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**Zijin Mining Group Co., Ltd.\***

**紫金礦業集團股份有限公司**

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

**(Stock code: 2899)**

## **Announcement**

### **Unaudited Interim Results for the Six Months Ended 30 June 2017**

The board of directors (the "Board") of Zijin Mining Group Co., Ltd.\* (the "Company") is pleased to announce the unaudited interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2017 ("this period"/the "reporting period"). This announcement has been reviewed and passed by the Board and the audit and internal control committee.

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

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

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

## 1. GROUP'S FINANCIAL STATEMENTS (AS PREPARED IN ACCORDANCE WITH CAS)

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

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 30 June 2017*

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)***As at 30 June 2017*

<u>LIABILITIES AND OWNERS' EQUITY</u>	<u>Note</u>	30 June 2017 (Unaudited) RMB	31 December 2016 (Audited) RMB
<b>CURRENT LIABILITIES</b>			
Short-term borrowings		13,431,823,324	12,350,040,250
Financial liabilities at fair value through profit or loss		163,608,178	93,140,487
Bills payable		128,446,184	252,074,617
Trade payables	15	3,897,129,937	4,727,394,558
Advances from customers		2,572,617,478	2,086,548,542
Employee benefits payable		420,640,037	652,672,744
Taxes payable		621,069,208	490,865,153
Dividends payable		1,511,566,682	27,165,124
Other payables		4,137,813,820	3,953,476,058
Current portion of non-current liabilities		4,471,547,530	4,218,609,112
Other current liabilities		3,000,000,000	5,000,000,000
Total current liabilities		<u>34,356,262,378</u>	<u>33,851,986,645</u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings		5,493,505,501	5,775,423,277
Bonds payable		16,274,145,685	16,270,310,335
Long-term payables		427,165,649	397,617,073
Provision		868,839,869	871,311,724
Deferred income		430,565,456	453,473,146
Deferred tax liabilities		555,082,522	481,069,873
Total non-current liabilities		<u>24,049,304,682</u>	<u>24,249,205,428</u>
TOTAL LIABILITIES		<u>58,405,567,060</u>	<u>58,101,192,073</u>
<b>EQUITY</b>			
Share capital		2,303,121,889	2,154,074,365
Capital reserve		11,153,190,489	6,703,357,022
Other comprehensive income	12	(197,289,231)	(642,687,760)
Special reserve		192,966,618	159,412,702
Surplus reserve		1,319,401,104	1,319,401,104
Retained earnings	16	18,192,443,641	18,068,917,361
Equity attributable to owners of the parent		<u>32,963,834,510</u>	<u>27,762,474,794</u>
Non-controlling interests		<u>3,506,279,652</u>	<u>3,354,033,392</u>
TOTAL EQUITY		<u>36,470,114,162</u>	<u>31,116,508,186</u>
TOTAL LIABILITIES AND OWNERS' EQUITY		<u>94,875,681,222</u>	<u>89,217,700,259</u>

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2017

	<u>Note</u>	For the 6 months ended 30 June 2017 (Unaudited) RMB	For the 6 months ended 30 June 2016 (Unaudited) RMB
OPERATING INCOME	2	37,523,631,910	38,889,899,709
Less: Operating costs	2	32,048,962,179	34,594,052,055
Taxes and surcharges	3	568,841,706	409,831,779
Selling expenses		389,061,277	332,124,951
Administrative expenses		1,486,151,958	1,321,654,931
Financial expenses	4	1,217,604,896	439,930,366
Impairment losses on assets	5	237,944,424	5,637,118
Add: Gains/(Losses) on changes in fair value	6	570,492,224	(719,947,740)
Investment income /(losses)	7	82,809,279	(455,916,389)
<i>Including: Share of profits of associates     and joint ventures</i>		16,568,302	166,791,958
Other income		86,860,692	-
<b>OPERATING PROFIT</b>		<b>2,315,227,665</b>	<b>610,804,380</b>
Add: Non-operating income	8	88,150,694	103,829,667
Less: Non-operating expenses	9	252,211,568	97,840,390
<i>Including : Losses on disposal of non-current     assets</i>		163,535,468	16,719,346
<b>PROFIT BEFORE TAX</b>		<b>2,151,166,791</b>	<b>616,793,657</b>
Less: Income tax expenses	10	388,445,323	40,123,348
<b>NET PROFIT</b>		<b>1,762,721,468</b>	<b>576,670,309</b>
Including: Attributable to owners of the parent		1,505,399,413	538,349,713
Non-controlling interests		257,322,055	38,320,596
Earnings per share	11		
Basic earnings per share		0.069	0.025
<b>NET OTHER COMPREHENSIVE INCOME AFTER TAX</b>			
Changes in fair value of available-for-sale investments		60,863,109	399,398,705
Effective part of cash flow hedging instruments		167,424,343	(479,355,367)
Exchange differences arising from translation of financial statements denominated in foreign currencies		217,111,077	(55,088,302)
Other comprehensive income attributable to owners of the parent		445,398,529	(135,044,964)
Other comprehensive income attributable to non-controlling interests		71,441,399	(33,995,445)
<b>SUBTOTAL OF NET OTHER COMPREHENSIVE INCOME AFTER TAX</b>		<b>516,839,928</b>	<b>(169,040,409)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>2,279,561,396</b>	<b>407,629,900</b>
Attributable to:			
Owners of the parent		1,950,797,942	403,304,749
Non-controlling shareholders		328,763,454	4,325,151

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2017

	For the 6 months ended 30 June 2017 (Unaudited) RMB	For the 6 months ended 30 June 2016 (Unaudited) RMB
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from sale of goods and rendering of services	39,327,239,047	41,642,916,129
Refund of taxes	104,024,211	103,431,885
Other cash receipts relating to operating activities	280,786,248	154,482,041
Sub-total of cash inflows from operating activities	<u>39,712,049,506</u>	<u>41,900,830,055</u>
Cash payments for goods purchased and services received	31,599,031,081	32,954,889,232
Cash payments to and on behalf of employees	1,576,394,215	1,415,376,175
Payments of various types of taxes	2,060,597,308	1,517,508,925
Other cash payments relating to operating activities	<u>1,170,218,113</u>	<u>2,381,413,356</u>
Sub-total of cash outflows used in operating activities	<u>36,406,240,717</u>	<u>38,269,187,688</u>
Net cash flow from operating activities	<u>3,305,808,789</u>	<u>3,631,642,367</u>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash receipts from disposals and recovery of investments	969,571,279	386,486,639
Cash receipts from investment income	74,232,866	79,511,471
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	8,349,137	23,055,286
Net cash receipts from disposals of subsidiaries and other business units	-	500
Other cash receipts relating to investing activities	<u>610,478,938</u>	<u>557,229,366</u>
Sub-total of cash inflows from investing activities	<u>1,662,632,220</u>	<u>1,046,283,262</u>
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	1,639,220,651	2,250,115,977
Cash payments to acquire investments	1,782,517,270	1,425,596,122
Cash payments for acquisitions of subsidiaries and other business units	-	-
Other cash payments relating to investing activities	<u>1,852,389,851</u>	<u>897,958,749</u>
Sub-total of cash outflows used in investing activities	<u>5,274,127,772</u>	<u>4,573,670,848</u>
Net cash flow used in investing activities	<u>(3,611,495,552)</u>	<u>(3,527,387,586)</u>

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)***For the six months ended 30 June 2017*

	For the 6 months ended 30 June 2017 (Unaudited) RMB	For the 6 months ended 30 June 2016 (Unaudited) RMB
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash receipts from capital contributions	4,597,314,976	5,000,000
Cash receipts from borrowings	9,887,855,362	19,935,532,900
Other cash receipts relating to financing activities	-	-
	<u>14,485,170,338</u>	<u>19,940,532,900</u>
Sub-total of cash inflows from financing activities		
Cash repayments of borrowings	11,209,922,779	18,132,494,117
Cash payments for distribution of dividends or profits or settlement in interest expenses	583,255,892	746,671,542
Other cash payments relating to financing activities	40,294,408	355,776,289
	<u>11,833,473,079</u>	<u>19,234,941,948</u>
Sub-total of cash outflows used in financing activities		
Net cash flow from financing activities	<u>2,651,697,259</u>	<u>705,590,952</u>
<b>IV. EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>		
	(118,066,725)	42,677,188
<b>V. NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		
	<u>2,227,943,771</u>	<u>852,522,921</u>

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)***For the six months ended 30 June 2017*

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

**Notes:**

**1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

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

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

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

As at 30 June 2017, the Group recorded current assets of RMB31,190,156,526 and current liabilities of RMB34,356,262,378. The balance of the current assets was less than that of the current liabilities. In view of these circumstances, the management of the Company has given consideration to the future liquidity of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern, mainly including:

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

Therefore, the management of the Company believes that the Group has adequate resources to continue operation and fulfill the due financial responsibility. The management of the Company therefore is of the opinion that it is appropriate to adopt the going concern basis in preparing the consolidated financial statements.

**2. OPERATING INCOME AND OPERATING COSTS**

Analysis of operating income is as follows:

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

During the first half of 2017, more than 99.11% of the operating income arose from sales of commodities. As such, the management of the Group considers that disclosure of the operating income and costs based on the nature of income is unnecessary.



### 3. TAXES AND SURCHARGES

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

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

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

### 4. FINANCIAL EXPENSES

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

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

5. IMPAIRMENT LOSSES ON ASSETS

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

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

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

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

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

7. INVESTMENT INCOME/(LOSSES)

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

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

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

8. NON-OPERATING INCOME

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

9. NON-OPERATING EXPENSES

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

10. INCOME TAX EXPENSES

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

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

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

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

## 11. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the consolidated net profit for the current period attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding. The number of newly issued ordinary shares is determined from the date the consideration is due (generally the issue date of shares) according to the provisions in the issuing agreement. There were no potential dilutive ordinary shares for the Company.

Basic earnings per share is calculated as follows:

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

## 12. OTHER COMPREHENSIVE INCOME

30 June 2017

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

## 12. OTHER COMPREHENSIVE INCOME (CONTINUED)

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

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

## 13. OPERATING SEGMENT INFORMATION

The management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted operating profit before tax. The adjusted operating profit before tax is measured consistently with the Group's operating profit before tax except that interest income, finance costs, dividend income, share of profits of joint ventures and associates, fair value gains or losses from the Group's financial instruments as well as head office and corporate expenses are excluded from this measurement.

Segment assets exclude cash and cash equivalents, equity investments at fair value through profit or loss, derivative financial instruments and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude derivative financial instruments, bank and other borrowings, loans from ultimate controlling entities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

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

### 13. OPERATING SEGMENT INFORMATION (CONTINUED)

RMB  
(Unaudited)

For the six months ended 30 June 2017

Item	Gold bullion	Processed gold	Gold concentrates	Copper cathodes	Refinery copper	Copper concentrates	Other concentrates	Zinc bullion	Others	Eliminations	Total
1. Operating income	2,754,482,564	18,569,450,038	1,578,926,731	337,297,946	8,753,721,125	2,719,803,596	3,108,743,991	1,925,261,167	8,481,052,782	(10,705,108,030)	37,523,631,910
Including: Sales to external customers	1,310,022,507	14,202,482,465	1,516,417,578	335,220,113	6,881,050,616	2,561,196,296	2,545,168,931	1,922,400,216	6,249,673,188	-	37,523,631,910
Intersegment sales	<u>1,444,460,057</u>	<u>4,366,967,573</u>	<u>62,509,153</u>	<u>2,077,833</u>	<u>1,872,670,509</u>	<u>158,607,300</u>	<u>563,575,060</u>	<u>2,860,951</u>	<u>2,231,379,594</u>	<u>(10,705,108,030)</u>	<u>-</u>
2. Segment profit	<u>483,622,008</u>	<u>124,359,834</u>	<u>445,294,759</u>	<u>53,147,838</u>	<u>317,203,402</u>	<u>995,770,566</u>	<u>1,400,460,981</u>	<u>161,499,016</u>	<u>(152,119,673)</u>	<u>-</u>	<u>3,829,238,731</u>
3. Segment assets	51,332,672,741	12,505,148,688	11,262,041,249	6,444,637,648	10,181,859,346	15,905,884,280	13,053,523,984	2,735,428,981	62,666,366,798	(104,656,543,455)	81,431,020,260
Unallocated assets											13,444,660,962
Total assets											94,875,681,222
4. Segment liabilities	32,412,217,326	8,333,734,117	6,905,808,319	3,943,001,658	7,510,901,467	9,137,176,605	9,309,039,022	1,785,371,317	50,181,521,954	(95,203,482,427)	34,315,289,358
Unallocated liabilities											24,090,277,702
Total liabilities											58,405,567,060
5. Supplemental information											
1. Depreciation and amortisation	537,364,143	75,270,589	248,716,414	61,179,483	134,408,168	310,392,704	425,781,176	92,651,262	267,883,408	-	2,153,647,347
2. Capital expenditure	454,458,920	109,083,828	109,662,562	69,813,019	51,208,170	157,414,276	127,637,100	25,508,249	542,949,764	-	1,647,735,888



13. OPERATING SEGMENT INFORMATION (CONTINUED)

RMB

(Unaudited)

For the six months ended 30 June 2016

Item	Gold bullion	Processed gold	Gold concentrates	Copper cathodes	Refinery copper	Copper concentrates	Other concentrates	Zinc bullion	Others	Eliminations	Total
1. Operating income	2,494,071,447	22,925,433,540	2,283,862,068	369,287,091	6,059,754,934	1,512,727,449	1,620,231,936	1,268,796,932	6,092,191,750	(5,736,457,438)	38,889,899,709
Including: Sales to external customers	957,435,616	21,419,915,340	2,283,862,068	369,287,091	4,976,528,948	1,512,727,449	1,621,385,715	1,204,843,492	4,543,913,990	-	38,889,899,709
Intersegment sales	<u>1,536,635,831</u>	<u>1,505,518,200</u>	<u>-</u>	<u>-</u>	<u>1,083,225,986</u>	<u>-</u>	<u>(1,153,779)</u>	<u>63,953,440</u>	<u>1,548,277,760</u>	<u>(5,736,457,438)</u>	<u>-</u>
2. Segment profit	<u>530,669,233</u>	<u>191,123,093</u>	<u>350,353,059</u>	<u>26,352,828</u>	<u>257,096,695</u>	<u>400,330,790</u>	<u>480,786,129</u>	<u>112,896,963</u>	<u>374,534,175</u>	<u>-</u>	<u>2,724,142,965</u>
3. Segment assets	47,321,330,869	11,358,544,582	11,418,806,245	7,269,402,817	5,332,140,351	16,391,037,096	13,290,436,580	2,656,091,101	56,535,594,923	(95,013,318,814)	76,560,065,750
Unallocated assets											10,934,266,249
Total assets											87,494,331,999
4. Segment liabilities	29,115,306,585	7,759,519,280	6,478,477,669	4,245,554,392	3,501,252,637	9,051,698,223	10,137,511,898	1,730,082,952	49,207,925,738	(93,811,523,046)	27,415,806,328
Unallocated liabilities											29,358,609,973
Total liabilities											56,774,416,301
5. Supplemental information											
1. Depreciation and amortisation	368,681,165	84,320,004	323,829,943	87,339,804	118,454,047	190,546,267	183,568,753	100,764,477	226,501,180	-	1,684,005,640
2. Capital expenditure	620,600,234	148,962,747	149,753,054	95,335,296	69,928,878	214,961,863	174,298,734	34,833,567	741,441,604	-	2,250,115,977

#### 14. TRADE RECEIVABLES

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

An ageing analysis of the trade receivables is as follows:

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

The sales of gold bullion are mainly through cash sales or receipts in advance. The sales of gold bullion through cash sales are settled on the transaction dates. The sales of other products such as copper cathodes, zinc bullion and ore concentrates, adopt receipts in advance, letter of credit or credit sales. The credit periods of credit sales range from one to six months. The Group maintains strict control over its outstanding trade receivables. Overdue balances of trade receivables are reviewed regularly. Because of the conditions mentioned above and the fact that the Group's trade receivables were related to a large number of diversified customers, there is no significant concentration of credit risk.

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

	As at 1 January 2017 (Unaudited) RMB	Additions (Unaudited) RMB	Reductions		As at 30 June 2017 (Unaudited) RMB
			Reversal (Unaudited) RMB	Write-off (Unaudited) RMB	
30 June 2017	<u>6,429,534</u>	<u>203,814</u>	<u>-</u>	<u>(203,814)</u>	<u>6,429,534</u>
			30 June 2017		
	Carrying amount		Bad debt provision		Net book value
	Amount (Unaudited) RMB	Proportion (%)	Amount (Unaudited) RMB	Proportion (%)	(Unaudited) RMB
Individually significant and for which bad debt provision has been provided individually	632,499,035	73.93	-	-	632,499,035
Individually not significant but for which bad debt provision has been provided individually	<u>223,039,883</u>	26.07	<u>6,429,534</u>	2.88	<u>216,610,349</u>
	<u>855,538,918</u>	100	<u>6,429,534</u>	0.75	<u>849,109,384</u>

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

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

15. TRADE PAYABLES

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

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

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

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

16. RETAINED EARNINGS

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

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

17. NET CURRENT LIABILITIES

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

18. TOTAL ASSETS LESS CURRENT LIABILITIES

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

19. PROVISION FOR DEPRECIATION

	For the six months ended 30 June 2017 (Unaudited) RMB	For the six months ended 30 June 2016 (Unaudited) RMB
Fixed assets	1,572,420,164	1,247,640,046
Investment properties	<u>4,885,571</u>	<u>3,687,754</u>

## 2. OPERATION OVERVIEW

### Overview of the Company's operation

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

##### (1) Business scope

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

##### (2) Operating model

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

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

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

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

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

##### (3) Market environment

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

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

Shrinking supply and low inventory were the contributing factors for keeping base metal prices at high levels. Moreover, due to the impact of China's supply-side reform, stringent environmental policies and efforts to cut obsolete production

capacity, and labour strikes at the world's major copper mines, copper price continued to escalate. The opening price of copper in London was US\$5,542.5/tonne at the beginning of the year, which reached the highest price at US\$6,204/tonne and the lowest price at US\$5,462.5/tonne, and closed at US\$5,959/tonne at the end of June 2017, representing a 7.5% increase compared with the beginning of the year; average price was US\$5,755/tonne, representing a 22% increase compared with the same period last year.

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

#### **(4) Condition of the industry**

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

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

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

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

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

### **3. Analysis on core competitiveness during the reporting period**

In the first half of 2017, the new term of Board convened a strategic meeting, at which the idea of "innovation is the core competitiveness of the corporation" was determined to be one of the Company's core strategies. The Company's belief of innovation is to properly apply general scientific theories to the actual conditions, seek for the type of innovation that best suits corporate needs, relentlessly challenge the achievement of oneself for more innovative breakthroughs, make best use of the Company's advantages, and avoid or improve its weakness. The Board emphasised that the Company shall solidify its leading position in domestic gold, copper and zinc industries under the new market trends, and have strong faith in the Company's strategy, strength and culture in the course of internationalisation.

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

## **Discussion and analysis on operating performance**

### **Business Overview**

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

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

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

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

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

During the reporting period, the Company substantially enhanced its efficiency. In order to ensure stability in operation, the Company's mines used more low-grade resources to enhance comprehensive utilisation of resources. This led to an increase in costs and partially affected current earnings. Moreover, impairment was provided for the assets with indicators of impairment based on their conditions, which affected the realisation of certain earnings. The fluctuation in exchange rates caused unrealised exchange losses on the Company's foreign currencies; the inventory level of certain subsidiaries increased; and due to the transfer of a portion of products from the Company's mines to its refining enterprises, the sales of such products were not realised, which affected current earnings.

### Gold Business

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

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

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

The Group produced 67,227kg of refinery, processed and trading gold, representing a decrease of 25.05% compared with

the same period last year (same period last year: 89,697kg).

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

### Copper Business

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

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

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

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

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

### Lead and Zinc Business

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

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

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

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

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

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

### Silver, Iron Mine and Other Business

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

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



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

### **Geological Exploration**

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

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

### **Key measures taken during the reporting period:**

#### **Continued to deepen reform, introduced innovation in management to release growth potential**

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

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

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

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

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

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

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

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

Since 2016, the Company's Directors and senior management have been increasing their stakes in the Company's shares. Presently, all of the Company's senior management own shares in the Company. The ratio of their shareholdings rank at top places among China's listed state-owned enterprises. In particular, Mr. Chen Jinghe, the Company's chairman who already owned a total of 110 million A/H Shares in the Company before the issuance and was the 13th investor holding

the most of the Company's shares which are subject to no trading moratorium, subscribed for 31.1 million units of employee stock ownership scheme, which was equivalent to an additional 10 million A Shares of the Company. With the Company's substantial shareholder, management and employees considerably increasing their shareholdings in the Company, capital market will have stronger confidence in the Company. The enterprise can extensively attract market resources to assist future corporate development, and the Company's share value is strongly supported.

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

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

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

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

### 3. MANAGEMENT DISCUSSION AND ANALYSIS

#### Status of main business

##### 1 Operating results

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

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

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

Note 1: During the reporting period, other sales income mainly included: RMB5.135 billion from logistics and trading,

RMB751 million from refinery and processed silver, RMB208 million from gold manufacturing products, RMB384 million from copper pipe, RMB373 million from copperplates and RMB2.029 billion from other products, services, etc.

## 2 Analysis on costs and gross profit margin

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

The table below sets out details of the unit cost of sales and gross profit margin by product for the six months ended 30 June 2017 and 30 June 2016 respectively (Note 1)

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

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

The Group's overall gross profit margin was 14.59%, representing an increase of 3.54 percentage points compared with the same period last year. This was mainly influenced by an increase in the price of mineral products. In which, the overall gross profit margin of mining entities was 44.69%, representing an increase of 5.26 percentage points compared with the same period last year. The overall gross profit margin of refinery entities was 2.62%, representing an increase of 0.48 percentage point compared with the same period last year.

## 3 Analysis of financial data

### (1) Selling expenses

The selling expenses of the Group for the first half of 2017 was RMB389.06 million, representing an increase of 17.14% compared with the same period last year (same period last year: RMB332.12 million), which was mainly due to an increase in sales volume of products for the first half of 2017.

### (2) Administrative expenses

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

### (3) Financial expenses

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

### (4) Impairment losses on assets

The Group provided impairment losses on assets of RMB237.94 million in the first half of 2017 (same period last year:

RMB5.64 million), including (1) net provision of RMB4.83 million for bad debts after offsetting between provision and reversal of bad debts; (2) net provision of RMB6.74 million on inventories after offsetting between provision and reversal for decline in value of inventories; (3) provision of RMB191.52 million for impairment losses on fixed assets; (4) provision of RMB34.85 million for impairment losses on intangible assets.

#### (5) Investment income

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

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

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

#### (7) Donations

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

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

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

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

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

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

As at 30 June 2017, the Group's total borrowings amounted to RMB42.589 billion (31 December 2016: RMB42.979 billion), among which, the amount repayable within one year was about RMB20.821 billion, the amount repayable within one to two years was approximately RMB3.352 billion, the amount repayable within two to five years was approximately RMB14.081 billion, the amount repayable within more than five years was approximately RMB4.335 billion. The interest rates for all the aforesaid borrowings ranged from 0.40% to 5.7% per annum.

The Group's daily capital requirements and capital expenditures in maintenance nature can be financed from its internal cash flow. The Group also has about RMB134.6 billion loan credit lines for non-specified purposes provided by banks.

## 4 Analysis on operating status by industry, product or region

### (1) Status of main businesses by industry and product

Unit: RMB'000

Status of main businesses by product						
By product	Operating income	Operating costs	Gross profit margin (%)	Changes in operating income compared with same period last year (%)	Changes in operating costs compared with same period last year (%)	Changes in gross profit margin in percentage point compared with same period last year
Mine-produced gold	4,333,410	2,931,490	32.35	-6.89%	0.55%	Decreased by 5.01 percentage points
Refinery, processed and trading gold	18,569,450	18,403,210	0.90	-19.44%	-19.32%	Decreased by 0.14 percentage point
Mine-produced silver	317,090	176,820	44.24	35.57%	36.88%	Decreased by 0.54 percentage point
Mine-produced copper	3,057,100	1,542,820	49.53	63.66%	33.80%	Increased by 11.26 percentage points

Refinery copper	8,753,720	8,355,140	4.55	44.12%	45.30%	Decreased by 0.77 percentage point
Mine-produced zinc	1,898,300	755,560	60.20	124.42%	79.40%	Increased by 9.99 percentage points
Refinery zinc	1,925,260	1,763,760	8.39	55.65%	57.42%	Decreased by 1.03 percentage points
Iron concentrates	494,640	188,340	61.92	69.64%	50.52%	Increased by 4.83 percentage points
Others	8,879,760	8,218,750		39.34%	41.33%	
Internal elimination	-10,705,110	-10,286,930				
Total	37,523,630	32,048,960	14.59	-3.51%	-7.36%	Increased by 3.54 percentage points

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

## (2) Status of main businesses by region

Over 93.24% of the Company's operating income was originated from customers in Mainland China, and 39.07% of the operating income was from the Shanghai Gold Exchange. Therefore, it is not necessary to sort customers by region.

## (3) Information on major suppliers and customers

During the reporting period, the Group's total procurement amount from the top five suppliers was RMB10.770 billion, representing 33.61% of the Group's total procurement amount. The Group's major suppliers included Shanghai Gold Exchange, Louis Dreyfus Commodities Metals Trading Co., Ltd., etc.

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

## 5 Analysis on changes in financial data in the financial statements

Unit: RMB'000

Item	Balance as at period end/amount for the current period	Balance as at the beginning of the year/amount for the same period last year	Changes (%)
Operating income	37,523,630	38,889,900	-3.51
Operating costs	32,048,960	34,594,050	-7.36
Selling expenses	389,060	332,120	17.14
Administrative expenses	1,486,150	1,321,650	12.45
Financial expenses	1,217,600	439,930	176.77
Net cash flow from operating activities	3,305,810	3,631,640	-8.79
Net cash flow used in investing activities	-3,611,500	-3,527,390	Not applicable
Net cash flow from financing activities	2,651,700	705,590	275.81
Research and development expenditures	133,140	144,670	-7.97
Taxes and surcharges	568,840	409,830	38.80
Impairment losses on assets	237,940	5,640	4,118.79
Gains/(Losses) on changes in fair value	570,490	-719,950	Not applicable
Investment income/(losses)	82,810	-455,920	Not applicable
Share of profits of associates and joint ventures	16,570	166,790	-90.07
Non-operating income	88,150	103,830	-15.1
Non-operating expenses	252,210	97,840	157.78
Income tax expenses	388,450	40,120	868.22
Net profit attributable to non-controlling interests	257,320	38,320	571.50

Explanation of the reasons for changes:

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

#### Gearing ratio

Gearing ratio refers to the proportion of consolidated total liabilities to the consolidated total equity. As at 30 June 2017, the Group's consolidated total liabilities amounted to RMB58,405,570,000 (30 June 2016: RMB56,774,420,000) and the Group's consolidated total equity was RMB36,470,110,000 (30 June 2016: RMB30,719,920,000). As at 30 June 2017, the gearing ratio of the Group was 1.6015 (30 June 2016: 1.8481).

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

Unit: RMB

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

#### Description of the progress of operation plan

##### Operating environment

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

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

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

#### **Management measures for the second half of 2017**

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

##### **1) Deepen management reform and further release the potentials for growth**

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

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

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

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

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

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

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

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

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

The Company will grasp the key points and identify the right opportunity of acquisition. The Company will tighten the control on the non-wholly owned important projects, and execute equity-related measures to realise breakthroughs of acquisition in such projects.

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

##### **4) Strengthen the leading role of technology and improve core competitiveness**

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

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

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

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

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

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

### Analysis of assets and liabilities

#### Status of assets and liabilities

Unit: RMB

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

Explanation of the reasons for changes:

- (1) Cash and cash equivalents: Mainly attributable to the proceeds received from the non-public issuance of Renminbi-denominated ordinary A Shares of the Company during the first half of 2017.
- (2) Financial assets at fair value through profit or loss: Mainly attributable to the increase in stock prices in the first half



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

#### Key non-equity investments

Project name	Amount (RMB billion)	Progress	Investment during the reporting period (RMB billion)	Actual accumulated investment (RMB billion)	Project return status
Longnan Zijin (Gansu Yate) Li County gold mine project	1.4	Feasibility study reports of phase 2 of the 8,000 tonnes/day processing project and biological pre-oxidation were completed. Approval process of the project is in progress.	0.003	0.586	Planned to produce about 6 tonnes of mine-produced gold a year after completion of the two phases of the project and upon reaching the designated production capacity.
Kolwezi copper mine project in the DR Congo	3.529	The construction of the project is speeding up.	0.252	1.36	About 60,000 tonnes of copper will be produced annually after completion of the project and upon reaching the designated production capacity.
Phase 2 construction of Duobaoshan copper mine	2.477	The project is in preparatory stage. Approvals for water and soil conservation were obtained and safety pre-assessment was completed. Approval process of the project has been initiated, approval for mining permit and land use right are in progress.	0.2656	0.4496	Upon completion of construction of phase 2 and technological innovation of phase 1, the annual production capacity is expected to increase to 80,000 tonnes of copper.

Heilongjiang Zijin Copper refinery project (supplementary to the development of Duobaoshan copper mine)	1.788	Under construction.	0.059	0.065	About 150,000 tonnes of standard copper cathodes will be produced annually after completion of the project and upon reaching the designated production capacity.
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### Analysis of major subsidiaries and associates

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

Unit: RMB'000

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

#### 2. Analysis on operating status and results of major subsidiaries

Unit: RMB'000

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

#### 3. Joint operation

Unit: RMB'000

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

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

### Significant matters

#### Summary of the shareholders' general meeting

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

#### Details of the shareholders' general meeting

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

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

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

#### Performance of undertakings

**Undertakings by the actual controller, shareholders, related parties, acquirers of the Company and the Company which were made during the reporting period or remained to be valid within the reporting period**

<b>Background of the undertaking</b>	<b>Type of the undertaking</b>	<b>Undertaking parties</b>	<b>Contents of the undertaking</b>	<b>Time of undertaking and its validity period</b>	<b>Whether there is validity period</b>	<b>Whether the undertaking has been strictly complied with</b>
Undertaking related to the initial public offering	Avoidance of competition within the same industry	Minxi Xinghang State-owned Assets Investment Co., Ltd.	During the period of being the substantial shareholder of the Company, Minxi Xinghang and its wholly-owned or controlling enterprises will not engage in any business that is in competition with or constitutes a competitive threat to the Company's main business or main products within or outside the PRC, including investing, acquiring, merging or entrusting to operate and manage locally or globally a company, business or other economic association which main business or product is the same with or similar to that of the Company. If the Company develops any new business segment in the future, the Company will have the priority to enter that business industry while Minxi Xinghang and its other wholly-owned or controlling enterprises will not develop the same business segment.	The undertaking was made by Minxi Xinghang in 2008 when the A Shares of the Company were listed. The undertaking is valid so long as Minxi Xinghang is the substantial shareholder of the Company.	Yes	Yes
Undertaking related to re-financing	Restriction on selling of shares	Minxi Xinghang State-owned Assets Investment Co., Ltd.	Not to reduce the number of shares of the Company held from the date of undertaking to six months after the completion of non-public issuance of A Shares in 2016 of the Company	From 28 October 2016 to six months after the completion of non-public issuance of A Shares in 2016 of the Company	Yes	Yes
	Restriction on selling of shares	Certain Directors, Supervisors and senior management of the Company intending to participate in	Not to reduce the number of shares of the Company held from the date of undertaking to six months after the completion of non-public issuance of A Shares in 2016 of the Company	From 28 October 2016 to six months after the completion of non-public issuance of A Shares in 2016	Yes	Yes

		phase 1 of the employee stock ownership scheme of the Company		of the Company		
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### Major litigation and arbitration

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

Unit: RMB'000

During the reporting period:

Applicant(s)	Respondent(s)	Jointly liable parties	Type of proceeding (arbitration)	Basic information of the proceeding (arbitration)	Amount involved in the proceeding (arbitration)	Whether provisions are made for the proceeding (arbitration)	Progress of the proceeding (arbitration)	Hearing results and impacts of the proceeding (arbitration)	Enforcement progress of judgment of the proceeding (arbitration)
Xinyi Zijin Mining Company Limited and Zijin Mining Group Company Limited*	Xinyi Shihuadi Hydropower Plant, Xinyi Zonghua Hydropower Plant Co., Ltd., Xinyi Xiang Hydropower Plant, Xinyi Qianfeng Hydropower Plant, Luo Min (operator of Xinyi Dahekou Hydropower Plant), Xinyi Zhudong Hydropower Plant Co., Ltd., and Qingyuan Water Plant in Qianpai Town, Xinyi City	N/A	Civil proceeding (reached settlement arrangement at the second hearing)	On 21 September 2010, the collapse of Yinyan Tin Mine Gaoqiling tailings pool dam of Xinyi Zijin and the collapse of the dam of Shihuadi hydropower station in Qianpai Town, Xinyi City were affected by the extreme weather brought by typhoon "Fanapi", resulting in casualties and property damage downstream. 6 hydropower plants (including Shihuadi in Xinyi City) and a water plant sued in the People's Court of Xinyi City for liability of damages due to collapse of structure. After the first hearing, Xinyi Zijin and the Company objected to the resulting judgment	24,767	No	Under the mediation of the Intermediate People's Court in Maoming City, Guangdong Province, all the litigants reached a settlement agreement, pursuant to which Xinyi Zijin has to compensate a total of RMB 24.767 million to the aforesaid respondents. Part of the compensation is payable by Fujian Jinma Construction Engineering Company	A settlement agreement was entered into among the parties, all the cases relevant to the collapse of the tailings pool dam of Yinyan Tin Mine of Xinyi Zijin have been concluded.	

				and appealed to the Intermediate People's Court in Maoming City, Guangdong Province.			Limited based on the proportion it consentually agrees with Xinyi Zijin.		
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**Details of share incentive scheme, employee stock ownership scheme or other employee incentive measures and their impacts**

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

Summary of the event	Index for details
<p>On 8 July 2016, the Company convened the sixth meeting of the fifth term of workers representatives, at which “phase 1 of employee stock ownership scheme of Zijin Mining Group Co., Ltd.* (tentative) (subscription method of the non-public issuance of A Shares)” was considered and approved, and the chairman of the workers’ union was authorised to sign relevant documents and handle relevant matters on behalf of the employee stock ownership scheme.</p> <p>The Company convened the eighteenth meeting of the fifth term of the Board on 8 July 2016 and the second extraordinary general meeting in 2016, the second A Shareholders’ class meeting in 2016 and the second H Shareholders’ class meeting in 2016 on 25 August 2016 respectively, at which proposals including “Phase 1 of the Employee Stock Ownership Scheme of the Company (Draft) and its summary” and “the Company to enter into a “Conditional Share Subscription Agreement for the Non-public Issuance of A Shares” with Phase 1 of the Employee Stock Ownership Scheme of the Company” were considered and approved. The employee stock ownership scheme undertook to subscribe the A Shares issued under the non-public issuance of the Company in cash in the amount of RMB401.7 million. The employee stock ownership scheme did not participate in the price inquiry process and undertook to accept the pricing results and to subscribe shares at the same price as other investors.</p> <p>The first holders’ meeting of phase 1 of employee stock ownership scheme was convened on 25 May 2017 via a combination of on-site meeting and telecommunication. 15 members and the director of the management committee of the employee stock ownership scheme were elected at the meeting, and the management committee was authorised to sign relevant documents on behalf of all participants of the employee stock ownership scheme.</p>	<p>For details, please refer to the below announcements disclosed on HKEXnews website (<a href="http://www.hkexnews.hk">http://www.hkexnews.hk</a>):</p> <ol style="list-style-type: none"> <li>1. Resolutions of the sixth meeting of the fifth term of workers representatives of Zijin Mining Group Co., Ltd.*, resolutions of the eighteenth meeting of the fifth term of the Board of Zijin Mining Group Co., Ltd.*, phase 1 of employee stock ownership scheme of Zijin Mining Group Co., Ltd.* (tentative) (subscription method of the non-public issuance of A Shares), summary of subscription method under non-public issuance of phase 1 of employee stock ownership scheme of Zijin Mining Group Co., Ltd.* (tentative), connected transactions and acquisition agreements with specific targets in relation to the non-public issuance of A Shares of Zijin Mining Group Co., Ltd.* disclosed on 8 July 2016;</li> <li>2. Resolutions passed at the second extraordinary general meeting in 2016, the second A Shareholders’ class meeting in 2016 and the second H Shareholders’ class meeting in 2016 of Zijin Mining Group Co., Ltd.* disclosed on 25 August 2016;</li> <li>3. Resolutions of the first holders’ meeting of phase 1 of employee stock ownership scheme of Zijin Mining Group Co., Ltd.*, announcement in relation to the issuance results of non-public issuance of A Shares and changes in share capital of Zijin Mining Group Co., Ltd.* disclosed on 8 June 2017.</li> </ol>

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

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

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

**Material connected transactions**

**Connected transactions related to daily business operation**

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

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

**Change in ordinary shares and shareholders**

**Change in issued shares**

**Table on change in issued shares**

Unit: Share

	Before the change		Movement (+, -)					After the change	
	Number of shares	Proportion (%)	Additional A Shares issued	Bonus shares	Conversion of capital reserve to share capital	Others	Subtotal	Number of shares	Proportion (%)
I. Shares	0	0	+1,490,475,241	0	0	0	+1,490,475,241	1,490,475,241	6.47%

subject to trading moratorium									
1. Shareholding of state-owned entities	0	0	+905,723,471	0	0	0	+905,723,471	905,723,471	3.93%
2. Shareholding of other domestic investors	0	0	+584,751,770	0	0	0	+584,751,770	584,751,770	2.54%
In which: Shareholding of non-state owned domestic entities	0	0	+584,751,770	0	0	0	+584,751,770	584,751,770	2.54%
Shareholding of domestic natural persons	0	0	0	0	0	0	0	0	0
II. Shares not subject to trading moratorium	21,540,743,650	93.53%	0	0	0	0	0	21,540,743,650	93.53%
1. Renminbi-denominated ordinary shares	15,803,803,650	73.37%	0	0	0	0	0	15,803,803,650	68.62%
2. Overseas-listed foreign invested shares	5,736,940,000	26.63%	0	0	0	0	0	5,736,940,000	24.91%
III. Total number of shares	21,540,743,650	100%	+1,490,475,241	0	0	0	+1,490,475,241	23,031,218,891	100%

#### Details of change in issued shares

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



## Information of corporate bonds

### Basic information of corporate bonds

RMB'000

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

#### Settlement of interests of the corporate bonds

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

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

#### Use of proceeds raised from corporate bonds

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

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

## 4. SUPPLEMENTAL INFORMATION

### Non-public Issuance of A Shares

Matters relating to the non-public issuance of A Shares of the Company were considered and approved at the eighteenth meeting of the fifth term of the Board, the second extraordinary general meeting in 2016, the second A Shareholders' class meeting in 2016 and the second H Shareholders' class meeting in 2016 convened on 25 August 2016 and the fourteenth extraordinary meeting of the fifth term of the Board, and the non-public issuance of A Shares was also approved by the approval document of the CSRC (Zhengjian Xuke [2017] No. 289). The Company completed the non-public issuance of 1,490,475,241 Renminbi-denominated ordinary A Shares on 7 June 2017. The issuance price was RMB3.11/share, the amount of proceeds raised was RMB4,635,377,999.51, and the net amount of proceeds raised was RMB4,596,919,958.92. All shares issued under the non-public issuance were subscribed in cash.

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

### **Corporate Governance**

During the reporting period, the Company strictly complied with the “Company Law of the PRC”, the “Securities Law of the PRC”, “Code of Corporate Governance for Listed Companies”, “Rules Governing the Listing of Stocks on Shanghai Stock Exchange”, “Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited” and other domestic and overseas laws and regulations requirements, to constantly improve the corporate governance structure, regulate the Company’s operation and improve corporate governance. Currently, the Company has already established a relatively sound corporate governance structure and corporate governance system. The actual operation of the Company complies with the requirements of the relevant corporate governance regulations for listed companies issued by the regulatory authorities.

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

On 30 June 2017, the 2016 annual general meeting of the Company considered and approved the profit distribution plan of the Company for 2016. On the basis of 23,031,218,891 shares after the Company’s non-public issuance of A Shares, to pay the qualified shareholders of the Company the final cash dividend of RMB0.6 per 10 shares (tax included). The total distribution of cash dividend amounts to RMB1,381,873,133.46. The remaining balance of undistributed profit will be reserved for further distribution in future financial years. The above profit distribution completed on 4 August 2017.

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

### **Interim Dividend**

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

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

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

### **Corporate Governance Report**

As required by provision A.1.8 of Appendix 14 Corporate Governance Code and Corporate Governance Report to the Listing Rules (the “CG Code”), an issuer should arrange appropriate insurance cover in respect of potential legal action against its directors. The Board currently considers that the Company and the Board have adopted sufficient measures to prevent Directors from committing errors and minimise the risk in claims against the Directors. Therefore, the Company has not made any relevant insurance arrangement at this stage. However, the Board will review this policy of insurance from time to time and may arrange insurance later. As required by provision F.1.3 of the CG Code, an issuer’s company secretary should report to the board chairman and/or the chief executive. The Board considers that the company secretary in Hong Kong reporting to the secretary to the Board is more suitable to meet the management needs of the Group and it enables a unified management of all listing related matters in Hong Kong and Mainland China. The provision A.5.6 of the CG Code stipulates that the nomination committee (or the board) should have a policy concerning diversity of board members, and should disclose the policy or a summary of the policy in the corporate governance report. The nomination and remuneration committee of the Company would review the Board composition from time to time and from a number of aspects, including but not limited to skills, experience, knowledge, expertise, culture, independence, age and gender. It considered that the Board diversity is proper and therefore the update of policy is not required. As required by provision A.6.7 of the CG Code, independent non-executive director should attend general meetings. Independent non-executive Director Mr. Cai Meifeng had work appointment and could not attend the Company’s annual general meeting on 30 June 2017.

Save as disclosed above, for the six months ended 30 June 2017, the Board confirmed that the Group has adopted and complied with the provisions of the CG Code and has followed most of its recommended best practices with no deviation.

### **Audit and Internal Control Committee**

The audit and internal control committee of the Board has reviewed the Group’s unaudited financial report for the six months ended 30 June 2017 and further discussed the auditing, internal control and financial reporting matters. The audit and internal control committee considers that the Group’s financial report for the six months ended 30 June 2017 was in compliance with the applicable accounting standards and relevant laws and regulations and had made sufficient

disclosure.

#### **Independent Non-executive Directors**

In compliance with rules 3.10(1) and 3.10(2) of the Listing Rules, which states the Company should appoint a sufficient number of independent non-executive directors and that at least one of them must have appropriate professional qualifications or accounting related financial management expertise. The Company appointed four independent non-executive Directors and one of them possesses accounting and related financial management expertise. Details of the independent non-executive Directors have been provided in the Company's 2016 annual report.

#### **Securities Transactions by Directors and Supervisors**

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

#### **Shareholdings of Directors and Supervisors in the Company**

As at 30 June 2017, Mr. Chen Jinghe, an executive Director and the chairman of the Board of the Company, held 102,000,000 A Shares and 8,000,000 H Shares, Mr. Lan Fusheng, an executive Director, vice-chairman and president, held 7,530,510 A Shares, Mr. Zou Laichang, an executive Director, held 1,430,000 A Shares, Mr. Lin Hongfu, an executive Director, held 862,500 A Shares, Mr. Fang Qixue, an executive Director, held 301,000 A Shares, Ms. Lin Hongying, an executive Director, held 200,000 A Shares, Mr. Lin Shuiqing, a Supervisor, held 300,000 A Shares, and Mr. Liu Wenhong, a Supervisor, held 24,450 A Shares and 10,000 H Shares in the Company.

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

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

#### **Appointment and Dismissal of Auditors**

According to the resolution passed at the Company's 2016 annual general meeting, the Company reappointed Ernst & Young Hua Ming LLP as the auditor in 2017.

#### **Post Balance Sheet Events**

The Company convened the fourth meeting of the sixth term of execution and investment committee on 28 April 2017, at which it was resolved to acquire 20% equity interest in Bayannaoer Zijin Non-ferrous Metals Company Limited held by Western Mining Group Co., Ltd. The transfer was completed through Property Rights Trading Market of Qinghai Province. On 8 June 2017, deposit of RMB30 million was paid for withdrawing the project from the trading market. Property right transfer agreement was entered into on 3 July 2017. The total consideration was RMB249,182,680. The remaining balance of RMB219,182,680 was settled on 20 July 2017.

The Company convened the fourth meeting of the sixth term of execution and investment committee on 28 April 2017, at which it was resolved to sell 34% equity interest in Qinghai Copper Company Limited held by Qinghai West Copper Mining Company Limited. The transfer was completed through Property Rights Trading Market of Qinghai Province. Property right transfer agreement was entered into on 3 July 2017. The total consideration was RMB270,924,920. All transfer consideration was received on 31 July 2017.

The Company convened the fifth meeting of the sixth term of execution and investment committee on 19 May 2017, at which it was resolved to sell 95% equity interest in Zijin Mining Group Gansu Mining Development Company Limited to Gannan Sanbao Mining Company Limited. Share transfer agreement was entered into on 3 July 2017. The total consideration was RMB41,261,211. The first installment of the transfer consideration amounting to RMB33,000,000 was received on 7 July 2017. The remaining balance of the transfer consideration amounting to RMB8,261,211 was received on 16 August 2017.

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

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

When appropriate, the Company will post all the information in the interim report as required by Appendix 16 of the Listing Rules at HKEXnews website (<http://www.hkexnews.hk>).

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

**Definition**

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

A Share(s)	The domestic share(s) issued by the Company to domestic investors with a nominal value of RMB0.10 each, which are listed on the Shanghai Stock Exchange
A Shareholder(s)	Holder(s) of A Share(s)
Altynken	Altynken Limited Liability Company, a subsidiary of the Company
Ashele Copper	Xinjiang Ashele Copper Company Limited, a subsidiary of the Company
Bayannaer Zijin	Bayannaer Zijin Non-ferrous Metals Company Limited, a subsidiary of the Company
BNL	Barrick (Niugini) Limited, a company under joint operation of the Company
Board, Board of Directors	The board of Directors of the Company
CSRC	China Securities Regulatory Commission
Director(s)	The director(s) of the Company
DR Congo	The Democratic Republic of the Congo
Duobaoshan Copper	Heilongjiang Duobaoshan Copper Co., Ltd., a wholly-owned subsidiary of the Company
H Share(s)	The overseas-listed foreign invested share(s) in the Company's share capital, with a nominal value of RMB0.10 each, which are listed on the Hong Kong Stock Exchange
H Shareholder(s)	Holder(s) of H Share(s)
Heilongjiang Zijin Copper	Heilongjiang Zijin Copper Company Limited, a wholly-owned subsidiary of the Company
Hong Kong Stock Exchange, Stock Exchange	The Stock Exchange of Hong Kong Limited
Hunchun Zijin	Hunchun Zijin Mining Company Limited, a wholly-owned subsidiary of the Company
Jilin Zijin Copper	Jilin Zijin Copper Company Limited, a wholly-owned subsidiary of the Company
Listing Rules	The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
Longnan Zijin	Longnan Zijin Mining Company Limited, a subsidiary of the Company
Luoyang Kunyu	Luoyang Kunyu Mining Co., Ltd., a subsidiary of the Company
Minxi Xinghang	Minxi Xinghang State-owned Assets Investment Company Limited, a substantial shareholder of the Company
Norton	Norton Gold Fields Limited, a wholly-owned subsidiary of the Company
PRC	The People's Republic of China but for the purpose of this announcement, excludes Hong Kong SAR, Macau SAR and Taiwan
Qinghai West Copper	Qinghai West Copper Mining Company Limited, a wholly-owned subsidiary of the Company
Russia Longxing	Russia Longxing Company Limited, a subsidiary of the Company
Supervisor(s)	The supervisor(s) of the Company
Wulatehouqi Zijin	Wulatehouqi Zijin Mining Company Limited, a subsidiary of the Company
Xinyi Zijin	Xinyi Zijin Mining Company Limited, a wholly-owned subsidiary of the Company
ZGC	JV Zeravshan LLC, a subsidiary of the Company
Zijin Copper	Zijin Copper Company Limited, a wholly-owned subsidiary of the Company
Zijin Zinc Industry, Xinjiang Zijin Zinc Industry	Xinjiang Zijin Zinc Industry Co., Ltd., a wholly-owned subsidiary of the Company

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

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

Fujian, PRC, 18 August 2017

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