



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

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

(在中華人民共和國註冊成立的股份有限公司)

(Stock Code 股份代號: 2899)

Interim Report **2013** 中期報告



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Corporate Information

EXECUTIVE DIRECTORS

Chen Jinghe (*Chairman*)
Luo Yingnan (Resigned as President on 31 May 2013)
Qiu Xiaohua
Lan Fusheng
Huang Xiaodong
Zou Laichang

NON-EXECUTIVE DIRECTOR

Peng Jiaqing

INDEPENDENT NON-EXECUTIVE DIRECTORS

Su Congfu
Chen Yuchuan
Lin Yongjing
Wang Xiaojun

SUPERVISORS

Lin Shuiqing
Xu Qiang
Lin Xinxi
Zhang Yumin
Liu Xianhua

COMPANY SECRETARY

Fan Cheung Man

AUDIT AND INTERNAL CONTROL COMMITTEE

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

AUTHORISED REPRESENTATIVE

Chen Jinghe
Lan Fusheng

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

LEGAL ADDRESS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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

LEGAL CONSULTANT OF THE COMPANY (HONG KONG LAWS)

Li & Partners

AUDITORS

PRC Auditors:
Ernst & Young Hua Ming (LLP)

HONG KONG H SHARE REGISTRAR AND TRANSFER OFFICE

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

WEBSITE

www.zjky.cn

STOCK CODE

2899

Definition

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

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

“Xinyi Zijin”	Xinyi Zijin Mining Company Limited, a wholly owned subsidiary of the Company
“Ting River Hydropower”	Fujian Shanghang Ting River Hydropower Co., Ltd., an associate of the Company
“Minxi Xinghang”	Minxi Xinghang State-owned Assets Investment Company Limited, a substantial shareholder of the Company
“Xinjiang Ashele”	Xinjiang Ashele Copper Company Limited, a subsidiary of the Company
“Qinghai West”	Qinghai West Copper Mining Company Limited, a wholly owned subsidiary of the Company
“Thrive Build”	Thrive Build Investments Limited, a wholly owned subsidiary of the Company
“Gold Eagle Mining”	Gold Eagle Mining Investment Company Limited, an associate of the Company
“Gansu Yate”	Gansu Yate Mining Company Limited, a subsidiary of the Company
“Gansu Longjin”	Gansu Longjin Mineral Resources Company Limited, a subsidiary of the Company
“Gansu Longao”	Gansu Longao Mining Company Limited, a subsidiary of the Company
“Long Province”	Long Province Resources Company Limited, a wholly owned subsidiary of the Company
“Jin Jiang Mining”	Jin Jiang Mining Limited, a wholly owned subsidiary of the Company
“Norton”	Norton Gold Fields Limited, a subsidiary of the Company
“Guizhou Zijin”	Guizhou Zijin Mining Company Limited, a subsidiary of the Company
“Wengfu Zijin”	Wengfu Zijin Chemical Co., Ltd., an associate of the Company
“Zijin Copper”	Zijin Copper Company Limited, a wholly owned subsidiary of the Company
“Makeng Mining”	Fujian Makeng Mining Company Limited, an associate of the Company
“Wancheng Commercial”	Wancheng Commercial Dongshengmiao Co., Ltd., an associate of the Company
“Bayannaoer Zijin”	Bayannaoer Zijin Non-ferrous Metals Company Limited, a subsidiary of the Company
“Zijin Finance”	Zijin Mining Group Finance Co., Ltd., a subsidiary of the Company
“Heilongjiang Zijin Longxing”	Heilongjiang Zijin Longxing Mining Company Limited, a subsidiary of the Company
“Wuping Zijin”	Wuping Zijin Mining Company Limited, a subsidiary of the Company
“Wulatehouqi Zijin”	Wulatehouqi Zijin Mining Company Limited, a subsidiary of the Company
“Zijin Tungsten”	Wenshan Malipo Zijin Tungsten Group Co., Ltd., a subsidiary of the Company
“Longkou Jinfeng”	Longkou Jinfeng Company Limited, a subsidiary of the Company
“Jinshan Construction”	Fujian Jinshan Construction Engineering Co., Ltd., a subsidiary of the Company
“Fujian Zijin Copper”	Fujian Zijin Copper Company Limited, a wholly owned subsidiary of the Company
“Shanghang Ganlong Railroad”	Shanghang County Ganlong Railroad Construction Development Co., Ltd., a subsidiary of the Company

Definition *(continued)*

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

"Heilongjiang Duobaoshan" "Jinmai Logistics"	Heilongjiang Duobaoshan Copper Company Limited, a subsidiary of the Company Xinjiang Jinmai International Logistics Company Limited, a wholly owned subsidiary of the Company
"Jinyi Copper"	Fujian Jinyi Copper Company Limited, a wholly owned subsidiary of the Company
"Ankang Jinfeng Mining"	Ankang Jinfeng Mining Company Limited, a subsidiary of the Company
"Malipo Jinwei"	Malipo Jinwei Mining Company Limited, a subsidiary of the Company
"Zijin International"	Zijin International Mining Company Limited, a wholly owned subsidiary of the Company
"Jinzhong Mining" "Zijin Yinhui"	Inner Mongolia Jinzhong Mining Company Limited, a subsidiary of the Company Luoyang Zijin Yinhui Gold Refinery Company Limited, a subsidiary of the Company
"Luoning Zijin" "Wuqia Jinwang"	Luoning Zijin Gold Refinery Company Limited, a subsidiary of the Company Wuqia County Jinwang Mining Development Company Limited, a wholly owned subsidiary of the Company
"Xinjiang Jinbao" "Hebei Chongli"	Xinjiang Jinbao Mining Company Limited, a subsidiary of the Company Hebei Chongli Zijin Mining Company Limited, a subsidiary of the Company
"Yuanyang Huaxi" "Shanxi Zijin" "ZGC"	Yuanyang County Huaxi Gold Company Limited, a subsidiary of the Company Shanxi Zijin Mining Company Limited, a wholly owned subsidiary of the Company JV Zeravshan LLC, a subsidiary of the Company
"Hunchun Zijin"	Hunchun Zijin Mining Company Limited, a wholly owned subsidiary of the Company
"Kyrgyzstan Altynken" "Longnan Zijin"	Kyrgyzstan Altynken Limited Liability Company, a subsidiary of the Company Longnan Zijin Mining Company Limited, a subsidiary of the Company
"Zijin Investment" "Southwest Company" "Northeast Asia Zijin"	Fujian Zijin Investment Company Limited, a subsidiary of the Company Zijin Mining Group Southwest Company Limited, a subsidiary of the Company Zijin Mining Group Northeast Asia Company Limited, a subsidiary of the Company

Basic Information for the Report

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

The board of directors (the "Board") of Zijin Mining Group Co., Ltd.* (the "Company") announces the unaudited interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2013 (the "reporting period"). This report has been reviewed and passed by the Board and the audit and internal control committee.

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

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

Operation Overview

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

MARKET REVIEW

During the reporting period, the European debt crisis eased progressively, the economy of the United States recovered moderately with strong US dollar and capital continuously outflow from emerging markets which intensified the fluctuation in the global capital market and caused a dive of the international gold price after the price consolidation at the beginning of the year. In the reporting period, the highest price of gold was US\$1,697.25 per ounce, it dropped to its lowest US\$1,180.45 per ounce. The closing price by the end of June 2013 was US\$1,234.53 per ounce which represented a 26.3% decrease over the end of last year and a 22.2% decrease over the same period last year.

During the reporting period, the prices of the base metals also dropped. The highest copper price in the London Metals Exchange ("LME") was US\$8,346 per tonne, its lowest price was US\$6,602 per tonne, and the closing price by the end of June 2013 was US\$6,765 per tonne which represented a 14.8% decrease over the end of last year. The highest zinc price in the LME was US\$2,230 per tonne, its lowest price was US\$1,811.75 per tonne, and the closing price by the end of June 2013 was US\$1,855 per tonne which represented a 10.4% decrease over the end of last year.

PRODUCTION AND OPERATION

Operation Overview

During the reporting period, the Group generated a turnover of RMB25.988 billion, representing a 23.79% growth over the same period last year (same period last year: RMB20.993 billion), and realised a net profit attributable to the owners of the parent of RMB1.098 billion, representing a decrease of 53.95% over the same period last year (same period last year: RMB2.385 billion).

As at the end of June 2013, the Group's total assets was RMB67.190 billion, representing a 0.24% decrease over the beginning of the year (at beginning of the year: RMB67.354 billion), and the net assets attributable to the owners of the parent was RMB26.867 billion, representing a 4.66% decrease as compared with the beginning of the year (at beginning of the year: RMB28.182 billion).

1. Gold Mine Business

During the reporting period, the Group produced 55,664.45kg (1,789,652 ounces) of gold representing a 29.67% growth over the same period last year (same period last year: 42,928.43kg).

Among which the Group produced 14,724.19kg (473,393 ounces) of mine-produced gold representing a 2.55% growth (14,358.50kg same period last year) over the same period last year, among which Zijinshan gold and copper mine produced 5,239.66kg (168,459 ounces); Guizhou Zijin Shuiyindong gold mine produced 1,108.30kg (35,633 ounces); Hunchun Zijin produced 895.36kg (28,787 ounces); Norton produced 2,659.88kg (85,517 ounces); Tajikistan ZGC produced 738.67kg (23,749 ounces); and the other gold enterprises in the Group produced 4,082.32kg (131,248 ounces) of mine-produced gold.

Operation Overview *(continued)*

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The Group produced 40,940.27kg (1,316,259 ounces) of refinery, processed and trading gold, representing a 43.30% growth over the same period last year (28,569.93kg same period last year), of which, Zijin Yinhui produced 16,313.70kg (524,497 ounces) of refinery gold; the Company's gold refinery plants produced 14,349.56kg (461,349 ounces) of refinery gold; Fujian Jinshan Gold Refinery Plant produced 4,046.32kg (130,092 ounces) of refinery gold; Luoning Zijin produced 2,480.71kg (79,757 ounces) of refinery gold and the other enterprises in the Group produced 3,749.98kg (120,564 ounces) of refinery gold.

Sales income generated from the Group's gold business represented approximately 56.99% (after elimination) of the total operating income during the reporting period, and the gold business generated about 55.78% of the total profit before tax.

(1 troy ounce = 31.1035 grammes)

2. Copper Mine Business

During the reporting period, the Group produced 158,843.40 tonnes of copper, representing a 87.44% growth over the same period last year (84,741.75 tonnes same period last year); the production of which included 61,694.88 tonnes of mine-produced copper (including 6,118.43 tonnes copper cathodes) representing a 35.33% growth over the same period last year (45,587.54 tonnes same period last year); and 97,148.52 tonnes of refinery copper produced in smelting enterprises, representing a 148.12% growth over the same period last year (39,154.21 tonnes same period last year).

In which, Xinjiang Ashele copper mine produced 16,211.23 tonnes of copper in concentrate form, representing a growth of 1.26% over the same period last year (16,010.24 tonnes same period last year); Qinghai West Deerni copper mine produced 13,430.39 tonnes of copper in concentrate form, representing a 5.70% decrease over the same period last year (14,241.81 tonnes same period last year); Zijinshan copper mine produced 14,077.69 tonnes copper (including 5,684.24 tonnes copper cathodes), representing a 119.98% growth over the same period last year (6,399.41 tonnes same period last year); Heilongjiang Duobaoshan produced 11,401.22 tonnes copper (including 434.20 tonnes copper cathodes) representing a 1,176.65% growth over the same period last year (893.06 tonnes the same period last year); and Hunchun Zijin produced 3,753.23 tonnes of copper in concentrate form, representing a 20.73% decrease over the same period last year (4,734.84 tonnes same period last year).

During the reporting period, sales income generated from the Group's copper business represented approximately 25.11% (after elimination) of the total operating income of the Group and the copper business generated about 32.91% of the total profit before tax.

3. Zinc Mine and Lead Mine Business

During the reporting period, the Group produced 117,354.40 tonnes of zinc, representing a 12.76% growth over the same period last year (104,079.04 tonnes same period last year), among which Bayannaer Zijin produced 80,526.97 tonnes zinc bullion, representing a decrease of 7.89% over the same period last year (87,426.79 tonnes same period last year); the Group produced 36,827.43 tonnes mine-produced zinc in concentrate form, representing an increase of 121.16% over the same period last year (16,652.26 tonnes same period last year). Among which, Wulatehouqi Zijin produced 17,178.59 tonnes zinc in concentrate form, representing an increase of 55.24% over the same period last year (11,066.14 tonnes same period last year); Xinjiang Ashele copper mine produced 4,343.19 tonnes of zinc in concentrate form representing an increase of 2.12% over the same period last year (4,253.01 tonnes same period last year); and a new production unit, Wuqia Jinwang produced 14,360.46 tonnes zinc in concentrate form.

Operation Overview *(continued)*

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During the reporting period, 4,349.95 tonnes lead in concentrate form was produced, representing a 117.53% growth over the same period last year (1,999.70 tonnes same period last year).

During the reporting period, sales income generated from zinc and lead business of the Group represented approximately 4.66% (after elimination) of the total operating income of the Group, and the zinc and lead business generated about 2.05% of the total profit before tax.

4. Silver Mine Business

During the reporting period, the Group produced 146,590.22kg silver, representing an increase of 60.45% over the same period last year (91,361.41kg same period last year), among which 76,336.85kg was mine-produced silver, representing a 13.12% growth over the same period last year (67,484.67kg same period last year); and 70,253.37kg of silver as by-product was produced in refineries, representing an increase of 194.23% over the same period last year (23,876.74kg same period last year).

Mine-produced silver: Wuping Zijin produced 28,577.76kg of silver, Xinjiang Ashele copper mine produced 13,003.84kg silver from other associated metals, Shanxi Zijin produced 10,234.36kg silver from other associated metals, Luoning Huatai produced 6,249.76kg of silver from other associated metals, and Zijinshan gold and copper mine produced 5,902.50kg of silver from other associated metals, the other mines in the Group produced 12,368.63kg of silver from other associated metals.

Refinery silver (by-product): Zijin Copper refinery produced 58,232.58kg of silver (by-product), Luoning Zijin refinery produced 6,832.60kg of silver (by-product) and Fujian Jinshan Gold refinery produced 5,122.48kg of silver (by-product).

Sales income from the Group's silver businesses represented approximately 1.98% (after elimination) of the total operating income of the Group during the reporting period, and the silver business generated about 3.14% of the total profit before tax.

5. Iron Mine Business

During the reporting period, the Group produced 978,800 tonnes of iron concentrates, representing an increase of 0.71% over the same period last year (971,900 tonnes same period last year).

Sales income generated from the Group's iron ore businesses represented approximately 2.59% (after elimination) of the total operating income of the Group during the reporting period, and the iron ore businesses generated about 9.85% of the total profit before tax.

6. Other Business

Sales income generated from the Group's other businesses represented approximately 8.67% (after elimination) of the total operating income of the Group during the reporting period, and the other businesses generated about -3.73% of the total profit before tax.

7. External Investment

During the reporting period, the Company has announced to invest A\$20 million to acquire the convertible bonds issued by NKWE Platinum Limited ("NKWE") and it is proceeding according to the agreements. The Company, Sprott Inc. ("Sprott") and Americas Now Resources Investment Management Corp. ("Americas Now") have signed an agreement to establish an offshore mining investment fund and it is proceeding according to the agreements. The Company's subsidiary, Norton has entered into a bid implementation deed with Kalgoorlie Mining Company Limited ("KMC"), pursuant to an off-market takeover offer to acquire all KMC shares and options, it is expected to complete in September this year.

Operation Overview *(continued)*

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8. Projects Construction

During the reporting period, the Group completed investment of RMB2.29 billion in construction. Zijin Copper's anode mud comprehensive recovery project was in trial run, ZGC's 5 tonnes/year gold refinery project started its production, Bayannaer Zijin's self-owned power generators (residual heat and pressure energy saving innovation project) will be in production by the end of this year. Longnan Zijin started its phase one 6,000 tonnes/day processing project construction and the progress was smooth. The Kyrgyzstan Altynken project and Russian Tuva lead-zinc multi-metal mine (phase one) are expected to start production in 2014.

9. Safety and Environmental Protection

Zijinshan gold and copper mine's copper hydrometallurgical plant has restored its production after the completion of the rectification and management in its environmental safety and protection, and the achievement of rectification and management has been recognized by the Ministry of Environmental Protection of the People's Republic of China. China Nonferrous Metals Association organized a national hydrometallurgy and environmental safety forum which convened in the Group's headquarters in the period from 3 July 2013 to 4 July 2013. The experts of the forum studied the current status and concluded the experience of the rectification and management of the safety and environmental protection of Zijinshan gold and copper mine and reckoned that it promoted the regulation and standardization of national hydrometallurgical environmental safety and protection works. Currently, the country proposed a higher standard in mining production safety and environmental protection. The Group should adhere to the principle of "safety first, environmental protection in priority, precautionary as the main measure and adoption of comprehensive rectification and management" to continuously enhance the safety and environmental protection mechanism, system and ability development, promote the fundamental standard in environmental safety and protection and build a long-lasting effective mechanism for safety and environmental protection.

10. Geological Exploration

During the reporting period, the Group invested RMB160 million in exploration. The volume of actual works of the Group includes the following: 130,300 metres drilling, 13,400 metres tunnel exploration, and 2,600 cubic metres trench exploration.

In the first half year of 2013, the Group has made good achievements in Gansu Yate Dujiagou gold mine exploration, Zijinshan gold and copper mine Luoboling section copper (molybdenum) exploration, Guizhou Zijin Shuiyindong gold mine exploration and Shanxi Zijin exploration for production. Heilongjiang Duobaoshan copper-molybdenum mine found a new mine deposit in its exploration for production. The result of Xinjiang Ashele copper mine's supplementary exploration showed that the main mine deposit extends further from its bottom.

As at 30 June 2013, the Group has a total of 250 exploration rights, covering an area of 4,287.24 sq.km and a total of 245 mining rights, covering an area of 841.142 sq.km.

Management Discussion and Analysis

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

OPERATION RESULTS

During the reporting period, the Group realised operating income of RMB25.988 billion (same period last year: RMB20.993 billion), representing an increase of 23.79% over the corresponding period last year.

The table below sets out the breakdown of sales by products for the six months ended 30 June 2013 and 30 June 2012 respectively:

Items Product	January - June 2013				January - June 2012			
	Unit price (tax excluded) RMB	Volume		Amount RMB'000	Unit price (tax excluded) RMB	Volume		Amount RMB'000
Mine-produced gold	281.08	/g	14,728	Kg 4,139,580	321.63	/g	13,943	Kg 4,484,360
Refinery, processed and trading gold	296.43	/g	41,311	Kg 12,245,540	334.48	/g	28,390	Kg 9,495,890
Mine-produced silver	3.32	/g	75,126	Kg 249,340	3.99	/g	64,760	Kg 258,140
Mine-produced copper	41,529	/t	60,617	t 2,501,040	42,043	/t	46,881	t 1,971,040
Refinery copper	46,329	/t	96,969	t 4,492,470	48,205	/t	34,185	t 1,647,880
Mine-produced zinc	7,577	/t	36,278	t 274,890	7,821	/t	16,530	t 129,280
Refinery zinc	12,937	/t	85,530	t 1,106,540	12,999	/t	91,840	t 1,193,800
Iron concentrates	673	/t	1,0001	Mt 672,720	624	/t	1,155	Mt 721,240
Others				3,818,330				3,144,450
				Note 1				
Internal sales elimination				-3,512,820				-2,053,560
Total				25,987,630				20,992,520

Note:

1. During the reporting period, other sales income included: RMB318 million income from copper pipes, RMB278 million income from copper belts, RMB238 million income from refinery and processed silver, and the income from tungsten, other products, intermediate services and other services.

The Group's operating income increased sharply for the six months ended 30 June 2013 as compared with same period last year which was mainly due to the following reasons: the sales volume of the Company's refinery products increased sharply over the same period last year: the sales volume of refinery, processed and trading gold and refinery copper increased by 45.51% and 183.66% respectively; approximately RMB903 million (before elimination) increase of sales revenue was attributed to the changes in sales volume of mining products while approximately RMB7.55 billion (before elimination) increase of operating income was attributed to the changes in sales volume of refinery and processed products, RMB0.738 billion increase of income was attributed to the income from other products, intermediate services and other services.

Management Discussion and Analysis *(continued)*

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

ANALYSIS OF COST AND GROSS PROFIT MARGIN

The Group is mainly engaged in mine development. The Group's cost of sales mainly includes mining, processing and refining cost, ore transportation cost, raw materials consumption, salary and depreciation on fixed assets, etc. After the commencement of production of new smelting enterprise, the raw materials purchase, depreciation of fixed assets, transportation, consumption also accounted for a considerable proportion of costs.

The table below sets out details of the unit selling cost and gross profit margin for the periods ended 30 June 2013 and 30 June 2012. (Note 1)

Product	Unit selling cost (RMB)			Gross profit margin(%)		
	Jan-Jun 2013	Jan-Jun 2012	Unit	Compared with the same period last year %	Jan-Jun 2013	Jan-Jun 2012
Mine-produced gold (Note 2)	146.00	106.93	/g	36.54	48.06	66.75
Refinery, processed and trading gold	299.77	333.11	/g	-10.01	-1.13	0.41
Mine-produced silver	1.56	1.99	/g	-21.57	52.96	50.06
Mine-produced copper	18,246	12,984	/t	40.53	55.78	69.12
Refinery copper	48,146	49,657	/t	-3.04	-3.92	-3.01
Mine-produced zinc	3,370	2,483	/t	35.72	55.52	68.25
Refinery zinc	12,619	13,286	/t	-5.02	2.46	-2.21
Iron concentrates	228.29	223.65	/t	2.08	66.06	64.18
Overall					17.23	26.02
Overall (Refinery entities excluded)					51.63	68.37

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

Note 2: If the effect of the new projects, Norton and Jinzhong Mining was eliminated, the Group's unit cost of sales of mine-produced gold for the period ended 30 June 2013 would be RMB122.37/g representing an increase of 14.44% over the same period last year, the gross profit margin of mine-produced gold would be 56.92%, representing a decrease of 9.83 percentage points.

The Group's overall gross profit margin was 17.23%, representing a decrease of 8.79 percentage points over the same period last year. The overall gross profit margin (excluding refinery and processed products) was 51.63%, representing a decrease of 16.74 percentage points over the same period last year. It was mainly attributed to the increase in the sales income proportion from the refinery products (copper, zinc and processed gold), the decrease in selling price and increase of price of raw and auxiliary materials, the rise of labour costs, the increased inputs in safety and environmental protection, and the substantial decline of ore grade processed, which led to the increase in costs. Detailed analysis as follow:

Management Discussion and Analysis *(continued)*

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

1. Decrease in gross profit margin of mine-produced gold:

During the reporting period, the grade of processed ores in Zijinshan gold mine (the main gold mine) decreased by approximately 19.66%, the production of its third process plant was suspended due to the system maintenance and tailing system innovation which affected about 2,976kg gold production in general; the consolidation of the new high cost project, Norton, and decrease in gold price, resulting in the decrease in gross profit margin;

Decrease in gross profit margin of copper concentrates:

During the reporting period, the cost of new production project, Heilongjiang Duobaoshan, was relatively high; the increased cost in Qinghai West was mainly attributable to the increased input in maintenance of the slopes and the increased processing of low grade ores, and the decrease in copper price resulting in the decrease in gross profit margin;

Decrease in gross profit margin of mine-produced zinc:

During the reporting period, the cost of new production project, Wuqia Jinwang, was relatively high which caused an increase in the average cost per tonne of zinc.

2. During the reporting period, the unit cost of sales of mine-produced gold, copper concentrates and mine-produced zinc increased by 36.54%, 40.13% and 35.72% respectively over the same period of last year. If the non-comparable factors including the performance of newly acquired project, Norton, and new production enterprises, Wuqia Jinwang, etc., were eliminated, the unit cost of sales of mine-produced gold and copper concentrates increased by 14.44% and 25.04% respectively over the same period last year, which caused decreases in gross profit of RMB170.40 million and RMB130.84 million respectively. The unit cost of sales of mine-produced zinc decreased by 10.02% over the same period last year, which caused an increase in gross profit of RMB5.48 million.
3. During the reporting period, the selling prices of mine-produced gold, mine-produced silver, copper concentrates and mine-produced zinc decreased by 12.61%, 16.79%, 3.09% and 3.12% respectively over the same period of last year, when compared with the comparable mines over the same period last year, the decrease of prices of mine-produced gold, mine-produced silver, copper concentrates and mine-produced zinc caused decreases in gross profit of RMB376.97million, RMB48.68 million, RMB65.46 million and RMB4.77 million respectively.

Management Discussion and Analysis *(continued)*

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SELLING EXPENSES

The selling expenses of the Group for the first half of 2013 was RMB263,230,000, representing a decrease of 10.4% over the same period last year (same period last year: RMB293,800,000). The decrease in selling expenses was mainly due to the adjustment of the sales mode of Qinghai West, the unit sales price excluded the delivery charges in this year and the goods were picked up by the buyers, and the selling expenses decreased by RMB55,530,000.

ADMINISTRATIVE EXPENSES

The Group's administrative expenses in the first half of 2013 amounted to RMB1,019,190,000, representing an increase of 14.86% over the same period last year (same period last year: RMB887,300,000). The administrative expenses increased by RMB131,890,000 was mainly due to: the newly merger and acquisition of Norton and the commencement of production from project construction of Luoning Zijin Gold Refinery, Qinghai Zijin, Heilongjiang Duobaoshan, etc., which increased the administrative expenses by RMB98,820,000.

FINANCIAL EXPENSES

The financial expenses of the Group during the reporting period was RMB584,660,000, representing an increase of 78.35% over the same period last year (same period last year: RMB327,820,000). The main reasons were: (1) the increase of scale of financing which led to an increase in interest expenses; (2) the increase of gold leasing volume which led to an increase in leasing fee; (3) the newly commencement of production entities' fixed assets borrowing interests were booked in the income statement.

IMPAIRMENT LOSSES ON ASSETS

The Group provided impairment losses of RMB332,100,000 on assets in the first half of 2013 (same period last year: RMB375), mainly due to: (1) the drop of prices of gold, silver, copper and non-ferrous metals which led to impairment of inventories; (2) the provision of impairment losses made by the Group on the available-for-sale investments which had non-temporary decrease in fair values.

FINANCIAL DERIVATIVE INSTRUMENTS

During the reporting period, the Group's realised profits of RMB22,580,000 (same period last year: RMB131,230,000) upon the settlement of financial derivative instruments, in which gold futures realised losses of RMB121,640,000, copper futures realised profits of RMB170,480,000, zinc futures realised losses of RMB20,790,000 (same period last year: gold futures realised profits of RMB1,256,000, copper futures realised profits of RMB132,700,000, zinc futures realised losses of RMB2,880,000).

During the reporting period, the Group recorded a change in fair value of RMB36,090,000 in financial derivative instruments (same period last year: losses of RMB45,000,000). The Group recorded an increase of unrealised profits amounted to RMB81,090,000 from the change in the fair value in the financial derivative instruments over the same period last year.

DONATIONS

During the reporting period, the Group donated a total amount of RMB84,950,000 (same period last year: RMB88,680,000).

Management Discussion and Analysis *(continued)*

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

WORKING CAPITAL AND SOURCES OF FUND

As at 30 June 2013, the Group's cash and cash equivalents was RMB4,825,000,000, representing a decrease of RMB822,000,000 or 14.55% over the same period last year, and a decrease of RMB1,489,000,000 or 23.58% as compared to the beginning of 2013.

In the first half of 2013, net cash inflow generated from the Group's operating activities was RMB2,037,000,000, representing a decrease of RMB898,000,000 over the same period last year, in which, the cash inflow generated from operating activities was RMB26,108,000,000, representing an increase of RMB4,856,000,000 over the same period last year; cash outflow generated from operating activities was RMB24,071,000,000, representing an increase of RMB5,754,000,000 over the same period last year. The main reason for the decrease in net cash inflow generated from the Group's operating activities was due to the increase in production cost resulted from processing of low cut-off grade ores and the decrease of selling price in gold, copper and silver, etc. over the same period last year.

In the first half of 2013, net cash outflow generated from the Group's investing activities was RMB3,489,000,000, representing a decrease of outflow of RMB2,129,000,000 over the same period last year, in which, the main investing expenditures included (1) cash payments of RMB3,664,000,000 for the Group's purchase and construction of fixed assets, intangible assets and other long-term assets; (2) cash payments of RMB355,000,000 for the Group's external investments; (3) cash payments of RMB981,000,000 for other investing related activities.

In the first half of 2013, net cash outflow generated from the Group's financing activities was RMB73,000,000, representing a decrease of RMB3,470,000,000 net cash inflow over the same period last year. In the reporting period, the net amount between new loans and loan repayments substantially reduced over the same period last year resulted in less net cash inflow compared with the same period last year.

As at 30 June 2013, the Group's total borrowings amounted to RMB14,166,000,000 (31 December 2012: RMB13,558,000,000). Among which, the amount repayable within one year was about RMB5,952,000,000, the amount repayable within two to five years was about RMB4,776,000,000, the amount repayable over five years was about RMB3,438,000,000. The interest rates of all bank borrowings range from 1.16% to 7.87% (2012: range from 2.9% to 7.54%).

The Group's daily capital requirements and capital expenditures in maintenance nature can be financed from its internal cash flow. The Group also has about RMB108 billion loan credit lines for non-specified purposes provided by the major banks.

GEARING RATIO

Gearing ratio refers to the proportion of consolidated total liabilities to the consolidated total equity. As at 30 June 2013, the Group's consolidated total liabilities amounted to RMB35,018,990,000 (30 June 2012: RMB30,226,550,000) and the Group's consolidated total equity was RMB32,171,240,000 (30 June 2012: RMB30,310,570,000). As at 30 June 2013, the gearing ratio of the Group was 1.0885 (30 June 2012: 0.9972).

Management Discussion and Analysis *(continued)*

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

PLEGDED ASSETS OF THE GROUP

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

INTEREST AND CURRENCY HEDGING POLICY

As of 30 June 2013, the Group has not entered into any foreign exchange agreements or derivatives to hedge against our foreign currency and interest risks.

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

CONTINGENT LIABILITIES

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

NET CURRENT ASSETS

	As at 30 June 2013 (Unaudited) RMB	As at 31 December 2012 (Audited) RMB
Current assets	21,822,121,935.05	24,333,698,904
Less: Current liabilities	(22,513,373,498.56)	(22,978,617,534)
Net current (liabilities) / assets	(691,251,563.51)	1,355,081,370

TOTAL ASSETS LESS CURRENT LIABILITIES

	As at 30 June 2013 (Unaudited) RMB	As at 31 December 2012 (Audited) RMB
Total assets	67,190,236,337.41	67,354,421,041
Less: Current liabilities	(22,513,373,498.56)	(22,978,617,534)
Total assets less current liabilities	44,676,862,838.85	44,375,803,507

Management Discussion and Analysis *(continued)*

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

OUTLOOK FOR SECOND HALF OF 2013

Market overview

The slow recovery of the U.S. economy, the progressive easing of the European debt crisis, the expected withdrawal of the QE3 and other factors prompted the US dollar to be stronger. The weak growth in emerging economies resulted in an economic downturn. The Chinese economy is in a stage of transformation and upgrades with moderate growth and structural adjustment, thus slowing down the growth speed. The core gold price is expected to move downwards even there was a rebound after the intense drop, the base metal prices are also weak in general with greater probability to fluctuate downward.

Business objectives

According to the actual situation of production and operation in the first half year and the prediction of market overview in the second half of year 2013, the production volume of mine-produced gold will be reduced by 2 tonnes, the adjusted production volumes of major products for year 2013 are: mine-produced gold of approximately 31 tonnes, mine-produced copper of approximately 115,000 tonnes, mine-produced silver of 125 tonnes, mine-produced zinc of 80,000 tonnes, iron concentrates (containing iron calcine) of approximately 2.2 million tonnes, refinery and processed gold of approximately 47 tonnes, refinery silver of approximately 151 tonnes, refinery copper of approximately 200,000 tonnes and refinery zinc of approximately 150,000 tonnes.

Measures

Continue to strengthen work safety and environmental protection prominence, fully implement the strict system requesting the business units to bear all their own responsibilities, comprehensively execute the most stringent regulatory and supervisory function on the relevant functional departments of the Group and the regional companies.

Treat reaching the planned production volume and cost control as the core work, setting penalties and rewards for the Group and the regional companies and implement economic accountability. Carry out strict inventory management measures to achieve asset-light operations. Strive to reduce operational risks for smelting and processing enterprises while strengthen the capacity of market operation and independent operation of the subsidiaries.

Fully strengthen construction project management with prioritization, strictly control the ineffective or inefficient investment in construction projects, and improve capital efficiency through effective management.

Strengthen the Company's strategy of self-control to further enhance the value of the corporate through management.

Reinforce human resources quality and operational capacity, strengthen the sense of responsibility, and enrich the management team at all levels. Encourage competition in administrative positions recruitment to achieve the mechanism of survival of the fittest for personnel management.

Management Discussion and Analysis *(continued)*

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

MAJOR FINANCIAL DATA OF THE GROUP

(1) Main activities by products

Unit: RMB'000

Products	Operating income	Operating costs	Gross profit margin (%)	Operating income	Operating costs	Gross profit margin
				increased/ decreased compared with the same period last year (%)	increased/ decreased compared with the same period last year (%)	increased/ decreased in percentage point compared with the same period last year
Mine-produced gold	4,139,580	2,150,260	48.06	-7.69	44.23	-18.70
Refinery, processed and trading gold	12,245,540	12,383,710	-1.13	28.96	30.95	-1.54
Mine-produced silver	249,340	117,290	52.96	-3.41	-9.01	2.90
Mine-produced copper	2,501,040	1,106,000	55.78	26.89	81.70	-13.34
Refinery copper	4,492,470	4,668,660	-3.92	172.62	175.03	-0.91
Mine-produced zinc	274,890	122,260	55.52	112.63	197.87	-12.73
Refinery zinc	1,106,540	1,079,280	2.46	-7.31	-11.55	4.67
Iron concentrates	672,720	228,320	66.06	-6.73	-11.61	1.88
Others	3,818,330	3,406,840	10.78	21.43	39.85	-11.75
Internal elimination	-3,512,820	-3,752,910				
Total	25,987,630	21,509,710	17.23	23.79	38.50	-8.79

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

(2) Major suppliers and customers

During the reporting period, the total purchase amount from the top five suppliers was RMB12,869,988,700, representing 59.83% of the Company's total purchase.

During the reporting period, the total revenue from the top five customers was RMB18,331,369,200, representing 70.54% of the Company's total revenue.

(3) Regional information of the main business

Business of the Company is mainly concentrated in the Mainland China, and the transactions and settlements of gold, the Group's main product, were conducted through the Shanghai Gold Exchange, information about the ultimate customers is unknown. Therefore, geographical segment information is not disclosed.

Management Discussion and Analysis *(continued)*

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

(4) Analysis of changes in major financial data during the reporting period

Analysis of changes in balance sheet items during the reporting period

RMB

Item	As at the end of the reporting period	As at the beginning of the year	Percentage change %
Trade receivables	1,360,259,021.08	841,494,264.00	61.65
Available-for-sale investments	329,041,159.56	576,013,498.00	-42.88
Construction materials	198,005,271.51	136,501,422.00	45.06
Bills payable	98,957,980.59	313,152,032.00	-68.40
Trade payables	2,846,831,292.18	4,174,006,563.00	-31.80
Taxes payable	1,130,309,509.32	1,692,027,264.00	-33.20
Dividends payable	2,195,146,052.19	57,397,500.00	3,724.46
Current portion of non-current liabilities	1,068,122,915.40	535,867,957.00	99.33
Other non-current liabilities	581,376,734.93	366,862,124.00	58.47
Exchange differences arising on translation of financial statements denominated in foreign currencies	-301,096,869.40	-222,084,649.00	35.58

Main reasons for the changes:

(1) Trade receivables

It was mainly attributable to an increase in Xinjiang Jinbao's trade receivables amounted to RMB510,556,400 due from Baogang Group Xinjiang Bayi Steel Co., Ltd. in the first half of 2013.

(2) Available-for-sale investments

It was mainly attributable to the fall of share prices of the investees for the period and the disposal of certain available-for-sale investments.

(3) Construction materials

It was mainly attributable to the newly purchased equipment pending installation for the technology innovation of some refinery plants in the first half of 2013.

(4) Bills payable

It was mainly attributable to the reduced procurement of raw materials in the first half of 2013.

(5) Trade payables

It was mainly attributable to the reduced procurement of raw materials of Zijin Copper, the Group's subsidiary in the first half of 2013.

Management Discussion and Analysis *(continued)*

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

(6) Taxes payable

It was mainly attributable to the payments made in the first half of 2013 for the provision of various taxes for the year ended 31 December 2012.

(7) Dividends payable

It was mainly attributable to the provision of dividends of RMB2,181,196,000 in the first half of 2013 according to the shareholders' resolution of the Group passed in the 2012 annual general meeting. The dividends were distributed in July 2013.

(8) Current portion of non-current liabilities

It was mainly attributable to a portion of Zijin Copper's long-term bank loan turned to be current in the first half of 2013.

(9) Other non-current liabilities

It was mainly attributable to the government grant of RMB180 million received by the Group for the construction of Zijinshan demonstration base for comprehensive utilization of gold, copper and other non-ferrous metals resources in the first half of 2013.

(10) Exchange differences arising on translation of financial statements denominated in foreign currencies

It was mainly attributable to the appreciation of RMB in the first half of 2013.

Changes in income statement and statement of cash flows during the reporting period RMB

Items	30 June 2013	30 June 2012	% Change
Operating income	25,987,634,064.88	20,992,524,396.47	23.79
Operating costs	21,509,706,763.41	15,530,386,362.51	38.50
Selling expenses	263,233,554	293,800,158.63	-10.40
Administrative expenses	1,019,189,751.34	887,298,205.47	14.86
Financial expenses	584,662,530.64	327,823,100.87	78.35
Research and development expenditure	41,099,193.02	43,744,500.98	-6.05
Asset impairment losses	332,096,005.28	375	88,558,834.74
Gains/(losses) on changes in fair value	9,581,823.71	-64,176,643.31	114.93
Investment income	86,443,676.99	247,959,419.06	-65.14
Share of profits of associates and joint ventures	62,759,501.37	121,606,792.29	-48.39
Non-operating income	72,288,477.42	48,127,181.88	50.20
Taxes and surcharges	551,478,766.97	1,003,983,712.55	-45.07
Other comprehensive income	-147,749,598.75	-6,309,161.75	2,241.83
Net cash flow from operating activities	2,037,135,426.47	2,935,121,328.16	-30.59
Net cash flow from investing activities	-3,489,578,128.78	-5,618,676,230.54	-37.89
Net cash flow from financing activities	-73,513,937.60	3,397,939,936.95	-102.16

Management Discussion and Analysis *(continued)*

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

Main reasons for the changes:

(1) Please refer to the “Management discussion and analysis” disclosed above for the analysis of changes for operating income, operating costs, selling expenses, administrative expenses, financial expenses, asset impairment losses, net cash flow from operating activities, net cash flow from investing activities and net cash flow from financing activities.

(2) Research and development expenditure

It maintained the same level as the same period last year.

(3) Gains/(losses) on changes in fair value

It was mainly attributable to the changes in fair value of derivative financial instruments for the reporting period.

(4) Investment income

It was mainly attributable to the greater profits achieved by the settlement of Zijin Copper’s futures positions in the first half of 2012 and the losses incurred by the disposal of some invested shares in 2013.

(5) Share of profits of associates and joint ventures

It was mainly attributable to the declined profitability of associates and joint ventures in the first half of 2013.

(6) Non-operating income

It was mainly attributable to the increase in government grants in the first half of 2013.

(7) Income tax expenses

It was mainly attributable to the declined profitability in the first half of 2013 as compared with the same period last year, resulted in the decrease in provision for income tax expenses.

(8) Other comprehensive income

It was mainly attributable to the decline in fair value of available-for-sale investments and the increase in exchange losses arising on translation of financial statements denominated in foreign currencies in the first half of 2013.

Management Discussion and Analysis *(continued)*

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

ANALYSIS AND DESCRIPTIONS OF IMPLEMENTATION PROGRESS OF VARIOUS TYPES OF FINANCING, MAJOR ASSET REORGANIZATION OF THE COMPANY

The proposal to issue mid-term bonds was considered and approved at the 2012 annual general meeting. It is proposed to register the mid-term bonds in the National Association of Financial Market Institutional Investors on the inter-bank market to issue bonds cumulatively not exceeding RMB10 billion. The relevant matters related to the issue of mid-term bonds are in progress.

ANALYSIS OF THE CORE COMPETITIVENESS

No significant changes of the core competitiveness of the Company occurred during the reporting period.

INVESTMENT STATUS

1. External equity investment

(1) Status of external equity investment

- (1) According to the Board resolution in 2012, the Company, as a sole shareholder, funded the incorporation of Zijin Mining Group Gansu Mining Development Company Limited, in which both the registered capital and the paid-up capital are RMB30 million. The new company was incorporated on 1 February 2013 and is mainly engaged in the development of mining products and mines exploration business.
- (2) The investment committee of the Company considered and approved the “Investment proposal in relation to the establishment of Guizhou Southwest Zijin Gold Development Company Limited” by voting via telecommunication on 7 March 2013, and agreed the Company’s subsidiary, Guizhou Zijin and Southwest Energy and Mineral Group Company Limited to jointly fund the incorporation of Guizhou Southwest Zijin Gold Development Company Limited with each holding 50% equity interest. The registered capital of the new company is RMB100 million. The initial capital contribution was RMB20 million and each party contributed RMB10 million, the remaining balance will be paid up in two years. The new company was incorporated on 28 March 2013.

Management Discussion and Analysis *(continued)*

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

- (3) In order to manage and operate an offshore mining fund (the "Fund"), the Company's wholly owned subsidiary, Jinyu (H.K.) International Mining Co., Ltd. established Gold Mountains Asset Management Limited on 29 April 2013 in Hong Kong. Its authorised capital is HK\$10 million.
- (4) The investment committee of the Company considered and approved the "Proposal in relation to the participation in capital enlargement of Wengfu Zijin Chemical Co., Ltd." by voting via telecommunication on 19 April 2013, and agreed the enlargement of registered capital of Wengfu Zijin from RMB500 million to RMB800 million. The enlarged portion will be contributed by the Company's wholly owned subsidiary, Zijin Copper on 38% shareholding basis with RMB114 million to acquire 114 million shares.
- (5) The investment committee of the Company considered and approved the "Proposal in relation to the capital enlargement in Fujian Makeng Mining Company Limited" by voting via telecommunication on 28 April 2013, and agreed Makeng Mining to enlarge the registered capital from RMB520 million to RMB600 million. The Company contributed RMB25.2 million based on the 31.5% shareholding. The change of business registration for the above capital enlargement was completed on 16 May 2013.
- (6) The investment committee of the Company considered and approved the "Proposal in relation to the capital enlargement in Wancheng Commercial Dongshengmiao Co., Ltd." on the second committee meeting of 2013 held on 3 May 2013, and agreed Wancheng Commercial to enlarge the registered capital from RMB12 million to RMB73.44 million. The enlarged capital will be financed from the conversion of capital reserves to registered capital of RMB29.14 million, the conversion of surplus reserves to registered capital of RMB4.5 million and by cash of RMB27.8 million. Based on the 10% shareholding, the Company contributed RMB2.78 million in cash, RMB2.914 million from capital reserves and RMB450,000 from surplus reserves, in which the Company's total contribution in the capital enlargement amounted to RMB6.144 million. Based on the 37.5% shareholding, the Company's subsidiary, Bayannaer Zijin contributed RMB10.425 million in cash, RMB10.9275 million from capital reserves and RMB1.6875 million from surplus reserves, in which Bayannaer Zijin's total contribution in the capital enlargement amounted to RMB23.04 million. The change of business registration for the above capital enlargement has been completed on 10 May 2013.

Management Discussion and Analysis *(continued)*

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

2. Use of proceeds

During the reporting period, there was no raise of proceeds or use of previously raised proceeds for the current period.

3. Analysis of major subsidiaries and associates

Operations status and results analysis of the Company's major subsidiaries

RMB'000

Company name	Major products	Registered capital	Total assets	Net assets	Net profit
Xinjiang Ashele Copper Company Limited	Copper concentrates	250,000	1,834,449.00	1,585,088.50	393,245.40
Qinghai West Copper Company Limited	Copper concentrates	120,000	1,728,575.50	855,607.00	213,887.60
Hunchun Zijin Mining Company Limited	Copper and gold concentrates	200,000	2,029,964.10	1,901,743.60	153,763.50
Xinjiang Jinbao Mining Company Limited	Iron concentrates	50,000	1,227,955.20	481,395.70	190,591.00
Hebei Chongli Zijin Mining Company Limited	Gold	237,500	803,189.60	636,290.20	112,622.30
Guizhou Zijin Mining Company Limited	Gold	200,000	1,897,685.80	834,536.80	69,580.70
Luoning Huatai Mining Development Company Limited	Gold	20,000	611,169.30	342,700.10	23,957.80
Wulatehouqi Zijin Mining Company Limited	Zinc concentrates	150,000	1,395,690.40	489,149.70	105,069.90
Malipo Zijin Tungsten Company Limited	Tungsten products	1,000,000	2,203,120.90	1,382,963.70	59,336.10
Yuanyang County Huaxi Gold Company Limited	Gold	150,000	479,412.20	270,731.40	1,665.90
Shanxi Zijin Mining Company Limited	Gold	159,100	322,636.20	273,423.20	24,735.70
Bayannaoer Zijin Non-ferrous Metals Company Limited	Zinc bullion	375,000	3,466,769.90	955,486.20	-42,082.00
JV Zeravshan LLC	Gold	184,720	1,863,848.20	236,920.60	27,382.70
Zijin Copper Company Limited	Copper cathode	1,818,300	8,357,816.00	1,359,478.90	-260,926.10
Heilongjiang Duobaoshan Copper Company Limited	Copper concentrates	800,000	2,866,037.30	1,048,545.00	145,091.00

Management Discussion and Analysis *(continued)*

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

Operations status and results of subsidiaries or associates affecting the Company's net profit for over 10%

RMB'000

Company name	Total assets	Net assets	Income from main business	Profit from main business	Net profit
Xinjiang Ashele Copper Company Limited	1,834,449.00	1,585,088.50	815,328.00	536,022.70	393,245.40
Qinghai West Copper Mining Company Limited	1,728,575.50	855,607.00	648,652.00	284,754.60	213,887.60
Xinjiang Jinbao Mining Company Limited	1,227,955.20	481,395.70	627,125.30	249,874.60	190,591.00
Hunchun Zijin Mining Company Limited	2,029,964.10	1,901,743.60	416,696.40	211,050.50	153,763.50

Management Discussion and Analysis *(continued)*

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

4. Projects using of non-proceeds funds

RMB billion

Project name	Amount	Progress	Investment for the reporting period	Actual investment	Gains
Russia Tuva zinc and multi-metals mine	2.692	In the first phase of construction, expected to put into production in 2014	0.354	2.519	Planned to produce about 90,000 tonnes of zinc a year
Gansu Yate Li County gold mine project	0.77	The 6,000 tonnes/day floatation process plant has entered the commissioning phase, expected to run testing in end-August. Infrastructure part of the mines has been started.	0.153	0.355	Planned to produce about 5 tonnes of gold a year
Kyrgyzstan Zuoan gold mine project	1.12	Constructions of the mining, processing, metallurgical systems and the tailings system are in progress, expected to put into production in 2014	0.234	0.366	Planned to produce about 3.7 tonnes of gold
Phase 1 of Heilongjiang Duobaoshan Copper project	2.66128	Put into production in May 2012	0.0585	2.454	Upon meeting production capacity for phase 1, production of about 25,000 tonnes of copper cathodes a year
Technological innovation of ZGC Gold Mine in Tajikistan	1.298	The stripping of infrastructure of Jilao mine and Taror mine are expected to be completed by this year end and July 2014 respectively. Tailing pool is expected to be completed by this year end; processing system is expected to put into operation in 2014.	0.280	0.839	Upon completion of technological innovation, additional production of about 3.5 tonnes of gold a year
Wulatehouqi Zijin Sanguikou Lead Zinc Mine	0.91	Put into production at the beginning of 2014	0.127	0.876	Planned to produce about 70,000 tonnes of zinc a year
Total	9.45128		1.2065	7.409	

Share Capital and Shareholders

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

CHANGE OF ISSUED SHARES

As at 30 June 2013, the Company has issued 21,811,963,650 ordinary shares of RMB0.1 each.

Unit: share

	30 June 2013	30 June 2012
Domestic shares/A shares	15,803,803,650	15,803,803,650
H shares	6,008,160,000	6,008,160,000
Total shares	21,811,963,650	21,811,963,650

SHAREHOLDING STRUCTURE

As at 30 June 2013, the Company has a total of 894,919 shareholders, of which 1,043 are holders of H Shares and 893,876 are holders of Domestic Shares. By approximate percentage of shareholding in the registered capital, the shareholdings of the Company's top ten shareholders are as follows:

Shareholders' names	Class of Shares	Number of Shares held	Approximate percentage of shareholding in the registered capital
1. Minxi Xinghang State-owned Assets Investment Co., Ltd. (Notes 2 & 3)	Domestic Shares	6,316,353,180	28.96%
	H Shares	57,996,000	0.27%
	Total	6,374,349,180	29.22%
2. HKSCC Nominees Limited (Note 1)	H Shares	5,976,085,936	27.40%
3. Xinhua Industrial Group Co., Ltd.	Domestic Shares	2,425,081,279	11.12%
4. Xiamen Hengxing Group Co., Ltd.	Domestic Shares	277,900,524	1.27%
5. Shanghang County Jinshan Trading Co., Ltd.	Domestic Shares	256,245,000	1.17%
6. Chen Jinghe	Domestic Shares	132,000,000	0.61%
7. Industrial and Commercial Bank of China – Shangzheng 50 Exchange-traded Funds	Domestic Shares	80,247,853	0.37%
8. Bank of China - Harvest Hushen 300 Exchange-traded Funds	Domestic Shares	47,973,606	0.22%
9. Yunnan International Trust Co., Ltd. Yunxin Growth 2007-2 Fifth Capital Trust	Domestic Shares	42,802,478	0.20%
10. Industrial and Commercial Bank of China – Huaxia Hushen 300 Exchange-traded Funds	Domestic Shares	32,642,900	0.15%

Share Capital and Shareholders *(continued)*

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

Note:

1. HKSCC Nominees Limited is holding 5,976,085,936 H shares in the Company as a nominee, representing 27.40% of the Company's shares in issue. HKSCC Nominees Limited is a member of the Central Clearing and Settlement System, which carries out securities registration and trust business for customers.
2. 208,484,145 A shares of the Company held by Minxi Xinghang State-owned Assets Investment Co., Ltd. has to be transferred to the National Social Security Fund Council, that part of the stock is frozen.
3. Minxi Xinghang State-owned Assets Investment Co., Ltd. has pledged 2,150,000,000 A shares of the Company.

SUBSTANTIAL SHAREHOLDERS

So far as the Directors, supervisors and chief executives are aware, as at 30 June 2013, the interests and long/short positions of substantial shareholders (other than directors, supervisors and the chief executives of the Company) in the issued share capital of the Company which will be required, pursuant to Section 336 of the Securities and Futures Ordinance ("SFO"), to be entered into the register referred to therein, or holding 5% or above in the issued share capital of the Company which will be required to be notified to the Company are as follows:

Name of shareholders	Class of shares	Number of shares/equity interest held	Approximate percentage of the total number of issued shares	Approximate percentage of the total number of domestic issued shares	Approximate percentage of the total number of issued H shares	Long/short positions
Minxi Xinghang State-owned Assets Investment Co., Ltd.	Domestic Shares	6,316,353,180	28.96%	39.97%	—	Long
	H Shares	57,996,000	0.27%	—	0.97%	Long
	Total	6,374,349,180	29.22%			Long
Xinhuadu Industrial Group Company Limited	Domestic Shares	2,425,081,279 (Note 1)	11.12%	15.34%	—	Long
Chen Fashu	Domestic Shares	2,440,197,569 (Note2)	11.19%	15.44%	—	Long
Morgan Stanley	H Shares	479,647,358 (Note 3)	2.20%	—	7.98%	Long
Morgan Stanley	H Shares	447,118,253 (Note 3)	2.05%	—	7.44%	Short
UBS AG	H Shares	347,724,484 (Note 4)	1.59%	—	5.79%	Long
UBS AG	H Shares	237,921,262 (Note 4)	1.09%	—	3.96%	Short

Share Capital and Shareholders *(continued)*

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

Notes:

- (1) Xinhua Industrial Group Company Limited holds 2,425,081,279 domestic shares in the Company.
- (2) Mr. Chen Fashu holds 15,116,290 domestic shares in the Company. Mr. Chen Fashu also holds 73.56% interests in the issued share capital of Xinhua Industrial Group Company Limited. Pursuant to Section 316 of the SFO, Mr. Chen Fashu is deemed to be interested in 2,425,081,279 domestic shares in the Company. Therefore, Mr. Chen Fashu is deemed to be interested in 2,440,197,569 domestic shares in the Company.
- (3) Morgan Stanley is interested in 479,647,358 H shares (Long position) of the Company (representing approximately 7.98% of the total issued H shares of the Company) and 447,118,253 H shares (Short position) of the Company (representing approximately 7.44% of the total issued H shares of the Company).

According to the disclosure form filed by Morgan Stanley on 3 July 2013, the following interests in shares were held by Morgan Stanley in the following capacities:

Capacity	No. of Shares
Interest of corporation controlled by Morgan Stanley	479,647,358 (Long position)
	447,118,253 (Short position)

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

Name of controlled corporation	Address and place of incorporation	Name of controlling shareholder	% control	Direct interest	Number of shares
Morgan Stanley Capital Management, LLC	1585 Broadway, New York, New York, 10036, New York. Place of incorporation: USA	Morgan Stanley	100.00	N	Long position 479,647,358 Short position 447,118,253
Morgan Stanley Domestic Holdings, Inc.	1585 Broadway, New York, New York, 10036, New York. Place of incorporation: USA	Morgan Stanley Capital Management, LLC	100.00	N	Long position 479,647,358 Short position 447,118,253
Morgan Stanley International Incorporated	1585 Broadway, New York, New York, 10036, New York. Place of incorporation: USA	Morgan Stanley	90.00	N	Long position 261,060,236 Short position 203,594,433
Morgan Stanley International Incorporated	1585 Broadway, New York, New York, 10036, New York. Place of incorporation: USA	Morgan Stanley Domestic Holdings, Inc.	10.00	N	Long position 261,060,236 Short position 203,594,433
MSDW Investment Holdings (US) LLC	1585 Broadway, New York, New York, 10036, New York. Place of incorporation: USA	Morgan Stanley International Incorporated	100.00	N	Long position 261,060,236 Short position 203,594,433
Morgan Stanley International Holdings Inc.	1585 Broadway, New York, New York, 10036, New York. Place of incorporation: USA	Morgan Stanley	72.00	N	Long position 261,060,236 Short position 203,594,433

Share Capital and Shareholders *(continued)*

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

Name of controlled corporation	Address and place of incorporation	Name of controlling shareholder	% control	Direct interest	Number of shares
Morgan Stanley International Holdings Inc.	1585 Broadway, New York, New York, 10036, New York. Place of incorporation: USA	Morgan Stanley Domestic Holdings, Inc.	10.00	N	Long position 261,060,236 Short position 203,594,433
Morgan Stanley International Holdings Inc.	1585 Broadway, New York, New York, 10036, New York. Place of incorporation: USA	Morgan Stanley International Incorporated	18.00	N	Long position 261,060,236 Short position 203,594,433
Morgan Stanley International Holdings Inc.	1585 Broadway, New York, New York, 10036, New York. Place of incorporation: USA	MSDW Investment Holdings (US) LLC	0.00	N	Long position 261,060,236 Short position 203,594,433
Morgan Stanley International Limited	25 Cabot Square, Canary Wharf, London, E14 4QA, Place of incorporation: UNITED KINGDOM	Morgan Stanley International Holdings Inc.	99.99	N	Long position 255,455,285 Short position 198,577,482
Morgan Stanley Group (Europe)	20 Bank Street, Canary Wharf, London, E14 4AD, Place of incorporation: UNITED KINGDOM	Morgan Stanley International Limited	100.00	N	Long position 255,455,285 Short position 197,522,185
Morgan Stanley Strategic Funding Limited	20 Bank Street, Canary Wharf, London, E14 4AD, Place of incorporation: UNITED KINGDOM	Morgan Stanley International Limited	50.28	N	Long position 255,455,285 Short position 197,522,185
Morgan Stanley Strategic Funding Limited	20 Bank Street, Canary Wharf, London, E14 4AD, Place of incorporation: UNITED KINGDOM	Morgan Stanley Group (Europe)	21.55	N	Long position 255,455,285 Short position 197,522,185
Morgan Stanley Finance Limited	20 Bank Street, Canary Wharf, London, E14 4AD, Place of incorporation: UNITED KINGDOM	Morgan Stanley Group (Europe)	100.00	N	Long position 255,455,285 Short position 197,522,185
Morgan Stanley UK Group	25 Cabot Square, Canary Wharf, London, E14 4QA, Place of incorporation: UNITED KINGDOM	Morgan Stanley International Incorporated	0.00	N	Long position 255,455,285 Short position 197,522,185
Morgan Stanley UK Group	25 Cabot Square, Canary Wharf, London, E14 4QA, Place of incorporation: UNITED KINGDOM	Morgan Stanley Group (Europe)	99.99	N	Long position 255,455,285 Short position 197,522,185
Morgan Stanley Services (UK) Limited	25 Cabot Square, Canary Wharf, London, E14 4QA, Place of incorporation: UNITED KINGDOM	Morgan Stanley UK Group	100.00	N	Long position 255,455,285 Short position 197,522,185
Morgan Stanley & Co. International plc	Legal & Compliance Department, LNCS/5, 25 Cabot Square, Canary Wharf, London, E14 4QA, Place of incorporation: UNITED KINGDOM	Morgan Stanley Group (Europe)	0.00	Y	Long position 255,455,285 Short position 197,522,185

Share Capital and Shareholders *(continued)*

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

Name of controlled corporation	Address and place of incorporation	Name of controlling shareholder	% control	Direct interest	Number of shares
Morgan Stanley & Co. International plc	Legal & Compliance Department, LNCS/5, 25 Cabot Square, Canary Wharf, London, E14 4QA, Place of incorporation: UNITED KINGDOM	Morgan Stanley Finance Limited	10.00	Y	Long position 255,455,285 Short position 197,522,185
Morgan Stanley & Co. International plc	Legal & Compliance Department, LNCS/5, 25 Cabot Square, Canary Wharf, London, E14 4QA, Place of incorporation: UNITED KINGDOM	Morgan Stanley Strategic Funding Limited	10.00	Y	Long position 255,455,285 Short position 197,522,185
Morgan Stanley & Co. International plc	Legal & Compliance Department, LNCS/5, 25 Cabot Square, Canary Wharf, London, E14 4QA, Place of incorporation: UNITED KINGDOM	Morgan Stanley UK Group	69.99	Y	Long position 255,455,285 Short position 197,522,185
Morgan Stanley & Co. International plc	Legal & Compliance Department, LNCS/5, 25 Cabot Square, Canary Wharf, London, E14 4QA, Place of incorporation: UNITED KINGDOM	Morgan Stanley Services (UK) Limited	10.00	Y	Long position 255,455,285 Short position 197,522,185
Morgan Stanley Capital Services LLC	1585 Broadway, New York, New York, 10036, New York. Place of incorporation: USA	Morgan Stanley Domestic Holdings, Inc.	100.00	Y	Long position 177,374,751 Short position 4,174,000
Morgan Stanley & Co. LLC	1585 Broadway, New York, New York, 10036, New York. Place of incorporation: USA	Morgan Stanley Domestic Holdings, Inc.	100.00	Y	Long position 41,212,371 Short position 239,349,820
MS Equity Financing Services (Luxembourg) S.a.r.l.	19, rue de Bitbourg, Luxembourg, L-1273, Place of incorporation: LUXEMBOURG	Morgan Stanley International Holdings Inc.	100.00	Y	Long position 5,016,951 Short position 5,016,951
Morgan Stanley Latin America Incorporated	1585 Broadway, New York, New York, 10036, New York. Place of incorporation: USA	Morgan Stanley International Incorporated	100.00	N	Long position 378,000 Short position 0
MSL Incorporated	1585 Broadway, New York, New York, 10036, New York. Place of incorporation: USA	Morgan Stanley International Holdings Inc.	100.00	N	Long position 378,000 Short position 0
Morgan Stanley Capital (Luxembourg) S.A.	19, rue de Bitbourg, BP 593, Luxembourg, L-2015, Place of incorporation: LUXEMBOURG	Morgan Stanley Latin America Incorporated	0.01	Y	Long position 378,000 Short position 0

Share Capital and Shareholders *(continued)*

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

Name of controlled corporation	Address and place of incorporation	Name of controlling shareholder	% control	Direct interest	Number of shares
Morgan Stanley Capital (Luxembourg) S.A.	19, rue de Bitbourg, BP 593, Luxembourg, L-2015, Place of incorporation: LUXEMBOURG	Morgan Stanley International Holdings Inc.	99.99	Y	Long position 378,000 Short position 0
Morgan Stanley Capital (Luxembourg) S.A.	19, rue de Bitbourg, BP 593, Luxembourg, L-2015, Place of incorporation: LUXEMBOURG	MSL Incorporated	0.00	Y	Long position 378,000 Short position 0
Morgan Stanley Tower, LLC	1585 Broadway, New York, New York, 10036, New York. Place of incorporation: USA	Morgan Stanley	100.00	N	Long position 210,000 Short position 0
Morgan Stanley Commercial Financial Services, Inc.	2000 Westchester Avenue, Purchase, New York, 10577, New York. Place of incorporation: USA	Morgan Stanley	100.00	N	Long position 210,000 Short position 0
MS Financing Inc.	1585 Broadway, New York, New York, 10036, New York. Place of incorporation: USA	Morgan Stanley Tower, LLC	100.00	N	Long position 210,000 Short position 0
MS Beta Holdings LLC	1585 Broadway, New York, New York, 10036, New York. Place of incorporation: USA	MS Financing Inc.	100.00	N	Long position 210,000 Short position 0
MS Alpha Holdings LLC	1585 Broadway, New York, New York, 10036, New York. Place of incorporation: USA	Morgan Stanley & Co. LLC	100.00	N	Long position 210,000 Short position 0
Morgan Stanley JV Holdings LLC	1585 Broadway, New York, New York, 10036, New York. Place of incorporation: USA	Morgan Stanley Commercial Financial Services, Inc.	32.86	N	Long position 210,000 Short position 0
Morgan Stanley JV Holdings LLC	1585 Broadway, New York, New York, 10036, New York. Place of incorporation: USA	MS Beta Holdings LLC	26.76	N	Long position 210,000 Short position 0
Morgan Stanley JV Holdings LLC	1585 Broadway, New York, New York, 10036, New York. Place of incorporation: USA	MS Alpha Holdings LLC	40.37	N	Long position 210,000 Short position 0
MS Gamma Holdings LLC	1585 Broadway, New York, New York, 10036, New York. Place of incorporation: USA	Morgan Stanley International Holdings Inc.	100.00	N	Long position 210,000 Short position 0
Morgan Stanley Smith Barney Holdings LLC	1585 Broadway, New York, New York, 10036, New York. Place of incorporation: USA	MS Alpha Holdings LLC	14.00	N	Long position 210,000 Short position 0

Share Capital and Shareholders (continued)

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

Name of controlled corporation	Address and place of incorporation	Name of controlling shareholder	% control	Direct interest	Number of shares	
Morgan Stanley Smith Barney Holdings LLC	1585 Broadway, New York, New York, 10036, New York. Place of incorporation: USA	Morgan Stanley JV Holdings LLC	45.42	N	Long position	210,000
					Short position	0
Morgan Stanley Smith Barney Holdings LLC	1585 Broadway, New York, New York, 10036, New York. Place of incorporation: USA	MS Gamma Holdings LLC	5.58	N	Long position	210,000
					Short position	0
Morgan Stanley Smith Barney LLC	1585 Broadway, New York, New York, 10036, New York. Place of incorporation: USA	Morgan Stanley Smith Barney Holdings LLC	100.00	Y	Long position	210,000
					Short position	0
Archimedes Investments Cooperatieve U.A.	Herikerbergweg 238, Luna Arena, Amsterdam Zuidoost, 1101CM, Place of incorporation: NETHERLANDS	Morgan Stanley International Holdings Inc.	99.00	N	Long position	0
					Short position	1,055,297
Archimedes Investments Cooperatieve U.A.	Herikerbergweg 238, Luna Arena, Amsterdam Zuidoost, 1101CM, Place of incorporation: NETHERLANDS	Morgan Stanley International Limited	1.00	N	Long position	0
					Short position	1,055,297
Morgan Stanley B.V.	Luna Arena, Herikerbergweg 238, Amsterdam Zuidoost, 1101 CM, Place of incorporation: NETHERLANDS	Morgan Stanley International Holdings Inc.	33.33	Y	Long position	0
					Short position	1,055,297
Morgan Stanley B.V.	Luna Arena, Herikerbergweg 238, Amsterdam Zuidoost, 1101 CM, Place of incorporation: NETHERLANDS	Morgan Stanley International Limited	33.33	Y	Long position	0
					Short position	1,055,297
Morgan Stanley B.V.	Luna Arena, Herikerbergweg 238, Amsterdam Zuidoost, 1101 CM, Place of incorporation: NETHERLANDS	Archimedes Investments Cooperatieve U.A.	33.33	Y	Long position	0
					Short position	1,055,297

- (4) UBS AG is interested in 347,724,484 H shares (Long position) of the Company (representing approximately 5.79% of the total issued H shares of the Company) and 237,921,262 H shares (Short position) of the Company (representing approximately 3.96% of the total issued H shares of the Company).

According to the disclosure form filed by UBS AG on 2 July 2013, the following interests in shares were held by UBS AG in the following capacities:

Capacity	No. of Shares
Interest of corporation controlled by UBS AG	347,724,484 (Long position)
	237,921,262 (Short position)

Share Capital and Shareholders *(continued)*

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

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

Name of controlled corporation	Address and place of incorporation	Name of controlling shareholder	% control	Direct interest	Number of shares	
UBS Fund Management (Switzerland) AG	Brunngässlein 12, 4052 Basel, Switzerland	UBS AG	100	Y	Long position	1,271,000
					Short position	0
UBS Global Asset Management (Australia) Ltd	Level 16, Chifley Tower, 2 Chifley Square, Sydney NSW 2000, Australia	UBS AG	100	Y	Long position	312,000
					Short position	0
UBS Global Asset Management (Hong Kong) Limited	45-52 Floors, Two International Finance Centre, 8 Finance Street, Central, Hong Kong	UBS AG	100	Y	Long position	3,550,000
					Short position	0
UBS Global Asset Management (Japan) Ltd	Otemachi First Square, 5-1 Otemachi 1-chome, Chiyoda-ku, Tokyo 100-0004, Japan	UBS AG	100	Y	Long position	292,000
					Short position	0
UBS Global Asset Management (UK) Ltd	21 Lombard Street, London EC3V9AH, United Kingdom	UBS AG	100	Y	Long position	515,000
					Short position	0
UBS Securities LLC	Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington DE 19808, Delaware, USA	UBS AG	100	Y	Long position	80,766,091
					Short position	80,766,091

Save as disclosed above and so far as the Directors are aware, as at 30 June 2013, no other person (other than the Directors, supervisors, chief executives or members of senior management of the Company) had an interest or short position in the Company's shares or underlying shares (as the case may be) which would fall to be disclosed to the Company and the Stock Exchange of Hong Kong Limited (the "Stock Exchange") under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO, or was otherwise a substantial shareholder (as such term is defined in the Listing Rules) of the Company.

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

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

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

As at 30 June 2013, the interests of the Directors or supervisors of the Company in the shares or equity or debt securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors are taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO to be entered into the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the Stock Exchange are as follows:

Shareholdings of Directors and supervisors in the Company as at 30 June 2013:

Director	Number of domestic shares/amount of equity interest held	Nature of interest	Long/short positions	Approximate percentage of shareholding in the same class of securities	Approximate percentage of shareholding in the registered capital
Chen Jinghe	132,000,000	Personal	Long	0.84%	0.61%
Luo Yingnan	7,500,000	Personal	Long	0.05%	0.03%
Lan Fusheng	7,500,000	Personal	Long	0.05%	0.03%
Zou Laichang	1,500,000	Personal	Long	0.01%	0.01%

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

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

Others

*(English translation is for reference. If there is any discrepancy, Chinese version will prevail.)***STAFF OF THE GROUP**

Total number of current staff	23,026
Number of retired employees that the Group is responsible for the retirement expenses	224

Profession structure

Classification	Number of staff
Mining	1,837
Processing	4,912
Refining and metallurgical	2,183
Geology	851
Infrastructure	465
Electrical and mechanical	2,123
Accounting	673
Surveying	386
Economic	1,220
Chemical works	1,172
Management	1,557
Others	5,647
Total	23,026

Education

Classification	Number of staff
Doctorial degree	24
Master degree	210
Bachelor degree	2,929
Tertiary education	4,240
Secondary school or below	15,623
Total	23,026

As at 30 June 2013, the Group had a total of 23,026 employees. The Group persisted in the “people-oriented” human resources management policy, adhered to the concept of “equal competition, survival of the outstanding ones and dismissal of the unfitted ones, promoting strengths and avoiding 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 among the three main salary systems: annual salary system, negotiated salary system and structured salary system, and the collaborative human resources management and control system of the Group and its subsidiaries. The recruitment, training, evaluation and remuneration management system of human resources were further optimized.

Others *(continued)*

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

OTHER DISCLOSURES

Warning and explanation in respect of forecast of possible accumulated net loss from the beginning of the year to the end of the next reporting period or warning and explanation in respect of any significant changes in accumulated net profit as compared with that of the corresponding period of previous year and the reasons therefore:

Since April 2013, the substantial decrease in prices of the Company's major products, gold and copper, the decrease in value of inventory, the increase in production capacity in the refinery segment and selection of lower grade ores for processing will have a relatively large effect to the Company's future profit level. It is expected that the annual results of 2013 might have a relatively large decrease over last year. Investors are advised to exercise caution when dealing in the shares of the Company.

Others (continued)

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

MAJOR EVENTS

Material Litigation, Arbitration and Matters generally questioned by media

(1) Litigation, Arbitration and Matters generally questioned by media which have been published in provisional announcements without further progress

Summary and type of event	Index for details
<p>On 21 September 2010, the collapse of Yinyan Tin Mine Gaoqiling tailing pool dam of Xinyi Zijin was affected by the extreme weather brought by typhoon "Fanapi", resulting in casualties and property damage downstream. Most of the litigations arose from this incident were solved by way of mediation in 2011 and 2012, while only part of the disputed litigations (mainly the 9 hydropower plants including Shihuadi and a water treatment plant made a claim of RMB52,284,733 to Xinyi Zijin for the property damage, Xinyi Zijin has applied to court to carry out technical examination of Shihuadi and Qianfeng power stations and filed a lawsuit to request them to bear the relevant portion of the compensation of RMB49,900,000) is still in progress.</p>	<p>For details, please refer to the Company's announcements on HKEx website (http://www.hkex.com.hk): dated 9 March 2012 and 13 September 2012.</p>

(2) Litigation, Arbitration which have not been published on provisional announcements or with further progress

RMB'000

During the reporting period:

Plaintiff(s)/ Applicant(s)	Defendants/ Respondent(s)	Jointly and severally liable parties	Type of proceedings (arbitration)	Basic information of proceeding (arbitration)	Amount involved in proceedings (arbitration)	Whether expected liabilities and amount are formed for the proceedings (arbitration)	Progress of proceedings (arbitration)	Hearing results and impacts of proceeding (arbitration)	Execution progress of verdict (arbitration)
Zijin Mining Group Company Limited	Zhongxing Henghe Investment Group Company Limited	Nil	Civil	On 28 April 2010, the plaintiff entered into a Share Transfer Framework Agreement with the defendant. Since the defendant failed to refund the deposit on time, the plaintiff filed the claims.	45,000	Fully impaired for the year ended 2012	The verdict in the second hearing requested the respondent to refund RMB45,000,000 to the plaintiff and bear the relevant interest costs and legal fee.	The Company applied to the court to enforce the verdict.	

Others *(continued)*

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

Asset transaction, corporate mergers

(1) Acquisition, disposal of assets and corporate mergers which have been published in provisional announcements and without changes for subsequent implementation

Summary and type of event

The Company, Sprott Inc. ("Sprott") (a corporation listed on Toronto Stock Exchange with stock code of SII) and Americas Now Resources Investment Management Corp. ("Americas Now") (a company incorporated in Toronto, Canada) entered into a joint venture agreement ("JV Agreement") on 19 March 2013 to establish an offshore mining fund ("Fund"). The target size of the Fund is US\$500 million. Pursuant to the JV Agreement, the Company agreed to make capital contributions to the Fund of US\$100 million. Sprott agreed to make initial capital contributions to the Fund of US\$10 million and to continue to invest to match at least 5% of the aggregate capital contributions of the Fund. The Fund will also seek out other investors. Under the JV Agreement, Americas Now agreed to provide technical and marketing services to the joint venture.

Jin Jiang Mining Limited, a wholly-owned offshore subsidiary of the Company entered into a convertible bond subscription agreement ("CBS Agreement") with NKWE Platinum Limited ("NKWE") (a company incorporated in Bermuda and listed on the Australian Securities Exchange "ASX", stock code "NKP") on 25 April 2013, pursuant to which Jin Jiang will invest A\$20 million in NKWE by a placement of convertible bonds which, subject to adjustment for certain events, are convertible into 200 million NKWE shares. The transaction has not been completed at the end of the reporting period, its end date has been extended to 15 August 2013 (which may be extended to 30 September 2013 or such later date as agreed between the both parties).

NKWE owns a diversified Platinum Group Metals (PGM) portfolio in South Africa.

Index for details

For details, please refer to the Company's announcements on HKEx website (<http://www.hkex.com.hk>): dated 20 March 2013.

For details, please refer to the Company's announcements on HKEx website (<http://www.hkex.com.hk>): dated 29 April 2013 and 24 June 2013.

Others (continued)

*(English translation is for reference. If there is any discrepancy, Chinese version will prevail.)***Summary and type of event**

Norton Gold Fields Limited (“Norton”, stock code “NGF” on the Australian Securities Exchange), a subsidiary of the Company, entered into a bid implementation deed with Kalgoorlie Mining Company Limited (“KMC”, stock code “KMC” on the Australian Securities Exchange) on 17 April 2013, pursuant to which Norton will make a friendly off-market takeover offer to acquire all KMC shares at an offer price of 0.054 Norton shares and 0.054 Norton options for each KMC share (Share Offer). Norton also proposes a separate offer (Option Offer) to acquire all of the listed KMC options to subscribe for KMC shares at an offer price of 0.024 Norton options for each listed KMC Option.

Upon full acceptance of the Share Offer and the Option Offer, Norton will newly issue 70,270,862 shares and 72,526,993 options, Norton’s maximum consideration of this transaction will be approximately A\$14,933,581. The transaction has not been completed at the end of the reporting period.

KMC’s key asset is the wholly-owned Bullant Gold Project, located in Kalgoorlie, Western Australia, which is 28 kilometres West of Norton’s Paddington Operations.

Index for details

For details, please refer to the Company’s announcements on HKEx website (<http://www.hkex.com.hk>): dated 17 April 2013, 23 May 2013 and 24 July 2013.

(2) Events not disclosed in provisional announcements or with further progress*1. Corporate mergers*

The Company’s subsidiaries, Gansu Yate, Gansu Longjin and Gansu Longao entered into a “Merger Agreement”, in which Gansu Yate will acquire and merge with Gansu Longjin and Gansu Longao.

Before the merger and acquisition, Gansu Yate’s registered capital was RMB50 million, in which 75% equity interest was held by the Company; 10% equity interest was held by Tianshui Mineral Exploration Institute of Gansu Province Non-ferrous Metal Geological Exploration Bureau, 15% equity interest was held by Gansu Jiuzhou Exploration Mining Company Limited. Gansu Yate owns the mining right of Dujiagou gold mine.

Before the merger and acquisition, Gansu Longjin’s registered capital was US\$12.876 million, in which 90% equity interest was held by the Company’s wholly owned subsidiary Long Province; 7% equity interest was held by Tianshui Lantian Geotechnical Engineering Company, 3% equity interest was held by Gansu Jiuzhou Exploration Mining Company Limited. Gansu Longjin owns the exploration right of Gansu Li County Liba gold mine.

Before the merger and acquisition, Gansu Longao’s registered capital was US\$13.174 million, in which 87% equity interest was held by Long Province; 9% equity interest was held by Baiyin Sanxin Mining Company Limited; 4% equity interest was held by Gansu Jiuzhou Exploration Mining Company Limited. Gansu Longao owns the exploration rights of Gansu Li County Dazhuangli gold mine, Chenjiagou gold mine, Taopingxiang Jinshan gold mine and Shibuzi gold mine.

Others *(continued)*

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

Under the Merger Agreement, the shareholders of each merging party contribute to Gansu Yate base on the 1:1 ratio. Gansu Yate's registered capital enlarged from RMB50 million to RMB242,215,621.09. After the merger and acquisition, Gansu Longjin and Gansu Longao will be deregistered, while Gansu Yate will be entitled for all the assets, liabilities and owners' equity, and liable for all the debts of the merging parties.

The shareholding structure of Gansu Yate after the merger and acquisition will be: Long Province holds 68.74% with its contribution of RMB166,499,017.94 by all of its assets and equity in Gansu Longjin and Gansu Longao prior to the acquisition; the Company holds 15.48% with its contribution of RMB37,494,978.14 by all of its assets and equity in Gansu Yate prior to the acquisition; Gansu Jiuzhou Exploration Mining Company Limited holds 15.78% with its contribution of RMB38,221,625.01 by all of its assets and equity in Gansu Yate, Gansu Longjin and Gansu Longao prior to the acquisition, and after its absorption, all of Tianshui Mineral Exploration Institute of Gansu Province Non-ferrous Metal Geological Exploration Bureau's assets and equity in Gansu Yate prior to the acquisition, all of Tianshui Lantian Geotechnical Engineering Company's assets and equity in Gansu Longjin and all of Baiyin Sanxin Mining Company Limited's assets and equity in Gansu Longao.

The company name of Gansu Yate has been changed to Longnan Zijin Mining Company Limited. The business registration for the above acquisition and changes was made on 18 March 2013. The merger and acquisition will help with the integration planning of the owned mining rights, as well as the development and utilization of scaling and intensive exploitation for the resources within the same mining zone.

MATERIAL CONNECTED TRANSACTION DURING THE REPORTING PERIOD

Connected transaction related to daily operations

Matters disclosed in provisional announcements and without changes or progress for subsequent implementation

Summary

Ting River Hydropower is a subsidiary of Minxi Xinghang, the Company's substantial shareholder and an associate of Zijin Finance, the Company's subsidiary. Zijin Finance provides financial services to Ting River Hydropower. As at the end of the reporting period, Zijin Finance has provided loans in the amount of RMB40.6 million to Ting River Hydropower.

The Company's subsidiary, Xinjiang Ashele, agreed to sell copper concentrates to China Non-ferrous Metals Import and Export Xinjiang Company, the wholly owned subsidiary of Xinjiang Non-ferrous Metals Industry (Group) Company Limited, a substantial shareholder of Xinjiang Ashele. It is Xinjiang Ashele's ordinary business in selling copper concentrates and the contract is entered into under arm's length commercial terms, which reflects the principle of fairness and reasonableness. As at the end of the reporting period, Xinjiang Ashele sold copper concentrates to China Nonferrous Metals Import and Export Xinjiang Company amount to nil.

Index for details

For details, please refer to the Company's announcements on HKEx website (<http://www.hkex.com.hk>): dated 2 March 2011.

For details, please refer to the Company's announcements on HKEx website (<http://www.hkex.com.hk>): dated 21 March 2013.

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

The fourth term of the board of directors and the supervisory committee should be expired on 4 November 2012, according to the provisions of Article 108 and Article 132 of the articles of association of the Company: "Appointment period of directors is calculated from the date when the resolution passed to appoint the directors at a general meeting till the end of appointment period for the current board of directors. If the appointment of the directors is due and the new board of directors has not been elected, the existing directors should perform their directorship according to laws, administrative and departmental regulations, and the Articles of Association."; "If appointment of the supervisors is due and the new supervisory committee has not been elected, or the number of supervisor is below the statutory requirements because of some supervisors' resignations, the current supervisors should perform their supervisorship according to laws, administrative and departmental regulations, and the Articles of Association." The board of directors and the supervisory committee of the Company operate normally.

SUPPLEMENTAL INFORMATION**Corporate governance**

During the reporting period, the Company strictly complied with the "Company Law", the "Securities Law", "Corporate Governance Guidelines of Listed Companies", "Listing Rules of the Shanghai Stock Exchange", "Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited" and other domestic and overseas laws and regulations requirements, to constantly improve the corporate governance structure, establish a sound internal control system and standardize the Company's operation. The proposal of the Company's 3-year (2012-2014) profit distribution plan was considered and approved at the Company's 2012 annual general meeting, in which it strengthens the transparency and operability of the decision-making of profit distribution, and earnestly safeguards the interests of all shareholders especially the minority shareholders. The actual operation of the Company complies with the requirements of the relevant corporate governance regulations for listed company issued by the regulatory authorities.

The execution of profit distribution policy during the reporting period

On 28 May 2013, the Company passed the resolutions of "The proposal of the Company's 2012 profit distribution" at the 2012 annual general meeting. Based on the total shares of 21,811,963,650 of the Company as at 31 December 2012, a dividend of RMB0.10 (tax included) per share (a total of RMB2,181,196,365 in cash) was distributed, and the undistributed profit was retained for future distribution. The above profit distribution proposal was completed on 12 July 2013.

For details, please refer to the Company's announcement dated 12 July 2013.

Interim dividend

The Board proposed to pay no dividend for the six months ended 30 June 2013. (The dividend for the six months ended 30 June 2012 was nil)

Purchase, Redemption or Sale of Listed Securities of the Company

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 June 2013.

Others *(continued)*

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

Corporate Governance Report

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

Save as disclosed above, for the six months ended 30 June 2013, the Board confirmed that the Group has adopted and complied with the provisions of the Corporate Governance Code and Corporate Governance Report and has followed most of its recommended best practices with no deviation (for details, please refer to the Group's 2012 Annual Report).

Audit and Internal Control Committee

The audit and internal control committee has reviewed the Group's unaudited financial report for the six months ended 30 June 2013 and further discussed the auditing, internal control and financial reporting matters. The audit and internal control committee considers that the Group's financial report for the six months ended 30 June 2013 was in compliance with the applicable accounting standards and relevant laws and regulations and had made sufficient disclosure.

Independent Non-executive Directors

In compliance with rules 3.10(1) and 3.10(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"), which states the Company should appoint a sufficient number of independent non-executive directors and that at least one of them must have appropriate professional qualifications or accounting related financial management expertise. The Company appointed four independent non-executive directors and one of them possesses accounting and related financial management expertise. Details of the independent non-executive directors have been provided in the Group's 2012 annual report.

Securities Transactions by Directors of the Company

During the reporting period, the Company adopted the required standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") in Appendix 10 of the Listing Rules. Having made reasonable inquiries to all directors, the Group confirmed that all directors complied with the Model Code for the six months ended 30 June 2013.

Others (continued)*(English translation is for reference. If there is any discrepancy, Chinese version will prevail.)***Appointment and Dismissal of Auditors**

According to the approval in the 2010 annual general meeting, the Company decided not to re-appoint international auditors — Ernst & Young since 2011. According to the approval in the 2012 annual general meeting, the Company reappointed Ernst & Young Hua Ming LLP (Special General Partnership) to audit the Company's financial statements in 2013 according to the China Auditing Standards.

Appointment and Resignation of Director, Supervisor and Senior Management

Name	Position	Change	Reasons	Effective Date
Luo Yingnan	President	Resignation	Personal and health issue	31 May 2013
Wang Jianhua	President	Appointment	Board of directors appointment	1 June 2013

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

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

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

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

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

Fujian, PRC 13 August 2013

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

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

Consolidated Balance Sheet

As at 30 June 2013

RMB

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

FINANCIAL STATEMENTS (AS PREPARED IN ACCORDANCE WITH CAS)

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

ASSETS	Note V	30 June 2013 (Unaudited)	31 December 2012 (Audited)
Current assets			
Cash and cash equivalents	1	5,924,598,444.07	7,473,400,807.00
Held-for-trading financial assets	2	686,775,434.48	670,943,265.00
Bills receivable	3	414,128,600.72	575,499,815.00
Trade receivables	4	1,360,259,021.08	841,494,264.00
Prepayments	5	1,123,772,280.27	957,976,115.00
Other receivables	6	1,655,821,442.72	1,524,884,888.00
Inventories	7	9,987,329,794.86	11,602,493,132.00
Other current assets	8	669,436,916.85	687,006,618.00
Total current assets		21,822,121,935.05	24,333,698,904.00
Non-current assets			
Available-for-sale investments	9	329,041,159.56	576,013,498.00
Held-to-maturity investments			
Long-term equity investments	11	4,514,860,192.12	4,410,652,450.00
Investment properties	12	48,070,339.35	49,065,516.00
Fixed assets	13	16,507,914,093.33	15,595,461,755.00
Construction in progress	14	9,785,338,394.29	8,394,603,506.00
Construction materials		198,005,271.51	136,501,422.00
Intangible assets	15	8,518,508,441.36	8,535,917,880.00
Goodwill	16	496,758,705.00	496,758,705.00
Long-term deferred assets	17	1,008,500,535.73	800,104,702.00
Deferred tax assets	18	665,882,561.21	574,768,328.00
Other non-current assets	19	3,295,234,708.90	3,450,874,375.00
Total non-current assets		45,368,114,402.36	43,020,722,137.00
Total assets		67,190,236,337.41	67,354,421,041.00

Consolidated Balance Sheet *(continued)*

As at 30 June 2013

RMB

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

LIABILITIES AND OWNERS' EQUITY	Note V	30 June 2013 (Unaudited)	31 December 2012 (Audited)
Current liabilities			
Short-term borrowings	21	4,915,466,459.86	6,399,851,000.00
Held-for-trading financial liabilities	22	7,013,311,552.05	6,521,435,369.00
Bills payable		98,957,980.59	313,152,032.00
Trade payables	23	2,846,831,292.18	4,174,006,563.00
Advances from customers	24	1,067,009,702.93	937,554,916.00
Employee benefits payable	25	239,721,789.20	318,116,747.00
Taxes payable	26	1,130,309,509.32	1,692,027,264.00
Dividends payable	27	2,195,146,052.19	57,397,500.00
Other payables	28	1,938,496,244.84	2,029,208,186.00
Current portion of non-current liabilities	29	1,068,122,915.40	535,867,957.00
Other current liabilities			
Total current liabilities		22,513,373,498.56	22,978,617,534.00
Non-current liabilities			
Long-term borrowings	30	8,213,792,500.36	6,654,629,747.00
Bonds payable	31	2,951,831,219.26	2,987,766,076.00
Long-term payables	32	164,048,951.29	169,472,564.00
Provision		156,101,119.69	167,021,572.00
Deferred tax liabilities	18	438,467,582.14	447,085,685.00
Other non-current liabilities	33	581,376,734.93	366,862,124.00
Total non-current liabilities		12,505,618,107.67	10,792,837,768.00
Total liabilities		35,018,991,606.23	33,771,455,302.00
EQUITY			
Share capital	34	2,181,196,365.00	2,181,196,365.00
Capital reserve	35	7,593,784,326.48	7,770,714,175.00
Special reserve	36	122,707,582.05	98,196,798.00
Surplus reserve	37	1,319,401,104.00	1,319,401,104.00
Retained earnings	38	15,951,018,762.09	17,034,164,960.00
Exchange differences arising on translation of financial statements denominated in foreign currencies		(301,096,869.40)	(222,084,649.00)
Equity attributable to owners of the parent		26,867,011,270.22	28,181,588,753.00
Non-controlling interests	39	5,304,233,460.96	5,401,376,986.00
Total equity		32,171,244,731.18	33,582,965,739.00
Total liabilities and owners' equity		67,190,236,337.41	67,354,421,041.00

Consolidated Income Statement

For the six months ended 30 June 2013

RMB

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

	Note V	For the 6 months ended 30 June 2013 (Unaudited)	For the 6 months ended 30 June 2012 (Unaudited)
Operating income	40	25,987,634,064.88	20,992,524,396.47
Less: Operating costs	40	21,509,706,763.41	15,530,386,362.51
Taxes and surcharges	41	257,861,290.81	232,458,328.85
Selling expenses	52	263,233,554.00	293,800,158.63
Administrative expenses	53	1,019,189,751.34	887,298,205.47
Financial expenses	42	584,662,530.64	327,823,100.87
Impairment losses on assets	43	332,096,005.28	375.00
Add: Gains/(losses) on changes in fair value	44	9,581,823.71	(64,176,643.31)
Investment income	45	86,443,676.99	247,959,419.06
<i>Including: Share of profits of associates and joint ventures</i>		62,759,501.37	121,606,792.29
Operating profit		2,116,909,670.10	3,904,540,640.89
Add: Non-operating income	46	72,288,477.42	48,127,181.88
Less: Non-operating expenses	47	104,830,439.19	108,671,386.37
<i>Including: Losses on disposal of non-current assets</i>		10,499,965.21	10,051,804.50
Profit before tax		2,084,367,708.33	3,843,996,436.40
Less: Income tax expenses	48	551,478,766.97	1,003,983,712.55
Net profit		1,532,888,941.36	2,840,012,723.85
Including: Attributable to owners of the parent		1,098,050,167.09	2,384,712,524.71
Non-controlling interests		434,838,774.27	455,300,199.14
Earnings per share			
Basic earnings per share	49	0.050	0.109
Other comprehensive income	50	(147,749,598.75)	(6,309,161.75)
Total comprehensive income		1,385,139,342.61	2,833,703,562.10
Attributable to:			
Owners of the parent		964,102,753.21	2,378,403,362.96
Non-controlling interests		421,036,589.40	455,300,199.14

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2013

RMB

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

(Unaudited)

	Attributable to owners of the Company							Total equity	
	Share capital	Capital reserve	Special reserve	Surplus reserve	Retained earnings	Exchange differences arising on translation of financial statements denominated in foreign currencies	Subtotal		Non-controlling interests
I. Closing balance of the preceding year	2,181,196,365.00	7,770,714,175.00	98,196,798.00	1,319,401,104.00	17,034,164,960.00	(222,084,649.00)	28,181,588,753.00	5,401,376,986.00	33,582,965,739.00
Add: Changes in accounting policy	—	—	—	—	—	—	—	—	—
II. Opening balance of current year	2,181,196,365.00	7,770,714,175.00	98,196,798.00	1,319,401,104.00	17,034,164,960.00	(222,084,649.00)	28,181,588,753.00	5,401,376,986.00	33,582,965,739.00
III. Changes for the period	—	(176,929,848.52)	24,510,784.05	—	(1,083,146,197.91)	(79,012,220.40)	(1,314,577,482.78)	(97,143,525.04)	(1,411,721,007.82)
(I) Net profit	—	—	—	—	1,098,050,167.09	—	1,098,050,167.09	434,838,774.27	1,532,888,941.36
(II) Other comprehensive income	—	(54,935,193.48)	—	—	—	(79,012,220.40)	(133,947,413.88)	(13,802,184.87)	(147,749,598.75)
Subtotal of comprehensive income	—	(54,935,193.48)	—	—	1,098,050,167.09	(79,012,220.40)	964,102,753.21	421,036,589.40	1,385,139,342.61
(III) Except profits allocation, transactions with shareholders as owners	—	(121,994,655.04)	—	—	—	—	(121,994,655.04)	47,120,346.23	(74,874,308.81)
1. Owners' contributions	—	—	—	—	—	—	—	116,250,000.00	116,250,000.00
2. Others	—	(121,994,655.04)	—	—	—	—	(121,994,655.04)	(69,129,653.77)	(191,124,308.81)
(IV) Special reserve	—	—	24,510,784.05	—	—	—	24,510,784.05	14,427,311.20	38,938,095.25
1. Transfer to special reserve in the current period	—	—	183,650,154.11	—	—	—	183,650,154.11	108,098,457.38	291,748,611.49
2. Amount utilised in the current period	—	—	(159,139,370.06)	—	—	—	(159,139,370.06)	(93,671,146.18)	(252,810,516.24)
(V) Profit distributions	—	—	—	—	(2,181,196,365.00)	—	(2,181,196,365.00)	(579,727,771.87)	(2,760,924,136.87)
1. Transfer to surplus reserve	—	—	—	—	—	—	—	—	—
2. Distributions to owners	—	—	—	—	(2,181,196,365.00)	—	(2,181,196,365.00)	(579,727,771.87)	(2,760,924,136.87)
(VI) Transfers within owners' equity	—	—	—	—	—	—	—	—	—
IV. Closing balance of the current period	2,181,196,365.00	7,593,784,326.48	122,707,582.05	1,319,401,104.00	15,951,018,762.09	(301,096,869.40)	26,867,011,270.22	5,304,233,460.96	32,171,244,731.18

Consolidated Statement of Changes in Equity *(continued)*

For the six months ended 30 June 2012

RMB

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

	Attributable to owners of the Company							(Unaudited)
	Share capital	Capital reserve	Special reserve	Surplus reserve	Retained earnings	Exchange differences arising on translation of financial statements denominated in foreign currencies	Subtotal	
I. Closing balance of the preceding year	2,181,196,365.00	7,689,487,793.00	33,491,518.00	1,319,401,104.00	14,004,152,348.00	(219,118,195.00)	25,008,610,933.00	30,132,676,957.00
Add: Changes in accounting policy	—	—	—	—	—	—	—	—
II. Opening balance of current year	2,181,196,365.00	7,689,487,793.00	33,491,518.00	1,319,401,104.00	14,004,152,348.00	(219,118,195.00)	25,008,610,933.00	30,132,676,957.00
III. Changes for the period	—	(25,291,055.64)	22,240,144.79	—	203,516,159.71	20,590,164.01	22,105,5412.87	177,891,139.67
(I) Net profit	—	—	—	—	2,384,712,524.71	—	2,384,712,524.71	2,840,012,723.85
(II) Other comprehensive income	—	(26,899,325.76)	—	—	—	20,590,164.01	(6,309,161.75)	(6,309,161.75)
Subtotal of comprehensive income	—	(26,899,325.76)	—	—	2,384,712,524.71	20,590,164.01	2,378,403,362.96	2,833,703,562.10
(III) Except profits allocation, transactions with shareholders as owners	—	1,608,270.12	—	—	—	—	1,608,270.12	139,381,848.04
1. Owners' contributions	—	—	—	—	—	—	—	135,450,000.00
2. Others	—	1,608,270.12	—	—	—	—	1,608,270.12	3,931,848.04
(IV) Special reserve	—	—	22,240,144.79	—	—	—	22,240,144.79	22,240,144.79
1. Transfer to special reserve in the current period	—	—	104,506,543.01	—	—	—	104,506,543.01	104,506,543.01
2. Amount utilised in the current period	—	—	(82,266,398.22)	—	—	—	(82,266,398.22)	(82,266,398.22)
(V) Profit distributions	—	—	—	—	(2,181,196,365.00)	—	(2,181,196,365.00)	(2,817,434,415.26)
1. Transfer to surplus reserve	—	—	—	—	—	—	—	—
2. Distributions to owners	—	—	—	—	(2,181,196,365.00)	—	(2,181,196,365.00)	(2,817,434,415.26)
(VI) Transfers within owners' equity	—	—	—	—	—	—	—	—
IV. Closing balance of the current period	2,181,196,365.00	7,664,196,737.36	55,731,662.79	1,319,401,104.00	14,207,668,507.71	(198,528,030.99)	25,229,666,345.87	30,310,568,096.67

Consolidated Statement of Cash Flows

For the six months ended 30 June 2013

RMB

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

Items	Note V	For the 6 months ended 30 June 2013 (Unaudited)	For the 6 months ended 30 June 2012 (Unaudited)
1. Cash flows from operating activities:			
Cash receipts from sale of goods and rendering of services		25,561,531,586.03	21,236,708,130.88
Refund of taxes		21,233,730.34	15,443,033.24
Other cash receipts relating to operating activities		525,582,950.58	—
Sub-total of cash inflows from operating activities		26,108,348,266.95	21,252,151,164.12
Cash payments for goods purchased and services received		19,411,423,312.88	14,349,341,777.84
Cash payments to and on behalf of employees		1,200,140,865.60	1,072,719,524.68
Payments of various types of taxes		2,928,810,790.16	2,358,000,972.07
Other cash payments relating to operating activities	51	530,837,871.84	536,967,561.37
Sub-total of cash outflows from operating activities		24,071,212,840.48	18,317,029,835.96
Net cash flow from operating activities		2,037,135,426.47	2,935,121,328.16
2. Cash flows from investing activities:			
Cash receipts from disposals of investments		273,387,633.08	43,871,800.60
Cash receipts from investment income		111,422,555.00	29,812,289.29
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		60,769,232.57	3,896,646.75
Net cash receipts from disposals of subsidiaries and other business units		10,629,334.35	9,355,817.91
Other cash receipts relating to investing activities	51	1,054,012,462.91	442,471,314.84
Sub-total of cash inflows from investing activities		1,510,221,217.91	529,407,869.39
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		3,663,751,623.23	3,945,719,649.08
Cash payments to acquire investments		354,625,000.00	1,439,125,831.38
Cash payments for acquisitions of subsidiaries and other business units		—	73,350,000.00
Other cash payments relating to investing activities	51	981,422,723.46	689,888,619.47
Sub-total of cash outflows from investing activities		4,999,799,346.69	6,148,084,099.93
Net cash flows used in investing activities		(3,489,578,128.78)	(5,618,676,230.54)

Consolidated Statement of Cash Flows *(continued)*

For the six months ended 30 June 2013

RMB

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

Items	Note V	For the 6 months ended 30 June 2013 (Unaudited)	For the 6 months ended 30 June 2012 (Unaudited)
3. Cash flows from financing activities:			
Cash receipts from capital contributions		116,250,000.00	131,007,000.00
Cash receipts from borrowings		8,453,398,920.24	7,607,418,614.75
Other cash receipts relating to financing activities		86,587,025.90	170,490,387.16
Sub-total of cash inflows from financing activities		8,656,235,946.14	7,908,916,001.91
Cash repayments of borrowings		7,336,207,028.71	3,532,137,347.28
Cash payments for distribution of dividends or profits or settlement in interest expenses		966,371,190.83	870,105,768.43
Other cash payments relating to financing activities	51	427,171,664.20	108,732,949.25
Sub-total of cash outflows from financing activities		8,729,749,883.74	4,510,976,064.96
Net cash flow from financing activities		(73,513,937.60)	3,397,939,936.95
4. Effects of foreign exchange rate changes on cash and cash equivalents		36,518,620.13	15,480,802.22
5. Net (decrease)/increase in cash and cash equivalents		(1,489,438,019.78)	729,865,836.79

Consolidated Statement of Cash Flows *(continued)*

For the six months ended 30 June 2013

RMB

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

Items	For the 6 months ended 30 June 2013 (Unaudited)	For the 6 months ended 30 June 2012 (Unaudited)
1. Reconciliation of net profit to net cash flows from operating activities:		
Net profit attributable to owners of the parent	1,098,050,167.09	2,384,712,524.71
Add: Non-controlling interests	434,838,774.27	455,300,199.14
Less: Unrealised loss on investments		
Add: Asset impairment provision	332,096,005.28	375.00
Depreciation of fixed assets	736,256,913.84	643,529,442.83
Amortisation of intangible assets and long-term deferred assets	220,539,979.22	127,223,201.09
Losses/(gains) on disposals of fixed assets, intangible assets and other long-term assets	10,499,965.21	9,377,442.77
Losses on changes in fair value	(9,581,823.71)	64,176,643.31
Financial expenses	584,662,530.64	327,823,100.87
Losses/(gains) on investments	(86,443,676.99)	(247,959,419.06)
Decrease/(increase) in deferred tax assets	(91,114,233.21)	(87,532,724.27)
Increase/(decrease) in deferred tax liabilities	8,618,102.86	(3,503,124.16)
Decrease/(increase) in inventories	1,359,581,886.86	(1,179,501,130.86)
Decrease/(increase) in receivables from operating activities	(419,775,310.59)	(1,729,112,488.06)
Increase/(decrease) in payables from operating activities	(2,285,957,106.39)	2,098,302,107.61
Others	144,863,252.09	72,285,177.24
Net cash flow from operating activities	2,037,135,426.47	2,935,121,328.16
2. Non-cash investing and financing activities:		
Conversion of debt into capital		
Convertible bonds matured within 1 year		
Finance leased fixed assets		
3. Net increase in cash and cash equivalents:		
Closing balance of cash	4,825,301,955.22	5,647,053,701.79
Less: Opening balance of cash	6,314,739,975.00	4,917,187,865.00
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	(1,489,438,019.78)	729,865,836.79

Balance Sheet

As at 30 June 2013

RMB

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

ASSETS	Note XI	30 June 2013 (Unaudited)	31 December 2012 (Audited)
Current assets			
Cash and cash equivalents		4,426,563,938.23	4,976,508,980.00
Held-for-trading financial assets		50,237,787.28	77,693,529.00
Bills receivable		46,035,982.82	57,125,545.00
Dividends receivable		200,757,500.00	10,462,500.00
Trade receivables	1	1,319,978,650.42	845,731,755.00
Prepayments		200,038,900.77	111,984,106.00
Other receivables	2	7,301,272,792.44	6,378,294,553.00
Inventories		453,001,128.08	441,620,300.00
Other current assets		207,774,646.53	168,695,397.00
Total current assets		14,205,661,326.57	13,068,116,665.00
Non-current assets			
Available-for-sale investments		224,163,601.55	415,865,890.00
Long-term equity investments	3	11,469,885,017.60	11,880,390,250.00
Long-term receivables			
Fixed assets		2,553,832,939.73	2,311,443,365.00
Construction in progress		841,351,375.67	920,743,009.00
Construction materials		4,060,934.55	2,392,156.00
Intangible assets		318,598,741.30	322,638,199.00
Long-term deferred assets		142,795,316.78	77,263,141.00
Deferred tax assets		162,582,014.56	188,791,180.00
Other non-current assets		1,937,353,055.61	2,192,619,193.00
Total non-current assets		17,654,622,997.35	18,312,146,383.00
Total assets		31,860,284,323.92	31,380,263,048.00

Balance Sheet (continued)

As at 30 June 2013

RMB

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

LIABILITIES AND OWNERS' EQUITY	30 June 2013 (Unaudited)	31 December 2012 (Audited)
Current liabilities		
Short-term borrowings	306,948,950.00	813,470,239.00
Held-for-trading financial liabilities	4,330,235,698.69	4,904,091,049.00
Trade payables	247,719,933.27	184,606,100.00
Advances from customers	1,824,492.13	6,453,832.00
Employee benefits payable	178,296,669.25	181,366,530.00
Dividends payable	2,181,196,365.00	—
Taxes payable	306,924,002.16	827,610,817.00
Other payables	530,489,584.74	573,408,596.00
Current portion of non-current liabilities	31,880,000.00	31,880,000.00
Other current liabilities	54,697,386.00	52,807,386.00
Total current liabilities	8,170,213,081.24	7,575,694,549.00
Non-current liabilities		
Long-term borrowings	566,168,750.00	472,364,000.00
Long-term payables	127,593,304.17	133,426,004.00
Projects payables	—	—
Other non-current liabilities	546,402,856.46	380,193,126.00
Deferred tax liabilities	—	—
Total non-current liabilities	1,240,164,910.63	985,983,130.00
Total liabilities	9,410,377,991.87	8,561,677,679.00
EQUITY		
Share capital	2,181,196,365.00	2,181,196,365.00
Capital reserve	8,793,027,929.56	8,864,346,593.00
Special reserve	16,589.17	16,021.00
Surplus reserve	1,090,812,600.00	1,090,812,600.00
Retained earnings	10,384,852,848.32	10,682,213,790.00
Total equity	22,449,906,332.05	22,818,585,369.00
Total liabilities and owners' equity	31,860,284,323.92	31,380,263,048.00

Income Statement

For the six months ended 30 June 2013

RMB

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

	Note XI	For the 6 months ended 30 June 2013 (Unaudited)	For the 6 months ended 30 June 2012 (Unaudited)
Operating income	4	6,434,320,260.71	6,153,162,231.82
Less: Operating costs		5,224,393,045.44	3,902,233,794.23
Taxes and surcharges		94,801,786.03	80,772,609.03
Selling expenses		(5,779,291.75)	8,237,014.21
Administrative expenses		258,218,695.39	290,598,708.78
Financial expenses		(12,626,010.61)	63,320,064.48
Impairment losses on assets		—	—
Add: Gains/(losses) on changes in fair value		(50,398,587.93)	(23,986,601.51)
Investment income	5	1,230,945,833.20	1,120,028,990.65
<i>Including: Share of profits of associates and joint ventures</i>		17,781,758.81	26,860,590.09
Operating profit		2,055,859,281.48	2,904,042,430.23
Add: Non-operating income		17,794,279.96	623,495.21
Less: Non-operating expenses		36,283,360.33	75,417,003.68
<i>Including: Losses on disposal of non-current assets</i>		755,605.47	412,629.32
Profit before tax		2,037,370,201.11	2,829,248,921.76
Less: Income tax expenses		153,534,777.79	425,875,298.95
Net profit		1,883,835,423.32	2,403,373,622.81
Other comprehensive income		(71,318,663.44)	(25,117,228.33)
Total comprehensive income		1,812,516,759.88	2,378,256,394.48

Statement of Changes in Equity

For the six months ended 30 June 2013

RMB

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

(Unaudited)

	Share capital	Capital reserve	Special reserve	Surplus reserve	Retained earnings	Total equity
I. Closing balance of the preceding year	2,181,196,365.00	8,864,346,593.00	16,021.00	1,090,812,600.00	10,682,213,790.00	22,818,585,369.00
Add: Changes in accounting policy						
I. Opening balance of current year	2,181,196,365.00	8,864,346,593.00	16,021.00	1,090,812,600.00	10,682,213,790.00	22,818,585,369.00
II. Changes for the period	—	(71,318,663.44)	568.17	—	(297,360,941.68)	(368,679,036.95)
(I) Net profit	—	—	—	—	1,883,835,423.32	1,883,835,423.32
(II) Other comprehensive income	—	(71,318,663.44)	—	—	—	(71,318,663.44)
Subtotal of comprehensive income	—	(71,318,663.44)	—	—	1,883,835,423.32	1,812,516,759.88
(III) Special reserve	—	—	568.17	—	—	568.17
1. Transfer to special reserve in the current period	—	—	148,585,965.01	—	—	148,585,965.01
2. Amount utilised in the current period	—	—	(148,585,396.84)	—	—	(148,585,396.84)
(IV) Profit distributions	—	—	—	—	(2,181,196,365.00)	(2,181,196,365.00)
1. Transfer to surplus reserve	—	—	—	—	—	—
2. Distributions to owners	—	—	—	—	(2,181,196,365.00)	(2,181,196,365.00)
(V) Transfers within owners' equity	—	—	—	—	—	—
III. Closing balance of the current period	2,181,196,365.00	8,793,027,929.56	16,589.17	1,090,812,600.00	10,384,852,848.32	22,449,906,332.05

Statement of Changes in Equity *(continued)*

For the six months ended 30 June 2012

RMB

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

(Unaudited)

	Share capital	Capital reserve	Special reserve	Surplus reserve	Retained earnings	Total equity
I. Closing balance of the preceding year	2,181,196,365.00	8,714,239,590.30	16,020.84	1,090,812,600.39	8,052,175,603.12	20,038,440,179.65
Add: Changes in accounting policy						
I. Opening balance of current year	2,181,196,365.00	8,714,239,590.30	16,020.84	1,090,812,600.39	8,052,175,603.12	20,038,440,179.65
II. Changes for the period	—	(25,117,228.33)	—	—	222,177,257.81	197,060,029.48
(I) Net profit	—	—	—	—	2,403,373,622.81	2,403,373,622.81
(II) Other comprehensive income	—	(25,117,228.33)	—	—	—	(25,117,228.33)
Subtotal of comprehensive income	—	(25,117,228.33)	—	—	2,403,373,622.81	2,378,256,394.48
(III) Special reserve	—	—	—	—	—	—
1. Transfer to special reserve in the current period	—	—	—	—	—	—
2. Amount utilised in the current period	—	—	—	—	—	—
(IV) Profit distributions	—	—	—	—	(2,181,196,365.00)	(2,181,196,365.00)
1. Transfer to surplus reserve	—	—	—	—	—	—
2. Distributions to owners	—	—	—	—	(2,181,196,365.00)	(2,181,196,365.00)
(V) Transfers within owners' equity	—	—	—	—	—	—
III. Closing balance of the current period	2,181,196,365.00	8,689,122,361.97	16,020.84	1,090,812,600.39	8,274,352,860.93	20,235,500,209.13

Statement of Cash Flows

For the six months ended 30 June 2013

RMB

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

	For the 6 months ended 30 June 2013 (Unaudited)	For the 6 months ended 30 June 2012 (Unaudited)
1. Cash flows from operating activities:		
Cash receipts from sale of goods and rendering of services	6,656,328,757.28	5,051,517,061.96
Refund of taxes	—	—
Other cash receipts relating to operating activities	—	—
Sub-total of cash inflows from operating activities	6,656,328,757.28	5,051,517,061.96
Cash payments for goods purchased and services received	4,587,970,194.63	2,889,514,102.95
Cash payments to and on behalf of employees	198,956,780.02	191,069,612.32
Payments of various types of taxes	848,919,807.12	830,007,674.24
Other cash payments relating to operating activities	664,422,710.01	160,705,792.16
Sub-total of cash outflows from operating activities	6,300,269,491.78	4,071,297,181.67
Net cash flow from operating activities	356,059,265.50	980,219,880.29
2. Cash flows from investing activities:		
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	—	—
Net cash receipts from disposals of subsidiaries	200,000,000.00	7,912,362.10
Cash receipts from investment income	1,061,525,000.00	1,103,975,026.47
Other cash receipts relating to investing activities	302,861,376.95	299,453,429.59
Sub-total of cash inflows from investing activities	1,564,386,376.95	1,411,340,818.16
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	373,837,870.41	432,865,215.01
Cash payments to acquire investments	57,980,000.00	243,367,491.69
Other cash payments relating to investing activities	645,862,765.73	424,905,260.18
Sub-total of cash outflows from investing activities	1,077,680,636.14	1,101,137,966.88
Net cash flow from investing activities	486,705,740.81	310,202,851.28

Statement of Cash Flows (continued)

For the six months ended 30 June 2013

RMB

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

	For the 6 months ended 30 June 2013 (Unaudited)	For the 6 months ended 30 June 2012 (Unaudited)
3. Cash flows from financing activities:		
Cash receipts from capital contributions		
Cash receipts from borrowings	100,000,000.00	485,000,000.00
Other cash receipts relating to financing activities	246,257,755.35	789,601,007.82
Sub-total of cash inflows from financing activities	346,257,755.35	1,274,601,007.82
Cash repayments of borrowings	568,161,729.50	483,500,000.00
Cash payments for distribution of dividends or profits or settlement in interest expenses	92,886,770.28	5,353,428.05
Other cash payments relating to financing activities	43,916,566.61	—
Sub-total of cash outflows from financing activities	704,965,066.39	488,853,428.05
Net cash flow (used in)/from financing activities	(358,707,311.04)	785,747,579.77
4. Effects of foreign exchange rate changes on cash and cash equivalents	—	—
5. Net increase in cash and cash equivalents	484,057,695.27	2,076,170,311.34

Statement of Cash Flows (continued)

For the six months ended 30 June 2013

RMB

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

Supplementary Information	For the 6 months ended 30 June 2013 (Unaudited)	For the 6 months ended 30 June 2012 (Unaudited)
(1) Reconciliation of net profit to net cash flows from operating activities:		
Net profits	1,883,835,423.32	2,403,373,622.81
Add: Depreciation of fixed assets	130,314,733.24	80,612,641.32
Asset impairment provision	—	—
Amortisation of intangible assets and long-term deferred assets	26,528,743.58	21,563,242.59
Losses on disposals of fixed assets, intangible assets and other long-term assets	755,605.47	348,590.38
Losses on changes in fair value	50,398,587.93	23,986,601.51
Losses on investments	(1,230,945,833.20)	(1,120,028,990.65)
Financial expenses	(12,626,010.61)	63,320,064.48
(Increase)/decrease in inventories	(11,380,828.08)	13,802,990.98
Decrease/(increase) in deferred tax assets	26,209,165.44	(8,062,527.66)
Increase/(decrease) in deferred tax liabilities	—	—
Increase in receivables from operating activities	(400,273,234.48)	(338,125,540.73)
Decrease in payables from operating activities	(106,757,087.11)	(160,570,814.74)
Net cash flow from operating activities	356,059,265.50	980,219,880.29
(2) Non-cash investing and financing activities:		
Provision of impairment for equity investments in associates		
(3) Net decrease in cash and cash equivalents:		
Closing balance of cash and cash equivalents	3,856,197,788.27	5,205,184,901.46
Less: Opening balance of cash and cash equivalents	3,372,140,093.00	3,129,014,590.12
Net increase in cash and cash equivalents	484,057,695.27	2,076,170,311.34

Notes to Financial Statements

For the six months ended 30 June 2013

RMB

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

I. CORPORATE INFORMATION

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

As approved (Min Zheng Ti Gu (2000) No.22) by the People's Government of Fujian Province, Minxi Xinghang State-owned Assets Investment Company Limited ("Minxi Xinghang") on 17 August 2000, as the principal promoter, together with other promoters including Xinhua Industry Group Company Limited, Shanghang County Jinshan Trading Company Limited, Fujian Xinhua Engineering Company Limited ("Fujian Xinhua"), Xiamen Hengxing Industry 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 reorganization. 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 (Zheng Jian Guo He Zi [2003] No.41) "In Relation To the Approval of Issuing Overseas Listed Foreign Shares by Fujian Zijin Mining Industry Company Limited" granted by the China Securities Regulatory Committee on 18 November 2003, the Company publicly issued 400,544,000 overseas listed foreign shares with a nominal value of RMB0.1 per share at an issue price of Hong Kong dollar ("HK\$") 3.3 (approximately RMB3.516) per share; Minxi Xinghang, Fujian Gold Group and Minxi Geological Team reduced and sold their 36,413,090 state-owned shares at an issue price of HK\$3.3 (approximately RMB3.516) per share. As a result of the issue, the Company's registered capital was changed to RMB131,413,091. Pursuant to the Resolution at the Annual General Meeting dated 28 May 2004 for year 2003, on the transfer of capital reserve into issued capital, the Company transferred its capital reserve of RMB131,413,091 into 1,314,130,910 shares with 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 dated 31 May 2005 for year 2004 on the transfer of capital reserve into issued capital, the Company transferred capital reserve of RMB262,826,182 into 2,628,261,820 shares with 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 year 2005, dated 18 May 2006, on the transfer of capital reserve into issued capital, the Company transferred capital reserve of RMB525,652,364 into 5,256,523,640 shares with 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 year 2006, dated 30 April 2007, on the transfer of capital reserve into issued capital, the Company transferred capital reserve of RMB262,826,182 into 2,628,261,820 shares with a nominal value of RMB0.1 per share (i.e., every 10 existing ordinary shares for 2.5 newly issued ordinary shares as a bonus issue based on the 10,513,047,280 issued shares as at the end of 2006). As such, the Company's registered capital was changed to RMB1,314,130,910. On 25 April 2008, as approved by the China Securities Regulatory Committee ([2008] No.417) and the Shanghai Stock Exchange (Shang Zheng Shang Zi [2008] No. 29) respectively, the Company issued 1.4 billion ordinary shares with a nominal value of RMB0.1 per share at an issue price of RMB7.13 per share and the shares of the Company were listed on the Shanghai Stock Exchange ("IPO A shares"). As such, the Company's registered capital was changed to RMB1,454,130,910.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

RMB

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

I. CORPORATE INFORMATION *(continued)*

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 to 27 April 2009, these restricted shares floated publicly, representing a total proportion of 33.87% of issued capital. Up to 30 June 2013, all the Company's issued shares are publicly floating.

Pursuant to the Resolution at the Annual General Meeting for Year 2010 on the transfer of capital reserve into issued capital dated 30 May 2011, the Company transferred capital reserve of RMB727,065,455 into 7,270,654,550 shares with 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 30 June 2013, the total number of issued shares is 21,811,963,650.

The Company's scope of business includes: exploration of mineral resources (for permitted items and the permitted periods, please refer to the permits for exploration of mineral resources); open pit mining (limited to branches) of copper and gold; processing and refining of gold and copper mines; sale of mineral products and research, production and sale of ordinary machinery and equipment; retailing of gold products; information technology services; sales of industrial production information (excluding 9-seat or below vehicles); and chemical products (excluding hazardous chemical items); hydro power; investment in mining business, hotel business, mine construction; and foreign trade. (The above activities may include permitted operating items which require the approval of the relevant governmental bodies before operation.)

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

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

RMB

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

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1. Basis of preparation of financial statements

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

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

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

2. Statement of compliance with CAS

The financial statements have been prepared in accordance with CAS, and presented truly and completely the Company’s and the Group’s consolidated financial position as at 30 June 2013, and the Company’s and the Group’s consolidated financial performance and cash flows for the first half of 2013.

3. Accounting period

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

4. Functional currency

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

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

5. Business combination

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

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

RMB

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

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

5. Business combination *(continued)*

Business combinations involving enterprises under common control

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

Assets and liabilities obtained shall be measured at their respective carrying amounts as recorded by the merged parties at the date of the combination. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination/the aggregate face value of shares issued as consideration is adjusted 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 common control, the party which obtains control of other combining enterprise(s) on the combination date is the acquirer, the other combining enterprise(s) is (are) the acquiree(s). The acquisition date is the date on which the acquirer actually obtains control of the acquiree(s).

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

Where the 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 treated as an asset and 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 consideration 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.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

RMB

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

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

6. Consolidation of financial statements

The scope of consolidation in the consolidated financial statements is determined on the basis of control. The consolidated financial statements include the financial statements of the Company and its subsidiaries for the period ended 30 June 2013. A subsidiary is an entity whose financial and operating policies are under the control of the Company, directly or indirectly.

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

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

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

Where a subsidiary is acquired through a business combination during the reporting period involving enterprises under common control, the acquiree's operating results and cash flows shall be included in the consolidated financial statements as if the acquiree 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.

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 2013

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

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

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

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

A foreign currency transaction is recorded in the functional currency on initial recognition, by applying the prevailing exchange rate on the date of transaction or the average exchange rate through the transaction period. At the balance sheet date, foreign currency monetary items are translated into the functional currency using the spot exchange rates at the balance sheet date. Exchange differences arising from the differences between the spot exchange rates prevailing at the balance sheet date and those on initial recognition or at the previous balance sheet date, except that exchange differences related to a specific-purpose borrowing denominated in foreign currency that qualify for capitalisation are capitalised as part of the cost of the qualifying asset during the capitalisation period, are recognised in profit or loss for the period. 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 treated as changes in fair value (including changes of exchange rate) and are recognised in profit or loss or as other comprehensive income.

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

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

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

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

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

9. Financial instruments

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

Recognition and derecognition of financial instruments

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

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

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

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

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

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

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

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

9. Financial instruments *(continued)*

Classification and measurement of financial assets

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

Subsequent measurement of financial instruments is determined on the classification.

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

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

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

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

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

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

9. Financial instruments *(continued)*

Classification and measurement of financial assets *(continued)*

Held-to-maturity investments

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

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest method. Gains or losses arising from derecognition, impairment or amortisation is recognised in profit or loss.

Available-for-sale investments

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

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

Notes to Financial Statements *(continued)*

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

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

9. Financial instruments *(continued)*

Classification and measurement of financial liabilities

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

Subsequent measurement of financial liabilities is determined on the classification.

Financial liabilities at fair value through profit or loss

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

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

Other financial liabilities

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

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

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

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

9. Financial instruments *(continued)*

Financial guarantee contracts

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

Derivatives

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

Except for the effective cash flow hedging which is recorded in other comprehensive income, changes in fair value on derivatives are recognised as profit or loss.

Fair value of financial instruments

For a financial instrument which has an active market, the Group uses the quoted price in the active market to establish its fair value. For a financial instrument which has no active market, the Group establishes fair value by using a valuation technique. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, reference to the current fair value of another instrument that is substantially the same, discounted cash flows analysis and option pricing models.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

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

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

9. Financial instruments *(continued)*

Impairment of financial assets

The Group assesses the carrying amount of financial assets at each balance sheet date. If there is objective evidence that a financial asset is impaired, the Group determines the amount of any impairment loss. Objective evidence that a financial asset is impaired is evidence that, arising from one or more events that occurred after the initial recognition of the asset, the estimated future cash flows of the financial asset, which can be reliably measured, have been affected.

Financial assets measured at amortised cost

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

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

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

Notes to Financial Statements *(continued)*

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

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

9. Financial instruments *(continued)*

Impairment of financial assets *(continued)*

Available-for-sale investments

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

Objective evidence that an available-for-sale equity instrument investment is impaired includes the significant or prolonged decline in the fair value below its cost. In determining what is significant or prolonged decline, judgement is required. The following basis is concerned when determining the significant or prolonged decline. The decline is recognised as significant decline if the fair value of an individual available-for-sale equity instrument investment declines 30% below its cost. The decline is recognised as a prolonged decline if the time period on the decline in the fair value exceeds one year. The amount of reversal of impairment losses on available-for-sale equity instrument is recognised as other comprehensive income.

If, subsequent to the recognition of an impairment loss on an available-for-sale debt instrument, there is objective evidence of a recovery in value of the financial asset, the previously recognised impairment loss is reversed and recognised in profit or loss.

Financial assets measured at cost

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

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

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

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

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

9. Financial instruments *(continued)*

Transfer of financial assets

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

The Group neither transfers nor retains substantially all the risks and rewards of ownership of financial assets and related accounting treatments are as follows: the Group derecognises financial assets when it retains no control on them, and associated assets and liabilities are recognised at the same time. If the Group retains control of the financial asset, it recognises the financial asset to the extent of its continuing involvement in the transferred financial asset and recognises an associated liability.

10. Hedge accounting

Hedging activities of the Group include fair value hedges.

Fair value hedges refer to hedging of exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment (except for foreign currency risk).

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

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

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

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

Notes to Financial Statements *(continued)*

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

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

11. Receivables

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

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

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

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

12. Inventories

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

Inventories are initially measured at cost. Cost of inventories comprises all costs of purchase, costs of conversion, cost of land, cost of construction and other expenditures incurred in bringing the inventories to their present location and condition. The actual cost of inventories upon delivery is calculated using the weighted average method. Consumable materials included low-value consumables and packing materials, which is recorded at cost in full upon delivery. For items with larger unit value will be amortised within one year. For property development business, all relevant costs of development will be allocated by apportionment of saleable areas at the completion stage. Cost for unsold area is recorded as development properties.

The perpetual inventory system is maintained for the stock system.

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

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

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

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

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

13. Long-term equity investments

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

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

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

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

Notes to Financial Statements *(continued)*

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

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

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

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

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

Under the equity method, the Group recognises its share of the net profit or loss of the investee for the period as investment income or loss for the period. The Group recognises its share of the investee's net profit or loss based on the fair value of the investee's individual separately identifiable assets, etc. at the acquisition date after making appropriate adjustments to conform with the Group's accounting policies and accounting period. Unrealised profits or losses resulting from the Group's transactions with its associates and joint ventures are recognised as investment income or loss to the extent that those attributable to the Group's equity interest are eliminated. 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 investment for shares of dividends declared of the invested enterprise. 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 are correspondingly adjusted to the carrying amount of the long-term equity investment, and recognised in the shareholders' equity.

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

More details about the method of impairment assessment and determination of the provision for impairment losses on investments in associates and joint ventures are disclosed in Note II 26. Details about the method of impairment assessment and provision for impairment losses on long-term equity instruments that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured, are disclosed in Note II 9.

Notes to Financial Statements *(continued)*

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

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

14. Investment properties

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

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

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

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

15. Fixed assets

A fixed asset is recognised only when it is probable that economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. Subsequent expenditures incurred for the fixed asset are included in the cost of the fixed asset and if it is probable that economic benefits associated with the asset will flow to the Group and the subsequent expenditures can be measured reliably. 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 bring the asset to its working condition for its intended use. When the Company was incorporated, the used fixed assets invested by shareholders were recorded based on valuation using the replacement cost approach.

Notes to Financial Statements *(continued)*

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

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

15. Fixed assets *(continued)*

A mining asset (included in Note V 13 Mining assets) is depreciated over its designated estimated production using the units-of-production method. Fixed assets using work safety fund and production maintenance fund are depreciated by one time. Other fixed assets are depreciated over their useful lives using the straight-line method. The annual depreciation rate which is decided with the useful life, estimated net residual value rate and annual depreciation rate of each category of fixed assets are as follows:

Category	Depreciation period (years)	Residual value rate	Annual depreciation rate
Buildings	8-35 years	3%	2.77-12.13%
Power generating and transmission equipment	8-30 years	3%	3.23-12.13%
Plant, machinery and equipment	5-15 years	3%	6.47-19.4%
Leasehold improvements	5 years	3%	19.4%
Furniture and fixtures	4-10 years	3%	9.7-24.25%
Motor vehicles	6 years	3%	16.17%

The Group reviews the useful life and estimated net residual value of a fixed asset and the depreciation method applied at least once at each financial year-end, and accounts for any change as a change in an accounting estimate.

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

16. Construction in progress

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

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

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

Notes to Financial Statements *(continued)*

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

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

17. Borrowing costs

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

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

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

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

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

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

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

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

Notes to Financial Statements *(continued)*

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

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

18. Intangible assets

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

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

The useful lives of intangible assets are as follows:

Categories	Useful lives
Land use rights	Beneficial lives (30-50 years)
Exploration and mining rights	Beneficial lives (2-44 years) (Beneficial lives of mining rights are assessed according to the presumed and proved reserve)
Exclusive fishing rights	Beneficial lives (50 years)
Membership of Shanghai Gold exchange	Beneficial lives (10 years)

Land use rights obtained by the Group are accounted for as intangible assets. As for the construction of plants, factories and other buildings of the Group, the related land use rights, plants, factories and other buildings were accounted for as intangible assets and fixed assets, respectively. Purchase costs of land use rights and buildings were recognised as intangible assets and fixed assets separately. Purchase costs were recognised as cost of fixed assets, only if the separation was impracticable.

Intangible assets with a finite useful life are amortised over their estimated useful lives using the straight-line method or other reasonable systematic methods. For an intangible asset with a finite useful life, the Group reviews the useful life and amortisation method at the end of the financial year, and makes adjustments when necessary. Intangible assets with indefinite useful lives are tested for impairment annually, irrespective of whether there is any indication that the assets may be impaired. Intangible assets with indefinite useful lives may not be amortised. The Group reviews the service life of intangible assets with indefinite useful lives at the end of the financial year. Where there is evidence to prove that the intangible assets have a finite service life, the intangible assets can be amortised according to the accounting standards for intangible assets with a finite useful life.

Notes to Financial Statements *(continued)*

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

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

18. Intangible assets *(continued)*

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

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

19. Long-term deferred assets

Long-term deferred assets represent expenses incurred that should be borne and amortised over the current and subsequent periods (together of more than one year). Long-term deferred assets are amortised using the straight-line method over the expected periods in which benefits are derived. Land compensation costs are amortised over the estimated beneficial useful lives of 5 to 50 years, whereas other long-term deferred assets are amortised over estimated useful life.

20. Contingent liabilities

Except for contingent consideration and contingent liabilities arising from business combinations, contingent liabilities are recognised when the Group has an obligation related to a contingency, which meets all 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 recognised as a contingent liability is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account factors pertaining to a contingency such as the risks, uncertainties and time value of money. A contingent liability is reviewed at the balance sheet date. Where there is objective evidence that the recognised amount does not reflect the best estimation of the contingency, the contingent liability would be adjusted according to the best estimated amount.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

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

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

21. Revenue

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

Revenue from sale of goods

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

Revenue from the rendering of services

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

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

Interest income

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

Rental income

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

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

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

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

22. Government grants

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

23. Income tax

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

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

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

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

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

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

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

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

23. Income tax *(continued)*

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

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

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

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

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

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

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

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

24. Operating leases

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

As lessee under operating leases

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

As lessor under operating leases

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

25. Non-current assets held for sale

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

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

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

Notes to Financial Statements *(continued)*

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

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

26. Impairment of assets

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

The Group assesses at each balance sheet date whether there is any indication that the assets may be impaired. If there is any indication that such assets may be impaired, recoverable amounts are estimated for such assets. Goodwill arising in a business combination and an intangible asset with an indefinite useful life shall be assessed for impairment annually, irrespective of whether there is any indication incurred. Impairment tests of intangible assets should be performed at each year end, 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. 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 to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is so allocated represents those are expected to benefit from the synergies of the combination and is not larger than a reported segment by the Group.

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

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

Notes to Financial Statements *(continued)*

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

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

27. Employee benefits

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

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

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

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

28. Profits distribution

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

29. Related parties

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

Notes to Financial Statements *(continued)*

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

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

30. Segment reporting

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

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

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

Two or more operating segments with similar economic characteristics and satisfied certain conditions can be combined to form a single operating segment.

31. Work safety fund and production maintenance fund

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

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

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

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

32. Significant accounting estimates and estimation uncertainty

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

Judgements

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

Operating lease commitments as lessor

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

Classification between investment properties and fixed assets

The Group has entered into contracts for buildings under commercial leases. The Group determined that the leased out building is held to earn rentals or for capital appreciation or both and is accounted for as investment properties.

Income tax

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

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

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

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

32. Significant accounting estimates and estimation uncertainty *(continued)*

Estimation uncertainty

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

Impairment of available-for-sale investments

When an available-for-sale investment is impaired, the impairment losses and cumulative losses arising from decline in fair value previously recognised directly in profit or loss is reclassified from equity to profit or loss. The impairment loss is the cost of an available-for-sale investment less any repayments and amortisation. A provision for impairment will be made for available-for-sale investments when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of "significant" or "prolonged" requires judgement. The Group also assesses other related factors, e.g., fluctuation of stock prices. Reversal of impairment losses of available-for-sale investments should be recognised in equity rather than profit or loss.

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 financial year. Intangible assets with an indefinite life 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 a cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. 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 cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Notes to Financial Statements *(continued)*

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

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

32. Significant accounting estimates and estimation uncertainty *(continued)*

Estimation uncertainty *(continued)*

Useful lives of property, plant and equipment

Management determines the estimated useful lives of the Group's property, plant and equipment. This estimation is based on the actual useful lives of property, plant and equipment with similar nature and functions and the historical experience. Management will increase the depreciation charge where useful lives are less than previously estimated lives, and will write off or write down technically obsolete or non-strategic assets that have been abandoned.

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 cash flows, which are generated from sets of assets or asset groups considered together with goodwill, is estimated. The Group estimates the present value of cash flows from sets of assets or asset groups by forecasting the related cash flow and selecting a suitable discount rate. Details are disclosed in Note V 16.

Exploration and development expenditures

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

Bad debt provision for receivables

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

Inventory provision determined on net realisable value

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

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

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

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

32. Significant accounting estimates and estimation uncertainty *(continued)*

Estimation uncertainty *(continued)*

Proved mineral reserves

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

Deferred tax assets

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

Estimated compensation

The Group is involved in a number of environmental 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 operating results.

Rehabilitation provision

Pursuant to the regulation of the Australian government, the Group recognises restoration and rehabilitation provision of the mines located in Australia. The amount of provision is an estimate based upon the life of mined tenement, as well as the future timing and cost of such rehabilitation, which depends on judgements of management.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

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*(English translation is for reference. If there is any discrepancy, Chinese version will prevail.)***III. TAX****1. Major taxes and tax rates**

Value-added tax ("VAT")	<p>Sales of final gold products and carrying-gold minerals are exempted from VAT. The VAT rate for sales of mining and processing of non-ferrous metals such as iron concentrates, gold concentrates, copper concentrates, zinc concentrates, copper cathodes, zinc bullion, and material sales and processing is 17%. VAT is levied at 17% on the invoiced value of sales and is payable by the purchaser. The taxpayer is required to remit the VAT it collects to the tax authority, but may deduct the VAT it has paid on eligible purchases.</p> <p>Pursuant to the Notice of the Ministry of Finance and the State Administration of Tax on the Implementation of the Pilot Policy in respect of Changing the Levy of Business Tax to Value-added Tax for Transportation Industry and Certain Modern Service Industries in the Eight Provinces and Municipalities including Beijing (Cai Shui [2012] No.71), from 1 November 2012, VAT are levied at 11%, 6% and tax rates ranging from 3% to 5% on transportation service income, trademark royalty income and technical service income, respectively.</p>
Business tax	<p>Except for the regions of pilot practice of levying value VAT in lieu of business tax, the business tax rate for rental income is 5%, construction labor income is 3% and hotel service revenue is 5%.</p>
City construction and maintenance tax	<p>Levied on actual payment of turnover tax at rates ranging from 1% to 7%.</p>
Resource tax	<p>Tax rates for gold resources ranged from RMB2 to RMB8.5 (2012: RMB2 to RMB8.5) per tonne depending on the gold ore quantity; tax rates for copper resources ranged from RMB6 to RMB7 (2012: RMB6 to RMB7) per tonne depending on the copper ore quantity; tax rate for iron resource was RMB9.52 (2012: RMB9.52) per tonne according to the ore quantity; tax rate for zinc-lead resources was RMB20 (2012: RMB20) per tonne according to the ore quantity.</p>

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

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

III. TAX *(continued)*

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

Resources compensation fee	The resource compensation fee is calculated according to a certain proportion of mineral sales revenue. The formula is: Mineral sales revenue x Resource compensation rate x Coefficient of mining recovery. Resource compensation rates range from 2% to 4%.
Enterprise income tax	Provision for the PRC income tax has been made at the rate of 25% based on the taxable profits except for certain companies in the Group which are further mentioned below. Provision for Hong Kong profits tax has been made at the rate of 16.5% on the assessable profits arising in Hong Kong for the year. Provision for Australian profits tax has been made at the rate of 30% on the assessable profits arising in Australia for the year.

2. Tax incentives and approvals

Pursuant to the Notice in relation to Relevant Matters about Enterprise Income Tax on the Enterprises including Hunchun Zijin Mining Company Limited (Ji Guo Shui Suo Bian Han [2012] No.35) issued by the Jilin Provincial State Tax Bureau on 26 October 2012, Hunchun Zijin Mining Company Limited ("Hunchun Zijin") enjoyed a tax concession of Large-scale Development of Western China at a preferential rate of 15% from 2011 to 2013.

Notes to Financial Statements (continued)

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

IV. SCOPE OF CONSOLIDATION

1. PRINCIPAL SUBSIDIARIES OF THE COMPANY: (INCLUDING SUBSIDIARIES INDIRECTLY HELD)

(1) Principal subsidiaries established or acquired through investments

Company name	Organisation code	Place of registration	Legal representative	Principal activities	Type of entities	Paid-in capital/Registered capital RMB	Capital contribution of the Group RMB	Proportion of ownership interest Directly	Proportion of ownership interest Indirectly	Proportion of voting right %	Non-controlling interests in the consolidated balance sheet reduced by non-controlling interests in the consolidated income statement RMB	Note
Gold Mountains H.K. International Company Limited ("Gold Mountains H.K.")	Not applicable ("N/A")	Hong Kong, China	N/A	Investment	Limited liability company	HK\$38,500,001 / HK\$1,000,000,000	HK\$38,500,001	100%	—	100%	—	
Bayanacer Zijin Non-ferrous Metals Company Limited ("Bayanacer Zijin")	76786644-0	Bayanacer City, Inner Mongolia	Liao Yuanliang	Zinc refinery	Limited liability company	375,000,000	252,000,000	67.2%	—	67.2%	—	
Huochun Zijin	74456685-9	Huochun City, Jilin Province	Jiang Cheng	Mining, refining and processing of gold, copper and other non-ferrous metals. Mineral resources and geological exploration and its information technology services	Limited liability company	200,000,000	200,000,000	96.63%	3.37%	100%	—	
Xinyi Zijin Mining Company Limited ("Xinyi Zijin")	66498436-4	Xinyi City, Guangdong Province	Lin Rongping	Refining, processing, sales of iron and gold, mineral resources technology services	Limited liability company	200,000,000	200,000,000	100%	—	100%	—	
Qinghai West Copper Company Limited ("Qinghai West")	71052365-3	Maqin County, Gao Luo State, Qinghai Province	He Pinggao	Exploration and exploitation of copper mines and technical services	Limited liability company	120,000,000	120,000,000	100%	—	100%	—	
Fujian Zijin Real Estate Company Limited ("Fujian Real Estate")	67193079-4	Xiamen City, Fujian Province	Li Shulin	Real estate development	Limited liability company	500,000,000	500,000,000	60%	40%	100%	—	

Notes to Financial Statements (continued)

For the six months ended 30 June 2013

RMB

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

IV. SCOPE OF CONSOLIDATION (continued)

1. PRINCIPAL SUBSIDIARIES OF THE COMPANY: (INCLUDING SUBSIDIARIES INDIRECTLY HELD) (continued)

(1) Principal subsidiaries established or acquired through investments (continued)

Company name	Organisation code	Place of registration	Legal representative	Principal activities	Type of entities	Registered capital RMB	Paid-in capital/ capital contribution of the Group RMB	Capital contribution of the Group RMB	Proportion of ownership interest Directly	Proportion of ownership interest Indirectly	Proportion of voting right %	Non-controlling interests in the consolidated balance sheet reduced by non-controlling interests in the consolidated income statement RMB	Note
Zijin International Finance Company Limited ("International Finance")	IWA	Hong Kong	IWA	Bond issuance	Limited liability company	HK\$1	HK\$1	HK\$1	—	100%	100%	—	
Zijin Mining Group Finance Company Limited ("Zijin Finance")	69437785-6	Shanghai County, Longyan City, Fujian Province	Lin Hongying	The operations in local and foreign currencies; financing advisory to member units; credit verification and related advisory agent services; assist member units to settle or receive payments; approved insurance agent services; guarantee provision to member units; entrusted loans and investment among member units; bill acceptance and honour among member units; internal account settlement and clearing among member units; acceptance of deposits from member units; application for loans and financial leasing and inter-bank borrowings; investment in securities (except securities in secondary market)	Limited liability company	531,557,000	504,979,150	504,979,150	95%	—	95%	—	

Notes to Financial Statements (continued)

For the six months ended 30 June 2013

RMB

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

IV. SCOPE OF CONSOLIDATION (continued)

1. PRINCIPAL SUBSIDIARIES OF THE COMPANY: (INCLUDING SUBSIDIARIES INDIRECTLY HELD) (continued)

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

Company name	Organisation code	Place of registration	Legal representative	Principal activities	Type of entities	Registered capital RMB	Paid-in capital/ capital contribution of the Group RMB	Capital contribution of the Group RMB	Proportion of ownership interest Directly Indirectly	Proportion of voting right %	Non-controlling interests in the consolidated balance sheet reduced by non-controlling interests in the consolidated income statement RMB	Note
Xinjiang Assteele Copper Company Limited ("Xinjiang Assteele")	71296308-X	Alatay City, Xinjiang	Perig Shiqun	Research and exploration of geological resources; production, processing and sales of mineral products; technological and transportation services of geological mining; environmental protection and development of tourism	Joint-stock limited company	250,000,000	127,500,000	51%	—	51%	—	
Norton Gold Fields Limited ("Norton")	N/A	Australia	N/A	Production of gold, geological resource exploration and related technological services	Limited company	48,765,533	48,765,533	—	89.15%	89.15%	6,481,019	
Zijin Copper Company Limited ("Zijin Copper")	68508216-7	Shanghang County, Longgan City, Fujian Province	Wu Jianhui	Refinery and sales of copper cathodes, gold and silver; production and sales of nitro	Limited liability company	1,818,300,000	1,818,300,000	100%	—	100%	—	
Luoyang Yinhui Gold Refinery Company Limited ("Luoyang Yinhui")	7191452-7	Luoyang City, Henan Province	Lu Wenquan	Gold and silver refining and purchase of mining gold; gold transaction agency; sales of mineral products and mining pit design and research	Limited liability company	150,000,000	105,000,000	70%	—	70%	—	

The above principal subsidiaries are included in the scope of consolidation. The Company's management considers that fund transfers from the subsidiaries are without restrictions.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

RMB

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

IV. SCOPE OF CONSOLIDATION *(continued)*

2. CHANGES IN THE SCOPE OF CONSOLIDATION

The scope is consistent with the previous year, except for the newly established subsidiaries and the changes stated in Note IV. 3, 4 and 5.

3. NEW ENTITIES THAT HAVE BEEN CONSOLIDATED AND CONSOLIDATED ENTITIES THAT ARE EXCLUDED FROM CONSOLIDATION IN THE CURRENT YEAR

New entities that have been consolidated in the period ended 30 June 2013:

	Note	Net assets at the end of the period	Net loss up to the end of the period
Gold Mountains Asset Management Limited	Note 1	(701,300.81)	(701,380.39)
Tumen Xinwang Mining Company Limited	Note 2	906,141.68	(93,858.32)
Zijin Mining Group Gansu Mining Development Company Limited	Note 3	29,906,409.27	(93,590.73)
Longnan Zijin Mining Company Limited	Note 4	227,960,439.21	(3,002,235.12)
		258,071,689.35	(3,891,064.56)

Entities that are excluded from the consolidation in the period ended 30 June 2013:

	Note	Net assets on disposal date	Net profit/(loss) from the beginning of 2013 to the disposal date
Wenshan Yuntong Huaxi Mining Company Limited ("Wenshan Yuntong")	Note 5	5,605,512.88	(82,967.69)
Luoyang Jialian Company Limited ("Luoyang Jialian")	Note 6	15,492,581.15	(13,527,143.93)
Jin Tai Investments Limited ("Jin Tai")		(10,387.83)	—
Eagle Victory Holdings Limited ("Eagle Victory")		(207,720.58)	(307.06)
Jovial Ray Limited ("Jovial Ray")		(10,387.83)	—
Golden Rock Mining (BVI) Limited ("Golden Rock")		(8,364.45)	(0.03)
Gansu Longjin Mineral Resources Company Limited	Note 4	85,301,335.89	(44,056.82)
Gansu Longao Mining Company Limited	Note 4	84,567,242.16	(56,022.07)
		190,729,811.39	(13,710,497.60)

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

RMB

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

IV. SCOPE OF CONSOLIDATION *(continued)*

3. NEW ENTITIES THAT HAVE BEEN CONSOLIDATED AND CONSOLIDATED ENTITIES THAT ARE EXCLUDED FROM CONSOLIDATION IN THE CURRENT YEAR *(continued)*

- Note 1 Gold Mountains Asset Management Limited was established on 29 April 2013 with a registered capital of HK\$10,000,000. Jinyu (H.K.) International Mining Co., Ltd., a subsidiary of the Company, injected HK\$100, holding a 100% equity interest in Gold Mountains Asset Management Limited, as such, it was included in the scope of consolidation.
- Note 2 Tumen Xinwang Mining Company Limited was established in March 2013 with a registered capital of RMB1,000,000. Hunchun Zijin, a subsidiary of the Company, injected RMB750,000 holding a 75% equity interest in Tumen Xinwang Mining Company Limited, as such, it was included in the scope of consolidation.
- Note 3 Zijin Mining Group Gansu Mining Development Company Limited was established in February 2013 with a registered capital of RMB30,000,000. The Company injected RMB30,000,000 holding a 100% equity interest in Zijin Mining Group Gansu Mining Development Company Limited, as such, it was included in the scope of consolidation.
- Note 4 The three subsidiaries of the Company (Gansu Yate Mining Company Limited, Gansu Longjin Mineral Resources Company Limited, Gansu Longao Mining Company Limited) entered into a merger agreement on 3 September 2012. After the merger and acquisition, Gansu Longjin Mineral Resources Company Limited and Gansu Longao Mining Company Limited were deregistered simultaneously. The original "Gansu Yate Mining Company Limited" was renamed to "Longnan Zijin Mining Company Limited". The registered capital of Longnan Zijin Mining Company Limited was RMB242,215,621.09 and the Company holds 84.22% equity interest, as such, Longnan Zijin was included in the scope of consolidation.
- Note 5 Wenshan Yuntong Huaxi Mining Company Limited was deregistered on 30 April 2013, as such, it was excluded from the consolidation on 30 June 2013.
- Note 6 The Company's wholly-owned subsidiary, Zijin International Mining Company Limited, entered into a share transfer agreement with natural person Liu Bing, which the Company sold the 80% equity interest of Luoyang Jialian Mining Company Limited for the consideration of RMB25 million, as such, Luoyang Jialian Mining Company Limited was excluded from the consolidation.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

RMB

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

IV. SCOPE OF CONSOLIDATION *(continued)*

4. BUSINESS COMBINATIONS INVOLVING ENTERPRISES NOT UNDER COMMON CONTROL

There was no business combinations involving enterprises not under common control during the period.

5. SUBSIDIARIES REDUCED IN CURRENT YEAR DUE TO THE DISPOSAL OF EQUITY INTEREST WHICH RESULTED IN A LOSS OF CONTROL

Company name	Place of registration	Principal Activities	Proportion of equity attributable to the Group	Proportion of voting rights attributable to the Group	Reasons for deconsolidation	Disposal/ de-register date
Wenshan Yuntong	Yunnan		51%	51%	Deregistered	30 April 2013
Luoyang Jialian	Henan		80%	80%	Transferred	30 April 2013
Jin Tai	British Virgin Islands		100%	100%	Deregistered	31 May 2013
Eagle Victory	British Virgin Islands		100%	100%	Deregistered	31 May 2013
Jovial Ray	British Virgin Islands		100%	100%	Deregistered	31 May 2013
Golden Rock	British Virgin Islands		100%	100%	Deregistered	31 May 2013
Gansu Longjin	Gansu		90%	90%	Deregistered	31 March 2013
Gansu Longao	Gansu		87%	87%	Deregistered	31 March 2013

Notes to Financial Statements (continued)

For the six months ended 30 June 2013

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

IV. SCOPE OF CONSOLIDATION (continued)

5. SUBSIDIARIES REDUCED IN CURRENT YEAR DUE TO THE DISPOSAL OF EQUITY INTEREST WHICH RESULTED IN A LOSS OF CONTROL (continued)

The financial information of disposed subsidiaries on disposal dates:

	Wenshan Yuntong	Luoyang Jialian	Jin Tai	Eagle Victory	Jovial Ray	Golden Rock	Gansu Longjin	Gansu Longao
Current assets	5,577,923.62	9,623,066.33	—	—	—	6.18	653,474.84	4,142,869.74
Non-current assets	36,154.59	25,263,957.76	—	—	—	—	152,819,092.05	85,833,314.12
Current liabilities	8,565.33	6,517,110.00	10,387.83	207,720.58	10,387.83	8,370.63	33,196,949.06	5,408,941.70
Non-current liabilities	—	—	—	—	—	—	34,974,281.94	—
Net assets	5,605,512.88	28,369,914.09	(10,387.83)	(207,720.58)	(10,387.83)	(8,364.45)	85,301,335.89	84,567,242.16
Non-controlling interests	2,746,701.31	3,954,649.24	—	—	—	—	8,530,133.59	10,993,741.48
Equity attributable to the Group	2,858,811.57	24,415,264.85	(10,387.83)	(207,720.58)	(10,387.83)	(8,364.45)	76,771,202.30	73,573,500.68
Gain/(losses) on disposal	(347,274.72)	584,735.15	10,387.83	207,720.58	10,387.83	8,364.45	—	—
Consideration of disposal	2,511,536.85	25,000,000.00	—	—	—	—	76,771,202.30	73,573,500.68
Revenue	6,500.00	—	—	—	—	—	—	—
Cost of sales	1,816.85	—	—	—	—	—	—	—
Net profit/(loss)	(82,967.69)	(13,527,143.93)	—	(307.06)	—	(0.03)	(44,056.82)	(56,022.07)
Consideration of disposal	2,511,536.85	25,000,000.00	—	—	—	—	76,771,202.30	73,573,500.68
Cash and cash equivalents received upon disposal of subsidiaries	2,511,536.85	16,000,000.00	—	—	—	—	4,118.31	2,076.52
Less: Cash and cash equivalent held by subsidiaries upon disposal	4,862,351.71	3,019,850.79	—	—	—	—	4,118.31	2,076.52
Net (outflow)/inflow of cash and cash equivalents in respect of the disposal of subsidiaries	(2,350,814.86)	12,980,149.21	—	—	—	—	—	—

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

RMB

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

IV. SCOPE OF CONSOLIDATION *(continued)*

6. EXCHANGE RATE USED FOR FOREIGN OPERATIONS

	Average exchange rate		Closing exchange rate	
	Six months ended 30 June 2013	Six months ended 30 June 2012	30 June 2013	31 December 2012
US\$	6.2342	6.3061	6.1787	6.2855
HK\$	0.8033	0.8105	0.79655	0.8108
RUB	0.1987	0.2063	0.1876	0.2061
A\$	6.2636	6.5074	5.7061	6.5363

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CASH AND CASH EQUIVALENTS

	30 June 2013			31 December 2012		
	Original amount	Exchange rate	RMB	Original amount	Exchange rate	RMB
Cash	6,231,701.44	1	6,231,701.44	6,792,520.00	1	6,792,520.00
Bank deposit						
RMB	4,095,557,158.56	1	4,095,557,158.56	5,055,232,601.00	1	5,055,232,601.00
HK\$	45,788,212.37	0.79655	36,474,889.97	454,863,141.00	0.8108	368,803,035.00
US\$	66,709,460.99	6.1787	412,177,746.63	69,307,165.00	6.2855	435,630,187.00
GBP	84,252.08	9.4213	793,764.16	191,529.00	10.1611	1,946,142.00
Canadian dollar ("CAD")	10,176,720.04	5.8901	59,941,898.71	4,717,221.00	6.3184	29,805,287.00
A\$	19,455,732.22	5.7061	111,016,353.60	11,917,858.00	6.5363	77,898,697.00
RUB	19,890,072.56	0.1876	3,731,377.61	64,793,222.00	0.2061	13,353,883.00
Others	N/A	N/A	29,612,465.74	N/A	N/A	40,618,594.00
Other monetary funds						
RMB (Note1)	968,768,177.83	1	968,768,177.83	1,006,315,489.00	1	1,006,315,489.00
US\$ (Note 2)	32,416,675.00	6.1787	200,292,909.82	69,525,793.00	6.2855	437,004,372.00
			5,924,598,444.07			7,473,400,807.00

Note 1: As at 30 June 2013, other monetary funds in RMB mainly included: (1) Land restoration and environmental costs of RMB54,334,585.33 (31 December 2012: RMB54,334,585.33). Pursuant to the rules of Longyan Municipal Government, the Company provided the Deposit for Restoration and Improvement of Ecological Environment in Mines and deposited the funds in a specified bank account. The fund was restricted to the use of land restoration and environmental recoverability. (2) Security fund for short-term borrowings of RMB105,000,000 (31 December 2012: RMB105,000,000). (3) Deposit pledged to a bank for donation of RMB3,669,751.5 (31 December 2012: RMB41,027,667), which was restricted to use. (4) Guarantee deposits of RMB319,452,862.09 (31 December 2012: RMB49,696,860), which was restricted to use. (5) Time deposits with maturity for more than three months of RMB271,328,966.97 (31 December 2012: RMB269,727,329). (6) Deposit for bank acceptance bills of RMB400,000 (31 December 2012: RMB1,870,000). (7) Deposit in the Shanghai Gold Exchange of RMB214,582,011.94 (31 December 2012: RMB284,659,029).

Note 2: As at 30 June 2013, other monetary funds in US\$ mainly included: (1) Security fund for short-term borrowings of US\$4,536,000, approximately RMB28,026,583.20 (31 December 2012: US\$41,645,118). (2) Time deposits with maturity for more than three months of US\$27,880,675, approximately RMB172,266,326.62 (31 December 2012: US\$27,880,675, approximately RMB175,243,983.00).

As at 30 June 2013, cash and cash equivalents of RMB459,956,675.01 (31 December 2012: RMB642,328,812) was deposited outside Mainland China.

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

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

RMB

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

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

2. HELD-FOR-TRADING FINANCIAL ASSETS

	30 June 2013	31 December 2012
Held-for-trading debt investments	10,980,974.71	7,769,400.00
Held-for-trading equity investments	415,309,187.36	477,930,012.00
Derivative financial assets	215,050,370.45	134,717,063.00
Others	45,434,901.96	50,526,790.00
	686,775,434.48	670,943,265.00

The management considered that the recoverability of held-for-trading financial assets was not restricted significantly as at 30 June 2013.

3. BILLS RECEIVABLE

	30 June 2013	31 December 2012
Bank acceptance bills	394,053,699.22	546,999,815.00
Commercial acceptance bills	20,074,901.50	28,500,000.00
	414,128,600.72	575,499,815.00

As at 30 June 2013, there were no bills receivable (31 December 2012: Nil) due from shareholders holding at least 5% of the Company's shares with voting powers. As at 30 June 2013, no carrying amount of bills receivable was pledged as security (31 December 2012: Nil). As at 30 June 2013, bank acceptance bills of RMB18,250,643.25 (31 December 2012: RMB76,278,853.00) were discounted and unexpired.

As at 30 June 2013 and 31 December 2012, there were no bills receivable which were converted to account receivables due to the drawer's inability to settle the note on maturity. At 30 June 2013, the amount of unexpired bills receivable endorsed to certain independent parties was RMB19,985,458.50 (31 December 2012: RMB74,445,575).

Notes to Financial Statements (continued)

For the six months ended 30 June 2013

RMB

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. TRADE RECEIVABLES

Trade receivables are interest-free with a credit period of one month in general. The credit period for major customers may be extended up to four months.

An ageing analysis of the trade receivables is as follows:

	30 June 2013	31 December 2012
Within 1 year	1,288,223,923.59	810,228,920.00
Over 1 year but within 2 years	62,836,930.60	26,405,155.00
Over 2 years but within 3 years	5,642,941.37	11,514,683.00
Over 3 years	10,949,160.52	739,441.00
	1,367,652,956.08	848,888,199.00

The movements of bad debt provision of the trade receivables:

	At 1 January 2013	Additions	Reductions Reversal	Write-off	At 30 June 2013
30 June 2013	7,393,935.00	—	—	—	7,393,935.00

	30 June 2013				31 December 2012			
	Carrying amount		Bad debt provision		Carrying amount		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Individually significant	1,113,908,855.32	81.45	—	—	738,548,166.00	87.00	—	—
Others insignificant	253,744,100.76	18.55	7,393,935.00	2.91	110,340,033.00	13.00	7,393,935.00	6.70
	1,367,652,956.08	100.00	7,393,935.00	0.54	848,888,199.00	100.00	7,393,935.00	0.87

As at 30 June 2013, the Group's trade receivables denominated in foreign currencies amounted to A\$7,089,039.64, approximately RMB40,450,769.07 (31 December 2012: A\$13,968,256, approximately RMB91,300,709); US\$7,534,986.73, approximately RMB46,556,422.50 (31 December 2012: Nil).

Notes to Financial Statements (continued)

For the six months ended 30 June 2013

RMB

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. TRADE RECEIVABLES (continued)

Top five entities with the largest balances of trade receivables:

30 June 2013:

Name of entity	Relationship with the Group	Amount	Ageing	Proportion of trade receivables (%)
Baogang Group Xinjiang Bayi Steel Co., Ltd.	Third party	510,556,363.92	Within 1 year	37.33
Jinchuan Group Company Limited	Third party	60,895,667.64	Within 1 year	4.45
Xiamen Baotuo Resource Company Limited	Third party	53,370,252.21	Within 1 year	3.90
TCL Air Conditioner (Zhongshan) Co., Ltd.	Third party	38,612,834.36	Within 1 year	2.82
National Development and Reform Commission State Bureau of Material Reserve	Third party	31,490,826.42	Within 1 year	2.31
		694,925,944.55		50.81

As at 30 June 2013, there were no trade receivables (31 December 2012: Nil) due from shareholders holding at least 5% of the Group's shares with voting powers. As at 30 June 2013, trade receivables included balances due from related parties of RMB6,781,541.82 (31 December 2012: RMB2,073,154.00).

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

RMB

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

5. PREPAYMENTS

Ageing analysis of the prepayments:

	30 June 2013		31 December 2012	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	1,014,456,848.73	90.28	847,975,866.00	88.52
Over 1 year but within 2 years	82,590,752.00	7.35	92,314,829.00	9.64
Over 2 years but within 3 years	12,300,397.69	1.09	10,671,763.00	1.11
Over 3 years	14,424,281.85	1.28	7,013,657.00	0.73
	1,123,772,280.27	100.00	957,976,115.00	100.00

Top five entities with the largest balances of prepayments at 30 June 2013:

Name of entity	Relationship with the Group	Amount	Prepayment term	Reason for unsettlement
Outotec (Sweden) Company Limited	Third party	51,869,008.41	Within one year	Transaction not yet completed
Wancheng Commercial Dongshengmiao Co., Ltd.	An associate of the Company	45,194,439.22	Within one year	Transaction not yet completed
Fujian Minnan Construction Engineering Co., Ltd.	Third party	40,000,000.00	Within one year	Transaction not yet completed
Shenzhen Penavico Logistics Limited, Tianjin Branch	Third party	34,160,862.82	Within one year	Transaction not yet completed
Fujian Province Shuangqishan Mining Company Limited	Third party	19,000,000.02	Within one year	Transaction not yet completed
		190,224,310.47		

As at 30 June 2013, there was no balance of prepayments (31 December 2012: Nil) due from shareholders holding at least 5% of the Company's shares with voting powers. As at 30 June 2013, the prepayments to related parties amounted to RMB56,328,635.70 (31 December 2012: RMB35,177,891).

As at 30 June 2013, the Group's prepayments denominated in foreign currencies were as follow: prepayments denominated in US\$ amounted to US\$5,970,208.87, approximately RMB36,888,129.52 (31 December 2012: US\$17,241,689, approximately RMB108,372,634) and prepayments denominated in A\$ amounted to nil (31 December 2012: A\$2,370,353, approximately RMB15,493,338).

Notes to Financial Statements (continued)

For the six months ended 30 June 2013

RMB

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. OTHER RECEIVABLES

Ageing analysis of the other receivables:

	30 June 2013	31 December 2012
Within 1 year	1,057,008,843.53	975,278,024.00
Over 1 year but within 2 years	284,773,501.66	158,905,913.00
Over 2 years but within 3 years	38,168,017.40	97,491,761.00
Over 3 years	285,724,774.13	303,085,419.00
	1,665,675,136.72	1,534,761,117.00

Movements in bad debt provision of other receivables:

	At 1 January 2013	Additions	Reductions Reversal	Write-off	At 30 June 2013
30 June 2013	9,876,229.00	715.00	23,250.00	—	9,853,694.00

	30 June 2013				31 December 2012			
	Carrying amount		Bad debt provision		Carrying amount		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Individually significant	1,198,840,275.73	71.97	632,250.00	0.05	1,112,468,392.00	72.48	632,250.00	0.06
Others insignificant	466,834,860.99	28.03	9,221,444.00	1.98	422,292,725.00	27.52	9,243,979.00	2.19
	1,665,675,136.72	100	9,853,694.00	0.59	1,534,761,117.00	100.00	9,876,229.00	0.64

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

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

Top five entities with the largest balances of other receivables:

30 June 2013:

Name of entity	Relationship with the Group	Amount	Ageing	Proportion of other receivables (%)
Land Reserve Center of Longyan City	Third party	498,000,000.00	Within 1 year	29.90
Mr. He Maoxiang	Third party	128,000,000.00	Over 3 years	7.68
Xiamen Zijin Tongguan Investment Development Company Limited	An associate of the Company	136,228,809.72	Over 1 year but within 2 years	8.18
Wuping Tianan Urban Construction Investment Development Company Limited	Third party	46,950,000.00	Over 3 years	2.82
Fujian Shanghang Ting River Hydropower Company Limited	An associate of the Company	40,902,400.20	Within 1 year	2.46
		850,081,209.92		51.04

As at 30 June 2013, there were no other receivables (31 December 2012: Nil) due from shareholders holding at least 5% of the Company's shares with voting powers. As at 30 June 2013, the balance of other receivables due from related parties amounted to RMB218,244,921.83 (31 December 2012: RMB222,613,547).

As at 30 June 2013, the Group's other receivables denominated in foreign currencies were as follow: other receivables denominated in US\$ amounted to US\$666,358.59, approximately RMB4,117,229.80 (31 December 2012: US\$343,906, approximately RMB2,161,620); other receivables denominated in HK\$ amounted to HK\$14,805,987.11, approximately RMB11,793,709.03 (31 December 2012: HK\$19,534,139, approximately RMB15,838,280); other receivables denominated in A\$ amounted to A\$2,822,501.17, approximately RMB16,105,477 (31 December 2012: A\$11,925,424, approximately RMB77,984,147).

Notes to Financial Statements (continued)

For the six months ended 30 June 2013

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. INVENTORIES

	30 June 2013	31 December 2012
Raw materials	2,661,867,632.01	5,798,024,352.00
Work in progress	4,994,828,878.86	3,715,102,166.00
Finished goods	1,166,353,414.45	1,109,037,682.00
Property under development	1,477,770,614.04	1,039,505,086.00
Consumable materials	4,020,378.78	2,753,519.00
	10,304,840,918.14	11,664,422,805.00
Less: Inventory provision	317,511,123.28	61,929,673.00
	9,987,329,794.86	11,602,493,132.00

The movements of inventory provision are as follows:

30 June 2013	At 1 January 2013		Reductions		At 30 June 2013
		Additions	Reversal	Write-off	
Raw materials	54,027,114.00	239,042,693.24	—	2,459,734.99	290,610,072.25
Work in progress	2,265,501.00	4,750,356.82	—	2,265,501.28	4,750,356.54
Finished goods	5,637,058.00	20,984,681.63	592,083.36	3,878,961.78	22,150,694.49
	61,929,673.00	264,777,731.69	592,083.36	8,604,198.05	317,511,123.28

30 June 2013	Basis of making provision of inventories	Reasons for reversal	Proportion of amount of reversal for the period to the closing balance of the relevant category of inventories
Raw materials	Lower of cost and net realisable value	Increase in market price of finished goods	0.1%

The Company's wholly-owned subsidiary, Fujian Zijin Real Estate Company Limited ("Zijin Real Estate"), entered into a mortgage loan agreement with Industrial Bank Co., Ltd. on 26 June 2013. The land use rights of properties under development were pledged by Zijin Real Estate as collateral against a bank borrowing for RMB40,000,000 from Industrial Bank Co., Ltd. The carrying amount of the land use right was RMB478,000,000 (31 December 2012: Nil).

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

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

8. OTHER CURRENT ASSETS

	30 June 2013	31 December 2012
Deposit for forward contracts	77,714,668.65	216,534,083.00
Deposit for gold transactions	114,143,625.70	127,868,263.00
Liquid cash for forward contracts	20,282,089.60	61,731,578.00
Deductible taxes (Note 1)	342,366,882.13	247,108,002.00
Others	114,929,650.77	33,764,692.00
	669,436,916.85	687,006,618.00

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

9. AVAILABLE-FOR-SALE INVESTMENTS

	30 June 2013	31 December 2012
Hong Kong		
China Hanking Holdings Limited	86,524,644.10	120,792,649.00
G-Resources Group Limited	12,980,961.54	31,372,378.00
	99,505,605.64	152,165,027.00
Other regions		
Aquarius Platinum Limited	3,704,283.86	5,405,331.00
Jayden Resources Inc.	874,797.00	1,731,531.00
Equitas Resources Corp.	792,871.51	851,132.00
Glencore International Corp.	224,163,601.55	415,860,477.00
	229,535,553.92	423,848,471.00
	329,041,159.56	576,013,498.00

Notes to Financial Statements (continued)

For the six months ended 30 June 2013

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

10. INVESTMENTS OF JOINT VENTURES AND ASSOCIATES

Name of entity	Place of incorporation/ registration	Principal activities	Registered capital	Proportion of equity interest	Proportion of voting powers
JOINT VENTURES					
Shandong Guoda Gold Company Limited ("Shandong Guoda")	Zhaoyuan City, Shandong Province	Production and sales of gold, silver, copper cathode and vitriol	173,430,000	30.05%	30.05%
Xiamen Zijin Zhonghang Real Estate Company Limited ("Xiamen Zijin Zhonghang")	Xiamen City, Fujian Province	Operation and management of real estate development, property management, business information consulting services, marketing and technology consulting	250,000,000	50%	50%
Gold Eagle Mining Investment Company Limited ("Gold Eagle Mining")	Hong Kong	Investment, development and trading business of mining resources	HK\$10,000	45%	45%
ASSOCIATES					
Longyan Makeng Mining Joint Stock Company Limited ("Longyan Makeng")	Longyan City, Fujian Province	Iron mining and geological studies	600,000,000	31.50%	31.50%
Ting River Hydropower	Shanghang County, Fujian Province	Power generation	69,000,000	49%	49%
Tibet Yulong Copper Joint Stock Company Limited ("Tibet Yulong")	Changdu County, Changdu Prefecture, Tibet Autonomous Region	Copper mining and geological studies	625,000,000	22%	22%
Wuping Zijin Hydro Power Company Limited ("Wuping Zijin Hydro Power")	Wuping County, Fujian Province	Hydroelectric power and investment in hydro power industry	60,000,000	48%	48%
Xiamen Zijin Tongguan Investment Development Company Limited ("Zijin Tongguan")	Xiamen City, Fujian Province	Investment holding of mining companies, wholesale and retail of mineral products	1,350,000,000	45%	45%
Fujian Haixia Technology Company Limited ("Haixia Technology")	Yongan City, Fujian Province	Production of dynamite	231,500,000	28%	28%
Hunchun Jindi Mining Company Limited ("Hunchun Jindi")	Yanbian Korean Autonomous Prefecture, Hunchun City	Analysis and testing of mineral geology exploration, technology development consultancy and transfer, sales of mineral products	100,000,000	40%	40%
Songpan County Zijin Industrial and Trading Company Limited ("Songpan Zijin")	Songpan County, Ngawa Tibetan and Qiang Autonomous Prefecture	Sales of industrial materials, equipments and instruments, development and sales of general machine	80,000,000	34%	34%
Yanbianzhou SMEs Credit Security Investment Company Limited ("Yanbian Credit Security")	Yanbian Korean Autonomous Prefecture	Provide loan guarantees for SMEs and individuals	200,000,000	25%	25%

Notes to Financial Statements *(continued)*

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*(English translation is for reference. If there is any discrepancy, Chinese version will prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*10. INVESTMENTS OF JOINT VENTURES AND ASSOCIATES *(continued)*

Name of entity	Place of incorporation/ registration	Principal activities	Registered capital	Proportion of equity interest	Proportion of voting powers
Luoyang Huayin Guarantee Investment Company Limited ("Luoyang Huayin")	Luoyang City, Henan Province	Providing guarantee for financing, bill discounted acceptance and performance	10,000,000	20%	20%
Shanghang Xinyuan Water Company Limited ("Shanghang Xinyuan")	Shanghang County, Fujian Province	Pipe water supply	300,000,000	38%	38%
Wancheng Commercial	Urad Rear Banner, Bayannur City, Inner Mongolia	Mining, processing and sales of zinc, lead, vitriol, copper and iron	73,440,000	47.50%	47.50%
Xiamen Modern Terminals Company Limited ("Xiamen Modern Terminals")	Xiamen City, Fujian Province	Logistics services (operating under approved license), storage, deck construction	355,580,000	25%	25%
Xinjiang Wuxin Copper Company Limited ("Wuxin Copper")	Fukang City, Xinjiang	Sales, processing and refinery of copper, gold, silver and other non-ferrous metals	790,000,000	34%	34%
Xinjiang Buerjin County Kanas Travel Company Limited ("Xinjiang Kanas")	Buerjin County, Xinjiang	Catering and travel services	107,000,000	25%	25%
Xinjiang Tianlong Mining Company Limited ("Xinjiang Tianlong")	Fukang City, Xinjiang	Integration of coal, electricity and aluminium and cement production	752,824,956	23.03%	23.03%
Wengfu Zijin Chemical Industry Company Limited ("Wengfu Zijin")	Shanghang county, Fujian Province	Production of monoammonium phosphate, diammonium hydrogen phosphate, gypsum block, and cement additive (under development)	800,000,000	40%	40%
Casa Mining Ltd. ("Casa Mining")	British Virgin Islands	Mining, refinery and sales of mineral products	US\$50,000	21.90%	21.90%
Solantera Resources Ltd. ("Solantera Resources")	Mauritius	Mining, refinery and sales of mineral products	US\$8,874	30%	30%
Qinghai Copper Company Limited ("Qinghai Copper")	Xining, City, Qinghai Province	Refinery of copper	800,000,000	30%	30%
Kuitun Yutong Logistics Company Limited ("Kuitun Yutong")	Kuitun City, Xinjiang	Logistics and transportation service	5,000,000	20%	20%

Notes to Financial Statements (continued)

For the six months ended 30 June 2013

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

10. INVESTMENTS OF JOINT VENTURES AND ASSOCIATES (continued)

	Total assets 30 June 2013	Total liabilities 30 June 2013	Total net assets 30 June 2013	Operating income (January-June 2013)	Net profit/ (loss) (January-June 2013)
Joint ventures					
Xiamen Zijin Zhonghang	429,395,185.75	187,232,666.19	242,162,519.56	5,923,775.90	(6,278,762.41)
Shandong Guoda	1,042,793,646.63	428,775,868.41	614,017,778.22	832,157,023.50	22,756,437.94
Gold Eagle Mining	3,087,922,600.00	408,857,835.25	2,679,064,764.75	—	(8,985,320.99)
Associates					
Ting River Hydropower	199,184,181.32	116,073,020.62	83,111,160.70	8,754,597.23	2,078,881.60
Wuping Zijin Hydro Power	138,508,076.37	58,366,496.05	80,141,580.32	14,641,526.54	5,858,556.15
Qinghai Copper	622,832,283.57	463,633,320.57	159,198,963.00	—	(801,037.00)
Haixia Technology	1,171,710,000.00	475,470,000.00	696,240,000.00	494,770,000.00	69,600,000.00
Shanghang Xinyuan	575,514,947.89	275,785,788.58	299,729,159.31	4,169,166.42	(347,673.24)
Hunchun Jindi	91,052,731.10	169,836.98	90,882,894.12	—	(1,105,212.72)
Yanbian Credit Security	382,832,120.82	141,718,077.29	241,114,043.53	15,955,687.80	5,932,601.82
Xinjiang Kanas	231,563,845.01	52,566,927.76	178,996,917.25	6,497,879.22	(16,408,744.40)
Longyan Makeng	2,763,331,688.87	2,030,817,771.63	732,513,917.24	256,995,571.92	38,638,999.91
Songpan Zijin	78,066,857.00	187,791.00	77,879,066.00	—	—
Wancheng Commercial	249,369,443.61	150,148,866.21	99,220,577.40	184,249,954.00	69,427,123.78
Tibet Yulong	3,817,061,454.87	2,948,958,392.61	868,103,062.26	29,085,475.27	19,185,291.86
Xinjiang Tianlong	3,524,414,828.11	1,637,884,183.33	1,886,530,644.78	770,565,493.20	(28,280,671.50)
Wuxin Copper	2,174,050,159.47	1,400,120,870.35	773,929,289.12	818,392.70	(5,227,070.81)
Luoyang Huayin	10,642,260.00	1,461,000.00	9,181,260.00	—	—
Xiamen Modern Terminals	973,075,781.15	591,368,246.88	381,707,534.27	52,211,963.55	5,903,162.84
Casa Mining	148,467,982.30	6,815,106.10	141,652,876.20	—	(6,067,483.40)
Solantera Resources	550,756.96	1,294,561.22	(743,804.26)	—	(620,230.26)
Wengfu Zijin	2,520,111,212.85	2,020,111,212.85	500,000,000.00	—	—
Zijin Tongguan	1,650,808,844.99	330,460,699.24	1,320,348,145.75	—	(11,670,823.05)
Kuitun Yutong	8,064,384.36	3,904,221.74	4,160,162.62	1,206,849.60	(165,838.98)

Notes to Financial Statements (continued)

For the six months ended 30 June 2013

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. LONG-TERM EQUITY INVESTMENTS

		Initial amount	At 1 January 2013	Additions	Reductions	Including: cash dividends received	At 30 June 2013
Long-term equity investments under the equity method:							
Joint ventures	(i)	1,392,611,095.00	1,517,796,681.00	(3,200,171.04)	20,000,000.00	—	1,494,596,509.96
Associates	(i)	2,591,053,651.00	2,597,712,060.00	202,298,408.16	88,110,495.00	88,110,495.00	2,711,899,973.16
Subtotal under the equity method			4,115,508,741.00	199,098,237.12	108,110,495.00	88,110,495.00	4,206,496,483.12
Long-term equity investments under the cost method	(ii)	307,494,564.00	307,494,564.00	13,220,000	—	—	320,714,564.00
Less: Provision for impairment of long-term equity investments			12,350,855.00	—	—	—	12,350,855.00
			4,410,652,450.00	212,318,237.12	108,110,495.00	88,110,495.00	4,514,860,192.12

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

30 June 2013

	At 1 January 2013	Additions	Reductions Reversal	Write-off	At 30 June 2013
Joint venture – Shandong Guoda	12,350,855	—	—	—	12,350,855.00

Notes to Financial Statements (continued)

For the six months ended 30 June 2013

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. LONG-TERM EQUITY INVESTMENTS (continued)

Long-term equity investments under the equity method:

30 June 2013

	Equity changes							At 30 June 2013
	Investment cost	Changes in investment cost for the period	Changes for the period	Including: cash dividends	Accumulated changes	Additions for the period	Accumulated changes	
Joint ventures								
Xiamen Zijin Zhonghang Zijin Tebian (Note 1)	125,000,000.00	—	(3,139,381.20)	—	(3,918,740.20)	—	—	121,081,259.80
Shandong Guoda (Note 2)	20,000,000.00	(20,000,000.00)	1,289,848.00	—	—	—	—	—
Gold Eagle Mining (Note 3)	57,724,473.00	—	6,023,206.65	—	126,686,224.65	—	(12,350,855.00)	172,059,842.65
	1,209,886,622.00	—	(7,373,844.49)	—	(20,782,069.49)	—	—	1,189,104,552.51
Subtotal of joint ventures	1,412,611,095.00	(20,000,000.00)	(3,200,171.04)	—	101,985,414.96	—	(12,350,855.00)	1,482,245,654.96
Associates								
Ting River Hydropower	33,810,000.00	—	1,018,651.98	—	7,015,735.98	—	—	40,825,735.98
Wuping Zijin Hydro Power	32,095,000.00	—	2,812,106.95	—	9,089,147.95	—	—	41,184,147.95
Qinghai Copper	48,000,000.00	—	—	—	—	—	—	48,000,000.00
Haixia Technology	64,000,000.00	—	5,748,869.89	9,660,495.00	113,118,421.89	—	—	177,518,421.89
Shanghang Xinyuan	114,000,000.00	—	(132,115.83)	—	(89,603.83)	—	—	113,910,396.17
Hunchun Jindi	40,000,000.00	—	(86,268.43)	—	(3,985,899.43)	—	—	36,014,100.57
Yanbian Credit Security	50,000,000.00	—	(518,007.36)	1,000,000.00	9,364,738.64	—	—	59,364,738.64
Xiangjiang Kanas	48,870,000.00	—	(4,140,582.56)	—	10,682,636.44	—	—	59,552,636.44
Longyan Makeng	31,860,000.00	25,200,000.00	(13,028,715.19)	25,200,000.00	166,406,531.81	—	2,454,250.00	225,920,781.81

Notes to Financial Statements (continued)

For the six months ended 30 June 2013

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. LONG-TERM EQUITY INVESTMENTS (continued)

	Equity changes					At 30 June 2013
	Investment cost	Changes in investment cost for the period	Changes for the period	Including: cash dividends	Accumulated changes	
Songpan Zijin	39,400,000.00	—	—	—	(150,215.00)	39,249,785.00
Wancheng Commercial	166,895,356.00	13,205,000.00	(21,933,875.22)	52,250,000.00	(42,538,773.22)	137,561,582.78
Tibet Yulong	137,500,000.00	—	4,220,764.21	—	(50,857,930.79)	86,642,069.21
Xinjiang Tianlong	379,653,678.00	—	(5,120,712.44)	—	33,553,424.56	413,207,102.56
Wuxin Copper	268,600,000.00	—	(1,777,204.08)	—	(5,490,679.08)	263,109,320.92
Luoyang Huayin	1,806,463.00	—	—	—	—	1,806,463.00
Xiamen Modern Terminals	120,000,000.00	—	1,475,790.71	—	(1,263,807.29)	118,736,192.71
Casa Mining	53,842,709.00	—	(1,503,919.10)	—	(13,204,043.10)	40,638,665.90
Solantera Resources	9,415,445.00	—	—	—	—	9,415,445.00
Wengfu Zijin	190,000,000.00	114,000,000.00	—	—	—	304,000,000.00
Zijin Tongguan	607,500,000.00	—	(5,251,870.37)	—	(89,497,052.37)	494,242,386.63
Kuitun Yutong	1,000,000.00	—	—	—	—	1,000,000.00
Subtotal of associates	2,438,648,651.00	152,405,000.00	(38,217,086.84)	88,110,495.00	142,152,633.16	2,711,899,973.16
	3,851,259,746.00	132,405,000.00	(41,417,257.88)	88,110,495.00	244,138,048.12	4,194,145,628.12

Note 1: The Group's wholly-owned subsidiary, Zijin Mining Group Northwest Company Limited ("Northwest Company"), and Xinjiang Tebian Electric Apparatus Group Co., Ltd. jointly funded the incorporation of Xinjiang Aletai Zijin Tebian Mining Company Limited in 2011. The investment of the Company was RMB20,000,000. Zijin Tebian was deregistered in January 2013.

Note 2: China Gold Development Group (H.K.) Company Limited, a subsidiary of the Group, held a 30.05% equity interest in Shandong Guoda. Pursuant to the Articles of Association of Shandong Guoda, the board of directors consists of five directors, including two appointed by the Group and three appointed by Zhaojin Group. The operating decisions of Shandong Guoda are effective only when they are approved by two thirds of the directors. Therefore, the management considers that the Group has joint control over Shandong Guoda, and accounts for it as a joint venture.

Note 3: Thrive Build Investments Limited ("Thrive Build Investments"), a wholly-owned subsidiary of the Company, holds a 45% equity interest in Gold Eagle Mining. Pursuant to the Shareholders' Agreement, Gold Eagle Mining's board of directors consists of five directors, including two appointed by the Group and three appointed by Jinchuan Group Company Limited. The operating decisions of Gold Eagle Mining are effective only when they are approved by over two thirds of the directors. Therefore, the management considers that the Group has joint control over Gold Eagle Mining, and accounts for it as a joint venture.

Notes to Financial Statements (continued)

For the six months ended 30 June 2013

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. LONG-TERM EQUITY INVESTMENTS (continued)

Long-term equity investments under the cost method

	Sichuan Liwu Copper Company Limited	Nanjing China Net Communication Company Limited	Muli Rongda Mining Company Limited	Hunan Nonferrous Metals Company Limited	Xinjiang Xixin Mining Industry Company Limited	Luoyang Yongning Gold and Lead Refinery Company Limited	Luoyang Commercial Bank	Shanghai Rural Commercial Bank	Wulatehouqi Ruiteng Lead Refinery Company Limited	Xinjiang Tianshan Railway Company Limited	Others	Total
Investment cost	19,850,000	25,000,000	48,797,517	30,000,000	18,314,097	40,000,000	1,000,000	89,900,000	10,500,000	19,200,000	4,932,950	307,494,564
31 December 2012	19,850,000	25,000,000	48,797,517	30,000,000	18,314,097	40,000,000	1,000,000	89,900,000	10,500,000	19,200,000	4,932,950	307,494,564
Current period additions	—	—	13,220,000	—	—	—	—	—	—	—	—	13,220,000
Current period reductions	—	—	—	—	—	—	—	—	—	—	—	—
Foreign currency translation	—	—	—	—	—	—	—	—	—	—	—	—
30 June 2013	19,850,000	25,000,000	62,017,517	30,000,000	18,314,097	40,000,000	1,000,000	89,900,000	10,500,000	19,200,000	4,932,950	320,714,564
Proportion of equity interest in the investee	5.77%	8.62%	12.00%	1.37%	3.77%	10%	0.24%	10%	7%	12%	N/A	N/A

The proportion of the voting powers of the above investees was the same with the proportion of the relevant equity interest held by the Group.

There was no restriction on the investees to transfer funds to the Group.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

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*(English translation is for reference. If there is any discrepancy, Chinese version will prevail.)***V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****12. INVESTMENT PROPERTIES**

Buildings subsequently measured at cost:

30 June 2013

	Buildings
Cost:	
At 1 January and 30 June	62,627,049.00
Accumulated depreciation:	
1 January	13,561,533.00
Depreciation for the period	995,176.65
30 June	14,556,709.65
Net book value:	
30 June	48,070,339.35
1 January	49,065,516.00
Provision for impairment loss	
At 1 January and 30 June	—
Book value:	
30 June	48,070,339.35
1 January	49,065,516.00

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

There are no investment properties for which certificates of title have not been obtained as at 30 June 2013.

Notes to Financial Statements (continued)

For the six months ended 30 June 2013

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. FIXED ASSETS

30 June 2013

	Buildings	Mining assets	Power generating and transmission equipments	Plant, machinery and equipments	Leasehold improvements	Furniture and fixtures	Motor vehicles	Total
Cost:								
At 1 January 2013	4,352,897,141.00	8,643,740,303.00	766,916,338.00	6,085,689,935.00	42,251,548.00	210,511,919.00	712,917,250.00	20,814,924,434.00
Additions for the period	—	—	14,404,311.29	525,277,330.26	—	19,771,522.28	39,359,352.93	598,812,516.76
Transfer from construction in progress	318,508,869.01	591,019,369.16	20,458,163.01	187,821,308.49	5,738.00	4,296,219.74	—	1,122,109,667.41
Disposals	4,846,208.51	59,883,803.36	2,250,210.29	35,524,465.45	44,584.62	2,421,459.55	13,485,062.67	118,455,794.45
At 30 June 2013	4,666,559,801.50	9,174,875,868.80	799,528,602.01	6,763,264,108.30	42,212,701.38	232,158,201.47	738,791,540.26	22,417,390,823.72
Accumulated depreciation								
At 1 January 2013	588,418,381.00	1,964,637,516.00	262,362,887.00	1,793,415,454.00	20,145,872.00	115,227,325.00	338,417,037.00	5,082,624,472.00
Depreciation for the period	110,264,004.22	326,630,804.55	34,346,114.31	207,471,932.63	—	14,156,153.06	42,392,728.42	735,261,737.19
Disposals	42,505.42	31,352,477.88	417,977.89	9,027,259.21	42,705.22	2,039,719.93	5,830,450.94	48,753,096.49
At 30 June 2013	698,639,879.80	2,259,915,842.67	296,291,023.42	1,991,860,127.42	20,103,166.78	127,343,758.13	374,979,314.48	5,769,133,112.70
Impairment								
At 1 January 2013	776,559.00	106,697,149.00	—	29,364,499.00	—	—	—	136,838,207.00
Impairment provided for the period	1,163,554.14	1,742,727.64	—	599,128.91	—	—	—	3,505,410.69
Disposals	—	—	—	—	—	—	—	—
At 30 June 2013	1,940,113.14	108,439,876.64	—	29,963,627.91	—	—	—	140,343,617.69
Net book value:								
At 30 June 2013	3,965,979,808.56	6,806,520,149.49	503,237,578.59	4,741,440,352.97	22,109,534.60	104,814,443.34	363,812,225.78	16,507,914,093.33
At 1 January 2013	3,763,702,201.00	6,572,405,638.00	504,553,451.00	4,262,909,982.00	22,105,676.00	95,284,594.00	374,500,213.00	15,595,461,755.00

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

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*(English translation is for reference. If there is any discrepancy, Chinese version will prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*13. FIXED ASSETS *(continued)*

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

	30 June 2013		31 December 2012	
	Cost	Net book value	Cost	Net book value
Buildings	9,659,750.71	289,793.15	6,645,619.00	199,369.00
Mining assets	492,708,673.30	—	472,012,929.00	—
Power generating and transmission equipment	1,166,424.37	34,992.68	9,343,681.00	280,310.00
Plant, machinery and equipment	17,044,206.21	511,326.05	58,511,882.00	1,755,356.00
Leasehold improvements	538,279.07	16,148.36	7,955,204.00	238,656.00
Furniture and fixtures	2,985,334.49	89,560.08	12,249,194.00	367,476.00
Motor vehicles	3,248,759.65	97,462.79	20,664,900.00	619,947.00
	527,351,427.80	1,039,283.11	587,383,409.00	3,461,114.00

Fixed assets that are temporarily idle are as follows:

30 June 2013

	Power generating and transmission equipment	Plant, machinery and equipments	Furniture and fixtures	Total
Cost	308,584.01	12,425,601.35	124,032.17	12,858,217.53
Accumulated depreciation	114,655.03	2,509,077.94	90,385.88	2,714,118.85
Impairment	—	—	—	—
Net book value	193,928.98	9,916,523.41	33,646.29	10,144,098.68

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

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

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

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

13. FIXED ASSETS *(continued)*

Fixed assets of which certificates of title have not been obtained as at 30 June 2013 are as follows:

Item	Net book value	Reasons why certificates of title have not been obtained	Expected timing of obtaining certificates of title
Buildings	938,421,833.00	In the process of applying	2014
Mining assets	464,209,757.80	In the process of applying	2014
	1,402,631,590.80		

Notes to Financial Statements (continued)

For the six months ended 30 June 2013

RMB

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. CONSTRUCTION IN PROGRESS

	Budget	At 1 January 2013	Additions	Transferred to fixed assets	Other reductions	At 30 June 2013	Source of funds	Progress of construction
Russia Longxing infrastructure project	2,520,000,000.00	1,294,843,599.00	353,640,920.36	—	—	1,648,484,519.36	Equity Fund/Loan	75%
Zijinshan Gold and Copper Mine joint open pit mining project	1,233,124,116.60	832,311,212.00	220,447,939.63	(240,709,783.68)	—	812,049,367.95	Offering Fund/ Equity Fund	99%
Zijin Copper infrastructure project	2,614,095,800.00	755,379,900.00	184,006,068.79	(23,780,752.66)	—	915,605,216.13	Equity Fund/Loan	92%
Wulatehouji infrastructure project	1,100,000,000.00	754,881,043.00	233,163,126.82	—	—	988,044,169.82	Equity Fund/Loan	99%
Ashele-Kutun infrastructure project	938,132,900.00	713,457,722.00	47,209,716.43	(311,365,705.44)	—	449,301,732.99	Equity Fund/Loan	86%
ZGC infrastructure project	1,411,800,000.00	656,671,359.00	416,477,028.50	—	(180,792,073.45)	892,356,314.05	Offering Fund	99%
Bayannaer Zijin infrastructure project	1,350,000,000.00	500,959,975.00	(1,660,076.13)	(291,568.19)	—	499,008,330.68	Equity Fund/Loan	99%
Fuyun Jishan-jinhao infrastructure project	1,408,318,600.00	454,165,965.00	495,336,133.94	(1,381,021.69)	—	948,121,077.25	Equity Fund/Loan	88%
Guizhou infrastructure project	480,635,752.48	392,298,716.00	110,098,436.35	(15,359,023.03)	(76,774,061.12)	410,264,068.20	Equity Fund	98%
Shanghang Ganlong infrastructure project	427,140,000.00	291,647,324.00	54,688,315.71	—	—	346,335,639.71	Equity Fund	96%
Inner Mongolia Jinchong Mining infrastructure project	320,000,000.00	268,447,807.00	66,766,932.44	(196,562,020.37)	(136,319,593.17)	2,333,125.90	Equity Fund	99%
Wuoping Zijin infrastructure project	182,172,400.00	236,051,314.00	(5,666,754.93)	(138,311,821.62)	(37,074,352.77)	54,998,384.68	Equity Fund/Loan	99%
Helongjiang Duobaoshan infrastructure project	2,536,775,400.00	219,570,129.00	105,519,441.24	—	(6,128.08)	325,083,442.16	Equity Fund/Loan	97%
Longnan Zijin infrastructure project	390,000,000.00	139,323,482.00	108,378,073.07	—	—	247,701,555.07	Equity Fund	94%
Wuqia Jinwang infrastructure project	157,191,391.40	129,312,605.00	24,055,809.92	(118,286,086.29)	(9,974,419.64)	25,107,908.99	Equity Fund	99%
Altyken infrastructure project	1,158,766,140.00	116,977,794.00	130,052,078.79	—	(4,789,761.48)	242,240,111.31	Equity Fund	22%
Xinjiang Jinneng infrastructure project	1,072,000,000.00	72,380,220.00	6,985,163.38	—	—	79,365,383.38	Equity Fund	86%
Yuanjiang Huaxi infrastructure project	161,558,700.00	71,112,901.00	22,265,651.08	(5,123,963.98)	—	88,254,588.10	Equity Fund	23%
Yunnan Malipo Zijin infrastructure project	270,208,400.00	59,503,984.00	21,425,359.15	(21,438,600.41)	—	59,490,742.74	Equity Fund	99%
Luoning Huatai infrastructure project	357,180,000.00	57,263,972.00	44,764,705.86	(10,089,331.88)	—	91,939,345.98	Equity Fund	99%
Shanxi Zijin infrastructure project	122,633,790.00	52,483,686.00	16,085,084.22	(4,467,935.39)	—	64,100,834.83	Equity Fund	98%
Zijin headquarters infrastructure project	157,468,265.00	47,240,872.00	60,277,656.30	(1,967,630.86)	—	105,550,897.44	Equity Fund	51%
Hunchun infrastructure project	1,732,039,800.00	42,969,064.00	169,660,632.14	(657,164.29)	—	211,972,531.85	Offering Fund/ Equity Fund	96%

Notes to Financial Statements (continued)

For the six months ended 30 June 2013

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. CONSTRUCTION IN PROGRESS (continued)

	Budget	At 1 January 2013	Additions	Transferred to fixed assets	Other reductions	At 30 June 2013	Source of funds	Progress of construction
Henan Jinda infrastructure project	480,000,000.00	42,150,526.00	327,134.12	—	—	42,477,660.12	Equity Fund	8%
Hebei Chongli infrastructure project	112,839,700.00	28,416,091.00	(1,595,160.62)	(15,806,281.94)	—	11,014,648.44	Equity Fund	92%
Xinjiang Jimbao infrastructure project	56,950,000.00	27,428,975.00	(419,475.99)	(161,336.54)	—	26,848,162.47	Equity Fund	88%
Longkou Jinfeng infrastructure project	56,506,611.00	22,366,643.00	4,484,693.93	(191,040.93)	—	26,660,296.00	Equity Fund	99%
Shangri-la Huaxi infrastructure project	55,744,829.00	16,663,557.00	3,036,703.24	(1,068,920.60)	—	18,631,339.64	Equity Fund	98%
Xinyi Zijin infrastructure project	343,000,000.00	15,620,990.00	1,334,646.08	—	—	16,955,636.08	Equity Fund	99%
Zijin Qinghai infrastructure project	20,000,000.00	8,627,838.00	10,290,143.23	—	—	18,917,981.23	Equity Fund/ Offering Fund	98%
Northwest Company infrastructure project	75,000,000.00	8,283,801.00	(936,698.14)	—	—	7,347,102.86	Equity Fund	71%
Qinghai West infrastructure project	84,300,000.00	7,566,208.00	11,670,462.46	(13,379,772.55)	—	5,856,897.91	Equity Fund	99%
Longkou Jintai infrastructure project	200,000,000.00	91,764,729.00	—	—	—	91,764,729.00	Equity Fund	
Liancheng Zijin	65,000,000.00	43,156,548.17	4,452,971.04	—	—	47,609,519.21	Equity Fund	50%
Other projects	225,482,303.00	14,772,507.83	46,431,638.61	(1,709,905.07)	(4,479,555.61)	55,014,685.76	Equity Fund	N/A
Impairment		(91,469,553.00)	—	—	—	(91,469,553.00)		
		8,394,603,506.00	2,963,054,501.02	(1,122,109,667.41)	(450,209,945.32)	9,785,338,394.29		

Notes to Financial Statements (continued)

For the six months ended 30 June 2013

RMB

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. CONSTRUCTION IN PROGRESS (continued)

Movements in capitalised borrowing cost:

	Capitalised		Transferred out for the period	At June 2013	Interest rate of capitalisation
	At 1 January 2013	interest for the period			
Zijin Copper	109,278,317.00	—	3,440,283.00	105,838,034.00	5.33%
Wuping Zijin	18,876,558.00	1,830,770.52	10,433,463.68	10,273,864.84	6.72%
Wulatehouqi Zijin	19,529,760.00	3,736,677.78	—	23,266,437.78	7.36%
Heilongjiang Duobaoshan	65,249,461.00	—	65,249,461.00	—	7.61%
Bayannaer Zijin	18,419,001.00	11,414,778.76	—	29,833,779.76	4.48%-7.54%
Russia Longxing	20,476,712.00	117,548,119.53	—	138,024,831.53	6.50%
Xinjiang Kuitun Tongguan	14,687,875.00	8,634,706.00	—	23,322,581.00	6.10%-7.05%
Xinjiang Aletai Jinhao Iron	—	12,577,374.78	—	12,577,374.78	6.50%
	266,517,684.00	155,742,427.37	79,123,207.68	343,136,903.69	

Movements in impairment provision of construction in progress:

	At 1 January	Additions	Reductions	At 30 June	Reasons for provision
	2013			2013	
Shandong Longkou Jintai infrastructure project	91,469,553.00	—	—	91,469,553.00	Note 1

Note 1: Pursuant to the exploration results, part of the underground tunnels in mines could not be used for profit making. Thus, an impairment provision was made by the Group for the relevant parts.

Notes to Financial Statements (continued)

For the six months ended 30 June 2013

RMB

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

15. INTANGIBLE ASSETS

30 June 2013

	Exploration and mining rights	Land use rights	Membership of Shanghai Gold Exchange and others	Total
Cost				
At 1 January 2013	8,868,481,838.00	1,122,664,668.00	146,430,259.00	10,137,576,765.00
Additions	74,568,031.03	57,544,893.86	8,625,981.20	140,738,906.09
Disposals	—	—	—	—
At 30 June 2013	8,943,049,869.03	1,180,209,561.86	155,056,240.20	10,278,315,671.09
Accumulated amortisation				
At 1 January 2013	923,444,682.00	102,679,090.00	15,466,886.00	1,041,590,658.00
Amortisation provided for the period	131,974,647.19	22,503,011.08	3,670,686.46	158,148,344.73
Disposals	—	—	—	—
At 30 June 2013	1,055,419,329.19	125,182,101.08	19,137,572.46	1,199,739,002.73
Impairment				
At 1 January 2013	532,253,227.00	—	27,815,000.00	560,068,227.00
Impairment provided for the period	—	—	—	—
Write-off	—	—	—	—
At 30 June 2013	532,253,227.00	—	27,815,000.00	560,068,227.00
Net book value:				
At 30 June 2013	7,355,377,312.84	1,055,027,460.78	108,103,667.74	8,518,508,441.36
At 1 January 2013	7,412,783,929.00	1,019,985,578.00	103,148,373.00	8,535,917,880.00

As at 30 June 2013 and 31 December 2012, there were no restriction on the ownership of the intangible assets.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

RMB

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

16. GOODWILL

30 June 2013

	At 1 January 2013	Additions	Reductions	At 30 June 2013	Impairment provision
Xinjiang Ashele	12,906,890.00	—	—	12,906,890.00	—
Qinghai West	455,874.00	—	—	455,874.00	—
Hunchun Zijin	71,099,520.00	—	—	71,099,520.00	—
Yunnan Huaxi	33,161,050.00	—	—	33,161,050.00	—
Xiamen Zijin	1,241,101.00	—	—	1,241,101.00	—
Shanxi Zijin	2,503,610.00	—	—	2,503,610.00	—
Longkou Jintai	14,291,025.00	—	—	14,291,025.00	(14,291,025.00)
Xinyi Zijin	44,319,632.00	—	—	44,319,632.00	(44,319,632.00)
Longkou Jinye	3,106,883.00	—	—	3,106,883.00	(3,106,883.00)
Longkou Jinfeng	5,550,718.00	—	—	5,550,718.00	(5,550,718.00)
Norton Gold Fields	157,778,981.00	—	—	157,778,981.00	—
Wulatehouqi Zijin	119,097,944.00	—	—	119,097,944.00	—
Bayannaer Zijin	14,531,538.00	—	—	14,531,538.00	—
Zijin Copper	4,340,000.00	—	—	4,340,000.00	—
Sino Trend Hydro Power	79,642,197.00	—	—	79,642,197.00	—
	564,026,963.00	—	—	564,026,963.00	(67,268,258.00)

Notes to Financial Statements (continued)

For the six months ended 30 June 2013

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

17. LONG-TERM DEFERRED ASSETS

	30 June 2013			31 December 2012		
	Land compensation costs (Note 1)	Others (Note 2)	Total	Land compensation costs (Note 1)	Others (Note 2)	Total
Opening balance	225,363,690.00	574,741,012.00	800,104,702.00	253,837,351.00	524,530,182.00	778,367,533.00
Additions	9,186,884.00	294,086,875.48	303,273,759.48	2,826,726.00	156,922,355.00	159,749,081.00
Amortisation	(8,794,593.20)	(53,597,041.29)	(62,391,634.49)	(18,059,337.00)	(104,538,603.00)	(122,597,940.00)
Other reductions	—	(32,486,291.26)	(32,486,291.26)	(13,241,050.00)	(2,172,922.00)	(15,413,972.00)
Closing balance	225,755,980.80	782,744,554.93	1,008,500,535.73	225,363,690.00	574,741,012.00	800,104,702.00
Impairment						
Opening balance	—	—	—	8,460,000.00	—	8,460,000.00
Provided for the period	—	—	—	—	—	—
Reductions	—	—	—	8,460,000.00	—	8,460,000.00
Closing balance	—	—	—	—	—	—
Closing net book value	225,755,980.80	782,744,554.93	1,008,500,535.73	225,363,690.00	574,741,012.00	800,104,702.00
Opening net book value	225,363,690.00	574,741,012.00	800,104,702.00	245,377,351.00	524,530,182.00	769,907,533.00

Note 1: The land compensation costs relate to the compensation for the occupation of forest lands at mining sites. The amortisation period ranges from 10 to 50 years.

Note 2: As at 30 June 2013 and 31 December 2012, other long-term deferred assets mainly includes: mining shaft development expenditure of RMB239,957,347.08 and RMB116,453,985 respectively; highway charges of RMB84,043,863.09 and RMB89,062,992 respectively; resource compensation cost of RMB71,079,026.29 and RMB51,280,827 respectively; amortisation cost of Bi-polar plates of RMB192,752,382.25 and RMB189,147,104 respectively; resource integration fee of RMB20,409,722.28 and RMB22,677,469 respectively; forest compensation expenditure of RMB112,918,947.89 and RMB48,363,007 respectively, and reconstruction of power supply lines of RMB24,953,165.52 and RMB25,813,619 respectively. The useful lives of Bi-polar plates are 18 months, and the amortisation period of other long-term deferred assets ranges from 5 to 50 years.

Notes to Financial Statements (continued)

For the six months ended 30 June 2013

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

18. DEFERRED TAX ASSETS/LIABILITIES

Deferred tax assets and deferred tax liabilities are not presented at the net amount after offset:

Deferred tax assets have been recognised:

Deferred tax assets	Elimination of unrealized profit	Differences in depreciation policies	Impairment provision	Deductible losses	Changes in fair value of available-for-sale investments	Expense accrued but not paid and others	Total
31 December 2012	115,627,946.00	4,529,523.00	67,630,382.00	244,548,779.00	43,764,673.00	98,667,025.00	574,768,328.00
Deferred tax credited/ (charged) to the income statement during the period	(55,477,565.17)	(1,073,994.42)	39,439,215.00	131,220,913.31	—	(34,050,980.17)	80,057,588.55
Deferred tax credited to equity during the period	—	—	—	—	11,056,644.66	—	11,056,644.66
30 June 2013	60,150,380.83	3,455,528.58	107,069,597.00	375,769,692.31	54,821,317.66	64,616,044.83	665,882,561.21

As at 30 June 2013, deferred tax assets generated from the above deductible temporary differences are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised.

Deferred tax liabilities have been recognised:

	Differences in exploration and exploitation costs depreciation policies	Fair value adjustments arising from acquisition of subsidiaries	Changes in the fair value of held-for-trading financial liabilities	Total
31 December 2012	50,953,849.00	378,903,110.00	17,228,726.00	447,085,685.00
Deferred tax credited to the income statement during the period	(6,230,243.74)	(2,387,858.62)	(0.50)	(8,618,102.86)
30 June 2013	44,723,605.26	376,515,251.38	17,228,725.50	438,467,582.14

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

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

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

18. DEFERRED TAX ASSETS/LIABILITIES *(continued)*

Deferred tax assets have not been recognised:

	30 June 2013	31 December 2012
Deductible temporary differences	472,194,656.04	558,914,890.00
Deductible tax losses	920,925,755.57	703,327,727.00
	1,393,120,411.61	1,262,242,617.00

Deductible temporary differences and deductible losses, for which no deferred tax assets are recognised, will expire in the following years:

	30 June 2013	31 December 2012
2013	—	11,583,813.00
2014	26,059,720.91	26,059,721.00
2015	45,990,868.54	45,990,869.00
2016	102,531,093.72	102,531,094.00
2017	446,702,659.83	517,162,230.00
2018	299,641,412.57	—
	920,925,755.57	703,327,727.00

Notes to Financial Statements (continued)

For the six months ended 30 June 2013

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

18. DEFERRED TAX ASSETS/LIABILITIES (continued)

Deductible temporary differences and taxable temporary differences arising from assets and liabilities are as follows:

Taxable temporary differences	30 June 2013	31 December 2012
Fair value adjustments arising from acquisition of subsidiaries	1,392,846,093.79	1,410,426,451.00
<i>Including: Intangible assets</i>	1,364,446,941.79	1,350,607,983.00
<i>Fixed assets</i>	28,399,152.00	59,818,468.00
Fair value adjustments arising from disposals of subsidiaries	—	—
Changes in the fair value of held-for-trading financial liabilities	68,914,902.00	68,914,902.00
Differences in exploration and exploitation costs amortisation policies	139,792,390.77	169,846,163.00
	1,601,553,386.56	1,649,187,516.00
Deductible temporary differences	30 June 2013	31 December 2012
Bad debt provision	17,247,629.00	624,000.00
Inventory provision and unrealised profits	580,368,184.09	523,851,454.00
Impairment provision for fixed assets	25,953,227.20	21,300,431.00
Differences in fixed assets depreciation policies	13,822,114.32	18,118,091.00
Impairment provision for other non-current assets	45,000,000.04	80,236,682.00
Employee benefits payable	67,301,101.64	68,562,900.00
Other non-current liabilities	57,009,211.28	—
Deductible tax losses	1,503,078,769.24	1,059,247,978.00
Mineral resource compensation fee not yet paid	78,704,206.32	72,301,102.00
Donations	—	200,000,000.00
Changes in the fair value of financial assets	237,739,423.80	143,557,250.00
Others	37,306,377.96	85,305,538.00
	2,663,530,244.89	2,273,105,426.00

Notes to Financial Statements (continued)

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

19. OTHER NON-CURRENT ASSETS

	30 June 2013			31 December 2012		
	Exploration and exploitation costs	Prepaid investment costs, prepayment for exploration and mining rights and others (Note 1)	Total	Exploration and exploitation costs	Prepaid investment costs, prepayment for exploration and mining rights and others	Total
Opening balance	1,819,660,391.00	1,682,213,984.00	3,501,874,375.00	1,170,973,888.00	1,971,205,638.00	3,142,179,526.00
Additions	94,139,758.54	16,975,247.21	111,115,005.75	867,122,444.00	1,166,546,402.00	2,033,668,846.00
Reductions	(56,730,588.09)	(95,062,066.70)	(151,792,654.79)	(58,429,138.00)	(1,040,480,319.00)	(1,098,909,457.00)
Transferred to intangible assets	(29,233,098.31)	(85,728,918.75)	(114,962,017.06)	(160,006,803.00)	(415,057,737.00)	(575,064,540.00)
Closing balance	1,827,836,463.14	1,518,398,245.76	3,346,234,708.90	1,819,660,391.00	1,682,213,984.00	3,501,874,375.00
Impairment						
Opening balance	—	51,000,000.00	51,000,000.00	—	6,000,000.00	6,000,000.00
Provided for the period	—	—	—	—	45,000,000.00	45,000,000.00
Reductions	—	—	—	—	—	—
Closing balance	—	51,000,000.00	51,000,000.00	—	51,000,000.00	51,000,000.00
Closing net book value	1,827,836,463.14	1,467,398,245.76	3,295,234,708.90	1,819,660,391.00	1,631,213,984.00	3,450,874,375.00
Opening net book value	1,819,660,391.00	1,631,213,984.00	3,450,874,375.00	1,170,973,888.00	1,965,205,638.00	3,136,179,526.00

Note 1: The Group's balance of prepaid investment costs, prepayment for exploration and mining rights and others mainly comprised of prepayment for land use rights of RMB100,408,478.28 (2012: RMB163,292,570), prepaid exploration and mining rights of RMB69,682,282.49 (2012: RMB33,500,392), prepaid investment costs of RMB360,000,000 (2012: RMB367,120,000), prepayment for purchase of equipment of RMB329,173,810.90 (2012: RMB388,139,256), prepayment for purchase of Longhu integrated development rights of RMB204,962,108 (2012: RMB204,962,108), long-term receivables of RMB253,469,292.22 (2012: RMB244,947,981), deposit for Restoration and Improvement of Ecological Environment in Mines of RMB133,148,645.17 (2012: RMB207,681,958).

As at 30 June 2013, other non-current assets included balances due from related parties of RMB469,201,660.81 (31 December 2012: RMB536,181,436.00).

Notes to Financial Statements (continued)

For the six months ended 30 June 2013

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

20. PROVISION FOR IMPAIRMENT OF ASSETS

	b				At 30 June 2013 Carrying amount
	At 31 December 2012 Carrying amount	Additions	Reductions Reversal	Write-off	
Bad debt provision	17,270,164.00	715.00	(23,250.00)	—	17,247,629.00
<i>Including: Trade receivables</i>	<i>7,393,935.00</i>	—	—	—	<i>7,393,935.00</i>
<i>Other receivables</i>	<i>9,876,229.00</i>	<i>715.00</i>	<i>(23,250.00)</i>	—	<i>9,853,694.00</i>
Inventories provision	61,929,673.00	264,777,731.69	(592,083.36)	(8,604,198.05)	317,511,123.28
Impairment of available- for-sale investments	113,975,059.00	64,427,481.26	—	(28,444,277.94)	149,958,262.32
Impairment of long-term equity investments	12,350,855.00	—	—	—	12,350,855.00
Impairment of fixed assets	136,838,207.00	3,505,410.69	—	—	140,343,617.69
Impairment of construction in progress	91,469,553.00	—	—	—	91,469,553.00
Impairment of intangible assets	560,068,227.00	—	—	—	560,068,227.00
Impairment of goodwill	67,268,258.00	—	—	—	67,268,258.00
Impairment of other non-current assets	51,000,000.00	—	—	—	51,000,000.00
	1,112,169,996.00	332,711,338.64	(615,333.36)	(37,048,475.99)	1,407,217,525.29

21. SHORT-TERM BORROWINGS

	30 June 2013	31 December 2012
Unsecured and non-guaranteed loans	4,568,517,509.86	5,479,250,761.00
Secured loans with securities under the lenders' custody (Note 1)	306,948,950.00	920,600,239.00
Secured loans with securities under the Group's custody (Note 2)	40,000,000.00	—
	4,915,466,459.86	6,399,851,000.00

Note 1: As at 30 June 2013, a time deposit of US\$4,536,000 (equivalent to RMB28,026,583.20) of the Company was pledged as collateral against a bank borrowing of EUR25,750,000 (equivalent to RMB207,380,200) from China Construction Bank, Longyan Branch, with a maturity of one year. A guarantee deposit of RMB105,000,000 of the Company was pledged as collateral against a bank borrowing of HK\$125,000,000 (equivalent to RMB99,568,750) from Industrial Bank Co., Ltd., Shanghang Branch, with a maturity of one year.

Note 2: The Company's wholly-owned subsidiary, Zijin Real Estate entered into a mortgage loan agreement with Industrial Bank Co., Ltd. on 26 June 2013. The land use right of property under development was pledged by Zijin Real Estate as collateral against a bank borrowing for RMB40,000,000 from Industrial Bank Co., Ltd.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

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

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

21. SHORT-TERM BORROWINGS *(continued)*

As at 30 June 2013, the interest rates of the above borrowings ranged from 1.16% to 7.87% (31 December 2012: 1.16% to 7.87%).

As at 30 June 2013 and 31 December 2012, there were no short-term loans of the Group that are over due and not yet repaid.

22. HELD-FOR-TRADING FINANCIAL LIABILITIES

	30 June 2013	31 December 2012
Gold leasing business (Note 1)	6,940,717,809.30	6,397,563,828.00
Derivative financial liabilities	72,593,742.75	123,871,541.00
	7,013,311,552.05	6,521,435,369.00

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

23. TRADE PAYABLES

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

	30 June 2013	31 December 2012
Within 1 year	2,701,762,345.15	3,960,375,645.00
Over 1 year but within 2 years	90,540,546.59	168,230,455.00
Over 2 years but within 3 years	13,683,833.27	30,893,363.00
Over 3 years	40,844,567.17	14,507,100.00
	2,846,831,292.18	4,174,006,563.00

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

Trade payables of the Group included balances due to related parties of RMB1,607,854.43 and RMB14,563,939 as at 30 June 2013 and 31 December 2012 respectively. There were no trade payables of the Group due to shareholders holding at least 5% shares with voting powers (31 December 2012: Nil).

As at 30 June 2013, trade payables of the Group included US\$ payables of US\$139,229,936.29 (approximately RMB860,260,007.35) (31 December 2012: US\$384,876,923, approximately RMB2,419,143,902) and A\$ payables amounted to A\$34,907,449.58 (approximately RMB199,185,398.02) (31 December 2012: A\$9,322,577, approximately RMB60,935,159).

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

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

24. ADVANCES FROM CUSTOMERS

As at 30 June 2013, advances from customers included balances due to related parties of RMB5,524,147.14 (31 December 2012: RMB1,840,701). There were no advances of the Group from shareholders holding at least 5% shares with voting power.

As at 30 June 2013 and 31 December 2012, there were no advances from customers denominated in foreign currency.

As at 30 June 2013 and 31 December 2012, there was no significant balance of advances from customers aged more than one year.

25. EMPLOYEE BENEFITS PAYABLE

30 June 2013

	At 1 January 2013	Additions	Reductions	At 30 June 2013
Wages or salaries, bonus, allowances and subsidies	265,945,694.00	861,277,245.32	952,870,867.74	174,352,071.58
Staff welfare	13,622,480.00	97,124,535.82	88,639,736.66	22,107,279.16
Social security contributions	10,426,397.00	98,437,138.19	104,160,507.07	4,703,028.12
<i>Including: Basic pension insurance</i>	<i>7,185,523.00</i>	<i>60,475,349.19</i>	<i>64,943,593.52</i>	<i>2,717,278.67</i>
<i>Medical insurance</i>	<i>92,563.00</i>	<i>21,117,420.66</i>	<i>19,991,346.39</i>	<i>1,218,637.27</i>
<i>Unemployment insurance</i>	<i>1,523,913.00</i>	<i>4,818,315.65</i>	<i>5,652,735.14</i>	<i>689,493.51</i>
<i>Accident insurance</i>	<i>1,467,245.00</i>	<i>10,247,887.76</i>	<i>11,623,831.05</i>	<i>91,301.71</i>
<i>Maternity insurance</i>	<i>157,153.00</i>	<i>1,778,164.93</i>	<i>1,949,000.97</i>	<i>(13,683.04)</i>
Housing fund	1,540,766.00	34,126,335.98	31,719,788.32	3,947,313.66
Union running costs and employee education costs	24,610,058.00	26,482,290.69	20,274,812.37	30,817,536.32
Compensations to employees for termination of employment relationship	—	1,025,234.59	1,025,234.59	—
Others	1,971,352.00	2,679,869.71	856,661.35	3,794,560.36
	318,116,747.00	1,121,152,650.30	1,199,547,608.10	239,721,789.20

As at 30 June 2013 and 31 December 2012, there was no overdue employee benefits payable. The balance of employee benefits payable at 30 June 2013 was expected to be paid within 2013.

Notes to Financial Statements (continued)

For the six months ended 30 June 2013

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

26. TAXES PAYABLE

	30 June 2013	31 December 2012
Resource tax	77,668,980.74	63,994,869.00
Value added tax	175,533,438.39	63,753,447.00
Business tax	12,541,777.90	18,638,938.00
Enterprise income tax	602,679,979.31	1,287,843,322.00
Resource compensation fee	200,460,590.98	184,611,198.00
Others	61,424,742.00	73,185,490.00
	1,130,309,509.32	1,692,027,264.00

27. DIVIDENDS PAYABLE

	30 June 2013	31 December 2012
"A" shares held by public in PRC (Note 1)	1,580,380,365.00	—
"H" shares held by public (Note 1)	600,816,000.00	—
Guizhou Mineral Exploration Development Company	—	27,000,000.00
Guizhou Province Geology and Mineral Resources Exploration and Development Bureau Team 105	12,523,186.00	13,500,000.00
Zhenfeng County Industrial Investment Company Limited	—	10,000,000.00
Others	1,426,501.19	6,897,500.00
	2,195,146,052.19	57,397,500.00

Note 1: On 28 May 2013, the 2012 annual general meeting passed the resolution of profit distribution of the Company for the year ended 31 December 2012. A dividend of RMB1 (tax included) per 10 shares was distributed. The above profit distribution proposal was completed on 12 July 2013.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

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

28. OTHER PAYABLES

	30 June 2013	31 December 2012
Payables for construction work and equipment	960,042,377.08	1,103,664,032.00
Payables for exploration and mining rights	28,179,383.00	42,971,400.00
Donations payables	45,064.00	46,870,000.00
Amounts due to third parties	387,796,544.61	244,818,081.00
Withholding income tax	30,840,694.93	34,337,963.00
Deposit	297,972,804.38	283,037,977.00
Payables for agent service	324,822.00	8,056,613.00
Accrued maintenance costs	3,512,457.35	7,971,509.00
Payables for non-controlling shareholders	41,039,833.17	34,659,196.00
Others	188,742,264.32	222,821,415.00
	1,938,496,244.84	2,029,208,186.00

As at 30 June 2013 and 31 December 2012, there were no other payables which were payable to shareholders holding at least 5% shares with voting powers (31 December 2012: Nil).

As at 30 June 2013, other payables of the Group included US\$ other payables of US\$455,836.26 (approximately RMB2,816,475.50) (31 December 2012: US\$2,331,211, approximately RMB14,652,824) and HK\$ other payables of HK\$21,211,013.02 (approximately RMB16,895,632.42) (31 December 2012: HK\$5,961,508, approximately RMB4,833,591).

As at 30 June 2013, other payables included balances due to related parties of RMB23,706,947.35 (31 December 2012: RMB29,652,593).

29. CURRENT PORTION OF NON-CURRENT LIABILITIES

	30 June 2013	31 December 2012
Long-term borrowings due within one year	1,036,242,915.40	503,987,957.00
Long-term payables due within one year	31,880,000.00	31,880,000.00
	1,068,122,915.40	535,867,957.00

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

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

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

29. CURRENT PORTION OF NON-CURRENT LIABILITIES *(continued)*

Long-term borrowings due within one year are as follows:

	30 June 2013	31 December 2012
Unsecured and non-guaranteed loans	546,367,038.00	230,000,000.00
Guaranteed loans	489,875,877.40	273,987,957.00
	1,036,242,915.40	503,987,957.00

As at 30 June 2013, there were no long-term borrowings due within one year which were overdue.

As at 30 June 2013, the top five balances of long-term borrowings due within one year are as follows:

Lenders	Inception date of borrowing	Maturity date	Currency	Interest rate (%)	30 June 2013 (RMB)
Bank of China, Shanghai Sub-branch	20 March 2012	19 March 2014	US\$	3.54	512,537,038.00
Agricultural Bank of China, Hong Kong Branch	3 June 2011	4 June 2014	US\$	LIBOR+2%	269,681,955.40
Industrial and Commercial Bank of China (Asia) Limited	30 August 2012	31 May 2014	US\$	LIBOR+2.3%	82,294,698.00
Industrial and Commercial Bank of China, Sydney Branch	23 August 2012	21 May 2014	US\$	LIBOR+2.4%	82,294,698.00
Cathay United Bank	22 August 2012	22 August 2013	US\$	LIBOR+2.7%	55,604,526.00
					1,002,412,915.40

Notes to Financial Statements (continued)

For the six months ended 30 June 2013

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

29. CURRENT PORTION OF NON-CURRENT LIABILITIES (continued)

As at 31 December 2012, the top five balances of long-term borrowings due within one year are as follows:

Lenders	Inception date of borrowing	Maturity date	Currency	Interest rate (%)	31 December 2012 (RMB)
Industrial and Commercial Bank of China (Asia) Limited	30 August 2012	30 August 2015	US\$	LIBOR+2.3%	83,712,686
Industrial and Commercial Bank of China, Sydney Branch	23 August 2012	21 August 2015	US\$	LIBOR+2.4%	83,712,686
Bank of China, Shanghai Sub-Branch	22 October 2010	20 June 2013	RMB	5.52600%	100,000,000
Bank of China, Shanghai Sub-Branch	13 September 2010	20 December 2013	RMB	5.34600%	78,380,000
Cathay United Bank	22 August 2012	22 August 2017	US\$	LIBOR+2.7%	56,562,626
					402,367,998

As at 30 June 2013, there were no long-term loans that were due and not yet paid.

The top 5 long-term payables due within one year as at 30 June 2013:

Creditor	Period	Initial amount	Annual interest rate (%)	Accrued interest	At 30 June 2013	Borrowing terms
Shanghai Charity Federation	3 years	19,600,000.00	10	—	26,280,000.00	Unsecured
Shanghai Finance Bureau	10 years	56,109,000.00	—	—	5,600,000	Unsecured
		75,709,000.00			31,880,000.00	

As at 30 June 2013, no current portion of non-current liabilities was due to related parties. As at 30 June 2013, no current portion of non-current liabilities was due to shareholders holding at least 5% shares with voting power.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

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

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

30. LONG-TERM BORROWINGS

	30 June 2013	31 December 2012
Guaranteed loans (Note 1)	485,870,000.00	485,870,000.00
Unsecured and non-guaranteed loans	8,764,165,415.76	6,672,747,704.00
Sub-total	9,250,035,415.76	7,158,617,704.00
Including: Long-term borrowings due within one year	(1,036,242,915.40)	(503,987,957.00)
	8,213,792,500.36	6,654,629,747.00

Note 1: On 30 June 2013, Heilongjiang Zijin Longxing Mining Company Limited ("Heilongjiang Longxing"), a subsidiary of the Company, borrowed US\$77,000,000 (31 December 2012: US\$77,000,000) from the Export-Import Bank of China, of which, US\$23,100,000 (31 December 2012: US\$23,100,000) was guaranteed by Heilongjiang Longxing International Resources Development Group Company Limited ("Longxing International"), a non-controlling shareholder of Heilongjiang Longxing.

As at 30 June 2013, long-term borrowings included foreign currency loans of US\$709,577,000 (31 December 2012: US\$602,490,000). As at 30 June 2013 and 31 December 2012, there were no long-term borrowings that were due and not yet paid.

As at 30 June 2013, top five balances of long-term borrowings are as follows:

Lenders	Inception date of borrowing	Maturity date	Currency	Interest rate (%)	30 June 2013	
					Foreign currency	Functional currency
China Development Bank	26 October 2012	25 October 2022	US\$	LIBOR+4%p.a	168,000,000.00	1,037,951,168.52
Bohai International Trust	29 March 2013	28 March 2015	RMB	6.95		750,000,000.00
Industrial and Commercial Bank of China	22 December 2011	20 December 2017	RMB	6.62		709,400,000.00
Bank of China	25 March 2013	25 March 2016	US\$	2.77	107,087,000.00	650,461,126.90
Agricultural Bank of China	30 August 2012	15 July 2015	US\$	2.95	81,000,000.00	500,474,700.00
						3,648,286,995.42

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

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

31. BONDS PAYABLE

Principal value	Issue date	Term of the bond	Book value of Bond	Interest rate	At June 2013
US\$280,000,000	30 June 2011	5 years	US\$275,685,115	4.25%	RMB1,721,901,544.56
US\$200,000,000	24 July 2011	5 years	US\$198,455,872	4.25%	RMB1,229,929,674.70
					RMB2,951,831,219.26

International Finance, a subsidiary of the Company, issued credit enhanced bonds with a principal value of US\$280,000,000 on 30 June 2011, carrying an annual interest rate of 4.25% and maturing on 30 June 2016. The issuing price was 99.276% of the principal value. Payments of principal and interest in respect of the bonds are backed by an irrevocable standby letter of credit (the "Standby Letter of Credit") issued by Bank of China Limited, Paris Branch (the "LC Bank"). Interest on the bonds is payable semi-annually in arrears.

On 24 July 2011, the second batch of bonds with a principal value of US\$200,000,000 (the "Further Bonds") was issued by International Finance and according to the issuing circular, was consolidated and formed a single series with the bonds issued on 30 June 2011 (the "Original Bonds"). The issue price of the Further Bonds was based on 99.852% of the principal value, plus accrued interest in respect of the period from (excluding) 30 June 2011 to 24 July 2011. Other than the issue price, the terms of the Further Bonds are the same as the Original Bonds. Payments of principal and interest in respect of the Further Bonds are backed by the Standby Letter of Credit issued by the LC Bank, of which the maximum guarantee was raised to US\$600,000,000.

As at 30 June 2013, there were no bonds that are due and not yet paid.

32. LONG-TERM PAYABLES

	30 June 2013	31 December 2012
Payables for acquisition of mining rights	8,398,834.00	8,398,834.00
Entrusted investment	96,409,915.73	88,586,376.00
Deposit for Restoration and Improvement of Ecological Environment in Mines	82,827,054.27	82,827,054.00
Others	8,293,147.29	21,540,300.00
Subtotal	195,928,951.29	201,352,564.00
Including: Long-term payables due within one year	(31,880,000.00)	(31,880,000.00)
	164,048,951.29	169,472,564.00

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

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

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

32. LONG-TERM PAYABLES *(continued)*

As at 30 June 2013, the top five balances of long-term payables are as follows:

Creditor	Period	Initial amount	Annual interest rate (%)	30 June 2013	Borrowing terms
Deposit for Restoration and Improvement of Ecological Environment in Mines (Note 1)	Long-term	59,588,184.00	—	82,827,054.27	Unsecured and non-guaranteed
Committee of Jingmei Village (Note 3)	10 years	22,146,063.00	10	32,561,375.90	Unsecured and non-guaranteed
Shanghang County Caixitongkang Village (Note 2)	25 years	18,745,000.00	10	18,745,000.00	Unsecured and non-guaranteed
Shanghang Charity Federation (Note 2)	3 years	8,000,000.00	10	8,000,000.00	Unsecured and non-guaranteed
Shanghang Finance Bureau (Note 4)	10 years	56,109,000.00	—	5,709,000.00	Unsecured and non-guaranteed
Total		164,588,247.00		147,842,430.17	

Note 1: According to the requirements of the Government of Shanghang County, starting from 1 January 2003, the Company provides annually a Deposit for Restoration of Ecological Environment in Closing Mines (later renamed as Deposit for Restoration and Improvement of Ecological Environment in Mines) at RMB1 per tonne on ores of which the grade is over 0.5g gold per tonne. The amounts are deposited and managed into a specified bank account (Note V.1 note 1). According to the "Administrative Approach for Restoration and Improvement of Ecological Environment in Mines in Fujian Province (Tentative)" jointly issued by the Department of Land Resources of Fujian, Finance Department of Fujian and Department of Environmental Protection of Fujian, effective from 1 January 2007, the Deposit for Restoration and Improvement of Ecological Environment in Mines is calculated based on the area of mines and other approved impact coefficients.

Note 2: According to the agreement, the Company pays annually 10% of fixed returns to the counter party.

Note 3: The payables represented the land compensation to Jingmei Village. According to the agreement, the Company pays annually 10% of fixed returns to the counter party. The Company will repay a one-off lump sum compensation at the 10th year of the agreement.

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

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

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

33. OTHER NON-CURRENT LIABILITIES

	At 1 January 2013	Additions	Amortised or transferred out	At 30 June 2013
Expenditures for science projects	10,400,000.00	—	300,000.00	10,100,000.00
Funds for environmental protection projects	67,998,596.00	2,700,000.00	1,536,049.03	69,162,546.97
Refund of land compensation to Government	62,990,604.00	—	—	62,990,604.00
Comprehensive utilisation of mineral resources	196,650,000.00	184,979,095.59	18,674,980.65	362,954,114.94
Business support fund	—	39,290,000.00	348,699.78	38,941,300.22
Other financial subsidy	28,822,924.00	8,405,244.80	—	37,228,168.80
Total	366,862,124.00	235,374,340.39	20,859,729.46	581,376,734.93

Note: As at 30 June 2013 and 31 December 2012, the balances of deferred income of other non-current liabilities were government grants relating to the assets.

Notes to Financial Statements (continued)

For the six months ended 30 June 2013

RMB

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

34. SHARE CAPITAL

The Company's registered and fully paid-up capital is RMB2,181,196,365. The nominal value of each share is RMB0.1 per share. The types and structures of the shares are as follows:

30 June 2013 :

	At 1 January 2013		Increase/(decrease) for the period		At 30 June 2013	
	Number of shares	Proportion	Sales restrictions expired	Capital reserve converted into shares	Number of shares	Proportion
I. Restricted tradable shares						
State-owned shares						
Total tradable restricted shares						
II. Non-restricted tradable shares						
RMB ordinary shares	15,803,803,650	72.45%			15,803,803,650	72.45%
Foreign-owned shares listed overseas	6,008,160,000	27.55%			6,008,160,000	27.55%
Total non-restricted tradable shares	21,811,963,650	100.00%			21,811,963,650	100.00%
III. Total shares	21,811,963,650	100.00%			21,811,963,650	100.00%

Notes to Financial Statements (continued)

For the six months ended 30 June 2013

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

35. CAPITAL RESERVE

30 June 2013

	At 1 January 2013	Additions	Reductions	At 30 June 2013
Share premium	7,936,222,485.00	—	120,271,417.58	7,815,951,067.42
<i>Including: Premium on acquisition of non-controlling interests</i>	<i>(1,148,370,895.00)</i>	<i>—</i>	<i>120,271,417.58</i>	<i>(1,268,642,312.58)</i>
<i>Fair value change arising from step acquisition of subsidiaries in business combinations not involving enterprises under common control</i>	<i>37,406,271.00</i>	<i>—</i>	<i>—</i>	<i>37,406,271.00</i>
<i>Share of premium arising from capital injection of non-controlling shareholders</i>	<i>72,700,130.00</i>	<i>—</i>	<i>—</i>	<i>72,700,130.00</i>
<i>Capital reserve transferred to issued capital</i>	<i>(727,065,455.00)</i>	<i>—</i>	<i>—</i>	<i>(727,065,455.00)</i>
Other comprehensive income (Note 1)	(164,465,938.00)	38,012,987.22	92,948,180.70	(219,401,131.48)
Others	(1,042,372.00)	—	1,723,237.46	(2,765,609.46)
	7,770,714,175.00	38,012,987.22	214,942,835.74	7,593,784,326.48

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

36. SPECIAL RESERVE

30 June 2013

	At 1 January 2013	Additions	Reductions	At 30 June 2013
Safety fund	98,196,798.00	183,650,154.11	159,139,370.06	122,707,582.05

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

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

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

37. SURPLUS RESERVE

30 June 2013

	At 1 January 2013	Additions	Reductions	At 30 June 2013
Statutory reserve	1,319,401,104.00	—	—	1,319,401,104.00

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

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

38. RETAINED EARNINGS

	30 June 2013	31 December 2012
Retained earnings of the preceding year and opening balance of the current year	17,034,164,960.00	14,004,152,348.00
Net profit attributable to the owners of the parent	1,098,050,167.09	5,211,208,977.00
Less: Appropriation for the statutory reserve	—	—
Proposed final dividend in cash for ordinary shares	2,181,196,365.00	2,181,196,365.00
Retained earnings of the end of the period	15,951,018,762.09	17,034,164,960.00

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

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

39. NON-CONTROLLING INTERESTS

Non-controlling interests attributable to the shareholders of subsidiaries:

	30 June 2013	31 December 2012
Xinjiang Ashele	764,663,007.59	767,972,751.00
Heilongjiang Duobaoshan Copper Company Limited (“Heilongjiang Duobaoshan”)	658,125,257.79	577,981,233.00
Guizhou Zijin	415,085,039.16	384,123,491.00
Bayannaer Zijin	317,053,639.94	330,040,766.00
Wenshan Malipo Zijin Tungsten Group Company Limited (“Malipo Zijin”)	269,638,025.50	288,198,830.00
Yunnan Huaxi	216,333,517.95	249,013,365.00
Huanmin Mining Company Limited (“Huanmin Mining”)	244,062,204.87	244,366,731.00
Hebei Chongli Zijin Mining Company Limited (“Chongli Zijin”)	209,847,472.87	231,739,165.00
Jinhao Iron	264,749,632.66	192,907,913.00
Golden China Inner Mongolia Gold Exploration Corporation	175,982,272.76	164,667,496.00
Altynken Limited Liability Company (“Altynken”)	153,103,998.00	153,103,998.00
Norton Gold Fields	145,471,388.38	147,784,787.00
Long Province Resources Company Limited	125,442,505.44	133,502,252.00
Luoyang Yinhui	80,347,448.04	103,590,944.00
Henan Jinda Mining Company Limited (“Henan Jinda Mining”)	98,777,784.00	98,777,784.00
Sino Trend Hydro Power	—	73,457,330.00
Longnan Zijin (Original Gansu Yate)	54,529,512.44	62,589,259.00
Ankang Jinfeng	51,971,846.19	51,976,827.00
Zijin Finance	33,788,964.40	32,955,774.00
Others	1,025,259,942.98	1,112,626,290.00
	5,304,233,460.96	5,401,376,986.00

Notes to Financial Statements (continued)

For the six months ended 30 June 2013

RMB

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

40. OPERATING INCOME AND OPERATING COSTS

Analysis of operating income are as follows:

	For the six months ended 30 June 2013	For the six months ended 30 June 2012
Revenue from principal operations	25,782,878,844.21	20,507,368,899.43
Revenue from other operations	204,755,220.67	485,155,497.04
	25,987,634,064.88	20,992,524,396.47

Analysis of operating costs are as follows:

	For the six months ended 30 June 2013	For the six months ended 30 June 2012
Cost of principal operations	21,431,275,714.41	15,166,576,235.84
Cost of other operations	78,431,049.00	363,810,126.67
	21,509,706,763.41	15,530,386,362.51

Analysis of revenue from principal operations and costs of principal operations by products:

	For the six months ended 30 June 2013		For the six months ended 30 June 2012	
	Revenue	Cost	Revenue	Cost
Gold bullion	3,151,207,184.06	1,892,718,413.15	3,393,681,205.54	984,749,959.84
Processed gold	10,293,862,875.18	10,444,372,524.47	9,279,953,675.90	9,004,017,122.31
Ore concentrates	4,863,035,812.15	2,012,365,446.67	3,571,935,846.13	1,197,212,990.45
Zinc bullion	933,759,425.59	906,494,777.03	1,193,801,863.74	1,137,450,594.96
Copper cathodes	226,505,512.39	157,399,666.94	41,388,503.61	34,624,419.14
Refinery copper	4,010,162,062.53	4,158,741,135.69	1,567,418,516.70	1,569,576,507.73
Others	2,304,345,972.31	1,859,183,750.46	1,459,189,287.81	1,238,944,641.41
	25,782,878,844.21	21,431,275,714.41	20,507,368,899.43	15,166,576,235.84

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

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

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

During the first half of 2013 and the whole year of 2012, more than 98% of the operating income arises from the sales of commodities. As such, the management of the Group considers that there is no need to disclose the operating income and costs based on the nature of income.

Revenue of the top five customers of the Group for the six months ended 30 June 2013:

	For the six months ended 30 June 2013	Proportion of revenue
Shanghai Gold Exchange (Note 1)	15,681,973,960.24	60.34%
Shenzhen Jiangtong Marketing Company Limited	759,887,281.99	2.92%
Fujian Shanghang Taiyang Copper Company Limited	682,279,742.39	2.63%
Zhejiang Hongda Metal Refinery Company Limited	641,184,666.94	2.47%
Guangzhou Jinchuangli Trading Company Limited	566,043,535.75	2.18%
Total	18,331,369,187.31	70.54%

Note 1: The ultimate customers are not known.

41. TAXES AND SURCHARGES

	For the six months ended 30 June 2013	For the six months ended 30 June 2012
Business tax	30,684,316.52	20,468,731.12
City construction and maintenance tax	23,271,318.79	19,239,089.37
Resource tax	167,840,554.56	160,806,852.79
Education surcharges	30,162,814.52	23,230,434.44
Others	5,902,286.42	8,713,221.13
	257,861,290.81	232,458,328.85

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

Notes to Financial Statements (continued)

For the six months ended 30 June 2013

RMB

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

42. FINANCIAL EXPENSES

	For the six months ended 30 June 2013	For the six months ended 30 June 2012
Interest expenses (Note 1)	495,474,148.91	347,329,343.63
Less: Interest income	(39,266,583.58)	(60,841,606.78)
Exchange gains	80,213,673.14	30,285,583.06
Others	48,241,292.17	11,049,780.96
	584,662,530.64	327,823,100.87

Capitalised interest expenses are included in construction in progress.

Note 1: The above interest expenses included interest of RMB49,658,674.76 on bonds payable for the six months ended 30 June 2013 (six months ended 30 June 2012: RMB64,373,466.51).

43. IMPAIRMENT LOSSES ON ASSETS

	For the six months ended 30 June 2013	For the six months ended 30 June 2012
Bad debt provision for trade and other receivables	(22,535.00)	375.00
Provisions for decline in value of inventories	264,185,648.33	—
Impairment on fixed assets	3,505,410.69	—
Impairment on available-for-sale financial investments	64,427,481.26	—
	332,096,005.28	375.00

44. GAINS/LOSSES ON CHANGES IN FAIR VALUE

	For the six months ended 30 June 2013	For the six months ended 30 June 2012
Share, bond and fund investments	(79,592,984.41)	(19,177,782.20)
Future hedging	101,771,308.90	(16,767,802.19)
Future contracts and gold leasing	(12,596,500.78)	(28,231,058.92)
	9,581,823.71	(64,176,643.31)

Notes to Financial Statements (continued)

For the six months ended 30 June 2013

RMB

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

45. INVESTMENT INCOME

	For the six months ended 30 June 2013	For the six months ended 30 June 2012
Income from long-term equity investments under the equity method	62,759,501.37	121,606,792.29
Income from long-term equity investments under the cost method	22,535,537.30	—
Gains on disposal of certain subsidiaries	474,321.12	—
Gains on disposal of held-for-trading financial assets (Note 1)	10,201,032.33	134,264,857.10
Gains on disposal of available-for-sale investments	(11,475,542.00)	—
Others	1,948,826.87	(7,912,230.33)
	86,443,676.99	247,959,419.06

Note 1 : For the six months ended 30 June 2013, the investment income resulting from disposal of held-for-trading financial assets included gains of RMB23,602,111.14 from the settlement of future contracts (six months ended 30 June 2012: gains of RMB131,226,802).

Investees with top five investment income from long-term equity investments under the cost method:

Investee	For the six months ended 30 June 2013	For the six months ended 30 June 2012	Reason for the change between current period and last period
Shanghang County Rural Commercial Bank	10,200,000.00	—	Dividend for the period
Sichuan Liwu Copper Company Limited	8,000,000.00	—	Dividend for the period
Muli Rongda	3,120,000.00	—	Dividend for the period
Luoyang Commercial Bank	390,000.00	—	Dividend for the period
Nanjing China Net Communication Company Limited	150,000.00	—	Dividend for the period
	21,860,000.00	—	

Notes to Financial Statements (continued)

For the six months ended 30 June 2013

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

45. INVESTMENT INCOME (continued)

Investees with top five investment income from long-term equity investments under the equity method:

Investee	For the six months ended 30 June 2013	For the six months ended 30 June 2012	Reason for the change between current period and last period
Wancheng Commercial	30,566,124.67	67,829,510.05	Change in net profit of the investee
Fujian Haixia Technology	15,409,364.89	19,568,748.86	Change in net profit of the investee
Makeng Mining	12,171,284.97	13,998,007.66	Change in net profit of the investee
Shangdong Guoda	6,023,206.65	22,482,408.38	Change in net profit of the investee
Tibet Yulong	4,220,764.21	188,881.49	Change in net profit of the investee
	68,390,745.39	124,067,556.44	

Since there is no difference in the accounting policies and period adopted between the investees and the Group, investment income/loss was recognised based on the carrying amount of net profit/loss of the investees.

As at 30 June 2013, there are no material restrictions on the transfer of the investment income back to the Group.

46. NON-OPERATING INCOME

	For the six months ended 30 June 2013	For the six months ended 30 June 2012
Gains on disposal of non-current assets	989,523.51	516,956.78
<i>Including: Gains on disposal of fixed assets</i>	989,523.51	516,956.78
<i>Gains on disposal of intangible assets</i>	—	—
Penalty income	2,713,440.34	3,084,427.42
Government grants	45,950,699.11	38,012,706.75
Others	22,634,814.46	6,513,090.93
	72,288,477.42	48,127,181.88

Notes to Financial Statements (continued)

For the six months ended 30 June 2013

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

46. NON-OPERATING INCOME (continued)

Analysis of government grants is as follows:

	For the six months ended 30 June 2013	For the six months ended 30 June 2012
Government grants related to assets:	20,859,729.43	167,465.10
Technical innovation	1,741,666.00	94,383.00
Environmental protection	1,536,049.00	73,082.10
Scientific research	300,000.00	—
Low grade comprehensive demonstration base projects	13,695,885.54	—
Others	3,586,128.89	—
Government grants related to income:	25,090,969.68	37,845,241.65
Special government rewards	2,642,733.33	10,032,600.00
Tax refund	15,014,923.87	1,691,044.72
Others	7,433,312.48	26,121,596.93
	45,950,699.11	38,012,706.75

47. NON-OPERATING EXPENSES

	For the six months ended 30 June 2013	For the six months ended 30 June 2012
Donations	84,946,360.88	88,681,704.78
Losses on disposal of non-current assets	10,499,965.21	10,051,804.50
Including: Loss on disposal of fixed assets	10,499,965.21	10,051,804.50
Loss on disposal of intangible assets	—	—
Penalties	2,256,335.43	5,680,240.94
Others	7,127,777.67	4,257,636.15
	104,830,439.19	108,671,386.37

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

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

48. INCOME TAX EXPENSES

	For the six months ended 30 June 2013	For the six months ended 30 June 2012
Current income tax expenses	640,154,458.38	1,086,180,490.47
Deferred income tax expenses	(88,675,691.41)	(82,196,777.92)
	551,478,766.97	1,003,983,712.55

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

	For the six months ended 30 June 2013	For the six months ended 30 June 2012
Profit before tax	2,084,367,708.33	3,843,996,436.40
Income tax calculated at the applicable tax rate (Note 1)	521,091,927.08	960,999,109.10
Effect on different tax rates of certain subsidiaries	4,708,282.90	(15,249,645.36)
Overprovision in prior years	(16,189,702.93)	(21,590,071.00)
Income not subject to tax	(17,376,843.54)	(42,487,268.36)
Expenses not deductible for tax purposes and unrecognised temporary differences and deductible tax losses	155,419,544.00	110,739,103.79
Others	(96,174,440.54)	11,572,484.38
Income tax charge at the Group's effective tax rate	551,478,766.97	1,003,983,712.55

Note 1: Provision for the PRC enterprise income tax expenses has been made at applicable tax rates based on the taxable profits. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the enterprise operates.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

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

49. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the consolidated net profit for the current period attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding. The number of newly issued ordinary shares is ascertained as from the date the consideration is due (generally the issue date of shares) according to the provisions in the issuing agreement.

There were no potential dilutive ordinary shares for the Company.

Basic earnings per share is calculated as follows:

	For the six months ended 30 June 2013	For the six months ended 30 June 2012
Earnings		
Consolidated net profit attributable to the owners of the parent	1,098,050,167.09	2,384,712,524.71
Shares		
Weighted average number of ordinary shares outstanding	21,811,963,650	21,811,963,650

50. OTHER COMPREHENSIVE INCOME

	For the six months ended 30 June 2013	For the six months ended 30 June 2012
Losses arising from available-for-sale investments	(104,004,825.36)	(68,483,957.32)
Less: Income tax effects arising from available-for-sale investments	(11,056,644.66)	(8,372,409.44)
Reclassification adjustments for gains included in the consolidated income statement	38,012,987.22	33,212,222.12
	(54,935,193.48)	(26,899,325.76)
Share of other comprehensive income of investee recognised and measured by equity method		
Exchange differences arising from translation of financial statements denominated in foreign currencies	(92,814,405.27)	20,590,164.01
	(147,749,598.75)	(6,309,161.75)

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

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

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

51. NOTES TO STATEMENT OF CASH FLOWS

Significant cash flows of the Group are as follows:

	For the six months ended 30 June 2013	For the six months ended 30 June 2012
Other cash payments relating to operating activities	530,837,871.84	536,967,561.37
Including: Selling expenses	21,143,269.42	41,227,971.79
Administrative expenses	254,168,042.04	292,976,716.04
Donations	84,946,360.88	91,211,704.78
Cash paid for security deposits	26,305,975.50	40,583,275.42
Others	144,274,224.00	70,967,893.34
Other cash receipts relating to investing activities	1,054,012,462.91	442,471,314.84
Including: Cash received from time deposits	570,447,660.91	—
Settlements of futures and forwards	171,259,489.48	—
Others	312,305,312.52	442,471,314.84
Other cash payments relating to investing activities	981,422,723.46	689,888,619.47
Including: Investments in stocks and bonds	55,622,434.22	—
Settlements of futures and forwards	143,462,578.10	—
Purchase of short-term financial products by Zijin Finance	378,109,470.00	—
Others	404,228,241.14	689,888,619.47
Other cash payments relating to financing activities	427,171,664.20	108,732,949.25
Including: Pledged cash for loans	305,495,639.80	200,000.00
Bank charges	48,241,292.17	11,049,780.96
Others	73,434,732.23	97,483,168.29

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

RMB

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

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

52. SELLING EXPENSES

	For the six months ended 30 June 2013	For the six months ended 30 June 2012
Salaries and welfares	23,020,180.11	17,878,816.69
Transportation expenses	206,209,129.31	228,703,954.27
Loading charges expenses	4,157,538.30	4,647,753.45
Storage expenses	541,230.50	1,466,299.21
Packing expenses	2,037,262.92	3,008,018.45
Insurance expenses	900,926.50	2,098,343.14
Charge of commission sales	6,589,280.61	8,000,914.09
Advertising expenses	2,170,742.57	1,115,291.85
Depreciation expenses	2,608,484.38	2,593,439.50
Material consumption	3,781,055.54	3,395,976.38
Others	11,217,723.26	20,891,351.60
	263,233,554.00	293,800,158.63

53. ADMINISTRATIVE EXPENSES

	For the six months ended 30 June 2013	For the six months ended 30 June 2012
Salaries and welfares	387,872,821.82	303,642,748.54
Office expenses	20,466,523.84	23,511,308.10
Travelling and meeting expenses	22,210,534.59	24,351,751.16
Stipulated fees	140,306,290.39	132,719,352.40
Taxes	44,181,624.41	32,271,391.46
Depreciation expenses	88,506,932.05	77,050,853.40
Research and development	41,099,193.02	43,744,500.98
Audit fee	8,075,453.66	7,160,596.31
Entertainment expenses	24,048,427.74	25,688,766.21
Repair and maintenance costs	3,106,171.24	3,378,758.20
Professional consultancy expenses	30,696,645.51	29,991,023.82
Miscellaneous exploration expenses	26,499,783.18	—
Others	182,119,349.89	183,787,154.89
	1,019,189,751.34	887,298,205.47

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

RMB

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

VI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

1. THE LARGEST SHAREHOLDER OF THE COMPANY

Name of the entity	Type of the entity	Place of incorporation/ registration	Legal representative	Nature of Business	Registered capital	Proportion of the Company's ownership (%)	Proportion of the Company's voting powers (%)	Organisation code
Minxi Xinghang	State-owned	No. 110 Zhenxing Road, Linjiang Village, Shanghang County, Longyan City, Fujian Province	Liu Shimin	Investment in Fujian	RMB138.9 million	29.22%	29.22%	70511151-X

The ultimate control of the Company is also Minxi Xinghang.

2. SUBSIDIARIES OF THE COMPANY

Principal subsidiaries of the Company are disclosed in NOTE IV SCOPE OF CONSOLIDATION.

3. ASSOCIATES AND JOINT VENTURES

Information about associates and joint ventures is disclosed in Note V 10.

Notes to Financial Statements (continued)

For the six months ended 30 June 2013

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

VI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (continued)

4. OTHER RELATED PARTIES OF THE COMPANY

Name of entity	Relationship between the related parties and the Company	Organisation code
Xinjiang Nonferrous (Group) Metal Company Limited ("Xinjiang Nonferrous Metal")	A non-controlling shareholder of Xinjiang Ashele	73446875-3
Fujian Xinhuaadu	A former subsidiary of a shareholder of the Company	70536011-0
Chongli Finance Bureau State-owned Assets Management Center	A non-controlling shareholder of Chongli Zijin	N/A
Xinjiang Nonferrous Logistics Company Limited ("Xinjiang Logistics")	A non-controlling shareholder of Xinjiang Ashele	73446875-3
Sichuan Bureau of Geological Exploration and Exploration of Mineral Resources ("Sichuan Geology")	A non-controlling shareholder of Sichuan Ganzi Zijin Company Limited ("Ganzi Zijin")	45072463-9
Fujian Shanghang Hongyang Mining Engineering Company Limited ("Hongyang Mining")	A non-controlling shareholder of Guizhou Zijin/Hunchun Zijin	70532775-9
Longxiang Group	A non-controlling shareholder of Shanghang Jinshan Hydro	72644183-3
Xiamen Mine Communication Technology Company Limited ("Xiamen Mine Communication Tech")	The Company on which the related individual places significant impact	76172376-4
Heilongjiang Longxing International Resources Development Group Company Limited	A non-controlling shareholder of Heilongjiang Longxing	772632200
Jilin The Sixth Geological Survey	A non-controlling shareholder of Hunchun Zijin	605390056

5. RELATED PARTY TRANSACTIONS

(A) Sales of products to related parties

Nature of transaction	For the six months ended 30 June 2013		For the six months ended 30 June 2012	
	Amount	Proportion (%)	Amount	Proportion (%)
Shandong Guoda (Note 1) Sales of gold and copper concentrates	79,960,941.09	0.31	171,956,835.67	0.82
Wengfu Zijin (Note 1) Sales of vitriol/ provision of design service	58,608,284.38	0.23	7,475,294.00	0.04
	138,569,225.47	0.54	179,432,129.67	0.86

Notes to Financial Statements (continued)

For the six months ended 30 June 2013

RMB

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

VI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (continued)

5. RELATED PARTY TRANSACTIONS (continued)

(B) Purchases of products from related parties

Nature of transaction	For the six months ended 30 June 2013		For the six months ended 30 June 2012	
	Amount	Proportion (%)	Amount	Proportion (%)
Wancheng Commercial (Note 1) Purchase of zinc concentrates	111,820,854.55	0.43	130,591,517.10	0.84
Haixia Technology (Note 1) Purchase of raw materials	12,724,140.73	0.05	14,101,618.06	0.09
Xinjiang Nonferrous Metal (Note 1) Transportation service	—	—	1,588,359.26	0.01
Xinjiang Logistics (Note 1) Transportation service	2,045,830.30	0.02	—	—
Sichuan Geology (Note 1) Exploration service	368,000.00	0.01	—	—
Xiamen Mine Communication Tech (Note 1) Purchase of equipment and raw materials	1,692,375.00	0.01	—	—
Xiamen Zijin Zhonghang (Note 1) Construction service	29,809,063.56	0.12	—	—
	158,460,264.14	0.64	146,281,494.42	0.94

Note 1: Transactions, such as purchasing of assets and raw materials, rendering and receiving of services and selling of products against subsidiaries of the shareholders of the Company, associates, joint-ventures, non-controlling shareholders of subsidiaries and companies of related personnel who would have significant impact on the Company or its subsidiaries, were made at market prices and settled under similar conditions offered to third parties.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

RMB

*(English translation is for reference. If there is any discrepancy, Chinese version will prevail.)*VI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*5. RELATED PARTY TRANSACTIONS *(continued)*

(C) Related party guarantees

The Group guarantees of bank loans of related parties

30 June 2013

Guarantor	Guaranteed party	Guaranteed amount	Inception date of guarantee	Expiration date of guarantee	Whether execution of guarantee has been completed
The Company	Wengfu Zijin (Note VII note 3)	383,400,000	28 April 2011	27 April 2019	No
Northwest Company	Xinjiang Tianlong (Note VII note 4)	80,000,000	31 October 2011	31 October 2013	No
Zijin Investment	Ting River Hydropower (Note VII note 2)	10,000,000	31 January 2005	30 January 2014	No
Xinjiang Ashele	Wuxin Copper (Note VII note 5)	34,000,000	17 January 2012	17 January 2014	No
		507,400,000			

Related party guarantees for a bank loan of the Group

30 June 2013

Guarantor	Guaranteed party	Guaranteed amount	Inception date of guarantee	Expiration date of guarantee	Whether execution of guarantee has been completed
Heilongjiang Longxing International Resources Development Group Company Limited	Heilongjiang Longxing	US\$23,100,000	29 December 2011	29 December 2018	No

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

RMB

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

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

5. RELATED PARTY TRANSACTIONS *(continued)*

(D) Borrowings to related parties

30 June 2013

Related party	Amount of		
	borrowings	Inception date	Maturity date
Ting River Hydropower	40,600,000.00	31 August 2011	30 August 2014
Zijin Tongguan	9,000,000.00	13 April 2012	12 April 2014
Zijin Tongguan	109,350,000.00	20 June 2012	19 June 2014
Zijin Tongguan	9,000,000.00	31 January 2013	30 January 2014
Gold Eagle Mining	140,132,916.00	11 July 2012	30 June 2015
	308,082,916.00		

(E) Key management and directors' remuneration

	For the six months ended 30 June 2013		For the six months ended 30 June 2012	
	Amount	Proportion (%)	Amount	Proportion (%)
Directors' remuneration	9,148,938.17	1.06%	13,495,070.77	1.77%
Remuneration of key management	5,620,673.26	0.65%	9,755,909.54	1.28%
	14,769,611.43	1.71%	23,250,980.31	3.05%

Notes to Financial Statements (continued)

For the six months ended 30 June 2013

RMB

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

VI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (continued)

6. Amounts due from/to related parties

Trade receivables	30 June 2013	31 December 2012
Tibet Yulong	—	2,306.00
Haixia Technology	18,465.00	—
Wengfu Zijin	6,763,076.82	2,070,848.00
	6,781,541.82	2,073,154.00

Trade payables	30 June 2013	31 December 2012
Haixia Technology	607,849.46	2,021,754.00
Fujian Xinhuaadu	—	11,470,248.00
Xiamen Mine Communication Tech	1,000,004.97	1,071,937.00
	1,607,854.43	14,563,939.00

Other receivables	30 June 2013	31 December 2012
Chongli Finance Bureau State-owned Assets Management Center	35,000,000.00	60,120,000.00
Zijin Tongguan	136,228,809.72	118,353,084.00
Sichuan Geology	2,000,000.00	2,000,000.00
Wancheng Commercial	2,253.59	1,706.00
Ting River Hydropower	40,902,400.20	34,517,750.00
Tibet Yulong	111,458.32	—
Longxiang Group	—	7,621,007.00
Jilin The Sixth Geological Survey	4,000,000.00	—
	218,244,921.83	222,613,547.00

Other payables	30 June 2013	31 December 2012
Sichuan Geology	2,742.72	439,565.00
Hongyang Mining	10,799,567.07	11,425,701.00
Zijin Tongguan	12,168,329.10	79,927.00
Fujian Xinhuaadu	—	16,727,276.00
Xiamen Mine Communication Tech	736,308.46	980,124.00
	23,706,947.35	29,652,593.00

Notes to Financial Statements (continued)

For the six months ended 30 June 2013

RMB

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

VI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (continued)

6. Amounts due from/to related parties (continued)

Prepayments	30 June 2013	31 December 2012
Wancheng Commercial	45,194,439.22	9,095,999.00
Fujian Xinhuadu	—	2,599,717.00
Xiamen Mine Communication Tech	110,000.00	51,250.00
Xiamen Zijin Zhonghang	11,024,196.48	23,430,925.00
	56,328,635.70	35,177,891.00
Advances from customers	30 June 2013	31 December 2012
Shandong Guoda	5,524,147.14	1,840,701.00
Other non-current assets	30 June 2013	31 December 2012
Gold Eagle Mining	145,201,660.81	144,995,636.00
Ting River Hydropower	—	7,000,000.00
Xiamen Zijin Zhonghang	—	60,185,800.00
Tibet Yulong	132,000,000.00	132,000,000.00
Qinghai Copper	192,000,000.00	192,000,000.00
	469,201,660.81	536,181,436.00

Related party balances in receivables and payables were interest-free, unsecured and had no fixed terms of repayment.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

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

VII. CONTINGENCIES

	30 June 2013	31 December 2012
Contingent liabilities arising from providing guarantees to third parties		
Ting River Hydropower (Note 2)	10,000,000.00	20,000,000.00
Wengfu Zijin (Note 3)	383,400,000.00	396,000,000.00
Xinjiang Tianlong (Note 4)	80,000,000.00	82,000,000.00
Wuxin Copper (Note 5)	34,000,000.00	34,000,000.00
Mortgage guarantee of small property owners (Note 6)	256,076,000.00	215,005,000.00
Sub-total	763,476,000.00	747,005,000.00
Contingencies arising from pending litigation (Note 1)	52,284,733.00	52,284,733.00
Total	815,760,733.00	799,289,733.00

Note 1: As at 30 June 2013, nine hydro power stations including that from Shihuadi and one water supply plant claimed compensation for property losses of RMB52,284,733 to Xinyi Zijin. Currently, the related litigation is still in progress. In respect of the opinions of the legal advisors, the Group is still in the process of estimating the compensation amount due to the complexity of the legal cases.

Note 2: As at 30 June 2013, Zijin Investment, a subsidiary of the Company, granted to Ting River Hydropower, an associate of the Group, joint guarantees in respect of bank loans at a cap of RMB50,000,000 (31 December 2012: RMB50,000,000). As at 30 June 2013, Ting River Hydropower had utilised the guarantee facility of RMB10,000,000 (31 December 2012: RMB20,000,000).

Note 3: As at 30 June 2013, the Company granted to Wengfu Zijin, an associate of the Group, joint guarantees in respect of bank loans at a cap of RMB450,000,000 (31 December 2012: RMB450,000,000). As at 30 June 2013, Wengfu Zijin had utilised the guarantee facility of RMB383,400,000 (31 December 2012: RMB396,000,000).

Note 4: As at 30 June 2013, Northwest Company, a subsidiary of the Company, granted to Xinjiang Tianlong, an associate of the Group, joint guarantees in respect of bank loans at a cap of RMB120,000,000 (31 December 2012: RMB120,000,000). As at 30 June 2013, Xinjiang Tianlong had utilised the guarantee facility of RMB80,000,000 (31 December 2012: RMB82,000,000).

Note 5: As at 30 June 2013, Xinjiang Ashele, a subsidiary of the Company, granted to Wuxin Copper, an associate of the Group, joint guarantees in respect of bank loans at a cap of RMB34,000,000. (31 December 2012: RMB34,000,000). As at 30 June 2013, Wuxin Copper had utilised the guarantee facility of RMB34,000,000 (31 December 2012: RMB 34,000,000).

Note 6: As at 30 June 2013, Zijin Real Estate, a subsidiary of the Company, provided a small property owners mortgage guarantee to the buyers' banks in respect of their mortgages amounting to RMB256,076,000.00 (31 December 2012: RMB215,005,000).

Based on the evaluation of the credit rating and repayment ability, the management of the Group considered that the probability that recipients of the guarantees could not repay the liabilities and settle the obligations was remote, and it was unnecessary to accrue the related contingent liabilities.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

RMB

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

VIII. COMMITMENTS

		30 June 2013	31 December 2012
Capital commitments			
Contracted, but not provided	Note 1	2,037,595,534.77	2,053,863,957.00
Authorised, but not contracted for	Note 2	510,176,865.52	1,198,262,269.00
		2,547,772,400.29	3,252,126,226.00

		30 June 2013	31 December 2012
Investment commitments			
Contracted, but not provided	Note 3,4,5	817,204,506.54	239,800,000.00
Authorised, but not contracted for		—	10,000,000.00
		817,204,506.54	249,800,000.00

Note 1: As at 30 June 2013, the capital commitment related to the acquisition and construction of property, plant, machinery and equipment, and mining assets was RMB2,037,595,534.77 (31 December 2012: RMB2,053,863,957).

Note 2: As at 30 June 2013, the capital commitment related to the acquisition and construction of property, plant, machinery and equipment, and mining assets was RMB510,176,865.52 (31 December 2012: RMB1,198,262,269).

Note 3: Norton, a subsidiary of the Company, entered into a bid implementation deed with Kalgoorlie Mining Company Limited ("KMC", stock code "KMC") on 17 April 2013, pursuant to which Norton will make a friendly off-market takeover offer to acquire all KMC shares. Upon full acceptance of the Share Offer and the Option Offer, Norton will newly issue 70,270,862 shares and 72,526,993 options. Norton's maximum consideration of this transaction will be approximately A\$14,933,581.

Note 4: Jin Jiang Mining Limited ("Jin Jiang"), a wholly-owned subsidiary of the Company entered into a convertible bond subscription agreement ("CBS Agreement") with NKWE Platinum Limited ("NKWE") on 25 April 2013, pursuant to which Jin Jiang will invest A\$20 million in NKWE by a placement of convertible bonds which, subject to adjustment for certain events, are convertible into 200 million NKWE shares.

Note 5: The Company, Sprott Inc. ("Sprott") and Americas Now Resources Investment Management Corp. ("Americas Now") entered into a joint venture agreement ("JV Agreement") on 19 March 2013 to establish an offshore mining fund ("Fund"). The target size of the Fund is US\$500 million. Pursuant to the JV Agreement, the Company agreed to make capital contributions to the Fund of US\$100 million. Sprott agreed to make initial capital contributions to the Fund of US\$10 million and to continue to invest to match at least 5% of the aggregate capital contributions of the Fund. The Fund will also seek out other investors. Americas Now agreed to provide technical and marketing services to the joint venture.

IX. POST BALANCE SHEET EVENTS

Nil

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

RMB

*(English translation is for reference. If there is any discrepancy, Chinese version will prevail.)***X. OTHER SIGNIFICANT EVENTS****1. BUSINESS COMBINATIONS**

More details are disclosed in Note IV 4 and 5.

2. LEASING**As lessor**

As at 30 June 2013, irrevocable operating lease contracts entered into by the Group are as follows:

	30 June 2013	30 June 2012
Within 1 year	4,563,718.80	4,765,059.00
Over 1 year but within 2 years	4,563,718.80	4,563,719.00
Over 2 years but within 3 years	4,563,718.80	4,563,719.00
Over 3 years	4,563,718.80	3,519,325.00
	18,254,875.20	17,411,822.00

The assets for operating leases above are accounted for as investment properties of the Group.

As lessee

Significant operating lease: pursuant to the operating lease agreement with lessors, the minimum lease payments under irrevocable operating leases fall due as follows:

	30 June 2013	30 June 2012
Within 1 year	580,000.00	2,436,926.78
Over 1 year but within 2 years	1,160,000.00	1,509,231.70
Over 2 years but within 3 years	1,160,000.00	1,200,000.00
Over 3 years	—	600,000.00
	2,900,000.00	5,746,158.48

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

RMB

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

X. OTHER SIGNIFICANT EVENTS *(continued)*

3. ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

30 June 2013

Item	At 1 January 2013	Profit/(loss) arising from changes in fair value for the period	Changes in the fair value recognized in equity	Provision for impairment losses for the period	At 30 June 2013
Financial assets					
Financial assets at fair value through profit or loss (excluding derivative financial assets)	529,899,154.00	(79,530,994.80)	—	—	471,725,064.03
Derivative financial assets	141,044,111.00	132,599,878.29	—	—	215,050,370.45
Available-for-sale investments	576,013,498.00	—	(54,935,193.48)	(64,427,481.26)	329,041,159.56
	1,246,956,763.00	53,068,883.49	(54,935,193.48)	(64,427,481.26)	1,015,816,594.04
Financial liabilities	6,521,435,369.00	(43,487,059.78)	—	—	7,013,311,552.05

4. SEGMENT REPORT

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's operating profit before tax except that interest income, finance costs, dividend income, share of profits of joint ventures and associates, fair value gains/losses from financial instruments as well as head office and corporate expenses being excluded from this measurement. This indicator is consistent with the Group's total operating profit.

Segment assets exclude cash and cash equivalents, equity investments at fair value through profit or loss, derivative financial instruments and other unallocated head office and corporate assets as these assets are managed on a group basis by the Group.

Segment liabilities exclude derivative financial instruments, interest-bearing bank and other borrowings, loans from ultimate controlling entities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis by the Group.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the prevailing market prices.

Notes to Financial Statements (continued)

For the six months ended 30 June 2013

RMB

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

X. OTHER SIGNIFICANT EVENTS (continued)

4. SEGMENT REPORT (continued)

For the six months ended 30 June 2013

Items	Gold bullion	Processed gold	Gold concentrates	Copper cathodes	Refinery copper	Copper concentrates	Other concentrates	Zinc bullion	Others	Eliminations	Consolidated
1. Operating income including: Sales to external customers	3,039,905,490.90	12,245,544,551.11	1,099,669,838.49	269,399,879.43	4,492,466,983.22	2,231,639,195.80	1,237,515,382.25	1,106,543,550.86	3,777,764,468.83	(3,512,815,476.01)	25,987,634,064.88
2. Operating profit	3,151,207,184.06	10,293,862,875.18	1,365,300,947.51	226,505,512.39	4,010,162,062.53	2,289,159,472.54	1,208,575,392.10	933,759,425.59	2,509,101,192.98	—	25,987,634,064.88
3. Segment assets	(111,301,693.16)	1,951,681,675.93	(265,631,109.02)	42,894,367.04	482,304,920.69	(57,520,276.74)	28,940,190.15	172,784,125.27	1,268,663,275.85	(3,512,815,476.01)	—
Unallocated assets	1,108,601,140.80	(260,929,664.94)	623,409,819.73	34,832,754.69	(277,961,315.30)	1,111,030,816.91	496,222,469.13	(79,567,385.44)	(118,272,060.45)	—	2,637,366,575.13
Total assets	7,179,293,536.1	2,395,481,008.47	2,097,973,892.3	2,684,332,109.96	9,446,633,890.73	7,482,643,858.57	8,419,553,893.14	3,189,404,678.94	13,909,173,792.42	—	56,804,490,660.63
Segment liabilities	2,203,940,143.28	963,507,534.69	1,499,307,587.66	1,798,917,148.73	5,996,427,688.04	1,557,089,853.91	4,815,817,208.61	2,442,528,095.93	3,087,423,430.13	—	67,190,236,337.41
Unallocated liabilities	—	—	—	—	—	—	—	—	—	—	24,364,958,690.98
Total liabilities	—	—	—	—	—	—	—	—	—	—	10,654,032,915.26
Supplemental information	—	—	—	—	—	—	—	—	—	—	35,018,991,606.23
(1) Depreciation and amortisation expenses	117,817,579.57	19,163,255.83	68,096,259.18	51,938,215.91	55,494,519.18	182,297,138.91	85,152,260.01	66,153,784.35	310,683,880.12	—	956,796,893.06
(2) Capital expenditure	824,927,698.53	58,047,628.99	642,266,167.84	179,190,900.00	436,117,322.64	665,344,466.59	634,491,476.64	5,003,898.88	712,315,931.85	—	4,157,705,491.96

Notes to Financial Statements (continued)

For the six months ended 30 June 2013

RMB

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

X. OTHER SIGNIFICANT EVENTS (continued)

4. SEGMENT REPORT (continued)

For the six months ended 30 June 2012

Items	Gold bullion	Processed gold	Copper cathodes	Refinery copper	Copper concentrates	Other concentrates	Zinc bullion	Others	Unallocated assets, liabilities and operating expenses	Eliminations	Consolidated
1. Operating income	3,394,666,179.16	9,495,887,104.36	61,523,627.71	1,647,884,958.13	1,909,512,258.72	2,572,159,191.51	1,193,801,863.74	2,755,870,842.28	—	(2,038,781,629.14)	20,992,524,396.47
Including: Sales to external customers	3,393,681,205.54	9,279,953,675.90	41,388,503.61	1,567,418,516.70	1,620,717,866.42	1,951,217,979.71	1,193,801,863.74	1,944,344,784.85	—	—	20,992,524,396.47
Intersegment sales	984,973.62	215,933,428.46	20,135,124.10	80,466,441.43	288,794,392.30	620,941,211.80	—	811,526,057.43	—	(2,038,781,629.14)	—
2. Operating profit	2,233,221,011.92	250,594,982.33	(5,489,059.33)	(24,024,906.07)	983,304,524.83	826,877,330.05	(7,453,329.53)	142,994,824.49	(679,267,138.54)	—	3,720,758,240.1
3. Total assets	7,380,286,860.56	2,292,340,131.12	3,888,041,404.63	4,950,757,794.78	3,480,975,967.70	10,782,642,728.84	3,655,810,985.79	12,371,517,309.42	11,754,751,229.90	—	60,537,124,412.74
4. Total liabilities	2,473,163,151.88	1,090,526,675.21	1,577,862,033.49	3,193,406,370.16	565,544,880.81	6,570,558,319.53	2,395,185,198.20	3,979,214,307.01	8,381,095,379.78	—	30,226,556,316.07
5. Supplemental information											
(1) Depreciation and amortisation expenses	123,455,672.79	86,231,425.53	9,612,926.88	44,862,672.27	140,065,727.92	223,714,201.80	63,572,942.27	110,021,972.38	—	—	801,537,541.84
(2) Capital expenditure	992,544,641.09	586,084,102.40	125,325,700.02	880,458,166.87	627,483,897.80	1,153,973,530.37	226,122,620.08	577,226,384.40	—	—	5,169,219,043.03

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

RMB

*(English translation is for reference. If there is any discrepancy, Chinese version will prevail.)***X. OTHER SIGNIFICANT EVENTS (continued)****4. SEGMENT REPORT (continued)**

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

	For the six months ended 30 June 2013	For the six months ended 30 June 2012
Segmental profits	2,637,366,575.13	3,720,758,240.15
Interest and dividend income	61,802,120.88	60,841,606.78
Unallocated expenses	(63,213,198.54)	363,345,565.08
Financial expenses	(623,929,114.22)	(358,379,124.59)
Share of profits of joint ventures and associates	62,759,501.37	121,606,792.29
Gains/(losses) from changes in fair value of financial instruments	9,581,823.71	(64,176,643.31)
Profit before tax	2,084,367,708.33	3,843,996,436.40

XI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS**1. TRADE RECEIVABLES**

The trade receivables are interest-free with a credit period of three months.

An ageing analysis of the trade receivables is as follows:

	30 June 2013	31 December 2012
Within 1 year	1,318,876,355.18	812,754,858.00
Over 1 year but within 2 years	1,094,812.49	15,568,379.00
Over 2 years but within 3 years	7,791.00	17,430,918.00
Over 3 years	114,405.20	66,113.00
	1,320,093,363.87	845,820,268.00

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

	At		Reductions		At 30 June
	1 January	Additions	Reversal	Write-off	
30 June 2013	88,513.00	26,200.45	—	—	114,713.45

Notes to Financial Statements (continued)

For the six months ended 30 June 2013

RMB

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

XI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (continued)

1. TRADE RECEIVABLES (continued)

	30 June 2013				31 December 2012			
	Carrying amount		Bad debt provision		Carrying amount		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Individually significant	1,302,628,764.95	98.68	—	—	836,758,158.00	98.93	—	—
Others not significant	17,464,598.92	1.32	114,713.45	0.66	9,062,110.00	1.07	88,513.00	0.98
	1,320,093,363.87	100	114,713.45	0.009	845,820,268.00	100	88,513.00	0.01

There were no trade receivables denominated in foreign currencies as at 30 June 2013 and 31 December 2012.

Top five entities with the largest balances of trade receivables are as follows:

30 June 2013

Name of entity	Relationship with the Company	Amount	Ageing	Proportion of trade receivables (%)
Zijin Copper Company Limited	A subsidiary of the Company	877,250,817.63	Within 1 year	66.45
Fujian Jinyi Copper Company Limited	A subsidiary of the Company	188,086,443.16	Within 1 year	14.25
Zijin Mining Group (Xiamen) Marketing Company Limited	A subsidiary of the Company	87,331,788.70	Within 1 year	6.62
Fujian Jinshan Gold Refinery Company Limited	A subsidiary of the Company	71,586,371.10	Within 1 year	5.42
Xing Ning Jin Yan Electrical Purpose Company Limited	Third party	20,170,231.07	Within 1 year	1.53
Total		1,244,425,651.66		94.27

As at 30 June 2013, there were no trade receivables (31 December 2012: Nil), due from shareholders holding at least 5% of the Company's shares with voting powers.

Notes to Financial Statements (continued)

For the six months ended 30 June 2013

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

XI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (continued)

2. OTHER RECEIVABLES

An ageing analysis of other receivables as is as follows:

	30 June 2013	31 December 2012
Within 1 year	1,450,313,241.98	2,477,137,983.00
Over 1 year but within 2 years	2,599,636,014.53	1,724,145,983.00
Over 2 years but within 3 years	2,375,375,624.61	1,564,197,258.00
Over 3 years	882,963,552.62	619,160,395.00
	7,308,288,433.74	6,384,641,619.00

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

	At		Reductions		At 30 June
	1 January	Additions	Reversal	Write-off	
30 June 2013	6,347,066.00	668,575.30	—	—	7,015,641.30

	30 June 2013				31 December 2012			
	Carrying amount		Bad debt provision		Carrying amount		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Individually significant	7,125,495,653.98	97.5	—	—	6,214,702,974	97.34	—	—
Others not significant	182,792,779.76	2.5	7,015,641.30	3.83	169,938,645	2.66	6,347,066.00	3.77
	7,308,288,433.74	100	7,015,641.30	0.096	6,384,641,619.00	100	6,347,066.00	0.10

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

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

XI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

2. OTHER RECEIVABLES *(continued)*

Top five entities with the largest balances of other receivables are as follows:

30 June 2013

Name of entity	Relationship with the Company	Amount	Ageing	Proportion of other receivables (%)
Zijin Investment	A subsidiary of the Company	1,033,568,367.42	Within 1 year/ Over 1 year but within 2 years/ Over 2 years but within 3 years/ Over 3 years	14.14
Zijin Mining Group Northwest Company Limited	A subsidiary of the Company	788,405,960.93	Within 1 year/ Over 1 year but within 2 years/ Over 2 years but within 3 years/ Over 3 years	10.79
Zijin Real Estate	A subsidiary of the Company	738,716,127.77	Within 1 year/ Over 1 year but within 2 years/ Over 2 years but within 3 years/ Over 3 years	10.11
ZGC	A subsidiary of the Company	501,781,315.78	Within 1 year/ Over 1 year but within 2 years/ Over 2 years but within 3 years	6.87
Land Reserve Center of Longyan City	Third Party	498,000,000.00	Within 1 year	6.81
		3,560,471,771.90		48.72

As at 30 June 2013, there were no other receivables (31 December 2012: Nil) due from shareholders holding at least 5% of the Company's shares with voting powers.

As at 30 June 2013 and 31 December 2012, there were no other receivables of the Company denominated in foreign currencies.

Notes to Financial Statements (continued)

For the six months ended 30 June 2013

RMB

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

XI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (continued)

3. LONG-TERM EQUITY INVESTMENTS

		31 December 2012	Additions	Reductions	30 June 2013
Long-term equity investments under the cost method:					
Subsidiaries	(i)	11,325,648,060.00	30,000,000.00	450,066,992.00	10,905,581,068.00
Other equity investments	(ii)	164,750,000.00	—	—	164,750,000.00
Long-term equity investments under the equity method:					
Associates	(iii)	870,395,520.00	45,761,759.60	36,200,000.00	879,957,279.60
Total		12,360,793,580.00	75,761,759.60	486,266,992.00	11,950,288,347.60
Provision for impairment					
Subsidiaries	(i)	(480,403,330.00)	—	—	(480,403,330.00)
		11,880,390,250.00	75,761,759.60	486,266,992.00	11,469,885,017.60

(i) INVESTMENT IN SUBSIDIARIES

		31 December 2012	Additions	Reductions	30 June 2013
Longsheng Dexin		53,550,000.00	—	—	53,550,000.00
Guizhou Zijin		30,600,000.00	—	—	30,600,000.00
Anhui Zijin Mining Company Limited ("Anhui Zijin")		6,000,000.00	—	—	6,000,000.00
Xiamen Zijin		401,882,436.00	—	—	401,882,436.00
Xinjiang Ashele		139,335,849.00	—	—	139,335,849.00
Hunchun Zijin		185,437,500.00	—	—	185,437,500.00
Tongling Zijin		25,500,000.00	—	—	25,500,000.00
Ganzi Zijin		24,000,000.00	—	—	24,000,000.00
Zijin Investment		583,228,206.00	—	—	583,228,206.00
Qinghai West		936,000,000.00	—	—	936,000,000.00
Northwest Company		300,045,584.00	—	—	300,045,584.00
Bayannaoer Zijin		318,325,993.00	—	—	318,325,993.00
Gold Mountains H.K.		793,420,813.00	—	—	793,420,813.00
Zijin International Mining Company Limited		167,355,583.00	—	—	167,355,583.00
Yunnan Huaxi		86,830,000.00	—	—	86,830,000.00
Henan Jinda		129,880,000.00	—	—	129,880,000.00
Luoyang Yinhuai		105,000,000.00	—	—	105,000,000.00
Xinyi Zijin		243,900,000.00	—	—	243,900,000.00
Jinshan Refinery		298,000,000.00	—	—	298,000,000.00
Fujian Zijin Hotel Management Company Limited		10,000,000.00	—	—	10,000,000.00

Notes to Financial Statements (continued)

For the six months ended 30 June 2013

RMB

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

XI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (continued)

3. LONG-TERM EQUITY INVESTMENTS (continued)

(i) INVESTMENT IN SUBSIDIARIES (continued)

	31 December 2012	Additions	Reductions	30 June 2013
Fujian Zijin Mining Technology Company Limited	5,000,000.00	—	—	5,000,000.00
Chongli Zijin	142,500,000.00	—	—	142,500,000.00
Longkou Jintai	192,000,000.00	—	—	192,000,000.00
Shanxi Zijin	127,284,118.00	—	—	127,284,118.00
Southwest Company Mining and Metallurgy Technology	1,184,809,370.00	—	—	1,184,809,370.00
Wuping Zijin Mining Company Limited	50,000,000.00	—	—	50,000,000.00
Fujian Jinshan Investment Company Limited	18,956,208.00	—	—	18,956,208.00
Zijin Real Estate	8,000,000.00	—	—	8,000,000.00
Gansu Yate	300,000,000.00	—	—	300,000,000.00
Huanmin Mining	354,113,355.00	—	—	354,113,355.00
Inner Mongolian Zijin Mining Company Limited	306,000,000.00	—	—	306,000,000.00
Northeast Asia Zijin	100,000,000.00	—	—	100,000,000.00
Qinghai Zijin	659,178,710.00	—	—	659,178,710.00
Zijin Finance	450,066,992.00	—	450,066,992.00	—
Zijin Copper	475,000,000.00	—	—	475,000,000.00
Xinjiang Jinneng Mining Co., Ltd. ("Jinneng Mining")	1,822,647,343.00	—	—	1,822,647,343.00
Zijin Xiangyu (Longyan) Logistics Company Limited	50,000,000.00	—	—	50,000,000.00
Xiamen Marketing	13,000,000.00	—	—	13,000,000.00
Jinyi Copper	20,000,000.00	—	—	20,000,000.00
Ankang Zijin	140,000,000.00	—	—	140,000,000.00
Zijin Mining Group Gansu Mining Development Company Limited	68,800,000.00	—	—	68,800,000.00
	—	30,000,000.00	—	30,000,000.00
	11,325,648,060.00	30,000,000.00	450,066,992.00	10,905,581,068.00

Notes to Financial Statements (continued)

For the six months ended 30 June 2013

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

XI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (continued)

3. LONG-TERM EQUITY INVESTMENTS (continued)

(i) INVESTMENT IN SUBSIDIARIES (continued)

Movements of provision for impairment losses of long-term equity investments in subsidiaries

	31 December 2012	Additions	Write-off due to disposal of subsidiaries	30 June 2013
Anhui Zijin	6,000,000	—	—	6,000,000
Gansu Yate	43,019,351	—	—	43,019,351
Longkou Jintai	187,483,979	—	—	187,483,979
Xinyi Zijin	243,900,000	—	—	243,900,000
	480,403,330	—	—	480,403,330

(ii) Other equity investments

	Sichuan Liwu Copper Company Limited	Nanjing China Net Communication Company Limited	Hunan Nonferrous Metals Company Limited	Shanghang Rural Commercial Bank	Total
31 December 2012	19,850,000	25,000,000	30,000,000	89,900,000	164,750,000
Increase for the period	—	—	—	—	—
Decrease for the period	—	—	—	—	—
30 June 2013	19,850,000	25,000,000	30,000,000	89,900,000	164,750,000
Proportion of equity interest in the investee	5.77%	8.62%	1.37%	10%	

Notes to Financial Statements (continued)

For the six months ended 30 June 2013

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

XI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (continued)

3. LONG-TERM EQUITY INVESTMENTS (continued)

(iii) Associates

30 June 2013

Name of entity	Proportion of equity interest	Initial investments	Accumulated additional investments	Equity changes			Provision for impairment losses			At 30 June 2013	
				Changes for the period	Cash dividends	Disposals	Accumulated changes	Additions	Disposals		Accumulated changes
Makeng Mining	31.50%	2,520,000.00	54,540,000.00	12,171,284.97	(25,200,000.00)	—	166,406,531.97	—	—	2,454,249.84	225,920,781.81
Tibet Yulong	22.00%	243,750,000.00	(106,250,000.00)	4,220,764.21	—	—	(50,857,930.79)	—	—	—	86,642,069.21
Songan Zijin	34.00%	39,400,000.00	—	—	—	—	(150,215.00)	—	—	—	39,249,785.00
Zijin Tongguan	45.00%	4,500,000.00	603,000,000.00	(5,251,870.37)	—	—	(89,497,052.37)	—	—	(23,760,560.05)	494,242,387.58
Wancheng Commercial	10.00%	71,966,977.00	2,780,000.00	6,641,580.79	(11,000,000.00)	—	(40,844,721.00)	—	—	—	33,902,256.00
		362,136,977.00	554,070,000.00	17,781,759.60	(36,200,000.00)	—	(14,943,387.19)	—	—	(21,306,310.21)	879,957,279.60

Notes to Financial Statements (continued)

For the six months ended 30 June 2013

RMB

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

XI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (continued)

4. OPERATING INCOME

Analysis of operating income are as follows:

	For the six months ended 30 June 2013	For the six months ended 30 June 2012
Revenue from principal operations	6,291,694,185.98	5,933,511,232.36
Revenue from other operations	142,626,074.73	219,650,999.46
	6,434,320,260.71	6,153,162,231.82

An analysis of operating income from principal operations and cost of principal operations by products:

	For the six months ended 30 June 2013		For the six months ended 30 June 2012	
	Revenue	Cost	Revenue	Cost
Gold bullion and processed and trading gold	5,694,156,485.16	4,788,308,905.20	5,609,246,356.82	3,607,048,723.90
Copper cathodes	245,288,827.22	166,523,430.27	20,135,124.10	31,219,185.11
Copper concentrates	295,001,461.03	158,448,588.96	244,528,763.79	108,969,256.33
Others	57,247,412.57	22,065,880.64	59,600,987.65	45,523,912.50
	6,291,694,185.98	5,135,346,805.07	5,933,511,232.36	3,792,761,077.84

Operating income of the top five customers of the Company:

	For the six months ended 30 June 2013	Proportion of revenue (%)
Shanghai Gold Exchange*	5,477,789,861.11	85.13
Zijin Copper	268,469,069.65	4.17
Fujian Jinyi	154,107,020.38	2.40
Xiamen Marketing	142,877,183.76	2.22
Meizhou Jincheng Industrial and Trading Company Limited	88,853,425.19	1.38
	6,132,096,560.09	95.30

* The ultimate customers are not known.

Notes to Financial Statements (continued)

For the six months ended 30 June 2013

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

XI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (continued)

5. INVESTMENT INCOME

	For the six months ended 30 June 2013	For the six months ended 30 June 2012
Gains on disposal of held-for-trading financial assets	(53,471,486.52)	23,480,134.73
Investment income from long-term equity investments under the equity method	17,781,759.60	26,860,590.09
Investment income from long-term equity investments under the cost method	1,275,120,000.00	1,103,112,031.55
Gains on disposal of available-for-sale investments	(8,417,446.56)	(23,423,765.72)
Others	(66,993.32)	(10,000,000.00)
	1,230,945,833.20	1,120,028,990.65

Investees with the top five investment income from long-term equity investments under the cost method for the six months ended 30 June 2013 are as follows:

Investee	For the six months ended 30 June 2013	For the six months ended 30 June 2012	Reason for variance with last period
Qinghai West	400,000,000.00	400,000,000.00	
Hunchun Zijin	289,875,000.00	193,250,000.00	Fluctuation in the dividend allocation
Xinjiang Ashele	204,000,000.00	204,000,000.00	
Chongli Zijin	100,200,000.00	85,608,026.47	Fluctuation in the dividend allocation
Luoyang Yinhui	84,000,000.00	—	Fluctuation in the dividend allocation
Guizhou Zijin	—	76,500,000.00	
	1,078,075,000.00	959,358,026.47	

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

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*(English translation is for reference. If there is any discrepancy, Chinese version will prevail.)***XI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (continued)****5. INVESTMENT INCOME (continued)**

Investees from long-term equity investments under the equity method for the six months ended 30 June 2013 are as follows:

Investee	For the six months ended 30 June 2013	For the six months ended 30 June 2012	Reason for variance with last period
Wancheng Commercial	6,641,580.79	15,005,741.02	Change in net profit of the investee
Makeng Mining	12,171,284.97	13,998,007.85	Change in net profit of the investee
Tibet Yulong	4,220,764.21	188,881.49	Change in net profit of the investee
Zijin Tongguan	(5,251,870.37)	(2,332,040.08)	Change in net profit of the investee
Total	17,781,759.60	26,860,590.28	

Investment income/loss was recognised based on the carrying amount of net profit/loss of the investees by the Company.

As at 30 June 2013, there are no material restrictions on the transfer of the investment income back to the Group.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

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

SUPPLEMENTARY INFORMATION

I. SUMMARY OF NON-RECURRING PROFIT OR LOSS

Item	For the six months ended 30 June 2013
Net profit attributable to owners of the parent	1,098,050,167.09
Add/(less):	
Loss on disposal of non-current assets	9,211,350.97
Government grants recognised in the income statement during the period	(45,950,699.11)
Donations	84,946,360.88
Changes in fair value of held-for-trading financial assets and liabilities in relation to non-recurring operating activities	79,592,984.42
Losses on provision of impairment on available-for-sale investments	64,427,481.26
Gain on disposal of held-for-trading financial assets and liabilities and available-for-sale investments in relation to non-recurring operating activities	24,876,620.80
Net loss/(gain) on transfer of equity investment	(1,488,470.19)
Net amount of non-operating income and expenses other than the aforesaid items	(16,350,356.34)
Effect of non-recurring profit and loss on income tax	(14,429,596.30)
Impact on the non-controlling interest	(4,446,888.85)
Total effect of non-recurring profit or loss	180,388,787.54
Net profit attributable to owners of the parent excluding non-recurring profit or loss	1,278,438,954.63

The non-recurring profit or loss of the Group was recognised under the China Securities Regulatory Commission ("CSRC") Announcement [2008] No.43, Explanatory Announcement No.1 on Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities. The forward contract transactions of the Group are related to the ordinary operating activities, of which the objects are the mineral products or similar mineral products of the Group, aimed at reducing the risk of significant profitability fluctuation from ordinary operations in accordance with the price fluctuation. The transactions of forward contracts are frequent and the Group has and will continue to engage in such forward contracts in the foreseeable future. For the above-mentioned reasons, the forward contracts are not classified as non-recurring profit or loss.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

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*(English translation is for reference. If there is any discrepancy, Chinese version will prevail.)***SUPPLEMENTARY INFORMATION (continued)****II. RETURN ON NET ASSETS AND EARNINGS PER SHARE****For the six months ended 30 June 2013**

Item	Return on net assets (%)			Basic earnings per share (EPS)
	Fully diluted	Weighted average		
Net profit attributable to owners of the parent	1,098,050,167.09	3.89	3.89	0.050
Net profit excluding non-recurring profit or loss attributable to ordinary shareholders of the Company	1,278,438,954.63	4.53	4.53	0.059

For the six months ended 30 June 2012

Item	Return on net assets (%)			Basic earnings per share (EPS)
	Fully diluted	Weighted average		
Net profit attributable to owners of the parent	2,384,712,524.71	9.45	9.45	0.109
Net profit excluding non-recurring profit or loss attributable to ordinary shareholders of the Company	2,471,903,438.22	9.80	9.79	0.113

Net assets attributable to ordinary shareholders of the Company

	30 June 2013	30 June 2012
Net assets at 30 June attributable to ordinary shareholders of the Company	26,867,011,270.22	25,229,666,345.87
Weighted average net assets attributable to ordinary shareholders of the Company	28,251,365,466.61	25,240,316,215.27

The above-mentioned return on net assets and earnings per share were calculated according to the Announcement of CSRC: Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities No.9 (revision 2010).

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

RMB

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

SUPPLEMENTARY INFORMATION *(continued)*

III. ANALYTICAL REVIEW OF FLUCTUATION ON CONSOLIDATED FINANCIAL STATEMENT ITEMS

1. Trade receivables

As compared with the balance as at 31 December 2012, the balance of trade receivables of the Group as at 30 June 2013 increased by RMB518,764,800 (approximately 61.65%), which was mainly attributable to an increase in Xinjiang Jinbao's trade receivables amounted to RMB510,556,400 due from Baogang Group Xinjiang Bayi Steel Co., Ltd. in the first half of 2013.

2. Available-for-sale investments

As compared with the balance as at 31 December 2012, the balance of available-for-sale investments of the Group as at 30 June 2013 decreased by RMB246,972,300 (approximately 42.88%), which was mainly attributable to the fall of share prices of the investees for the period and the disposal of certain available-for-sale investments.

3. Construction materials

As compared with the balance as at 31 December 2012, the balance of construction materials of the Group as at 30 June 2013 increased by RMB61,503,800 (approximately 45.06%), which was mainly attributable to the newly purchased equipment pending installation for the technology innovation of some refinery plants in the first half of 2013.

4. Bills payable

As compared with the balance as at 31 December 2012, the balance of bills payable of the Group as at 30 June 2013 decreased by RMB214,194,100 (approximately 68.40%), which was mainly attributable to the reduced procurement of raw materials in 2013.

5. Trade payables

As compared with the balance as at 31 December 2012, the balance of trade payables of the Group as at 30 June 2013 decreased by RMB1,327,175,300 (approximately 31.8%), which was mainly attributable to the reduced procurement of raw materials for Zijin Copper, the Group's subsidiary in 2013.

6. Dividends payable

As compared with the balance as at 31 December 2012, the balance of dividends payable of the Group as at 30 June 2013 increased by RMB2,137,748,600, which was mainly attributable to the provision of dividends of RMB2,181,196,000 according to the shareholders resolution of the Group passed in the first half of 2013.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

RMB

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

SUPPLEMENTARY INFORMATION *(continued)*

III. ANALYTICAL REVIEW OF FLUCTUATION ON CONSOLIDATED FINANCIAL STATEMENT ITEMS *(continued)*

7. Taxes payable

As compared with the balance as at 31 December 2012, the balance of taxes payable of the Group as at 30 June 2013 decreased by RMB561,717,800 (approximately 33.2%), which was mainly attributable to the payments made in the first half of 2013 for the provision of various taxes for the year ended 31 December 2012.

8. Current portion of non-current liabilities

As compared with the balance as at 31 December 2012, the balance of current portion of non-current liabilities of the Group as at 30 June 2013 increased by RMB532,255,000 (approximately 99.33%), which was mainly attributable to a portion of Zijin Copper's long-term bank loan turned to be current in the first half of 2013.

9. Other non-current liabilities

As compared with the balance as at 31 December 2012, the balance of other non-current liabilities of the Group as at 30 June 2013 increased by RMB214,514,600 (approximately 58.47%), which was mainly attributable to the government grant of RMB180 million received by the Group for the construction of Zijinshan demonstration base for comprehensive utilization of gold, copper and other non-ferrous metals resources in the first half of 2013.

10. Exchange differences arising on translation of financial statements denominated in foreign currencies

As compared with the balance as at 31 December 2012, the balance of exchange differences arising on translation of financial statements denominated in foreign currencies of the Group as at 30 June 2013 increased loss by RMB79,012,200 (approximately 35.58%), which was mainly attributable to the appreciation of RMB in the first half of 2013.

11. Operating costs

As compared with the same period of 2012, operating costs of the Group for the period ended 30 June 2013 increased by RMB5,979,320,400 (approximately 38.5%), which was mainly attributable to the sales volume of the Company's refinery products increased sharply during the period ended 30 June 2013, which increased the operating costs.

12. Financial expenses

As compared with the same period of 2012, financial expenses of the Group for the period ended 30 June 2013 increased by RMB256,839,400 (approximately 78.3%), which was mainly attributable to (1) the increase of scale of financing which led to an increase in interest expenses; (2) the increase of gold leasing which led to an increase in leasing fee.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2013

RMB

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

SUPPLEMENTARY INFORMATION *(continued)*

III. ANALYTICAL REVIEW OF FLUCTUATION ON CONSOLIDATED FINANCIAL STATEMENT ITEMS *(continued)*

13. Impairment losses on assets

As compared with the same period of 2012, impairment losses on assets of the Group for the period ended 30 June 2013 increased by RMB332,095,600, which was mainly attributable to: (1) the drop of prices of gold, silver and non-ferrous metals which led to impairment of inventories; (2) the provision of impairment losses made by the Group on the available-for-sale investments which had non-temporary decrease in fair values.

14. Gains/(losses) on changes in fair value

As compared with the same period of 2012, gains on changes in fair value of the Group for the period ended 30 June 2013 increased by RMB73,758,500 (approximately 114.93%), which was mainly attributable to the change of fair value of financial derivative instruments.

15. Investment income

As compared with the same period of 2012, investment income of the Group for the period ended 30 June 2013 decreased by RMB161,515,700 (approximately 65.1%), which was mainly attributable to the greater profits achieved by the settlement of Zijin Copper's futures positions in the first half of 2012 and the losses incurred by the disposal of partial shares in 2013.

16. Share of profits of associates and joint ventures

As compared with the same period of 2012, share of profits of associates and joint ventures of the Group for the period ended 30 June 2013 decreased by RMB58,847,300 (approximately 48.4%), which was mainly attributable to the declined profitability of associates and joint ventures in the first half of 2013.

17. Non-operating income

As compared with the same period of 2012, non-operating income of the Group for the period ended 30 June 2013 increased by RMB24,161,300 (approximately 50.2%), which was mainly attributable to the increase in government grants in the first half of 2013.

18. Income tax expenses

As compared with the same period of 2012, income tax expenses of the Group for the period ended 30 June 2013 decreased by RMB452,504,900 (approximately 45.1%), which was mainly attributable to the declined profitability in the first half of 2013 as compared with the same period last year, resulted in the decrease in provision for income tax expenses.

19. Other comprehensive income

As compared with the same period of 2012, other comprehensive income of the Group for the period ended 30 June 2013 decreased by RMB141,440,400, which was mainly attributable to the losses in fair value of available-for-sale financial assets and the increase in exchange losses arising on translation of financial statements denominated in foreign currencies in the first half of 2013.

