BlackRock Advisors (UK) Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock Group Limited	100.00	Y	Long position	3,036,540
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	15,634,002
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	48,204,341

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 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	45,846,341
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	45,846,341
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	2,330,000
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	6,966,249 500,000
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	31,722,107
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	6,966,249 500,000
BlackRock Life Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock International Limited	100.00	Y	Long position	15,634,002
BlackRock (Singapore) Limited	20 Anson Road #18-01 079912 Singapore (Singapore)	BlackRock (Singapore) Holdco Pte. Ltd.	100.00	Y	Long position	180,000
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	1,902,000
	Short position	640,000

Share Capital and Shareholders *(continued)*

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

- (2) The Bank of New York Mellon Corporation holds 332,227,776 H Shares (long position) of the Company (representing approximately 5.79% of the 5,736,940,000 total issued H Shares of the Company) and 323,508,306 H Shares (lending pool) of the Company (representing approximately 5.64% of the 5,736,940,000 total issued H Shares of the Company).

According to the disclosure form filed by The Bank of New York Mellon Corporation on 21 June 2017, the following interests in shares were held by The Bank of New York Mellon Corporation in the following capacity:

Capacity	Number of shares
Corporation controlled by The Bank of New York Mellon Corporation	332,227,776 (Long position)
	323,508,306 (Lending pool)

These shares were held by The Bank of New York Mellon Corporation through its controlled corporation, 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	332,227,776

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 2017, 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 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 are as follows:

Shareholdings of the Directors, Supervisors and chief executive of the Company as at 30 June 2017:

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 position	0.59%	0.44%
	H Shares	8,000,000	Personal	Long position	0.14%	0.03%
	Total	110,000,000	Personal	Long position		0.48%
Lan Fusheng	Domestic shares	7,530,510	Personal	Long position	0.04%	0.03%
Zou Laichang	Domestic shares	1,430,000	Personal	Long position	0.01%	0.01%
Lin Hongfu	Domestic shares	862,500	Personal	Long position	0.01%	0.01%
Fang Qixue	Domestic shares	301,000	Personal	Long position	0.01%	0.01%
Lin Hongying	Domestic shares	200,000	Personal	Long position	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 position	0.01%	0.01%
Liu Wenhong	Domestic shares	24,450	Personal	Long position	0.01%	0.01%
	H Shares	10,000	Personal	Long position	0.01%	0.01%
	Total	34,450	Personal	Long position		0.01%

Save as disclosed above, none of the Directors, Supervisors and chief executive or their associates have 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 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 and 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 2017, the number of current staff of the Company was 25,694, including 7,626 overseas staff. Among that, the total number of staff in domestic enterprises and Chinese staff in overseas enterprises was 18,068. The structures of their profession, education and age are listed below:

1. Profession structure of staff of the Company

Classification	Number of staff	Percentage (%)
Management on operation	352	1.95%
Management on production	661	3.66%
Financial management	130	0.72%
Management on marketing and logistics business	146	0.81%
Other types of management	1,085	6.01%
Technical professionals	2,405	13.31%
Assistants to management	1,808	10.01%
Assistants to production	3,354	18.56%
Administration and back-office	1,701	9.41%
Frontline workers engaged in production/services	6,426	35.57%
Total	18,068	100%

2. Education level of staff of the Company

Qualification	Number of staff	Percentage (%)
Bachelor degree or above	3,239	17.93%
Tertiary education	2,259	12.50%
Secondary school or below	12,570	69.57%
Total	18,068	100%

3. Age structure of staff of the Company

Age	Number of staff	Percentage (%)
Below 30	4,463	24.70%
30-50	11,583	64.11%
Above 50	2,022	11.19%
Total	18,068	100%

The Group pursued a 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.)***SIGNIFICANT MATTERS**

Summary of the shareholders' general meeting

Session of meeting	Convening date	Index of the designated website publishing the resolutions	Date of publishing the resolutions
2016 annual general meeting	30 June 2017	www.hkexnews.hk	30 June 2017

Details of the shareholders' general meeting

The Company issued notice of 2016 annual general meeting on 5 May 2017 and proposed the 2016 annual general meeting of the Company to be held on 19 June 2017. As the Company needed more time to supplement and perfect the information to be proposed to the annual general meeting for consideration, the Company issued the announcement in relation to postponement of the 2016 annual general meeting on 31 May 2017 and decided to postpone the date of the 2016 annual general meeting to 30 June 2017.

On 8 June 2017, the Company received an additional proposal in writing from its substantial shareholder, Minxi Xinghang State-owned Assets Investment Company Limited ("Minxi Xinghang"), which suggested a profit distribution for the year ended 31 December 2016. On 8 June 2017, at the eighth extraordinary meeting of the sixth term of the Board, it was resolved to cancel the originally proposed profit distribution plan of the Company for the year ended 31 December 2016 as considered and approved at the third meeting of the sixth term of the Board, according to which "no profit distribution will be carried out for the year of 2016 and there will be no conversion of capital reserve into share capital", and to submit the additional proposal by Minxi Xinghang, which "suggests a profit distribution for the year ended 31 December 2016. The proposal is: on the basis of 23,031,218,891 shares after the Company's non-public issuance of A Shares, to pay the qualified shareholders of the Company the final cash dividend of RMB0.6 per 10 shares (tax included). The total distribution of cash dividend amounts to RMB1,381,873,133.46. The remaining balance of undistributed profit will be reserved for further distribution in future financial years" to the shareholders' general meeting for consideration. On 8 June 2017, the Company issued the announcement in relation to cancellation of a resolution and addition of a proposal for the 2016 annual general meeting.

The Company convened the 2016 annual general meeting on 30 June 2017 by a combination of on-site voting and online voting by poll.

Others (continued)

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

Performance of undertakings

Undertakings by the actual controller, shareholders, related parties, acquirers of the Company and the Company 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
Undertaking related to the initial public offering	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 association 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 in 2008 when the A Shares of the Company were listed. The undertaking is valid so long as Minxi Xinghang is the substantial shareholder of the Company.	Yes	Yes
Undertaking related to re-financing	Restriction on selling of shares	Minxi Xinghang State-owned Assets Investment Co., Ltd.	Not to reduce the number of shares of the Company held from the date of undertaking to six months after the completion of the Company's non-public issuance of A Shares proposed in 2016	From 28 October 2016 to six months after the completion of the Company's non-public issuance of A Shares proposed in 2016	Yes	Yes
	Restriction on selling of shares	Certain Directors, Supervisors and senior management of the Company intending to participate in phase 1 of the employee stock ownership scheme of the Company	Not to reduce the number of shares of the Company held from the date of undertaking to six months after the completion of the Company's non-public issuance of A Shares proposed in 2016	From 28 October 2016 to six months after the completion of the Company's non-public issuance of A Shares proposed in 2016	Yes	Yes

Others (continued)

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

Major litigation and arbitration

Litigation, arbitration which have not been published in provisional announcements or without further progress

Unit: RMB'000

Applicant(s)	Respondent(s)	Jointly liable parties	Type of proceeding (arbitration)	Basic information of the proceeding (arbitration)	Amount involved in the proceeding (arbitration)	Whether provisions are made for the proceeding (arbitration)	Progress of the proceeding (arbitration)	Hearing results and impacts of the proceeding (arbitration)	Enforcement progress of judgment of the proceeding (arbitration)
Xinyi Zijin Mining Company Limited and Zijin Mining Group Company Limited*	Xinyi Shihuadi Hydropower Plant, Xinyi Zonghua Hydropower Plant Co., Ltd., Xinyi Xiang Hydropower Plant, Xinyi Qianfeng Hydropower Plant, Luo Min (operator of Xinyi Dahekou Hydropower Plant), Xinyi Zhudong Hydropower Plant Co., Ltd., and Qingyuan Water Plant in Qianpai Town, Xinyi City	N/A	Civil proceeding (reached settlement arrangement at the second hearing)	On 21 September 2010, the collapse of Yinyan Tin Mine Gaoqiling tailings pool dam of Xinyi Zijin and the collapse of the dam of Shihuadi hydropower station in Qianpai Town, Xinyi City were affected by the extreme weather brought by typhoon "Fanapi", resulting in casualties and property damage downstream. 6 hydropower plants (including Shihuadi in Xinyi City) and a water plant sued in the People's Court of Xinyi City for liability of damages due to collapse of structure. After the first hearing, Xinyi Zijin and the Company objected to the resulting judgment and appealed to the Intermediate People's Court in Maoming City, Guangdong Province.	24,767	No	Under the mediation of the Intermediate People's Court in Maoming City, Guangdong Province, all the litigants reached a settlement agreement, pursuant to which Xinyi Zijin has to compensate a total of RMB24.767 million to the aforesaid respondents. The compensation is payable by Xinyi Zijin and Fujian Jinma Construction Engineering Company Limited based on the proportion to which they consensually agree.	A settlement agreement was entered into among the parties, all the cases relevant to the collapse of the tailings pool dam of Yinyan Tin Mine of Xinyi Zijin have been concluded.	

During the reporting period:

Others *(continued)*

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

Details of share incentive scheme, employee stock ownership scheme or other employee incentive measures and their impacts

The relevant share incentive related matters which have been published in provisional announcements and without further progress

Summary of the event

On 8 July 2016, the Company convened the sixth meeting of the fifth term of workers representatives, at which "phase 1 of employee stock ownership scheme of Zijin Mining Group Co., Ltd.* (draft) (subscription method of the non-public issuance of A Shares)" was considered and approved, and the chairman of the workers' union was authorised to sign relevant documents and handle relevant matters on behalf of the employee stock ownership scheme.

The Company convened the eighteenth meeting of the fifth term of the Board on 8 July 2016 and the second extraordinary general meeting in 2016, the second A Shareholders' class meeting in 2016 and the second H Shareholders' class meeting in 2016 on 25 August 2016 respectively, at which proposals including "Phase 1 of the Employee Stock Ownership Scheme of the Company (Draft) and its summary" and "the Company to enter into a "Conditional Share Subscription Agreement for the Non-public Issuance of A Shares" with Phase 1 of the Employee Stock Ownership Scheme of the Company" were considered and approved. The employee stock ownership scheme undertook to subscribe the A Shares issued under the non-public issuance of the Company in cash in the amount of RMB401.7 million. The employee stock ownership scheme would not participate in the price inquiry process and undertook to accept the pricing results and to subscribe shares at the same price as other investors.

The first holders' meeting of phase 1 of employee stock ownership scheme of the Company was convened on 25 May 2017 via a combination of on-site meeting and telecommunication. 15 members and the director of the management committee of the employee stock ownership scheme were elected at the meeting, and the management committee was authorised to sign relevant documents on behalf of all participants of the employee stock ownership scheme.

The registration of the shares subscribed by phase 1 of employee stock ownership scheme of Zijin Mining Group Co., Ltd.* was completed at China Securities Depository and Clearing Corporation Limited (Shanghai Branch) on 7 June 2017. 129,163,987 A Shares were subscribed for, the subscription amount was RMB401.7 million, the subscription price was RMB3.11 per share and the lock-up period was 36 months.

Index for details

For details, please refer to the below announcements disclosed on HKEXnews website (<http://www.hkexnews.hk>):

1. Resolutions of the sixth meeting of the fifth term of workers representatives of Zijin Mining Group Co., Ltd.*, resolutions of the eighteenth meeting of the fifth term of the Board of Zijin Mining Group Co., Ltd.*, phase 1 of employee stock ownership scheme of Zijin Mining Group Co., Ltd.* (draft) (subscription method of the non-public issuance of A Shares), summary of phase 1 of employee stock ownership scheme of Zijin Mining Group Co., Ltd.* (draft) (subscription method of the non-public issuance of A Shares), connected transactions and acquisition agreements with specific targets in relation to the non-public issuance of A Shares of Zijin Mining Group Co., Ltd.* disclosed on 8 July 2016;
2. 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 of Zijin Mining Group Co., Ltd.* disclosed on 25 August 2016;
3. Resolutions of the first holders' meeting of phase 1 of employee stock ownership scheme of Zijin Mining Group Co., Ltd.*, announcement in relation to the issuance results of non-public issuance of A Shares and changes in share capital of Zijin Mining Group Co., Ltd.* disclosed on 8 June 2017.

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

Details of subscription for phase 1 of the employee stock ownership scheme by the Directors:

Name	Position	Subscription amount (RMB million)
Chen Jinghe	Chairman	31.1
Lan Fusheng	Vice-chairman, president	6.22
Zou Laichang	Director, vice-president	4.665
Lin Hongfu	Director, vice-president	4.65
Fang Qixue	Director, vice-president, chief engineer	5.25
Lin Hongying	Director, vice-president, financial controller	4.665

MATERIAL CONNECTED TRANSACTIONS

Connected transactions related to daily business operation

Matters which have been published in provisional announcements and without further progress

Summary of event	Index for details
The Company's subsidiary, Xinjiang Ashele Copper Co., Ltd. ("Xinjiang Ashele"), entered into a copper concentrates supply contract with Xinjiang Non-ferrous Metal Industrial Materials (Group) Co., Ltd., which is a wholly-owned subsidiary of Xinjiang Ashele's substantial shareholder, Xinjiang Non-ferrous Metals Industry (Group) Company Limited, on 22 February 2017. One of Xinjiang Ashele's ordinary businesses is selling copper concentrates and the contract was entered into under normal commercial terms, which reflects the principles of fairness and reasonableness. During the reporting period, the total amount of the transaction was RMB288 million.	For details, please refer to the Company's announcement disclosed on HKEXnews website (http://www.hkexnews.hk) dated 22 February 2017.

Others *(continued)*

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

POVERTY ALLEVIATION WORK OF THE COMPANY

1. Targeted poverty alleviation plan

Fundamental strategy

According to the state's general plan for poverty alleviation, the Company thoroughly implemented the important work instructions of General Secretary Mr. Xi Jinping on targeted poverty alleviation, and carried out poverty alleviation activities to constantly raise the income of impoverished households, enhance their self-reliance, and assist the economic development, poverty alleviation and prosperity of the places proximate to the Company's operations.

General objective

Business enterprises have responsibilities to assist poverty alleviation of the community. The Company accurately identified families and villages in poverty and carried out targeted poverty alleviation work with focus on improving infrastructure facilities in poor villages and living environment of the impoverished groups to steadily enhance their living standards. At the same time, a long-term and effective mechanism of the Company for targeted poverty alleviation has been gradually established.

Key work

Through cooperating with the local governmental organisations for poverty alleviation and Zijin Mining Charity Foundation (the Company as its founder), the Company placed its emphasis on remote mountain areas, and areas populated by ethnic minorities such as Xinjiang and Tibet, to drive economic development of poor villages and enhance ethnic cohesion by ways of donation, creating employment opportunities, industrial development, education and so on.

Safeguarding measures

Following the lead of the Board of the Company, the management of the Company formulated scientific plan for targeted poverty alleviation, set up a specific fund for poverty alleviation, which was included in the annual financial budget. The Company appointed its social responsibility department to be responsible for poverty elimination and took Zijin Mining Charity Foundation as the implementation platform. Based on the thorough understanding of poor villages, poor families and their situations, the Company ensured that capital and personnel were in place, and poverty alleviation work could be carried out accurately and thoroughly.

2. Overview of targeted poverty alleviation work during the reporting period

In the first half of 2017, the Company, together with the local governments and Zijin Mining Charity Foundation, continued to launch targeted poverty alleviation activities in remote rural areas across Fujian, Xinjiang, Tibet, Qinghai, Yunnan, Shanxi, Hebei, Jilin, etc. The Company assisted the poverty alleviation of these areas by providing education, support to industrial development, support to environmental conservation, etc., with the purposes of improving the local production and living conditions, rebuilding confidence of the groups living in poverty, improving the self-reliance and self-development of local residents to alleviate poverty, and driving economic development in the remote villages.

In the first half of 2017, the Company's contribution to poverty alleviation was more than RMB35 million. A series of activities for targeted poverty alleviation were carried out, namely the "project for conservation of wetland in the natural protected areas at the Himalayas", "assisting infrastructure improvement for the surrounding poor villages in Shanghang County, Fujian Province", "living allowance project for the elderly and the orphans", "poverty alleviation for poor surrounding villages in Laoshan, Tianbao Town, Malipo County, Yunnan Province", "purpose-based poverty alleviation project under the Ministry of Land and Resources of Kizilsu Kyrgyz Prefecture, Xinjiang", "poverty alleviation at Xiping Village, Chongli District, Zhangjiakou City", "poverty alleviation project through business and community co-development at Rijin Stock-farming Committee in Dawu Village, Maqin County, Guoluo Prefecture, Qinghai Province", etc. These poverty alleviation projects ranged from livelihood improvement and infrastructure construction to industrial development, etc., and improved the living and production conditions for the local poor groups.

Others (continued)

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

3. Details of targeted poverty alleviation of the Company during the reporting period

Unit: RMB million

Indicator	Amount and progress
(1) Overview	More than 50 targeted poverty alleviation activities have been launched by the Company together with the local governments and Zijin Mining Charity Foundation in remote rural areas in various provinces, such as Fujian, Xinjiang, Tibet, Qinghai, Yunnan, Shanxi, Hebei, Jilin, etc. Projects were carried out by the ways of donation, creating employment opportunities, industrial development, education, etc.
Including:	
1. Amount of subsidy	35
(2) Details of assistance by category	
1. Industrial development for poverty alleviation	"Photovoltaics electrical power generation project at Dacheng Village, Xiaba, Wuping County"
Including:	
1.1 Type of industrial development projects for poverty alleviation	<input checked="" type="checkbox"/> Agriculture and forestry for poverty alleviation <input type="checkbox"/> Tourism for poverty alleviation <input type="checkbox"/> E-commerce for poverty alleviation <input type="checkbox"/> Asset return for poverty alleviation <input type="checkbox"/> Technology for poverty alleviation <input checked="" type="checkbox"/> Others
1.2 Number of industrial development projects	1
1.3 Amount of subsidy for industrial development projects	0.15
2. Education for poverty alleviation	"Sponsorship for impoverished students in Zijin Mining College of Fuzhou University", and "education assistance to Fanshi County, Shanxi Province"
Including:	
2.1 Amount of subsidy for impoverished students	3
2.2 Number of impoverished students supported (person)	2,000
3. Ecological conservation for poverty alleviation	"Project for conservation of wetland at the Himalayas"
Including:	
3.1 Name of the project	<input type="checkbox"/> Carry out ecological conservation and maintenance <input checked="" type="checkbox"/> Establish compensation methods for ecological conservation <input type="checkbox"/> Set up specialised position for handling ecological and public charity related affairs <input type="checkbox"/> Others
3.2 Amount contributed	0.3

Others (continued)

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

Indicator	Amount and progress
4. Other projects	"Assisting infrastructure improvement for the surrounding poor villages in Shanghang County, Fujian Province", "new rural development project at Fuyun County, Xinjiang", "poverty alleviation for poor surrounding villages in Laoshan, Tianbao Town, Malipo County, Yunnan Province", "assistance to farmers and agricultural development in Dongping Village, Chongli County, Hebei Province", "purpose-based poverty alleviation project under the Ministry of Land and Resources of Kizilsu Kyrgyz Prefecture, Xinjiang", "poverty alleviation project through business and community co-development at Rijin Stock-farming Committee in Dawu Village, Maqin County, Guoluo Prefecture, Qinghai Province", "poverty alleviation at Tuanjie Village, Wulatehouqi, Inner Mongolia", etc.
Including:	
4.1 Number of projects	32
4.2 Amount contributed	31
4.3 Details of other projects	To assist the poor areas in developing livelihood projects and improving infrastructure by way of donations

4. Plan for subsequent targeted poverty alleviation work

Key work

Key work includes "assisting infrastructure improvement for the surrounding poor villages in Shanghang County, Fujian Province", "assistance to students and teachers in Shanghang County, Fujian Province", "poverty alleviation for poor surrounding villages in Laoshan, Tianbao Town, Malipo County, Yunnan Province", "targeted poverty alleviation at Li County, Gansu Province", "assistance to build new rural village and poverty alleviation in Habahe County, Xinjiang Province", "poverty alleviation and assistance to the people living in poverty at Guoluo Prefecture, Qinghai Province", etc.

Safeguarding measures

The Company will strengthen the organisation and leadership of targeted poverty alleviation work. Following the lead of the Board of the Company and according to the actual operation of the Company, the management of the Company will endeavour to carry out targeted poverty alleviation activities, and ensure that safeguarding measures such as formulation of annual plan, project selection, coordination with external parties, implementation of supervision, information disclosure and provision of capital, etc., are properly carried out.

ENVIRONMENTAL PROTECTION OF THE COMPANIES AND THEIR SUBSIDIARIES WHICH ARE THE KEY POLLUTANT DISCHARGING UNITS IDENTIFIED BY THE ENVIRONMENTAL PROTECTION AUTHORITIES

The Company is highly committed to environmental protection and eco-development. The idea of "never seek development at the expense of the environment and human lives" is regarded as the most fundamental and vital social responsibility of the Company as a mining corporation. It also thoroughly and earnestly implements the environmental protection principle of "protecting the green mountains and clear water while developing treasured mines", regards "zero environmental incident" as the basic requirement, and insists on the policy of "life comes first, environmental protection to be given priority". Specific measures are taken according to the individual conditions of various mines, and restoration of the environment is carried out along mining development, to ensure proper conservation and management are in place for the ecological environment. The Company also strives to earn higher recognition for its environmental protection efforts, aiming to turn it into one of the Company's core competitiveness, and endeavours to achieve balanced development between the corporation, employees and the society.

Others *(continued)*

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

Compliance with pollutant discharge standards

In the first half of 2017, all of the air emission, wastewater and noise at plant boundary produced by the branch companies (subsidiaries) of the Group met the emission standards, which were in compliance with, including but not limited to, the "Integrated Wastewater Discharge Standard" (GB 8978-1996), "Integrated Emission Standards of Air Pollutants" (GB 16297-1996), the "Emission Standard for Industrial Enterprises Noise at Boundary" (GB 12348-2008), "Emission Standard of Pollutants for Copper, Nickel, Cobalt Industries" (GB 25467-2010), and "Emission Standard of Pollutants for Lead and Zinc Industries" (GB 25466-2010). Signboards indicating the name of pollutant discharging entities, type of the outlets, serial number of the outlets, key pollutants discharged from the outlets, etc., were placed near the gas and wastewater discharge outlets, major sources of noise and storage of hazardous waste of the branch companies (subsidiaries). Online monitoring systems, which were required to be installed at the gas and wastewater discharge outlets, were operated and maintained by professional independent institutions, and were connected to the systems of environmental protection authorities, to ensure the discharge of pollutants were stable and within regulatory limit.

Treatment and disposal of general industrial solid waste and hazardous waste

In the first half of 2017, the branch companies (subsidiaries) of the Group managed solid waste in strict compliance with the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste. For hazardous waste, the Company required its branch companies (subsidiaries) to properly handle the temporary retention, transfer and safe disposal of hazardous waste in accordance with the National Catalogue of Hazardous Waste, the Standard for Pollution Control on Hazardous Waste Storage (GB18597-2001) and Multi-copy Receipt-based Administrative Policy on Hazardous Waste Movement. In the first half of 2017, the branch companies (subsidiaries) of the Company safely disposed of or comprehensively utilised general industrial solid waste and hazardous waste at the treatment rate of 100%.

Payment of sewage charges

In the first half of 2017, the branch companies (subsidiaries) of the Group paid the sewage charges in accordance with the stipulations of the law and the relevant requirements of the sewage discharge payment notices and sewage discharge approval notices, etc. issued by the local environmental protection administrative departments. Moreover, the Group also actively carried out comprehensive assessment and investigation, and estimation of environmental protection tax in preparation for the enforcement of the Environmental Protection Tax Law of the People's Republic of China.

Environmental impact assessment and the implementation of the "three simultaneous" policy

In the first half of 2017, the branch companies (subsidiaries) of the Group strictly followed the "Environmental Protection Law of the People's Republic of China", "Environmental Impact Assessment Law of the People's Republic of China", etc. to carry out environmental impact assessment on construction projects, and implemented the "three simultaneous" policy in project design, construction and operation, for ensuring smooth commencement of engineering projects.

Seized the opportunity of central government's inspection on environmental protection to fully enhance the Company's environmental protection management

In the first half of 2017, the Company actively cooperated with the authority in the third round of central government's inspection on environmental protection. The Company extensively carried out self-inspection and immediate rectification, as a result it passed the official inspection of the central government smoothly. Treating the central government's inspection as an opportunity for a thorough "body check-up", the Group required its branch companies (subsidiaries) to take the initiatives to cautiously identify problems, carefully collect data, thoroughly carry out the identification, prevention and rectification of hidden dangers relating to safety and environmental protection, strengthen the implementation of the concepts and measures relating to ecological civilisation and eco-development, actively carry out the corrective measures, pragmatically mitigate the hidden dangers arising from safety and environmental protection, and enhance resistance against environmental risks.

Others (continued)

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

Restoration of ecological environment and conservation of biodiversity

The Company is highly committed to eco-mining. In the course of mining development, every branch companies (subsidiaries) is required to refrain from using the natural habitat of animals, wetland, forests and wildlife corridors, and to follow the sequence of “development, maintenance and restoration” to gradually recover vegetation at the tailings yards, waste retentions, tailings slopes and other bare areas, based on their own conditions. Presently, two of the Company’s mines are classified as “National Green Mine”, namely Xinjiang Ashele copper mine and Guizhou Shuiyindong gold mine, and seven of the Company’s mines/subsidiaries are classified as “National Green Mine Pilot Unit”, namely Zijinshan gold and copper mine, Wuping Zijin, Tongling Zijin, Xinjiang Jinbao, Wulatehouqi Zijin, Longnan Zijin and Fuyun Jinshan. In particular, Tongling Zijin is a “Municipal Green Mine”, Zijin Zinc Industry is a “Green Mine Pilot Unit of Xinjiang Autonomous Region”, Zijinshan gold and copper mine and Xinjiang Ashele copper mine are “National Industrial Tourism Demonstration Sites”, Zijinshan gold and copper mine is among the earliest batch of “National Mining Park”, and Zijin Copper is one of the “Water and Soil Conservation of Production and Construction Projects Reaching Ecologically Civilised Standard” and a company among the first batch of “Pilot Enterprises for National Industrial Products’ Ecological Design”.

INFORMATION OF CORPORATE BONDS

Basic information of corporate bonds

Unit: RMB billion

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	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	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	1.8	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	1.2	3.45%	Interest to be paid annually, principal to be repaid in full at maturity	Shanghai Stock Exchange

Settlement of interests of the corporate bonds

The first date of payment of the interest accrued for 2016 Corporate Bonds (the First Tranche) of Zijin Mining Group Co., Ltd.* was 18 March 2017; the first date of payment of the interest accrued for 2016 Corporate Bonds (the Second Tranche) of Zijin Mining Group Co., Ltd.* was 15 July 2017.

Payment of the interest accrued for 2016 Corporate Bonds (the First Tranche) was settled on schedule on 18 March 2017.

Others (continued)

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

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.* was 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.* was 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 accounts for the proceeds raised from corporate bonds were well operated.

SUPPLEMENTAL INFORMATION

Non-public Issuance of A Shares

Matters relating to the non-public issuance of A Shares of the Company were considered and approved at the eighteenth meeting of the fifth term of the Board, 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 and the fourteenth extraordinary meeting of the fifth term of the Board, and the non-public issuance of A Shares was also approved pursuant to the approval document of the CSRC (Zhengjian Xuke [2017] No. 289). The Company completed the non-public issuance of 1,490,475,241 Renminbi-denominated ordinary A Shares on 7 June 2017. The issuance price was RMB3.11/share, the amount of proceeds raised was RMB4,635,377,999.51, and the net amount of proceeds raised was RMB4,596,919,958.92. All shares issued under the non-public issuance were subscribed in cash.

Except the 289,389,067 A Shares subscribed by Minxi Xinghang and the 129,163,987 A Shares subscribed by phase 1 of the employee stock ownership scheme of Zijin Mining Group Co., Ltd.* which are not transferrable within 36 months from the date of the conclusion of the issuance, all other A Shares issued under the non-public issuance are not transferrable within 12 months from the date of the conclusion of the issuance.

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" and other domestic and overseas laws and regulatory requirements, to constantly improve the corporate governance structure, regulate the Company's operation and improve corporate governance. Currently, the Company has already established a relatively sound corporate governance structure and corporate governance system. 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 30 June 2017, the 2016 annual general meeting of the Company considered and approved the profit distribution plan of the Company for 2016. On the basis of 23,031,218,891 shares after the Company's non-public issuance of A Shares, the Company paid the qualified shareholders the final cash dividend of RMB0.6 per 10 shares (tax included). The total distribution of cash dividend amounts to RMB1,381,873,133.46. The remaining balance of undistributed profit will be reserved for further distribution in future financial years. The above profit distribution completed on 4 August 2017.

For details of the dividend distribution, please refer to the Company's Revised Notice of 2016 Annual General Meeting dated 14 June 2017, and announcements disclosed on the HKEXnews website dated 14 June 2017 and 4 August 2017.

Interim Dividend

The Board proposed to pay no dividend for the six months ended 30 June 2017. (The dividend for the six months ended 30 June 2016 was nil)

Others *(continued)*

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

Purchase, Redemption or Sale of Listed Securities of the Company

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 June 2017.

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. As required by provision A.6.7 of the CG Code, independent non-executive director should attend general meetings. Independent non-executive Director Mr. Cai Meifeng had work appointment and could not attend the Company's annual general meeting on 30 June 2017.

Save as disclosed above, for the six months ended 30 June 2017, 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 2017 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 2017 was in compliance with the applicable accounting standards and relevant laws and regulations and has made sufficient disclosure.

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 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 2016 annual report.

Securities Transactions by Directors and Supervisors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as the model code for the trading of securities by the Directors and the Supervisors of the Company. The effective date was 23 December 2003. Having made specific reasonable enquiries with all Directors and Supervisors of the Company, the Company confirmed that all Directors and Supervisors have complied with the provisions of the Model Code for the six months ended 30 June 2017.

Changes in Directors, Supervisors and Senior Management of the Company

There were no changes in the Directors, Supervisors and senior management of the Company for the six months ended 30 June 2017.

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 2016 annual general meeting, the Company reappointed Ernst & Young Hua Ming LLP as the auditor in 2017.

Contingent Liabilities

Details of contingent liabilities are set out in Note XI to the financial statements.

Material Acquisition or Disposal

There is no material acquisition or disposal of subsidiaries, associates and joint ventures during the reporting period.

Assets Charged

As at 30 June 2017, details of the Group's charged assets are set out in Note V.58 to the financial statements.

Save as disclosed in this report, there is no charge on group assets during the reporting period.

Exposure to Fluctuations in Exchange Rates and Hedges

Details of the Group's exposure to the fluctuations in exchange rates and related hedges are disclosed in Note V.60 to the financial statements.

Post Balance Sheet Events

The profit distribution plan of the Company for the year ended 31 December 2016 was approved in the 2016 annual general meeting of the Company held on 30 June 2017. The total distribution of cash dividend amounts to RMB1,381,873,133.46. The remaining balance of undistributed profit will be reserved for further distribution in future financial years. The above profit distribution was completed on 4 August 2017. Please refer to the Company's announcement disclosed on HKEXnews website dated 4 August 2017.

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 HKEXnews website (<http://www.hkexnews.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, the PRC, 18 August 2017

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

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

Consolidated Statement of Financial Position

As at 30 June 2017

RMB

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

ASSETS	Note V	30 June 2017 (Unaudited)	31 December 2016 (Audited)
CURRENT ASSETS			
Cash and cash equivalents	1	8,597,925,019	5,022,502,044
Financial assets at fair value through profit or loss	2	2,474,695,270	1,251,779,930
Bills receivable	3	1,521,849,982	875,760,717
Trade receivables	4	849,109,384	783,067,488
Prepayments	5	1,601,399,840	869,773,560
Other receivables	6	1,111,432,690	997,209,895
Inventories	7	12,079,418,210	12,002,626,649
Current portion of non-current assets	8	355,818,905	366,489,750
Other current assets	9	2,598,507,226	1,970,998,795
Total current assets		31,190,156,526	24,140,208,828
NON-CURRENT ASSETS			
Available-for-sale investments	10	1,240,611,333	1,076,496,651
Long-term equity investments	11	7,207,977,698	7,909,027,958
Investment properties	12	199,351,881	193,291,103
Fixed assets	13	31,895,777,927	32,530,610,194
Construction in progress	14	3,726,331,228	3,984,843,811
Construction materials	15	172,494,288	194,114,106
Intangible assets	16	10,242,213,630	10,257,008,960
Goodwill	17	463,597,655	463,597,655
Long-term deferred assets	18	1,041,240,160	1,185,962,369
Deferred tax assets	19	942,015,756	873,576,042
Other non-current assets	20	6,553,913,140	6,408,962,582
Total non-current assets		63,685,524,696	65,077,491,431
TOTAL ASSETS		94,875,681,222	89,217,700,259

Consolidated Statement of Financial Position *(continued)*

As at 30 June 2017

RMB

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

LIABILITIES AND OWNERS' EQUITY	Note V	30 June 2017 (Unaudited)	31 December 2016 (Audited)
CURRENT LIABILITIES			
Short-term borrowings	22	13,431,823,324	12,350,040,250
Financial liabilities at fair value through profit or loss	23	163,608,178	93,140,487
Bills payable	24	128,446,184	252,074,617
Trade payables	25	3,897,129,937	4,727,394,558
Advances from customers	26	2,572,617,478	2,086,548,542
Employee benefits payable	27	420,640,037	652,672,744
Taxes payable	28	621,069,208	490,865,153
Dividends payable	29	1,511,566,682	27,165,124
Other payables	30	4,137,813,820	3,953,476,058
Current portion of non-current liabilities	31	4,471,547,530	4,218,609,112
Other current liabilities	32	3,000,000,000	5,000,000,000
Total current liabilities		34,356,262,378	33,851,986,645
NON-CURRENT LIABILITIES			
Long-term borrowings	33	5,493,505,501	5,775,423,277
Bonds payable	34	16,274,145,685	16,270,310,335
Long-term payables	35	427,165,649	397,617,073
Provision	36	868,839,869	871,311,724
Deferred income	37	430,565,456	453,473,146
Deferred tax liabilities	19	555,082,522	481,069,873
Total non-current liabilities		24,049,304,682	24,249,205,428
TOTAL LIABILITIES		58,405,567,060	58,101,192,073
EQUITY			
Share capital	38	2,303,121,889	2,154,074,365
Capital reserve	39	11,153,190,489	6,703,357,022
Other comprehensive income	40	(197,289,231)	(642,687,760)
Special reserve	41	192,966,618	159,412,702
Surplus reserve	42	1,319,401,104	1,319,401,104
Retained earnings	43	18,192,443,641	18,068,917,361
Equity attributable to owners of the parent		32,963,834,510	27,762,474,794
Non-controlling interests		3,506,279,652	3,354,033,392
TOTAL EQUITY		36,470,114,162	31,116,508,186
TOTAL LIABILITIES AND OWNERS' EQUITY		94,875,681,222	89,217,700,259

The financial statements were signed by the followings:

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 2017

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 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
OPERATING INCOME	44	37,523,631,910	38,889,899,709
Less: Operating costs	44	32,048,962,179	34,594,052,055
Taxes and surcharges	45	568,841,706	409,831,779
Selling expenses	46	389,061,277	332,124,951
Administrative expenses	47	1,486,151,958	1,321,654,931
Financial expenses	48	1,217,604,896	439,930,366
Impairment losses on assets	49	237,944,424	5,637,118
Add: Gains/(Losses) on changes in fair value	50	570,492,224	(719,947,740)
Investment income/(losses)	51	82,809,279	(455,916,389)
Including: Share of profits of associates and joint ventures		16,568,302	166,791,958
Other income	52	86,860,692	—
OPERATING PROFIT		2,315,227,665	610,804,380
Add: Non-operating income	53	88,150,694	103,829,667
Less: Non-operating expenses	54	252,211,568	97,840,390
Including: Losses on disposal of non-current assets		163,535,468	16,719,346
PROFIT BEFORE TAX		2,151,166,791	616,793,657
Less: Income tax expenses	55	388,445,323	40,123,348
NET PROFIT		1,762,721,468	576,670,309
Including: Attributable to owners of the parent		1,505,399,413	538,349,713
Non-controlling interests		257,322,055	38,320,596
Earnings per share			
Basic earnings per share	56	0.069	0.025
NET OTHER COMPREHENSIVE INCOME AFTER TAX			
Changes in fair value of available-for-sale investments		60,863,109	399,398,705
Effective part of cash flow hedging instruments		167,424,343	(479,355,367)
Exchange differences arising from translation of financial statements denominated in foreign currencies		217,111,077	(55,088,302)
Other comprehensive income attributable to owners of the parent		445,398,529	(135,044,964)
Other comprehensive income attributable to non-controlling interests		71,441,399	(33,995,445)
SUBTOTAL OF NET OTHER COMPREHENSIVE INCOME AFTER TAX		516,839,928	(169,040,409)
TOTAL COMPREHENSIVE INCOME		2,279,561,396	407,629,900
Attributable to:			
Owners of the parent		1,950,797,942	403,304,749
Non-controlling shareholders		328,763,454	4,325,151

Consolidated Statement of Changes in Equity

For the period ended 30 June 2017

RMB

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

	Attributable to owners of the parent								Total equity	
	Share capital	Capital reserve	comprehensive income	Other income	Special reserve	Surplus reserve	Retained earnings	Subtotal		Non-controlling interests
I. Closing balance of the preceding year	2,154,074,365	6,703,357,022	(642,687,760)	159,412,702	159,412,702	1,319,401,104	18,068,917,361	27,762,474,794	3,354,033,392	31,116,508,186
II. Opening balance of the current year	2,154,074,365	6,703,357,022	(642,687,760)	159,412,702	159,412,702	1,319,401,104	18,068,917,361	27,762,474,794	3,354,033,392	31,116,508,186
III. Changes for the current period	149,047,524	4,449,833,467	445,398,529	33,553,916	33,553,916	—	123,526,280	5,201,359,716	152,246,260	5,353,605,976
(I) Net profit	—	—	—	—	—	—	1,505,399,413	1,505,399,413	257,322,055	1,762,721,468
(II) Other comprehensive income	—	—	445,398,529	—	—	—	—	445,398,529	71,441,399	516,839,928
(III) Except for profit distributions, transactions with shareholders as owners	149,047,524	4,449,833,467	—	—	—	—	—	4,598,880,991	(9,298,231)	4,589,582,760
1. Capital contribution from shareholders	149,047,524	4,447,872,435	—	—	—	—	—	4,596,919,959	—	4,596,919,959
2. H Shares repurchased	—	—	—	—	—	—	—	—	—	—
3. Others	—	1,961,032	—	—	—	—	—	1,961,032	(9,298,231)	(7,337,199)
(IV) Special reserve	—	—	—	33,553,916	33,553,916	—	—	33,553,916	4,375,160	37,929,076
1. Transferred to special reserve in the current period	—	—	—	308,073,688	308,073,688	—	—	308,073,688	25,688,745	333,762,433
2. Amount utilised in the current period	—	—	—	(274,519,772)	(274,519,772)	—	—	(274,519,772)	(21,313,585)	(295,833,357)
(V) Profit distributions	—	—	—	—	—	—	(1,381,873,133)	(1,381,873,133)	(171,594,123)	(1,553,467,256)
1. Transferred to surplus reserve	—	—	—	—	—	—	—	—	—	—
2. Distributions to owners	—	—	—	—	—	—	(1,381,873,133)	(1,381,873,133)	(171,594,123)	(1,553,467,256)
(VI) Transferred within owners' equity	—	—	—	—	—	—	—	—	—	—
IV. Closing balance of the current period	2,303,121,889	11,153,190,489	(197,289,231)	192,966,618	192,966,618	1,319,401,104	18,192,443,641	32,963,834,510	3,506,279,652	36,470,114,162

Consolidated Statement of Changes in Equity *(continued)*

For the period ended 30 June 2016

RMB

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

	Attributable to owners of the parent							Non-controlling interests	Total equity
	Share capital	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Subtotal		
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
II. Opening balance of the 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 for profit distributions, transactions with shareholders as owners	(250,000)	(61,027,625)	—	—	—	—	(61,277,625)	(112,310,824)	(173,588,449)
1. H Shares repurchased	(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. Transferred 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. Transferred to surplus reserve	—	—	—	—	—	—	—	—	—
2. Distributions to owners	—	—	—	—	—	(1,292,444,619)	(1,292,444,619)	(187,069,389)	(1,479,514,008)
(VI) Transferred 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 Cash Flows

For the period ended 30 June 2017

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 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
I. CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from sale of goods and rendering of services		39,327,239,047	41,642,916,129
Refund of taxes		104,024,211	103,431,885
Other cash receipts relating to operating activities	57	280,786,248	154,482,041
Sub-total of cash inflows from operating activities		39,712,049,506	41,900,830,055
Cash payments for goods purchased and services received		31,599,031,081	32,954,889,232
Cash payments to and on behalf of employees		1,576,394,215	1,415,376,175
Payments of various types of taxes		2,060,597,308	1,517,508,925
Other cash payments relating to operating activities	57	1,170,218,113	2,381,413,356
Sub-total of cash outflows used in operating activities		36,406,240,717	38,269,187,688
Net cash flow from operating activities		3,305,808,789	3,631,642,367
II. CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash receipts from disposals and recovery of investments		969,571,279	386,486,639
Cash receipts from investment income		74,232,866	79,511,471
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		8,349,137	23,055,286
Net cash receipts from disposals of subsidiaries and other business units		—	500
Other cash receipts relating to investing activities	57	610,478,938	557,229,366
Sub-total of cash inflows from investing activities		1,662,632,220	1,046,283,262
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		1,639,220,651	2,250,115,977
Cash payments to acquire investments		1,782,517,270	1,425,596,122
Cash payments for acquisitions of subsidiaries and other business units		—	—
Other cash payments relating to investing activities	57	1,852,389,851	897,958,749
Sub-total of cash outflows used in investing activities		5,274,127,772	4,573,670,848
Net cash flow used in investing activities		(3,611,495,552)	(3,527,387,586)

Consolidated Statement of Cash Flows *(continued)*

For the period ended 30 June 2017

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 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
III. CASH FLOWS FROM FINANCING ACTIVITIES:			
Cash receipts from capital contributions		4,597,314,976	5,000,000
Cash receipts from borrowings		9,887,855,362	19,935,532,900
Other cash receipts relating to financing activities	57	—	—
Sub-total of cash inflows from financing activities		14,485,170,338	19,940,532,900
Cash repayments of borrowings		11,209,922,779	18,132,494,117
Cash payments for distribution of dividends or profits or settlement of interest expenses		583,255,892	746,671,542
Other cash payments relating to financing activities	57	40,294,408	355,776,289
Sub-total of cash outflows used in financing activities		11,833,473,079	19,234,941,948
Net cash flow from financing activities		2,651,697,259	705,590,952
IV. EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		(118,066,725)	42,677,188
V. NET INCREASE IN CASH AND CASH EQUIVALENTS		2,227,943,771	852,522,921

Consolidated Statement of Cash Flows *(continued)*

For the period ended 30 June 2017

RMB

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

Supplementary information:	For the six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
1. Reconciliation of net profit to net cash flow from operating activities:		
Net profit attributable to owners of the parent	1,505,399,413	538,349,713
Add: Profit attributable to non-controlling interests	257,322,055	38,320,596
Less: Unrealised losses on investments	—	—
Add: Asset impairment provision	237,944,424	5,637,118
Depreciation of investment properties	4,885,571	3,687,754
Depreciation of fixed assets	1,572,420,164	1,247,640,046
Amortisation of intangible assets and long-term deferred assets	576,341,612	409,389,423
Losses on disposal of fixed assets, intangible assets and other long-term assets	115,555,873	8,962,330
(Gains)/Losses on changes in fair value	(570,492,224)	719,947,740
Financial expenses	1,362,001,934	641,661,441
(Gains)/Losses on investments	(75,100,201)	191,211,766
Increase in deferred tax assets	(68,439,714)	(18,541,302)
Increase/(Decrease) in deferred tax liabilities	74,012,649	(32,416,738)
Decrease in inventories	241,228,415	1,058,760,074
Increase in receivables from operating activities	(1,582,026,838)	(869,242,972)
Decrease in payables from operating activities	(345,244,344)	(311,724,622)
Net cash flow from operating activities	3,305,808,789	3,631,642,367
2. Non-cash investing and financing activities:		
Conversion of debt into capital	—	—
Convertible bonds matured within 1 year	—	—
Finance leased fixed assets	—	—
3. Net increase in cash and cash equivalents:		
Closing balance of cash and cash equivalents (Note V.1)	6,940,767,113	5,698,221,214
Less: Opening balance of cash and cash equivalents (Note V.1)	4,712,823,342	4,845,698,293
Net increase in cash and cash equivalents	2,227,943,771	852,522,921

Company Statement of Financial Position

As at 30 June 2017

RMB

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

ASSETS	Note XV	30 June 2017 (Unaudited)	31 December 2016 (Audited)
CURRENT ASSETS			
Cash and cash equivalents		6,561,200,635	3,630,808,320
Financial assets at fair value through profit or loss		164,605,033	148,337,356
Bills receivable		182,574,610	87,508,143
Trade receivables	1	1,599,335,651	1,296,489,513
Prepayments		117,833,245	184,991,361
Dividends receivable		253,000,000	61,982,500
Other receivables	2	8,715,364,669	9,361,969,702
Inventories		274,126,997	246,035,891
Other current assets		706,505,966	512,293,572
Total current assets		18,574,546,806	15,530,416,358
NON-CURRENT ASSETS			
Available-for-sale investments	3	458,250,694	184,750,000
Long-term equity investments	4	18,035,941,106	16,460,749,907
Fixed assets	5	3,653,249,826	3,722,651,502
Construction in progress	6	253,369,090	128,809,922
Construction materials		3,086,641	2,661,968
Intangible assets	7	273,214,177	277,442,435
Long-term deferred assets	8	198,175,597	193,201,300
Deferred tax assets		344,306,837	381,598,827
Other non-current assets	9	18,832,467,479	19,069,064,575
Total non-current assets		42,052,061,447	40,420,930,436
TOTAL ASSETS		60,626,608,253	55,951,346,794

Company Statement of Financial Position *(continued)*

As at 30 June 2017

RMB

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

LIABILITIES AND OWNERS' EQUITY	Note XV	30 June 2017 (Unaudited)	31 December 2016 (Audited)
CURRENT LIABILITIES			
Short-term borrowings	11	6,304,796,515	373,403,689
Financial liabilities at fair value through profit or loss		15,415,348	5,015,067,668
Trade payables	12	681,906,800	600,524,631
Bills payable		25,696,482	86,089,436
Advances from customers		4,582,686	15,944,895
Employee benefits payable		66,094,143	120,781,817
Dividends payable		1,381,873,133	—
Taxes payable		10,484,327	23,408,102
Other payables		932,505,358	996,304,866
Current portion of non-current liabilities		1,776,515,790	1,611,081,240
Other current liabilities		3,097,081,057	5,097,081,052
Total current liabilities		14,296,951,639	13,939,687,396
NON-CURRENT LIABILITIES			
Long-term borrowings		3,974,151,950	3,268,549,000
Bonds payable		16,274,145,685	16,270,310,335
Long-term payables	13	190,865,794	190,865,794
Deferred income		250,441,203	274,175,831
Deferred tax liabilities		—	—
Other non-current liabilities		29,957,419	29,957,419
Total non-current liabilities		20,719,562,051	20,033,858,379
TOTAL LIABILITIES		35,016,513,690	33,973,545,775
EQUITY			
Share capital		2,303,121,889	2,154,074,365
Capital reserve		13,023,907,493	8,576,035,058
Other comprehensive income		3,012,862	(88,866,653)
Special reserve		—	—
Surplus reserve		1,090,812,600	1,090,812,600
Retained earnings		9,189,239,719	10,245,745,649
TOTAL EQUITY		25,610,094,563	21,977,801,019
TOTAL LIABILITIES AND OWNERS' EQUITY		60,626,608,253	55,951,346,794

Company Statement of Profit or Loss

For the period ended 30 June 2017

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 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
OPERATING INCOME	14	1,719,145,945	1,816,229,985
Less: Operating costs	14	1,104,259,905	1,150,508,400
Taxes and surcharges		113,853,476	166,475,315
Selling expenses		8,956,590	8,230,731
Administrative expenses		333,872,794	315,940,752
Financial expenses		148,205,349	(33,448,303)
Impairment losses on assets		—	—
Add: Gains/(Losses) on changes in fair value		8,152,818	(771,367,262)
Investment income/(losses)	15	351,807,476	(363,689,058)
Including: Share of profits/(losses) of associates		47,148,999	(7,623,205)
Other income		23,734,627	—
OPERATING PROFIT/(LOSS)		393,692,752	(926,533,230)
Add: Non-operating income		40,194,381	30,429,709
Less: Non-operating expenses		101,854,444	21,294,874
Including: Losses on disposal of non-current assets		58,315,773	1,035,983
PROFIT/(LOSS) BEFORE TAX		332,032,689	(917,398,395)
Less: Income tax expenses		6,665,486	(264,555,580)
NET PROFIT/(LOSS)		325,367,203	(652,842,815)
OTHER COMPREHENSIVE INCOME		91,879,515	(203,021,736)
TOTAL COMPREHENSIVE INCOME/(LOSS)		417,246,718	(855,864,551)

Company Statement of Changes in Equity

For the period ended 30 June 2017

RMB

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

(Unaudited)	Other comprehensive income						Total equity
	Share capital	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	
I. Closing balance of the preceding year	2,154,074,365	8,576,035,058	(88,866,653)	—	1,090,812,600	10,245,745,649	21,977,801,019
I. Opening balance of the current year	2,154,074,365	8,576,035,058	(88,866,653)	—	1,090,812,600	10,245,745,649	21,977,801,019
II. Changes for the period	149,047,524	4,447,872,435	91,879,515	—	—	(1,056,505,930)	3,632,293,544
(I) Net profit	—	—	—	—	—	325,367,203	325,367,203
(II) Other comprehensive income	—	—	91,879,515	—	—	—	91,879,515
(III) Except for profit distributions, transactions with shareholders as owners	149,047,524	4,447,872,435	—	—	—	—	4,596,919,959
1. Capital contribution from shareholders	149,047,524	4,447,872,435	—	—	—	—	4,596,919,959
2. H Shares repurchased	—	—	—	—	—	—	—
3. Others	—	—	—	—	—	—	—
(IV) Special reserve	—	—	—	—	—	—	—
1. Transferred to special reserve in the current period	—	—	—	135,886,249	—	—	135,886,249
2. Amount utilised in the current period	—	—	—	(135,886,249)	—	—	(135,886,249)
(V) Profit distributions	—	—	—	—	—	(1,381,873,133)	(1,381,873,133)
1. Transferred to surplus reserve	—	—	—	—	—	—	—
2. Distributions to owners	—	—	—	—	—	(1,381,873,133)	(1,381,873,133)
(VI) Transferred within owners' equity	—	—	—	—	—	—	—
III. Closing balance of the current period	2,303,121,889	13,023,907,493	3,012,862	—	1,090,812,600	9,189,239,719	25,610,094,563

For the period ended 30 June 2016

RMB

(Unaudited)	Other comprehensive income						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
I. Opening balance of the 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 distributions, transactions with shareholders as owners	(250,000)	(3,852,088)	—	—	—	—	(4,102,088)
1. H Shares repurchased	(250,000)	(3,852,088)	—	—	—	—	(4,102,088)
2. Others	—	—	—	—	—	—	—
(IV) Special reserve	—	—	—	4,088,306	—	—	4,088,306
1. Transferred 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. Transferred to surplus reserve	—	—	—	—	—	—	—
2. Distributions to owners	—	—	—	—	—	(1,292,444,619)	(1,292,444,619)
(VI) Transferred 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

Company Statement of Cash Flows

For the period ended 30 June 2017

RMB

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

	For the six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
I. CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash receipts from sale of goods and rendering of services	1,630,324,494	1,356,466,018
Refund of taxes	—	—
Other cash receipts relating to operating activities	497,158,969	562,886,268
Sub-total of cash inflows from operating activities	2,127,483,463	1,919,352,286
Cash payments for goods purchased and services received	910,934,088	747,404,381
Cash payments to and on behalf of employees	329,659,274	283,600,103
Payments of various types of taxes	255,425,841	405,144,423
Other cash payments relating to operating activities	242,199,790	197,045,607
Sub-total of cash outflows used in operating activities	1,738,218,993	1,633,194,514
Net cash flow from operating activities	389,264,470	286,157,772
II. CASH FLOWS FROM INVESTING ACTIVITIES:		
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	887,894	18,522,898
Cash receipts from disposals of subsidiaries	—	—
Cash receipts from disposals and recovery of investments	6,207,068	8,783,624
Cash receipts from investment income	159,091,125	179,243,020
Other cash receipts relating to investing activities	1,236,441,093	1,753,794,657
Sub-total of cash inflows from investing activities	1,402,627,180	1,960,344,199
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	132,835,459	545,412,227
Cash payments to acquire investments	2,042,982,200	529,744,000
Other cash payments relating to investing activities	2,630,547,394	6,987,239,196
Sub-total of cash outflows used in investing activities	4,806,365,053	8,062,395,423
Net cash flow used in investing activities	(3,403,737,873)	(6,102,051,224)
III. CASH FLOWS FROM FINANCING ACTIVITIES:		
Cash receipts from capital contributions	4,597,314,976	—
Cash receipts from borrowings	3,985,023,660	12,441,655,307
Other cash receipts relating to financing activities	—	67,000,000
Sub-total of cash inflows from financing activities	8,582,338,636	12,508,655,307
Cash repayments of borrowings	4,133,268,001	6,894,425,624
Cash payments for distribution of dividends or profits or settlement of interest expenses	340,859,179	184,118,277
Other cash payments relating to financing activities	320,786,343	120,024,246
Sub-total of cash outflows used in financing activities	4,794,913,523	7,198,568,147
Net cash flow from financing activities	3,787,425,113	5,310,087,160
IV. EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(11,365,416)	(7,151,117)
V. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	761,586,294	(512,957,409)

Company Statement of Cash Flows *(continued)*

For the period ended 30 June 2017

RMB

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

Supplementary information:	For the six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
1. Reconciliation of net profit to net cash flow from operating activities:		
Net profit/(loss)	325,367,203	(652,842,815)
Add: Depreciation of fixed assets	238,177,017	209,745,855
Asset impairment provision	—	—
Amortisation of intangible assets and long-term deferred assets	34,330,356	34,556,334
Losses on disposal of fixed assets, intangible assets and other long-term assets	43,265,004	984,627
(Gains)/Losses on changes in fair value	(8,152,818)	771,367,262
(Gains)/Losses on investments	(387,553,100)	279,382,747
Financial expenses	615,177,271	467,040,283
(Increase)/Decrease in inventories	(28,091,106)	78,221,486
Decrease/(Increase) in deferred tax assets	37,291,990	(84,027,726)
Decrease in deferred tax liabilities	—	(27,630,156)
Increase in receivables from operating activities	(89,169,522)	(510,995,151)
Decrease in payables from operating activities	(391,377,825)	(279,644,974)
Net cash flow from operating activities	389,264,470	286,157,772
2. Non-cash investing and financing activities:		
Provision for impairment on equity investments in associates	—	—
Net decrease in cash and cash equivalents	—	—
3. Closing balance of cash and cash equivalents	3,273,321,707	3,999,382,852
Less: Opening balance of cash and cash equivalents	2,511,735,413	4,512,340,261
Net increase/(decrease) in cash and cash equivalents	761,586,294	(512,957,409)

Notes to Financial Statements

For the period ended 30 June 2017

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 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 unified social credit code 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 Commission on 18 November 2003, the Company publicly issued 400,544,000 overseas-listed foreign ordinary 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 issuance, 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 its 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 Commission ([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 ways became publicly floating on the Shanghai Stock Exchange on 25 July 2008. Except for 4,210,902,100 shares held by Minxi Xinghang with a lockup period of 36 months from the date when the IPO A Shares were listed, 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 proportion of 33.87% of issued capital. Up to the reporting date, all the above issued shares of the Company were publicly floating.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

RMB

(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 dated 30 May 2011 on the conversion of capital reserve into share capital, 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 authorisation period was up to the convention date of the 2015 Annual General Meeting, i.e. 20 June 2016. 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, and 30 June 2015, respectively. As at 31 December 2015, the aggregate number of repurchased H Shares reached 29,570,000.

Pursuant to the resolution in relation to the proposal of granting a general mandate to the board of directors of the Company to repurchase H Shares approved at the 2014 Annual General Meeting, the first A Shareholders' class meeting in 2015 and the first H Shareholders' class meeting in 2015 on 11 May 2015, the Company continued to repurchase H Shares on 13 January 2016. The aggregate number of repurchased H Shares reached 2,500,000.

Pursuant to the approval at the eighteenth meeting of the fifth term of the board of directors on 8 July 2016, the second extraordinary general meeting convened on 25 August 2016 and the fourteenth extraordinary meeting of the fifth term of the board of directors on 27 November 2016, and the reply in relation to non-public issuance of A Shares of Zijin Mining Group Co., Ltd.* (Zhengjian Xuke [2017] No. 289) issued by the China Securities Regulatory Commission, the Company issued 1,490,475,241 Renminbi-denominated ordinary A Shares under non-public issuance on 24 May 2017 at issuance price of RMB3.11 per share. The registered capital increased by RMB149,047,524. The registered capital of the Company correspondingly changed to RMB2,303,121,889.

The Group's main business activities include: exploration of minerals; mining and processing of gold ores; gold refinery; mining and processing of copper ores; copper refinery; integration services on information and technology system; consultation service on information and technology; sales of jewellery and ornaments, crafts and arts products, mineral products, machinery and equipment, chemical products (excluding dangerous chemical products and precursor chemicals products of poisons); hydropower; 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).

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

RMB

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

I. CORPORATE INFORMATION *(continued)*

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 18 August 2017.

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.

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 2017, the Group recorded current assets of RMB31,190,156,526 and current liabilities of RMB34,356,262,378. The balance of the current assets was less than that of the current liabilities. In view of this circumstance, the management of the Company has given consideration to the future liquidity of the Group and its available financial resources in assessing whether the Group will have sufficient financial resources to continue as a going concern, mainly including:

- (1) In 2015, the Company registered ultra short-term financing bonds of RMB8 billion at the National Association of Financial Market Institutional Investors. Upon the approval date of this report, the balance of the unissued bonds amounted to RMB5 billion, which will be issued before 15 September 2017 depending on the financial condition of the Company.
- (2) The Company received the approval notice issued by the China Securities Regulatory Commission in November 2016 which approved the Company to issue renewable corporate bonds with an aggregate face value of not more than RMB5 billion by tranches within 12 months from the date of the approval. Upon the approval date of this report, the balance of unissued renewable corporate bonds was RMB5 billion.
- (3) The Group has sufficient bank lines of credit.

Therefore, the management of the Company believes that the Group has adequate working capital to continue operation and fulfill the due financial responsibility. The management of the Company therefore is 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 production characteristics, which are mainly reflected in bad debt provisions for trade receivables, inventory costing methods, depreciation methods for fixed assets, amortisation methods for intangible assets, recognition and measurement of income and so on.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

RMB

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

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

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 position as at 30 June 2017, 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") as its functional currency and to prepare its financial statements. Except for specially noted instructions, the financial statements are denominated in RMB.

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

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 (parties) by the ultimate controlling party) obtained by the merging party 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 (or the aggregate face value of shares issued) as consideration is adjusted as 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, 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).

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

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 *(continued)*

Business combinations not involving enterprises under common control *(continued)*

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 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 in current year. 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 the related assets and liabilities should be used, 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 when the investments are disposed of.

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 2017. A subsidiary is an entity (including an entity, a separable part of an investee, and the structural entities controlled by the Company) which is under the control of the Company.

The accounting policies and accounting periods of the Company and subsidiaries should be consistent in 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 at the acquisition date.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

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 *(continued)*

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 with 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 with 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 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 changes in value.

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

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

A foreign currency transaction is recorded in the functional currency on initial recognition, by applying the prevailing exchange rate on the date of transaction or the average exchange rate through the transaction period. At the date of statement of financial position, foreign currency monetary items are translated into the functional currency using the spot exchange rates at the date of statement of financial position. Exchange differences arising from the differences between the spot exchange rates prevailing at the date of statement of financial position and those on initial recognition or at the previous date of statement of financial position, 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.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

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 *(continued)*

For the purpose of preparing the consolidated financial statements, financial statements of a foreign operation are translated from the foreign currency into RMB using the following method: assets and liabilities on the statement of financial position are translated at the spot exchange rate prevailing at the date of statement of financial position; 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 statement of financial position, if either 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.

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 of financial assets are purchases or sales that require delivery of assets within the period generally established by regulation or convention in the marketplace pursuant to the contractual terms. Trade date is the date that the Group commits to purchase or sell the financial asset.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

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

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, the related 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 as effective hedging instrument, or the derivatives which belong to 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 in profit or loss when incurred. Related dividends or interest income from financial assets at FVTPL is recognised in profit or loss.

An entity shall not reclassify any financial asset out of the FVTPL category if upon initial recognition it was designated by the entity as at FVTPL; and an entity shall not reclassify any financial asset 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 2017

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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)*

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 for the current period.

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: it has been acquired principally for the purpose of repurchasing in the near term; or 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 it is a derivative, except for a derivative that is a designated and effective hedging instrument, or the derivatives which belong to 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 for the current period.

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.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

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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)*

Offsetting of financial instruments

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

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: the amount of the best estimate of the expenditure required to settle the present obligation at the date of statement of financial position; and 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 contracts for hedging price fluctuation risk, and cross currency swap contracts for mitigating 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 derivative financial instruments that are linked to and must be settled by delivery of unquoted equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, they are measured at cost.

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

Impairment of financial assets

The Group assesses the carrying amount of financial assets at each date of statement of financial position. 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.), that 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.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

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

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 is 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.

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 for the current period. 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 the 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 measured is 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.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

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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)*

Available-for-sale investments (continued)

The determination of what is “significant” or “prolonged” requires judgement. In making this judgement, 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 occurred after the impairment is recognised, the previously recognised impairment loss is reversed and recognised in profit or loss for the current period.

Financial assets measured at cost

If there is objective evidence that an impairment loss has been incurred on a financial asset 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 for the current period. The impairment loss on such financial assets are not reversed once they are 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 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 of such financial assets 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 financial guarantee. The amount of financial guarantee is the maximum amount of consideration that the Group could be required to repay.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

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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. Receivables

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

For a receivable that exceeds RMB10,000,000 and if 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 for the current period. Objective evidence that a receivable is impaired is that, the estimated future cash flows of the receivable arising from one or more events that occurred subsequent to the initial recognition of the asset, which can be reliably measured, have been affected.

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

For receivables that are individually not significant, 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 for the current period.

11. Inventories

The Group's inventories 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 process, 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, etc., 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 amortised under the units-of-production method, and for some spare parts with a great value such as anode plate, lining board, they 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 apportioned into development properties.

The perpetual inventory system is maintained for the stock system.

At the date of statement of financial position, 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 for the current period. 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 current 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)*

For the period ended 30 June 2017

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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)*

12. 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 involving enterprises 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 acquiree 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 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 disposed of. Among which, those remain 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 under equity method which is already held before the acquisition date, on the disposal of the investment, 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 disposed of. Among which, those remain 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 the current period. For an 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: if 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; if acquired through issuing equity securities, the investment is initially recognised at the fair value of issuing equity instruments; and if the investment is 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".

The 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.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

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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)*

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

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 decision making about the relevant activities require the unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

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, after a long-term equity investment is acquired, 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, and adjusts the carrying amount of long-term equity investment. 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 those transactions relating to impairment loss of assets which shall be recognised fully). 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 current 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 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 period. If the equity method is still applied, the same accounting treatment of which the investee directly disposes of the related assets and liabilities should be used and recognised in profit or loss for the period in proportion, 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 in proportion.

13. 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 is consistent with that for buildings.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

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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)*

14. 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 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 incorporated, 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 was 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 the fixed assets of the joint operation, BNL are depreciated by using 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 and fixtures and others	3-10 years	0%-5%	9.50-33.33%

Besides, fixed assets held under finance lease are depreciated under 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 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, estimated net residual value of a fixed asset and the depreciation method applied at least once at each year end, and adjusts for any change when necessary.

15. 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)*

For the period ended 30 June 2017

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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)*

16. 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 fulfil the conditions of capitalisation, whereas other borrowing costs are recorded in profit or loss for the current period. 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 have been incurred;
- (2) Borrowing costs have been incurred; and
- (3) Activities relating to the acquisition, construction or production of the asset that are necessary to bring the asset to 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, 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, 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 when the assets have 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 are resumed.

17. 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.

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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. 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:

Category	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 usually 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 allocated to 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 lives 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 above 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 and costs of feasibility study for commercial development which incurred in the surroundings, outer ring and deep areas of the existing mineral properties, and costs of drilling and other associated activities. Such expenditures may be capitalised when the mineral properties are reasonably proved to be commercially available and recognised as a part of intangible assets of mining rights after obtaining mining rights or permits, which will be 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 for the current period.

18. Long-term deferred assets

Long-term deferred assets represent expenses already incurred that should 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, bipolar plates are amortised under the units-of-production method, whereas other long-term deferred assets are amortised over estimated useful lives.

19. Impairment of assets

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

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)*

19. Impairment of assets *(continued)*

The Group assesses at the date of statement of financial position 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 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.

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 for the current period. 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 that 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.

20. 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 and late employees' 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 actually incurred should be recognised as a liability, and be recognised in profit or loss for the current 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 schemes administrated by the local governments, and the related expenditures are recorded in cost of related assets or profit or loss for the current period when they incurred.

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. Employee benefits *(continued)*

Termination benefits

The Group recognises a liability for termination benefits and charges to profit or loss 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.

21. 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:

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

On initial recognition, the amount recognised as a contingent liability is the best estimate of the consideration required to settle the present obligation, 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 date of statement of financial position. Where there is objective evidence that the carrying amount does not reflect the best estimation of the contingency, the contingent liability would be adjusted according to the best estimated amount.

22. 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 date of statement of financial position, 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: the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the Company; the stage of completion of the transaction can be measured reliably and 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 rendered to date to the total services to be rendered. 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.

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. Revenue *(continued)*

Revenue from the rendering of services *(continued)*

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.

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 current period in which they are actually incurred.

23. 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 acquiring, constructing or forming long-term assets. If the government document is inexplicit, the Company should make a judgement based on the basic conditions to obtain the government grants, and recognises them as asset-related government grants if the conditions are for acquiring, 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 current period. A government grant related to an asset is recognised as deferred income, and evenly amortised to profit or loss over the useful lives of the related asset. A government grant measured at a nominal amount is recognised immediately in profit or loss for the current period.

24. 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 current 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; or 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 date of statement of financial position, 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.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

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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)*

24. Income tax *(continued)*

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

- (1) When 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, associates and interests in joint arrangement, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

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) When the deductible temporary differences do not arise from 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, associates and interests in joint arrangements, 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 date of statement of financial position, 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 takes the recovery or the repayment terms at the date of statement of financial position into account.

At the date of statement of financial position, 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 date of statement of financial position, the carrying amount of deferred tax assets is reviewed and recognised to the extent that it is probable that available taxable profits in the future will allow 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.

25. 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 current period. Contingent rentals are charged to profit or loss in the current period in which they are actually incurred.

As lessor under operating leases

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

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)*

25. Leases *(continued)*

As lessee under finance leases

An asset held under finance lease 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 using the effective interest method over the term of the relevant lease. Contingent rentals will be recognised in profit or loss for the current period when they are actually incurred.

26. Hedge accounting

The Group uses certain financial instruments as hedging instruments to avoid metal price risks. The Group carried out hedge accounting for hedges that meets the required criteria. The Group applied cash flow hedge with forward contracts as hedging instruments. The hedged items are the expected sales of the Group's mine-produced gold and mine-produced copper in the next 12 months.

At inception of the hedging, the Group formally designated and documented the hedging relationship, the entity's risk management objective and strategy for undertaking the hedge, identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged, and how the entity will assess the hedging instrument's effectiveness. Hedge effectiveness is the extent to which the changes in cash flow of hedging instruments can offset the cash flow of hedged items caused by hedged risk.

The amount of the gains or losses on hedging instrument determined to be an effective hedge is recognised as other comprehensive income, while the amount determined to be an ineffective hedge is recognised in profit or loss for the current period. The amounts determined to be an effective hedge are determined as the lower of the absolute amount of: 1) the accumulated gains or losses of the hedging instrument since the inception of the hedging; 2) the accumulated changes in the present value of the expected future cash flows of the hedging instrument since the inception of the hedging. When the expected sales occur, the amounts are transferred from other comprehensive income to profit or loss for the current period.

If the anticipated transaction no longer occurs, gains and losses previously recognised in other comprehensive income will be transferred to profit or loss for the current period. If the entity revokes the hedge designation, the hedging instrument expires or is sold, terminated, or exercised without replacement or rollover, the amounts accumulated in other comprehensive income will be retained until the anticipated transaction occurs and the amounts will be transferred from other comprehensive income to profit or loss for the current period.

27. Share repurchase

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

28. Profits distribution

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

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

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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)*

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 for the current period, and are stated as special reserve at the same time. For the utilisation of the fee to pay for safety relevant expenses, the special reserve 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 reserve 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 relevant asset or liability, or in the absence of a principal market, in the most advantageous market for the relevant asset or liability. The principal or the most advantageous market must be 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 which can be accessed at the measurement date;

Level 2 – based on inputs other than those included within level 1 that are observable for the relevant asset or liability, either directly or indirectly; and

Level 3 – based on unobservable inputs for the relevant asset and liability.

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 levels in the hierarchy by reassessing categorisation at the end of each reporting period.

31. Significant accounting judgements and estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts and disclosure of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. However, uncertainties 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.

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)*

31. Significant accounting judgements and estimates *(continued)*

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements which have the most significant effects 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 for 2017 have not been confirmed by the local tax bureau as at the end of the reporting period, objective estimates and judgements based on currently enacted tax laws, regulations and other related policies are required in determining the provision for corporate 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 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 ("Gold Mountains (H.K.)"), a wholly-owned subsidiary of the Company, and Barrick (PD) Australia Pty Limited, and each of the parties has rights to the assets and obligations for the liabilities of BNL, and is eligible to BNL's products and recognises expenses incurred in the proportion of 50% each. Therefore, the Group defined 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.), which is a wholly-owned subsidiary of the Company, and Ivanhoe Mines US LLC, and both parties have rights to the net assets of Kamoā in the 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 end of the reporting period, that may cause material adjustment to the carrying amounts of assets and liabilities are discussed below.

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 by the management at least at every financial year end for re-estimation.

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)*

31. Significant accounting judgements and estimates *(continued)*

Estimation uncertainty *(continued)*

Inventory provision determined on net realisable value

Inventory provision is provided for those inventories with cost higher than net realisable value based on the Company's accounting policies on inventories and the measurement of lower of cost and net realisable value. At least at every financial year end, inventory provision is reviewed for inventories whose cost 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 is any indication of impairment for non-current assets other than financial assets at the date of statement of financial position. Intangible assets with indefinite useful lives are tested for impairment annually and at other times when such an indication exists. Other 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 asset 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 asset groups or sets of asset groups considered together with allocated goodwill, is estimated. The Group estimates the present value of future cash flows from asset groups or sets of 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, 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 fixed assets.

Exploration expenditures

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

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)*

31. Significant accounting judgements and estimates *(continued)*

Estimation uncertainty *(continued)*

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 the 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. This 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 the deductible losses, deferred tax assets shall be recognised for all unused deductible losses. Substantial management's judgements regarding the timing and amount of future taxable profit 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 lawyers acting on behalf of the Company. 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, timing of mine closure and cost of such rehabilitation, which depends on an overall judgement of management.

32. Significant changes in accounting policies

The Ministry of Finance issued notice in relation to issuance of amendment to Accounting Standards for Business Enterprises No. 16 – Government Subsidies (Cai Kuai [2017] No.15) on 10 May 2017, which amended Accounting Standards for Business Enterprises No. 16 – Government Subsidies. The amendment became effective since 12 June 2017.

According to the provision of the standard, government grants relating to daily operation of an enterprise should be accounted for as other income or used to deduct the relevant expenses, and government grants not relating to daily operation of an enterprise should be accounted for as non-operating income and expenses according to the nature of the business activities. The Company adopted prospective application to account for the government grants that existed on 1 January 2017, and adjusted the newly added government grants arising during the period from 1 January 2017 to the effective date of the amended standard.

The major influence of the implementation of the regulation on the Company is as follow:

Non-operating income during the reporting period decreased by RMB86,860,692 and other income increased by RMB86,860,692.

Notes to Financial Statements *(continued)*

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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 ferrous metals such as iron concentrates and nonferrous metals such as copper concentrates, zinc concentrates, and the sales and processing of copper cathodes, zinc bullion, silver bullion and materials is 17%. The taxpayer is required to remit the VAT it collects to the tax authority, but may deduct the VAT it has paid on eligible purchases.</p> <p>VAT rate for transportation service income is 11%, and that for trademark royalty income and technical service income is 6%. The tax payer is required to remit the VAT it collects to the tax authority, but may deduct the VAT it has paid on eligible purchases. Small-scale taxpayer's VAT rate for all the income mentioned above is 3%.</p>
Urban construction and maintenance tax	<p>Levied on actual payment of turnover tax at rates ranging from 1% to 7%.</p>
Resource tax	<p>Before 1 July 2016, 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 were RMB6.4 to RMB12.8 per tonne according to the ore quantity of the concentrates; tax rates for zinc-lead resources were RMB10 to RMB20 per tonne according to the ore quantity.</p> <p>Since 1 July 2016, taxes on the above mineral resources were calculated with price-based method instead of quantity-based method. The basis for taxation was adjusted from original ore quantity to the sales amount of original ore concentrates (or processed products from original ore), primary product or gold bullion.</p> <p>The tax rates are 1% to 4% for gold resources; 2% to 7% for copper resources; 1% to 6% for iron resources; and 2% to 6% for zinc-lead resources.</p>
Corporate income tax	<p>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 higher of 14% on the assessable profits for the year or 1% of the total revenue. Provision for tax for the Company's subsidiaries incorporated and operating in the Kyrgyz Republic has been made at the rate of tax which is determined according to the range of gold price 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. The joint operation of the Company incorporated and operating in Papua New Guinea has been made at the rate of 30% on the assessable profits for the year.</p>

Notes to Financial Statements *(continued)*

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

IV. TAX *(continued)*

2. Tax incentives

Pursuant to the Notice of the Ministry of Finance, the General Administration of Customs and the State Administration of Tax 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 generate over 70% of their operating income from the encouraged industries could apply for a tax incentive. After getting the approval of the tax bureau in charge, those enterprises could enjoy a reduced corporate income tax ("CIT") rate of 15%. In 2017, the following subsidiaries obtained the approval of the tax bureau in charge and were granted a reduced CIT rate of 15%:

- a) Pursuant to the Notice of Tax Issue (Ha Di Shui Tong [2017] No. 5554) issued by the Xinjiang Autonomous Region Habahe County Local Tax Bureau on 20 February 2017, Xinjiang Ashele Copper Company Limited ("Xinjiang Ashele") was entitled to a tax concession of Western Development at a preferential CIT rate of 15% in 2017.
- b) Pursuant to the Reference Table of Preferential Corporate Income Tax approved by Xinjiang Autonomous Region Wuqia County State Tax Bureau on 17 January 2017, Xinjiang Zijin Zinc Industry Co., Ltd. ("Xinjiang Zijin Zinc Industry") was entitled to a tax concession of Western Development at a preferential CIT rate of 15% in 2017.
- c) Pursuant to the Notice of Tax Issue (Fu Di Shui Han [2017] No. 404) issued by Xinjiang Autonomous Region Fuyun County Local Tax Bureau, the items in the application for CIT concession filed by Xinjiang Jinbao Mining Company Limited ("Xinjiang Jinbao") on 1 April 2017 met the approval conditions, and thus Xinjiang Jinbao was entitled to a tax concession of Western Development at a preferential CIT rate of 15% in 2017.
- d) Pursuant to the Notice of Tax Issue (Wu Hou Di Shui Shui Tong [2017] No. 348) issued by Inner Mongolia Autonomous Region Bayannur City Urat Rear Banner Local Tax Bureau, the items in the application for CIT concession filed by Wulatehouqi Zijin Mining Company Limited ("Wulatehouqi Zijin") on 20 January 2017 met the approval conditions, and thus Wulatehouqi Zijin was entitled to a tax concession of Western Development at a preferential CIT rate of 15% in 2017.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

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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

	30 June 2017	31 December 2016
Cash	7,306,793	4,085,244
Bank deposits	6,841,495,984	4,560,724,380
Other monetary funds (Note 1)	1,749,122,242	457,692,420
	8,597,925,019	5,022,502,044

Note 1: As at 30 June 2017, the balance of other monetary funds in Renminbi of the Group mainly included: (1) Land restoration and environmental rehabilitation costs of RMB67,434,676 (31 December 2016: RMB66,882,941); Pursuant to the rules of Longyan Municipal Government, the Company provided deposit for mine restoration and improvement of ecological environment in mines and deposited the funds in a specified bank account. The fund was restricted to the use of land restoration and environmental rehabilitation after mine closure; (2) Other guarantee deposits of RMB71,966,848 (31 December 2016: RMB112,795,758), which the rights of use were restricted; (3) Time deposits with maturity for more than three months of RMB1,517,756,382 (31 December 2016: RMB130,000,003) and (4) Deposit in the Shanghai Gold Exchange of RMB91,964,336 (31 December 2016: RMB148,013,718).

As at 30 June 2017, cash and cash equivalents in the equivalent amount of RMB2,687,997,104 (31 December 2016: RMB1,536,138,024) were deposited outside Mainland China.

Current deposits earn interest at the rate based on current deposit interest rates of the banks. 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 relevant rates of the banks with different maturities.

2. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2017	31 December 2016
Held for trading financial assets		
Equity investments (Note 1)	2,339,587,131	1,128,862,968
Derivative financial assets (Note 2)	83,032,629	78,489,803
Others (Note 3)	52,075,510	44,427,159
	2,474,695,270	1,251,779,930

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

Note 2: Derivative financial assets are as follows:

	30 June 2017	31 December 2016
(1) Derivative financial assets without designated hedging relationship	82,778,722	77,223,428
<i>Including: Forward contracts</i>	36,847,994	52,383,555
<i>Futures contracts</i>	45,930,728	24,839,873
(2) Hedging instruments – forward contracts	253,907	1,266,375
	83,032,629	78,489,803

Note 3: The investments in funds aimed at making short-term profits.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

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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 2017	31 December 2016
Bank acceptance bills	1,331,185,158	490,251,803
Commercial acceptance bills	190,664,824	385,508,914
	1,521,849,982	875,760,717

Bills receivable which have been pledged are as follows:

	30 June 2017	31 December 2016
Bank acceptance bills	359,352,400	—

Bills receivable endorsed or discounted by the Group which were not yet due at the date of statement of financial position are as follows:

	30 June 2017		31 December 2016	
	Derecognised	Not derecognised	Derecognised	Not derecognised
Bank acceptance bills	110,311,044	105,500,000	136,907,034	26,250,000
Commercial acceptance bills	11,100,000	—	—	83,500,000

As at 30 June 2017, there were no bills receivable which were converted to trade receivables due to the drawer's inability to settle the bills on maturity (31 December 2016: 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 is as follows:

	30 June 2017	31 December 2016
Within 1 year	733,868,187	744,054,692
Over 1 year but within 2 years	102,991,581	21,002,499
Over 2 years but within 3 years	2,295,672	14,016,924
Over 3 years	16,383,478	10,422,907
	855,538,918	789,497,022
Less: Bad debt provision for trade receivables	6,429,534	6,429,534
	849,109,384	783,067,488

The ageing of trade receivables is calculated based on the issuing date of sales invoice.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

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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 sales of gold bullion are mainly through cash sales or receipts in advance. The sales of gold bullion through cash sales are settled on the transaction dates. The sales of other products such as copper cathodes, zinc bullion and ore concentrates adopt receipts in advance, letter of credit or credit sales. The credit periods of credit sales range from one to six months. The Group maintains strict control over its outstanding trade receivables. Overdue balances of trade receivables are reviewed regularly. Because of the conditions mentioned above and 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.

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

	At 1 January 2017	Additions	Reductions		At 30 June 2017
			Reversal	Write-off	
30 June 2017	6,429,534	203,814	—	(203,814)	6,429,534

	30 June 2017				
	Carrying amount		Bad debt provision		Net book value
	Amount	Proportion (%)	Amount	Proportion (%)	
Individually significant and for which bad debt provision has been provided individually	632,499,035	73.93	—	—	632,499,035
Individually not significant but for which bad debt provision has been provided individually	223,039,883	26.07	6,429,534	2.88	216,610,349
	855,538,918	100	6,429,534	0.75	849,109,384

In the first half of 2017, the provision for bad debt was RMB203,814 (year 2016: RMB7,973,614), and there was no reversal of bad debts (2016: Nil).

In the first half of 2017, trade receivables written off amounted to RMB203,814 (year 2016: RMB8,360,777).

The five entities with the largest balances of trade receivables at 30 June 2017 are as follows:

Name of entity	Amount	Proportion of trade receivables (%)		Ageing	Closing balance of bad debt provision
		Amount	Proportion (%)		
Baosteel Group Xinjiang Bayi Iron & Steel Company Limited	90,328,517	10.56	Within 1 year	—	
Jinchunmaike Metal Resources Co., Ltd.	72,400,000	8.46	Within 1 year	—	
Australian Mint	66,206,125	7.74	Within 1 year	—	
Jinchuan Group Co., Ltd.	56,369,350	6.59	Within 1 year	—	
Shanghai Taixin Industrial Co., Ltd.	49,977,348	5.84	Within 1 year	—	
	335,281,340	39.19		—	

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)*

5. PREPAYMENTS

Ageing analysis of the prepayments is as follows:

	30 June 2017		31 December 2016	
	Carrying amount	Proportion (%)	Carrying amount	Proportion (%)
Within 1 year	1,487,971,551	92.40	754,112,679	85.82
Over 1 year but within 2 years	25,039,143	1.55	42,307,884	4.81
Over 2 years but within 3 years	30,615,508	1.90	27,221,350	3.10
Over 3 years	66,739,345	4.15	55,097,354	6.27
	1,610,365,547	100.00	878,739,267	100.00
Less: Bad debt provision for prepayments	8,965,707		8,965,707	
	1,601,399,840		869,773,560	

As at 30 June 2017, there were no prepayments with significant balances aged over one year (31 December 2016: Nil).

The five entities with the largest balances of prepayments at 30 June 2017 are as follows:

Name of entity	Amount	Proportion of prepayments (%)
Xinjiang Lihong Logistics Co., Ltd.	66,500,000	4.13
Yunnan Copper Company Limited	62,576,407	3.89
Guangxi Fanhai Commercial Co., Ltd.	54,270,000	3.37
Shenzhen Chengtun Metals Co., Ltd.	50,000,000	3.10
Ningbo Bosun Dachang International Trading Co., Ltd.	40,000,000	2.48
Total	273,346,407	16.97

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

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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**

Ageing analysis of the other receivables is as follows:

	30 June 2017	31 December 2016
Within 1 year	716,961,156	828,557,938
Over 1 year but within 2 years	319,684,815	147,700,474
Over 2 years but within 3 years	174,682,067	42,580,075
Over 3 years	87,541,483	161,380,022
	1,298,869,521	1,180,218,509
Less: Bad debt provision for other receivables	187,436,831	183,008,614
	1,111,432,690	997,209,895

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

	At	Additions	Reductions		At
	1 January 2017		Reversal	Write-off	
30 June 2017	183,008,614	4,828,006	(399,789)	—	187,436,831

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

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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)*

	30 June 2017			31 December 2016			Net book value
	Carrying amount Amount	Bad debt provision Amount	Proportion (%)	Carrying amount Amount	Bad debt provision Amount	Proportion (%)	
Individually significant and for which bad debt provision has been provided individually	243,299,189	167,432,416	18.73	701,341,492	167,432,416	59.42	533,909,076
Individually not significant but for which bad debt provision has been provided individually	1,055,570,332	20,004,415	81.27	478,877,017	15,576,198	40.58	463,300,819
	1,298,869,521	187,436,831	100	1,180,218,509	183,008,614	100	997,209,895

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

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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)*

As at 30 July 2017, other receivables, which were individually significant and for which bad debt provision had been provided individually, were as follows:

	Carrying amount	Bad debt provision	Proportion (%)	Reason for providing bad debt provision
Xiamen Zijin Tongguan Investment Development Company Limited ("Zijin Tongguan")	216,856,211	140,992,416	65.02	No progress for the project in which the borrowing is used
Shangguan Jiandong	16,440,000	16,440,000	100.00	Long overdue and it is expected that the amount cannot be recovered
Chongli Dongping Gold Mining Company Limited	10,002,978	10,000,000	99.97	Borrower is incapable to operate
	243,299,189	167,432,416		

Category of other receivables by nature is as follows:

	30 June 2017	31 December 2016
Advanced material costs	106,971,702	107,318,320
Due from non-controlling shareholders	87,966,065	76,809,217
Staff advances and reserve funds	35,746,690	24,326,982
Due from third parties	152,157,293	141,017,498
Receivables from associates and joint ventures	306,886,624	304,334,840
Securities and deposits	142,019,326	114,739,694
Interest receivables	18,417,846	3,896,511
Receivables from disposal of assets	126,346,450	117,808,285
Deferred expenses	124,045,311	105,985,125
Receivables from settlement of futures	36,343,615	30,930,459
Others	161,968,599	153,051,578
	1,298,869,521	1,180,218,509
Less: Bad debt provision for other receivables	187,436,831	183,008,614
	1,111,432,690	997,209,895

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

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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 at 30 June 2017 are as follows:

Name of entity	Closing balance	Proportion of other receivables (%)	Nature	Ageing	Closing balance of bad debt provision
Zijin Tongguan (Note 1)	216,856,211	16.70	Due from associates and joint ventures	Within 1 year, over 1 year but within 2 years, over 2 years but within 3 years and over 3 years	140,992,416
Longkou City Jinhe Industrial and Trading Co., Ltd. ("Jinhe Industrial and Trading") (Note 2)	54,700,000	4.21	Receivables from disposal of equity investments	Over 2 years but within 3 years	—
Fujian Longyan Makeng Mining Company Limited ("Longyan Makeng") (Note 3)	50,132,009	3.86	Due from associates and joint ventures	Within 1 year, over 1 year but within 2 years and over 2 years but within 3 years	—
Wuping County Tianan City Construction Investment and Development Co., Ltd. ("Wuping Tianan") (Note 4)	43,950,000	3.38	Due from third parties	Over 3 years	—
Xiamen Minxing Investment Co., Ltd. (Note 5)	30,683,478	2.36	Due from third parties	Over 3 years	—
	396,321,698	30.51			140,992,416

Note 1: The balance was mainly borrowings and other receivables due from Zijin Tongguan offered by the Company. The investment project of Zijin Tongguan was temporarily unable to carry out development because of long-standing unresolved problems. Consequently, the management of the Group considered that there were indications of irrecoverability of part of the borrowings and other receivables due from Zijin Tongguan, and made a bad debt provision amounting to RMB140,992,416.

Note 2: Zijin International Mining Company Limited ("Zijin International Mining"), a subsidiary of the Group, signed an equity transfer agreement of Longkou Jinfeng Company Limited with Jinhe Industrial and Trading in November 2014. According to the agreement, the equity transfer consideration was RMB84,600,000. As at 30 June 2017, Jinhe Industrial and Trading had paid RMB29,900,000 and the remaining balance to be paid was RMB54,700,000.

Note 3: Zijin Mining Group Finance Company Limited ("Finance Company"), a subsidiary of the Company, provided loans to Longyan Makeng, an associate of the Company, amounting to RMB50,132,009 (including principal and interest).

Note 4: In 2009, Zijin Mining Group Southern Investment Company Limited ("Southern Investment"), Wuping Zijin Mining Company Limited ("Wuping Zijin"), and Shanghang Jinshan Mining Company Limited, all of which are subsidiaries of the Group, provided borrowings of a total amount of RMB50,000,000 to Wuping Tianan. The borrowings were used for the local residents' resettlement and land development of the ninth phase of the old city reconstruction project of Wuping County. As at 30 June 2017, the unsettled amount of borrowings was RMB43,950,000.

Note 5: The amount included: 1) borrowings of a total of RMB22,750,000 provided by Zijin Mining Southwest Co., Ltd., a subsidiary of the Group, to Xiamen Minxing Investment Co., Ltd. for investing in Yunnan Zixing Mining Investment Co., Ltd.'s project; 2) RMB7,933,478 of principal and interest which Xiamen Minxing Investment Co., Ltd. is under a joint liability to pay to the Company for Chen Huanlong, Liu Zhenguan and Su Jingyu.

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)*

7. INVENTORIES

	30 June 2017			31 December 2016		
	Carrying amount	Inventory provision	Net book value	Carrying amount	Inventory provision	Net book value
Raw materials	3,649,556,737	(77,214,138)	3,572,342,599	4,181,855,317	(71,459,389)	4,110,395,928
Work in progress	4,704,687,333	(24,103,004)	4,680,584,329	4,195,064,044	(25,014,548)	4,170,049,496
Finished goods	988,697,131	(39,405,454)	949,291,677	1,178,295,866	(57,387,175)	1,120,908,691
Properties under development	2,655,524,054	—	2,655,524,054	2,406,122,048	—	2,406,122,048
Reusable materials	221,675,551	—	221,675,551	195,150,486	—	195,150,486
	12,220,140,806	(140,722,596)	12,079,418,210	12,156,487,761	(153,861,112)	12,002,626,649

The movements of inventory provision are as follows:

	At 1 January 2017	Additions	Reductions Reversal or write-off	At 30 June 2017
30 June 2017				
Raw materials	71,459,389	11,954,342	(6,199,593)	77,214,138
Work in progress	25,014,548	—	(911,544)	24,103,004
Finished goods	57,387,175	3,041,834	(21,023,555)	39,405,454
Total	153,861,112	14,996,176	(28,134,692)	140,722,596

30 June 2017	Determination basis of net realisable value	Basis of providing provision for inventories	Reasons for reversal of inventory provision
Raw materials	Market price of raw materials/market price of relevant finished goods	Defectiveness and obsolescence/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 relevant finished goods	Increase in market price of relevant finished goods
Finished goods	Market price/ contract price	Decrease in market price	Increase in market price

As at 30 June 2017, inventories with restricted ownership amounted to RMB10,034,000 (31 December 2016: RMB10,034,000). Details are disclosed in Note V.58.

As at 30 June 2017, carrying amount of inventories included capitalised interest expenses of RMB3,877,933 (31 December 2016: RMB16,804,889).

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)*

8. CURRENT PORTION OF NON-CURRENT ASSETS

	30 June 2017	31 December 2016
Current portion of long-term receivables	355,818,905	366,489,750

9. OTHER CURRENT ASSETS

	30 June 2017	31 December 2016
Deposit for futures contracts	311,150,726	103,076,177
Deposit for gold transactions	4,456,418	10,808,852
Liquid cash for futures contracts	64,530,578	60,085,274
Input VAT to be credited	21,926,079	7,016,391
Input VAT to be verified	59,768,872	54,155,509
VAT recoverable	256,867,526	210,222,490
Prepaid taxes	282,365,526	282,367,667
Wealth management products	1,552,965,692	1,201,389,289
Others	44,475,809	41,877,146
	2,598,507,226	1,970,998,795

10. AVAILABLE-FOR-SALE INVESTMENTS

	30 June 2017			31 December 2016		
	Carrying amount	Impairment provision	Net book value	Carrying amount	Impairment provision	Net book value
Available-for-sale equity instruments						
Measured at fair value	614,326,110	—	614,326,110	533,450,722	—	533,450,722
Measured at cost	636,785,223	(10,500,000)	626,285,223	553,545,929	(10,500,000)	543,045,929
	1,251,111,333	(10,500,000)	1,240,611,333	1,086,996,651	(10,500,000)	1,076,496,651

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

	30 June 2017	31 December 2016
Cost of equity instruments	330,093,682	316,649,350
Fair value	614,326,110	533,450,722
Accumulated changes in fair value recognised as other comprehensive income	284,232,428	216,801,372
Impairment provision at the end of the reporting 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.)

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 2017

	At 1 January 2017		Carrying amount		At 30 June 2017		At 1 January 2017		Impairment provision		Proportion of equity interest (%)	Cash dividends received in the period
	At 1 January 2017	At 30 June 2017	Additions	Reductions	At 30 June 2017	At 1 January 2017	Additions	Reductions	At 30 June 2017			
Sichuan Livu Copper Company Limited	19,850,000	19,850,000	—	—	19,850,000	—	—	—	—	—	5.77	16,800,000
Fujian Shanghang Rural Commercial Bank	89,900,000	89,900,000	—	—	89,900,000	—	—	—	—	—	10.00	—
Nanjing China Net Communication Company Limited	25,000,000	25,000,000	—	—	25,000,000	—	—	—	—	—	8.62	—
Fujian Shanghang Xingcheng Guarantee Muji County Rongda Mining Company Limited	50,000,000	50,000,000	—	—	50,000,000	—	—	—	—	—	20.00	—
Xinjiang Xinxin Wulatehouqi Ruiheng Lead Refinery Company Limited	62,017,517	62,017,517	—	—	62,017,517	—	—	—	—	—	12.00	—
CASA Mining Limited	18,314,097	18,314,097	—	—	18,314,097	—	—	—	—	—	2.56	—
Solanera Resources Ltd.	10,500,000	10,500,000	—	—	10,500,000	(10,500,000)	—	—	(10,500,000)	—	3.03	—
Zhenfeng Rural Credit Cooperative Union Xinjiang Tianshan Railway Company Limited	41,932,791	41,932,791	—	—	41,932,791	—	—	—	—	—	8.01	—
Luoyang Commercial Bank	7,771,757	7,771,757	—	—	7,771,757	—	—	—	—	—	2.80	—
Jiangxi Jinhuan Mining Company Limited	11,074,000	11,074,000	—	—	11,074,000	—	—	—	—	—	9.80	588,000
Binci Potash	19,200,000	19,200,000	—	—	19,200,000	—	—	—	—	—	12.00	—
Lark World	1,000,000	1,000,000	—	—	1,000,000	—	—	—	—	—	0.12	390,000
China Enterprise SCC	4,864,063	4,864,063	—	—	4,864,063	—	—	—	—	—	55.00	—
Others	187,106,400	187,106,400	—	—	187,106,400	—	—	—	—	—	3.60	—
	—	76,739,294	76,739,294	—	76,739,294	—	—	—	—	—	16.67	—
	—	6,500,000	6,500,000	—	6,500,000	—	—	—	—	—	1.39	—
	5,015,304	5,015,304	—	—	5,015,304	—	—	—	—	—	N/A	—
	553,545,929	83,239,294	83,239,294	—	636,785,223	(10,500,000)	—	—	(10,500,000)	—	—	17,778,000

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

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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:

	30 June 2017	31 December 2016
Impairment provision at 1 January	10,500,000	27,720,611
Additions	—	3,888,677
<i>Including: Transferred from other comprehensive income</i>	—	—
Reductions	—	(21,109,288)
Impairment provision at the end of the reporting period	10,500,000	10,500,000

11. LONG-TERM EQUITY INVESTMENTS

	30 June 2017			31 December 2016		
	Carrying amount	Impairment provision	Net book value	Carrying amount	Impairment provision	Net book value
Investments in joint ventures	3,623,364,449	(12,350,855)	3,611,013,594	4,480,817,672	(12,350,855)	4,468,466,817
Investments in associates	3,759,721,688	(162,757,584)	3,596,964,104	3,603,318,725	(162,757,584)	3,440,561,141
Total	7,383,086,137	(175,108,439)	7,207,977,698	8,084,136,397	(175,108,439)	7,909,027,958

Notes to Financial Statements (continued)

For the period ended 30 June 2017

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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 2017 (continued)

	Movements during the period										At 30 June 2017	Provision for impairment losses at 30 June 2017
	At 1 January 2017	Additions	Reductions	Investment income/(losses) under the equity method	Other comprehensive income	Other changes in equity	Cash dividends declared by investee	Provision for impairment losses	Exchange differences arising from translation of financial statements denominated in foreign currencies	Investee became a subsidiary due to change of control		
Associates												
Longyan Makeng	787,738,206	83,000,000	—	21,188,897	—	—	(14,940,000)	—	—	—	—	876,987,103
Xinjiang Tianlong	370,905,941	—	—	5,122,978	—	—	—	—	—	—	—	376,028,919
Zijin Tongguan	364,473,940	—	—	(5,672,200)	—	—	—	—	—	—	—	358,801,740
Wengfu Zijin	259,761,363	—	—	20,765,358	—	—	—	—	—	—	—	280,526,721
Wuxin Copper (Note 1)	—	—	—	—	—	—	—	—	—	—	—	—
Haixia Technology	208,192,925	—	—	(1,864,972)	—	—	(1,288,000)	—	—	—	—	205,039,953
Wancheng Commercial	184,548,669	—	—	28,190,252	—	—	—	—	—	—	—	212,738,921
Xiamen Modern Terminals	133,806,747	—	—	3,264,748	—	—	(5,875,000)	—	—	—	—	131,196,495
Tibet Yulong	147,484,293	—	—	25,355,481	—	—	—	—	—	—	—	172,839,774
Shanghang Xinyuan	113,941,201	—	—	(133,644)	—	—	—	—	—	—	—	113,807,557
Yanbian Credit Security	72,325,535	—	—	669,813	—	—	(500,000)	—	—	—	—	72,495,348
Kanas Travel	77,683,456	—	—	(4,218,000)	—	—	—	—	—	—	—	73,465,456
Qinghai Copper	272,000,000	—	—	—	—	—	—	—	—	—	—	272,000,000
Ting River Hydropower	54,316,147	—	—	12,482,441	—	—	(1,960,000)	—	—	—	—	64,838,588
Songpan Zijin	39,249,785	—	—	—	—	—	—	—	—	—	—	39,249,785
Wuping Zijin Hydropower	49,285,402	—	—	6,381,268	—	—	(11,817,700)	—	—	—	—	43,848,970
Hunchun Jindi	46,957,347	—	—	(238,273)	—	—	—	—	—	—	—	46,719,074
Longyan Zijin Al/IC	83,221,199	—	—	(2,601,920)	—	—	—	—	—	—	—	80,619,279
Kuitun Yutong	1,000,000	—	—	6,670	—	—	—	—	—	—	—	1,006,670
Zesen (Xiamen)	1,969,674	—	—	1,588,855	—	—	—	—	—	—	—	3,558,529
Jinyue Huichuang	2,941,022	—	—	69,104	—	—	—	—	—	—	—	3,010,126
Changsha Science	168,758,289	—	—	(573,193)	—	—	—	—	—	—	—	168,185,096
Subtotal	3,440,561,141	83,000,000	—	109,783,663	—	—	(36,380,700)	—	—	—	—	3,596,964,104
Total	7,909,027,958	85,200,000	—	23,644,730	—	—	(42,042,708)	—	(86,891,905)	(680,960,377)	—	7,207,977,698
												(175,108,439)

Note 1: The accumulated unrecognised losses in previous period, the unrecognised losses during the period and the accumulated unrecognised losses at the end of the reporting period of Wuxin Copper were RMB45,737,823, RMB7,914,436 and RMB53,652,259 respectively.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

RMB

*(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 2017	At 1 January 2017	Additions	Reductions	At 30 June 2017
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 2017	31 December 2016
Cost		
At the beginning of the period	233,151,985	197,083,801
Transferred from construction in progress	10,946,349	10,403,319
Business combination not involving enterprises under common control	—	29,244,959
Disposals or write-off	—	(3,580,094)
At the end of the period	244,098,334	233,151,985
Accumulated depreciation		
At the beginning of the period	39,860,882	28,681,289
Depreciation provided for the period	4,885,571	12,299,162
Disposals or write-off	—	(1,119,569)
At the end of the period	44,746,453	39,860,882
Impairment provision		
At the beginning and end of the period	—	—
Net book value		
At the end of the period	199,351,881	193,291,103
At the beginning of the period	193,291,103	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 2017, there were no investment properties of which the certificates of title have not been obtained (31 December 2016: Nil).

Notes to Financial Statements (continued)

For the period ended 30 June 2017

RMB

(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 2017

	Buildings	Mining assets	Power generation and transmission equipment	Plant, machinery and equipment	Motor vehicles	Furniture and fixtures and others	Total
Cost							
At 1 January 2017	7,598,300,152	23,483,536,121	1,387,035,584	12,932,247,686	1,173,574,535	426,720,083	47,001,414,161
Purchase additions	29,282,763	44,430,718	4,185,236	72,301,841	26,385,208	62,705,892	239,291,658
Transferred from construction in progress	267,597,120	592,153,446	158,342,435	177,536,237	947,854	7,480,711	1,204,057,803
Disposals or write-off	(80,501,844)	(408,631,448)	(11,025,987)	(362,578,240)	(23,424,996)	(16,641,229)	(902,803,744)
At 30 June 2017	7,814,678,191	23,711,488,837	1,538,537,268	12,819,507,524	1,177,482,601	480,265,457	47,541,959,878
Accumulated depreciation							
At 1 January 2017	1,830,166,605	5,131,252,805	570,264,952	5,201,068,444	711,407,967	252,837,699	13,696,998,472
Depreciation provided for the period	188,647,724	688,873,120	46,883,458	515,229,022	78,015,966	54,770,874	1,572,420,164
Disposals or write-off	(43,113,607)	(207,645,904)	(1,654,137)	(276,885,942)	(16,022,844)	(6,568,022)	(551,890,456)
At 30 June 2017	1,975,700,722	5,612,480,021	615,494,273	5,439,411,524	773,401,089	301,040,551	14,717,528,180
Impairment provision							
At 1 January 2017	34,771,285	614,360,681	5,639,535	118,961,708	66,227	6,059	773,805,495
Impairment provided for the period	7,100,045	154,534,543	935,102	28,749,064	37,355	164,434	191,520,543
Disposals or write-off	(602,817)	(6,630,436)	(166,124)	(29,272,809)	—	(81)	(36,672,267)
At 30 June 2017	41,268,513	762,264,788	6,408,513	118,437,963	103,582	170,412	928,653,771
Net book value							
At 30 June 2017	5,797,708,956	17,336,744,028	916,634,482	7,261,658,037	403,977,930	179,054,494	31,895,777,927
At 1 January 2017	5,733,362,262	17,737,922,635	811,131,097	7,612,217,534	462,100,341	173,876,325	32,530,610,194

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

	30 June 2017		31 December 2016	
	Cost	Net book value	Cost	Net book value
Buildings	66,865,729	1,078,188	39,061,938	224,714
Mining assets	708,618,539	5,693,772	1,049,393,990	6,059,326
Power generation and transmission equipment	95,880,477	4,287,273	88,645,783	3,974,198
Plant, machinery and equipment	775,464,049	26,562,879	804,169,127	27,761,903
Motor vehicles	133,352,175	4,956,878	113,736,711	4,118,060
Furniture and fixtures and others	141,850,519	5,328,306	130,220,787	4,806,585
	1,922,031,488	47,907,296	2,225,228,336	46,944,786

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

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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 2017

	Cost	Accumulated depreciation	Impairment provision	Net book value
Buildings	219,941,284	(56,625,312)	(893)	163,315,079
Mining assets	1,215,349,021	(188,754,918)	(338,493,751)	688,100,352
Plant, machinery and equipment	224,714,508	(141,388,404)	(15,864,215)	67,461,889
Motor vehicles	8,408,245	(5,773,950)	(14,383)	2,619,912
Power generation and transmission equipment	13,653,952	(7,363,819)	(20,136)	6,269,997
Furniture and fixtures and others	11,104,415	(8,889,068)	—	2,215,347
	1,693,171,425	(408,795,471)	(354,393,378)	929,982,576

31 December 2016

	Cost	Accumulated depreciation	Impairment provision	Net book value
Buildings	197,935,211	(42,715,303)	(1,814,215)	153,405,693
Mining assets	1,121,398,419	(137,227,895)	(353,460,754)	630,709,770
Plant, machinery and equipment	203,828,677	(117,374,861)	(7,633,119)	78,820,697
Motor vehicles	13,050,563	(10,549,699)	(2,103)	2,498,761
Power generation and transmission equipment	9,566,428	(5,648,104)	(198,971)	3,719,353
Furniture and fixtures and others	9,065,535	(7,178,277)	(4,350)	1,882,908
	1,554,844,833	(320,694,139)	(363,113,512)	871,037,182

Fixed assets leased under finance leases are as follows:

30 June 2017

	Cost	Accumulated depreciation	Impairment provision	Net book value
Plant, machinery and equipment	407,724	(67,953)	—	339,771
Motor vehicles	12,695,605	(3,173,901)	—	9,521,704
	13,103,329	(3,241,854)	—	9,861,475

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

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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 2016

	Cost	Accumulated depreciation	Impairment provision	Net book value
Plant, machinery and equipment	4,040,000	(772,931)	—	3,267,069
Motor vehicles	12,798,765	(1,066,564)	—	11,732,201
	16,838,765	(1,839,495)	—	14,999,270

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 2017 Net book value	31 December 2016 Net book value	Reasons why certificates of title have not been obtained
Buildings	1,153,264,615	1,431,423,466	In the process of applying/ the projects were unsettled
Mining assets	224,828,083	259,359,530	In the process of applying/ the projects were unsettled
	1,378,092,698	1,690,782,996	

14. CONSTRUCTION IN PROGRESS

	30 June 2017			31 December 2016		
	Carrying amount	Impairment provision	Net book value	Carrying amount	Impairment provision	Net book value
	3,749,902,843	(23,571,615)	3,726,331,228	4,012,064,654	(27,220,843)	3,984,843,811

Notes to Financial Statements (continued)

For the period ended 30 June 2017

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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 2017 are as follows:

	Budget	At 1 January 2017	Additions	Transferred to fixed assets	Other reductions	At 30 June 2017	Proportion of actual investment to budget	Progress of project	Balance of capitalised borrowing costs as at 30 June 2017	Including: capitalised interest for the period	Interest rate of capitalisation (%)	Source of funds
Altynten infrastructure project	1,498,317,700	58,647,425	18,096,276	(18,930,139)	—	57,813,562	99%	99%	5,845,180	2,598,794	6.00	Equity fund/Loan
Jinhao Iron infrastructure project	2,065,284,300	719,085,200	1,167,619	—	—	720,252,819	99%	99%	169,452	—	N/A	Equity fund
Ashele Copper infrastructure project	975,852,800	88,102,794	47,468,521	(396,133)	—	135,175,182	92%	92%	4,924,977	2,413,889	5.10	Equity fund/Loan
Zhijishan gold and copper mine joint open pit mining project	2,771,037,000	128,809,922	159,698,581	(10,816,364)	(24,323,049)	253,369,090	75%	74%	—	—	N/A	Equity fund
ZGC infrastructure project	1,552,616,377	53,542,140	32,832,953	—	—	86,375,093	50%	25%	20,181,141	—	N/A	Equity fund/Loan
Hunchun Zijin infrastructure project	1,707,200,000	167,510,130	7,073,182	(1,106,432)	(18,838,539)	154,638,321	91%	95%	3,139,784	—	N/A	Equity fund/Loan
Russia Longxing infrastructure project	559,198,100	26,838,848	17,104,692	—	—	43,943,540	95%	99%	1,110,298	—	N/A	Equity fund/Loan
Musonio infrastructure project	1,500,000,000	690,657,935	329,368,223	(1,009,609,252)	—	10,416,906	55%	55%	300,207	14,523,849	5.60-6.00	Equity fund/Loan
Xinjiang Jimeng infrastructure project	253,801,956	319,663,563	39,304,913	—	—	358,968,476	141%	97%	22,027,765	11,105,290	8.00	Equity fund/Loan
Guizhou Xinmengji infrastructure project	350,000,000	344,717,597	14,325,638	—	—	359,043,235	102%	96%	102,186,728	10,220,493	5.50	Equity fund/Loan
Others	4,826,913,287	1,414,489,100	331,701,541	(163,199,483)	(13,084,539)	1,569,906,619	N/A	N/A	84,061,721	19,608,890	N/A	Equity fund/Loan
	18,060,221,520	4,012,064,654	998,142,139	(1,204,057,803)	(56,246,147)	3,749,902,843			243,947,253	60,471,205		
Impairment provision for construction in progress		(27,220,843)				(23,571,615)						
		3,984,843,811				3,726,331,228						

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

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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 2017	At 1 January 2017	Additions	Reductions	At 30 June 2017	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)	—	Write-off of construction
Luoyang Kunyu infrastructure project	5,005,874	—	—	5,005,874	No expected usable value in the future
ZGC infrastructure project	17,625,985	—	—	17,625,985	Expected recoverable amount less than carrying amount
Others	712,591	—	—	712,591	Expected recoverable amount less than carrying amount
	27,220,843	—	(3,649,228)	23,571,615	

15. CONSTRUCTION MATERIALS

	30 June 2017	31 December 2016
Dedicated materials	93,762,855	138,086,414
Dedicated equipment	78,731,433	56,027,692
	172,494,288	194,114,106

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

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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 2017

	Exploration and mining rights	Land use rights	Membership of Shanghai Gold Exchange and others	Total
Cost				
At 1 January 2017	11,071,582,196	1,997,142,025	189,763,737	13,258,487,958
Purchase additions	190,010,862	56,716,134	51,716,475	298,443,471
Disposals or write-off	(12,138,400)	—	(701,494)	(12,839,894)
Other reductions	—	—	—	—
At 30 June 2017	11,249,454,658	2,053,858,159	240,778,718	13,544,091,535
Accumulated amortisation				
At 1 January 2017	2,413,819,026	330,939,401	23,301,557	2,768,059,984
Amortisation provided for the period	221,945,132	38,694,455	5,773,332	266,412,919
Disposals or write-off	(433,252)	—	(433,268)	(866,520)
Other reductions	—	—	—	—
At 30 June 2017	2,635,330,906	369,633,856	28,641,621	3,033,606,383
Impairment provision				
At 1 January 2017	158,248,707	—	75,170,307	233,419,014
Impairment provided for the period	34,852,508	—	—	34,852,508
Disposals or write-off	—	—	—	—
At 30 June 2017	193,101,215	—	75,170,307	268,271,522
Net book value				
At 30 June 2017	8,421,022,537	1,684,224,303	136,966,790	10,242,213,630
At 1 January 2017	8,499,514,463	1,666,202,624	91,291,873	10,257,008,960

As at 30 June 2017, ownerships of intangible assets with carrying amount of RMB17,570,591 were restricted (31 December 2016: RMB17,755,545). Details are disclosed in Note V.58.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

RMB

(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 *(continued)*

Land use rights of which certificates of title have not been obtained as at 30 June 2017 are as follows:

	Net book value as at 30 June 2017	Reason why certificates of title have not been obtained
Land use rights of Duobaoshan (storage of explosives, management and living areas)	565,511,060	In the process of applying
Land use rights of Xinjiang Ashele's new tailings pool	126,369,239	In the process of applying
Land use rights of Wulatehouqi Zijin	74,368,452	In the process of applying
140 hectares of land use rights of Duobaoshan (orebody no. three, mining area, dump, tailings pool)	59,615,102	In the process of applying
Land beside the Zijin Avenue	13,645,626	In the process of applying
Land for production of ZGC	27,216,244	In the process of applying
Land use rights of Xinjiang Ashele's 1,200 tonnes of copper processing from zinc tailings	1,673,708	In the process of applying
Land use rights of Heilongjiang Tongshan Mining's office complex	940,869	In the process of applying

Land for production of ZGC is situated in Tajikistan and held upon freehold property, other land use rights are situated in Mainland China and held under medium-term leases.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

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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 2017

	At 1 January 2017	Additions Business combination not involving enterprises under common control	Reductions Disposal	At 30 June 2017
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
	541,078,337	—	—	541,078,337

The movements of impairment provision for goodwill are as follows:

30 June 2017

	At 1 January 2017	Additions Provision	Reductions Disposal	At 30 June 2017
Xinyi Zijin	44,319,632	—	—	44,319,632
Yunnan Huaxi	33,161,050	—	—	33,161,050
	77,480,682	—	—	77,480,682

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

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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 2017

	At 1 January 2017	Additions	Amortisation	Other reductions	At 30 June 2017
Land compensation costs (Note 1)	197,163,190	47,962,403	(15,911,240)	—	229,214,353
Mining shaft development expenditure	228,403,857	80,993,934	(45,215,759)	—	264,182,032
Amortisation costs of bipolar plates	226,693,025	3,757,884	(12,003,285)	—	218,447,624
Forest compensation expenditure	147,737,716	—	(6,697,550)	—	141,040,166
Others (Note 2)	385,964,581	128,514,923	(230,100,859)	(96,022,660)	188,355,985
	1,185,962,369	261,229,144	(309,928,693)	(96,022,660)	1,041,240,160

Note 1: The land compensation costs are compensation for the occupation of forest land at the mining sites for production and construction needs. The amortisation period ranges from 5 to 50 years.

Note 2: As at 30 June 2017, other long-term deferred assets mainly included highway tolls of RMB32,804,873 (31 December 2016: RMB35,379,113); resource integration fees of RMB13,509,073 (31 December 2016: RMB16,061,578); and reconstruction costs of power supply lines of RMB19,773,223 (31 December 2016: RMB20,822,617). Other long-term deferred assets are amortised in accordance with their useful lives.

19. DEFERRED TAX ASSETS/LIABILITIES

Deferred tax assets and deferred tax liabilities before offsetting:

	30 June 2017		31 December 2016	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Deferred tax assets				
Provision for impairment of assets	469,210,135	117,302,534	487,375,396	121,843,849
Unrealised profit arising from intra-group transactions	703,945,402	175,986,351	359,475,439	89,868,860
Deductible losses (Note 1)	1,865,990,118	490,347,782	1,871,085,318	492,508,882
Differences in depreciation policies	126,757,605	31,689,401	122,876,140	30,719,035
Changes in the fair value of available-for-sale investments	—	—	308,589	77,147
Changes in fair value of financial liabilities at fair value through profit or loss	153,473,153	38,368,288	310,364,986	77,591,247
Expenses accrued but not yet paid and others	466,745,540	88,321,400	243,868,090	60,967,022
	3,786,121,953	942,015,756	3,395,353,958	873,576,042

Note 1: As at 30 June 2017, deferred tax assets generated from the above deductible temporary differences were recognised to the extent that it was probable that taxable profits would be available against which the deductible temporary differences can be utilised.

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 2017		31 December 2016	
	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	1,356,098,225	335,692,531	1,376,125,575	359,119,811
Changes in fair value of financial assets at fair value through profit or loss	112,669,021	28,167,255	97,181,975	24,295,494
Differences in amortisation policies for stripping costs	637,409,125	191,222,736	325,515,231	97,654,568
	2,106,176,371	555,082,522	1,798,822,781	481,069,873

Deferred tax assets not recognised are as follows:

	30 June 2017	31 December 2016
Deductible temporary differences	711,050,296	964,725,013
Deductible tax losses	5,689,137,204	5,707,492,511
	6,400,187,500	6,672,217,524

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

	30 June 2017	31 December 2016
2017	—	410,362,576
2018	477,972,088	504,308,240
2019	1,614,454,058	1,914,524,369
2020	1,102,875,648	1,171,805,990
2021	1,451,256,871	1,706,491,336
2022	1,042,578,539	—
	5,689,137,204	5,707,492,511

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)

20. OTHER NON-CURRENT ASSETS

	30 June 2017	31 December 2016
Exploration and development costs	2,278,300,084	2,393,462,919
Prepaid investment costs	128,700,000	136,700,000
Prepayment for purchase of Longhu integrated development rights	117,423,299	117,423,299
Long-term receivables	2,798,757,724	2,458,701,529
Prepayments for fixed assets and constructions	303,012,754	234,443,389
Deposit for mine restoration and improvement of ecological environment in mines	167,993,911	167,602,546
Prepayments for land use rights	46,715,045	46,715,045
Prepayments for exploration and mining rights	26,087,209	39,328,989
Inventories expected not to be processed within 1 year	621,770,383	655,301,197
Others	65,152,731	159,283,669
	6,553,913,140	6,408,962,582

As at 30 June 2017, the right of use of other non-current assets with carrying amount of RMB167,993,911 were restricted (31 December 2016: RMB167,602,546). Details are disclosed in Note V.58.

21. PROVISION FOR IMPAIRMENT OF ASSETS

30 June 2017

	At 1 January 2017	Additions	Reductions		At 30 June 2017
			Reversal	Write-off	
Bad debt provision	198,403,855	5,227,738	(399,789)	(399,732)	202,832,072
<i>Including: Trade receivables</i>	<i>6,429,534</i>	<i>203,814</i>	<i>—</i>	<i>(203,814)</i>	<i>6,429,534</i>
<i>Other receivables</i>	<i>183,008,614</i>	<i>4,828,006</i>	<i>(399,789)</i>	<i>—</i>	<i>187,436,831</i>
<i>Prepayments</i>	<i>8,965,707</i>	<i>195,918</i>	<i>—</i>	<i>(195,918)</i>	<i>8,965,707</i>
Inventory provision	153,861,112	14,996,176	(8,252,752)	(19,881,940)	140,722,596
Impairment provision for available-for-sale investments	10,500,000	—	—	—	10,500,000
Impairment provision for long-term equity investments	175,108,439	—	—	—	175,108,439
Impairment provision for fixed assets	773,805,495	191,520,543	—	(36,672,267)	928,653,771
Impairment provision for construction in progress	27,220,843	—	—	(3,649,228)	23,571,615
Impairment provision for intangible assets	233,419,014	34,852,508	—	—	268,271,522
Impairment provision for goodwill	77,480,682	—	—	—	77,480,682
Impairment provision for other current assets	5,527,310	—	—	—	5,527,310
Impairment provision for other non-current assets	176,955,900	—	—	—	176,955,900
	1,832,282,650	246,596,965	(8,652,541)	(60,603,167)	2,009,623,907

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)*

22. SHORT-TERM BORROWINGS

	30 June 2017	31 December 2016
Unsecured and non-guaranteed loans	4,901,308,740	5,022,406,272
Gold leasing (Note 1)	8,425,014,584	7,308,133,978
Bills receivable discounted	105,500,000	19,500,000
	13,431,823,324	12,350,040,250

As at 30 June 2017 and 31 December 2016, the Group had no secured loans.

As at 30 June 2017, the interest rates of the above borrowings ranged from 0.40% to 5.25% per annum (31 December 2016: 0.40% to 4.44% per annum).

As at 30 June 2017 and 31 December 2016, there were no short-term borrowings of the Group that were overdue but not yet repaid.

Note 1: The Group financed through entering into gold leasing agreements with banks to lease gold from banks and subsequently sold the gold through the Shanghai Gold Exchange. On maturity of the lease, the Group would return gold to gold leasing banks with the same quantity and specification purchased through the Shanghai Gold Exchange. The maturity period of gold leasing was within 1 year (1 year inclusive).

In the prior years, on maturity, the Group would return gold to banks with the same quantity and specification purchased through the Shanghai Gold Exchange at market transaction price. Since 2016, in the process of gold leasing, the Group simultaneously entered into a forward contract with the same bank for gold with the same quantity, specification and maturity date. According to the forward contract, on maturity of the lease, the Group would purchase gold with the same quantity and specification at an agreed price in RMB from that bank to return the leased gold. The Group considered that under such gold leasing business model, the risk of gold price fluctuation in the gold leasing deal was entirely borne by the bank. The Group only bore the agreed gold leasing fee and related handling fee. Therefore, the Group included the leased gold in short-term borrowings.

23. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2017	31 December 2016
Held for trading financial liabilities		
Derivative financial liabilities (Note 1)	147,877,539	72,961,871
Cross currency swap ("CCS") (Note 2)	15,730,639	20,178,616
	163,608,178	93,140,487

Note 1: Derivative financial liabilities are as follows:

	30 June 2017	31 December 2016
(1) Derivative financial liabilities without designated hedging relationship	147,877,539	64,112,543
<i>Including: Forward contracts</i>	70,418,205	36,610,323
<i>Futures contracts</i>	77,459,334	27,502,220
(2) Hedging instruments - forward contracts	—	8,849,328
	147,877,539	72,961,871

Note 2: The Group has used the CCS to hedge the currency risk and interest rate risk. As at 30 June 2017, losses on changes in fair value arising from CCS were RMB15,730,639 (31 December 2016: losses on changes in fair value of RMB20,178,616).

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

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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)*

24. BILLS PAYABLE

	30 June 2017	31 December 2016
Bank acceptance bills	128,446,184	252,074,617
	128,446,184	252,074,617

As at 30 June 2017, there were no bills payable that were due but not yet repaid (31 December 2016: Nil). Bills payable of RMB128,446,184 would be due in 2017.

25. TRADE PAYABLES

As at 30 June 2017, an ageing analysis of the trade payables, based on the invoice dates, is as follows:

	30 June 2017	31 December 2016
Within 1 year	3,492,266,584	4,340,091,089
Over 1 year but within 2 years	226,595,541	200,570,475
Over 2 years but within 3 years	79,003,168	97,067,546
Over 3 years	99,264,644	89,665,448
	3,897,129,937	4,727,394,558

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

As at 30 June 2017, there was no significant balance of trade payables aged more than one year.

26. ADVANCES FROM CUSTOMERS

	30 June 2017	31 December 2016
Advances from sales of commodity housing	1,671,897,990	1,532,316,189
Advances from sales of goods	900,719,488	554,232,353
	2,572,617,478	2,086,548,542

As at 30 June 2017, there was no significant balance of advances from customers aged more than one year (31 December 2016: Nil).

As at 30 June 2017, there was no settled but uncompleted project arising from construction contracts in the balance of advances from customers (31 December 2016: 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)*

27. EMPLOYEE BENEFITS PAYABLE

30 June 2017

	At 1 January 2017	Additions	Reductions	At 30 June 2017
Short-term employee benefits	633,242,206	1,281,292,867	(1,498,979,418)	415,555,655
Post-employment benefit plan (defined contribution plan)	19,151,396	95,574,459	(109,828,609)	4,897,246
Termination benefit	279,142	18,259,411	(18,351,417)	187,136
Other employee benefits within 1 year	—	1,288,473	(1,288,473)	—
	652,672,744	1,396,415,210	(1,628,447,917)	420,640,037

Short-term employee benefits are as follows:

30 June 2017

	At 1 January 2017	Additions	Reductions	At 30 June 2017
Wages or salaries, bonuses, allowances and subsidies	442,499,310	1,075,028,946	(1,297,012,836)	220,515,420
Staff welfare	118,782,205	84,842,454	(83,906,322)	119,718,337
Social security contributions	151,053	46,623,114	(46,395,546)	378,621
<i>Including: Medical insurance</i>	24,676	31,381,246	(31,224,671)	181,251
<i>Work-related injury insurance</i>	62,245	11,921,347	(11,864,704)	118,888
<i>Maternity insurance</i>	64,132	3,320,521	(3,306,171)	78,482
Housing fund	2,229,196	42,591,167	(42,132,081)	2,688,282
Union running costs and employee education costs	58,117,925	20,747,119	(14,062,763)	64,802,281
Short-term compensated absence	—	6,962,618	(6,962,618)	—
Short-term profit-sharing plan	11,462,517	4,497,449	(8,507,252)	7,452,714
	633,242,206	1,281,292,867	(1,498,979,418)	415,555,655

Defined contribution plan is as follows:

30 June 2017

	At 1 January 2017	Additions	Reductions	At 30 June 2017
Basic pension insurance	18,437,102	88,714,538	(103,110,786)	4,040,854
Unemployment insurance	714,294	6,859,921	(6,717,823)	856,392
	19,151,396	95,574,459	(109,828,609)	4,897,246

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

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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)*

28. TAXES PAYABLE

	30 June 2017	31 December 2016
Value-added tax	243,985,063	102,771,055
Corporate income tax	138,262,125	136,127,410
Resource tax	55,517,963	48,941,522
Resource compensation fee	130,971,956	138,218,945
Others	52,332,101	64,806,221
	621,069,208	490,865,153

29. DIVIDENDS PAYABLE

	30 June 2017	31 December 2016
A Shares and H Shares held by the public (Note 1)	1,381,873,133	—
Guizhou Province Geology and Mineral Resources Exploration and Development Bureau Team 105	7,000,000	9,000,000
Luoning County Funiu Mining Development Centre	180,000	1,551,598
Guizhou Geology and Mineral Resources Exploration Development Company	—	8,000,000
Zhenfeng County Industrial Investment Company Limited	—	5,000,000
Xiamen Jinhuang Technology Consultant Co., Ltd.	—	1,170,000
Shanghang Hongyang Mining Engineering Company Limited ("Hongyang Mining")	—	1,000,000
China Nonferrous Metal Import and Export Company Xinjiang Corp.	12,500,000	—
Xinjiang Uyghur Autonomous Region Geology and Mineral Resources Exploration and Development Bureau	32,500,000	—
Xinjiang Baokai Nonferrous Metals Mining Co., Ltd.	5,000,000	—
Xinjiang Non-ferrous Metal Industry (Group) Company Limited	72,500,000	—
Others	13,549	1,443,526
	1,511,566,682	27,165,124

Note 1: On 30 June 2017, the 2016 annual general meeting passed a resolution of profit distribution of the Company for the year ended 31 December 2016. A dividend of RMB0.6 (tax included) per 10 shares was provided. Payment for the above profit distribution proposal was completed on 4 August 2017. As at 30 June 2017, there was no balance of dividends payable aged more than one year.

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

	30 June 2017	31 December 2016
Payables for construction work and equipment	1,965,177,295	1,794,002,840
Payables for exploration and mining rights	222,713,945	340,453,444
Donation payables	57,080,190	29,105,718
Amounts due to third parties	572,168,939	498,130,204
Withholding individual income tax	12,665,632	12,704,500
Deposits	234,646,777	232,808,783
Payables for acquisition of equities and debts	69,826,359	37,561,828
Payables for losses on futures contracts	36,987,889	38,288,708
Accrued maintenance costs	32,846,078	26,551,719
Due to non-controlling shareholders	29,665,928	32,711,445
Interest payables	577,747,218	412,787,631
Others	326,287,570	498,369,238
	4,137,813,820	3,953,476,058

As at 30 June 2017, the significant balances of other payables aged more than one year are as follows:

	Balance	Reason for not being settled
The 8th Metallurgical Construction Group Company Limited	81,508,922	Construction payments not yet settled
Jiangxi Installation Engineering Co., Ltd. Jilin Branch	32,786,347	Construction payments not yet settled
Intermediate People's Court in Maoming City, Guangdong Province	27,519,089	Compensation not yet settled
Shanghang County Finance Bureau	22,509,000	Expense of exploration rights not yet settled
Shanghai Clear Environmental Protection Science and Technology Co., Ltd.	19,100,000	Payables not yet settled
Committee of Jingmei Village	16,579,636	Entrusted investment not yet settled
China 15th Metallurgical Construction Group Company Limited	16,143,959	Construction payments not yet settled
	216,146,953	

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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)*

31. CURRENT PORTION OF NON-CURRENT LIABILITIES

	30 June 2017	31 December 2016
Current portion of long-term borrowings	4,389,090,493	3,560,839,618
Current portion of long-term payables	82,457,037	657,769,494
	4,471,547,530	4,218,609,112

32. OTHER CURRENT LIABILITIES

	30 June 2017	31 December 2016
Short-term financing bonds (Note 1)	3,000,000,000	5,000,000,000

Note 1: In September 2015, the Company received the Notice of Registration Acceptance (Zhongshixiezhuzhu [2015] SCP No. 235) issued by the National Association of Financial Market Institutional Investors and the Company was approved by the National Association of Financial Market Institutional Investors to register ultra short-term financing bonds of RMB8 billion. The registered amount was effective within 2 years commencing from the issuance date of the notice. The Company was allowed to issue the ultra short-term financing bonds by tranches within the effective registration period. The Company issued ultra short-term financing bonds in a principal amount of RMB1 billion with a maturity period of 270 days on 3 August 2016 and 25 August 2016 respectively. The maturity dates were 2 May 2017 and 26 May 2017 with interest rates of 2.78% and 2.87% respectively. From 11 October 2016 to 16 November 2016, the Company issued ultra short-term financing bonds with a maturity period of 270 days for 6 times, each time with a principal amount of RMB500 million. The maturity dates were 10 July 2017, 15 July 2017, 24 July 2017, 2 August 2017, 12 August 2017 and 13 August 2017 with interest rates ranging from 2.69% to 3.19% respectively.

33. LONG-TERM BORROWINGS

	30 June 2017	31 December 2016
Unsecured and non-guaranteed loans	9,882,595,994	9,336,262,895
Subtotal	9,882,595,994	9,336,262,895
Including: Current portion of long-term borrowings (Note V.31)	(4,389,090,493)	(3,560,839,618)
	5,493,505,501	5,775,423,277

As at 30 June 2017, the Company had neither secured loans nor guaranteed loans (31 December 2016: Nil).

As at 30 June 2017, interest rates of the Group's long-term borrowings ranged from 1.15% to 5.70% per annum (31 December 2016: 1.20% to 4.90% per annum).

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

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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** *(continued)*

Maturity analysis of long-term borrowings is as follows:

	30 June 2017	31 December 2016
Within 1 year or repayable on demand	4,389,090,493	3,560,839,618
Over 1 year but within 2 years	851,537,692	1,975,875,632
Over 2 years but within 5 years	306,362,800	395,967,598
Over 5 years	4,335,605,009	3,403,580,047
	9,882,595,994	9,336,262,895

34. BONDS PAYABLE

	30 June 2017	31 December 2016
Corporate bonds	7,983,420,059	7,981,428,522
Medium-term notes	8,290,725,626	8,288,881,813
Subtotal	16,274,145,685	16,270,310,335
Current portion of bonds payable	—	—
	16,274,145,685	16,270,310,335

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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 2017, the balances of bonds payable are as follows:

Currency	Face value	Issue date	Duration of the bonds	Issue value of the bonds	At 1 January 2017	Issued in the current period	Interest accrued for the current period	Amortisation of discount/premium	Interest paid for the period	At 30 June 2017
RMB	2,500,000,000	23 October 2013	5 years	2,500,000,000	2,500,000,000	—	71,841,747	(1,663,563)	—	2,498,336,437
RMB	2,500,000,000	5 September 2014	5 years	2,500,000,000	2,500,000,000	—	69,311,555	(2,728,650)	—	2,497,271,350
RMB	3,300,000,000	11 September 2015	5 years	3,300,000,000	3,300,000,000	—	73,290,510	(4,882,161)	—	3,295,117,839
RMB	2,000,000,000	18 March 2016	5 years	2,000,000,000	2,000,000,000	—	34,198,380	(4,022,521)	(67,403,370)	1,995,977,479
RMB	3,000,000,000	18 March 2016	5 years	3,000,000,000	3,000,000,000	—	45,589,980	(5,923,601)	(89,704,485)	2,994,076,399
RMB	1,800,000,000	15 July 2016	5 years	1,800,000,000	1,800,000,000	—	27,898,538	(3,935,622)	—	1,796,064,378
RMB	1,200,000,000	15 July 2016	5 years	1,200,000,000	1,200,000,000	—	21,004,642	(2,698,197)	—	1,197,301,803
	16,300,000,000			16,300,000,000	16,300,000,000	—	343,135,352	(25,854,315)	(157,107,855)	16,274,145,685

In 2013, the Company registered the maximum credit limit of medium-term notes of RMB6 billion and RMB4 billion respectively with the National Association of Financial Market Institutional Investors. In 2014, the Company wrote off credit limit of RMB1.7 billion. The Company issued medium-term notes with face values of RMB2.5 billion on 23 October 2013, RMB2.5 billion on 5 September 2014 and RMB3.3 billion on 11 September 2015 respectively, with aggregated amount of RMB8.3 billion, maturity of five years, and coupon rates of 5.7%, 5.5% and 4.4% respectively. Coupons on the bonds are payable annually.

On 18 March 2016, the Company issued corporate bonds with a face value of RMB2 billion on the Shanghai Stock Exchange. The bonds have a duration of 5 years and an annual coupon rate of 3.37%. On 18 March 2016, the Company issued corporate bonds with a face value of RMB3 billion on the Shanghai Stock Exchange. The bonds have a duration of 5 years, with terms that the issuer has an option of adjusting the coupon rate and investors have an option of redemption at the end of the third year, and annual coupon rate of 2.99%; on 15 July 2016, the Company issued corporate bonds with a face value of RMB1.8 billion on the Shanghai Stock Exchange. The bonds have a duration of 5 years, with terms that the issuer has an option of adjusting the coupon rate and investors have an option of redemption at the end of the third year, and annual coupon rate of 3.05%; on 15 July 2016, the Company issued corporate bonds with a face value of RMB1.2 billion on the Shanghai Stock Exchange. The bonds have a duration of 5 years and annual coupon rate of 3.45%. The coupons of the above bonds shall be settled annually and the principal shall be repaid in full upon their maturity.

As at 30 June 2017, there were no bonds that were due but not yet paid (31 December 2016: 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)*

35. LONG-TERM PAYABLES

	30 June 2017	31 December 2016
Payables for acquisition of equities/debts	111,351,505	664,710,891
Payables for acquisition of mining rights	35,656,291	34,594,856
Entrusted investments	100,506,740	94,206,740
Deposit for restoration and improvement of ecological environment in mines	87,789,083	87,677,213
Loan from a shareholder	81,550,000	85,000,000
Others	92,769,067	89,196,867
Subtotal	509,622,686	1,055,386,567
Including: Current portion of long-term payables	(82,457,037)	(657,769,494)
	427,165,649	397,617,073

Maturity analysis of long-term payables is as follows:

	30 June 2017	31 December 2016
Within 1 year or repayable on demand	82,457,037	657,769,494
Over 1 year but within 2 years	44,272,789	31,466,279
Over 2 years but within 5 years	228,612,897	158,189,730
Over 5 years	154,279,963	207,961,064
	509,622,686	1,055,386,567

36. PROVISION

30 June 2017	1 January 2017	Additions	Reductions	30 June 2017
Provision for environmental rehabilitation and restoration of mines	871,311,724	16,576,418	(19,048,273)	868,839,869

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, timing of mine closure and costs of rehabilitation to be incurred at mine closure.

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)

37. DEFERRED INCOME

As at 30 June 2017, the Group's deferred income was government grants relating to assets or income. The components and movements of deferred income are as follows:

30 June 2017	1 January 2017	Additions	Reductions	30 June 2017
Government grants	453,473,146	8,200,000	(31,107,690)	430,565,456

As at 30 June 2017, the liabilities related to government grants are as follows:

	1 January 2017	Additions	Recognised in profit or loss for the current period	Other movements	30 June 2017	Related to assets or income
Expenditures for science projects	14,362,200	—	(1,742,741)	—	12,619,459	Assets
Fund for environmental protection projects	67,705,024	6,200,000	(1,931,500)	—	71,973,524	Assets
Refund of land compensation	106,891,777	—	(880,018)	—	106,011,759	Assets
Fund for comprehensive utilisation of mineral resources	260,870,127	—	(23,734,627)	—	237,135,500	Assets
Other financial subsidies	3,644,018	2,000,000	(2,785,000)	(33,804)	2,825,214	Assets
	453,473,146	8,200,000	(31,073,886)	(33,804)	430,565,456	

38. SHARE CAPITAL

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

30 June 2017

	At 1 January 2017		Movements	At 30 June 2017	
	Number of shares	Proportion (%)	Others	Number of shares	Proportion (%)
1. Shares not subject to trading moratorium					
RMB ordinary shares	15,803,803,650	73.37%	—	15,803,803,650	68.62%
Overseas-listed foreign invested shares	5,736,940,000	26.63%	—	5,736,940,000	24.91%
Total number of shares not subject to trading moratorium	21,540,743,650	100.00%	—	21,540,743,650	93.53%
2. Shares subject to trading moratorium (RMB ordinary shares) (Note 1)	—	—	1,490,475,241	1,490,475,241	6.47%
3. Total number of shares	21,540,743,650	100.00%	1,490,475,241	23,031,218,891	100%

Note 1: On 24 May 2017, the Company non-publicly issued 1,490,475,241 Renminbi-denominated ordinary A Shares. The total number of shares changed to 23,031,218,891 correspondingly.

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)*

39. CAPITAL RESERVE

30 June 2017

	At 1 January 2017	Additions	Reductions	At 30 June 2017
Share premium (Note 1)	6,454,525,966	4,447,872,435	—	10,902,398,401
Others	248,831,056	1,961,032	—	250,792,088
	6,703,357,022	4,449,833,467	—	11,153,190,489

Note 1: On 24 May 2017, the non-public issuance of Renminbi-denominated ordinary A Shares of the Company raised net proceeds of RMB4,596,919,959. Among which, the increase in registered capital was RMB149,047,524 and the increase in share premium in the capital reserve was RMB4,447,872,435.

40. OTHER COMPREHENSIVE INCOME

30 June 2017

	At 1 January 2017	Movements			At 30 June 2017
		Amount before tax	Income tax	Amount after tax	
Changes in fair value of available-for-sale investments	133,530,471	60,939,614	(76,505)	60,863,109	194,393,580
Effective part of cash flow hedging instruments	(168,224,050)	208,331,097	(40,906,754)	167,424,343	(799,707)
Exchange differences arising from translation of financial statements denominated in foreign currencies	(607,994,181)	217,111,077	—	217,111,077	(390,883,104)
	(642,687,760)	486,381,788	(40,983,259)	445,398,529	(197,289,231)

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)*

40. OTHER COMPREHENSIVE INCOME *(continued)*

Total amount of other comprehensive income recognised in the statement of profit or loss during the current period:

Item	Amount before tax	Less: Amount of other comprehensive income recognised in the previous period transferred into profit or loss during the current period		Attributable to the parent	Attributable to non-controlling interests
			Less: Income tax		
Changes in fair value of available-for-sale investments	60,955,720	—	80,531	60,863,109	12,080
Effective part of cash flow hedging instruments	302,100	(218,079,301)	43,336,772	167,424,343	7,620,286
Exchange differences arising from translation of financial statements denominated in foreign currencies	280,920,110	—	—	217,111,077	63,809,033
	342,177,930	(218,079,301)	43,417,303	445,398,529	71,441,399

41. SPECIAL RESERVE

30 June 2017

	At		Reductions	At	
	1 January 2017	Additions		30 June 2017	
Work safety fund	159,412,702	308,073,688	(274,519,772)	192,966,618	
	159,412,702	308,073,688	(274,519,772)	192,966,618	

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)*

42. SURPLUS RESERVE

30 June 2017

	At 1 January 2017	Additions	Reductions	At 30 June 2017
Statutory reserve	1,319,401,104	—	—	1,319,401,104

Pursuant to the stipulations of the Company Law 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 make provision for a discretionary reserve after the provision for statutory reserve is made. Discretionary reserve can be used to offset accumulated losses for previous years or to issue capital on approval.

43. RETAINED EARNINGS

	30 June 2017	30 June 2016
Closing balance of the preceding year and opening balance of the current year	18,068,917,361	17,521,563,160
Net profit attributable to owners of the parent	1,505,399,413	538,349,713
Less: Appropriation for the statutory reserve	—	—
Final dividend payable in cash for ordinary shares	1,381,873,133	1,292,444,619
Retained earnings as at the end of the period	18,192,443,641	16,767,468,254

At the 2016 annual general meeting of the Company held on 30 June 2017, cash dividend distribution of RMB0.06 per share was approved. The total amount of cash dividend amounted to RMB1,381,873,133.

44. OPERATING INCOME AND OPERATING COSTS

Analysis of operating income is as follows:

	For the six months ended 30 June 2017		For the six months ended 30 June 2016	
	Operating income	Operating costs	Operating income	Operating costs
Principal operations	37,187,882,282	31,851,106,812	38,633,691,955	34,441,620,891
Other operations	335,749,628	197,855,367	256,207,754	152,431,164
	37,523,631,910	32,048,962,179	38,889,899,709	34,594,052,055

During the first half of 2017, more than 99.11% 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.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

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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)*

45. TAXES AND SURCHARGES

	For the six months ended 30 June 2017	For the six months ended 30 June 2016
Business tax	—	15,219,867
City construction and maintenance tax	40,175,793	22,639,147
Resource tax	377,540,485	300,926,245
Education surcharges	40,516,117	24,053,274
Land use tax (Note 1)	14,512,573	7,304,297
Vehicle and vessel use tax (Note 1)	390,971	60,610
Stamp duty (Note 1)	19,141,549	3,805,081
Property tax (Note 1)	31,504,673	9,057,131
Others (Note 2)	45,059,545	26,766,127
	568,841,706	409,831,779

Note 1: In 2016, as required by the Provisions on the Accounting Treatment for Value-added Tax (Cai Kuai [2016] No. 22), the Group changed "Business taxes and surcharges" in the statement of profit or loss to "Taxes and surcharges". Relevant taxes arising from operating activities since 1 May 2016, such as property tax, land use tax, vehicle and vessel use tax and stamp duty, were presented under "Taxes and surcharges" instead of "Administrative expenses"; however, the taxes incurred before 1 May 2016 (except property tax and land use tax related to investment properties that were already recorded under "Business taxes and surcharges") were still presented under "Administrative expenses".

Note 2: Including RMB22,198,887 of land use fee payable to local government by BNL, a company under joint operation of the Group (same period last year: RMB21,870,087).

46. SELLING EXPENSES

	For the six months ended 30 June 2017	For the six months ended 30 June 2016
Salaries and welfares	30,720,521	26,101,161
Transportation and unloading expenses	272,860,615	252,121,190
Storage expenses	1,603,396	1,725,949
Packing expenses	2,817,974	2,291,424
Insurance expenses	2,965,762	2,425,929
Charge of commission sales	6,922,015	6,150,918
Advertising expenses	248,812	2,159,643
Depreciation and amortisation expenses	9,317,066	7,996,746
Material consumption	2,598,011	1,980,416
Others	59,007,105	29,171,575
	389,061,277	332,124,951

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)*

47. ADMINISTRATIVE EXPENSES

	For the six months ended 30 June 2017	For the six months ended 30 June 2016
Research and development expenses	99,999,259	108,594,652
Salaries and welfares	567,024,133	481,961,927
Administrative and office expenses	67,830,621	63,436,202
Travelling and meeting expenses	50,251,888	41,305,879
Stipulated fees	38,576,134	127,200,458
Taxes	23,770,430	48,299,628
Depreciation expenses	191,146,690	186,833,546
Amortisation of intangible assets	31,030,697	29,080,116
Amortisation of deferred expenses	41,455,223	40,180,179
Audit fees	9,866,848	8,847,503
Repair and maintenance costs	38,604,860	23,150,594
Professional consulting expenses	48,532,540	54,290,125
Exploration expenses	169,987,757	15,887,628
Others	108,074,878	92,586,494
	1,486,151,958	1,321,654,931

48. FINANCIAL EXPENSES

	For the six months ended 30 June 2017	For the six months ended 30 June 2016
Interest expenses:	901,498,466	743,205,384
<i>Including: Bank loans</i>	493,240,199	365,759,399
<i>Bonds payable</i>	343,135,350	328,010,010
<i>Ultra short-term financing bonds</i>	65,122,917	49,435,975
Less: Interest income	144,397,038	168,977,791
Capitalised interest expenses	64,349,138	162,565,399
Exchange losses/(gains)	497,823,026	(32,753,284)
Bank charges	27,029,580	61,021,456
	1,217,604,896	439,930,366

Capitalised interest expenses were included in construction in progress and inventories. During the first half of 2017, there was no interest income arising from impaired financial assets (six months ended 30 June 2016: 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)*

49. IMPAIRMENT LOSSES ON ASSETS

	For the six months ended 30 June 2017	For the six months ended 30 June 2016
Bad debt provision for trade and other receivables	4,827,949	(371,596)
Provision for decline in value of inventories	6,743,424	6,006,254
Impairment provision for fixed assets	191,520,543	2,460
Impairment provision for other non-current assets	34,852,508	—
	237,944,424	5,637,118

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

	For the six months ended 30 June 2017	For the six months ended 30 June 2016
Financial assets at fair value through profit or loss	507,553,184	374,990,971
Financial liabilities at fair value through profit or loss	62,939,040	(1,094,938,711)
	570,492,224	(719,947,740)

Gains/(Losses) on changes in fair value are as follows:

	For the six months ended 30 June 2017	For the six months ended 30 June 2016
1. Held for trading equity instrument investments – stocks	667,794,330	244,000,443
2. Gold leasing spot at fair value	—	(779,067,245)
3. Hedging instruments – ineffectively hedged derivative instruments	(19,780,372)	(264,574,848)
4. Derivative instruments without designated hedging relationship	(56,022,930)	71,835,916
(4-1) <i>Cross currency swap</i>	4,447,977	(6,163,442)
(4-2) <i>Gold leasing hedging</i>	—	502,659,961
(4-3) <i>Losses on changes in fair value of commodity hedging</i>	(60,470,907)	(424,660,603)
5. Others	(21,498,804)	7,857,994
	570,492,224	(719,947,740)

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)*

51. INVESTMENT INCOME/(LOSSES)

	For the six months ended 30 June 2017	For the six months ended 30 June 2016
Gains from long-term equity investments under the equity method	16,568,302	166,791,958
Losses on disposal of subsidiaries	—	(10,147,278)
Gains from available-for-sale investments	17,780,142	72,692,353
<i>Including: Gains on available-for-sale investments measured at cost</i>	17,778,000	26,480,000
<i>Gains on available-for-sale investments measured at fair value</i>	2,142	46,212,353
Gains/(Losses) on disposal of financial assets and liabilities at fair value through profit or loss (Note 1)	35,821,713	(694,517,945)
Others	12,639,122	9,264,523
	82,809,279	(455,916,389)

Note 1: Gains/(Losses) on disposal of financial assets and liabilities at fair value through profit or loss are as follows:

	For the six months ended 30 June 2017	For the six months ended 30 June 2016
1. Held for trading equity instrument investments - stocks	3,746,584	(63,991,256)
2. Gold leasing spot at fair value	—	(214,900,994)
3. Hedging instruments – ineffectively hedged derivative instruments	(31,755,974)	(31,155,248)
4. Derivative instruments without designated hedging relationship	57,965,385	(366,692,766)
<i>(4-1) Cross currency swap</i>	18,500,333	22,206,164
<i>(4-2) Gold leasing hedging</i>	—	(155,349,555)
<i>(4-3) Investment income/(losses) from commodity hedging</i>	39,465,052	(233,549,375)
5. Others	5,865,718	(17,777,681)
	35,821,713	(694,517,945)

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)*

52. OTHER INCOME

	For the six months ended 30 June 2017	For the six months ended 30 June 2016
Sources of other income:		
Government grants relating to ordinary business operation	86,860,692	—

Government grants relating to ordinary business operation are as follows:

Category	Amount	Item	Amount recognised in the statement of profit or loss for the current period
Asset-related government grants	200,000	Utilisation of used water from tailings project	10,000
Asset-related government grants	300,000	Mine digitalisation project	15,000
Asset-related government grants	1,000,000	Technological upgrade for exploration at deep part at 400 meters underground	140,000
Asset-related government grants	11,500,000	Resources conservation project for system no. 650	435,000
Asset-related government grants	4,800,000	Recovery of sulfur from tailings project - 1	240,000
Asset-related government grants	1,200,000	Recovery of sulfur from tailings project - 2	60,000
Asset-related government grants	3,000,000	Comprehensive utilisation of residual resources from marmatite after hydrometallurgical process and detoxification treatment project	—
Asset-related government grants	3,200,000	Recycling sulfuric tail gas with active coke and desulfurisation project	—
Asset-related government grants	5,000,000	Government grants received from industrial supporting scheme relating to comprehensive reuse of residual resources	166,500
Asset-related government grants	500,000	Circular economy development fund granted by Finance Bureau (for comprehensive utilisation of resources)	—
Asset-related government grants	24,500,000	Special funds received from Bayannaer Finance Bureau for prevention and control of heavy metal pollution	1,330,000

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)*52. OTHER INCOME *(continued)*Government grants relating to ordinary business operation are as follows: *(continued)*

Category	Amount	Item	Amount recognised in the statement of profit or loss for the current period
Asset-related government grants	3,000,000	Project funding granted by Bayannaer Finance Bureau for technological upgrade in support of digital information industry	225,000
Asset-related government grants	4,500,000	Special funding scheme for development of strategically important emerging industry	—
Asset-related government grants	71,449,616	Subsidies for operation of basic and ancillary infrastructure	880,018
Asset-related government grants	2,970,384	Special funds on power generation from waste heat	—
Asset-related government grants	15,725,829	Government grants on key energy-saving projects, circular economy related projects and major demonstration projects of resources conservation	—
Asset-related government grants	440,000,000	Comprehensive utilisation of copper mineral resources demonstration site	23,734,627
Asset-related government grants	5,000,000	Xishan resource replacement project for Longkou Jinfeng in Shandong Province	—
Asset-related government grants	14,570,000	Technological transformation subsidy (unleashing potential and raising efficiency project)	1,228,500
Asset-related government grants	10,000,000	Subsidy from Finance Bureau for upgrade in energy system	—
Asset-related government grants	45,813,725	Other asset-related government grants	609,241
Income-related government grants	8,385,514	Tax refunds	8,385,514
Income-related government grants	30,658,040	Special government rewards	30,658,040
Income-related government grants	18,743,252	Other income-related government grants	18,743,252
Total	726,016,360		86,860,692

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)*

53. NON-OPERATING INCOME

	For the six months ended 30 June 2017	For the six months ended 30 June 2016
Gains on disposal of non-current assets	47,979,595	7,757,016
<i>Including: Gains on disposal of fixed assets</i>	22,977,290	7,757,016
<i>Gains on disposal of intangible assets</i>	25,002,305	—
Penalty income	4,904,330	3,552,244
Government grants	2,000,000	76,529,802
Others	33,266,769	15,990,605
	88,150,694	103,829,667

54. NON-OPERATING EXPENSES

	For the six months ended 30 June 2017	For the six months ended 30 June 2016
Donations	54,772,126	65,962,188
Losses on disposal of non-current assets	163,535,468	16,719,346
<i>Including: Losses on disposal of fixed assets</i>		
<i>and other non-current assets</i>	153,692,104	16,719,346
Penalties	2,213,432	1,523,667
Others	31,690,542	13,635,189
	252,211,568	97,840,390

55. INCOME TAX EXPENSES

	For the six months ended 30 June 2017	For the six months ended 30 June 2016
Current income tax expenses	426,289,691	91,081,388
Deferred tax expenses	(37,844,368)	(50,958,040)
	388,445,323	40,123,348

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)*55. INCOME TAX EXPENSES *(continued)*

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

	For the six months ended 30 June 2017	For the six months ended 30 June 2016
Profit before tax	2,151,166,791	616,793,657
Tax at the statutory tax rate (Note 1)	537,791,698	154,198,414
Effect of different tax rates applicable to certain subsidiaries	(260,514,102)	(210,356,377)
Adjustments in respect of current tax of previous periods	(77,525,988)	(10,925,299)
Income not subject to tax	(53,646,801)	(74,750,529)
Expenses not deductible for tax and effect of unrecognised temporary differences and deductible tax losses	242,340,516	181,957,139
Tax charge at the Group's effective tax rate	388,445,323	40,123,348

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 Group operates.

56. 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 determined 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:

	For the six months ended 30 June 2017	For the six months ended 30 June 2016
Earnings		
Consolidated net profit attributable to the owners of the parent	1,505,399,413	538,349,713
Shares		
Weighted average number of ordinary shares outstanding	21,838,838,698	21,540,924,206
Earnings per share	0.069	0.025

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)*

57. NOTES TO STATEMENT OF CASH FLOWS

Significant cash flows of the Group are as follows:

	For the six months ended 30 June 2017	For the six months ended 30 June 2016
Other cash receipts relating to operating activities	280,786,248	154,482,041
Including: Interest income	48,294,939	88,277,252
Government grants	57,640,353	46,798,998
Cash received from security and deposits	157,405,701	19,405,791
Others	17,445,255	—
Other cash payments relating to operating activities	1,170,218,113	2,381,413,356
Including: Selling expenses	178,346,722	89,024,578
Administrative expenses	324,636,198	158,705,222
Donations	26,797,654	25,075,473
Cash paid for security and deposits	640,437,539	2,108,608,083
Other cash receipts relating to investing activities	610,478,938	557,229,366
Including: Cash received from time deposits	100,000,000	350,000,000
Cash received from wealth management products	300,000,000	—
Others	210,478,938	207,229,366
Other cash payments relating to investing activities	1,852,389,851	897,958,749
Including: Cash paid for time deposits with maturity for more than three months	—	897,397,885
Acquisition of wealth management products	1,852,389,851	—
Others	—	560,864
Other cash receipts relating to financing activities	—	—
Including: Release of pledged bank deposits	—	—
Borrowings from third parties	—	—
Other cash payments relating to financing activities	40,294,408	355,776,289
Including: Pledged cash for loans	—	—
Repurchase of H Shares	—	8,458,192
Bank charges	40,294,408	58,605,343
Others	—	288,712,754

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)*

58. ASSETS WITH RESTRICTIONS ON TITLE OR USE

	30 June 2017	31 December 2016
Cash and cash equivalents (Note 1)	139,401,524	179,678,699
Inventories (Note 2)	10,034,000	10,034,000
Intangible assets (Note 3)	17,570,591	17,755,545
Other non-current assets (Note 4)	167,993,911	167,602,546
	335,000,026	375,070,790

Note 1: As at 30 June 2017, bank deposit with carrying amount of RMB67,434,676 was provision for land restoration and environmental rehabilitation (31 December 2016: RMB66,882,941). The deposit was restricted to the use of land restoration and environmental rehabilitation and environmental protection after mine closure. As at 30 June 2017, bank deposits with carrying amount of RMB71,966,848 were deposits with restricted use (31 December 2016: RMB112,795,758).

Note 2: As at 30 June 2017, inventories with carrying amount of RMB10,034,000 owned by Jinhao Iron, a subsidiary of the Group, was frozen by the court due to debt disputes (31 December 2016: RMB10,034,000).

Note 3: As at 30 June 2017, intangible assets (land use rights) with carrying amount of RMB17,570,591 owned by Jinhao Iron, a subsidiary of the Group, was frozen by the court due to debt disputes (31 December 2016: RMB17,755,545).

Note 4: As at 30 June 2017, other non-current assets with carrying amount of RMB167,993,911 were deposits for restoration and improvement of ecological environment in mines and their rights of use were restricted (31 December 2016: RMB167,602,546).

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)

59. FOREIGN CURRENCY MONETARY ITEMS

	30 June 2017			31 December 2016		
	Original amount	Exchange rate	RMB	Original amount	Exchange rate	RMB
Cash and cash equivalents						
HKD	30,430,377	0.8679	26,411,133	28,015,851	0.8945	25,060,459
USD	362,837,557	6.7744	2,458,006,747	141,885,006	6.9370	984,256,283
GBP	987,523	8.8144	8,704,420	993,964	8.5094	8,458,037
CAD	35,656,044	5.2144	185,924,877	44,251,821	5.1406	227,480,913
AUD	34,901,510	5.2099	181,833,378	29,465,259	5.0157	147,788,899
RUB	18,619,424	0.1142	2,126,355	2,856,903	0.1151	328,735
EUR	352,906	7.7496	2,734,877	351,809	7.3068	2,570,598
Others	N/A	N/A	17,157	N/A	N/A	88,846,101
Trade receivables						
AUD	4,858,949	5.2099	25,314,639	7,544,234	5.0157	37,839,613
USD	25,245,339	6.7744	171,022,026	16,585,388	6.9370	115,052,838
Other receivables						
HKD	61,947,935	0.8679	53,765,852	49,394,176	0.8945	44,183,584
USD	11,605,688	6.7744	78,621,573	6,762,683	6.9370	46,912,730
AUD	2,491,869	5.2099	12,982,390	3,401,055	5.0157	17,058,672
Other non-current assets						
USD	332,647,369	6.7744	2,253,486,335	345,734,083	6.9370	2,398,357,330
Total foreign currency monetary assets			5,460,951,759			4,144,194,792

	30 June 2017			31 December 2016		
	Original amount	Exchange rate	RMB	Original amount	Exchange rate	RMB
Short-term borrowings						
USD	55,801,155	6.7744	378,019,343	76,068,619	6.9370	527,688,010
EUR	370,728,786	7.7496	2,872,999,797	399,328,139	7.3068	2,917,810,846
Trade payables						
USD	71,564,102	6.7744	484,803,852	228,267,187	6.9370	1,583,489,479
AUD	1,293,571	5.2099	6,739,377	3,305,369	5.0157	16,578,739
Other payables						
HKD	30,795,833	0.8679	26,728,320	26,824,412	0.8945	23,994,437
USD	57,032,041	6.7744	386,357,862	61,296,207	6.9370	425,211,788
AUD	25,474,229	5.2099	132,718,184	53,455,688	5.0157	268,117,693
Current portion of non-current liabilities						
USD	174,345,555	6.7744	1,181,086,529	409,974,039	6.9370	2,843,989,912
EUR	53,413,897	7.7496	413,936,338	27,645,000	7.3068	201,996,486
AUD	151,934,581	5.2099	791,563,974	159,880,384	5.0157	801,912,043
CAD	115,372,004	5.2144	601,595,778	—	—	—
Long-term borrowings						
EUR	58,145,000	7.7496	450,600,492	83,913,897	7.3068	613,142,063
USD	516,000,000	6.7744	3,495,590,400	341,000,000	6.9370	2,365,517,000
CAD	—	—	—	115,372,004	5.1406	593,081,324
Long-term payables						
USD	12,231,211	6.7744	82,859,118	20,727,944	6.9370	143,789,748
AUD	3,644,067	5.2099	18,985,227	281,397	5.0157	1,411,403
Total foreign currency monetary liabilities			11,324,584,591			13,327,730,971

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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)*

60. HEDGING

The Group designated the forward contract which hedges mine-produced gold and mine-produced copper as the hedging instrument of expected sales of mine-produced gold and mine-produced copper for the next 12 months. The Group expected that it is highly possible that the future sales will occur. The balance of the forward contract changes with forward price and exchange rate.

Based on the assessment on the effectiveness of the cash flow hedge which was related to expected future sales of mine-produced gold and mine-produced copper from July 2017 to June 2018, we concluded that the hedge was highly effective. The portion of effective hedge was recognised in other comprehensive income. The breakdown of changes in current year was as follows:

	June 2017
Total fair value loss recognised in other comprehensive income	(302,100)
Deferred tax arising from fair value loss	62,189
Amount reclassified to profit or loss from other comprehensive income	(218,079,301)
Deferred tax reclassified to profit or loss	43,274,583
Net gain arising from cash flow hedge	175,044,629
<i>Including: Other comprehensive income attributable to the parent</i>	167,424,343
<i>Attributable to non-controlling interests</i>	7,620,286

In addition, the Group implemented risk management on the purchases and sales of refined and processed metals as well as the sales of metals other than gold and copper through forward contracts and futures contracts, in order to avoid the risk of substantial fluctuation in the prices of relevant products. The Group implemented risk management on exchange rate risk and interest rate risk through currency derivative contracts, so as to avoid the exchange rate risk and interest rate risk borne by the Group. If the above-mentioned forward contracts, futures contracts and currency derivative contracts were not designated as hedging instruments or were not consistent with the hedge accounting standards, the gains or losses arising from changes in fair value would be directly charged to the statement of profit or loss for the current period. Please refer to Notes V.50 and 51 for details of the gains or losses arising from changes in fair value of derivative instruments without designated hedging relationship.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

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

VI. CHANGES IN THE SCOPE OF CONSOLIDATION

1. ACQUISITION OF SUBSIDIARIES

There was no acquisition of subsidiaries in the first half of 2017.

2. DISPOSAL OF SUBSIDIARIES

There was no disposal of subsidiaries in the first half of 2017.

3. NEWLY ESTABLISHED SUBSIDIARY

Gansu Yate Mining Company Limited ("Gansu Yate") was incorporated in Li County, Gansu Province in March 2017. Its registered capital at incorporation was RMB50,000,000. Longnan Zijin Mining Co., Ltd., a subsidiary of the Company, contributed RMB50,000,000 to hold 100% equity interest in Gansu Yate. As at 30 June 2017, Gansu Yate was included in the scope of consolidation.

4. DE-REGISTERED SUBSIDIARY

Company name	Place of registration	Principal activity	Proportion of equity attributable to the Group	Proportion of voting right attributable to the Group	Reason for deconsolidation
Harbour Able Limited	British Virgin Islands	Investment holding	100%	100%	De-registration

5. SUBSIDIARY NEWLY INCLUDED IN THE SCOPE OF CONSOLIDATION

As at 31 March 2017, the restructure of Sprott-Zijin Fund was completed. Sprott-Zijin Fund was renamed to Zijin Global Fund. The Group considered that the investment decision-making of Zijin Global Fund was controlled by the investment committee of Zijin Global Fund, and the Group has control over the investment committee. As such, the Group included Zijin Global Fund in the scope of consolidation.

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

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.) (Note 1)	Hong Kong	Hong Kong	Trading and investment	HKD2,399,600,001	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%
International Finance Company	Hong Kong	Hong Kong	Bond issuance	HKD1	—	100%
Finance Company	Shanghang County, Longyan City, Fujian Province	Shanghang County, Longyan City, Fujian Province	Financial services and financing consultancy to member units; credit verification and related advisory; agent services; assisting member units to receive and settle payments; approved insurance agent services; guarantee provision to member units; entrusted loans and investment 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; intercompany borrowings; underwriting corporate bonds for member units; equity investments in financial institutions; investments 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%	—
Zijin Mining Group Capital Investment Company Limited ("Capital Investment Company")	Xiamen City, Fujian Province	Xiamen City, Fujian Province	Entrusted management of non-security equity investments and related advisory services; entrusted management and operation of equity investment fund and provision of consultancy services; investment and asset management; spot gold sales; wholesale of metals and ores; trade agency service	1,000,000,000	100%	—

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

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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 sale 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 technical 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%	—
Zijin Copper	Shanghang County, Longyan City, Fujian Province	Shanghang County, Longyan City, Fujian Province	Refining and sale of copper cathode, gold, silver, crude selenium; manufacture and sale of vitriol for industrial use and copper sulfate	2,116,300,000	100%	—
Luoyang Zijin Yinhuai Gold Refinery Company Limited ("Luoyang Yinhuai")	Luoyang City, Henan Province	Luoyang City, Henan Province	Refinery of gold and silver; testing and examination; purchase of gold ore; gold transaction agency; sale of mineral products and mining pit design and research	150,000,000	70%	—
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	150,000,000	96.63%	3.37%
Russia Longxing Company Limited ("Russia Longxing")	Russia	Russia	Mining of zinc-lead ore	RUB700,000,000	—	70%
Xinjiang Zijin Zinc Industry	Wuqia County, Kizilsu Kyrgyz Prefecture, Xinjiang Province	Wuqia County, Kizilsu Kyrgyz Prefecture, Xinjiang Province	Exploration and development of Wulugan lead-zinc mine in Wuqia County	346,500,000	—	100%

Note 1: In June 2017, the Group enlarged the share capital of its wholly-owned subsidiary, Gold Mountains (H.K.) International Mining Co., Ltd. by HKD1,561,100,000.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

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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 2017

	Percentage of equity interest held by non-controlling shareholders (%)	Profit/(Loss) attributable to non-controlling shareholders	Dividend paid to non-controlling shareholders	Accumulated balances of non-controlling interests at the end of the reporting period
Xinjiang Ashele	49.00	164,457,992	(122,500,000)	790,603,273
Xinjiang Jinbao	44.00	89,301,190	(24,305,600)	353,423,556
Bayannaoer Zijin	32.80	22,585,621	—	338,407,103
Guizhou Zijin	44.00	(6,207,901)	—	319,820,743
NKWE	39.53	(1,646,599)	—	293,304,657
Luoyang Kunyu	30.00	(3,796,557)	—	265,230,565
Wenshan Malipo Zijin	24.08	(536,648)	—	228,788,675
Yunnan Huaxi	47.00	(3,997,490)	—	200,727,405
Huanmin Mining	49.00	(29,105)	—	193,563,575
Chongli Zijin	40.00	9,172,854	—	167,599,321
Longnan Zijin	15.78	(10,467,003)	—	128,849,221
Altynken	40.00	(14,285,084)	—	128,805,878
Henan Jinda	43.50	(36,980)	—	98,747,886
Russia Longxing	30.00	74,161,576	—	(14,514,138)
Malipo Jinwei	61.28	(3,194,530)	—	87,231,125
Kuitun Tongguan	49.00	(5,932,893)	—	(146,682,325)
Jinhao Iron	61.48	(29,933,465)	—	(452,977,747)
Others	N/A	(22,292,923)	(24,788,523)	525,350,879
Total		257,322,055	(171,594,123)	3,506,279,652

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)

1. INVESTMENTS IN THE SUBSIDIARIES (continued)

The table below sets out the major financial information of the subsidiaries stated above. These amounts are before elimination:

	30 June 2017									
	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	1,162,341,745	2,270,889,813	3,433,231,558	843,429,513	965,745,000	1,809,174,513	819,652,509	336,193,694	336,193,694	370,238,275
Xinjiang Jinbao	621,463,087	531,135,055	1,152,598,142	387,140,588	6,514,158	393,654,746	495,542,208	202,957,250	202,957,250	285,869,568
Bayannaoer Zijin	780,991,661	2,272,687,458	3,053,679,119	1,055,248,415	1,025,375,500	2,080,623,915	1,984,693,124	68,858,601	68,858,601	(114,659,031)
Guizhou Zijin	330,353,942	2,000,793,733	2,331,147,675	1,187,922,215	400,013,563	1,587,935,778	569,965,804	(9,084,858)	(9,084,858)	(116,541,048)
NKWE	26,225,663	573,717,764	599,943,427	1,873,980	—	1,873,980	—	(4,165,441)	(4,165,441)	(4,085,425)
Luoyang Kunyu	132,633,067	774,602,156	907,235,223	155,011,798	155,000,000	310,011,798	258,162,850	8,265,268	8,265,268	70,325,320
Wenshan Malipo Zijin	327,241,661	1,562,517,227	1,889,758,888	794,914,012	—	794,914,012	115,321,527	(2,228,662)	(2,228,662)	36,193,202
Yunnan Huaxi	137,473,749	177,145,859	314,619,608	365,565	—	365,565	73,185	951,864	951,864	(415,215)
Huanmin Miming	38,983,443	356,345,684	395,329,127	45,084,905	128,084,013	173,168,918	—	(59,398)	(59,398)	(256,876)
Chongji Zijin	56,793,845	469,382,043	526,175,888	78,493,680	59,228	78,552,908	161,382,095	27,440,995	27,440,995	27,735,664
Longnan Zijin	94,263,672	889,290,235	983,553,907	484,499,888	116,667,711	601,167,599	47,332,059	(20,041,394)	(20,041,394)	(64,288,568)
Altynten	201,539,977	2,074,750,347	2,276,290,324	2,339,100,480	8,444,394	2,347,544,874	202,948,943	(28,208,393)	(28,208,393)	60,341,054
Henan Jinda	182,996	230,106,484	230,289,480	3,287,903	—	3,287,903	—	(85,012)	(85,012)	(24,157)
Russia Longxing	438,319,761	3,133,807,306	3,572,127,067	3,392,493,270	—	3,392,493,270	769,283,132	272,330,474	272,330,474	393,122,139
Malipo Jinwei	37,925,839	231,247,267	269,173,106	157,118,670	—	157,118,670	—	(5,212,965)	(5,212,965)	(77,273)
Kuitun Tongguan	82,070,037	513,146,681	595,216,718	581,819,932	24,319,179	606,139,111	10,121,300	(12,107,945)	(12,107,945)	(7,447,802)
Jinhao Iron	176,497,923	1,581,117,241	1,757,615,164	1,047,032,834	1,049,359,900	2,096,392,734	35,015,015	(48,688,530)	(48,688,530)	(3,342,083)

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 2017

Company name	Principal place of business	Place of registration	Principal activities	Registered capital RMB	Proportion of ownership interest (%)	Accounting treatment	
					Direct	Indirect	
Joint ventures							
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 consultation	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 services 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
Fujian Longhu Fishery (Note 9)	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 Cuifu (Note 4)	Longyan City, Fujian Province	Longyan City, Fujian Province	Trade of precious metals, fine processing of gold, processing and retail of jewellery products, diamond and jade, recovery of metal materials	20,000,000	—	51.00%	Equity method
Kanoo	DR Congo	Barbados	Mining of copper mineral	USD14,000	—	49.5%	Equity method
Porgera Service Company	Australia	Cairns, Australia	Provision of corporate advisory service	AUD1,000	—	50%	Equity method
Associates							
Ting River Hydropower	Shanghai County, Fujian Province	Shanghai 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
Shanghai Xinyuan	Shanghai County, Fujian Province	Shanghai County, Fujian Province	Pipe water supply	300,000,000	—	38%	Equity method
Hunchun Jindi (Note 6)	Hunchun City, Yanbian Korean Autonomous Prefecture	Hunchun City, Yanbian Korean Autonomous Prefecture	Analysis and testing of geological exploration for mineral, technology development, consultation and transfer, sale of mineral products	100,000,000	—	51%	Equity method
Yanbian Credit Security	Yanbian Korean Autonomous Prefecture	Yanbian Korean Autonomous Prefecture	Provision of loan guarantees for SMEs and individuals	200,000,000	—	25%	Equity method
Kanas Travel	Autonomous Prefecture	Autonomous Prefecture	Catering and travel services	107,000,000	—	21.09%	Equity method
Longyan Making	Buerjin County, Xinjiang	Buerjin County, Xinjiang	Iron and molybdenum mining	800,000,000	41.5%	—	Equity method
Songpan Zijin	Longyan City, Fujian Province	Longyan City, Fujian Province	Sale of industrial materials, equipment and instruments, development, manufacture and sales of general machinery	80,000,000	34%	—	Equity method
Wancheng Commercial	Songpan County, Ngawa Tibetan and Qiang Autonomous Prefecture	Songpan County, Ngawa Tibetan and Qiang Autonomous Prefecture	Mining, processing and sale of zinc, lead, vitriol, copper and iron	73,440,000	10%	37.5%	Equity method

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)

30 June 2017 (continued)

Company name	Principal place of business	Place of registration	Principal activities	Registered capital RMB	Proportion of ownership interest (%)	Accounting treatment	
					Direct	Indirect	
Associates (continued)							
Tibet Yulong	Changdu County, Changdu Prefecture, Tibet Autonomous Region	Changdu County, Changdu Prefecture, Tibet Autonomous Region	Mining of copper mineral and geological studies	625,000,000	22%	—	Equity method
Xinjiang Tianlong	Fukang City, Xinjiang	Fukang City, 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	Fukang City, Xinjiang	Sale, processing and refining of copper, gold, silver and other non-ferrous metals	830,000,000	—	34%	Equity method
Xiamen Modern Terminals	Xiamen City, Fujian Province	Xiamen City, Fujian Province	Dock construction, operation of dock and other port facilities; cargo loading and storage operation (under permission in license)	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 Yulong	Kuitun City, Xinjiang	Kuitun City, Xinjiang	Logistics and transportation service	5,000,000	—	20%	Equity method
Longyan Zijin AVIC	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
Zsen (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
Jinyue Huichuang (Note 7)	Fuzhou City, Fujian Province	Fuzhou City, Fujian Province	Design, manufacture, sale and repair of automatic and intelligent equipment; technological development and service in respect of industrial automation and electrical engineering; development and design of computer hardware and software products, provision of informational system integration service	10,000,000	10%	20%	Equity method
Science (Note 8)	Changsha City, Hunan Province	Changsha City, Hunan Province	Technological consultation, design, development and operation services; design, contracting and construction of environmental protection engineering projects; research, development, manufacture, sale and related technical services for chemicals used in sewage and wastewater treatment and environmental protection equipment	68,000,000	—	25%	Equity method

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

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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 of the Group 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, the board of directors of Gold Eagle Mining 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 of the Group 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 Electric Company Limited jointly established Guizhou Funeng Zijin with 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 Electric Company Limited. The operating decisions of Guizhou Funeng Zijin are effective only when approved by two-thirds of the directors. Therefore, the management of the Group 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, and Fujian Jincuiju Jewellery Development Company Limited ("Jincuiju") jointly established Zijin Cuifu with 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, the operating decisions of Zijin Cuifu are effective only when approved by over two-thirds of the directors. Therefore, the management of the Group 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 operational 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. After the increase in shareholding, the proportion of directors delegated by Hunchun Zijin in the board of directors of Hunchun Jindi remained unchanged. Hunchun Zijin cannot conclude the operating decisions of Hunchun Jindi and therefore no controlling power over Hunchun Jindi 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.
- Note 7: In January 2016, Fujian Histron Group Company Limited, Fujian Intelligent Mining Hi-Tech Information Technology Company Limited, Xiamen Zijin Engineering Design Company Limited ("Xiamen Zijin Engineering") and the Company entered into an agreement. They jointly invested in and established Jinyue Huichuang. The Company and Xiamen Zijin Engineering hold 10% and 20% equity interest in Jinyue Huichuang respectively. The Group's wholly-owned subsidiary, Xiamen Investment Company, holds 100% equity interest in Xiamen Zijin Engineering, which makes the Group indirectly hold 30% equity interest in Jinyue Huichuang in total.
- Note 8: In April 2016, the Group's subsidiary, Capital Investment Company, entered into a capital increase agreement with Science, and Capital Investment Company subscribed for 25% equity interest in Science in cash consideration of RMB166,600,000.
- Note 9: Pursuant to the articles of association of Fujian Longhu Fishery, the board of directors consists of three directors, including two appointed by the Group. The resolutions of the board of directors must be approved by more than two-thirds (excluding two-thirds) of the directors. Therefore, the management of the Group considers that the Group has joint control over Fujian Longhu Fishery, and accounts for it as a joint venture.

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 and Kamao, 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 2017

	Shandong Guoda	Xiamen Zijin Zhonghang	Gold Eagle Mining	Kamao
Current assets	728,640,101	326,033,899	666,765,856	251,774,296
<i>Including: Cash and cash equivalents</i>	263,948,785	100,695,385	591,206,808	229,288,653
Non-current assets	419,599,690	122,450,377	3,990,168,901	7,029,825,143
Total assets	1,148,239,791	448,484,276	4,656,934,757	7,281,599,439
Current liabilities	538,285,787	93,957,976	1,267,698,733	84,855,848
Non-current liabilities	6,866,057	8,480,704	96,114,297	4,201,822,986
Total liabilities	545,151,844	102,438,680	1,363,813,030	4,286,678,834
Non-controlling interests	—	—	—	(399,080,575)
Equity attributable to owners of the parent	603,087,947	346,045,596	3,293,121,727	3,394,001,180
Share of net assets based on proportion of equity interest	181,227,928	173,022,798	1,481,904,777	1,680,030,584
Adjustments	—	—	—	—
Impairment provision	(12,350,855)	—	—	—
Goodwill	—	—	—	—
Unrealised profit arising from intra-group transactions	—	—	—	—
Others	—	—	—	—
Book value of equity investments	168,877,073	173,022,798	1,481,904,777	1,680,030,584
Operating income	1,377,483,545	32,028,697	—	28,994
Financial expenses	8,449,781	(2,839,811)	24,025,141	124,903,135
<i>Including: Interest income</i>	(786,066)	(2,844,921)	(37)	(4,359,849)
<i>Including: Interest expenses</i>	4,359,183	—	24,024,859	129,262,985
Income tax expenses	4,078,112	—	—	—
Net profit/(loss)	8,003,127	(1,103,382)	(24,089,427)	(171,263,085)
Other comprehensive income	—	—	—	—
Total comprehensive income/(loss)	8,003,127	(1,103,382)	(24,089,427)	(171,263,085)
Dividends received	(5,662,008)	—	—	—

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 associates of the Group include Longyan Makeng, Tibet Yulong, Zijin Tongguan, Haixia Technology, Xiamen Modern Terminals, Wuxin Copper, Xinjiang Tianlong, Wengfu Zijin and Science, 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:

	Longyan Makeng	Tibet Yulong	Zijin Tongguan	Haixia Technology	Xiamen Modern Terminals	Wuxin Copper	Xinjiang Tianlong	Wengfu Zijin	Science
30 June 2017									
Current assets	442,816,986	232,135,989	44,655,967	646,079,148	40,388,112	2,898,414,454	988,980,465	614,193,178	237,072,599
Non-current assets	3,877,644,311	5,166,162,841	1,611,929,662	1,413,725,179	969,118,664	2,200,493,368	4,160,705,396	2,069,990,154	139,619,213
Total assets	4,320,461,297	5,398,298,830	1,656,585,629	2,059,804,327	1,009,506,776	5,098,907,822	5,149,685,861	2,684,183,332	376,691,812
Current liabilities	1,538,858,248	765,969,724	489,374,612	559,693,452	75,908,849	3,862,225,840	2,652,540,003	1,054,614,850	85,414,007
Non-current liabilities	1,467,454,278	3,846,693,771	8,190,297	51,629,396	408,811,947	1,394,482,744	207,079,360	907,863,513	117,288,492
Total liabilities	3,006,312,526	4,612,663,495	497,564,909	611,322,848	484,720,796	5,256,708,584	2,859,619,363	1,962,478,363	202,702,499
Non-controlling interests Equity attributable to owners of the parent	—	—	—	171,769,442	—	—	—	—	23,316,829
Share of net assets based on proportion of equity interest	1,314,148,771	785,635,335	1,159,020,720	1,276,712,036	524,785,980	(157,800,762)	2,290,066,498	721,704,969	150,672,484
Adjustments	545,371,740	172,839,774	521,559,324	205,039,953	131,196,495	(53,652,259)	376,028,919	280,526,721	37,668,121
Impairment provision	—	—	—	—	—	—	—	—	—
Goodwill	331,615,363	—	(162,757,584)	—	—	—	—	—	130,516,975
Book value of equity investments	876,987,103	172,839,774	358,801,740	205,039,953	131,196,495	—	376,028,919	280,526,721	168,185,096
Operating income	290,024,534	842,713,142	—	445,864,370	68,536,354	1,708,412,254	1,200,179,882	579,785,187	34,241,827
Net profit/(loss)	51,409,650	123,188,945	(12,343,971)	(4,812,074)	12,771,772	(23,277,753)	31,269,310	1,577,907	409,095
Other comprehensive income	—	—	—	—	—	—	—	—	—
Total comprehensive income/(loss)	51,409,650	123,188,945	(12,343,971)	(4,812,074)	12,771,772	(23,277,753)	31,269,310	1,577,907	409,095
Dividends received	(14,940,000)	—	—	(1,288,000)	(5,875,000)	—	—	—	—

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 following table illustrates the aggregate financial information of the Group's joint ventures and associates that are not individually significant:

	30 June 2017
Joint ventures	
Aggregate book value of the Group's investments in joint ventures	107,178,362
Items below were calculated by the proportion of equity interest	—
Share of net profit of joint ventures	10,281,893
Share of other comprehensive income of joint ventures	—
Share of total comprehensive income of joint ventures	10,281,893
Associates	
Aggregate book value of the Group's investments in associates	1,027,358,303
Items below were calculated by the proportion of equity interest	—
Share of net profit of associates	42,196,566
Share of other comprehensive income of associates	—
Share of total comprehensive income of associates	42,196,566

3. JOINT OPERATION

Company name	Principal place of business	Place of registration	Principal activities	Proportion of ownership interest	Proportion of voting rights	Strategic or not
BNL	Papua New Guinea	Port Moresby, Papua New Guinea	Mining, processing and sale of gold ores	50%	50%	Yes

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

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

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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. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each category of financial instruments as at the date of statement of financial position are as follows:

30 June 2017

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	—	—	8,530,490,343	—	8,530,490,343
Financial assets at fair value through profit or loss	—	2,474,695,270	—	—	2,474,695,270
Bills receivable	—	—	1,521,849,982	—	1,521,849,982
Trade receivables	—	—	849,109,384	—	849,109,384
Other receivables	—	—	951,640,689	—	951,640,689
Other current assets	—	—	424,613,531	1,977,579,223	2,402,192,754
Available-for-sale investments	—	—	1,363,253,113	614,326,110	1,977,579,223
Other non-current assets - long-term receivables	—	—	2,798,757,724	—	2,798,757,724
Current portion of non-current assets	—	—	355,818,905	—	355,818,905
	—	2,474,695,270	16,795,533,671	2,591,905,333	21,862,134,274

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	—	—	13,431,823,324	13,431,823,324
Financial liabilities at fair value through profit or loss	—	163,608,178	—	163,608,178
Bills payable	—	—	128,446,184	128,446,184
Trade payables	—	—	3,897,129,937	3,897,129,937
Dividends payable	—	—	1,511,566,682	1,511,566,682
Other payables	—	—	4,092,302,110	4,092,302,110
Current portion of non-current liabilities	—	—	4,471,547,530	4,471,547,530
Other current liabilities	—	—	3,000,000,000	3,000,000,000
Long-term borrowings	—	—	5,493,505,501	5,493,505,501
Bonds payable	—	—	16,274,145,685	16,274,145,685
Long-term payables	—	—	339,376,566	339,376,566
	—	163,608,178	52,639,843,519	52,803,451,697

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. RISKS OF FINANCIAL INSTRUMENTS

The Group's principal financial instruments, other than derivative financial instruments, include cash and cash equivalents, loans and receivables, financial assets/liabilities at fair value through profit or loss, available-for-sale investments, borrowings, trade payables, bonds payable, and others. The main purpose of these financial instruments is to support the Group's operations.

The Group also enters into derivative transactions, primarily forward contracts. The purpose is to manage the market risks arising from the Group's operation. 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 estimated target prices, 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 trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, trade receivable balances are monitored on an ongoing basis to ensure the Group's exposure to bad debts 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 and receivables and certain derivative instruments, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments. The Group is also exposed to credit risk for providing financial guarantees.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by 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 receivables balances.

There is no significant past due relating to those financial assets that were not impaired individually or aggregately.

As at 30 June 2017, trade receivables that were not past due nor impaired were related to a large number of dispersed customers without recent default record.

Liquidity risk

The Group monitors its risk of shortage of funds using a recurring liquidity planning tool. This tool considers both the maturity of the financial instruments and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of debentures, bank borrowings and other borrowings. As at 30 June 2017, approximately 59% of the Group's debts would mature in less than one year (31 December 2016: 58%).

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

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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. RISKS OF FINANCIAL INSTRUMENTS *(continued)***Liquidity risk** *(continued)*

The table below summarises the maturity profile of the Group's financial liabilities based on the contractual undiscounted cash flows:

	Within 1 year	Over 1 year but within 5 years	Over 5 years	Total
Short-term borrowings	13,540,240,499	—	—	13,540,240,499
Financial liabilities at fair value through profit or loss	163,608,178	—	—	163,608,178
Bills payable	128,446,184	—	—	128,446,184
Trade payables	3,897,129,937	—	—	3,897,129,937
Dividends payable	1,511,566,682	—	—	1,511,566,682
Other payables	4,092,302,110	—	—	4,092,302,110
Current portion of non-current liabilities	4,474,860,184	—	—	4,474,860,184
Other current liabilities	3,007,016,667	—	—	3,007,016,667
Long-term borrowings	1,661,537,538	2,541,830,840	2,325,392,759	6,528,761,138
Bonds payable	683,600,000	17,581,275,000	—	18,264,875,000
Long-term payables	5,100,527	152,120,641	281,939,101	439,160,269
	33,165,408,506	20,275,226,481	2,607,331,860	56,047,966,848

Interest rate risk

The Group's exposure to the risk of change in market interest rates primarily relates to the Group's debt obligations with floating interest rates.

The Group maintains an appropriate fixed rate and variable rate debts portfolio to manage the interest costs. As at 30 June 2017, approximately 57% (31 December 2016: 81%) 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 risks.

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 value of individual securities. The Group is exposed to equity instruments 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 2017. The Group's listed investments are listed on the Shanghai, Toronto, New York, London, Hong Kong and Australian stock exchanges, etc., and are valued at quoted market prices at the date of statement of financial position.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

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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. RISKS OF FINANCIAL INSTRUMENTS *(continued)*

Commodity price risk

The Group's exposure to commodity price risk principally relates to the future 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.

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 2017.

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 ratios as at the end of the reporting periods were as follows:

	30 June 2017	31 December 2016
Total assets	94,875,681,222	89,217,700,259
Total liabilities	58,405,567,060	58,101,192,073
Debt-to-asset ratio	61.56%	65.12%

Notes to Financial Statements *(continued)*

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IX. DISCLOSURE OF FAIR VALUE

1. ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

30 June 2017

	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	2,339,587,131	—	—	2,339,587,131
Derivative financial assets	83,032,629	—	—	83,032,629
Others	52,075,510	—	—	52,075,510
Available-for-sale investments				
Listed available-for-sale equity instruments	614,326,110	—	—	614,326,110
Total assets measured at fair value	3,089,021,380	—	—	3,089,021,380
Financial liabilities at fair value through profit or loss				
Derivative financial liabilities	147,877,539	—	—	147,877,539
Cross currency swap	—	15,730,639	—	15,730,639
Total liabilities measured at fair value	147,877,539	15,730,639	—	163,608,178

In the first half of 2017, there were no transfers of fair value measurements for financial assets and financial liabilities between Level 1 and Level 2 and no transfers into or out from 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 largely due to the short-term maturities of these instruments.

The fair values of financial assets and liabilities are the amount at which the instrument could be exchanged or debts could be settled in an arm's length transaction between knowledgeable and willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

The 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 rates of return currently available from other financial instruments with similar terms, credit risk and remaining maturities. As at 30 June 2017, 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.

Notes to Financial Statements (continued)

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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)

2. ESTIMATION OF FAIR VALUE (continued)

The Group has entered into derivative financial instrument contracts with various counterparties (mainly financial institutions with high credit ratings). Derivative financial instruments, including forward contracts and cross currency swap contracts, are measured using valuation techniques similar to forward pricing and swap models and the present value method. The models incorporate various market observable inputs including the credit quality of counterparties, spot and forward foreign exchange rates and interest rates curves. The carrying values of forward contracts and cross currency swap contracts are the same as their fair values.

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

1. THE LARGEST SHAREHOLDER OF THE COMPANY

Company name	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	Liu Shimin	Investment in Fujian	RMB368 million	25.88%	25.88%	Minxi Xinghang

2. SUBSIDIARIES OF THE COMPANY

Information about major subsidiaries of the Company is disclosed in Note VII.1.

3. JOINT VENTURES AND ASSOCIATES

Information about the joint ventures and associates of the Company is disclosed in Note VII.2.

4. JOINT OPERATION

Information about joint operation of the Company is disclosed in Note VII.3.

5. OTHER RELATED PARTIES OF THE COMPANY

Name of related parties	Relationship between the related parties and the Company
Sichuan Province Geology and Mineral Resources Exploration and Development Bureau ("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 Asset Management Centre	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
Xinjiang Non-ferrous Metal Industrial Materials Group Company Limited ("Xinjiang Non-ferrous Materials")	A subsidiary of Xinjiang Non-ferrous Metal Industry (Group) Company Limited, which is a non-controlling shareholder of Xinjiang Ashele

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

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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. RELATED PARTY TRANSACTIONS****(A) Sales of products and rendering of services to related parties**

Nature of transaction		For the six months ended 30 June 2017	For the six months ended 30 June 2016
Shandong Guoda (Note 1)	Sales of gold and copper ore	55,816,051	27,187,989
Wengfu Zijin (Note 1)	Sales of vitriol	18,332,880	24,217,981
Wuxin Copper (Note 1)	Sales of copper concentrates	6,792	5,290,524
Xinjiang Non-ferrous Materials (Note 1)	Sales of copper concentrates	288,338,431	104,719,144
Longhu Fishery (Note 1)	Sales of fish and rental	218,130	270,602
Longyan Makeng (Note 1)	Sales of products	1,437,572	763,699
Shanghang County Jinshan Trading	Sales of raw materials	2,599,770	—
Haixia Technology	Sales of raw materials	105,361	—
Zisen (Xiamen) (Note 1)	Sales of metal concentrates	—	219,410,314
		366,854,987	381,860,253

(B) Purchase of products and receipt of services from related parties

Nature of transaction		For the six months ended 30 June 2017	For the six months ended 30 June 2016
Wancheng Commercial (Note 1)	Purchase of raw materials	126,139,779	64,679,534
Haixia Technology (Note 1)	Purchase of raw materials	1,049,010	1,042,793
Xiamen Zijin Zhonghang (Note 1)	Construction service	66,841,039	22,832,422
Shanghang County Jinshan Trading	Purchase of raw materials	8,751,957	—
Zisen (Xiamen) (Note 1)	Purchase of raw materials	70,264,656	—
Southwest Zijin Gold (Note 1)	Purchase of low purity gold	89,667,395	389,823,199
		362,713,836	478,377,948

Note 1: 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 2017

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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. RELATED PARTY TRANSACTIONS *(continued)*

(C) Related party guarantees

- a) The Group's guarantees for bank loans of related parties

30 June 2017

Guarantor	Guaranteed party	Guaranteed amount	Inception date of guarantee	Expiration date of guarantee	Whether execution of guarantee has been completed
The Company	Wengfu Zijin	154,000,000	28 April 2011	27 April 2019	No

- b) Provision of guarantees by related parties for bank loans of the Group

As at 30 June 2017, there was no provision for guarantee for bank loans from related parties to the Group.

(D) Borrowings from/to related parties

- a) Borrowings from related parties

30 June 2017

Borrower	Note	Amount of borrowings	Inception date	Due date	Annual interest rate
The Company	Note 1	55,150,000	29 December 2015	28 December 2026	1.20%
The Company	Note 1	26,400,000	10 December 2015	9 December 2027	1.20%
		81,550,000			

Note 1: The Company applied for national special fund loans from China Development Bank through the shareholder Minxi Xinghang. The balance of the loan as at 30 June 2017 was RMB81,550,000. During the year, the Company repaid an amount of RMB3,450,000. The loan is unsecured.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

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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. RELATED PARTY TRANSACTIONS** *(continued)***(D) Borrowings from/to related parties** *(continued)*

b) Borrowings to related parties

30 June 2017

Borrowers	Amount of borrowings	Inception date	Due date	Annual interest rate
Zijin Tongguan	9,000,000	13 April 2012	31 December 2017	4.35%
Zijin Tongguan	109,350,000	20 June 2012	31 December 2017	4.35%
Zijin Tongguan	9,000,000	14 January 2013	31 December 2017	4.35%
Zijin Tongguan	13,500,000	31 October 2013	31 December 2017	4.35%
Zijin Tongguan	5,400,000	31 July 2014	31 December 2017	4.35%
Zijin Tongguan	4,500,000	21 January 2015	31 December 2017	4.35%
Zijin Tongguan	6,300,000	29 May 2015	31 December 2017	4.35%
Zijin Tongguan	6,975,000	23 July 2015	31 December 2017	4.35%
Zijin Tongguan	2,286,000	15 December 2015	31 December 2017	4.35%
Zijin Tongguan	3,429,000	15 January 2016	31 December 2017	4.35%
Zijin Tongguan	21,276,000	29 June 2016	31 December 2017	4.35%
Zijin Tongguan	7,853,599	15 December 2016	31 December 2017	12-month GBPLIBOR +200bp
Gold Eagle Mining (Note 1)	218,091,688	11 July 2012	30 June 2018	LIBOR+2.60%
Gold Eagle Mining	350,575,200	16 May 2014	15 May 2017	LIBOR+2.60%
Longyan Zijin AVIC	19,600,000	8 April 2016	—	—
Longyan Zijin AVIC	425,246,280	18 March 2016	17 March 2019	6.50%
Kamoa	1,227,230,218	8 December 2015	—	LIBOR+7%
Kamoa	33,872,000	2 January 2016	—	LIBOR+7%
Kamoa	52,332,755	15 March 2016	—	LIBOR+7%
Kamoa	138,827,779	15 August 2016	—	LIBOR+7%
Kamoa	127,580,338	14 October 2016	—	LIBOR+7%
Kamoa	76,868,900	21 December 2016	—	LIBOR+7%
Kamoa	23,792,397	24 January 2017	—	LIBOR+7%
Kamoa	23,792,397	22 February 2017	—	LIBOR+7%
Kamoa	30,865,223	24 March 2017	—	LIBOR+7%
Kamoa	13,074,612	31 March 2017	—	LIBOR+7%
Kamoa	28,084,251	24 April 2017	—	LIBOR+7%
Kamoa	76,414,961	24 May 2017	—	LIBOR+7%
Longyan Makeng	50,000,000	21 September 2016	20 September 2017	4.35%
	3,115,118,598			

Note 1: The Company's overseas wholly-owned subsidiary, Jin Jian Global Mining Company Limited, provided a loan of USD51,750,000 (equivalent to RMB350,575,200) to a joint venture, Gold Eagle Mining Investment Limited. The loan matured on 15 May 2017 and the extension of loan is in process.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

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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. RELATED PARTY TRANSACTIONS *(continued)*

(E) Compensation of key management and directors' remuneration

	For the six months ended 30 June 2017	For the six months ended 30 June 2016
Directors' remuneration	8,144,751	8,411,445
Compensation of key management	2,920,988	3,637,306
	11,065,739	12,048,751

7. AMOUNTS DUE FROM/TO RELATED PARTIES

	30 June 2017		31 December 2016	
	Carrying amount	Bad debt provision	Carrying amount	Bad debt provision
Trade receivables				
Zisen (Xiamen)	—	—	40,085,525	—
Wengfu Zijin	—	—	15,507,257	—
Wancheng Commercial	15,595	—	—	—
Longhu Fishery	47,906	—	—	—
Longyan Makeng	24,575	—	—	—
	88,076	—	55,592,782	—
Prepayments				
Xiamen Zijin Zhonghang	3,177,859	—	53,466,945	—
Wancheng Commercial	—	—	3,576,109	—
Haixia Technology	—	—	2,025,414	—
Shanghang County Jinshan Trading	—	—	2,325,421	—
	3,177,859	—	61,393,889	—

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

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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)***7. AMOUNTS DUE FROM/TO RELATED PARTIES** *(continued)*

	30 June 2017		31 December 2016	
	Carrying amount	Bad debt provision	Carrying amount	Bad debt provision
Other receivables				
Chongli Finance Bureau State-owned Asset Management Centre	20,000,000	—	20,000,000	—
Longyan Makeng	50,132,009	—	50,066,458	—
Longyan Zijin AVIC	25,447,114	—	49,039,358	—
Sichuan Geology	2,000,000	—	—	—
Wancheng Commercial	—	—	30,503	—
Jilin The Sixth Geological Survey	—	—	1,196,735	—
Shanghang County Jinshan Trading Co., Ltd.	3,593,316	—	—	—
Xinjiang Tianlong	—	—	72,719	—
Zijin Tongguan	216,856,211	140,992,416	205,229,024	140,992,416
	318,028,650	140,992,416	325,634,797	140,992,416
Current portion of non-current assets				
Gold Eagle Mining	350,575,200	—	358,989,750	—
Ting River Hydropower	—	—	7,500,000	—
	350,575,200	—	366,489,750	—
Other non-current assets				
Tibet Yulong	132,000,000	—	132,000,000	—
Gold Eagle Mining	218,091,688	—	212,344,857	—
Longyan Zijin AVIC	419,440,000	—	419,440,000	—
Kamoa	2,047,657,735	—	1,827,001,942	—
	2,817,189,423	—	2,590,786,799	—

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

RMB

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

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

7. AMOUNTS DUE FROM/TO RELATED PARTIES *(continued)*

	30 June 2017	31 December 2016
Trade payables		
Haixia Technology	42,663,787	34,551,075
Wancheng Commercial	15,514,145	—
Zisen (Xiamen)	35,982,122	—
Southwest Zijin Gold	24,982,579	24,982,579
Xiamen Zijin Zhonghang Real Estate	2,494,214	—
Shanghang County Jinshan Trading	2,802,448	—
	124,439,295	59,533,654
Advances from customers		
Xinjiang Non-ferrous Materials	5,676,692	46,367,123
Shandong Guoda	1,760,000	—
	7,436,692	46,367,123
Other payables		
Sichuan Geology	—	—
Hongyang Mining	—	24,989,600
Zijin Tongguan	26,557,811	—
Haixia Technology	6,990,854	—
	33,548,665	24,989,600
Long-term payables		
Minxi Xinghang	81,550,000	85,000,000

Except the receivables from Ting River Hydropower, Gold Eagle Mining, Longyan Makeng, Zijin Tongguan and Longyan Zijin AVIC which were interest-bearing and had fixed terms of repayment, and the receivables from Kamo which were interest-bearing and had no fixed terms of repayment, other related party balances in receivables and payables were interest-free, unsecured and had no fixed terms of repayment.

As at 30 June 2017, there was no advance from the Group to the directors.

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 2017

RMB

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

XI. CONTINGENCIES

	30 June 2017	31 December 2016
Contingencies arising from guarantees provided to external parties		
Wengfu Zijin (Note 1)	154,000,000	177,240,000
Fujian Rare Earth Group (Note 2)	314,325,565	331,585,000
Subtotal	468,325,565	508,825,000
Contingencies arising from pending litigation (Note 3)	—	43,144,709
Total	468,325,565	551,969,709

Note 1: As at 30 June 2017, 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 2016: RMB450,000,000). As at 30 June 2017, Wengfu Zijin utilised RMB154,000,000 of the guarantee facility (31 December 2016: RMB177,240,000).

Note 2: Longyan Makeng, an associate of the Company, applied for a bank loan of RMB7,600,000,000 and its controlling shareholder, Fujian Rare Earth Group provided guarantee for its financing. The Company pledged its 41.5% equity interest in Longyan Makeng and the interests derived from such shareholdings to provide counter guarantee for Fujian Rare Earth Group. As at 30 June 2017, the guarantee provided by the Company amounted to RMB314,325,565 (31 December 2016: RMB331,585,000).

Note 3: On 21 September 2010, the mud and rock flow resulting from the No.11 severe typhoon "Fanapi" caused the collapse of the tailings pool 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, water resources facilities downstream (the "9.21 Dam Collapse Incident"). Later, the Company and Xinyi Zijin were sued in succession by the Xinyi Municipal Government, and victims and entities affected by the Incident. A compensation of RMB12,674,539 for casualties was paid off.

On 12 September 2012, Xinyi Municipal Government and the Government of Qianpai Town, Xinyi City, reached an agreement in respect of property losses with Xinyi Zijin on behalf of the victims. All property losses within the jurisdiction of Xinyi City caused by the 9.21 Dam Collapse Incident (except for the claims from nine hydropower stations including Shihuadi Hydropower Station and one water plant) shall be settled with a compensation of RMB245,000,000 paid by Xinyi Zijin. The plaintiffs then withdrew the lawsuits. As at 31 December 2014, Xinyi Zijin had already paid off the compensation of RMB245,000,000.

Six hydropower stations including those from Shihuadi and one water plant claimed compensation for property losses of RMB70,663,798 from the Company and Xinyi Zijin.

On 31 December 2015, the People's Court of Xinyi City made the judgment after the first hearing, ruling that Xinyi Zijin needs to compensate RMB27,519,089 for the plaintiffs, and 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 and Xinyi Zijin filed an appeal accordingly.

On 7 July 2017, Xinyi Zijin and the plaintiffs including Shihuadi Hydropower Station reached a settlement agreement, and the Intermediate People's Court in Maoming City issued a mediation letter, pursuant to which Xinyi Zijin has to compensate a total of RMB24,767,180 to the plaintiffs. At the same time, Xinyi Zijin withdraws the claim for compensation against Shihuadi Hydropower Plant and other plaintiffs. All the litigations or disputes relevant to the 9.21 Dam Collapse Incident have been concluded.

As at 30 June 2017, Xinyi Zijin made a provision for compensation of RMB27,519,089 according to the judgment after the first hearing.

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 the related contingent liabilities in financial statements.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

RMB

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

XII. COMMITMENTS

	30 June 2017	31 December 2016
Capital commitments (Note 1)	1,426,226,308	812,184,210
Investment commitments (Note 2)	219,182,680	—
	1,645,408,988	812,184,210

Note 1: As at 30 June 2017, the amounts of the capital commitments relating to the acquisition and construction of property, plant, machinery and equipment, and mining assets were RMB1,423,572,031 (31 December 2016: RMB810,525,353).

Note 2: As at 30 June 2017, the execution and investment committee of the board of directors of the Company resolved to acquire 20% equity interest in Bayannaer Zijin Non-ferrous Metals Company Limited held by Western Mining Group Co., Ltd. The total consideration was RMB249,182,680.

XIII. POST BALANCE SHEET EVENTS

- The Company convened the fourth meeting of the sixth term of execution and investment committee on 28 April 2017, at which it was resolved to acquire 20% equity interest in Bayannaer Zijin Non-ferrous Metals Company Limited held by Western Mining Group Co., Ltd. The transfer was completed through Property Rights Trading Market of Qinghai Province. On 8 June 2017, deposit of RMB30 million was paid for withdrawing the project from the trading market. Property right transfer agreement was entered into on 3 July 2017. The total consideration was RMB249,182,680. The remaining balance of RMB219,182,680 was settled on 20 July 2017.
- The Company convened the fourth meeting of the sixth term of execution and investment committee on 28 April 2017, at which it was resolved to sell 34% equity interest in Qinghai Copper Company Limited held by Qinghai West Copper Mining Company Limited. The transfer was completed through Property Rights Trading Market of Qinghai Province. Property right transfer agreement was entered into on 3 July 2017. The total consideration was RMB270,924,920. All transfer consideration was received on 31 July 2017.
- The Company convened the fifth meeting of the sixth term of execution and investment committee on 19 May 2017, at which it was resolved to sell 95% equity interest in Zijin Mining Group Gansu Mining Development Company Limited to Gannan Sanbao Mining Company Limited. Share transfer agreement was entered into on 3 July 2017. The total consideration was RMB41,261,211. The first installment of the transfer consideration amounting to RMB33,000,000 was received on 7 July 2017. The remaining balance of the transfer consideration amounting to RMB8,261,211 was received on 16 August 2017.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

RMB

*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)***XIV. OTHER SIGNIFICANT EVENTS****1. LEASING****As lessor**

As at the date of statement of financial position, the information of irrevocable operating lease contracts entered into by the Group is as follows:

	30 June 2017	31 December 2016
Within 1 year (1 year inclusive)	31,937,765	20,230,455
Over 1 year but within 2 years (2 years inclusive)	23,967,462	21,296,961
Over 2 years but within 3 years (3 years inclusive)	23,048,470	23,781,860
Over 3 years but within 5 years (5 years inclusive)	44,741,121	42,462,322
Over 5 years	97,393,374	109,254,948
	221,088,192	217,026,546

As lessee

Significant operating leases: Pursuant to the operating lease agreements entered into with lessors, the minimum lease payments under irrevocable operating leases fall due as follows:

	30 June 2017	31 December 2016
Within 1 year (1 year inclusive)	21,305,659	5,780,968
Over 1 year but within 2 years (2 years inclusive)	18,883,082	5,181,005
Over 2 years but within 3 years (3 years inclusive)	14,794,000	1,673,368
Over 3 years	14,794,000	—
	69,776,741	12,635,341

2. OPERATING SEGMENT INFORMATION

The 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 or 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 sales and transfers are transacted with reference to the fair prices used for sales to third parties.

Notes to Financial Statements (continued)

For the period ended 30 June 2017

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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 2017

Item	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	2,754,482,564	18,569,450,038	1,578,926,731	337,297,946	8,753,721,125	2,719,803,596	3,108,743,991	1,925,261,167	8,481,052,782	(10,705,108,030)	37,523,631,910
Intersgment sales	1,310,022,507	14,202,482,465	1,516,417,578	335,220,113	6,881,050,616	2,561,196,296	2,545,168,931	1,922,400,216	6,249,673,188	—	37,523,631,910
	1,444,460,057	4,366,967,573	62,509,153	2,077,833	1,872,670,509	158,607,300	563,375,060	2,860,951	2,231,379,594	(10,705,108,030)	—
2. Segment profit	483,622,008	124,359,834	445,294,759	53,147,838	317,203,402	995,770,566	1,400,460,981	161,499,016	(152,119,673)	—	3,829,238,731
3. Segment assets	51,332,672,741	12,505,148,688	11,262,041,249	6,444,637,648	10,181,859,346	15,905,884,280	13,053,523,984	2,735,428,981	62,666,366,798	(104,656,543,455)	81,431,020,260
Unallocated assets											13,444,660,962
Total assets											94,875,681,222
4. Segment liabilities	32,412,217,326	8,333,734,117	6,905,808,319	3,943,001,658	7,510,901,467	9,137,176,605	9,309,039,022	1,785,371,317	50,181,521,954	(95,203,482,427)	34,315,889,358
Unallocated liabilities											24,090,277,702
Total liabilities											58,405,567,060
5. Supplemental information											
1. Depreciation and amortisation	537,364,143	75,270,589	248,716,414	61,179,483	134,408,168	310,392,704	425,781,176	92,651,262	267,883,408	—	2,153,647,347
2. Capital expenditure	454,458,920	109,083,828	109,662,562	69,813,019	51,208,170	157,414,276	127,637,100	25,508,249	542,949,764	—	1,647,335,888

Notes to Financial Statements (continued)

For the period ended 30 June 2017

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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

Item	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	1,288,796,932	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	1,621,365,715	1,204,843,492	4,543,913,990	—	38,889,899,709
	1,536,635,831	1,505,318,200	—	—	1,083,225,986	—	(1,153,779)	63,953,440	1,548,277,760	(5,736,457,438)	—
2. Segment profit	550,669,233	191,723,093	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	1,730,082,952	49,207,925,738	(93,811,523,046)	27,415,806,328
Unallocated liabilities											29,358,009,973
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 2017

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

XV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY

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 is as follows:

	30 June 2017	31 December 2016
Within 1 year	987,747,849	1,132,335,737
Over 1 year but within 2 years	548,946,208	126,928,560
Over 2 years but within 3 years	62,483,959	37,098,547
Over 3 years	279,980	249,014
	1,599,457,996	1,296,611,858
Less: Bad debt provision for trade receivables	122,345	122,345
	1,599,335,651	1,296,489,513

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

	At 1 January 2017	Additions	Reductions		At 30 June 2017
			Reversal	Write-off	
30 June 2017	122,345	—	—	—	122,345

	30 June 2017				Net book value
	Carrying amount		Bad debt provision		
	Amount	Proportion (%)	Amount	Proportion (%)	
Individually significant and for which bad debt provision has been provided individually	1,577,145,454	98.60	—	—	1,577,145,454
Individually not significant but for which bad debt provision has been provided individually	22,312,542	1.40	122,345	0.55	22,190,197
	1,599,457,996	100.00	122,345	0.01	1,599,335,651

In the first half of 2017, there was no provision for bad debt (2016: Nil), and there was no provision for bad debt which was reversed (2016: Nil).

In the first half of 2017, there was no write-off of trade receivables (2016: RMB47,454).

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*XV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*1. TRADE RECEIVABLES *(continued)*

The five entities with the largest balances of trade receivables at 30 June 2017 are as follows:

Name of entity	Amount	Proportion of trade receivables (%)	Ageing	Closing balance of bad debt provision
Zijin Copper Company Limited	1,210,408,815	75.68	Within 1 year	—
Fujian Zijin Copper Company Limited	366,736,640	22.93	Within 1 year	—
La Compagnie Minière de Musonoie Global SAS	3,589,412	0.22	Within 1 year	—
Heilongjiang Duobaoshan Copper Co., Ltd.	1,163,817	0.07	Within 1 year	—
Hebei Chongli Zijin Mining Company Limited	1,084,600	0.07	Within 1 year	—
	1,582,983,284	98.97		—

2. OTHER RECEIVABLES

Ageing analysis of the other receivables is as follows:

	30 June 2017	31 December 2016
Within 1 year	2,030,331,936	4,107,173,115
Over 1 year but within 2 years	3,491,038,205	1,617,316,373
Over 2 years but within 3 years	819,318,626	932,503,326
Over 3 years	2,520,663,890	2,850,964,876
	8,861,352,657	9,507,957,690
Less: Bad debt provision for other receivables	145,987,988	145,987,988
	8,715,364,669	9,361,969,702

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

	At	Additions	Reductions		At
	1 January 2017		Reversal	Write-off	30 June 2017
30 June 2017	145,987,988	—	—	—	145,987,988

Notes to Financial Statements (continued)

For the period ended 30 June 2017

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

XV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY (continued)

2. OTHER RECEIVABLES (continued)

	30 June 2017				Net book value
	Carrying amount		Bad debt provision		
	Amount	Proportion (%)	Amount	Proportion (%)	
Individually significant and for which bad debt provision has been provided individually	8,181,889,668	92.33	140,992,416	1.72	8,040,897,252
Individually not significant but for which bad debt provision has been provided individually	679,462,989	7.67	4,995,572	0.74	674,467,417
	8,861,352,657	100.00	145,987,988	1.65	8,715,364,669

As at 30 June 2017, other receivables, which were individually significant and for which bad debt provision had been provided individually, 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 in which the borrowing is used

Category of other receivables by nature is as follows:

	30 June 2017	31 December 2016
Securities and deposits	27,042,607	31,801,965
Advanced material costs	1,246,578	51,442,581
Deferred expenses	17,470,541	18,387,583
Receivables from settlement of futures	—	14,052,319
Staff advances and reserve funds	291,336	441,436
Due from subsidiaries	8,515,743,818	8,813,549,822
Due from associates and joint ventures	195,741,404	419,803,059
Others	103,816,373	158,478,925
	8,861,352,657	9,507,957,690
Less: Bad debt provision for other receivables	145,987,988	145,987,988
	8,715,364,669	9,361,969,702

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)***XV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY** *(continued)***2. OTHER RECEIVABLES** *(continued)*

The five entities with the largest balances of other receivables at 30 June 2017 are as follows:

	Nature	Amount	Ageing	Proportion of other receivables (%)	Closing balance of bad debt provision
Gold Mountains (H.K.) International Mining Co., Ltd.	Due from subsidiaries	2,026,685,160	Within 1 year/over 1 year but within 2 years/over 2 years but within 3 years/over 3 years	22.87	—
Xinyi Zijin Mining Company Limited	Due from subsidiaries	623,046,944	Within 1 year/over 1 year but within 2 years/over 2 years but within 3 years/over 3 years	7.03	—
JV Zeravshan LLC (ZGC)	Due from subsidiaries	605,641,123	Within 1 year/over 1 year but within 2 years/over 2 years but within 3 years/over 3 years	6.83	—
Heilongjiang Zijin Longxing Mining Company Limited	Due from subsidiaries	563,933,022	Within 1 year/over 1 year but within 2 years/over 3 years	6.36	—
Xinjiang Aletai Jinhao Iron Company Limited	Due from subsidiaries	506,766,391	Within 1 year/over 1 year but within 2 years/over 2 years but within 3 years/over 3 years	5.72	—
		4,326,072,640		48.81	—

3. AVAILABLE-FOR-SALE INVESTMENTS

	Carrying amount	30 June 2017 Impairment provision	Net book value
Available-for-sale equity instruments measured at cost	458,250,694	—	458,250,694
	458,250,694	—	458,250,694

Notes to Financial Statements (continued)

For the period ended 30 June 2017

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

XV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY (continued)

3. AVAILABLE-FOR-SALE INVESTMENTS (continued)

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

30 June 2017

	Carrying amount			Impairment provision				Proportion of equity interest (%)	Cash dividends received in the period	
	At 1 January 2017	Additions	Reductions	At 30 June 2017	At 1 January 2017	Additions	Reductions			At 30 June 2017
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	—
Xingcheng Guarantee	50,000,000	—	—	50,000,000	—	—	—	—	20.00	—
Bindi Potash	—	196,761,400	—	196,761,400	—	—	—	—	3.60	—
Lark World	—	76,739,294	—	76,739,294	—	—	—	—	16.67	—
	184,750,000	273,500,694	—	458,250,694	—	—	—	—		16,800,000

4. LONG-TERM EQUITY INVESTMENTS

	Carrying amount	30 June 2017 Impairment provision	Net book value
Investments in subsidiaries	16,822,203,665	(286,919,351)	16,535,284,314
Investments in associates	1,663,414,376	(162,757,584)	1,500,656,792
	18,485,618,041	(449,676,935)	18,035,941,106

Notes to Financial Statements (continued)

For the period ended 30 June 2017

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

XV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY (continued)

4. LONG-TERM EQUITY INVESTMENTS (continued)

(i) Investments in subsidiaries

	1 January 2016	Additions	Reductions	31 December 2016	Additions	Reductions	30 June 2017	Provision for impairment losses at 30 June 2017
Zijin Copper	2,120,647,343	—	—	2,120,647,343	105,102,200	—	2,225,749,543	—
Southwest Zijin	1,186,767,999	1,405,689	—	1,188,173,688	—	—	1,188,173,688	—
Qinghai West Copper Mining Company Limited	936,000,000	—	—	936,000,000	—	—	936,000,000	—
Gold Mountains (H.K.)	851,643,399	—	—	851,643,399	1,354,880,000	—	2,206,523,399	—
Luoyang Kunyu	701,316,274	288,749	(25,000,000)	676,605,023	—	—	676,605,023	—
Northeast Asia	673,406,692	—	(673,406,692)	—	—	—	—	—
Finance Company	475,000,000	—	—	475,000,000	—	—	475,000,000	—
Xiamen Investment Company	397,061,613	—	—	397,061,613	—	—	397,061,613	—
Longnan Zijin	370,505,723	28,064	—	370,533,787	—	—	370,533,787	(43,019,351)
Bayannaer Zijin	329,844,784	—	—	329,844,784	—	—	329,844,784	—
Northwest Company	326,746,201	801,123,274	—	1,127,869,475	—	—	1,127,869,475	—
Southern Investment	318,204,677	936,984,205	—	1,255,188,882	—	—	1,255,188,882	—
Huanmin Mining	306,000,000	—	—	306,000,000	—	—	306,000,000	—
Zijin Real Estate	300,000,000	—	—	300,000,000	—	—	300,000,000	—
Shanghang 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	—	400,000,000	—	—	400,000,000	—
Zijin International Mining	207,936,714	680,459,972	—	888,396,686	—	—	888,396,686	—
Hunchun Zijin	185,437,500	110,956	(46,359,375)	139,189,081	—	—	139,189,081	—
Jilin Zijin Copper	—	46,359,375	—	46,359,375	—	—	46,359,375	—
Fujian Zijin Copper Company Limited	145,808,417	—	—	145,808,417	—	—	145,808,417	—
Chongli Zijin	142,500,000	1,896	—	142,501,896	—	—	142,501,896	—
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 Yinhui	105,000,000	—	—	105,000,000	—	—	105,000,000	—
Yunnan Huexi	86,830,000	—	—	86,830,000	—	—	86,830,000	—
Ankang Zijin	87,787,471	—	—	87,787,471	—	—	87,787,471	—

Notes to Financial Statements (continued)

For the period ended 30 June 2017

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

XV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY (continued)

4. LONG-TERM EQUITY INVESTMENTS (continued)

(i) Investments in subsidiaries (continued)

	1 January 2016	Additions	Reductions	31 December 2016	Additions	Reductions	30 June 2017	Provision for impairment losses at 30 June 2017
Longsheng County Dexin Mining Company Limited	53,550,000	—	—	53,550,000	—	—	53,550,000	—
Xiamen Zijin Mining and Metallurgical 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	43,460,000	—	—	43,460,000	—	—	43,460,000	—
Guizhou Zijin	30,600,000	74,252	—	30,674,252	—	—	30,674,252	—
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	38,539,700	—	51,539,700	—	—	51,539,700	—
Fujian Zijin Hotel Management Company Limited	10,000,000	—	—	10,000,000	—	—	10,000,000	—
Fujian Zijin Metallurgical Testing Technology Company Limited	5,000,000	—	—	5,000,000	—	—	5,000,000	—
Fujian Jinyi Copper Co., Ltd.	413,949	—	—	413,949	—	—	413,949	—
NKWE	3,272,490	—	—	3,272,490	—	—	3,272,490	—
Hellong Mining	—	1,561,220,000	—	1,561,220,000	—	—	1,561,220,000	—
Gold Refinery Company	—	50,000,000	—	50,000,000	—	—	50,000,000	—
Total	11,790,391,400	4,316,596,132	(744,766,067)	15,362,221,465	1,459,982,200	—	16,822,203,665	(286,919,351)

Notes to Financial Statements (continued)

For the period ended 30 June 2017

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

XV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY (continued)

4. LONG-TERM EQUITY INVESTMENTS (continued)

(ii) Investments in associates

30 June 2017

Investee	At 1 January 2017	Movements during the period										Provision for impairment losses at 30 June 2017
		Additions	Reductions	Investment income/(losses) under the equity method	Other comprehensive income	Other changes in equity	Cash dividends declared by investee	Provision for impairment losses	Others	At 30 June 2017		
Longyan Makeng	787,738,206	83,000,000	—	21,188,897	—	—	(14,940,000)	—	—	—	876,987,103	—
Tibet Yulong	147,484,293	—	—	25,355,481	—	—	—	—	—	—	172,839,774	—
Songpan Zijin	39,249,785	—	—	—	—	—	—	—	—	—	39,249,785	—
Zijin Tongguan	364,473,940	—	—	(5,672,200)	—	—	—	—	—	—	358,801,740	(162,757,584)
Wancheng	—	—	—	—	—	—	—	—	—	—	—	—
Commercial	45,532,703	—	—	6,253,327	—	—	—	—	—	—	51,786,030	—
Jinyue Huichuang	968,866	—	—	23,494	—	—	—	—	—	—	992,360	—
	1,385,447,793	83,000,000	—	47,148,999	—	—	(14,940,000)	—	—	—	1,500,656,792	(162,757,584)

Notes to Financial Statements (continued)

For the period ended 30 June 2017

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

XV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY (continued)

5. FIXED ASSETS

30 June 2017

	Buildings	Mining assets	Power generation and transmission equipment	Plant, machinery and equipment	Motor vehicles	Furniture and fixtures and others	Total
Cost							
At 1 January 2017	847,617,449	4,227,519,936	52,731,733	875,829,446	81,679,818	87,960,410	6,173,338,792
Purchase additions	23,237,248	22,355,307	—	237,758,521	608,113	3,999,465	287,958,654
Transferred from construction in progress	—	10,816,364	—	—	—	—	10,816,364
Disposals or write-off	(11,661,863)	(221,132,611)	(764,472)	(106,045,693)	(5,988,090)	(1,965,684)	(347,558,413)
At 30 June 2017	859,192,834	4,039,558,996	51,967,261	1,007,542,274	76,299,841	89,994,191	6,124,555,397
Accumulated depreciation							
At 1 January 2017	179,063,275	1,609,430,400	27,917,147	506,971,149	63,162,898	61,251,085	2,447,795,954
Depreciation provided for the period	24,911,290	162,071,731	1,007,324	42,151,640	4,635,229	3,399,803	238,177,017
Disposals or write-off	(4,642,076)	(129,447,665)	(335,574)	(75,818,346)	(5,604,023)	(1,532,201)	(217,379,885)
At 30 June 2017	199,332,489	1,642,054,466	28,588,897	473,304,443	62,194,104	63,118,687	2,468,593,086
Impairment provision							
At 1 January 2017	—	285,118	13,157	2,591,429	—	1,632	2,891,336
Impairment provided for the period	—	—	—	—	—	—	—
Disposals or write-off	—	—	—	(178,851)	—	—	(178,851)
At 30 June 2017	—	285,118	13,157	2,412,578	—	1,632	2,712,485
Net book value							
At 30 June 2017	659,860,345	2,397,219,412	23,365,207	531,825,253	14,105,737	26,873,872	3,653,249,826
At 1 January 2017	668,554,174	2,617,804,418	24,801,429	366,266,868	18,516,920	26,707,693	3,722,651,502

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)***XV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY** *(continued)***5. FIXED ASSETS** *(continued)*

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

	30 June 2017		31 December 2016	
	Cost	Net book value	Cost	Net book value
Buildings	22,900,357	—	22,900,357	—
Mining assets	561,798,816	3,473,476	663,183,761	3,862,612
Power generation and transmission equipment	12,464,215	369,876	12,684,999	376,500
Plant, machinery and equipment	174,796,709	5,114,585	257,536,312	7,323,543
Motor vehicles	16,630,252	473,127	22,319,173	643,795
Furniture and fixtures and others	28,213,619	904,941	31,301,943	999,098
	816,803,968	10,336,005	1,009,926,545	13,205,548

Fixed assets that are temporarily idle are as follows:

30 June 2017

	Cost	Accumulated depreciation	Impairment provision	Net book value
Mining assets	1,794,373	(666,620)	—	1,127,753
Plant, machinery and equipment	11,450,929	(5,351,022)	—	6,099,907
Furniture and fixtures and others	7,777	(6,161)	—	1,616
	13,253,079	(6,023,803)	—	7,229,276

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 2017 are as follows:

Item	Net book value	Reasons why certificates of title have not been obtained
Buildings	285,722,810	In the process of applying

6. CONSTRUCTION IN PROGRESS**30 June 2017**

Carrying amount	Impairment provision	Net book value
253,369,090	—	253,369,090

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

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

XV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

6. CONSTRUCTION IN PROGRESS *(continued)*

30 June 2017

	Budget	At 1 January 2017	Additions	Transferred to fixed assets	Other reductions	At 30 June 2017	Proportion of actual investment to budget	Progress of project	Accumulated balance of borrowing costs as at 30 June 2017	Including: capitalised interest for the period	Interest rate of capitalisation (%)	Source of funds
Zijinshan gold and copper mine joint open pit mining project	2,773,297,413	128,809,922	159,698,581	(10,816,364)	(24,323,049)	253,369,090	75%	74%	—	—	N/A	Equity fund
Others	—	—	—	—	—	—	N/A	N/A	—	—	N/A	Equity fund
	2,773,297,413	128,809,922	159,698,581	(10,816,364)	(24,323,049)	253,369,090						
Impairment provision for construction in progress	—	—	—	—	—	—						
		128,809,922				253,369,090						

For the period ended 30 June 2017, there were no borrowing costs eligible for capitalisation of the Company (2016: Nil).

As at 30 June 2017, there was no impairment provision for construction in progress of the Company (31 December 2016: Nil).

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

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

7. INTANGIBLE ASSETS

30 June 2017

	Exploration and mining rights	Land use rights	Membership of Shanghai Gold Exchange and others	Total
Cost				
At 1 January 2017	388,144,802	93,955,477	11,366,050	493,466,329
Purchase additions	—	—	51,282	51,282
Disposals or write-off	—	—	(7,950)	(7,950)
At 30 June 2017	388,144,802	93,955,477	11,409,382	493,509,661
Accumulated amortisation				
At 1 January 2017	192,667,685	20,119,679	3,236,530	216,023,894
Amortisation provided for the period	2,256,150	1,112,488	908,980	4,277,618
Disposals or write-off	—	—	(6,028)	(6,028)
At 30 June 2017	194,923,835	21,232,167	4,139,482	220,295,484
Impairment provision				
At 1 January 2017 and 30 June 2017	—	—	—	—
Net book value				
At 30 June 2017	193,220,967	72,723,310	7,269,900	273,214,177
At 1 January 2017	195,477,117	73,835,798	8,129,520	277,442,435

8. LONG-TERM DEFERRED ASSETS

30 June 2017

	At 1 January 2017	Additions	Amortisation	Other reductions	At 30 June 2017
Land compensation costs (Note 1)	38,046,166	13,968,494	(2,069,111)	—	49,945,549
Others (Note 2)	155,155,134	22,272,138	(27,983,627)	(1,213,597)	148,230,048
	193,201,300	36,240,632	(30,052,738)	(1,213,597)	198,175,597

Note 1: The land compensation costs are compensation for the occupation of forest lands at mining sites for production and construction needs. The amortisation period ranges from 5 to 50 years.

Note 2: Other long-term deferred assets mainly included forest compensation expenditure of RMB51,196,476 (31 December 2016: RMB55,237,098). The amortisation period is 10 years.

Notes to Financial Statements (continued)

For the period ended 30 June 2017

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

XV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY (continued)

9. OTHER NON-CURRENT ASSETS

	30 June 2017	31 December 2016
Exploration and development costs	150,124,161	127,098,392
Prepaid investment costs, prepayments for exploration and mining rights and others (Note 1)	18,682,343,318	18,941,966,183
	18,832,467,479	19,069,064,575

Note 1: The balance mainly comprised prepaid investment costs of RMB122,900,000 (31 December 2016: RMB130,900,000) and long-term receivables of RMB18,559,443,318 (31 December 2016: RMB18,797,691,879).

10. PROVISION FOR IMPAIRMENT OF ASSETS

30 June 2017

	At 1 January 2017	Additions	Reductions		At 30 June 2017
			Reversal	Write-off	
Bad debt provision	146,564,562	—	—	—	146,564,562
Including: Trade receivables	122,345	—	—	—	122,345
Other receivables	145,987,988	—	—	—	145,987,988
Prepayments	454,229	—	—	—	454,229
Inventory provision	3,731,641	—	—	—	3,731,641
Impairment provision for long-term equity investments	449,676,935	—	—	—	449,676,935
Impairment provision for fixed assets	2,891,336	—	—	(178,851)	2,712,485
Impairment provision for other non-current assets	45,000,000	—	—	—	45,000,000
	647,864,474	—	—	(178,851)	647,685,623

11. SHORT-TERM BORROWINGS

Short-term borrowings include: the Group financed through entering into gold leasing agreements with banks to lease gold from banks and subsequently sold the gold through the Shanghai Gold Exchange. On maturity of the lease, the Group would return gold to gold leasing banks with the same quantity and specification purchased through the Shanghai Gold Exchange. The maturity period of gold leasing was within 1 year (1 year inclusive). Please refer to note V.22 for details.

12. TRADE PAYABLES

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

As at 30 June 2017, the Company had no significant balance of trade payables aged more than one year (31 December 2016: Nil).

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

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

13. LONG-TERM PAYABLES

	30 June 2017	31 December 2016
Entrusted investments	94,206,740	94,206,740
Deposit for restoration and improvement of ecological environment in mines	68,320,794	68,320,794
Loan from a shareholder	81,550,000	85,000,000
Subtotal	244,077,534	247,527,534
Including: Current portion of long-term payables	(53,211,740)	(56,661,740)
	190,865,794	190,865,794

Maturity analysis of long-term payables is as follows:

	30 June 2017	31 December 2016
Within 1 year or repayable on demand	53,211,740	56,661,740
Over 1 year but within 2 years	23,845,000	17,545,000
Over 2 years but within 5 years	98,700,000	105,000,000
Over 5 years	68,320,794	68,320,794
	244,077,534	247,527,534

14. OPERATING INCOME AND OPERATING COSTS

	For the six months ended 30 June 2017		For the six months ended 30 June 2016	
	Operating income	Operating costs	Operating income	Operating costs
Principal operations	1,606,768,878	1,016,181,454	1,709,213,392	1,063,704,396
Other operations	112,377,067	88,078,451	107,016,593	86,804,004
	1,719,145,945	1,104,259,905	1,816,229,985	1,150,508,400

Notes to Financial Statements *(continued)*

For the period ended 30 June 2017

RMB

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

XV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

15. INVESTMENT INCOME/(LOSSES)

	For the six months ended 30 June 2017	For the six months ended 30 June 2016
Gains from long-term equity investments under the cost method and gains from available-for-sale investments measured at cost	344,763,300	34,171,007
Investment income/(losses) from long-term equity investments under the equity method	47,148,999	(7,623,205)
Losses on disposal of financial assets or financial liabilities at fair value through profit or loss (Note 1)	(40,104,823)	(372,459,178)
Others	—	(17,777,682)
	351,807,476	(363,689,058)

Note 1: Included losses of RMB35,703,953 on settlement of forward contracts (first half of 2016: losses on settlement of RMB378,888,205).

Supplementary Information to Financial Statements

For the period ended 30 June 2017

RMB

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

I. SUMMARY OF NON-RECURRING PROFIT OR LOSS

Item	30 June 2017
Net profit attributable to owners of the parent	1,505,399,413
Add/(Less): Non-recurring profit or loss attributable to owners of the parent	
Net losses on disposal of non-current assets	115,555,873
Government grants recognised in the statement of profit or loss	(88,860,692)
Gains or losses on changes in fair value arising from financial assets and financial liabilities at fair value through profit or loss, investment gains or losses on disposal of financial assets at fair value through profit or loss and available-for-sale investments except for the effective portion of normal transactions qualified for hedge accounting, gold leasing and forward contracts (Note 1)	(693,988,489)
Other non-operating income and expenses other than the aforesaid items (Note 2)	50,505,001
	888,611,106
Impact on income tax	(1,558,506)
	887,052,600
Impact on the non-controlling interests (after tax)	(13,343,512)
	873,709,088

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 and Presentation Rules 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 of the futures are the mineral products or similar metal products 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 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 RMB693,988,489.
- (2) Including donations of RMB54,772,126.

Supplementary Information to Financial Statements *(continued)*

For the period ended 30 June 2017

RMB

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

II. RETURN ON NET ASSETS AND EARNINGS PER SHARE

For the six months ended 30 June 2017

Item		Weighted average return on net assets (%)		Basic earnings per share (EPS) [#]
		Fully diluted	Weighted average	
Net profit attributable to ordinary shareholders of the parent	1,505,399,413	4.57	5.07	0.069
Net profit after non-recurring profit or loss attributable to ordinary shareholders of the parent	873,709,088	2.65	2.94	0.040

For the six months ended 30 June 2016

Item		Weighted average return on net assets (%)		Basic earnings per share (EPS) [#]
		Fully diluted	Weighted average	
Net profit attributable to ordinary shareholders of the parent	538,349,713	2.02	1.95	0.025
Net profit after non-recurring profit or loss attributable to ordinary shareholders of the parent	564,394,215	2.12	2.04	0.026

Net assets attributable to ordinary shareholders of the Company

	30 June 2017	31 December 2016
Net assets at period end attributable to ordinary shareholders of the Company	32,963,834,510	27,762,474,794
Weighted average net assets attributable to ordinary shareholders of the Company	29,700,553,675	27,607,187,345

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 (2010 revision) issued by the CSRC.

[#] There were no potential dilutive ordinary shares for the period ended 30 June 2017 (2016: Nil).



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

