



# 2020

INTERIM REPORT



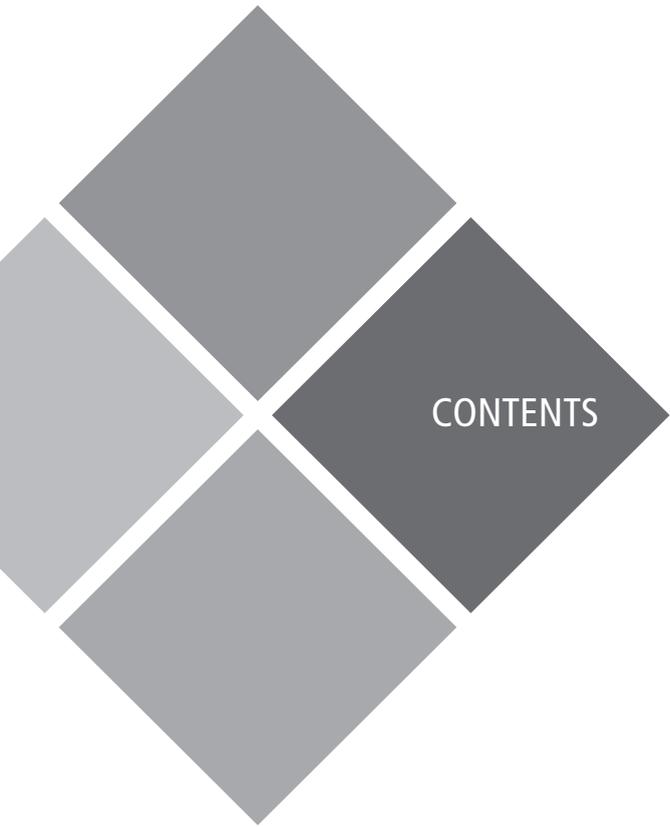
## 紫金礦業集團股份有限公司

ZIJIN MINING GROUP COMPANY LIMITED\*

(a joint stock limited company incorporated in the People's Republic of China with limited liability)  
(Stock Code : 2899)

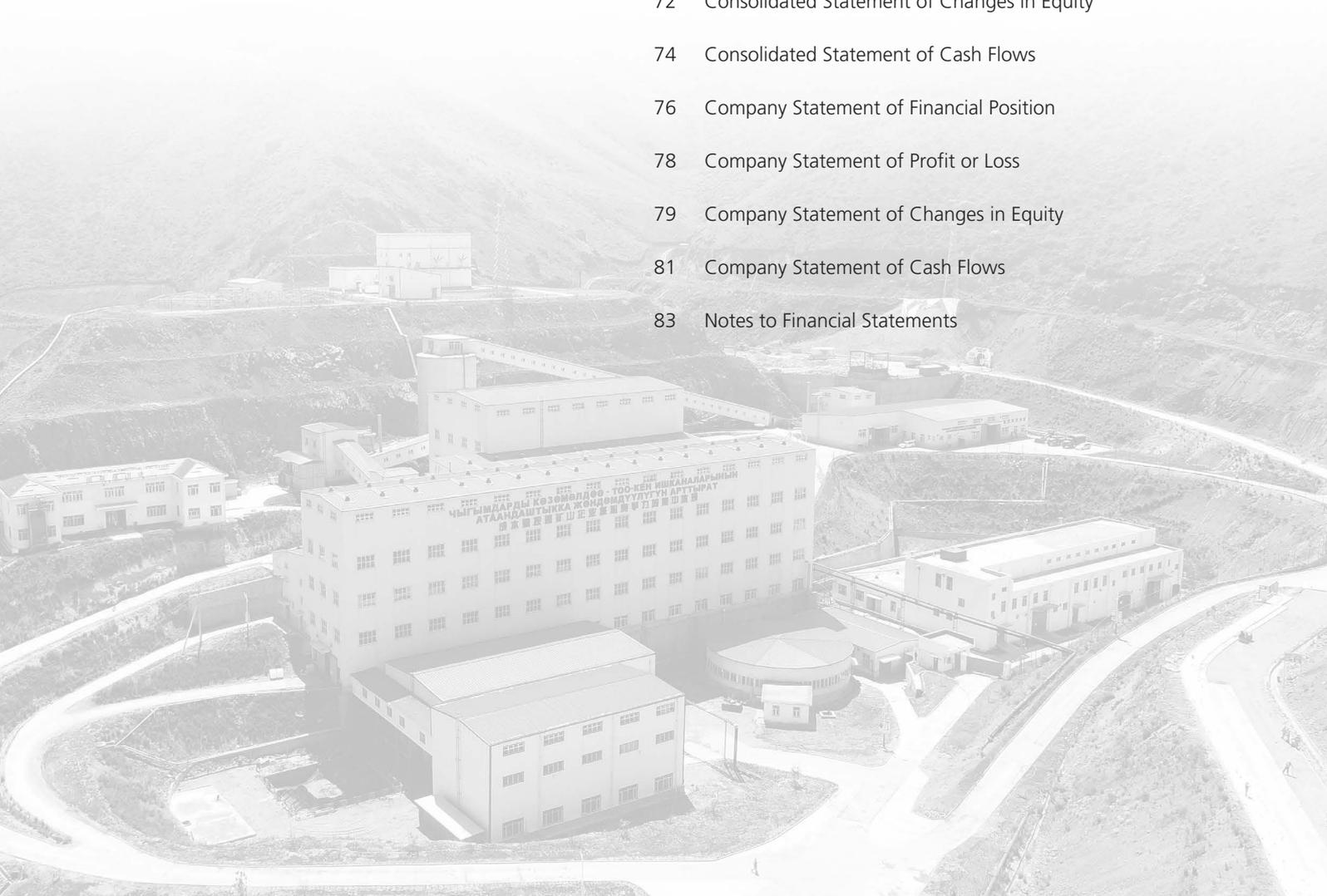
\* For identification purpose only





# CONTENTS

2	Corporate Information
3	Definition
4	Basic Information of the Report
5	Operation Overview
17	Management Discussion and Analysis
32	Share Capital and Shareholders
38	Disclosure of Interests and Short Positions of the Directors, Supervisors and Chief Executive of the Company
39	Others
67	Consolidated Statement of Financial Position
70	Consolidated Statement of Profit or Loss
72	Consolidated Statement of Changes in Equity
74	Consolidated Statement of Cash Flows
76	Company Statement of Financial Position
78	Company Statement of Profit or Loss
79	Company Statement of Changes in Equity
81	Company Statement of Cash Flows
83	Notes to Financial Statements



## Corporate Information

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

### EXECUTIVE DIRECTORS

Chen Jinghe (*Chairman*)  
Lan Fusheng (*Vice-chairman*)  
Zou Laichang (*President*)  
Lin Hongfu  
Lin Hongying  
Xie Xionghui

### NON-EXECUTIVE DIRECTOR

Li Jian

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Zhu Guang  
Mao Jingwen  
Li Changqing  
He Fulong  
Suen Man Tak

### AUDIT AND INTERNAL CONTROL COMMITTEE

Li Changqing  
He Fulong  
Zou Laichang  
Lin Hongying  
Li Jian  
Zhu Guang  
Suen Man Tak

### AUTHORISED REPRESENTATIVE

Chen Jinghe  
Lan Fusheng

### SUPERVISORS

Lin Shuiqing  
Fan Wensheng  
Xu Qiang  
Liu Wenhong  
Cao Sanxing

### 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)

Chungs Lawyers in association with DeHeng Law Offices

### AUDITORS

PRC Auditors:  
Ernst & Young Hua Ming LLP

### HONG KONG H SHARE REGISTRAR AND TRANSFER OFFICE

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

### WEBSITE

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

### STOCK CODE

Hong Kong Stock Exchange: 02899  
Shanghai Stock Exchange: 601899

## Definition

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall 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
Altynken	Altynken Limited Liability Company, a subsidiary of the Company
Ashele Copper	Xinjiang Habahe Ashele Copper Co., Ltd., a subsidiary of the Company
Bayannur Zijin	Bayannur Zijin Non-ferrous Metals Co., Ltd., 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
CAD	Canadian dollar, the lawful currency of Canada
CARRILU	La Carrière Du Lualaba Société par Actions Simplifiée, a subsidiary of the Company
COMMUS	La Compagnie Minière de Musonoie Global Société par Actions Simplifiée, a subsidiary of the Company
Company, Zijin Mining, Zijin	Zijin Mining Group Co., Ltd.*
Continental Gold	Continental Gold Inc., a wholly-owned subsidiary 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 Industry	Heilongjiang Duobaoshan Copper Industry Inc., a wholly-owned subsidiary of the Company
Gold Mountains (H.K.)	Gold Mountains (H.K.) International Mining Company Limited, a wholly-owned subsidiary of the Company
Group	The Company and its subsidiaries
Guizhou Zijin	Guizhou Zijin Mining Co., Ltd., a subsidiary of the Company
Guyana Goldfields	Guyana Goldfields Inc.
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
Heilongjiang Zijin Copper	Heilongjiang Zijin Copper Co., Ltd., a wholly-owned subsidiary of the Company
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
Ivanhoe	Ivanhoe Mines Ltd.
Julong Copper	Tibet Julong Copper Co., Ltd.
Listing Rules	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Longnan Zijin	Longnan Zijin Mining Co., Ltd., a subsidiary of the Company
Longxing	Longxing Limited Liability Company, 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 Pty 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
RMB	Renminbi, the lawful currency of the PRC
Serbia Zijin Copper, Zijin Bor Copper	Serbia Zijin Copper Doo Bor, a subsidiary of the Company
SFO	Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong)
Shanxi Zijin	Shanxi Zijin Mining Co., Ltd., a wholly-owned subsidiary of the Company
Supervisor(s)	The supervisor(s) of the Company
Supervisory Committee	The supervisory committee of the Company
Tibet Zijin	Tibet Zijin Industrial Co., Ltd., a wholly-owned subsidiary of the Company
Urad Rear Banner Zijin	Urad Rear Banner Zijin Mining Co., Ltd., a subsidiary of the Company
USD	United States dollar, the lawful currency of the United States of America
Xinjiang Jinbao	Xinjiang Jinbao Mining Co., Ltd., a subsidiary of the Company
Xinjiang Zijin Non-ferrous	Xinjiang Zijin Non-ferrous Metals Co., Ltd., a wholly-owned subsidiary of the Company
Zeravshan	Joint Venture Zeravshan Limited Liability Company, a subsidiary of the Company
Zijin Copper	Zijin Copper Co., Ltd., a wholly-owned subsidiary of the Company
Zijin Zinc	Xinjiang Zijin Zinc Co., Ltd., a wholly-owned subsidiary of the Company

## Basic Information of the Report

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall 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 2020 (“this period”/the “reporting period”). This interim report has been reviewed and passed by the Board and the audit and internal control committee of the Company.

The following unaudited consolidated financial information was 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 (“MOF”), and Application Guidance for ASBE, interpretations and other relevant regulations issued and revised thereafter (hereafter referred to as “CAS”).

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 pay attention to investment risks.

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

# Operation Overview

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## OVERVIEW OF THE COMPANY'S OPERATION

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

#### (1) Business scope

The Company is a sizeable multinational mining group which is globally engaged in the exploration and exploitation of gold, copper, zinc and other mineral resources, as well as research on engineering technology. The Company's business also optimally extends to refining, processing, trading, etc. to foster a more complete industry chain. Key mineral investment projects of the Company scatter across 14 provinces or regions in the PRC and 12 countries overseas. Overseas projects are mainly distributed across the countries along the "Belt and Road Initiative".

#### (2) Operating model

Focusing on mining with an optimal extension of its industry chain, the Company has fostered strong comparative advantages across different aspects, namely resources exploration, research on mining technology, design, construction, production and operation, safety and environmental protection, and has developed high construction and operational efficiency and good cost-control ability. An operating model with Zijin characteristics is thereby developed. The Company's strategic value, social value, investment value and brand value continue to rise over the years.

#### 1. Operation and management of mines

The Company is committed in making development and utilisation of mineral resources as its core business, with gold, copper and zinc being the key types of minerals. It has developed a batch of self-operated and self-managed core mining projects, striving to achieve a low-cost, high-tech and efficient mine development model that maximises economic and social benefits.

##### (1) Gold

Gold business is the key contributor to the Company's operating income and profit. Possessing over 2,000 tonnes of gold resource reserve, the Company owns the largest gold resource reserve volume among Chinese listed companies. The Company's core gold mining projects in the PRC which are currently in production include the Zijinshan Gold and Copper Mine in Fujian, the Shuguang Gold and Copper Mine in Jilin, the Shuiyindong Gold Mine in Guizhou, and Luoyang Kunyu; in overseas countries the projects include Norton in Australia, the Buriticá Gold Mine in Colombia, the Jilau-Taror Gold Mines in Tajikistan, the Taldybulak Levoberezhny Gold Mine in Kyrgyzstan and so on. At the moment, the Company is propelling development of the Timok Copper and Gold Mine in Serbia, and scaling up the production volume and capacity of a number of volume-driven projects, being the Paddington Operations in Australia, the Liba Gold Mine in Longnan, Gansu, the Yixingzhai Gold Mine in Shanxi and so on. It is expected that the Company's gold production volume will keep increasing.

## Operation Overview *(continued)*

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### (2) Copper

Copper business is the Company's high-potential segment capable of achieving exploding growth. With over 62 million tonnes of copper metal resource reserve in its possession, the Company is one of the Chinese enterprises having the largest resource reserve and production volume of copper. The Company's core copper mines in the PRC which are currently in production include the Zijinshan Gold and Copper Mine in Fujian, the Duobaoshan Copper Mine in Heilongjiang, the Ashele Copper Mine in Xinjiang, and the Shuguang Gold and Copper Mine in Jilin; in overseas countries the mines include the Kolwezi Copper Mine in the DR Congo, the Bor Copper Mine in Serbia and so on. The Company is driving for faster monetisation of its resources advantage. It is expected that a number of world-class, super-large copper mines will soon complete construction and commence production. For example, in 2021, projects including Julong Copper in Tibet, the Kamoia Copper Mine in the DR Congo as well as the Timok Copper and Gold Mine in Serbia are anticipated to be ready for phase one production. The Company has also reserved a number of projects at which preliminary works are underway, for example the Río Blanco Copper and Molybdenum Mine in Peru.

### (3) Zinc

The capability to operate with low-grade resources is a clear edge of the Company's zinc (lead) business. The Company's core zinc mines in the PRC which are currently in production include the Wulagen Lead and Zinc Mine in Xinjiang and the Miaogou-Sanguikou Lead and Zinc Mine in Inner Mongolia; in overseas countries the projects include the Tuva Zinc and Polymetallic Mine, the Bisha Copper and Zinc Mine in Eritrea and so on.

## 2. Self-initiated research, design and construction of mines

To maximise overall economic and social benefits, the Company pioneered the project management model of "integrating five ore treatment processes into one" to realise coordinated research and full procedural control over the five stages of prospecting, mining, processing, refining and environmental protection. In addition to possessing a full chain of research institutes and outstanding research capacity, the Company has the only State Key Laboratory of Comprehensive Utilisation of Low-grade Refractory Gold Ores in the gold industry, as well as design and construction entities with grade-A qualifications. These bring about a high level of integration of the industry, the academia as well as research and development capabilities in the Company's technological systems, and strengthen mine designing and construction capacity. Technological capacity and advantage have become the core competitive strengths of the Company.

## 3. Self-initiated exploration and acquisition of resources

Adhering to the strategy of prioritising mineral resources, the Company has developed leading self-initiated exploration technologies and capability in the industry, which are applied towards the study of geological conditions and patterns of mineralisation in existing prospecting and mining areas (sections). Remarkable results have been achieved in exploration to boost reserve volume in recent years. Furthermore, with outstanding, professional analytic and decision-making ability, the Company is capable of acquiring large and super-large mineral resources at the right time to raise its aggregate mineral resource volume and meet the Company's need for sustainable development.

## Operation Overview *(continued)*

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### 4. Optimal extension into refining business

As the Company remains focused on the mining of gold, copper and zinc as its principal business, it also optimally taps into refining and processing business, for the purposes of creating synergy in the upper and lower streams of its industry chain, expanding business scale, enhancing security for the business, and generating income from value-adding services. Auxiliary copper and zinc refining projects such as Zijin Copper and Bayannur Zijin are environmentally friendly and rank top places in the domestic industry in terms of technological and economic indicators.

### 5. Mining-related finance and trading

The Company proactively promotes the collaboration between mining and finance business, by establishing a range of global financial service platforms to support mining business, including a finance company, Hong Kong corporate treasury centre and a capital investment company, and by systematically planning for the formation of a capital management, operation and value-added chain for financing the mining business. The Company actively explores mining-related trade and logistics business, and has set up a number of platforms for managing sales and logistics of products.

## (3) External business environment during the reporting period

During the reporting period, uncertainty in the global environment heightened as the pandemic crisis coupled with global economic recession. Meanwhile, in China, pandemic management and control were effective, and the economy demonstrated strong resilience with signs of stable recovery, leading to good progress in work and production resumption.

### 1. Gold

During the reporting period, gold made a “triumphant return” given its inflation-proof, safe-haven and monetary characteristics. Gold price reached historical highs repeatedly, being one of the best performing mainstream assets during the reporting period.

International gold price was USD1,519/ounce at the beginning of 2020, and it surged to USD1,772/ounce at the end of the reporting period. The average gold price for the first half of 2020 was USD1,645.42/ounce, representing a 25.94% increase compared with the same period last year; average gold price in China was RMB369.98/gramme, representing a 28.48% increase compared with the same period last year. Since the beginning of the third quarter, gold price has been spiraling continuously, and once exceeded USD2,000/ounce in early August 2020.

According to the statistics of the World Gold Council, global investors’ holdings of gold-backed exchange-traded funds (ETFs) increased by 922 tonnes of gold, totalling USD60 billion, in the first half of 2020.

According to the statistics of the China Gold Association, in the first half of 2020, the total national gold production volume was 217.80 tonnes, representing a decrease of 7.30% compared with the same period last year. Actual gold consumption volume was 323.59 tonnes, representing a decrease of 38.25% compared with the same period last year. During the reporting period, production of mine-produced gold and non-ferrous gold by-product in China reached 141.82 tonnes and 28.25 tonnes respectively.

## Operation Overview *(continued)*

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### 2. Copper and zinc

During the reporting period, copper price bottomed in the first quarter under the impact of the pandemic, yet demand for copper improved from the second quarter onwards as Chinese economy has been on a positive track of recovery and various countries restarted their economies. A stable rising trend of copper price was further supported by tight supply in major copper producing regions, such as South America, under the influence of the pandemic, the adoption of accommodative monetary policy worldwide and so on.

Copper price in London was USD6,156/tonne at the beginning of the year, reaching the highest price at USD6,343/tonne, the lowest price at USD4,618/tonne and closing at USD6,039/tonne at the end of June 2020. Average copper price in London during the reporting period was USD5,500/tonne, and average copper spot price in China during the reporting period was RMB45,841/tonne.

During the reporting period, zinc price rallied after a period of decline, which was consistent with the general price movements of base metals. Zinc price was USD2,293/tonne at the beginning of the year, reaching the highest price at USD2,467/tonne and the lowest price at USD1,774/tonne. It closed at USD2,057/tonne at the end of June 2020. Average zinc price in London during the reporting period was USD2,047/tonne, and average zinc spot price in China during the reporting period was RMB17,160/tonne.

According to the statistics of the World Bureau of Metal Statistics (“WBMS”), in the first half of 2020, the global production volume of mine-produced copper was 10.05 million tonnes, representing an increase of 0.7% compared with the same period last year; the global production volume of refined copper was 11.85 million tonnes, representing an increase of 5.1% compared with the same period last year; the global copper consumption volume was 12.00 million tonnes, representing an increase of 3.81% compared with the same period last year. According to the statistics of International Lead and Zinc Study Group (“ILZSG”), in the first half of 2020, the global production volume of mine-produced zinc was 5.82 million tonnes, representing a decrease of 7.49% compared with the same period last year; the global production volume of refined zinc was 6.63 million tonnes, representing an increase of 0.70% compared with the same period last year; the global zinc consumption volume was 6.42 million tonnes, representing a decrease of 3.69% compared with the same period last year.

In China, the statistics of the Ministry of Industry and Information Technology of the PRC indicated that copper concentrates containing metal of 800,000 tonnes in aggregate were produced in the first half of 2020, representing an increase of 8.4% compared with the same period last year. The production volumes of refined copper and copper materials were 4.82 million tonnes and 9.40 million tonnes respectively, representing an increase of 4.6% and 6.1% compared with the same period last year respectively. The production volume of zinc concentrates was 1.206 million tonnes, representing a decrease of 1% compared with the same period last year. The production volume of zinc was 3.048 million tonnes, representing an increase of 7.7% compared with the same period last year.

### **(4) Positions in the industry**

The Company occupied a leading position among the Chinese listed companies of the same kinds in terms of the production volumes of and profits generated from mine-produced gold, mine-produced copper and mine-produced zinc, all of which are the Company’s key products. The Company has become one of the companies having the best efficiency, controlling the largest volume of metallic mineral resources and being the most competitive in the global arena in the Chinese metal mining industry. It ranked 778th in the list of “Forbes Global 2000: World’s Largest Public Companies”, as well as the 3rd among the global gold corporations, the 9th among the global non-ferrous metal corporations, the 1st among Chinese gold corporations and the 1st among Chinese non-ferrous metal corporations on the same rank. It occupied the 77th place in Fortune China 500 for the year 2020.

## Operation Overview *(continued)*

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

The total assets of the Group as at 30 June 2020 amounted to RMB149.805 billion, representing a 20.98% growth compared with the end of last year, among which, overseas assets amounted to RMB85.679 billion, representing 57.19% of the total assets.

### III. Analysis on the core competitiveness during the reporting period

Innovation is the core competitiveness of the Company. The Company has formulated unique concepts regarding innovative development, considering that innovation is a fine integration of general scientific theories and the objective reality, and that innovation is the process of incessantly challenging oneself.

#### **(1) Advantage in self-initiated technological innovation**

The Company possesses core technologies and occupies a leading industrial position in geological prospecting, hydrometallurgy, comprehensive recovery and utilisation of low-grade refractory resources, large-scale engineering development and so on. The Company is one of the few multinational mining corporations around the globe being equipped with autonomous system technology and engineering management capabilities, with comprehensive scientific research system and institutions. The Company owns several high-level research and development platforms and design entities for scientific research including the only State Key Laboratory in the domestic gold industry, the state-accredited enterprise technology centres, workstations for academicians' scientific research, workstations for post-doctors' scientific research, mining and metallurgy research institute, etc. A technological innovation system with Zijin's characteristics and a batch of independent intellectual property rights and scientific research achievements are formed. The Company, together with 13 subsidiaries, were recognised as the national "High and New Technology Enterprises".

#### **(2) Unique project management model**

Under the guidance of economic mining and systems engineering, the Company explored and initiated coordinated research and full procedural control on five processes including geological prospecting, mining, processing, refining and environmental protection, according to the workflow of ore treatment, which were consolidated into the innovative project management model of "integrating five ore treatment processes into one" with the overall goal of maximisation of economic and social benefits. The Company promoted the application of innovative project management model of "integrating five ore treatment processes into one", and attained prominent results. Eco-friendly and efficient development was realised domestically at the Zijinshan Gold and Copper Mine in Fujian, the Shuiyindong Gold Mine in Guizhou, the Ashele Copper Mine in Xinjiang, the Shuguang Gold and Copper Mine in Jilin and other mines. In overseas countries, the Kolwezi Copper Mine in the DR Congo emerged as the model for mine construction and operation in Africa. Zeravshan in Tajikistan, Norton in Australia and Serbia Zijin Copper turned losses into profits after being transferred from Western management.

## Operation Overview *(continued)*

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### **(3) Advantage in strong resources base**

The Company owns over 2,000 tonnes of gold, over 62 million tonnes of copper and approximately 10 million tonnes of zinc (lead) resources, in which the copper resource volume is over half of the total volume in China, providing a strong resources base for the leaping development of the Company. The Company's gold resource volume also keeps growing. The Buriticá Gold Mine in Colombia is a world-class, super high-grade, large-scale gold mine, having gold resource of 353 tonnes grading 9.3g/t in average; projects such as Norton in Australia, Longnan Zijin and Guizhou Zijin achieved over 100 tonnes of resources reserve volume by carrying out self-initiated prospecting; the newly acquired Julong Copper in Tibet owns the largest porphyry-type copper deposit that has ever been discovered in China, which has a copper-equivalent resources volume of 10.40 million tonnes grading 0.41% in average. There are also massive volumes of low-grade copper and molybdenum resources present in the mining zones of the project. Provided that the necessary technological and economic conditions exist, the prospective copper resource reserve within Julong Copper's mining zones could exceed 20 million tonnes. The Kamoia Copper Mine in the DR Congo is the world's fourth largest high-grade copper mine grading 2.53% in average. The diversified product portfolio of the Company generates synergies, offering effective protection against fluctuations of metal prices as they interact in different cycles and enhances risk-proof capability and profitability.

### **(4) Advantage in internationalised construction and operation**

The Company holds firm to the development goal of becoming an extra-large scale international mining group with high technology and efficiency. It has accumulated rich experience in operating and managing overseas projects and owns key mineral resources projects in 12 overseas countries. Subsidiaries focused on self-initiated construction and self-operated management. The Company's resources reserve volume and production volume of key mineral products in overseas countries exceeded or accounted for almost half of the Company's total volume, contributing over one-third of the Group's gross profit. The Company has become one of the Chinese enterprises owning the largest resource volumes of gold and other non-ferrous metals and producing the largest volume of metallic mineral products, being recognised as the first-mover under the "Belt and Road Initiative" in the Chinese mining industry.

The Company is accelerating the internationalised and globalised transformation of its operational and management systems. A three-stage schedule for deepening reforms which aligns with the Company's strategic plan has been confirmed. Moreover, having recruited a team of high-calibre internationalised talents, the Company is capable of and ready for competing in the international landscape.

### **(5) Leading advantage in low-cost operation**

The Company generally obtained mineral resources at a relatively low cost. On the one hand, by way of conducting comprehensive self-initiated exploration and prospecting, the Company attained fruitful results in mine exploration and reserve increment in recent years. On the other hand, the Company closely adhered to the national strategy and carried out counter-cyclical acquisitions to obtain mineral resources at a relatively low cost. Since 2015, the Company successively completed significant project acquisitions including the Kamoia Copper Mine in the DR Congo, the Bor Copper Mine and the Timok Copper and Gold Mine in Serbia, the Buriticá Gold Mine in Colombia and Julong Copper in Tibet. Making use of its own design platform, the Company optimised the design plans of several crucial construction projects. Under the premise of guaranteeing the project quality, the Company substantially lowered the investment cost, shortened the construction cycle and realised favourable efficacy overall. The Company formulated a targeted development strategy of "one policy for one entity", highlighting comprehensive development and utilisation of large-scale, low-grade resources. As a result, the competitiveness in production and operational costs was further invigorated.

## Operation Overview *(continued)*

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### **(6) Advantage in modern corporate governance**

The Company is one of the Chinese mining companies that has undergone mixed-ownership reform at the earliest time and completed the most successful corporate governance system reform. The Company operates under a separation of ownership and management, with high efficiency in decision-making and flexible operation mechanism. The Company's Party Committee, Board of Directors, Supervisory Committee and senior management are properly organised, with clear duties and responsibilities, integration and coordination. The Company vigorously implemented reform on management system, endeavoured to develop a "streamlined, regulated and efficient" operations management system for the Group and attained phased results. The Company's vitality was further stimulated; the management capabilities in capital, costs, logistics, construction and other aspects were obviously enhanced, and informatisation, automatisaton and intellectualisation levels and platform development were fully strengthened. With clarity in strategic goal and orientation, the Company operates in a consistent and firm manner. The majority of the Company's management personnel are industry experts, who are professional, dedicated and loyal.

## **DISCUSSION AND ANALYSIS ON OPERATING PERFORMANCE**

### **Business overview**

During the reporting period, the Company closely adhered to the general roadmap of "deepening reforms, achieving leaping growth and sustainable development". With the new term of the Board and management planning scientifically and determination of the staff, the Company successfully overcame the challenges posed by the pandemic and external impacts, and continued to deepen reforms, orderly controlled and prevented the pandemic, and enhanced management quality and effectiveness. Production capacity of gold, copper and other products was further expanded. Crucial projects were carried out at the expeditious "Zijin speed". Investments and acquisitions also achieved material breakthroughs. The key indicators of production and operation beat market adversities by realising substantial growth, exemplifying the Company's leading resilience and risk endurance among its peers. The goal of "winning the first battle beyond expectation" for years 2020 to 2022, being a pivotal stage in the Company's development, has been attained.

The Company's gold segment continued to gain momentum. Despite suspension of production at the Porgera Gold Mine due to difficulties encountered in the renewal of mining lease, the production volume of mine-produced gold reached 20.24 tonnes, representing an increase of 5.93% compared with the same period last year. Gross profit from the gold segment accounted for 38.60% of the Group's overall gross profit. In particular, the taking over of the Buriticá Gold Mine in Colombia was smooth and the project commenced production; the contribution from Norton, Hunchun Zijin and Guizhou Zijin increased. Copper segment also sustained a rapid growth pattern. The production volume of mine-produced copper reached 230.7 thousand tonnes, representing an increase of 34.85% compared with the same period last year. Gross profit from the copper segment accounted for 37.35% of the Group's overall gross profit. In particular, both the production volumes and profits of COMMUS, Serbia Zijin Copper and Duobaoshan Copper Industry beat their original targets substantially.

During the reporting period, the Group realised sales income of RMB83.142 billion, representing an increase of 23.73% compared with the same period last year (same period last year: RMB67.198 billion), and the net profit attributable to owners of the parent was RMB2.421 billion, representing an increase of 30.64% compared with the same period last year (same period last year: RMB1.853 billion). As at the end of June 2020, the Group's total assets amounted to RMB149.805 billion, representing an increase of 20.98% compared with the beginning of the year (at the beginning of the year: RMB123.831 billion), and net assets amounted to RMB59.465 billion, in which the net assets attributable to owners of the parent amounted to RMB50.310 billion, representing a decrease of 1.71% compared with the beginning of the year (at the beginning of the year: RMB51.186 billion).

## Operation Overview *(continued)*

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### Gold mine business

During the reporting period, the Group produced 162,233kg (5,215,911 ounces) of gold, representing an increase of 6.92% compared with the same period last year (same period last year: 151,735kg).

Among which, 20,237kg (650,641 ounces) of mine-produced gold was produced, representing an increase of 5.93% compared with the same period last year (same period last year: 19,104kg).

	Name	Interest held by the Group	Mine-produced gold (kg)
Major enterprises or mines	Zeravshan in Tajikistan	70%	3,152
	Norton Gold Fields Pty Limited in Australia	100%	3,022
	Porgera Gold Mine in Papua New Guinea	47.50%	2,675 (production volume on equity basis)
	Alтынкен in Kyrgyzstan	60%	2,114
	Shuguang Gold and Copper Mine in Hunchun, Jilin	100%	1,628
	Zijinshan Gold and Copper Mine in Fujian	100%	1,069
	Duobaoshan Copper Industry in Heilongjiang	100%	1,001
Total production volume of other gold-producing enterprises of the Group			5,576
Total			20,237

141,996kg (4,565,270 ounces) of refined, processed and trading gold was produced, representing an increase of 7.06% compared with the same period last year (same period last year: 132,631kg).

Sales income from the gold business represented approximately 61.28% (after elimination) of the operating income during the reporting period, and the gross profit generated from the products accounted for approximately 38.60% of the gross profit of the Group.

(1 troy ounce = 31.1035 grammes)

### Copper mine business

During the reporting period, the Group produced 521,848 tonnes of copper, representing a growth of 31.36% compared with the same period last year (same period last year: 397,269 tonnes).

Among which, 230,710 tonnes of mine-produced copper were produced, representing an increase of 34.85% compared with the same period last year (same period last year: 171,089 tonnes).

## Operation Overview *(continued)*

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

	Name	Interest held by the Group	Mine-produced copper (tonne)	Note
Major enterprises or mines	Kolwezi Copper Mine in the DR Congo	72%	58,302	Including: 27,934 tonnes of electrodeposited copper
	Duobaoshan Copper Industry in Heilongjiang	100%	51,578	
	Zijinshan Gold and Copper Mine in Fujian	100%	43,902	Including: 9,612 tonnes of electrodeposited copper
	Serbia Zijin Copper Doo Bor	63%	26,156	Electrolytic copper
	Ashele Copper in Xinjiang	51%	22,787	
	Bisha Mining Share Company in Eritrea	55%	10,174	
	Shuguang Gold and Copper Mine in Hunchun, Jilin	100%	8,452	
Total of other mines			9,359	
Total			230,710	

291,138 tonnes of copper were produced from refinery, representing an increase of 28.72% compared with the same period last year (same period last year: 226,180 tonnes).

Sales income from the copper mine business represented approximately 17.95% (after elimination) of the operating income during the reporting period, and the gross profit generated from the products accounted for approximately 37.35% of the gross profit of the Group.

### Lead and zinc mine business

During the reporting period, the Group produced 264,430 tonnes of zinc, representing a decrease of 10.48% compared with the same period last year (same period last year: 295,377 tonnes). Among which, the Group produced 159,051 tonnes of mine-produced zinc in concentrate form, representing a decrease of 14.83% compared with the same period last year (same period last year: 186,748 tonnes).

105,379 tonnes of zinc bullion were produced from refinery, representing a decrease of 2.99% compared with the same period last year (same period last year: 108,628 tonnes).

During the reporting period, 18,246 tonnes of lead in concentrate form were produced, representing an increase of 4.75% compared with the same period last year (same period last year: 17,418 tonnes).

	Name	Interest held by the Group	Mine-produced zinc (tonne)	Mine-produced lead (tonne)	Mine-produced zinc + mine-produced lead (tonne)
Major enterprises or mines	Bisha Mining Share Company in Eritrea	55%	56,203	–	56,203
	Xinjiang Zijin Zinc Co., Ltd.	100%	43,663	7,141	50,804
	Urad Rear Banner Zijin Mining Co., Ltd.	95%	31,250	6,377	37,627
	Longxing in Tuva, Russia	70%	21,448	1,106	22,554
	Ashele Copper in Xinjiang	51%	5,902	–	5,902
Total of other mines			585	3,622	4,207
Total			159,051	18,246	177,297

## Operation Overview *(continued)*

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

Sales income from the lead and zinc mine business represented approximately 3.14% (after elimination) of the operating income during the reporting period, and the gross profit generated from the products accounted for approximately 3.36% of the gross profit of the Group.

### Silver, iron mine and other businesses

During the reporting period, the Group produced 389,266kg of silver, representing an increase of 55.33% compared with the same period last year (same period last year: 250,609kg), among which, 143,881kg of mine-produced silver was produced, representing an increase of 31.35% compared with the same period last year (same period last year: 109,541kg); 245,385kg of silver was produced from refinery as by-product, representing an increase of 73.95% compared with the same period last year (same period last year: 141,068kg).

	Name	Interest held by the Group	Mine-produced silver (kg)
Major enterprises or mines	Bisha Mining Share Company in Eritrea	55%	32,457
	Duobaoshan Copper Industry in Heilongjiang	100%	17,927
	Shanxi Zijin Mining Co., Ltd. (including Yilian)	100%	16,515
	Ashele Copper in Xinjiang	51%	15,738
	Zijinshan Gold and Copper Mine in Fujian	100%	15,768
	Luoyang Kunyu Mining Co., Ltd.	70%	15,488
	Wuping Zijin Mining Co., Ltd. in Fujian	77.5%	7,217
	Total of other mines		
Total			143,881

During the reporting period, the Group produced 2.1323 million tonnes of iron ore, representing an increase of 5.21% compared with the same period last year (same period last year: 2.0268 million tonnes).

	Name	Interest held by the Group	Iron ore (million tonnes)
Major enterprises or mines	Xinjiang Jinbao Mining Co., Ltd.	56%	1.73
	Fujian Makeng Mining Co., Ltd.	41.5%	0.4023 (production volume on equity basis)

Sales income from iron mine, silver and other products represented approximately 17.63% (after elimination) of the operating income during the reporting period, and the gross profit generated from the products accounted for approximately 20.69% of the gross profit of the Group.

### Major measures taken during the reporting period:

#### 1. Taking scientific, efficient and effective steps to control and prevent the pandemic

The Company fully overcame the crisis caused by the pandemic and the impacts of significant volatility in metal prices. By taking a two-pronged approach of cautiously preventing and controlling the pandemic, as well as rigorously monitoring production and operation, the Company's production, operation and management were carried out in order. No confirmed case of COVID-19 infection was reported from domestic projects. As for overseas projects, large groups of employees stood firm at their posts for a prolonged period. By applying scientific measures for control and prevention, challenges posed by the pandemic on overseas projects were tackled. In addition, to implement the enterprise's original aspiration and mission of "contributing to the society by the development of mining industry", the Company donated RMB10 million to Fujian Province's medical team assisting Hubei Province, and over USD2 million in total to the localities of the Company's overseas projects. In particular, Serbia Zijin Copper assisted and sponsored Serbia's building of "Fire Eye" national laboratories for testing and detecting novel coronavirus.

## Operation Overview *(continued)*

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### 2. Implementing major acquisitions to foster advantage in resources

The smooth completion for acquisition of Continental Gold project was followed by a steady transition. As a result, pilot run and trial production were successfully carried out, and the first batch of products was produced. In the meantime, the Company achieved another major breakthrough in acquisition. The completion of acquisition of 50.1% equity interest in Julong Copper allows the Company to assume a leading role in the development of China's largest porphyry-type copper mine, which possesses copper metal of 10.40 million tonnes grading 0.41% in average. Upon completion of the acquisition, the Company possesses copper resources of over 62 million tonnes on equity basis. This not only represents a substantial increase in the copper resources owned by the Company in China, but also further cements its absolute leading position in the Chinese copper industry. Currently, the Company is actively moving forward the acquisition of Guyana Goldfields project, which is expected to be completed by the end of August 2020.

In the meantime, the Company continued to actively implement geological prospecting programmes. Supplementary exploration in the margin and deeper parts of existing mines carried out both within and outside China attained remarkable outcomes. In which, the Yixingzhai Gold Mine in Fanshi, Shanxi raised gold metal volume by 54.72 tonnes, grading 2.12 grammes/tonne; new progress was made in the prospecting exercises of the Shangong Gold Mine and the Luyuangou Gold Mine in Henan; significant breakthroughs were attained in the prospecting exercises of Norton in Australia, as well as the Čukaru Peki Copper and Gold Mine and the Bor Copper Mine in Serbia.

### 3. Fully promoting the Company's internationalisation development

Owing to significant improvement in the operational capabilities of the Company's overseas projects, considerable increase was achieved in the production volume and profit contribution ratio of gold and copper products produced overseas. The Company's overseas projects produced 12.13 tonnes of mine-produced gold, 100,900 tonnes of mine-produced copper and 77,700 tonnes of mine-produced zinc, representing an increase of 6.08%, an increase of 52.93% and a decrease of 19.67% compared with the same period last year respectively, and representing 59.95%, 43.71% and 48.82% of the total production volumes of the Group respectively.

The year of 2020 is designated as the Company's "year of project development". In this regard, conversion of advantage in resources to advantage in efficacy was accelerated, and major projects were developed in order. Remarkable results have been achieved in general. Constructions of the Buriticá Gold Mine in Colombia, Zijin Zinc's phase three technological upgrade and auxiliary refining facility, Heilongjiang Zijin Copper, as well as CARRILU's cement and lime project were basically completed, all of which had basically commenced production; the Kakula Copper Mine mining and processing project, Serbia Zijin Copper, the Timok Copper and Gold Mine project, the Tongshan Mine mining project in Heilongjiang, as well as Longnan Zijin's Liba Gold Mine transformation and expansion project were all proceeding ahead of schedule.

The production of the Porgera Gold Mine project, a joint operation between the Company and Barrick Gold Corporation, came to a halt owing to difficulties encountered in the renewal of mining lease. Presently, BNL, the operator of the project, is actively seeking to reach a lawful and reasonable agreement. Negotiation and conciliation with the Papua New Guinean government are still underway. To mitigate the impact of Porgera Gold Mine's production halt on the Company's gold production volume, the Company will implement technological upgrade, scale up production and adopt other relevant measures to further boost the capacity of its existing gold mines.

## Operation Overview *(continued)*

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### **4. Deepening reforms with all-out effort**

The Company continued to deepen reforms by accelerating development of a highly fitting and internationalised, or even globalised operation and management system. A reform deepening taskforce and a reform office were set up to take charge of the reform work. Furthermore, phase one of the overall framework for the Company's informatisation development has generally been completed, with the quality and outcome of informatisation development basically meeting expectation.

The mechanisms for cultivating specialised talents, including "reserve talents for senior management", "outstanding youth talents", "outstanding artisan", "outstanding graduates" and so on were further consolidated and developed. Management of the Company's offshore capital was further strengthened, allowing faster capital recovery and a more unified management over capital and tax matters.

### **5. Making substantial improvements in sustainable development capacity**

The Board attaches great importance to governance for sustainable development. Performance in production safety, occupational health and environmental protection remained stable and positive as no new cases of occupational disease were reported, the goal of "zero environmental incident" was met, and 9 mining entities were rated as national green mines. The Company remains committed to building a "community with shared future" for the places associated with Zijin's overseas development, by accelerating exchange between Zijin culture and other cultures and fostering respect for cultural diversity, as well as promoting mutual development with local communities, carrying out poverty alleviation and charity work. Moreover, the Company cares for the safety and development of its entities, employees, business partners and the communities where its operations are based. By taking part and playing active roles in the work for controlling and preventing novel coronavirus pandemic both domestically and overseas, the Company reinforced the image as a responsible, sizeable multinational company.

# Management Discussion and Analysis

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## ANALYSIS OF MAIN BUSINESSES

### 1. Operating results

During the reporting period, the Company recorded operating income of RMB83.142 billion, representing an increase of 23.73% compared with the same period last year (same period last year: RMB67.198 billion).

The table below sets out the sales by product for the six months ended 30 June 2020 and 30 June 2019 respectively:

Item Product name	January – June 2020			January – June 2019						
	Unit price (tax excluded)	Sales volume	Amount RMB'000	Unit price (tax excluded)	Sales volume	Amount RMB'000				
Mine-produced gold	350.63	RMB/g	19,089	kg	6,693,300	274.95	RMB/g	18,342	kg	5,043,140
Refined, processed and trading gold	371.13	RMB/g	140,909	kg	52,295,320	287.96	RMB/g	132,404	kg	38,126,760
Mine-produced silver	2.53	RMB/g	142,621	kg	360,790	2.38	RMB/g	108,348	kg	258,370
Mine-produced electrodeposited copper	36,319	RMB/t	37,534	t	1,363,230	40,578	RMB/t	16,335	t	662,840
Mine-produced electrolytic copper	38,784	RMB/t	26,156	t	1,014,460	41,705	RMB/t	19,519	t	814,030
Mine-produced copper concentrates	31,937	RMB/t	164,860	t	5,265,050	34,016	RMB/t	130,934	t	4,453,780
Refined copper	39,440	RMB/t	290,518	t	11,458,100	41,908	RMB/t	226,482	t	9,491,330
Mine-produced zinc	7,480	RMB/t	170,018	t	1,271,760	11,582	RMB/t	191,658	t	2,219,800
Refined zinc	14,697	RMB/t	105,032	t	1,543,660	18,869	RMB/t	108,415	t	2,045,680
Iron ore	619	RMB/t	1.6369	Mt	1,013,260	612	RMB/t	1.792	Mt	1,096,680
Others					20,466,970					19,002,460
Internal sales elimination					-19,603,640					-16,016,470
<b>Total</b>					<b>83,142,260</b>					<b>67,198,400</b>

Note 1: During the reporting period, other sales income mainly included: RMB10.232 billion from trading and logistics, RMB853 million from refined and processed silver, RMB1.196 billion from gold manufacturing products, RMB261 million from copper pipes, RMB446 million from copperplates and RMB7.479 billion from other products, services, etc.

During the reporting period, the Company strived to cope with the risks brought by the fall in metal prices in the first quarter, strengthened its production organisation, grasped the favourable opportunity of a rebound of copper price in the second quarter to increase sales, thereby realising favourable economic results. Due to the increase in the sales volume of mineral products compared with the same period last year, gross profit increased by RMB897 million, representing 62% of the increment in the gross profit of mineral products. Due to the increase in the sales price of mineral products compared with the same period last year, the gross profit increased by RMB252 million, representing 18% of the increment in the gross profit of the mineral products. The Company strictly controlled the costs while increasing production volume. Due to the decline in costs of mineral products, the gross profit increased by RMB294 million, representing 20% of the increment in the gross profit of mineral products.

## Management Discussion and Analysis *(continued)*

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

### 2. Analysis on costs and gross profit margin

The Group is mainly engaged in mine development and refining and processing. The Group's costs of sales of products mainly includes mining, processing, refining, mineral products and concentrates procurement, 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 2020 and 30 June 2019 respectively (Note 1):

Item	Unit	Unit cost of sales			Gross profit margin (%)	
		January – June 2020	January – June 2019	Compared with the same period last year (%)	January – June 2020	January – June 2019
Mine-produced gold	RMB/g	<b>170.64</b>	175.16	-2.58	<b>51.33</b>	36.29
Refined, processed and trading gold	RMB/g	<b>368.66</b>	286.69	28.59	<b>0.66</b>	0.44
Mine-produced silver	RMB/g	<b>1.35</b>	1.58	-14.67	<b>46.72</b>	33.76
Mine-produced electrodeposited copper	RMB/t	<b>18,573</b>	26,016	-28.61	<b>48.86</b>	35.89
Mine-produced electrolytic copper	RMB/t	<b>27,770</b>	35,444	-21.65	<b>28.40</b>	15.01
Mine-produced copper concentrates	RMB/t	<b>18,092</b>	16,943	6.78	<b>43.35</b>	50.19
Refined copper	RMB/t	<b>37,981</b>	40,549	-6.33	<b>3.70</b>	3.24
Mine-produced zinc	RMB/t	<b>6,523</b>	5,936	9.89	<b>12.79</b>	48.75
Refined zinc	RMB/t	<b>13,576</b>	17,148	-20.83	<b>7.63</b>	9.12
Iron ore	RMB/t	<b>168.07</b>	166.11	1.18	<b>72.85</b>	72.86
<b>Overall gross profit margin</b>					<b>10.98</b>	11.24
<b>Overall gross profit margin of mining entities</b>					<b>45.13</b>	44.00

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

The Group's overall gross profit margin was 10.98%, representing a decrease of 0.26 percentage point compared with the same period last year, which was mainly due to the increase in the proportion of refined, processed and trading income. Among which, the overall gross profit margin of mining entities was 45.13%, representing an increase of 1.13 percentage points compared with the same period last year; the overall gross profit margin of refining entities was 1.49%, representing an increase of 0.08 percentage point compared with the same period last year.

## Management Discussion and Analysis *(continued)*

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

### 3. Analysis on financial data

#### (1) Selling expenses

The selling expenses of the Group for the first half of 2020 was RMB330.18 million, representing a decrease of 47.51% compared with the same period last year (same period last year: RMB629.08 million), which was mainly because the transportation expenses relating to sales for the current period were accounted for as operating costs.

#### (2) Administrative expenses

The administrative expenses of the Group for the first half of 2020 was RMB1.82520 billion, representing a decrease of 1.77% compared with the same period last year (same period last year: RMB1.85805 billion), which was mainly due to decrease in exploration expenses compared with the same period last year.

#### (3) Financial expenses

The financial expenses of the Group for the first half of 2020 was RMB918.15 million, representing an increase of 7.91% compared with the same period last year (same period last year: RMB850.89 million), which was mainly due to increase in interest expenses.

#### (4) Impairment losses on assets/credit impairment losses

The Group provided impairment losses on assets/credit impairment losses of RMB210.64 million in the first half of 2020 (same period last year: RMB215.98 million), including (1) net reversal of provision of RMB760 thousand for bad debts after offsetting between provision and reversal of bad debts; (2) net provision of RMB55.41 million on inventories after offsetting between provision and reversal for decline in value of inventories; (3) provision of RMB129.44 million for impairment losses on fixed assets; (4) provision of RMB10.32 million for impairment losses on intangible assets; (5) provision of RMB5.22 million for impairment losses on long-term equity investments; and (6) provision of RMB11.01 million for impairment losses on other non-current assets.

#### (5) Investment income

The investment income of the Group during the first half of 2020 was RMB27.24 million, representing a decrease of RMB30.71 million compared with the same period last year (same period last year: income of RMB57.95 million). It was mainly due to decrease in income from disposal of financial assets and liabilities at fair value through profit or loss during the current period compared with the same period last year.

#### (6) Donations

During the reporting period, the Group made donations of RMB103.84 million (same period last year: RMB93.62 million).

#### (7) Net assets attributable to owners of the listed company

As at the end of the reporting period, net assets attributable to owners of the listed company was RMB50.3 billion, representing a decrease of 1.71% compared with the beginning of the year. During the reporting period, net profit attributable to owners of the parent was RMB2.421 billion. However, profit distribution of RMB2.538 billion was declared. At the same time, there was an unrealised loss of RMB421 million caused by Ivanhoe stocks, etc. held by the Group which were measured at fair value through other comprehensive income during the current period, and a -RMB308 million exchange difference arising from translation of financial statements denominated in foreign currencies due to exchange rate fluctuation during the current period.

## Management Discussion and Analysis *(continued)*

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

As at 30 June 2020, the Group's cash and cash equivalents was RMB9.139 billion, representing an increase of RMB108 million or 1.19% compared with the same period last year.

During the reporting period, the net cash inflows from the Group's operating activities was RMB6.475 billion, representing an increase in inflow of RMB2.069 billion compared with the same period last year, in which, the cash inflows from operating activities was RMB85.888 billion, representing an increase of RMB15.631 billion compared with the same period last year; cash outflows used in operating activities was RMB79.412 billion, representing an increase of RMB13.562 billion compared with the same period last year. The main reason for the increase in net cash flows from the Group's operating activities was increase in gross profit as a result of increase in sales volumes of gold and copper compared with the same period last year, rising gold price, decrease in costs, etc.

During the reporting period, net cash outflows used in the Group's investing activities was RMB16.617 billion, representing an increase in outflow of RMB11.962 billion compared with the same period last year. The main investment expenditures in the first half of 2020 included: (1) cash payments of RMB3.762 billion for acquisitions and constructions of fixed assets, intangible assets and other long-term assets; and (2) net cash outflows of approximately RMB10.264 billion for cash payments for acquisitions and cash received from recovery of investments.

During the reporting period, net cash inflows generated from the Group's financing activities was RMB13.219 billion, while during the same period last year, the net cash outflows was RMB462 million. It was mainly due to the substantial increase in financing scale compared with the same period last year.

As at 30 June 2020, the Group's total borrowings amounted to RMB58.826 billion (31 December 2019: RMB45.071 billion), among which, the amount repayable within one year was approximately RMB30.780 billion; the amount repayable within one to two years was approximately RMB7.669 billion; the amount repayable within two to five years was approximately RMB17.576 billion; and the amount repayable over five years was approximately RMB2.801 billion. The interest rates for all the abovementioned borrowings ranged from 0.61% to 4.9% 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 loan facilities with no usage restriction of approximately RMB172.285 billion granted by banks.

## **4. Analysis on businesses by region and information on major suppliers and customers**

### **(1) Status of main businesses by region**

Over 87.53% of the Company's operating income was originated from customers in Mainland China, and 55.66% of the operating income was from the Shanghai Gold Exchange. Therefore, it is not necessary to sort customers by region.

### **(2) Information on major suppliers and customers**

During the reporting period, the Group's total procurement from the top five suppliers amounted to RMB18.492 billion, representing 24.98% of the Group's total procurement amount.

During the reporting period, the Group's total sales income from the top five customers amounted to RMB53.188 billion, representing 63.97% of the Group's total sales income.

## Management Discussion and Analysis *(continued)*

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

### 5. Table of analysis on changes in relevant items in financial statements

Unit: RMB

Item	Amount for the current period	Amount for the same period last year	Changes (%)
Operating income	<b>83,142,262,114</b>	67,198,395,835	23.73
Operating costs	<b>74,016,285,931</b>	59,642,296,042	24.10
Taxes and surcharges	<b>1,186,119,620</b>	869,115,800	36.47
Selling expenses	<b>330,176,103</b>	629,077,911	-47.51
Administrative expenses	<b>1,825,200,364</b>	1,858,045,581	-1.77
Financial expenses	<b>918,149,434</b>	850,886,565	7.91
Research and development expenses	<b>251,270,945</b>	134,560,641	86.73
Investment income	<b>27,239,648</b>	57,950,947	-53.00
Including: Share of profits of associates and joint ventures	<b>89,172,185</b>	10,772,724	727.76
(Losses)/Gains on changes in fair value	<b>(226,816,398)</b>	38,852,781	Not applicable
Credit impairment losses	<b>758,951</b>	(66,101,798)	Not applicable
Impairment losses on assets	<b>(211,397,991)</b>	(149,879,084)	Not applicable
Gains/(Losses) on disposal of non-current assets	<b>3,157,191</b>	(33,784)	Not applicable
Non-operating income	<b>53,508,572</b>	21,672,368	146.90
Non-operating expenses	<b>318,742,296</b>	197,477,460	61.41
Net profit attributable to non-controlling interests	<b>669,607,702</b>	385,716,172	73.60
Changes in fair value of other equity instrument investments	<b>(421,363,440)</b>	1,007,649,350	Not applicable
Hedging costs – forward elements	<b>(11,860,837)</b>	(43,791,312)	Not applicable
Exchange differences arising from translation of financial statements denominated in foreign currencies	<b>(308,315,301)</b>	49,899,721	Not applicable
Net cash flows from operating activities	<b>6,475,077,168</b>	4,406,208,104	46.95
Net cash flows used in investing activities	<b>(16,617,167,924)</b>	(4,655,664,266)	Not applicable
Net cash flows from/(used in) financing activities	<b>13,219,301,701</b>	(462,395,876)	Not applicable

- (1) Changes in operating income: Please refer to the above analysis
- (2) Changes in operating costs: Please refer to the above analysis
- (3) Taxes and surcharges: Mainly due to the increase in taxes due to increase in sales income from mineral products
- (4) Changes in selling expenses: Please refer to the above analysis
- (5) Changes in administrative expenses: Please refer to the above analysis
- (6) Changes in financial expenses: Please refer to the above analysis
- (7) Changes in research and development expenses: Mainly due to increase in research and development expenses during the current period
- (8) Changes in investment income: Please refer to the above analysis
- (9) Changes in share of profits of associates and joint ventures: Mainly due to increase in profitability of certain associates and joint ventures

## Management Discussion and Analysis *(continued)*

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

- (10) Changes in (losses)/gains on changes in fair value: Mainly due to the increase in unrealised losses of commodity hedging of refining segment during the current period
- (11) Changes in credit impairment losses: Mainly due to a substantial amount of bad debt provision for other receivables made during the same period last year
- (12) Change in impairment losses on assets: Mainly due to the provision for impairment losses of fixed assets during the reporting period
- (13) Change in gains/(losses) on disposal of non-current assets: Mainly due to the gains on disposal of fixed assets during the reporting period whilst losses on disposal were recorded during the same period last year
- (14) Changes in non-operating income: Mainly due to recognition of waiver of debts during the current period
- (15) Changes in non-operating expenses: Mainly due to increase in losses on write-off of fixed assets during the current period compared with the same period last year
- (16) Changes in net profit attributable to non-controlling interests: Mainly due to increase in profitability of certain non-wholly owned subsidiaries in the first half of 2020 compared with the same period last year
- (17) Changes in the changes in fair value of other equity instrument investments: Mainly due to unrealised losses on the stocks at fair value through other comprehensive income during the reporting period, while there was an unrealised gains during the same period last year
- (18) Changes in exchange differences arising from translation of financial statements denominated in foreign currencies: Mainly due to the fluctuation of exchange rates between Renminbi and foreign currencies
- (19) Changes in hedging costs – forward elements: Due to the implementation of fair value hedge accounting, forward elements were initially recognised in other comprehensive income, and was subsequently amortised and transferred into profit or loss for the period in which hedging relationship affects the profit or loss
- (20) Changes in net cash flows from operating activities: Please refer to the above analysis
- (21) Changes in net cash flows used in investing activities: Please refer to the above analysis
- (22) Changes in net cash flows from/(used in) financing activities: Please refer to the above analysis

### **Gearing ratio**

Gearing ratio refers to the proportion of consolidated total liabilities to the consolidated total equity. As at 30 June 2020, the Group's consolidated total liabilities amounted to RMB90,339,334,762 (30 June 2019: RMB69,561,822,721) and the Group's consolidated total equity was RMB59,465,305,282 (30 June 2019: RMB47,020,138,721). As at 30 June 2020, the gearing ratio of the Group was 1.5192 (30 June 2019: 1.4794).

## Management Discussion and Analysis *(continued)*

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall 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	-147,751,253	
Government grants recognised in 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	151,750,120	
Capital utilisation fee received from non-financial enterprises recognised in profit or loss for the current period	251,654,568	
Gains or losses on changes in fair value arising from held for trading financial assets, derivative financial assets, held for trading financial liabilities and derivative financial liabilities, and investment income or losses on disposal of held for trading financial assets, derivative financial assets, held for trading financial liabilities, derivative financial liabilities and other debt investments except for the effective hedging business relating to the Company's normal business operations	-234,489,804	
Reversal of impairment provision for receivables and contract assets individually subject to impairment test	4,203,734	
Non-operating income and expenses other than the aforesaid items	-114,325,279	Including donations of RMB103,838,564
Other profit or loss items which meet the definition of non-recurring profit or loss	1,093,075	
Impact on the non-controlling interests	40,371,363	
Impact on income tax	49,045,821	
<b>Total</b>	<b>1,552,345</b>	

## Management Discussion and Analysis *(continued)*

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

### Net current liabilities

	<b>30 June 2020 (Unaudited) RMB</b>	31 December 2019 (Audited) RMB
Current assets	<b>35,349,416,713</b>	28,594,396,116
Less: Current liabilities	<b>50,072,866,114</b>	33,362,656,029
Net current liabilities	<b>(14,723,449,401)</b>	(4,768,259,913)

### Total assets less current liabilities

	<b>30 June 2020 (Unaudited) RMB</b>	31 December 2019 (Audited) RMB
Total assets	<b>149,804,640,044</b>	123,830,947,219
Less: Current liabilities	<b>50,072,866,114</b>	33,362,656,029
Total assets less current liabilities	<b>99,731,773,930</b>	90,468,291,190

## Progress of business plans

### (1) Industry development and trends

Looking ahead to the second half of 2020, it is mostly likely that prevention and control of the pandemic will become routine. As frictions increasingly develop in global finance, trade and technology, more uncertainty is expected in the future, the accommodative monetary policy prevailing worldwide is also likely to continue. In China, the national policies of “stability on the six fronts” and “security in the six areas” are being firmly implemented to stimulate market dynamics and drive reforms vigorously. The development of new western land-sea corridor, free trade zones and free trade ports is accelerated, and a new development pattern, in which domestic circulation plays a leading role, while domestic and international dual circulations complement one another, is promoted.

### Prediction of price trend of key metals

It is expected that gold price will continue to be supported by the macro environment and accommodative monetary policy. Nevertheless, with constraints in vaccine development and volatility in US dollar and bond markets, gold price is likely to hover in a broad range; the supply and demand for copper ores are generally at a tight balance, but going forward, copper price may benefit from the continuance of an accommodative monetary policy; the fundamentals of zinc price have improved and there are rooms for upward movement.

# Management Discussion and Analysis *(continued)*

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

## (2) Business plan

### Specific business strategies for the second half of 2020

#### 1. Remain vigilant and conscientiously prevent and control outbreak of the pandemic in both domestic and overseas entities

The Company will stay fully alert of the complexity and uncertainty in the development of the pandemic in overseas countries, remain vigilant to control and prevent outbreak of the pandemic, cautiously carry out pandemic control and preventive measures in day-to-day operation, and pragmatically reinforce the successful outcomes attained in combating the pandemic. The Company will also brace for occurrence of discreet, unexpected events arising from the spread of pandemic in overseas countries, make early assessment and take necessary precautions, and impose stronger and more effective long-term preventive measures on personnel and articles by applying technology, in order to safeguard employees' lives, health and safety, and ensure orderly project operation and construction.

#### 2. Seize opportunities to fully complete production and operational targets

The Company will fully implement the work requirements for 2020 – the “year of project development”, and pragmatically meet the core mission and indicators for converting advantage in resources into advantages in products and efficacy. Development progress of key projects will be accelerated, and full efforts will be made to ensure major projects commence production and meet their production targets. Strategies will be executed with precision to ensure effective cost control. Scientific measures will be applied to supplement production and operation.

**Emphatically release and raise the production capacity of gold operations.** To seize the rising trend of gold price, the Company will increase the production volume of gold products to enhance the enterprise's value. It will develop the Buriticá Gold Mine in Colombia in full steam to ensure the project commences production and meets the designated targets; strive to resume production at Longnan Zijin's Liba Gold Mine and implement the 10,000t/d mining and processing technological upgrade; ensure Guizhou Zijin's Changtian Gold Mine commences production; and raise the production capacity of Shanxi Zijin, Norton, Luoyang Kunyu and so on. It will also ensure that the acquisition of Guyana Goldfields project will be completed smoothly, and tap into the existing capacity of the operation. With every stakeholder's interests in mind, the Company will strive to work out a lawful and reasonable solution to address the mining lease issue of the Porgera Gold Mine project.

#### **Strive to achieve fruitful results in both production volumes and efficacies of copper and zinc segments.**

Leveraging on the favourable conditions of high copper and zinc prices, the Company will drive forward the development of Julong Copper's Zhibula Copper Mine in Tibet to ensure production commences early, at the same time it will consolidate and boost the volumes and efficiencies of high-quality projects such as Serbia Zijin Copper, the Kolwezi Copper Mine in the DR Congo, the Duobaoshan Copper Mine in Heilongjiang and the Bisha Zinc and Copper Mine in Eritrea. Development of Julong Copper's Qulong Copper Mine in Tibet, the Timok Copper and Gold Mine, the Kamoakakula Copper Mine in the DR Congo and other large mines of high potentials will be duly proceeded to ensure production can commence in 2021 as scheduled. Xinjiang Jinbao's iron ore technological revamp will also be carried out speedily.

#### 3. Integrate business and finance by moving forward the public issuance of convertible corporate bonds

Adhering to the strategic requirements of asset securitisation, the Company will emphatically push forward the public issuance of A Share convertible corporate bonds and optimise its financial structure to support the development of key projects. Moreover, a scientific approach will be adopted to take advantage of capital instruments and favourable national policies to assist production and operation. Steps will be taken to strengthen risk resilience of onshore and offshore assets in the post-pandemic era. The prospect of gradually establishing operating platforms in Hainan and other regions for offshore capital, logistics and sale that fit with the enterprise's development needs will also be explored.

## Management Discussion and Analysis *(continued)*

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

### **4. Deepen reforms and gradually develop a highly fitting, globalised system for operation and management**

To carry out comprehensive and in-depth reforms, the Company will internationalise and globalise domestic operation and management systems gradually to meet the general goal of implementing extensive reforms. The basic framework for internationalised operation and management will be formulated in the second half of 2020. The Company will also thoroughly implement the five-year plan for informatisation development, deeply incorporate informatisation into production, operation and management, and actively develop a scientific, highly efficient institution with good workflow management. The importance of value creation and market standards will be emphasised. The plan of recruiting talents and elites globally will also be continued to develop and cultivate a talent pool for the Company.

### **5. Continue to innovate and encourage a new phase of scientific and technological development**

The Company will steadfastly uphold innovation as the enterprise's core competitive strength and perennial growth driver, and foster sustainable development to be its future way to success. Guided by science and technology and focusing on actual needs in production, the Company will cultivate a fertile soil for research and development, emphasise the effectiveness of scientific and technological methods, step up the application of science and technology in key investment projects and critical technological revamps, and refine the application of "integrating five ore treatment processes into one", an innovative project management model bearing Zijin characteristics. The Company's Sixth Science and Technology Symposium and the Summit for Technological Innovation and Sustainable Development in Mining Industry will be convened by the highest standards and quality, to fully showcase Zijin-styled scientific and technological innovation and the eco-brand of the Company.

### **6. Inherit the culture and fulfill the responsibilities of a corporate citizen of the Earth**

Being an internationalised mining company, the Company will foster the humanity concept of building a "community with shared future" as its cornerstone, actively inherit and extensively promote the excellent corporate culture of Zijin, facilitate exchanges and learning between Zijin culture and culture of the localities where the Company's operations are based, weave cultural concepts and core values deeply into the fabrics of the enterprise, and gain wide recognition from staff as well as prompting them to take voluntary actions. Caring for lives and environmental protection will always be the firm "red line" and "bottom line" in the enterprise's production and operation. Corporate governance will be carried out in accordance with laws to raise the compliance level of the business. In addition, the interests of stakeholders will be safeguarded and promoted in the pursuit of mutual development, so as to benefit the society with the Company's existence.

# Management Discussion and Analysis *(continued)*

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## ANALYSIS OF 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 2019	Proportion to total assets at the end of 2019 (%)	Percentage change in the amount at the end of the reporting period compared with the amount at the end of 2019 (%)
Cash and cash equivalents	9,808,104,318	6.55	6,225,144,800	5.03	57.56
Held for trading financial assets	1,491,320,277	1.00	687,951,525	0.56	116.78
Receivables financing	1,811,745,612	1.21	1,318,505,074	1.06	37.41
Other non-current financial assets	640,179,725	0.43	951,779,422	0.77	-32.74
Construction in progress	12,291,312,532	8.20	5,876,829,425	4.75	109.15
Intangible assets	32,748,627,475	21.86	24,162,508,461	19.51	35.53
Other non-current assets	16,133,236,948	10.77	11,444,009,515	9.24	40.98
Held for trading financial liabilities	1,487,828,736	0.99	326,139,054	0.26	356.19
Bills payable	1,263,893,820	0.84	420,860,145	0.34	200.31
Contract liabilities	555,956,075	0.37	359,453,565	0.29	54.67
Taxes payable	1,476,374,260	0.99	985,193,397	0.80	49.86
Other payables	8,650,510,828	5.77	5,326,849,819	4.30	62.39
Current portion of non-current liabilities	10,219,991,726	6.82	5,768,840,060	4.66	77.16
Other current liabilities	3,013,277,260	2.01	500,000,000	0.40	502.66
Long-term payables	1,755,151,393	1.17	1,201,391,669	0.97	46.09
Deferred tax liabilities	5,088,686,671	3.40	2,687,831,677	2.17	89.32
Other comprehensive income	(1,215,468,787)	-0.81	(473,929,209)	-0.38	Not applicable
Special reserve	185,549,034	0.12	120,952,216	0.10	53.41
Non-controlling interests	9,155,621,644	6.11	5,893,633,038	4.76	55.35

### Other explanations

- (1) Cash and cash equivalents: Mainly due to the cash reserved for profit distribution for 2019.
- (2) Held for trading financial assets: Mainly due to increase in wealth management products.
- (3) Receivables financing: Mainly due to increase in sales of goods to be settled by bills.
- (4) Other non-current financial assets: Mainly due to inclusion of newly acquired enterprises in the scope of consolidation.
- (5) Construction in progress: Mainly due to inclusion of newly acquired enterprises in the scope of consolidation.
- (6) Intangible assets: Mainly due to inclusion of newly acquired enterprises in the scope of consolidation.
- (7) Other non-current assets: Mainly due to increase in prepaid funds for acquisitions.
- (8) Held for trading financial liabilities: Mainly due to the increase in gold leasing not comprehensively quoted in Renminbi.
- (9) Bills payable: Mainly due to the increase in procurements of goods to be settled by bills.
- (10) Contract liabilities: Mainly due to increase in advances from sales of goods.
- (11) Taxes payable: Mainly due to increase in corporate income tax and value-added tax.

## Management Discussion and Analysis *(continued)*

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

- (12) Other payables: Mainly due to provision for profit distribution pursuant to the resolution of shareholders' general meeting.
- (13) Current portion of non-current liabilities: Mainly due to reclassification of bonds payable and long-term borrowings due within one year.
- (14) Other current liabilities: Mainly due to increase in issuance of ultra short-term financing bonds during the reporting period.
- (15) Long-term payables: Mainly due to inclusion of newly acquired enterprises in the scope of consolidation.
- (16) Deferred tax liabilities: Mainly due to inclusion of newly acquired enterprises in the scope of consolidation.
- (17) Other comprehensive income: Mainly due to the unrealised losses arising from stocks at fair value through other comprehensive income held during the current period.
- (18) Special reserve: Mainly due to increase in provision for work safety fund by certain subsidiaries.
- (19) Non-controlling interests: Mainly due to the increase in capital contributions from non-controlling shareholders of subsidiaries during the current period.

### ANALYSIS ON INVESTMENT STATUS

#### Overall analysis on external equity investments

The Company consistently implements the development strategy of "internationalisation, project upsizing and asset securitisation" with gold and copper as the main focuses, and continues to keep track of high-quality mining resources projects across the world. In the first half of 2020, the acquisition of Continental Gold in Colombia was completed and trial production and production commencement were realised. The Company grasped the favourable opportunities in merger and acquisition market and completed the acquisition of 50.1% equity interest in Julong Copper, thereby obtaining the control of the largest porphyry-type copper mine in China; entered into arrangement agreement with Guyana Goldfields Inc. with the proposal to acquire 100% equity interest in Guyana Goldfields. It is anticipated that the transaction will be completed by the end of August 2020.

#### (1) Key equity investments

- 1) On 6 June 2020, Tibet Zijin, a wholly-owned subsidiary of the Company, entered into agreements with Tibet Zangge Venture Capital Group Co., Ltd., Zangge Holding Limited by Share Ltd, Tibet Zhongsheng Mining Co., Ltd., Shenzhen Chenfang Asset Management Company Limited and Tibet Huibaihong Industrial Co., Ltd., and proposed to acquire 50.1% equity interest in Julong Copper with RMB3.88275 billion in cash. The acquisition was completed in July 2020.

Julong Copper possessed the Qulong Copper and Polymetallic Mine, the Rongmucuola Copper and Polymetallic Mine and the Zhibula Copper and Polymetallic Mine. The Qulong Copper and Polymetallic Mine and the Rongmucuola Copper and Polymetallic Mine are a complete porphyry-type copper deposit while the Zhibula Copper and Polymetallic Mine is a skarn copper deposit.

Phase 1 of Qulong project is being constructed at a daily ore processing volume of 100 + 50 thousand tonnes. More than half of the constructions are completed. It is expected that the project will complete construction and commence production by the end of 2021, producing 165 thousand tonnes of copper and 6.2 thousand tonnes of molybdenum per annum. The Zhibula Copper and Polymetallic Mine strives to resume production in September 2020.

- 2) On 11 June 2020, the Company entered into an arrangement agreement with Guyana Goldfields Inc. The Company, through a wholly-owned subsidiary established in Canada by Gold Mountains (H.K.) International Mining Company Limited, the Company's overseas wholly-owned subsidiary, proposed to acquire all the issued and outstanding common shares of Guyana Goldfields (the "Target Shares") for cash consideration of CAD\$1.85 per Target Share. The total consideration for the acquisition is approximately CAD\$323 million. After completion of the acquisition, the Company will own 100% equity interest in Guyana Goldfields.

The main asset of Guyana Goldfields is 100% interest in the Aurora Gold Mine. According to the NI 43-101 technical report, the Aurora Gold Mine has measured + indicated gold resource volume of 118.69 tonnes, grading 3.15g/t in average, and inferred gold resource volume of 59.13 tonnes, grading 2.28g/t in average. The Aurora Gold Mine is an operating mine. The mining conditions are favourable and the processing and refining techniques are simple. The current production capacity is higher than 7,000 tonnes/day. Following completion of the acquisition, it is anticipated that the Company's gold production volume will increase.

## Management Discussion and Analysis *(continued)*

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### (2) Key non-equity investments

Project name	Amount	Progress	Investment during the reporting period (RMB billion)	Actual accumulated investment (RMB billion)	Project return status
Zijin Zinc phase three technological upgrade	RMB714 million	The expanded mining operation is ready to provide ore feed at present. Processing project was completed in July 2020 and has entered the stage of trial production. Expansion of the new tailings storage commenced in April 2020, and is currently in good progress.	0.092	0.58	After reaching the designated production capacity, Zijin Zinc's annual production of zinc metal and lead metal will be approximately 125 thousand tonnes and 23.4 thousand tonnes respectively.
Xinjiang Zijin Non-ferrous zinc refining (Note)	RMB1.497 billion	The roasting furnace started operating on 30 June 2020. Construction of pyrometallurgical facilities and installation of equipment are near completion. Installation works for hydrometallurgical facilities and environmental protection facilities are still underway.	0.385	1.254	After completion of the project, the designated production capacity will be 100 thousand tonnes of zinc bullion per annum.
Zijin Bor Copper technological upgrade (mine+ smelter plant)	USD1.294 billion (USD350 million capital increment included)	The overall project development plan was completed; NC Mine 2.5 million tonnes/year technological upgrade project resumed production in May 2020; MS Mine technological upgrade and expansion project completed the basic work for crushing and floatation systems, the construction of major structure is in progress; VK Mine technological upgrade and expansion project completed preliminary design, tenders for medium to long-term equipment and land levelling; JM Mine technological upgrade and expansion project completed feasibility study and commenced tenders for key projects for shafts; the construction of slag processing plant, electrolysis section, laboratory building, etc. in the technological upgrade of smelter plant commenced.	1.351	2.318	After completion of technological upgrade and expansion of the project, 120 thousand tonnes of mine-produced copper metal is expected to be produced annually and the smelter plant is expected to possess a refining capacity of 180 thousand tonnes of copper metal (with rooms to increase to 200 thousand tonnes) annually

Note: The total investment slightly increased due to the construction of newly approved county living area, off-site slag yard, etc.

## Management Discussion and Analysis *(continued)*

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

### (3) Financial assets measured at fair value

Stock code	Abbreviation of stock	Initial investment cost (RMB)	Number of shares held (share)	Book value at the end of the reporting period (RMB)	Changes in owners' equity during the reporting period (RMB)
IVN	Ivanhoe Mines	2,363,052,199	165,412,636	3,301,381,767	-454,429,060
AKG	Asanko Gold	91,638,745	15,300,000	142,760,963	42,227,983

## ANALYSIS OF MAJOR SUBSIDIARIES AND ASSOCIATES

Unit: RMB million

Gold segment						
Company name	Mine	Interest held by the Group	Total assets	Net assets	Operating income	Net profit
Hunchun Zijin Mining Co., Ltd.	Shuguang Gold Mine	100%	2,070.90	1,783.58	822.33	354.49
Norton Gold Fields Pty Limited	Paddington Operations	100%	2,536.66	1,600.91	1,046.45	313.93
Altynken Limited Liability Company	Taldybulak Levoberezhny Gold Mine	60%	2,521.17	960.84	807.08	258.31
Joint Venture Zeravshan Limited Liability Company	Jilau, Taror Gold Mines	70%	2,770.56	(228.49)	758.02	178.19
Barrick (Niugini) Limited (Note 1)	Porgera Gold Mine	50%	2,995.23	1,796.08	980.33	63.85
Zijin Mining Group Company Limited* (Note 2)	Zijinshan Gold Mine	100%	-	-	-	-

Copper segment						
Company name	Mine	Interest held by the Group	Total assets	Net assets	Operating income	Net profit
Zijin Mining Group Company Limited* (Note 2)	Zijinshan Copper Mine	100%	-	-	-	-
Heilongjiang Duobaoshan Copper Industry Inc.	Duobaoshan Copper Mine	100%	7,267.21	3,817.95	2,150.76	398.15
La Compagnie Minière de Musonoi Global Société par Actions Simplifiée	Kolwezi Copper Mine	72%	4,150.27	1,266.28	2,064.34	366.06
Xinjiang Ashele Copper Co., Ltd.	Ashele Copper Mine	51%	2,915.75	1,826.79	905.35	357.05
Hunchun Zijin Mining Co., Ltd.	Shuguang Copper Mine	100%	2,070.90	1,783.58	822.33	354.49
Serbia Zijin Copper Doo Bor	Bor Copper Mine (JM/VK/NC/MS)	63%	7,998.99	4,412.04	1,957.20	246.92

Zinc segment						
Company name	Mine	Interest held by the Group	Total assets	Net assets	Operating income	Net profit
Xinjiang Zijin Zinc Co., Ltd.	Wulagen Lead and Zinc Mine	100%	3,278.55	1,764.38	424.33	114.10
Bisha Mining Share Company	Bisha Copper and Zinc Mine	55%	3,603.14	2,615.80	952.41	(1.80)
Urad Rear Banner Zijin Mining Co., Ltd.	Miaogou-Sanguikou Lead and Zinc Mine	95%	2,151.40	1,419.67	325.48	(22.72)
Longxing Limited Liability Company in Russia	Kyzyl-Tash Turk Zinc and Polymetallic mine	70%	3,583.78	858.91	315.48	(143.28)

# Management Discussion and Analysis *(continued)*

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

Unit: RMB million

Company name	Major product	Refining segment			Operating income	Net profit
		Interest held by the Group	Total assets	Net assets		
Zijin Copper Co., Ltd.	Refined copper	100%	10,025.31	3,454.49	9,291.47	121.34
Bayannur Zijin Non-ferrous Metals Co., Ltd.	Zinc bullion	87.2%	2,922.95	1,265.99	1,633.51	96.34
Jilin Zijin Copper Co., Ltd.	Refined copper	100%	3,603.29	963.70	3,231.28	(124.22)

Company name	Major product	Other segments			Operating income	Net profit
		Interest held by the Group	Total assets	Net assets		
Xinjiang Jinbao Mining Co., Ltd.	Iron ore	56%	1,802.94	1,250.28	1,013.72	532.26
Fujian Makeng Mining Co., Ltd.	Iron ore	41.5%	4,864.66	1,466.44	733.89	151.05

Notes:

1. The data of Barrick (Niugini) Limited is on equity basis;
2. Zijinshan is a branch of the Company and not separately reported.

## Possible risks

The novel coronavirus pandemic is still spreading worldwide. Global economic recovery is slow, which may have a relatively large impact on the Company's market and operation.

1. **Metal price risks.** Metal products such as gold, copper and zinc are the major sources of the Company's income and profit. Price fluctuations of the aforesaid products will impose substantial impacts on the Company's operating results. To ensure a stable operation, the Company will fully leverage on its technological and managerial strengths and low-cost operational advantages to raise efficiency and control costs strictly.
2. **Financial market risks.** The Company has a certain amount of financial assets and assets denominated in foreign currencies. As a result, fluctuations in interest rates, exchange rates and stock prices in the market could cause risks of fluctuations in the Company's asset value and operating results. The Company will strengthen management over its financial assets, optimise the Company's asset and liability structure in foreign currencies, thoroughly study the relevant measures for controlling the risks of financial assets, establish and perfect the management and risk control policies for financial assets and strive to lessen the impact of the fluctuation through early assessment and swift reactions.
3. **Country and community risks.** Internationalisation is the main direction for the Company's future development. Certain overseas projects of the Company are located in countries with political instability, inadequate legal policies or discordant local communities. These factors lead to a certain level of country and community risks. The Company will proactively study laws and policies of the countries where the projects are situated, strengthen communication with local governments and communities by diplomatic means at the state level, promote harmonious co-development concepts, namely "extensive consultation, joint contribution, shared benefits and common prosperity", and strive to seek solutions to problems and difficulties which hinder the enterprise's "going-out" development.
4. **Safety and environmental protection risks.** Mining companies have relatively higher safety and environmental protection risks. The Company always adheres to the principle of "safety first, emphasis on precaution and comprehensive management" by strengthening the implementation of production safety responsibilities, continuously improving the safety standardisation operating system and comprehensively using system, managerial, economic and other measures, for ensuring the continuity and stability of production safety of the Company. The Company attaches great importance to and continues to improve the work on environmental protection. It adheres to the environmental protection concept of "green mountains and clear water are as good as mountains of gold and silver", earnestly puts environmental protection and ecological restoration into practice, emphatically promotes the development of green mines, and remains highly committed to forming the eco-development model.

## Share Capital and Shareholders

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

Details of the Company's issued ordinary shares (with par value of RMB0.1 each) as at 30 June 2020 are set out in Note V.39 to the financial statements.

### SHAREHOLDINGS OF TOP TEN SHAREHOLDERS

As at 30 June 2020, the Company had a total of 590,152 shareholders, of which 837 were H Shareholders and 589,315 were 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 registered capital
1. Minxi Xinghang State-owned Assets Investment Co., Ltd. (Note 1)	Domestic shares	6,083,517,704	23.97%
2. HKSCC Nominees Limited (Note 2)	H Shares	5,712,451,466	22.51%
3. China Securities Finance Corporation Limited	Domestic shares	691,190,823	2.72%
4. China-Africa Development Fund Co., Ltd.	Domestic shares	574,195,789	2.26%
5. Hong Kong Securities Clearing Company Limited (Note 3)	Domestic shares	504,078,552	1.99%
6. Industrial Bank Company Limited – Xingquan New Vision Flexible-configuration Regular Open-end Mixed Securities Investment Seed Fund	Domestic shares	417,918,252	1.65%
7. Perseverance Asset Management L.L.P. – Gaoyi Xiaofeng No. 2 Zhixin Fund	Domestic shares	382,956,987	1.51%
8. Industrial Bank Company Limited – Xingquan Trend Investment Mixed Securities Investment Fund	Domestic shares	356,551,940	1.41%
9. CITIC Trust Co., Ltd. – CITIC Trust Ruijin Phase 43 Gaoyi Xiaofeng Investment Pooled Fund Trust Scheme	Domestic shares	263,076,329	1.04%
10. Xinhua Industrial Group Company Limited	Domestic shares	248,139,959	0.98%

Notes:

- 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.
- HKSCC Nominees Limited held 5,712,451,466 H Shares in the Company as a nominee, representing an aggregate of approximately 22.51% of the Company's issued shares. HKSCC Nominees Limited is a member of the Central Clearing and Settlement System, which carries out securities registration and custodian business for customers.
- Hong Kong Securities Clearing Company Limited held 504,078,552 domestic shares in the Company as a nominee, representing an aggregate of approximately 1.99% of the Company's issued shares. Hong Kong Securities Clearing Company Limited is a member of the Central Clearing and Settlement System, which carries out securities registration and custodian business for customers.

## Share Capital and Shareholders *(continued)*

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

### SUBSTANTIAL SHAREHOLDERS

So far as the Directors, Supervisors and chief executive of the Company are aware, as at 30 June 2020, 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 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	6,083,517,704	23.97%	30.97%	–	Long
State Street Bank & Trust Company	H Shares	395,545,011 (Note 1)	1.56%	–	6.90%	Lending pool
BlackRock, Inc.	H Shares	351,691,351 (Note 2)	1.39%	–	6.13%	Long
BlackRock, Inc.	H Shares	278,000 (Note 2)	0.00%	–	0.00%	Short
VanEck Vectors ETF – VanEck Vectors Gold Miners ETF	H Shares	343,158,000 (Note 3)	1.35%	–	5.98%	Long
Van Eck Associates Corporation	H Shares	341,783,161 (Note 4)	1.35%	–	5.96%	Long

Notes:

- (1) State Street Bank & Trust Company held 395,545,011 H Shares (lending pool) of the Company (representing approximately 6.90% of the total issued H Shares of the Company).

According to the disclosure of interest notice filed by State Street Bank & Trust Company on 8 April 2020, the following interests were held by State Street Bank & Trust Company in the following capacity:

Capacity	Number of shares
Approved lending agent	Long position 395,545,011

Further information in relation to interests of corporations controlled by State Street Bank & Trust Company:

Name of controlled corporation	Address and place of incorporation	Name of controlling person	% control	Direct interest (Y/N)	Number of shares
State Street Bank & Trust Company	1 Lincoln Street, Boston, Massachusetts, 02111 USA	State Street Corporation	100.00	Y	Long position 395,545,011

## Share Capital and Shareholders *(continued)*

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

- (2) BlackRock, Inc. held 351,691,351 H Shares (long position) of the Company (representing approximately 6.13% of the total issued H Shares of the Company) and 278,000 H Shares (short position) of the Company (representing approximately 0.00% of the total issued H Shares of the Company).

According to the disclosure of interest notice filed by BlackRock, Inc. on 20 June 2020, the following interests were held by BlackRock, Inc. in the following capacity:

Capacity	Number of shares
Interest of corporation controlled by BlackRock, Inc.	351,691,351
Long position	278,000
Short position	

Further information in relation to interests of corporations controlled by BlackRock, Inc.:

Name of controlled corporation	Address and place of incorporation	Name of controlling person	% control	Direct interest (Y/N)	Long position	Number of shares
Trident Merger, LLC	1209 Orange Street, Wilmington DE 19801, United States (Delaware, USA)	BlackRock, Inc.	100.00	N	Long position	4,420,250
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	4,420,250
BlackRock Holdco 2, Inc.	1209 Orange Street, Wilmington DE 19801, United States (Delaware, USA)	BlackRock, Inc.	100.00	N	Long position Short position	347,271,101 278,000
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	318,850,101 278,000
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	28,421,000
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	193,975,337 278,000
BlackRock Holdco 6, LLC	1209 Orange Street, Wilmington DE 19801, United States (Delaware, USA)	BlackRock Holdco 4, LLC	90.00	N	Long position Short position	193,975,337 278,000
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	193,975,337 278,000
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	102,974,337 278,000
BlackRock Fund Advisors	400 Howard Street San Francisco, CA 94105, United States (California, USA)	BlackRock Delaware Holdings Inc.	100.00	Y	Long position	91,001,000
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	600,000
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	600,000
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	124,274,764

Share Capital and Shareholders *(continued)**(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

Name of controlled corporation	Address and place of incorporation	Name of controlling person	% control	Direct interest (Y/N)		Number of shares
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	124,274,764
BlackRock Lux Finco S.à r.l.	1st Floor, 35a Avenue J.F. Kennedy, L-1855 Luxembourg	BlackRock HK Holdco Limited	100.00	N	Long position	3,275,190
BlackRock Japan Holdings GK	Marunouchi Trust Tower Main, 1-8-3 Marunouchi, Chiyoda-ku, Tokyo 100-8217 (Japan)	BlackRock Lux Finco S.à r.l.	100.00	N	Long position	3,275,190
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	3,275,190
BlackRock Holdco 3, LLC	1209 Orange Street, Wilmington DE 19801, United States (Delaware, USA)	BR Jersey International Holdings L.P.	100.00	N	Long position	113,232,938
BlackRock Canada Holdings LP	161 Bay Street, Suite 2500, Toronto, Ontario M5J 2S1, Canada (Ontario, Canada)	BlackRock Holdco 3, LLC	99.90	N	Long position	726,000
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	726,000
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	726,000
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	3,374,000
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	3,374,000
BlackRock (Singapore) Holdco Pte. Ltd.	20 Anson Road #18-01 079912 Singapore (Singapore)	BR Jersey International Holdings L.P.	100.00	N	Long position	7,667,826
BlackRock HK Holdco Limited	13th Floor, One Pacific Place, 88 Queensway, Hong Kong (Hong Kong)	BlackRock (Singapore) Holdco Pte. Ltd.	100.00	N	Long position	6,559,826
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	3,284,636
BlackRock Cayman 1 LP	c/o Walkers Corporate Limited, Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman KY1-9008	BlackRock Holdco 3, LLC	100.00	N	Long position	112,506,938
BlackRock Cayman West Bay Finco Limited	c/o Walkers Corporate Limited, Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman KY1-9008	BlackRock Cayman 1 LP	100.00	N	Long position	112,506,938
BlackRock Cayman West Bay IV Limited	c/o Walkers Corporate Limited, Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman KY1-9008	BlackRock Cayman West Bay Finco Limited	100.00	N	Long position	112,506,938
BlackRock Group Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock Cayman West Bay IV Limited	90.00	N	Long position	112,506,938

## Share Capital and Shareholders *(continued)*

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

Name of controlled corporation	Address and place of incorporation	Name of controlling person	% control	Direct interest (Y/N)		Number of shares
BlackRock Finance Europe Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock Group Limited	100.00	N	Long position	34,782,597
BlackRock (Netherlands) B.V.	Rembrandt Tower, 17th floor, Amstelplein, Amsterdam Netherlands (Amsterdam, Netherlands)	BlackRock Finance Europe Limited	100.00	Y	Long position	276,000
BlackRock Advisors (UK) Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock Finance Europe Limited	100.00	Y	Long position	960,000
BlackRock International Limited	Exchange Place One, 1 Semple Street, Edinburgh, EH3 8BL, United Kingdom (Scotland, United Kingdom)	BlackRock Group Limited	100.00	N	Long position	136,000
BlackRock International Limited	Exchange Place One, 1 Semple Street, Edinburgh, EH3 8BL, United Kingdom (Scotland, United Kingdom)	BlackRock Group Limited	100.00	Y	Long position	706,000
BlackRock Group Limited-Luxembourg Branch	35 A, avenue J.F. Kennedy L-1855 Luxembourg	BlackRock Group Limited	100.00	N	Long position	76,882,341
BlackRock Luxembourg Holdco S.à r.l.	35 A, avenue J.F. Kennedy L-1855 Luxembourg	BlackRock Group Limited-Luxembourg Branch	100.00	N	Long position	76,882,341
BlackRock Investment Management Ireland Holdings Limited	1st Floor, 2 Ballsbridge Park, Ballsbridge, Dublin 4, D04 YW83, Ireland	BlackRock Luxembourg Holdco S.à r.l.	100.00	N	Long position	76,290,341
BlackRock Asset Management Ireland Limited	1st Floor, 2 Ballsbridge Park, Ballsbridge, Dublin 4, D04 YW83, Ireland	BlackRock Investment Management Ireland Holdings Limited	100.00	Y	Long position	76,290,341
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	546,000
BlackRock Investment Management (UK) Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock Finance Europe Limited	100.00	N	Long position	3,598,250
BlackRock Investment Management (UK) Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock Finance Europe Limited	100.00	Y	Long position	29,948,347
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	3,598,250
BlackRock Life Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock International Limited	100.00	Y	Long position	136,000
BlackRock (Singapore) Limited	20 Anson Road #18-01 079912 Singapore (Singapore)	BlackRock (Singapore) Holdco Pte. Ltd.	100.00	Y	Long position	1,108,000
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	46,000
BlackRock Asset Management (Schweiz) AG	Bahnhofstrasse 39 8001 Zurich, Switzerland (Switzerland)	BlackRock UK Holdco Limited	100.00	Y	Long position	46,000

## Share Capital and Shareholders *(continued)*

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

Further information in respect of derivative interests:

		Number of shares
Unlisted derivatives – Cash settled	Long position	3,502,000
	Short position	278,000
<hr/>		
(3)	VanEck Vectors ETF – VanEck Vectors Gold Miners ETF held 343,158,000 H Shares (long position) of the Company (representing approximately 5.98% of the total issued H Shares of the Company).	
(4)	VanEck Vectors ETF – VanEck Vectors Gold Miners ETF is managed by Van Eck Associates Corporation. Van Eck Associates Corporation is deemed to be interested in 341,783,161 H Shares (long position) of the Company (representing approximately 5.96% of the total issued H Shares of the Company).	

Save as disclosed above and so far as the Directors are aware, as at 30 June 2020, no other person (other than the Directors, Supervisors or chief executive of the Company) had an interest or short position in the Company's shares, underlying shares or debentures (as the case may be) which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO, or was otherwise a substantial shareholder (as such term is defined in the Listing Rules) of the Company.

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

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

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

As at 30 June 2020, 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 of the Company 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 2020 are as follows:

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	112,050,000	Personal	Long position	0.57%	0.44%
	H Shares	15,000,000	Personal	Long position	0.26%	0.06%
	Total	127,050,000	Personal	Long position		0.50%
Lan Fusheng	Domestic shares	7,730,510	Personal	Long position	0.04%	0.03%
Zou Laichang	Domestic shares	1,623,050	Personal	Long position	0.01%	0.01%
Lin Hongfu	Domestic shares	978,938	Personal	Long position	0.01%	0.01%
Lin Hongying	Domestic shares	227,000	Personal	Long position	0.01%	0.01%
Xie Xionghui	Domestic shares	149,000	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	26,450	Personal	Long position	0.01%	0.01%
	H Shares	10,000	Personal	Long position	0.01%	0.01%
	Total	36,450	Personal	Long position		0.01%
Cao Sanxing	Domestic shares	124,000	Personal	Long position	0.01%	0.01%

Save as disclosed above, none of the Directors, Supervisors and chief executive of the Company 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 of the Company or their spouse or children under the age of 18 is holding any option to subscribe the 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.

### Other explanation

On 27 July 2020, Mr. Chen Jinghe, the chairman of the Company, transferred 51 million A Shares of the Company to his son by means of non-trading transfer according to a family assets allocation arrangement. As at the date of this report (21 August 2020), Mr. Chen Jinghe held 76.05 million shares of the Company (including 15 million H Shares).

## Others

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## STAFF OF THE COMPANY AND ITS MAJOR SUBSIDIARIES

### Staff

Number of current staff of the Company	2,464
Number of current staff of the major subsidiaries	35,490
Total number of current staff	37,954
Chinese staff in domestic enterprises and overseas enterprises	19,289
Number of foreign staff	18,665
Number of retired staff at the Company's or major subsidiaries' expense	227

### Specialisation of Chinese staff

Classification by specialisation	Number of staff
Production	8,111
Sales	288
Technical	5,192
Finance	492
Administration (including operational staff, administrative staff and supporting staff of functional departments other than technical staff)	5,206
Total	19,289

### Education level of Chinese staff

Classification by education level	Number of staff
Doctoral degree	27
Master's degree	454
Bachelor's degree	3,429
Other tertiary education	4,062
Secondary school or below	11,317
Total	19,289

The Group pursued 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 three main salary systems in parallel policies, namely annual salary system, negotiated salary system and structured salary system, as well as 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. In the case of any discrepancies, the Chinese version shall prevail.)*

### SIGNIFICANT MATTERS

#### Details of shareholders' general meetings

Session of meeting	Convening date	Index of the designated website publishing the resolutions	Date of publishing the resolutions
The first extraordinary general meeting in 2020, the first A Shareholders' class meeting in 2020 and the first H Shareholders' class meeting in 2020	4 February 2020	For details, please refer to the Company's announcement disclosed on HKEXnews website ( <a href="http://www.hkexnews.hk">http://www.hkexnews.hk</a> ) dated 4 February 2020	4 February 2020
2019 annual general meeting	12 June 2020	For details, please refer to the Company's announcement disclosed on HKEXnews website ( <a href="http://www.hkexnews.hk">http://www.hkexnews.hk</a> ) dated 12 June 2020	12 June 2020

#### Plan for profit distribution or conversion of capital reserve into share capital

##### Proposed plan for profit distribution or conversion of capital reserve into share capital for the half year

Profit distribution or conversion into share capital	N/A
Bonus shares for every 10 shares (share)	0
Dividend for every 10 shares (RMB) (tax included)	0
Capital conversion for every 10 shares (share)	0
Explanation on plan for profit distribution or conversion of capital reserve into share capital	
Not applicable	

## Others (continued)

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## Performance of undertakings

**Undertakings by the actual controller, shareholders, related parties, acquirers of the Company, the Company and other relevant undertaking parties which were made during the reporting period or remained 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 any validity period	Whether the undertaking has been strictly complied with
Undertaking relating to 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 businesses 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 relating to refinancing	Others	The Company	The Company undertakes that the Company and its subsidiaries will not engage in business relating to real estate development in the future.	The undertaking was made on 26 July 2019	Yes	Yes

**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 or changes in subsequent implementation**

Summary of the event	Index for details
<p>Registration of the A Shares subscribed by phase 1 of employee stock ownership scheme of Zijin Mining Group Co., Ltd.* (the "Employee Stock Ownership Scheme") under non-public issuance of A Shares 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.</p> <p>The lock-up period of the A Shares held by the Employee Stock Ownership Scheme expired on 8 June 2020, and those A Shares were listed and became tradable. At the second meeting of holders of the Employee Stock Ownership Scheme and the ninth extraordinary meeting in 2020 of the seventh term of the Board, it was considered and approved that the duration of the Employee Stock Ownership Scheme to be extended from 48 months to 72 months, i.e., to be extended to 6 June 2023.</p>	<p>For details, please refer to the Resolutions of the First Holders' Meeting of Phase 1 Employee Stock Ownership Scheme of Zijin Mining Group Co., Ltd.* and 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.* dated 8 June 2017, respectively, and Announcement on Trading of A Shares Subject to Trading Moratorium Issued under Non-public Issuance of Zijin Mining Group Co., Ltd.*, Indicative Announcement in relation to Expiration of Lock-up Period for Phase 1 of Employee Stock Ownership Scheme of Zijin Mining Group Co., Ltd.*, Announcement in relation to Extension of Duration of Phase 1 of the Employee Stock Ownership Scheme of Zijin Mining Group Co., Ltd.* and Announcement in relation to the Resolutions of the Second Holders' Meeting of Phase 1 of Employee Stock Ownership Scheme of Zijin Mining Group Co., Ltd.* dated 28 May 2020, respectively, disclosed on HKEXnews website (<a href="http://www.hkexnews.hk">http://www.hkexnews.hk</a>).</p>

## Others *(continued)*

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

### MATERIAL CONNECTED TRANSACTIONS

Connected transactions related to daily business operation

**Matters which have been published in provisional announcements and without further progress or changes in subsequent implementation**

Summary of the event	Index for details
<p>The Company's subsidiary, Xinjiang Habahe Ashele Copper Co., Ltd., entered into a copper concentrates supply contract with Xinjiang Wuxin Copper Co., Ltd., a subsidiary of Ashele Copper's substantial shareholder, Xinjiang Nonferrous Metal Industry (Group) Co., Ltd., on 31 January 2020. One of Ashele Copper'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 RMB559 million (tax excluded).</p>	<p>For details, please refer to the Company's announcement disclosed on HKEXnews website (<a href="http://www.hkexnews.hk">http://www.hkexnews.hk</a>) dated 2 February 2020.</p>

### OTHERS

For the purpose of broadening the financing channels of the Company, optimising the financing structure and securing the smooth implementation of key construction projects, the Company initiated a new round of refinancing during the first half of the year by proposing to issue Renminbi-denominated ordinary share (A Share) convertible corporate bonds to the public. The total amount of proceeds proposed to be raised will not exceed RMB6 billion, which will be mainly used for project construction of the Kamo-Kakula Copper Mine in the DR Congo, the Upper Zone of the Timok Copper and Gold Mine in Serbia and the Tongshan Copper Mine in Heilongjiang.

The Company convened a Board meeting and shareholders' meetings on 12 June 2020 and 20 July 2020 respectively, at which matters in relation to issuance of the convertible corporate bonds were considered and approved. The Company applied to the CSRC and obtained its acceptance of application in late July 2020. On 7 August 2020, the Company received the "Notice regarding China Securities Regulatory Commission's First Feedback on the Review of Administrative Permission Items" (No. 201989) issued by the CSRC. The relevant matters are currently in progress.

### POVERTY ALLEVIATION WORK OF THE COMPANY

#### 1. Precise poverty alleviation plan

##### Fundamental strategy

The Company conscientiously studied and implemented General Secretary Mr. Xi Jinping's significant strategic thought on poverty alleviation and development and "Opinion on Serving the National Poverty Alleviation Strategy by Making Use of the Capital Market" issued by the CSRC. The Company insisted on combining measures of providing assistance with fostering self-reliance, in accordance with the requirements for poverty alleviation work, namely "precision as the core and implementation as the crux to ensure sustainability". Since the mining subsidiaries are located in remote mountain areas and are familiar with the situation of the community, the Company gave full play to these advantages and carried out precise poverty alleviation activities in the areas around the mining sites. The poverty alleviation responsibilities, policies and tasks of the Company were focused on and put into practice vigorously.

## Others *(continued)*

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

### General objectives

Pursuant to the poverty alleviation targets of the 13th Five-Year Plan policies of the PRC, the Company focused on the core tasks of identification and data-tracking of poverty alleviation targets and the fundamentals of precise poverty alleviation and elimination. At the same time, an effective long-term mechanism of the Company for precise poverty alleviation was gradually established, in order to promote the realisation of the comprehensive poverty elimination in the country by 2020.

### Key work

Through cooperation among the Company's subsidiaries, local governmental organisations responsible for poverty alleviation, Zijin Mining Charity Foundation (the Company as its sole founder) and local social organisations, the Company prioritised the impoverished areas near the operations of its subsidiaries to drive development of economy and education in such areas by ways of donation, creating employment opportunities, industrial development, education and so on.

### Safeguarding measures

Under the leadership of the Party Committee and the Board of the Company, the management of the Company was responsible for formulating the annual plan for precise poverty alleviation, and laying down organisational safeguard in respect of project selection, liaising with governmental organisations, implementation of supervision, information disclosure, etc. Poverty alleviation fund was included in the annual financial budget to ensure material support for poverty alleviation. The Company delegated its Corporate Social Responsibility Department to be responsible for poverty elimination and took Zijin Mining Charity Foundation as the implementation platform. Based on the thorough knowledge of impoverished villages, impoverished families and their situations, the Company ensured that the capital and personnel were in place, and poverty alleviation could be carried out accurately and thoroughly.

## 2. Overview of precise poverty alleviation work during the reporting period

In the first half of 2020, Zijin Mining continued to respond to the state's strategy of precise poverty alleviation, gave full play to the location advantages of mining subsidiaries in remote mountain areas by deploying manpower, materials and capital to assist the impoverished villages around mining sites, and worked together with local governments' poverty alleviation institutions, Zijin Mining Charity Foundation and other charitable organisations, to involve deeply in the impoverished villages in the surroundings of mines and provide assistance in Fujian Province Minxi Old Revolutionary Base Area, Altay Region of Xinjiang Autonomous Region, Jilin Province, Henan Province, Inner Mongolia Autonomous Region, Shanxi Province, Heilongjiang Province, Yunnan Province, Jiangxi Province, Guizhou Province, Gansu Province, etc., by way of infrastructure construction, industrial development, environmental protection, and improving educational facilities. Total investments on poverty alleviation amounted to over RMB46 million in the first half of 2020. The poverty alleviation activities effectively improved the infrastructure for living and production and educational facilities in the impoverished villages around the mining sites, practically enhancing the living standards of impoverished population.

In addition, since the outbreak of novel coronavirus pandemic, Zijin Mining has firmly adhered to and sought guidance from the important instructions, approvals and spirit of General Secretary Mr. Xi Jinping in relation to pandemic control and prevention, and has actively fulfilled its social responsibilities. In its endeavour to contribute to prevention and control of novel coronavirus pandemic both within and outside the PRC, the Company instructed its domestic and overseas subsidiaries to offer assistance by actively deploying their manpower, materials and capital, encouraged party members and employees to generously make donations, and worked together with Zijin Mining Charity Foundation, the Company's charity platform, as well as the governments in the localities of the Company's domestic and overseas operations. During the outbreak of the pandemic, Zijin Mining donated RMB22.5 million in aggregate to the governments, communities and pandemic control and prevention bodies in the localities of the Company's operations both within and outside the PRC, and RMB6.4873 million worth of supplies for use in pandemic control and prevention.

## Others (continued)

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

### 3. Results of precise poverty alleviation

Unit: RMB' 000

Indicator	Amount and progress
I. General	
Including: 1. Subsidy	46,217.1
2. Monetary amount of materials provided	292.9
3. Number of persons no longer registered under the category of population in poverty as a result of obtaining assistance from the Company (person)	76
II. Subsidy by category	
1. Industrial development for poverty alleviation	
Including: 1.1 Industrial development projects for poverty alleviation by category	<input checked="" type="checkbox"/> Agriculture and forestry <input type="checkbox"/> Tourism <input type="checkbox"/> E-commerce <input checked="" type="checkbox"/> Asset return <input type="checkbox"/> Technology <input checked="" type="checkbox"/> Others
1.2 Number of projects	2
1.3 Amount of subsidy for industrial development projects	8,000
1.4 Number of persons no longer registered under the category of population in poverty as a result of obtaining assistance from the Company (person)	22
2. Employment transfer for poverty alleviation	
Including: 2.1 Amount of subsidy for vocational skill training	0
2.2 Number of person provided with vocational skill training (person/time)	0
2.3 Number of person no longer registered under the category of household in poverty as a result of obtaining assistance for employment from the Company (person)	76
3. Relocation for poverty alleviation	
Including: 3.1 Number of relocated person whom the Company helped for employment (person)	3,500
4. Education for poverty alleviation	
Including: 4.1 Amount of subsidy for impoverished students	43
4.2 Number of impoverished students supported (person)	23
4.3 Amount of subsidy for improving educational resources in impoverished areas	550

## Others (continued)

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Unit: RMB' 000

Indicator	Amount and progress
5. Poverty alleviation by improving healthcare	
Including: 5.1 Amount of subsidy for medical and healthcare resources in impoverished areas	20
6. Poverty alleviation by ecological protection	
Including: 6.1 Name of project	<input checked="" type="checkbox"/> Carry out ecological conservation and maintenance <input type="checkbox"/> Establish compensation methods for ecological conservation <input checked="" type="checkbox"/> Set up specialised position for handling ecological and public charity related affairs <input type="checkbox"/> Others
6.2 Amount of subsidy	17,850
7. Guaranteeing basic living standard for people in need	
Including: 7.1 Amount of subsidy for helping left-behind children, women and elderly	0
7.2 Number of left-behind children, women and elderly supported (person)	0
7.3 Amount of subsidy for helping impoverished disabled persons	30
7.4 Number of impoverished disabled persons supported (person)	30
8. Community poverty alleviation	
Including: 8.1 Amount of subsidy for East-West Partnerships for Poverty Alleviation	0
8.2 Amount of subsidy for poverty alleviation in targeted areas	131
8.3 Charity fund for poverty alleviation	7,210
9. Other projects	
Including: 9.1 Number of project	43
9.2 Amount of subsidy	12,676
9.3 Number of person no longer registered under the category of population in poverty as a result of obtaining assistance for employment from the Company (person)	50
9.4 Details of other projects	Poverty alleviation by assisting the impoverished areas in developing livelihood project and improving infrastructure by way of donations.
III. Awards received (details and level)	
Nil	

Note: The above table excludes pandemic-related donations

## Others *(continued)*

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### 4. Phased progress of fulfilling social responsibilities by way of precise poverty alleviation

In the first half of 2020, in addition to actively responding to the nation's appeal to effectively support the pandemic prevention and control in areas where the Company's operations are based, the Company continued to conduct its annual poverty alleviation plan in the impoverished rural areas of Altay Region in Xinjiang Autonomous Region, Hunchun City in Jilin Province, Luoning County in Henan Province, Urad Rear Banner in Inner Mongolia Autonomous Region and so on, to tackle issues including poor road condition, lack of drinking water, poor living environment and the hardship of left-behind elderly. In particular, a series of projects were carried out to improve livelihood infrastructure and provide living allowances to the elderly. These measures earned high recognition from the communities in which the Company's entities are located.

### 5. Future plan of precise poverty alleviation work

The year of 2020 is an extraordinary year. The goals of securing a decisive victory in building a moderately prosperous society in all respects and winning the battle against poverty were set to be completed in the year, yet in light of the outbreak of novel coronavirus, nationwide poverty alleviation work was inevitably affected to a certain extent. While striving to provide necessary pandemic relief, the Company will also actively assist the governments of the localities where its projects are based to navigate through the hardships caused by the pandemic on poverty alleviation, and will continue to fully implement the Guiding Opinion on the Three-Year Action to Win the Battle against Poverty issued by the Central Committee of the Communist Party of China. Together with governmental organisations responsible for poverty alleviation and Zijin Mining Charity Foundation, the Company will integrate the characteristics of the industry to involve deeply in the impoverished villages in Fujian Province Minxi Old Revolutionary Base Area, Altay Region in Xinjiang Autonomous Region, Hunchun City in Jilin Province, Fanshi County in Shanxi Province, Heihe City in Heilongjiang Province, Luoning County in Henan Province, Golog Prefecture in Qinghai Province and Urad Rear Banner in Inner Mongolia Autonomous Region to carry out precise poverty alleviation work. At the same time, the Company will continue to provide precise poverty alleviation assistance to senior citizens and orphans, enhance ecological protection and assist students and local schools in Shanghang headquarters area, and raise the public awareness, in order to encourage different sectors of the public to participate in the poverty alleviation work, earnestly fulfill social responsibilities, promote the economic development of the impoverished areas and assist the country to win the battle against poverty.

#### Principal safeguarding measures

- (1) Strengthen organisation and leadership.** A team comprising the responsible personnel of the Corporate Social Responsibility Department, Zijin Mining Charity Foundation, and Party branches of the locality at which the Company's operations are located, is tasked with the on-site implementation of poverty alleviation work. The team is also responsible for coordinating the collaboration among various departments for carrying out the poverty alleviation projects.
- (2) Strengthen project implementation and management to ensure the actual needs of the assisted groups are met.** In the course of carrying out the projects, the Company ensures the groups with genuine need of assistance could be accurately identified, actively carries out study and investigations, pays visits to the impoverished households, and obtains a better understanding of their actual needs. Key focus of the Company's work will be improving the infrastructure of the impoverished areas. The bottlenecks constraining the development of such areas, namely a lack of road, and deficient supply of water, electricity and accommodation, are identified as the crucial areas of poverty alleviation. Efforts are made to improve the infrastructure of the poverty-plagued communities to achieve the goal of precise support. Adhering to the principles of openness, equality and fairness, the Company also strengthens the direct management and supervision of projects, enhances on-site inspection, strictly forbids malpractices, and implements effective supervision and evaluation of projects.

## Others *(continued)*

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- (3) Strictly regulate allocation and payment of funds.** The allocation and payment of funds for assistance projects shall strictly comply with the provisions in project cooperation agreements or project proposals, and follow approval authority and process. Relevant procedures will only be proceeded when no improprieties are identified.
- (4) Joint forces for poverty alleviation.** The Company engages in poverty alleviation projects by way of cooperation with its subsidiaries, local governments of the impoverished areas, and local social organisations. The Company's charity foundation plays an important role in connecting caring enterprises and citizens' assistance with the impoverished households.
- (5) Improve archive management.** The collection, updating, improvement, archiving and statistical analysis of the raw data and basic information obtained in the implementation process of the projects, as well as retention of the data from evaluation and supervision of poverty alleviation work, shall be carried out properly.
- (6) Strengthen learning and improve effectiveness.** The Company takes the initiatives to consult with the Ministry of Civil Affairs, the State Poverty Alleviation Office and other relevant authorities, and actively learn from advanced poverty alleviation institutions and groups, in order to optimise its poverty alleviation measures and achieve practical work results.

## ENVIRONMENTAL INFORMATION

- (I) Explanations on environmental protection progress of the Company and its major subsidiaries which are the key pollutant discharging units identified by the environmental protection authorities**

During the reporting period, 21 branch companies (subsidiaries) of the Company in total were identified as the key pollutant discharging units by ecological and environmental protection administrative authorities. The Company and its branch companies (subsidiaries) strictly complied with the national laws, regulations and policies on environmental protection, took "never seek for development at the expense of the environment, never seek for development at the expense of human life" as the most basic and important social responsibility of a mining enterprise, pursued a high degree of harmony and unity between mining development and ecology and environment, and innovated a project management model of "integrating five ore treatment processes into one" which coordinates the technologies and processes of geological prospecting, mining, processing, refining and environmental protection and infuses ecological and environmental protection and governance into the entire process of mining development, so as to endeavor to develop a mining enterprise with "outstanding economic benefit, reasonable utilisation of resources, clean and beautiful environment and coordinated development of environment and economy".

## Others (continued)

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### 1. Information of pollutant discharge

In the first half of 2020, domestic key pollutant discharging units of the Company strictly complied with the national and regional pollutant discharging standards and requirements. The wastewater, exhaust gas and noise at plant boundary received standardised management. Details are as follows:

Number	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Total discharge in the first half of the year (t)		Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for pollutant discharge	
1	Zijinshan Gold and Copper Mine	Wastewater	COD	<25mg/L	34.8	203	Organised discharge after meeting regulatory standards	6	Discharge outlets at Xinwuqia, Yutiankeng, Huiyangkeng, Yakeng, Ermiaogou and Sanqingting	No	The standards in Schedule 2 of the Emission standard of pollutants for copper, nickel, cobalt industry (GB25467-2010) Class 1 standards in Schedules 1 and 2 of the Integrated wastewater discharge standard (GB8978-1996)		
			Total arsenic	<0.02mg/L	0.0041	0.057							
			Total lead	<0.02mg/L	0.0061	0.38933							
			Total cadmium	<0.001mg/L	0.0022	0.04126							
			Total zinc	<0.02mg/L	0.0179	3.66							
			Total copper	<0.2mg/L	0.0406	2.365							
			Total cyanide	<0.01mg/L	0.0036	0.108							
			Exhaust gas	Sulphur dioxide	<15mg/m <sup>3</sup>	0.560	71.37					Organised discharge after meeting regulatory standards	1
	Nitrogen oxides	<30mg/m <sup>3</sup>	0.488	5.54									
	Dust	<5mg/m <sup>3</sup>	0.031	11.5									
	Particulates	3-14mg/m <sup>3</sup>	8.52	-									
2	Wuping Zijin Mining Co., Ltd.	Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)										
			Wastewater	COD	8.16mg/L	1.164	6.9	Organised discharge after meeting regulatory standards	1	Downstream of tailings pool	No	Class 1 standards in Schedules 1 and 4 of the Integrated wastewater discharge standard (GB8978-1996)	
				Total arsenic	0.003mg/L	0.00049	-						
				Total lead	0.007mg/L	0.00136	0.042						
				Total cadmium	0.005mg/L	0.00082	-						
				Total zinc	0.178mg/L	0.0267	0.115						
				Total copper	0.016mg/L	0.00242	0.05						
				Total silver	0.03mg/L	0.00473	-						
				Particulates	3.62mg/m <sup>3</sup>	0.446	8	Organised discharge after meeting regulatory standards					4
			Exhaust gas	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)									

## Others (continued)

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Number	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Total discharge in the first half of the year (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for pollutant discharge										
3	Neimenggu Golden China Minerals Inc.	Wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-										
												Exhaust gas	Sulphur dioxide	270mg/m <sup>3</sup>	3.902	-	Organised discharge after meeting regulatory standards	1	The 40m high chimney positioned downwind of the plant	No	Emission standard of air pollutants for boiler (GB13271-2014)
													Nitrogen oxides	168.3mg/m <sup>3</sup>	7.884	-					
			Dust	34.6mg/m <sup>3</sup>	4.869	-															
		Noise									Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)										
4	Urad Rear Banner Zijin Mining Co., Ltd.	Wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-										
												Exhaust gas	Particulates	43.19mg/m <sup>3</sup>	10.794	-	Organised discharge after meeting regulatory standards	6	The discharge outlets of dust removers installed at the crushing and screening systems	No	Emission standard of pollutants for lead and zinc industry (GB25466-2010)
		Noise									Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)										
5	Shanxi Zijin Mining Co., Ltd.	Wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-										
												Exhaust gas	Sulphur dioxide	140mg/m <sup>3</sup>	2.419	27.6	Organised discharge after meeting regulatory standards	1	The chimney of boiler house	No	Emission standard of air pollutants for boiler (GB13271-2014)
													Nitrogen oxides	161mg/m <sup>3</sup>	2.808	-					
													Dust	24.3mg/m <sup>3</sup>	0.432	6.8					
			Particulates	21.4mg/m <sup>3</sup>	1.684	-	Organised discharge after meeting regulatory standards	1	The discharge outlet of dust removers installed at the crushing system	No	Integrated emission standard of air pollutants (GB16297-1996)										
		Noise									Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)										

## Others (continued)

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Number	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Total discharge in the first half of the year (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for pollutant discharge
6	Luoning Huatai Mining Development Co., Ltd.	Wastewater Exhaust gas	- Particulates	- 9.34mg/m <sup>3</sup>	- 0.0388	- -	Not discharged and internally reused Organised discharge after meeting regulatory standards	0 5	N/A The discharge outlets of dust remover installed at crushing section	No No	- Class 2 standards in Schedule 2 of the Integrated emission standard of air pollutants (GB16297-1996)
7	Luoyang Kunyu Mining Co., Ltd.	Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)	-	-	-	Not discharged and internally reused	0	N/A	No	-
		Wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-
		Exhaust gas	Particulates	10.9-16.5mg/m <sup>3</sup>	4.865	-	Organised discharge after meeting regulatory standards	4	Dust removers installed at the crushing and screening sections in production line	No	Class 2 standards in Schedule 2 of the Integrated emission standard of air pollutants (GB16297-1996)
8	Xinjiang Habahe Ashele Copper Co., Ltd.	Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)	-	-	-	Not discharged and internally reused	0	-	No	-
		Wastewater	-	-	-	-	Not discharged and internally reused	0	-	No	-
		Exhaust gas	Sulphur dioxide Nitrogen oxides Dust	244.39mg/m <sup>3</sup> 221.82mg/m <sup>3</sup> 12.91mg/m <sup>3</sup>	49.46 42.01 2.06	71.5 106.78 -	Organised discharge after meeting regulatory standards	1	The 60m chimney in boiler house	No	Emission standard of air pollutants for boiler (GB13271-2014)
9	Xinjiang Zijin Zinc Co., Ltd.	Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)	-	-	-	Not discharged and internally reused	0	N/A	No	-
		Wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-
		Exhaust gas	Sulphur dioxide Nitrogen oxides Dust Particulates	175-186mg/m <sup>3</sup> 29-37mg/m <sup>3</sup> 34.2-35mg/m <sup>3</sup> 9.9-12mg/m <sup>3</sup>	10.34 1.89 1.98 2.27	87 48.9 - -	Organised discharge after meeting regulatory standards	1 4	Discharged through a 45m chimney in the boiler house The discharge outlets of wet dust removers installed at the crushing and screening systems	No No	Limits for Zone II Period in Class 2 Standards of the Emission standard of air pollutants for boiler (GB13271-2001) Emission standard of pollutants for lead and zinc industry (GB25466-2010)
		Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)	-	-	-	Organised discharge after meeting regulatory standards	4	The discharge outlets of wet dust removers installed at the crushing and screening systems	No	Emission standard of pollutants for lead and zinc industry (GB25466-2010)

## Others (continued)

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Number	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Total discharge in the first half of the year (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for pollutant discharge	
10	Helongjiang Duobaoshan Copper Industry Inc.	Wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-	
			Exhaust gas	Sulphur dioxide	109.4mg/m <sup>3</sup>	22.3	370	Organised discharge after meeting regulatory standards	1	The 60m high chimney after desulphurisation and denitrification processes in the boiler house	No	Emission standard of air pollutants for boiler (GB13271-2014)
				Nitrogen oxides	109.6mg/m <sup>3</sup>	26.0	104.6					
				Dust	10.1mg/m <sup>3</sup>	2.0	68					
Particulates	38.6mg/m <sup>3</sup>	88.1	-	Organised discharge after meeting regulatory standards	18	The discharge outlets of dust removers installed at the crushing and screening systems	No	Emission standard of pollutants for copper, nickel, cobalt industry (GB25467-2010)				
		Noise		Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								
11	Qinghai West Copper Co., Ltd.	Wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-	
			Exhaust gas	Sulphur dioxide	82mg/m <sup>3</sup>	0.688	84.1	Organised discharge after meeting regulatory standards	2	MCT-6 Venturi highly-efficient desulphurisation and dust removers for hot water boiler house, CS-III granite desulphurisation and dust removers for steam boiler room	No	The standards in Schedule 1 of the Emission standard of air pollutants for boiler (GB13271-2014)
				Nitrogen oxides	117.67mg/m <sup>3</sup>	1.652	21.8					
				Dust	35.15mg/m <sup>3</sup>	0.475	38.6					
Particulates	49.1mg/m <sup>3</sup>	1.555	26.5	Organised discharge after meeting regulatory standards	3	Wet dust removers installed at the crude crushing facilities at ore crushing section (SX16), wet dust removers installed at medium-to-fine crushing facilities (SX22), wet dust removers installed at the screening system (SX32)	No	Emission standard of pollutants for copper, nickel, cobalt industry (GB25467-2010)				
		Noise		Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								

## Others (continued)

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Number	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Total discharge in the first half of the year (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for pollutant discharge
12	Guizhou Zijin Mining Co., Ltd.	Wastewater	COD	8.37mg/L	6.5420	109.5	Organised discharge after meeting regulatory standards	1	Discharge outlet for wastewater	No	Class 1 standards of the Integrated wastewater discharge standard (GB8978-1996)
			Ammonia nitrogen	0.492mg/L	0.3831	27.375					
			Total arsenic	0.0073mg/L	0.0061	0.09125					
			Total lead	0.0158mg/L	0.0125	1.825					
			Total cadmium	0.0035mg/L	0.0028	-					
			Total mercury	0.00011mg/L	0.0001	-					
			Suspended matter	4.33mg/L	3.3870	127.75					
13	Wenshan Malipo Zijin Tungsten Group Co., Ltd.	Exhaust gas	Sulphuric acid mist	19mg/m <sup>3</sup>	0.425	1.5	Organised discharge after meeting regulatory standards	1	Discharge outlet for exhaust gas	No	The maximum emission concentration limit in Schedule 2 of the Integrated emission standard of air pollutants (GB16297-1996)
			Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)						
13	Wenshan Malipo Zijin Tungsten Group Co., Ltd.	Wastewater	COD	37.83mg/L	6.672	14.355	Organised discharge after meeting regulatory standards	1	Master discharge outlet of tailings pool	No	Class 1 standards of the Integrated wastewater discharge standard (GB8978-1996)
			Ammonia nitrogen	0.705mg/L	0.126	-					
			Total arsenic	0.083mg/L	0.014	0.0335					
			Total zinc	0.048mg/L	0.009	-					
			Total copper	0.006mg/L	0.001	0.0048					
			Suspended matter	26.06mg/L	5.332	-					
			Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)						

## Others (continued)

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Number	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Total discharge in the first half of the year (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for pollutant discharge
14	Yuanjiang Huaxi Gold Co., Ltd.	Wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-
		Noise		Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)							
15	Hunchun Zijin Mining Co., Ltd.	Wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-
		Exhaust gas	Sulphur dioxide	30mg/m <sup>3</sup>	2.084	36	Organised discharge after meeting regulatory standards	1	Discharge outlet of boiler	No	Emission standard of air pollutants for boiler (GB13271-2014)
			Nitrogen oxides	152mg/m <sup>3</sup>	10.557	28					
			Dust	16mg/m <sup>3</sup>	1.111	68					
			Particulates	19mg/m <sup>3</sup>	43.022	-	Organised discharge after meeting regulatory standards	10	Discharge outlets at crude crushing facilities, medium-to-fine crushing facilities and vibration screening dust removers	No	Emission standard of pollutants for copper, nickel, cobalt industry (GB25467-2010)
		Noise		Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)							



## Others (continued)

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Number	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Total discharge in the first half of the year (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for pollutant discharge						
17	Zijin Mining Group Gold Smelting Co., Ltd.	Wastewater	COD	114.25mg/L	0.1535	1.18	Organised discharge after meeting regulatory standards	1	Discharge outlet at the western side of the plant HAO11800	No	Class 3 standards in Schedules 1 and 4 of the Integrated wastewater discharge standard (GB8978-1996)						
			Ammonia nitrogen	10.96mg/L	0.0138	0.177											
			Total arsenic	0.015mg/L	0.000013	0.00543											
			Total lead	<0.2mg/L	0.00024	0.0118											
			Total cadmium	<0.05mg/L	0.00006	0.00118											
			Total cyanide	0.039mg/L	0.00005	0.0023											
			Exhaust gas	Nitrogen oxides	0.57mg/m <sup>3</sup>	0.0146						0.96	Organised discharge after meeting regulatory standards	2	Exhaust gas discharge outlets for extraction and purification production line	No	Class 2 standards in Schedule 2 of the Integrated emission standard of air pollutants (GB16297-1996)
Hydrogen chloride	2.92mg/m <sup>3</sup>	0.0392	0.5247														
Ammonia gas	10.56mg/m <sup>3</sup>	0.0155	0.1624	Organised discharge after meeting regulatory standards	1	Exhaust gas discharge outlet for carbon treatment production line	No	Standards in Schedule 2 of the Emission standard for odor pollutants (GB14554-93)									
Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)																
18	Jilin Zijin Copper Co., Ltd.	Wastewater	COD	23.91-72.65mg/L	5.08	12	Organised discharge after meeting regulatory standards	1	Master discharge outlet at the northwestern corner of the plant	No	Schedule 2 of the Emission standard of pollutants for copper, nickel, cobalt industry and the requirements of the Standards on Water Intake of Water Treatment Plants of Hunchun City						
			Ammonia nitrogen	0.79-2.03mg/L	0.2	1.6											
			Total arsenic	0.023-0.048mg/L	0.002	0.1											
			Total lead	0.04-0.1mg/L	0.0036	0.1											
			Total cadmium	0	0	0.02											
			Total mercury	0	0	0.01											
			Exhaust gas	Sulphur dioxide	60.11-213.57mg/m <sup>3</sup>	170.62						570	Organised discharge after meeting regulatory standards	1	Exhaust gas discharge outlet of 120m chimney	No	Emission standard of pollutants for copper, nickel, cobalt industry (GB25467-2010) and Integrated emission standard of air pollutants (GB16297-1996)
			Nitrogen oxides	1.93-11.28mg/m <sup>3</sup>	5.29	130.44											
			Particulates	4.67-11.79mg/m <sup>3</sup>	14.2	82.5											
			Mercury and its compounds	0.0019-0.0038mg/m <sup>3</sup>	0.0035	0.0198											
Lead and its compounds	0.204-0.338mg/m <sup>3</sup>	0.3143	1.155														
Arsenic and its compounds	0.119-0.204mg/m <sup>3</sup>	0.1934	0.66														
Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)																

## Others (continued)

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Number	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Total discharge in the first half of the year (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for pollutant discharge			
19	Bayannur Zijin Non-ferrous Metals Co., Ltd.	Wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-			
				Exhaust gas from refining	Sulphur dioxide	21.5-218mg/m <sup>3</sup>	78.91	400	Organised discharge after meeting regulatory standards	2	Discharge outlets for exhaust gas	No	Emission standard of pollutants for lead and zinc industry (GB25466-2010)	
					Sulphuric acid mist	6.25-14.9mg/m <sup>3</sup>	4.10	-	-	-	-	-	-	-
					Particulates	18-51.8mg/m <sup>3</sup>	18.29	80	-	-	-	-	-	-
20	Luoning Zijin Gold Refinery Co., Ltd.	Exhaust gas from thermal power plant	Sulphur dioxide Nitrogen oxides Dust	15-32mg/m <sup>3</sup>	36.04	592	Organised discharge after meeting regulatory standards	1	Discharge outlet for exhaust gas	No	Emission standard of air pollutants for thermal power plants (GB13223-2011)			
				78-82mg/m <sup>3</sup>	133.04	515	-	-	-	-	-	-		
				6-14mg/m <sup>3</sup>	16.37	178	-	-	-	-	-	-		
				Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)	Noise	-	-	-	Not discharged and internally reused	0	N/A	No	-	
21	Kuitun Tongguan Metallurgical and Chemical Industry Co., Ltd.	Wastewater	COD Ammonia nitrogen Total arsenic Total copper Sulphur dioxide	79mg/m <sup>3</sup>	11.1	29,733	Organised discharge after meeting regulatory standards	1	The 60m chimney at the exit of boiling roasting furnace	No	Henan Province regional industrial furnace kiln air pollutant emission standards (DB41-1066-2015)			
				104mg/m <sup>3</sup>	14.48	32.79	-	-	-	-	-	-		
				0.52mg/m <sup>3</sup>	0.06	-	-	-	-	-	-	-		
				Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)	Noise	-	-	-	Organised discharge after meeting regulatory standards	1	Master discharge outlet at the northeastern corner of the plant	No	Integrated wastewater discharge standard (GB8978-1996)	
21	Kuitun Tongguan Metallurgical and Chemical Industry Co., Ltd.	Exhaust gas	Sulphur dioxide	0	0	20	Organised discharge after meeting regulatory standards	1	Master discharge outlet at the northeastern corner of the plant	No	Special emission limit of the Emission standard of pollutants for sulphuric acid industry (GB26132-2010)			
				0	0	1.51	-	-	-	-	-			
				0	0	-	-	-	-	-	-	-		
21	Kuitun Tongguan Metallurgical and Chemical Industry Co., Ltd.	Exhaust gas	Sulphur dioxide	0	0	285.4	Organised discharge after meeting regulatory standards	1	Master discharge outlet for smoke	No	Special emission limit of the Emission standard of pollutants for sulphuric acid industry (GB26132-2010)			
				0	0	-	-	-	-	-	-			
		Noise		Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)										

## Others *(continued)*

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

### **2. Construction and operation of pollution prevention and controlling facilities**

The branch companies (subsidiaries) of the Company followed the requirements of environmental impact assessment and approvals for the construction projects to construct pollution prevention and controlling facilities. In addition, various environmental protection facilities are operated with the main construction simultaneously, with an operation rate of 100%. Solid waste is comprehensively utilised and safely disposed of, and hazardous waste is passed to qualified units for disposal. The Company also actively encourages its branch companies (subsidiaries) to optimise production techniques, enhance processing efficiency of environmental protection systems, raise levels of pollution control and reduce pollutant emissions.

### **3. Environmental impact assessment and other environmental protection related administrative permits for construction projects**

The branch companies (subsidiaries) of the Company strictly carried out environmental impact assessment and inspection at the conclusion of construction projects pursuant to the regulations in relation to environmental impact assessment, and implemented “three simultaneous” regulation assessment satisfactorily. In the first half of 2020, approval for environmental impact assessment was granted for Zijin Copper’s production expansion and reform project - environmental smoke discharge facility (Long Huan Shen Han [2020] No. 19), and the comprehensive rectification project for Yanjiao tailings storage of the Nanwenhe Tungsten Mine of Wenshan Malipo Zijin Tungsten Group Co., Ltd. passed the environmental protection self-acceptance inspection in April 2020.

According to the requirements of the Notice on Cleanup and Rectification Work of Fixed Pollution Sources and Registration for Issuance of Pollutant Discharge Permits in 2020 issued by the Ministry of Ecology and Environment (Huan Ban Huan Ping Han [2019] No. 939), fixed pollution discharging units should complete the application for the new pollutant discharge permits by the end of September 2020. Currently, the Company’s key pollutant discharging units including Hunchun Zijin Mining Co., Ltd., Neimenggu Golden China Minerals Inc., Xinjiang Habahe Ashele Copper Co., Ltd., Zijin Copper Co., Ltd., Bayannur Zijin Non-ferrous Metals Co., Ltd., Jilin Zijin Copper Co., Ltd., Luoning Huatai Mining Development Co., Ltd., Luoyang Kunyu Mining Co., Ltd., Shanxi Zijin Mining Co., Ltd., Urad Rear Banner Zijin Mining Co., Ltd., Guizhou Zijin Mining Co., Ltd. and Qinghai West Copper Co., Ltd. have completed the application or registration for the new pollutant discharge permits. The application or registration for the new pollutant discharge permits of other enterprises is in progress in accordance with the requirements of local ecological and environmental protection administrative authorities of the provinces, cities and counties.

### **4. Emergency plans in response to outbreak of environmental incidents**

In accordance with the Administrative Measures for Filing of Environmental Incident Emergency Plan of Enterprises (Huan Fa [2015] No. 4), the branch companies (subsidiaries) of the Company formulated the Environmental Incident Emergency Plan and filed to their local ecological and environmental protection administrative authorities, and organised and carried out emergency drills for corresponding environmental emergencies with self-selected themes every year according to actual situation, for discovering problems of the emergency plan in a timely manner, continuously improving the emergency plan and raising the practicability and operability of the emergency plan.

### **5. Environmental self-monitoring programme**

Pursuant to the requirements of the environmental protection authorities and environmental impact assessments, the branch companies (subsidiaries) of the Company formulated environmental self-monitoring programme and entrusted third parties to carry out regular monitoring work on environmental quality in respect of exhaust gas, wastewater, noise and soil. Besides, key pollutant discharging units installed online monitoring equipment for wastewater and exhaust gas pollutants in accordance with the requirements of the local ecological and environmental administrative authorities for real-time monitoring.

### **6. Other discloseable information for environmental protection**

In the first half of 2020, the Company insisted on focusing on both pandemic prevention and control and environmental protection, strengthened pollution prevention and control, ecological restoration and flood prevention work. In the first half of the year, RMB361 million in total was invested in environmental protection and ecological projects, including RMB53.9236 million for ecological restoration. 1.7866 million square metres of vegetation were restored, and 0.3387 million flowers and trees of various kinds were planted. Fujian Zijin Copper Co., Ltd. was newly included in the list of provincial green factories.

## Others (continued)

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

### (II) Environmental protection information of companies which are not key pollutant discharging units

In the first half of 2020, environmental information of the Company's 8 entities which are not key pollutant discharging units within the PRC but the operations of which involve discharge of pollutants is as follow:

Number	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Total discharge in the first half of the year (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for pollutant discharge	
1	Xinjiang Jinbao Mining Co., Ltd.	Wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-	
			Exhaust gas	Sulphur dioxide	249mg/m <sup>3</sup>	8.038	11.35	Organised discharge after meeting regulatory standards	2	Discharge outlets of the 35m chimney in boiler house	No	The standards in Schedule 1 of the Emission standard of air pollutants for boiler (GB13271-2014)
		Nitrogen oxides		232.33mg/m <sup>3</sup>	9.483	-	-	-	-	-	-	-
		Dust		52.3mg/m <sup>3</sup>	2.606	-	-	-	-	-	-	-
		Particulates	11.48mg/m <sup>3</sup>	1.194	-	-	-	-	-	-	The standards in Schedule 5 of the Emission standard of pollutants for iron ore mining and processing industry (GB28661-2012)	
2	Longran Zijin Mining Co., Ltd.	Noise	-	-	-	-	Not discharged and internally reused	0	N/A	No	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)	
3	Fujian Zijin Copper Co., Ltd.	Wastewater	COD	40-53mg/L	2.2366	-	Organised discharge after meeting regulatory standards	1	Wastewater treatment station	No	Class 3 standards in Schedule 4 of the Integrated wastewater discharge standard (GB8978-1996)	
				Ammonia nitrogen	7.64-8.59mg/L	0.39	-					-
				Total zinc	0.0067-0.0164mg/L	0.0005	-					-
				Total copper	0.0033-1.44mg/L	0.0381	-					-
				Total nickel	0.00285-0.00619mg/L	0.0002	-					-
		Exhaust gas	Particulates	3.5-18.6mg/m <sup>3</sup>	0.8394	6.43	Organised discharge after meeting regulatory standards	2	Discharged via a 15m high chimney	No	The maximum limit in Schedule 2 of the Integrated emission standard of air pollutants (GB16297-1996)	
3	Longran Zijin Mining Co., Ltd.	Noise	-	-	-	-	Not discharged and internally reused	0	N/A	No	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)	

## Others (continued)

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

Number	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Total discharge in the first half of the year (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for pollutant discharge	
4	Fujian Zijin Mineral Processing Chemicals Co., Ltd.	Wastewater	COD	120mg/L	0.192	2.193	Organised discharge after meeting regulatory standards	1	Within the plant area	No	Standards of Wastewater quality standards for discharge to municipal sewers (GB31962-2015)	
			Ammonia nitrogen	10mg/L	0.016	0.292						
		Exhaust gas	Hydrogen chloride	4.8mg/m <sup>3</sup>	0.007	0.016	Organised discharge after meeting regulatory standards	1	Discharged via a 25m chimney after two-stage lye spraying treatment		No	Class 2 standards in Schedule 2 of the Integrated emission standard of air pollutants (GB16297-1996)
			Toluene	6mg/m <sup>3</sup>	0.024	0.077	Organised discharge after meeting regulatory standards	1	Discharged via a 25m chimney after activated carbon adsorber treatment		No	Emission standard of volatile organic compounds for industrial enterprises (DB351782-2018)
		Noise		Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								
5	Fujian Jinchuan High-abrasive Material Co., Ltd.	Exhaust gas	Particulates	2.00mg/m <sup>3</sup>	0.0031	-	Organised discharge after meeting regulatory standards	1	Discharged via a 15m high chimney in ball milling section	No	Class 2 standards in Schedule 2 of the Integrated emission standard of air pollutants (GB16297-1996)	
			Dust	1.06mg/m <sup>3</sup>	0.0015	-	Organised discharge after meeting regulatory standards	1	Discharged via a 15m high chimney in intermediate frequency furnace section	No	Class 2 standards in Schedule 2 of the Emission standard of air pollutants for industrial kiln and furnace (GB9078-1996)	
		Noise		Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								
6	Luoyang Zijin Yinnui Gold Refinery Co., Ltd.	Wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-	
			Exhaust gas	Nitrogen oxides	25-28mg/m <sup>3</sup>	0.0764	1.9125	Organised discharge after meeting regulatory standards	1	The discharge outlet of purification section	No	Integrated emission standard of air pollutants (GB16297-1996)
			Hydrogen chloride	1.29-2.8mg/m <sup>3</sup>	0.0055	-						
			Particulates	2.2-3.1mg/m <sup>3</sup>	0.014	-	Organised discharge after meeting regulatory standards	1	The discharge outlet of smelting section	No	Henan Province regional industrial furnace kiln air pollutant emission standards (DB41-1066-2015)	
		Noise		Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								



**Others** *(continued)*

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

**2. Construction and operation of pollution prevention and controlling facilities**

Same as the content of the corresponding section under key pollutant discharging units.

**3. Environmental impact assessment and other environmental protection related administrative permits for construction projects**

Environmental upgrade project for the tailings storage of the Dujiagou Gold Mine of Longnan Zijin Mining Co., Ltd. passed environmental protection self-acceptance inspection in April 2020.

Luoyang Zijin Yinhui Gold Refinery Co., Ltd. and Longnan Zijin Mining Co., Ltd. completed the registration of new pollution discharge permits on 27 March 2020 and 2 July 2020 respectively. Other branch companies (subsidiaries) of the Company will complete the registration of new pollution discharge permits by the end of September 2020.

**4. Emergency plans in response to outbreak of environmental incidents**

Same as the content of the corresponding section under key pollutant discharging units.

**5. Environmental self-monitoring programme**

Pursuant to the requirements of the environmental protection authorities, the branch companies (subsidiaries) of the Company formulated environmental self-monitoring programme and regularly carried out self-monitoring. Qualified institutions were engaged to monitor the concentration of discharged pollutants and environmental quality.

## Others (continued)

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

### 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	0.30253	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	2.0	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	0.044001	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
2017 Renewable Corporate Bonds (the First Tranche) of Zijin Mining Group Co., Ltd.* (publicly issued)	17 Zijin Y1	143917	12 September 2017	The base period is 3 years. At the end of the base period and the end of each renewal period, the Company has a right to exercise the renewal option to renew the bonds for one more period (i.e., 3 years). The renewable corporate bonds will mature when the Company does not exercise the renewal option and redeems the bonds in full amount.	0.5	5.17	When the Company does not exercise the option to defer interest payment, the interest shall be paid annually.	Shanghai Stock Exchange
2018 Renewable Corporate Bonds (the First Tranche) of Zijin Mining Group Co., Ltd.* (publicly issued)	18 Zijin Y1	136951	16 October 2018	The base period is 3 years. At the end of the base period and the end of each renewal period, the Company has a right to exercise the renewal option to renew the bonds for one more period (i.e., 3 years). The renewable corporate bonds will mature when the Company does not exercise the renewal option and redeems the bonds in full amount.	4.5	5.17	When the Company does not exercise the option to defer interest payment, the interest shall be paid annually.	Shanghai Stock Exchange

## Others (continued)

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

### Settlement of interests and principals of the corporate bonds

Interest payments of 2016 Corporate Bonds (the First Tranche) of Zijin Mining Group Co., Ltd.\* , 2016 Corporate Bonds (the Second Tranche) of Zijin Mining Group Co., Ltd.\* and 2017 Renewable Corporate Bonds (the First Tranche) of Zijin Mining Group Co., Ltd.\* (publicly issued) were settled on schedule. The date of payment of the initial interest of 2018 Renewable Corporate Bonds (the First Tranche) of Zijin Mining Group Co., Ltd.\* (publicly issued) was 17 October 2019. No interest was payable during the reporting period.

### Use of proceeds raised from the corporate bonds

As at the date of this report, RMB5 billion of proceeds raised from 2016 Corporate Bonds (the First Tranche) of Zijin Mining Group Co., Ltd.\* has been fully used for supplementing working capital, and the unused balance of the proceeds is RMB0; RMB3 billion of proceeds raised from 2016 Corporate Bonds (the Second Tranche) of Zijin Mining Group Co., Ltd.\* has been fully used for supplementing working capital, and the unused balance of the proceeds is RMB0; RMB0.5 billion of proceeds raised from 2017 Renewable Corporate Bonds (the First Tranche) of Zijin Mining Group Co., Ltd.\* (publicly issued) has been fully used for supplementing working capital, and the unused balance of the proceeds is RMB0; RMB4.5 billion of proceeds raised from 2018 Renewable Corporate Bonds (the First Tranche) of Zijin Mining Group Co., Ltd.\* (publicly issued) has been fully used for supplementing working capital, and the unused balance of the proceeds is RMB0.

During the reporting period, the specific accounts for the proceeds raised were well operated.

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

As at 30 June 2020, the Company had issued medium-term notes with a carrying amount of RMB11.3 billion, ultra short-term financing bonds with a carrying amount of RMB3 billion and notes denominated in United States dollar with an aggregate face value of USD350 million. All the interest payments were settled on schedule.

## ACCOUNTING DATA AND FINANCIAL INDICATORS AS AT THE END OF THE REPORTING PERIOD AND AS AT THE END OF LAST YEAR (OR DURING THE REPORTING PERIOD AND DURING THE SAME PERIOD LAST YEAR)

Major indicators	As at the end of the reporting period	As at the end of last year	Change as at the end of the reporting period compared with as at the end of last year (%)	Reason for the change
Current ratio	70.60%	85.71%	Decreased by 15.11 percentage points	Adjustment to debt structure
Quick ratio	37.28%	41.09%	Decreased by 3.81 percentage points	Adjustment to debt structure
Debt-to-asset ratio (%)	60.30	53.91	Increased by 6.39 percentage points	Adjustment to debt structure
Loan repayment rate (%)	100.00	100.00	–	–

	During the reporting period (January – June)	During the same period last year	Change of the reporting period compared with the same period last year (%)	Reason for the change
EBITDA to interest coverage ratio	6.31	5.46	15.64	Adjustment to debt structure
Interest repayment ratio (%)	86.14	78.88	Increased by 7.26 percentage points	Adjustment to debt structure

## Others *(continued)*

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

### SUPPLEMENTAL INFORMATION

#### Explanation on the Relevant Matters of Corporate Governance

During the reporting period, the Company strictly followed the requirements of the “Company Law of the PRC”, “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 foreign laws and regulations, continuously improved the Company’s corporate governance structure, regulated the Company’s operation, and enhanced the Company’s corporate governance standard. Currently, the Company has already established a relatively sound corporate governance structure and corporate governance system.

#### The Execution of or Adjustment to the Profit Distribution Proposal During the Reporting Period

On 12 June 2020, the 2019 annual general meeting of the Company considered and approved the profit distribution proposal of the Company for 2019. On the basis of 25,377,259,946 shares as at 31 December 2019, final cash dividend of RMB1 per 10 shares (tax included) shall be paid to the qualified shareholders of the Company. The total distribution of cash dividend amounted to RMB2,537,725,994.6. The above profit distribution was completed on 17 July 2020.

For details of the profit distribution, please refer to the Company’s Notice of 2019 Annual General Meeting dated 14 May 2020 and the announcements disclosed on the HKEXnews website dated 25 May 2020 and 17 July 2020.

#### Interim Dividend

No interim dividend was declared for the six months ended 30 June 2020 (six months ended 30 June 2019: Nil).

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

Neither the Company nor any of its subsidiaries purchased, sold, redeemed or wrote off any of the Company’s listed securities for the six months ended 30 June 2020.

#### 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 the 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 the 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.

Save as disclosed above, for the six months ended 30 June 2020, 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 statements for the six months ended 30 June 2020 and further discussed the auditing, internal control and financial reporting matters. The audit and internal control committee considers that the Group’s financial statements for the six months ended 30 June 2020 are in compliance with the applicable accounting standards and relevant laws and regulations and has made sufficient disclosure.

## Others *(continued)*

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

### Independent Non-executive Directors

The Company complied with rules 3.10(1) and 3.10(2) of the Listing Rules, which provide that the Company should appoint a sufficient number of independent non-executive directors and that at least one of them must have appropriate professional qualifications or accounting or related financial management expertise. The Company appointed five independent non-executive Directors and one of them possesses accounting or related financial management expertise. Brief biographies of the independent non-executive Directors have been provided in the Company's 2019 annual report.

### Securities Transactions by the Directors and Supervisors

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as the model code for the trading of securities by the Directors and the Supervisors of the Company. The effective date was 23 December 2003. Having made specific 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 2020.

### Changes in the 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 2020.

### Appointment and Dismissal of Auditor

According to the resolution passed at the Company's 2019 annual general meeting, the Company reappointed Ernst & Young Hua Ming LLP as the Company's auditor for the year 2020.

### Important Events After the Reporting Period

Details of the Group's events after the reporting period are set out in Note XII to the financial statements. Save as disclosed in this report, there is no important event affecting the Group which occurred after the end of the reporting period to the date of this report.

### Contingent Liabilities

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

### Material Acquisitions, Disposals and Mergers

Save as disclosed in this report, the Company has no other material acquisition, disposal or merger of subsidiaries, associates and joint ventures during the reporting period.

### Assets Pledged or Charged of the Group

Details of the Group's pledged or charged assets as at 30 June 2020 are set out in Note V.64 to the financial statements.

### 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 Notes V.66 and VIII.3 to the financial statements.

## Others *(continued)*

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

### 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, 21 August 2020

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, Ms. Lin Hongying and Mister Xie Xionghui as executive directors, Mister Li Jian as non-executive director, and Messrs. Zhu Guang, Mao Jingwen, Li Changqing, He Fulong and Suen Man Tak 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 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

ASSETS	Note V	30 June 2020 (Unaudited)	31 December 2019 (Audited)
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	1	9,808,104,318	6,225,144,800
Held for trading financial assets	2	1,491,320,277	687,951,525
Trade receivables	3	1,001,354,194	944,115,730
Receivables financing	4	1,811,745,612	1,318,505,074
Prepayments	5	1,247,918,503	1,323,248,170
Other receivables	6	1,132,304,154	899,847,411
Inventories	7	16,684,316,867	14,886,554,158
Current portion of non-current assets	8	678,006,310	956,692,852
Other current assets	9	1,494,346,478	1,352,336,396
Total current assets		<b>35,349,416,713</b>	28,594,396,116
<b>NON-CURRENT ASSETS</b>			
Long-term equity investments	10	7,095,006,094	6,924,416,093
Other equity instrument investments	11	4,106,025,139	4,410,441,677
Other non-current financial assets	12	640,179,725	951,779,422
Investment properties	13	127,122,462	130,373,389
Fixed assets	14	38,416,158,075	38,624,766,390
Construction in progress	15	12,291,312,532	5,876,829,425
Right-of-use assets	16	316,324,575	354,772,381
Intangible assets	17	32,748,627,475	24,162,508,461
Goodwill	18	314,149,588	314,149,588
Long-term deferred assets	19	1,346,584,995	1,205,837,946
Deferred tax assets	20	920,495,723	836,666,816
Other non-current assets	21	16,133,236,948	11,444,009,515
Total non-current assets		<b>114,455,223,331</b>	95,236,551,103
<b>TOTAL ASSETS</b>		<b>149,804,640,044</b>	123,830,947,219

The accompanying notes to financial statements are an integral part of the financial statements.

## Consolidated Statement of Financial Position *(continued)*

As at 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

<b>LIABILITIES AND OWNERS' EQUITY</b>	Note V	<b>30 June 2020 (Unaudited)</b>	31 December 2019 (Audited)
<b>CURRENT LIABILITIES</b>			
Short-term borrowings	23	<b>18,309,136,784</b>	14,440,917,886
Held for trading financial liabilities	24	<b>1,487,828,736</b>	326,139,054
Bills payable	25	<b>1,263,893,820</b>	420,860,145
Trade payables	26	<b>4,431,074,566</b>	4,382,104,169
Contract liabilities	27	<b>555,956,075</b>	359,453,565
Employee benefits payable	28	<b>664,822,059</b>	852,297,934
Taxes payable	29	<b>1,476,374,260</b>	985,193,397
Other payables	30	<b>8,650,510,828</b>	5,326,849,819
Current portion of non-current liabilities	31	<b>10,219,991,726</b>	5,768,840,060
Other current liabilities	32	<b>3,013,277,260</b>	500,000,000
Total current liabilities		<b>50,072,866,114</b>	33,362,656,029
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings	33	<b>16,837,557,955</b>	13,826,221,524
Bonds payable	34	<b>12,765,020,819</b>	11,966,468,687
Lease liabilities	35	<b>254,634,090</b>	282,347,122
Long-term payables	36	<b>1,755,151,393</b>	1,201,391,669
Provision	37	<b>3,089,341,970</b>	2,927,712,283
Deferred income	38	<b>476,075,750</b>	496,720,164
Deferred tax liabilities	20	<b>5,088,686,671</b>	2,687,831,677
Total non-current liabilities		<b>40,266,468,648</b>	33,388,693,126
<b>TOTAL LIABILITIES</b>		<b>90,339,334,762</b>	66,751,349,155

*The accompanying notes to financial statements are an integral part of the financial statements.*

Consolidated Statement of Financial Position *(continued)*

As at 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

<b>LIABILITIES AND OWNERS' EQUITY</b> <i>(continued)</i>	Note V	<b>30 June 2020</b> <b>(Unaudited)</b>	31 December 2019 (Audited)
<b>EQUITY</b>			
Share capital	39	<b>2,537,725,995</b>	2,537,725,995
Other equity instruments	40	<b>4,985,500,000</b>	4,985,500,000
<i>Including: Renewable corporate bonds</i>		<b>4,985,500,000</b>	4,985,500,000
Capital reserve	41	<b>18,607,343,292</b>	18,690,342,400
Other comprehensive income	42	<b>(1,215,468,787)</b>	(473,929,209)
Special reserve	43	<b>185,549,034</b>	120,952,216
Surplus reserve	44	<b>1,319,401,104</b>	1,319,401,104
Retained earnings	45	<b>23,889,633,000</b>	24,005,972,520
Equity attributable to owners of the parent		<b>50,309,683,638</b>	51,185,965,026
Non-controlling interests		<b>9,155,621,644</b>	5,893,633,038
<b>TOTAL EQUITY</b>		<b>59,465,305,282</b>	57,079,598,064
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>149,804,640,044</b>	123,830,947,219

The financial statements were signed by the following:

Legal representative:

Principal in charge of accounting:

Head of accounting department:

**Chen Jinghe**

**Wu Honghui**

**Qiu Shoucai**

*The accompanying notes to financial statements are an integral part of the financial statements.*

## Consolidated Statement of Profit or Loss

For the six months ended 30 June 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

	Note V	For the six months ended 30 June 2020 (Unaudited)	For the six months ended 30 June 2019 (Unaudited)
<b>OPERATING INCOME</b>	46	<b>83,142,262,114</b>	67,198,395,835
Less: Operating costs	46	<b>74,016,285,931</b>	59,642,296,042
Taxes and surcharges	47	<b>1,186,119,620</b>	869,115,800
Selling expenses	48	<b>330,176,103</b>	629,077,911
Administrative expenses	49	<b>1,825,200,364</b>	1,858,045,581
Research and development expenses	50	<b>251,270,945</b>	134,560,641
Financial expenses	51	<b>918,149,434</b>	850,886,565
Including: Interest expenses		<b>1,164,881,403</b>	1,116,416,722
Interest income		<b>276,774,340</b>	234,767,888
Add: Other income	52	<b>151,750,120</b>	120,118,883
Investment income	53	<b>27,239,648</b>	57,950,947
Including: Share of profits of associates and joint ventures		<b>89,172,185</b>	10,772,724
(Losses)/Gains on changes in fair value	54	<b>(226,816,398)</b>	38,852,781
Credit impairment losses	55	<b>758,951</b>	(66,101,798)
Impairment losses on assets	56	<b>(211,397,991)</b>	(149,879,084)
Gains/(Losses) on disposal of non-current assets	57	<b>3,157,191</b>	(33,784)
<b>OPERATING PROFIT</b>		<b>4,359,751,238</b>	3,215,321,240
Add: Non-operating income	58	<b>53,508,572</b>	21,672,368
Less: Non-operating expenses	59	<b>318,742,296</b>	197,477,460
<b>PROFIT BEFORE TAX</b>		<b>4,094,517,514</b>	3,039,516,148
Less: Income tax expenses	60	<b>1,003,523,337</b>	800,346,358
<b>NET PROFIT</b>		<b>3,090,994,177</b>	2,239,169,790
Classification according to the continuity of operations			
Net profit from continuing operations		<b>3,090,994,177</b>	2,239,169,790
Attributable to:			
Owners of the parent		<b>2,421,386,475</b>	1,853,453,618
Non-controlling interests		<b>669,607,702</b>	385,716,172

The accompanying notes to financial statements are an integral part of the financial statements.

## Consolidated Statement of Profit or Loss *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

Note V	<b>For the six months ended 30 June 2020 (Unaudited)</b>	For the six months ended 30 June 2019 (Unaudited)
<b>NET OTHER COMPREHENSIVE INCOME AFTER TAX</b>		
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods		
Changes in fair value of other equity instrument investments	<b>(421,363,440)</b>	1,007,649,350
Other comprehensive income that may be reclassified to profit or loss in subsequent periods		
Hedging costs – forward elements	<b>(11,860,837)</b>	(43,791,312)
Exchange differences arising from translation of financial statements denominated in foreign currencies	<b>(308,315,301)</b>	49,899,721
Other comprehensive income attributable to owners of the parent	<b>(741,539,578)</b>	1,013,757,759
Other comprehensive income attributable to non-controlling interests	<b>75,951,090</b>	28,358,841
<b>Sub-total of net other comprehensive income after tax</b>	<b>(665,588,488)</b>	1,042,116,600
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>2,425,405,689</b>	3,281,286,390
Attributable to:		
Owners of the parent	<b>1,679,846,897</b>	2,867,211,377
Non-controlling shareholders	<b>745,558,792</b>	414,075,013
Earnings per share	61	
Basic earnings per share	<b>0.095</b>	0.080
Diluted earnings per share	<b>0.095</b>	0.080

*The accompanying notes to financial statements are an integral part of the financial statements.*

# Consolidated Statement of Changes in Equity

For the six months ended 30 June 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

(Unaudited)	Attributable to owners of the parent						Non-controlling interests	Total equity		
	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve			Retained earnings	Subtotal
I. Opening balance of the current year	2,537,725,995	4,985,500,000	18,690,342,400	(473,929,209)	120,952,216	1,319,401,104	24,005,972,520	51,185,965,026	5,893,633,038	57,079,598,064
II. Changes for the period	-	-	(82,999,108)	(741,539,578)	64,596,818	-	(116,339,520)	(876,281,388)	3,261,988,606	2,385,707,218
(I) Total comprehensive income	-	-	-	(741,539,578)	-	-	2,421,386,475	1,679,846,897	745,558,792	2,425,405,689
(II) Owners' contributions and reductions in capital	-	-	-	-	-	-	-	-	-	-
1. Capital contributed by owners	-	-	-	-	-	-	-	-	3,017,534,432	3,017,534,432
2. Others	-	-	(82,999,108)	-	-	-	-	(82,999,108)	(38,969,883)	(121,968,991)
(III) Profit distributions	-	-	-	-	-	-	(2,537,725,995)	(2,537,725,995)	(462,906,235)	(3,000,632,230)
1. Distributions to owners	-	-	-	-	-	-	-	-	-	-
(IV) Special reserve	-	-	-	-	321,479,365	-	-	321,479,365	24,368,274	345,847,639
1. Transferred to special reserve in the current period	-	-	-	-	(256,882,547)	-	-	(256,882,547)	(23,596,774)	(280,479,321)
2. Amount utilised in the current period	-	-	-	-	-	-	-	-	-	-
III. Closing balance of the current period	2,537,725,995	4,985,500,000	18,607,343,292	(1,215,468,787)	185,549,034	1,319,401,104	23,889,633,000	50,309,683,638	9,155,621,644	59,465,305,282

The accompanying notes to financial statements are an integral part of the financial statements.

## Consolidated Statement of Changes in Equity (continued)

For the six months ended 30 June 2019

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

(Unaudited)	Attributable to owners of the parent						Non-controlling interests	Total equity		
	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve			Retained earnings	Subtotal
I. Closing balance of the preceding year	2,303,121,889	4,985,500,000	11,094,766,390	(1,575,973,065)	147,393,497	1,319,401,104	22,181,224,459	40,455,434,274	6,818,278,428	47,273,712,702
II. Opening balance of the current period	2,303,121,889	4,985,500,000	11,094,766,390	(1,575,973,065)	147,393,497	1,319,401,104	22,181,224,459	40,455,434,274	6,818,278,428	47,273,712,702
III. Changes for the period	-	-	(106,104,499)	981,126,691	18,210,841	-	(417,037,203)	476,195,830	(729,769,811)	(253,573,981)
(I) Total comprehensive income	-	-	-	1,013,757,759	-	-	1,853,453,618	2,867,211,377	414,075,013	3,281,286,390
(II) Owners' contributions and reductions in capital	-	-	(106,104,499)	-	-	-	-	(106,104,499)	(950,118,874)	(1,056,223,373)
1. Capital contributed by owners	-	-	-	-	-	-	-	-	6,791,400	6,791,400
2. Others	-	-	(106,104,499)	-	-	-	-	(106,104,499)	(956,910,274)	(1,063,014,773)
(III) Profit distributions	-	-	-	-	-	-	(2,303,121,889)	(2,303,121,889)	(195,134,880)	(2,498,256,769)
1. Distributions to owners	-	-	-	-	-	-	(2,303,121,889)	(2,303,121,889)	(195,134,880)	(2,498,256,769)
(IV) Transfer within owners' equity	-	-	-	(32,631,068)	-	-	32,631,068	-	-	-
1. Other comprehensive income transferred to retained earnings	-	-	-	(32,631,068)	-	-	32,631,068	-	-	-
(V) Special reserve	-	-	-	-	18,210,841	-	-	18,210,841	1,408,930	19,619,771
1. Transferred to special reserve in the current period	-	-	-	-	239,724,095	-	-	239,724,095	22,773,740	262,497,835
2. Amount utilised in the current period	-	-	-	-	(221,513,254)	-	-	(221,513,254)	(21,364,810)	(242,878,064)
IV. Closing balance of the current period	2,303,121,889	4,985,500,000	10,988,661,891	(594,846,374)	165,604,338	1,319,401,104	21,764,187,256	40,931,630,104	6,088,508,617	47,020,138,721

The accompanying notes to financial statements are an integral part of the financial statements.

## Consolidated Statement of Cash Flows

For the six months ended 30 June 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

	Note V	For the six months ended 30 June 2020 (Unaudited)	For the six months ended 30 June 2019 (Unaudited)
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash receipts from sale of goods and rendering of services		<b>85,140,582,276</b>	69,697,273,879
Refund of taxes		<b>414,681,038</b>	277,435,263
Other cash receipts relating to operating activities	62	<b>332,087,338</b>	282,064,208
Sub-total of cash inflows from operating activities		<b>85,887,350,652</b>	70,256,773,350
Cash payments for goods purchased and services received		<b>73,243,627,872</b>	60,327,215,713
Cash payments to and on behalf of employees		<b>2,616,815,653</b>	2,270,770,365
Payments of various types of taxes		<b>2,486,111,182</b>	2,405,013,799
Other cash payments relating to operating activities	62	<b>1,065,718,777</b>	847,565,369
Sub-total of cash outflows used in operating activities		<b>79,412,273,484</b>	65,850,565,246
Net cash flows from operating activities	63	<b>6,475,077,168</b>	4,406,208,104
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Cash receipts from disposals and recovery of investments		<b>486,019,428</b>	395,293,030
Cash receipts from investment income		<b>25,023,858</b>	78,817,710
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		<b>16,803,857</b>	20,331,374
Other cash receipts relating to investing activities	62	<b>40,282,225</b>	633,831,259
Sub-total of cash inflows from investing activities		<b>568,129,368</b>	1,128,273,373
Cash payments for acquisitions or constructions of fixed assets, intangible assets and other long-term assets		<b>3,762,262,525</b>	3,815,716,103
Cash payments for acquisitions of investments		<b>10,749,748,329</b>	1,501,248,276
Other cash payments relating to investing activities	62	<b>2,673,286,438</b>	466,973,260
Sub-total of cash outflows used in investing activities		<b>17,185,297,292</b>	5,783,937,639
Net cash flows used in investing activities		<b>(16,617,167,924)</b>	(4,655,664,266)

The accompanying notes to financial statements are an integral part of the financial statements.

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

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

	Note V	<b>For the six months ended 30 June 2020 (Unaudited)</b>	For the six months ended 30 June 2019 (Unaudited)
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Cash receipts from capital contributions		<b>3,015,645,020</b>	5,291,400
<i>Including: Cash receipts from capital contributions from non-controlling shareholders of subsidiaries</i>		<b>3,015,645,020</b>	5,291,400
Cash receipts from borrowings		<b>16,157,262,230</b>	6,663,314,566
Cash receipts from the gold leasing business		<b>4,883,713,667</b>	3,159,475,582
Cash receipts from issuance of bonds		<b>3,064,790,364</b>	2,500,000,000
Cash receipts from issuance of ultra short-term financing bonds		<b>4,500,000,000</b>	1,000,000,000
Other cash receipts relating to financing activities	62	<b>172,504,927</b>	5,092,655
Sub-total of cash inflows from financing activities		<b>31,793,916,208</b>	13,333,174,203
Cash repayments of borrowings		<b>9,170,131,600</b>	5,848,818,265
Cash repayments of the gold leasing business		<b>2,846,128,117</b>	3,815,055,963
Cash repayments of bonds		–	2,697,470,000
Cash repayments of ultra short-term financing bonds		<b>2,000,000,000</b>	–
Cash payments for distribution of dividends or profits or settlement of interest expenses		<b>1,750,469,222</b>	1,338,114,297
<i>Including: Payments for distribution of dividends or profits to non-controlling shareholders of subsidiaries</i>		<b>469,014,817</b>	365,970,328
Other cash payments relating to financing activities	62	<b>2,807,885,568</b>	96,111,554
Sub-total of cash outflows used in financing activities		<b>18,574,614,507</b>	13,795,570,079
Net cash flows from/(used in) financing activities		<b>13,219,301,701</b>	(462,395,876)
<b>IV. EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>		<b>(24,221,274)</b>	(190,201,388)
<b>V. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	63	<b>3,052,989,671</b>	(902,053,426)
Add: Opening balance of cash and cash equivalents		<b>6,085,591,450</b>	9,932,838,151
<b>VI. CLOSING BALANCE OF CASH AND CASH EQUIVALENTS</b>	63	<b>9,138,581,121</b>	9,030,784,725

The accompanying notes to financial statements are an integral part of the financial statements.

## Company Statement of Financial Position

As at 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

<b>ASSETS</b>	Note XIV	<b>30 June 2020 (Unaudited)</b>	31 December 2019 (Audited)
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		<b>2,887,308,436</b>	2,243,044,214
Held for trading financial assets		<b>6,407,301</b>	10,235,923
Trade receivables	1	<b>549,227,577</b>	571,503,669
Receivables financing		<b>100,590,765</b>	321,021,579
Prepayments		<b>31,515,647</b>	46,092,085
Other receivables	2	<b>11,864,695,929</b>	10,392,972,218
Inventories		<b>67,095,306</b>	104,366,458
Other current assets		<b>133,146,364</b>	112,197,698
<b>Total current assets</b>		<b>15,639,987,325</b>	13,801,433,844
<b>NON-CURRENT ASSETS</b>			
Long-term equity investments	3	<b>41,804,187,046</b>	36,167,925,305
Other equity instrument investments		<b>232,137,696</b>	252,868,971
Fixed assets	4	<b>3,211,983,551</b>	3,383,189,644
Construction in progress	5	<b>466,269,916</b>	349,783,508
Right-of-use assets		<b>4,727,698</b>	5,403,083
Intangible assets	6	<b>265,990,069</b>	269,926,397
Long-term deferred assets	7	<b>199,451,993</b>	222,490,412
Deferred tax assets		<b>271,145,051</b>	270,686,426
Other non-current assets	8	<b>10,446,115,081</b>	10,684,801,932
<b>Total non-current assets</b>		<b>56,902,008,101</b>	51,607,075,678
<b>TOTAL ASSETS</b>		<b>72,541,995,426</b>	65,408,509,522

*The accompanying notes to financial statements are an integral part of the financial statements.*

## Company Statement of Financial Position *(continued)*

As at 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

LIABILITIES AND OWNERS' EQUITY	Note XIV	30 June 2020 (Unaudited)	31 December 2019 (Audited)
<b>CURRENT LIABILITIES</b>			
Short-term borrowings		7,092,507,184	5,709,142,525
Held for trading financial liabilities		800,700	12,717,000
Trade payables	10	451,361,644	491,559,077
Contract liabilities		792,483,420	268,076,168
Employee benefits payable		138,632,325	164,097,622
Taxes payable		86,585,893	44,831,289
Other payables		3,145,182,869	480,863,568
Current portion of non-current liabilities		8,270,779,106	5,472,546,130
Other current liabilities		3,086,039,759	572,762,498
<b>Total current liabilities</b>		<b>23,064,372,900</b>	13,216,595,877
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings		2,200,190,250	3,086,074,921
Bonds payable	11	9,227,932,841	9,540,399,486
Lease liabilities		3,772,734	4,246,294
Long-term payables	12	231,449,948	240,348,782
Provision		299,074,462	333,436,208
Deferred income		165,801,913	172,569,913
Deferred tax liabilities		21,570,014	27,096,829
Other non-current liabilities		177,193,187	177,193,188
<b>Total non-current liabilities</b>		<b>12,326,985,349</b>	13,581,365,621
<b>TOTAL LIABILITIES</b>		<b>35,391,358,249</b>	26,797,961,498
<b>EQUITY</b>			
Share capital		2,537,725,995	2,537,725,995
Other equity instruments		4,985,500,000	4,985,500,000
<i>Including: Renewable corporate bonds</i>		<i>4,985,500,000</i>	<i>4,985,500,000</i>
Capital reserve		20,662,750,813	20,662,750,813
Other comprehensive income		(138,157,310)	(119,160,647)
Surplus reserve		1,268,862,997	1,268,862,997
Retained earnings		7,833,954,682	9,274,868,866
<b>TOTAL EQUITY</b>		<b>37,150,637,177</b>	38,610,548,024
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>72,541,995,426</b>	65,408,509,522

The accompanying notes to financial statements are an integral part of the financial statements.

## Company Statement of Profit or Loss

For the six months ended 30 June 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

	Note XIV	For the six months ended 30 June 2020 (Unaudited)	For the six months ended 30 June 2019 (Unaudited)
<b>OPERATING INCOME</b>	13	<b>2,114,775,594</b>	2,258,045,302
Less: Operating costs	13	<b>1,057,785,007</b>	1,313,503,614
Taxes and surcharges		<b>125,679,308</b>	126,722,872
Selling expenses		<b>4,472,713</b>	9,890,221
Administrative expenses		<b>314,655,922</b>	270,628,051
Research and development expenses		<b>111,874,289</b>	81,196,955
Financial expenses	14	<b>205,822,153</b>	188,348,577
Including: Interest expenses		<b>500,961,640</b>	553,460,930
Interest income		<b>276,254,537</b>	369,096,738
Add: Other income		<b>23,482,643</b>	12,942,831
Investment income	16	<b>825,399,952</b>	582,774,889
Including: Share of profits of associates and joint ventures		<b>105,978,775</b>	73,637,566
Gains on changes in fair value		<b>14,107,677</b>	5,456,011
Credit impairment losses	15	<b>209,449</b>	(91,995,689)
Impairment losses on assets	15	<b>(2,861,192)</b>	–
Gains on disposal of non-current assets		<b>321,313</b>	27,031
<b>OPERATING PROFIT</b>		<b>1,155,146,044</b>	776,960,085
Add: Non-operating income		<b>660,013</b>	266,686
Less: Non-operating expenses		<b>20,526,750</b>	25,468,901
<b>PROFIT BEFORE TAX</b>		<b>1,135,279,307</b>	751,757,870
Less: Income tax expenses		<b>38,467,496</b>	26,130,787
<b>NET PROFIT</b>		<b>1,096,811,811</b>	725,627,083
Including: Net profit from continuing operations		<b>1,096,811,811</b>	725,627,083
<b>NET OTHER COMPREHENSIVE INCOME AFTER TAX</b>			
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods			
Changes in fair value of other equity instrument investments		<b>(18,996,663)</b>	(20,742,711)
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>1,077,815,148</b>	704,884,372

The accompanying notes to financial statements are an integral part of the financial statements.

# Company Statement of Changes in Equity

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

(Unaudited)	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total equity
I. Closing balance of the preceding year and opening balance of the current period	2,537,725,995	4,985,500,000	20,662,750,813	(119,160,647)	-	1,268,862,997	9,274,868,866	38,610,548,024
II. Changes for the period	-	-	-	(18,996,663)	-	-	(1,440,914,184)	(1,459,910,847)
(I) Total comprehensive income	-	-	-	(18,996,663)	-	-	1,096,811,811	1,077,815,148
(II) Profit distributions	-	-	-	-	-	-	(2,537,725,995)	(2,537,725,995)
1. Distributions to owners	-	-	-	-	-	-	-	-
(III) Special reserve	-	-	-	-	-	-	-	-
1. Transferred to special reserve in the current period	-	-	-	-	85,593,229	-	-	85,593,229
2. Amount utilised in the current period	-	-	-	-	(85,593,229)	-	-	(85,593,229)
III. Closing balance of the current period	2,537,725,995	4,985,500,000	20,662,750,813	(138,157,310)	-	1,268,862,997	7,833,954,682	37,150,637,177

*The accompanying notes to financial statements are an integral part of the financial statements.*

## Company Statement of Changes in Equity *(continued)*

For the six months ended 30 June 2019

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

(Unaudited)	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total equity
I. Closing balance of the preceding year	2,303,121,889	4,985,500,000	13,057,926,951	(79,283,749)	-	1,151,560,944	10,534,289,401	31,953,115,436
Add: Changes in accounting policies	-	-	-	-	-	-	-	-
II. Opening balance of the current period	2,303,121,889	4,985,500,000	13,057,926,951	(79,283,749)	-	1,151,560,944	10,534,289,401	31,953,115,436
III. Changes for the period	-	-	-	(20,742,711)	-	-	(1,577,494,806)	(1,598,237,517)
(i) Total comprehensive income	-	-	-	(20,742,711)	-	-	725,627,083	704,884,372
(ii) Profit distributions	-	-	-	-	-	-	(2,303,121,889)	(2,303,121,889)
1. Distributions to owners	-	-	-	-	-	-	(2,303,121,889)	(2,303,121,889)
(iii) Special reserve	-	-	-	-	-	-	-	-
1. Transferred to special reserve in the current period	-	-	-	-	97,293,430	-	-	97,293,430
2. Amount utilised in the current period	-	-	-	-	(97,293,430)	-	-	(97,293,430)
IV. Closing balance of the current period	2,303,121,889	4,985,500,000	13,057,926,951	(100,026,460)	-	1,151,560,944	8,956,794,595	30,354,877,919

*The accompanying notes to financial statements are an integral part of the financial statements.*

## Company Statement of Cash Flows

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

	Note XIV	For the six months ended 30 June 2020 (Unaudited)	For the six months ended 30 June 2019 (Unaudited)
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash receipts from sale of goods and rendering of services		<b>3,023,336,826</b>	2,395,964,533
Other cash receipts relating to operating activities		<b>143,130,318</b>	85,018,931
Sub-total of cash inflows from operating activities		<b>3,166,467,144</b>	2,480,983,464
Cash payments for goods purchased and services received		<b>764,081,173</b>	1,045,972,949
Cash payments to and on behalf of employees		<b>366,320,243</b>	308,846,337
Payments of various types of taxes		<b>222,942,581</b>	269,975,358
Other cash payments relating to operating activities		<b>166,032,835</b>	171,287,477
Sub-total of cash outflows used in operating activities		<b>1,519,376,832</b>	1,796,082,121
Net cash flows from operating activities	17	<b>1,647,090,312</b>	684,901,343
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Cash receipts from disposals and recovery of investments		–	222,884,276
Cash receipts from investment income		<b>772,485,950</b>	414,757,582
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		<b>285,848</b>	155,000
Other cash receipts relating to investing activities		<b>2,254,571,952</b>	2,241,187,796
Sub-total of cash inflows from investing activities		<b>3,027,343,750</b>	2,878,984,654
Cash payments for acquisitions or constructions of fixed assets, intangible assets and other long-term assets		<b>232,200,392</b>	325,573,146
Cash payments for acquisitions of investments		<b>5,698,338,664</b>	121,000,000
Other cash payments relating to investing activities		<b>2,988,681,700</b>	–
Sub-total of cash outflows used in investing activities		<b>8,919,220,756</b>	446,573,146
Net cash flows (used in)/from investing activities		<b>(5,891,877,006)</b>	2,432,411,508

The accompanying notes to financial statements are an integral part of the financial statements.

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

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

	Note XIV	For the six months ended 30 June 2020 (Unaudited)	For the six months ended 30 June 2019 (Unaudited)
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Cash receipts from issuance of bonds		2,000,000,000	2,500,000,000
Cash receipts from issuance of ultra short-term financing bonds		4,500,000,000	1,000,000,000
Cash receipts from borrowings		55,500,000	240,000,000
Cash receipts from the gold leasing business		3,205,538,372	1,771,808,500
Other cash receipts relating to financing activities		104,975,576	156,446,313
Sub-total of cash inflows from financing activities		9,866,013,948	5,668,254,813
Cash repayments of borrowings		556,405,700	998,955,330
Cash repayments of the gold leasing business		1,827,426,500	2,469,068,100
Cash repayments of bonds		–	2,697,470,000
Cash repayments of ultra short-term financing bonds		2,000,000,000	–
Cash payments for distribution of dividends or profits or settlement of interest expenses		391,112,863	404,820,350
Other cash payments relating to financing activities		19,797,957	68,452,019
Sub-total of cash outflows used in financing activities		4,794,743,020	6,638,765,799
Net cash flows from/(used in) financing activities		5,071,270,928	(970,510,986)
<b>IV. EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>		(20,251,458)	(20,407,820)
<b>V. NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	17	806,232,776	2,126,394,045
Add: Opening balance of cash and cash equivalents		1,556,787,424	3,126,335,183
<b>VI. CLOSING BALANCE OF CASH AND CASH EQUIVALENTS</b>	17	2,363,020,200	5,252,729,228

*The accompanying notes to financial statements are an integral part of the financial statements.*

# Notes to Financial Statements

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

## I. CORPORATE INFORMATION

Zijin Mining Group Company Limited\* (the "Company") is a joint stock limited liability company, registered in Fujian Province of the People's Republic of China (the "PRC") on 6 September 2000, under the "Company Law of the People's Republic of China" (the "Company Law"). The Company's 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 ("Xinhua Industrial"), 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 (the "CSRC") on 18 November 2003, the Company publicly issued 400,544,000 overseas listed foreign shares with a nominal value of RMB0.1 per share at an issue price of Hong Kong dollar ("HKD") 3.3 (approximately RMB3.516) per share; and Minxi Xinghang, Fujian Gold Group and Minxi Geological Team sold their 36,413,090 state-owned shares at an issue price of HKD3.3 (approximately RMB3.516) per share. As a result of the 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 CSRC ([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, 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.

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 shares for every 10 existing shares based on the total number of issued shares of 14,541,309,100 as at the end of 2010.

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

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 considered and 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. 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 considered and 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. 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 considered and 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. As at 31 December 2015, the aggregate number of repurchased H Shares reached 29,570,000.

The Company further repurchased H Shares on 13 January 2016. As at 31 December 2016, the aggregate number of repurchased H Shares reached 2,500,000.

Pursuant to the second Extraordinary General Meeting in 2016 of the Company held on 25 August 2016 and Approval for Non-public Issuance of A Shares of Zijin Mining Group Co., Ltd.\* (Zheng Jian Xu Ke [2017] No. 289) issued by the CSRC on 9 May 2017, the Company non-publicly issued 1,490,475,241 ordinary A Shares (with par value of RMB0.1) at an issuance price of RMB3.11 per share on 23 May 2017. The Company's registered capital was then changed to RMB2,303,121,889.

Pursuant to the first Extraordinary General Meeting in 2019 of the Company held on 12 April 2019 and Approval for Public Issuance of A Shares of Zijin Mining Group Co., Ltd.\* (Zheng Jian Xu Ke [2019] No. 1942) issued by the CSRC on 28 October 2019, the Company publicly issued 2,346,041,055 ordinary A Shares (with par value of RMB0.1) at an issuance price of RMB3.41 per share on 21 November 2019. The Company's registered capital was then changed to RMB2,537,725,995.

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 service on information and technology systems; 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 generation; investment in the 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, underground mining of copper; 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; tourist accommodations (only for branches). (Items which require approvals under the law shall be subject to the approval from the relevant departments before the commencement of business).

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

The financial statements were approved by the Company's board of directors on 21 August 2020.

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

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

### II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements were prepared in accordance with the Basic Standards and the Specific Standards of the Accounting Standards for Business Enterprises (“ASBE”) issued by the Ministry of Finance (“MOF”), 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. Held for sale disposal groups are presented at the lower of book value and net amount of the fair value less the selling expenses. Where assets are impaired, provisions for asset impairment are made in accordance with the relevant requirements.

As at 30 June 2020, the Group recorded current assets of RMB35,349,416,713 and current liabilities of RMB50,072,866,114. 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 sources in assessing whether the Group will have sufficient financial resources to continue as a going concern, mainly including that the Group generates sufficient net cash flows from operating activities and has sufficient bank line 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 operation and production characteristics, which are mainly reflected in provisions for expected credit losses for financial assets, inventory costing methods, depreciation methods for fixed assets, amortisation methods for intangible assets, recognition and measurement of income and so on.

#### 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 the Group’s financial position as at 30 June 2020, and the Company’s and the Group’s financial performance and cash flows for the six months ended 30 June 2020.

#### 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 the primary economic environments in which they operate. The Group adopts RMB to prepare its financial statements.

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

#### 4. Business combination

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, and the other combining enterprise(s) is (are) the merged party (parties). The combination date is the date on which the merging party actually obtains control of the merged party (parties).

Assets and liabilities (including goodwill arising from the acquisition of the merged party by the ultimate controlling party) obtained 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) 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, and the other combining enterprise(s) is (are) the acquiree(s). The combination date is the date on which the acquirer actually obtains control of the acquiree(s).

The acquiree's identifiable assets, liabilities and contingent liabilities acquired by the acquirer in a business combination not involving enterprises under common control 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 long-term equity investment of the acquiree held prior to the acquisition date is remeasured at the fair value on the acquisition date and any difference between fair value and book value is recognised in profit or loss for the current period. For the other comprehensive income generated under the equity method from the long-term equity investment of the acquiree held prior to the acquisition date, the same accounting treatment of which the investee directly disposes of the related assets and liabilities should be used, and changes in owners' equity other than net profit or loss, other comprehensive income and profits distribution are recognised in profit or loss when the investments are disposed of. For other equity instrument investment of the acquiree held prior to the acquisition date, its accumulated changes in fair value in other comprehensive income before the acquisition date are transferred to retained earnings.

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

#### 5. Consolidation of financial statements

The scope of consolidation in the consolidated financial statements is determined on the basis of control. The consolidated financial statements include the financial statements of the Company and its subsidiaries. A subsidiary is an entity (including an entity, a separable part of an investee, and the structured entities controlled by the Company) which is under the control of the Company.

The accounting policies and accounting periods of the Company and its 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 the 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.

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. Classification of joint arrangement and joint operation

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

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

#### 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.

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

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

The Group's foreign currency transactions are recorded in the respective functional currencies 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.

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 from 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 from translation of financial statements in other comprehensive income of foreign operations is reclassified to profit or loss for the current period. 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 form the financial assets of one entity, and at the same time form 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.

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's account and consolidated statement of financial position) when:

- (1) the rights to receive cash flows from the financial asset have expired; or
- (2) the Group has transferred its rights to receive cash flows from the financial asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) has transferred substantially all the risks and rewards of the financial asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the financial asset.

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

All regular means of purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular means of purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace pursuant to the provisions of the terms of an agreement. Trade date is the date that the Group commits to purchase or sell the financial asset.

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

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

##### **Classification and measurement of financial assets**

At initial recognition, the classification of financial assets depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them: financial assets at fair value through profit or loss, financial assets at amortised cost and financial assets at fair value through other comprehensive income. All affected related financial assets will be reclassified only if the Group changes its business model for managing financial assets.

Financial assets are measured at fair value on initial recognition, but trade receivables or bills receivable arising from the sale of goods or rendering of services that do not contain significant financing components or for which the Group does not consider the effect of a significant financing component due within one year, are initially measured at the transaction price.

For financial assets at fair value through profit or loss, transaction costs are immediately recognised in profit or loss for the current period. For other financial assets, transaction costs are included in their initial recognised amounts.

Subsequent measurement of financial assets is determined by its classification:

##### *Financial assets at amortised cost (debt instrument investments)*

The Group measures financial assets at amortised cost if both of the following conditions are met: the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income of this kind of financial assets is recognised using the effective interest method. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

##### *Financial assets at fair value through other comprehensive income (debt instrument investments)*

The Group measures financial assets at fair value through other comprehensive income if both of the following conditions are met: the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income of such financial assets is recognised based on effective interest method. Changes in fair values are recognised in other comprehensive income except that interest income, impairment losses and exchange differences are recognised in current profit or loss. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is transferred to the profit or loss.

##### *Financial assets at fair value through other comprehensive income (equity instrument investments)*

The Group irrevocably chooses to designate some instrument investments of non-trading nature as financial assets at fair value through other comprehensive income. Only relevant dividend income (excluding dividend income explicitly recovered as part of investment cost) is recognised in profit or loss, and subsequent changes in fair value are included in other comprehensive income without provision for impairment. When financial assets are derecognised, the accumulated gains or losses previously recognised in other comprehensive income are transferred from other comprehensive income and recognised in retained earnings.

##### *Financial assets at fair value through profit or loss*

The financial assets other than the above financial assets measured at amortised cost and financial assets at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Such financial assets are subsequently measured at fair value with changes in fair value recognised in profit or loss, except for the financial assets accounted for under hedge accounting.

When an enterprise initially designates a financial asset as a financial asset at fair value through profit or loss, it cannot be reclassified to other financial assets; other financial assets cannot be re-designated after initial recognition as financial assets at fair value through profit or loss.

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

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

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

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

In accordance with the above conditions, the Group's designated financial assets mainly consist of equity instrument investments of non-trading nature which are irrevocably designated as financial assets at fair value through other comprehensive income.

##### **Classification and measurement of financial liabilities**

On initial recognition, financial liabilities of the Group are classified as financial liabilities at fair value through profit or loss and other financial liabilities. For financial liabilities at fair value through profit or loss, the relevant transaction costs are directly recognised in profit or loss for the current period, and the related transaction costs of other financial liabilities are recognised in their initial amount.

Subsequent measurement of financial liabilities is determined by its classification:

###### *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include held for trading financial liabilities (including derivative instruments attributable to financial liabilities) and financial liabilities designated upon initial recognition as at fair value through profit or loss. Held for trading financial liabilities (including derivative instruments attributable to financial liabilities) are subsequently measured at fair value. All changes in fair value of such financial liabilities are recognised in profit or loss, except for the derivatives designated as hedging instruments. Financial liabilities designated at fair value through profit or loss are subsequently measured at fair value and gains or losses are recognised in profit or loss, except for the gains or losses arising from changes in the Group's own credit risk which are presented in other comprehensive income. If gains or losses arising from changes in the Group's own credit risk which are presented in other comprehensive income will lead to or expand accounting mismatch in profit or loss, the Group will include all the changes in fair value (including the amount affected by changes in the Group's own credit risk) of such financial liabilities in profit or loss.

Only if one of the following conditions is met can financial liabilities be designated as financial liabilities at fair value through profit or loss on initial recognition:

- (1) It can eliminate or significantly reduce accounting mismatch.
- (2) The formal written document of risk management or investment strategy has stated that the portfolio of financial instruments is managed, evaluated and reported to key managers on the basis of fair value.
- (3) A hybrid instrument that contains one or more embedded derivatives, unless the embedded derivatives have no significant change in the cash flow of the hybrid instrument, or the embedded derivatives should obviously not be separated from the related hybrid instruments.
- (4) Hybrid instruments containing embedded derivatives that need to be split but cannot be measured separately at the time of acquisition or on subsequent dates of statement of financial position.

When an enterprise designates a financial liability as a financial liability at fair value through profit or loss on initial recognition, it cannot be reclassified as other financial liabilities; nor can other financial liabilities be re-designated as financial liabilities at fair value through profit or loss after initial recognition.

In accordance with the above conditions, the Group's designated financial liabilities mainly consist of financial liabilities designated as financial liabilities at fair value through profit or loss and derivatives designated as effective hedging instruments.

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

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

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

###### *Other financial liabilities*

For such financial liabilities, subsequent measurement is made at amortised cost using effective interest method.

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

Based on expected credit losses, the Group undertakes impairment treatment and confirms loss provisions of financial assets at amortised cost, debt instrument investments at fair value through other comprehensive income, lease receivables and financial guarantee contracts.

For trade receivables and contract assets that do not contain significant financing components, the Group uses a simplified measurement approach to measure loss provisions in accordance with the amount of expected credit losses equivalent to the entire lifetime.

For lease receivables, trade receivables and contract assets with significant financing components, the Group chooses to use a simplified measurement approach to measure loss provisions in accordance with the amount of expected credit losses equivalent to the lifetime expected credit losses.

For financial assets and financial guarantee contracts other than those measured with simplified approach, the Group evaluates at each date of statement of financial position whether its credit risk has significantly increased since initial recognition. The period during which credit risk has not significantly increased since initial recognition is considered the first stage, at which the Group shall measure loss provision based on the amount of expected credit losses for the next 12 months and shall compute interest income according to the book value and effective interest rate; the period during which credit risk has significantly increased since initial recognition although no credit impairment has occurred is considered the second stage, at which the Group shall measure loss provision based on the amount of expected credit losses for the entire valid period and shall compute interest income according to the book value and effective interest rate; the period during which credit impairment has occurred after initial recognition is considered the third stage, at which the Group shall measure loss provision based on the amount of expected credit losses for the entire period and shall compute interest income according to the amortised cost and effective interest rate. For financial instruments with relatively low credit risk at the date of statement of financial position, the Group assumes its credit risk has not significantly increased since initial recognition.

The Group evaluates the expected credit losses of financial instruments on a single and combined basis. Taking into account the credit risk characteristics of different customers, the Group evaluates the expected credit losses of trade receivables based on the ageing portfolio.

Please refer to Note VIII.3 for the disclosure of the Group's criteria for judging the significant increase in credit risk, the definition of credit-impaired financial assets, and the assumption of measuring expected credit losses, etc.

When the Group no longer reasonably expects to be able to recover all or part of the contractual cash flows of the financial assets, the Group will write off the book value of the financial assets directly.

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

Financial assets and financial liabilities are offset and the net amount is recognised 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 fair value through profit and loss are measured at the higher of the expected credit loss amount recognised on the date of statement of financial position and the balance of the initial recognition amount after deducting the accumulated amortisation amount recognised according to the revenue recognition principle.

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

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

##### Derivatives

The Group uses derivative financial instruments, such as forward exchange contracts for mitigating foreign exchange rate fluctuation risk, forward commodity contracts for hedging price fluctuation risk, and interest rate swap contracts for mitigating interest rate 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.

Except for those subject to hedge accounting, gains or losses arising from changes in the fair value of derivatives are directly recognised in profit or loss for the current period.

##### 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 the financial guarantee is the maximum amount of consideration that the Group could be required to repay.

#### 10. Inventories

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

Inventories are initially measured at cost. Cost of inventories comprises all costs of purchase, costs of processing 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 are amortised using the units-of-production method, and for some spare parts with a great value such as anode plates and lining boards, they are amortised over their actual useful lives).

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 six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

#### 11. Held for sale non-current assets or disposal groups

A non-current asset or disposal group is classified as held for sale when its carrying amount will be recovered principally through a sale transaction rather than through continuous use. The following conditions need to be simultaneously met to be classified as held for sale: according to the practice of selling such assets or disposal groups in similar transactions, they can be sold immediately under current conditions; the sale is highly likely, that is, the Company has already made a sale plan, a resolution is made and a certain purchase commitment is obtained. It is expected that the sale will be completed within one year (approval has been obtained where the relevant regulations require the relevant authorities of the enterprise or the supervisory authorities to approve the sale). If the control of the subsidiary is lost due to the sale of the subsidiary, etc., whether part of the equity investment is retained after the sale or not, and the conditions for holding for sale are satisfied, the investment in the subsidiary will be presented to held for sale in the individual financial statements and all assets and liabilities of the subsidiary are to be classified into held for sale in the consolidated financial statements.

For non-current assets or disposal groups held for sale (other than financial assets and deferred tax assets), if book value is higher than the fair value less the sale expenses, the book value is reduced to the fair value less costs to sell. The amount of the write-down is recognised as a loss, which is recognised in profit or loss for the current period, and the provision for impairment of held for sale assets is made. Held for sale non-current assets or non-current assets in disposal groups are not depreciated or amortised.

#### 12. Long-term equity investments

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

A long-term equity investment is initially measured at its cost. For a long-term equity investment acquired through business combination involving enterprises under common control, the initial investment cost of the long-term equity investment is the attributable share of the carrying amount of the owners' equity of the 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 the 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 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. All accumulated fair value changes charged into other comprehensive income of equity investments held before acquisition date classified as financial instruments are transferred to retained earnings when cost method is adopted. 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.

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.

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 requires 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.

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

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

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

Under the equity method, 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 the 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 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 owners' 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 the equity method, if the equity method is not applied any more due to disposal, the same accounting treatment which the investee directly disposes of 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 for the current period. If the equity method is still applied, the same accounting treatment for 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 six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall 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.

A mining asset (included in Note V.14 Fixed assets) is depreciated over its useful life using the straight-line method, or depreciated over its designated estimated production using the units-of-production method; an asset formed by work safety fund and production maintenance fund is depreciated one time. Other fixed assets are depreciated over their useful lives using the straight-line method, except the fixed assets of the joint operation, Barrick (Niugini) Limited ("BNL") are depreciated by using the 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:

	<b>Depreciation period</b>	<b>Estimated net residual value rate</b>	<b>Annual depreciation rate</b>
Buildings	8-50 years	0%-5%	1.90%-12.50%
Mining assets	5-40 years	0%-5%	2.38%-20.00%
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%
Land	Permanent	N/A	N/A

The Group reviews the useful life, estimated net residual value of a fixed asset and the depreciation method applied at least once at each financial year-end, and adjusts for any 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 six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall 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, include interest, amortisation of discounts or premiums, ancillary expenses and exchange differences arising from foreign currency borrowings, etc.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised when expenditures for such assets fulfill the conditions of capitalisation, whereas other borrowing costs are recorded in profit or loss 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 for its intended use or sale have commenced.

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

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

- (1) Where funds are borrowed under a specific-purpose borrowing, the amount of interest to be capitalised shall be the actual interest expense less any bank interest earned from depositing the borrowed funds or any investment income on the temporary investment of these funds;
- (2) Where funds are borrowed under general-purpose 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 is resumed.

#### 17. Right-of-use assets

Right-of-use assets of the Group mainly consist of buildings, power generation and transmission equipment, plant, machinery and equipment, motor vehicles, furniture and fixtures and others.

At the commencement date of the lease, the Group recognises the right to use the leased assets during the lease term as a right-of-use asset, including: the initial measurement amount of the lease liability; the amount of lease payment paid on or before the beginning of the lease term, the amount of lease incentive already enjoyed shall be deducted if there is a lease incentive; initial direct expenses incurred by the lessee; the costs that the lessee is expected to incur in order to dismantle and remove the leased asset, restore the leased asset to the site or restore the leased asset to the state agreed upon in the lease terms. The right-of-use assets are depreciated on a straight-line basis subsequently by the Group. If the Group is reasonably certain that the ownership of the underlying asset will be transferred to the Group at the end of the lease term, the Group depreciates the asset from the commencement date to the end of the useful life of the asset. Otherwise, the Group depreciates the assets from the commencement date to the earlier of the end of the useful life of the asset or the end of the lease term.

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

#### 17. Right-of-use assets *(continued)*

The Group remeasures the lease liability at the present value of the revised lease payments and adjusts the carrying amount of the right-of-use assets accordingly. When the carrying amount of the right-of-use asset is reduced to zero, and there is a further reduction in the measurement of the lease liability, the Group recognises the remaining amount of the remeasurement in profit or loss for the current period.

#### 18. Intangible assets

Intangible assets are recognised and measured on initial recognition at cost only if the related economic benefits will probably flow into the Group and their costs can be measured reliably. However, the intangible assets acquired through business combination not involving enterprises under common control should be measured at fair value separately as intangible assets when their fair values can be reliably measured.

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

A mining right (included in Note V.17 Intangible assets) is amortised using the units-of-production method. An exploration right will not be amortised until it is transferred to a 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:

	<b>Useful life</b>
Land use rights	30-50 years
Membership of Shanghai Gold Exchange	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 life and amortisation method at least once at each financial year-end, and makes adjustments when necessary.

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

Exploration expenditure is recognised as other non-current assets at the net amount of 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 or externally acquired mineral properties, and costs of drilling, trench sampling and other associated activities. Such expenditures may be capitalised when the mineral properties are reasonably proved to be commercially available and recognised as intangible assets 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.

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

#### 19. Impairment of assets

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

The Group assesses at each 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 least at each year-end, irrespective of whether there is any indication occurring. 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 which are expected to benefit from the synergies of the combination and is not larger than a reported segment of 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 in relation to goodwill, 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 of the above-mentioned asset is recognised, it shall not be reversed in any subsequent period.

#### 20. 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, whereas other long-term deferred assets are amortised over their estimated useful lives.

#### 21. Employee benefits

Employee benefits are all types of benefits except share-based payments 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 services 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.

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

#### 21. Employee benefits *(continued)*

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

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

##### **Termination benefits**

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

#### 22. Lease liabilities

At the commencement date of the lease period, the Group recognises the present value of outstanding lease payments as a lease liability, excluding short-term leases and leases of low-value assets. The Group adopts the interest rate implicit in the lease as the discount rate to calculate the present value of the lease payments. Where the interest rate implicit in the lease cannot be determined, the incremental borrowing rate of the lessee shall be used as the discount rate. The Group calculates the interest expense of the lease liability during each period of the lease term in accordance with the constant periodic rate of interest and recognises it in profit and loss for the current period, except otherwise stipulated in the cost of related assets. The variable lease payment that is not included in the measurement of lease liabilities is recognised in the profit and loss for the current period when it actually occurs, except that it is otherwise stipulated to be included in the cost of relevant assets.

After a lease term commences, when there is a change in the amount of in-substance fixed lease payments, a change in the amounts expected to be payable under a residual value guarantee, a change in future lease payments resulting from a change in an index or a rate used to determine those payments, a change in assessment of an option to purchase the underlying asset, renew or terminate the lease, or change in the actual exercise of an option, the Group remeasures the carrying amount of the lease liability by discounting the revised lease payments.

#### 23. 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.

The amount initially 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 estimate of the contingency, the contingent liability would be adjusted according to the best estimated amount.

The contingent liabilities of the acquiree acquired in the business combination not involving enterprises under common control are measured at fair value at initial recognition. After initial recognition, contingent liabilities are subsequently measured at the higher of: the amount that would be recognised based on provisions and the balance of the amount initially recognised less the cumulative amortisation determined by the income recognition principle.

#### 24. Other equity instruments

The Group has the right to extend for an unlimited number of times the renewable corporate bonds issued by the Group after maturity, and the Group has the right to defer payment for the interest at the nominal interest rate of the renewable corporate bonds. The Group has no contractual obligation to pay cash or other financial assets. Hence the renewable corporate bonds are classified as equity instruments.

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

#### 25. Revenue from contracts with customers

The Group recognises revenue when it has fulfilled its obligations under the contract, i.e., when the customer acquires control of relevant goods or services. Acquiring control over the goods or services refers to the ability to dominate the use of the goods or the provision of services and to derive almost all the economic benefits therefrom.

##### **Contracts for sale of goods**

The contracts for the sale of goods between the Group and its customers usually only contain the performance obligations for the transfer of goods. The Group generally recognises revenue at the point of transfer of the control of goods on the basis of a combination of the following factors: the current right to collect the goods, the transfer of major risks and benefits in the ownership of the goods, the transfer of the legal ownership of the goods, the transfer of physical assets of the goods and that the customers have accepted the goods.

##### **Contracts for rendering of services**

A contract for the rendering of services between the Group and the customer usually includes performance obligations such as engineering construction management, engineering design consulting and so on. Because the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs, and the Group has an enforceable right to payment for performance completed to date, the revenue is recognised over time only if the Group can reasonably measure its progress towards the complete satisfaction of the performance obligation. The Group uses the output method and determines the progress towards the complete satisfaction of the rendering of services on the basis of performance completed to date. If the progress towards the complete satisfaction of the performance obligation cannot be reasonably measured, but the Group expects to recover the costs incurred in satisfying the performance obligation, the revenue is recognised only to the extent of the costs incurred until such time that the Group can reasonably measure the progress towards the complete satisfaction of the performance obligation.

##### **Principal/agent**

When the Group obtains control of trade goods from a third party and then transfers them to the customer, the Group is entitled to determine the transaction price of the trade goods on its own, that is, the Group controls the trade goods before they are transferred to the customer. Thus, the Group is a principal and recognises revenue in the gross amount of consideration received or receivable. Otherwise, the Group is an agent and recognises revenue in the amount of any fee or commission to which it expects to be entitled from the customer. The amount is the net amount of the gross consideration received or receivable after paying the other party the consideration received in exchange for the goods to be provided by that party or determined by the agreed-upon amount or proportion of commissions, etc.

#### 26. Contract assets and contract liabilities

The Group presents contract assets or contract liabilities on the statement of financial position depending on the relationship between contractual performance obligations and customer payments. The Group offsets the contract assets and contract liabilities under the same contract and presents the net amount.

##### **Contract assets**

A contract asset is the right to consideration in exchange for goods or services that the Group has transferred to a customer, and that right is conditioned on something other than the passage of time.

##### **Contract liabilities**

The obligation to transfer products to customers in connection with customer consideration received or receivable is presented as contract liabilities, for example, amounts received prior to the transfer of the promised products.

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

#### 27. 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.

The method applicable to the Group's government grants is the gross method.

Government grants related to income shall be accounted for accordingly as follows: those to be used as compensation for future expenses or losses shall be recognised as deferred income and recorded in profit or loss or offset against the related costs over the period when the related expenses or losses are recognised; those to be used as compensation for related expenses or losses already incurred shall be recognised directly in profit or loss or offset against the related costs.

Government grants related to assets shall be recognised as deferred income to be recognised in profit or loss on a reasonable and systematic basis over the useful lives of the assets (However, government grants measured at a nominal amount shall be recognised directly in profit or loss for the current period). If the assets are sold, transferred, scrapped or destroyed before the end of their useful lives, the balances of undistributed deferred income shall be reclassified to profit or loss over the period when the assets are disposed of.

#### 28. Income tax

The income tax includes 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; and when they arise from business combinations, in which case they adjust the carrying amount of goodwill.

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

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

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

- (1) 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 affect neither the accounting profit, taxable profit or loss nor deductible losses at the time of the transaction.
- (2) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, 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 affect neither the accounting profit, taxable profit or loss nor deductible losses at the time of the transaction.
- (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.

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

#### 28. Income tax *(continued)*

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 liabilities are 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 benefits of deferred tax assets to be utilised.

#### 29. Leases

##### Identification of leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset or group of identified assets for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset.

##### Identification of separate lease components

For a contract that contains multiple separate lease components, the Group separates the components of the contract and accounts for each separate lease component. The right to use an underlying asset is a separate lease component if both of the following conditions are satisfied:

- (1) the lessee can benefit from use of the underlying asset either on its own or together with other resources that are readily available to the lessee; and
- (2) the underlying asset is neither highly dependent on, nor highly interrelated with, the other underlying assets in the contract.

##### Separating lease components and non-lease components

For a contract that contains lease components and non-lease components, the Group, as a lessor or a lessee, does not separate the lease components and non-lease components and combined them into leases for accounting.

##### Assessment of the lease term

The lease term is the non-cancellable period of a lease for which the Group has the right to use an underlying asset. If the Group has an option to extend the lease, that is, the Group has the right to extend the lease, and is reasonably certain to exercise that option, the lease term also includes periods covered by an option to extend the lease. If the Group has an option to terminate the lease, that is, the Group has the right to terminate the lease, but is reasonably certain not to exercise that option, the lease term includes periods covered by an option to terminate the lease. The Group reassesses whether it is reasonably certain to exercise an extension option, purchase option, or not to exercise a termination option, upon the occurrence of either a significant event or a significant change in the circumstances that is within the control of the Group and affects whether the Group is reasonably certain to exercise an option.

##### As lessee

The general accounting treatment of the Group as a lessee is shown in Note III.17 and Note III.22.

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

#### 29. Leases *(continued)*

##### **As lessee** *(continued)*

##### *Lease modifications*

Lease modification is a change in the scope of a lease, or the consideration or term for a lease, that was not part of the original terms and conditions of the lease, for example, adding or terminating the right to use one or more underlying assets, or extending or shortening the contractual lease term.

The Group accounts for a lease modification as a separate lease if both of the following conditions are satisfied:

- (1) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- (2) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification the Group determines the lease term of the modified lease and remeasures the lease liability by discounting the revised lease payments using a revised discount rate. The revised discount rate is determined as the interest rate implicit in the lease for the remainder of the lease term, or the lessee's incremental borrowing rate at the effective date of the modification, if the interest rate implicit in the lease cannot be readily determined.

For a lease modification that is not accounted for as a separate lease, the Group accounts for the remeasurement of the lease liability by:

- (1) decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease or shorten the contractual lease term, and recognising the gain or loss relating to the partial or full termination of the lease in profit or loss for the current period; or
- (2) making a corresponding adjustment to the carrying amount of right-of-use asset for all other lease modifications.

##### *Short-term leases and leases of low-value assets*

The Group considers a lease that, at the commencement date of the lease, has a lease term of 12 months or less, and does not contain any purchase option as a short-term lease; and a lease for which the value of the individual underlying asset is not more than RMB40,000 when it is new as a lease of low-value assets. If the Group subleases an asset, or expects to sublease an asset, the head lease does not qualify as a lease of a low-value asset. The Group does not recognise the right-of-use assets and lease liabilities for short-term leases and leases of low-value assets of buildings, power generation and transmission equipment, machinery and equipment, motor vehicles, furniture and fixtures and others. The Group recognises lease payments on short-term leases and leases of low-value assets in the costs of the related asset or profit or loss for the current period on a straight-line basis (or units-of-production basis) over the lease term.

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

#### 29. Leases *(continued)*

##### **As lessor**

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset, except that a lease is classified as an operating lease at the inception date.

##### *As lessor under an operating lease*

Rent income under an operating lease is recognised on a straight-line basis over the lease term, through profit or loss for the current period. Variable lease payments that are not included in the measurement of lease receivables are charged to profit or loss for the current period as incurred.

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

#### 30. Hedge accounting

In respect of the methods of hedge accounting, the Group's hedging is classified as fair value hedge, that is a hedge of the exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment (other than foreign exchange risk).

At the inception of a hedge relationship, the Group officially designates the hedge relationship and prepares formal written documentation of the hedge relationship, risk management objectives and hedge strategies. The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess the hedging instrument's effectiveness. Hedge effectiveness is the extent to which the changes in fair value or cash flows of the hedging instruments offset changes in the fair value or cash flow of hedged items caused by the hedged risk. Such hedges are assessed on an ongoing basis to ensure that such hedges are effective during the accounting period with designated hedging relationships.

If the hedging instrument expires or is sold, terminated or exercised (but the rollover or replacement of part of a hedging instrument under the hedging strategy is not treated as an expiration or a contract termination), or due to a change in the risk management objective, the hedging relationship no longer meets the risk management objective, or when the hedging no longer meets other conditions of the hedge accounting method, the Group terminates the use of hedge accounting.

Where the hedging relationship no longer meets the hedging effectiveness requirements due to the hedging ratio, but the risk management objectives for the designated hedging relationship have not changed, the Group rebalances the hedging relationship.

The Group's methodology for assessing the effectiveness of hedging, risk management strategy and how to apply the strategy to manage risks are described in Note V.66.

Hedges which meet the criteria for hedge accounting are accounted for as follows:

##### **Fair value hedge**

The gains or losses arising from the hedging instruments are recognised in profit or loss for the current period. The gain or loss of the hedged item arising from risk exposure is recognised in profit or loss for the current period. The book value of the hedged item that is not measured at fair value is adjusted accordingly.

For fair value hedge relating to financial instruments at amortised cost (debt instrument), the carrying value of the hedged items is adjusted and amortised to profit or loss over the remaining term of the hedge using the effective interest method. Amortisation using effective interest rate may begin upon the adjustment of the carrying amount but no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is a debt instrument measured at fair value through other comprehensive income, the accumulation of recognised hedged gains or losses shall be amortised in the same manner and recognised in profit or loss for the current period, while the book value of financial assets is not adjusted. If the hedged item is terminated, the unamortised fair value is recognised in profit or loss for the current period.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with the corresponding gain or loss recognised in profit or loss for the current period. The fair value changes of hedging instruments are also recognised in profit or loss for the current period.

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

#### 31. 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.

#### 32. Profits distribution

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

#### 33. 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.

#### 34. Fair value measurement

The Group measures its other debt investments, derivative financial instruments and 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.

At each date of statement of financial position, 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.

#### 35. 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)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

#### 35. 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 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 for in the income tax expenses in the period in which the differences are realised.

##### *Joint arrangement – the investment in BNL by the Group*

The Group has determined that BNL is jointly controlled by Gold Mountains (H.K.) International Mining Co., Ltd. ("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, eligible to BNL's products and recognises expenses incurred in the proportion of 50% each. Therefore, the Group has defined its investment in BNL as an investment in a joint operation.

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

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

##### *No significant influence on an investee – Ivanhoe*

In 2019, the Group's interest in Ivanhoe increased from 9.8% to 13.83%. Meanwhile, a personnel of the Group was nominated as a director in Ivanhoe's board of directors, which was approved at the annual and special meeting of shareholders of Ivanhoe on 28 June 2019. The Group considered that the board of directors of Ivanhoe consists of 11 directors, the Group's voting right is less than 10%. Meanwhile, according to the agreement entered into between the Group and Ivanhoe, during the period until 6 December 2026, the Group's interest in Ivanhoe shall not exceed 13.88% without Ivanhoe's prior written approval. Therefore, the Group considered that it does not have a significant influence on Ivanhoe.

##### *Business model*

The classification of financial assets at initial recognition is dependent on the Group's business model for managing the assets. Factors considered by the Group in judging the business model include enterprise evaluation, the method of reporting the results of financial assets to key management members, risks affecting the results of financial assets and the method for managing such risks, as well as the form of remuneration received by the management personnel of the businesses concerned. In assessing whether the business model is aimed at receiving contractual cash flows, the Group is required to analyse and exercise judgement in respect of the reasons, timing, frequency and values of any disposals prior to maturity.

##### *Characteristics of contractual cash flows*

The classification of financial assets at initial recognition is dependent on the characteristics of the contractual cash flows of such type of financial assets. Judgement is required to determine whether the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding, including judgement of whether it is significantly different from the benchmark cash flows when assessing modifications to the time value of currencies.

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

#### 35. Significant accounting judgements and estimates *(continued)*

##### **Judgements** *(continued)*

###### *Principal/agent*

When the Group obtains control of trade goods from a third party and then transfers them to the customer, the Group is entitled to determine the transaction price of the trade goods on its own, that is, the Group controls the trade goods before they are transferred to the customer. Thus, the Group is a principal and recognises revenue in the gross amount of consideration received or receivable. Otherwise, the Group is an agent and recognises revenue in the amount of any fee or commission to which it expects to be entitled from the customer. The amount is the net amount of the gross consideration received or receivable after paying the other party the consideration received in exchange for the goods to be provided by that party or determined by the agreed-upon amount or proportion of commissions, etc.

##### **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.

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

Inventory provision is made for those inventories with cost higher than the net realisable value based on the Company's accounting policies for inventories and the measurement of the lower of cost and net realisable value. At least at every financial year end, the Company reviews if the costs of the inventories are lower than the net realisable value.

###### *Impairment of financial instruments*

The Group has adopted the expected credit loss model to evaluate the impairment of financial instruments. The application of the expected credit loss model requires significant judgements and estimates and the consideration of all reasonable and soundly based information, including forward-looking information. In making such judgements and estimates, the Group estimates the projected movements of the debtor's credit risk according to past repayment records, economic policies, macro-economic indicators and industry risks, etc. Different estimates may affect the impairment provision, and the amount of impairment provision may not equal to the actual amount of impairment loss in the future.

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

The Group assesses whether there are any indicators of impairment for non-current assets other than financial assets at the end of the reporting period. Intangible assets with indefinite useful lives are tested for impairment annually and at other times when such an indicator exists. Other non-current assets other than financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or 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. Please refer to Notes V.14, 15 and 17.

###### *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 flows and selecting a suitable discount rate. Please refer to Note V.18.

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

#### 35. Significant accounting judgements and estimates *(continued)*

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

###### *Fair value of non-listed equity investments*

Non-listed equity investments are valued as expected future cash flows based on the current discount rate of other financial instruments with similar contractual terms and risk characteristics. This requires the Group to estimate future cash flows, credit risks, fluctuations and discount rates and is therefore uncertain.

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

The estimated useful lives of the Group's property, plant and equipment are determined based on the actual useful lives of property, plant and equipment with similar nature and functions and the historical experience. The Company will increase the depreciation charge where useful lives are less than previously estimated lives and will write off the idle and technologically obsolete 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.

###### *Proved mineral reserves*

Proved mineral reserves are estimated based on professional knowledge, experience and industry practice. Generally, the mineral reserve volume estimated based on probing and estimation may not be very accurate. The estimation is updated in accordance with new technologies and information. Any changes in estimation will have impacts on amounts of mining assets' depreciation and mining rights' amortisation using the units-of-production method, and on the stripping ratio which was used in the capitalisation of stripping costs. This may result in changes of or impacts on the Group's development and operation plan, and hence 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, amount of future taxable profit as well as tax planning strategies are needed when estimating the amount of deferred tax assets.

###### *Estimated compensation*

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

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

Pursuant to the regulations of the governmental authorities in the countries where the mines are located, the Group recognises provision for environmental rehabilitation and restoration of mines. The amount of provision is an estimate based upon the life of mining tenements, timing of mine closure and cost of such rehabilitation, and depends on an overall judgement of management. When this estimate changes, it may affect the Group's operations and performance.

###### *Lessee's incremental borrowing rate*

If the interest rate implicit in the lease cannot be readily determined, the Group measures the lease liability at the present value of the lease payments discounted using the lessee's incremental borrowing rate. According to the economic environment, the Group takes the observable interest rate as the reference basis for determining the incremental borrowing rate, then adjusts the observable interest rate based on its own circumstances, underlying assets, lease terms and amounts of lease liabilities to determine the applicable incremental borrowing rate.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

## IV. TAX

## 1. Major taxes and tax rates

Value-added tax ("VAT") For the Company and the Company's subsidiaries incorporated and operating in the PRC: Sales of final gold products and gold-carrying minerals are exempted from VAT. The output VAT rate for mining and processing of ferrous metals such as iron concentrates and non-ferrous metals such as copper concentrates, zinc concentrates, and the sales and processing of copper cathodes, zinc bullion, silver bullion and materials is 13%. 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. The output VAT rate for transportation service income was 10% before 1 April 2019 and is 9% since 1 April 2019, and that for trademark royalty income and technical service income is 6%. 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.

For the Company's subsidiaries incorporated and operating abroad: The output VAT rate of 10%-20% is applicable to subsidiaries in different countries and regions according to local VAT or goods services tax ("GST") law.

Urban construction and maintenance tax Levied on actual payment of turnover tax at rates ranging from 1% to 7%.

Resource tax For the Company and the Company's subsidiaries incorporated and operating in the PRC: Since 1 July 2016, taxes on mineral resources have been calculated with the price-based method instead of the quantity-based method. The basis for taxation has been adjusted from original ore quantity to the sales amount of original ore concentrates (or processed products from original ore), primary products or gold bullion. 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.

For the Company's subsidiaries incorporated and operating abroad: In accordance with the relevant provisions of local resource tax, utilisation fee of mine or mining tax of mineral resources, subsidiaries in different countries and regions abroad apply different tax rates. The resource tax rates are 2.5% to 6% for precious metals such as gold and silver and 2.5% to 7% for other bulk metals such as copper and zinc.

Corporate income tax	Countries or regions where the subsidiaries and joint operation are situated	Tax rate
	Mainland China	25%
	Hong Kong	16.5%
	Australia, the Democratic Republic of the Congo and Papua New Guinea	30%
	The Republic of Serbia	15%
	The Republic of Tajikistan	13%
	The Russian Federation	10%
	Eritrea	38%
	The Kyrgyz Republic (Note 1)	—
	Colombia	30%-32%

Note 1 : For the Company's subsidiaries incorporated in the Kyrgyz Republic, according to the local tax laws, a zero corporate income tax rate is adopted for taxpayer specialising in mining activities and selling gold ore, gold concentrates, alloy gold and refined gold. Meanwhile, income tax is imposed on the revenue ranging at the rate from 1% to 20% depending on the range of gold price.

Some subsidiaries of the Company enjoy preferential tax treatment. Please refer to Note IV.2 for details of major subsidiaries of the Company which enjoy preferential tax treatment.

Value-added tax on land Pursuant to Regulations on Value-added Tax on Land of the People's Republic of China (Tentative), value-added tax on land is levied based on the added value obtained from transfer of real estates and the stipulated tax rates, at the rate of the 4th-level super progressive tax rate (30%-60%).

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

### IV. TAX *(continued)*

#### 2. Tax incentives

Pursuant to the Notice of the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs 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%. Pursuant to the Announcement of Extension of Preferential Corporate Income Tax Policies for Implementing the Western Development Strategy (Notice No. 23 in 2020 of the Ministry of Finance) (the "Announcement"), from 1 January 2021 to 31 December 2030, the enterprises in the western region, which are principally engaged in encouraged industries, could enjoy a reduced CIT rate of 15%. Enterprises engaged in encouraged industries are the enterprises which are principally engaged in the industries as indicated in the Catalogue of Encouraged Industries of Western Region and which generate over 60% of their operating income from the encouraged industries. The Announcement will be implemented from 1 January 2021.

According to the Notice Concerning Issuance and Amendment of "Handling Methods of Preferential Corporate Income Tax Policies" issued by the State Administration of Taxation (State Administration of Taxation Announcement 2018 No. 23), the handling methods of "self-determination, reporting the entitlement and retaining the relevant information for inspection" shall be adopted by the enterprises enjoying the tax concessions.

In 2020, the following subsidiaries met the conditions for enjoying tax concessions and were entitled to a reduced CIT rate of 15%:

- (1) Xinjiang Habahe Ashele Copper Co., Ltd. ("Ashele Copper") met the conditions of preferential taxation policies for the Western Development and was entitled to a tax concession at a preferential CIT rate of 15% in 2020.
- (2) Xinjiang Zijin Zinc Co., Ltd. ("Zijin Zinc") met the conditions of preferential taxation policies for the Western Development and was entitled to a tax concession at a preferential CIT rate of 15% in 2020.
- (3) Xinjiang Jinbao Mining Co., Ltd. ("Xinjiang Jinbao") met the conditions of preferential taxation policies for the Western Development and was entitled to a tax concession at a preferential CIT rate of 15% in 2020.
- (4) Hunchun Zijin Mining Co., Ltd. ("Hunchun Zijin") met the conditions of preferential taxation policies for the Western Development and was entitled to a tax concession at a preferential CIT rate of 15% in 2020.
- (5) Urad Rear Banner Zijin Mining Co., Ltd. ("Urad Rear Banner Zijin") met the conditions of preferential taxation policies for the Western Development and was entitled to a tax concession at a preferential CIT rate of 15% in 2020.

Pursuant to the Notice Concerning Revision and Issuance of Administration Policy for Determination of High and New Technology Enterprise issued by the Ministry of Science and Technology, the Ministry of Finance and the State Administration of Taxation (Guo Ke Fa Huo [2016] No. 32) and the Notice Concerning Revision and Issuance of Administration Guideline on Determination of High and New Technology Enterprise issued by the Ministry of Science and Technology, the Ministry of Finance and the State Administration of Taxation (Guo Ke Fa Huo [2016] No. 195), the Company obtained the certificate of High and New Technology Enterprise jointly issued by authorities including the Science and Technology Department of Fujian Province, Finance Department of Fujian Province, State Tax Bureau of Fujian Province, Local Tax Bureau of Fujian Province, etc. on 23 October 2017 (reference number: GR201735000251). The validity period of the certificate is from 23 October 2017 to 23 October 2020.

According to the Departmental Interpretation and Practice Notes No. 52 issued by the Inland Revenue Department of the Hong Kong Special Administrative Region, Zijin International Capital Company Limited meets the conditions for being identified as a qualified corporate treasury center, and the profits tax is reduced by 50%, i.e., profits tax is levied at 8.25% in 2020.

The Company's subsidiaries incorporated in the Russian Federation meet the prescribed requirements of the local tax concession regulations, and the applicable income tax rate for 2019 and 2020 is 0% and 10% respectively.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)***V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****1. Cash and cash equivalents**

	<b>30 June 2020</b>	31 December 2019
Cash	<b>10,283,645</b>	4,993,926
Bank deposits	<b>8,895,026,980</b>	5,858,208,293
Other monetary funds (Note 1)	<b>902,793,693</b>	361,942,581
	<b>9,808,104,318</b>	6,225,144,800

Note 1: As at 30 June 2020, the balance of other monetary funds of the Group in Renminbi mainly included:

land restoration and environmental rehabilitation costs of RMB118,348,904 (31 December 2019: RMB120,857,247), pursuant to the rules of the local government, the Group provided a deposit for mine restoration and improvement of ecological environment in mines and deposited the fund in a specified bank account. The fund was restricted to the use for land restoration and environmental rehabilitation after mine closure; other guarantee deposits of RMB301,174,293 (31 December 2019: RMB18,696,103), which were restricted to use; deposits with maturity for more than three months of RMB250,000,000 (31 December 2019: Nil), and a deposit in the Shanghai Gold Exchange of RMB233,270,496 (31 December 2019: RMB222,389,231).

As at 30 June 2020, cash and cash equivalents in the equivalent amount of RMB2,414,999,353 (31 December 2019: RMB2,128,060,365) were deposited outside Mainland China. Bank deposits of RMB9,743,663 (31 December 2019: RMB9,716,486) were frozen due to litigation reason.

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

**2. Held for trading financial assets**

	<b>30 June 2020</b>	31 December 2019
Financial assets at fair value through profit or loss		
Investments in debt instruments (Note 1)	<b>4,042,039</b>	1,764,856
Investments in equity instruments (Note 2)	<b>550,282,218</b>	394,728,960
Derivative financial assets (Note 3)	<b>157,096,919</b>	59,055,417
Others (Note 4)	<b>779,899,101</b>	232,402,292
	<b>1,491,320,277</b>	687,951,525

Note 1: The Group's investments in bonds.

Note 2: The Group's investments in stocks aimed at making short-term profits.

## Notes to Financial Statements (continued)

For the six months ended 30 June 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

#### 2. Held for trading financial assets (continued)

Note 3: Derivative financial assets are as follows:

	30 June 2020	31 December 2019
(1) Derivative financial assets without designated hedging relationship	<b>68,356,252</b>	29,178,947
<i>Including: Forward contracts</i>	<b>17,699,763</b>	21,073,375
<i>Futures contracts</i>	<b>50,656,489</b>	8,105,572
(2) Hedging instruments	<b>88,740,667</b>	29,876,470
	<b>157,096,919</b>	59,055,417

Note 4: The Group's investments in funds and wealth management products aimed at making short-term profits.

#### 3. Trade receivables

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

The ageing analysis of the trade receivables are as follows:

	30 June 2020	31 December 2019
Within 1 year	<b>980,529,425</b>	920,113,326
Over 1 year but within 2 years	<b>17,219,510</b>	9,114,974
Over 2 years but within 3 years	<b>3,250,334</b>	20,743,565
Over 3 years	<b>14,361,546</b>	13,018,550
	<b>1,015,360,815</b>	962,990,415
Less: Bad debt provision for trade receivables	<b>14,006,621</b>	18,874,685
	<b>1,001,354,194</b>	944,115,730

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

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

	At the beginning of the year	Additions	Reversal	Write-off	At the end of the period
30 June 2020	<b>18,874,685</b>	<b>140,028</b>	<b>(5,008,092)</b>	–	<b>14,006,621</b>
31 December 2019	11,986,497	8,813,200	(389,998)	(1,535,014)	18,874,685

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*3. Trade receivables *(continued)*

	30 June 2020			
	Carrying amount		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)
For which bad debt provision has been made individually	7,170,751	0.71	7,170,751	100
Provision for bad debts based on credit risk characteristics	1,008,190,064	99.29	6,835,870	0.68
	<b>1,015,360,815</b>	<b>100.00</b>	<b>14,006,621</b>	<b>1.38</b>

	31 December 2019			
	Carrying amount		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)
For which bad debt provision has been made individually	11,234,457	1.17	11,234,457	100.00
Provision for bad debts based on credit risk characteristics	951,755,958	98.83	7,640,228	0.80
	962,990,415	100.00	18,874,685	1.96

The Group's trade receivables with bad debt provision using the ageing analysis method are as follows:

	30 June 2020		
	Carrying amount with estimated default	Expected credit loss rate (%)	Entire lifetime expected credit losses
Within 1 year	980,429,385	0.30	2,941,288
Over 1 year but within 2 years	17,219,510	6.00	1,033,171
Over 2 years but within 3 years	2,006,265	15.00	300,940
Over 3 years	8,534,903	30.00	2,560,471
	<b>1,008,190,064</b>		<b>6,835,870</b>

	31 December 2019		
	Carrying amount with estimated default	Expected credit loss rate (%)	Entire lifetime expected credit losses
Within 1 year	920,012,775	0.30	2,760,038
Over 1 year but within 2 years	9,114,974	6.00	546,899
Over 2 years but within 3 years	16,367,816	15.00	2,455,173
Over 3 years	6,260,393	30.00	1,878,118
	951,755,958		7,640,228

## Notes to Financial Statements (continued)

For the six months ended 30 June 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

#### 3. Trade receivables (continued)

For the six months ended 30 June 2020, the provision for bad debts was RMB140,028 (six months ended 30 June 2019: RMB431,512), and a provision of RMB5,008,092 was recovered or reversed (six months ended 30 June 2019: RMB52,547).

For the six months ended 30 June 2020, trade receivables written off amounted to nil (six months ended 30 June 2019: RMB431,512).

The five entities with the largest balances of trade receivables at 30 June 2020 are as follows:

Name of entity	Relationship	Amount	Proportion of trade receivables (%)	Ageing	Closing balance of bad debt provision
Xinjiang Bayi Iron & Steel Co., Ltd. Kyrgyzaltyn OJSC	Third party	77,234,233	7.61	Within 1 year	231,703
	Non-controlling shareholder of Altynken	59,476,207	5.86	Within 1 year	178,429
Trafigura Pte Ltd.	Third party	38,761,006	3.82	Within 1 year	116,283
Malipo Haiyu Tungsten Co., Ltd.	Third party	32,260,155	3.18	Within 1 year	96,780
TCL Air Conditioner (Zhongshan) Co., Ltd.	Third party	29,269,627	2.88	Within 1 year	87,809
		<b>237,001,228</b>	<b>23.35</b>		<b>711,004</b>

The five entities with the largest balances of trade receivables at 31 December 2019 are as follows:

Name of entity	Relationship	Amount	Proportion of trade receivables (%)	Ageing	Closing balance of bad debt provision
The Perth Mint Australia	Third party	127,236,702	13.21	Within 1 year	381,710
Intercontinental Resources HK Co., Ltd.	Third party	78,815,252	8.18	Within 1 year	236,446
Trafigura Pte Ltd.	Third party	67,879,142	7.05	Within 1 year	203,637
Kazzinc Ltd.	Third party	41,368,589	4.30	Within 1 year	124,106
Hanzhong Zinc Industry Co., Ltd.	Third party	35,390,000	3.68	Within 1 year	106,170
		<b>350,689,685</b>	<b>36.42</b>		<b>1,052,069</b>

#### 4. Receivables financing

	30 June 2020	31 December 2019
Bills receivable (Note 1)	<b>1,811,745,612</b>	1,318,505,074

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*4. Receivables financing *(continued)*

Note 1: The Group reclassified bills receivable as financial assets at fair value through other comprehensive income, presented as receivables financing. Details are as follows:

	<b>30 June 2020</b>	31 December 2019
Bank acceptance bills	<b>1,502,597,804</b>	1,048,460,012
Commercial acceptance bills	<b>315,898,715</b>	276,795,969
	<b>1,818,496,519</b>	1,325,255,981
Less: Bad debt provision for receivables financing	<b>6,750,907</b>	6,750,907
	<b>1,811,745,612</b>	1,318,505,074

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

	<b>At the beginning of the year</b>	<b>Additions</b>	<b>Reversal</b>	<b>Write-off</b>	<b>At the end of the period</b>
30 June 2020	<b>6,750,907</b>	–	–	–	<b>6,750,907</b>
31 December 2019	5,662,056	1,088,851	–	–	6,750,907

As at 30 June 2020, no bills receivable were pledged (31 December 2019: Nil).

Bills receivable endorsed or discounted by the Group which were not yet due at the end of the reporting period are as follows:

	<b>30 June 2020</b>		31 December 2019	
	<b>Derecognised</b>	<b>Not derecognised</b>	Derecognised	Not derecognised
Bank acceptance bills	<b>722,245,087</b>	<b>282,874,575</b>	529,155,989	224,098,696
Commercial acceptance bills	–	<b>15,000,000</b>	–	14,300,000
	<b>722,245,087</b>	<b>297,874,575</b>	529,155,989	238,398,696

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

#### 5. Prepayments

An ageing analysis of the prepayments is as follows:

	30 June 2020		31 December 2019	
	Carrying amount	Proportion (%)	Carrying amount	Proportion (%)
Within 1 year	<b>1,149,834,740</b>	<b>91.94</b>	1,100,071,436	82.96
Over 1 year but within 2 years	<b>85,739,958</b>	<b>6.86</b>	111,472,507	8.41
Over 2 years but within 3 years	<b>3,381,695</b>	<b>0.27</b>	75,574,664	5.70
Over 3 years	<b>11,674,568</b>	<b>0.93</b>	38,842,021	2.93
	<b>1,250,630,961</b>	<b>100</b>	1,325,960,628	100
Less: Bad debt provision for prepayments	<b>2,712,458</b>		2,712,458	
	<b>1,247,918,503</b>		1,323,248,170	

As at 30 June 2020 and 31 December 2019, there were no prepayments with significant balances aged over one year.

As at 30 June 2020, the breakdown of bad debt provision for prepayments is as follows:

The movements of bad debt provision for prepayments are as follows:

	At the beginning of the year	Additions	Reversal	Reversal/ Write-off	At the end of the period
30 June 2020	<b>2,712,458</b>	–	–	–	<b>2,712,458</b>
31 December 2019	4,372,525	2,471,035	–	(4,131,102)	2,712,458

The five entities with the largest balances of prepayments at 30 June 2020 are as follows:

Name of entity	Relationship	Amount	Proportion of prepayments (%)
Trafigura Pte Ltd.	Third party	<b>127,951,054</b>	<b>10.23</b>
MRI Trading AG	Third party	<b>87,361,705</b>	<b>6.99</b>
Mr. Li	Third party	<b>68,965,689</b>	<b>5.51</b>
Hong Kong Purity Alliance International Trading Co., Limited	Third party	<b>66,135,223</b>	<b>5.29</b>
Heilongjiang Lujiu Mining Industry Co., Ltd.	Third party	<b>62,778,879</b>	<b>5.02</b>
		<b>413,192,550</b>	<b>33.04</b>

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*5. Prepayments *(continued)*

The five entities with the largest balances of prepayments at 31 December 2019 are as follows:

Name of entity	Relationship	Amount	Proportion of prepayments (%)
Trafigura Pte Ltd.	Third party	100,832,506	7.60
Wancheng Commercial Dongshengmiao Co., Ltd. ("Wancheng Commercial")	Associate	40,877,128	3.08
Chifeng Fubang Copper Co., Ltd.	Third party	23,533,528	1.77
MCC Non-Ferrous Trading Inc.	Third party	21,187,190	1.60
Yunnan Gold Mining Group Import & Export Co., Ltd.	Third party	19,420,000	1.46
		205,850,352	15.51

## 6. Other receivables

	30 June 2020	31 December 2019
Interest receivables	33,353,881	18,840,754
Other receivables	1,098,950,273	881,006,657
	1,132,304,154	899,847,411

An ageing analysis of the other receivables is as follows:

	30 June 2020	31 December 2019
Within 1 year	817,738,437	531,939,182
Over 1 year but within 2 years	121,311,676	154,120,504
Over 2 years but within 3 years	125,251,388	161,779,711
Over 3 years	155,201,915	149,910,362
	1,219,503,416	997,749,759
Less: Bad debt provision for other receivables	120,553,143	116,743,102
	1,098,950,273	881,006,657

## Notes to Financial Statements (continued)

For the six months ended 30 June 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

#### 6. Other receivables (continued)

The changes in bad debt provision for other receivables based on 12-month expected credit losses and the entire lifetime expected credit losses are as follows:

##### 30 June 2020

	Stage 1  12-month expected credit losses	Stage 2  Entire lifetime expected credit losses	Stage 3 Financial assets with credit impairment occurred (entire lifetime)	Total
Balance at 1 January 2020	1,102,771	–	115,640,331	116,743,102
Balance at 1 January 2020 during the period				
– Transferred to Stage 2	–	–	–	–
– Transferred to Stage 3	–	–	–	–
– Reversed to Stage 2	–	–	–	–
– Reversed to Stage 1	–	–	–	–
Provisions during the period	–	–	4,109,113	4,109,113
Reversal during the period	–	–	–	–
Write-back during the period	–	–	–	–
Write-off during the period	–	–	(299,072)	(299,072)
Other changes	–	–	–	–
	<b>1,102,771</b>	<b>–</b>	<b>119,450,372</b>	<b>120,553,143</b>

##### 31 December 2019

	Stage 1  12-month expected credit losses	Stage 2  Entire lifetime expected credit losses	Stage 3 Financial assets with credit impairment occurred (entire lifetime)	Total
Balance at 1 January 2019	1,498,073	–	61,608,508	63,106,581
Balance at 1 January 2019 during the year				
– Transferred to Stage 2	–	–	–	–
– Transferred to Stage 3	–	–	–	–
– Reversed to Stage 2	–	–	–	–
– Reversed to Stage 1	–	–	–	–
Provisions during the year	–	–	69,157,337	69,157,337
Reversal during the year	(395,302)	–	(15,125,514)	(15,520,816)
Write-back during the year	–	–	–	–
Write-off during the year	–	–	–	–
Other changes	–	–	–	–
	<b>1,102,771</b>	<b>–</b>	<b>115,640,331</b>	<b>116,743,102</b>

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*6. Other receivables *(continued)*

The category of other receivables by nature is as follows:

	30 June 2020	31 December 2019
Advanced material costs	79,404,707	72,949,858
Due from non-controlling shareholders	36,671,811	58,144,916
Staff advances and reserve funds	29,730,211	41,940,984
Due from third parties	495,510,014	119,403,280
Receivables from associates and joint ventures	92,517,011	104,543,556
Guarantees and deposits	150,910,940	158,917,691
Receivables from disposal of assets	102,713,667	116,352,163
Deferred expenses	126,134,964	153,477,072
Receivables from settlement of futures	–	12,803,960
Receivables from insurance claim	–	4,387,393
Others	105,910,091	154,828,886
	<b>1,219,503,416</b>	997,749,759
Less: Bad debt provision for other receivables	<b>120,553,143</b>	116,743,102
	<b>1,098,950,273</b>	881,006,657

The five entities with the largest balances of other receivables at 30 June 2020 are as follows:

	Closing balance of other receivables	Proportion of other receivables (%)	Nature	Ageing	Closing balance of bad debt provision
Tibet Julong Mining Co., Ltd.	338,400,000	27.75	Due from third parties	Within 1 year	–
VAT refund receivables from Serbian Tax Administration (Note 1)	79,457,548	6.52	VAT refund receivables	Within 1 year	–
Wuping Tianan Urban Construction and Investment Development Co., Ltd. ("Wuping Tianan") (Note 2)	54,193,200	4.44	Due from third parties	Over 3 years	(54,193,200)
Eritrean National Mining Corporation ("ENAMCO") (Note 3)	50,087,463	4.11	Receivables from disposal of equity interest	Within 1 year	–
Fujian Makeng Mining Co., Ltd. (Note 4)	50,063,438	4.11	Receivables from associates	Within 1 year	–
	<b>572,201,649</b>	<b>46.93</b>			<b>(54,193,200)</b>

## Notes to Financial Statements (continued)

For the six months ended 30 June 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

#### 6. Other receivables (continued)

The five entities with the largest balances of other receivables at 31 December 2019 are as follows:

	Closing balance of other receivables	Proportion of other receivables (%)	Nature	Ageing	Closing balance of bad debt provision
VAT refund receivables from Serbian Tax Administration (Note 1)	75,346,187	7.55	VAT refund receivables	Within 1 year	-
Wuping Tianan Urban Construction and Investment Development Co., Ltd. ("Wuping Tianan") (Note 2)	54,193,200	5.43	Due from third parties	Over 3 years	(54,193,200)
Fujian Makeng Mining Co., Ltd. ("Makeng Mining") (Note 4)	50,069,781	5.02	Receivables from associates	Within 1 year	-
Eritrean National Mining Corporation ("ENAMCO") (Note 3)	49,356,615	4.95	Receivables from disposal of equity interest	Within 1 year	-
Xinjiang Hongze Mining Co., Ltd. ("Xinjiang Hongze Mining") (Note 5)	45,000,000	4.51	Receivables from disposal of assets	Over 3 years	(45,000,000)
	273,965,783	27.46			(99,193,200)

Note 1: In 2019, Serbia Zijin Copper Doo Bor ("Serbia Zijin Copper"), a subsidiary of the Group, purchased numerous equipment and copper concentrates due to technological upgrade and production needs. As at 30 June 2020, the amount of VAT refund receivables from the Serbian Tax Administration was equivalent to RMB79,457,548.

Note 2: The Group's subsidiaries, Zijin Mining Group South Investment Co., Ltd. ("South Investment"), Wuping Zijin Mining Co., Ltd. ("Wuping Zijin") and Shanghang Jinshan Mining Co., Ltd. had provided loans to Wuping Tianan for reconstruction, relocation and land development project of the old town of Wuping County. The total amount of principal and interest due from Wuping Tianan was RMB54,193,200. The Group considered that it was difficult to recover the receivables and provided bad debt for the whole amount of the receivables in 2019.

Note 3: On 30 April 2019, Nevsun Resources (Eritrea) Ltd. ("Nevsun Resources (Eritrea)"), a subsidiary of the Group, entered into an equity transfer agreement with ENAMCO, another shareholder of Bisha Mining Share Company ("Bisha"). Nevsun Resources (Eritrea) transferred its 5% equity interest in Bisha to ENAMCO for a consideration of USD10,000,000 which would be repaid by 50% of the dividends of Bisha to ENAMCO in future years until the amount is fully settled. As at 30 June 2020, the balance of receivables from disposal of the equity interest was USD7,075,000, equivalent to RMB50,087,463.

Note 4: In September 2019, Zijin Mining Group Finance Co., Ltd. ("Finance Company"), a subsidiary of the Group, provided loans amounting to RMB50,000,000 to Makeng Mining, an associate of the Group. As at 30 June 2020, the total principal and interest of the borrowing amounted to RMB50,063,438, which would be due in September 2020.

Note 5: Wuqia County Huaxin Mining Co., Ltd., an entity merged by Zijin Zinc (formerly "Wuqia Jinwang"), had transferred Huaxin ore processing plant to Xinjiang Hongze Mining in December 2012. As at 30 June 2020, the outstanding balance of receivables from Xinjiang Hongze Mining was RMB45,000,000. The Group considered that it was difficult to recover the receivables and provided bad debt for the whole amount of the receivables in 2018.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

## 7. Inventories

	30 June 2020			31 December 2019		
	Carrying amount	Inventory provision	Net book value	Carrying amount	Inventory provision	Net book value
Raw materials	6,682,152,922	(28,967,097)	6,653,185,825	6,308,023,064	(25,972,918)	6,282,050,146
Work in progress	8,005,929,849	(50,959,496)	7,954,970,353	7,255,112,369	(52,238,740)	7,202,873,629
Finished goods	2,091,744,828	(20,414,144)	2,071,330,684	1,422,362,812	(26,725,257)	1,395,637,555
Reusable materials	4,830,005	-	4,830,005	5,992,828	-	5,992,828
	<b>16,784,657,604</b>	<b>(100,340,737)</b>	<b>16,684,316,867</b>	<b>14,991,491,073</b>	<b>(104,936,915)</b>	<b>14,886,554,158</b>

The movements of inventory provision are as follows:

## 30 June 2020

	At the beginning of the year	Additions	Reductions		At the end of the period
			Reversal	Write-back	
Raw materials	25,972,918	202,591,766	(174,076,737)	(25,520,850)	28,967,097
Work in progress	52,238,740	-	(1,279,244)	-	50,959,496
Finished goods	26,725,257	47,123,341	(18,948,364)	(34,486,090)	20,414,144
	<b>104,936,915</b>	<b>249,715,107</b>	<b>(194,304,345)</b>	<b>(60,006,940)</b>	<b>100,340,737</b>

## 31 December 2019

	At the beginning of the year	Additions	Reductions		At the end of the year
			Reversal	Write-back	
Raw materials	12,191,343	22,619,534	(8,837,959)	-	25,972,918
Work in progress	32,203,111	43,449,256	(23,413,627)	-	52,238,740
Finished goods	25,479,025	25,385,206	(14,138,050)	(10,000,924)	26,725,257
	<b>69,873,479</b>	<b>91,453,996</b>	<b>(46,389,636)</b>	<b>(10,000,924)</b>	<b>104,936,915</b>

30 June 2020 and  
31 December 2019

	Determination basis of net realisable value	Basis of making 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

## Notes to Financial Statements (continued)

For the six months ended 30 June 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

#### 7. Inventories (continued)

As at 30 June 2020, the Group had no inventories with restricted ownership (31 December 2019: Nil).

As at 30 June 2020, the Group had no capitalised interest expenses in the closing balance of inventories (31 December 2019: Nil).

#### 8. Current portion of non-current assets

	30 June 2020	31 December 2019
Current portion of long-term receivables	<b>678,006,310</b>	956,692,852

#### 9. Other current assets

	30 June 2020	31 December 2019
Deposit for futures contracts	<b>405,255,347</b>	260,513,594
Deposit for gold transactions	<b>16,068,090</b>	10,000
Liquid cash for futures contracts	<b>322,350,605</b>	224,486,892
Input VAT to be credited	<b>20,468,667</b>	19,768,297
Input VAT to be verified	<b>688,493,436</b>	817,578,245
Taxes prepayment	<b>20,089,220</b>	19,314,865
Others	<b>21,621,113</b>	10,664,503
	<b>1,494,346,478</b>	1,352,336,396

Please refer to Note V.22 for movements of impairment provision for other current assets.

#### 10. Long-term equity investments

	30 June 2020			31 December 2019		
	Carrying amount	Impairment provision	Net book value	Carrying amount	Impairment provision	Net book value
Investments in joint ventures	<b>3,482,534,228</b>	<b>(21,039,267)</b>	<b>3,461,494,961</b>	3,478,019,980	(15,815,023)	3,462,204,957
Investments in associates	<b>3,680,549,836</b>	<b>(47,038,703)</b>	<b>3,633,511,133</b>	3,509,249,839	(47,038,703)	3,462,211,136
	<b>7,163,084,064</b>	<b>(68,077,970)</b>	<b>7,095,006,094</b>	6,987,269,819	(62,853,726)	6,924,416,093

## Notes to Financial Statements (continued)

For the six months ended 30 June 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

## 10. Long-term equity investments (continued)

30 June 2020

	Movements during the period										
	At 1 January 2020	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 for denominated in foreign currencies	At 30 June 2020	Provision for impairment losses at 30 June 2020
<b>Joint ventures</b>											
Gold Eagle Mining Investment Limited ("Gold Eagle Mining")	1,441,844,336	-	-	(12,362,139)	-	-	-	21,350,231	1,450,832,428	-	
Shandong Guoda Gold Co., Ltd. ("Shandong Guoda")	165,368,825	-	-	3,355,048	-	-	-	-	168,723,873	(12,350,855)	
Xiamen Zijin Zhonghang Properties Co., Ltd. ("Xiamen Zijin Zhonghang")	174,604,090	-	-	12,290,069	-	-	-	-	186,894,159	-	
Guizhou Funeng Zijin Energy Co., Ltd. ("Guizhou Funeng Zijin")	74,816,879	-	-	-	-	-	-	-	74,816,879	-	
Guizhou Southwest Zijin Gold Development Co., Ltd. ("Southwest Zijin Gold")	21,005,109	-	-	30,017	-	-	-	-	21,035,126	-	
Fujian Longhu Fishery Ecological Development Co., Ltd. ("Fujian Longhu Fishery")	9,431,726	-	-	(152,216)	-	-	-	-	9,279,510	-	
Kamoa Fujian Zijin Cuiyu Jewellery Development Co., Ltd. ("Zijin Cuiyu")	1,568,865,864	-	-	(93,756,183)	-	-	-	23,231,113	1,498,340,794	-	
Pogera Service Company Preludeze za Proizvodnju Bankarnog Praha Pometon Tir Doo Bor Longyan Xijing Investment Partnership (Limited Partnership)	-	-	-	-	-	-	-	-	-	(3,464,168)	
	646,760	-	-	1,045,446	-	-	-	-	1,692,206	-	
	5,621,368	-	-	-	-	-	-	(397,124)	-	(5,224,244)	
	-	49,600,000	-	279,986	-	-	-	-	49,879,986	-	
<b>Subtotal</b>	<b>3,462,204,957</b>	<b>49,600,000</b>	<b>-</b>	<b>(89,269,972)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>44,184,220</b>	<b>3,461,494,961</b>	<b>(21,039,267)</b>	



## Notes to Financial Statements (continued)

For the six months ended 30 June 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

## 10. Long-term equity investments (continued)

30 June 2020 (continued)

	Movements during the period										
	At 1 January 2020	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	At 30 June 2020	Provision for impairment losses at 30 June 2020
<b>Associates (continued)</b>											
Songpan Zijin Industrial and Commercial Co., Ltd. ("Songpan Zijin")	39,249,785	-	-	-	-	-	-	-	-	39,249,785	-
Fujian Wuping Zijin Hydropower Co., Ltd. ("Wuping Zijin Hydropower")	44,892,383	-	-	1,257,808	-	-	-	-	-	46,150,191	-
Hunchun Jindl Mining Co., Ltd. ("Hunchun Jindl")	-	-	-	-	-	-	-	-	-	-	(47,038,703)
Zisen Supply Chain Fujian Kingkop Co., Ltd. ("Fujian Kingkop")	10,654,407	-	-	2,021,740	-	-	-	-	-	12,676,147	-
Changsha Science Environmental Technology Co., Ltd. ("Science")	3,515,774	-	(3,000,000)	(515,774)	-	-	-	-	-	-	-
Fujian Evergreen New Energy Technology Co., Ltd. ("Evergreen New Energy")	220,666,005	-	-	6,767,896	-	-	-	-	-	227,433,901	-
Beijing Anchuang Shenzhen Technology Co., Ltd. ("Beijing Anchuang Shenzhen")	27,123,266	-	-	4,900,867	-	-	-	-	-	32,024,133	-
Fujian Shanghang Caixi Cultural Media Co., Ltd. ("Caixi Cultural")	144,000	-	-	-	-	-	-	-	-	144,000	-
	3,000,000	-	-	-	-	-	-	-	-	3,000,000	-
Subtotal	3,462,211,136	-	(3,000,000)	174,299,997	-	-	-	-	-	3,633,511,133	(47,038,703)
Total	6,924,416,093	49,600,000	(3,000,000)	85,030,025	-	-	-	(5,224,244)	44,184,220	7,095,006,094	(68,077,970)

## Notes to Financial Statements (continued)

For the six months ended 30 June 2020

RMB

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

#### 10. Long-term equity investments (continued)

31 December 2019

	At 1 January 2019	Movements during the year							At 31 December 2019	Provision for impairment losses at 31 December 2019
		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		
<b>Joint ventures</b>										
Gold Eagle Mining	1,445,504,737	-	-	(29,177,546)	(1,407,790)	-	-	26,924,935	1,441,844,336	-
Shandong Guoda	165,782,309	-	-	8,736,516	-	(9,150,000)	-	-	165,368,825	(12,350,855)
Xiamen Zijin Zhonghang	226,794,323	-	-	8,637,496	-	(60,827,729)	-	-	174,604,090	-
Guizhou Funeng Zijin	74,816,879	-	-	-	-	-	-	-	74,816,879	-
Southwest Zijin Gold	20,673,565	-	-	331,544	-	-	-	-	21,005,109	-
Fujian Longhu Fishery	9,262,877	-	-	168,849	-	-	-	-	9,431,726	-
Kamoa	1,705,286,682	-	-	(171,121,007)	-	-	-	34,700,189	1,568,865,864	-
Zijin Cuiyu	-	-	-	-	-	-	-	-	-	(3,464,168)
Porgera Service Company	1,027,943	-	-	(381,183)	-	-	-	-	646,760	-
Preduzece za Proizvodnju Barikarnog Praha Pometon										
Tir Doo Bor	5,544,584	-	-	76,784	-	-	-	-	5,621,368	-
<b>Subtotal</b>	<b>3,654,693,899</b>	<b>-</b>	<b>-</b>	<b>(182,728,547)</b>	<b>(1,407,790)</b>	<b>(69,977,729)</b>	<b>-</b>	<b>61,625,124</b>	<b>3,462,204,957</b>	<b>(15,815,023)</b>

## Notes to Financial Statements (continued)

For the six months ended 30 June 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

## 10. Long-term equity investments (continued)

31 December 2019 (continued)

	Movements during the year										
	At 1 January 2019	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	At 31 December 2019	Provision for impairment losses at 31 December 2019
<b>Associates</b>											
Makeng Mining	876,923,359	-	-	42,078,474	-	-	(41,500,000)	-	-	877,501,833	-
Xinjiang Tianlong Mining Co., Ltd. ("Xinjiang Tianlong")	363,999,658	-	-	(14,337,633)	-	-	-	-	-	349,662,025	-
Wengfu Zijin Chemical Co., Ltd. ("Wengfu Zijin")	310,983,390	-	-	56,828,063	-	-	-	-	-	367,811,453	-
Fujian Haixia Technology Co., Ltd. ("Haixia Technology")	228,104,609	-	-	12,802,067	-	-	(3,864,000)	-	-	237,042,676	-
Wancheng Commercial	239,705,354	-	-	62,859,679	-	-	(159,953,983)	-	-	142,611,050	-
Xiamen Modern Terminals Co., Ltd. ("Xiamen Modern Terminals")	132,691,846	-	-	2,235,977	-	-	-	-	-	134,927,823	-
Tibet Yulong Copper Co., Ltd. ("Yulong Copper")	596,152,414	-	-	81,469,020	-	-	-	-	-	677,621,434	-
Shanghai Xinyuan Water Supply Co., Ltd. ("Shanghai Xinyuan")	109,507,289	-	-	(9,031,526)	-	-	-	-	-	100,475,763	-
Yanbian SMEs Credit Security Investment Co., Ltd. ("Yanbian Credit Security")	73,193,680	-	-	(1,545,675)	-	-	-	-	-	71,648,005	-
Xinjiang Karas Travel Development Co., Ltd. ("Karas Travel")	79,674,300	-	-	7,381,500	-	-	(5,400,000)	-	-	81,655,800	-
Fujian Shanghang Ting River Hydropower Co., Ltd. ("Ting River Hydropower")	61,211,550	-	-	13,246,104	-	-	(2,450,000)	-	-	72,007,654	-

## Notes to Financial Statements (continued)

For the six months ended 30 June 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

## 10. Long-term equity investments (continued)

31 December 2019 (continued)

	Movements during the year										
	At 1 January 2019	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	At 31 December 2019	Provision for impairment losses at 31 December 2019
<b>Associates (continued)</b>											
Songpan Zijin Industrial and Commercial Co., Ltd. ("Songpan Zijin")	39,249,785	-	-	-	-	-	-	-	-	39,249,785	-
Fujian Wuping Zijin Hydropower Co., Ltd. ("Wuping Zijin Hydropower")	35,384,429	-	-	9,987,954	-	-	(480,000)	-	-	44,892,383	-
Hunchun Jindl Mining Co., Ltd. ("Hunchun Jindl")	46,215,762	-	-	-	-	822,941	-	(47,038,703)	-	-	(47,038,703)
Zisen Supply Chain	9,173,651	980,000	-	2,300,756	-	-	(1,800,000)	-	-	10,654,407	-
Fujian Kingkop Co., Ltd. ("Fujian Kingkop")	3,212,092	-	-	303,682	-	-	-	-	-	3,515,774	-
Changsha Science Environmental Technology Co., Ltd. ("Science")	174,509,759	31,200,000	-	10,854,504	-	4,101,742	-	-	-	220,666,005	-
Fujian Evergreen New Energy Technology Co., Ltd. ("Evergreen New Energy")	7,022,443	22,500,000	-	(2,399,177)	-	-	-	-	-	27,123,266	-
Beijing Anchuang Shenzhen Technology Co., Ltd. ("Beijing Anchuang Shenzhen")	144,000	-	-	-	-	-	-	-	-	144,000	-
Fujian Shanghang Caixi Cultural Media Co., Ltd. ("Caixi Cultural")	-	3,000,000	-	-	-	-	-	-	-	3,000,000	-
<b>Subtotal</b>	<b>3,387,059,370</b>	<b>57,680,000</b>	<b>-</b>	<b>275,033,769</b>	<b>-</b>	<b>4,924,683</b>	<b>(215,447,983)</b>	<b>(47,038,703)</b>	<b>-</b>	<b>3,462,211,136</b>	<b>(47,038,703)</b>
<b>Total</b>	<b>7,041,753,269</b>	<b>57,680,000</b>	<b>-</b>	<b>92,305,222</b>	<b>(1,407,790)</b>	<b>4,924,683</b>	<b>(285,425,712)</b>	<b>(47,038,703)</b>	<b>61,625,124</b>	<b>6,924,416,093</b>	<b>(62,853,726)</b>

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)***V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***10. Long-term equity investments** *(continued)*

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

**30 June 2020**

	<b>At 1 January 2020</b>	<b>Additions</b>	<b>Reductions</b>	<b>At 30 June 2020</b>
Joint venture – Zijin Cuifu	<b>3,464,168</b>	–	–	<b>3,464,168</b>
Joint venture – Shandong Guoda	<b>12,350,855</b>	–	–	<b>12,350,855</b>
Associate – Hunchun Jindi	<b>47,038,703</b>	–	–	<b>47,038,703</b>
Joint venture – Preduzece za Proizrodnju Bankarnog Praha Pometon Tir Doo Bor (Note 1)	–	<b>5,224,244</b>	–	<b>5,224,244</b>
	<b>62,853,726</b>	<b>5,224,244</b>	–	<b>68,077,970</b>

Note 1: The Group expected that there was no possibility for Preduzece za Proizrodnju Bankarnog Praha Pometon Tir Doo Bor to improve its profitability. Impairment for the whole amount was provided during the current period.

**31 December 2019**

	<b>At 1 January 2019</b>	<b>Additions</b>	<b>Reductions</b>	<b>At 31 December 2019</b>
Joint venture – Zijin Cuifu	3,464,168	–	–	3,464,168
Joint venture – Shandong Guoda	12,350,855	–	–	12,350,855
Associate – Hunchun Jindi	–	47,038,703	–	47,038,703
	15,815,023	47,038,703	–	62,853,726

## Notes to Financial Statements (continued)

For the six months ended 30 June 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

#### 11. Other equity instrument investments

30 June 2020

	Costs	Accumulated changes in fair value of other comprehensive income	Exchange realignments	Fair value	Dividend income for the current period		Reasons for designating at fair value through other comprehensive income
					Equity instruments derecognised in the current period	Equity instrument held in the current period	
<b>Share-holding companies</b>							
Fujian Shanghang Rural Commercial Bank Company Limited ("Shanghang Rural Commercial Bank")	89,900,000	(7,977,069)	-	81,922,931	-	13,800,000	Long-term holding
Muli County Rongda Mining Company Limited ("Muli Rongda")	74,950,241	84,185,343	-	159,135,584	-	-	Long-term holding
Lenghu Bindi Potash Co., Ltd. ("Bindi Potash")	187,106,400	(147,286,886)	-	39,819,514	-	-	Long-term holding
Beijing Larkworld Environmental Technology Incorporated Company	76,739,294	(5,497,580)	-	71,241,714	-	-	Long-term holding
Fujian Shanghang Xingcheng Guarantee Company Limited ("Xingcheng Guarantee")	50,000,000	(9,603,246)	-	40,396,754	-	-	Long-term holding
Xinjiang Xinxin Mining Industry Company Limited ("Xinjiang Xinxin")	18,314,097	(7,407,625)	-	10,906,472	-	-	Long-term holding
Zhenfeng Rural Credit Cooperative Union ("Zhenfeng Rural")	11,074,000	12,944,206	-	24,018,206	-	1,131,900	Long-term holding
Sichuan Liwu Copper Company Limited ("Liwu Copper")	19,850,000	24,866,177	-	44,716,177	-	2,400,000	Long-term holding
Nanjing China Net Communication Company Limited ("Nanjing China Net")	25,000,000	(9,851,244)	-	15,148,756	-	-	Long-term holding
Xinjiang Wuxin Copper Co., Ltd. ("Wuxin Copper")	6,731,300	(219,339)	-	6,511,961	-	-	Long-term holding
Cloud Chain (Beijing) Financial Information Services Co., Ltd.	6,500,000	(5,861,795)	-	638,205	-	-	Long-term holding
Others	17,208,305	(8,621,170)	-	8,587,135	-	-	Long-term holding
	583,373,637	(80,330,228)	-	503,043,409	-	17,331,900	
<b>Stocks</b>							
Ivanhoe	2,363,052,199	917,257,795	21,071,773	3,301,381,767	-	-	Strategic investment
Asanko Gold Inc.	91,638,745	51,122,218	-	142,760,963	-	-	Strategic investment
Lydian International Ltd.	27,432,581	(24,681,452)	-	2,751,129	-	-	Strategic investment
Northern Dynasty Minerals Ltd.	21,546,259	18,948,485	-	40,494,744	-	-	Strategic investment
Equitas Resources Corp.	9,017,141	(8,883,508)	-	133,633	-	-	Strategic investment
Chrometco Ltd.	2,910,519	(1,068,789)	-	1,841,730	-	-	Strategic investment
Guyana Goldfields	92,026,231	21,591,533	-	113,617,764	-	-	Strategic investment
	2,607,623,675	974,286,282	21,071,773	3,602,981,730	-	-	
	3,190,997,312	893,956,054	21,071,773	4,106,025,139	-	17,331,900	

## Notes to Financial Statements (continued)

For the six months ended 30 June 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

## 11. Other equity instrument investments (continued)

31 December 2019

	Costs	Accumulated changes in fair value of other comprehensive income	Exchange realignments	Fair value	Dividend income for the current period		Reasons for designating at fair value through other comprehensive income
					Equity instruments derecognised in the current period	Equity instrument held in the current period	
<b>Share-holding companies</b>							
Shanghai Rural Commercial Bank	89,900,000	8,509,354	-	98,409,354	-	6,000,000	Long-term holding
Muli Rongda	74,950,241	66,105,437	-	141,055,678	-	16,800,000	Long-term holding
Bindi Potash	187,106,400	(136,128,644)	-	50,977,756	-	-	Long-term holding
Beijing Larkworld Environmental Technology Incorporated Company	76,739,294	9,203,954	-	85,943,248	-	1,666,667	Long-term holding
Xingcheng Guarantee	50,000,000	(8,194,536)	-	41,805,464	-	-	Long-term holding
Xinjiang Xinxin	18,314,097	1,989,063	-	20,303,160	-	-	Long-term holding
Zhenfeng Rural	11,074,000	13,548,223	-	24,622,223	-	823,200	Long-term holding
Liwu Copper	19,850,000	14,986,580	-	34,836,580	-	-	Long-term holding
Nanjing China Net	25,000,000	(7,155,671)	-	17,844,329	-	100,000	Long-term holding
Wuxin Copper	6,731,300	338,934	-	7,070,234	-	-	Long-term holding
Cloud Chain (Beijing) Financial Information Services Co., Ltd.	6,500,000	(5,752,144)	-	747,856	-	-	Long-term holding
Others	12,994,115	(8,864,065)	-	4,130,050	-	390,000	Long-term holding
	579,159,447	(51,413,515)	-	527,745,932	-	25,779,867	
<b>Stocks</b>							
Ivanhoe	2,328,606,265	1,374,224,100	52,980,462	3,755,810,827	-	-	Strategic investment
Asanko Gold Inc.	90,301,596	10,231,384	-	100,532,980	-	-	Strategic investment
Lydian International Ltd.	27,032,298	(16,652,464)	-	10,379,834	-	-	Strategic investment
Northern Dynasty Minerals Ltd.	21,231,867	(8,575,745)	-	12,656,122	-	-	Strategic investment
Equitas Resources Corp.	8,885,568	(8,778,619)	-	106,949	-	-	Strategic investment
Chrometco Ltd.	3,059,776	149,257	-	3,209,033	-	-	Strategic investment
	2,479,117,370	1,350,597,913	52,980,462	3,882,695,745	-	-	
	3,058,276,817	1,299,184,398	52,980,462	4,410,441,677	-	25,779,867	

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

#### 12. Other non-current financial assets

	<b>30 June 2020</b>	31 December 2019
Jinrui Co-operative Business Operation Project (Note 1)	<b>640,179,725</b>	602,061,526
Convertible bond in Continental Gold Inc. (Note 2)	–	349,717,896
	<b>640,179,725</b>	951,779,422

Note 1: On 19 April 2018, the Group's subsidiary, Zijin Mining Group Capital Investment Co., Ltd. ("Zijin Capital"), entered into an agreement with Xiamen Jinrui Commercial Factoring Co., Ltd. to cooperate in the documentary factoring of commercial acceptance bills for a period of three years. As at 30 June 2020, the investment cost of the project was RMB639,300,000 and the fair value change was RMB879,725.

Note 2: The Group and Continental Gold Inc. ("Continental Gold") signed the "Arrangement Agreement" on 2 December 2019. According to the agreement, the Group, through its wholly-owned subsidiary Gold Mountains (H.K.), subscribed for convertible bond in Continental Gold within 10 days of the date of signing the agreement, the amount of which was USD50,000,000 and was mainly used for mine construction with a term of 5 years. In March 2020, Zijin (America) Gold Mining Company Limited ("Zijin America") acquired 100% equity interest in Continental Gold in cash, and the acquisition was completed on 5 March 2020. As at 30 June 2020, Zijin America held 100% equity interest in Continental Gold. Continental Gold was included into the scope of consolidation during the current period.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

## 13. Investment properties

Buildings subsequently measured at cost:

	<b>30 June 2020</b>	31 December 2019
<b>Cost</b>		
At the beginning of the year	<b>182,659,768</b>	756,670,882
Other additions	–	421,324
Other reductions (Note 1)	–	(574,432,438)
At the end of the period	<b>182,659,768</b>	182,659,768
<b>Accumulated depreciation and amortisation</b>		
At the beginning of the year	<b>52,286,379</b>	68,512,215
Depreciation for the period	<b>3,250,927</b>	15,513,671
Other reductions (Note 1)	–	(31,739,507)
At the end of the period	<b>55,537,306</b>	52,286,379
<b>Impairment provision</b>		
At the beginning of the year	–	79,936,878
Impairment for the period	–	–
Other reductions (Note 1)	–	(79,936,878)
At the end of the period	–	–
<b>Net book value</b>		
At the end of the period	<b>127,122,462</b>	130,373,389
At the beginning of the year	<b>130,373,389</b>	608,221,789

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 2020, there were no investment properties of which certificates of title have not been obtained (31 December 2019: Nil).

Note 1: Other reductions of investment properties mainly included certain investment properties of the Group's subsidiaries, namely Fujian Zijin Commercial Services Co., Ltd. ("Zijin Commercial Services") and Qinghai West Copper Co., Ltd. ("West Copper"), which were changed to self-use purpose and reclassified to fixed assets.

## Notes to Financial Statements (continued)

For the six months ended 30 June 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

#### 14. Fixed assets

##### 30 June 2020

	Buildings	Mining assets	Power generation and transmission equipment	Plant, machinery and equipment	Motor vehicles	Furniture and fixtures and others	Total
<b>Cost</b>							
At 1 January 2020	12,223,134,209	27,558,422,844	2,183,888,940	18,801,496,758	1,927,201,840	653,609,027	63,347,753,618
Purchases	213,871,622	406,364,848	161,731,786	245,972,410	340,560,445	14,723,797	1,383,224,908
Business combination not involving enterprises under common control	15,538,957	129,912,061	-	205,345,967	5,122,497	84,215,849	440,135,331
Transferred from construction in progress	124,966,765	236,361,976	18,027,779	135,599,676	-	940,164	515,896,360
Disposals or write-off	(90,583,608)	(108,363,147)	(32,703,147)	(109,992,571)	(16,347,651)	(12,725,787)	(370,715,911)
Exchange realignments	61,191,970	131,528,309	11,688,426	117,889,548	19,971,313	2,317,925	344,587,491
At 30 June 2020	12,548,119,915	28,354,226,891	2,342,633,784	19,396,311,788	2,276,508,444	743,080,975	65,660,881,797
<b>Accumulated depreciation</b>							
At 1 January 2020	3,179,190,464	8,780,494,261	962,969,637	8,673,891,132	987,976,730	363,784,915	22,948,307,139
Depreciation for the period	431,346,332	870,416,516	111,044,710	858,558,419	119,185,607	90,621,803	2,481,173,387
Disposals or write-off	(37,621,436)	(68,626,109)	(6,626,131)	(68,484,992)	(13,990,664)	(10,793,936)	(206,143,268)
Exchange realignments	11,311,119	37,045,723	3,687,992	56,582,971	8,065,546	754,129	117,447,480
At 30 June 2020	3,584,226,479	9,619,330,391	1,071,076,208	9,520,547,530	1,101,237,219	444,366,911	25,340,784,738
<b>Impairment provision</b>							
At 1 January 2020	299,981,498	1,335,088,757	9,336,086	129,584,012	449,739	239,997	1,774,680,089
Impairment provided for the period	88,357,772	6,127,885	423,151	18,071,770	16,446,972	12,431	129,439,981
Disposals or write-off	-	-	-	(181,086)	-	-	(181,086)
At 30 June 2020	388,339,270	1,341,216,642	9,759,237	147,474,696	16,896,711	252,428	1,903,938,984
<b>Net book value</b>							
At 30 June 2020	8,575,554,166	17,393,679,858	1,261,798,339	9,728,289,562	1,158,374,514	298,461,636	38,416,158,075
At 1 January 2020	8,743,962,247	17,442,839,826	1,211,583,217	9,998,021,614	938,775,371	289,584,115	38,624,766,390

## Notes to Financial Statements (continued)

For the six months ended 30 June 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

## 14. Fixed assets (continued)

31 December 2019

	Buildings	Mining assets	Power generation and transmission equipment	Plant, machinery and equipment	Motor vehicles	Furniture and fixtures and others	Total
Cost							
At 1 January 2019	10,732,491,001	23,320,703,750	1,917,702,523	16,734,733,982	1,574,164,826	532,025,899	54,811,821,981
Purchases	93,833,809	898,756,206	78,074,991	806,592,846	273,667,115	124,573,179	2,275,498,146
Transferred from construction in progress	1,633,509,079	1,339,268,371	204,856,863	2,401,233,820	120,332,221	22,472,729	5,721,673,083
Disposals or write-off	(153,112,766)	(340,989,453)	(28,574,077)	(367,556,637)	(56,004,751)	(14,107,779)	(960,345,463)
Reclassification	(702,353,805)	1,591,125,749	-	(888,771,944)	-	-	-
Other additions/(reductions)	564,502,235	(26,540,591)	-	-	-	(14,062,062)	523,899,582
Others	-	636,082,949	-	-	-	-	636,082,949
Exchange realignments	54,264,656	140,015,863	11,828,640	115,264,691	15,042,429	2,707,061	339,123,340
At 31 December 2019	12,223,134,209	27,558,422,844	2,183,888,940	18,801,496,758	1,927,201,840	653,609,027	63,347,753,618
Accumulated depreciation							
At 1 January 2019	2,619,303,318	7,178,410,628	822,444,242	7,044,769,065	844,669,779	324,570,247	18,834,167,279
Depreciation for the year	603,368,965	1,772,369,352	146,354,275	1,764,500,798	186,718,956	64,121,208	4,537,433,554
Disposals or write-off	(84,573,112)	(227,318,163)	(9,574,092)	(203,188,837)	(51,557,931)	(11,946,063)	(588,158,198)
Other additions/(reductions)	29,698,104	-	-	-	-	(14,062,062)	15,636,042
Exchange realignments	11,393,189	57,032,444	3,745,212	67,810,106	8,145,926	1,101,585	149,228,462
At 31 December 2019	3,179,190,464	8,780,494,261	962,969,637	8,673,891,132	987,976,730	363,784,915	22,948,307,139
Impairment provision							
At 1 January 2019	256,746,402	1,401,988,134	12,302,610	161,462,966	449,739	239,997	1,833,189,848
Impairment provided for the year	-	6,282,766	899	873,080	-	5,345	7,162,090
Disposals or write-off	(35,748,094)	(73,182,143)	(2,967,423)	(32,752,034)	-	(5,345)	(144,655,039)
Other additions	78,983,190	-	-	-	-	-	78,983,190
At 31 December 2019	299,981,498	1,335,088,757	9,336,086	129,584,012	449,739	239,997	1,774,680,089
Net book value							
At 31 December 2019	8,743,962,247	17,442,839,826	1,211,583,217	9,998,021,614	938,775,371	289,584,115	38,624,766,390
At 1 January 2019	7,856,441,281	14,740,304,988	1,082,955,671	9,528,501,951	729,045,308	207,215,655	34,144,464,854

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

#### 14. Fixed assets *(continued)*

Fixed assets that are temporarily idle are as follows:

##### 30 June 2020

	Cost	Accumulated depreciation	Impairment provision	Net book value
Buildings	971,319,715	(229,793,220)	(78,585,942)	662,940,553
Mining assets	1,821,657,360	(587,070,202)	(395,676,000)	838,911,158
Plant, machinery and equipment	500,642,659	(359,950,201)	(10,557,701)	130,134,757
Motor vehicles	36,487,405	(19,757,550)	(124,774)	16,605,081
Power generation and transmission equipment	33,232,250	(27,566,495)	(2,905,646)	2,760,109
Furniture and fixtures and others	6,726,828	(6,253,500)	(118,878)	354,450
	<b>3,370,066,217</b>	<b>(1,230,391,168)</b>	<b>(487,968,941)</b>	<b>1,651,706,108</b>

##### 31 December 2019

	Cost	Accumulated depreciation	Impairment provision	Net book value
Buildings	987,460,637	(240,237,067)	(79,706,766)	667,516,804
Mining assets	1,803,311,680	(571,255,672)	(338,129,860)	893,926,148
Plant, machinery and equipment	463,066,951	(342,355,455)	(20,921,269)	99,790,227
Motor vehicles	46,220,664	(25,544,619)	(55,105)	20,620,940
Power generation and transmission equipment	35,068,249	(25,461,900)	(151,846)	9,454,503
Furniture and fixtures and others	6,282,013	(5,918,151)	(58,955)	304,907
	<b>3,341,410,194</b>	<b>(1,210,772,864)</b>	<b>(439,023,801)</b>	<b>1,691,613,529</b>

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*14. Fixed assets *(continued)*

Fixed assets leased out under operating leases are as follows:

## 30 June 2020

	Cost	Accumulated depreciation	Impairment provision	Net book value
Buildings	107,218,733	(38,674,609)	–	68,544,124
Mining assets	19,048,740	(8,109,625)	–	10,939,115
Power generation and transmission	4,469,268	(3,651,357)	–	817,911
Plant, machinery and equipment	27,122,712	(14,799,756)	–	12,322,956
Furniture and fixtures and others	108,917	(105,649)	–	3,268
Motor vehicles	76,300	(72,485)	–	3,815
	158,044,670	(65,413,481)	–	92,631,189

## 31 December 2019

	Cost	Accumulated depreciation	Impairment provision	Net book value
Buildings	36,420,590	(14,623,158)	–	21,797,432
Mining assets	19,048,740	(7,656,184)	–	11,392,556
Power generation and transmission	3,730,676	(2,982,986)	–	747,690
Plant, machinery and equipment	8,229,872	(4,798,475)	–	3,431,397
Motor vehicles	71,500	(67,925)	–	3,575
	67,501,378	(30,128,728)	–	37,372,650

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

	At 30 June 2020 Net book value	At 31 December 2019 Net book value	Reasons why certificates of title have not been obtained
Buildings	1,670,703,680	1,582,473,195	In the process of application/the projects were unsettled
Mining assets	366,474,784	399,964,471	In the process of application/the projects were unsettled
	2,037,178,464	1,982,437,666	

As at 30 June 2020, there was no fixed asset with restriction on title (31 December 2019: Nil). Please refer to Note V.64 for details.

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

#### 15. Construction in progress

	<b>30 June 2020</b>	31 December 2019
Construction in progress	<b>11,710,946,096</b>	5,279,257,840
Construction materials	<b>580,366,436</b>	597,571,585
	<b>12,291,312,532</b>	5,876,829,425

#### Construction in progress

	30 June 2020			31 December 2019		
	Carrying amount	Impairment provision	Net book value	Carrying amount	Impairment provision	Net book value
	<b>12,484,867,141</b>	<b>(773,921,045)</b>	<b>11,710,946,096</b>	6,053,178,885	(773,921,045)	5,279,257,840

## Notes to Financial Statements (continued)

For the six months ended 30 June 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

## 15. Construction in progress (continued)

## Construction in progress (continued)

The movements of important construction in progress in the first half of 2020 are as follows:

Project name	Budget	At 1 January 2020	Additions	Transferred to fixed assets	Other reductions	At 30 June 2020	Contribution in budget	Progress of projects	Balance of capitalised interest as at 30 June 2020	Including: capitalised interest for the period	Interest rate of capitalisation (%)	Source of funds
Serbia Zijin Copper infrastructure project	1,856,809,269	558,949,642	508,205,964	-	-	1,067,155,606	60%	59%	-	-	N/A	Equity fund
Continental Gold infrastructure project	4,635,625,456	-	4,657,737,963	-	-	4,657,737,963	100%	98%	639,783,845	108,821,344	11.81	Equity fund/Loan
Guizhou Zijin infrastructure project	557,170,800	517,717,303	52,158,619	-	-	569,875,922	102%	99%	66,083,294	4,381,296	4.57	Equity fund/Loan
Duobaoshan Copper Industry infrastructure project	633,827,625	170,811,735	155,217,074	(33,822,411)	-	292,206,398	51%	56%	21,821,217	3,230,060	4.57	Equity fund/Loan
Guizhou Xinhengji infrastructure project	350,000,000	389,564,472	1,185,953	-	-	390,750,425	113%	96%	125,996,221	-	N/A	Equity fund/Loan
Ankang Jinfeng infrastructure project	370,000,000	281,360,585	4,636,668	-	-	285,997,253	81%	95%	93,474,806	5,721,827	3.80	Equity fund/Loan
Zijinshan Gold and Copper Mine infrastructure project	644,071,000	345,036,982	131,469,087	(14,548,661)	(363,559)	461,593,849	54%	56%	-	-	N/A	Equity fund
Longjing infrastructure project	451,824,208	366,086,181	43,328,636	(309,171,221)	(93,221,636)	7,021,960	91%	93%	953,114	818,484	7.00	Equity fund/Loan
Luoyang Kunyu infrastructure project	299,454,900	204,878,329	46,941,920	(2,567,079)	-	249,253,170	82%	79%	4,172,429	-	N/A	Equity fund/Loan
Serbia Zijin Mining infrastructure project	3,223,462,787	275,782,929	195,850,183	-	-	471,633,112	22%	21%	18,951,647	10,410,366	4.12	Equity fund/Loan
Xinjiang Zijin Non-ferrous infrastructure project	1,237,389,914	439,597,845	414,869,863	-	-	854,467,708	68%	83%	10,095,842	8,675,355	4.41	Equity fund/Loan
Zijin Zinc infrastructure project	403,450,000	189,579,349	147,553,455	-	-	337,132,804	84%	85%	7,362,181	5,508,056	3.95	Equity fund/Loan
CARBILLU infrastructure project	972,941,314	528,232,264	290,389,443	-	-	818,621,707	85%	90%	75,552,669	38,802,552	10.00	Equity fund/Loan
Others	3,695,660,001	1,785,581,269	391,624,984	(155,786,989)	-	2,021,419,264	-	-	56,587,473	992,926	N/A	Equity fund/Loan
Subtotal	19,331,687,274	6,053,178,885	7,041,169,812	(515,896,361)	(93,585,195)	12,484,867,141	-	-	1,120,834,738	187,362,266	-	-
Impairment provision for construction in progress		(773,921,045)				(773,921,045)						
Total		5,279,257,840				11,710,946,096						

## Notes to Financial Statements (continued)

For the six months ended 30 June 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

#### 15. Construction in progress (continued)

##### Construction in progress (continued)

The movements of important construction in progress in the year 2019 are as follows:

Project name	Budget	At 1 January 2019	Additions	Transferred to fixed assets	Other reductions	At 31 December 2019	Contribution in budget	Progress of projects	Balance of capitalised interest as at 31 December 2019	Including capitalised interest for the period	Interest rate of capitalisation (%)	Source of funds
Serbia Zijin Copper infrastructure project	955,908,865	256,529,294	480,210,290	(177,306,165)	(483,777)	558,949,642	83%	61%	-	-	N/A	Equity fund
Heilongjiang Zijin Copper infrastructure project	2,163,969,000	1,179,757,743	856,741,920	(2,015,869,788)	-	20,629,875	94%	100%	36,538,376	22,547,767	5.00	Equity fund/ Proceeds raised/loan
Guizhou Zijin infrastructure project	557,170,800	445,817,833	138,547,047	(66,647,577)	-	517,717,303	105%	94%	61,701,998	22,119,068	4.57	Equity fund/loan
Duobaoshan Copper	881,450,068	390,667,518	106,545,193	(326,400,977)	-	170,811,734	81%	89%	18,591,158	8,350,966	4.57	Equity fund/loan
Industry infrastructure project	350,000,000	386,911,825	2,652,647	-	-	389,564,472	111%	96%	125,996,221	-	N/A	Equity fund/loan
Guizhou Xinhengji infrastructure project	1,469,663,686	281,477,355	1,262,595,834	(1,533,780,875)	-	10,292,314	105%	98%	-	-	N/A	Equity fund/ Proceeds raised
COMMUS infrastructure project	370,000,000	276,127,577	5,233,008	-	-	281,360,585	80%	95%	87,752,979	12,743,081	3.80	Equity fund/loan
Ankang Jinfeng infrastructure project	538,080,000	160,383,177	259,121,152	(73,885,074)	(582,273)	345,036,982	88%	85%	-	-	N/A	Equity fund
Zijinshan Gold and Copper Mine infrastructure project	559,100,000	135,588,967	337,909,049	(107,275,792)	(136,044)	366,086,180	85%	88%	134,630	134,630	7.00	Equity fund/loan
Longxing infrastructure project	198,117,129	125,711,114	63,463,299	(148,440,747)	-	40,733,666	97%	97%	10,562,607	3,274,201	4.75	Equity fund/loan
Yilian Gold Mine infrastructure project	3,249,777,000	48,888,742	266,027,041	(26,314,213)	(12,818,640)	275,782,930	8%	13%	8,541,281	8,541,281	4.12	Equity fund/loan
Serbia Zijin Mining infrastructure project	822,520,051	20,111,864	419,523,149	-	(37,168)	439,597,845	64%	79%	1,420,487	1,420,307	4.41	Equity fund/loan
Xinjiang Zijin Non-ferrous infrastructure project	370,000,000	63,999,607	168,345,238	(42,765,496)	-	189,579,349	53%	60%	1,854,125	1,854,125	3.95	Equity fund/loan
Zijin Zinc infrastructure project	972,941,314	-	538,241,609	(7,156,464)	(2,852,881)	528,232,264	55%	65%	36,750,117	36,750,117	10.00	Equity fund/loan
CARILLU infrastructure project	2,074,767,505	1,765,755,024	1,390,087,798	(1,195,829,915)	(41,209,163)	1,918,803,744	N/A	N/A	12,531,363	2,790,846	N/A	Equity fund/loan
Others	15,533,465,418	5,537,727,640	6,295,244,274	(5,721,673,083)	(58,119,946)	6,053,178,885			402,375,342	120,526,389		
Subtotal												
Impairment provision for construction in progress		(730,551,202)				(773,921,045)						
Total		4,807,176,438				5,279,257,840						

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)***V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)*15. Construction in progress *(continued)***Construction in progress** *(continued)*

Impairment provision for construction in progress:

30 June 2020	At 1 January 2020	Additions	Reductions	At 30 June 2020	Reasons for making provision
Luoyang Kunyu infrastructure project	5,005,874	-	-	5,005,874	No expected usable value in the future
Ankang Jinfeng infrastructure project	53,637,599	-	-	53,637,599	Expected recoverable amount less than carrying amount
Jinhao Iron infrastructure project	591,814,765	-	-	591,814,765	Expected recoverable amount less than carrying amount
Wuping Zijin infrastructure project	5,653,808	-	-	5,653,808	Expected recoverable amount less than carrying amount
Liancheng Zijin infrastructure project	64,276,926	-	-	64,276,926	Expected recoverable amount less than carrying amount
Shangri-La Huaxi infrastructure project	9,188,819	-	-	9,188,819	Expected recoverable amount less than carrying amount
Sichuan Jinkang infrastructure project	623,967	-	-	623,967	Expected recoverable amount less than carrying amount
Henan Jinda infrastructure project	43,719,287	-	-	43,719,287	Expected recoverable amount less than carrying amount
	773,921,045	-	-	773,921,045	

## Notes to Financial Statements (continued)

For the six months ended 30 June 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

#### 15. Construction in progress (continued)

##### Construction in progress (continued)

Impairment provision for construction in progress: (continued)

31 December 2019	At 1 January 2019	Additions	Reductions	At 31 December 2019	Reasons for making provision
Luoyang Kunyu infrastructure project	5,005,874	–	–	5,005,874	No expected usable value in the future
Ankang Jinfeng infrastructure project	53,637,599	–	–	53,637,599	Expected recoverable amount less than carrying amount
Malipo Jinwei infrastructure project	973,411	–	(973,411)	–	Expected recoverable amount less than carrying amount
Jinhao Iron infrastructure project	591,814,765	–	–	591,814,765	Expected recoverable amount less than carrying amount
Wuping Zijin infrastructure project	5,653,808	–	–	5,653,808	Expected recoverable amount less than carrying amount
Liancheng Zijin infrastructure project	64,276,926	–	–	64,276,926	Expected recoverable amount less than carrying amount
Shangri-La Huaxi infrastructure project	9,188,819	–	–	9,188,819	Expected recoverable amount less than carrying amount
Sichuan Jinkang infrastructure project	–	623,967	–	623,967	Expected recoverable amount less than carrying amount
Henan Jinda infrastructure project	–	43,719,287	–	43,719,287	Expected recoverable amount less than carrying amount
	730,551,202	44,343,254	(973,411)	773,921,045	

##### Construction materials

	30 June 2020			31 December 2019		
	Carrying amount	Impairment provision	Net book value	Carrying amount	Impairment provision	Net book value
Dedicated materials	262,042,539	–	262,042,539	400,405,024	–	400,405,024
Dedicated equipment	320,120,941	(1,797,044)	318,323,897	198,963,605	(1,797,044)	197,166,561
	582,163,480	(1,797,044)	580,366,436	599,368,629	(1,797,044)	597,571,585

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*15. Construction in progress *(continued)***Construction materials** *(continued)*

Impairment provision for construction materials:

**30 June 2020**

	At 1 January 2020	Additions	Reductions	At 30 June 2020
Dedicated equipment	1,797,044	–	–	1,797,044

31 December 2019

	At 1 January 2019	Additions	Reductions	At 31 December 2019
Dedicated equipment	1,797,044	–	–	1,797,044

## 16. Right-of-use assets

**30 June 2020**

	Buildings	Power generation and transmission equipment	Plant, machinery and equipment	Motor vehicles	Furniture and fixtures and others	Total
<b>Cost</b>						
At 1 January 2020	36,380,590	284,756,210	65,237,626	58,739,367	7,879,773	452,993,566
Business combination not involving enterprises under common control	16,599,585	–	1,560,733	10,428,859	–	28,589,177
Additions	4,361,431	–	49,291	–	52,300	4,463,022
Early termination	–	–	–	(1,492,254)	–	(1,492,254)
Exchange realignments	–	4,216,523	–	–	–	4,216,523
At 30 June 2020	57,341,606	288,972,733	66,847,650	67,675,972	7,932,073	488,770,034
<b>Accumulated depreciation</b>						
At 1 January 2020	9,949,743	39,837,651	30,655,806	12,843,607	4,934,378	98,221,185
Depreciation for the period	13,351,884	24,151,334	12,086,332	23,985,312	354,464	73,929,326
Exchange realignments	–	294,948	–	–	–	294,948
At 30 June 2020	23,301,627	64,283,933	42,742,138	36,828,919	5,288,842	172,445,459
<b>Impairment provision</b>						
At 1 January 2020	–	–	–	–	–	–
Impairment provided for the period	–	–	–	–	–	–
At 30 June 2020	–	–	–	–	–	–
<b>Net book value</b>						
At 30 June 2020	34,039,979	224,688,800	24,105,512	30,847,053	2,643,231	316,324,575
At 1 January 2020	26,430,847	244,918,559	34,581,820	45,895,760	2,945,395	354,772,381

## Notes to Financial Statements (continued)

For the six months ended 30 June 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

#### 16. Right-of-use assets (continued)

31 December 2019

	Buildings	Power generation and transmission equipment	Plant, machinery and equipment	Motor vehicles	Furniture and fixtures and others	Total
<b>Cost</b>						
At 1 January 2019	5,659,841	280,143,749	44,077,812	4,739,307	4,347,796	338,968,505
Additions	30,720,749	–	21,159,814	54,000,060	3,531,977	109,412,600
Exchange realignments	–	4,612,461	–	–	–	4,612,461
At 31 December 2019	36,380,590	284,756,210	65,237,626	58,739,367	7,879,773	452,993,566
<b>Accumulated depreciation</b>						
At 1 January 2019	–	–	–	–	–	–
Depreciation for the year	9,949,743	39,192,364	30,655,806	12,843,607	4,934,378	97,575,898
Exchange realignments	–	645,287	–	–	–	645,287
At 31 December 2019	9,949,743	39,837,651	30,655,806	12,843,607	4,934,378	98,221,185
<b>Impairment provision</b>						
At 1 January 2019	–	–	–	–	–	–
Impairment provided for the year	–	–	–	–	–	–
At 31 December 2019	–	–	–	–	–	–
<b>Net book value</b>						
At 31 December 2019	26,430,847	244,918,559	34,581,820	45,895,760	2,945,395	354,772,381
At 1 January 2019	5,659,841	280,143,749	44,077,812	4,739,307	4,347,796	338,968,505

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

## 17. Intangible assets

30 June 2020

	Exploration and mining rights	Land use rights	Membership of Shanghai Gold Exchange and others	Total
<b>Cost</b>				
At 1 January 2020	27,752,072,678	2,374,252,790	251,361,908	30,377,687,376
Purchases	164,948,931	543,046,876	5,767,129	713,762,936
Business combination not involving enterprises under common control	8,199,954,147	–	28,095,298	8,228,049,445
Exchange realignments	155,144,700	5,015,707	2,447,016	162,607,423
At 30 June 2020	36,272,120,456	2,922,315,373	287,671,351	39,482,107,180
<b>Accumulated amortisation</b>				
At 1 January 2020	4,227,764,602	500,071,892	93,612,090	4,821,448,584
Amortisation provided for the period	424,511,344	57,563,873	24,177,482	506,252,699
Exchange realignments	621,206	176,302	934,502	1,732,010
At 30 June 2020	4,652,897,152	557,812,067	118,724,074	5,329,433,293
<b>Impairment provision</b>				
At 1 January 2020	1,316,403,735	–	77,326,596	1,393,730,331
Impairment provided for the period (Note 1)	10,316,081	–	–	10,316,081
At 30 June 2020	1,326,719,816	–	77,326,596	1,404,046,412
<b>Net book value</b>				
At 30 June 2020	30,292,503,488	2,364,503,306	91,620,681	32,748,627,475
At 1 January 2020	22,207,904,341	1,874,180,898	80,423,222	24,162,508,461

Note 1: There were indications of impairment for the mining right of Xinyi Zijin Mining Co., Ltd. ("Xinyi Zijin"). Impairment provision of RMB10,316,081 was made.

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

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

31 December 2019

	Exploration and mining rights	Land use rights	Membership of Shanghai Gold Exchange and others	Total
<b>Cost</b>				
At 1 January 2019	25,213,147,009	2,358,847,137	223,100,401	27,795,094,547
Purchases	2,693,895,281	107,856,562	33,808,949	2,835,560,792
Disposals or write-off	(146,152,605)	–	(5,731,969)	(151,884,574)
Exchange realignments	176,290,290	455,069	184,527	176,929,886
Other reductions	(185,107,297)	(92,905,978)	–	(278,013,275)
<b>At 31 December 2019</b>	<b>27,752,072,678</b>	<b>2,374,252,790</b>	<b>251,361,908</b>	<b>30,377,687,376</b>
<b>Accumulated amortisation</b>				
At 1 January 2019	3,560,843,142	406,381,217	55,852,549	4,023,076,908
Amortisation provided for the year	720,169,218	93,549,735	37,599,208	851,318,161
Disposals or write-off	(55,069,436)	–	–	(55,069,436)
Exchange realignments	1,821,678	140,940	160,333	2,122,951
<b>At 31 December 2019</b>	<b>4,227,764,602</b>	<b>500,071,892</b>	<b>93,612,090</b>	<b>4,821,448,584</b>
<b>Impairment provision</b>				
At 1 January 2019	1,178,678,859	–	83,058,565	1,261,737,424
Impairment provided for the year (Note 2)	224,773,189	–	–	224,773,189
Disposals or write-off (Note 3)	(87,048,313)	–	(5,731,969)	(92,780,282)
<b>At 31 December 2019</b>	<b>1,316,403,735</b>	<b>–</b>	<b>77,326,596</b>	<b>1,393,730,331</b>
<b>Net book value</b>				
At 31 December 2019	22,207,904,341	1,874,180,898	80,423,222	24,162,508,461
At 1 January 2019	20,473,625,008	1,952,465,920	84,189,287	22,510,280,215

Note 2: Impairment provision for intangible assets made by the Group mainly included: impairment provisions of RMB168,000,000 and RMB39,588,100 respectively for the exploration rights of Henan Jinda Mining Co., Ltd. ("Henan Jinda") and Sichuan Jinkang Mining Co., Ltd. ("Sichuan Jinkang") since there were indications of impairment for the exploration rights.

Note 3: Malipo Jinwei Mining Company Limited and Malipo Jinyuan Mining Company Limited were disposed of by the Group, and impairment provisions for intangible assets of RMB81,648,153 and RMB11,132,129 were written off respectively.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*17. Intangible assets *(continued)*

As at 30 June 2020, there was no intangible asset with restrictions on title (31 December 2019: Nil). Details are disclosed in Note V.64.

Intangible assets of which certificates of title have not been obtained as at 30 June 2020 are as follows:

	Net book value	Reason why certificates of title have not been obtained
Land use rights of Duobaoshan Copper Industry (storage of explosives, management and living areas, etc.)	504,411,223	In the process of application
Land use rights of Duobaoshan Copper Industry (phase II construction land)	493,060,606	In the process of application
169 hectares of land use rights of Duobaoshan Copper Industry (expansion of western side of open-pit mine, dump, tailings pool with level-four sub-dam)	159,532,866	In the process of application
140 hectares of land use rights of Duobaoshan Copper Industry (orebody no. 3, mining area, dump, tailings pool)	129,544,926	In the process of application
Land use rights of Ashele Copper's new tailings pool	94,790,777	In the process of application
Land use rights of Urad Rear Banner Zijin	66,280,041	In the process of application
Land beside the Zijin Avenue	12,756,923	In the process of application
Land use rights of Duobaoshan Copper Industry's employee apartment building	6,787,429	In the process of application
Land use rights of Ashele Copper's 1,200 tonnes of copper selection from zinc tailings	1,289,928	In the process of application
Land use rights of Ashele Copper's new employee apartment building (No. 9)	348,751	In the process of application

Intangible assets of which certificates of title have not been obtained as at 31 December 2019 are as follows:

	Net book value	Reason why certificates of title have not been obtained
Land use rights of Duobaoshan Copper Industry (storage of explosives, management and living areas, etc.)	517,456,341	In the process of application
Land use rights of Duobaoshan Copper Industry (phase II construction land)	31,650,856	In the process of application
Land use rights of Duobaoshan Copper Industry's employee apartment building	2,196,594	In the process of application
Land use rights of Ashele Copper's new tailings pool	100,819,671	In the process of application
Land use rights of Urad Rear Banner Zijin	67,628,109	In the process of application
140 hectares of land use rights of Duobaoshan Copper Industry (orebody no. 3, mining area, dump, tailings pool)	132,511,603	In the process of application
Land beside the Zijin Avenue	12,941,806	In the process of application
Land use rights of Ashele Copper's 1,200 tonnes of copper selection from zinc tailings	1,353,892	In the process of application
169 hectares of land use rights of Duobaoshan Copper Industry (expansion of western side of open-pit mine, dump, tailings pool with level-four sub-dam)	162,963,680	In the process of application

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

#### 18. Goodwill

##### 30 June 2020

	At 1 January 2020	Additions	Reductions	At 30 June 2020
Ashele Copper	12,906,890	-	-	12,906,890
West Copper	455,874	-	-	455,874
Hunchun Zijin	71,099,520	-	-	71,099,520
Yunnan Huaxi Mineral Resources Co., Ltd. ("Yunnan Huaxi")	33,161,050	-	-	33,161,050
Zijin Mining Group (Xiamen) Investment Co., Ltd. ("Xiamen Investment")	1,241,101	-	-	1,241,101
Shanxi Zijin Mining Co., Ltd. ("Shanxi Zijin")	2,503,610	-	-	2,503,610
Xinyi Zijin Mining Co., Ltd. ("Xinyi Zijin")	44,319,632	-	-	44,319,632
Norton Gold Fields Pty Limited ("Norton")	157,778,981	-	-	157,778,981
Urad Rear Banner Zijin	119,097,944	-	-	119,097,944
Bayannur Zijin Non-ferrous Metals Co., Ltd. ("Bayannur Zijin")	14,531,538	-	-	14,531,538
Zijin Copper Co., Ltd. ("Zijin Copper")	4,340,000	-	-	4,340,000
Fujian Shanghang Jinshan Hydropower Co., Ltd. ("Jinshan Hydropower")	79,642,197	-	-	79,642,197
Beijing Anchuang Shenzhou	8,330,914	-	-	8,330,914
	<b>549,409,251</b>	-	-	<b>549,409,251</b>
Provision for impairment of goodwill	<b>(235,259,663)</b>	-	-	<b>(235,259,663)</b>
	<b>314,149,588</b>	-	-	<b>314,149,588</b>

##### 31 December 2019

	At 1 January 2019	Additions	Reductions	At 31 December 2019
Ashele Copper	12,906,890	-	-	12,906,890
West Copper	455,874	-	-	455,874
Hunchun Zijin	71,099,520	-	-	71,099,520
Yunnan Huaxi	33,161,050	-	-	33,161,050
Xiamen Investment	1,241,101	-	-	1,241,101
Shanxi Zijin	2,503,610	-	-	2,503,610
Xinyi Zijin	44,319,632	-	-	44,319,632
Norton	157,778,981	-	-	157,778,981
Urad Rear Banner Zijin	119,097,944	-	-	119,097,944
Bayannur Zijin	14,531,538	-	-	14,531,538
Zijin Copper	4,340,000	-	-	4,340,000
Jinshan Hydropower	79,642,197	-	-	79,642,197
Beijing Anchuang Shenzhou	8,330,914	-	-	8,330,914
	<b>549,409,251</b>	-	-	<b>549,409,251</b>
Provision for impairment of goodwill	<b>(235,259,663)</b>	-	-	<b>(235,259,663)</b>
	<b>314,149,588</b>	-	-	<b>314,149,588</b>

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*18. Goodwill *(continued)*

The movements of impairment provision for goodwill are as follows:

## 30 June 2020

	At 1	Additions	Reductions	At 30
	January 2020			Provision
Norton	157,778,981	–	–	157,778,981
Xinyi Zijin	44,319,632	–	–	44,319,632
Yunnan Huaxi	33,161,050	–	–	33,161,050
	<b>235,259,663</b>	–	–	<b>235,259,663</b>

## 31 December 2019

	At 1	Additions	Reductions	At 31
	January 2019			Provision
Norton	157,778,981	–	–	157,778,981
Xinyi Zijin	44,319,632	–	–	44,319,632
Yunnan Huaxi	33,161,050	–	–	33,161,050
	<b>235,259,663</b>	–	–	<b>235,259,663</b>

Goodwill arising from business combinations has been allocated to the following asset groups or portfolio of asset groups for the impairment test:

- Refining asset group
- Mining asset group
- Hydropower asset group
- Other asset group

**Refining asset group**

Goodwill of the refining asset group was formed by the acquisitions of Zijin Copper and Bayannur Zijin, which was consistent with the portfolio of asset groups as determined on the acquisition dates. The original book value of goodwill of the refining asset group as at 30 June 2020 was RMB18,871,538 (31 December 2019: RMB18,871,538). The recoverable amount is determined by the present value of the expected future cash flows, which is based on the cash flow forecasts of the management's three-year rolling plan. The discount rate used for cash flow forecast is 15%.

**Mining asset group**

Goodwill of the mining asset group was formed by the acquisitions of Ashele Copper, West Copper, Hunchun Zijin, Shanxi Zijin and Urad Rear Banner Zijin, which was consistent with the portfolio of asset groups as determined on the acquisition dates. As at 30 June 2020, the original book value of goodwill of the mining asset group was RMB441,323,501 (31 December 2019: RMB441,323,501). The recoverable amount is determined by the present value of the expected future cash flows or the considerations of comparable transactions. The present value of the expected future the cash flows is based on cash flow forecasts of the management's three-year rolling plan, mine production lifecycle or the pre-feasibility reports. The discount rates used for the cash flow forecasts are 15% to 18%.

## Notes to Financial Statements (continued)

For the six months ended 30 June 2020

RMB

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

#### 18. Goodwill (continued)

##### Hydropower asset group

Goodwill of the hydropower asset group was formed by the acquisition of Jinshan Hydropower. As at 30 June 2020, the carrying amount of the goodwill was RMB79,642,197 (31 December 2019: RMB79,642,197). The recoverable amount is determined by the present value of the expected future cash flows, based on the cash flow forecasts of the budget and feasibility study reports. The discount rate used for the cash flow forecast is 12%.

##### Other asset group

Goodwill of the other asset group was formed by the acquisitions of Xiamen Investment and Beijing Anchuang Shenzhou. As at 30 June 2020, the carrying amount of the goodwill was RMB9,572,015 (31 December 2019: RMB9,572,015). The discount rate used for the cash flow forecast is 15%.

	Refining asset group		Mining asset group		Hydropower asset group		Other asset group		Total	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019	30 June 2020	31 December 2019	30 June 2020	31 December 2019	30 June 2020	31 December 2019
The carrying amount of goodwill	18,871,538	18,871,538	441,323,501	441,323,501	79,642,197	79,642,197	9,572,015	9,572,015	549,409,251	549,409,251
Impairment provision	-	-	(235,259,663)	(235,259,663)	-	-	-	-	(235,259,663)	(235,259,663)
Book value of goodwill	18,871,538	18,871,538	206,063,838	206,063,838	79,642,197	79,642,197	9,572,015	9,572,015	314,149,588	314,149,588

The following illustrates the key assumptions made by the management in determining cash flow forecasts for the goodwill impairment test:

**Budgeted gross profit margin**                      The average gross profit margin achieved in the year immediately before the budget year is appropriately adjusted according to the expected raise of production efficiency variance.

**Discount rates**                              The discount rates before tax reflect the specific risks of related asset group or portfolio of asset groups.

The amount allocated to the above asset group or portfolio of asset groups is consistent with the historical experience and external information of the Group.

As at 30 June 2020, the Group had accrued full impairment provisions for goodwill of RMB44,319,632, RMB33,161,050 and RMB157,778,981 for Xinyi Zijin, Yunnan Huaxi and Norton, respectively.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

## 19. Long-term deferred assets

30 June 2020

	At 1 January 2020	Additions	Amortisation	Other reductions	At 30 June 2020
Land compensation costs (Note 1)	177,845,759	87,280	(13,715,203)	–	164,217,836
Mining shaft development expenditure	196,220,957	103,975,784	(24,097,943)	–	276,098,798
Amortisation costs of bipolar plates	212,519,384	3,591,454	(4,358,575)	–	211,752,263
Forest compensation expenditure	108,564,860	8,827,500	(12,621,186)	–	104,771,174
Others (Note 2)	510,686,986	244,368,245	(152,561,291)	(12,749,016)	589,744,924
	<b>1,205,837,946</b>	<b>360,850,263</b>	<b>(207,354,198)</b>	<b>(12,749,016)</b>	<b>1,346,584,995</b>

31 December 2019

	At 1 January 2019	Additions	Amortisation	Other reductions	At 31 December 2019
Land compensation costs (Note 1)	180,373,342	5,894,331	(8,421,914)	–	177,845,759
Mining shaft development expenditure	195,455,325	44,860,386	(44,094,754)	–	196,220,957
Amortisation costs of bipolar plates	203,707,175	9,892,006	(1,079,797)	–	212,519,384
Forest compensation expenditure	135,312,365	–	(26,220,164)	(527,341)	108,564,860
Others (Note 2)	272,467,264	535,987,408	(271,354,141)	(26,413,545)	510,686,986
	<b>987,315,471</b>	<b>596,634,131</b>	<b>(351,170,770)</b>	<b>(26,940,886)</b>	<b>1,205,837,946</b>

Note 1: The land compensation costs are related to the 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 2020, other long-term deferred assets mainly included highway tolls of RMB15,219,071 (31 December 2019: RMB17,254,663); reconstruction costs of power supply lines of RMB14,680,816 (31 December 2019: RMB15,945,465); exploration expenditures of RMB24,548,677 (31 December 2019: RMB27,072,766); fixed asset improvement expenditures of RMB108,790,703 (31 December 2019: RMB110,053,128); enterprise resource planning system implementation fees of RMB42,979,375 (31 December 2019: RMB43,666,802); plant improvement expenditures of RMB43,523,661 (31 December 2019: RMB52,587,534), etc. Other long-term deferred assets are amortised in accordance with their useful lives.

## Notes to Financial Statements (continued)

For the six months ended 30 June 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

#### 20. Deferred tax assets/liabilities

Deferred tax assets and deferred tax liabilities before offsetting:

	30 June 2020		31 December 2019	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Deferred tax assets				
Provision for impairment of assets	425,771,358	102,000,350	417,389,014	99,904,764
Elimination of unrealised profit arising from intra-group transactions	1,284,074,752	302,465,625	1,038,614,417	241,100,541
Deductible losses (Note 1)	987,851,599	154,753,739	999,783,282	157,736,660
Differences in depreciation policies	641,975,632	103,075,889	627,987,963	99,578,972
Changes in the fair value of equity instrument investments not held for trading	128,650,930	18,941,845	137,348,782	21,116,308
Changes in fair value of held for trading financial assets	146,719,014	31,573,191	113,900,882	23,368,658
Expenses accrued but not yet paid and others	778,999,506	207,685,084	783,146,086	193,860,913
	<b>4,394,042,791</b>	<b>920,495,723</b>	4,118,170,426	836,666,816

Note 1: As at 30 June 2020, deferred tax assets generated from the above deductible tax losses were recognised to the extent that it was probable that taxable profits would be available against which the deductible tax losses can be utilised.

	30 June 2020		31 December 2019	
	Deductible temporary differences	Deferred tax liabilities	Deductible temporary differences	Deferred tax liabilities
Deferred tax liabilities				
Fair value adjustments arising from business combination not involving enterprises under common control	15,091,343,212	4,266,795,386	7,881,856,785	1,857,880,420
Changes in fair value of held for trading financial assets	61,696,814	15,424,204	61,696,814	15,424,204
Changes in the fair value of equity instrument investments not held for trading	55,423,753	13,918,011	84,194,425	21,110,679
Differences in amortisation policies for stripping costs	3,850,910,426	792,549,070	2,895,842,620	793,416,374
	<b>19,059,374,205</b>	<b>5,088,686,671</b>	10,923,590,644	2,687,831,677

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*20. Deferred tax assets/liabilities *(continued)*

Deductible temporary differences and deductible tax losses for which deferred tax assets are not recognised are as follows:

	<b>30 June 2020</b>	31 December 2019
Deductible temporary differences	<b>3,001,095,274</b>	3,958,626,893
Deductible tax losses	<b>6,213,651,521</b>	5,760,671,972
	<b>9,214,746,795</b>	9,719,298,865

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

	<b>30 June 2020</b>	31 December 2019
2020	<b>1,014,774,601</b>	932,752,756
2021	<b>958,102,429</b>	766,957,934
2022	<b>867,742,498</b>	528,561,999
2023	<b>802,784,478</b>	731,330,563
2024	<b>636,408,002</b>	818,557,324
2025 and the following years	<b>1,933,839,513</b>	1,982,511,396
	<b>6,213,651,521</b>	5,760,671,972

## 21. Other non-current assets

	<b>30 June 2020</b>	31 December 2019
Exploration and development costs	<b>2,786,282,650</b>	2,805,235,398
Prepaid investment costs (Note 1)	<b>3,275,436,040</b>	2,960,000
Long-term receivables	<b>6,900,397,348</b>	5,266,987,210
Prepayments for fixed assets and constructions	<b>733,232,769</b>	757,434,870
Deposit for mine restoration and improvement of ecological environment in mines	<b>10,268,480</b>	10,268,480
Prepayments for land use rights	<b>1,568,571,918</b>	1,874,438,678
Prepayments for exploration and mining rights	<b>20,274,870</b>	20,274,870
Inventories expected not to be processed within one year	<b>368,567,751</b>	300,885,340
VAT credits expected not to be utilised within one year	<b>392,072,297</b>	373,679,226
Others	<b>78,132,825</b>	31,845,443
	<b>16,133,236,948</b>	11,444,009,515

As at 30 June 2020, the carrying amount of other non-current assets with restrictions on use amounted to RMB10,268,480 (31 December 2019: RMB10,268,480). Details are disclosed in Note V.64.

Note 1: As at 30 June 2020, the Group's prepaid investment costs for Tibet Julong Mining Co., Ltd. amounted to RMB3,272,476,040. Details are disclosed in Note XII. Events after the reporting period.

## Notes to Financial Statements (continued)

For the six months ended 30 June 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

#### 22. Provision for impairment of assets

##### 30 June 2020

	At 1 January 2020	Additions		Reductions			At 30 June 2020
		Provided for the period	Reclassification	Reversal	Write-back/ Write-off	Reclassification	
Bad debt provision	138,330,245	4,249,141	-	(5,008,092)	(299,072)	-	137,272,222
Inventory provision	104,936,915	249,715,107	-	(194,304,345)	(60,006,940)	-	100,340,737
Impairment provision for long-term equity investments	62,853,726	5,224,244	-	-	-	-	68,077,970
Impairment provision for fixed assets	1,774,680,089	129,439,981	-	-	(181,086)	-	1,903,938,984
Impairment provision for construction in progress	775,718,089	-	-	-	-	-	775,718,089
Impairment provision for intangible assets	1,393,730,331	10,316,081	-	-	-	-	1,404,046,412
Impairment provision for goodwill	235,259,663	-	-	-	-	-	235,259,663
Impairment provision for receivables financing	6,750,907	-	-	-	-	-	6,750,907
Impairment provision for other non-current assets	498,884,816	11,006,923	-	-	-	-	509,891,739
	<b>4,991,144,781</b>	<b>409,951,477</b>		<b>(199,312,437)</b>	<b>(60,487,098)</b>	<b>-</b>	<b>5,141,296,723</b>

##### 31 December 2019

	At 1 January 2019	Additions		Reductions			At 31 December 2019
		Provided for the period	Reclassification	Reversal	Write-back/ Write-off	Reclassification	
Bad debt provision	79,465,603	80,441,572	-	(15,910,814)	(5,666,116)	-	138,330,245
Inventory provision	69,873,479	91,453,996	-	(46,389,636)	(10,000,924)	-	104,936,915
Impairment provision for long-term equity investments	15,815,023	47,038,703	-	-	-	-	62,853,726
Impairment provision for investment properties	79,936,878	-	-	-	(953,688)	(78,983,190)	-
Impairment provision for fixed assets	1,833,189,848	7,162,090	78,983,190	-	(144,655,039)	-	1,774,680,089
Impairment provision for construction in progress	732,348,246	44,343,254	-	-	(973,411)	-	775,718,089
Impairment provision for intangible assets	1,261,737,424	224,773,189	-	-	(92,780,282)	-	1,393,730,331
Impairment provision for goodwill	235,259,663	-	-	-	-	-	235,259,663
Impairment provision for other current assets	5,527,310	-	-	-	(5,527,310)	-	-
Impairment provision for receivables financing	5,662,056	1,088,851	-	-	-	-	6,750,907
Impairment provision for other non-current assets	498,884,816	-	-	-	-	-	498,884,816
	<b>4,817,700,346</b>	<b>496,301,655</b>	<b>78,983,190</b>	<b>(62,300,450)</b>	<b>(260,556,770)</b>	<b>(78,983,190)</b>	<b>4,991,144,781</b>

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

## 23. Short-term borrowings

	<b>30 June 2020</b>	31 December 2019
Unsecured and non-guaranteed loans	<b>8,105,066,550</b>	6,564,033,351
Gold leasing (Note 1)	<b>8,621,195,659</b>	7,006,198,930
Bills receivable discounted	<b>1,582,874,575</b>	870,685,605
	<b>18,309,136,784</b>	14,440,917,886

As at 30 June 2020 and 31 December 2019, the Group had no secured bank loans.

As at 30 June 2020, the interest rates of the above borrowings ranged from 0.61% to 4.35% per annum (31 December 2019: 2.23% to 4.35% per annum).

As at 30 June 2020 and 31 December 2019, there were no short-term borrowings of the Group that were overdue but not yet repaid.

Note 1: During gold leasing, the Group entered into forward contracts of the same quantity, specification and maturity with the same gold leasing banks, and agreed that on maturity of the leases, the Group would purchase gold from those gold leasing banks with the same quantity and specification at specific prices denominated in Renminbi to return the leased gold. The Group considered that under such gold leasing business model, the banks entirely bore the risk of gold price fluctuation during the gold leasing period. The Group only bore the agreed gold leasing fee and related handling fee. Therefore, the Group included the leased gold in short-term borrowings.

## 24. Held for trading financial liabilities

	<b>30 June 2020</b>	31 December 2019
Financial liabilities at fair value through profit or loss		
Gold leasing (Note 1)	<b>836,417,670</b>	32,262,397
Derivative financial liabilities – commodity hedging (Note 2)	<b>549,908,077</b>	265,382,070
Derivative financial liabilities – forward currency contracts (Note 3)	<b>101,502,989</b>	28,494,587
	<b>1,487,828,736</b>	326,139,054

Note 1: The Group financed through leasing gold from banks and subsequently sold the gold through the Shanghai Gold Exchange. On maturity of the leases, the Group would return the gold to gold leasing banks with the same quantity and specification purchased through the Shanghai Gold Exchange, and pay the agreed leasing fees. The maturity period of gold leasing was within one year (one year inclusive). As at 30 June 2020, the cost of these financial liabilities was RMB779,996,551, and the losses from changes in fair value were RMB56,421,119. Besides, other items of gold leasing of the Group have been classified as short-term borrowings. Please refer to Note V.23.

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

#### 24. Held for trading financial liabilities *(continued)*

Note 2: Details of derivative financial liabilities – commodity hedging are as follows:

	30 June 2020	31 December 2019
(1) Derivative financial liabilities without designated hedging relationship	<b>345,291,995</b>	98,806,788
<i>Including: Forward contracts</i>	<b>178,398,303</b>	54,482,869
<i>Futures contracts</i>	<b>166,893,692</b>	44,323,919
(2) Hedging instruments	<b>204,616,082</b>	166,575,282
	<b>549,908,077</b>	265,382,070

Note 3: The Group used forward currency contracts to hedge currency risk. As at 30 June 2020, losses on changes in fair value arising from forward currency contracts were RMB101,502,989 (31 December 2019: losses on changes in fair value of RMB28,494,587).

#### 25. Bills payable

	30 June 2020	31 December 2019
Bank acceptances bills	<b>1,231,634,208</b>	388,934,613
Commercial acceptance bills	<b>32,259,612</b>	31,925,532
	<b>1,263,893,820</b>	420,860,145

As at 30 June 2020, there were no overdue bills payable (31 December 2019: Nil).

#### 26. Trade payables

	30 June 2020	31 December 2019
Trade payables	<b>4,431,074,566</b>	4,382,104,169

As at 30 June 2020, an ageing analysis of the trade payables, based on the invoice dates, was as follows:

	30 June 2020	31 December 2019
Within 1 year	<b>3,906,553,188</b>	3,754,308,693
Over 1 year but within 2 years	<b>218,633,203</b>	358,375,254
Over 2 years but within 3 years	<b>145,074,442</b>	125,860,772
Over 3 years	<b>160,813,733</b>	143,559,450
	<b>4,431,074,566</b>	4,382,104,169

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)***V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***26. Trade payables** *(continued)*

As at 30 June 2020, the significant balances of trade payables aged more than one year are as follows:

	<b>Balance</b>	<b>Reason for not being settled</b>
Wenzhou Tongye Construction Work Co., Ltd. Sanguikou project site	<b>68,626,828</b>	Construction payment not yet settled
Wenzhou Mine Workings Co., Ltd.	<b>42,186,949</b>	Construction payment not yet settled
China 15th Metallurgical Construction Co., Ltd.	<b>34,183,906</b>	Construction payment not yet settled
	<b>144,997,683</b>	

As at 31 December 2019, the significant balances of trade payables aged more than one year are as follows:

	Balance	Reason for not being settled
Wenzhou Tongye Construction Work Co., Ltd. Sanguikou project site	53,387,565	Construction payment not yet settled
China 15th Metallurgical Construction Co., Ltd.	28,458,033	Construction payment not yet settled
Wenzhou Mine Workings Co., Ltd.	27,834,742	Construction payment not yet settled
Fujian Xingwanxiang Construction Group Co., Ltd.	15,057,512	Construction payment not yet settled
	124,737,852	

**27. Contract liabilities**

	<b>30 June 2020</b>	31 December 2019
Advances from sales of goods	<b>555,956,075</b>	359,453,565
	<b>555,956,075</b>	359,453,565

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

#### 28. Employee benefits payable

##### 30 June 2020

	At 1 January 2020	Additions	Reductions	At 30 June 2020
Short-term employee benefits	823,037,782	2,435,964,235	(2,650,419,262)	608,582,755
Post-employment benefit plan (defined contribution plan)	28,663,964	146,416,031	(118,866,364)	56,213,631
Termination benefits	596,188	17,446,914	(18,017,429)	25,673
Other employee benefits due within 1 year	–	1,399,319	(1,399,319)	–
	<b>852,297,934</b>	<b>2,601,226,499</b>	<b>(2,788,702,374)</b>	<b>664,822,059</b>

##### 31 December 2019

	At 1 January 2019	Additions	Reductions	At 31 December 2019
Short-term employee benefits	694,371,924	3,642,686,139	(3,514,020,281)	823,037,782
Post-employment benefit plan (defined contribution plan)	32,244,199	235,869,188	(239,449,423)	28,663,964
Termination benefits	13,967	12,295,460	(11,713,239)	596,188
	<b>726,630,090</b>	<b>3,890,850,787</b>	<b>(3,765,182,943)</b>	<b>852,297,934</b>

Short-term employee benefits are as follows:

##### 30 June 2020

	At 1 January 2020	Additions	Reductions	At 30 June 2020
Wages or salaries, bonuses, allowances and subsidies	645,232,261	1,928,886,734	(2,271,383,231)	302,735,764
Staff welfare	124,589,139	332,088,436	(219,633,314)	237,044,261
Social security contributions	508,165	49,093,366	(46,456,902)	3,144,629
<i>Including: Medical insurance</i>	<i>(74,214)</i>	<i>40,833,506</i>	<i>(38,508,321)</i>	<i>2,250,971</i>
<i>Work-related injury insurance</i>	<i>538,857</i>	<i>6,541,547</i>	<i>(6,239,258)</i>	<i>841,146</i>
<i>Maternity insurance</i>	<i>43,522</i>	<i>1,718,313</i>	<i>(1,709,323)</i>	<i>52,512</i>
Housing fund	2,408,674	70,690,932	(70,005,061)	3,094,545
Union running costs and employee education costs	28,837,275	34,978,280	(22,510,657)	41,304,898
Short-term compensated absence	(2,639,333)	11,783,990	(9,144,657)	–
Short-term profit-sharing plan (Note 1)	24,101,601	8,442,497	(11,285,440)	21,258,658
	<b>823,037,782</b>	<b>2,435,964,235</b>	<b>(2,650,419,262)</b>	<b>608,582,755</b>

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*28. Employee benefits payable *(continued)*Short-term employee benefits are as follows: *(continued)*

31 December 2019

	At 1 January 2019	Additions	Reductions	At 31 December 2019
Wages or salaries, bonuses, allowances and subsidies	506,238,608	3,007,706,348	(2,868,712,695)	645,232,261
Staff welfare	117,475,184	293,324,138	(286,210,183)	124,589,139
Social security contributions	1,989,107	102,121,422	(103,602,364)	508,165
<i>Including: Medical insurance</i>	229,283	75,560,808	(75,864,305)	(74,214)
<i>Work-related injury insurance</i>	1,737,953	20,485,479	(21,684,575)	538,857
<i>Maternity insurance</i>	21,871	6,075,135	(6,053,484)	43,522
Housing fund	1,879,086	130,400,611	(129,871,023)	2,408,674
Union running costs and employee education costs	45,416,542	76,831,952	(93,411,219)	28,837,275
Short-term compensated absence	1,557,946	24,017,248	(28,214,527)	(2,639,333)
Short-term profit-sharing plan (Note 1)	19,815,451	8,284,420	(3,998,270)	24,101,601
	694,371,924	3,642,686,139	(3,514,020,281)	823,037,782

Note 1: The short-term profit-sharing plan was determined by remuneration assessment and a certain percentage of the increased amount of the Group's net assets.

Details of the defined contribution plan are as follows:

## 30 June 2020

	At 1 January 2020	Additions	Reductions	At 30 June 2020
Basic pension insurance	27,923,008	142,040,877	(117,571,654)	52,392,231
Unemployment insurance	740,956	4,375,154	(1,294,710)	3,821,400
	28,663,964	146,416,031	(118,866,364)	56,213,631

31 December 2019

	At 1 January 2019	Additions	Reductions	At 31 December 2019
Basic pension insurance	31,583,371	228,769,102	(232,429,465)	27,923,008
Unemployment insurance	660,828	7,100,086	(7,019,958)	740,956
	32,244,199	235,869,188	(239,449,423)	28,663,964

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

#### 29. Taxes payable

	30 June 2020	31 December 2019
Corporate income tax	797,627,989	499,283,867
Value-added tax	311,232,404	137,595,058
Resource compensation fee	–	120,769,049
Resource tax	234,895,287	149,329,435
Others	132,618,580	78,215,988
	<b>1,476,374,260</b>	985,193,397

#### 30. Other payables

	30 June 2020	31 December 2019
Dividends payable	2,542,655,545	11,081,780
Interest payables	–	35,579,862
Other payables	6,107,855,283	5,280,188,177
	<b>8,650,510,828</b>	5,326,849,819

#### Dividends payable

	30 June 2020	31 December 2019
H Shares held by the public (Note 1)	573,694,000	–
A Shares held by the public (Note 1)	1,964,031,995	–
Luoning County Funiu Mining Development Centre	180,000	5,180,000
Ministry of Finance of the Republic of Tajikistan	–	4,886,530
China Gold Henan Co., Ltd.	–	1,000,000
Gansu Jiuzhou Exploration Mining Co., Ltd.	4,734,000	–
Others	15,550	15,250
	<b>2,542,655,545</b>	11,081,780

Note 1: Pursuant to the resolution of the shareholders' general meeting on 12 June 2020, the Company would distribute cash dividend of RMB0.10 per share (tax included) in the aggregate amount of RMB2,537,725,995, on the basis of 25,377,259,946 issued shares. The implementation of the profit distribution plan was completed on 17 July 2020.

#### Interest payables

	30 June 2020	31 December 2019
Borrowing interest	–	31,228,768
Gold leasing interest	–	4,351,094
	–	35,579,862

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*30. Other payables *(continued)*

## Other payables

	30 June 2020	31 December 2019
Payables for construction work and equipment	2,419,982,997	2,054,715,526
Amounts due to third parties	753,901,938	665,636,453
Due to non-controlling shareholders	980,141,731	967,051,315
Deposits	341,800,448	308,062,478
Payables to Freeport (Note V.36)	318,577,500	313,929,000
Payables for exploration and mining rights	127,250,741	114,273,114
Donation payables	115,160,988	105,197,935
Withholding individual income tax	11,923,513	10,555,350
Payables for acquisition of equities and debts	2,882,000	2,490,000
Payables for losses on futures contracts	81,263,793	23,487,905
Accrued maintenance costs	79,385,855	62,889,279
Payables for consulting services	8,458,622	30,618,805
Others	867,125,157	621,281,017
<b>Total other payables</b>	<b>6,107,855,283</b>	<b>5,280,188,177</b>

As at 30 June 2020, the significant balances of other payables aged more than one year are as follows:

	Reason for not being settled	Balance
Freeport	Payables for acquisition of equity interest not yet settled	318,577,500
Tongling Nonferrous Metals Group Holding Co., Ltd. ("Tongling Nonferrous Metals")	Payables not yet settled	202,902,291
Xiamen C&D Inc. ("C&D Inc.")	Payables not yet settled	81,211,727
The 8th Metallurgical Construction Group Company Limited	Construction payment not yet settled	33,154,357
Mr. Zhu	Expense of exploration rights not yet settled	29,672,233
Shanghang County Finance Bureau	Expense of exploration rights not yet settled	22,230,682
Hunan Industrial Equipment Installation Co., Ltd.	Construction equipment payments not yet settled	15,722,332
Wenzhou Mine Workings Co., Ltd.	Construction payment not yet settled	14,256,590
Shanghai Clear Environmental Protection Technology Co., Ltd.	Equipment payment not yet settled	14,090,451
		<b>731,818,163</b>

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

#### 30. Other payables *(continued)*

##### Other payables *(continued)*

As at 31 December 2019, the significant balances of other payables aged more than one year are as follows:

	Reason for not being settled	Balance
Freeport Tongling Nonferrous Metals Group Holding Co., Ltd. ("Tongling Nonferrous Metals")	Payables for acquisition of equity interest not yet settled	313,929,000
Xiamen C&D Inc. ("C&D Inc.")	Payables not yet settled	202,902,291
Fuyun County Finance Bureau	Payables not yet settled	81,211,727
The 8th Metallurgical Construction Group Company Limited	Payables not yet settled Construction payment not yet settled	65,149,981
Mr. Zhu	Expense of mining rights not yet settled	35,353,493
Wenzhou Tongye Construction Work Co., Ltd. Changtian Project Branch	Construction payment not yet settled	29,672,233
Hunan Industrial Equipment Installation Co., Ltd.	Construction payment not yet settled	28,586,901
Shanghang County Finance Bureau	Expense of exploration rights not yet settled	27,780,815
Shanghai Baoye Group Corp., Ltd.	Construction payment not yet settled	22,998,760
		21,731,502
		<b>829,316,703</b>

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

## 31. Current portion of non-current liabilities

	<b>30 June 2020</b>	31 December 2019
Current portion of long-term borrowings (Note V.33)	<b>3,598,716,849</b>	2,026,445,561
Current portion of bonds payable (Note V.34)	<b>5,601,157,620</b>	3,298,810,017
Current portion of bond interest (Note V.34)	<b>372,588,580</b>	266,129,549
Current portion of lease liabilities (Note V.35)	<b>79,723,072</b>	91,815,553
Current portion of long-term payables (Note V.36)	<b>567,805,605</b>	85,639,380
	<b>10,219,991,726</b>	5,768,840,060

## 32. Other current liabilities

	<b>30 June 2020</b>	31 December 2019
Ultra short-term financing bonds (Note)	<b>3,013,277,260</b>	500,000,000

Note 1: In July 2019, the Company received the Notice of Registration Acceptance (Zhongshixiezhuzhu [2019] DFI No. 18) issued by the National Association of Financial Market Institutional Investors and the Company was approved to register debt financing instruments. The registration was effective within 2 years commencing from the issuance date of the notice, during which the Company was allowed to issue different tranches of ultra short-term financing bonds, short-term financing bonds, medium-term notes and perpetual notes. On 18 October 2019, the Company issued ultra short-term financing bonds with a principal amount of RMB500 million and a maturity period of 270 days. The maturity date was 17 July 2020 with an interest rate of 2.65%. On 29 April 2020, the Company issued ultra short-term financing bonds with a principal amount of RMB500 million and a maturity period of 180 days. The maturity date was 26 October 2020 with an interest rate of 1.5%. On 28 May 2020, the Company issued ultra short-term financing bonds with a principal amount of RMB500 million and a maturity period of 120 days. The maturity date was 25 September 2020 with an interest rate of 1.47%. On 28 May 2020, the Company issued ultra short-term financing bonds with a principal amount of RMB500 million and a maturity period of 180 days. The maturity date was 24 November 2020 with an interest rate of 1.5%. On 29 May 2020, the Company issued ultra short-term financing bonds with a principal amount of RMB500 million and a maturity period of 180 days. The maturity date was 25 November 2020 with an interest rate of 1.52%. On 29 May 2020, the Company issued ultra short-term financing bonds with a principal amount of RMB500 million and a maturity period of 90 days. The maturity date was 27 August 2020 with an interest rate of 1.45%.

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

#### 33. Long-term borrowings

	<b>30 June 2020</b>	31 December 2019
Unsecured and non-guaranteed loans	<b>20,436,274,804</b>	15,852,667,085
Including: Current portion of long-term borrowings (Note V.31)	<b>(3,598,716,849)</b>	(2,026,445,561)
	<b>16,837,557,955</b>	13,826,221,524

As at 30 June 2020 and 31 December 2019, the Group had neither secured loans nor guaranteed loans.

As at 30 June 2020, interest rates of the Group's long-term borrowings ranged from 1.20% to 4.90% per annum (31 December 2019: 1.20% to 5.68% per annum).

\* Maturity analysis of long-term borrowings is as follows:

	<b>30 June 2020</b>	31 December 2019
Within 1 year or repayable on demand	<b>3,598,716,849</b>	2,026,445,561
Over 1 year but within 2 years	<b>3,691,532,114</b>	3,896,727,340
Over 2 years but within 5 years	<b>11,075,926,331</b>	9,159,406,150
Over 5 years	<b>2,070,099,510</b>	770,088,034
	<b>20,436,274,804</b>	15,852,667,085

#### 34. Bonds payable

	<b>30 June 2020</b>	31 December 2019
Corporate bonds	<b>6,015,368,556</b>	5,975,290,413
Medium-term notes	<b>11,288,884,783</b>	9,289,988,291
Preference shares	<b>1,061,925,100</b>	-
	<b>18,366,178,439</b>	15,265,278,704
Bond interest	<b>372,588,580</b>	266,129,549
	<b>18,738,767,019</b>	15,531,408,253
Including: Current portion of bonds payable (Note V.31)	<b>(5,601,157,620)</b>	(3,298,810,017)
Current portion of bond interest (Note V.31)	<b>(372,588,580)</b>	(266,129,549)
	<b>12,765,020,819</b>	11,966,468,687

## Notes to Financial Statements (continued)

For the six months ended 30 June 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

## 34. Bonds payable (continued)

As at 30 June 2020, the balances of bonds payable are as follows:

Currency	Face value	Issue date	Maturity of the bonds	Issue value of the bonds	At 1 January 2020	Exchange gains or losses	Issued in the current period	Interest accrued for the current period	Amortisation of discount/premium	Interest paid in the current period	Repayment of principal in the current period	At 30 June 2020
RMB	1,800,000,000	15 July 2016	5 years	1,800,000,000	43,962,242	-	-	671,015	12,037	-	-	43,974,279
RMB	1,200,000,000	15 July 2016	5 years	1,200,000,000	1,198,907,708	-	-	20,700,000	338,410	-	-	1,199,246,118
USD (equivalent amount in RMB)	2,477,825,246	18 October 2018	3 years	2,477,825,246	2,431,495,791	36,154,992	-	49,375,000	2,938,684	-	-	2,470,389,467
RMB	1,500,000,000	11 March 2019	3 years	1,500,000,000	1,498,679,402	-	-	28,500,000	295,084	(57,000,000)	-	1,498,374,486
RMB	1,000,000,000	11 March 2019	5 years	1,000,000,000	998,303,958	-	-	21,500,000	187,718	(43,000,000)	-	998,491,676
RMB	1,000,000,000	8 July 2019	5 years	1,000,000,000	998,891,696	-	-	18,500,000	111,928	-	-	999,003,624
RMB	2,500,000,000	30 August 2019	5 years	2,500,000,000	2,495,303,218	-	-	49,375,000	462,450	-	-	2,495,765,668
RMB	1,000,000,000	21 February 2020	5 years	1,000,000,000	-	-	1,000,000,000	11,700,000	(1,877,422)	-	-	998,122,578
RMB	1,000,000,000	21 February 2020	3 years	1,000,000,000	-	-	1,000,000,000	10,333,333	(1,072,177)	-	-	998,927,823
USD (equivalent amount in RMB)	1,053,690,000	11 May 2020	5 years	1,064,790,364	-	(2,865,264)	1,064,790,364	7,567,307	-	-	-	1,061,925,100
Current portion of bonds payable												
RMB	2,000,000,000	18 March 2016	5 years	2,000,000,000	1,998,601,408	-	-	33,700,000	552,269	(9,045,647)	-	1,999,153,677
RMB	3,000,000,000	18 March 2016	5 years	3,000,000,000	302,323,264	-	-	4,522,824	81,752	(1,342,031)	-	302,405,016
RMB	3,300,000,000	11 September 2015	5 years	3,300,000,000	3,298,810,017	-	-	72,600,000	788,910	-	-	3,299,598,927
	22,831,515,246			22,842,615,610	15,265,278,704	33,289,728	3,064,790,364	329,044,479	2,819,643	(110,387,678)	-	18,366,778,439

## Notes to Financial Statements (continued)

For the six months ended 30 June 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

#### 34. Bonds payable (continued)

As at 31 December 2019, the balances of bonds payable are as follows:

Currency	Face value	Issue date	Maturity of the bonds	Issue value of the bonds	At 1 January 2019	Exchange gains or losses	Issued in the current period	Interest accrued for the current period	Amortisation of discount/premium	Interest paid in the current period	Repayment of principal in the current period	At 31 December 2019
RMB	2,500,000,000	5 September 2014	5 years	2,500,000,000	2,499,052,416	-	-	103,125,000	947,584	(137,500,000)	(2,500,000,000)	-
RMB	2,000,000,000	18 March 2016	5 years	2,000,000,000	1,997,524,823	-	-	67,400,000	1,076,585	(67,400,000)	-	1,998,601,408
RMB	3,000,000,000	18 March 2016	5 years	3,000,000,000	2,996,365,082	-	-	29,209,235	3,428,182	(89,837,191)	(2,697,470,000)	302,323,264
RMB	1,800,000,000	15 July 2016	5 years	1,800,000,000	1,797,452,512	-	-	32,584,179	2,508,730	(54,900,000)	(1,755,999,000)	49,962,242
RMB	1,200,000,000	15 July 2016	5 years	1,200,000,000	1,198,248,418	-	-	41,400,000	659,290	(41,400,000)	-	1,198,307,708
USD (equivalent amount in RMB)	2,441,670,242	18 October 2018	3 years	2,441,670,242	2,386,396,664	39,290,662	-	129,077,955	5,808,465	(112,479,167)	-	2,431,495,791
RMB	1,500,000,000	11 March 2019	3 years	1,500,000,000	-	-	1,500,000,000	47,500,000	(1,320,598)	-	-	1,498,679,402
RMB	1,000,000,000	11 March 2019	5 years	1,000,000,000	-	-	1,000,000,000	35,833,333	(1,696,042)	-	-	998,303,958
RMB	1,000,000,000	8 July 2019	5 years	1,000,000,000	-	-	1,000,000,000	15,416,667	(1,108,304)	-	-	998,891,696
RMB	2,500,000,000	30 August 2019	5 years	2,500,000,000	-	-	2,500,000,000	32,916,667	(4,696,782)	-	-	2,495,303,218
Current portion of bonds payable												
RMB	3,300,000,000	11 September 2015	5 years	3,300,000,000	3,297,283,788	-	-	145,200,000	1,526,229	(145,200,000)	-	3,298,810,017
	22,241,670,242			22,241,670,242	16,172,323,703	39,290,662	6,000,000,000	679,663,036	7,133,339	(648,716,358)	(6,953,469,000)	15,265,278,704

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

#### 34. Bonds payable *(continued)*

The Company, through the National Association of Financial Market Institutional Investors, issued medium-term notes with a face value of RMB3.3 billion on 11 September 2015, with a maturity of 5 years and annual interest rate of 4.4%. Interests on the notes are payable annually. The 5-year medium-term notes issued on 11 September 2015 will mature in 2020. The Company expects to settle the notes in full in 2020, so it is classified as bonds payable due within one year.

Pursuant to the approval of the CSRC on 17 February 2016, the Company issued corporate bonds with a face value of RMB2 billion on the Shanghai Stock Exchange on 18 March 2016. The bonds have a maturity of 5 years and an annual interest rate of 3.37%. The Company expects to settle the bonds in full on the maturity date so it is classified as bonds payable due within one year. 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 maturity of 5 years, and an annual interest rate of 2.99%, with terms that the issuer has an option to adjust the interest rate and investors have an option to sell back the bonds at the end of the third year. The Company exercised the sell-back option in 2019. The Company expects to settle the bonds in full on the maturity date so it is classified as bonds payable due within one year.

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 maturity of 5 years, and an annual interest rate of 3.05%, with terms that the issuer has an option to adjust the interest rate and investors have an option to sell back the bonds at the end of the third year. The Company exercised the sell-back option in 2019. 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 maturity of 5 years with an annual interest rate of 3.45%. The interest payments of the above bonds shall be settled annually and the principals shall be repaid in full upon their maturity.

On 18 October 2018, Zijin International Capital Company Limited, an overseas wholly-owned subsidiary of the Company, issued guaranteed senior notes with an aggregate face value of USD350 million and an annual interest rate of 5.282% through the Stock Exchange of Hong Kong Limited. The date of maturity is 18 October 2021 and the Company is the guarantor. From 18 April 2019, the interest shall be paid semi-annually on 18 April and 18 October.

In 2019, the Company, through the National Association of Financial Market Institutional Investors, issued medium-term notes with a face value of RMB1.5 billion, a maturity of 3 years and an annual interest rate of 3.80%, and issued medium-term notes with a face value of RMB1.0 billion, a maturity of 5 years and an annual interest rate of 4.30% on 11 March 2019; issued medium-term notes with a face value of RMB1.0 billion, a maturity of 5 years and an annual interest rate of 3.70% on 8 July 2019; issued medium-term notes with a face value of RMB2.5 billion, a maturity of 5 years and an annual interest rate of 3.95% on 30 August 2019. The interest payments of the above medium-term notes shall be settled annually and the principals shall be repaid in full upon their maturity.

In 2020, the Company, through the National Association of Financial Market Institutional Investors, issued medium-term notes with a face value of RMB1.0 billion, a maturity of 5 years and an annual interest rate of 3.51% on 21 February 2020, and issued medium-term notes with a face value of RMB1.0 billion, a maturity of 3 years and an annual interest rate of 3.10% on 21 February 2020. The interest payments of the above medium-term notes shall be settled annually and the principals shall be repaid in full upon their maturity.

On 11 May 2020, Gold Mountains (H.K.) International Mining Company Limited ("Gold Mountains (H.K.)"), a wholly-owned subsidiary of the Company, issued class A preference shares ("Class A Preference Shares") in the value of USD150 million to Hantang Iron Ore Investments Limited, the subscriber. The amount raised will be invested in the Kamoa project. According to the subscription agreement, a preferential dividend at a fixed rate of 5.1% per annum shall be paid on 31 October each year. Any delay in payment of the preferential dividend shall yield overdue dividend at 8% per annum. In addition, the subscriber is entitled to receive dividends and liquidation payments from Gold Mountains (H.K.) in priority.

As at 30 June 2020 and 31 December 2019, the Company had no overdue bonds.

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

#### 35. Lease liabilities

	<b>30 June 2020</b>	31 December 2019
Lease liabilities	<b>334,357,162</b>	374,162,675
Including: Current portion of lease liabilities (Note V.31)	<b>(79,723,072)</b>	(91,815,553)
	<b>254,634,090</b>	282,347,122

#### 36. Long-term payables

	<b>30 June 2020</b>	31 December 2019
Payables for acquisition of equities/debts	<b>111,398,275</b>	147,444,299
Payable to Freeport (Note 1)	<b>730,116,665</b>	687,578,473
Payable to Triple Flag Mining Finance Bermuda Ltd. (Note 2)	<b>926,365,762</b>	–
Payables for acquisition of mining rights	<b>97,302,951</b>	97,678,750
Entrusted investments	<b>221,798,781</b>	221,178,781
Loan from a shareholder	<b>16,800,000</b>	22,200,000
Others	<b>219,174,564</b>	110,950,746
Subtotal	<b>2,322,956,998</b>	1,287,031,049
Including: Current portion of long-term payables (Note V.31)	<b>(567,805,605)</b>	(85,639,380)
	<b>1,755,151,393</b>	1,201,391,669

\* Maturity analysis of long-term payables is as follows:

	<b>30 June 2020</b>	31 December 2019
Within 1 year or repayable on demand	<b>567,805,605</b>	85,639,380
Over 1 year but within 2 years	<b>573,187,474</b>	440,930,033
Over 2 years but within 5 years	<b>588,561,652</b>	112,510,923
Over 5 years	<b>593,402,267</b>	647,950,713
	<b>2,322,956,998</b>	1,287,031,049

Note 1: On 3 November 2019, Zijin Europe acquired 72% Class B Shares of CuAu International Holdings (BVI) Ltd. held by Freeport to obtain interests in the Lower Zone of the Timok Copper and Gold Mine and interests in relevant exploration licences held by Freeport. Pursuant to the share purchase agreement, the consideration includes an initial payment and a deferred payment. On 27 December 2019, Zijin Europe settled the initial payment of USD240,000,000 (equivalent to RMB1,677,096,000) and completed registration for the change of equity interest on the same day. The present value of deferred payment was USD40,631,106 (equivalent to RMB283,450,719) and it is expected that payment of the amount will begin after five years.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*36. Long-term payables *(continued)*Note 1: *(continued)*

Besides, Nevsun Resources entered into a cooperation agreement with Freeport to acquire a 100% interest in the Upper Zone and partial interest in the Lower Zone of the Timok Copper and Gold Mine in 2016. According to the agreement, the outstanding balance to be paid to Freeport amounted to USD107,500,000 in total. The Group acquired Nevsun Resources and its subsidiaries in the year ended 31 December 2019, and the present values of the relevant outstanding balances were recorded in "Other payables" and "Provision" respectively based on the estimated payment schedule.

On 27 December 2019, the Group acquired the remaining interests in the Lower Zone of the Timok Copper and Gold Mine held by Freeport. After negotiation, both parties agreed that the above cooperation agreement entered into between Nevsun Resources and Freeport would be terminated and the abovementioned outstanding balances shall be settled before 2022, among which, USD45,000,000, USD50,000,000 and USD12,500,000 shall be paid on or before 31 July 2020, 31 December 2021 and 31 March 2022 respectively. As at 30 June 2020, the present values of the relevant outstanding balances were recorded in "Other payables" and "Long-term payables" respectively.

Note 2: The amount represented external financing of Continental Gold, a subsidiary newly acquired by the Group in 2020.

## 37. Provision

## 30 June 2020

	At 1 January 2020	Additions	Reductions	At 30 June 2020
Provision for environmental rehabilitation and restoration of mines (Note 1)	2,808,780,315	242,679,707	(82,011,735)	2,969,448,287
Defined benefits payable	66,406,029	183,938	-	66,589,967
Provision for litigation	52,525,939	777,777	-	53,303,716
	<b>2,927,712,283</b>	<b>243,641,422</b>	<b>(82,011,735)</b>	<b>3,089,341,970</b>

## 31 December 2019

	At 1 January 2019	Additions	Reductions	At 31 December 2019
Provision for environmental rehabilitation and restoration of mines (Note 1)	2,061,474,181	892,575,291	(145,269,157)	2,808,780,315
Defined benefits payable	62,754,474	9,662,103	(6,010,548)	66,406,029
Provision for litigation	41,621,501	10,960,884	(56,446)	52,525,939
Onerous contracts	119,810,882	-	(119,810,882)	-
Payable to Freeport (Note V.36)	400,429,415	-	(400,429,415)	-
	<b>2,686,090,453</b>	<b>913,198,278</b>	<b>(671,576,448)</b>	<b>2,927,712,283</b>

Note 1: The subsidiaries of the Group recognised a provision for environmental rehabilitation and restoration of mines based on the estimation of the lives of mining tenements, timing of mine closure and costs of rehabilitation to be incurred at mine closure.

## Notes to Financial Statements (continued)

For the six months ended 30 June 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

#### 38. Deferred income

##### 30 June 2020

	At 1 January 2020	Additions	Reductions	At 30 June 2020
Government grants	496,720,164	19,295,210	(39,939,624)	476,075,750

##### 31 December 2019

	At 1 January 2019	Additions	Reductions	At 31 December 2019
Government grants	422,783,097	107,368,668	(33,431,601)	496,720,164

As at 30 June 2020, liabilities related to government grants are as follows:

	At 1 January 2020	Additions	Recognised as other income for the period	Other movements	At 30 June 2020	Related to assets or income
Expenditures for science projects	4,851,863	342,000	(1,321,988)	–	3,871,875	Assets
Fund for environmental protection projects	129,147,038	14,000,000	(13,811,667)	–	129,335,371	Assets
Refund of land compensation	98,995,027	–	(697,869)	–	98,297,158	Assets
Comprehensive utilisation of mineral resources	164,264,210	120,553	(7,422,511)	–	156,962,252	Assets
Other financial subsidies	99,462,026	4,832,657	(16,685,589)	–	87,609,094	Assets
	496,720,164	19,295,210	(39,939,624)	–	476,075,750	

As at 31 December 2019, liabilities related to government grants are as follows:

	At 1 January 2019	Additions	Recognised as other income for the period	Other movements	At 31 December 2019	Related to assets or income
Expenditures for science projects	8,692,800	–	(3,840,937)	–	4,851,863	Assets
Fund for environmental protection projects	70,390,182	66,196,500	(7,439,644)	–	129,147,038	Assets
Refund of land compensation	101,630,672	–	(2,635,645)	–	98,995,027	Assets
Comprehensive utilisation of mineral resources	180,325,678	–	(16,061,468)	–	164,264,210	Assets
Other financial subsidies	61,743,765	41,172,168	(3,453,907)	–	99,462,026	Assets
	422,783,097	107,368,668	(33,431,601)	–	496,720,164	

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

## 39. Share capital

## 30 June 2020

	At 1 January 2020	Movements				Subtotal	At 30 June 2020
		Issuance of new shares	Stock dividend	Conversion of capital reserve into shares	Others		
I. Shares not subject to trading moratorium							
RMB ordinary shares	1,922,176,690	-	-	-	41,855,305	41,855,305	1,964,031,995
Overseas-listed foreign invested shares	573,694,000	-	-	-	-	-	573,694,000
Total share capital of shares not subject to trading moratorium	2,495,870,690	-	-	-	41,855,305	41,855,305	2,537,725,995
II. Shares subject to trading moratorium							
RMB ordinary shares	41,855,305	-	-	-	(41,855,305)	(41,855,305)	-
III. Total share capital	2,537,725,995	-	-	-	-	-	2,537,725,995

## 31 December 2019

	At 1 January 2019	Movements				Subtotal	At 31 December 2019
		Issuance of new shares	Stock dividend	Conversion of capital reserve into shares	Others		
I. Shares not subject to trading moratorium							
RMB ordinary shares	1,687,572,584	234,604,106	-	-	-	234,604,106	1,922,176,690
Overseas-listed foreign invested shares	573,694,000	-	-	-	-	-	573,694,000
Total share capital of shares not subject to trading moratorium	2,261,266,584	234,604,106	-	-	-	234,604,106	2,495,870,690
II. Shares subject to trading moratorium							
RMB ordinary shares	41,855,305	-	-	-	-	-	41,855,305
III. Total share capital	2,303,121,889	234,604,106	-	-	-	234,604,106	2,537,725,995

The increase in share capital in 2019 was due to the public issuance of A Shares by the Company. For details, please refer to Note I. Corporate Information. The increase was verified by Ernst & Young Hua Ming LLP according to the "Ernst & Young Hua Ming (2019) Yan Zi No. 60468092\_H01" verification report. As at 30 June 2020, the Company's total number of issued shares was 25,377,259,946.

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

#### 40. Other equity instruments

##### (1) Basic information of renewable corporate bonds issued and outstanding

As at 30 June 2020 and 31 December 2019, the detailed information of renewable corporate bonds issued by the Group was as follows:

Name of bond	Date of issuance	Accounting classification	Interest rate	Issue price (RMB/unit)	Unit	Amount of total issuance (RMB)	Amount recognised in other equity instruments (RMB)	Date of maturity
18 Zijin Y1	16 October 2018	Renewable corporate bonds	5.17%	100	45,000,000	4,500,000,000	4,486,950,000	17 October 2021
17 Zijin Y1	12 September 2017	Renewable corporate bonds	5.17%	100	5,000,000	500,000,000	498,550,000	13 September 2020
						5,000,000,000	4,985,500,000	

On 16 October 2018, the Group issued 2018 Renewable Corporate Bonds (the First Tranche) ("18 Zijin Y1") with a total principal amount of RMB4,500,000,000 and the coupon rate of 5.17% for the first period. The remaining balance of RMB4,486,950,000 after deducting issuance expenses was recognised in other equity instruments.

The base period of 18 Zijin Y1 is 3 years. At the end of the base period and the end of each renewal period, the Group has an option to renew the bonds for one more period (i.e., 3 years). The renewable corporate bonds will mature when the Group does not exercise the renewal option and redeems the bonds in full amount.

18 Zijin Y1 applies a fixed and simple interest rate on an annual basis, instead of a compound interest rate. In the case of deferral, each deferred interest is accrued at the prevailing coupon rate during the deferred period. The coupon rate inquiry range for the first base period of 18 Zijin Y1 is 4.3%-5.8%. The final coupon rate for the first base period will be determined by the Group and the bookkeeping manager within the preset range according to the book building conditions. The coupon rate is fixed for the first base period and will be reset at each subsequent period. The coupon rate for the first base period is the initial benchmark rate plus the initial interest rate margin, and the coupon rates of the subsequent periods will be adjusted to the prevailing benchmark interest rate plus initial interest rate margin and 300 basis points. The initial interest rate margin is the coupon rate of the first period minus the initial benchmark interest rate. If the prevailing benchmark interest rate is unavailable at the interest rate reset date due to factors such as macroeconomic and policy changes in the future, the benchmark interest rate prior to the interest rate reset date is deemed to be the prevailing benchmark interest rate. The determination method of the benchmark interest rate: the initial benchmark interest rate shall be the arithmetic mean of the yield of Chinese government bond with maturity equals to the length of the initial period as shown in China Bond Inter-bank Fixed Rate Chinese Government Bond Yield Curve published on China Bond Information Website ([www.chinabond.com.cn](http://www.chinabond.com.cn)) (or other websites as recognised by China Central Depository & Clearing Co. Ltd.) 250 working days before the book building date (rounded to 0.01%). The benchmark interest rates for the subsequent periods shall be the arithmetic mean of the yield of Chinese government bond with maturity equals to the length of the initial period as shown in China Bond Inter-bank Fixed Rate Chinese Government Bond Yield Curve published on China Bond Information Website ([www.chinabond.com.cn](http://www.chinabond.com.cn)) (or other websites as recognised by China Central Depository & Clearing Co. Ltd.) 250 working days before the coupon rate reset date (rounded to 0.01%).

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*40. Other equity instruments *(continued)*(1) Basic information of renewable corporate bonds issued and outstanding *(continued)*

On 12 September 2017, the Group issued 2017 Renewable Corporate Bonds (the First Tranche) ("17 Zijin Y1") with a total principal amount of RMB500,000,000 and the coupon rate of 5.17% for the first period. The remaining balance of RMB498,550,000 after deducting issuance expenses was recognised as other equity instruments.

The base period of 17 Zijin Y1 is 3 years. At the end of the base period and the end of each renewal period, the Group has an option to renew the bonds for one more period (i.e., 3 years). The renewable corporate bonds will mature when the Group does not exercise the renewal option and redeems the bonds in full amount.

17 Zijin Y1 applies a fixed and simple interest rate on an annual basis, instead of a compound interest rate. In the case of deferral, each deferred interest is accrued at the prevailing coupon rate during the deferred period. The coupon rate inquiry range for the first base period of 17 Zijin Y1 is 4.8%-5.8%. The final coupon rate for the first base period will be determined by the Group and the bookkeeping manager within the preset range according to the book building conditions. The coupon rate is fixed for the first base period and will be reset at each subsequent period. The coupon rate for the first base period is the initial benchmark rate plus the initial interest rate margin, and the coupon rates of the subsequent periods will be adjusted to the prevailing benchmark interest rate plus initial interest rate margin and 300 basis points. The initial interest rate margin is the coupon rate of the first period minus the initial benchmark interest rate. If the prevailing benchmark interest rate is unavailable at the interest rate reset date due to factors such as macroeconomic and policy changes in the future, the benchmark interest rate prior to the interest rate reset date is deemed to be the prevailing benchmark interest rate. The determination method of the benchmark interest rate: the initial benchmark interest rate shall be the arithmetic mean of the yield of Chinese government bond with maturity equals to the length of the initial period as shown in China Bond Inter-bank Fixed Rate Chinese Government Bond Yield Curve published on China Bond Information Website ([www.chinabond.com.cn](http://www.chinabond.com.cn)) (or other websites as recognised by China Central Depository & Clearing Co. Ltd.) 250 working days before the book building date (rounded to 0.01%). The benchmark interest rates for the subsequent periods shall be the arithmetic mean of the yield of Chinese government bond with maturity equals to the length of the initial period as shown in China Bond Inter-bank Fixed Rate Chinese Government Bond Yield Curve published on China Bond Information Website ([www.chinabond.com.cn](http://www.chinabond.com.cn)) (or other websites as recognised by China Central Depository & Clearing Co. Ltd.) 250 working days before the coupon rate reset date (rounded to 0.01%).

## (2) Movements of renewable corporate bonds issued and outstanding:

**30 June 2020**

	At 1 January 2020		Additions		Reductions		At 30 June 2020	
	Unit	Book value	Unit	Book value	Unit	Book value	Unit	Book value
18 Zijin Y1	45,000,000	4,486,950,000	-	-	-	-	45,000,000	4,486,950,000
17 Zijin Y1	5,000,000	498,550,000	-	-	-	-	5,000,000	498,550,000
		4,985,500,000		-		-		4,985,500,000

## Notes to Financial Statements (continued)

For the six months ended 30 June 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

#### 40. Other equity instruments (continued)

##### (2) Movements of renewable corporate bonds issued and outstanding: (continued)

31 December 2019

	At 1 January 2019		Additions		Reductions		At 31 December 2019	
	Unit	Book value	Unit	Book value	Unit	Book value	Unit	Book value
18 Zijin Y1	45,000,000	4,486,950,000	-	-	-	-	45,000,000	4,486,950,000
17 Zijin Y1	5,000,000	498,550,000	-	-	-	-	5,000,000	498,550,000
		4,985,500,000		-		-		4,985,500,000

#### 41. Capital reserve

##### 30 June 2020

	At 1 January 2020	Additions	Reductions	At 30 June 2020
Share premium	18,515,222,263	-	-	18,515,222,263
Others (Note 1)	175,120,137	-	(82,999,108)	92,121,029
	18,690,342,400	-	(82,999,108)	18,607,343,292

31 December 2019

	At 1 January 2019	Additions	Reductions	At 31 December 2019
Share premium (Note 2)	10,902,398,401	7,612,823,862	-	18,515,222,263
Others (Note 3)	192,367,989	29,902,560	(47,150,412)	175,120,137
	11,094,766,390	7,642,726,422	(47,150,412)	18,690,342,400

Note 1: The Group acquired the equity interest owned by the non-controlling shareholders of Fuyun Jinshan Mining Co., Ltd., which decreased the capital reserve by RMB75,650,192. The Group acquired the equity interest owned by the non-controlling shareholders of Fujian Zijin Precious Metals Materials Co., Ltd., which decreased the capital reserve by RMB7,348,916.

Note 2: The Company publicly issued Renminbi-denominated ordinary A Shares and raised the net amount of RMB7,847,427,968 on 21 November 2019, which increased the registered capital and share premium of capital reserve by RMB234,604,106 and RMB7,612,823,862 respectively.

Note 3: The Group disposed of a 39% equity interest in its subsidiary, Zijin Mineral Processing Chemicals Co., Ltd., which increased the capital reserve by RMB25,260,125. The Group acquired the equity interest owned by the non-controlling shareholders of Nkwe Platinum Ltd. ("Nkwe"), which increased the capital reserve by RMB4,642,435. The Group disposed of a 5% equity interest of its subsidiary, Bisha, which decreased the capital reserve by RMB44,504,851. Other disposals of subsidiaries led to a decrease in capital reserve by RMB2,645,561 in total.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

## 42. Other comprehensive income

The accumulated balance of other comprehensive income attributable to owners of the parent in the consolidated statement of financial position is as follow:

## 30 June 2020

	Opening balance	Movements			Closing balance
		Amount before tax	Income tax	Amount after tax	
Changes in fair value of other equity instrument investments (Note)	95,489,647	(426,302,852)	4,939,412	(421,363,440)	(325,873,793)
Hedging costs – forward elements	(3,839,794)	(11,860,837)	-	(11,860,837)	(15,700,631)
Exchange differences arising from translation of financial statements denominated in foreign currencies	(565,579,062)	(308,315,301)	-	(308,315,301)	(873,894,363)
	(473,929,209)	(746,478,990)	4,939,412	(741,539,578)	(1,215,468,787)

## 31 December 2019

	Opening balance	Movements			Closing balance
		Amount before tax	Income tax	Amount after tax	
Changes in fair value of other equity instrument investments (Note)	(948,864,104)	1,045,753,536	(1,399,785)	1,044,353,751	95,489,647
Hedging costs – forward elements	61,666,120	(65,505,914)	-	(65,505,914)	(3,839,794)
Exchange differences arising from translation of financial statements denominated in foreign currencies	(688,775,081)	123,196,019	-	123,196,019	(565,579,062)
	(1,575,973,065)	1,103,443,641	(1,399,785)	1,102,043,856	(473,929,209)

Note: Changes in fair value were mainly attributable to the change in fair value of the stocks of Ivanhoe.

## Notes to Financial Statements (continued)

For the six months ended 30 June 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

#### 42. Other comprehensive income (continued)

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

##### For the six months ended 30 June 2020

	Amount before tax	Less: Amount of other comprehensive income recognised in the previous periods transferred into profit or loss during the current period	Less: Income tax	Attributable to the parent	Attributable to non-controlling interests
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods					
Changes in fair value of other equity instrument investments	(426,833,753)	-	(5,018,205)	(421,363,440)	(452,108)
Other comprehensive income that may be reclassified to profit or loss in subsequent periods					
Hedging costs – forward elements	(4,313,168)	6,874,371	-	(11,860,837)	673,298
Exchange differences arising from translation of financial statements denominated in foreign currencies	(232,585,401)	-	-	(308,315,301)	75,729,900
	(663,732,322)	6,874,371	(5,018,205)	(741,539,578)	75,951,090

##### For the six months ended 30 June 2019

	Amount before tax	Less: Amount of other comprehensive income recognised in the previous periods transferred into profit or loss during the current period	Less: Amount of other comprehensive income recognised in the previous periods transferred into retained earnings during the current period	Less: Income tax	Attributable to the parent	Attributable to non-controlling interests
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods						
Changes in fair value of other equity instrument investments	1,013,700,546	-	-	6,705,483	1,007,649,350	(654,287)
Other comprehensive income that may be reclassified to profit or loss in subsequent periods						
Hedging costs – forward elements	(23,954,574)	23,503,690	-	-	(43,791,312)	(3,666,952)
Exchange differences arising from translation of financial statements denominated in foreign currencies	82,579,801	-	-	-	49,899,721	32,680,080
	1,072,325,773	23,503,690	-	6,705,483	1,013,757,759	28,358,841

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

## 43. Special reserve

## 30 June 2020

	At 1 January 2020	Additions	Reductions	At 30 June 2020
Work safety fund	120,952,216	321,479,365	(256,882,547)	185,549,034

31 December 2019

	At 1 January 2019	Additions	Reductions	At 31 December 2019
Work safety fund	147,393,497	522,735,350	(549,176,631)	120,952,216

## 44. Surplus reserve

## 30 June 2020

	At 1 January 2020	Additions	Reductions	At 30 June 2020
Statutory reserve	1,319,401,104	–	–	1,319,401,104

31 December 2019

	At 1 January 2019	Additions	Reductions	At 31 December 2019
Statutory reserve	1,319,401,104	–	–	1,319,401,104

Pursuant to the stipulations of the Company Law of the PRC and the articles of association of the Company, the Company shall make provision for statutory reserve at the amount of 10% of net profit. Provision for statutory reserve is optional if the aggregate balance of the statutory reserve reaches 50% of the Company's registered capital. 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.

## Notes to Financial Statements (continued)

For the six months ended 30 June 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

#### 45. Retained earnings

	30 June 2020	31 December 2019
As at the beginning of the year	<b>24,005,972,520</b>	22,181,224,459
Net profit attributable to owners of the parent	<b>2,421,386,475</b>	4,283,957,365
Gains on disposal of other equity instrument investments	–	102,412,585
Less: Interest payable on renewable corporate bonds	–	258,500,000
Dividends payable in cash for ordinary shareholders	<b>2,537,725,995</b>	2,303,121,889
As at the end of the period	<b>23,889,633,000</b>	24,005,972,520

Pursuant to the resolution of the shareholders' general meeting on 12 June 2020, the Company would distribute cash dividend of RMB0.10 per share (2019: RMB0.10 per share) to shareholders in the aggregate amount of RMB2,537,725,995 (2019: RMB2,303,121,889), on the basis of 25,377,259,946 issued shares (2019: 23,031,218,891 shares).

#### 46. Operating income and operating costs

	For the six months ended 30 June 2020		For the six months ended 30 June 2019	
	Operating income	Operating costs	Operating income	Operating costs
Principal operations	<b>82,202,143,642</b>	<b>73,240,884,302</b>	66,394,712,379	58,966,803,643
Other operations	<b>940,118,472</b>	<b>775,401,629</b>	803,683,456	675,492,399
	<b>83,142,262,114</b>	<b>74,016,285,931</b>	67,198,395,835	59,642,296,042

#### 47. Taxes and surcharges

	For the six months ended 30 June 2020	For the six months ended 30 June 2019
Resource tax	<b>840,709,119</b>	606,558,690
Property tax	<b>33,864,910</b>	28,731,203
Education surcharges	<b>33,777,717</b>	37,142,257
Stamp duty	<b>31,223,430</b>	26,415,515
City construction and maintenance tax	<b>25,695,189</b>	31,429,041
Local development fund	<b>16,123,864</b>	11,391,585
Land use tax	<b>11,424,664</b>	10,753,887
Environmental protection tax	<b>4,746,019</b>	10,614,569
Mineral concentrates tax	<b>70,651,583</b>	12,944,260
Others	<b>117,903,125</b>	93,134,793
	<b>1,186,119,620</b>	869,115,800

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

## 48. Selling expenses

	For the six months ended 30 June 2020	For the six months ended 30 June 2019
Transportation expenses	130,143,116	451,124,238
Service expenses related to sales	51,652,283	48,413,889
Salaries and benefits	34,987,098	40,600,706
Charge of commission sales	14,558,927	12,762,212
Depreciation expenses	13,655,126	8,551,476
Material consumption	7,097,521	3,170,637
Insurance expenses	6,123,974	5,566,250
Packing expenses	5,129,670	5,450,610
Others	66,828,388	53,437,893
	<b>330,176,103</b>	629,077,911

## 49. Administrative expenses

	For the six months ended 30 June 2020	For the six months ended 30 June 2019
Salaries and benefits	931,473,503	813,850,205
Depreciation and amortisation	342,462,956	325,893,187
Professional consulting expenses	112,622,043	94,472,169
Exploration expenses	36,144,216	112,849,772
Stipulated fees	5,583,049	86,002,070
Material consumption fee	70,874,095	68,666,038
Office expenses	114,629,397	77,928,425
Travelling and conference expenses	35,354,001	60,125,436
Audit fees*	12,620,671	16,743,633
Others	163,436,433	201,514,646
	<b>1,825,200,364</b>	1,858,045,581

## 50. Research and development expenses

	For the six months ended 30 June 2020	For the six months ended 30 June 2019
Material consumption fee	80,626,165	38,067,836
Salaries and benefits	76,820,332	44,063,882
Technical development costs	41,542,006	8,220,917
Depreciation and amortisation	28,497,305	15,930,830
Office expenses	14,333,646	13,290,468
Others	9,451,491	14,986,708
	<b>251,270,945</b>	134,560,641

## Notes to Financial Statements (continued)

For the six months ended 30 June 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

#### 51. Financial expenses

	For the six months ended 30 June 2020	For the six months ended 30 June 2019
Interest expenses	<b>1,352,243,669</b>	1,162,696,009
<i>Including: Bank loans</i>	<b>983,409,821</b>	812,040,166
<i>Bonds payable</i>	<b>353,639,464</b>	347,828,065
<i>Ultra short-term financing bonds</i>	<b>15,194,384</b>	2,827,778
Less: Interest income	<b>276,774,340</b>	234,767,888
Less: Capitalised interest expenses	<b>187,362,266</b>	46,279,287
Exchange gains	<b>(22,974,795)</b>	(67,731,756)
Bank charges	<b>53,017,166</b>	36,969,487
	<b>918,149,434</b>	850,886,565

Capitalised interest expenses for the six months ended 30 June 2020 were included in construction in progress. There was no interest income arising from impaired financial assets for the six months ended 30 June 2020 and 30 June 2019.

#### 52. Other income

	For the six months ended 30 June 2020	For the six months ended 30 June 2019
Government grants relating to daily operating activities	<b>151,750,120</b>	120,118,883

Government grants relating to daily operating activities for the six months ended 30 June 2020 are as follows:

	For the six months ended 30 June 2020	Related to income/assets
Alloy gold award	<b>34,391,400</b>	Income
Government subsidies	<b>21,044,595</b>	Income
Enterprise's research and development subsidies for 2018	<b>9,711,700</b>	Income
Export incentives	<b>7,411,043</b>	Income
Subsidies for employment security	<b>5,349,351</b>	Income
Reward for output value exceeding RMB20 billion for 2018 (Shanghang County Industry, Information Technology, Science and Technology Bureau)	<b>5,000,000</b>	Income
Special allowance for foreign investment and cooperation for 2019	<b>4,000,000</b>	Income
Subsidies for social security	<b>3,850,141</b>	Income
Subsidies for research and development	<b>2,356,700</b>	Income
Repayment of charges for individual income tax deducted on behalf	<b>2,222,002</b>	Income
Financial subsidies for copper trading	<b>1,555,769</b>	Income
Reward for industrialisation and informatisation integration management system meeting the standards	<b>1,000,000</b>	Income
Other government grants directly recognised in other income	<b>13,917,795</b>	Income
Other government grants transferred from deferred income	<b>39,939,624</b>	Assets
	<b>151,750,120</b>	

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*52. Other income *(continued)*

Government grants relating to daily operating activities for the six months ended 30 June 2019 are as follows:

	For the six months ended 30 June 2019	Related to income/assets
Tax incentives and rewards for 2017	30,000,000	Income
Alloy gold award	29,610,100	Income
Tax incentives of Shanghang County Industry, Information Technology, Science and Technology Bureau for 2017	10,000,000	Income
Export incentives	7,308,930	Income
Export subsidies	4,919,389	Income
Subsidies for intellectual manufacturing upgrade and transformation	3,700,000	Income
Special allowance for foreign investment and cooperation	3,000,000	Income
Subsidies for social security	2,250,820	Income
Government grant of interest expenses subsidy from Central Foreign Trade Development Fund	2,200,000	Income
Supporting allowance for key and carrying points for processing and trading gradient transfer of Longyan City for 2018	1,200,000	Income
Subsidies for employment security	492,556	Income
Other government grants directly recognised in other income	9,866,708	Income
Other government grants transferred from deferred income	15,570,380	Assets
	120,118,883	

## 53. Investment income

	For the six months ended 30 June 2020	For the six months ended 30 June 2019
Income from long-term equity investments under the equity method	89,172,185	10,772,724
Income from disposal of long-term equity investments	1,093,075	17,626,774
Dividend income from other equity instrument investments during holding period	17,331,900	15,789,867
(Losses)/Income from disposal of financial assets and liabilities at fair value through profit or loss (Note 1)	(83,302,738)	13,706,567
Others	2,945,226	55,015
	27,239,648	57,950,947

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

#### 53. Investment income *(continued)*

Note 1: Details of (losses)/income from disposal of financial assets and liabilities at fair value through profit or loss are as follows:

	For the six months ended 30 June 2020	For the six months ended 30 June 2019
1. Held for trading equity instrument investments – Losses arising from stock investments	<b>(36,391,326)</b>	(35,565,776)
2. Losses arising from gold leasing investments at fair value	<b>(307,448)</b>	(561,413)
3. Income/(Losses) from derivative instruments with designated hedging relationship	<b>13,715,254</b>	(681,228)
4. (Losses)/Income arising from derivative instruments without designated hedging relationship	<b>(87,099,578)</b>	31,607,549
(4-1) <i>Forward exchange contracts</i>	<b>(27,550,265)</b>	(260,820)
(4-2) <i>Commodity hedging contracts</i>	<b>(59,549,313)</b>	31,868,369
5. Others	<b>26,780,360</b>	18,907,435
	<b>(83,302,738)</b>	13,706,567

#### 54. (Losses)/Gains on changes in fair value

	For the six months ended 30 June 2020	For the six months ended 30 June 2019
Financial assets at fair value through profit or loss	<b>(140,100,310)</b>	41,209,935
Financial liabilities at fair value through profit or loss	<b>(86,716,088)</b>	(2,357,154)
	<b>(226,816,398)</b>	38,852,781

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

	For the six months ended 30 June 2020	For the six months ended 30 June 2019
1. Held for trading equity instrument investments – Gains arising from changes in fair value of stock investments	<b>91,986,155</b>	20,710,783
2. (Losses)/Gains arising from changes in fair value of gold leasing at fair value	<b>(51,217,230)</b>	5,489,870
3. Hedging instruments – Gains arising from changes in fair value of ineffectively hedged derivative instruments	<b>3,596,533</b>	–
4. Losses arising from changes in fair value of derivative instruments without designated hedging relationship	<b>(276,803,830)</b>	(29,373,296)
(4-1) <i>Forward exchange contracts</i>	<b>1,859,240</b>	479,629
(4-2) <i>Commodity hedging contracts</i>	<b>(207,307,902)</b>	(29,852,925)
(4-3) <i>Others</i>	<b>(71,355,167)</b>	–
5. Others	<b>5,621,974</b>	42,025,424
	<b>(226,816,398)</b>	38,852,781

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

## 55. Credit impairment losses

	For the six months ended 30 June 2020	For the six months ended 30 June 2019
Bad debt provision for trade receivables	4,868,064	(378,965)
Bad debt provision for other receivables	(4,109,113)	(64,784,677)
Bad debt provision for receivables financing	–	(934,130)
Bad debt provision for prepayments	–	(4,026)
	<b>758,951</b>	(66,101,798)

## 56. Impairment losses on assets

	For the six months ended 30 June 2020	For the six months ended 30 June 2019
Impairment provision for fixed assets	(129,439,981)	(7,162,091)
Provision for decline in value of inventories	(55,410,762)	(35,949,901)
Impairment provision for intangible assets	(10,316,081)	(56,773,189)
Impairment provision for construction in progress	–	(2,955,201)
Impairment provision for long-term equity investments	(5,224,244)	(47,038,702)
Impairment provision for other non-current assets	(11,006,923)	–
	<b>(211,397,991)</b>	(149,879,084)

## 57. Gains/(Losses) on disposal of non-current assets

	For the six months ended 30 June 2020	For the six months ended 30 June 2019
Gains/(Losses) on disposal of fixed assets	3,034,549	(1,225,110)
Gains on disposal of intangible assets	122,642	1,315,370
Losses on disposal of other non-current assets	–	(124,044)
	<b>3,157,191</b>	(33,784)

## 58. Non-operating income

	For the six months ended 30 June 2020	For the six months ended 30 June 2019	Non-recurring profits or losses for the six months ended 30 June 2020
Penalty income	6,585,914	5,772,959	6,585,914
Waiver of debts	15,593,783	–	15,593,783
Others	31,328,875	15,899,409	31,328,875
	<b>53,508,572</b>	21,672,368	<b>53,508,572</b>

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

#### 59. Non-operating expenses

	For the six months ended 30 June 2020	For the six months ended 30 June 2019	Non-recurring profits or losses for the six months ended 30 June 2020
Losses on write-off of fixed assets	150,908,702	44,565,723	150,908,702
Donations	103,838,564	93,624,103	103,838,564
Penalties and compensations	3,192,440	2,104,064	3,192,440
Losses on stocktaking	82,571	–	82,571
Others	60,720,019	57,183,570	60,720,019
	<b>318,742,296</b>	197,477,460	<b>318,742,296</b>

#### 60. Income tax expenses

	For the six months ended 30 June 2020	For the six months ended 30 June 2019
Current income tax expenses	973,972,835	836,734,034
Deferred tax expenses	29,550,502	(36,387,676)
	<b>1,003,523,337</b>	800,346,358

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

	For the six months ended 30 June 2020	For the six months ended 30 June 2019
Profit before tax	4,094,517,514	3,039,516,148
Tax at the applicable tax rate (Note 1)	1,023,629,379	759,879,037
Effect of different tax rates applicable to certain subsidiaries (Note 1)	(221,949,513)	28,357,742
Adjustments in respect of current tax of previous periods	(9,082,971)	1,497,026
Income not subject to tax (Note 2)	(24,192,063)	(6,456,903)
Effect of unrecognised deductible temporary differences and deductible tax losses	235,118,505	17,069,456
Tax charge at the Group's effective tax rate	<b>1,003,523,337</b>	800,346,358

Note 1: Provision for the PRC corporate income tax expenses has been made at the applicable tax rates based on the estimated taxable profits. Provision for Hong Kong profits tax expenses has been made at the applicable tax rate based on assessable 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.

Note 2: The amount for the six months ended 30 June 2020 mainly included investment income from long-term equity investments under the equity method of RMB89,172,185 (six months ended 30 June 2019: investment income of RMB10,772,724).

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

## 61. Earnings per share

	<b>For the six months ended 30 June 2020 RMB/share</b>	For the six months ended 30 June 2019 RMB/share
Basic earnings per share Continuing operations	<b>0.095</b>	0.080
Diluted earnings per share Continuing operations	<b>0.095</b>	0.080

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.

There were no potential dilutive ordinary shares for the Company.

Basic earnings per share is calculated as follows:

	<b>For the six months ended 30 June 2020</b>	For the six months ended 30 June 2019
Earnings Consolidated net profit attributable to ordinary shareholders of the Company for the current period Continuing operations	<b>2,421,386,475</b>	1,853,453,618
	<b>30 June 2020</b>	30 June 2019
Shares Weighted average number of ordinary shares outstanding	<b>25,377,259,946</b>	23,031,218,891
Adjusted weighted average number of ordinary shares outstanding	<b>25,377,259,946</b>	23,031,218,891

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

#### 62. Notes to the statement of cash flows

	For the six months ended 30 June 2020	For the six months ended 30 June 2019
Other cash receipts relating to operating activities		
Interest income	59,190,647	61,346,540
Government grants	132,084,399	93,601,336
Cash received from guarantees and deposits	29,394,596	68,021,010
Others	111,417,696	59,095,322
	<b>332,087,338</b>	282,064,208
Other cash payments relating to operating activities		
Transportation expenses, insurance expenses, commission charges and other selling expenses	201,297,377	231,062,271
Office expenses, conference expenses and other administrative expenses	548,957,560	387,637,629
Donations	93,875,511	96,248,115
Losses on the settlement of futures contracts, forward contracts and others	221,588,329	132,617,354
	<b>1,065,718,777</b>	847,565,369
Other cash receipts relating to investing activities		
Cash receipts from time deposits with maturity of more than three months	–	3,090,032
Recovered wealth management products	35,700,000	630,741,227
Others	4,582,225	–
	<b>40,282,225</b>	633,831,259
Other cash payments relating to investing activities		
Cash paid for time deposits with maturity of more than three months	250,000,000	150,000,000
Cash paid for purchase of wealth management products	682,980,000	–
Funds for construction and operation of joint venture	1,401,846,438	316,973,260
Others	338,460,000	–
	<b>2,673,286,438</b>	466,973,260
Other cash receipts relating to financing activities		
Borrowings from third parties	171,414,710	–
Others	1,090,217	5,092,655
	<b>172,504,927</b>	5,092,655
Other cash payments relating to financing activities		
Payment of amounts due to third parties of Continental Gold before acquisition date	2,577,993,196	–
Repayment of borrowings from third parties	12,880,000	48,609,895
Acquisitions of non-controlling interests of subsidiaries	122,355,000	–
Bank charges and others	94,657,372	47,501,659
	<b>2,807,885,568</b>	96,111,554

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

## 63. Supplementary information to the statement of cash flows

## (1) Supplementary information to the statement of cash flows

Reconciliation of net profit to cash flows from operating activities:

	For the six months ended 30 June 2020	For the six months ended 30 June 2019
Net profit	<b>3,090,994,177</b>	2,239,169,790
Add: Provisions for asset impairment	<b>210,639,040</b>	215,980,882
Depreciation and amortisation of investment properties	<b>3,250,927</b>	12,112,481
Depreciation of fixed assets	<b>2,481,173,387</b>	1,531,863,801
Depreciation of right-of-use assets	<b>73,929,326</b>	78,774,990
Amortisation of intangible assets	<b>506,252,699</b>	456,769,246
Amortisation of long-term deferred assets	<b>207,354,198</b>	108,156,735
Losses on disposal of fixed assets, intangible assets and other long-term assets	<b>147,751,511</b>	44,781,326
Losses/(Gains) on changes in fair values	<b>226,816,398</b>	(38,852,781)
Financial expenses	<b>818,647,050</b>	616,118,676
Investment income	<b>(77,330,366)</b>	(2,307,834)
Increase in deferred tax assets	<b>(83,828,907)</b>	(31,698,199)
Decrease in deferred tax liabilities	<b>(63,645,536)</b>	(11,394,959)
Increase in inventories	<b>(1,521,180,197)</b>	(202,762,959)
Increase in receivables from operating activities	<b>(794,832,749)</b>	(228,753,304)
Increase/(Decrease) in payables from operating activities	<b>1,249,086,210</b>	(381,749,787)
Net cash flows from operating activities	<b>6,475,077,168</b>	4,406,208,104

Net changes in cash and cash equivalents:

	30 June 2020	31 December 2019
Closing balance of cash	<b>8,905,310,625</b>	5,863,202,219
Less: Opening balance of cash	<b>5,863,202,219</b>	9,817,724,859
Add: Closing balance of cash equivalents	<b>233,270,496</b>	222,389,231
Less: Opening balance of cash equivalents	<b>222,389,231</b>	115,113,292
Net increase/(decrease) in cash and cash equivalents	<b>3,052,989,671</b>	(3,847,246,701)

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

#### 63. Supplementary information to the statement of cash flows *(continued)*

##### (2) Cash and cash equivalents

	<b>30 June 2020</b>	31 December 2019
Cash	<b>8,905,310,625</b>	5,863,202,219
<i>Including: Cash on hand</i>	<b>10,283,645</b>	4,993,926
<i>Cash at banks that can be readily drawn on demand</i>	<b>8,895,026,980</b>	5,858,208,293
Cash equivalents	<b>233,270,496</b>	222,389,231
Closing balance of cash and cash equivalents	<b>9,138,581,121</b>	6,085,591,450

As at 30 June 2020, cash and cash equivalents with a carrying amount of RMB9,743,663 (31 December 2019: RMB9,716,486) were with restrictions on title.

#### 64. Assets with restrictions on title or use

	<b>30 June 2020</b>	31 December 2019
Cash and cash equivalents (Note 1)	<b>429,266,860</b>	149,269,836
Other non-current assets (Note 2)	<b>10,268,480</b>	10,268,480
	<b>439,535,340</b>	159,538,316

Note 1: As at 30 June 2020, the closing balance of cash and cash equivalents of the Group with restrictions mainly included:

land restoration and environmental rehabilitation costs of RMB118,348,904 (31 December 2019: RMB120,857,247). Pursuant to the rules of the local government, the Group provided a deposit for mine restoration and improvement of ecological environment in mines and deposited the fund in a specified bank account. The fund was restricted to the use of land restoration and environmental rehabilitation and environmental protection after mine closure; other guarantee deposits of RMB301,174,293 which were restricted to use (31 December 2019: RMB18,696,103); bank deposits with a carrying amount of RMB9,743,663 were frozen due to litigation (31 December 2019: RMB9,716,486).

Note 2: As at 30 June 2020, other non-current assets with a carrying amount of RMB10,268,480 were deposits for mine restoration and improvement of ecological environment in mines, and their rights of use were restricted (31 December 2019: RMB10,268,480).

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

## 65. Foreign currency monetary items

	30 June 2020			31 December 2019		
	Original amount	Exchange rate	Equivalent to RMB	Original amount	Exchange rate	Equivalent to RMB
Cash and cash equivalents						
HKD	81,922,677	0.9134	74,828,173	27,588,888	0.8958	24,714,126
USD	417,816,116	7.0795	2,957,929,193	342,529,902	6.9762	2,389,557,102
GBP	1,058	8.7144	9,220	1,088,055	9.1501	9,955,812
CAD	13,872,415	5.1843	71,918,761	5,680,940	5.3421	30,348,150
AUD	120,345,078	4.8657	585,563,046	48,232,556	4.8843	235,582,273
RUB	63,167,127	0.1009	6,373,563	65,951,048	0.1126	7,426,088
EUR	169,514	7.961	1,349,501	752,654	7.8155	5,882,367
Others	N/A	N/A	53,739,028	N/A	N/A	22,086,732
Trade receivables						
AUD	5,929,404	4.8657	28,850,701	2,931,210	4.8843	14,316,909
USD	111,209,064	7.0795	787,304,569	77,750,137	6.9762	542,400,506
Others	N/A	N/A	17,720,487	N/A	N/A	1,619,418
Other receivables						
USD	33,694,529	7.0795	238,540,418	46,252,500	6.9762	322,666,691
AUD	8,666,113	4.8657	42,166,706	3,696,887	4.8843	18,056,705
CAD	615,714	5.1843	3,192,046	191,874	5.3421	1,025,010
Others	N/A	N/A	1,373,298	N/A	N/A	6,190,147
Other non-current assets						
USD	882,940,982	7.0795	6,250,780,682	737,346,968	6.9762	5,143,879,918
Total foreign currency monetary assets			11,121,639,392			8,775,707,954

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

#### 65. Foreign currency monetary items *(continued)*

	30 June 2020			31 December 2019		
	Original amount	Exchange rate	Equivalent to RMB	Original amount	Exchange rate	Equivalent to RMB
Short-term borrowings						
USD	564,944,964	7.0795	3,999,527,873	322,799,778	6.9762	2,251,915,811
AUD	32,000,000	4.8657	155,702,400	–	–	–
Trade payables						
USD	175,081,903	7.0795	1,239,492,332	80,948,569	6.9762	564,713,407
AUD	5,909,195	4.8657	28,752,370	37,161,110	4.8843	181,506,010
Others	N/A	N/A	706,417,856	N/A	N/A	245,202,245
Other payables						
USD	518,995,648	7.0795	3,674,229,690	187,161,951	6.9762	1,305,679,203
AUD	20,001,370	4.8657	97,320,666	16,100,073	4.8843	78,637,587
CAD	1,277,189	5.1843	6,621,331	657,545	5.3421	3,512,671
Others	N/A	N/A	73,412,072	N/A	N/A	3,959,235
Current portion of non-current liabilities						
USD	332,300,000	7.0795	2,352,517,850	153,300,000	6.9762	1,069,451,460
Long-term borrowings						
USD	2,301,600,000	7.0795	16,294,177,200	1,476,600,000	6.9762	10,301,056,920
EUR	–	7.9610	–	120,000,000	7.8155	937,860,000
Long-term payables						
USD	235,823,168	7.0795	1,669,510,118	111,422,096	6.9762	777,302,826
Lease liabilities						
USD	28,319,406	7.0795	200,487,235	27,120,681	6.9762	189,199,295
Bonds payable						
USD	350,000,000	7.0795	2,477,825,245	350,000,000	6.9762	2,441,670,000
Preference shares (USD)	150,000,000	7.0795	1,061,925,100	–	–	–
Total foreign currency monetary liabilities			34,037,919,338			20,351,666,670

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*65. Foreign currency monetary items *(continued)***Information about foreign business entities**

<b>Name of foreign business entity</b>	<b>Places of registration and business</b>	<b>Accounting currency</b>	<b>Basis for adoption of accounting currency</b>
Longxing Limited Liability Company ("Longxing")	Russia	USD	Major sales, purchase, financing and other business activities in USD
Zeravshan	Tajikistan	USD	Major sales, purchase, financing and other business activities in USD
Altynken Limited Liability Company ("Altynken")	Kyrgyzstan	USD	Major sales, purchase, financing and other business activities in USD
COMMUS	DR Congo	USD	Major sales, purchase, financing and other business activities in USD
BNL	Papua New Guinea	USD	Major sales, purchase, financing and other business activities in USD
Norton	Australia	AUD	Major sales, purchase, financing and other business activities in AUD
Nkwe Platinum (South Africa) (Pty) Ltd. ("Nkwe SA")	South Africa	AUD	Major sales, purchase, financing and other business activities in AUD
Serbia Zijin Copper	Serbia	USD	Major sales, purchase, financing and other business activities in USD
Bisha	Eritrea	USD	Major sales, purchase, financing and other business activities in USD
Serbia Zijin Mining	Serbia	USD	Major sales, purchase, financing and other business activities in USD
Rio Blanco Copper S.A.	Peru	USD	Major sales, purchase, financing and other business activities in USD
CARRILU	DR Congo	USD	Major sales, purchase, financing and other business activities in USD
Continental Gold Limited Sucursal Colombia	Colombia	USD	Major sales, purchase, financing and other business activities in USD

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

#### 66. Hedging

##### Fair value hedge

The Group is engaged in the production and processing of gold, silver, copper and zinc (hereinafter referred to as "precious metals") products, and the raw materials for precious metal products are exposed to the risk of price changes of precious metals. Therefore, the Group uses precious metals futures contracts and forward contracts in the futures exchanges to manage the commodity price risk faced by some of the raw materials for precious metal products. The precious metal products produced and processed by the Group are the same as the standard precious metal products in the precious metals futures contracts and forward contracts. The basic variables of the hedging instruments (precious metals futures contracts and forward contracts) and the hedged items (the ore concentrates required for the Group to produce precious metal products) are standard precious metal prices. The effect of credit risk does not dominate the value changes. The Group determines the ratio of the number of hedging instruments to the hedged items for silver, copper and zinc is 1.13:1 (containing the effect of VAT) while for gold is 1:1. The ineffective part of the hedge mainly comes from the difference in spot and forward exchange rates. The amount of the ineffective part recognised in the current period was not significant. The Group uses fair value hedges for such hedging.

As at 30 June 2020, the Group entered into a currency swap agreement with a notional amount of USD240,000,000 (equivalent to RMB1,619,215,000), under which the Group exchanged U.S. dollar liabilities at a fixed exchange rate for floating-rate U.S. dollar liabilities. The purpose of the currency swap is to hedge the risk of changes in the fair value of the U.S. dollar liabilities. Through qualitative analysis, the Group determines the ratio of the number of hedging instruments to the hedged items is 1:1. The ineffective part of the hedge mainly comes from the market price fluctuation of the floating exchange rate. The ineffective part of the fair value hedge was not significant in the current period.

The temporal distribution of the nominal amount of the hedging instruments and the average price or interest rate are as follows:

##### 30 June 2020

	Less than 6 months	6 to 12 months	Over 1 year	Total
Notional amount of gold futures	241,642,680	–	–	241,642,680
Average price of gold futures – RMB/gramme	386	–	–	386
Notional amount of silver futures	123,315,750	–	–	123,315,750
Average price of silver futures – RMB/kilogramme	3,668	–	–	3,668
Notional amount of copper futures	221,750,700	–	–	221,750,700
Average price of copper futures – RMB/tonne	48,207	–	–	48,207
Notional amount of zinc futures	53,520,725	–	–	53,520,725
Average price of zinc futures – RMB/tonne	16,468	–	–	16,468
Notional amount of gold forward	371,098,849	–	–	371,098,849
Average price of gold forward – RMB/gramme	371	–	–	371
Notional amount of silver forward – RMB	21,862,149	–	–	21,862,149
Average price of silver forward – RMB/kilogramme	3,731	–	–	3,731
Notional amount of copper forward – RMB	448,028,621	–	–	448,028,621
Average price of copper forward – RMB/tonne	37,336	–	–	37,336
Notional amount of zinc forward	121,350,683	–	–	121,350,683
Average price of zinc forward – RMB/tonne	13,948	–	–	13,948
Notional amount of currency swaps	420,360,000	1,198,855,000	–	1,619,215,000
Average exchange rate of currency swaps – USD to RMB	7.0060	6.6603	–	6.7467

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*66. Hedging *(continued)***Fair value hedge** *(continued)*

The temporal distribution of the nominal amount of the hedging instruments and the average price or interest rate are as follows: *(continued)*

31 December 2019

	Less than 6 months	6 to 12 months	Over 1 year	Total
Notional amount of gold futures	186,811,150	–	–	186,811,150
Average price of gold futures – RMB/gramme	345	–	–	345
Notional amount of silver futures	148,227,465	–	–	148,227,465
Average price of silver futures – RMB/kilogramme	4,410	–	–	4,410
Notional amount of copper futures	564,925,110	–	–	564,925,110
Average price of copper futures – RMB/tonne	47,156	–	–	47,156
Notional amount of zinc futures	58,895,775	–	–	58,895,775
Average price of zinc futures – RMB/tonne	18,122	–	–	18,122
Notional amount of gold forward	–	77,510,934	–	77,510,934
Average price of gold forward – RMB/gramme	–	375	–	375
Notional amount of zinc forward	144,380,133	–	–	144,380,133
Average price of zinc forward – RMB/tonne	16,595	–	–	16,595
Notional amount of currency swaps	1,883,574,000	418,572,000	–	2,302,146,000
Average exchange rate of currency swaps – USD to RMB	7	7	–	7

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

#### 66. Hedging *(continued)*

##### Fair value hedge *(continued)*

Changes in the book value and fair value of hedging instruments are as follows:

##### 30 June 2020

	Notional amount of hedging instruments	Book value of hedging instruments		Line items in the statement of financial position including hedging instruments	Change in fair value of the hedging instruments used for measuring hedge ineffectiveness for 2020	
		Assets				Liabilities
		Assets	Liabilities			Liabilities
Fair value hedge						
Foreign exchange risk –						
foreign currency liabilities	1,619,215,000	–	101,352,995	Held for trading financial liabilities	–	
Commodity price risk – inventories	1,132,679,387	88,740,667	204,616,082	Held for trading financial assets/liabilities	–	

##### 31 December 2019

	Notional amount of hedging instruments	Book value of hedging instruments		Line items in the statement of financial position including hedging instruments	Change in fair value of the hedging instruments used for measuring hedge ineffectiveness for 2019	
		Assets				Liabilities
		Assets	Liabilities			Liabilities
Fair value hedge						
Foreign exchange risk –						
foreign currency liabilities	2,302,146,000	–	98,620,555	Held for trading financial liabilities	–	
Commodity price risk – inventories	1,180,750,567	29,876,470	67,954,727	Held for trading financial assets/liabilities	14,505,510	

## Notes to Financial Statements (continued)

For the six months ended 30 June 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

## 66. Hedging (continued)

## Fair value hedge (continued)

The book value of the hedged items and the associated adjustments are as follows:

## 30 June 2020

	Book value of hedged items		Accumulated fair value adjustments of the hedge (recognised in book values of hedged items)		Line item in the statement of financial position including hedged items	Change in fair value of the hedging instruments used for measuring hedge ineffectiveness for 2020	Cash flow hedge reserve
	Assets	Liabilities	Assets	Liabilities			
	Fair value hedge						
Foreign exchange risk – foreign currency liabilities (Note 1)	–	1,699,080,000	165,288,122	–	Long-term payables	–	N/A
Commodity price risk – inventories	2,028,822,014	–	192,401,477	51,076,707	Inventories	–	N/A

## 31 December 2019

	Book value of hedged items		Accumulated fair value adjustments of the hedge (recognised in book values of hedged items)		Line item in the statement of financial position including hedged items	Change in fair value of the hedging instruments used for measuring hedge ineffectiveness for 2019	Cash flow hedge reserve
	Assets	Liabilities	Assets	Liabilities			
	Fair value hedge						
Foreign exchange risk – foreign currency liabilities (Note 1)	–	2,211,908,037	196,980,159	–	Long-term payables	–	N/A
Commodity price risk – inventories	1,190,769,300	–	63,421,692	–	Inventories	(26,370,125)	N/A

Note 1: The hedged item is a liability formed by the counterparties within the Group. The exchange gains or losses of the monetary item formed by such transaction cannot be offset in the consolidated financial statements. The enterprise can designate it as a hedged item in the consolidated level. In order to truly and fairly reflect the hedge accounting process, the Group uses the pre-offset data of the transaction to present the hedged items.

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

#### 66. Hedging *(continued)*

##### Fair value hedge *(continued)*

The ineffective part of the hedges in the changes in fair values of hedging instruments are as follows:

##### For the six months ended 30 June 2020

Fair value hedge	Ineffective part of the hedges included in the profit or loss for the current period	Ineffective part of the hedges included in other comprehensive income	Item listed in the statement of profit or loss including the ineffective part
Commodity price risk	–	–	Gains or losses on changes in fair value

For the year ended 31 December 2019

Fair value hedge	Ineffective part of the hedges included in the profit or loss for the current period	Ineffective part of the hedges included in other comprehensive income	Item listed in the statement of profit or loss including the ineffective part
Commodity price risk	(943,939)	–	Gains or losses on changes in fair value

In addition, the Group implemented risk management on the purchases and sales of refined and processed metals as well as the sales of other mine-produced metals through forward contracts and futures contracts, in order to avoid the risk of significant 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. As 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 profit or loss during the period. Please refer to Notes V.54 and 53 for details of the gains or losses on changes in fair value and investment income or losses on the derivative financial instruments without designated hedging relationship.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)***VI. CHANGES IN THE SCOPE OF CONSOLIDATION****1. Business combination not involving enterprises under common control**

Zijin (America) Gold Mining Company Limited ("Zijin America"), a subsidiary of the Group, entered into an arrangement agreement with Continental Gold Inc. on 2 December 2019, pursuant to which an acquisition arrangement was proposed for acquiring all of the issued common shares and dilutive instruments of Continental Gold in cash at a consideration of CAD5.50 per common share. Approximately 215,599,073 shares were acquired with a total consideration of approximately CAD1.33 billion.

As at 27 February 2020, all domestic and overseas approvals or filing formalities required for the proposed acquisition of equity interest in Continental Gold were completed. On 3 March 2020, Zijin America settled the consideration of CAD1,335,786,131 in cash, being equivalent to RMB6,910,421,888. The acquisition was completed on 5 March 2020. Immediately after that, Zijin America owned 100% equity interest in Continental Gold. Following completion of the acquisition, Continental Gold was officially delisted from the Toronto Stock Exchange in Canada and the OTCQX International Market in the United States.

The fair values and carrying amounts of Continental Gold's identifiable assets and liabilities at the acquisition date were as follows:

	<b>5 March 2020 Fair value</b>	<b>5 March 2020 Carrying amount</b>
Cash and cash equivalents	2,746,389,631	2,746,389,631
Inventories	271,986,334	100,560,924
Other current assets	189,010,410	189,010,410
Fixed assets	440,135,331	440,135,331
Construction in progress	4,535,454,723	4,535,454,723
Intangible assets	8,228,049,445	451,475,199
Other non-current assets	18,006,469	18,006,469
Other payables	367,276,884	367,276,884
Current portion of non-current liabilities	546,567,634	546,567,634
Other current liabilities	137,692,523	137,692,523
Bonds payable	340,317,826	340,317,826
Long-term payables	5,546,274,063	5,546,274,063
Provision	102,639,951	102,639,951
Deferred tax liabilities	2,464,500,530	-
Other non-current liabilities	13,341,044	13,341,044
<b>Net assets acquired</b>	<b>6,910,421,888</b>	<b>1,426,922,762</b>
<b>Combination costs</b>	<b>6,910,421,888</b>	

From the acquisition date to 30 June 2020, the operating results and cash flows of Continental Gold were as follows:

	<b>For the period from 6 March 2020 to 30 June 2020</b>
Operating income	1,085,900
Net loss	(92,044,045)
Net outflows of cash and cash equivalents	(2,521,182,395)

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

### VI. CHANGES IN THE SCOPE OF CONSOLIDATION *(continued)*

#### 2. Newly established subsidiaries

On 3 January 2020, Fujian Zijin Motor Vehicle Testing Co., Ltd. ("Zijin Testing") was established in Shanghang County, Fujian Province with a registered capital of RMB10,000,000. Fujian Zijin Shunan Logistics Co., Ltd., a subsidiary of the Group, held 100% equity interest in Zijin Testing. As at 30 June 2020, the registered capital and paid-in capital of Zijin Testing were both RMB10,000,000. The newly established subsidiary was included in the scope of consolidation during the reporting period.

On 10 January 2020, Zijin Mining Logistics (Xiamen) Co., Ltd. ("Xiamen Logistics") was established in Xiamen City, Fujian Province with a registered capital of RMB200,000,000. Zijin Mining Logistics Co., Ltd., a subsidiary of the Group, held 100% equity interest in Xiamen Logistics. As at 30 June 2020, the registered capital and paid-in capital of Xiamen Logistics were both RMB200,000,000. The newly established subsidiary was included in the scope of consolidation during the reporting period.

On 28 February 2020, Zijin Mining Zifeng (Xiamen) Investment Partnership (Limited Partnership) ("Zifeng Investment") was established in Xiamen City, Fujian Province with a registered capital of RMB120,000,000. The Company and its subsidiaries, namely Zijin Mining Equity Investment and Management (Xiamen) Co., Ltd. and Zijin Mining Group Capital Investment Co., Ltd., held 33.33%, 33.33% and 33.33% equity interest in Zifeng Investment, respectively. The newly established subsidiary was included in the scope of consolidation during the reporting period.

On 17 March 2020, Jin Yang (H.K.) Mining Company Limited ("Jin Yang (H.K.)") was established in Hong Kong with a registered capital of USD3,000. Heilongjiang Zijin Longxing Mining Co., Ltd., a subsidiary of the Company, held 100% equity interest in Jin Yang (H.K.). As at 30 June 2020, the registered capital and paid-in capital of Jin Yang (H.K.) were both USD3,000. The newly established subsidiary was included in the scope of consolidation during the reporting period.

On 8 April 2020, Hunchun Zijin Mechanical and Electrical Installation Co., Ltd. was established in Hunchun City, Jilin Province with a registered capital of RMB5,000,000. Hunchun Zijin Mining Co., Ltd., a subsidiary of the Group, held 100% equity interest in Hunchun Zijin Mechanical and Electrical Installation Co., Ltd. The newly established subsidiary was included in the scope of consolidation during the reporting period.

On 26 April 2020, Fujian Zijin Gold Jewelry Co., Ltd. was established in Shanghang County, Fujian Province with a registered capital of RMB10,000,000. Zijin Mining Group Gold Jewelry Co., Ltd., a subsidiary of the Group, held 100% equity interest in Fujian Zijin Gold Jewelry Co., Ltd. The newly established subsidiary was included in the scope of consolidation during the reporting period.

On 21 May 2020, Tibet Zijin Industrial Co., Ltd. was established in Lhasa City, Tibet Autonomous Region with a registered capital of RMB2,000,000,000. Zijin Mining Group Co., Ltd.\* held 100% equity interest in Tibet Zijin Industrial Co., Ltd. As at 30 June 2020, the registered capital and paid-in capital of Tibet Zijin Industrial Co., Ltd. were both RMB2,000,000,000. The newly established subsidiary was included in the scope of consolidation during the reporting period.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

## VII. INVESTMENTS IN OTHER ENTITIES

## 1. Investments in subsidiaries

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

Company name	Principal place of business	Place of registration	Principal activities	Registered capital	Percentage of ownership interest	
					Direct	Indirect
Gold Mountains (H.K.) (Note 1)	Hong Kong	Hong Kong	Trading and investment	HKD22,286,875,426	100%	-
Zijin Commercial Services	Xiamen City, Fujian Province	Xiamen City, Fujian Province	Logistics management services of company, construction engineering machinery and equipment leasing, property management, export of various types of goods and technologies (except for goods and technologies of the company that are restricted or prohibited from being exported by the state)	500,000,000	100%	-
Zijin Europe	Hong Kong	Hong Kong	Investment; financing	USD350,000,000	-	100%
Zijin International Capital Company Limited	Hong Kong	Hong Kong	Bond issuance; financing	USD10,000,000	-	100%
Finance Company	Shanghang County, Longyan City, Fujian Province	Shanghang County, Longyan City, Fujian Province	Assisting member units to settle payments; 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 among member units; intercompany lending; investment; investments in securities (excluding stocks traded in the secondary market), etc.	668,595,500	95%	-
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 funds 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%	-

Note 1: During January to March 2020, the Company increased the capital of Gold Mountains (H.K.), a subsidiary of the Company, by HKD3,754,941,714 in cash. After the capital increase, the registered capital of Gold Mountains (H.K.) was changed to HKD22,286,875,426.

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

#### 1. Investments in subsidiaries *(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	Percentage of ownership interest	
					Direct	Indirect
Ashele Copper	Altay City, Xinjiang Uyghur Autonomous Region	Altay City, Xinjiang Uyghur Autonomous Region	Exploration and development of geological and mineral 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	Australia	Australia	Production of gold; geological and mineral resources exploration and related information and technical services	AUD186,844,557	–	100%
Bayannur Zijin	Bayannur City, Inner Mongolia	Bayannur City, Inner Mongolia	Refining, mining, milling and processing of zinc and other non-ferrous metals, ferrous metals and other energy mineral resources, and sale of mineral products	375,000,000	87.20%	–
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 sulphuric acid for industrial use and copper sulphate	2,221,402,200	100%	–
Luoyang Zijin Yinhui Gold Refinery Co., Ltd. ("Zijin Yinhui")	Luoyang City, Henan Province	Luoyang City, Henan Province	Refining 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%
Longxing	Russia	Russia	Mining of zinc-lead ore; refining and processing; sale of mineral products	RUB700,000,000	–	70%
Zijin Zinc	Wuqia County, Kizilsu Kyrgyz Prefecture, Xinjiang	Wuqia County, Kizilsu Kyrgyz Prefecture, Xinjiang	Exploration and development of Wulugan Lead and Zinc Mine in Wuqia County	346,500,000	–	100%
Serbia Zijin Copper	Serbia	Serbia	Mining, processing, refining of ferrous metals, non-ferrous metals, precious metals and other metals	39,414,455,845 Serbian Dinars	–	63%
Bisha	Eritrea	Eritrea	Mining, refining and processing of zinc-copper ore; sale of mineral products	USD64,296,314	–	55%
Serbia Zijin Mining	Serbia	Serbia	Mining, refining and processing of copper-gold ore; sale of mineral products	4,929,947,027 Serbian Dinars	–	100%
Continental Gold Limited Sucursal Colombia	Colombia	Colombia	Mining, refining and processing of gold-silver ore; sale of mineral products	11,238,405,220 Colombian Pesos	–	68.77%

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*VII. INVESTMENTS IN OTHER ENTITIES *(continued)*1. Investments in subsidiaries *(continued)*

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

30 June 2020

	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 date of statement of financial position
Zijin America	31.23%	1,259,097	–	3,067,694,639
Serbia Zijin Copper	37.00%	90,977,399	–	1,611,833,636
Zijin Tongguan	49.00%	(6,973,438)	–	1,047,142,063
Ashele Copper	49.00%	175,415,857	(96,040,000)	1,004,767,925
Bisha	45.00%	1,672,637	–	1,034,048,229
Xinjiang Jinbao	44.00%	234,194,451	(96,800,000)	679,833,524
Guizhou Zijin Mining Co., Ltd. ("Guizhou Zijin")	44.00%	19,524,499	–	346,372,058
Heilongjiang Zijin Longxing Mining Co., Ltd. ("Hei Longxing")	30.00%	(42,984,958)	–	257,674,014
Luoyang Kunyu Mining Co., Ltd. ("Luoyang Kunyu")	30.00%	21,609,603	–	276,240,156
Wenshan Malipo Zijin Tungsten Group Co., Ltd. ("Malipo Tungsten Group")	23.08%	4,555,010	–	218,596,638
Yunnan Huaxi	47.00%	224,689	–	203,120,896
Bayannur Zijin	12.80%	12,388,447	–	167,945,734
Altynken	40.00%	103,323,693	–	384,979,073
Xinjiang Altay Jinhao Iron Co., Ltd. ("Jinhao Iron")	61.48%	(29,538,585)	–	(1,236,723,056)
Others		83,959,301	(270,066,235)	92,096,115
Total		669,607,702	(462,906,235)	9,155,621,644

# Notes to Financial Statements (continued)

For the six months ended 30 June 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## VII. INVESTMENTS IN OTHER ENTITIES (continued)

### 1. Investments in subsidiaries (continued)

The major financial information of the above-mentioned subsidiaries is stated in the table below. These amounts are before elimination:

	30 June 2020				31 December 2019			
	Current assets	Non-current assets	Total assets	Total liabilities	Current assets	Non-current assets	Total assets	Total liabilities
Continental Gold Limited	407,536,885	6,936,770,772	7,344,307,657	(3,524,446,763)	2,153,454,054	3,903,133,839	6,056,587,893	(1,836,886,003)
Sucursal Colombia	2,901,338,132	5,097,652,122	7,998,990,254	(2,689,273,589)	301,006,087	2,934,689,042	3,235,695,129	(9,039,807)
(a subsidiary of Zijin America)	294,930,932	2,767,587,256	3,062,518,188	(315,610,771)	360,703,266	2,580,762,737	2,941,466,003	(453,345,000)
Serbia Zijin Copper	394,311,699	2,521,441,847	2,915,753,546	(660,270,000)	1,115,941,397	2,886,905,958	4,002,847,355	(266,485,178)
Zijin Tongguan	1,146,097,482	2,457,046,813	3,603,144,295	(559,804,609)	1,231,992,536	340,144,460	1,572,136,996	(6,140,806)
Ashele Copper	1,219,818,396	583,118,714	1,802,937,110	(5,593,671)	237,894,520	2,272,741,087	2,510,635,607	(780,000,000)
Bisiba	167,430,324	2,319,684,007	2,487,114,331	(1,213,400,000)	753,453,487	2,918,366,439	3,671,819,926	(1,165,857,022)
Xinjiang Jinbao	716,702,057	2,867,074,322	3,583,776,379	(1,162,518,694)	65,682,060	878,909,870	944,591,930	(110,841,887)
Guizhou Zijin	109,080,024	1,124,983,615	1,234,063,639	(109,904,442)	120,071,990	1,405,613,431	1,525,685,421	(678,284,810)
Heilongjiang (consolidated)	128,269,380	1,362,255,120	1,490,524,500	-	150,209,649	160,458,830	310,668,479	(1,257,124)
Luoyang Kunyu	149,616,555	160,332,592	309,949,147	(59,731)	967,549,538	1,958,699,552	2,926,249,090	(1,523,837,241)
Malipo Tungsten Group	1,030,562,296	1,892,387,004	2,922,949,300	(302,099,646)	214,461,376	1,983,575,009	2,198,036,385	(801,095,211)
Yunnan Huaxi	231,653,231	2,289,519,154	2,521,172,385	(517,824,243)	159,202,727	223,808,219	383,010,946	(1,055,019,809)
Bayannur Zijin	166,294,185	182,004,508	348,298,693	(1,058,339,790)				(2,211,518,524)
Altynten				(1,199,372,037)				
Jinbao Iron				(2,257,711,827)				

## Notes to Financial Statements (continued)

For the six months ended 30 June 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## VII. INVESTMENTS IN OTHER ENTITIES (continued)

## 1. Investments in subsidiaries (continued)

The major financial information of the above-mentioned subsidiaries is stated in the table below. These amounts are before elimination: (continued)

	For the six months ended 30 June 2020				For the year ended 31 December 2019			
	Operating income	Net profit/(loss)	Total comprehensive income	Cash flows from operating activities	Operating income	Net profit/(loss)	Total comprehensive income	Cash flows from operating activities
Continental Gold Limited Sucursal Colombia (a subsidiary of Zijin America)	-	4,031,174	4,031,174	-	-	-	-	-
Serbia Zijin Copper	1,957,195,503	246,921,794	246,921,794	8,989,393	3,678,281,042	229,350,679	229,350,679	(641,066,706)
Zijin Tongguan	-	(14,231,507)	(14,231,507)	188,775	-	(36,800,547)	(36,800,547)	(50,993,098)
Ashale Copper	905,354,737	357,049,703	357,049,703	539,356,421	1,827,034,444	656,621,488	656,621,488	1,015,559,577
Bisha	952,414,438	(1,795,904)	(1,795,904)	119,030,617	2,294,463,818	210,362,527	210,362,527	721,154,479
Xinjiang Jinbao	1,013,715,750	532,260,115	532,260,115	457,909,361	1,858,045,172	884,987,257	884,987,257	1,003,333,139
Guizhou Zijin	1,041,997,816	66,154,304	66,154,304	204,684,543	1,938,479,363	55,012,496	55,012,496	138,270,400
Hei Longxing (consolidated)	315,484,499	(143,283,193)	(143,283,193)	123,457,575	1,046,761,478	33,972,129	33,972,129	284,672,224
Luoyang Kunyu	367,384,571	71,497,690	71,497,690	196,900,807	613,167,714	94,100,144	94,100,144	188,177,833
Malipo Tungsten Group	133,933,965	19,736,257	19,736,257	47,688,991	272,892,460	(268,576,139)	(268,576,139)	73,973,811
Yunnan Huaxi	288,619	478,061	478,061	1,103,705	373,725	1,585,644	1,585,644	(310,933)
Bayannur Zijin	1,633,511,496	96,344,265	96,344,265	181,891,436	4,265,629,324	229,598,022	229,598,022	571,306,060
Altynken	807,082,304	258,309,232	258,309,232	349,581,047	1,197,418,895	269,507,857	269,507,857	530,224,959
Jinzhao Iron	977,628	(55,975,870)	(55,975,870)	(1,019,978)	3,382,519	(112,312,615)	(112,312,615)	(3,384,543)

## Notes to Financial Statements (continued)

For the six months ended 30 June 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

#### 2. Investments in joint ventures and associates

	Principal place of business	Place of registration	Principal activities	Registered capital	Proportion of ownership interest		Accounting treatment
					Direct	Indirect	
<b>Joint ventures</b>							
Shandong Guoda (Note 1)	Zhaoyuan City, Shandong Province	Zhaoyuan City, Shandong Province	Production of gold, silver, copper cathode and sulphuric acid; 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 4)	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 5)	Longyan City, Fujian Province	Longyan City, Fujian Province	Trading of precious metals, fine processing of gold, processing and sale of jewellery products, diamond and jade, recovery of metal materials	20,000,000	–	51%	Equity method
Kamoa (Note 6)	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
Preduzece za Proizvodnju Bankarnog Praha Pometon Tir Doo Bor (Note 7)	Serbia	Bor, Serbia	Production of copper powder, copper processing	104,610,167 Serbian Dinars	–	49%	Equity method
Longyan Xinjing Investment Partnership (Limited Partnership)	Longyan City, Fujian Province	Longyan City, Fujian Province	Investing in mining industry; venture capital business; venture capital consulting services; investment consulting services (excluding securities, futures, insurance)	120,000,000	–	41.33%	Equity method

## Notes to Financial Statements (continued)

For the six months ended 30 June 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## VII. INVESTMENTS IN OTHER ENTITIES (continued)

## 2. Investments in joint ventures and associates (continued)

	Principal place of business	Place of registration	Principal activities	Registered capital	Proportion of ownership interest		Accounting treatment
					Direct	Indirect	
<b>Associates</b>							
Ting River Hydropower	Shanghang County, Fujian Province	Shanghang County, Fujian Province	Hydroelectric power generation	69,000,000	-	49%	Equity method
Wuping Zijin Hydropower	Wuping County, Fujian Province	Wuping County, Fujian Province	Hydroelectric power generation and investment in hydropower industry	60,000,000	-	48%	Equity method
Haixia Technology (Note 8)	Yongan City, Fujian Province	Yongan City, Fujian Province	Production of explosives for civilian use	411,489,086	-	16.06%	Equity method
Shanghang Xinyuan	Shanghang County, Fujian Province	Shanghang County, Fujian Province	Pipe water supply	310,000,000	-	38%	Equity method
Hunchun Jindi (Note 9)	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	Burgin County, Xinjiang	Burgin County, Xinjiang	Catering and travel services	135,000,000	-	21.09%	Equity method
Makeng Mining	Longyan City, Fujian Province	Longyan City, Fujian Province	Iron and molybdenum mining	1,000,000,000	41.5%	-	Equity method
Songpan Zijin	Songpan County, Ngawa Tibetan and Qiang Autonomous Prefecture	Songpan County, Ngawa Tibetan and Qiang Autonomous Prefecture	Sale of industrial materials, equipment and instruments, development, manufacture and sale of general machinery	180,000,000	34%	-	Equity method
Wancheng Commercial	Urad Rear Banner, Bayannur City, Inner Mongolia	Urad Rear Banner, Bayannur City, Inner Mongolia	Mining, processing and sale of zinc, lead, sulphur, copper and iron	73,440,000	10%	37.5%	Equity method
Yulong Copper	Changdu County, Tibet Autonomous Region	Changdu County, Tibet Autonomous Region	Mining of copper mineral and geological studies	2,800,000,000	22%	-	Equity method
Xinjiang Tianlong (Note 10)	Fukang City, Xinjiang, Xinjiang	Fukang City, Xinjiang, Xinjiang	Limestone mining, cement production, intensive processing and refining of non-ferrous metals	870,935,192	-	16.42%	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	813,340,000	-	37.38%	Equity method
Longyan Zijin AVIC Properties Co., Ltd. ("Longyan Zijin AVIC")	Longyan City, Fujian Province	Longyan City, Fujian Province	Development, operation and management of real estate, property management, and car park service	320,408,163	-	49%	Equity method
Zisen Supply Chain	Xiamen City, Fujian Province	Xiamen City, Fujian Province	Supply chain management, management and consultation of investment; business information consultation and investment consultation	10,000,000	-	49%	Equity method
Science	Changsha City, Hunan Province	Changsha City, Hunan Province	Technological consultation, design, development and operation services; design, contracting and construction of environmental protection engineering projects; and research, development, manufacture, sale and related technical services for chemicals and environmental protection equipment used in sewage and wastewater treatment	71,120,000	-	28.29%	Equity method
Evergreen New Energy	Shanghang County, Fujian Province	Shanghang County, Fujian Province	Research of power battery recovery technology, power battery recovery, production and sale of precursors	200,000,000	30%	-	Equity method
Beijing Anchuang Shenzhou	Beijing City	Chaoyang District, Beijing City	Technology development, technology transfer, technological consultation, technology promotion, technical services; computer technology training, etc.	10,000,000	-	45%	Equity method
Caixi Cultural	Shanghang County, Fujian Province	Shanghang County, Fujian Province	Cultural and entertainment agency; investments in culture, sports and entertainment; other cultural and artistic business	1,250,000	20%	-	Equity method

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall 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 ("Fujian Coal and Electric") 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. 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: 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 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.
- Note 5: On 3 February 2015, South Investment, a wholly-owned subsidiary of the Group, and Fujian Jincuiju Jewellery Development Company Limited ("Jincuiju") jointly established Zijin Cuifu with respective shareholding ratios of 51% and 49%. Pursuant to the articles of association of Zijin Cuifu, the board of directors of Zijin Cuifu consists of five directors, including three appointed by South 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. 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 6: Gold Mountains (H.K.) and Ivanhoe Mines US LLC each owns 49.5% equity interest in Kamoia respectively. The remaining proportion of 1% is held by Crystal River Global Limited. Pursuant to the articles of association of Kamoia, the board of directors of Kamoia consists of five directors, including two appointed by the Group, two appointed by Ivanhoe Mines US LLC, and one appointed by Crystal River Global Limited. The operating decisions of Kamoia are effective only when approved by more than 80.01% of shareholders, therefore, the management of the Group considers that the Group has joint control over Kamoia, and accounts for it as a joint venture.
- Note 7: Preduzece za Proizvodnju Bankrnog Praha Pometon Tir Doo Bor is a joint venture of Serbia Zijin Copper, which is a subsidiary of the Group acquired in 2018. Pursuant to the articles of association of Preduzece za Proizvodnju Bankarnog Praha Pometon Tir Doo Bor, the company shall set up a board of directors, which consists of five directors, two of whom shall be appointed by Serbia Zijin Copper. The decisions of the company shall only be implemented with the unanimous consent of all the operating parties. Therefore, the Group has joint control over the company, and it has been accounted for as a joint venture.
- Note 8: 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 the supervisory committee and the deputy general manager of Haixia Technology are appointed by the Group. Therefore, the management of the Group considers that the Group has significant influence over the financial and operating decisions of Haixia Technology, and accounts for it as an associate.
- Note 9: Pursuant to the articles of association of Hunchun Jindi, the board of directors of Hunchun Jindi consists of five directors, including two appointed by the Group. The operating decisions of Hunchun Jindi are effective only when approved by over two-thirds of the directors. Therefore, the management of the Group considers that the Group has significant influence over the financial and operating decisions of Hunchun Jindi, and accounts for it as an associate.
- Note 10: Pursuant to the articles of association of Xinjiang Tianlong, the board of directors of Xinjiang Tianlong consists of eleven directors, including two appointed by the Group. The operating decisions of Xinjiang Tianlong are effective only when approved by more than half of the directors. Therefore, the management of the Group considers that the Group has significant influence over the financial and operating decisions of Xinjiang Tianlong, and accounts for it as an associate.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)***VII. INVESTMENTS IN OTHER ENTITIES** *(continued)***2. Investments in joint ventures and associates** *(continued)*

The significant joint ventures of the Group include Gold Eagle Mining and Kamao, which are accounted for using the equity method.

The financial information of the above-mentioned significant joint ventures is set out below, which was adjusted to the book value per consolidated financial statements in accordance with the Group's accounting policies:

**For the six months ended 30 June 2020**

	<b>Gold Eagle Mining</b>	<b>Kamao</b>
Current assets	<b>534,662,956</b>	<b>1,968,953,174</b>
<i>Including: Cash and cash equivalents</i>	<b>474,151,349</b>	<b>593,788,002</b>
Non-current assets	<b>4,146,109,730</b>	<b>14,243,337,214</b>
<b>Total assets</b>	<b>4,680,772,686</b>	<b>16,212,290,388</b>
Current liabilities	<b>1,500,631,252</b>	<b>587,496,971</b>
Non-current liabilities	<b>3,514,330</b>	<b>13,117,536,245</b>
<b>Total liabilities</b>	<b>1,504,145,582</b>	<b>13,705,033,216</b>
Non-controlling interests	–	<b>(472,125,891)</b>
Equity attributable to owners of the parent	<b>3,176,627,104</b>	<b>2,979,383,063</b>
Share of net assets based on proportion of equity interest	<b>1,429,482,197</b>	<b>1,474,794,616</b>
Adjustments		
Impairment provision	–	–
<b>Book value of equity investments</b>	<b>1,429,482,197</b>	<b>1,474,794,616</b>
Operating income	–	–
Financial expenses	<b>27,211,919</b>	<b>249,888,397</b>
<i>Including: Interest income</i>	–	<b>(20,191,506)</b>
<i>Including: Interest expenses</i>	<b>27,200,820</b>	<b>270,079,904</b>
Income tax expenses	–	–
Net loss	<b>(27,471,420)</b>	<b>(189,406,430)</b>
Other comprehensive income	–	–
Total comprehensive income	<b>(27,471,420)</b>	<b>(189,406,430)</b>
Dividends received	–	–

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

#### 2. Investments in joint ventures and associates *(continued)*

The financial information of the above-mentioned significant joint ventures is set out below, which was adjusted to the book value per consolidated financial statements in accordance with the Group's accounting policies: *(continued)*

For the year ended 31 December 2019

	Gold Eagle Mining	Kamoa
Current assets	552,613,312	1,459,654,041
<i>Including: Cash and cash equivalents</i>	<i>491,049,114</i>	<i>516,013,243</i>
Non-current assets	3,999,084,342	12,360,059,040
<b>Total assets</b>	<b>4,551,697,654</b>	<b>13,819,713,081</b>
Current liabilities	1,458,912,242	541,746,275
Non-current liabilities	3,488,100	10,557,880,411
<b>Total liabilities</b>	<b>1,462,400,342</b>	<b>11,099,626,686</b>
Non-controlling interests	(114,801,217)	(449,339,592)
Equity attributable to owners of the parent	3,204,098,529	3,169,425,987
Share of net assets based on proportion of equity interest	1,441,844,336	1,568,865,864
Adjustments		
Impairment provision	–	–
<b>Book value of equity investments</b>	<b>1,441,844,336</b>	<b>1,568,865,864</b>
Operating income	–	–
Financial expenses	57,088,317	442,450,965
<i>Including: Interest income</i>	–	<i>(38,065,299)</i>
<i>Including: Interest expenses</i>	<i>57,075,779</i>	<i>480,516,264</i>
Income tax expenses	–	(140,090,662)
Net loss	(64,838,988)	(345,699,005)
Other comprehensive income	–	–
Total comprehensive income	(64,838,988)	(345,699,005)
Dividends received	–	–

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)***VII. INVESTMENTS IN OTHER ENTITIES** *(continued)***2. Investments in joint ventures and associates** *(continued)*

The significant associates of the Group include Makeng Mining and Yulong Copper, which are accounted for using the equity method.

The financial information of the above significant associates is set out below, which was adjusted to the book value per consolidated financial statements in accordance with the Group's accounting policies:

**For the six months ended 30 June 2020**

	<b>Makeng Mining</b>	<b>Yulong Copper</b>
Current assets	<b>265,664,933</b>	<b>1,200,500,315</b>
Non-current assets	<b>4,598,997,413</b>	<b>9,647,512,839</b>
<b>Total assets</b>	<b>4,864,662,346</b>	<b>10,848,013,154</b>
Current liabilities	<b>2,001,987,802</b>	<b>2,352,931,592</b>
Non-current liabilities	<b>1,396,237,197</b>	<b>5,244,424,934</b>
<b>Total liabilities</b>	<b>3,398,224,999</b>	<b>7,597,356,526</b>
Non-controlling interests	–	–
Equity attributable to owners of the parent	<b>1,466,437,348</b>	<b>3,250,656,628</b>
Share of net assets based on proportion of equity interest	<b>608,571,499</b>	<b>715,144,458</b>
Adjustments	–	–
Goodwill	<b>331,615,363</b>	–
<b>Book value of equity investments</b>	<b>940,186,862</b>	<b>715,144,458</b>
Operating income	<b>733,888,408</b>	<b>543,694,121</b>
Income tax expenses	<b>50,782,831</b>	<b>15,959,186</b>
Net profit	<b>151,048,263</b>	<b>170,559,201</b>
Other comprehensive income	–	–
Total comprehensive income	<b>151,048,263</b>	<b>170,559,201</b>
Dividends received	–	–

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

#### 2. Investments in joint ventures and associates *(continued)*

The financial information of the above significant associates is set out below, which was adjusted to the book value per consolidated financial statements in accordance with the Group's accounting policies: *(continued)*

For the year ended 31 December 2019

	Makeng Mining	Yulong Copper
Current assets	265,070,248	972,168,611
Non-current assets	4,663,588,858	8,087,634,694
<b>Total assets</b>	<b>4,928,659,106</b>	<b>9,059,803,305</b>
Current liabilities	1,946,484,273	2,153,933,471
Non-current liabilities	1,666,785,747	3,825,772,408
<b>Total liabilities</b>	<b>3,613,270,020</b>	<b>5,979,705,879</b>
Non-controlling interests	–	–
Equity attributable to owners of the parent	1,315,389,086	3,080,097,426
Share of net assets based on proportion of equity interest	545,886,470	677,621,434
Adjustments		
Goodwill	331,615,363	–
<b>Book value of equity investments</b>	<b>877,501,833</b>	<b>677,621,434</b>
Operating income	1,158,622,584	1,111,133,182
Income tax expenses	42,727,327	8,556,024
Net profit	101,358,247	370,313,728
Other comprehensive income	–	–
Total comprehensive income	101,358,247	370,313,728
Dividends received	41,500,000	–

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall 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:

	Fort the six months ended 30 June 2020	For the year ended 31 December 2019
Joint ventures		
Aggregate book value of the Group's investments in joint ventures	<b>512,321,740</b>	451,494,757
Items below were calculated by the proportion of equity interest		
Share of net profit of joint ventures	<b>16,848,351</b>	17,570,004
Share of other comprehensive income of joint ventures	–	–
Share of total comprehensive income of joint ventures	<b>16,848,351</b>	17,570,004
Associates		
Aggregate book value of the Group's investments in associates	<b>1,978,179,813</b>	1,907,087,869
Items below were calculated by the proportion of equity interest		
Share of net profit of associates	<b>74,091,944</b>	151,486,275
Share of other comprehensive income of associates	–	–
Share of total comprehensive income of associates	<b>74,091,944</b>	151,486,275

The Group will provide financial support for the capital expenditure of Kamoia based on the proportion of equity interest held. The funding commitment in the following year amounted to USD169,719,602, equivalent to RMB1,201,529,926 (2019: USD355,078,522, equivalent to RMB2,477,098,785).

## 3. Significant joint operation

Company name	Principal place	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 accounts for it as a joint operation.

## Notes to Financial Statements (continued)

For the six months ended 30 June 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

### VIII. FINANCIAL INSTRUMENTS AND RISKS

#### 1. Financial instruments by category

The carrying amounts of each category of financial instruments as at the end date of the reporting period are as follows:

##### 30 June 2020

##### Financial assets

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Financial assets at fair value through other comprehensive income		Total
	Standards' requirement		Standards' requirement	Designated	
Cash and cash equivalents	-	9,388,581,121	-	-	9,388,581,121
Held for trading financial assets	1,491,320,277	-	-	-	1,491,320,277
Trade receivables	-	1,001,354,194	-	-	1,001,354,194
Receivables financing	-	-	1,811,745,612	-	1,811,745,612
Other receivables	-	1,006,169,190	-	-	1,006,169,190
Current portion of non-current assets	-	678,006,310	-	-	678,006,310
Other current assets	-	743,674,042	-	-	743,674,042
Other equity instrument investments	-	-	-	4,106,025,139	4,106,025,139
Other non-current financial assets	640,179,725	-	-	-	640,179,725
Other non-current assets	-	6,900,397,348	-	-	6,900,397,348
	2,131,500,002	19,718,182,205	1,811,745,612	4,106,025,139	27,767,452,958

##### Financial liabilities

	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
	Standards' requirement		
Short-term borrowings	-	18,309,136,784	18,309,136,784
Held for trading financial liabilities	1,487,828,736	-	1,487,828,736
Bills payable	-	1,263,893,820	1,263,893,820
Trade payables	-	4,431,074,566	4,431,074,566
Other payables	-	8,559,201,460	8,559,201,460
Current portion of non-current liabilities	-	10,219,991,726	10,219,991,726
Other current liabilities	-	3,013,277,260	3,013,277,260
Long-term borrowings	-	16,837,557,955	16,837,557,955
Bonds payable	-	12,765,020,819	12,765,020,819
Lease liabilities	-	254,634,090	254,634,090
Long-term payables	-	1,755,151,393	1,755,151,393
	1,487,828,736	77,408,939,873	78,896,768,609

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*VIII. FINANCIAL INSTRUMENTS AND RISKS *(continued)*1. Financial instruments by category *(continued)*

31 December 2019

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Financial assets at fair value through other comprehensive income		Total
	Standards' requirement		Standards' requirement	Designated	
Cash and cash equivalents	-	6,085,591,450	-	-	6,085,591,450
Held for trading financial assets	687,951,525	-	-	-	687,951,525
Trade receivables	-	944,115,730	-	-	944,115,730
Receivables financing	-	-	1,318,505,074	-	1,318,505,074
Other receivables	-	746,370,339	-	-	746,370,339
Current portion of non-current assets	-	956,692,852	-	-	956,692,852
Other current assets	-	485,010,486	-	-	485,010,486
Other equity instrument investments	-	-	-	4,410,441,677	4,410,441,677
Other non-current financial assets	951,779,422	-	-	-	951,779,422
Other non-current assets	-	5,266,987,210	-	-	5,266,987,210
	1,639,730,947	14,484,768,067	1,318,505,074	4,410,441,677	21,853,445,765

Financial liabilities

	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
	Standards' requirement		
Short-term borrowings	-	14,440,917,886	14,440,917,886
Held for trading financial liabilities	326,139,054	-	326,139,054
Bills payable	-	420,860,145	420,860,145
Trade payables	-	4,382,104,169	4,382,104,169
Other payables	-	5,253,405,190	5,253,405,190
Current portion of non-current liabilities	-	5,768,840,060	5,768,840,060
Other current liabilities	-	500,000,000	500,000,000
Long-term borrowings	-	13,826,221,524	13,826,221,524
Bonds payable	-	11,966,468,687	11,966,468,687
Lease liabilities	-	282,347,122	282,347,122
Long-term payables	-	1,201,391,669	1,201,391,669
	326,139,054	58,042,556,452	58,368,695,506

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

### VIII. FINANCIAL INSTRUMENTS AND RISKS *(continued)*

#### 2. Transfer of financial assets

##### **Transferred financial assets that are not derecognised in their entirety**

As at 30 June 2020, the Group endorsed commercial acceptance bills with a carrying amount of RMB15,000,000 (31 December 2019: RMB14,300,000) to its suppliers in order to settle the trade payables due to such suppliers. During the reporting period, the Group operated a number of discounting businesses through several banks in China. As at 30 June 2020, the Group discounted bank acceptance bills through the People's Bank of China with repurchase obligation at the maturity date with a carrying amount of RMB187,535,646 (31 December 2019: RMB224,098,696). In the opinion of the Group, the Group has retained substantially all the risks and rewards, which include default risks relating to such endorsed bills, and accordingly, it continued to recognise the full carrying amounts of the endorsed bills and the associated trade payables settled. Subsequent to the endorsement, the Group did not retain any rights on the use of the endorsed bills, including the sale, transfer or pledge of the endorsed bills to any other third parties. The aggregate carrying amount of the trade payables settled by the endorsed bills as at 30 June 2020 was RMB202,535,646 (31 December 2019: RMB238,398,696).

##### **Transferred financial assets that are derecognised in their entirety in which continuing involvement exists**

As at 30 June 2020, the Group endorsed certain bank acceptance bills (the "Derecognised Bills") with a carrying amount of RMB184,485,646 (31 December 2019: RMB75,504,585) to certain of its suppliers in order to settle the trade payables due to such suppliers. During the reporting period, the Group operated a number of discounting business through several banks in China. As at 30 June 2020, the Group discounted bank acceptance bills with a carrying amount of RMB537,759,441 (31 December 2019: RMB453,651,404) which are without repurchase obligation at the maturity date to banks. As at 30 June 2020, the Derecognised Bills had a maturity of 1 to 12 months as at the date of statement of financial position. In accordance with the Law of Negotiable Instruments, the holders of the Derecognised Bills have the right of recourse against the Group if the accepting banks default (the "Continuing Involvement"). In the opinion of the Group, the Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the carrying amounts of such Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the Group, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

During the six months ended 30 June 2020, the Group has not recognised any gain or loss at the date of transfer of the Derecognised Bills. No gains or losses were recognised from the Continuing Involvement in the derecognised financial assets, both during the period or cumulatively. In general, the endorsement has been made evenly throughout the period.

#### 3. Risk of financial instruments

The Group is exposed to the risks of various financial instruments in its daily activities, mainly including credit risk, liquidity risk and market risk (including currency risk, interest rate risk, equity instruments price risk and commodity price risk). The Group's principal financial instruments, including cash and cash equivalents, loans, bills receivable and trade receivables, other receivables, bills payable and trade payables, and other payables. The Group also enters into derivative transactions, mainly including futures and 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. Policies of the risk management for lowering the risks of the Group are summarised below.

To manage market risks in operations, the Group also conducts derivative transactions, mainly forward sales contracts. The Group manages the market risk of derivative financial instruments based on the differences between market metal prices and management's predetermined metal target prices.

The Group's principal risks of financial instruments are credit risk, liquidity risk and market risk. Policies of risk management of the Group are summarised below.

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

### VIII. FINANCIAL INSTRUMENTS AND RISKS *(continued)*

#### 3. Risk of financial instruments *(continued)*

##### **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 that the Group's exposure to bad debts is not significant.

As the counterparties of cash and cash equivalents, bank acceptance bills receivable and derivative financial instruments are banks with good reputation and high credit ratings, these financial instruments have low credit risk.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, held for trading financial assets, loans, trade receivables and certain derivative instruments, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

The maximum exposure to credit risk of the Group at each date of statement of financial position is the total amount charged to the customers less the amount of the impairment provision.

The Group is also exposed to credit risk for providing financial guarantees. Detailed information is disclosed in Note XI.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risks 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 receivable balances.

##### *Determination of significant increase in credit risk*

At the end of each reporting period, the Group determines whether the credit risk of a financial asset has increased significantly since initial recognition. When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the end of each reporting period with the risk of default as at the date of initial recognition, based on a single financial asset or classes of financial assets with similar credit risks characteristics.

The Group determines that the credit risk of financial assets has significantly increased when one or more of the following quantitative or qualitative criteria below are met:

- quantitative criteria are mainly probability of default increasing more than a given % since initial recognition;
- qualitative criteria are mainly significant detrimental changes in the borrower's operating or financial conditions, early warning customer lists, etc.

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

### VIII. FINANCIAL INSTRUMENTS AND RISKS *(continued)*

#### 3. Risk of financial instruments *(continued)*

##### **Credit risk** *(continued)*

##### *Definition of credit-impaired financial assets*

In assessing whether a financial asset is credit-impaired, the Group considers both quantitative and qualitative indicators and adopts the standard of determination in line with internal credit risk management goal of the relevant financial instruments. The Group assesses whether a financial asset is credit-impaired by considering the following factors:

- significant financial difficulty of the issuer or borrower;
- a breach of contract such as a default or past due event of interests and principals;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties of the issuer or borrower;
- financial assets purchased or sourced at large discounts indicating credit losses have occurred.

The impairment of financial assets may not be necessarily due to a single discrete event. The combined effects of multiple events may result in financial assets being credit-impaired.

##### *Parameters of the expected credit loss model*

Based on whether there is a significant increase in credit risk and whether the financial assets are credit-impaired, the Group recognises impairment allowance for different assets using either 12-month expected credit losses or lifetime expected credit losses. The measurement of the expected credit loss model is a function of the probability of default, the loss given default and the exposure at default as key parameters. The Group establishes the model of the probability of default, the loss given default and the exposure at default by considering the quantitative analysis of historical statistics such as the counterparty rating, guarantee method, collateral category, repayment method, and also forward-looking information.

Definitions:

- The probability of default is the probability that the debtor will not be able to meet its repayment obligations within the following 12 months or throughout the remaining duration. To reflect the macro-economic expected credit loss environment conditions, the Group's assessment of the probability of default is based on the calculation of the expected credit loss model adjusted by forward-looking information.
- The loss given default refers to the Group's expectation of the extent of the loss of default risk exposure. The loss given default varies depending on the type of counterparty, the way and priority of recourse, and the type of collateral. The loss given default is the percentage of the risk exposure loss at the time of default, calculated on the basis of the next 12 months or the entire duration.
- The exposure at default refers to the amount that the Group should be repaid in the event of default in the next 12 months or throughout the remaining period.

The assessment of a significant increase in credit risk and the calculation of expected credit losses both involve forward-looking information. The Group recognises key economic ratios that influence credit risk and expected credit losses by historical data analysis.

As at 30 June 2020, there was no evidence of a significant increase in credit risk.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*VIII. FINANCIAL INSTRUMENTS AND RISKS *(continued)*3. Risk of financial instruments *(continued)***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 and flexibility of funding through the use of debentures, bank borrowings and other borrowings. As at 30 June 2020, approximately 59% of the Group's debts will mature in less than one year (31 December 2019: 49%). As at 30 June 2020, the Group had loan facilities with no usage restriction of RMB172.285 billion granted by banks, of which, the used amount was RMB55.903 billion and the unused amount was RMB116.382 billion respectively. In addition, most of the inventories held by the Group can be realised immediately.

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

**30 June 2020**

	Within 1 year	Over 1 year but within 5 years	Over 5 years	Total
Short-term borrowings	18,470,250,688	–	–	18,470,250,688
Held for trading financial liabilities	1,487,828,736	–	–	1,487,828,736
Bills payable	1,263,893,820	–	–	1,263,893,820
Trade payables	4,431,074,566	–	–	4,431,074,566
Other payables	8,559,201,460	–	–	8,559,201,460
Current portion of non-current liabilities	10,334,302,539	–	–	10,334,302,539
Other current liabilities	3,038,427,944	–	–	3,038,427,944
Long-term borrowings	514,104,968	16,181,287,152	2,190,390,412	18,885,782,532
Bonds payable	475,470,747	13,868,536,747	–	14,344,007,494
Lease liabilities	–	293,766,223	–	293,766,223
Long-term payables	17,362,078	1,170,187,926	605,354,867	1,792,904,871
	<b>48,591,917,546</b>	<b>31,513,778,048</b>	<b>2,795,745,279</b>	<b>82,901,440,873</b>

**31 December 2019**

	Within 1 year	Over 1 year but within 5 years	Over 5 years	Total
Short-term borrowings	14,537,023,666	–	–	14,537,023,666
Held for trading financial liabilities	326,139,054	–	–	326,139,054
Bills payable	420,860,145	–	–	420,860,145
Trade payables	4,382,104,169	–	–	4,382,104,169
Other payables	5,253,405,190	–	–	5,253,405,190
Current portion of non-current liabilities	6,021,623,033	–	–	6,021,623,033
Other current liabilities	509,765,741	–	–	509,765,741
Long-term borrowings	334,595,398	13,773,013,994	1,054,143,677	15,161,753,069
Bonds payable	1,097,433,684	12,871,944,936	–	13,969,378,620
Lease liabilities	–	331,815,308	–	331,815,308
Long-term payables	15,362,078	614,889,268	711,615,949	1,341,867,295
	<b>32,898,312,158</b>	<b>27,591,663,506</b>	<b>1,765,759,626</b>	<b>62,255,735,290</b>

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

### VIII. FINANCIAL INSTRUMENTS AND RISKS *(continued)*

#### 3. Risk of financial instruments *(continued)*

##### **Market risk**

###### *Interest rate risk*

The Group's exposure to the risk of changes 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 2020, approximately 66% (31 December 2019: 71%) of the Group's interest-bearing borrowings were fixed rate debts.

Sensitivity analysis for interest rate risk reflects the impact (of floating rate debts) on the net profit and other comprehensive income after tax when reasonable and possible fluctuations of interest rate occurred, under the assumption that other variables were held constant.

###### *Currency risk*

The operating results of the Group is subject to the change of value in the assets and liabilities held in foreign currencies by the Group, which is caused by the fluctuation of exchange rates. The Group carried out hedging businesses for the exchange rate risk exposure. The Board approved the annual transaction amount, the maximum position quantity, business type and business duration for the foreign currency derivative transaction business. Financial planning team is responsible for the overall management of the Group's foreign currency business and makes adjustment to the foreign currency hedging strategy according to the market. A specialised monetary financial planning team is set up under the financial planning team to carry out the specific transaction business.

Sensitivity analysis for currency risk reflects the impact on the net profit and other comprehensive income after tax when there were reasonable and possible fluctuations in the Renminbi exchange rates against United States dollar, Great British Pound, Hong Kong dollar, Canadian dollar, Australian dollar and Euro, under the assumption that other variables were held constant.

###### *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 financial assets at fair value through profit or loss (Note V.2) and other equity instrument investments (Note V.11) as at 30 June 2020. The Group's listed equity instrument investments are listed on the Shanghai, Shenzhen, Toronto, New York, London, Hong Kong, Australian and Johannesburg stock exchanges, etc., and are valued at quoted market prices at the end date of the reporting period.

Sensitivity analysis reflects the sensitivity of the Group's net profit and other comprehensive income after tax if the fluctuation was 10% on the basis of the carrying amount as at 30 June 2020 towards the fair value of equity instruments, under the assumption that other variables were held constant and any tax impact was excluded.

###### *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. The price fluctuation can affect the Group's operating results.

The Group has carried out hedging businesses on the future sales of gold, copper, zinc and silver. The Board has approved the maximum position quantity of hedging derivative transactions of gold, copper, zinc and silver, and the hedging decision-making team and hedging business team are responsible for the organisation and implementation, and constantly pay attention to the price fluctuation of commodity futures contracts.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*VIII. FINANCIAL INSTRUMENTS AND RISKS *(continued)*

## 4. 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 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 years ended 31 December 2020 and 31 December 2019.

The Group monitors capital using the debt-to-asset ratio, which is total liabilities divided by total assets. The Group's debt-to-asset ratio as at the end of the reporting period was as follows:

	<b>30 June 2020</b>	31 December 2019
Total assets	<b>149,804,640,044</b>	123,830,947,219
Total liabilities	<b>90,339,334,762</b>	66,751,349,155
Debt-to-asset ratio	<b>60%</b>	54%

## IX. DISCLOSURE OF FAIR VALUE

## 1. Assets and liabilities measured at fair value

## 30 June 2020

	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				
Held for trading financial assets				
Held for trading debt investments	4,042,039	-	-	4,042,039
Held for trading equity investments	550,282,218	-	-	550,282,218
Derivative financial assets	139,397,156	17,699,763	-	157,096,919
Others	779,899,101	-	-	779,899,101
Receivables financing				
Bills receivable	-	1,811,745,612	-	1,811,745,612
Other equity instrument investments				
Listed available-for-sale equity instruments	3,602,981,730	-	503,043,409	4,106,025,139
Other non-current financial assets				
Funds of co-operative factoring business operation project	-	640,179,725	-	640,179,725
Total assets measured at fair value	<b>5,076,602,244</b>	<b>2,469,625,100</b>	<b>503,043,409</b>	<b>8,049,270,753</b>
Held for trading financial liabilities				
Gold leasing	836,417,670	-	-	836,417,670
Derivative financial liabilities – commodity hedging	371,509,774	178,398,303	-	549,908,077
Derivative financial liabilities – foreign exchange derivative instruments	-	101,502,989	-	101,502,989
Total liabilities measured at fair value	<b>1,207,927,444</b>	<b>279,901,292</b>	<b>-</b>	<b>1,487,828,736</b>

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

### IX. DISCLOSURE OF FAIR VALUE *(continued)*

#### 1. Assets and liabilities measured at fair value *(continued)*

31 December 2019

	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				
Held for trading financial assets				
Held for trading debt investments	1,764,856	–	–	1,764,856
Held for trading equity investments	394,728,960	–	–	394,728,960
Derivative financial assets	37,982,042	21,073,375	–	59,055,417
Others	232,402,292	–	–	232,402,292
Receivables financing				
Bills receivable	–	1,318,505,074	–	1,318,505,074
Other equity instrument investments				
Listed available-for-sale equity instruments	3,882,695,745	–	527,745,932	4,410,441,677
Other non-current financial assets				
Funds of co-operative factoring business operation project	–	602,061,526	–	602,061,526
Convertible bond in Continental Gold	–	349,717,896	–	349,717,896
<b>Total assets measured at fair value</b>	<b>4,549,573,895</b>	<b>2,291,357,871</b>	<b>527,745,932</b>	<b>7,368,677,698</b>
Held for trading financial liabilities				
Gold leasing	32,262,397	–	–	32,262,397
Derivative financial liabilities – commodity hedging	210,899,201	54,482,869	–	265,382,070
Derivative financial liabilities – foreign exchange derivative instruments	–	28,494,587	–	28,494,587
<b>Total liabilities measured at fair value</b>	<b>243,161,598</b>	<b>82,977,456</b>	<b>–</b>	<b>326,139,054</b>

During the six months ended 30 June 2020 and year ended 31 December 2019, there were no transfers of fair value measurements of financial assets and financial liabilities between Level 1 and Level 2 and no transfers into or out from Level 3.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)***IX. DISCLOSURE OF FAIR VALUE** *(continued)***2. Assets and liabilities disclosed at fair value****30 June 2020**

	Fair value measurement using			Total
	Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Long-term receivables	–	–	6,900,397,348	6,900,397,348
Borrowings	–	35,146,694,739	–	35,146,694,739
Bonds payable	–	12,765,020,819	–	12,765,020,819
Long-term payables	–	–	1,755,151,393	1,755,151,393
Current portion of non-current assets	–	–	678,006,310	678,006,310
Current portion of non-current liabilities	–	9,572,463,049	647,528,677	10,219,991,726

31 December 2019

	Fair value measurement using			Total
	Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Long-term receivables	–	–	5,266,987,210	5,266,987,210
Borrowings	–	28,267,139,410	–	28,267,139,410
Bonds payable	–	11,966,468,687	–	11,966,468,687
Long-term payables	–	–	1,201,391,669	1,201,391,669
Current portion of non-current assets	–	–	956,692,852	956,692,852
Current portion of non-current liabilities	–	5,591,385,127	177,454,933	5,768,840,060

**3. Estimation of fair value**

The net book values of the Group's financial instruments approximate to their fair values.

The management has assessed that the fair values of cash and cash equivalents, 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 approximate to their carrying amounts largely due to the short remaining maturities of these instruments.

The fair values of financial assets and liabilities are the amounts 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 for other financial instruments with similar terms, credit risk and remaining maturities or incremental borrowing rate. As at 30 June 2020, the Group's own non-performance risk for short-term and long-term borrowings was assessed to be insignificant. The fair values of listed equity investments are measured at quoted market prices.

The Group has entered into derivative financial instrument contracts with 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, 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.

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

### X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

#### 1. The largest shareholder of the Company

Company name	Place of registration	Nature of business	Registered capital	Proportion of the Company's ownership	Proportion of the Company's voting power	Ultimate controlling entity of the Company
Minxi Xinghang	No. 110 Zhenxing Road, Linjiang Village, Shanghang County, Longyan City, Fujian Province	Investment in Fujian	RMB368 million	23.97%	23.97%	Minxi Xinghang

#### 2. Subsidiaries

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

#### 5. Other related parties of the Company

	Relationship between the related parties and the Company
Shanghang County Jinshan Trading	A non-controlling shareholder of the Company
Fujian Shanghang Qilin Mining Construction Co., Ltd. ("Qilin Mining")	A non-controlling shareholder of Zijin Construction
La Générale des Carrières et des Mines (Gécamines) ("Gécamines")	A non-controlling shareholder of COMMUS
Tech-Resources (Hong Kong) Trading Limited ("Tech-Resources (Hong Kong)")	The parent company of Canoca Investment Limited, a non-controlling shareholder of CARRILU
Tongling Nonferrous Metals	A non-controlling shareholder of Zijin Tongguan
C&D Inc.	A non-controlling shareholder of Zijin Tongguan
Xiamen Minxing	A non-controlling shareholder of Yunnan Zixing Mining Investment Co., Ltd.
Mr. Zhu	A non-controlling shareholder of Huanmin Mining
Guizhou Geological and Mineral Resources Development Co., Ltd. ("Guizhou Geological and Mineral Resources")	A non-controlling shareholder of Guizhou Zijin
Guizhou Province Geological and Mineral Resources Exploration and Development Bureau Team 105	A non-controlling shareholder of Guizhou Zijin
Kyrgyzaltyn OJSC	A non-controlling shareholder of Altynken

## Notes to Financial Statements (continued)

For the six months ended 30 June 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

## 6. Related party transactions

## (A) Sales and purchases of products, and rendering and receipt of services to and from related parties

Purchases of products and receipt of services from related parties

	Nature of transaction	Pricing method and decision-making procedures of the related party transaction	For the six months ended 30 June 2020	For the six months ended 30 June 2019
Wancheng Commercial	Purchase of zinc concentrates	Market price	50,983,475	80,134,693
Haixia Technology	Purchase of raw materials	Market price	348,723	136,146
Southwest Zijin Gold	Purchase of low-purity gold	Market price	39,728,130	105,532,592
Zisen Supply Chain	Purchase of raw materials	Market price	8,740,444	739,939,765
Shanghang County Jinshan Trading	Purchase of raw materials	Market price	9,067,978	18,787,517
Qilin Mining	Construction and transportation services	Market price	10,616,043	10,522,040
Guizhou Geological and Mineral Resources	Purchase of low-purity gold	Market price	141,203,212	–
Makeng Mining	Purchase of iron ore	Market price	152,453,634	–
			413,141,639	955,052,753

Sales of products and rendering of services to related parties

	Nature of transaction	Pricing method and decision making procedures of the related party transaction	For the six months ended 30 June 2020	For the six months ended 30 June 2019
Shandong Guoda	Sale of silver concentrates	Market price	–	61,230,200
Wengfu Zijin	Sale of sulphuric acid	Market price	15,128,072	53,806,082
Zisen Supply Chain	Sale of zinc concentrates and copper cathodes	Market price	7,538,132	135,506,743
Southwest Zijin Gold	Sale of gold material	Market price	4,604,944	–
Wuxin Copper*	Sale of copper concentrates	Market price	559,207,983	457,891,888
Evergreen New Energy	Sale of sulphuric acid	Market price	81,716,349	–
Xinjiang Tianlong	Sale of calcined coke and petroleum coke	Market price	22,169,882	–
Makeng Mining	Sale of goods	Market price	1,584,046	2,459,754
			691,949,408	710,894,667

\* Continuing connected transaction under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

## Notes to Financial Statements (continued)

For the six months ended 30 June 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

#### 6. Related party transactions (continued)

##### (B) Related party guarantees

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

As at 30 June 2020, there were no related party guarantees provided for bank loans of the Group.

- (2) The Group's provision of guarantees for bank loans of related parties

##### 30 June 2020

Guarantor	Guaranteed party	Amount of guarantee	Inception date of guarantee	Due date of guarantee	Whether performance of guarantee has been completed
The Company	Wengfu Zijin (Note XI.2 (Note 3))	155,500,800	27 March 2019	18 February 2021	No
The Company	Yulong Copper (Note XI.2 (Note 1))	1,053,800,000	9 September 2019	8 September 2034	No
The Company	Evergreen New Energy (Note XI.2 (Note 4))	27,000,000	1 January 2020	13 January 2021	No

##### 31 December 2019

Guarantor	Guaranteed party	Amount of guarantee	Inception date of guarantee	Due date of guarantee	Whether performance of guarantee has been completed
The Company	Wengfu Zijin (Note XI.2 (Note 3))	139,780,000	28 April 2011	27 April 2019	Yes
The Company	Wengfu Zijin (Note XI.2 (Note 3))	201,478,200	27 March 2019	31 December 2020	No
The Company	Yulong Copper (Note XI.2 (Note 1))	682,488,400	9 September 2019	8 September 2034	No

##### (C) Borrowings from/to related parties

Borrowings from related parties

##### 30 June 2020

Lender	Note	Amount of borrowings	Inception date	Due date	Annual interest rate
Minxi Xinghang	Note 1	19,600,000	10 December 2015	9 December 2027	1.20%
		19,600,000			

##### 31 December 2019

Lender	Note	Amount of borrowings	Inception date	Due date	Annual interest rate
Minxi Xinghang	Note 1	22,200,000	10 December 2015	9 December 2027	1.20%
		22,200,000			

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)***X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS** *(continued)***6. Related party transactions** *(continued)***(C) Borrowings from/to related parties** *(continued)*

Borrowings to related parties

**30 June 2020**

Borrowers	Note	Amount of borrowings	Inception date	Due date	Annual interest rate
Gold Eagle Mining	Note 2	249,017,548	30 June 2015	30 June 2020	LIBOR+2.60%
Gold Eagle Mining	Note 2	424,002,851	15 May 2017	31 August 2020	LIBOR+2.60%
Longyan Zijin AVIC	Note 3	449,731,582	18 March 2016	16 March 2023	6.50%
Kamoa	Note 4	1,282,501,229	8 December 2015	-	LIBOR+7%
Kamoa	Note 4	35,397,500	2 January 2016	-	LIBOR+7%
Kamoa	Note 4	54,689,676	15 March 2016	-	LIBOR+7%
Kamoa	Note 4	145,080,194	15 August 2016	-	LIBOR+7%
Kamoa	Note 4	133,326,199	14 October 2016	-	LIBOR+7%
Kamoa	Note 4	80,330,860	21 December 2016	-	LIBOR+7%
Kamoa	Note 4	24,863,940	24 January 2017	-	LIBOR+7%
Kamoa	Note 4	24,863,940	22 February 2017	-	LIBOR+7%
Kamoa	Note 4	32,255,306	24 March 2017	-	LIBOR+7%
Kamoa	Note 4	13,663,456	31 March 2017	-	LIBOR+7%
Kamoa	Note 4	29,349,087	24 April 2017	-	LIBOR+7%
Kamoa	Note 4	79,856,477	24 May 2017	-	LIBOR+7%
Kamoa	Note 4	34,743,552	31 July 2017	-	LIBOR+7%
Kamoa	Note 4	93,463,630	31 August 2017	-	LIBOR+7%
Kamoa	Note 4	52,848,135	31 August 2017	-	LIBOR+7%
Kamoa	Note 4	59,320,405	30 September 2017	-	LIBOR+7%
Kamoa	Note 4	51,401,715	31 October 2017	-	LIBOR+7%
Kamoa	Note 4	58,035,107	30 November 2017	-	LIBOR+7%
Kamoa	Note 4	9,773,172	25 January 2018	-	LIBOR+7%
Kamoa	Note 4	34,372,764	23 February 2018	-	LIBOR+7%
Kamoa	Note 4	38,873,308	6 April 2018	-	LIBOR+7%
Kamoa	Note 4	18,799,039	23 April 2018	-	LIBOR+7%
Kamoa	Note 4	49,405,374	24 May 2018	-	LIBOR+7%
Kamoa	Note 4	25,348,794	6 August 2018	-	LIBOR+7%
Kamoa	Note 4	59,126,965	23 August 2018	-	LIBOR+7%
Kamoa	Note 4	32,894,387	25 September 2018	-	LIBOR+7%
Kamoa	Note 4	140,947,599	25 October 2018	-	LIBOR+7%
Kamoa	Note 4	84,482,187	23 November 2018	-	LIBOR+7%
Kamoa	Note 4	100,499,201	23 February 2019	-	LIBOR+7%
Kamoa	Note 4	48,244,350	12 April 2019	-	LIBOR+7%
Kamoa	Note 4	119,389,530	29 April 2019	-	LIBOR+7%
Kamoa	Note 4	115,305,416	24 May 2019	-	LIBOR+7%
Kamoa	Note 4	150,205,943	26 July 2019	-	LIBOR+7%
Kamoa	Note 4	125,198,543	6 August 2019	-	LIBOR+7%
Kamoa	Note 4	143,763,194	22 August 2019	-	LIBOR+7%
Kamoa	Note 4	53,306,334	25 September 2019	-	LIBOR+7%
Kamoa	Note 4	76,116,306	25 October 2019	-	LIBOR+7%
Kamoa	Note 4	232,521,455	22 November 2019	-	LIBOR+7%
Kamoa	Note 4	267,431,086	30 December 2019	-	LIBOR+7%
Kamoa	Note 4	240,299,610	23 January 2020	-	LIBOR+7%
Kamoa	Note 4	27,122,223	28 February 2020	-	LIBOR+7%
Kamoa	Note 4	177,578,730	25 March 2020	-	LIBOR+7%
Kamoa	Note 4	97,487,370	24 April 2020	-	LIBOR+7%
Kamoa	Note 4	223,356,391	22 May 2020	-	LIBOR+7%
Kamoa	Note 4	246,666,176	23 June 2020	-	LIBOR+7%
Kamoa	Note 4	1,239,589,259	-	-	-
Makeng Mining	Note 5	50,063,438	5 September 2019	4 September 2020	4.57%
Wengfu Zijin	Note 6	14,018,608	29 August 2019	28 August 2020	4.78%
		<b>7,650,929,141</b>			

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

#### 6. Related party transactions *(continued)*

##### (C) Borrowings from/to related parties *(continued)*

Borrowings to related parties *(continued)*

31 December 2019

Borrowers	Note	Amount of borrowings	Inception date	Due date	Annual interest rate
Gold Eagle Mining	Note 2	240,921,183	30 June 2015	30 June 2020	LIBOR+2.60%
Gold Eagle Mining	Note 2	410,217,148	15 May 2017	31 August 2020	LIBOR+2.60%
Longyan Zijin AVIC	Note 3	440,754,485	18 March 2016	16 March 2020	6.50%
Kamoa	Note 4	1,263,787,707	8 December 2015	–	LIBOR+7%
Kamoa	Note 4	34,881,000	2 January 2016	–	LIBOR+7%
Kamoa	Note 4	53,891,675	15 March 2016	–	LIBOR+7%
Kamoa	Note 4	142,963,267	15 August 2016	–	LIBOR+7%
Kamoa	Note 4	131,380,779	14 October 2016	–	LIBOR+7%
Kamoa	Note 4	79,158,718	21 December 2016	–	LIBOR+7%
Kamoa	Note 4	24,501,140	24 January 2017	–	LIBOR+7%
Kamoa	Note 4	24,501,140	22 February 2017	–	LIBOR+7%
Kamoa	Note 4	31,784,655	24 March 2017	–	LIBOR+7%
Kamoa	Note 4	13,464,087	31 March 2017	–	LIBOR+7%
Kamoa	Note 4	28,920,842	24 April 2017	–	LIBOR+7%
Kamoa	Note 4	78,691,257	24 May 2017	–	LIBOR+7%
Kamoa	Note 4	34,236,594	31 July 2017	–	LIBOR+7%
Kamoa	Note 4	92,099,862	31 August 2017	–	LIBOR+7%
Kamoa	Note 4	52,077,005	31 August 2017	–	LIBOR+7%
Kamoa	Note 4	58,454,836	30 September 2017	–	LIBOR+7%
Kamoa	Note 4	50,651,691	31 October 2017	–	LIBOR+7%
Kamoa	Note 4	57,188,292	30 November 2017	–	LIBOR+7%
Kamoa	Note 4	9,630,567	25 January 2018	–	LIBOR+7%
Kamoa	Note 4	33,871,216	23 February 2018	–	LIBOR+7%
Kamoa	Note 4	38,306,091	6 April 2018	–	LIBOR+7%
Kamoa	Note 4	18,524,734	23 April 2018	–	LIBOR+7%
Kamoa	Note 4	48,684,479	24 May 2018	–	LIBOR+7%
Kamoa	Note 4	24,978,919	6 August 2018	–	LIBOR+7%
Kamoa	Note 4	58,264,218	23 August 2018	–	LIBOR+7%
Kamoa	Note 4	32,414,411	25 September 2018	–	LIBOR+7%
Kamoa	Note 4	138,890,973	25 October 2018	–	LIBOR+7%
Kamoa	Note 4	83,249,471	23 November 2018	–	LIBOR+7%
Kamoa	Note 4	99,032,775	23 February 2019	–	LIBOR+7%
Kamoa	Note 4	47,540,396	12 April 2019	–	LIBOR+7%
Kamoa	Note 4	117,647,467	29 April 2019	–	LIBOR+7%
Kamoa	Note 4	113,622,946	24 May 2019	–	LIBOR+7%
Kamoa	Note 4	148,014,224	26 July 2019	–	LIBOR+7%
Kamoa	Note 4	123,371,718	6 August 2019	–	LIBOR+7%
Kamoa	Note 4	141,665,484	22 August 2019	–	LIBOR+7%
Kamoa	Note 4	52,528,519	25 September 2019	–	LIBOR+7%
Kamoa	Note 4	75,005,661	25 October 2019	–	LIBOR+7%
Kamoa	Note 4	229,128,636	22 November 2019	–	LIBOR+7%
Kamoa	Note 4	263,528,885	30 December 2019	–	LIBOR+7%
Kamoa	Note 4	974,974,425	–	–	–
Makeng Mining	Note 5	50,069,781	5 September 2019	4 September 2020	4.5675%
Wengfu Zijin	Note 6	14,020,469	29 August 2019	28 August 2020	4.7850%

6,281,493,828

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)***X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS** *(continued)***6. Related party transactions** *(continued)***(C) Borrowings from/to related parties** *(continued)*

Note 1: Minxi Xinghang, a shareholder of the Company, provided the Company with an unsecured loan of RMB30,000,000 with an annual interest rate of 1.2% on 11 December 2015. As at 30 June 2020, the Company had repaid RMB10,400,000. The remaining balance of the loan was RMB19,600,000.

Note 2: In 2012, Jin Jian Global Mining Limited ("Jin Jian Global"), a subsidiary of the Group, entered into an agreement with Gold Eagle Mining. Pursuant to the agreement, Jin Jian Global provided a loan of USD22,680,000 to Gold Eagle Mining. As at 30 June 2020, the loan was expired and was extended for three more years. The total amount of the loan principal and the interest receivable was USD35,174,454, equivalent to RMB249,017,548 (31 December 2019: USD34,534,730, equivalent to RMB240,921,183). In 2014, Jin Jian Global provided an additional loan of USD51,750,000 to Gold Eagle Mining which was extended to 31 August 2020. As at 30 June 2020, the total amount of the loan principal and the interest receivable was USD59,891,638, equivalent to RMB424,002,851 (31 December 2019: USD58,802,378, equivalent to RMB410,217,148). The above loans were both unsecured with an interest rate of the one-year LIBOR+2.60%.

Note 3: In 2016, the Company provided a loan of RMB419,440,000 to an associate, Longyan Zijin AVIC. The loan was unsecured with an interest rate of 6.50% per annum and the maturity date of the loan had been extended to 16 March 2023 during the year 2020. As at 30 June 2020, the principal and interest receivable were RMB449,731,582 in total. In 2017, the Company made a bad debt provision of RMB153,203,515 for the loan provided to Longyan Zijin AVIC.

Note 4: Pursuant to the equity transfer agreement, part of the original shareholders' loans to Kamo in the amount of USD181,157,035, equivalent to RMB1,282,501,230 (31 December 2019: equivalent to RMB1,263,787,707) was transferred to the Group's subsidiary, Gold Mountains (H.K.). These loans were unsecured with an interest rate of the one-year LIBOR+7%. The shareholders agreed that these loans would be repaid with Kamo's future operating cash flows. Besides, shareholders of Kamo had provided working capital fund to Kamo in proportion to shareholding interest since 2016. As at 30 June 2020, Gold Mountains (H.K.) provided loans to Kamo in the principal amount of USD556,819,638 accumulatively, which was equivalent to RMB3,942,004,625. These loans were unsecured with an interest rate of the one-year LIBOR+7%. The shareholders agreed that these loans would be repaid with Kamo's future operating cash flows. As at 30 June 2020, the total principal amount of the loans from Gold Mountains (H.K.) to Kamo was USD737,976,673 which was equivalent to RMB5,224,505,855. The total interest receivable from Kamo was USD175,095,593 which was equivalent to RMB1,239,589,259 (31 December 2019: the total principal receivable from Kamo was USD594,956,615 which was equivalent to RMB4,150,536,337. The total interest receivable from Kamo was USD139,757,235 which was equivalent to RMB974,974,425).

Note 5: In September 2019, Zijin Mining Group Finance Co., Ltd. ("Finance Company"), a subsidiary of the Group, provided loans of RMB50,000,000 to Makeng Mining, an associate of the Group. As at 30 June 2020, the total amount of principal and interest receivable was RMB50,063,438. The loan will be due in September 2020.

Note 6: In August 2019, Zijin Mining Group Finance Co., Ltd. ("Finance Company"), a subsidiary of the Group, provided loans of RMB14,000,000 to Wengfu Zijin, an associate of the Group. As at 30 June 2020, the total amount of principal and interest receivable was RMB14,018,608. The loan will be due in August 2020.

**(D) Other major related party transactions**

- (1) Compensation of key management and remuneration of directors accrued during the year

	<b>For the six months ended 30 June 2020</b>	For the six months ended 30 June 2019
Remuneration of directors	<b>20,083,480</b>	12,961,014
Compensation of key management	<b>6,270,200</b>	5,571,545
	<b>26,353,680</b>	18,532,559

- (2) Commitments between the Group and related parties

Commitments between the Group and related parties are disclosed in Note VII.3.

- (3) Joint external investments between the Group and related parties

During the reporting period, there was no joint external investment between the Group and related parties.

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

#### 7. Amounts due from related parties

	30 June 2020		31 December 2019	
	Carrying amount	Bad debt provision	Carrying amount	Bad debt provision
Trade receivables				
Zisen Supply Chain	26,354,194	–	–	–
Kyrgyzaltyn OJSC	59,476,207	–	–	–
Wengfu Zijin	4,542,161	–	1,842,805	–
	<b>90,372,562</b>	–	1,842,805	–
Receivables financing				
Wengfu Zijin	–	–	8,000,000	–
Prepayments				
Xiamen Zijin Zhonghang	2,924,175	–	3,086,207	–
Wancheng Commercial	22,455,582	–	40,877,128	–
Haixia Technology	–	–	6,811,242	–
Zisen Supply Chain	895,497	–	4,663,147	–
	<b>26,275,254</b>	–	55,437,724	–
Other receivables				
Makeng Mining	50,063,438	–	50,069,781	–
Longyan Zijin AVIC	30,291,582	–	–	–
Wengfu Zijin	14,018,608	–	14,020,469	–
Xiamen Minxing	11,083,478	11,083,478	30,683,478	11,083,478
Fujian Kingkop	18,886,581	–	–	–
Xiamen Modern Terminals	3,500,000	–	3,500,000	–
	<b>127,843,687</b>	<b>11,083,478</b>	98,273,728	11,083,478
Current portion of non-current assets				
Gold Eagle Mining	673,020,399	–	651,138,331	–
Longyan Zijin AVIC	–	–	440,754,485	153,203,515
	<b>673,020,399</b>	–	1,091,892,816	153,203,515
Other non-current assets				
Longyan Zijin AVIC	419,440,000	153,203,515	–	–
Kamoa	6,464,095,114	–	5,125,510,762	–
	<b>6,883,535,114</b>	<b>153,203,515</b>	5,125,510,762	–

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)***X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS** *(continued)***8. Amounts due to related parties**

	<b>30 June 2020</b>	31 December 2019
Trade payables		
Fujian Kingkop	<b>13,139,042</b>	12,017,759
Fujian Shanghang Qilin Mining Construction Co., Ltd.	<b>3,885,505</b>	–
Changsha Science Environmental Technology Co., Ltd.	<b>13,071,658</b>	–
Shanghang County Jinshan Trading Company Limited	<b>2,379,566</b>	–
	<b>32,475,771</b>	12,017,759
Other payables		
Tech-Resources (Hong Kong)	<b>644,662,992</b>	593,468,207
Tongling Nonferrous Metals	<b>202,902,291</b>	202,902,291
C&D Inc.	<b>81,211,727</b>	81,211,727
Zisen Supply Chain	<b>148,278,013</b>	37,268,139
Mr. Zhu	<b>29,672,233</b>	29,672,233
Haixia Technology	–	6,988,854
Xinjiang Nonferrous Metal Industry	<b>11,557,244</b>	–
Guizhou Province Geological and Mineral Resources Exploration and Development Bureau Team 105	<b>10,254,362</b>	14,852,837
	<b>1,128,538,862</b>	966,364,288
Current portion of non-current liabilities		
Gécamines	<b>38,229,300</b>	37,671,480
Minxi Xinghang	<b>2,800,000</b>	2,600,000
	<b>41,029,300</b>	40,271,480
Long-term payables		
Gécamines	–	37,671,480
Minxi Xinghang	<b>16,800,000</b>	19,600,000
	<b>16,800,000</b>	57,271,480

Except for the amounts due from Gold Eagle Mining, Makeng Mining, Longyan Zijin AVIC and Wengfu Zijin which were interest-bearing and had a fixed term of repayment, the amount due from Kamoia which was interest-bearing and without a fixed term of repayment, the amount of entrance fee due to Gécamines which was interest-free and had a fixed term of repayment; and the amount due to Minxi Xinghang which was interest-bearing and had a fixed term of repayment, other amounts due from/to related parties were interest-free, unsecured and had no fixed terms of repayment.

There was no loan provided by the Group to the directors as at 30 June 2020.

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

### XI. COMMITMENTS AND CONTINGENCIES

#### 1. Commitments

	<b>30 June 2020</b>	31 December 2019
Contracted, but not provided		
Capital commitments (Note 1)	<b>7,974,763,024</b>	7,897,773,409
Investment commitments (Note 2)	<b>1,201,529,926</b>	2,477,098,785
<b>Total</b>	<b>9,176,292,950</b>	10,374,872,194

Note 1: As at 30 June 2020, the amount of the capital commitments relating to the acquisition and construction of property, plant, machinery and equipment, and mining assets was RMB7,971,929,884 (31 December 2019: RMB7,886,161,170), among which, according to the Agreement on Strategic Partnership signed between the Company and Serbia in 2018, Serbia Zijin Copper will invest about USD1,260,000,000 for technological upgrade, expansion or construction of its four mines and one smelter plant in the following six years commencing from 2019. As at 30 June 2020, the amount of the remaining committed investment was USD712,000,000, equivalent to RMB5,044,851,700 (31 December 2019: USD769,000,000, equivalent to RMB5,065,512,000).

Note 2: The amount represents the Group's commitments to support the capital expenditure of Kamoa, a joint venture of the Group.

#### 2. Contingencies

	<b>30 June 2020</b>	31 December 2019
Guarantees provided to third parties		
Yulong Copper (Note 1)	<b>1,053,800,000</b>	682,488,400
Fujian Rare Earth (Group) Company Limited (Note 2)	<b>474,511,000</b>	487,909,275
Wengfu Zijin (Note 3)	<b>155,500,800</b>	201,478,200
Fujian Evergreen New Energy Technology Co., Ltd. (Note 4)	<b>27,000,000</b>	–
<b>Total</b>	<b>1,710,811,800</b>	1,371,875,875

Note 1: As at 30 June 2020, the Company's associate, Tibet Yulong Copper Co., Ltd., had a syndicated loan with outstanding balance of RMB4,790,000,000. The Company guaranteed for RMB1,053,800,000, i.e. 22% of the guaranteed loan, in favour of each of the lenders in the syndicate.

Note 2: As at 30 June 2020, the loan of the Company provided to Makeng Mining (within the scope of guarantees of the Company), an associate of the Company, was RMB1,143,400,000. Makeng Mining's controlling shareholder, Fujian Rare Earth (Group) Company Limited, provided a guarantee for its financing. The Company pledged its 41.5% equity interest in Makeng Mining and the interest derived from such shareholdings to provide a counter guarantee for Fujian Rare Earth (Group) Company Limited. As at 30 June 2020, the guarantee provided by the Company amounted to RMB474,511,000 (31 December 2019: RMB487,909,275).

Note 3: The Company granted to Wengfu Zijin, an associate of the Group, joint guarantees in respect of bank loans at a maximum amount of RMB281,581,000 (31 December 2019: RMB281,581,000). As at 30 June 2020, Wengfu Zijin had utilised RMB155,500,080 of the guarantee facility (31 December 2019: RMB201,478,200).

Note 4: The Company granted to Fujian Evergreen New Energy Technology Co., Ltd., an associate of the Group, joint guarantees in respect of bank loans at a maximum amount of RMB75,000,000. As at 30 June 2020, Evergreen New Energy had utilised RMB27,000,000 of the guarantee facility.

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

### XII. EVENTS AFTER THE REPORTING PERIOD

1. On 6 June 2020, Tibet Zijin Industrial Co., Ltd. ("Tibet Zijin"), a wholly-owned subsidiary of the Group, entered into the Equity Transfer Agreements in relation to Tibet Julong Copper Co., Ltd. with Zangge Group, Zhongsheng Mining, Shenzhen Chenfang, Xiao Yongming, Julong Copper, etc. Tibet Zijin proposed to acquire 50.1% equity interest in Julong Copper in cash at a consideration of RMB3.88275 billion, and agreed that if the phase 2 project of additional mining and processing scale of 150 thousand tonnes/day of the Qulong Copper and Polymetallic Mine (including the Rongmucuola Copper and Polymetallic Mine) fulfills the conditions as stipulated in the agreements, the acquirer shall make certain compensation to the current sellers of the equity interest in Julong Copper. On 10 July 2020, Tibet Zijin completed the acquisition of 50.1% equity interest in Julong Copper. The relevant change in industrial and commercial registration was also completed.
2. On 11 June 2020, the Company entered into an arrangement agreement with Guyana Goldfields Inc. The Company, through a wholly-owned subsidiary established in Canada by Gold Mountains (H.K.), the Company's overseas wholly-owned subsidiary, proposed to acquire all the issued and outstanding common shares of Guyana Goldfields (the "Target Shares") for cash consideration of CAD\$1.85 per Target Share. The total consideration for the acquisition is approximately CAD\$323 million. After completion of the acquisition, the Company will own 100% equity interest in Guyana Goldfields. As at 30 June 2020, the acquisition had not been completed yet.

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

### XIII. OTHER SIGNIFICANT EVENTS

#### 1. Operating segment information

For management purposes, the Group is divided into business units based on its products and services and has nine reportable operating segments as follows:

- (1) the gold bullion segment engages in the production of gold bullion through the Group's integrated production processes, i.e., mining, processing and refining;
- (2) the processed, refined and trading gold segment engages in the production of gold bullion by processing gold concentrates produced by the Group or purchased from external suppliers and gold bullion in the business of physical gold trading;
- (3) the gold concentrates segment engages in the production of gold concentrates that are up to smelting standard by processing gold ore produced by the Group;
- (4) the copper cathodes segment engages in the production of copper cathodes through the Group's integrated processes, i.e., mining, processing and refining;
- (5) the refined copper segment engages in the production of copper cathodes by processing copper concentrates produced by the Group or purchased from external suppliers;
- (6) the copper concentrates segment engages in the production of copper concentrates that are up to smelting standard by processing copper ore produced by the Group;
- (7) other concentrates segment comprises, principally, the production of zinc concentrates, tungsten concentrates, lead concentrates and iron ore;
- (8) the zinc bullion segment engages in the production of zinc bullion; and
- (9) segment of others comprises, principally, sales income from sulphuric acid, copperplate, silver, iron etc., and trading income from copper cathode, etc.

The management monitors the results of the Group's operating segments separately for the purpose of making decisions on resource 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, fair value changes from the Group's financial instruments as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude cash and cash equivalents, deferred tax assets, 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 financial liabilities at fair value through profit or loss, derivative financial instruments, bank and other borrowings, deferred tax liabilities, taxes payable, bonds payable 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 selling prices used for sales made to third parties.

## Notes to Financial Statements (continued)

For the six months ended 30 June 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## XIII. OTHER SIGNIFICANT EVENTS (continued)

## 1. Operating segment information (continued)

## For the six months ended 30 June 2020

Item	Processed, refined and trading gold										Total
	Gold bullion	Gold concentrates	Copper cathodes	Refined copper	Copper concentrates	Other concentrates	Zinc bullion	Others	Eliminations		
I. Operating income	4,731,246,279	1,962,051,000	2,377,681,926	11,458,104,041	5,265,053,735	2,645,809,763	1,543,658,774	20,466,981,680	(19,603,641,045)		83,142,262,114
Including: Sales to external customers	3,266,116,889	640,717,143	2,002,912,570	10,824,993,573	2,094,576,169	2,235,397,138	1,453,257,333	13,583,108,230	-		83,142,262,114
Intersegment sales	1,465,129,390	1,321,333,857	374,769,356	633,111,468	3,170,477,566	410,412,625	90,401,441	6,883,873,450	(19,603,641,045)		-
II. Segment profit	1,229,461,244	388,832,169	271,549,946	178,761,812	1,297,506,358	618,977,983	115,563,242	(466,767,192)	-		3,651,363,927
III. Segment assets	63,781,976,601	13,453,573,054	9,038,411,965	13,739,040,558	21,172,238,231	12,013,618,134	2,493,523,414	126,856,302,342	(140,164,542,621)		134,316,532,233
Unallocated assets											15,488,107,811
Total assets											149,804,640,044
IV. Segment liabilities	33,208,102,696	9,440,635,808	4,806,867,309	9,465,259,228	12,558,737,332	8,808,673,919	1,493,454,279	96,197,888,160	(108,510,638,294)		74,478,669,631
Unallocated liabilities											15,860,665,131
Total liabilities											90,339,334,762
V. Supplemental information											
1. Depreciation and amortisation	81,299,041	1,829,758,833	23,763,690	388,653,419	104,196,898	62,245,348	50,224,657	698,383,717	-		3,271,960,538
2. Capital expenditure	405,804,109	121,354,193	66,252,171	335,935,083	417,960,954	577,074,662	75,900,557	1,855,936,143	-		4,252,308,303

## For the six months ended 30 June 2019

Item	Processed, refined and trading gold										Total
	Gold bullion	Gold concentrates	Copper cathodes	Refined copper	Copper concentrates	Other concentrates	Zinc bullion	Others	Eliminations		
I. Operating income	3,597,089,056	1,446,053,071	1,476,874,027	9,491,325,715	4,453,783,462	3,982,664,815	2,045,680,369	18,594,633,064	(16,016,467,543)		67,198,395,835
Including: Sales to external customers	2,163,223,861	580,528,964	466,561,538	8,938,616,941	2,219,318,329	3,240,857,047	2,013,327,280	12,963,795,970	-		67,198,395,835
Intersegment sales	1,433,865,195	865,524,107	1,010,312,489	552,708,774	2,234,465,133	741,807,768	32,353,089	5,630,837,094	(16,016,467,543)		-
II. Segment profit	905,446,265	100,689,054	321,919,138	187,153,772	1,844,351,546	1,699,564,015	216,935,024	(1,430,734,754)	-		4,169,577,388
III. Segment assets	53,841,538,701	12,789,428,779	7,523,206,624	10,204,651,060	18,923,114,873	11,884,036,425	2,716,608,846	147,683,217,279	(174,641,781,092)		101,886,718,605
Unallocated assets											14,695,242,837
Total assets											116,581,961,442
IV. Segment liabilities	29,070,638,932	8,512,613,594	4,620,461,056	5,954,171,449	12,758,741,957	8,051,707,816	1,389,658,796	79,733,998,381	(117,754,975,422)		39,007,245,446
Unallocated liabilities											30,554,577,275
Total liabilities											69,561,822,721
V. Supplemental information											
1. Depreciation and amortisation	76,400,897	1,023,608,034	10,004,905	337,625,499	71,101,877	47,972,002	66,664,971	518,603,288	-		2,187,677,253
2. Capital expenditure	888,178,682	90,233,627	418,746,710	122,998,659	1,473,944,397	489,996,597	15,145,358	865,801,338	-		4,879,729,996

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

### XIII. OTHER SIGNIFICANT EVENTS *(continued)*

#### 2. Leases

##### (1) As lessor

Operating leases

The Group has entered into operating leases on some of its buildings, plant, machinery and equipment and motor vehicles and the lease term is 5 years. The underlying assets are classified as investment properties and fixed assets, details are disclosed in Note V.13 and Note V.14.

The profit or loss relating to operating leases is as follows:

	<b>For the six months ended 30 June 2020</b>
Lease income*	<b>28,258,928</b>

\* The operating lease income included in profit or loss in 2019 was RMB52,911,237.

Pursuant to the operating lease agreements entered into with lessees, the minimum lease receipts under irrevocable operating leases are as follows:

	<b>30 June 2020</b>
Within 1 year (1 year inclusive)	<b>29,383,112</b>
Over 1 year but within 2 years (2 years inclusive)	<b>16,857,400</b>
Over 2 years but within 3 years (3 years inclusive)	<b>19,046,275</b>
Over 3 years but within 4 years (4 years inclusive)	<b>13,411,283</b>
Over 4 years but within 5 years (5 years inclusive)	<b>13,587,056</b>
Over 5 years	<b>33,946,720</b>
	<b>126,231,846</b>

##### (2) As lessee

	<b>For the six months ended 30 June 2020</b>
Interest expense on lease liabilities	<b>14,931,399</b>
Expenses relating to short-term leases accounting for applying practical expedients	<b>9,808,340</b>
Total cash outflow for leases	<b>68,169,043</b>

The Group has lease contracts for various items of buildings, plant, machinery and equipment, motor vehicles and other equipment used in its operations. Leases of these assets generally have lease terms of 3 to 5 years. The lease contracts for power generation and transmission equipment include extension options and purchase options, and the lease term of such contracts is assessed to be 8 years.

Other information relating to leases

For right-of-use assets, please refer to Note V.16; for practical expedients of short-term leases and leases of low-value assets, please refer to Note III.29; and for lease liabilities, please refer to Note V.35 and Note VIII.1.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

## XIV. 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 2020	31 December 2019
Within 1 year	480,675,851	556,083,306
Over 1 year but within 2 years	65,972,260	13,584,762
Over 2 years but within 3 years	1,666,826	641,460
Over 3 years	1,219,900	1,710,850
	<b>549,534,837</b>	572,020,378
Less: Bad debt provision for trade receivables	<b>307,260</b>	516,709
	<b>549,227,577</b>	571,503,669

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

	At the beginning of the year	Additions	Reversal	Write-off	At the end of the period
30 June 2020	516,709	–	(209,449)	–	307,260
31 December 2019	350,815	385,894	–	(220,000)	516,709

	30 June 2020			
	Carrying amount Amount	Proportion (%)	Bad debt provision Amount	Proportion (%)
For which bad debt provision has been made individually	146,441	0.03	146,441	100
Provision for bad debts based on credit risk characteristics				
Group 1	537,637,728	97.84	–	–
Group 2	11,750,668	2.13	160,819	1.37
	<b>549,534,837</b>	<b>100.00</b>	<b>307,260</b>	<b>0.06</b>

	31 December 2019			
	Carrying amount Amount	Proportion (%)	Bad debt provision Amount	Proportion (%)
For which bad debt provision has been made individually	146,441	0.03	146,441	100
Provision for bad debts based on credit risk characteristics				
Group 1	565,307,099	98.83	–	–
Group 2	6,566,838	1.14	370,268	5.64
	572,020,378	100.00	516,709	0.09

## Notes to Financial Statements (continued)

For the six months ended 30 June 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

### XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY (continued)

#### 1. Trade receivables (continued)

The Company's trade receivables with bad debt provision using the ageing analysis method are as follows:

	30 June 2020		
	Carrying amount with estimated default	Expected credit loss rate (%)	Entire lifetime expected credit losses
Within 1 year	11,282,295	0.30	33,847
Over 1 year but within 2 years	19,517	6.00	1,171
Over 2 years but within 3 years	59,040	15.00	8,856
Over 3 years	389,816	30.00	116,945
	<b>11,750,668</b>		<b>160,819</b>

	31 December 2019		
	Carrying amount with estimated default	Expected credit loss rate (%)	Entire lifetime expected credit losses
Within 1 year	5,177,696	0.30	15,533
Over 1 year but within 2 years	240,280	6.00	14,417
Over 2 years but within 3 years	28,938	15.00	4,341
Over 3 years	1,119,924	30.00	335,977
	<b>6,566,838</b>		<b>370,268</b>

The five entities with the largest balances of trade receivables at 30 June 2020 are as follows:

Name of entity	Relationship	Amount	Proportion of trade receivables (%)	Ageing	Closing balance of bad debt provision
Fujian Zijin Copper Co., Ltd.	Subsidiary	403,689,225	73.46	Within 1 year	-
Xinjiang Zijin Zinc Co., Ltd.	Subsidiary	29,841,461	5.43	Within 1 year/Over 1 year but within 2 years	-
Urad Rear Banner Zijin Mining Co., Ltd.	Subsidiary	18,704,969	3.40	Over 1 year but within 2 years	-
Zijin Copper Co., Ltd.	Subsidiary	28,724,977	5.23	Within 1 year/Over 1 year but within 2 years	-
Bayannur Zijin Non-ferrous Metals Co., Ltd.,	Subsidiary	14,147,166	2.57	Within 1 year/Over 1 year but within 2 years	-
		<b>495,107,798</b>	<b>90.09</b>		<b>-</b>

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*1. Trade receivables *(continued)*

The five entities with the largest balances of trade receivables at 31 December 2019 are as follows:

Name of entity	Relationship	Amount	Proportion of trade receivables (%)	Ageing	Closing balance of bad debt provision
Fujian Zijin Copper Co., Ltd.	Subsidiary	417,028,598	72.90	Within 1 year	–
Heilongjiang Duobaoshan Copper Industry Inc. ("Duobaoshan Copper Industry")	Subsidiary	27,802,574	4.86	Within 1 year	–
Zijin Copper	Subsidiary	26,083,028	4.27	Within 1 year/Over 1 year but within 2 years	–
Zijin Zinc	Subsidiary	24,440,730	4.56	Within 1 year/Over 1 year but within 2 years	–
Urad Rear Banner Zijin	Subsidiary	20,926,163	3.66	Within 1 year	–
		516,281,093	90.25		–

## 2. Other receivables

	30 June 2020	31 December 2019
Dividend receivables	95,544,000	103,600,001
Other receivables	11,769,151,929	10,289,372,217
	11,864,695,929	10,392,972,218

An ageing analysis of the other receivables is as follows:

	30 June 2020	31 December 2019
Within 1 year	7,902,273,039	7,341,790,677
Over 1 year but within 2 years	2,483,749,353	280,621,846
Over 2 years but within 3 years	262,752,135	1,120,952,426
Over 3 years	1,126,011,318	1,551,641,184
	11,774,785,845	10,295,006,133
Less: Bad debt provision for other receivables	5,633,916	5,633,916
	11,769,151,929	10,289,372,217

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

#### 2. Other receivables *(continued)*

The changes in bad debt provision for other receivables based on 12-month expected credit losses and the entire lifetime expected credit losses are as follows:

##### 30 June 2020

	Stage 1	Stage 2	Stage 3	
	12-month expected credit losses	Entire lifetime expected credit losses	Financial assets with credit impairment occurred (entire lifetime)	Total
Balance at 1 January 2020	459,111	–	5,174,805	5,633,916
Balance at 1 January 2020 during the period				
– Transferred to Stage 2	–	–	–	–
– Transferred to Stage 3	–	–	–	–
– Reversed to Stage 2	–	–	–	–
– Reversed to Stage 1	–	–	–	–
Provisions during the period	–	–	–	–
Reversal during the period	–	–	–	–
Write-back during the period	–	–	–	–
Write-off during the period	–	–	–	–
Other changes	–	–	–	–
	<b>459,111</b>	<b>–</b>	<b>5,174,805</b>	<b>5,633,916</b>

##### 31 December 2019

	Stage 1	Stage 2	Stage 3	
	12-month expected credit losses	Entire lifetime expected credit losses	Financial assets with credit impairment occurred (entire lifetime)	Total
Balance at 1 January 2019	467,255	–	5,174,805	5,642,060
Balance at 1 January 2019 during the period				
– Transferred to Stage 2	–	–	–	–
– Transferred to Stage 3	–	–	–	–
– Reversed to Stage 2	–	–	–	–
– Reversed to Stage 1	–	–	–	–
Provisions during the period	–	–	91,941,619	91,941,619
Reversal during the period	(8,144)	–	–	(8,144)
Write-back during the period	–	–	–	–
Write-off during the period	–	–	(91,941,619)	(91,941,619)
Other changes	–	–	–	–
	<b>459,111</b>	<b>–</b>	<b>5,174,805</b>	<b>5,633,916</b>

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*2. Other receivables *(continued)*

The category of other receivables by nature is as follows:

	30 June 2020	31 December 2019
Due from subsidiaries	11,403,188,548	9,682,056,699
Due from associates and joint ventures	56,275,749	294,431,613
Advanced material costs	15,158,570	71,614,724
Securities and deposits	10,311,729	20,576,769
Deferred expenses	29,826,575	51,410,684
Receivables from settlement of futures	39,559,703	52,460,962
Staff advances and reserve funds	1,679,123	1,598,220
Others	218,785,848	120,856,462
	<b>11,774,785,845</b>	10,295,006,133
Less: Bad debt provision for other receivables	5,633,916	5,633,916
	<b>11,769,151,929</b>	10,289,372,217

The five entities with the largest balances of other receivables at 30 June 2020 are as follows:

	Closing balance of other receivables	Proportion of other receivables	Nature	Ageing	Closing balance of bad debt provision
Tibet Zijin Industrial Co., Ltd.	2,300,000,000	19.53	Due from subsidiaries	Within 1 year	-
Zijin Mining Group South Investment Co., Ltd.	1,370,000,000	11.64	Due from subsidiaries	Within 1 year	-
Zijin Copper Co., Ltd.	965,770,817	8.20	Due from subsidiaries	Within 1 year/Over 1 year but within 2 years/ Over 3 years	-
Gold Mountains (H.K.) International Mining Company Limited	820,477,614	6.97	Due from subsidiaries	Within 1 year/Over 1 year but within 2 years	-
Xinyi Zijin Mining Co., Ltd.	677,450,000	5.75	Due from subsidiaries	Within 1 year	-
	<b>6,133,698,431</b>	<b>52.09</b>			-

## Notes to Financial Statements (continued)

For the six months ended 30 June 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

### XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY (continued)

#### 2. Other receivables (continued)

The five entities with the largest balances of other receivables at 31 December 2019 are as follows:

	Closing balance of other receivables	Proportion of other receivables	Nature	Ageing	Closing balance of bad debt provision
Gold Mountains (H.K.)	1,837,670,675	17.85	Due from subsidiaries	Within 1 year/Over 1 year but within 2 years/ Over 2 years but within 3 years/Over 3 years	–
South Investment	1,292,057,733	12.55	Due from subsidiaries	Within 1 year	–
Zijin Copper	971,389,012	9.44	Due from subsidiaries	Within 1 year/Over 1 year but within 2 years/ Over 2 years but within 3 years/Over 3 years	–
Xinyi Zijin	675,452,650	6.56	Due from subsidiaries	Within 1 year	–
Fuyun Jinshan Mining Co., Ltd.	594,354,417	5.77	Due from subsidiaries	Within 1 year	–
	5,370,924,487	52.17			–

#### 3. Long-term equity investments

	30 June 2020			31 December 2019		
	Carrying amount	Impairment provision	Net book value	Carrying amount	Impairment provision	Net book value
Investments in subsidiaries	40,635,649,409	(603,556,935)	40,032,092,474	35,104,330,359	(603,556,935)	34,500,773,424
Investments in associates	1,772,094,572	–	1,772,094,572	1,667,151,881	–	1,667,151,881
	42,407,743,981	(603,556,935)	41,804,187,046	36,771,482,240	(603,556,935)	36,167,925,305

## Notes to Financial Statements (continued)

For the six months ended 30 June 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

	1 January 2019		31 December 2019		30 June 2020		Provision for impairment
	Additions	Reductions	Additions	Reductions	Additions	Reductions	
Zijin Copper	2,225,749,543	-	2,225,749,543	-	2,225,749,543	-	-
Zijin Mining Group Southwest Co., Ltd.	1,191,584,140	5,929,530	1,197,513,670	-	1,197,513,670	-	-
West Copper	936,000,000	-	936,000,000	-	936,000,000	-	-
Gold Mountains (H.K.)	10,422,108,205	7,190,644,594	16,892,402,837	-720,349,962	20,269,721,887	3,377,319,050	-
Luoyang Kunyu	676,742,845	86,634	676,829,479	-	676,829,479	-	-
Finance Company	475,000,000	130,186,575	605,186,575	-	605,186,575	-	-
Xiamen Investment	397,061,613	-	397,061,613	-	397,061,613	-	-
Longnan Zijin	370,811,854	2,727,295	373,539,149	-	373,539,149	-	(43,019,351)
Bayannur Zijin	579,027,464	-	579,027,464	-	579,027,464	-	-
Northwest Company	1,127,869,475	13,843,404	1,141,712,879	-	1,141,712,879	-	-
South Investment	1,255,451,400	14,868	1,255,466,268	-	1,255,466,268	-	-
Huanmin Mining	306,000,000	-	306,000,000	-	306,000,000	-	-
Zijin Commercial Services	500,000,000	-	500,000,000	-	500,000,000	-	-
Shanghang Jinchuan Mining Co., Ltd.	275,785,150	-	275,785,150	-	275,785,150	-	-
Xinyi Zijin	243,900,000	-	243,900,000	-	243,900,000	-	(243,900,000)
Zijin Capital	600,000,000	200,000,000	800,000,000	-	800,000,000	-	-
Zijin International Mining Co., Ltd.	2,289,301,932	17,056,503	2,306,358,435	-	2,306,358,435	-	-
Hunchun Zijin	139,189,081	-	139,189,081	-	139,189,081	-	-
Jilin Zijin Copper Co., Ltd.	62,397,005	4,050,728	66,447,733	-	66,447,733	-	-
Fujian Zijin Copper Co., Ltd.	146,222,366	-	146,222,366	-	146,222,366	-	-
Ashele Copper	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 Yinhuai	105,000,000	-	105,000,000	-	105,000,000	-	-
Yunnan Huaxi	86,830,000	-	86,830,000	-	86,830,000	-	-

## XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY (continued)

## 3. Long-term equity investments (continued)

## (i) Investments in subsidiaries

## Notes to Financial Statements (continued)

For the six months ended 30 June 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

### XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY (continued)

#### 3. Long-term equity investments (continued)

##### (i) Investments in subsidiaries (continued)

	1 January 2019		31 December 2019		30 June 2020		Provision for impairment
	Additions	Reductions	Additions	Reductions	Additions	Reductions	
Ankang Zijin Mining Co., Ltd.	87,787,471	-	87,787,471	-	87,787,471	-	-
Longsheng Dexin Mining Co., Ltd.	53,550,000	-	53,550,000	-	53,550,000	-	-
Xiamen Zijin Mining and Metallurgy Technology Co., Ltd.	50,000,000	-	50,000,000	-	50,000,000	-	-
Zijin Global Metals Exchange Co., Ltd.	46,000,000	-	46,000,000	-	46,000,000	-	-
Guizhou Zijin	31,933,518	811,275	32,744,793	-	32,744,793	-	-
Xiamen Boshang Zijin E-Commerce Co., Ltd.	25,862,916	20,735	25,883,651	-	25,883,651	-	-
Sichuan Ganzhi Zijin Mining Co., Ltd.	24,000,000	-	24,000,000	-	24,000,000	-	-
Zijin Mining Group Gold Jewelry Co., Ltd.	317,000,000	113,000,000	430,000,000	-	430,000,000	-	(24,000,000)
Wuping Zijin	20,429,287	-	20,429,287	-	20,429,287	-	-
Zijin Mining Logistics Co., Ltd.	251,539,700	-	251,539,700	-	401,539,700	-	-
Fujian Zijin Hotel Property Management Co., Ltd.	10,000,000	-	10,000,000	-	10,000,000	-	-
Fujian Zijin Mining and Metallurgy Testing Technology Co., Ltd.	5,000,000	5,000,000	10,000,000	-	10,000,000	-	-
Heilong Mining Group Co., Ltd.	1,561,220,000	-	1,561,220,000	-	1,561,220,000	-	-
Zijin Tongguan	848,453,248	-	848,453,248	-	848,453,248	-	(162,757,584)
Fujian Zijin Trade Co., Ltd.	-	-	-	-	4,000,000	-	-
Tibet Zijin Industrial Co., Ltd.	-	-	-	-	2,000,000,000	-	-
	28,141,308,180	7,683,372,141	35,104,330,359	-720,349,962	40,635,649,409	-	(603,556,935)

## Notes to Financial Statements (continued)

For the six months ended 30 June 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY (continued)

## 3. Long-term equity investments (continued)

## (ii) Investments in associates

30 June 2020

Investee	At 1 January 2020	Movements during the period							At 30 June 2020	Provision for impairment losses at 30 June 2020
		Additions	Reductions	Investment income/ (losses) under the equity method	Other comprehensive income	Other changes in equity	Cash dividends declared by investee	Provision for impairment		
Makeng Mining	877,501,833	-	-	62,685,029	-	-	-	-	940,186,862	-
Yulong Copper	677,621,434	-	-	37,523,024	-	-	-	-	715,144,458	-
Songpan Zijin	39,249,785	-	-	-	-	-	-	-	39,249,785	-
Wancheng Commercial	41,500,998	-	-	988,336	-	-	-	-	42,489,334	-
Fujian Kingkop	1,154,565	-	(1,000,000)	(154,565)	-	-	-	-	-	-
Energreen New Energy	27,123,266	-	-	4,900,867	-	-	-	-	32,024,133	-
Caixi Cultural	3,000,000	-	-	-	-	-	-	-	3,000,000	-
Total	1,667,151,881	-	(1,000,000)	105,942,691	-	-	-	-	1,772,094,572	-

31 December 2019

Investee	At 1 January 2019	Movements during the period							At 31 December 2019	Provision for impairment losses at 31 December 2019
		Additions	Reductions	Investment income/ (losses) under the equity method	Other comprehensive income	Other changes in equity	Cash dividends declared by investee	Provision for impairment		
Makeng Mining	876,938,160	-	-	42,063,673	-	-	(41,500,000)	-	877,501,833	-
Yulong Copper	596,152,412	-	-	81,469,022	-	-	-	-	677,621,434	-
Songpan Zijin	39,249,785	-	-	-	-	-	-	-	39,249,785	-
Wancheng Commercial	58,496,914	-	-	16,678,607	-	-	(33,674,523)	-	41,500,998	-
Fujian Kingkop	1,061,597	-	-	92,968	-	-	-	-	1,154,565	-
Energreen New Energy	7,022,447	22,500,000	-	(2,399,181)	-	-	-	-	27,123,266	-
Caixi Cultural	-	3,000,000	-	-	-	-	-	-	3,000,000	-
Total	1,578,921,315	25,500,000	-	137,905,089	-	-	(75,174,523)	-	1,667,151,881	-

## Notes to Financial Statements (continued)

For the six months ended 30 June 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

### XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY (continued)

#### 4. Fixed assets

##### 30 June 2020

	Buildings	Mining assets	Power generation and transmission equipment	Plant, machinery and equipment	Motor vehicles	Furniture and fixtures and others	Total
<b>Cost</b>							
At 1 January 2020	806,517,255	4,829,561,070	55,766,308	1,106,256,151	82,674,273	110,375,846	6,991,150,903
Purchases	241,948	45,806,832	275,841	15,199,674	4,602,334	4,738,243	70,864,872
Transferred from construction in progress	1,880,004	12,619,314	-	49,343	-	-	14,548,661
Disposals or write-off	-	(21,489,715)	(283,445)	(4,302,063)	(6,129,101)	(1,093,809)	(33,298,133)
Others	-	-	-	-	-	-	-
At 30 June 2020	808,639,207	4,866,497,501	55,758,704	1,117,203,105	81,147,506	114,020,280	7,043,266,303
<b>Accumulated depreciation</b>							
At 1 January 2020	287,910,266	2,472,561,267	33,885,928	666,534,968	69,572,843	75,104,202	3,605,569,474
Depreciation for the period	19,067,307	170,233,387	1,189,206	43,441,446	2,577,391	3,508,244	240,016,981
Disposals or write-off	-	(7,029,362)	(89,501)	(3,005,504)	(5,945,065)	(623,891)	(16,693,323)
At 30 June 2020	306,977,573	2,635,765,292	34,985,633	706,970,910	66,205,169	77,988,555	3,828,893,132
<b>Impairment provision</b>							
At 1 January 2020	-	285,118	13,157	2,091,878	-	1,632	2,391,785
Impairment provided for the period	-	-	-	-	-	-	-
Disposals or write-off	-	-	-	(2,165)	-	-	(2,165)
At 30 June 2020	-	285,118	13,157	2,089,713	-	1,632	2,389,620
<b>Net book value</b>							
At 30 June 2020	501,661,634	2,230,447,091	20,759,914	408,142,482	14,942,337	36,030,093	3,211,983,551
At 1 January 2020	518,606,989	2,356,714,685	21,867,223	437,629,305	13,101,430	35,270,012	3,383,189,644

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*4. Fixed assets *(continued)*

31 December 2019

	Buildings	Mining assets	Power generation and transmission equipment	Plant, machinery and equipment	Motor vehicles	Furniture and fixtures and others	Total
<b>Cost</b>							
At 1 January 2019	808,988,374	4,452,467,192	54,362,169	1,069,914,011	83,472,191	96,904,715	6,566,108,652
Purchases	–	11,918,781	1,404,139	39,203,559	4,403,057	14,088,325	71,017,861
Transferred from construction in progress	675,524	59,517,396	–	14,650,744	–	–	74,843,664
Disposals or write-off	(3,146,643)	(12,506,620)	–	(17,512,163)	(5,200,975)	(617,194)	(38,983,595)
Others	–	318,164,321	–	–	–	–	318,164,321
At 31 December 2019	806,517,255	4,829,561,070	55,766,308	1,106,256,151	82,674,273	110,375,846	6,991,150,903
<b>Accumulated depreciation</b>							
At 1 January 2019	248,825,250	2,134,611,774	31,668,123	585,730,089	69,678,086	69,805,032	3,140,318,354
Depreciation for the year	39,713,915	339,692,842	2,217,805	91,368,052	4,839,109	5,875,597	483,707,320
Disposals or write-off	(628,899)	(1,743,349)	–	(10,563,173)	(4,944,352)	(576,427)	(18,456,200)
At 31 December 2019	287,910,266	2,472,561,267	33,885,928	666,534,968	69,572,843	75,104,202	3,605,569,474
<b>Impairment provision</b>							
At 1 January 2019	–	285,118	13,157	2,094,253	–	1,632	2,394,160
Impairment provided for the year	–	–	–	–	–	–	–
Disposals or write-off	–	–	–	(2,375)	–	–	(2,375)
At 31 December 2019	–	285,118	13,157	2,091,878	–	1,632	2,391,785
<b>Net book value</b>							
At 31 December 2019	518,606,989	2,356,714,685	21,867,223	437,629,305	13,101,430	35,270,012	3,383,189,644
At 1 January 2019	560,163,124	2,317,570,300	22,680,889	482,089,669	13,794,105	27,098,051	3,423,396,138

## Notes to Financial Statements (continued)

For the six months ended 30 June 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

### XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY (continued)

#### 4. Fixed assets (continued)

Fixed assets that are temporarily idle are as follows:

##### 30 June 2020

	Cost	Accumulated depreciation	Impairment provision	Net book value
Mining assets	395,591	(381,955)	–	13,636
Plant, machinery and equipment	21,427,090	(17,388,899)	(362,282)	3,675,909
	<b>21,822,681</b>	<b>(17,770,854)</b>	<b>(362,282)</b>	<b>3,689,545</b>

##### 31 December 2019

	Cost	Accumulated depreciation	Impairment provision	Net book value
Mining assets	395,591	(377,533)	–	18,058
Plant, machinery and equipment	20,930,246	(16,949,039)	(380,272)	3,600,935
	<b>21,325,837</b>	<b>(17,326,572)</b>	<b>(380,272)</b>	<b>3,618,993</b>

Fixed assets of which certificates of title have not been obtained as at 30 June 2020 are as follows:

	Net book value	Reasons why certificates of title have not been obtained
Buildings	117,331,393	In the process of application

Fixed assets of which certificates of title have not been obtained as at 31 December 2019 are as follows:

	Net book value	Reasons why certificates of title have not been obtained
Buildings	118,553,633	In the process of application

#### 5. Construction in progress

	30 June 2020	31 December 2019
Construction in progress	463,868,390	347,311,523
Construction materials	2,401,526	2,471,985
	<b>466,269,916</b>	<b>349,783,508</b>

##### Construction in progress

30 June 2020			31 December 2019		
Carrying amount	Impairment provision	Net book value	Carrying amount	Impairment provision	Net book value
463,868,390	–	463,868,390	347,311,523	–	347,311,523

## Notes to Financial Statements (continued)

For the six months ended 30 June 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY (continued)

## 5. Construction in progress (continued)

## Construction in progress (continued)

The movements of important construction in progress in the six months ended 30 June 2020 are as follows:

	Budget	At 1 January 2020		Additions	Transferred to fixed assets	Other reductions	At 30 June 2020		Contribution in budget	Progress of construction	Balance of capitalised interest as at 30 June 2020	Including: capitalised interest for the period	Interest rate of capitalisation (%)	Source of funds
		At 1 January 2020	At 30 June 2020				Contribution in budget	Progress of construction						
Zijinshan Gold and Copper Mine infrastructure project	644,071,000	345,036,982	131,469,087	131,469,087	(14,548,661)	(363,559)	461,593,849	54%	56%	-	-	-	N/A	Equity fund
Others	-	2,274,541	-	-	-	-	2,274,541	-	-	-	-	-	N/A	Equity fund
Subtotal	644,071,000	347,311,523	131,469,087	131,469,087	(14,548,661)	(363,559)	463,868,390	-	-	-	-	-	-	-
Impairment provision for construction in progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	347,311,523	-	-	-	-	463,868,390	-	-	-	-	-	-	-

The movements of important construction in progress in 2019 are as follows:

	Budget	At 1 January 2019		Additions	Transferred to fixed assets	Other reductions	At 31 December 2019		Contribution in budget	Progress of construction	Balance of capitalised interest as at 31 December 2019	Including: capitalised interest for the year	Interest rate of capitalisation (%)	Source of funds
		At 1 January 2019	At 31 December 2019				Contribution in budget	Progress of construction						
Zijinshan Gold and Copper Mine infrastructure project	538,080,000	160,383,177	259,121,152	73,885,074	(582,273)	(582,273)	345,036,982	88%	85%	-	-	-	N/A	Equity fund
Others	-	-	3,233,131	(958,590)	-	-	2,274,541	-	-	-	-	-	N/A	Equity fund
Subtotal	538,080,000	160,383,177	262,354,283	(74,843,664)	(582,273)	(582,273)	347,311,523	-	-	-	-	-	-	-
Impairment provision for construction in progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	160,383,177	-	-	-	-	347,311,523	-	-	-	-	-	-	-

For the six months ended 30 June 2020 and 30 June 2019, there were no borrowing costs eligible for capitalisation of the Company.

As at 30 June 2020 and 31 December 2019, there was no impairment provision for construction in progress of the Company.

## Notes to Financial Statements (continued)

For the six months ended 30 June 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

### XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY (continued)

#### 6. Intangible assets

##### 30 June 2020

	Exploration and mining rights	Land use rights	Membership of Shanghai Gold Exchange and others	Total
<b>Cost</b>				
At 1 January 2020	388,144,802	94,547,535	32,225,351	514,917,688
Purchases	–	–	1,755,705	1,755,705
Disposals or write-off	–	–	–	–
At 30 June 2020	388,144,802	94,547,535	33,981,056	516,673,393
<b>Accumulated amortisation</b>				
At 1 January 2020	206,204,585	26,087,667	12,699,039	244,991,291
Amortisation provided for the period	2,256,150	1,370,086	2,065,797	5,692,033
Disposals or write-off	–	–	–	–
At 30 June 2020	208,460,735	27,457,753	14,764,836	250,683,324
<b>Net book value</b>				
At 30 June 2020	179,684,067	67,089,782	19,216,220	265,990,069
At 1 January 2020	181,940,217	68,459,868	19,526,312	269,926,397

##### 31 December 2019

	Exploration and mining rights	Land use rights	Membership of Shanghai Gold Exchange and others	Others
<b>Cost</b>				
At 1 January 2019	388,144,802	94,547,535	31,666,483	514,358,820
Purchases	–	–	558,868	558,868
Disposals or write-off	–	–	–	–
At 31 December 2019	388,144,802	94,547,535	32,225,351	514,917,688
<b>Accumulated amortisation</b>				
At 1 January 2019	201,692,285	23,347,495	8,823,789	233,863,569
Amortisation provided for the year	4,512,300	2,740,172	3,875,250	11,127,722
Disposals or write-off	–	–	–	–
At 31 December 2019	206,204,585	26,087,667	12,699,039	244,991,291
<b>Net book value</b>				
At 31 December 2019	181,940,217	68,459,868	19,526,312	269,926,397
At 1 January 2019	186,452,517	71,200,040	22,842,694	280,495,251

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

## 7. Long-term deferred assets

30 June 2020

	At 1 January 2020	Additions	Amortisation	Other reductions	At 30 June 2020
Forest compensation expenditure (Note 1)	57,419,851	8,827,500	(5,195,189)	–	61,052,162
Land compensation costs (Note 2)	27,394,689	–	(1,792,354)	–	25,602,335
Others	137,675,872	16,578,581	(28,707,941)	(12,749,016)	112,797,496
	<b>222,490,412</b>	<b>25,406,081</b>	<b>(35,695,484)</b>	<b>(12,749,016)</b>	<b>199,451,993</b>

31 December 2019

	At 1 January 2019	Additions	Amortisation	Other reductions	At 31 December 2019
Forest compensation expenditure (Note 1)	67,368,854	–	(9,949,003)	–	57,419,851
Land compensation costs (Note 2)	30,979,397	–	(3,584,708)	–	27,394,689
Others	103,792,062	75,749,913	(41,866,103)	–	137,675,872
	202,140,313	75,749,913	(55,399,814)	–	222,490,412

Note 1: The forest compensation expenditure relates to the compensation for the damage to forests at the mining sites for production and construction needs. The amortisation period is 10 years.

Note 2: The land compensation costs relate to the compensation for the occupation of land at the mining sites for production and construction needs. The amortisation period ranges from 5 to 50 years.

## 8. Other non-current assets

	30 June 2020	31 December 2019
Long-term receivables	9,260,482,257	9,549,169,108
Exploration and development costs	953,589,150	953,589,150
Prepaid investment costs, prepayments for exploration and mining rights and others	232,043,674	182,043,674
	<b>10,446,115,081</b>	10,684,801,932

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

#### 9. Provision for impairment of assets

**30 June 2020**

	At 1 January 2020	Additions	Reductions		At 30 June 2020
			Reversal	Write-back/ Write-off	
Bad debt provision	6,150,625	–	(209,449)	–	5,941,176
Inventory provision	7,307,370	2,861,192	–	–	10,168,562
Impairment provision for long-term equity investments	603,556,935	–	–	–	603,556,935
Impairment provision for fixed assets	2,391,785	–	–	(2,165)	2,389,620
Impairment provision for other non-current assets	198,203,515	–	–	–	198,203,515
	<b>817,610,230</b>	<b>2,861,192</b>	<b>(209,449)</b>	<b>(2,165)</b>	<b>820,259,808</b>

31 December 2019

	At 1 January 2019	Additions	Reductions		At 31 December 2019
			Reversal	Write-back/ Write-off	
Bad debt provision	5,992,875	92,327,513	(8,144)	(92,161,619)	6,150,625
Inventory provision	7,307,370	–	–	–	7,307,370
Impairment provision for long-term equity investments	449,676,935	153,880,000	–	–	603,556,935
Impairment provision for fixed assets	2,394,160	–	–	(2,375)	2,391,785
Impairment provision for other non-current assets	198,203,515	–	–	–	198,203,515
	663,574,855	246,207,513	(8,144)	(92,163,994)	817,610,230

#### 10. Trade payables

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

As at 30 June 2020 and 31 December 2019, the Company had no significant trade payables aged more than one year.

#### 11. Bonds payable

The Company, through the National Association of Financial Market Institutional Investors, issued medium-term notes with a face value of RMB3.3 billion on 11 September 2015, with a maturity of 5 years and annual interest rate of 4.4%. Interests on the notes are payable annually. The 5-year medium-term notes issued on 11 September 2015 will mature in 2020. The Company expects to settle the notes in full in 2020, so it is classified as bonds payable due within one year.

Pursuant to the approval of the CSRC on 17 February 2016, the Company issued corporate bonds with a face value of RMB2 billion on the Shanghai Stock Exchange on 18 March 2016. The bonds have a maturity of 5 years and an annual interest rate of 3.37%. The Company expects to settle the bonds in full on the maturity date so it is classified as bonds payable due within one year. 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 maturity of 5 years, and an annual interest rate of 2.99%, with terms that the issuer has an option to adjust the interest rate and investors have an option to sell back the bonds at the end of the third year. The Company exercised the sell-back option in 2019. The Company expects to settle the bonds in full on the maturity date so it is classified as bonds payable due within one year.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*11. Bonds payable *(continued)*

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 maturity of 5 years, and an annual interest rate of 3.05%, with terms that the issuer has an option to adjust the interest rate and investors have an option to sell back the bonds at the end of the third year. The Company exercised the sell-back option in 2019. 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 maturity of 5 years with an annual interest rate of 3.45%. The interest payments of the above bonds shall be settled annually and the principals shall be repaid in full upon their maturity.

In 2019, the Company, through the National Association of Financial Market Institutional Investors, issued medium-term notes with a face value of RMB1.5 billion, a maturity of 3 years and an annual interest rate of 3.80%, and issued medium-term notes with a face value of RMB1.0 billion, a maturity of 5 years and an annual interest rate of 4.30% on 11 March 2019; issued medium-term notes with a face value of RMB1.0 billion, a maturity of 5 years and an annual interest rate of 3.70% on 8 July 2019; issued medium-term notes with a face value of RMB2.5 billion, a maturity of 5 years and an annual interest rate of 3.95% on 30 August 2019. The interest payments of the above medium-term notes shall be settled annually and the principals shall be repaid in full upon their maturity.

On 21 February 2020, the Company, through the National Association of Financial Market Institutional Investors, issued medium-term notes with a face value of RMB1.0 billion, a maturity of 5 years and an annual interest rate of 3.51%, and issued medium-term notes with a face value of RMB1.0 billion, a maturity of 3 years and an annual interest rate of 3.10% respectively, i.e., RMB2.0 billion in aggregate. The interest payments of the above medium-term notes shall be settled annually and the principals shall be repaid in full upon their maturity.

As at 30 June 2020 and 31 December 2019, the Company had no overdue bonds.

## 12. Long-term payables

	30 June 2020	31 December 2019
Entrusted investments	214,649,948	220,748,782
Loan from a shareholder	16,800,000	22,200,000
	<b>231,449,948</b>	242,948,782
Including: Current portion of long-term payables	<b>(2,800,000)</b>	(2,600,000)
	<b>228,649,948</b>	240,348,782

\* Maturity analysis of long-term payables is as follows

	30 June 2020	31 December 2019
Within 1 year or repayable on demand	2,800,000	2,600,000
Over 1 year but within 2 years	5,400,000	2,600,000
Over 2 years but within 5 years	8,400,000	8,400,000
Over 5 years	214,849,948	229,348,782
	<b>231,449,948</b>	242,948,782

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

#### 13. Operating income and operating costs

	For the six months ended 30 June 2020		For the six months ended 30 June 2019	
	Operating income	Operating costs	Operating income	Operating costs
Principal operations	<b>1,878,563,034</b>	<b>988,159,220</b>	2,001,870,836	1,227,848,526
Other operations	<b>236,212,560</b>	<b>69,625,787</b>	256,174,466	85,655,088
	<b>2,114,775,594</b>	<b>1,057,785,007</b>	2,258,045,302	1,313,503,614

#### 14. Financial expenses

	For the six months ended 30 June 2020	For the six months ended 30 June 2019
Interest expenses	<b>500,961,640</b>	553,460,930
<i>Including: Bank loans</i>	<b>204,842,460</b>	265,598,877
<i>Bonds payable</i>	<b>280,924,796</b>	285,034,275
<i>Ultra short-term financing bonds</i>	<b>15,194,384</b>	2,827,778
Less: Interest income	<b>276,254,537</b>	369,096,738
Exchange gains	<b>(40,826,308)</b>	(2,116,796)
Bank charges	<b>14,495,571</b>	6,101,181
Unrecognised finance expenses (Note 1)	<b>7,445,787</b>	–
	<b>205,822,153</b>	188,348,577

Note 1: The amount consisted of amortisation of unrecognised interest expenses of provision of RMB7,166,433 and amortisation of interest expenses of lease liabilities of RMB279,354.

For the six months ended 30 June 2020 and 30 June 2019 respectively, the Company incurred no capitalised interest expenses, and there was no interest income arising from impaired financial assets.

#### 15. Impairment losses on assets and credit impairment losses

	For the six months ended 30 June 2020	For the six months ended 30 June 2019
Credit impairment losses		
Bad debt provision for trade receivables	<b>209,449</b>	(62,214)
Bad debt provision for other receivables	–	(91,933,475)
	<b>209,449</b>	(91,995,689)
Impairment losses on assets		
Provision for decline in value of inventories	<b>(2,861,192)</b>	–
	<b>(2,861,192)</b>	–

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

## 16. Investment income

	For the six months ended 30 June 2020	For the six months ended 30 June 2019
Investment income from long-term equity investments under the cost method	746,831,500	510,625,000
Investment income from long-term equity investments under the equity method	105,978,775	73,637,566
Dividend income from other equity instrument investments during holding period	16,200,000	6,100,000
Losses from disposal of financial assets and liabilities at fair value through profit or loss	(43,974,238)	(7,213,606)
Others	363,915	(374,071)
	<b>825,399,952</b>	582,774,889

## 17. Supplementary information to the statement of cash flows

## (1) Supplementary information to the statement of cash flows

Reconciliation of net profit to cash flows from operating activities:

	For the six months ended 30 June 2020	For the six months ended 30 June 2019
Net profit	1,096,811,811	725,627,083
Add: Provisions for asset impairment	2,651,743	91,995,689
Depreciation of fixed assets	240,016,981	234,454,697
Depreciation of right-of-use assets	675,385	707,498
Amortisation of intangible assets	5,692,033	5,558,971
Amortisation of long-term deferred assets	35,695,484	25,278,652
Gains on disposal of fixed assets, intangible assets and other long-term assets	(321,313)	(27,031)
Losses on write-off of fixed assets	2,183,936	430,776
Losses on changes in fair values	(14,107,677)	(5,456,011)
Financial expenses	220,091,491	211,056,040
Investment income	(843,590,239)	(575,017,645)
Increase in deferred tax assets	(2,633,088)	(19,014,978)
Decrease in inventories	34,409,960	50,519,946
Decrease in receivables from operating activities	337,460,336	133,762,645
Increase/(Decrease) in payables from operating activities	532,053,469	(194,974,989)
Net cash flows from operating activities	<b>1,647,090,312</b>	684,901,343

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

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

#### 17. Supplementary information to the statement of cash flows *(continued)*

##### (1) Supplementary information to the statement of cash flows *(continued)*

Net changes in cash and cash equivalents:

	30 June 2020	31 December 2019
Closing balance of cash	2,223,358,997	1,445,704,014
Less: Opening balance of cash	1,445,704,014	2,305,622,601
Add: Closing balance of cash equivalents	139,661,203	111,083,410
Less: Opening balance of cash equivalents	111,083,410	820,712,582
Increase/(Decrease) in cash and cash equivalents	806,232,776	(1,569,547,759)

##### (2) Cash and cash equivalents

	30 June 2020	31 December 2019
Cash	2,223,358,997	1,445,704,014
<i>Including: Cash on hand</i>	<i>83,798</i>	<i>82,501</i>
<i>Cash at banks that can be readily drawn on demand</i>	<i>2,223,275,199</i>	<i>1,445,621,513</i>
Cash equivalents	139,661,203	111,083,410
Closing balance of cash and cash equivalents	2,363,020,200	1,556,787,424

#### 18. Commitments

	30 June 2020	31 December 2019
Capital commitments (Note 1)	26,567,174	24,848,403

Note 1: As at 30 June 2020, the amount of the capital commitments relating to the acquisition and construction of property, plant, machinery and equipment, and mining assets was RMB25,124,035 (31 December 2019: RMB21,736,652).

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)***XV. SUPPLEMENTARY INFORMATION****I. Summary of non-recurring profit or loss**

<b>Item</b>	<b>For the six months ended 30 June 2020</b>
Net profit attributable to owners of the parent	<b>2,421,386,475</b>
Add/(Less): Non-recurring profit or loss attributable to owners of the parent	
Net losses on disposal of non-current assets	<b>147,751,253</b>
Government grants recognised in profit or loss	<b>(151,750,120)</b>
Gains or losses on changes in fair value arising from held for trading financial assets and financial liabilities, investment income or losses on disposal of held for trading financial assets and financial liabilities except for the effective hedging business and gold leasing relating to the Group's normal business operations (Note 1)	<b>234,489,804</b>
Capital utilisation fee received from non-financial enterprises which is included in the profit or loss for the current period	<b>(251,654,568)</b>
Investment income from disposal of long-term equity investments	<b>(1,093,075)</b>
Reversal of impairment provision for receivables individually subject to impairment test	<b>(4,203,734)</b>
Other non-operating income and expenses other than the aforesaid items	<b>114,325,279</b>
Impact on income tax	<b>(49,045,821)</b>
Impact on the non-controlling interests (after tax)	<b>(40,371,363)</b>
	<b>2,419,834,130</b>

The non-recurring profit or loss of the Group was recognised under the CSRC Announcement [2008] No. 43, Explanatory Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public – Non-recurring Profit or Loss. The effective hedging business and gold leasing transactions of the Group are directly related to the normal business operations, of which the underlying assets are the mineral products or similar metal products produced by the Group, which are aimed at reducing the risk of significant profitability fluctuation from ordinary operations in light of price fluctuation. Effective hedging business and gold leasing 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 profit or loss on effective hedging business and gold leasing transactions is not classified as non-recurring profit or loss.

Note 1: Including the losses on changes in fair values of trading stocks, funds and currency swaps amounting to RMB250,971,841 and gains on disposal of stocks, funds, currency swaps and wealth management products amounting to RMB16,482,037.

## Notes to Financial Statements *(continued)*

For the six months ended 30 June 2020

RMB

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### XV. SUPPLEMENTARY INFORMATION *(continued)*

#### 2. Return on net assets and earnings per share

		Return on net assets (%)		Basic earnings per share
		Fully diluted	Weighted average	
<b>For the six months ended 30 June 2020</b>				
Net profit attributable to ordinary shareholders of the parent	<b>2,421,386,475</b>	<b>4.81</b>	<b>5.41</b>	<b>0.095</b>
Net profit after non-recurring profit or loss attributable to ordinary shareholders of the parent	<b>2,419,834,130</b>	<b>4.81</b>	<b>5.41</b>	<b>0.095</b>
<hr/>				
		Return on net assets (%)		Basic earnings per share
		Fully diluted	Weighted average	
For the six months ended 30 June 2019				
Net profit attributable to ordinary shareholders of the parent	1,853,453,618	4.53	5.29	0.080
Net profit after non-recurring profit or loss attributable to ordinary shareholders of the parent	1,656,948,536	4.05	4.73	0.072

The above-mentioned return on net assets and earnings per share were calculated according to the Compilation Rules for Information Disclosure by Companies Offering Their Securities to the Public 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 six months ended 30 June 2020 and the year ended 31 December 2019.



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