

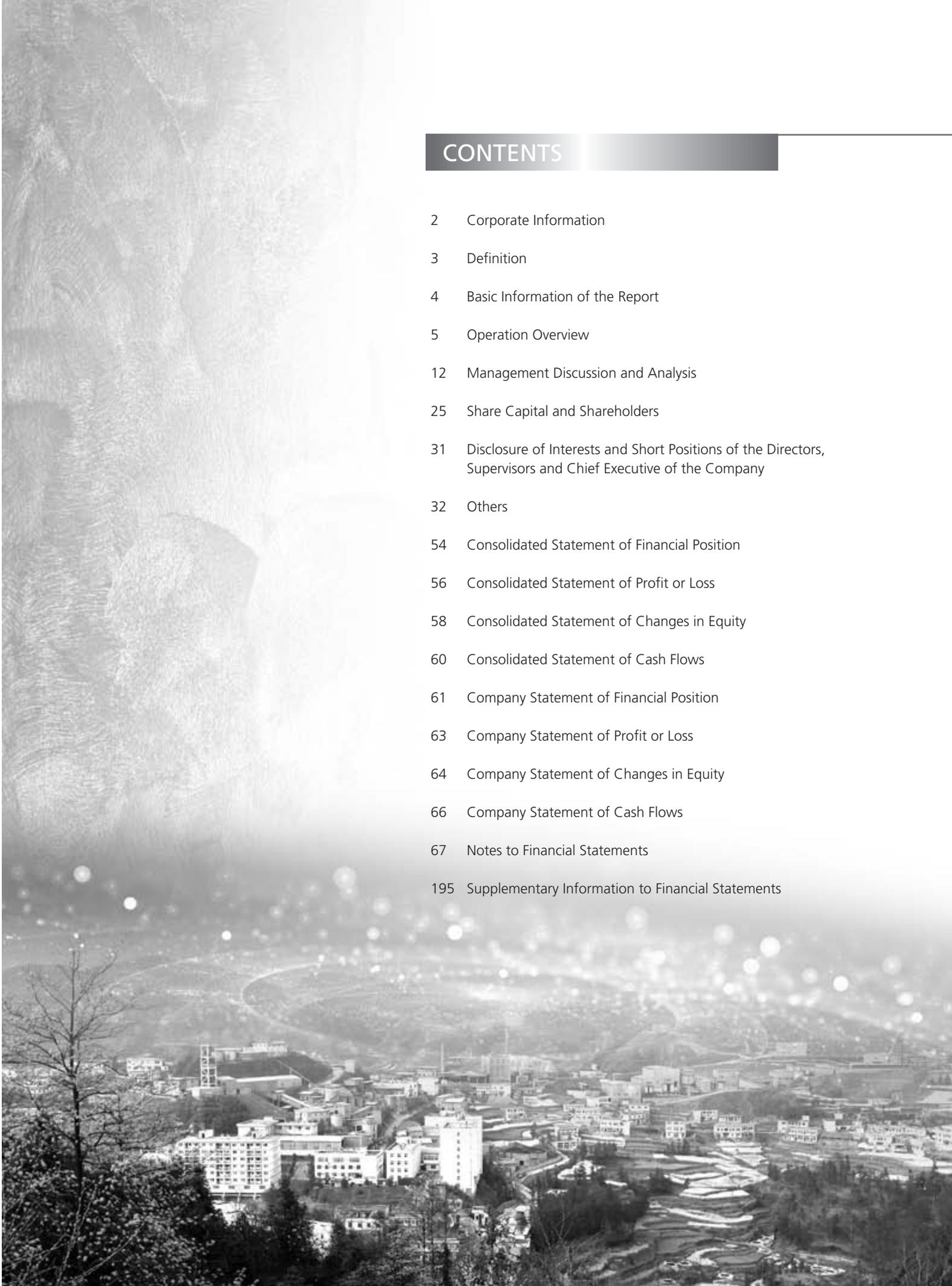


紫金礦業集團股份有限公司
ZIJIN MINING GROUP COMPANY LIMITED*

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



*For identification purpose only



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Corporate Information

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

EXECUTIVE DIRECTORS

Chen Jinghe (Chairman)
Lan Fusheng (President)
Zou Laichang
Lin Hongfu
Fang Qixue
Lin Hongying

NON-EXECUTIVE DIRECTOR

Li Jian

INDEPENDENT NON-EXECUTIVE DIRECTORS

Lu Shihua
Zhu Guang
Sit Hoi Wah, Kenneth
Cai Meifeng

AUDIT AND INTERNAL CONTROL COMMITTEE

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

AUTHORISED REPRESENTATIVE

Chen Jinghe
Lan Fusheng

SUPERVISORS

Lin Shuiqing
Xu Qiang
Fan Wensheng
Liu Wenhong
Lan Liying

COMPANY SECRETARY

Fan Cheung Man

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

LEGAL ADDRESS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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

LEGAL CONSULTANT OF THE COMPANY (HONG KONG LAWS)

Li & Partners

AUDITORS

PRC Auditors:
Ernst & Young Hua Ming LLP

HONG KONG H SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre
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WEBSITE

www.zjky.cn

STOCK CODE

Hong Kong Stock Exchange: 02899
Shanghai Stock Exchange: 601899

Definition

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

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

A Share(s)	The domestic share(s) issued by the Company to domestic investors with a nominal value of RMB0.10 each, which are listed on the Shanghai Stock Exchange
Altynken	Altynken Limited Liability Company, a subsidiary of the Company
Ashele Copper, Xinjiang Ashele Copper	Xinjiang Habahe Ashele Copper 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
Fujian Makeng Mining	Fujian Makeng Mining Company Limited, an associate of the Company
Guizhou Zijin	Guizhou Zijin Mining Company Limited, a subsidiary of the Company
H Share(s)	The overseas-listed foreign invested share(s) in the Company's share capital, with a nominal value of RMB0.10 each, which are listed on the Hong Kong Stock Exchange
H Shareholder(s)	Holder(s) of H shares
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
Ivanhoe	Ivanhoe Mines Ltd.
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
Luoning Huatai	Luoning Huatai Mining Development 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
Musonoié	La Compagnie Minière de Musonoié Global SAS, a subsidiary of the Company
PRC	The People's Republic of China but for the purpose of this report, excludes Hong Kong SAR, Macau SAR and Taiwan
Qinghai West Copper	Qinghai West Copper Company Limited, a wholly-owned subsidiary of the Company
Russia Longxing, Longxing Company	Russia Longxing Company Limited, a subsidiary of the Company
Shanxi Zijin	Shanxi Zijin Mining Company Limited, a wholly-owned subsidiary of the Company
Supervisor(s)	The supervisor(s) of the Company
Wulatehouqi Zijin	Wulatehouqi Zijin Mining Company Limited, a subsidiary of the Company
Xinjiang Zijin Non-ferrous Company	Xinjiang Zijin Non-ferrous Metals 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 Processing Chemicals Company	Fujian Zijin Processing Chemicals Company Limited, a subsidiary of the Company
Zijin Zinc Industry, Xinjiang Zijin Zinc Industry	Xinjiang Zijin Zinc Industry Co., Ltd., a wholly-owned subsidiary of the Company

Basic Information of the Report

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

The board of directors (the “Board”) of Zijin Mining Group Co., Ltd.* (the “Company”) is pleased to announce the unaudited interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2018 (“this period”/the “reporting period”). This report has been reviewed and passed by the Board and the audit and internal control committee.

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

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

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

Operation Overview

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

OVERVIEW OF THE COMPANY'S OPERATION

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

1. Business scope

The Company is mainly engaged in the exploration, surveying and development of gold, copper, zinc and other metal mineral resources. The Company also covers refining and processing businesses to an optimal extent, as well as other mining-related supplementary businesses.

2. Operating model

Prioritise mineral resources as the key strategy: The Company combines self-initiated surveying with merger and acquisition, and obtains low-cost resources reserves through exploration. Also, the Company adheres to the strategy of acquiring mineral resources at the right timing, in order to secure resources for the sustainability of the Company's mining development.

Focus on mine development as the principal business: The Company always focuses on mineral resources development and utilisation as its main business. It also endeavours to create the enterprise's core competitiveness by technological innovation, as well as realising a low-cost and efficient model of mine development.

Achieve value enhancement by refining and processing: The Company engages in refining and processing business to an optimal extent to create a complete industrial chain, expand its business scale, and realise extra income by value creation.

Technological research and construction businesses: The Company has developed a complete scientific and research system. It also owns the exclusive State Key Laboratory in the domestic gold industry, grade-A designing entities and relatively strong capacity in mine development and construction.

Combine mining with finance and trading: The Company makes the best use of its finance company, capital investment company and treasury centre in Hong Kong to carry out effective management and operation of capital. It also proactively explores the pathway to a successful combination between mining and finance.

3. Market environment

During the reporting period, major economies in the world, except that of the United States, demonstrated a pattern of slowing growth and heightening inflation. In addition, rising support for deglobalisation and trade protectionism created negative or indefinite impacts on global economic development.

The macro-economy of China remained stable in general during the first half of the year. Amid continued tightening of supervision over financial sector, structural de-leveraging and regulation of real estate industry, growth in the Chinese economy demonstrated rather strong resilience against high pressure. The GDP grew at 6.8% in the first half of 2018, which was flat comparing with the full-year GDP growth rate of last year.

As gold market was affected by the strengthening of US dollar, trade tensions and other unfavourable factors in the first half of 2018, the price of gold in London during the period was weak and volatile. The price was US\$1,302.66/ounce at the beginning of 2018, which at the end of January 2018 bounced up to US\$1,366.15/ounce, the highest point in the first half of the year, and closed at US\$1,252.65/ounce at the end of June 2018, representing a 3.84% decrease compared with the beginning of the year. The average price of gold was US\$1,317.73/ounce, representing a 6% increase compared with the same period last year.

Operation Overview *(continued)*

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Under the impact of global economic changes and escalation of China-US trade tensions, base metals markets experienced apparent pressure. Despite the general price trends being relatively weak amid high volatility, the magnitude of growth as compared with the same period last year was still substantial. The price of copper in London was US\$7,251.5/tonne at the beginning of the year, which reached the highest price at US\$7,348/tonne, and closed at US\$6,619/tonne at the end of June 2018, representing an 8.72% decrease compared with the beginning of the year; average price was US\$6,920.05/tonne, representing a 20.24% increase compared with the same period last year. The price of zinc in London was US\$3,298/tonne at the beginning of the year, which reached the highest price at US\$3,595.5/tonne, and closed at US\$2,857/tonne at the end of June 2018, representing a 13.37% decrease compared with the beginning of the year; average price was US\$3,263.22/tonne, representing a 21.44% increase compared with the same period last year.

Certain extent of decline in the prices of gold, copper and zinc was observed recently.

4. Conditions of the industry

In the first half of 2018, the global gold production volume was 1,629.5 tonnes, representing an increase of 3.68% compared with the same period last year; the global gold demand was 1,959.9 tonnes, representing a decrease of 6.07% compared with the same period last year. During the same period, China's gold production volume was 190.279 tonnes, representing a decrease of 7.87% compared with the same period last year; China's gold consumption volume was 541.22 tonnes, which was basically flat compared with the same period last year.

As at the end of June 2018, China's gold reserve remained unchanged at 1,842.57 tonnes comparing with the same period last year, ranking at the world's 6th place in terms of volume.

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

The total assets of the Group as at 30 June 2018 amounted to RMB90.989 billion, representing a 1.60% growth compared with the end of last year, in which overseas assets amounted to RMB23.947 billion, representing 26.32% of the total assets.

III. Analysis on core competitiveness during the reporting period

Innovation is the core competitiveness of the Company. The Company possesses core technologies and competitive edges in the industry in the aspects of geological exploration and surveying, mining and processing, hydrometallurgy, comprehensive recovery and utilisation of low-grade refractory resources, large-scale engineering development and so on. It also has advantages in system and structure, professionalism of management team as well as resources and costs. The mineral resources reserves of gold, copper and zinc owned by the Company are one of the largest among the corporations in domestic industry, providing a strong foundation of resources for the Company's ongoing development.

DISCUSSION AND ANALYSIS ON OPERATING PERFORMANCE

Business Overview

During the reporting period, the Company closely adhered to the work focus of "clinging to reforms, stabilising growth and boosting development" as formulated by the Board; completed amendment to the articles of association of the Company; deepened reforms to move the management system towards leaner, more regulated and efficient transformation; actively tapped into the Company's potentials and enhanced efficiency; continued to rigorously monitor the standard of management, safety and environmental protection; and strived to raise production volume of mineral products amid rising price trends of the Company's major products. As a result, promising outcomes were achieved in production and operation. The Company's production volume of mine-produced gold, copper and zinc continued to rank among the top three places in domestic mining industry, with the production volume of mine-produced copper and mine-produced zinc reporting particularly substantial growth. As the resources reserves of main types of mineral continued to increase, various indicators of the Company outperformed peers in the domestic mining industry, and profit recorded considerable growth. The Company continued to maintain a leading position in the domestic industry. Moreover, the economic and technical indicators of mining, refining and processing segments achieved further improvement; integration between production and finance became more effective; and the performance of safety, environmental protection, occupational health and compliance of operation kept enhancing. With more efforts being placed on the development of talents, employees were high-spirited at work. The development of a civilised corporate spirit also achieved new breakthroughs, improving the effectiveness of supervision.

Operation Overview *(continued)*

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The Company's internationalisation strategy also gathered momentum. In particular, contribution from the Kolwezi copper mine in the DR Congo was increasing steadily. Another example is the Zuoan gold mine in Kyrgyzstan, which already turned around from loss to profit. The development prospect of the project is positive. Developments of other important overseas projects and crucial merger and acquisition were also proceeded in full swing.

The industrial position of the Company as well as the recognition it received from global capital market continued to improve. For instance, the Company was one among the first batch of 236 large-cap A Share-companies to be included in the MSCI Index; the recent first-time credit rating of Moody's, Standard & Poor's and Fitch on the Company was Baa3 (issuer rating), BBB- (long-term issuer credit rating) and BBB- (long-term foreign-currency issuer default rating and senior unsecured rating), respectively, with outlook being stable.

During the reporting period, the Group realised sales income of RMB49.814 billion, representing an increase of 32.75% compared with the same period last year (same period last year: RMB37.524 billion), and a profit before tax of RMB3.781 billion, in which the net profit attributable to owners of the parent was RMB2.526 billion, representing an increase of 67.82% compared with the same period last year (same period last year: RMB1.505 billion).

As at the end of June 2018, the Group's total assets amounted to RMB90.989 billion, representing an increase of 1.60% compared with the beginning of the year (at the beginning of the year: RMB89.552 billion), and net assets of RMB37.721 billion, in which the net assets attributable to owners of the parent amounted to RMB34.975 billion, representing a decrease of 0.06% compared with the beginning of the year (at the beginning of the year: RMB35.187 billion). The reason for no increase being recorded in the net assets attributable to owners of the parent despite growth in the Company's operating results was due to the Company's implementation of profit distribution for the year 2017 in the total amount of RMB2.073 billion at the end of June 2018.

Gold Business

During the reporting period, the Group produced 104,911kg (3,372,964 ounces) of gold, representing an increase of 21.87% compared with the same period last year (same period last year: 86,083kg).

In which, the Group produced 16,880kg (542,704 ounces) of mine-produced gold, representing a decrease of 10.48% compared with the same period last year (same period last year: 18,856kg). It was mainly due to occurrence of earthquake in Papua New Guinea in February 2018, which affected the production volume of the Porgera gold mine in the first half of the year.

	Name	Interest held by the Group	Mine-produced gold (kg)
Major enterprises or mines	Porgera gold mine in Papua New Guinea	47.50%	2,530 (production volume on equity basis)
	JV Zeravshan LLC in Tajikistan	70%	1,945
	Norton Gold Fields Limited in Australia	100%	1,889
	Altynken Limited Liability Company in Kyrgyzstan	60%	1,726
	Fujian Zijinshan gold and copper mine	100%	1,618
	Jilin Hunchun Shuguang gold and copper mine	100%	1,538
Total production volume of other gold producing enterprises of the Group			5,634
Total			16,880

The Group produced 88,031kg (2,830,260 ounces) of refinery, processed and trading gold, representing an increase of 30.95% compared with the same period last year (same period last year: 67,227kg).

Sales income from the gold business represented approximately 46.53% (after elimination) of the total operating income during the reporting period, and the products generated approximately 19.92% of the total gross profit of the Group.

(1 troy ounce = 31.1035 grammes)

Operation Overview *(continued)*

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Copper Business

During the reporting period, the Group produced 337,212 tonnes of copper, representing a growth of 8.57% compared with the same period last year (same period last year: 310,589 tonnes).

In which, the Group produced 119,367 tonnes of mine-produced copper (including 9,125 tonnes of mine-produced copper cathodes), representing an increase of 30.41% compared with the same period last year (same period last year: 91,535 tonnes). It was mainly attributable to the floatation processing system of the Kolwezi copper mine in the DR Congo which rapidly reached the designated capacity after commencement of production in June 2017.

	Name	Interest held by the Group	Mine-produced copper (tonne)	Note
Major enterprises or mines	Fujian Zijinshan gold and copper mine	100%	38,472	Including: 9,125 tonnes of copper cathodes
	Kolwezi copper mine in the DR Congo	72%	22,410	
	Xinjiang Ashele Copper	51%	22,203	
	Heilongjiang Duobaoshan Copper	100%	18,846	
	Jilin Hunchun Shuguang gold and copper mine	100%	7,594	
	Qinghai West Copper	100%	5,075	
Total of other mines			4,767	
Total			119,367	Including: 9,125 tonnes of mine-produced copper cathodes

217,846 tonnes of copper were produced from refineries, representing a decrease of 0.55% compared with the same period last year (same period last year: 219,054 tonnes).

Sales income from the copper business represented approximately 22.57% (after elimination) of the total operating income during the reporting period, and the products generated approximately 36.56% of the total gross profit of the Group.

Lead and Zinc Business

During the reporting period, the Group produced 243,628 tonnes of zinc, representing a decrease of 0.49% compared with the same period last year (same period last year: 244,828 tonnes). In which, the Group produced 148,311 tonnes of mine-produced zinc in concentrate form, representing an increase of 4.51% compared with the same period last year (same period last year: 141,906 tonnes). 95,317 tonnes of zinc bullion were produced from refineries, representing a decrease of 7.39% compared with the same period last year (same period last year: 102,922 tonnes).

During the reporting period, 19,274 tonnes of lead in concentrate form were produced, representing a decrease of 0.29% compared with the same period last year (same period last year: 19,329 tonnes).

	Name	Interest held by the Group	Mine-produced zinc (tonne)	Mine-produced lead (tonne)	Mine-produced zinc + mine-produced lead (tonne)
Major enterprises or mines	Longxing Company in Tuva, Russia	70%	55,577	1,915	57,492
	Xinjiang Zijin Zinc Industry	100%	46,994	7,065	54,059
	Wulatehouqi Zijin Mining Company Limited	95%	39,962	7,617	47,579
	Xinjiang Ashele Copper Company Limited	51%	5,241	—	5,241
Total of other mines			537	2,677	3,214
Total			148,311	19,274	167,585

Operation Overview *(continued)*

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Sales income from the lead and zinc business represented approximately 7.34% (after elimination) of the total operating income during the reporting period, and the products generated approximately 26.90% of the total gross profit of the Group.

Silver, Iron Ores and Other Business

During the reporting period, the Group produced 307,787kg of silver, representing a decrease of 8.64% compared with the same period last year (same period last year: 336,883kg), of which 192,643kg of silver was produced from refinery as by-product, representing a decrease of 10.05% compared with the same period last year (same period last year: 214,172kg); 115,144kg of silver was produced from mines, representing a decrease of 6.17% compared with the same period last year (same period last year: 122,710kg).

Major enterprises or mines	Name	Interest held by the Group	Mine-produced silver (kg)
	Fujian Wuping Zijin Mining Company Limited	77.5%	23,527
	Fujian Zijinshan gold and copper mine	100%	15,953
	Xinjiang Ashele Copper Company Limited	51%	15,724
Total of other mines			59,940
Total			115,144

During the reporting period, the Group produced 1.27 million tonnes of iron ore, representing a decrease of 1.5% compared with the same period last year (same period last year: 1.29 million tonnes). In addition, the iron ore produced by Fujian Makeng Mining (an associate, in which the Group holds 41.5% interests) attributable to the Group on equity basis was 291,300 tonnes, representing an increase of 20.65% compared with the same period last year (same period last year: 241,400 tonnes).

Major enterprises or mines	Name	Interest held by the Group	Iron ore (million tonnes)
	Xinjiang Jinbao Mining Company Limited	56%	1.27

Sales income from iron ores, silver and other products represented about 23.56% (after elimination) of total operating income during the reporting period, and the products generated approximately 16.62% of the total gross profit of the Group.

Key measures during the reporting period:

Deepened reforms to move management system towards leaner, more regulated and efficient transformation

During the reporting period, in response to the development requirements in the new era, the Board fully strengthened the leadership and core political function of the Party within the enterprise, regulated corporate governance in compliance with law, and amended the articles of association and meeting rules of the Company. The Board also continued to move ahead and deepened reforms to build a leaner, more regulated and efficient management system. As a result, the operational capacity and profitability of various business segments improved significantly; the roles and functions of directors and supervisors in the subsidiaries were enhanced; and capacity of independent operation was also improved. Moreover, a higher proportion of global talents was introduced, and management on the candidates for senior management roles and excellent talents demonstrated remarkable results. A development scheme for senior technicians has also been formulated preliminarily. In addition, having developed a stronger capability of extensively applying information technology to its business, the Company is ready to further the technological upgrade of its global operations.

Operation Overview *(continued)*

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

Remarkable results were attained in the efforts of tapping into the potentials and raising the efficiencies of various business segments

During the reporting period, seizing on the favourable rise in the prices of copper, zinc and other main types of metals, the Company actively tapped into the potentials and raised the efficiencies of its operations, which successfully improved the development quality across various composite indicators of the Company, including production volume, efficiency, safety, environmental protection and occupational health. Domestic mining segment benefitted from continued enhancement in basic management, manifesting improvements in core indicators and achieving satisfactory outcomes in the precision of production and on-site services; refining and processing segment made increasing contribution to the Company's key indicators, with clearly better production efficiency as well as outstanding records of no increase in safety incident of severity above minor injury, environmental incident, and new case of occupational disease; overseas business segment reported growth in both production volume and efficiency, finance segment achieved enhanced efficiency, overseas assets' integration and financing capacities were improved, and positive development trend was observed for the newly launched segments of trading, sale and fine processing of gold.

Stable release of overseas projects' production capacity expanded overseas operations' contribution to the Group

During the reporting period, the Company continued to benefit from increased contributions from its overseas operations. The Kolwezi copper mine in the DR Congo commenced production and reached the designated capacity in the second half of 2017, which contributed exponential growth in production and sales volume. Phase 2 of the project for comprehensive recovery and utilisation of copper-cobalt resources is currently underway; as for the Kamo-a-Kakula copper mine in the DR Congo, CITIC Metal Co., Ltd. was introduced as a strategic partner by Ivanhoe to expedite the development of the mine; at the Porgera gold mine in Papua New Guinea, post-earthquake production resumption was in good progress. In June 2018, the project resumed full operation, and received two interim compensation payments in the sum of US\$40 million. Negotiation with the insurance company is pending for determining the remaining amount of compensation as well as the time of payment; other key projects including phase 2 underground mining construction of the Tuva zinc and polymetallic mine in Russia and construction of the Taror gold mine's tailing pool in Tajikistan proceeded smoothly.

In the first half of 2018, 8.18 tonnes of gold were produced from overseas mines, representing 48.43% of the Group's total output of mine-produced gold; 25,700 tonnes of copper was produced from overseas mines, representing approximately 21.50% of the Group's total output of mine-produced copper; 55,600 tonnes of zinc was produced from overseas mines, representing 37.47% of the Group's total output of mine-produced zinc. The Company is actively seizing multiple opportunities of overseas merger and acquisition to speed up its internationalisation progress.

Attached equal significance to mine development and ecological environment conservation, actively performed social responsibility

During the reporting period, the Company strengthened related measures to achieve the targets of "zero work fatality, zero occupational disease and zero environmental incident", remained highly vigilant on sustaining safety and environmental protection standards, held every employee accountable for the implementation of safety, and introduced production safety score-based system, paramilitary work style and other safety management measures which are applicable to all staff of the Company. The management of safety, environmental protection and occupational health of overseas business achieved significant improvement. For example, Musonoie in the DR Congo maintained outstanding record of zero lost-time injury per 1 million working hours; the Kamo-a-Kakula copper mine in the DR Congo also recorded a total of 10 million working hours without a lost-time injury. Furthermore, the Company constantly enhanced environmental protection and re-vegetation management, and extended the application and implementation of the Chinese national standards. Fruitful results were achieved in the development of green mines, in particular the successful experience of the Zijinshan gold and copper mine, Ashele Copper and Wulatehouqi Zijin, etc., was widely reported by the mainstream media.

Operation Overview *(continued)*

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During the reporting period, the Company remained highly committed to the poverty alleviation and charity work of the localities and communities at which its operations are present. In the first half of 2018, the Company's head office prepared for the establishment of Zijin Secondary School in Shanghang County. Intake of the first batch of students is expected to begin from September 2018.

Project construction proceeded in an orderly manner with more stringent regulations and management in place

During the reporting period, domestic projects including Zijin Copper's phase 2 project for tapping into potentials and enhancing efficiency, Heilongjiang Duobaoshan copper mine's phase 2 expansion project, Heilongjiang Zijin Copper's copper refining plant, Zijin Zinc Industry's phase 3 technological upgrade and Xinjiang Zijin Non-ferrous Company's zinc refining plant, as well as a number of key overseas projects proceeded with stable progress and are expected to become new growth drivers of the Group. The monitoring, inspection and rectification of the development progress of projects were subject to continued regulation, and the pricing system of construction projects as well as equipment management also obtained remarkable results. Furthermore, the pilot programme at the Zijinshan copper mine for building the Company's own underground mining team is gradually moving towards more formalised development.

Exploration work continued to build a higher level of low-cost resources reserves

During the reporting period, the Group invested RMB99 million in geological exploration on equity basis. The aggregate volume of resources reserves of mineral resources (unreviewed) newly added from exploration were 13.48 tonnes of gold, 2.6875 million tonnes of copper, 53,200 tonnes of lead and zinc, 20.13 tonnes of silver, and 4,200 tonnes of cobalt, exceeding the Company's half-year target for resources expansion. In particular, the Kakula Discovery of the Kamo a copper mine has an ongoing increase in resources reserves. According to the updated mineral resource estimate released in February 2018, the Kamo a-Kakula mineralised trend remains open for significant expansion in multiple directions; the Company also stepped up the exploratory work for copper and cobalt resources at the Kolwezi copper mine in the DR Congo as the areas in the proximity of the mine have a high resource prospect; the Shanxi Yixingzhai - Yilian gold mine achieved critical development in the prospecting of its vein-type ore deposits as well as the assessment of its porphyry-type ore deposits; other mines including the Wulatehouqi Sanguikou lead-zinc mine in Inner Mongolia and Shanggong gold mine in Henan Province also attained important prospecting results.

Innovation as a competitive edge of the Company further accentuated as scientific and technological systems underwent continued enhancement

During the reporting period, the Company vigorously advanced the research and development of important generic technology and design of construction project, etc., achieving significant outcomes in efficiency creation and enhancement with the use of technology. For instance, the Company's State Key Laboratory for comprehensive utilisation of low-grade refractory gold resources passed the nationwide assessment administered by the Ministry of Science and Technology of the PRC on enterprises' State Key Laboratory; the understanding of serving practical uses with scientific and technological deliverables was further enhanced, prompting high-level interaction between the current scientific and technological systems and critical projects of the Company. Moreover, the progress of achieving breakthroughs in scientific research on underground mining at the Zijinshan copper mine is also speeding up.

Management Discussion and Analysis

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

ANALYSIS OF MAIN BUSINESSES

1. Operating results

During the reporting period, operating income of RMB49.814 billion was recorded, representing an increase of 32.75% compared with the same period last year (same period last year: RMB37.524 billion).

The table below sets out the sales by product for the six months ended 30 June 2018 and 30 June 2017 respectively:

Item Product name	January - June 2018			January - June 2017		
	Unit price (tax excluded)	Sales volume	Amount RMB'000	Unit price (tax excluded)	Sales volume	Amount RMB'000
Mine-produced gold	254.03 RMB/g	16,117 kg	4,094,060	239.51 RMB/g	18,092 kg	4,333,410
Refinery, processed and trading gold	270.22 RMB/g	88,046 kg	23,792,290	276.42 RMB/g	67,179 kg	18,569,450
Mine-produced silver	2.36 RMB/g	113,618 kg	268,570	2.59 RMB/g	122,210 kg	317,090
Mine-produced copper	36,914 RMB/t	117,968 t	4,354,660	32,558 RMB/t	93,898 t	3,057,100
Refinery copper	44,420 RMB/t	218,315 t	9,697,520	39,584 RMB/t	221,145 t	8,753,720
Mine-produced zinc	15,914 RMB/t	153,601 t	2,444,450	13,058 RMB/t	145,374 t	1,898,300
Refinery zinc	21,468 RMB/t	94,560 t	2,030,000	18,833 RMB/t	102,228 t	1,925,260
Iron ore	582 RMB/t	1.2190 Mt	709,580	402 RMB/t	1.2318 Mt	494,640
Others (Note 1)			13,990,010			8,879,770
Internal sales elimination			-11,567,250			-10,705,110
Total			49,813,890			37,523,630

Note 1: During the reporting period, other sales income mainly included: RMB9.356 billion from trading and logistics, RMB613 million from refinery and processed silver, RMB355 million from gold manufacturing products, RMB475 million from copper pipe, RMB444 million from copperplate and RMB2.747 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 2018 and 30 June 2017 respectively (Note 1):

Item	Unit	Unit cost of sales			Gross profit margin (%)	
		Jan-Jun 2018	Jan-Jun 2017	Compared with the same period last year (%)	Jan-Jun 2018	Jan-Jun 2017
Mine-produced gold	RMB/gramme	171.62	162.03	5.92	32.44	32.35
Refinery, processed and trading gold	RMB/gramme	269.19	273.94	-1.73	0.38	0.9
Mine-produced silver	RMB/gramme	1.72	1.45	18.84	27.10	44.24
Mine-produced copper	RMB/tonne	17,405	16,431	5.93	52.85	49.53
Refinery copper	RMB/tonne	43,032	37,781	13.90	3.12	4.55
Mine-produced zinc	RMB/tonne	4,997	5,197	-3.85	68.60	60.2
Refinery zinc	RMB/tonne	20,464	17,253	18.61	4.68	8.39
Iron ore	RMB/tonne	158.89	152.89	3.92	72.70	61.92
Overall gross profit margin					14.25	14.59
Overall gross profit margin of mining entities					49.82	44.69

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

Management Discussion and Analysis *(continued)*

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

The Group's overall gross profit margin was 14.25%, representing a decrease of 0.34 percentage point compared with the same period last year. This was mainly due to the increase in the proportion of trading income. In which, the overall gross profit margin of mining entities was 49.82%, representing an increase of 5.13 percentage points compared with the same period last year; the overall gross profit margin of refining entities was 1.59%, representing a decrease of 1.03 percentage points compared with the same period last year.

3. Analysis on financial data

(1) Selling expenses

The selling expenses of the Group for the first half of 2018 was RMB430.23 million, representing an increase of 10.58% compared with the same period last year (same period last year: RMB389.06 million), which was mainly due to an increase in sales volume of products for the first half of 2018.

(2) Administrative expenses

The administrative expenses of the Group for the first half of 2018 was RMB1.35691 billion, representing a decrease of 2.11% compared with the same period last year (same period last year: RMB1.38615 billion). The amount of administrative expenses was basically flat with that of the same period last year.

(3) Financial expenses

The financial expenses of the Group for the first half of 2018 was RMB660.42 million, representing a decrease of 45.76% compared with the same period last year (same period last year: RMB1.21760 billion). It was mainly attributable to the decrease in exchange losses due to Renminbi exchange rate fluctuation compared with the same period last year.

(4) Impairment losses on assets and credit impairment losses

The Group provided impairment losses on assets and credit impairment losses of RMB318.49 million in the first half of 2018 (same period last year: RMB237.94 million), including (1) net provision of RMB54.81 million for bad debts after offsetting between provision and reversal of bad debts; (2) net provision of RMB16.70 million on inventories after offsetting between provision and reversal for decline in value of inventories; (3) provision of RMB187.08 million for impairment losses on fixed assets; (4) provision of RMB17.51 million for impairment losses on intangible assets; and (5) provision of RMB42.39 million for impairment losses on other non-current assets.

(5) Investment income

The investment income of the Group during the first half of 2018 was RMB127.61 million, representing an increase of RMB44.80 million compared with the same period last year (same period last year: income of RMB82.81 million). It was mainly due to increase in income from stock investments and hedging for the first half of 2018 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 RMB190.27 million (31 December 2017: changes in fair value of -RMB18.73 million).

(7) Donations

During the reporting period, the Group donated a total of RMB99.32 million (same period last year: RMB54.77 million).

Management Discussion and Analysis *(continued)*

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(8) Working capital and sources of fund

As at 30 June 2018, the Group's cash and cash equivalents was RMB8.398 billion, representing an increase of RMB1.457 billion or 20.99% compared with the same period last year.

During the reporting period, the net cash inflows from the Group's operating activities was RMB4.981 billion, representing an increase of RMB1.675 billion compared with the same period last year, in which, the cash inflows from operating activities was RMB54.342 billion, representing an increase of RMB14.63 billion compared with the same period last year; cash outflows used in operating activities was RMB49.361 billion, representing an increase of RMB12.955 billion compared with the same period last year. The main reason for the increase in net cash flows from the Group's operating activities was the increase in selling prices of gold, copper, zinc and other metals, which increased the revenue.

During the reporting period, net cash outflows used in the Group's investing activities was RMB908 million, representing a decrease in outflow of RMB2.703 billion compared with the same period last year. The main investing expenditures in the first half of 2018 included: (1) cash payments of RMB1.988 billion for acquisitions and construction of fixed assets, intangible assets and other long-term assets; and (2) net cash outflows of RMB307 million for cash payments for acquisitions and recovery of investments.

During the reporting period, net cash outflows used in the Group's financing activities was RMB1.353 billion, while during the same period last year, the net cash inflows was RMB2.652 billion. The main reason was the completion of profit distribution of the Company for the year ended 31 December 2017 during the first half of 2018.

As at 30 June 2018, the Group's total borrowings amounted to RMB38.732 billion (31 December 2017: RMB37.019 billion), among which, the amount repayable within one year was approximately RMB18.066 billion; the amount repayable within one to two years was approximately RMB1.729 billion; the amount repayable within two to five years was approximately RMB17.945 billion; and the amount repayable over five years was approximately RMB992 million. The interest rates for all the aforesaid borrowings ranged from 1.2% 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 RMB135.1 billion credit lines for non-specified purposes provided by banks.

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

(1) Status of main businesses by industry and product

Unit: RMB'000

By product	Status of main businesses by product					
	Operating income	Operating costs	Gross profit margin (%)	Changes in operating income compared with the same period last year (%)	Changes in operating costs compared with the same period last year (%)	Changes in gross profit margin in percentage point compared with the same period last year
Mine-produced gold	4,094,060	2,766,010	32.44	-5.52	-5.64	Increased by 0.087 percentage point
Refinery, processed and trading gold	23,792,290	23,701,180	0.38	28.13	28.79	Decreased by 0.51 percentage point
Mine-produced silver	268,570	195,790	27.10	-15.30	10.73	Decreased by 17.14 percentage points
Mine-produced copper	4,354,660	2,053,190	52.85	42.44	33.08	Increased by 3.32 percentage points
Refinery copper	9,697,520	9,394,620	3.12	10.78	12.44	Decreased by 1.43 percentage points
Mine-produced zinc	2,444,450	767,490	68.60	28.77	1.58	Increased by 8.40 percentage points
Refinery zinc	2,030,000	1,935,090	4.68	5.44	9.71	Decreased by 3.71 percentage points
Iron ore	709,580	193,690	72.70	43.45	2.84	Increased by 10.78 percentage points
Others	13,990,010	13,250,040		57.55	61.22	
Internal elimination	-11,567,250	-11,540,600				
Total	49,813,890	42,716,500	14.25	32.75	33.29	Decreased by 0.34 percentage point

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

Management Discussion and Analysis *(continued)*

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(2) Status of main businesses by region

Over 87.2% of the Company's operating income was originated from customers in Mainland China, and 40.01% 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 from the top five suppliers amounted to RMB15.625 billion, representing 36.58% of the Group's total procurement amount. The Group's major suppliers included Shanghai Gold Exchange, Shanghai Zengfu Metal Material Co., Ltd., 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 RMB26.535 billion, representing 53.27% 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, Shanghai Huiao Non-ferrous Metal Company Limited, Trafigura Investment Company, etc.

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

Unit: RMB

Item	Amount for the current period	Amount for the same period last year	Changes (%)
Operating income	49,813,890,835	37,523,631,910	32.75
Operating costs	42,716,501,955	32,048,962,179	33.29
Selling expenses	430,225,695	389,061,277	10.58
Administrative expenses	1,356,911,252	1,386,152,699	-2.11
Financial expenses	660,421,573	1,217,604,896	-45.76
Net cash flows from operating activities	4,980,685,290	3,305,808,789	50.66
Net cash flows used in investing activities	(908,446,760)	(3,611,495,552)	Not applicable
Net cash flows (used in)/from financing activities	(1,352,875,202)	2,651,697,259	Not applicable
Research and development expenditures	135,959,701	133,141,552	2.12
Taxes and surcharges	698,055,183	568,841,706	22.72
Impairment losses on assets	263,678,192	237,944,424	10.82
Credit impairment losses	54,809,952	—	Not applicable
Gains on changes in fair value	50,097,422	570,492,224	-91.22
Investment income	127,612,938	82,809,279	54.10
Share of (losses)/profits of associates and joint ventures	-27,548,270	16,568,302	Not applicable
Gains on disposal of assets	13,450,270	47,979,595	-71.97
Non-operating income	153,114,713	40,171,099	281.16
Non-operating expenses	149,657,445	252,211,568	-40.66
Income tax expenses	712,087,103	388,445,323	83.32
Net profit attributable to non-controlling interests	542,326,758	257,322,055	110.76

(1) Change in operating income: Please refer to the above analysis.

(2) Change in operating costs: Please refer to the above analysis.

(3) Change in selling expenses: Please refer to the above analysis.

Management Discussion and Analysis *(continued)*

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- (4) Change in administrative expenses: Please refer to the above analysis.
- (5) Change in financial expenses: Please refer to the above analysis.
- (6) Change in net cash flows from operating activities: Please refer to the above analysis.
- (7) Change in net cash flows used in investing activities: Please refer to the above analysis.
- (8) Change in net cash flows (used in)/from financing activities: Please refer to the above analysis.
- (9) Change in research and development expenditures: Basically unchanged.
- (10) Change in taxes and surcharges: Mainly due to increase in resource tax in the first half of 2018.
- (11) Change in impairment losses on assets: Mainly due to provision for impairment losses on certain fixed assets and intangible assets in the first half of 2018.
- (12) Change in credit impairment losses: It was due to the implementation of the New Financial Instruments Standards and is not comparable.
- (13) Change in gains on changes in fair value: From 1 January 2018, the Group implements the New Financial Instruments Standards, which reclassified certain stock investments which were originally classified as “financial assets at fair value through profit or loss” into “financial assets at fair value through other comprehensive income”. The unrealised profit or loss generated therefrom did not have impact on the profit or loss for the current period.
- (14) Change in investment income: Mainly due to increase in income from stock investment and hedging in the first half of 2018 compared with the same period last year.
- (15) Change in share of (losses)/profits of associates and joint ventures: Mainly due to a decrease in profitability of associates and joint ventures under equity method in the first half of 2018 compared with the same period last year.
- (16) Change in gains on disposal of assets: Mainly due to decrease in income from asset disposal and sales in the first half of 2018 compared with the same period last year.
- (17) Change in non-operating income: Mainly due to the earthquake insurance indemnity received by BNL, a company under joint operation of the Group in the first half of 2018.
- (18) Change in non-operating expenses: Mainly due to decrease in the disposal or write-off of fixed assets in the first half of 2018 compared with the same period last year.
- (19) Change in income tax expenses: Mainly due to increase in profitability in the first half of 2018.
- (20) Change in net profit attributable to non-controlling interests: Mainly due to increase in profitability of certain non-wholly owned subsidiaries in the first half of 2018.

Gearing ratio

Gearing ratio refers to the proportion of consolidated total liabilities to the consolidated total equity. As at 30 June 2018, the Group's consolidated total liabilities amounted to RMB53,267,786,124 (30 June 2017: RMB58,405,567,060) and the Group's consolidated total equity was RMB37,721,151,774 (30 June 2017: RMB36,470,114,162). As at 30 June 2018, the gearing ratio of the Group was 1.4121 (30 June 2017: 1.6015).

Management Discussion and Analysis *(continued)*

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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	-4,882,202	
Government grants recognised in the 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	83,349,029	
Capital utilisation fee received from non-financial enterprises recognised in profit or loss for the current period	136,033,376	
Gains/(Losses) on changes in fair value from financial assets and financial liabilities held for trading, and investment gains/(losses) on disposal of financial assets and financial liabilities held for trading and available-for-sale investments except for the effective portion of hedge closely related to the Company's normal operations	-74,921,811	
Non-operating income and expenses other than the aforesaid items	22,289,740	Including donation expenses of the Company amounting to RMB99,323,300
Impact on the non-controlling interests	15,332,191	
Impact on income tax	-27,246,279	
Total	149,954,044	

Net current liabilities

	30 June 2018 (Unaudited) RMB	31 December 2017 (Audited) RMB
Current assets	29,185,062,924	28,675,010,591
Less: Current liabilities	30,118,039,642	28,793,593,015
Net current liabilities	(932,976,718)	(118,582,424)

Management Discussion and Analysis *(continued)*

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Total assets less current liabilities

	30 June 2018 (Unaudited) RMB	31 December 2017 (Audited) RMB
Total assets	90,988,937,898	89,315,263,550
Less: Current liabilities	30,118,039,642	28,793,593,015
Total assets less current liabilities	60,870,898,256	60,521,670,535

Progress of operation plan

Operating environment

According to the Global Economic Prospects published by the World Bank in June 2018, the growth pace of global economy is anticipated to moderate amid slowing growth of developed economies and weakening economic recovery of emerging markets and developing economies which are the major bulk commodity exporters. Coupled with rising support for trade protectionism and policy uncertainties, the prospects of world economy are subject to a risk of decline.

In the second half of 2018, the Chinese economy will also come under pressure against the emergence of more unfavourable external factors, as well as escalating China-US trade tensions. However, prospect of the macro-economy is likely to remain stable.

Under the plan of the Federal Reserves of the United States to gradually lift the interest rate, the US dollar will mostly likely remain at a high level and accordingly, cause ongoing pressure on gold price in the second half of the year.

The rising friction in China-US trades may intensify risk aversion in the market, which implies ongoing volatilities in base metals' prices in the second half of the year. However, absence of clear changes in the fundamentals of copper will limit the room of downward movement for copper price. As for zinc, the medium to slightly tight supply of the metal will provide support if the price moves down.

Management measures for the second half of 2018

In the second half of 2018, the Company will remain focused on "clinging to reforms, stabilising growth and boosting development" as the main target of work, deepen reforms and move ahead innovative initiatives, as well as accelerating implementation of its strategy of internationalisation, in order to meet the various targets and goals for production and operation in 2018. The key measures to be taken are as follows:

1. Win the battle for deepening reforms and striving for achievements, modernise information technology management system to cater for corporate needs

The Company shall win the battle for deepening reforms and striving for achievements, extensively establish a lean, regulated and highly efficient management system, streamline work processes and adopt a result-oriented approach, clearly define obligations, authorities and rights, and strengthen the independence and effectiveness of supervision. Continued efforts will be placed on building applicable, high-functioning and sustainable information technology systems, enhancing design of information system at the top level, improving the standardisation of primary data, developing expertise in information technology and artificial intelligence system, as well as boosting the capacity for independent development of the Company's own information technology system.

2. Focus on stabilising growth to accomplish full-year targets for production and operation

The Company will strive to capture right opportunities and implement the goal of maximising production capacity and sales to fully achieve various targets for production and operation in the year. The Company will also enhance judgement on market trends, formulate working plans according to the life cycles of mines, rigorously enforce economic accountability assessment, stringently manage technical indicators, and optimise assets of mining enterprises.

Management Discussion and Analysis *(continued)*

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Domestic mining entities: improve the technical indicators of production and refine the precision of management. The development progress of projects with high potentials, including Shanxi Zijin, Wulatehouqi Zijin, Luoyang Kunyu, Luoning Huatai and the Nanwenhe tungsten mine, will be carefully monitored; projects aiming at expanding production volume and releasing production capacity, such as phase 2 expansion of Duobaoshan, phase 3 technological upgrade of Zijin Zinc Industry and phase 2 technological upgrade of Longnan Zijin, will be proceeded in full swing; the upsizing projects of Guizhou Zijin, Shanxi Zijin and Luoyang Kunyu shall also be moved forward to maintain momentum of growth for the business segments in the future.

Overseas mining entities: the targets are to improve the production, operation and management, raise the level of internationalised operation, and regulate corporate governance of subsidiaries. The schedules of production for the full service period of Russia Longxing, Altynken, ZGC and Musonoie will be strengthened to raise the performance of key indicators; construction and development of important projects, such as the Kamoakakula copper mine in the DR Congo, will be expedited; moreover, integration of various functions of the overseas business segment, including external affairs and public relations, financial management, talent development as well as supply and sales of materials, will be enhanced.

Refining and processing entities: performance and risk management will be enhanced, and more efficient integration of the segment's technical resources will also be explored. Projects such as phase 2 technological upgrade of Zijin Copper, relocation and expansion of Zijin Processing Chemicals Company, etc., will be moved forward to enhance the sustainability of the segment and promote transformation and upgrade. Asset quality will be enhanced by optimising asset structure.

Other types of entities: the synergy among enterprises specialising in finance, construction, trading and logistics, as well as their roles of serving other business segments will be emphasised. Differential performance assessment based on market standards will be implemented. Moreover, the disposal of non-core and small-sized projects will be accelerated.

3. Realise material breakthroughs in merger and acquisition, enrich the Company's resources and raise its profit

The Company will remain committed to the "going-out" development strategy. By focusing on the edges of itself, the Company will direct its efforts primarily on achieving breakthroughs in the merger and acquisition of projects or enterprises which possess comparatively large resources reserves, as well as existing production capacity and profits, in order to rapidly expand the Company's major types of metal resources and profits.

4. Elevate production safety, occupational health and ecological development to a new stage

The safety accountability policy will be comprehensively amended, enhanced and implemented. The business department will fully serve its management role and function to substantially reduce lost-time injury rate by benchmarking against the performance of top-tier Western mining companies. In addition, the building of green mines and eco-development will be vigorously promoted, with an aim of establishing reputation and soft power of the Company for its commitment to eco-development. As for overseas enterprises, compliance with either the local or Chinese standards is emphasised to ensure mining development is carried out in an environmentally-friendly manner. On the other hand, management of occupational health and safety, as well as source control and technological upgrade will be strengthened in order to curb the development of occupational disease at root.

5. Enhance innovation, science and technology work to raise the quality of development

The Company will strive to overcome technical challenges and constraints to innovation for its key projects, connect scientific and technological development with the actual needs of production and operation, and enhance the value of product of labour and technical service based on market standards and practices. To improve the overall quality of mining business, the Company will emphasise on innovation, research and development of mining techniques, as well as introduction of advanced mining equipment. Moreover, investment in exploration will be continued to enhance supplementary surveying at the deep and border mining zones. Special appraisal will be conducted on the subsidiaries operating key exploration projects to drive new breakthroughs in resource expansion and prospecting.

Management Discussion and Analysis *(continued)*

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6. Speed up formulation of talent development schemes and promote balanced development of the corporation, employees and the society

The Company aims to expedite the development and introduction of global, interdisciplinary talents, retain a pool of outstanding young talents and candidates for senior management roles, and enhance the development of senior technicians with advanced industrial expertise. The Company will particularly focus on the introduction and recruitment of top-tier mining personnel and talents specialising in informational technology.

Analysis on assets and liabilities

Status of assets and liabilities

Unit: RMB

Item	Amount at the end of the reporting period	Proportion of amount to total assets at the end of the reporting period (%)	Amount at the end of 2017	Proportion of amount to total assets at the end of 2017 (%)	Percentage change in the amount at the end of the reporting period compared with the amount at the end of 2017 (%)
Cash and cash equivalents	8,726,193,451	9.59	5,936,066,673	6.65	47.00
Financial assets at fair value through profit or loss (Note 2)	—	—	2,553,927,721	2.86	Not applicable
Financial assets held for trading (Note 2)	1,403,731,466	1.54	—	—	Not applicable
Prepayments	2,010,519,805	2.21	1,344,141,153	1.50	49.58
Current portion of non-current assets	49,997,508	0.05	257,775,683	0.29	-80.60
Other current asset	1,641,186,796	1.80	3,528,021,403	3.95	-53.48
Financial liabilities at fair value through profit or loss (Note 2)	—	—	2,314,244,937	2.59	
Financial liabilities held for trading (Note 2)	1,313,414,278	1.44	—	—	
Employee benefits payable	449,345,964	0.49	661,764,830	0.74	-32.10
Other comprehensive income	(1,095,861,526)	—	(602,893,526)	—	Not applicable

Reasons for the changes:

- (1) Cash and cash equivalents: Mainly attributable to the Group's better management of trade receivables and redemption of wealth management products at maturity.
- (2) The Company implemented the New Financial Instruments Standards and reclassified certain financial assets. The amounts of "Financial assets at fair value through profit or loss", "Financial assets held for trading", "Financial liabilities at fair value through profit or loss" and "Financial liabilities held for trading" are not comparable to the amounts at the end of 2017.
- (3) Prepayments: Mainly attributable to the increase in the prepayments for procurement costs of materials in the first half of 2018.
- (4) Current portion of non-current assets: Mainly due to reclassification of certain extended receivables into long-term receivables.
- (5) Other current assets: Mainly due to an increase in wealth management bank products with principal and yields guarantee.
- (6) Employee benefits payable: Mainly attributable to the payment of year-end bonus accrued last year in the first half of 2018.
- (7) Other comprehensive income: Mainly attributable to the unrealised losses of certain stock investments of the Group which were classified as "financial assets at fair value through other comprehensive income".

Management Discussion and Analysis *(continued)*

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Changes in the aforesaid items after reclassification according to the New Financial Instruments Standards compared with the beginning of the reporting period are as follows:

Item	Amount at the end of the reporting period	Proportion of amount to total assets at the end of the reporting period (%)	Amount at the beginning of the reporting period	Proportion of amount to total assets at the end of 2017 (%)	Percentage change in the amount at the end of the reporting period compared with the amount at the end of 2017 (%)
Financial assets held for trading	1,403,731,466	1.54	3,364,340,085	3.76	-58.28
Other current assets	1,641,186,796	1.80	1,206,566,736	1.35	36.02
Financial liabilities held for trading	1,313,414,278	1.44	2,314,244,937	2.58	-43.25
Other comprehensive income	(1,095,861,526)	—	(415,936,953)	—	Not applicable

Reasons for the changes:

- (1) Financial assets held for trading: Mainly attributable to the redemption of wealth management products at maturity.
- (2) Other current assets: Mainly due to an increase in wealth management bank products with principal and yields guarantee.
- (3) Financial liabilities held for trading: Mainly due to a decrease in gold leasing futures denominated in Renminbi with unfixed price.
- (4) Other comprehensive income: Mainly attributable to the unrealised losses of certain stock investments of the Group which were classified as “financial assets at fair value through other comprehensive income”.

Analysis on investment status

Overall analysis on external equity investment

During the reporting period, the Company continued to carry out the development strategy of “internationalisation, project upsizing, asset securitisation”, with main focus on quality gold and copper resources, and continued to pay attention to and keep track of a batch of important mining projects. The Company focused on merger and acquisition of enterprises or projects which have comparatively large resources reserve volume, existing production and profit, either by acquisition of controlling interests or strategic equity investment. The Company strives to achieve a rapid growth, especially in the resources volume and production volume of gold.

(1) Key equity investments

On 23 June 2018, the Execution and Investment Committee of the Board of the Company considered and approved the Resolution in relation to Participation in Ivanhoe’s Additional Issuance of Shares. The Company was approved to exercise the anti-dilution right stipulated in the Anti-dilution Agreement entered into between the Company and Ivanhoe on 23 March 2015 to subscribe for 21,227,538 ordinary shares of Ivanhoe with a consideration of CAD3.68 per share. The total amount of subscription was CAD78.12 million (approximately equivalent to RMB409.54 million). After the completion of the subscription, the Company’s proportion of shareholding in Ivanhoe maintained at 9.74%. The Company already reported the above matter to the Development and Reform Commission and Department of Commerce of Fujian Province.

Management Discussion and Analysis *(continued)*

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(2) Key non-equity investments

Project name	Amount (RMB million)	Progress	Investment during the reporting period (RMB million)	Actual accumulated investment (RMB million)	Project return status
Longnan Zijin (Gansu Yate) Li County gold mine project	1,400	Feasibility study reports for phase 2 development and biological pre-oxidation were completed.	2	656	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.
Phase 2 construction of Duobaoshan copper mine	2,477	Construction was in progress.	206	995	Upon completion of phase 2 construction and phase 1 technological upgrade, the annual production capacity is expected to increase to 80,000 tonnes of copper.

(3) Financial assets measured at fair value

Stock code	Abbreviation of stock	Initial investment cost (RMB)	Number of shares held (share)	Book value at the end of the reporting period (RMB)	Changes in owners' equity during the reporting period (RMB)
IVN	Ivanhoe Mines	539,398,844	77,117,020	1,039,976,355	(645,351,829)
AKG	Asanko Gold	88,070,557	15,300,000	108,514,866	20,444,309
PVG	Pretium Resources	82,573,019	2,696,131	130,219,771	(65,986,587)

Analysis of major entities

Unit: RMB million

Company name	Mine	Gold segment					
		Interest held by the Group	Production volume of mine- produced gold (kg)	Total assets	Net assets	Operating income	Net profit
Barrick (Niugini) Limited (Note 1)	Porgera gold mine	50%	2,530	3,174.74	1,146.78	664.26	61.94
Norton Gold Fields Limited	Paddington	100%	1,889	2,022.73	888.37	513.98	-46.11
Altynken Limited Liability Company	Zuoan gold mine	60%	1,726	2,257.17	53.89	480.43	121.99
JV Zeravshan LLC	Jilau, Taror gold mines	70%	1,945	2,560.83	-130.74	441.20	47.86
Hunchun Zijin Mining Company Limited	Shuguang gold mine	100%	1,538	1,649.93	1,279.04	638.54	266.05
Zijin Mining Group Company Limited* (Note 2)	Zijinshan gold mine	100%	1,618	—	—	—	—

Management Discussion and Analysis *(continued)*

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

Copper segment							
Company name	Mine	Interest held by the Group	Production volume of mine-produced copper (tonnes)	Total assets	Net assets	Operating income	Net profit
Zijin Mining Group Company Limited* (Note 2)	Zijinshan copper mine	100%	38,472	—	—	—	—
Xinjiang Ashele Copper Company Limited	Ashele copper mine	51%	22,203	3,141.58	1,992.18	971.20	430.59
Heilongjiang Duobaoshan Copper Company Limited	Duobaoshan copper mine	100%	18,846	4,396.54	2,620.85	792.81	214.88
La Compagnie Minière de Musonoie Global SAS	Kolwezi copper mine	72%	22,410	2,164.27	421.89	806.81	241.26
Hunchun Zijin Mining Company Limited	Shuguang copper mine	100%	7,594	1,649.93	1,279.04	638.54	266.05

Zinc segment							
Company name	Mine	Interest held by the Group	Production volume of mine-produced zinc (tonnes)	Total assets	Net assets	Operating income	Net profit
Russia Longxing Company Limited	Kyzyl-Tash Turk zinc and polymetallic mine	70%	55,577	3,505.54	1,085.87	1,101.06	631.13
Wulatehouqi Zijin Mining Company Limited	Miaogou-Sanguikou lead and zinc mine	95%	39,962	2,183.13	1,428.89	774.65	278.26
Xinjiang Zijin Zinc Industry Company Limited	Wulagen lead and zinc mine	100%	46,994	1,338.29	1,039.05	854.03	462.77

Refining segment							
Company name	Major product	Interest held by the Group	Production	Total assets	Net assets	Operating income	Net profit
Zijin Copper Company Limited	Refinery copper	100%	159,500 tonnes of copper cathode, 6.99 tonnes of gold, 150.57 tonnes of silver and 473,400 tonnes of vitriol	9,592.64	2,736.93	9,847.62	196.49
Bayannaer Zijin Non-ferrous Metals Company Limited	Zinc bullion	87.2%	95,300 tonnes of zinc bullion, 781.05 tonnes of copper and 166,600 tonnes of vitriol	2,799.88	1,065.75	2,104.86	114.37

Other segments							
Company name	Major product	Interest held by the Group	Production volume (million tonnes)	Total assets	Net assets	Operating income	Net profit
Xinjiang Jinbao Mining Company Limited	Iron ore	56%	1.27	1,244.28	924.53	710.48	322.73
Fujian Makeng Mining Company Limited (Note 3)	Iron ore	41.5%	0.2913	4,443.06	1,358.87	324.46	22.84

Management Discussion and Analysis *(continued)*

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

Note:

1. The data of Barrick (Niugini) Limited represents the Company's share on equity basis;
2. Zijinshan gold and copper mine is a branch of the Company and it is not separately reported;
3. The production volume of Fujian Makeng Mining Company Limited reflects the Company's share on equity basis.

Possible risks

1. **Metals price risks:** Metal products such as gold, copper and zinc are the major sources of the Company's revenue and earnings. Price fluctuations of the aforesaid products will create substantial impacts on the Company's operating results. To ensure a stable operation, the Company will fully leverage on its technological and managerial strength to raise efficiency and control costs strictly.
2. **Financial market risks:** The Company has a certain amount of financial assets and assets denominated in foreign currencies. As a result, fluctuations in interest rates, exchange rates and stock prices could cause risks to Company's operating results. The Company will strengthen management over its financial assets, optimise the Company's asset and liability structure in foreign currencies, thoroughly study the relevant measures for controlling the risks of financial assets, establish and perfect the management and risk control polices for financial assets to mitigate risks.
3. **Safety and environmental protection risks:** Mining companies have relatively higher safety and environmental protection risks. The Company always adheres to the principle of "safety first, emphasis on precautions and comprehensive management" to strengthen the implementation of production safety responsibilities and continuously improve the safety standardisation operating system for ensuring the continuity and stability of production safety of the Company. The Company attaches great importance to and continues to improve environmental protection, earnestly puts environmental protection and ecological restoration into practice, emphatically promotes eco-development, and remains highly committed to move forward the eco-development trend.
4. **Country and community risks:** Some of the Company's overseas projects are located in countries with political instability, inadequate legal policies, or discordant local communities. These factors lead to a certain level of country and community risks. The Company will proactively study laws and policies of the countries where the projects are situated in, proactively seek communication through diplomatic means at the state level and with local government and communities, and promote the co-development concept of "negotiation, cooperation, sharing and win-win". The Company will also purchase insurance for its overseas projects to lower the investment risks.

Share Capital and Shareholders

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

Details of the Company's issued ordinary shares (with par value of RMB0.1 each) as at 30 June 2018 are set out in Note V.34 to the financial statements.

SHAREHOLDING STRUCTURE OF SUBSTANTIAL SHAREHOLDERS

As at 30 June 2018, the Company has a total of 740,950 shareholders, of which 878 are H Shareholders and 740,072 are holders of domestic shares. By approximate percentage of shareholding in the share capital, the shareholdings of the Company's top ten shareholders are as follows:

Name of shareholders	Class of shares	Number of shares held	Approximate percentage of shareholding in the share capital
1. Minxi Xinghang State-owned Assets Investment Co., Ltd. (Notes 1 & 2)	Domestic shares	5,960,742,247	25.88%
2. HKSCC Nominees Limited (Note 3)	H Shares	5,711,413,191	24.80%
3. China Securities Finance Corporation Limited	Domestic shares	999,141,361	4.34%
4. National Social Security Fund 108	Domestic shares	554,005,566	2.41%
5. China-Africa Development Fund Co., Ltd.	Domestic shares	321,543,408	1.40%
6. Xinhuaadu-Guosen Securities-17 Xinhuaadu EB Guarantee and Trust Assets Special Account	Domestic shares	287,540,920	1.25%
7. Central Huijin Asset Management Ltd.	Domestic shares	191,694,700	0.83%
8. National Social Security Fund 113	Domestic shares	165,219,737	0.72%
9. Huarong Ruitong Equity Investment Management Co., Ltd.	Domestic shares	160,771,704	0.70%
10. Ganlanmu Investment (Beijing) Company Limited	Domestic shares	134,019,292	0.58%

Notes:

- 208,484,145 domestic shares of the Company held by Minxi Xinghang State-owned Assets Investment Co., Ltd. have to be transferred to National Council for Social Security Fund, the PRC, that part of the stock is frozen.
- Minxi Xinghang State-owned Assets Investment Co., Ltd. pledged 289,389,067 domestic shares of the Company.
- HKSCC Nominees Limited held 5,711,413,191 H Shares in the Company as a nominee, representing approximately 24.80% in aggregate of the Company's shares in issue. HKSCC Nominees Limited is a member of the Central Clearing and Settlement System, which carries out securities registration and custodian business for customers.

Share Capital and Shareholders *(continued)*

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

SUBSTANTIAL SHAREHOLDERS

So far as the Directors, Supervisors and chief executive of the Company are aware, as at 30 June 2018, the interests and long/short positions of shareholders (except the Directors, Supervisors and chief executive of the Company) in the shares or underlying shares of the Company which will be required, pursuant to Section 336 of the Securities and Futures Ordinance ("SFO"), to be entered into the register referred to therein, or required to be notified to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO are as follows:

Name of shareholders	Class of shares	Number of shares held	Approximate percentage in the total number of issued shares	Approximate percentage of shareholding in the total number of issued domestic shares	Approximate percentage of shareholding in the total number of issued H Shares	Long/Short positions
Minxi Xinghang State-owned Assets Investment Co., Ltd.	Domestic shares	5,960,742,247	25.88%	34.47%	—	Long
BlackRock, Inc.	H Shares	396,356,744 (Note 1)	1.72%	—	6.91%	Long
BlackRock, Inc.	H Shares	1,580,000 (Note 1)	0.01%	—	0.03%	Short
The Bank of New York Mellon Corporation	H Shares	344,707,096 (Note 2)	1.50%	—	6.01%	Long
The Bank of New York Mellon Corporation	H Shares	335,805,626 (Note 2)	1.46%	—	5.85%	Lending pool
VanEck Vectors ETF - VanEck Vectors Gold Miners ETF	H Shares	287,614,000 (Note 3)	1.25%	—	5.01%	Long
Van Eck Associates Corporation	H Shares	287,614,000 (Note 4)	1.25%	—	5.01%	Long

Notes:

- (1) BlackRock, Inc. holds 396,356,744 H Shares (long position) of the Company (representing approximately 6.91% of the 5,736,940,000 total issued H Shares of the Company) and 1,580,000 H Shares (short position) of the Company (representing approximately 0.03% of the 5,736,940,000 total issued H Shares of the Company).

According to the disclosure form filed by BlackRock, Inc. on 22 June 2018, the following interests were held by BlackRock, Inc. in the following capacity:

Capacity		Number of shares
Interest of corporation controlled by BlackRock, Inc.	Long position	396,356,744
	Short position	1,580,000

Share Capital and Shareholders *(continued)*

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

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

Name of controlled corporation	Address and place of incorporation	Name of controlling person	% control	Direct interest (Y/N)		Number of shares
Trident Merger, LLC	1209 Orange Street, Wilmington DE 19801, United States (Delaware, USA)	BlackRock, Inc.	100.00	N	Long position	3,188,250
BlackRock Investment Management, LLC	1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States (Delaware, USA)	Trident Merger, LLC	100.00	Y	Long position	3,188,250
BlackRock Holdco 2, Inc.	1209 Orange Street, Wilmington DE 19801, United States (Delaware, USA)	BlackRock, Inc.	100.00	N	Long position Short position	393,168,494 1,580,000
BlackRock Financial Management, Inc.	1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States (Delaware, USA)	BlackRock Holdco 2, Inc.	100.00	N	Long position Short position	387,103,494 1,580,000
BlackRock Financial Management, Inc.	1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States (Delaware, USA)	BlackRock Holdco 2, Inc.	100.00	Y	Long position	6,065,000
BlackRock Holdco 4, LLC	1209 Orange Street, Wilmington DE 19801, United States (Delaware, USA)	BlackRock Financial Management, Inc.	100.00	N	Long position Short position	238,182,587 1,080,000
BlackRock Holdco 6, LLC	1209 Orange Street, Wilmington DE 19801, United States (Delaware, USA)	BlackRock Holdco 4, LLC	100.00	N	Long position Short position	238,182,587 1,080,000
BlackRock Delaware Holdings Inc.	1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States (Delaware, USA)	BlackRock Holdco 6, LLC	100.00	N	Long position Short position	238,182,587 1,080,000
BlackRock Institutional Trust Company, National Association	1225 17th Street, Suite 300, Denver, CO 80202 (Colorado, USA)	BlackRock Delaware Holdings Inc.	100.00	Y	Long position Short position	127,673,587 1,080,000
BlackRock Fund Advisors	400 Howard Street San Francisco, CA 94105, United States (California, USA)	BlackRock Delaware Holdings Inc.	100.00	Y	Long position	110,509,000
BlackRock Capital Holdings, Inc.	1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States (Delaware, USA)	BlackRock Financial Management, Inc.	100.00	N	Long position	668,000
BlackRock Advisors, LLC	1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States (Delaware, USA)	BlackRock Capital Holdings, Inc.	100.00	Y	Long position	668,000
BlackRock International Holdings, Inc.	1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States (Delaware, USA)	BlackRock Financial Management, Inc.	100.00	N	Long position Short position	148,252,907 500,000
BR Jersey International Holdings L.P.	13 Castle Street, St. Helier, Jersey, Channel Islands JE4 5UT (Jersey)	BlackRock International Holdings, Inc.	86.00	N	Long position Short position	148,252,907 500,000
BlackRock Cayco Limited	c/o Walkers SPV Limited, P.O. Box 908GT, Walker House, Mary Street, George Town, British West Indies, Cayman Islands (Cayman Islands)	BlackRock HK Holdco Limited	100.00	N	Long position	22,614,456
BlackRock Trident Holding Company Limited	Taney Hall, Eglinton Terrace, Dundrum, Dublin 14, Ireland (Ireland)	BlackRock Cayco Limited	100.00	N	Long position	22,614,456

Share Capital and Shareholders *(continued)*

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

Name of controlled corporation	Address and place of incorporation	Name of controlling person	% control	Direct interest (Y/N)		Number of shares
BlackRock Japan Holdings GK	Marunouchi Trust Tower Main, 1-8-3 Marunouchi, Chiyoda-ku, Tokyo 100-8217 (Japan)	BlackRock Trident Holding Company Limited	100.00	N	Long position	22,614,456
BlackRock Japan Co., Ltd.	Marunouchi Trust Tower Main, 1-8-3 Marunouchi, Chiyoda-ku, Tokyo 100-8217 (Japan)	BlackRock Japan Holdings GK	100.00	Y	Long position	22,614,456
BlackRock Canada Holdings LP	161 Bay Street, Suite 2500, Toronto, Ontario M5J 2S1, Canada (Ontario, Canada)	BR Jersey International Holdings L.P.	99.90	N	Long position	1,956,000
BlackRock Canada Holdings ULC	161 Bay Street, Suite 2500, Toronto, Ontario M5J 2S1, Canada (Ontario, Canada)	BlackRock Canada Holdings LP	100.00	N	Long position	1,956,000
BlackRock Asset Management Canada Limited	161 Bay Street, Suite 2500, Toronto, Ontario M5J 2S1, Canada (Ontario, Canada)	BlackRock Canada Holdings ULC	100.00	Y	Long position	1,956,000
BlackRock Australia Holdco Pty. Ltd.	Level 26, 101 Collins Street Melbourne VIC 3000 Australia (Victoria, Australia)	BR Jersey International Holdings L.P.	100.00	N	Long position	1,616,000
BlackRock Investment Management (Australia) Limited	Level 26, 101 Collins Street Melbourne VIC 3000 Australia (Victoria, Australia)	BlackRock Australia Holdco Pty. Ltd.	100.00	Y	Long position	1,616,000
BlackRock (Singapore) Holdco Pte. Ltd.	20 Anson Road #18-01 079912 Singapore (Singapore)	BR Jersey International Holdings L.P.	100.00	N	Long position	25,775,558
BlackRock HK Holdco Limited	13th Floor, One Pacific Place, 88 Queensway, Hong Kong (Hong Kong)	BlackRock (Singapore) Holdco Pte. Ltd.	100.00	N	Long position	25,775,558
BlackRock Asset Management North Asia Limited	15/F, 16/F, 17/F Champion Tower & 17/F ICBC Tower, 3 Garden Road, Central, Hong Kong	BlackRock HK Holdco Limited	100.00	Y	Long position	3,113,102
BlackRock Group Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BR Jersey International Holdings L.P.	90.00	N	Long position Short position	118,905,349 500,000
BlackRock (Netherlands) B.V.	Rembrandt Tower, 17th floor, Amstelplein, Amsterdam Netherlands (Amsterdam, Netherlands)	BlackRock Group Limited	100.00	Y	Long position	914,000
BlackRock Advisors (UK) Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock Group Limited	100.00	Y	Long position	880,838
BlackRock International Limited	Exchange Place One, 1 Semple Street, Edinburgh, EH3 8BL, United Kingdom (Scotland, United Kingdom)	BlackRock Group Limited	100.00	N	Long position	20,888,670
BlackRock International Limited	Exchange Place One, 1 Semple Street, Edinburgh, EH3 8BL, United Kingdom (Scotland, United Kingdom)	BlackRock Group Limited	100.00	Y	Long position	1,424,000
BlackRock Luxembourg Holdco S.à r.l.	35 a, avenue J.F. Kennedy L-1855 Luxembourg	BlackRock Group Limited	100.00	N	Long position	52,932,341
BlackRock Investment Management Ireland Holdings Limited	JP Morgan House, International Financial Services Centre, Dublin 1, Ireland (Ireland)	BlackRock Luxembourg Holdco S.à r.l.	100.00	N	Long position	51,666,341
BlackRock Asset Management Ireland Limited	JP Morgan House, International Financial Services Centre, Dublin 1, Ireland (Ireland)	BlackRock Investment Management Ireland Holdings Limited	100.00	Y	Long position	51,666,341

Share Capital and Shareholders *(continued)*

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

Name of controlled corporation	Address and place of incorporation	Name of controlling person	% control	Direct interest (Y/N)		Number of shares
BLACKROCK (Luxembourg) S.A.	35 A, avenue J.F. Kennedy L-1855 Luxembourg	BlackRock Luxembourg Holdco S.à r.l.	100.00	Y	Long position	1,238,000
BlackRock Investment Management (UK) Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock Group Limited	100.00	N	Long position Short position	12,284,853 500,000
BlackRock Investment Management (UK) Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock Group Limited	100.00	Y	Long position	29,580,647
BlackRock Fund Managers Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock Investment Management (UK) Limited	100.00	Y	Long position Short position	12,284,853 500,000
BlackRock Life Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock International Limited	100.00	Y	Long position	20,888,670
BlackRock UK Holdco Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock Luxembourg Holdco S.à r.l.	100.00	N	Long position	28,000
BlackRock Asset Management (Schweiz) AG	Bahnhofstrasse 39 8001 Zurich, Switzerland (Switzerland)	BlackRock UK Holdco Limited	100.00	Y	Long position	28,000
BlackRock Investment Management (Taiwan) Limited	28F, 95 Tun Hwa South Road, Section 2, Taipei, Taiwan (Taiwan)	BlackRock HK Holdco Limited	100.00	Y	Long position	48,000

Further information in respect of derivative interests:

Unlisted derivatives - Cash settled	Long position	516,000
	Short position	1,080,000

- (2) The Bank of New York Mellon Corporation holds 344,707,096 H Shares (long position) of the Company (representing approximately 6.01% of the 5,736,940,000 total issued H Shares of the Company) and 335,805,626 H Shares (lending pool) of the Company (representing approximately 5.85% of the 5,736,940,000 total issued H Shares of the Company).

According to the disclosure form filed by The Bank of New York Mellon Corporation on 28 June 2018, the following interests were held by The Bank of New York Mellon Corporation in the following capacity:

Capacity		Number of shares
Interest of corporation controlled by The Bank of New York Mellon Corporation	Long position	344,707,096

Share Capital and Shareholders *(continued)*

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

Further information in relation to interests of corporations controlled by The Bank of New York Mellon Corporation:

Name of controlled corporation	Address and place of incorporation	Name of controlling person	% control	Direct interest (Y/N)		Number of shares
The Bank of New York Mellon	225 Liberty Street, New York, NY 10286. USA	The Bank of New York Mellon Corporation	100.00	Y	Long position	344,707,096

- (3) VanEck Vectors ETF - VanEck Vectors Gold Miners ETF holds 287,614,000 H Shares (long position) of the Company (representing approximately 5.01% of the 5,736,940,000 total issued H Shares of the Company).
- (4) VanEck Vectors ETF - VanEck Vectors Gold Miners ETF is managed by Van Eck Associates Corporation. Van Eck Associates Corporation is deemed to be interested in 287,614,000 H Shares (long position) of the Company (representing approximately 5.01% of the 5,736,940,000 total issued H Shares of the Company).

Save as disclosed above and so far as the Directors are aware, as at 30 June 2018, no other person (other than the Directors, Supervisors or chief executive of the Company) had an interest or short position in the Company's shares, underlying shares or debentures (as the case may be) which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO, or was otherwise a substantial shareholder (as such term is defined in the Listing Rules) of the Company.

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

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

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

As at 30 June 2018, the interests and short positions of the Directors, Supervisors and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors, Supervisors and chief executive are taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO to be entered into the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), to be notified to the Company and the Stock Exchange are as follows:

Shareholdings of the Directors, Supervisors and chief executive of the Company as at 30 June 2018 are as follows:

Director	Class of shares	Number of shares held	Nature of interest	Long/Short positions	Approximate percentage of shareholding in the same class of securities	Approximate percentage of shareholding in the registered capital
Chen Jinghe	Domestic shares	102,000,000	Personal	Long position	0.59%	0.44%
	H Shares	8,000,000	Personal	Long position	0.14%	0.03%
	Total	110,000,000	Personal	Long position		0.48%
Lan Fusheng	Domestic shares	7,530,510	Personal	Long position	0.04%	0.03%
Zou Laichang	Domestic shares	1,430,000	Personal	Long position	0.01%	0.01%
Lin Hongfu	Domestic shares	862,500	Personal	Long position	0.01%	0.01%
Fang Qixue	Domestic shares	301,000	Personal	Long position	0.01%	0.01%
Lin Hongying	Domestic shares	200,000	Personal	Long position	0.01%	0.01%

Supervisor	Class of shares	Number of shares held	Nature of interest	Long/short positions	Approximate percentage of shareholding in the same class of securities	Approximate percentage of shareholding in the registered capital
Lin Shuiqing	Domestic shares	300,000	Personal	Long position	0.01%	0.01%
Liu Wenhong	Domestic shares	24,450	Personal	Long position	0.01%	0.01%
	H Shares	10,000	Personal	Long position	0.01%	0.01%
	Total	34,450	Personal	Long position		0.01%

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

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

Others

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STAFF OF THE COMPANY AND ITS MAJOR SUBSIDIARIES

STAFF

The number of current staff of the Company	2,450
The number of current staff of the major subsidiaries	15,729
Total number of current staff (including staff of domestic enterprises and Chinese staff of overseas enterprises)	18,179

Profession structure

Classification	Number of staff
Production	8,422
Sales	253
Technical	5,204
Finance	499
Administration	3,801
Total	18,179

Education

Classification	Number of staff
Doctoral degree	30
Master degree	365
Bachelor degree	3,006
Other tertiary education	3,560
Secondary school or below	11,218
Total	18,179

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

Others (continued)

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

SIGNIFICANT MATTERS

Details of shareholders' general meeting

Session of meeting	Convening date	Index of the designated website publishing the resolutions	Date of publishing the resolutions
2017 annual general meeting	17 May 2018	www.hkexnews.hk	17 May 2018

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

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

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

Performance of undertakings

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

Background of the undertaking	Type of the undertaking	Undertaking party	Contents of the undertaking	Time of undertaking and its validity period	Whether there is validity period	Whether the undertaking has been strictly complied with
Undertaking related to the initial public offering	Avoidance of competition within the same industry	Minxi Xinghang State-owned Assets Investment Co., Ltd.	During the period of being the substantial shareholder of the Company, Minxi Xinghang and its wholly-owned or controlling enterprises will not engage in any business that is in competition with or constitutes a competitive threat to the Company's main business or main products within or outside the PRC, including investing, acquiring, merging or entrusting to operate and manage locally or globally a company, business or other economic association of 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

Others *(continued)*

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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 or changes in subsequent implementation

Summary of the event	Index for details
<p>The registration of the A Shares subscribed by phase 1 of employee stock ownership scheme of Zijin Mining Group Co., Ltd.* under the non-public issuance of A Shares was completed at China Securities Depository and Clearing Corporation Limited (Shanghai Branch) on 7 June 2017. 129,163,987 A Shares were subscribed for, the subscription amount was RMB401.7 million, the subscription price was RMB3.11 per share and the lock-up period was 36 months.</p>	<p>For details, please refer to the Resolutions of the First Holders' Meeting of Phase 1 Employee Stock Ownership Scheme of Zijin Mining Group Co., Ltd.* and Announcement in relation to the Issuance Results of Non-public Issuance of A Shares and Changes in Share Capital of Zijin Mining Group Co., Ltd.* disclosed on HKEXnews website (http://www.hkexnews.hk) dated 8 June 2017.</p>

MATERIAL CONNECTED TRANSACTIONS

Connected transactions related to daily business operation

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

Summary of the 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 Wuxin Copper Co., Ltd., which is a subsidiary of Xinjiang Ashele's substantial shareholder, Xinjiang Non-ferrous Metals Industry (Group) Company Limited, on 23 January 2018. One of Xinjiang Ashele's ordinary businesses is selling copper concentrate 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 RMB402 million.</p>	<p>For details, please refer to the Company's announcement disclosed on HKEXnews website (http://www.hkexnews.hk) dated 23 January 2018.</p>

Others *(continued)*

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POVERTY ALLEVIATION WORK OF THE COMPANY

1. Targeted poverty alleviation plan

Fundamental strategy

2018 marks the beginning of implementing the spirit of the 19th National Congress of the Communist Party of China. The Company profoundly studies and comprehensively practices the General Secretary, Mr. Xi Jinping's important strategic thoughts on poverty alleviation and development, and "Opinion on Serving the National Poverty Alleviation Strategy by Making Use of the Capital Market" issued by the CSRC. Poverty alleviation work is required to be conducted precisely, focusing on practice and ensuring sustainability. Insisting on combining measures of providing assistance and fostering self-reliance, the Company fully utilises the subsidiary mining entities' location advantages and in-depth knowledge of communities in remote mountain areas. Thus, targeted poverty alleviation work is conducted in the local communities around mining sites. In addition, the Company solidly implements the poverty alleviation responsibility, policies and duties within the enterprise.

General objectives

The Company will abide by the poverty reduction policy stated in The Thirteenth Five-year Plan issued by the State Council. The work will concentrate on the identified impoverished population with the mission of targeted poverty alleviation and elimination. An internal long-term mechanism is established to support the country in its endeavor to eliminate poverty in all respects by 2020.

Key work

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

Safeguarding measures

Following the lead of the Party Committee and the Board of the Company, the management of the Company formulated annual targeted poverty alleviation plan, and laid down organisational safeguard in respect of project selection, liaison with governmental organisations, implementation and supervision, and information disclosure, etc. Poverty alleviation fund was included in the annual financial budget to ensure material support for poverty alleviation work. The Company delegated its social responsibility department to be responsible for poverty elimination and took Zijin Mining Charity Foundation as the implementation platform. Based on the thorough knowledge of poor villages, poor families and their situations, the Company ensured that the capital and personnel are in place, and the poverty alleviation work can be carried out accurately and thoroughly.

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

In the first half of 2018, the Company thoroughly implemented the state's strategy of poverty alleviation and carried out poverty alleviation work according to the annual plan. The Company gave full play to the location advantages of mining subsidiaries in remote mountain areas by deploying personnel, material and capital to assist the poor villages around mining sites, and worked together with local governments' poverty alleviation institutions, Zijin Mining Charity Foundation and other charity organisations. The Company carried out 71 key projects, providing assistance in Fujian Province Minxi Old Revolutionary Base Area, Aletai Region of Xinjiang Autonomous Region, Hebei Province, Henan Province, Inner Mongolia Autonomous Region, Shanxi Province, Yunnan Province, etc., by way of infrastructure construction, industrial development, environmental protection, and educational facilities improvement. Total investment into poverty alleviation exceeded RMB62 million. The poverty alleviation work effectively improved the infrastructure, production, life and education in the poor villages around the mining sites and enhanced the living standards of impoverished population.

Others (continued)

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3. Results of targeted poverty alleviation

Unit: RMB'000

Indicator	Amount and progress
I. General	
Including: 1. Subsidised amount	62,573.1
2. Monetary amount of materials provided	23.9
II. Subsidy by category	
1. Industrial development for poverty alleviation	
Including: 1.1 Industrial development projects for poverty alleviation by category	<input checked="" type="checkbox"/> Agriculture and forestry <input type="checkbox"/> Tourism <input type="checkbox"/> E-commerce <input type="checkbox"/> Asset return <input type="checkbox"/> Technology <input type="checkbox"/> Others
1.2 Number of industrial development project for poverty alleviation	1
1.3 Amount of subsidy for industrial development project	3,000
2. Education for poverty alleviation	
Including: 2.1 Investment into improving educational resources in impoverished areas	560
3. Poverty alleviation by improving healthcare	
Including: 3.1 Amount of subsidy for medical and healthcare services	10,000
4. Poverty alleviation by ecological protection	
Including: 4.1 Name of project	<input checked="" type="checkbox"/> Carry out ecological conservation and maintenance <input type="checkbox"/> Establish compensation methods for ecological conservation <input type="checkbox"/> Set up specialised position for handling ecological and public charity related affairs <input type="checkbox"/> Others
4.2 Amount of subsidy	500
5. Other projects	
Including: 5.1 Number of project	56
5.2 Amount of subsidy	58,513.1
5.3 Details of other projects	Poverty alleviation by assisting the poor areas in carrying out livelihood project and improving infrastructure by way of donations.

Others *(continued)*

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4. Progress of fulfilling social responsibilities by way of poverty alleviation

From January to June 2018, the Company conducted its annual poverty alleviation plan in the impoverished rural areas of Aletai of Xinjiang Autonomous Region, Hunchun of Jilin Province, Luoning County of Henan Province and Wulatehouqi of Inner Mongolia to tackle issues including road construction, drinking water, living environment and the hardship of left-behind elderly. In particular, a series of projects were carried out to improve livelihood infrastructure and grant allowance to the elderly. The measures effectively improved the living conditions of the assisted areas.

5. Plan for future targeted poverty alleviation work

In the second half of 2018, the Company plans to continuously promote targeted poverty alleviation assistance following the plan. On the basis of enhancing livelihood infrastructure, the Company will dig into education field for poverty alleviation by subsidising impoverished students' tuition fee, improving educational facilities and so on in impoverished areas. Meanwhile, through increasing publicity, all sectors of the society will be guided to engage in poverty alleviation. The measures guarantee the results of poverty alleviation. The Company supports its subsidiaries to win the battle of poverty alleviation in the areas where their operations are located in. By fulfilling its social responsibilities, the Company contributes to building the moderately prosperous society and the comprehensive development of the economy and society.

Principal safeguarding measures

- (1) Strengthen organisation and leadership.** A team comprising the responsible personnel of the social responsibility department, Zijin Mining Charity Foundation, and Party branches of the locality at which the Company's operations are located, is tasked with the on-site implementation of poverty alleviation work. The team is also responsible for coordinating various departments for carrying out the poverty alleviation projects.
- (2) Strengthen project implementation and management to ensure the actual needs of the assisted groups are met.** In the course of carrying out the projects, the Company ensures the groups with genuine need of assistance can be accurately identified, actively carries out study and investigations, and pays visits to the impoverished households, to obtain a better understanding of their actual needs. Key focus of the Company's work is to improve the infrastructure of the impoverished areas. The bottlenecks constraining the development of such areas, namely a lack of road, and deficient supply of water, electricity and accommodation, are identified as the crucial areas of poverty alleviation. Efforts are made to improve the infrastructure of the poverty-plagued communities to achieve the goal of targeted poverty alleviation. Adhering to the principles of openness, equality and fairness, the Company also strengthens the direct management and supervision of projects, enhances on-site inspection, strictly forbids malpractices, and implements effective supervision and evaluation of projects.
- (3) Strictly regulate allocation and payment of funds.** The allocation and payment of funds for assistance projects shall strictly comply with the provisions in project cooperation agreements or project proposals, and follow approval authority and process. Relevant application procedures will only be proceeded when no improprieties are identified.

Others *(continued)*

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- (4) Joint forces for poverty alleviation.** The Company engages in poverty alleviation projects by way of cooperation among its subsidiaries, local governments of the impoverished areas and local social organisations. The Company's charity foundation plays an important role in connecting enterprises' and volunteers' assistance with the impoverished households in the rural areas.
- (5) Improve archive management.** The collection, updating, improvement, archiving and statistical analysis of fundamental data and basic information obtained in the implementation process of the projects, as well as retention of the data collected from evaluation and supervision of poverty alleviation work, shall be carried out properly.
- (6) Strengthen learning and improve effectiveness.** The Company takes the initiatives to consult with the Ministry of Civil Affairs, the State Poverty Alleviation Office and other relevant authorities, and actively learn from advanced poverty alleviation institutions and groups, in order to optimise its poverty alleviation measures and achieve practical work results.

Environmental information

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

During the reporting period, the Company strictly complied with the national laws, regulations, standards and other requirements on environmental protection, persisted in the basic national policy of resource conservation and environmental protection, as well as firmly upholding the environmental protection idea of "green mountains and clear waters are our invaluable assets" to reduce pollutant discharge and develop ecological civilisation proactively.

In 2018, 18 entities of the Company were identified as the key pollutant discharging units by environmental protection authorities, namely the Zijinshan gold and copper mine, Zijin Copper Company Limited, Wuping Zijin Mining Company Limited, Zijin Mining Group Gold Refinery Co., Ltd., Guizhou Zijin Mining Company Limited, Luoyang Kunyu Mining Company Limited, Luoning Huatai Mining Development Company Limited, Luoning Zijin Gold Refinery Co., Ltd., Yuanyang County Huaxi Gold Company Limited, Wenshan Malipo Zijin Tungsten Group Company Limited, Bayannaer Zijin Non-ferrous Metals Company Limited, Wulatehouqi Zijin Mining Company Limited, Inner Mongolia Jinzhong Mining Company Limited, Shanxi Zijin Mining Company Limited, Hebei Chongli Zijin Mining Company Limited, Jilin Zijin Copper Company Limited, the Shuguang gold and copper mine of Hunchun Zijin Mining Company Limited and Qinghai West Copper Company Limited.

Others (continued)

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1. Information of pollutant discharge

During the first half of 2018, all key pollutant discharging units of the Company strictly complied with the national and regional pollutant discharging standards and requirements. The wastewater, air pollutants and noise at plant boundary received standardised management, and their emission was stable and in compliance with regulatory standards. Details are as follows:

No.	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Total discharge in the last six months (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for discharge of pollutants
1	Zijinstan gold and copper mine	Wastewater	pH COD Total arsenic Total lead Total cadmium Total zinc Total copper Total cyanide	6.5-8.5 3-40mg/L 0.0004-0.005mg/L <0.01mg/L <0.05mg/L <0.05mg/L 0.001-0.3mg/L <0.004mg/L	— 53,861,345 0.003188 0.00549 0.001912 0.032992 0.043245 0.003906	— 203 0.057 0.38933 0.04216 3.66 2.365 0.108	Organised discharge after meeting regulatory standards	6	Xinwuxia, Yutanling, Hujangking, Yaleng, Ermiaogou, Sanqinging	No	The standards in Schedule 2 of the Emission standard of pollutants for copper, nickel, cobalt industry (GB25467-2010)
		Air pollutant	Nitrogen oxides Dust Particulates	38-77mg/m ³ 2.34-12.8mg/m ³ 1.7-8.3mg/m ³	1.51806 0.03474 6.769	5.54 11.5 —	Organised discharge after meeting regulatory standards Organised discharge after meeting regulatory standards	1 11	Boiler for hydrometallurgical plants of copper mine The discharge outlets of dust removers installed at the crushing and screening systems of processing plant	No No	Emission standard of air pollutants for boiler (GB13271-2014) The standards in Schedule 5 of the Emission standard of pollutants for copper, nickel, cobalt industry (GB25467-2010)
2	Wuping Zijin Mining Company Limited	Noise		Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)							
		Wastewater	pH COD Total arsenic Total lead Total cadmium Total zinc Total copper Total silver	7.2-7.9 <10mg/L <0.008mg/L 0.008-0.032mg/L <0.004mg/L 0.04-0.2mg/L 0.014-0.073mg/L <0.063mg/L	1.376 0.00074 0.002468 0.000364 0.024239 0.006612 0.004894	6.9 — 0.042 — 0.115 0.05 —	Organised discharge after meeting regulatory standards	1	Downstream of tailings pool	No	Class 1 standards in Schedules 1 and 4 of the integrated wastewater discharge standard (GB8978-1996)
		Air pollutant	Particulates	2.4-27.25mg/m ³	5.602	8	Organised discharge after meeting regulatory standards	4	Crushing and screening sections of processing plant	No	The standards in Schedule 2 of the integrated emission standard of air pollutants (GB16297-1996)
		Noise		Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)							

Others (continued)

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No.	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Total discharge in the last six months (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for discharge of pollutants
3	Hunchun Zijin Mining Company Limited	Wastewater		—	—	—	Reused and not discharged	0	N/A	No	—
		Air pollutant	Sulfur dioxide	164.5mg/m ³	7.92	36	Organised discharge after meeting regulatory standards	2	Chimneys of boilers	No	Emission standard of air pollutants for boiler (GB13271-2014)
			Nitrogen oxides	90mg/m ³	4.33	28				No	
		Dust	38.5mg/m ³	1.85	68				No		
		Particulates	17.65mg/m ³	31.32	—			10	Dust removers of raw crushing, medium to fine crushing and oscillating screens	No	Emission standard of pollutants for copper, nickel, cobalt industry (GB25467-2010)
		Noise							Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)		
4	Inner Mongolia Jirzhong Mining Company Limited	Wastewater		—	—	—	Reused and not discharged	0	N/A	No	—
		Air pollutant	Sulfur dioxide	136.238mg/m ³	3.31	41	Organised discharge after meeting regulatory standards	1	The 40m high chimney positioned downwind from the plant	No	Emission standard of air pollutants for boiler (GB13271-2014)
			Nitrogen oxides	66.4-166.9mg/m ³	7.04	26.2				No	
		Dust	4.3-9.8mg/m ³	9.48	—				No		
		Noise							Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)		
5	Wulatehouqi Zijin Mining Company Limited	Wastewater	pH	6-8			Organised discharge after meeting regulatory standards	1	Water discharge outlet of mining shaft	No	The standards in Schedule 2 of the Emission standard of pollutants for lead and zinc industry (GB25466-2010)
			COD	57mg/L	13.226987	—					
			Total lead	0.15-0.32mg/L	0.074257	—					
			Total cadmium	0.043-0.048mg/L	0.011139	—					
			Total mercury	0.00025-0.000278mg/L	0.000058	—					
			Total nickel	0.06-0.19mg/L	0.044090	—					
			Suspended matter	45-47mg/L	10.906463	—					
			Fluoride	2.76mg/L	0.640465	—					
		Air pollutant	Sulfur dioxide	133mg/m ³	2.642235	—	Organised discharge after meeting regulatory standards	1	Chimney of boiler	No	Emission standard of air pollutants for boiler (GB13271-2014)
			Nitrogen oxides	103mg/m ³	2.105842	—					
	Dust	36.2mg/m ³	0.719165	—							
	Particulates	25.5-70.5mg/m ³	11.271348	—				7	The discharge outlets of dust removers installed at the crushing and screening systems	No	The standards in Schedule 2 of the Emission standard of pollutants for lead and zinc industry (GB25466-2010)
	Noise								Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)		

Others (continued)

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No.	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Total discharge in the last six months (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for discharge of pollutants
6	Chongji Zijin Mining Company Limited	Wastewater	pH COD Ammonia nitrogen Suspended matter	7.67 7mg/L 0.31mg/L 16mg/L	— 2.493 0.034 1.728	— — — —	Organised discharge after meeting regulatory standards	1	Standardised discharge outlet	No	Class 1 standards in Schedules 1 and 4 of the integrated wastewater discharge standard (GB8978-1996)
		Noise					Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)				
7	Shanxi Zijin Mining Company Limited	Wastewater		—	—	—	Reused and not discharged	0	N/A	No	—
		Air pollutant	Sulfur dioxide Nitrogen oxides Dust Particulates	94.1-124.3mg/m ³ 171.3-212.1mg/m ³ 34.1-49.1mg/m ³ 17.54mg/m ³	1.295 2.25 0.47 3.59	13.62 41.05 5.6 7.28	Organised discharge after meeting regulatory standards	2	30m chimney of boilers, 25m chimney of boilers	No	Emission standard of air pollutants for boiler (GB13271-2014)
		Noise					Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)				
8	Liaoning Hualai Mining Development Company Limited	Wastewater		—	—	—	Reused and not discharged	0	N/A	No	—
		Air pollutant	Particulates	27.5-29.8mg/m ³	2.246	—	Organised discharge after meeting regulatory standards	5	The discharge outlets of dust removers installed at the crushing section	No	Class 2 standards in Schedule 2 of the integrated emission standard of air pollutants (GB16297-1996)
		Noise					Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)				
9	Luoyang Kuyuyu Mining Company Limited	Wastewater		—	—	—	Reused and not discharged	0	N/A	No	—
		Air pollutant	Particulates	20.1mg/m ³	5.4	—	Organised discharge after meeting regulatory standards	4	The dust removers installed at the crushing and screening sections of production lines	No	Class 2 standards in Schedule 2 of the integrated emission standard of air pollutants (GB16297-1996)
		Noise					Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)				
10	Qinghai West Copper Company Limited	Wastewater		—	—	—	Reused and not discharged	0	N/A	No	—
		Air pollutant	Sulfur dioxide Nitrogen oxides Dust Particulates	168mg/m ³ 110mg/m ³ 44.9mg/m ³ 32.2-37mg/m ³	16.32 7.82 4.41 3.26	84.1 21.8 38.6 26.5	Organised discharge after meeting regulatory standards	2	Dust removers of boilers	No	The standards in Schedule 1 of the Emission standard of air pollutants for boiler (GB13271-2014)
		Noise					Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)				Emission standard of pollutants for copper, nickel, cobalt industry (GB25467-2010)

Others (continued)

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No.	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Total discharge in the last six months (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for discharge of pollutants
11	Guizhou Zijin Mining Company Limited	Wastewater	pH COD Ammonia nitrogen Total arsenic Total lead Suspended matter	7.25 5-6.15mg/L 0.2-2.97mg/L 0.004-0.006mg/L 0.02mg/L 4-5mg/L	— 1.9619675 0.5517737 0.001757224 0.04007362 1.583474	— 53 23.8 0.09125 1.825 127.75	Organised discharge after meeting regulatory standards	1	Discharge outlet for wastewater	No	Class 1 standards in Schedules 1 and 4 of the integrated wastewater discharge standard (GB8978-1996)
		Noise			Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)						
12	Wenshan Malipo Zijin Tungsten Group Company Limited	Wastewater	pH COD Ammonia nitrogen Total arsenic Total lead Total cadmium Total zinc Total copper Suspended matter	8.075 22.58mg/L 0.565mg/L 0.09255mg/L 0.0513mg/L 0.0034mg/L 0.0319mg/L 0.00525mg/L 32.145mg/L	5.98841 0.17709 0.0222892 0.01239 0.000726 0.010038 0.0011987 7.70346	14.355 — 0.0335 0.0144 0.0009 — 0.0048 —	Organised discharge after meeting regulatory standards	1	Master discharge outlet of tailings pool	No	Class 1 standards in Schedules 1 and 4 of the integrated wastewater discharge standard (GB8978-1996)
		Noise			Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)						
13	Yuanqiang County Huaxi Gold Company Limited	Wastewater	—	—	—	—	Reused and not discharged	0	N/A	No	—
		Noise			Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)						

Others (continued)

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No.	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Total discharge in the last six months (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for discharge of pollutants
14	Zijin Copper Company Limited	Wastewater from copper refining		—	—	—	Reused and not discharged	0	N/A	No	—
		Air pollutant from copper refining	Sulfur dioxide Nitrogen oxides Particulates Mercury and its compounds	11-250mg/m ³ 2-39mg/m ³ 8-20mg/m ³ <0.004mg/m ³	117.966 20.978 29.266 0	606.18 195.742 369.6 0.05544	Organised discharge after meeting regulatory standards	10	Within the plant	No	Emission standard of pollutants for copper, nickel, cobalt industry (GB25467-2010)
		Lead and its compounds Arsenic and its compounds	Lead and its compounds Arsenic and its compounds	<0.045mg/m ³ 0.006-0.11mg/m ³	0.04906 0.1076	3.234 1.848					
		Wastewater from gold refining		7-8	/	—	Organised discharge after meeting regulatory standards	1	Discharge outlet for wastewater	No	Class 1 standards in Schedules 1 and 4 of the Integrated wastewater discharge standard (GB8978-1996)
		pH COD Ammonia nitrogen Total arsenic Total lead Total cadmium Total mercury Total zinc Total copper Total cyanide	pH COD Ammonia nitrogen Total arsenic Total lead Total cadmium Total mercury Total zinc Total copper Total cyanide	4-8mg/L 1.69-7.34mg/L 0.01-0.014mg/L <0.2mg/L <0.05mg/L <0.00004mg/L <0.063mg/L <0.004mg/L	0.287 0.261 0.000576 0.005802 0.00145 0.0000018 0.00182 0 0.000116	— — — — — — — —					
		Air pollutant from gold refining	Sulfur dioxide Nitrogen oxides Particulates Sulfuric acid mist	22-247mg/m ³ 35-171mg/m ³ 4-23mg/m ³ 4.33-6.24mg/m ³	7.831 5.53 0.636 0.315	— — — —	Organised discharge after meeting regulatory standards	3	Within the plant	No	Integrated emission standard of air pollutants (GB16297-1996)
		Noise					Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)				

Others (continued)

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No.	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Total discharge in the last six months (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for discharge of pollutants
15	Zijin Mining Group Gold Refinery Company Limited	Wastewater	pH COD Ammonia nitrogen Total arsenic Total lead Total cadmium Total cyanide	7.86 30.45mg/L 6.28mg/L 0.13mg/L 0.0001 0.2mg/L 0.05mg/L 0.18mg/L	0.0233 0.0048 0.0001 0.0015 0.0004 0.00118 0.00014	1.18 0.177 0.00543 0.0118 0.00118 0.0023	Organised discharge after meeting regulatory standards	1	Discharge outlet	No	Class 3 standards in Schedules 1 and 4 of the integrated wastewater discharge standard (GB8978-1996)
		Air pollutant	Nitrogen oxides Hydrogen chloride	1.443mg/m ³ 1.54mg/m ³	0.0362 0.0269	0.96 0.5247	Organised discharge after meeting regulatory standards	3	Chimneys for emission of air pollutant within the plant	No	Class 2 standards in Schedule 2 of the Integrated emission standard of air pollutants (GB16297-1996)
		Noise					Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)				
16	Jilin Zijin Copper Company Limited	Wastewater	pH COD Ammonia nitrogen Total arsenic Total lead Total cadmium Total mercury	6.47-7.12 27-78mg/L 2.15-3.76mg/L <0.013mg/L <0.007mg/L <0.007mg/L 0mg/L	— 5.462880 0.309569 0.00643 0.00241 0.00299 0.00000	— 12 1.6 0.1 0.1 0.02 0.01	Organised discharge after meeting regulatory standards	1	Master discharge outlet for sewage	No	The standards in Schedule 2 of the Emission standard of pollutants for copper, nickel, cobalt industry and the Standards and Requirements on Water Intake of Water Treatment Plants of Hunchun City
		Air pollutant	Sulfur dioxide Nitrogen oxides Particulates Mercury and its compounds Lead and its compounds Arsenic and its compounds	77.37-140.73mg/m ³ 2.15-9.09mg/m ³ 5.69-9.66mg/m ³ 0.0024-0.0047mg/m ³ 0.175-0.326mg/m ³ 0.007-0.015mg/m ³	197.715819 9.874952 13.274768 0.006096 0.37333 0.019882	570 107 82.5 0.0198 1.155 0.66	Organised discharge after meeting regulatory standards	1	120m chimney	No	Emission standard of pollutants for copper, nickel, cobalt industry (GB25467-2010)
		Noise					Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)				

Others (continued)

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

No.	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Total discharge in the last six months (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for discharge of pollutants
17	Bayanacer Zijin Non-ferrous Metals Company Limited	Wastewater	pH COD Total arsenic Total lead Total cadmium Total mercury	6-9 21.68mg/L 0.00126mg/L 0.025mg/L 0.001mg/L 0.0094mg/L	— 3.50988 0.000115 0.002264 0.000091 0.000085	— 96 0.12 0.2 0.02 0.012	Organised discharge after meeting regulatory standards	1	The master pipe within the plant	No	Emission standard of pollutants for lead and zinc industry (GB25466-2010)
		Air pollutant	Sulfur dioxide Nitrogen oxides Dust Sulfuric acid mist	114.09mg/m ³ 58.31mg/m ³ 25.03mg/m ³ 16.1mg/m ³	110.98 85.26 35.13 45.27	992 515 258 —	Organised discharge after meeting regulatory standards	3	Discharge outlets for air pollutants post treatment and discharge outlets for the tailing gas of acid production facility	No	Emission standard of pollutants for lead and zinc (GB25466-2010) and Emission standard of air pollutants for thermal power plants (GB13223-2011)
		Noise					Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)				
18	Luoning Zijin Gold Refinery Company Limited	Wastewater		—	—	—	Reused and not discharged	0	N/A	No	—
		Air pollutant	Sulfur dioxide Nitrogen oxides Dust	149mg/m ³ 72mg/m ³ 7.4mg/m ³	16.28 16.24 1.48	36.8 33.5 —	Organised discharge after meeting regulatory standards	1	60m chimney at the exit of the roasting furnace	No	Henan Province regional emission standard of air pollutants for industrial furnaces (Document no. DB41/1066-2015)
		Noise					Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)				

Others *(continued)*

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

2. Construction and operation of pollution prevention and controlling facilities

The branch companies (subsidiaries) of the Company strictly followed the requirements of environmental impact assessment and the approvals for the construction projects to construct treatment facilities for wastewater, air pollutants, noise and solid wastes, and ensure their normal, stable and continuous operation. In addition, the Company proactively cooperated with independent environmental protection corporations and science and research institutes, increased the investment into environmental protection facilities construction, and optimised and improved environmental protection treatment systems. Treatment quality of pollutants was further enhanced.

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

The branch companies (subsidiaries) of the Company strictly carried out environmental impact assessment and inspection at the conclusion of construction projects pursuant to the regulations in relation to environmental impact assessment. In the first half of 2018, approvals for environmental impact assessment were obtained for the filter press system for neutralised slag comprehensive utilisation project (Hanghuanping [2018] No. 15), filter press system for carbon-leaching slag project (Hanghuanping [2018] No. 16), and 30,000 cubic metres acidic copper-containing water environmental protection treatment system (Longhuanshen [2018] No. 68) of the Zijinshan gold and copper mine, ecological environment management and river outlet management project of the Dongshengmiao mining area of Wulatehouqi Zijin Mining Company Limited (Bahuan Shenfa [2018] No. 22), copper resources comprehensive utilisation and harmless treatment project of Zijin Copper Company Limited (Longhuanshen [2018] No. 22) and industrial wastewater intensive treatment and comprehensive utilisation project of Bayannaor Zijin Non-ferrous Metals Company Limited (Bahuan Shenbiao [2018] No. 1). The abovementioned projects are currently under construction.

4. Emergency plan in response to outbreak of environmental incidents

The Company continuously improved the development of environmental emergency management system. Environmental emergency management units were in place both at the Group and subsidiary level. Emergency plans for environmental incidents and other special emergency plans pursuant to the requirements of National Environmental Emergency Response Plan and based on individual operations' production techniques, pollution-intensive production stages and environmental risks were developed, and were reported and filed to the local environmental administrative authorities. In addition, in order to enhance prevention of emergency incidents and emergency response in real situation, the subsidiaries regularly organised different environmental emergency drills, and made timely amendments to the emergency plans in accordance with the problems and inadequacies identified during the emergency drills.

5. Environmental self-monitoring programme

Pursuant to the requirements of the environmental protection authorities, the branch companies (subsidiaries) of the Company formulated environmental self-monitoring programme and regularly carried out self-monitoring. In which, those branch companies (subsidiaries) which were identified as the enterprises subject to intensive monitoring and control of the State disclosed their environmental self-monitoring programme on the environmental information publication platforms of the regional environmental protection departments or their own websites each year in strict compliance with regulations including the Environmental Protection Law of the PRC, Measures for the Disclosure of Environmental Information by Enterprises and Public Institutions (Order of the Ministry No. 31), Measures for the Self-Monitoring and Information Disclosure by the Enterprises subject to Intensive Monitoring and Control of the State (Tentative), Measures for the Pollution Sources Supervisory Monitoring and Information Disclosure by the Enterprises under Intensive Monitoring and Control of the State (Tentative), etc.

Others (continued)

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

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

1. Information of pollutant discharge

Apart from the abovementioned 18 enterprises, environmental information of the Company's entities which are not key pollutant discharging units is as follows:

No.	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Total discharge in the last six months (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for discharge of pollutants
1	Helongjiang Duobaoshan Copper Company Limited	Wastewater		—	—	—	Reused and not discharged	0	N/A	No	—
		Air pollutant	Sulfur dioxide Nitrogen oxides	95.6-99.4mg/m ³ 110-111mg/m ³	13.154 14.558	370 62.91	Organised discharge after meeting regulatory standards	1	Discharged via a 60m chimney after desulfurisation and denitrification processes at boiler	No	Emission standard of air pollutants for boiler (GB13271-2014)
		Noise			Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12346-2008)						
2	Longnan Zijin Mining Company Limited	Wastewater		—	—	—	Reused and not discharged	0	N/A	No	—
		Noise			Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12346-2008)						
3	Xinjiang Ashele Copper Company Limited	Wastewater		—	—	—	Reused and not discharged	0	N/A	No	—
		Air pollutant	Sulfur dioxide Nitrogen oxides	140-189mg/m ³ 74-88mg/m ³	29.94 14.59	—	Organised discharge after meeting regulatory standards	1	60m chimney in the boiler room	No	Emission standard of air pollutants for boiler (GB13271-2014)
		Noise			Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12346-2008)						
4	Xinjiang Jinhao Mining Company Limited	Wastewater		—	—	—	Reused and not discharged	0	N/A	No	—
		Noise			Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12346-2008)						
5	Xinjiang Zijin Zinc Industry Company Limited	Wastewater		—	—	—	Reused and not discharged	0	N/A	No	—
		Air pollutant	Sulfur dioxide Nitrogen oxides Particulates	298mg/m ³ 202mg/m ³ 6.76mg/m ³	1.031 2.291 2.07	—	Organised discharge after meeting regulatory standards	1	Chimney of steam boilers	No	Emission standard of air pollutants for boiler (GB13271-2014)
						—	Organised discharge after meeting regulatory standards	4	The discharge outlets of dust removers installed at the crushing and screening systems	No	Emission standard of pollutants for lead and zinc industry (GB25466-2010)
		Noise			Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12346-2008)						

Others (continued)

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

No.	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Total discharge in the last six months (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for discharge of pollutants
6	Kuitun Tongguan Metallurgical Chemical Company Limited	Wastewater	pH COD Ammonia nitrogen Total arsenic Total copper	7-9 10-120mg/L 0.2-22mg/L <0.15mg/L <0.1mg/L	0 0.98 0.07 0.002 0.002	— 20 1.51 — —	Organised discharge after meeting regulatory standards	1	Master discharge outlet at the northeast end of the plant	No	Class 2 standards in Schedules 1 and 4 of the Integrated wastewater discharge standard (GB8978-1996)
		Air pollutant	Sulfur dioxide	<150mg/m ³	10.17	285.4	Organised discharge after meeting regulatory standards	1	The 90m chimney behind the tailing gas desulfurisation tower	No	Action Plan for Joint Prevention and Control of Regional Air Pollution of Kuiduwu Area Integrated emission standard of air pollutants (GB16297-1996)
		Noise							Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)		
7	Fujian Zijin Copper Company Limited	Wastewater	COD Ammonia nitrogen Total zinc Total copper Total nickel	27.25mg/L 12.9mg/L <0.05mg/L 0.0024mg/L <0.05mg/L	0.825 0.3905 0.00121 0.0252 0.126	7.121 1.068 0.0504 0.0252 0.126	Organised discharge after meeting regulatory standards	1	Sewage discharge outlet within the plant	No	Integrated wastewater discharge standard (GB8978-1996)
		Air pollutant	Particulates	13mg/m ³	1.084356	6.43	Organised discharge after meeting regulatory standards	2	The 15m chimney within the plant	No	Class 2 standards of the Emission standard of air pollutants for industrial kiln and furnace (GB9078-1996)
		Noise							Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)		
8	Fujian Zijin Processing Chemicals Company Limited	Wastewater	pH COD	6-9 60mg/L	— 0.3	— 0.66	Organised discharge after meeting regulatory standards Organised discharge after meeting regulatory standards	1	Within the plant	No	Class 3 standards in Schedule 4 of the Integrated wastewater discharge standard (GB8978-1996)
		Noise							Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)		

2. Construction and operation of pollution prevention and controlling facilities

Please refer to the corresponding section under key pollutant discharging units.

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

The branch companies (subsidiaries) of the Company strictly complied with the policies on environmental impact assessment and the “three simultaneous” policy to carry out pollution prevention and controlling work for construction projects. In the first half of 2018, there was no update for the environmental impact assessment and inspections at the conclusion stage of the construction projects of the Company’s enterprises which are not key pollutant discharging units. Please refer to the annual environmental reports issued by the Company in previous years for the historical data of environmental impact assessment permits and inspection approvals at project conclusion of the Company’s branch companies (subsidiaries).

Others (continued)

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

4. Emergency plan in response to outbreak of environmental incidents

Please refer to the corresponding section under key pollutant discharging units.

5. Environmental self-monitoring programme

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

INFORMATION OF CORPORATE BONDS

Basic information of corporate bonds

Unit: RMB billion

Name of bond	Abbreviation	Code	Date of issuance	Date of maturity	Outstanding balance	Interest rate (%)	Payment of principal and interest	Listing place
2016 Corporate Bonds (the First Tranche) (Type One) of Zijin Mining Group Co., Ltd.*	16 Zijin 01	136304	18 March 2016	18 March 2021	3	2.99	Interest to be paid annually, principal to be repaid in full at maturity.	Shanghai Stock Exchange
2016 Corporate Bonds (the First Tranche) (Type Two) of Zijin Mining Group Co., Ltd.*	16 Zijin 02	136305	18 March 2016	18 March 2021	2	3.37	Interest to be paid annually, principal to be repaid in full at maturity.	Shanghai Stock Exchange
2016 Corporate Bonds (the Second Tranche) (Type One) of Zijin Mining Group Co., Ltd.*	16 Zijin 03	136549	15 July 2016	15 July 2021	1.8	3.05	Interest to be paid annually, principal to be repaid in full at maturity.	Shanghai Stock Exchange
2016 Corporate Bonds (the Second Tranche) (Type Two) of Zijin Mining Group Co., Ltd.*	16 Zijin 04	136550	15 July 2016	15 July 2021	1.2	3.45	Interest to be paid annually, principal to be repaid in full at maturity.	Shanghai Stock Exchange
2017 Renewable Corporate Bonds (the First Tranche) of Zijin Mining Group Co., Ltd.* (publicly issued)	17 Zijin Y1	143917	12 September 2017	The base period is 3 years. At the end of the base period and the end of each renewal period, the Company has an option to renew the bonds for one more period (i.e., 3 years). The renewable corporate bonds will mature when the Company does not exercise the renewal option and redeems the bonds in full amount.	0.5	5.17	When the Company does not exercise the option to delay interest payment, the interest shall be paid annually.	Shanghai Stock Exchange

Others (continued)

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Settlement of interests and principals of the corporate bonds

The interest of 2016 Corporate Bonds (the First Tranche) of Zijin Mining Group Co., Ltd.*, 2016 Corporate Bonds (the Second Tranche) of Zijin Mining Group Co., Ltd.* and 2017 Renewable Corporate Bonds (the First Tranche) of Zijin Mining Group Co., Ltd.* (publicly issued) were settled on schedule.

Use of proceeds raised from corporate bonds

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

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

Settlement of interests of other bonds and debt financing instruments

As at 30 June 2018, the Company has issued medium-term notes of RMB8.3 billion, and all the interest payments were settled on schedule.

Accounting data and financial indicators at the end of the reporting period and the end of the last year (or during the reporting period and the same period last year)

Major indicators	At the end of the reporting period	At the end of the last year	Changes at the end of the reporting period compared with at the end of last year (%)	Reason for the change
Current ratio	0.9690	0.9434	2.71	Adjustment of debt structure
Quick ratio	0.5767	0.5583	3.30	Adjustment of debt structure
Debt-to-asset ratio (%)	58.54	57.75	Increased by 0.79 percentage point	Adjustment of debt structure
Loan repayment rate (%)	100.00	100.00	—	—
	During the reporting period (January - June)	During the same period last year	Changes during the reporting period compared with the same period last year	Reason for the change
EBITDA to interest coverage ratio	8.63	5.70	51.40	Adjustment of debt structure
Interest repayment ratio (%)	73.44	67.89	Increased by 5.55 percentage points	Adjustment of debt structure

Others *(continued)*

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SUPPLEMENTAL INFORMATION

Explanation on the Relevant Matters of Corporate Governance

During the reporting period, the Company strictly followed the requirements of the "Company Law of the PRC", "Securities Law of the PRC", "Code of Corporate Governance for Listed Companies", "Rules Governing the Listing of Stocks on Shanghai Stock Exchange", "Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited" and other domestic and foreign laws and regulations, continuously improved the Company's corporate governance structure, regulated the Company's operation, and enhanced the Company's corporate governance standard. Currently, the Company has already established a relatively sound corporate governance structure and corporate governance system.

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

On 17 May 2018, the 2017 annual general meeting of the Company considered and approved the profit distribution plan of the Company for 2017. On the basis of 23,031,218,891 shares as at 31 December 2017, to pay the qualified shareholders of the Company the final cash dividend of RMB0.9 per 10 shares (tax included). The total distribution of cash dividend amounted to RMB2,072,809,700.19. The above profit distribution was completed on 29 June 2018.

For details of the profit distribution, please refer to the Company's Notice of 2017 Annual General Meeting dated 29 March 2018, and announcements disclosed on the HKEXnews website dated 4 May 2018, 7 May 2018, 17 May 2018 and 29 June 2018.

Interim Dividend

The Board proposed to pay no dividend for the six months ended 30 June 2018. (The dividend for the six months ended 30 June 2017 was nil)

Purchase, Sale or Redemption of Listed Securities of the Company

Neither the Company nor any of its subsidiaries purchased, sold, redeemed or wrote off any of the Company's listed securities for the six months ended 30 June 2018.

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.

Save as disclosed above, for the six months ended 30 June 2018, 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.

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 2018 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 2018 is in compliance with the applicable accounting standards and relevant laws and regulations and has made sufficient disclosure.

Others *(continued)*

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

Independent Non-executive Directors

In compliance with rules 3.10(1) and 3.10(2) of the Listing Rules, which provide that the Company should appoint a sufficient number of independent non-executive directors and that at least one of them must have appropriate professional qualifications or accounting or related financial management expertise. The Company appointed four independent non-executive Directors and one of them possesses accounting and related financial management expertise. Brief biography of the independent non-executive Directors have been provided in the Company's 2017 annual report.

Securities Transactions by the Directors and Supervisors

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as the model code for the trading of securities by the Directors and the Supervisors of the Company. The effective date was 23 December 2003. Having made specific 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 2018.

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

There were no changes in the Directors, Supervisors and senior management of the Company for the six months ended 30 June 2018.

Appointment and Dismissal of Auditors

According to the resolution passed at the Company's 2017 annual general meeting, the Company reappointed Ernst & Young Hua Ming LLP as the auditor in 2018.

Important Event After Reporting Period

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

Contingent Liabilities

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

Acquisitions, Disposals and Mergers

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

Assets Pledged or Charged

As at 30 June 2018, details of the Group's pledged or charged assets are set out in Note V.59 to the financial statements.

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

Exposure to Fluctuations in Exchange Rates and Hedges

Details of the Group's exposure to the fluctuations in exchange rates and related hedges are disclosed in Notes V.61 and VIII.2 to the financial statements.

Others *(continued)*

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

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

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

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

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

Fujian, the PRC, 24 August 2018

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

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

Consolidated Statement of Financial Position

As at 30 June 2018

RMB

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

ASSETS	Note V	30 June 2018 (Unaudited)	31 December 2017 (Audited)
CURRENT ASSETS			
Cash and cash equivalents	1	8,726,193,451	5,936,066,673
Financial assets at fair value through profit or loss	2	—	2,553,927,721
Financial assets held for trading	2	1,403,731,466	—
Bills receivable and trade receivables	3	2,463,263,517	2,812,240,046
Prepayments	4	2,010,519,805	1,344,141,153
Other receivables	5	1,074,246,745	1,153,002,957
Inventories	6	11,815,923,636	11,089,834,955
Current portion of non-current assets	7	49,997,508	257,775,683
Other current assets	8	1,641,186,796	3,528,021,403
Total current assets		29,185,062,924	28,675,010,591
NON-CURRENT ASSETS			
Available-for-sale investments	9	—	778,201,186
Other equity instrument investments	10	1,975,106,768	—
Long-term equity investments	11	7,026,459,572	6,797,348,216
Investment properties	12	341,390,510	350,540,469
Fixed assets	13	28,989,967,928	30,136,199,603
Construction in progress	14	3,961,253,717	3,296,568,444
Intangible assets	15	9,796,889,940	9,903,526,027
Goodwill	16	463,597,655	463,597,655
Long-term deferred assets	17	1,101,958,181	1,114,758,644
Deferred tax assets	18	740,916,460	840,108,626
Other non-current assets	19	7,406,334,243	6,959,404,089
Total non-current assets		61,803,874,974	60,640,252,959
TOTAL ASSETS		90,988,937,898	89,315,263,550

Consolidated Statement of Financial Position (continued)

As at 30 June 2018

RMB

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

LIABILITIES AND OWNERS' EQUITY	Note V	30 June 2018 (Unaudited)	31 December 2017 (Audited)
CURRENT LIABILITIES			
Short-term borrowings	21	12,553,364,979	9,855,873,011
Financial liabilities at fair value through profit or loss	22	—	2,314,244,937
Financial liabilities held for trading	22	1,313,414,278	—
Bills payable and trade payables	23	4,308,589,078	4,396,254,031
Advances from customers	24	2,239,434,392	2,143,111,140
Employee benefits payable	25	449,345,964	661,764,830
Taxes payable	26	1,112,027,667	1,175,693,479
Other payables	27	3,866,580,213	3,646,308,326
Current portion of non-current liabilities	28	4,275,283,071	4,600,343,261
Total current liabilities		30,118,039,642	28,793,593,015
NON-CURRENT LIABILITIES			
Long-term borrowings	29	6,883,997,079	6,599,046,795
Bonds payable	30	13,782,488,614	13,779,116,465
Long-term payables	31	563,710,723	563,703,645
Provision	32	871,427,216	861,014,312
Deferred income	33	435,131,209	451,419,375
Deferred tax liabilities	18	612,991,641	624,524,725
Total non-current liabilities		23,149,746,482	22,878,825,317
TOTAL LIABILITIES		53,267,786,124	51,672,418,332
EQUITY			
Share capital	34	2,303,121,889	2,303,121,889
Other equity instruments	35	498,550,000	498,550,000
<i>Including: Perpetual bonds</i>		<i>498,550,000</i>	<i>498,550,000</i>
Capital reserve	36	11,120,292,769	11,109,919,061
Other comprehensive income	37	(1,095,861,526)	(602,893,526)
Special reserve	38	180,343,724	176,862,772
Surplus reserve	39	1,319,401,104	1,319,401,104
Retained earnings	40	20,649,354,716	20,194,761,855
Equity attributable to owners of the parent		34,975,202,676	34,999,723,155
Non-controlling interests		2,745,949,098	2,643,122,063
TOTAL EQUITY		37,721,151,774	37,642,845,218
TOTAL LIABILITIES AND OWNERS' EQUITY		90,988,937,898	89,315,263,550

The financial statement were signed by the followings:

Legal representative:
Chen Jinghe

Principal in charge of accounting:
Lin Hongying

Head of accounting department:
Wu Honghui

Consolidated Statement of Profit or Loss

For the period ended 30 June 2018

RMB

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

	Note V	For the six months ended 30 June 2018 (Unaudited)	For the six months ended 30 June 2017 (Unaudited)
OPERATING INCOME	41	49,813,890,835	37,523,631,910
Less: Operating costs	41	42,716,501,955	32,048,962,179
Taxes and surcharges	42	698,055,183	568,841,706
Selling expenses	43	430,225,695	389,061,277
Administrative expenses	44	1,356,911,252	1,386,152,699
Research and development expenses	45	130,917,000	99,999,259
Financial expenses	46	660,421,573	1,217,604,896
Including: Interest expenses		736,833,456	837,149,328
Interest income		(158,002,634)	(144,397,038)
Impairment losses on assets	47	263,678,192	237,944,424
Credit impairment losses	48	54,809,952	—
Add: Gains on changes in fair value	49	50,097,422	570,492,224
Investment income	50	127,612,938	82,809,279
Including: Share of (losses)/profits of associates and joint ventures		(27,548,270)	16,568,302
Gains on disposal of assets	51	13,450,270	47,979,595
Other income	52	83,849,029	86,860,692
OPERATING PROFIT		3,777,379,692	2,363,207,260
Add: Non-operating income	53	153,114,713	40,171,099
Less: Non-operating expenses	54	149,657,445	252,211,568
Including: Losses on disposal of non-current assets		18,332,472	163,535,468
PROFIT BEFORE TAX		3,780,836,960	2,151,166,791
Less: Income tax expense	55	712,087,103	388,445,323
NET PROFIT		3,068,749,857	1,762,721,468
Classification according to the continuity of operation			
Net profit from continuing operations		3,068,749,857	1,762,721,468
Net profit from discontinued operations		—	—
Attributable to:			
Owners of the parent		2,526,423,099	1,505,399,413
Non-controlling interests		542,326,758	257,322,055

Consolidated Statement of Profit or Loss *(continued)*

For the period ended 30 June 2018

RMB

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

	Note V	For the six months ended 30 June 2018 (Unaudited)	For the six months ended 30 June 2017 (Unaudited)
NET OTHER COMPREHENSIVE (LOSS)/INCOME AFTER TAX			
Other comprehensive loss not to be reclassified to profit or loss			
Changes in fair value of other equity instrument investments		(748,815,912)	—
Other comprehensive (loss)/income to be reclassified to profit or loss			
Changes in fair value of available-for-sale investments		—	60,863,109
Effective part of cash flow hedging instruments		—	167,424,343
Costs of hedging - forward elements		89,457,331	—
Exchange differences arising from translation of financial statements denominated in foreign currencies		(20,565,992)	217,111,077
Net other comprehensive (loss)/income after tax attributable to owners of the parent		(679,924,573)	445,398,529
Net other comprehensive income after tax attributable to non-controlling interests		1,079,379	71,441,399
SUBTOTAL OF NET OTHER COMPREHENSIVE (LOSS)/INCOME AFTER TAX		(678,845,194)	516,839,928
TOTAL COMPREHENSIVE INCOME		2,389,904,663	2,279,561,396
Attributable to:			
Owners of the parent		1,846,498,526	1,950,797,942
Non-controlling shareholders		543,406,137	328,763,454
Earnings per share			
Basic earnings per share	56	0.110	0.069

Consolidated Statement of Changes in Equity

For the period ended 30 June 2018

RMB

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

(Unaudited)	Attributable to owners of the parent							Non-controlling interests	Total equity
	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings		
I. Closing balance of the preceding year	2,303,121,889	498,550,000	11,109,919,061	(602,893,526)	176,862,772	1,319,401,104	20,194,761,855	34,999,723,155	37,642,845,218
Add: Changes in accounting policies	—	—	—	186,956,573	—	—	—	186,956,573	189,709,987
II. Opening balance of the current year	2,303,121,889	498,550,000	11,109,919,061	(415,936,953)	176,862,772	1,319,401,104	20,194,761,855	35,186,679,728	37,832,555,205
III. Changes for the current period	—	—	10,373,708	(679,924,573)	3,480,952	—	454,592,861	(211,477,052)	(111,403,431)
(I) Net profit	—	—	—	—	—	—	2,526,423,099	2,526,423,099	3,068,749,857
(II) Other comprehensive income	—	—	—	(678,945,111)	—	—	—	(678,945,111)	(678,945,111)
(III) Except for profit distributions, transactions with shareholders as owners	—	—	10,373,708	—	—	—	—	10,373,708	20,668,410
1. Capital contributed by owners	—	—	—	—	—	—	—	—	—
2. H Shares repurchased	—	—	—	—	—	—	—	—	—
3. Others	—	—	10,373,708	—	—	—	—	10,373,708	20,668,410
(IV) Special reserve	—	—	—	—	3,480,952	—	—	3,480,952	8,378,371
1. Transferred to special reserve in the current period	—	—	—	—	293,423,814	—	—	293,423,814	325,170,555
2. Amount utilised in the current period	—	—	—	—	(289,942,862)	—	—	(289,942,862)	(316,792,184)
(V) Profit distributions	—	—	—	—	—	—	(2,072,809,700)	(2,072,809,700)	(2,530,254,958)
1. Transferred to surplus reserve	—	—	—	—	—	—	—	—	—
2. Distributions to owners	—	—	—	—	—	—	(2,072,809,700)	(2,072,809,700)	(2,530,254,958)
(VI) Transferred within owners' equity	—	—	—	(979,462)	—	—	979,462	—	—
Other comprehensive income transferred to retained earnings	—	—	—	(979,462)	—	—	979,462	—	—
IV. Closing balance of the current period	2,303,121,889	498,550,000	11,120,292,769	(1,095,861,526)	180,343,724	1,319,401,104	20,649,354,716	34,975,202,676	37,721,151,774

Consolidated Statement of Changes in Equity (continued)

For the period ended 30 June 2017

RMB

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

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

Consolidated Statement of Cash Flows

For the period ended 30 June 2018

RMB

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

	Note V	For the six months ended 30 June 2018 (Unaudited)	For the six months ended 30 June 2017 (Unaudited)
I. CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from sale of goods and rendering of services		53,935,494,895	39,327,239,047
Refund of taxes		88,596,516	104,024,211
Other cash receipts relating to operating activities	57	317,880,018	280,786,248
Sub-total of cash inflows from operating activities		54,341,971,429	39,712,049,506
Cash payments for goods purchased and services received		44,163,031,419	31,599,031,081
Cash payments to and on behalf of employees		1,702,889,612	1,576,394,215
Payments of various types of taxes		2,705,290,182	2,060,597,308
Other cash payments relating to operating activities	57	790,074,926	1,170,218,113
Sub-total of cash outflows used in operating activities		49,361,286,139	36,406,240,717
Net cash flows from operating activities		4,980,685,290	3,305,808,789
II. CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash receipts from disposals and recovery of investments		389,364,522	969,571,279
Cash receipts from investment income		183,298,925	74,232,866
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		22,316,041	8,349,137
Other cash receipts relating to investing activities	57	2,338,933,411	610,478,938
Sub-total of cash inflows from investing activities		2,933,912,899	1,662,632,220
Cash payments for acquisitions or constructions of fixed assets, intangible assets and other long-term assets		1,987,581,938	1,639,220,651
Cash payments for acquisitions of investments		696,512,051	1,782,517,270
Other cash payments relating to investing activities	57	1,158,265,670	1,852,389,851
Sub-total of cash outflows used in investing activities		3,842,359,659	5,274,127,772
Net cash flows used in investing activities		(908,446,760)	(3,611,495,552)
III. CASH FLOWS FROM FINANCING ACTIVITIES:			
Cash receipts from capital contributions		39,000,000	4,597,314,976
Cash receipts from borrowings		11,022,210,854	9,887,855,362
Other cash receipts relating to financing activities	57	54,135,279	—
Sub-total of cash inflows from financing activities		11,115,346,133	14,485,170,338
Cash repayments of borrowings		9,165,227,774	11,209,922,779
Cash payments for distribution of dividends or profits or settlement of interest expenses		3,267,226,278	583,255,892
Other cash payments relating to financing activities	57	35,767,283	40,294,408
Sub-total of cash outflows used in financing activities		12,468,221,335	11,833,473,079
Net cash flows (used in)/from financing activities		(1,352,875,202)	2,651,697,259
IV. EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		(75,492,743)	(118,066,725)
V. NET INCREASE IN CASH AND CASH EQUIVALENTS		2,643,870,585	2,227,943,771

Company Statement of Financial Position

As at 30 June 2018

RMB

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

ASSETS	Note XV	30 June 2018 (Unaudited)	31 December 2017 (Audited)
CURRENT ASSETS			
Cash and cash equivalents		4,919,239,847	3,609,294,859
Financial assets at fair value through profit or loss		—	175,870,145
Financial assets held for trading		244,522,105	—
Bills receivable and trade receivables	1	1,164,464,366	1,153,107,622
Prepayments		64,452,959	100,765,817
Other receivables	2	12,521,068,426	10,674,817,824
Inventories		221,583,238	218,436,302
Other current assets		320,425,956	2,256,160,618
Total current assets		19,455,756,897	18,188,453,187
NON-CURRENT ASSETS			
Available-for-sale investments		—	460,422,337
Other equity instrument investments	3	469,441,576	—
Long-term equity investments	4	26,063,249,307	24,493,001,347
Fixed assets	5	3,506,952,251	3,581,268,191
Construction in progress	6	185,847,163	207,966,784
Intangible assets	7	290,052,303	288,820,973
Long-term deferred assets	8	169,904,961	176,180,098
Deferred tax assets		196,177,233	255,037,344
Other non-current assets	9	11,354,306,537	11,617,840,714
Total non-current assets		42,235,931,331	41,080,537,788
TOTAL ASSETS		61,691,688,228	59,268,990,975

Company Statement of Financial Position *(continued)*

As at 30 June 2018

RMB

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

LIABILITIES AND OWNERS' EQUITY	Note XV	30 June 2018 (Unaudited)	31 December 2017 (Audited)
CURRENT LIABILITIES			
Short-term borrowings	11	7,137,695,300	4,643,139,800
Financial liabilities at fair value through profit or loss		—	2,163,798,120
Financial liabilities held for trading		1,040,436,314	—
Bills payable and trade payables	12	636,275,917	606,247,061
Advances from customers		21,129,954	8,133,245
Employee benefits payable		96,224,509	131,832,706
Taxes payable		120,566,724	79,123,696
Other payables		2,053,987,279	1,042,641,567
Current portion of non-current liabilities		3,977,940,107	3,162,651,847
Other current liabilities		64,079,723	64,079,723
Total current liabilities		15,148,335,827	11,901,647,765
NON-CURRENT LIABILITIES			
Long-term borrowings		5,880,264,435	5,681,201,760
Bonds payable		13,782,488,614	13,779,116,465
Long-term payables	13	227,477,534	232,927,534
Deferred income		201,066,593	222,595,881
Deferred tax liabilities		772,263	—
Other non-current liabilities		4,399,450	4,399,450
Total non-current liabilities		20,096,468,889	19,920,241,090
TOTAL LIABILITIES		35,244,804,716	31,821,888,855
EQUITY			
Share capital		2,303,121,889	2,303,121,889
Other equity instruments		498,550,000	498,550,000
<i>Including: Perpetual bonds</i>		498,550,000	498,550,000
Capital reserve		13,126,407,493	13,226,407,493
Other comprehensive income		1,631,432	—
Special reserve		14,111	—
Surplus reserve		1,090,812,600	1,090,812,600
Retained earnings		9,426,345,987	10,328,210,138
TOTAL EQUITY		26,446,883,512	27,447,102,120
TOTAL LIABILITIES AND OWNERS' EQUITY		61,691,688,228	59,268,990,975

Company Statement of Profit or Loss

For the period ended 30 June 2018

RMB

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

	Note XV	For the six months ended 30 June 2018 (Unaudited)	For the six months ended 30 June 2017 (Unaudited)
OPERATING INCOME	14	2,004,419,008	1,719,145,945
Less: Operating costs	14	1,134,492,181	1,104,259,905
Taxes and surcharges		134,865,067	113,853,476
Selling expenses		11,370,872	8,956,590
Administrative expenses		221,008,506	237,230,074
Research and development expenses		80,003,671	96,642,720
Financial expenses		90,222,398	148,205,349
Including: Interest expenses		579,883,028	603,036,809
Interest income		(465,661,803)	(465,540,708)
Impairment losses on assets		—	—
Add: (Losses)/Gains on changes in fair value		(5,596,563)	8,152,818
Investment income	15	898,005,877	351,807,476
Including: Share of profits of associates		31,147,960	47,148,999
(Losses)/Gains on disposal of assets		(413,618)	15,050,769
Other income		24,382,587	23,734,627
OPERATING PROFIT		1,248,834,596	408,743,521
Add: Non-operating income		29,316,980	25,143,612
Less: Non-operating expenses		51,666,300	101,854,444
Including: Losses on disposal of non-current assets		7,877,019	58,315,773
PROFIT BEFORE TAX		1,226,485,276	332,032,689
Less: Income tax expenses		55,539,727	6,665,486
NET PROFIT		1,170,945,549	325,367,203
OTHER COMPREHENSIVE (LOSS)/INCOME		(93,310,114)	91,879,515
TOTAL COMPREHENSIVE INCOME		1,077,635,435	417,246,718

Company Statement of Changes in Equity

For the period ended 30 June 2018

RMB

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

(Unaudited)	Other equity instruments						Other comprehensive income			Retained earnings	Total equity
	Share capital	Capital reserve	Surplus reserve	Special reserve	Surplus reserve	Other comprehensive income	Special reserve	Surplus reserve			
I. Closing balance of the preceding year	2,303,121,889	498,550,000	13,226,407,493	—	—	—	—	1,090,812,600	10,328,210,138	27,447,102,120	
Add: Changes in accounting policies	—	—	—	94,941,546	—	—	—	—	—	94,941,546	
I. Opening balance of the current year	2,303,121,889	498,550,000	13,226,407,493	94,941,546	—	—	—	1,090,812,600	10,328,210,138	27,542,043,666	
II. Changes for the current period	—	—	(100,000,000)	(93,310,114)	14,111	—	—	—	(901,864,151)	(1,095,160,154)	
(I) Net profit	—	—	—	—	—	—	—	—	1,170,945,549	1,170,945,549	
(II) Other comprehensive income	—	—	—	(93,310,114)	—	—	—	—	—	(93,310,114)	
(III) Except for profit distributions, transactions with shareholders as owners	—	—	(100,000,000)	—	—	—	—	—	—	(100,000,000)	
1. Capital contributed by owners	—	—	—	—	—	—	—	—	—	—	
2. H Shares repurchased	—	—	—	—	—	—	—	—	—	—	
3. Others	—	—	(100,000,000)	—	—	—	—	—	—	(100,000,000)	
(IV) Special reserve	—	—	—	—	14,111	—	—	—	—	14,111	
1. Transferred to special reserve in the current period	—	—	—	—	107,531,416	—	—	—	—	107,531,416	
2. Amount utilised in the current period	—	—	—	—	(107,517,305)	—	—	—	—	(107,517,305)	
(V) Profit distributions	—	—	—	—	—	—	—	(2,072,809,700)	—	(2,072,809,700)	
1. Transferred to surplus reserve	—	—	—	—	—	—	—	—	—	—	
2. Distributions to owners	—	—	—	—	—	—	—	(2,072,809,700)	—	(2,072,809,700)	
(VI) Transferred within owners' equity	—	—	—	—	—	—	—	—	—	—	
III. Closing balance of the current period	2,303,121,889	498,550,000	13,126,407,493	1,631,432	14,111	1,090,812,600	9,426,345,987	26,446,883,512			

Company Statement of Changes in Equity (continued)

For the period ended 30 June 2017

RMB

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

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

Company Statement of Cash Flows

For the period ended 30 June 2018

RMB

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

	For the six months ended 30 June 2018 (Unaudited)	For the six months ended 30 June 2017 (Unaudited)
I. CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash receipts from sale of goods and rendering of services	2,014,780,030	1,630,324,494
Refund of taxes	—	—
Other cash receipts relating to operating activities	345,470,357	497,158,969
Sub-total of cash inflows from operating activities	2,360,250,387	2,127,483,463
Cash payments for goods purchased and services received	794,786,608	910,934,088
Cash payments to and on behalf of employees	282,973,076	329,659,274
Payments of various types of taxes	354,529,502	255,425,841
Other cash payments relating to operating activities	342,843,156	242,199,790
Sub-total of cash outflows used in operating activities	1,775,132,342	1,738,218,993
Net cash flows from operating activities	585,118,045	389,264,470
II. CASH FLOWS FROM INVESTING ACTIVITIES:		
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	2,207,902	887,894
Cash received from disposals of subsidiaries	—	—
Cash receipts from disposals and recovery of investments	54,377,181	6,207,068
Cash receipts from investment income	809,943,653	159,091,125
Other cash receipts relating to investing activities	2,157,491,164	1,236,441,093
Sub-total of cash inflows from investing activities	3,024,019,900	1,402,627,180
Cash payments for acquisitions or constructions of fixed assets, intangible assets and other long-term assets	397,031,991	132,835,459
Cash payments for acquisitions of investments	1,726,300,000	2,042,982,200
Other cash payments relating to investing activities	152,804,371	2,630,547,394
Sub-total of cash outflows used in investing activities	2,276,136,362	4,806,365,053
Net cash flows from/(used in) investing activities	747,883,538	(3,403,737,873)
III. CASH FLOWS FROM FINANCING ACTIVITIES:		
Cash receipts from capital contributions	—	4,597,314,976
Cash receipts from borrowings	4,183,959,922	3,985,023,660
Other cash receipts relating to financing activities	153,140,702	—
Sub-total of cash inflows from financing activities	4,337,100,624	8,582,338,636
Cash repayments of borrowings	1,869,884,752	4,133,268,001
Cash payments for distribution of dividends or settlement of interest expenses	2,495,665,880	340,859,179
Other cash payments relating to financing activities	11,071,916	320,786,343
Sub-total of cash outflows used in financing activities	4,376,622,548	4,794,913,523
Net cash flows (used in)/from financing activities	(39,521,924)	3,787,425,113
IV. EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(2,729,613)	(11,365,416)
V. NET INCREASE IN CASH AND CASH EQUIVALENTS	1,290,750,046	761,586,294

Notes to Financial Statements

For the period ended 30 June 2018

RMB

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

I. CORPORATE INFORMATION

Zijin Mining Group Company Limited* (the "Company") is a joint stock limited liability company, registered in Fujian Province of the People's Republic of China (the "PRC") on 6 September 2000, under the "Company Law of the People's Republic of China" (the "Company Law"). The Company's unified social credit code is 91350000157987632G.

As approved by the People's Government of Fujian Province (Min Zheng Ti Gu (2000) No. 22), on 17 August 2000, Minxi Xinghang State-owned Assets Investment Company Limited ("Minxi Xinghang") as the principal promoter, together with other promoters including Xinhua Industrial Group Company Limited, Shanghang County Jinshan Trading Company Limited ("Shanghang County Jinshan Trading"), Fujian Xinhua Engineering Company Limited, Xiamen Hengxing Group Company Limited, Fujian Xinhua Department Store Company Limited, Fujian Gold Group Company Limited ("Fujian Gold Group") and Fujian Minxi Geological Team ("Minxi Geological Team") and others, transformed Fujian Province Minxi Zijin Mining Group Company Limited into Fujian Zijin Mining Industry Company Limited since 31 December 1999, as the base date of reorganisation. On 16 June 2004, the Company's name was changed from Fujian Zijin Mining Industry Company Limited to Zijin Mining Group Company Limited*.

Pursuant to the Resolution at the First Extraordinary General Meeting on 28 June 2003 and the "Approval in relation to Issuing Overseas-listed Foreign Shares by Fujian Zijin Mining Industry Company Limited" (Zheng Jian Guo He Zi [2003] No. 41) granted by the China Securities Regulatory Commission (the "CSRC") on 18 November 2003, the Company publicly issued 400,544,000 overseas listed foreign shares with a nominal value of RMB0.1 per share at an issue price of Hong Kong dollar ("HKD") 3.3 (approximately RMB3.516) per share; and Minxi Xinghang, Fujian Gold Group and Minxi Geological Team sold their 36,413,090 state-owned shares at an issue price of HKD3.3 (approximately RMB3.516) per share. As a result of the issuance, the Company's registered capital was changed to RMB131,413,091. Pursuant to the Resolution at the Annual General Meeting for year 2003 dated 28 May 2004 on the conversion of capital reserve into share capital, the Company converted its capital reserve of RMB131,413,091 into 1,314,130,910 shares with a nominal value of RMB0.1 per share; the Company's registered capital was then changed to RMB262,826,182. Pursuant to the Resolution at the Annual General Meeting for year 2004 dated 31 May 2005 on the conversion of capital reserve into share capital, the Company converted its capital reserve of RMB262,826,182 into 2,628,261,820 shares with a nominal value of RMB0.1 per share; the Company's registered capital was then changed to RMB525,652,364. Pursuant to the Resolution at the Annual General Meeting for the year 2005, dated 18 May 2006 on the conversion of capital reserve into share capital, the Company converted capital reserve of RMB525,652,364 into 5,256,523,640 shares with a nominal value of RMB0.1 per share (i.e., every 10 existing ordinary shares for 10 newly issued ordinary shares as a bonus issue based on the 5,256,523,640 issued shares as at the end of 2005). Pursuant to the Resolution at the Annual General Meeting for the year 2006, dated 30 April 2007 on the conversion of capital reserve into share capital, the Company converted capital reserve of RMB262,826,182 into 2,628,261,820 shares with a nominal value of RMB0.1 per share (i.e., every 10 existing ordinary shares for 2.5 newly issued ordinary shares as a bonus issue based on the 10,513,047,280 issued shares as at the end of 2006). As such, the Company's registered capital was changed to RMB1,314,130,910. On 25 April 2008, as approved by the CSRC ([2008] No. 417) and the Shanghai Stock Exchange (Shang Zheng Shang Zi [2008] No. 29) respectively, the Company issued 1.4 billion ordinary shares with a nominal value of RMB0.1 per share at an issue price of RMB7.13 per share and the shares of the Company were listed on the Shanghai Stock Exchange ("IPO A shares"). As such, the Company's registered capital was changed to RMB1,454,130,910.

The 1,050,000,000 IPO A Shares issued through the internet became publicly floating on the Shanghai Stock Exchange on 25 April 2008. The 350,000,000 IPO A Shares issued through other ways became publicly floating on the Shanghai Stock Exchange on 25 July 2008. Except for 4,210,902,100 shares held by Minxi Xinghang with a lockup period of 36 months, the aggregate of 4,924,966,980 shares held by other holders of domestic shares had a lockup period of 12 months from the date when the IPO A Shares were listed. Such shares became publicly floating on 27 April 2009, representing a total proportion of 33.87% of issued capital. Up to the reporting date, all the above issued shares of the Company were publicly floating.

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

Notes to Financial Statements *(continued)*

For the period ended 30 June 2018

RMB

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

I. CORPORATE INFORMATION *(continued)*

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

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

On 11 May 2015, the Company held the 2014 Annual General Meeting, the first A Shareholders' class meeting in 2015 and the first H Shareholders' class meeting in 2015. A resolution in relation to the proposal of granting a general mandate to the board of directors of the Company to repurchase H Shares was approved. The authorisation period was up to the convention date of the 2015 Annual General Meeting, i.e., 20 June 2016. The Company carried out repurchases of H Shares on 9 June 2015, 10 June 2015, 17 June 2015, 18 June 2015, 19 June 2015, 22 June 2015, 23 June 2015, 26 June 2015, 29 June 2015 and 30 June 2015. As at 31 December 2015, the aggregate number of repurchased H Shares reached 29,570,000.

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

Pursuant to the second Extraordinary General Meeting in 2016 of the Company held on 25 August 2016 and Approval for Non-public Issuance of A Shares of Zijin Mining Group Co., Ltd.* (Zheng Jian Xu Ke [2017] No. 289) issued by the CSRC on 9 May 2017, the Company non-publicly issued 1,490,475,241 ordinary A Shares (with par value of RMB 0.1) at an issuance price of RMB3.11 per share on 23 May 2017. The Company's registered capital was then changed to RMB2,303,121,889.

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

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

The financial statements were approved by the Company's board of directors on 24 August 2018.

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

Notes to Financial Statements *(continued)*

For the period ended 30 June 2018

RMB

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

II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements were prepared in accordance with the Basic Standards and the Specific Standards of the Accounting Standards for Business Enterprises (“ASBE”) issued by the Ministry of Finance, and Application Guidance for ASBE, interpretations and other relevant regulations issued and revised thereafter (hereinafter 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 2018, the Group recorded current assets of RMB29,185,062,924 and current liabilities of RMB30,118,039,642. The balance of the current assets was less than that of the current liabilities. In view of this circumstance, the management of the Company has given consideration to the future liquidity of the Group and its available financial sources in assessing whether the Group will have sufficient financial resources to continue as a going concern, mainly including:

- (1) The Company received the approval notice issued by the CSRC 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 24 months from the date of the approval. Upon the approval date of this report, the balance of unissued renewable corporate bonds was RMB4.5 billion.
- (2) The Group has sufficient bank line of credit.

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

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

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

1. Statement of compliance with CAS

The financial statements have been prepared in accordance with CAS, and presented truthfully and completely the Company's and Group's financial position as at 30 June 2018, and the Company's and Group's financial performance and cash flows for the period from January to June 2018.

2. Accounting period

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

3. Functional currency

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

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

Notes to Financial Statements *(continued)*

For the period ended 30 June 2018

RMB

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

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

4. Business combination

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

Business combinations involving enterprises under common control

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

Assets and liabilities (including goodwill arising from the acquisition of the merged party by the ultimate controlling party) obtained by the merging party shall be measured at their respective carrying amounts as recorded by the ultimate controlling party at the date of the combination. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination (or the aggregate face value of shares issued) is adjusted as share premium in capital reserve. If the share premium is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

Business combinations not involving enterprises under common control

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

The acquiree's identifiable assets, liabilities and contingent liabilities acquired by the acquirer in a business combination not involving enterprises under common control that meet the recognition criteria shall be measured at fair value at the acquisition date.

Where the fair value of combination consideration (or the fair value of issued equity securities) and the fair value of the equity interest held in the acquiree prior to the acquisition date exceed the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognised as goodwill, which is subsequently measured at cost less accumulated impairment losses. Where the fair value of combination consideration (or the fair value of issued equity securities) and the fair value of the equity interest held in the acquiree prior to the acquisition date are less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer firstly reassesses the measurement of the fair values of the acquiree's identifiable assets, liabilities and contingent liabilities and measurement of the fair value of combination consideration (or the fair value of issued equity securities) and the fair value of the equity interest held in the acquiree prior to the acquisition date. If after that reassessment, the fair value of combination consideration (or the fair value of issued equity securities) and the fair value of the equity interest held in the acquiree prior to the acquisition date are still less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer recognises the remaining difference immediately in profit or loss for the current period.

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

Notes to Financial Statements *(continued)*

For the period ended 30 June 2018

RMB

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

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

5. Consolidation of financial statements

The scope of consolidation in the consolidated financial statements is determined on the basis of control. The consolidated financial statements include the financial statements of the Company and its subsidiaries for the period ended 30 June 2018. A subsidiary is an entity (including an enterprise, a separable part of an investee, and the structural entities controlled by the Company) which is under the control of the Company.

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

When the amount of loss for the period attributable to the non-controlling shareholders of a subsidiary exceeds the non-controlling shareholders' portion of the opening balance of owners' equity of the subsidiary, the excess amount is still allocated against non-controlling interests.

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

Where a subsidiary is acquired through a business combination involving enterprises under common control, the acquiree's operating results and cash flows shall be included in the consolidated financial statements as if the acquiree was under the control of the Group at the very beginning and the comparative amounts of the consolidated financial statements of the Group shall be restated accordingly.

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

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

6. Classification of joint arrangement and joint operation

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

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

7. Cash and cash equivalents

Cash comprises the Group's cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are the Group's short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2018

RMB

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

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

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

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

A foreign currency transaction is recorded in the functional currency on initial recognition, by applying the prevailing exchange rate on the date of transaction or the average exchange rate through the transaction period. At the date of statement of financial position, foreign currency monetary items are translated into the functional currency using the spot exchange rates at the date of statement of financial position. Exchange differences arising from the differences between the spot exchange rates prevailing at the date of statement of financial position and those on initial recognition or at the previous date of statement of financial position, except that exchange differences related to a specific-purpose borrowing denominated in foreign currency that qualify for capitalisation are capitalised as part of the cost of the qualifying asset during the capitalisation period, are recognised in profit or loss for the period. Foreign currency non-monetary items measured at historical cost are re-translated at the spot exchange rate on the date of transaction but the functional currency is not changed. Foreign currency non-monetary items measured at fair value are re-translated at the spot exchange rate on the date the fair value is determined. Differences between the re-translated functional currency amount and the original functional currency amount are recognised in profit or loss or as other comprehensive income depending on the nature of the non-monetary items.

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

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

9. Financial instruments

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

Recognition and derecognition of financial instruments

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

The Group derecognises a financial asset, part of a financial asset or group of financial assets, i.e., offset from the accounts and statement of financial position, if either of the following conditions is satisfied:

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

Notes to Financial Statements *(continued)*

For the period ended 30 June 2018

RMB

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

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

9. Financial instruments *(continued)*

Recognition and derecognition of financial instruments *(continued)*

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

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

Classification and measurement of financial assets

On initial recognition, based on the business model of the Group's financial asset management and the characteristics of the financial assets' contractual cash flows, financial assets are classified as: financial assets at fair value through profit or loss, financial assets measured at amortised cost, financial assets at fair value through other comprehensive income, and derivatives designated as effective hedging instruments. Financial assets are initially measured at fair value.

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

Subsequent measurement of financial assets is determined by its classification:

Equity instrument investments at fair value through other comprehensive income

For the financial assets which the Group has made an irrevocable election at initial recognition to measure certain equity instrument investments not held for trading at fair value through other comprehensive income, only dividend income is recognised in profit or loss for the current period. Fair value change is recognised in other comprehensive income until the asset is derecognised and the accumulated changes in fair value are transferred to retained earnings.

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

The financial assets other than the abovementioned financial assets at fair value through other comprehensive income are classified as financial assets at FVTPL. For such financial assets, fair value is used for subsequent measurement, and all changes in fair value are recognised in profit or loss for the current period.

When, and only when, the Group changes its business model for managing financial assets, it will reclassify all affected financial assets.

Classification and measurement of financial liabilities

On initial recognition, financial liabilities of the Group are classified into financial liabilities at FVTPL and other financial liabilities. For financial liabilities at FVTPL, transaction costs are immediately recognised in profit or loss for the current period. For other financial liabilities, transaction costs are included at their initial recognised amounts.

Subsequent measurement of financial liabilities is determined by the classification:

Notes to Financial Statements *(continued)*

For the period ended 30 June 2018

RMB

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

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

9. Financial instruments *(continued)*

Classification and measurement of financial liabilities *(continued)*

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading (including derivatives that are financial liabilities) and financial liabilities designated as FVTPL on initial recognition. A financial asset or financial liability held for trading satisfies one of the following conditions: the purpose of obtaining the relevant financial asset or undertaking the relevant financial liability is mainly for the purpose of repurchasing in the near future; it is part of a portfolio of identifiable financial instruments that are centrally managed, and there is objective evidence that the Group has recently adopted short-term profit-making methods; it is a derivative instrument, except for derivatives that are designated as effective hedging instruments and derivatives that qualify for financial guarantee contracts. Financial liabilities held for trading (including derivatives that are financial liabilities) are subsequently measured at fair value, except for those under hedge accounting, all changes in fair value are recognised in profit or loss for the current period.

Other financial liabilities

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

Offsetting of financial instruments

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

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee contracts are measured at fair value on initial recognition. Subsequent to initial recognition, financial guarantee contracts that are not designated as financial liabilities at FVTPL are measured at the higher of: the amount of the best estimate of the expenditure required to settle the present obligation at the date of statement of financial position; and the amount initially recognised less cumulative amortisation recognised in accordance with the principles of revenue recognition.

Derivatives

The Group uses derivative financial instruments, such as forward commodity contracts for hedging price fluctuation risk, and cross currency swap contracts for mitigating interest rate and foreign exchange rate fluctuation risk, respectively. Derivatives are initially measured at fair value at the date when the derivative contracts are entered into and are subsequently measured at fair value. Derivatives are recognised as assets when the fair value is positive and as liabilities when the fair value is negative.

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

Impairment of financial assets

On the basis of expected credit losses, the Group performs impairment treatment on financial assets at amortised cost, debt investments which are classified as financial assets at fair value through other comprehensive income and financial guarantee contracts and recognises the loss provision.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2018

RMB

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

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

9. Financial instruments *(continued)*

Impairment of financial assets *(continued)*

Credit loss refers to the difference between all contractual cash flows receivable from the contract and all cash flows expected to be received by the Group at the original effective interest rate, that is, the present value of all expected cash shortfalls. Among them, financial assets that have been credit-depleted by the Group or purchased by the Group shall be discounted according to the actual interest rate adjusted by the financial assets.

For receivables that do not contain significant financing components, the Group uses a simplified model to measure loss provision based on the amount of lifetime expected credit loss.

For receivables with significant financing components and contractual assets, the Group uses a simplified model to measure loss provision based on the amount of lifetime expected credit loss.

In addition to the mentioned financial assets and financial guarantee contracts other than the simplified model, the Group assesses whether its credit risk has increased significantly since the initial recognition on each statement of financial position date. If the credit risk has increased significantly since the initial recognition, the Group's amount of expected credit losses during the lifetime is measured for loss provision; if the credit risk has not increased significantly since the initial recognition, the Group measures the loss provision based on the amount of expected credit loss over the next 12 months.

The Group considers all reasonable and evidenced information, including forward-looking information, when assessing expected credit losses.

When the Group no longer reasonably expects to be able to fully or partially recover the contractual cash flows of financial assets, the Group directly writes down the carrying amount of the financial assets.

Transfer of financial assets

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

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

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

10. Inventories

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

Inventories are initially measured at cost. Cost of inventories comprises all costs of purchase, costs of processing, cost of land, cost of construction and other expenditures. The actual cost of inventories upon delivery is calculated using the weighted average method. Consumable materials include low value consumption and packing materials, etc., which are recorded at cost in full upon delivery. Some spare parts and materials directly related to production are amortised periodically (for example, steel ball is amortised using the units-of-production method, and for some spare parts with a great value such as anode plates and lining boards, they are amortised over their actual useful lives). For property development business, all relevant costs of development will be allocated by apportionment of saleable areas at the completion stage. Cost for unsold area is apportioned into development properties.

The perpetual inventory system is maintained for the stock system.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2018

RMB

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

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

10. Inventories *(continued)*

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

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

11. Long-term equity investments

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

A long-term equity investment is initially measured at its cost. For a long-term equity investment acquired through business combination involving enterprises under common control, the initial investment cost of the long-term equity investment is the attributable share of the carrying amount of the owners' equity of the acquiree in the ultimate controlling party's consolidated financial statements at the date of combination. The difference between initial investment cost and the carrying amount of the consideration is adjusted against capital reserve. If the capital reserve is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings. For the other comprehensive income which is already held before the acquisition date, on the disposal the same accounting treatment of which the investee directly disposes of the related assets and liabilities should be used, changes in owners' equity of the investee other than net profit or loss, other comprehensive income and profits distribution are recognised in profit or loss for the current period when the investments are disposed of. Among which, those remain as long-term equity investments will be charged into the statement of profit or loss proportionately, those transferred as financial instruments will be fully charged to the statement of profit or loss. For a long-term equity investment acquired through business combination not involving enterprises under common control, the initial investment cost of a long-term equity investment is the cost of acquisition. For a long-term equity investment acquired through business combination not involving enterprises under common control and achieved in stages, the initial investment cost of the long-term equity investment is the aggregate of the carrying amount of the equity interest held in the acquiree prior to the acquisition date and the cost of the additional investment at the acquisition date. The investment cost is the aggregate of the fair values, at the acquisition date, of the assets given, liabilities incurred or assumed, and equity securities issued by the acquirer in exchange for control of the acquiree. For the other comprehensive income under the equity method which is already held before the acquisition date, on the disposal of the investment, the same accounting treatment of which the investee directly disposes of the related assets and liabilities should be used, changes in owners' equity of the investee other than net profit or loss, other comprehensive income and profits distribution are recognised in profit or loss when the investments are disposed of. Among which, those remain as long-term equity investments will be charged into the statement of profit or loss proportionately, those transferred as financial instruments will be fully charged to the statement of profit or loss. For an other equity instrument investment already held before the acquisition date, the accumulated fair value changes previously recorded as other comprehensive income should be transferred into retained earnings under the cost method. The initial costs of the investments acquired other than business combination are recognised as follows: if acquired by cash, the investment is initially recognised at the actual consideration paid plus the expenses, taxes and other required expenditures directly attributable to the acquisition; if acquired through issuing equity securities, the investment is initially recognised at the fair value of issuing equity instruments; and if the investment is acquired through exchange of non-monetary assets, the cost of investment is initially recognised in accordance with the requirements of "Accounting Standard for Business Enterprises No. 7 - Exchange of Non-monetary Assets".

Notes to Financial Statements *(continued)*

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

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

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

The long-term equity investments over which the Company has control are accounted for using the cost method in the Company's separate financial statements. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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

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

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

Under the equity method, after a long-term equity investment is acquired, the Group recognises its share of the net profit or loss and other comprehensive income of the investee for the period as investment income or loss and other comprehensive income for the period, respectively, and adjusts the carrying amount of long-term equity investment. The Group recognises its share of the investee's net profit or loss based on the fair value of the investee's identifiable assets and others at the acquisition date after making appropriate adjustments to conform with the Group's accounting policies and accounting period. Unrealised profits or losses resulting from the Group's transactions with its associates and joint ventures are recognised as investment income or loss to the extent that those attributable to the Group's equity interest are eliminated (except for those transactions relating to impairment loss of assets which shall be recognised fully). However, unrealised losses resulting from the Group's transactions with its associates and joint ventures which represent impairment losses on the transferred assets are not eliminated. The Group shall reduce the carrying amount of the long-term equity investments for shares of profits or cash dividends declared of the investee. However, the share of net loss is only recognised to the extent that the carrying value of the investment is reduced to zero, except to the extent that the Group has incurred obligations to assume additional losses. Changes in owners' equity of the investee other than net profit or loss, other comprehensive income and profits distribution are correspondingly adjusted to the carrying amount of the long-term equity investments, and recognised in the owners' equity.

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

Notes to Financial Statements *(continued)*

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

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

12. Investment properties

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

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

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

13. Fixed assets

A fixed asset is recognised only when it is probable that economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. Subsequent expenditures incurred for the fixed asset are included in the cost of the fixed asset if it is probable that economic benefits associated with the asset will flow to the Group and the subsequent expenditures can be measured reliably. At the same time, the carrying amount of the replaced part is derecognised. Other subsequent expenditures are recognised in profit or loss in the period in which they are incurred.

Fixed assets are initially measured at cost and the effect of any expected costs of abandoning the asset at the end of its use is considered. The cost of a fixed asset is the aggregate cost of purchase price, related taxes and any directly attributable expenditure for bringing the asset to its working condition for its intended use. When the Company was incorporated, the used fixed assets invested by shareholders were recorded based on valuation using the replacement cost approach.

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

Category	Depreciation period	Estimated net residual value rate	Annual depreciation rate
Buildings	8-50 years	0%-5%	1.90%-12.50%
Mining assets	5-40 years	0%-5%	2.38%-19.00%
Power generation and transmission equipment	8-30 years	0%-5%	3.17%-12.50%
Plant, machinery and equipment	5-15 years	0%-5%	6.33%-20.00%
Motor vehicles	4-10 years	0%-5%	9.50%-25.00%
Furniture and fixtures and others	3-10 years	0%-5%	9.50%-33.33%

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

The Group reviews the useful life, estimated net residual value of a fixed asset and the depreciation method applied at least once at each financial year-end, and adjusts for any change when necessary.

Notes to Financial Statements *(continued)*

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

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

14. Construction in progress

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

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

15. Borrowing costs

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

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

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

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

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

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

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

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

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

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

16. Intangible assets

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

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

A mining right (included in Note V.15 Intangible assets) is amortised using the units-of-production method. An exploration right will not be amortised until it is transferred to mining right which is amortised using the units-of-production method. Other intangible assets are amortised over their useful lives using the straight-line method. The estimated useful lives of each category of intangible assets are as follows:

Category	Useful life
Land use rights	Beneficial lives (30-50 years)
Exclusive fishing rights	Beneficial lives (50 years)
Membership of Shanghai Gold Exchange	Beneficial lives (10 years)

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

Intangible assets with a finite useful life are amortised over their estimated useful lives using the straight-line method or other reasonable systematic methods. For an intangible asset with a finite useful life, the Group reviews the useful life and amortisation method at least once at each financial year-end, and makes adjustments when necessary.

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

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

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

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

17. Long-term deferred assets

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

18. Impairment of assets

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

The Group assesses at each date of statement of financial position whether there is any indication that the assets may be impaired. If there is any indication that such assets may be impaired, recoverable amounts are estimated for such assets and impairment tests are performed. Goodwill arising in a business combination and an intangible asset with an indefinite useful life shall be assessed for impairment at least at each year end, irrespective of whether there is any indication occurring. Impairment tests of intangible assets should be performed annually, even if they are not ready for intended use.

The recoverable amount of an asset is the higher of fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. The recoverable amount is estimated on an individual basis. If it is not practical to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group to which the asset belongs will be estimated. Identification of an asset group shall be based on whether there are major cash inflows which are independent from other assets or asset groups.

If the recoverable amount of an asset or asset group is less than its carrying amount, the carrying amount shall be reduced to its recoverable amount. The reduction is recognised as an impairment loss and charged to profit or loss for the current period. A provision for impairment losses of the asset is recognised accordingly.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated on a reasonable basis to each of the Group's cash-generating units or to relevant groups of cash-generating units if it is difficult to do so. Each unit or group of units to which the goodwill is so allocated represents those which are expected to benefit from the synergies of the combination and is not larger than a reported segment by the Group.

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

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

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

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

19. Employee benefits

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

Short-term employee benefits

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

Post-employment benefits (defined contribution plans)

The employees in the Group participate in social insurance and unemployment insurance schemes administrated by the local governments, to which the Company and its subsidiaries in the PRC are required to contribute a certain percentage of the basic salaries of its employees as stipulated by rules and regulations in the PRC, and the related expenditures are recorded in cost of related assets or profit or loss in the period when they incurred.

Termination benefits

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

20. Contingent liabilities

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

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

The amount initially recognised as a contingent liability is the best estimate of the consideration required to settle the present obligation, taking into account factors pertaining to a contingency such as the risks, uncertainties and time value of money. The carrying amount of a contingent liability is reviewed at the date of statement of financial position. Where there is objective evidence that the carrying amount does not reflect the best estimation of the contingency, the contingent liability would be adjusted according to the best estimated amount.

Notes to Financial Statements *(continued)*

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

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

21. Revenue

The Group has fulfilled its performance obligations of the contract, when the customers take control of the relevant goods or services and revenue is recognised. Taking control of the relevant goods or services means being able to dominate the use of the goods or the provision of the services and obtain almost all of the economic benefits from them.

1. Revenue from sale of goods

Contracts of sale of goods between the Group and the customers usually only include transfer of performance obligations of goods. When the Group recognises the revenue, the following factors are usually included under consideration: a present right to payment for the asset, transfer of significant risks and rewards of ownership of the asset, transfer of legal title to the asset, transfer of physical possession of the asset, the customer has accepted the asset. The Group obtains the right of receiving consideration when the significant risks and rewards of ownership of the goods have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold and the relevant amounts of costs incurred or to be incurred can be measured reliably, and revenue is recognised.

2. Revenue from construction management services

For construction management services, when the results of the construction management services can be estimated reliably, construction management service revenue is recognised using the percentage of completion method and the stage of completion is measured with reference to the actual construction costs and related management expenses incurred till the end of the reporting period as a percentage of the total estimated construction costs and management expenses. When the results of the construction management services cannot be estimated reliably, construction management service revenue is recognised at the same amount of actual management expenses incurred only to the extent that such expenses are probable to be recovered.

3. Revenue from sale of housing properties

The Group recognised revenue from sales of housing properties when the construction of housing properties and inspection and acceptance are completed, sale contracts have been entered into, evidence of payment from buyers are obtained and the properties are transferred for use. Revenue is recognised at the time when the buyers receive notification of transfer of properties, without appropriate reason for refusal of transfer of properties and after the end of the time limit of transfer of properties as stated in the written notification.

4. Other service income

For the revenue from rendering of services of the Group, e.g. hotel service, consultation, exploration, etc., the Group recognised the revenue to the extent that the services are provided, the amount of revenue and costs can be measure reliably, and the economic benefits will flow to the Group.

5. Interest income

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

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

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

21. Revenue *(continued)*

6. Rental income

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

Significant financing component

For a contract which contains significant financing component, the Group determines the transaction price based on the amount of consideration that is payable in cash by a customer when the customer obtains control of the goods by using the rate that discounts the contractual nominal amount of the contracts to the spot price of the goods. Any difference between the transaction price and the contractual consideration shall be amortised using the effective interest method during the contractual period.

Contract modification

When there is a contract modification for construction contract between the Group and its customers:

- (1) If the contract modification adds a distinct construction service and increases the price of the contract, and the increase in the price of the contract reflects the stand-alone selling prices of the additional construction service, the Group accounts the contract modification as a separate contract for accounting treatment;
- (2) If the contract modification is not accounted for as a separate contract in accordance with (1), and the remaining construction services are distinct from the construction services transferred on or before the date of the contract modification, the Group accounts for the contract modification as if it were a termination of the existing contract and the creation of a new contract, and the part of the original contract that is not performed and the part of the modified contract are combined into a new contract for accounting treatment; and
- (3) If the contract modification is not under the situation of (1) and the transferred construction service and the construction service not yet transferred are not distinct, the Group regards the part of the modified contract as a component of the original contract for accounting treatment, and adjusts the revenue for the current period according to the effect on revenue recognition on the date of contract modification.

22. Government grants

A government grant is recognised only when the Group can comply with the conditions attaching to the grant and the Group will receive the grant. If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a non-monetary asset, it is measured at fair value. If the fair value cannot be reliably determined, it is measured at a nominal amount.

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

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

22. Government grants *(continued)*

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

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

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

23. Income tax

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

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

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

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

- (1) When the taxable temporary difference arises from: transactions that are not business combinations and, at the time of the transaction, affects neither the accounting profit, taxable profit or loss nor deductible losses; and
- (2) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

Notes to Financial Statements *(continued)*

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

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

23. Income tax *(continued)*

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

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

At the date of statement of financial position, deferred tax assets and liabilities are measured at applicable tax rates according to the requirements of tax laws during the period that the assets are expected to be recovered or the liabilities are expected to be repaid. The recognition of deferred tax assets and liabilities also takes the recovery or the repayment terms at the date of statement of financial position into account.

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

24. Leases

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

As lessee under operating leases

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

As lessor under operating leases

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

As lessee under finance leases

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

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

25. Hedge accounting

In respect of the methods of hedge accounting, hedges of the Group are classified as:

- (1) Fair value hedge, a hedge of the exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment.
- (2) Cash flow hedge, a hedge of the exposure to variability in cash flows that is: (a) attributable to a particular risk associated with a recognised asset or liability, or a highly probable forecast transaction; or (b) a foreign currency risk in an unrecognised firm commitment.
- (3) Hedge of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group officially designates the hedge relationship and prepares a formal written documentation on hedge relationship, risk management objectives and hedge strategies. The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess the hedge's effectiveness. Hedge effectiveness is the extent to which the changes in fair value or cash flows of the hedging instruments offset changes in the fair value or cash flow of hedged items caused by hedged risk. Such hedges meet the requirements of being assessed as highly effective at the date of initial recognition and on an ongoing basis.

If the hedging instrument expires or is sold, terminated or exercised (but the replacement or rollover of part of a hedging instrument under the risk strategy are not treated as expired or terminated), or there is a change in risk management objective, which makes the hedging relationship no longer meet the risk management objective, or the hedging no longer meets other qualifying criteria for hedge accounting, the Group discontinued the application of hedge accounting.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group rebalances the hedging relationship.

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

Fair value hedge

The change in the fair value of a hedging instrument is recognised in profit or loss for the current period. The gain or loss resulting from a risk exposure of the hedged items is recognised in profit or loss for the current period, and the carrying amount of the hedged item which is not measured at fair value is adjusted.

For fair value hedge relating to financial instruments carried at amortised cost, the carrying value of the hedged items is adjusted and amortised to profit or loss over the remaining term of the hedge using the effective interest rate method. Effective interest rate amortisation may begin upon the adjustment of the carrying amount but no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised directly in profit or loss for the current period.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

Notes to Financial Statements *(continued)*

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

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

25. Hedge accounting *(continued)*

Cash flow hedge

The effective portion of the gain or loss on the hedging instrument is for the current period recognised directly in other comprehensive income, while any ineffective portion is recognised directly in profit or loss for the current period.

If a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or a hedged forecast transaction for a non-financial asset or a non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the Group removes that amount from the cash flow hedge reserve in other comprehensive income and includes it directly in the initial cost of the asset or the liability. The amount of the remaining cash flow hedge is reclassified from the cash flow hedge reserve in other comprehensive income to profit or loss for the current period in the same period or periods during which the hedged expected future cash flows affect profit or loss when the forecast transaction occurs.

When the Group discontinues hedge accounting for a cash flow hedge but the hedged future cash flows are still expected to occur, the amount that has been accumulated in other comprehensive income shall not be transferred out until the forecast transaction occur or a firm commitment has been fulfilled; if the hedged future cash flows are no longer expected to occur, the amount accumulated in the cash flow hedge reserve shall be transferred from other comprehensive income to the profit or loss of the current period.

Hedge of a net investment in a foreign operation

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, shall be accounted for similarly with cash flow hedges. The portion of the gain or loss on the hedging instrument that is determined as an effective hedge shall be recognised in other comprehensive income; and the ineffective portion shall be recognised in profit or loss. On disposal of a foreign operation, the accumulated gains or losses recognised in other comprehensive income are transferred to profit or loss.

Cost of hedging

The Group separates the intrinsic value and time value of an option contract and designates as the hedging instrument only the change in intrinsic value of an option; or separates the forward element from the spot element of a forward contract and designates as the hedging instrument only the change in the value of the spot element of a forward contract; or separates the foreign currency basis spread as the hedging instrument. For the hedging instruments which foreign currency basis spread is separated, the Group recognises the time value of money of the option, forward element of a forward contract and the part of the hedged items that are relevant to the fair value changes of foreign currency basis spread of the financial instrument into other comprehensive income. If the characteristics of the hedged items are related to the transaction, the same accounting treatment with the cash flow hedge reserve shall be applied. If the characteristics of the hedged items are related to the period of time, the above fair value change shall be amortised on a systematic and reasonable basis over the time when the hedged item affects the profit or loss or other comprehensive income, transferred from other comprehensive income to profit or loss.

26. Share repurchase

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

Notes to Financial Statements *(continued)*

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

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

27. Profits distribution

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

28. Work safety fund and production maintenance fund

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

29. Fair value measurement

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

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

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

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

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities which can be accessed at the measurement date;

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

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

At each date of statement of financial position, for assets and liabilities measured at fair value that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2018

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

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

30. Significant accounting judgements and estimates

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

Judgements

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

Corporate income tax

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

Joint arrangement - the investment in BNL by the Group

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

Joint arrangement - the investment in Kamo Holding Limited ("Kamo") by the Group

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

Business model

The classification of financial assets is based on the Group's business model for managing the financial assets at initial recognition. In determining whether the objective of the business model is still based on receiving contractual cash flow, the Group needs to analyse the sale of financial assets before maturity. Judgements shall be made for determining whether the sale is an occasional event or the sale value is immaterial.

Contractual cash flows characteristics

The classification of financial assets is based on contractual cash flow characteristics of the financial assets at initial recognition. Judgements shall be made for determining whether the contractual cash flow is solely payments of principal and interest on the principal amount outstanding, including the consideration for the amendment of time value of money when judging whether significant difference exists between the cash flow benchmark. Judgements shall be made for determining whether the fair values of financial assets with repayment-in-advance characteristic are immaterial, etc.

Notes to Financial Statements *(continued)*

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

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

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

Estimation uncertainty

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

Provision for impairment on financial instruments

The Group assesses impairment of financial assets by using expected credit loss model. Significant judgements and estimations are required for using the expected credit loss model. Reasonable and supportable information shall be taken into account, including any forward-looking information. The Group determines the expected changes in credit risks of the debtors based on historical repayment statistics, combining with economic policies, macro-economic indicators, industry risk, etc., when making judgements and estimations.

Inventory provision determined on net realisable value

Inventory provision is provided for those inventories with cost higher than net realisable value based on the Company's accounting policies on inventories and the measurement of lower of cost and net realisable value. At least at every financial year end, inventory provision is reviewed for inventories whose cost exceeds the net realisable amount.

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

The Group assesses whether there are any indicators of impairment for non-current assets other than financial assets at the date of statement of financial position. Intangible assets with indefinite useful lives are tested for impairment annually and at other times when such an indicator exists. Other non-current assets other than financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or asset group exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its present value of future cash flows. The calculation of the fair value less costs to sell is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposal of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or asset group and choose a suitable discount rate in order to calculate the present value of those cash flows.

Impairment of goodwill

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

Useful lives of property, plant and equipment

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

Notes to Financial Statements *(continued)*

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

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

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

Estimation uncertainty *(continued)*

Exploration expenditures

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

Proved mineral reserves

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

Deferred tax assets

To the extent that it is probable that there are sufficient taxable profits to offset the deductible losses, deferred tax assets shall be recognised for all unused deductible losses. Substantial management's judgements regarding the timing and amount of future taxable profit are needed when estimating the amount of deferred tax assets.

Estimated compensation

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

Provision for environmental rehabilitation and restoration of mines

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

Notes to Financial Statements *(continued)*

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

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

31. Changes in accounting policies

In 2017, the Ministry of Finance of the PRC announced the revised "Accounting Standard for Business Enterprises No. 14 - Revenue" (the "New Revenue Standard"); "Accounting Standard for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments", "Accounting Standard for Business Enterprises No. 23 - Transfer of Financial Assets", "Accounting Standard for Business Enterprises No. 24 - Hedge Accounting" and "Accounting Standard for Business Enterprises No. 37 - Presentation and Reporting of Financial Instruments" (collectively the "New Financial Instruments Standards"). The Group started to implement accounting treatments pursuant to the abovementioned newly revised standards from 1 January 2018. According to the transitional provisions, the information for the comparable reporting period was not adjusted. The differences arising from implementation of the new standards on the first implementation date and the current standards were adjusted to retained earnings or other comprehensive income at the beginning of the reporting period.

The New Revenue Standard

The New Revenue Standard creates a new model for revenue recognition from contracts with customers. The amount of revenue recognised shall reflect the consideration which the entity expects to be entitled to in exchange for those promised goods or services with customers. The New Revenue Standard also regulates the judgements and estimations in respect of contract costs, performance obligation, variable consideration, principal and agent, etc.

The New Financial Instruments Standards

The New Financial Instruments Standards revise the classification and measurement of financial assets and establish three major measurement categories: at amortised cost, at fair value through other comprehensive income, and at fair value through profit or loss. An entity shall perform business model assessment and assess the contractual cash flow characteristics of financial assets for the classification. Equity investments shall be measured at fair value and their changes shall be recognised in profit or loss for the current period. However, an entity can make an election at initial recognition to classify the instruments at fair value through other comprehensive income (gains or losses recognised on disposal shall not be transferred to profit or loss while dividend income is recognised in profit or loss) and the election is irrevocable.

The New Financial Instruments Standards require the use of "expected credit loss model" for measurement of impairment of financial assets instead of "incurred loss model". Expected credit loss model is applicable to financial assets at amortised cost, financial assets at fair value through other comprehensive income, loan commitments and financial guarantee contracts.

New hedge accounting model provides a better contact between an entity's risk management and the financial statements and allows more hedging instruments and hedged items to qualify for hedge accounting. It cancels the revisit hedge effectiveness test and introduces the concept of rebalancing mechanism and cost of hedging.

Notes to Financial Statements *(continued)*

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

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

31. Changes in accounting policies *(continued)*

A comparison between the financial assets before and after implementation of the revised recognition and measurement provisions on the first implementation date, being 1 January 2018, is as follow:

The Group	Under the recognition and measurement provisions before revision		Under the recognition and measurement provisions after revision	
	Category of measurement	Book value	Category of measurement	Book value
Equity investments	Cost model (available-for-sale investments)	559,552,318	At fair value through other comprehensive income (designated)	796,743,475
Equity investments	At fair value through other comprehensive income (available-for-sale investments)	218,648,868	At fair value through other comprehensive income (designated)	218,648,868
Equity investments	At fair value through profit or loss	1,700,570,459	At fair value through other comprehensive income (designated)	1,700,570,459
Wealth management products	Amortised cost	2,510,982,823	At fair value through profit or loss	2,510,982,823
The Company	Under the recognition and measurement provisions before revision		Under the recognition and measurement provisions after revision	
	Category of measurement	Book value	Category of measurement	Book value
Equity investments	Cost model (available-for-sale investments)	460,422,337	At fair value through other comprehensive income (designated)	578,733,819
Equity investments	At fair value through other comprehensive income (available-for-sale investments)	6,615,545	At fair value through other comprehensive income (designated)	6,615,545
Wealth management products	Amortised cost	1,980,000,000	At fair value through profit or loss	1,980,000,000

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version shall prevail.)*III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*31. Changes in accounting policies *(continued)*

Reconciliation between the original book value of financial assets and the revised book value of the financial assets after recognition and measurement pursuant to the revised provisions on recognition and measurement of financial assets on the first implementation date is as follow:

The Group	Book value under the original financial instruments standards 31 December 2017	Reclassification	Remeasurement	Book value under the New Financial Instruments Standards 1 January 2018
Equity investments - available-for-sale investments				
Balance under the original financial instruments standards	778,201,186	(778,201,186)	—	—
Less: Transferred to at fair value through other comprehensive income (the New Financial Instruments Standards)	—	778,201,186	—	778,201,186
Balance under the New Financial Instruments Standards (Other equity instrument investments)	—	778,201,186	237,191,157	1,015,392,343
Equity investments - financial assets at fair value through profit or loss				
Balance under the original financial instruments standards	1,700,570,459	(1,700,570,459)	—	—
Less: Transferred to at fair value through other comprehensive income (the New Financial Instruments Standards)	—	1,700,570,459	—	1,700,570,459
Balance under the New Financial Instruments Standards (Other equity instrument investments)	—	1,700,570,459	—	1,700,570,459
Wealth management products - other current assets				
Balance under the original financial instruments standards	2,321,454,667	(2,321,454,667)	—	—
Less: Transferred to at fair value through profit or loss (the New Financial Instruments Standards)	—	2,321,454,667	—	2,321,454,667
Balance under the New Financial Instruments Standards (Financial assets held for trading)	—	2,321,454,667	—	2,321,454,667
Wealth management products - other non-current assets				
Balance under the original financial instruments standards	189,528,156	(189,528,156)	—	—
Less: Transferred to at fair value through profit or loss (the New Financial Instruments Standards)	—	189,528,156	—	189,528,156
Balance under the New Financial Instruments Standards (Financial assets held for trading)	—	189,528,156	—	189,528,156

Notes to Financial Statements *(continued)*

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

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

31. Changes in accounting policies *(continued)*

Reconciliation between the original book value of financial assets and the revised book value of the financial assets after recognition and measurement pursuant to the revised provisions on recognition and measurement of financial assets on the first implementation date is as follow: *(continued)*

The Company	Book value under the original financial instruments standards 31 December 2017	Reclassification	Remeasurement	Book value under the New Financial Instruments Standards 1 January 2018
Equity investments - available-for-sale investments				
Balance under the original financial instruments standards	460,422,337	(460,422,337)		—
Less: Transferred to at fair value through other comprehensive income (the New Financial Instruments Standards)	—	460,422,337	—	460,422,337
Balance under the New Financial Instruments Standards (Other equity instrument investments)	—	460,422,337	118,311,482	578,733,819
Equity investments - financial assets at fair value through profit or loss				
Balance under the original financial instruments standards	6,615,545	(6,615,545)	—	—
Less: Transferred to at fair value through other comprehensive income (the New Financial Instruments Standards)	—	6,615,545	—	6,615,545
Balance under the New Financial Instruments Standards (Other equity instrument investments)	—	6,615,545	—	6,615,545
Wealth management products - other current assets				
Balance under the original financial instruments standards	1,980,000,000	(1,980,000,000)	—	—
Less: Transferred to at fair value through profit or loss (the New Financial Instruments Standards)	—	1,980,000,000	—	1,980,000,000
Balance under the New Financial Instruments Standards (Financial assets held for trading)	—	1,980,000,000	—	1,980,000,000

Notes to Financial Statements (continued)

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

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

31. Changes in accounting policies (continued)

Changes in the presentation of the financial statements are as follows:

The Group	Book value under the original financial instruments standards 31 December 2017	Adjustment pursuant to the New Financial Instruments Standards	Book value under the New Financial Instruments Standards 1 January 2018
Financial assets at fair value through profit or loss	2,553,927,721	(2,553,927,721)	—
Financial assets held for trading	—	3,364,340,085	3,364,340,085
Other current assets	3,528,021,403	(2,321,454,667)	1,206,566,736
Total current assets	28,675,010,591	(1,511,042,303)	27,163,968,288
Available-for-sale investments	778,201,186	(778,201,186)	—
Other equity instrument investments	—	2,715,962,802	2,715,962,802
Other non-current assets	6,959,404,089	(189,528,156)	6,769,875,933
Total non-current assets	60,640,252,959	1,748,233,460	62,388,486,419
Total assets	89,315,263,550	237,191,157	89,552,454,707
Total current liabilities	28,793,593,015	—	28,793,593,015
Deferred tax liabilities	624,524,725	47,481,170	672,005,895
Total non-current liabilities	22,878,825,317	47,481,170	22,926,306,487
Total liabilities	51,672,418,332	47,481,170	51,719,899,502
Other comprehensive income	(602,893,526)	186,956,573	(415,936,953)
Equity attributable to owners of the parent	34,999,723,155	186,956,573	35,186,679,728
Non-controlling interests	2,643,122,063	2,753,414	2,645,875,477
Total equity	37,642,845,218	189,709,987	37,832,555,205
Total liabilities and owners' equity	89,315,263,550	237,191,157	89,552,454,707
The Company	Book value under the original financial instruments standards 31 December 2017	Adjustment pursuant to the New Financial Instruments Standards	Book value under the New Financial Instruments Standards 1 January 2018
Financial assets at fair value through profit or loss	175,870,145	(175,870,145)	—
Financial assets held for trading	—	2,149,254,600	2,149,254,600
Other current assets	2,256,160,618	(1,980,000,000)	276,160,618
Total current assets	18,188,453,187	(6,615,545)	18,181,837,642
Available-for-sale investments	460,422,337	(460,422,337)	—
Other equity instrument investments	—	578,733,819	578,733,819
Total non-current assets	41,080,537,788	118,311,482	41,198,849,270
Total assets	59,268,990,975	111,695,937	59,380,686,912
Total current liabilities	11,901,647,765	—	11,901,647,765
Deferred tax liabilities	—	16,754,391	16,754,391
Total non-current liabilities	19,920,241,090	16,754,391	19,936,995,481
Total liabilities	31,821,888,855	16,754,391	31,838,643,246
Other comprehensive income	—	94,941,546	94,941,546
Total equity	27,447,102,120	94,941,546	27,542,043,666
Total liabilities and owners' equity	59,268,990,975	111,695,937	59,380,686,912

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

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

31. Changes in accounting policies *(continued)*

Presentation of financial statements

Pursuant to the requirements of "Notice on Revising and the Issuing the Format of Financial Statements of General Enterprises for Year 2018" (Cai Kuai [2018] No. 15), in addition to the changes in presentation resulting from the implementation of the abovementioned New Financial Instruments Standards and New Revenue Standard, the Group combined "bills receivable" and "trade receivables" into the new "bills receivable and trade receivables" category, "dividends receivable" and "interest receivables" into "other receivables" category, "disposal of fixed assets" into "fixed assets" category, "construction materials" into "construction in progress" category, "bills payable" and "trade payables" into the new "bills payable and trade payables" category, and "special payables" into "long-term payables" category; in the statement of profit or loss, "research and development expenses" category is separated from "administrative expenses" category, "interest expenses" and "interest income" sub-categories are separated from "financial expenses" category; "changes in the defined benefit plan transferred into retained earnings" category is newly added in the statement of changes in equity. The Group correspondingly restated the comparable financial statements retrospectively. This change in accounting policy has no effect on the consolidated and company net profit and owners' equity.

Changes in the presentation of the financial statements are as follows:

The Group	Before changes in accounting policy 31 December 2017	Reclassification under changes in accounting policy	After changes in accounting policy 31 December 2017
Bills receivable	1,519,375,541	(1,519,375,541)	—
Trade receivables	1,292,864,505	(1,292,864,505)	—
Bills receivable and trade receivables	—	2,812,240,046	2,812,240,046
Construction in progress	3,122,296,899	174,271,545	3,296,568,444
Construction materials	174,271,545	(174,271,545)	—
Bills payable	179,417,453	(179,417,453)	—
Trade payables	4,216,836,578	(4,216,836,578)	—
Bills payable and trade payables	—	4,396,254,031	4,396,254,031
Dividends payable	4,193,049	(4,193,049)	—
Other payables	3,642,115,277	4,193,049	3,646,308,326
The Company	Before changes in accounting policy 31 December 2017	Reclassification under changes in accounting policy	After changes in accounting policy 31 December 2017
Bills receivable	350,540,469	(350,540,469)	—
Trade receivables	30,136,199,603	(30,136,199,603)	—
Bills receivable and trade receivables	—	30,486,740,072	30,486,740,072
Construction in progress	—	9,855,873,011	9,855,873,011
Construction materials	9,855,873,011	(9,855,873,011)	—
Bills payable	13,779,116,465	(13,779,116,465)	—
Trade payables	563,703,645	(563,703,645)	—
Bills payable and trade payables	—	14,342,820,110	14,342,820,110
Dividends payable	—	—	—
Other payables	22,926,306,487	—	22,926,306,487

Notes to Financial Statements *(continued)*

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

IV. TAX

1. Major taxes and tax rates

Value-added tax ("VAT")	<p>Sales of final gold products and carrying-gold minerals are exempted from VAT. The output VAT rate for mining and processing of ferrous metals such as iron ore and non-ferrous metals such as copper concentrates, zinc concentrates, and the sales and processing of copper cathodes, zinc bullion, silver bullion and materials before and after 1 May 2018 is 17% and 16% respectively. The taxpayer is required to remit the VAT it collects to the tax authority, but may deduct the VAT it has paid on eligible purchases.</p> <p>VAT rate for transportation service income generated before and after 1 May 2018 is 11% and 10% respectively, and that for trademark royalty income and technical service income is 6%. The taxpayer is required to remit the VAT it collects to the tax authority, but may deduct the VAT it has paid on eligible purchases. Small-scale taxpayer's VAT rate for all the income mentioned above is 3%.</p>
Urban construction and maintenance tax	Levied on actual payment of turnover tax at rates ranging from 1% to 7%.
Resource tax	The tax rates range from 1% to 4% for gold resources; 2% to 7% for copper resources; 1% to 6% for iron resources; and 2% to 6% for zinc-lead resources.
Resource compensation fee	Since 1 July 2016, the resource tax reform has been implemented and the mineral resource compensation fee is no longer levied.
Corporate income tax	<p>Provision for tax for the Company and the Company's subsidiaries incorporated and operating in the PRC has been made at the rate of 25% based on the taxable profits, except for certain companies in the Group which enjoyed tax concession and preferential tax rate under approval documents and are further mentioned below. Provision for tax for the Company's subsidiaries incorporated and operating in Hong Kong has been made at the rate of 16.5% on the assessable profits for the year. Provision for tax for the Company's subsidiaries or joint arrangement incorporated and operating in Australia, the Democratic Republic of the Congo and Papua New Guinea has been made at the rate of 30% on the assessable profits for the year. Provision for tax for the Company's subsidiaries incorporated and operating in the Republic of Tajikistan has been made at the rate of 13% on the assessable profits for the year. Provision for tax for the Company's subsidiaries incorporated and operating in the Russian Federation has been made at the rate of 20% on the assessable profits for the year. For the Company's subsidiaries incorporated and operating in the Kyrgyz Republic, according to the local tax laws, a zero corporate income tax rate is adopted for taxpayer specialising in mining activities and selling gold ore, gold concentrates, alloy gold and refined gold. Meanwhile, income tax is imposed on the revenue ranging at the rate from 1% to 20% depending on the range of gold price.</p>
Value-added tax on land	Pursuant to Regulations on Value-added Tax on Land of the People's Republic of China (Tentative), value-added tax on land is levied based on the added value obtained from transfer of real estates and the stipulated tax rates, at the rate of the 4th-level super progressive tax rate (30%-60%).

Notes to Financial Statements *(continued)*

For the period ended 30 June 2018

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

IV. TAX *(continued)*

2. Tax incentives

Pursuant to the Notice of the Ministry of Finance, the General Administration of Customs and the State Administration of Taxation on the Issues of Preferential Taxation Policies for Further Implementing the Western Development Strategy (Cai Shui [2011] No. 58), from 1 January 2011 to 31 December 2020, the enterprises in the western region, which are principally engaged in encouraged industries as indicated in the Catalogue of Encouraged Industries of Western Region and the Catalogue of Industrial Structure Adjustment Guidance (2011 version) (Revised) (The National Development and Reform Commission Order [2013] No. 21) and which generate over 70% of their operating income from the encouraged industries could apply for a tax incentive. After getting the approval of the tax bureau in charge, those enterprises could enjoy a reduced corporate income tax ("CIT") rate of 15%. In 2018, the following subsidiaries obtained the approval of the tax bureau in charge and were granted a reduced CIT rate of 15%:

- a) Pursuant to the Notice of Tax Issue (Ha Di Shui Tong [2018] No. 176) issued by the Xinjiang Autonomous Region Habahe County Local Tax Bureau on 18 January 2018, Xinjiang Ashele Copper Company Limited ("Xinjiang Ashele") was entitled to a tax concession of Western Development at a preferential CIT rate of 15% in 2018.
- b) Pursuant to the Reference Table of Preferential Corporate Income Tax approved by the Xinjiang Autonomous Region Wuqia County State Tax Bureau on 24 March 2018, Xinjiang Zijin Zinc Industry Co., Ltd. ("Xinjiang Zijin Zinc Industry") was entitled to a tax concession of Western Development at a preferential CIT rate of 15% in 2018.
- c) Pursuant to the Notice of Tax Issue (Fu Di Shui Tong [2017] No. 404) issued by the Xinjiang Autonomous Region Fuyun County Local Tax Bureau, the items in the application for CIT concession filed by Xinjiang Jinbao Mining Company Limited ("Xinjiang Jinbao") on 1 April 2017 met the approval conditions, and thus Xinjiang Jinbao was entitled to a tax concession of Western Development at a preferential CIT rate of 15% since 2017.
- d) Pursuant to the Reference Table of Preferential Corporate Income Tax approved by the State Taxation Bureau of Hunchun Border Economic Cooperation Zone on 12 March 2018, Hunchun Zijin Mining Co., Ltd. ("Hunchun Zijin") was entitled to a tax concession of Western Development at a preferential CIT rate of 15% in 2018.

Pursuant to the Notice Concerning Revision and Issuance of Administration Policy for Determination of High and New Technology Enterprise (Guo Ke Fa Huo [2016] No. 32) issued by the Ministry of Science and Technology, Ministry of Finance and State Administration of Taxation and the Notice Concerning Revision and Issuance of Administration Guideline on Determination of High and New Technology Enterprise (Guo Ke Fa Huo [2016] No. 195) issued by the Ministry of Science and Technology, the Ministry of Finance and the State Administration of Taxation, the Company obtained the certificate of High and New Technology Enterprise jointly issued by authorities including the Science and Technology Department of Fujian Province, Finance Department of Fujian Province, State Tax Bureau of Fujian Province, Local Tax Bureau of Fujian Province, etc. on 23 October 2017 (reference number: GR201735000251). The validity period of the certificate is from 23 October 2017 to 23 October 2020. Pursuant to the Notice of Tax Issues (Hang Di Shui Tong [2018] No. 326) issued by Fujian Province Shanghang County Local Tax Bureau on 26 January 2018, Zijin Mining Group Co., Ltd.* was entitled to the preferential CIT policies of high and new technology enterprise and a tax concession of CIT rate of 15% in 2018.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2018

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*(English translation is for reference only. If there is any discrepancy, Chinese version shall prevail.)***V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****1. CASH AND CASH EQUIVALENTS**

	30 June 2018	31 December 2017
Cash	3,792,697	3,680,034
Bank deposits	8,259,447,707	5,533,321,796
Other monetary funds (Note 1)	462,953,047	399,064,843
	8,726,193,451	5,936,066,673

Note 1: As at 30 June 2018, the balance of other monetary funds of the Group in Renminbi mainly included: (1) land restoration and environmental rehabilitation costs of RMB68,076,849 (31 December 2017: RMB67,516,073); Pursuant to the rules of Longyan Municipal Government, the Company provided deposit for mine restoration and improvement of ecological environment in mines and deposited the funds in a specified bank account. The fund was restricted to the use of land restoration and environmental rehabilitation after mine closure; (2) guarantee deposits of RMB122,175,066 (31 December 2017: RMB114,206,645), which were restricted to use; (3) time deposits with maturity for more than three months but less than one year of RMB137,727,000 (31 December 2017: Nil); and (4) deposit in the Shanghai Gold Exchange of RMB134,974,132 (31 December 2017: RMB217,342,125).

As at 30 June 2018, cash and cash equivalents in the equivalent amount of RMB2,128,773,952 (31 December 2017: RMB1,869,741,048) were deposited outside Mainland China.

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

2. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS/FINANCIAL ASSETS HELD FOR TRADING**Financial assets at fair value through profit or loss**

	31 December 2017
Debt investments (Note 1)	34,525,569
Equity investments (Note 2)	2,331,172,973
Derivative financial assets (Note 3)	16,703,231
Others (Note 4)	171,525,948
	2,553,927,721

Financial assets held for trading

	30 June 2018
Debt investments (Note 1)	9,008,501
Equity investments (Note 2)	541,448,562
Derivative financial assets (Note 3)	171,403,243
Wealth management products due within one year (Note 4)	497,667,728
Others (Note 5)	184,203,432
	1,403,731,466

Notes to Financial Statements (continued)

For the period ended 30 June 2018

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS/FINANCIAL ASSETS HELD FOR TRADING (continued)

Note 1: The investments are bonds.

Note 2: The investments in stocks aimed at making short-term profits. The Group adopted the New Financial Instruments Standards on 1 January 2018, certain stock investments originally classified as financial assets held for trading were reclassified as financial assets at fair value through other comprehensive income.

Note 3: Derivative financial assets are as follows:

	30 June 2018	31 December 2017
(1) Gold leasing derivative financial assets	59,308,014	—
(2) Derivative financial assets without designated hedging relationship	103,436,545	16,703,231
<i>Including: Forward contracts</i>	<i>59,599,319</i>	<i>1,918,699</i>
<i>Futures contracts</i>	<i>43,837,226</i>	<i>14,784,532</i>
(3) Hedging instruments - forward contracts	8,658,684	—
	171,403,243	16,703,231

Note 4: Wealth management products due within one year purchased by the Group.

Note 5: The investments in funds aimed at making short-term profits.

3. BILLS RECEIVABLE AND TRADE RECEIVABLES

	30 June 2018	31 December 2017
Bills receivable	991,285,233	1,519,375,541
Trade receivables	1,480,221,124	1,304,061,027
Less: Bad debt provision	8,242,840	11,196,522
	2,463,263,517	2,812,240,046

Bills receivable

	30 June 2018	31 December 2017
Bank acceptance bills	707,069,908	1,260,004,739
Commercial acceptance bills	284,215,325	259,370,802
	991,285,233	1,519,375,541

In which, bills receivable which have been pledged are as follows:

	30 June 2018	31 December 2017
Bank acceptance bills	—	280,000,000

Notes to Financial Statements *(continued)*

For the period ended 30 June 2018

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*(English translation is for reference only. If there is any discrepancy, Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*3. BILLS RECEIVABLE AND TRADE RECEIVABLES *(continued)***Bills receivable** *(continued)*

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

	30 June 2018		31 December 2017	
	Derecognised	Not derecognised	Derecognised	Not derecognised
Bank acceptance bills	544,289,956	169,000,000	101,195,068	144,000,000
Commercial acceptance bills	—	23,157,440	—	18,250,000

As at 30 June 2018, there were no bills receivable which were converted to trade receivables due to the drawer's inability to settle the bills on maturity (31 December 2017: RMB15,509,262).

Trade receivables

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

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

	30 June 2018	31 December 2017
Within 1 year	1,420,041,036	1,244,854,634
Over 1 year but within 2 years	41,688,408	46,108,796
Over 2 years but within 3 years	7,176,818	2,164,105
Over 3 years	11,314,862	10,933,492
	1,480,221,124	1,304,061,027
Less: Bad debt provision for trade receivables	8,242,840	11,196,522
	1,471,978,284	1,292,864,505

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 in general. The Group maintains strict control over its outstanding trade receivables. Overdue amounts of trade receivables are reviewed regularly. Moreover, because of the fact that the Group's trade receivables are related to a large number of diversified customers, there is no significant concentration of credit risk.

Notes to Financial Statements (continued)

For the period ended 30 June 2018

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. BILLS RECEIVABLE AND TRADE RECEIVABLES (continued)

Trade receivables (continued)

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

	At	Additions	Reductions		At
	1 January 2018		Reversal	Write-off	30 June 2018
30 June 2018	11,196,522	37,905	—	(2,991,587)	8,242,840

	30 June 2018				
	Carrying amount		Bad debt provision		Net book value
	Amount	Proportion (%)	Amount	Proportion (%)	
Individually significant and for which bad debt provision has been made individually	1,249,511,634	84.41	—	—	1,249,511,634
Individually not significant but for which bad debt provision has been made individually	230,709,490	15.59	8,242,840	3.57	222,466,650
	1,480,221,124	100	8,242,840	0.56	1,471,978,284

In the first half of 2018, the provision for bad debt was RMB37,905 (six months ended 30 June 2017: RMB203,814), and no provision for bad debt was reversed (2017: Nil).

In the first half of 2018, trade receivables written off amounted to RMB2,991,587 (six months ended 30 June 2017: RMB203,814).

The five entities with the largest balances of trade receivables at 30 June 2018 are as follows:

Name of entity	Amount	Proportion of trade receivables (%)	Ageing	Closing balance
				of bad debt provision
Shanghai Huiao Non-ferrous Metals Company Limited	479,982,752	32.43	Within 1 year	—
Zisen (Xiamen) Supply Chain Management Co., Ltd.	123,188,191	8.32	Within 1 year	—
Intercontinental Resources HK Co., Ltd.	80,548,158	5.44	Within 1 year	—
Kyrgyzaltyn OJSC	77,339,337	5.22	Within 1 year	—
Baiyin Nonferrous Group Co., Ltd.	47,031,110	3.18	Within 1 year	—
	808,089,548	54.59		—

Notes to Financial Statements *(continued)*

For the period ended 30 June 2018

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

4. PREPAYMENTS

Ageing analysis of the prepayments is as follow:

	30 June 2018		31 December 2017	
	Carrying amount	Proportion (%)	Carrying amount	Proportion (%)
Within 1 year	1,809,260,901	89.65	1,270,022,437	93.94
Over 1 year but within 2 years	139,156,315	6.90	50,917,324	3.77
Over 2 years but within 3 years	48,041,954	2.38	8,029,119	0.59
Over 3 years	21,713,105	1.07	22,924,743	1.70
	2,018,172,275	100	1,351,893,623	100
Less: Bad debt provision for prepayments	7,652,470		7,752,470	
	2,010,519,805		1,344,141,153	

As at 30 June 2018, there were no prepayments with significant balances aged over one year (31 December 2017: Nil).

As at 30 June 2018, the movements of bad debt provision for prepayments are as follows:

	At 1 January 2018	Additions	Reversal	Write-off	At 30 June 2018
30 June 2018	7,752,470	—	—	(100,000)	7,652,470

The five entities with the largest balances of prepayments at 30 June 2018 are as follows:

Name of entity	Amount	Proportion of prepayments (%)
MMC Metallica Commodities Corp.	138,246,840	6.85
Longyan Custom of the PRC	132,819,594	6.58
Louis Dreyfus Commodities Metals Trading Co., Ltd.	92,252,974	4.57
MRI Trading AG	86,742,577	4.30
Oyu Tolgoi LLC	67,382,552	3.34
Total	517,444,537	25.64

Notes to Financial Statements (continued)

For the period ended 30 June 2018

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. OTHER RECEIVABLES

Ageing analysis of the other receivables is as follow:

	30 June 2018	31 December 2017
Within 1 year	708,787,104	731,848,471
Over 1 year but within 2 years	345,229,219	337,545,670
Over 2 years but within 3 years	57,398,434	66,279,750
Over 3 years	194,935,840	202,660,871
	1,306,350,597	1,338,334,762
Less: Bad debt provision for other receivables	232,103,852	185,331,805
	1,074,246,745	1,153,002,957

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

	At 1 January 2018	Additions	Reductions		At 30 June 2018
			Reversal	Write-off	
30 June 2018	185,331,805	54,772,047	—	8,000,000	232,103,852

	30 June 2018					31 December 2017				
	Carrying amount		Bad debt provision		Net book value	Carrying amount		Bad debt provision		Net book value
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Individually significant and for which bad debt provision has been provided individually	1,030,072,645	78.85	211,899,335	20.57	818,173,310	872,530,314	65.20	167,432,416	19.19	705,097,898
Individually not significant but for which bad debt provision has been provided individually	276,277,952	21.15	20,204,517	7.31	256,073,435	465,804,448	34.80	17,899,389	3.84	447,905,059
	1,306,350,597	100	232,103,852	17.77	1,074,246,745	1,338,334,762	100	185,331,805	13.85	1,153,002,957

Notes to Financial Statements *(continued)*

For the period ended 30 June 2018

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*(English translation is for reference only. If there is any discrepancy, Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*5. OTHER RECEIVABLES *(continued)*

As at 30 June 2018, other receivables, which were individually significant and for which bad debt provision had been made individually, were as follows:

	Carrying amount	Bad debt provision	Proportion (%)	Reason for making bad debt provision
Xiamen Zijin Tongguan Investment Development Company Limited	218,612,627	140,992,416	64.49	No progress for the project in which the borrowing is used
Shangguan Jiandong	16,440,000	16,440,000	100.00	Long overdue and it is expected that the amount cannot be recovered
Xinjiang Hongze Mining Company Limited	45,000,000	45,000,000	100.00	Long overdue and it is expected that the amount cannot be recovered
Chongli Dongping Gold Mining Company Limited	9,479,596	9,466,919	99.87	Borrower is incapable to operate
	289,532,223	211,899,335		

Category of other receivables by nature is as follow:

	30 June 2018	31 December 2017
Advanced material costs	96,674,670	104,752,162
Due from non-controlling shareholders	78,083,531	78,742,023
Staff advances and reserve funds	28,687,998	27,654,972
Due from third parties	258,320,351	201,068,368
Receivables from associates and joint ventures	329,891,915	333,512,171
Securities and deposits	100,828,152	96,132,599
Interest receivables	10,030,375	9,331,013
Receivables from disposal of assets	128,502,551	170,748,082
Deferred expenses	120,714,809	121,979,276
Receivables from settlement of futures	36,138,092	40,146,809
Others	118,478,153	154,267,287
	1,306,350,597	1,338,334,762
Less: Bad debt provision for other receivables	232,103,852	185,331,805
	1,074,246,745	1,153,002,957

Notes to Financial Statements *(continued)*

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

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

5. OTHER RECEIVABLES *(continued)*

The five entities with the largest balances of other receivables at 30 June 2018 are as follows:

Name of entity	Closing balance of other receivables	Proportion of other receivables (%)	Nature	Ageing	Closing balance of bad debt provision
Zijin Tongguan (Note 1)	218,612,627	16.73	Due from associates and joint ventures	Within 1 year, over 1 year but within 2 years, over 2 years but within 3 years and over 3 years	140,992,416
Putian City Chenshibi Jewellery Company Limited (Note 2)	202,429,084	15.50	Due from third parties	Within 1 year	—
Xiamen Jinrui Commercial Factoring Company Limited (Note 3)	133,101,500	10.19	Due from third parties	Within 1 year	—
Shanghang County Zijin Hengxing Jewellery Company Limited (Note 4)	68,252,500	5.22	Due from third parties	Within 1 year	—
Xinjiang Jinneng Mining Co., Ltd. (Note 5)	50,449,822	3.86	Due from third parties	Within 1 year	—
	672,845,533	51.50			140,992,416

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

Note 2: The balance was gold leasing receivable due from Putian City Chenshibi Jewellery Company Limited of Zijin Mining Group Gold and Jewellery Company Limited, a subsidiary of the Company, amounting to RMB202,429,084 in aggregate.

Note 3: The amount mainly included: 1. Investment under cooperation between Zijin Mining Group Capital Investment Company Limited, a subsidiary of the Company, and Xiamen Jinrui Commercial Factoring Company Limited amounting to RMB126,000,000 in aggregate; 2. guaranteed loan provided from Zijin Jinhang (Shenzhen) E-Commerce Company Limited, a subsidiary of the Company, to Xiamen Jinrui Commercial Factoring Company Limited and the interest amounting to RMB7,101,500 in aggregate.

Note 4: The balance was gold leasing receivable due from Shanghang County Zijin Hengxing Jewellery Company Limited of Zijin Mining Group Gold Refinery Co., Ltd., a subsidiary of the Company, amounting to RMB68,252,500 in aggregate.

Note 5: The balance mainly included: 1. loan to Xinjiang Jinneng Mining Co., Ltd. amounting to RMB5,428,114 in aggregate; and 2. the principal and interest receivable of the loan to, and payments in advance on behalf of Xinjiang Jinneng Mining Co., Ltd. by Zijin Mining Group Northwest Company Limited amounting to RMB45,021,708 in aggregate.

Notes to Financial Statements (continued)

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. INVENTORIES

	30 June 2018			31 December 2017		
	Carrying amount	Inventory provision	Net book value	Carrying amount	Inventory provision	Net book value
Raw materials	3,792,525,629	(65,881,872)	3,726,643,757	3,495,840,459	(83,672,404)	3,412,168,055
Work in progress	5,518,949,413	(26,217,220)	5,492,732,193	5,094,591,026	(25,289,064)	5,069,301,962
Finished goods	923,556,413	(24,671,611)	898,884,802	957,000,128	(21,879,806)	935,120,322
Properties under development	1,695,331,054	—	1,695,331,054	1,670,455,800	—	1,670,455,800
Reusable materials	2,331,830	—	2,331,830	2,788,816	—	2,788,816
	11,932,694,339	(116,770,703)	11,815,923,636	11,220,676,229	(130,841,274)	11,089,834,955

The movements of inventory provision are as follows:

	At 1 January 2018	Additions	Reductions	At 30 June 2018
30 June 2018			Reversal or write-off	
Raw materials	83,672,404	9,575,959	(27,366,491)	65,881,872
Work in progress	25,289,064	928,156	—	26,217,220
Finished goods	21,879,806	7,679,299	(4,887,494)	24,671,611
Total	130,841,274	18,183,414	(32,253,985)	116,770,703

	Determination basis of net realisable value	Basis of making provision for inventories	Reasons for reversal of inventory provision in the period
30 June 2018			
Raw materials	Market price of raw materials/market price of relevant finished goods	Defectiveness and obsolescence/decrease in market price of relevant finished goods	Increase in market price of relevant finished goods
Work in progress	Market price of relevant finished goods	Decrease in market price of relevant finished goods	Increase in market price of relevant finished goods
Finished goods	Market price/contract price	Decrease in market price	Increase in market price

As at 30 June 2018, the carrying amount of inventories with restricted ownership amounted to RMB10,034,000 (31 December 2017: RMB10,034,000). Details are disclosed in Note V.59.

For January to June 2018, there was no increase in capitalised interest expenses (31 December 2017: RMB5,451,275).

As at 30 June 2018, capitalised interest expenses of inventories amounted to RMB67,858,304 (31 December 2017: RMB67,858,304).

Notes to Financial Statements (continued)

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. CURRENT PORTION OF NON-CURRENT ASSETS

	30 June 2018	31 December 2017
Current portion of long-term receivables	49,997,508	257,775,683

8. OTHER CURRENT ASSETS

	30 June 2018	31 December 2017
Deposit for futures contracts	100,922,224	163,267,223
Deposit for gold transactions	77,325,850	164,177,385
Liquid cash for futures contracts	200,303,161	89,643,176
Input VAT to be credited	96,056,147	26,047,366
Input VAT to be verified	105,555,530	10,502,126
VAT recoverable	313,194,285	393,807,689
Taxes prepayment	254,921,311	335,794,708
Wealth management products	470,550,000	2,321,454,667
Others	22,358,288	23,327,063
	1,641,186,796	3,528,021,403

9. AVAILABLE-FOR-SALE INVESTMENTS

	Carrying amount	31 December 2017 Impairment provision	Net book value
Available-for-sale equity instruments			
Measured at fair value	218,648,868	—	218,648,868
Measured at cost	619,756,866	(60,204,548)	559,552,318
	838,405,734	(60,204,548)	778,201,186

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

	31 December 2017
Cost of equity instruments	108,574,413
Fair value	218,648,868
Accumulated changes in fair value recognised in other comprehensive income	110,074,455

Notes to Financial Statements *(continued)*

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

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

10. OTHER EQUITY INSTRUMENT INVESTMENTS

Equity instrument investments not held for trading at fair value through other comprehensive income

	30 June 2018
Equity instrument investments not held for trading	1,975,106,768
<i>Including: Accumulated changes in fair value recognised in other comprehensive income</i>	<i>(530,631,520)</i>

Note: On 1 January 2018, the Group adopted the New Financial Instruments Standards. Investments in equity instruments which were subject to less than significant influence and originally classified as available-for-sale investments, and certain investments in equity instruments originally classified as financial assets at fair value through profit or loss, were reclassified as financial assets at fair value through other comprehensive income.

11. LONG-TERM EQUITY INVESTMENTS

	30 June 2018			31 December 2017		
	Carrying amount	Impairment provision	Net book value	Carrying amount	Impairment provision	Net book value
Investments in joint ventures	3,439,643,523	(12,350,855)	3,427,292,668	3,533,848,819	(12,350,855)	3,521,497,964
Investments in associates	3,761,924,488	(162,757,584)	3,599,166,904	3,438,607,836	(162,757,584)	3,275,850,252
Total	7,201,568,011	(175,108,439)	7,026,459,572	6,972,456,655	(175,108,439)	6,797,348,216

Notes to Financial Statements (continued)

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. LONG-TERM EQUITY INVESTMENTS (continued)

30 June 2018 (continued)

	At 1 January 2018	Movements during the period						Provision for impairment losses at 30 June 2018
		Additions	Reductions	Investment income/(losses) under the equity method	Other comprehensive income	Other changes in equity	Cash dividends declared	
Associates								
Longyan Makeng	886,068,902	—	—	9,477,955	—	—	—	895,546,857
Xinjiang Tianlong	374,202,269	—	—	(16,249,034)	—	—	—	357,953,235
Zijin Tongguan	335,697,308	164,700,000	—	(34,618,447)	—	—	—	465,778,861
Wengfu Zijin	286,101,282	—	—	11,817,800	—	—	—	297,919,082
Haixia Technology	208,243,797	—	—	8,056,221	—	—	—	216,300,018
Wancheng Commercial	199,855,351	—	—	55,148,091	—	(66,500,000)	—	188,503,442
Xiamen Modern Terminals	133,006,948	—	—	2,576,849	—	(5,000,000)	—	130,583,797
Tibet Yulong	219,274,376	170,500,000	—	44,297,844	—	—	—	434,072,220
Shanghai Xinyuan	114,047,122	—	—	(2,607,527)	—	—	—	111,439,595
Yanbian Credit Security	74,337,276	—	—	(546,329)	—	—	—	73,790,947
Kanas Travel	68,094,151	—	—	(42,18,000)	—	(2,700,000)	—	61,76,151
Ting River Hydropower	66,131,155	—	—	(4,424,556)	—	(2,450,000)	—	59,256,599
Songpan Zijin	39,249,785	—	—	—	—	—	—	39,249,785
Wuping Zijin Hydropower	41,905,493	—	—	(3,013,306)	—	(4,118,200)	—	34,773,987
Hunchun Jindi	46,479,075	—	—	85,422	—	—	—	46,564,497
Longyan Zijin AVIC (Note 1)	—	—	—	—	—	—	—	—
Kuitun Yutong	970,729	—	—	156,771	—	—	—	1,127,500
Zesen (Xiamen)	6,763,119	—	—	3,099,045	—	—	—	9,862,164
Jinyue Huichuang	2,815,844	—	—	(75,091)	—	—	—	2,740,753
Changsha Science	172,606,270	—	—	(78,856)	—	—	—	172,527,414
Sub-total	3,275,850,252	335,200,000	—	68,884,852	—	(80,768,200)	—	3,599,166,904
Total	6,797,348,216	335,200,000	—	(25,320,444)	—	(80,768,200)	—	7,026,459,572

Note 1: The unrecognised loss for the previous periods, unrecognised loss for the current period and accumulated unrecognised loss as at the end of the current period of Longyan Zijin AVIC was RMB153,203,515, RMB4,890,641 and RMB158,094,156 respectively.

Notes to Financial Statements (continued)

For the period ended 30 June 2018

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. LONG-TERM EQUITY INVESTMENTS (continued)

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

30 June 2018	At 1 January 2018	Additions	Reductions	At 30 June 2018
Joint venture - Shandong Guoda	12,350,855	—	—	12,350,855
Associate - Zijin Tongguan	162,757,584	—	—	162,757,584
	175,108,439	—	—	175,108,439

12. INVESTMENT PROPERTIES

Buildings subsequently measured at cost:

	30 June 2018	31 December 2017
Cost		
At the beginning of the year	403,634,434	233,151,985
Transferred from construction in progress	—	170,482,449
Other reductions	(1,431,179)	—
At the end of the period	402,203,255	403,634,434
Accumulated depreciation		
At the beginning of the year	53,093,965	39,860,882
Depreciation for the period	7,718,780	13,233,083
Disposals	—	—
At the end of the period	60,812,745	53,093,965
Impairment provision		
At the beginning of the year and end of the period	—	—
Net book value		
At the end of the period	341,390,510	350,540,469
At the beginning of the year	350,540,469	193,291,103

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

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

As at 30 June 2018, there were no investment properties of which the certificates of title have not been obtained (31 December 2017: Nil).

Notes to Financial Statements (continued)

For the period ended 30 June 2018

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. Fixed assets

30 June 2018

	Buildings	Mining assets	Power generation and transmission equipment	Plant, machinery and equipment	Motor vehicles	Furniture and fixtures and others	Total
Cost							
At 1 January 2018	7,916,900,836	23,680,005,875	1,582,387,075	13,113,760,342	1,192,672,372	440,179,545	47,925,906,045
Purchase additions	33,073,456	112,751,412	3,112,304	49,753,137	673,358	19,420,365	218,784,032
Transferred from construction in progress	61,599,431	210,719,474	24,910,699	68,256,881	—	647,871	366,134,356
Disposals or write-off	(23,140,218)	(168,351,619)	(1,484,954)	(35,999,706)	(3,032,902)	(1,120,161)	(233,129,560)
Exchange realignments	6,601,438	167,287,659	2,927,811	28,090,402	17,400,264	598,948	222,906,522
At 30 June 2018	7,995,034,943	24,002,412,801	1,611,852,935	13,223,861,056	1,207,713,092	459,726,568	48,500,601,395
Accumulated depreciation							
At 1 January 2018	2,110,209,091	6,189,208,252	658,222,480	5,967,479,444	808,132,847	279,250,660	16,012,502,774
Depreciation for the period	185,487,293	797,771,618	58,487,976	471,762,667	40,876,087	19,684,587	1,574,070,228
Disposals or write-off	(12,742,585)	(50,334,961)	(907,129)	(34,517,341)	(6,867,583)	(2,713,480)	(108,083,079)
Exchange realignments	1,758,488	30,676,725	2,306,362	13,783,977	18,236,404	1,950,736	68,712,692
At 30 June 2018	2,284,712,287	6,967,321,634	718,109,689	6,418,508,747	860,377,755	298,172,503	17,547,202,615
Impairment provision							
At 1 January 2018	251,897,750	1,369,404,061	11,891,434	143,898,331	104,641	7,451	1,777,203,668
Impairment for the period	38,465,763	148,014,147	83,546	440,208	14,061	58,955	187,076,680
Disposals or write-off	(67,289)	—	(578,273)	(203,934)	—	—	(849,496)
Exchange realignments	—	—	—	—	—	—	—
At 30 June 2018	290,296,224	1,517,418,208	11,396,707	144,134,605	118,702	66,406	1,963,430,852
Net book value							
At 30 June 2018	5,420,026,432	15,517,672,959	882,346,539	6,661,217,704	347,216,635	161,487,659	28,989,967,928
At 1 January 2018	5,554,793,995	16,121,393,561	912,273,162	7,002,382,568	384,434,884	160,921,433	30,136,199,603

Notes to Financial Statements (continued)

For the period ended 30 June 2018

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. Fixed assets (continued)

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

	30 June 2018		31 December 2017	
	Cost	Net book value	Cost	Net book value
Buildings	80,712,421	1,337,811	78,662,427	1,124,846
Mining assets	839,582,890	5,831,994	833,782,890	5,810,914
Power generation and transmission equipment	111,614,984	4,679,350	110,314,984	4,678,675
Plant, machinery and equipment	859,903,348	31,484,087	858,348,201	31,302,085
Motor vehicles	171,154,168	6,377,485	170,509,724	6,214,349
Furniture and fixtures and others	158,502,634	6,515,404	154,542,181	5,837,315
	2,221,470,445	56,226,131	2,206,160,407	54,968,184

Fixed assets that are temporarily idle are as follows:

30 June 2018

	Cost	Accumulated depreciation	Impairment provision	Net book value
Buildings	330,472,104	(126,821,744)	(8,514,458)	195,135,902
Mining assets	1,588,217,645	(428,211,398)	(343,927,781)	816,078,466
Plant, machinery and equipment	297,635,653	(208,893,843)	(11,312,532)	77,429,278
Motor vehicles	33,769,860	(30,552,636)	(78,571)	3,138,653
Power generation and transmission equipment	42,685,946	(31,220,676)	(913,720)	10,551,550
Furniture and fixtures and others	9,632,950	(8,544,351)	(60,428)	1,028,171
	2,302,414,158	(834,244,648)	(364,807,490)	1,103,362,020

31 December 2017

	Cost	Accumulated depreciation	Impairment provision	Net book value
Buildings	327,552,189	(108,751,745)	(7,529,546)	211,270,898
Mining assets	1,470,360,612	(344,298,087)	(335,705,679)	790,356,846
Plant, machinery and equipment	242,179,953	(159,765,510)	(4,931,450)	77,482,993
Motor vehicles	11,661,640	(9,178,927)	(9,083)	2,473,630
Power generation and transmission equipment	34,394,562	(22,146,017)	(746,453)	11,502,092
Furniture and fixtures and others	12,883,807	(11,589,272)	(1,472)	1,293,063
	2,099,032,763	(655,729,558)	(348,923,683)	1,094,379,522

Notes to Financial Statements (continued)

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. Fixed assets (continued)

Fixed assets leased under finance leases are as follows:

30 June 2018

	Cost	Accumulated depreciation	Impairment provision	Net book value
Plant, machinery and equipment	11,714,660	(6,656,520)	—	5,058,140
	11,714,660	(6,656,520)	—	5,058,140

31 December 2017

	Cost	Accumulated depreciation	Impairment provision	Net book value
Plant, machinery and equipment	398,560	(332,135)	—	66,425
Motor vehicles	12,245,457	(5,102,274)	—	7,143,183
	12,644,017	(5,434,409)	—	7,209,608

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

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

Item	30 June 2018 Net book value	31 December 2017 Net book value	Reasons why certificates of title have not been obtained
Buildings	1,010,781,897	1,038,395,347	In the process of applying/the projects were unsettled
Mining assets	207,009,983	239,532,999	In the process of applying/the projects were unsettled
	1,217,791,880	1,277,928,346	

As at 30 June 2018, the carrying amount of plant, machinery and equipment with restricted ownership amounted to RMB4,799,082 (31 December 2017: RMB4,861,782). Details are disclosed in Note V.59.

14. CONSTRUCTION IN PROGRESS

	30 June 2018			31 December 2017		
	Carrying amount	Impairment provision	Net book value	Carrying amount	Impairment provision	Net book value
Construction in progress	4,324,103,841	(619,094,640)	3,705,009,201	3,741,391,539	(619,094,640)	3,122,296,899
Construction materials	260,437,619	(4,193,103)	256,244,516	178,464,648	(4,193,103)	174,271,545
	4,584,541,460	(623,287,743)	3,961,253,717	3,919,856,187	(623,287,743)	3,296,568,444

Notes to Financial Statements (continued)

For the period ended 30 June 2018

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. CONSTRUCTION IN PROGRESS (continued)

The movements of important construction in progress in the first half of 2018 are as follows:

	Budget	At 1 January 2018	Additions	Transferred to fixed assets	Other reductions	At 30 June 2018	Contribution in budget	Progress of projects	Accumulated balance of capitalised borrowing costs as at 30 June 2018	Including: capitalised interest for the period	Interest rate of capitalisation (%)	Source of funds
Heilongjiang Duobaoshan infrastructure project	452,186,895	179,777,565	115,914,573	(15,255,060)	—	280,437,078	65%	73%	10,030,875	7,375,427	3.2-4.9	Equity fund/ Loan
Heilongjiang Tongshan Mining infrastructure project	348,504,546	118,660,106	1,044,468	—	—	119,704,574	54%	54%	—	—	N/A	Equity fund/ Equity fund/ Loan
Guizhou Zijin infrastructure project	430,905,020	316,620,866	44,887,533	—	—	361,508,399	84%	84%	22,182,757	—	3.2-3.75	Equity fund/ Loan
Guizhou Xinhengji infrastructure project	350,000,000	368,580,233	9,259,351	—	—	377,839,584	108%	96%	118,128,020	7,715,593	5.50	Equity fund/ Loan
Ankang Jinfeng infrastructure project	370,000,000	260,795,415	8,282,025	—	—	269,077,440	73%	90%	68,617,568	6,174,302	3.90	Equity fund/ Loan
Ashele infrastructure project	237,786,400	114,895,347	34,009,885	—	—	148,905,232	63%	68%	2,505,652	—	4.75	Equity fund/ Loan
Musonoie infrastructure project	1,365,795,793	1,166,034	55,029,833	—	—	56,195,867	44%	45%	35,623	—	4.42	Equity fund/ Proceeds raised
Heilongjiang Zijin Copper infrastructure project	1,735,496,359	406,227,834	239,577,666	—	—	645,805,500	37%	32%	5,963,815	4,967,635	4.75	Equity fund/ Loan
Jinhao Iron infrastructure project	119,771,938	719,365,663	—	(19,260,201)	(20,855,767)	679,249,695	100%	95%	—	—	N/A	Equity fund
Zijinshan gold and copper mine infrastructure project	535,162,124	205,217,505	105,469,647	(124,842,007)	(2,677,566)	183,167,579	55%	43%	—	—	N/A	Equity fund/ Equity fund/ Loan
Altynken infrastructure project	138,181,838	83,591,867	26,563,273	—	(449,786)	109,705,354	94%	90%	9,438,298	2,538,259	6.00	Equity fund/ Loan
Yilian Gold Mine infrastructure project	154,971,666	120,903,076	24,502,373	—	—	145,405,449	94%	94%	7,462,158	2,206,771	4.75	Equity fund/ Loan
Others	4,887,154,133	845,590,028	309,089,150	(206,777,088)	(800,000)	947,102,090			8,265,695	493,849	N/A	Equity fund/ Loan
Subtotal	11,125,916,712	3,741,391,539	973,629,777	(366,134,356)	(24,783,119)	4,324,103,841			252,630,461	31,471,836		
Impairment provision for construction in progress		(619,094,640)				(619,094,640)						
Total		3,122,296,899				3,705,009,201						

Notes to Financial Statements *(continued)*

For the period ended 30 June 2018

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

Movements in impairment provision for construction in progress:

30 June 2018	At 1 January 2018	Additions	Reductions	At 30 June 2018	Reasons for making provision
Ankang Jinfeng infrastructure project	53,637,599	—	—	53,637,599	Expected recoverable amount less than carrying amount
Malipo Jinwei infrastructure project	973,411	—	—	973,411	Expected recoverable amount less than carrying amount
Jinhao Iron infrastructure project	559,477,756	—	—	559,477,756	Expected recoverable amount less than carrying amount
Luoyang Kunyu infrastructure project	5,005,874	—	—	5,005,874	No expected usable value in the future
	619,094,640	—	—	619,094,640	

Notes to Financial Statements *(continued)*

For the period ended 30 June 2018

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

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

15. INTANGIBLE ASSETS

30 June 2018

	Exploration and mining rights	Land use rights	Membership of Shanghai Gold Exchange and others	Total
Cost				
At 1 January 2018	11,484,473,219	2,173,772,699	172,867,271	13,831,113,189
Purchase additions	131,878,291	142,826,599	632,953	275,337,843
Disposals or write-off	—	(4,552,477)	—	(4,552,477)
Other reductions	—	—	—	—
At 30 June 2018	11,616,351,510	2,312,046,821	173,500,224	14,101,898,555
Accumulated amortisation				
At 1 January 2018	2,931,241,991	404,777,394	32,291,124	3,368,310,509
Amortisation for the period	317,422,345	37,596,615	5,245,894	360,264,854
Disposals or write-off	—	(352,520)	—	(352,520)
Other reductions	—	—	—	—
At 30 June 2018	3,248,664,336	442,021,489	37,537,018	3,728,222,843
Impairment provision				
At 1 January 2018	484,106,346	—	75,170,307	559,276,653
Impairment for the period (Note 1)	17,509,119	—	—	17,509,119
Disposals or write-off	—	—	—	—
At 30 June 2018	501,615,465	—	75,170,307	576,785,772
Net book value				
At 30 June 2018	7,866,071,709	1,870,025,332	60,792,899	9,796,889,940
At 1 January 2018	8,069,124,882	1,768,995,305	65,405,840	9,903,526,027

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For the period ended 30 June 2018

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

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

15. INTANGIBLE ASSETS *(continued)*

Note 1: As at 30 June 2018, ownerships of intangible assets with carrying amount of RMB87,643,684 were restricted (31 December 2017: RMB89,480,224). Details are disclosed in Note V.59.

Land use rights of which certificates of title have not been obtained as at 30 June 2018 are as follows:

	Net book value on 30 June 2018	Reason why certificates of title have not been obtained
Land use rights of Duobaoshan (storage of explosives, management and living areas)	552,337,524	In the process of applying
140 hectares of land use rights of Duobaoshan (Orebody no. three, mining area, dump, tailings pool)	189,271,500	In the process of applying
Land use rights of Duobaoshan's employee apartment building	2,292,042	In the process of applying
Land use rights of Duobaoshan (phase II construction land)	13,747,959	In the process of applying
Land use rights of Ashele's new tailing pool	116,563,041	In the process of applying
Land use rights of Ashele's 1,200 tonnes of copper selection from zinc tailings	1,545,782	In the process of applying
Land use rights of Wulatehouqi	74,330,472	In the process of applying
Land beside the Zijin Avenue	13,271,382	In the process of applying

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

Notes to Financial Statements (continued)

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. GOODWILL

30 June 2018

	At 1 January 2018	Additions Business combination not involving enterprises under common control	Reductions Disposal	At 30 June 2018
Xinjiang Ashele	12,906,890	—	—	12,906,890
Qinghai West	455,874	—	—	455,874
Hunchun Zijin	71,099,520	—	—	71,099,520
Yunnan Huaxi	33,161,050	—	—	33,161,050
Xiamen Zijin Investment	1,241,101	—	—	1,241,101
Shanxi Zijin	2,503,610	—	—	2,503,610
Xinyi Zijin	44,319,632	—	—	44,319,632
Norton Gold Fields	157,778,981	—	—	157,778,981
Wulatehouqi Zijin	119,097,944	—	—	119,097,944
Bayannaer Zijin	14,531,538	—	—	14,531,538
Zijin Copper	4,340,000	—	—	4,340,000
Sino Trend Hydropower	79,642,197	—	—	79,642,197
	541,078,337	—	—	541,078,337

The movements of impairment provision for goodwill are as follows:

30 June 2018

	At 1 January 2018	Additions Provision	Reductions Disposal	At 30 June 2018
Xinyi Zijin	44,319,632	—	—	44,319,632
Yunnan Huaxi	33,161,050	—	—	33,161,050
	77,480,682	—	—	77,480,682

Notes to Financial Statements *(continued)*

For the period ended 30 June 2018

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

17. LONG-TERM DEFERRED ASSETS

30 June 2018

	At 1 January 2018	Additions	Amortisation	Other reductions	At 30 June 2018
Land compensation costs (Note 1)	193,695,011	12,197,893	(15,733,429)	—	190,159,475
Mining shaft development expenditure	219,114,624	5,408,798	(25,965,823)	—	198,557,599
Amortisation costs of bipolar plates	211,787,834	6,902,639	(11,244,988)	—	207,445,485
Forest compensation expenditure	116,329,287	5,155,262	(7,426,134)	(537,026)	113,521,389
Others (Note 2)	373,831,888	149,711,165	(113,880,770)	(17,388,050)	392,274,233
	1,114,758,644	179,375,757	(174,251,144)	(17,925,076)	1,101,958,181

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

Note 2: As at 30 June 2018, other long-term deferred assets mainly included highway tolls of RMB28,694,838 (31 December 2017: RMB31,599,619); resource integration fees of RMB8,404,063 (31 December 2017: RMB10,956,568); reconstruction costs of power supply lines of RMB17,847,931 (31 December 2017: RMB18,836,289); exploration expenditures of RMB71,402,651 (31 December 2017: RMB84,373,778); mine use fees of RMB29,030,061 (31 December 2017: RMB38,706,747); fixed assets improvement expenditures of RMB47,442,151 (31 December 2017: RMB48,294,025), etc. Other long-term deferred assets are amortised in accordance with their useful lives.

Notes to Financial Statements *(continued)*

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

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

18. DEFERRED TAX ASSETS/LIABILITIES

Deferred tax assets and deferred tax liabilities before offsetting:

	30 June 2018		31 December 2017	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Deferred tax assets				
Provision for impairment of assets	677,634,501	169,408,626	631,941,965	157,985,491
Elimination of unrealised profit arising from intra-group transactions	702,487,048	175,621,762	839,405,864	209,851,466
Deductible losses (Note 1)	615,137,693	160,922,937	818,974,810	214,334,819
Differences in depreciation policies	328,996,602	82,249,150	281,142,849	70,285,712
Changes in the fair value of available-for-sale investments	—	—	312,069	78,017
Changes in fair value of financial liabilities at fair value through profit or loss	24,814,761	6,203,690	68,630,135	17,157,534
Expenses accrued but not yet paid and others	586,041,180	146,510,295	579,898,627	170,415,587
	2,935,111,785	740,916,460	3,220,306,319	840,108,626

Note 1: As at 30 June 2018, deferred tax assets generated from the above deductible temporary differences were recognised to the extent that it was probable that taxable profits would be available against which the deductible temporary differences can be utilised.

	30 June 2018		31 December 2017	
	Deductible temporary differences	Deferred tax liabilities	Deductible temporary differences	Deferred tax liabilities
Deferred tax liabilities				
Fair value adjustments arising from business combination not involving enterprises under common control	1,167,738,727	285,818,471	1,303,627,617	325,906,904
Changes in fair value of other equity instrument investments	117,313,207	28,240,880	—	—
Changes in fair value of financial assets at fair value through profit or loss	115,342,399	29,923,022	81,991,028	20,497,757
Differences in amortisation policies for stripping costs	896,697,563	269,009,268	983,298,978	278,120,064
	2,297,091,896	612,991,641	2,368,917,623	624,524,725

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*18. DEFERRED TAX ASSETS/LIABILITIES *(continued)*

Deferred tax assets not recognised are as follows:

	30 June 2018	31 December 2017
Deductible temporary differences	2,573,924,410	2,103,977,566
Deductible tax losses	5,337,680,708	5,345,265,473
	7,911,605,118	7,449,243,039

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

	30 June 2018	31 December 2017
2018	373,639,455	413,801,694
2019	726,789,047	1,381,230,971
2020	1,030,519,846	1,054,605,333
2021	950,896,477	973,362,655
2022	1,510,925,982	1,522,264,820
2023 and the following years	744,909,901	—
	5,337,680,708	5,345,265,473

19. OTHER NON-CURRENT ASSETS

	30 June 2018	31 December 2017
Exploration and development costs	2,226,091,304	2,263,203,962
Prepaid investment costs	179,747,100	133,200,000
Prepayment for purchase of Longhu integrated development rights	117,423,299	117,423,299
Long-term receivables	3,860,995,286	3,329,860,975
Prepayments for fixed assets and constructions	289,306,310	181,689,978
Deposit for mine restoration and improvement of ecological environment in mines	155,860,466	163,120,512
Prepayments for land use rights	126,724,377	126,724,377
Prepayments for exploration and mining rights	23,064,274	23,064,274
Inventories expected not to be processed within one year	375,652,847	419,665,260
Wealth management products over one year	—	189,528,156
Others	51,468,980	11,923,296
	7,406,334,243	6,959,404,089

As at 30 June 2018, ownerships of other non-current assets with carrying amount of RMB155,860,466 were restricted (31 December 2017: RMB163,120,512). Details are disclosed in Note V.59.

Notes to Financial Statements (continued)

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

20. PROVISION FOR IMPAIRMENT OF ASSETS

30 June 2018

	At		Reductions		At
	1 January 2018	Additions	Reversals	Write-off	30 June 2018
Bad debt provision	204,280,797	54,809,952	—	(11,091,587)	247,999,162
<i>Including: Bills receivable and trade receivables</i>	<i>11,196,522</i>	<i>37,905</i>	<i>—</i>	<i>(2,991,587)</i>	<i>8,242,840</i>
<i>Other receivables</i>	<i>185,331,805</i>	<i>54,772,047</i>	<i>—</i>	<i>(8,000,000)</i>	<i>232,103,852</i>
<i>Prepayments</i>	<i>7,752,470</i>	<i>—</i>	<i>—</i>	<i>(100,000)</i>	<i>7,652,470</i>
Inventory provision	130,841,274	18,183,414	(1,480,184)	(30,773,801)	116,770,703
Impairment provision for long-term equity investments	175,108,439	—	—	—	175,108,439
Impairment provision for fixed assets	1,777,203,668	187,076,680	—	(849,496)	1,963,430,852
Impairment provision for construction in progress	623,287,743	—	—	—	623,287,743
Impairment provision for intangible assets	559,276,653	17,509,119	—	—	576,785,772
Impairment provision for goodwill	77,480,682	—	—	—	77,480,682
Impairment provision for other current assets	5,527,310	—	—	—	5,527,310
Impairment provision for other non-current assets	333,663,617	42,389,163	—	—	376,052,780
	3,886,670,183	319,968,328	(1,480,184)	(42,714,884)	4,162,443,443

21. SHORT-TERM BORROWINGS

	30 June 2018	31 December 2017
Unsecured and non-guaranteed loans	4,353,533,755	2,580,325,787
Secured loans with securities under the lenders' custody (Note 1)	—	267,695,000
Gold leasing (Note 2)	8,030,831,224	6,863,852,224
Bills receivable discounted	169,000,000	144,000,000
	12,553,364,979	9,855,873,011

As at 30 June 2018 and 31 December 2017, the Group had no secured bank loans.

As at 30 June 2018, the interest rates of the above borrowings ranged from 1.20% to 4.35% per annum (31 December 2017: 0.55% to 4.80% per annum).

As at 30 June 2018 and 31 December 2017, there were no short-term borrowings of the Group that were overdue but not yet repaid.

Notes to Financial Statements *(continued)*

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

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

21. SHORT-TERM BORROWINGS *(continued)*

Note 1: As at 30 June 2018, the Group had no secured loan. As at 31 December 2017, bills receivable with carrying amount of RMB280,000,000 of Zijin Mining Group (Xiamen) Metal Materials Company Limited, a subsidiary of the Group, were pledged as collaterals against a bank borrowing of RMB267,695,000 from China Construction Bank. The abovementioned bank borrowing was repaid as at the end of the reporting period.

Note 2: The Group financed through entering into gold leasing agreements with banks to lease gold from banks and subsequently sold the gold through the Shanghai Gold Exchange. On maturity of the lease, the Group would return the gold to gold leasing banks with the same quantity and specification purchased through the Shanghai Gold Exchange. The maturity period of gold leasing was within one year (one year inclusive). During the gold leasing period, the Group entered into a forward contract with the same bank for gold with the same quantity, specification and maturity date. According to the forward contract, on maturity of the lease, the Group would purchase gold with the same quantity and specification at an agreed price in RMB from that bank to return the leased gold.

The Group considered that under such gold leasing business model, the bank entirely bore the risk of gold price fluctuation during the gold leasing period. The Group only bore the agreed gold leasing fee and related handling fee. Therefore, the Group included the leased gold in short-term borrowings.

22. FINANCIAL LIABILITIES HELD FOR TRADING AT FAIR VALUE THROUGH PROFIT OR LOSS/FINANCIAL LIABILITIES HELD FOR TRADING

Financial liabilities held for trading at fair value through profit or loss

	31 December 2017
Financial liabilities held for trading	
Gold leasing	2,231,963,403
Derivative financial liabilities - commodity hedging	73,320,776
Derivative financial liabilities - foreign currency derivatives	8,960,758
	2,314,244,937

Financial liabilities held for trading

	30 June 2018
Financial liabilities held for trading at fair value through profit or loss	
Gold leasing (Note 1)	1,285,578,948
Derivative financial liabilities - commodity hedging (Note 2)	12,672,840
Derivative financial liabilities - foreign currency derivatives (Note 3)	15,162,490
	1,313,414,278

Notes to Financial Statements *(continued)*

For the period ended 30 June 2018

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

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

22. FINANCIAL LIABILITIES HELD FOR TRADING AT FAIR VALUE THROUGH PROFIT OR LOSS/FINANCIAL LIABILITIES HELD FOR TRADING *(continued)*

Note 1: The Group financed through leasing gold from banks and subsequently sold the gold through the Shanghai Gold Exchange. On maturity of the lease, the Group would return the gold to gold leasing banks with the same quantity and specification purchased through the Shanghai Gold Exchange, and pay the agreed leasing fees. The maturity period of gold leasing was within one year (one year inclusive). Besides, for other gold leasing, the forward contracts that the Group entered into with the same bank for gold with the same quantity, specification and maturity date have been classified into short-term borrowings. Please refer to Note V.21. As at 30 June 2018, the cost of these financial liabilities was RMB1,240,760,154, and the gains from changes in fair value was RMB44,818,794.

Note 2: Derivative financial liabilities - commodity hedging are as follows:

	30 June 2018	31 December 2017
(1) Derivative financial liabilities without designated hedging relationship	12,672,840	73,320,776
<i>Including: Forward contracts</i>	—	46,303,526
<i>Futures contracts</i>	12,672,840	27,017,250
(2) Hedging instruments - Forward contracts	—	—
	12,672,840	73,320,776

Note 3: The Group has used the cross currency swap contracts to hedge the currency risk and interest rate risk. As at 30 June 2018, losses on changes in fair value arising from cross currency swap contracts were RMB15,162,490 (31 December 2017: losses on changes in fair value of RMB8,960,758).

23. BILLS PAYABLE AND TRADE PAYABLES

	30 June 2018	31 December 2017
Bills payable		
Bank acceptance bills	133,471,714	179,417,453
Trade payables	4,175,117,364	4,216,836,578
	4,308,589,078	4,396,254,031

As at 30 June 2018, there were no overdue bills payable (31 December 2017: Nil)

Notes to Financial Statements *(continued)*

For the period ended 30 June 2018

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*(English translation is for reference only. If there is any discrepancy, Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*23. BILLS PAYABLE AND TRADE PAYABLES *(continued)***Trade payables**

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

	30 June 2018	31 December 2017
Within 1 year	3,491,228,497	3,677,169,188
Over 1 year but within 2 years	381,536,872	307,247,625
Over 2 years but within 3 years	128,691,437	103,327,622
Over 3 years	173,660,558	129,092,143
	4,175,117,364	4,216,836,578

Trade payables are interest-free and are normally settled within one year.

As at 30 June 2018, the significant balances of trade payables aged more than one year are as follows:

	Balance	Reason for not being settled
Fujian Haixia Technology Company Limited	32,445,813	Construction payment not yet settled
BGRIMM Machinery & Automation Technology Co., Ltd.	19,650,000	Equipment purchase cost not yet settled
Fuzhou FuDa Automation Technologies Co., Ltd.	17,553,700	Equipment purchase cost not yet settled
Zhejiang Nanyuan Mining Company Limited Fanshi Mine Construction Branch	15,143,698	Construction payment not yet settled
Hunan Industrial Equipment Installation Co., Ltd.	12,579,512	Construction payment not yet settled
Sanguikou Project Department of Wenzhou Tongye Construction Work Co., Ltd.	12,379,264	Construction payment not yet settled
Xinjiang Tianhe Blasting Company Limited	11,407,788	Construction payment not yet settled
	121,159,775	

Notes to Financial Statements (continued)

For the period ended 30 June 2018

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

24. ADVANCES FROM CUSTOMERS

	30 June 2018	31 December 2017
Advances from sales of commodity housing	1,565,227,853	1,557,348,805
Advances from sales of goods	674,206,539	585,762,335
	2,239,434,392	2,143,111,140

As at 30 June 2018, there was no significant balance of advances from customers aged more than one year (31 December 2017: Nil).

As at 30 June 2018, there was no settled but uncompleted project arising from construction contracts (31 December 2017: Nil).

25. EMPLOYEE BENEFITS PAYABLE

30 June 2018

	At 1 January 2018	Additions	Reductions	At 30 June 2018
Short-term employee benefits	650,508,839	1,398,104,231	(1,604,128,205)	444,484,865
Post-employment benefit plan (defined contribution plan)	11,215,107	86,513,056	(92,881,030)	4,847,133
Termination benefit	40,884	8,312,433	(8,339,351)	13,966
Other employee benefits within one year	—	391,514	(391,514)	—
	661,764,830	1,493,321,234	(1,705,740,100)	449,345,964

Short-term employee benefits are as follows:

30 June 2018

	At 1 January 2018	Additions	Reductions	At 30 June 2018
Wages or salaries, bonuses, allowances and subsidies	462,314,877	1,154,370,483	(1,368,193,299)	248,492,061
Staff welfare	118,970,301	118,859,799	(117,736,722)	120,093,378
Social security contributions	50,912	40,281,285	(39,341,494)	990,703
<i>Including: Medical insurance</i>	—	30,095,834	(29,734,536)	361,298
<i>Work-related injury insurance</i>	—	7,737,283	(7,189,996)	547,287
<i>Maternity insurance</i>	50,912	2,448,168	(2,416,962)	82,118
Housing fund	2,086,532	45,590,735	(45,511,658)	2,165,609
Union running costs and employee education costs	59,251,668	23,609,832	(24,047,281)	58,814,219
Short-term compensated absence	—	8,812,273	(8,812,273)	—
Short-term profit-sharing plan	7,834,549	6,579,824	(485,478)	13,928,895
	650,508,839	1,398,104,231	(1,604,128,205)	444,484,865

Notes to Financial Statements (continued)

For the period ended 30 June 2018

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

25. EMPLOYEE BENEFITS PAYABLE (continued)

Defined contribution plan is as follow:

30 June 2018

	At 1 January 2018	Additions	Reductions	At 30 June 2018
Basic pension insurance	10,395,797	83,673,144	(90,082,768)	3,986,173
Unemployment insurance	819,310	2,839,912	(2,798,262)	860,960
	11,215,107	86,513,056	(92,881,030)	4,847,133

26. TAXES PAYABLE

	30 June 2018	31 December 2017
Value-added tax	492,672,818	481,749,024
Corporate income tax	281,321,919	420,820,731
Resource tax	74,303,251	88,396,154
Resource compensation fee	121,226,926	121,226,926
Others	142,502,753	63,500,644
	1,112,027,667	1,175,693,479

27. OTHER PAYABLES

	30 June 2018	31 December 2017
Payables for construction work and equipment	1,629,776,693	1,563,076,698
Payables for exploration and mining rights	160,163,385	154,515,295
Donation payables	57,120,572	70,384,525
Amounts due to third parties	572,188,058	546,669,837
Withholding individual income tax	22,757,508	21,652,748
Deposits	298,517,582	274,962,797
Payables for acquisition of equities and debts	39,965,024	36,008,947
Payables for losses on futures contracts	21,217,785	21,820,911
Accrued maintenance costs	31,251,149	29,811,282
Due to non-controlling shareholders	34,430,447	34,109,175
Interest payables	508,930,776	437,156,936
Dividends payable	14,147,581	4,193,049
Others	476,113,653	451,946,126
	3,866,580,213	3,646,308,326

Notes to Financial Statements *(continued)*

For the period ended 30 June 2018

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

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

27. OTHER PAYABLES *(continued)*

As at 30 June 2018, the significant balances of other payables aged more than one year are as follows:

	Balance	Reason for not being settled
The 8th Metallurgical Construction Group Company Limited	63,867,426	Construction payments not yet settled
Sanguikou Project Department of Wenzhou Tongye Construction Work Co., Ltd.	43,924,405	Construction payments not yet settled
Wenzhou Mine Workings Co., Ltd.	36,893,860	Construction payments not yet settled
Jiangxi Installation Engineering Co., Ltd. Jilin Branch	32,739,859	Construction payments not yet settled
Zhu Hongxing	29,672,233	Payables not yet settled
Yang Fulan	26,943,643	Payables not yet settled
Shanghang County Finance Bureau	22,535,911	Expense of exploration rights not yet settled
Xiamen Minxing Investment Company Limited	19,600,000	Payables not yet settled
	276,177,337	

28. CURRENT PORTION OF NON-CURRENT LIABILITIES

	30 June 2018	31 December 2017
Current portion of long-term borrowings (Note V.29)	1,727,548,617	2,053,508,118
Current portion of long-term payables (Note V.31)	48,162,352	47,889,736
Current portion of bonds payable (Note V.30)	2,499,572,102	2,498,945,407
	4,275,283,071	4,600,343,261

Notes to Financial Statements *(continued)*

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

29. LONG-TERM BORROWINGS

	30 June 2018	31 December 2017
Unsecured and non-guaranteed loans	8,611,545,696	8,652,554,913
Including: Current portion of long-term borrowings (Note V.28)	(1,727,548,617)	(2,053,508,118)
	6,883,997,079	6,599,046,795

As at 30 June 2018, the Company had neither secured loans nor guaranteed loans (31 December 2017: Nil).

As at 30 June 2018, interest rates of the Group's long-term borrowings ranged from 1.20% to 5.50% per annum (31 December 2017: 1.03% to 5.48% per annum).

Maturity analysis of long-term borrowings is as follow:

	30 June 2018	31 December 2017
Within 1 year or repayable on demand	1,727,548,617	2,053,508,118
Over 1 year but within 2 years	1,728,522,616	2,108,902,788
Over 2 years but within 5 years	4,163,405,655	3,647,579,007
Over 5 years	992,068,808	842,565,000
	8,611,545,696	8,652,554,913

30. BONDS PAYABLE

	30 June 2018	31 December 2017
Bonds payable	7,987,500,685	7,985,443,938
Medium-term notes	8,294,560,032	8,292,617,934
Subtotal	16,282,060,717	16,278,061,872
Including: Current portion of bonds payable	(2,499,572,103)	(2,498,945,407)
	13,782,488,614	13,779,116,465

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

30. BONDS PAYABLE (continued)

As at 30 June 2018, the balances of bonds payable are as follows:

Currency	Face value	Issue date	Duration of the bonds	Issue value of the bonds	At 1 January 2018	Issued in the current period	Interest accrued for the current period	Amortisation of discount/premium	Interest paid in the current period	At 30 June 2018
RMB	2,500,000,000	5 September 2014	5 years	2,500,000,000	2,497,848,675	—	68,750,000	495,752	—	2,498,344,427
RMB	3,300,000,000	11 September 2015	5 years	3,300,000,000	3,295,823,852	—	72,600,000	819,650	—	3,296,643,502
RMB	2,000,000,000	18 March 2016	5 years	2,000,000,000	1,996,484,460	—	33,700,000	515,731	(67,400,000)	1,997,000,191
RMB	3,000,000,000	18 March 2016	5 years	3,000,000,000	2,994,827,720	—	44,850,000	762,836	(89,700,000)	2,995,590,556
RMB	1,800,000,000	15 July 2016	5 years	1,800,000,000	1,796,519,929	—	27,450,000	462,674	(54,900,000)	1,796,982,603
RMB	1,200,000,000	15 July 2016	5 years	1,200,000,000	1,197,611,829	—	20,700,000	315,506	(41,400,000)	1,197,927,335
Bonds payable due within one year										
RMB	2,500,000,000	23 October 2013	5 years	2,500,000,000	2,498,945,407	—	71,250,000	626,695	—	2,499,572,102
	16,300,000,000			16,300,000,000	16,278,061,872	—	339,300,000	3,998,844	(253,400,000)	16,282,060,716

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

Pursuant to the approval of the CSRC on 17 February 2016, on 18 March 2016, the Company issued corporate bonds with a face value of RMB2 billion on the Shanghai Stock Exchange. The bonds have a duration of five years and an annual interest rate of 3.37%. On 18 March 2016, the Company issued corporate bonds with a face value of RMB3 billion on the Shanghai Stock Exchange. The bonds have a duration of five years, with terms that the issuer has an option of adjusting the interest rate and investors have an option of redemption at the end of the third year, and an annual interest rate of 2.99%. On 15 July 2016, the Company issued corporate bonds with a face value of RMB1.8 billion on the Shanghai Stock Exchange. The bonds have a duration of five years, with terms that the issuer has an option of adjusting the interest rate and investors have an option of redemption at the end of the third year, and an interest rate of 3.05%. On 15 July 2016, the Company issued corporate bonds with a face value of RMB1.2 billion on the Shanghai Stock Exchange. The bonds have a duration of five years and an annual interest rate of 3.45%. The interest of the above bonds shall be settled annually and the principal shall be repaid in full upon their maturity.

As at 30 June 2018, the Group had no overdue bonds (31 December 2017: Nil).

Notes to Financial Statements (continued)

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

31. LONG-TERM PAYABLES

	30 June 2018	31 December 2017
Payables for acquisition of equities/debts	228,722,350	226,314,438
Entrusted investments	94,206,740	93,153,014
Loans from a shareholder (Note 1)	73,250,000	78,700,000
Deposit for restoration and improvement of ecological environment in mines	100,888,377	94,536,646
Others	114,805,608	118,889,283
Subtotal	611,873,075	611,593,381
Including: Current portion of long-term payables	(48,162,352)	(47,889,736)
	563,710,723	563,703,645

Maturity analysis of long-term payables is as follow:

	30 June 2018	31 December 2017
Within 1 year or repayable on demand	48,162,352	47,889,736
Over 1 year but within 2 years	110,530,933	113,833,498
Over 2 years but within 5 years	167,052,497	172,502,497
Over 5 years	286,127,293	277,367,650
	611,873,075	611,593,381

Note 1: Long-term payables to shareholder are borrowed from Minxi Xinghang.

32. PROVISION

30 June 2018	1 January 2018	Additions	Reductions	30 June 2018
Provision for environmental rehabilitation and restoration of mines	861,014,312	38,898,548	(28,485,644)	871,427,216

Norton Gold Fields, a subsidiary of the Group, and BNL, a joint operation of the Group, recognised a provision for environmental rehabilitation and restoration of mines based on the estimation of the lives of mining tenement, timing of mine closure and costs of rehabilitation to be incurred at mine closure.

Notes to Financial Statements (continued)

For the period ended 30 June 2018

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

33. DEFERRED INCOME

As at 30 June 2018, the Group's deferred income was government grants relating to assets. The components and movements are as follows:

30 June 2018	At 1 January 2018	Additions	Reductions	At 30 June 2018
Government grants	451,419,375	10,000,000	(26,288,166)	435,131,209

As at 30 June 2018, the items related to government grants are as follows:

	1 January 2018	Additions	Recognised in profit or loss during the period	Other movements	30 June 2018	Related to assets or income
Expenditures for science projects	11,177,388	—	(1,483,223)	—	9,694,165	Assets
Fund for environmental protection projects	65,086,772	10,000,000	(1,625,833)	—	73,460,939	Assets
Refund of land compensation	104,579,032	—	(880,018)	—	103,699,014	Assets
Comprehensive utilisation of mineral resources	214,290,178	—	(21,529,287)	—	192,760,891	Assets
Other financial subsidies	56,286,005	—	(786,935)	17,130	55,516,200	Assets
	451,419,375	10,000,000	(26,305,296)	17,130	435,131,209	

34. SHARE CAPITAL

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

30 June 2018

	At 1 January 2018		Movements	At 30 June 2018	
	Number of shares	Proportion (%)	Issuance of new shares	Number of shares	Proportion (%)
I. Shares not subject to trading moratorium					
RMB ordinary shares	15,803,803,650	68.62	—	15,803,803,650	68.62
Overseas-listed foreign invested shares	5,736,940,000	24.91	—	5,736,940,000	24.91
Total number of shares not subject to trading moratorium	21,540,743,650	93.53	—	21,540,743,650	93.53
II. Shares subject to trading moratorium (RMB ordinary shares) (Note 1)	1,490,475,241	6.47	—	1,490,475,241	6.47
III. Total number of shares	23,031,218,891	100	—	23,031,218,891	100

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

Notes to Financial Statements *(continued)*

For the period ended 30 June 2018

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

35. OTHER EQUITY INSTRUMENTS

30 June 2018

	At 1 January 2018	Additions	Reductions	At 30 June 2018
Renewable corporate bonds	498,550,000	—	—	498,550,000

On 13 September 2017, the Company issued 2017 renewable corporate bonds (the First Tranche) with principal amount of RMB500,000,000. The remaining balance of RMB498,550,000 after deducting issuance expenses was recognised as other equity instruments.

36. CAPITAL RESERVE

30 June 2018

	At 1 January 2018	Additions	Reductions	At 30 June 2018
Share premium (Note 1)	10,902,398,401	—	—	10,902,398,401
Others	207,520,660	10,373,708	—	217,894,368
	11,109,919,061	10,373,708	—	11,120,292,769

Note 1: The Company non-publicly issued Renminbi-denominated ordinary A Shares on 24 May 2017 and the net amount of fund raised was RMB4,596,919,959, which increased the registered capital and capital reserve - share premium by RMB149,047,524 and RMB4,447,872,435 respectively.

37. OTHER COMPREHENSIVE INCOME

30 June 2018

	At 1 January 2018		Movements		At 30 June 2018
		Amount before tax	Income tax	Amount after tax	
Changes in fair value of other equity instrument investments	210,817,947	(767,875,397)	19,059,485	(748,815,912)	(537,997,965)
Costs of hedging - forward elements	—	89,457,331	—	89,457,331	89,457,331
Exchange differences arising from translation of financial statements denominated in foreign currencies	(626,754,900)	(20,565,992)	—	(20,565,992)	(647,320,892)
	(415,936,953)	(698,984,058)	19,059,485	(679,924,573)	(1,095,861,526)

Notes to Financial Statements (continued)

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

37. OTHER COMPREHENSIVE INCOME (continued)

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

Item	Less: Amount of other comprehensive income recognised in the previous periods transferred into profit or loss during the current period				Attributable to non-controlling interests
	Amount before tax		Less: Income tax	Attributable to the parent	
Costs of hedging - forward elements	89,457,331	—	—	89,457,331	—
Exchange differences arising from translation of financial statements denominated in foreign currencies	(17,644,696)	—	—	(20,565,992)	2,921,296
	71,812,635	—	—	68,891,339	2,921,296

38. SPECIAL RESERVE

30 June 2018

	At 1 January 2018	Additions	Reductions	At 30 June 2018
Work safety fund	176,862,772	293,423,814	(289,942,862)	180,343,724

39. SURPLUS RESERVE

30 June 2018

	At 1 January 2018	Additions	Reductions	At 30 June 2018
Statutory reserve	1,319,401,104	—	—	1,319,401,104

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

Notes to Financial Statements *(continued)*

For the period ended 30 June 2018

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

40. RETAINED EARNINGS

	30 June 2018	30 June 2017
Closing balance of the preceding year and opening balance of the current year	20,194,761,855	18,068,917,361
Net profit attributable to owners of the parent	2,526,423,099	1,505,399,413
Gains on disposal of other equity instrument investments	979,462	—
Less: Appropriation for the statutory reserve	—	—
Dividends payable in cash for ordinary shares	2,072,809,700	1,381,873,133
Retained earnings as at the end of the period	20,649,354,716	18,192,443,641

On 17 May 2018, the shareholders approved at the 2017 annual general meeting of the Company the final cash dividend of RMB0.09 per ordinary share with an aggregate amount of RMB2,072,809,700.

41. OPERATING INCOME AND OPERATING COSTS

Analysis of operating income is as follow:

	For the six months ended 30 June 2018		For the six months ended 30 June 2017	
	Operating income	Operating costs	Operating income	Operating costs
Principal operations	49,491,856,821	42,479,103,910	37,187,882,282	31,851,106,812
Other operations	322,034,014	237,398,045	335,749,628	197,855,367
	49,813,890,835	42,716,501,955	37,523,631,910	32,048,962,179

During the first half of 2018, more than 99% of the operating income arose from sales of commodities. As such, the management of the Group considers that disclosure of the operating income and costs based on the nature of income is unnecessary.

42. TAXES AND SURCHARGES

	For the six months ended 30 June 2018	For the six months ended 30 June 2017
City construction and maintenance tax	41,166,574	40,175,793
Resource tax	445,918,146	377,540,485
Education surcharges	50,661,550	40,516,117
Land use tax	15,812,552	14,512,573
Vehicle and vessel use tax	927,224	390,971
Stamp duty	23,805,384	19,141,549
Property tax	32,963,831	31,504,673
Others	86,799,922	45,059,545
	698,055,183	568,841,706

Notes to Financial Statements *(continued)*

For the period ended 30 June 2018

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

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

43. SELLING EXPENSES

	For the six months ended 30 June 2018	For the six months ended 30 June 2017
Salaries and benefits	40,822,881	30,720,521
Transportation expenses and uploading and unloading expenses	277,304,151	272,860,615
Storage expenses	2,500,947	1,603,396
Packing expenses	6,108,530	2,817,974
Insurance expenses	4,804,527	2,965,762
Charge of commission sales	10,237,495	6,922,015
Advertising expenses	185,981	248,812
Depreciation and amortisation expenses	8,172,961	9,317,066
Material consumption	3,029,464	2,598,011
Others	77,058,758	59,007,105
	430,225,695	389,061,277

44. ADMINISTRATIVE EXPENSES

	For the six months ended 30 June 2018	For the six months ended 30 June 2017
Research and development expenses	—	—
Salaries and benefits	568,329,807	567,024,133
Office expenses	69,142,174	67,830,621
Travelling and conference expenses	53,909,853	50,251,888
Stipulated fees	53,342,771	38,576,134
Taxes	—	23,770,430
Depreciation expenses	181,909,178	191,146,690
Amortisation of intangible assets	29,069,056	31,030,697
Amortisation of deferred expenses	52,101,230	41,455,223
Audit fees	11,705,538	9,866,848
Repair and maintenance costs	45,076,984	38,604,860
Professional consulting expenses	47,305,581	48,532,540
Exploration expenses	92,436,493	169,987,757
Others	152,582,587	108,074,878
	1,356,911,252	1,386,152,699

Notes to Financial Statements *(continued)*

For the period ended 30 June 2018

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

45. RESEARCH AND DEVELOPMENT EXPENSES

	For the six months ended 30 June 2018	For the six months ended 30 June 2017
Technology development expenses	24,684,702	7,984,808
Salaries and benefits	46,852,783	22,223,316
Office expenses	10,429,223	12,319,682
Travelling and conference expenses	332,486	81,414
Stipulated fees	16,029	257,366
Depreciation expenses	20,861,016	13,331,335
Amortisation of intangible assets	10,000	1,667
Amortisation of deferred expenses	271,863	3,185,181
Repair and maintenance costs	20,552,028	17,138,246
Professional consulting expenses	269,814	131,390
Exploration expenses	—	348,584
Others	6,637,056	22,996,270
	130,917,000	99,999,259

46. FINANCIAL EXPENSES

	For the six months ended 30 June 2018	For the six months ended 30 June 2017
Interest expenses:	768,305,292	901,498,466
<i>Including: Bank loans</i>	425,006,449	493,240,199
<i>Bonds payable</i>	343,298,843	343,135,350
<i>Ultra short-term financing bonds</i>	—	65,122,917
Less: Interest income	158,002,634	144,397,038
Capitalised interest expenses	31,471,836	64,349,138
Exchange losses	55,885,983	497,823,026
Bank charges	25,704,768	27,029,580
	660,421,573	1,217,604,896

Capitalised interest expenses were included in construction in progress. During the first half of 2018, there was no interest income arising from impaired financial assets (six months ended 30 June 2017: Nil).

Notes to Financial Statements *(continued)*

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

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

47. IMPAIRMENT LOSSES ON ASSETS

	For the six months ended 30 June 2018	For the six months ended 30 June 2017
Bad debt provision for trade and other receivables	—	4,827,949
Provision for decline in value of inventories	16,703,230	6,743,424
Impairment provision for fixed assets	187,076,680	191,520,543
Impairment provision for intangible assets	17,509,119	—
Impairment provision for other non-current assets	42,389,163	34,852,508
	263,678,192	237,944,424

48. CREDIT IMPAIRMENT LOSSES

	For the six months ended 30 June 2018	For the six months ended 30 June 2017
Bad debt provision for trade and other receivables	54,809,952	—

49. GAINS ON CHANGES IN FAIR VALUE

	For the six months ended 30 June 2018	For the six months ended 30 June 2017
Financial assets at fair value through profit or loss	33,638,542	507,553,184
Financial liabilities at fair value through profit or loss	16,458,880	62,939,040
	50,097,422	570,492,224

Notes to Financial Statements (continued)

For the period ended 30 June 2018

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

49. GAINS ON CHANGES IN FAIR VALUE (continued)

Gains on changes in fair value are as follows:

	For the six months ended 30 June 2018	For the six months ended 30 June 2017
1. Held for trading equity instrument investments - stocks	(45,852,360)	667,794,330
2. Gold leasing spot at fair value	(15,838,051)	—
3. Hedging instruments - ineffectively hedged derivative instruments	—	(19,780,372)
4. Derivative instruments without designated hedging relationship	139,296,776	(56,022,930)
(4-1) Cross currency swaps	(1,688,566)	4,447,977
(4-2) Gold leasing hedging	21,554,620	—
(4-3) Gains/(Losses) on changes in fair value of commodity hedging	119,430,722	(60,470,907)
5. Others	(27,508,943)	(21,498,804)
	50,097,422	570,492,224

50. INVESTMENT INCOME

	For the six months ended 30 June 2018	For the six months ended 30 June 2017
(Losses)/Gains from long-term equity investments under the equity method	(27,548,270)	16,568,302
Gains on disposal of long-term equity investments	6,731,300	—
Including: Gains on disposal of long-term equity investments under the equity method	6,731,300	—
Dividend income from other equity instrument investments	29,414,500	—
Investment income from available-for-sale investments	—	17,780,142
Including: Gains on available-for-sale investments measured at cost	—	17,778,000
Gains on available-for-sale investments measured at fair value	—	2,142
Gains on disposal of financial assets and liabilities at fair value through profit or loss (Note 1)	119,458,104	35,821,713
Others	(442,696)	12,639,122
	127,612,938	82,809,279

Notes to Financial Statements *(continued)*

For the period ended 30 June 2018

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

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

50. INVESTMENT INCOME *(continued)*

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

	For the six months ended 30 June 2018	For the six months ended 30 June 2017
1. Held-for-trading equity instrument investments – stocks	42,104,560	3,746,584
2. Gold leasing spot at fair value	(19,335,984)	—
3. Hedging instruments - ineffectively hedged derivative instruments	—	(31,755,974)
4. Derivative instruments without designated hedging relationship	51,859,843	57,965,385
<i>(4-1) Cross currency swaps</i>	31,531,033	18,500,333
<i>(4-2) Gold leasing hedging</i>	(47,679,260)	—
<i>(4-3) Investment income from commodity hedging</i>	68,008,070	39,465,052
5. Others	44,829,685	5,865,718
	119,458,104	35,821,713

51. GAINS ON DISPOSAL OF ASSETS

	For the six months ended 30 June 2018	For the six months ended 30 June 2017
(Losses)/Gains on disposal of fixed assets	(262,377)	22,977,290
Gains on disposal of intangible assets	13,712,647	25,002,305
	13,450,270	47,979,595

Notes to Financial Statements *(continued)*

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

52. OTHER INCOME

Government grants related to daily operation of the entity are as follows:

	For the six months ended 30 June 2018	For the six months ended 30 June 2017	Asset-related/ Income-related
Expenditures for science projects	1,483,223	1,742,741	Asset-related
Fund for environmental protection projects	1,625,833	1,931,500	Asset-related
Refund of land compensation	880,018	880,018	Asset-related
Comprehensive utilisation of mineral resources	21,529,287	23,734,627	Asset-related
Other financial subsidies	786,935	785,000	Asset-related
	26,305,296	29,073,886	
Special government rewards	13,971,399	30,658,040	Income-related
VAT subsidies	3,531,416	1,184	Income-related
Tax refunds	4,831,312	8,385,514	Income-related
Others	35,209,606	18,742,068	Income-related
	57,543,733	57,786,806	
	83,849,029	86,860,692	

Notes to Financial Statements *(continued)*

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

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

53. NON-OPERATING INCOME

	For the six months ended 30 June 2018	For the six months ended 30 June 2017
Net penalty income	3,977,891	4,904,330
Government grants	—	2,000,000
Recovery of bad debt written-off	26,652,901	—
Others (Note 1)	122,483,921	33,266,769
	153,114,713	40,171,099

Note 1: Including earthquake insurance indemnity of RMB120,779,174 received by the Group's joint operation, BNL.

54. NON-OPERATING EXPENSES

	For the six months ended 30 June 2018	For the six months ended 30 June 2017
Donations	99,323,300	54,772,126
Losses on disposal of non-current assets	18,332,472	163,535,468
<i>Including: Losses on disposal of fixed assets and other non-current assets</i>	18,332,472	153,692,104
Net losses arising from natural disasters	6,426,049	—
Penalties	1,848,267	2,213,432
Others	23,727,357	31,690,542
	149,657,445	252,211,568

Notes to Financial Statements *(continued)*

For the period ended 30 June 2018

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

55. INCOME TAX EXPENSES

	For the six months ended 30 June 2018	For the six months ended 30 June 2017
Current income tax expenses	652,668,900	426,289,691
Deferred tax expenses	59,418,203	(37,844,368)
	712,087,103	388,445,323

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

	For the six months ended 30 June 2018	For the six months ended 30 June 2017
Profit before tax	3,780,836,960	2,151,166,791
Tax at the statutory tax rate (Note 1)	945,209,240	537,791,698
Effect of different tax rates applicable to certain subsidiaries	(259,617,862)	(260,514,102)
Adjustments in respect of current tax of previous periods	(82,406,642)	(77,525,988)
Income not subject to tax	(34,972,264)	(53,646,801)
Expenses not deductible for tax and effect of unrecognised temporary differences and deductible tax losses	143,874,631	242,340,516
Tax charge at the Group's effective tax rate	712,087,103	388,445,323

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

56. EARNINGS PER SHARE

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

Basic earnings per share is calculated as follows:

	For the six months ended 30 June 2018	For the six months ended 30 June 2017
Earnings		
Consolidated net profit attributable to the owners of the parent	2,526,423,099	1,505,399,413
Shares		
Weighted average number of ordinary shares outstanding	23,031,218,891	21,838,838,698
Earnings per share	0.110	0.069

Notes to Financial Statements *(continued)*

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

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

57. NOTES TO THE STATEMENT OF CASH FLOWS

Significant cash flows of the Group are as follows:

	For the six months ended 30 June 2018	For the six months ended 30 June 2017
Other cash receipts relating to operating activities	317,880,018	280,786,248
Including: Interest income	81,052,667	48,294,939
Government grants	62,728,456	57,640,353
Cash received from security and deposits	153,955,502	157,405,701
Others	20,143,393	17,445,255
Other cash payments relating to operating activities	790,074,926	1,170,218,113
Including: Selling expenses	170,955,385	178,346,722
Administrative expenses	374,247,258	324,636,198
Donations	112,587,253	26,797,654
Cash paid for security and deposits	132,285,030	640,437,539
Other cash receipts relating to investing activities	2,338,933,411	610,478,938
Including: Cash received from time deposits	—	100,000,000
Cash received from wealth management products	2,196,496,058	300,000,000
Others	142,437,353	210,478,938
Other cash payments relating to investing activities	1,158,265,670	1,852,389,851
Including: Cash paid for time deposits with maturity for more than three months	137,727,000	—
Acquisition of wealth management products	834,446,082	1,852,389,851
Others	186,092,588	—
Other cash receipts relating to financing activities	54,135,279	—
Including: Release of pledged bank deposits	—	—
Borrowings from third parties	54,135,279	—
Other cash payments relating to financing activities	35,767,283	40,294,408
Including: Borrowings from third parties	15,013,593	—
Bank charges	20,753,690	40,294,408

Notes to Financial Statements *(continued)*

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

58. SUPPLEMENTARY INFORMATION TO THE STATEMENT OF CASH FLOWS

Supplementary information:	For the six months ended 30 June 2018	For the six months ended 30 June 2017
1. Reconciliation of net profit to net cash flows from operating activities:		
Net profit	3,068,749,857	1,762,721,468
Less: Unrealised losses on investments	—	—
Add: Asset impairment provision	318,488,144	237,944,424
Depreciation of investment properties	7,718,780	4,885,571
Depreciation of fixed assets	1,574,070,228	1,572,420,164
Amortisation of intangible assets and long-term deferred assets	534,515,998	576,341,612
Losses on disposal of fixed assets, intangible assets and other long-term assets	4,882,202	115,555,873
Gains on changes in fair value	(50,097,422)	(570,492,224)
Financial expenses	808,934,207	1,362,001,934
Gains on investments	(94,342,344)	(75,100,201)
Decrease/(Increase) in deferred tax assets	99,192,166	(68,439,714)
(Decrease)/Increase in deferred tax liabilities	(39,773,964)	74,012,649
(Increase)/Decrease in inventories	(712,018,110)	241,228,415
Increase in receivables from operating activities	(334,447,426)	(1,582,026,838)
Increase in payables from operating activities	(205,187,026)	(345,244,344)
Net cash flows from operating activities	4,980,685,290	3,305,808,789
2. Non-cash investing and financing activities:		
Conversion of debt into capital	—	—
Convertible bonds matured within 1 year	—	—
Finance leased fixed assets	—	—
3. Net increase in cash and cash equivalents:		
Closing balance of cash and cash equivalents (Note V.1)	8,398,214,540	6,940,767,113
Less: Opening balance of cash and cash equivalents (Note V.1)	5,754,343,955	4,712,823,342
Net increase in cash and cash equivalents	2,643,870,585	2,227,943,771

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

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

59. ASSETS WITH RESTRICTIONS ON TITLE OR USE

	30 June 2018	31 December 2017
Cash and cash equivalents (Note 1)	190,251,915	181,722,718
Bills receivable and trade receivables (Note 2)	—	280,000,000
Inventories (Note 3)	10,034,000	10,034,000
Intangible assets (Note 4)	87,643,684	89,480,224
Fixed assets (Note 5)	4,799,082	4,861,782
Other non-current assets (Note 6)	155,860,466	163,120,512
	448,589,147	729,219,236

Note 1: As at 30 June 2018, a bank deposit with carrying amount of RMB68,076,849 was provision for land restoration and environmental rehabilitation (31 December 2017: RMB67,516,073). The deposit was restricted to the use of land restoration and environmental rehabilitation and environmental protection after mine closure. As at 30 June 2018, bank deposits with carrying amount of RMB122,175,066 were guarantee deposits with restricted use (31 December 2017: RMB114,206,645).

Note 2: As at 30 June 2018, no bills receivable of the Group were pledged (31 December 2017: RMB280,000,000).

Note 3: As at 30 June 2018, inventories with carrying amount of RMB10,034,000 owned by Xinjiang Aletai Jinhao Iron Company Limited ("Jinhao Iron"), a subsidiary of the Group, were frozen by the court due to debt disputes (31 December 2017: RMB10,034,000).

Note 4: As at 30 June 2018, land use rights with carrying amount of RMB87,643,684 owned by Jinhao Iron, a subsidiary of the Group, were frozen by the court due to debt disputes (31 December 2017: RMB89,480,224). The amount of litigation relating to the freezing of the land use rights was RMB16,201,893.

Note 5: As at 30 June 2018, fixed assets with carrying amount of RMB2,132,232 owned by Jinhao Iron, a subsidiary of the Group, were frozen by the court due to debt disputes (31 December 2017: RMB2,132,232); fixed assets with carrying amount of RMB2,666,850 owned by Ankang Jinfeng were frozen by the court due to debt disputes (31 December 2017: RMB2,729,550)

Note 6: As at 30 June 2018, other non-current assets with carrying amount of RMB155,860,466 were deposits for mine restoration and improvement of ecological environment in mines and their rights of use were restricted (31 December 2017: RMB163,120,512).

Notes to Financial Statements (continued)

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

60. FOREIGN CURRENCY MONETARY ITEMS

	30 June 2018			31 December 2017		
	Original amount	Exchange rate	RMB	Original amount	Exchange rate	RMB
Cash and cash equivalents						
HKD	21,080,631	0.8431	17,773,080	31,106,777	0.8359	26,002,155
USD	324,199,337	6.6166	2,145,097,333	283,204,354	6.5342	1,850,513,890
GBP	988,808	8.6551	8,558,232	988,812	8.7792	8,680,978
CAD	1,484,170	4.9947	7,412,984	37,116,817	5.2009	193,040,854
AUD	29,741,052	4.8633	144,639,658	39,405,703	5.0928	200,685,364
RUB	474,384,009	0.1054	50,000,075	229,276,884	0.1136	26,045,854
EUR	325,397	7.6515	2,489,775	548,753	7.8023	4,281,536
Others	N/A	N/A	74,046	N/A	N/A	14,772
Trade receivables						
AUD	512,178	0.8431	431,817	4,424,991	5.0928	22,535,594
USD	81,523,614	6.6166	539,409,144	47,456,740	6.5342	310,091,831
RUB	203,695,879	0.1054	21,469,546	—	—	—
Other receivables						
HKD	8,538,901	0.8431	7,199,147	101,360,411	0.8359	84,727,168
USD	30,946,772	6.6166	204,762,412	10,888,740	6.5342	71,149,205
AUD	—	—	—	2,169,810	5.0928	11,050,408
GBP	936,839	8.6551	8,108,435	—	—	—
RUB	115,598,272	0.1054	12,184,058	—	—	—
Other non-current assets						
USD	492,724,238	6.6166	3,260,159,193	451,826,871	6.5342	2,952,327,140
Total foreign currency monetary assets			6,429,768,935			5,761,146,749

Notes to Financial Statements *(continued)*

For the period ended 30 June 2018

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

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

60. FOREIGN CURRENCY MONETARY ITEMS *(continued)*

	30 June 2018			31 December 2017		
	Original amount	Exchange rate	RMB	Original amount	Exchange rate	RMB
Short-term borrowings						
USD	340,763,348	6.6166	2,254,694,768	278,658,085	6.5342	1,820,807,659
EUR	92,756,211	7.6515	709,724,148	77,489,012	7.8023	604,592,518
Trade payables						
USD	214,765,974	6.6166	1,421,020,544	141,941,180	6.5342	927,472,058
AUD	109,095,657	4.8633	530,564,909	4,937,447	5.0928	25,145,430
EUR	5,821,812	7.6515	44,545,595	—	—	—
Other payables						
HKD	9,441,141	0.8431	7,959,826	34,768,003	0.8359	29,062,574
USD	69,053,899	6.6166	456,902,028	223,406,577	6.5342	1,459,783,255
AUD	84,392,071	4.8633	410,423,959	76,860,979	5.0928	391,437,594
Current portion of non-current liabilities						
USD	89,700,081	6.6166	593,509,556	91,200,000	6.5342	595,919,040
EUR	—	—	—	81,058,897	7.8023	632,445,832
AUD	—	—	—	34,500,000	5.0928	175,701,600
Long-term borrowings						
EUR	30,500,000	7.6515	233,370,750	30,500,000	7.8023	237,970,150
USD	563,900,000	6.6166	3,731,100,740	507,800,000	6.5342	3,318,066,760
Long-term payables						
USD	44,119,315	6.6166	291,919,860	20,697,749	6.5342	135,243,232
AUD	213,042	0.8431	179,616	26,237	5.0928	133,620
Total foreign currency monetary liabilities			10,685,916,298			10,353,781,322

Notes to Financial Statements *(continued)*

For the period ended 30 June 2018

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

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

60. FOREIGN CURRENCY MONETARY ITEMS *(continued)*

Information about foreign business entities

Name of foreign business entity	Places of registration and business	Accounting currency	Basis for adoption of accounting currency
Russia Longxing Company Limited ("Russia Longxing")	Russia	USD	Major sales, purchase, financing and other business activities in USD
JV Zeravshan LLC ("ZGC")	Tajikistan	USD	Major sales, purchase, financing and other business activities in USD
Altynken Limited Liability Company ("Altynken")	Kyrgyzstan	USD	Major sales, purchase, financing and other business activities in USD
La Compagnie Minière de Musonoie Global SAS ("Musonoie")	DR Congo	USD	Major sales, purchase, financing and other business activities in USD
BNL	Papua New Guinea	USD	Major sales, purchase, financing and other business activities in USD
Norton Gold Fields	Australia	AUD	Major sales, purchase, financing and other business activities in AUD
NKWE Platinum Limited ("NKWE")	Australia	AUD	Major financing and other business activities in AUD

61. HEDGING

Fair value hedge

The Group is engaged in the business of refining and processing of copper/gold/silver products, and is subject to price risk of holding copper/gold/silver products. The Group used futures contracts of copper/gold/silver of the future exchanges to manage the commodity price risk of certain copper/gold/silver products held by the Group. The copper/gold/silver products produced and processed by the Group are the same as the hedged items of the futures contracts. The underlyings of the hedging instruments (spot components of the futures contracts) and the hedged items (copper/gold/silver products held by the Group) are both standard metal prices. Through qualitative analysis, the Group has established a hedge ratio of 1:1 for the amount of hedging instruments and hedged items. The hedging relationship is effective during the hedging period. The Group used fair value hedge to carry out such kind of hedging.

The Group entered into foreign currency forward contracts with banks for certain borrowings denominated in foreign currencies, and used foreign currency forward contracts to manage the foreign currency risks incurred from the borrowings denominated in foreign currencies. The underlyings of the hedging instruments (spot components of the foreign currency forward contracts) and the hedged items (borrowings denominated in foreign currencies) are both foreign exchange rates. Through qualitative analysis, the Group has established a hedge ratio of 1:1 for the amount of hedging instruments and hedged items. The hedging relationship is effective during the hedging period. The Group used fair value hedge to carry out such kind of hedging.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2018

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

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

61. HEDGING *(continued)*

Fair value hedge *(continued)*

The carrying amounts and fair value changes of the hedging instruments are as follows:

	Carrying amount of hedging instruments		Line items in the statement of financial position which include hedging instruments	Change in fair value of hedged items used for measuring ineffectiveness for the six months ended 30 June 2018
	Assets	Liabilities		
Fair value hedge	8,658,684	—	Financial assets held for trading	—

The carrying amounts and relevant adjustments of the hedged items are as follows:

	Accumulated fair value adjustments of the hedged items (included in the carrying amounts of the hedged items)		Line items in the statement of financial position which include hedged items	Change in fair value of hedged items used for measuring ineffectiveness for the six months ended 30 June 2018
	Assets	Liabilities		
Fair value hedge	—	8,658,684	Inventories; short-term borrowings/long-term borrowings/long-term payables	—

VI. CHANGES IN THE SCOPE OF CONSOLIDATION

1. ACQUISITION OF SUBSIDIARIES

There was no acquisition of subsidiaries in the first half of 2018.

2. DISPOSAL OF SUBSIDIARIES

There was no disposal of subsidiaries in the first half of 2018.

3. NEWLY ESTABLISHED SUBSIDIARIES

Xiamen Haixia Gold and Jewellery Industrial Park Company Limited ("Xiamen Haixia Gold and Jewellery") was incorporated on 8 February 2018 in Xiamen City, Fujian Province with registered capital of RMB200 million. The Group's subsidiary, Zijin Mining Group Gold and Jewellery Company Limited holds 61% equity interest in Xiamen Haixia Gold and Jewellery. As at 30 June 2018, the registered capital and paid-in capital of Xiamen Haixia Gold and Jewellery was RMB200 million and RMB100 million respectively. The newly established subsidiary was included in the scope of consolidation since the reporting period.

Xinjiang Jinjie International Logistics Company Limited ("Jinjie International Logistics") was incorporated on 23 March 2018 in Erkeshtam Port Industrial Zone, Kashi Economic Development Zone, Kizilsu Kyrgyz Prefecture, Xinjiang with registered capital of RMB10 million. The Group's subsidiary, Zijin Mining Logistics Company Limited, holds 100% equity interest in Jinjie International Logistics. As at 30 June 2018, the paid-in capital of Jinjie International Logistics was RMB5 million. The newly established subsidiary was included in the scope of consolidation since the reporting period.

4. DE-REGISTERED SUBSIDIARIES

There was no de-registration of subsidiaries in the first half of 2018.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2018

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

VII. INVESTMENTS IN OTHER ENTITIES

1. INVESTMENTS IN THE SUBSIDIARIES

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

(1) Major subsidiaries acquired by establishment or investment

Company name	Principal place of business	Place of registration	Principal activities	Registered capital RMB	Proportion of ownership interest	
					Direct	Indirect
Gold Mountains (H.K.)	Hong Kong	Hong Kong	Trading and investment	HKD8,673,462,786	100%	—
Zijin Real Estate	Xiamen City, Fujian Province	Xiamen City, Fujian Province	Real estate development and operation, leasing of construction machinery and equipment	500,000,000	60%	40%
Zijin International Finance Company Limited	Hong Kong	Hong Kong	Bond issuance	HKD1	—	100%
Finance Company	Shanghang County, Longyan City, Fujian Province	Shanghang County, Longyan City, Fujian Province	Financial services and financial consultancy to member units; credit verification and related advisory; agent services; assisting member units to settle payments; approved insurance agent services; guarantee provision to member units; entrusted loans and investment among member units; bill acceptance and discounting among member units; internal account settlement and clearing among member units; acceptance of deposits from member units; application for loans and finance leases; intercompany borrowings; underwriting corporate bonds for member units; equity investments in financial institutions; investments in securities (excluding stocks traded in the secondary market) and business approved by China Banking Regulatory Commission in accordance with relevant laws, administrative regulations and other regulations, as stated in the approval documents	531,557,000	95%	—
Zijin Mining Group Capital Investment Company Limited ("Capital Investment Company")	Xiamen City, Fujian Province	Xiamen City, Fujian Province	Entrusted management of non-security equity investments and related advisory services; entrusted management and operation of equity investment fund and provision of consultancy services; investment and asset management; spot gold sales; wholesale of metals and ores; trade agency service	1,000,000,000	100%	—

Notes to Financial Statements (continued)

For the period ended 30 June 2018

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

VII. INVESTMENTS IN OTHER ENTITIES (continued)

1. INVESTMENTS IN THE SUBSIDIARIES (continued)

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

Company name	Principal place of business	Place of registration	Principal activities	Registered capital RMB	Percentage of ownership interest	
					Direct	Indirect
Xinjiang Ashele	Aletai City, Xinjiang Uyghur Autonomous Region	Aletai City, Xinjiang Uyghur Autonomous Region	Exploration and development of geological resources; production, processing and sale of mineral products; technological services of geological mining; motor transportation, environmental protection, development of tourism and hotel investment	250,000,000	51%	—
Norton Gold Fields	Australia	Australia	Production of gold; geological and mineral resources exploration and related information and technical services	AUD186,844,557	—	100%
Bayannaer Zijin	Bayannaer City, Inner Mongolia	Bayannaer City, Inner Mongolia	Refining, mining, milling and processing of zinc and other non-ferrous metals, ferrous metals and other energy mineral resources, and sale of mineral products	375,000,000	87.20%	—
Zijin Copper	Shanghang County, Longyan City, Fujian Province	Shanghang County, Longyan City, Fujian Province	Refining and sale of copper cathode, gold, silver, crude selenium; manufacture and sale of vitriol and copper sulfate	2,116,300,000	100%	—
Luoyang Zijin Yinhui Gold Refinery Company Limited ("Luoyang Yinhui")	Luoyang City, Henan Province	Luoyang City, Henan Province	Refinery of gold and silver; testing and examination; purchase of gold ore; gold transaction agency; sale of mineral products and mining pit design and research	150,000,000	70%	—
Hunchun Zijin	Hunchun City, Jilin Province	Hunchun City, Jilin Province	Mining, milling, refining and processing of gold, copper and other non-ferrous metal and non-metallic mineral products; sale of mineral products; mineral resources exploration information and technical services	150,000,000	96.63%	3.37%
Russia Longxing	Russia	Russia	Mining of zinc-lead ore	RUB700,000,000	—	70%
La Compagnie Minière de Musonoie Global SAS ("Musonoie")	DR Congo	Mutshatsha Region, Lualaba Province, the Democratic Republic of the Congo	Mining, processing and sale of copper ore	USD9,000,000	—	72%
Xinjiang Zijin Zinc Industry	Wuqia County, Kizilsu Kyrgyz Prefecture, Xinjiang Province	Wuqia County, Kizilsu Kyrgyz Prefecture, Xinjiang Province	Exploration and development of Wulugan lead-zinc mine in Wuqia County	346,500,000	—	100%

Notes to Financial Statements (continued)

For the period ended 30 June 2018

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

VII. INVESTMENTS IN OTHER ENTITIES (continued)

1. INVESTMENTS IN THE SUBSIDIARIES (continued)

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

30 June 2018

	Percentage of equity interest held by non-controlling shareholders	Profit/(Loss) for this period attributable to non-controlling shareholders	Dividend paid to non-controlling shareholders	Accumulated balances of non-controlling interests at the date of statement of financial position
Xinjiang Ashele	49.00%	210,990,474	(245,000,000)	952,734,966
Xinjiang Jinbao	44.00%	141,999,516	(176,000,000)	415,251,786
Bayannaoer Zijin	12.80%	14,639,302	—	139,732,904
Guizhou Zijin	44.00%	(12,207,593)	—	321,353,910
NKWE	39.53%	(1,917,449)	—	204,683,953
Luoyang Kunyu	30.00%	(1,758,735)	(12,000,000)	249,277,830
Wenshan Malipo Zijin	24.08%	(33,807,527)	(4,496,400)	196,346,962
Yunnan Huaxi	47.00%	933,164	—	201,916,948
Huanmin Mining	49.00%	(636,256)	—	188,544,648
Chongli Zijin	40.00%	(84,969,266)	—	75,295,981
Longnan Zijin	15.78%	(5,328,027)	—	118,907,420
Altynken	40.00%	44,739,814	—	170,243,690
Henan Jinda	43.50%	(91,264)	—	98,623,044
Russia Longxing	30.00%	187,246,643	—	259,777,270
Musonoie	72.00%	60,861,674	(7,583,758)	104,272,328
Malipo Jinwei	61.28%	(3,262,360)	—	(41,673,901)
Kuitun Tongguan	49.00%	(8,155,697)	—	(164,171,234)
Jinhao Iron	61.48%	(34,675,689)	—	(1,162,246,812)
Others	Not applicable	67,726,034	(12,365,100)	417,077,405
Total		542,326,758	(457,445,258)	2,745,949,098

Notes to Financial Statements (continued)

For the period ended 30 June 2018

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

VII. INVESTMENTS IN OTHER ENTITIES (continued)

1. INVESTMENTS IN THE SUBSIDIARIES (continued)

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

	30 June 2018									
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Operating income	Net profit/(loss)	Total comprehensive income/(losses)	Cash flows from operating activities
Xinjiang Ashele	522,758,556	2,618,818,127	3,141,576,683	243,355,929	906,045,000	1,149,400,929	971,196,853	430,592,804	430,592,804	467,206,926
Xinjiang Jinbao	789,914,973	454,365,180	1,244,280,153	314,138,157	5,614,295	319,752,452	710,476,148	322,726,173	322,726,173	334,871,530
Bayannaoer Zijin	768,434,039	2,031,441,006	2,799,875,045	1,263,272,705	470,853,791	1,734,126,496	2,104,855,220	114,369,544	114,369,544	(137,767,913)
Guizhou Zijin	249,310,673	2,066,292,209	2,315,602,882	1,185,990,628	400,000,000	1,585,990,628	756,339,253	(27,744,529)	(27,744,529)	24,974,701
NKWE	38,898,570	518,615,799	557,514,369	1,817,114	31,163,491	32,980,605	4,778	(4,850,618)	(4,850,618)	(4,850,618)
Luoyang Kunyu	68,804,104	748,345,685	817,149,789	225,712,325	1,500,000	227,212,325	247,434,187	17,064,987	17,064,987	64,235,472
Wenshan Malipo Zijin	345,894,448	1,525,067,046	1,870,961,494	748,992,880	—	748,992,880	117,368,876	19,778,388	19,778,388	59,917,819
Yunnan Huaxi	140,204,167	167,359,259	307,563,426	235,601	—	235,601	971,257	1,985,456	1,985,456	(380,994)
Huanmin Mining	38,034,340	358,955,608	396,989,948	48,124,373	128,084,013	176,208,386	—	(1,298,481)	(1,298,481)	(3,397,033)
Chongji Zijin	57,065,821	390,683,742	447,749,563	39,136,296	43,647	39,179,943	125,366,145	(15,042,670)	(15,042,670)	16,918,775
Longnan Zijin	113,922,582	937,557,485	1,051,480,067	472,258,484	155,336,363	627,594,847	88,797,549	15,970,238	15,970,238	19,187,694
Altynten	244,922,576	2,012,243,513	2,257,166,089	450,215,980	1,753,061,103	2,203,277,083	480,425,621	121,994,930	121,994,930	159,181,073
Henan Jinda	171,168	230,106,484	230,277,652	3,563,067	—	3,563,067	—	(209,802)	(209,802)	(128,551)
Russia Longxing	647,750,617	2,857,790,564	3,505,541,181	1,830,136,153	589,539,154	2,419,675,307	1,101,063,476	631,130,660	631,130,660	719,095,886
Musonoie	789,793,276	1,374,477,855	2,164,271,131	1,694,063,366	48,320,376	1,742,383,742	806,808,614	241,259,636	241,259,636	340,856,824
Malipo Jinwei	38,190,594	3,813,320	42,003,914	165,879,104	—	165,879,104	—	(323,652)	(323,652)	(1,604,009)
Kuitun Tongguan	88,256,394	472,180,584	560,436,978	183,284,552	23,766,470	207,051,022	35,830,886	(16,644,279)	(16,644,279)	805,077
Jinhao Iron	173,290,677	365,056,456	538,347,133	2,060,806,865	70,351,981	2,131,158,846	994,527	(56,402,034)	(56,402,034)	(3,296,249)

Notes to Financial Statements (continued)

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

VII. INVESTMENTS IN OTHER ENTITIES (continued)

2. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

30 June 2018

Company name	Principal place of business	Place of registration	Principal activities	Registered capital RMB	Proportion of ownership interest	Accounting treatment
					Direct	Indirect
Joint venture						
Shandong Guoda (Note 1)	Zhaoyuan City, Shandong Province	Zhaoyuan City, Shandong Province	Production of gold, silver, copper cathode and virtual sale of self-produced products	173,430,000	—	Equity method
Xiamen Zijin Zonghang	Xiamen City, Fujian Province	Xiamen City, Fujian Province	Development, operation and management of real estate, property management, business information consulting services, marketing and technical consultation	250,000,000	—	Equity method
Gold Eagle Mining (Note 2)	Hong Kong	Hong Kong	Trading and investment	HKD3,498,500	—	Equity method
Southwest Zijin Gold	Zhenfeng County, Guizhou Province	Zhenfeng County, Guizhou Province	Research and development of manufacturing technology, design and processing, wholesale, retail and technical consultation services of precious metals, jewellery and jade products	100,000,000	—	Equity method
Guizhou Fureng Zijin (Note 3)	Anshun City, Guizhou Province	Anshun City, Guizhou Province	Power and electricity investment	200,000,000	—	Equity method
Fujian Longshu Fishery (Note 4)	Longgan City, Fujian Province	Longgan City, Fujian Province	Ecological aquaculture, fishing, aquatic product processing, recreational fishing business, tourism, tourism real estate development	21,500,000	—	Equity method
Zijin Culi (Note 5)	Longgan City, Fujian Province	Longgan City, Fujian Province	Trading of precious metals, fine processing of gold, processing and sale of jewellery products, diamond and jade, recovery of metal materials	20,000,000	—	Equity method
Kamoa	DR Congo	Barbados	Mining of copper mineral	USD14,000	—	Equity method
Porgosa Service Company	Australia	Cairns, Australia	Provision of corporate advisory service	AUD1,000	—	Equity method
Associates						
Ting River Hydropower	Shanghai County, Fujian Province	Shanghai County, Fujian Province	Hydroelectric power generation	69,000,000	—	Equity method
Wuping Zijin Hydropower	Wuping County, Fujian Province	Wuping County, Fujian Province	Hydroelectric power generation and investment in hydropower industry	60,000,000	—	Equity method
Haixia Technology (Note 6)	Yonggan City, Fujian Province	Yonggan City, Fujian Province	Production of explosives for civilian use	231,300,000	—	Equity method
Shanghang Xinyuan	Shanghang County, Fujian Province	Shanghang County, Fujian Province	Pipe water supply	300,000,000	—	Equity method
Hunchun Jind (Note 7)	Hunchun City, Yanbian Korean Autonomous Prefecture	Hunchun City, Yanbian Korean Autonomous Prefecture	Analysis and testing of geological exploration for mineral, technology development, consultation and transfer, sale of mineral products	100,000,000	—	Equity method
Yanbian Credit Security	Yanbian Korean Autonomous Prefecture	Yanbian Korean Autonomous Prefecture	Provision of loan guarantees for SMEs and individuals	200,000,000	—	Equity method
Kanas Travel	Buerjin County, Xinjiang	Buerjin County, Xinjiang	Catering and travel services	107,000,000	—	Equity method
Longyan Makeng	Longgan City, Fujian Province	Longgan City, Fujian Province	Iron and molybdenum mining	800,000,000	41.5%	Equity method
Songgan Zijin	Songgan County, Ngawa Tibetan and Qiang Autonomous Prefecture	Songgan County, Ngawa Tibetan and Qiang Autonomous Prefecture	Sale of industrial materials, equipment and instruments, development, manufacture and sale of general machinery	80,000,000	34%	Equity method
Wancheng Commercial	Wulaohuai, Bayanmao City, Inner Mongolia	Wulaohuai, Bayanmao City, Inner Mongolia	Mining, processing and sale of zinc, lead, vitrol, copper and iron	73,440,000	10%	Equity method
Tibet Yulong	Changdu County, Chengde Region, Tibet Autonomous Region	Changdu County, Chengde Region, Tibet Autonomous Region	Mining of copper mineral and geological studies	2,000,000,000	22%	Equity method
Xinjiang Tianrong	Fukang City, Xinjiang	Fukang City, Xinjiang	Limestone mining, cement production, intensive processing and refining of non-ferrous metals	868,935,192	—	Equity method
Xiamen Modern Terminals	Xiamen City, Fujian Province	Xiamen City, Fujian Province	Dock construction, operation of dock and other port facilities; cargo loading and storage operation (under permission in license)	355,380,000	—	Equity method
Wengfu Zijin	Shanghang County, Fujian Province	Shanghang County, Fujian Province	Production of monoammonium phosphate, diammonium hydrogen phosphate, gypsum block, and cement additive	813,340,000	—	Equity method
Zijin Tongquan	Xiamen City, Fujian Province	Xiamen City, Fujian Province	Investment holding of mining companies, wholesale and retail of mineral products, refining of copper	1,350,000,000	45%	Equity method
Kuitun Yulong	Kuitun City, Xinjiang	Kuitun City, Xinjiang	Logistics and transportation service	5,000,000	—	Equity method
Longyan Zijin-AVIC	Longgan City, Fujian Province	Longgan City, Fujian Province	Development, operation and management of real estate, property management, car park service	20,408,163	—	Equity method
Zisen (Xiamen)	Xiamen City, Fujian Province	Xiamen City, Fujian Province	Supply chain management, management and consultation of investment, business information consultation, investment consultation	10,000,000	—	Equity method
Jinyue Huchuang (Note 8)	Fuzhou City, Fujian Province	Fuzhou City, Fujian Province	Design, manufacture, sale and repair of automatic and intelligent equipment, technological development and service in respect of industrial automation and electrical engineering, development and design of computer hardware and software products, provision of informational system integration service	10,000,000	10%	Equity method
Science (Note 9)	Changsha City, Hunan Province	Changsha City, Hunan Province	Technological consultation, design, development and operation services; design, contracting and construction of environmental engineering projects; research, development, manufacture, production, sale and related technical services for chemicals and environmental protection equipment used in sewage and wastewater treatment	68,000,000	—	Equity method

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

VII. INVESTMENTS IN OTHER ENTITIES *(continued)*

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

- Note 1: Pursuant to the articles of association of Shandong Guoda, the board of directors of Shandong Guoda consists of five directors, including two appointed by the Group and three appointed by Shandong Zhaojin Group Zhaoyuan Gold Smelting Company Limited. The operating decisions of Shandong Guoda are effective only when approved by two-thirds of the directors. Therefore, the management of the Group considers that the Group has joint control over Shandong Guoda, and accounts for it as a joint venture.
- Note 2: Pursuant to the shareholders' agreement related to Gold Eagle Mining, the board of directors of Gold Eagle Mining consists of five directors, including two appointed by the Group and three appointed by Jinchuan Group. The operating decisions of Gold Eagle Mining are effective only when approved by two-thirds of the directors. Therefore, the management of the Group considers that the Group has joint control over Gold Eagle Mining, and accounts for it as a joint venture.
- Note 3: In December 2014, Guizhou Zijin and Fujian Coal and Electric Company Limited ("Fujian Coal and Electric") jointly established Guizhou Funeng Zijin with respective shareholding ratios of 50% and 50%. Pursuant to the agreement between the two parties, the board of directors of Guizhou Funeng Zijin consists of five directors, including two appointed by the Group and three appointed by Fujian Coal and Electric. The operating decisions of Guizhou Funeng Zijin are effective only when approved by two-thirds of the directors. Therefore, the management of the Group considers that the Group has joint control over Guizhou Funeng Zijin, and accounts for it as a joint venture.
- Note 4: Pursuant to the articles of association of Fujian Longhu Fishery, the board of directors consists of three directors, including two appointed by the Group. The resolutions of the board of directors must be approved by more than two-thirds (excluding two-thirds) of the directors. Therefore, the management of the Group considers that the Group has joint control over Fujian Longhu Fishery, and accounts for it as a joint venture.
- Note 5: On 3 February 2015, Southern Investment, a wholly-owned subsidiary of the Company, and Fujian Jincuiju Jewellery Development Company Limited ("Jincuiju") jointly established Zijin Cuifu with respective shareholding ratios of 51% and 49%. The board of directors of Zijin Cuifu consists of five directors, including three appointed by Southern Investment (one of them being appointed as the chairman) and two appointed by Jincuiju. The operation of Zijin Cuifu is carried out under contracted operation by the general manager delegated by Jincuiju. Pursuant to the articles of association of Zijin Cuifu, the operating decisions of Zijin Cuifu are effective only when approved by over two-thirds of the directors. Therefore, the management of the Group considers that the Group has joint control over Zijin Cuifu, and accounts for it as a joint venture.
- Note 6: Pursuant to the articles of association of Haixia Technology, the board of directors of Haixia Technology consists of six directors, including one appointed by the Group, three appointed by Fujian Province Mechanical and Electrical (Holding) Company Limited and two appointed by Fujian Energy Group Company Limited. The chairman of the supervisory committee, the deputy general manager and the chief financial officer of Haixia Technology are appointed by the Group. Therefore, the management of the Group considers that the Group has significant influence over the financial and operational decisions of Haixia Technology, and accounts for it as an associate.
- Note 7: In June 2015, Hunchun Zijin entered into an agreement with Jilin Hunchun Border Economic Cooperation Zone Infrastructure Investment Company Limited ("Cooperation Zone"). Cooperation Zone transferred an 11% equity interest in Hunchun Jindi to Hunchun Zijin. After the increase in shareholding, the proportion of directors delegated by Hunchun Zijin in the board of directors of Hunchun Jindi remained unchanged. Hunchun Zijin cannot conclude the operating decisions of Hunchun Jindi and therefore no controlling power over Hunchun Jindi is assumed. Therefore, the management of the Group considers that the Group merely has significant influence over Hunchun Jindi, and accounts for it as an associate.
- Note 8: In January 2016, Fujian Histron Group Company Limited, Fujian Intelligent Mining Hi-Tech Information Technology Company Limited, Xiamen Zijin Engineering and the Company entered into an agreement. They jointly invested in and established Jinyue Huichuang. The Company and Xiamen Zijin Engineering hold 10% and 20% equity interest in Jinyue Huichuang respectively. The Group's wholly-owned subsidiary, Zijin Mining Group (Xiamen) Investment Company Limited ("Xiamen Investment Company"), holds a 100% equity interest in Xiamen Zijin Engineering, which makes the Group indirectly hold a 30% equity interest in Jinyue Huichuang in total. Pursuant to the articles of association of Jinyue Huichuang, the board of directors of Jinyue Huichuang consists of five directors, including one director and one deputy chairman appointed by the Group. Important decisions are effective only when approved by two-thirds of the directors. Therefore, the management of the Group considers that the Group merely has significant influence over Jinyue Huichuang, and accounted for it as an associate.
- Note 9: In April 2016, the Group's subsidiary, Capital Investment Company, entered into a capital increase agreement with Science, and Capital Investment Company subscribed for a 25% equity interest in Science in cash consideration of RMB166,600,000. Pursuant to the articles of association of Science, the board of directors consists of five directors including one appointed by the Group. In addition, the Group appointed one supervisor. Important decisions are effective only when approved by two-thirds of the directors. Therefore, the management of the Group considers that the Group merely has significant influence over Science and accounts for it as an associate.

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

VII. INVESTMENTS IN OTHER ENTITIES (continued)

2. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

The significant joint ventures of the Group include Shandong Guoda, Xiamen Zijin Zhonghang, Gold Eagle Mining and Kamo, which are accounted for using the equity method.

The financial information of the above significant joint ventures is set out below, which was adjusted to book value per consolidated financial statements in accordance with the Group's accounting policies:

30 June 2018

	Shandong Guoda	Xiamen Zijin Zhonghang	Gold Eagle Mining	Kamo
Current assets	637,821,377	315,470,650	623,386,323	170,622,119
<i>Including: Cash and cash equivalents</i>	<i>143,944,240</i>	<i>158,921,094</i>	<i>546,198,268</i>	<i>110,436,268</i>
Non-current assets	413,194,850	261,459,346	3,976,880,526	7,899,303,717
Total assets	1,051,016,227	576,929,996	4,600,266,849	8,069,925,836
Current liabilities	(436,203,823)	(100,460,733)	(1,297,167,022)	(97,661,876)
Non-current liabilities	(3,316,361)	(38,973,663)	(89,316,912)	(5,464,468,050)
Total liabilities	(439,520,184)	(139,434,396)	(1,386,483,934)	(5,562,129,926)
Non-controlling interests	–	–	–	(486,926,353)
Equity attributable to owners of the parent	611,496,043	437,495,600	3,213,782,915	2,994,722,263
Share of net assets based on proportion of equity interest	183,754,561	218,747,800	1,446,202,312	1,482,387,520
Adjustments	–	–	–	–
Impairment provision	(12,350,855)	–	–	–
Goodwill	–	–	–	–
Unrealised profit arising from intra-group transactions	–	–	–	–
Others	–	–	–	–
Book value of equity investments	171,403,706	218,747,800	1,446,202,312	1,482,387,520
Operating income	1,040,780,254	24,158,683	–	–
Financial expenses	7,589,540	(431,836)	25,751,668	160,615,616
<i>Including: Interest income</i>	<i>(1,659,434)</i>	<i>(435,467)</i>	<i>(31)</i>	<i>(10,387,844)</i>
<i>Including: Interest expenses</i>	<i>9,248,974</i>	–	<i>25,750,928</i>	<i>171,003,460</i>
Income tax expenses	4,773,559	(496,241)	–	–
Net profit/(loss)	18,827,848	(2,852,959)	(25,768,788)	(181,119,899)
Other comprehensive income	–	–	–	–
Total comprehensive income/(loss)	18,827,848	(2,852,959)	(25,768,788)	(181,119,899)
Dividends received	–	–	–	–

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

VII. INVESTMENTS IN OTHER ENTITIES *(continued)*

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

The significant associates of the Group include Longyan Makeng, Tibet Yulong, Zijin Tongguan, Xinjiang Tianlong and Wengfu Zijin, which are accounted for using the equity method.

The financial information of the above significant associates is set out below, which was adjusted to book value per consolidated financial statements in accordance with the Group's accounting policies:

30 June 2018	Longyan Makeng	Tibet Yulong	Zijin Tongguan	Xinjiang Tianlong	Wengfu Zijin
Current assets	339,504,153	748,833,336	389,033,498	890,873,023	452,387,400
Non-current assets	4,103,557,837	5,462,769,008	1,574,898,676	4,095,707,329	2,027,337,116
Total assets	4,443,061,990	6,211,602,344	1,963,932,174	4,986,580,352	2,479,724,516
Current liabilities	(1,575,297,848)	(1,208,541,974)	(558,686,814)	(2,560,848,311)	(1,357,852,143)
Non-current liabilities	(1,508,893,072)	(3,030,004,824)	(8,497,705)	(245,748,880)	(355,422,458)
Total liabilities	(3,084,190,920)	(4,238,546,798)	(567,184,519)	(2,806,597,191)	(1,713,274,601)
Non-controlling interests					
Equity attributable to owners of the parent	1,358,871,070	1,973,055,546	1,396,747,655	2,179,983,161	766,449,915
Share of net assets based on proportion of equity interest	563,931,494	434,072,220	628,536,445	357,953,235	297,919,082
Adjustments					
Impairment provision	—	—	(162,757,584)	—	—
Goodwill	331,615,363	—	—	—	—
Book value of equity investments	895,546,857	434,072,220	465,778,861	357,953,235	297,919,082
Operating income	324,463,134	595,356,264	—	1,458,761,057	778,387,911
Net profit/(loss)	22,838,445	201,353,836	(15,545,363)	(98,584,578)	30,558,860
Other comprehensive income	—	—	—	—	—
Total comprehensive income/(loss)	22,838,445	201,353,836	(15,545,363)	(98,584,578)	30,558,860
Dividends received	—	—	—	—	—

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version shall prevail.)***VII. INVESTMENTS IN OTHER ENTITIES** *(continued)***2. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES** *(continued)*

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

	30 June 2018
Joint ventures	
Aggregate book value of the Group's investments in joint ventures	108,551,330
Items below were calculated by the proportion of equity interest	
Share of net profit of joint ventures	289,364
Share of other comprehensive income of joint ventures	—
Share of total comprehensive income of joint ventures	289,364
Associates	
Aggregate book value of the Group's investments in associates	
Items below were calculated by the proportion of equity interest	1,147,896,648
Share of net profit of associates	46,773,561
Share of other comprehensive income of associates	—
Share of total comprehensive income of associates	46,773,561

3. JOINT OPERATION

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

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

Notes to Financial Statements (continued)

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

VIII. FINANCIAL INSTRUMENTS AND RISKS

1. FINANCIAL INSTRUMENTS BY CATEGORY

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

30 June 2018

Financial assets

	Financial assets at fair value through profit or loss		At amortised cost	At fair value through other comprehensive income (designated)	Total
	Designated as such upon initial recognition	Fair value			
Cash and cash equivalents	—	—	8,535,941,536	—	8,535,941,536
Financial assets held for trading	—	1,403,731,466	—	—	1,403,731,466
Bills receivable and trade receivables	—	—	2,418,263,517	—	2,418,263,517
Other receivables	—	—	998,531,936	—	998,531,936
Other current assets	—	—	849,101,235	—	849,101,235
Other equity instrument investments	—	—	—	1,975,106,768	1,975,106,768
Other non-current assets - long-term receivables	—	—	3,860,995,286	—	3,860,995,286
Current portion of non-current assets	—	—	49,997,508	—	49,997,508
	—	1,403,731,466	16,712,831,018	1,975,106,768	20,091,669,252

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version shall prevail.)*VIII. FINANCIAL INSTRUMENTS AND RISKS *(continued)*1. FINANCIAL INSTRUMENTS BY CATEGORY *(continued)*

Financial liabilities

	Financial liabilities at fair value through profit or loss		Financial liabilities at amortised cost	Total
	Designated as such upon initial recognition	Fair value		
Short-term borrowings	—	—	12,553,364,979	12,553,364,979
Financial liabilities held for trading	—	1,313,414,278	—	1,313,414,278
Bills payable and trade payables	—	—	4,308,589,078	4,308,589,078
Other payables	—	—	3,812,571,556	3,812,571,556
Current portion of non-current liabilities	—	—	4,275,283,071	4,275,283,071
Long-term borrowings	—	—	6,883,997,079	6,883,997,079
Bonds payable	—	—	13,782,488,614	13,782,488,614
Long-term payables	—	—	462,822,346	462,822,346
	—	1,313,414,278	46,079,116,723	47,392,531,001

2. RISKS OF FINANCIAL INSTRUMENTS

The Group faces various risks of financial instruments in its daily operation, which mainly include credit risk, liquidity risk, and market risk (including currency risk, interest rate risk and commodity price risk). The Group's principal financial instruments include cash and cash equivalents, investment in debts and equities, borrowings, bills receivable and trade receivables, bills payable and trade payables and derivative financial instruments, etc.

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, trade receivable balances are monitored on an ongoing basis to ensure the Group's exposure to bad debts is not significant.

As the counterparties of transactions in relation to cash and cash equivalents and derivative financial instruments are banks or financial institutions with good reputation and high credit rating, such financial instruments have low credit risk.

The credit risk of the Group's financial assets, which comprise cash and cash equivalents, investments in debts and equities, loans and receivables and certain derivative instruments, arise from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments. The Group is also exposed to credit risk for providing financial guarantees.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Credit risks are managed by customer/counterparty, by geographical region and by industry sector. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's trade receivables are widely dispersed in different sectors and industries. The Group does not hold any collateral or other credit enhancements over its trade receivable balances.

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

As at 30 June 2018, trade receivables that were neither past due nor impaired were related to a large number of dispersed customers without recent default record.

Notes to Financial Statements *(continued)*

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

VIII. FINANCIAL INSTRUMENTS AND RISKS *(continued)*

2. RISKS OF FINANCIAL INSTRUMENTS *(continued)*

Liquidity risk

The Group's objective is to maintain a balance between continuity and flexibility of funding through the use of debentures, bank borrowings and other borrowings. As at 30 June 2018, approximately 56% of the Group's debts will mature in less than one year (31 December 2017: 53%).

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

	Within 1 year	Over 1 year but within 5 years	Over 5 years	Total
Short-term borrowings	12,577,033,726	—	—	12,577,033,726
Financial liabilities held for trading	1,313,414,278	—	—	1,313,414,278
Bills payable and trade payables	4,308,589,078	—	—	4,308,589,078
Other payables	3,812,571,556	—	—	3,812,571,556
Current portion of non-current liabilities	4,553,650,812	—	—	4,553,650,812
Long-term borrowings	273,935,702	5,994,451,960	882,920,277	7,151,307,939
Bonds payable	505,475,000	14,714,408,333	—	15,219,883,333
Long-term payables	5,861,674	253,238,713	304,502,757	563,603,144
	27,350,531,826	20,962,099,006	1,187,423,034	49,500,053,866

Interest rate risk

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

The Group maintains an appropriate fixed rate and variable rate debts portfolio to manage the interest costs. As at 30 June 2018, approximately 88% (31 December 2017: 74%) of the interest-bearing borrowings were fixed rate debts.

Currency risk

The operating results of the Group is subject to the change of value in the assets and liabilities held at foreign currencies by the Group, which is caused by the fluctuation of exchange rate. The Group carried out hedging businesses for the exchange rate risk exposure. The Board approved the annual transaction amount, the maximum position quantity, business type and business duration for the foreign currency derivative transaction business. Financial planning team is responsible for the overall management of foreign currency business and makes adjustment to the foreign currency hedging strategy according to the market. A specialised monetary financial planning team is set up under the financial planning team to carry out the specific transaction business.

Notes to Financial Statements *(continued)*

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

VIII. FINANCIAL INSTRUMENTS AND RISKS *(continued)*

2. RISKS OF FINANCIAL INSTRUMENTS *(continued)*

Equity instruments price risk

Equity instruments price risk is the risk that the fair values of equity securities change as a result of changes in the levels of equity indices and the value of individual securities. The Group is exposed to equity price risk arising from individual equity investments classified as financial assets held for trading (Note V.2) and other equity instrument investments (Note V.10) as at 30 June 2018. The Group's listed equity investments are listed on the Shanghai, Toronto, New York, London, Hong Kong and Australian stock exchanges, etc., and are valued at quoted market prices at the date of statement of financial position.

Commodity price risk

The Group's exposure to commodity price risk principally relates to the future market price fluctuation in major metals, such as gold, copper, zinc and silver. The price fluctuation can affect the Group's operating results.

The Group has carried out hedging operations on the future sales of gold, copper, zinc and silver. The board of directors has approved the maximum position quantity of hedging derivative transactions of gold, copper, zinc and silver, and the hedging decision-making team and hedging business team are responsible for the organisation and implementation, and constantly pay attention to the price fluctuation of commodity futures contracts.

3. CAPITAL MANAGEMENT

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business development and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, repurchase shares or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the period ended 30 June 2018.

The Group monitors capital using debt-to-asset ratio, which is total liabilities divided by total assets. The debt-to-asset ratios as at the end of the reporting periods were as follows:

	30 June 2018	31 December 2017
Total assets	90,988,937,898	89,315,263,550
Total liabilities	53,267,786,124	51,672,418,332
Debt-to-asset ratio	58.54%	58%

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

IX. DISCLOSURE OF FAIR VALUE

1. ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

30 June 2018

	Fair value measurement using			Total
	Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Measured at fair value				
Financial assets held for trading				
Debt investments	9,008,501	—	—	9,008,501
Equity investments	541,448,562	—	—	541,448,562
Derivative financial assets	111,803,924	59,599,319	—	171,403,243
Others	681,871,160	—	—	681,871,160
Other equity instrument investments	1,291,520,973	683,585,795	—	1,975,106,768
Total assets measured at fair value	2,635,653,120	743,185,114	—	3,378,838,234
Financial liabilities at fair value through profit or loss				
Gold leasing	1,285,578,948	—	—	1,285,578,948
Derivative financial liabilities	12,672,840	—	—	12,672,840
Cross currency swaps	—	15,162,490	—	15,162,490
Total liabilities measured at fair value	1,298,251,788	15,162,490	—	1,313,414,278

In the first half of 2018, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out from Level 3.

Notes to Financial Statements *(continued)*

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

IX. DISCLOSURE OF FAIR VALUE *(continued)*

2. ESTIMATION OF FAIR VALUE

The net book values of the Group's financial instruments were approximate to their fair values.

The management has assessed that the fair values of cash and cash equivalents, bills receivable and trade receivables, other receivables, other current assets, bills payable and trade payables, other payables, the current portion of non-current liabilities and other current liabilities approximate to their carrying amounts largely due to the short remaining maturities of these instruments.

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

The fair values of other non-current assets, short-term and long-term borrowings, long-term payables and bonds payable have been calculated by discounting the expected future cash flows using market rates of return currently available for other financial instruments with similar terms, credit risk and remaining maturities. As at 30 June 2018, the Group's own non-performance risk for short-term and long-term borrowings was assessed to be insignificant. The fair values of listed equity investments are measured at quoted market prices.

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

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

1. THE LARGEST SHAREHOLDER OF THE COMPANY

Company name	Place of registration	Nature of business	Registered capital	Proportion of the Company's ownership	Proportion of the Company's voting power	Ultimate controlling entity	Proportion of the Company's voting power	Ultimate controlling entity
Minxi Xinghang	No. 110 Zhenxing Road, Linjiang Village, Shanghang County, Longyan City, Fujian Province	Investment in Fujian	RMB368 million	25.88%	25.88%	Minxi Xinghang	25.88%	Minxi Xinghang

2. SUBSIDIARIES OF THE COMPANY

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

3. JOINT VENTURES AND ASSOCIATES

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

4. JOINT OPERATION

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

Notes to Financial Statements *(continued)*

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

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

5. OTHER RELATED PARTIES OF THE COMPANY

Name of related parties	Relationship between the related parties and the Company
Mr. Zhu Hongxing	A non-controlling shareholder of Huanmin Mining
Hongyang Mining	A non-controlling shareholder of Guizhou Zijin
Chongli Finance Bureau State-owned Asset Management Centre	A non-controlling shareholder of Chongli Zijin
Jilin Province The Sixth Geological Survey Institute	A non-controlling shareholder of Tumen Shuguang Mining Company Limited
Shanghang County Jinshan Trading	A non-controlling shareholder of the Company
Xinjiang Non-ferrous Metal Industrial Materials Group Company Limited ("Xinjiang Non-ferrous Metal Materials")	A subsidiary of Xinjiang Non-ferrous Metal Industry (Group) Company Limited, a non-controlling shareholder of Xinjiang Ashele
Gansu Province Non-ferrous Metal Geological Exploration Bureau Tianshui Mineral Exploration Institute	A subsidiary of Gansu Jiuzhou Exploration Mining Co., Ltd., a non-controlling shareholder of Longnan Zijin
Fujian Province Shanghang County Qilin Mining Construction Co., Ltd. ("Qilin Mining")	A non-controlling shareholder of Zijin Mining Construction Company Limited
La Générale des Carrières et des Mines (Gécamines) ("Gécamines")	A non-controlling shareholder of Musonoie

6. RELATED PARTY TRANSACTIONS

(A) Sales and purchases of products, and rendering and receipt of services to and from related parties

Sales of products/rendering of services to related parties

Nature of transaction	For the six months ended 30 June 2018	For the six months ended 30 June 2017
Shandong Guoda (Note 1)	22,287,318	55,816,051
Wengfu Zijin (Note 1)	50,028,431	18,332,880
Wuxin Copper (Note 1)	402,027,405	6,792
Xinjiang Non-ferrous Metal Materials (Note 1)	342,752	288,338,431
Longhu Fishery (Note 1)	—	218,130
Makeng Mining (Note 1)	1,090,048	1,437,572
Shanghang County Jishan Trading	—	2,599,770
Haixia Technology	—	105,361
Zisen (Xiamen) (Note 1)	553,083,508	—
	1,028,859,462	366,854,987

Notes to Financial Statements *(continued)*

For the period ended 30 June 2018

RMB

*(English translation is for reference only. If there is any discrepancy, Chinese version shall prevail.)***X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS** *(continued)***6. RELATED PARTY TRANSACTIONS** *(continued)***(A) Sales and purchases of products, and rendering and receipt of services to and from related parties** *(continued)*

Purchases of products/receipt of services from related parties

	Nature of transaction	For the six months ended 30 June 2018	For the six months ended 30 June 2017
Wancheng Commercial (Note 1)	Purchase of raw materials	152,954,204	126,139,779
Haixia Technology (Note 1)	Purchase of raw materials	637,086	1,049,010
Xiamen Zijin Zhonghang (Note 1)	Construction service	—	66,841,039
Shanghang County Jinshan Trading	Purchase of raw materials	22,194,538	8,751,957
Zisen (Xiamen) (Note 1)	Purchase of raw materials	885,894,408	70,264,656
Southwest Zijin Gold (Note 1)	Purchase of alloy gold	12,225,223	89,667,395
		1,073,905,459	362,713,836

Note 1: Transactions, such as sales and purchase of raw materials, receipt of services and sales of products against shareholders of the Company, associates, joint ventures, non-controlling shareholders of subsidiaries and companies controlled by non-controlling shareholders were made at market prices and settled under similar conditions offered to third parties.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2018

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

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

6. RELATED PARTY TRANSACTIONS *(continued)*

(B) Related party guarantees

- (1) The Group's provision of guarantees for bank loans of related parties

30 June 2018

Guarantor	Guaranteed party	Amount of guarantee	Inception date of guarantee	Due date of guarantee	Whether performance of guarantee has been completed
The Company	Wengfu Zijin	119,600,000	28 April 2011	27 April 2019	No

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

As at 30 June 2018, there were no related party guarantees provided for bank loans of the Group.

(C) Borrowings from/to related parties

Borrowings from related parties

30 June 2018

Borrower	Note	Amount of borrowings	Inception date	Due date	Annual interest rate
The Company	Note 1	48,450,000	29 December 2015	28 December 2026	1.20%
The Company	Note 1	24,800,000	10 December 2015	9 December 2027	1.20%
		73,250,000			

Note 1: The Company applied for nationals special fund loans from China Development Bank through the shareholder Minxi Xinghang. The balance of the loans as at 30 June 2018 was RMB73,250,000. During the year, the Company repaid an amount of RMB5,450,000. The loans are unsecured.

Notes to Financial Statements (continued)

For the period ended 30 June 2018

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

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (continued)

6. RELATED PARTY TRANSACTIONS (continued)

(C) Borrowings from/to related parties (continued)

Borrowings to related parties

30 June 2018

Borrowers Name	Notes	Amount of borrowings	Inception date	Due date	Annual interest rate
Zijin Tongguan	Note V.5 (Note 1)	9,000,000	13 April 2012	—	4.35%
Zijin Tongguan	Note V.5 (Note 1)	109,350,000	20 June 2012	—	4.35%
Zijin Tongguan	Note V.5 (Note 1)	9,000,000	14 January 2013	—	4.35%
Zijin Tongguan	Note V.5 (Note 1)	13,500,000	31 October 2013	—	4.35%
Zijin Tongguan	Note V.5 (Note 1)	5,400,000	31 July 2014	—	4.35%
Zijin Tongguan	Note V.5 (Note 1)	4,500,000	21 January 2015	—	4.35%
Zijin Tongguan	Note V.5 (Note 1)	6,300,000	29 May 2015	—	4.35%
Zijin Tongguan	Note V.5 (Note 1)	6,975,000	23 July 2015	—	4.35%
Zijin Tongguan	Note V.5 (Note 1)	2,286,000	15 December 2015	—	4.35%
Zijin Tongguan	Note V.5 (Note 1)	3,429,000	15 January 2016	—	4.35%
Zijin Tongguan	Note V.5 (Note 1)	21,276,000	29 June 2016	—	4.35%
Zijin Tongguan	Note V.5 (Note 1)	9,000,000	9 May 2018	31 December 2020	4.35%
Zijin Tongguan	Note 5	9,000,000	30 November 2017	31 December 2019	4.75%
Zijin Tongguan	Note 5	15,300,000	7 November 2017	31 December 2019	4.75%
Zijin Tongguan	Note 5	5,850,000	2 November 2017	31 December 2019	4.75%
Gold Eagle Mining	Note 2	183,339,131	11 July 2012	30 June 2020	LIBOR+2.60%
Gold Eagle Mining	Note 2	394,406,753	18 August 2017	31 August 2020	LIBOR+2.60%
Longyan Zijin AVIC	Note 4	430,819,887	18 March 2016	17 March 2019	6.50%
Kamoa	Note 3	1,198,643,638	2 January 2016	—	LIBOR+7%
Kamoa	Note 3	33,083,000	2 January 2016	—	LIBOR+7%
Kamoa	Note 3	51,113,738	15 March 2016	—	LIBOR+7%
Kamoa	Note 3	135,593,984	15 August 2016	—	LIBOR+7%
Kamoa	Note 3	124,608,535	14 October 2016	—	LIBOR+7%
Kamoa	Note 3	75,078,348	21 December 2016	—	LIBOR+7%
Kamoa	Note 3	23,238,187	24 January 2017	—	LIBOR+7%
Kamoa	Note 3	23,238,187	22 February 2017	—	LIBOR+7%
Kamoa	Note 3	30,146,262	24 March 2017	—	LIBOR+7%
Kamoa	Note 3	12,770,058	31 March 2017	—	LIBOR+7%
Kamoa	Note 3	27,430,068	24 April 2017	—	LIBOR+7%
Kamoa	Note 3	74,634,983	24 May 2017	—	LIBOR+7%
Kamoa	Note 3	32,471,811	31 July 2017	—	LIBOR+7%
Kamoa	Note 3	87,352,419	31 August 2017	—	LIBOR+7%
Kamoa	Note 3	49,392,608	31 August 2017	—	LIBOR+7%
Kamoa	Note 3	55,441,682	30 September 2017	—	LIBOR+7%
Kamoa	Note 3	48,040,764	31 October 2017	—	LIBOR+7%
Kamoa	Note 3	54,240,425	30 November 2017	—	LIBOR+7%
Kamoa	Note 3	9,134,144	25 January 2018	—	LIBOR+7%
Kamoa	Note 3	32,125,267	23 February 2018	—	LIBOR+7%
Kamoa	Note 3	36,331,539	6 April 2018	—	LIBOR+7%
Kamoa	Note 3	17,569,845	23 April 2018	—	LIBOR+7%
Kamoa	Note 3	46,174,955	24 May 2018	—	LIBOR+7%
Longyan Makeng	Note 6	50,060,417	28 September 2017	28 September 2018	4.35%
		3,566,646,635			

Notes to Financial Statements *(continued)*

For the period ended 30 June 2018

RMB

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

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

6. RELATED PARTY TRANSACTIONS *(continued)*

(C) Borrowings from/to related parties *(continued)*

Borrowings to related parties *(continued)*

Note 1: Minxi Xinghang, a shareholder of the Company, provided the Company with an unsecured loan of RMB30,000,000 on 11 December 2015. As at 30 June 2018, the Company has repaid RMB5,200,000 in total; Minxi Xinghang provided the Company with an unsecured loan of RMB57,000,000 on 29 December 2015. As at 30 June 2018, The Company repaid RMB8,550,000 in aggregate.

Note 2: In 2012, Jin Jian Global Mining Limited ("Jin Jian Global"), a subsidiary of the Group, entered into an agreement with Gold Eagle Mining. Pursuant to the agreement, Jin Jian Global provided a loan of USD22,680,000 to Gold Eagle Mining. As at 30 June 2018, the total amount of the loan principal and the accrued interest was equivalent to RMB183,339,131 (31 December 2017: RMB207,775,684). In 2014, Jin Jian Global provided an additional loan of USD51,750,000 to Gold Eagle Mining which was extended to 31 August 2020 in the current year. As at 30 June 2018, the total amount of the loan principal and the accrued interest was equivalent to RMB394,406,753 (31 December 2017: RMB351,265,115). The above loans were both unsecured with an interest rate of the one-year LIBOR +2.60%.

Note 3: Pursuant to the equity transfer agreement, part of the original shareholders' loans of Kamo in the amount of USD181,157,035 was transferred to the Group's subsidiary, Gold Mountains (H.K.). As at 30 June 2018, the amount was equivalent to RMB1,198,643,638 (31 December 2017: RMB1,183,716,298). These loans were unsecured with an interest rate of the one-year LIBOR+7%. The Company and Kamo agreed that these loans would be repaid with Kamo's future operating cash flows. Besides, based on the working capital requirements for Kamo, Gold Mountains (H.K.) provided loans of USD163,106,552 to Kamo (equivalent to RMB1,079,210,812) as at 30 June 2018. As at 30 June 2018, the total interest receivable from Kamo of Gold Mountains (H.K.) was RMB426,065,598.

Note 4: In 2016, the Company provided a loan of RMB419,440,000 to an associate company, Longyan Zijin AVIC. The loan was unsecured with an interest rate of 6.50% per annum. As at 30 June 2018, the principal and interest was RMB430,819,887 in total. In 2017, the Company made provision for bad debts of RMB153,203,515 for the loan provided to Longyan Zijin AVIC.

Note 5: In 2017, the Company provided a loan of RMB30,150,000 to an associate company, Zijin Tongguan. The loan was unsecured and bore annual interest at the prevailing bank's interest rate for the same maturity. The maturity date of the loan is 31 December 2019.

Note 6: In September 2017, Zijin Mining Group Finance Company Limited ("Finance Company"), a subsidiary of the Group, provided a loan to Longyan Makeng, an associate of the Company. As at 30 June 2018, the total amount of the loan principal and interest was RMB50,060,417. The loan will become due in September 2018.

(D) Compensation of key management and remuneration of directors

	For the six months ended 30 June 2018	For the six months ended 30 June 2017
Directors' remuneration	15,605,370	8,144,751
Compensation of key management	7,589,260	2,920,988
	23,194,630	11,065,739

Notes to Financial Statements (continued)

For the period ended 30 June 2018

RMB

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

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (continued)

7. AMOUNTS DUE FROM RELATED PARTIES

	30 June 2018		31 December 2017	
	Carrying amount	Bad debt provision	Carrying amount	Bad debt provision
Trade receivables				
Zisen (Xiamen)	123,188,191	—	57,892,351	—
Wengfu Zijin	12,488,803	—	19,555,943	—
Shandong Guoda	264,862	—	1,450,891	—
	135,941,856	—	78,899,185	—
Prepayments				
Shanghang County Jinshan Trading	3,371,913	—	3,584,061	—
	3,371,913	—	3,584,061	—
Other receivables				
Chongli Finance Bureau State-owned Asset Management Centre	20,000,000	—	20,000,000	—
Longyan Makeng	50,083,624	—	50,112,612	—
Longyan Zijin AVIC	11,379,887	—	5,806,280	—
Wengfu Zijin	—	—	14,000,000	—
Minxi Xinghang	—	—	30,683,478	—
Xiamen Modern Terminal	8,750,000	—	8,750,000	—
Sichuan Geology	20,000,000	—	—	—
Shanghang County Jinshan Trading	4,045,313	—	—	—
Zijin Tongguan	218,612,627	140,992,416	250,111,647	140,992,416
	332,871,451	140,992,416	379,464,017	140,992,416
Current portion of non-current assets				
Gold Eagle Mining	—	—	207,775,684	—
	—	—	207,775,684	—
Other non-current assets				
Zijin Tongguan	30,150,000	—	30,150,000	—
Tibet Yulong	132,000,000	—	132,000,000	—
Gold Eagle Mining	577,745,884	—	351,265,115	—
Longyan Zijin AVIC	419,440,000	153,203,515	419,440,000	153,203,515
Kamoa	2,703,920,044	—	2,410,928,651	—
	3,863,255,928	153,203,515	3,343,783,766	153,203,515

Notes to Financial Statements (continued)

For the period ended 30 June 2018

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

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (continued)

8. AMOUNTS DUE TO RELATED PARTIES

	30 June 2018	31 December 2017
Trade payables		
Haixia Technology	32,445,813	32,303,500
Xiamen Zijin Zhonghang	3,603,970	17,542,345
Wancheng Commercial	5,479,172	5,560,051
Zisen (Xiamen)	64,544,532	204,835,750
	106,073,487	260,241,646
Advances from customers		
Shandong Guoda	1,640,000	—
Xinjiang Non-ferrous Metal Materials	—	7,387,576
	1,640,000	7,387,576
Other payables		
Mr. Zhu Hongxing	29,672,233	29,672,233
Gécamines	7,772,935	17,642,340
Haixia Technology	6,988,854	6,990,854
Gansu Province Non-ferrous Metal Geological Exploration Bureau Tianshui Mineral Exploration Institute	2,989,561	5,185,117
Wengfu Zijin	83,636	4,284,471
	47,507,219	63,775,015
Current portion of non-current liabilities		
Gécamines	35,729,640	35,284,680
Minxi Xinghang	8,300,000	8,300,000
	44,029,640	43,584,680
Long-term payables		
Gécamines	125,053,740	123,496,380
Minxi Xinghang	64,950,000	70,400,000
	190,003,740	193,896,380

Except for the amounts due from Gold Eagle Mining, Longyan Makeng, Longyan Zijin AVIC and the amount of loans to Zijin Tongguan which were interest-bearing and had a fixed term of repayment, the amount due from Kamoia and the amount due from Zijin Tongguan in previous years were interest-bearing without a fixed term of repayment, and the amount of entrance fee due to Gécamines was interest-free and had a fixed term of repayment. Other amounts due from/to related parties were interest-free, unsecured and had no fixed terms of repayment.

There were no loans provided by the Group to the directors as at 30 June 2018.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2018

RMB

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

	30 June 2018	31 December 2017
Contingencies arising from guarantees provided to external parties		
Wengfu Zijin (Note 1)	119,600,000	144,800,000
Fujian Rare Earth Group (Note 2)	286,652,909	229,256,707
Total	406,252,909	374,056,707

Note 1: As at 30 June 2018, the Company granted to Wengfu Zijin, an associate of the Group, joint guarantees in respect of bank loans at a cap of RMB450,000,000 (31 December 2017: RMB450,000,000). As at 30 June 2018, Wengfu Zijin utilised RMB119,600,000 of the guarantee facility (31 December 2017: RMB144,800,000).

Note 2: As at 30 June 2018, the unused guarantee of the Company provided to Makeng Mining, an associate of the Company, was RMB690,729,900. Makeng Mining's controlling shareholder, Fujian Rare Earth (Group) Company Limited provided a guarantee for its financing. The Company pledged its 41.5% equity interest in Makeng Mining and the interest derived from such shareholdings to provide counter guarantee for Fujian Rare Earth (Group) Company Limited. As at 30 June 2018, the guarantee provided by the Company amounted to RMB286,652,909 (31 December 2017: RMB229,256,707).

Based on the Group's evaluation of the credit rating and repayment ability of the recipients of the guarantees, the management of the Group considered that the probability that recipients of the guarantees could not repay the liabilities and settle the obligations was remote, and it was unnecessary to accrue the related contingent liabilities in financial statements.

XII. COMMITMENTS

	30 June 2018	31 December 2017
Capital commitments (Note 1)	1,714,072,055	1,656,796,483
	1,714,072,055	1,656,796,483

Note 1: As at 30 June 2018, the amounts of the capital commitments relating to the acquisition and construction of property, plant, machinery and equipment and mining assets were RMB1,578,460,028 (31 December 2017: RMB1,388,029,367).

XIII. POST BALANCE SHEET EVENTS

On 10 August 2018, the Execution and Investment Committee of the Board of the Company considered and approved the Resolution in relation to the Next Working Plan on the Acquisition of Nkwe. The Company was approved to acquire 354,385,240 shares of Nkwe through a wholly-owned subsidiary which the Company and its wholly-owned subsidiary do not already own with a consideration of AUD0.1 per share. The consideration of the acquisition was approximately AUD35.44 million (approximately equivalent to RMB178.05 million). The offer was recommended by the independent directors of Nkwe and was submitted to the shareholders' meeting of Nkwe for consideration. The acquisition is still subject to the necessary filings and approvals, and there are uncertainties for the transaction. If the acquisition is completed, the Company's shareholding in Nkwe will increase from the current 60.46% to 100%.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2018

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

XIV. OTHER SIGNIFICANT EVENTS

1. LEASING

As lessor

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

	30 June 2018	31 December 2017
Within 1 year (1 year inclusive)	36,934,814	35,878,325
Over 1 year but within 2 years (2 years inclusive)	26,974,729	25,181,433
Over 2 years but within 3 years (3 years inclusive)	24,950,377	26,448,256
Over 3 years but within 5 years (5 years inclusive)	43,553,419	43,551,884
Over 5 years	60,044,403	75,705,348
	192,457,742	206,765,246

As lessee

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

	30 June 2018	31 December 2017
Within 1 year (1 year inclusive)	10,016,939	9,124,097
Over 1 year but within 2 years (2 years inclusive)	9,460,583	10,454,396
Over 2 years but within 3 years (3 years inclusive)	1,176,000	2,506,000
Over 3 years but within 5 years (5 years inclusive)	4,904,280	2,604,149
	25,557,802	24,688,642

2. OPERATING SEGMENT INFORMATION

The management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted operating profit before tax. The adjusted operating profit before tax is measured consistently with the Group's operating profit before tax except that interest income, finance costs, dividend income, fair value gains 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, deferred tax assets, equity investments at fair value through profit or loss, derivative financial instruments, financial assets at fair value through other comprehensive income and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude financial liabilities at fair value through profit or loss, derivative financial instruments, bank and other borrowings, deferred tax liabilities, taxes payable, bonds payable and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

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

Notes to Financial Statements (continued)

For the period ended 30 June 2018

RMB

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

XIV. OTHER SIGNIFICANT EVENTS (continued)

2. OPERATING SEGMENT INFORMATION (continued)

For the six months ended 30 June 2018

Item	Gold bullion	Processed gold	Gold concentrates	Copper cathodes	Refinery copper	Copper concentrates	Copper bullion	Others	Eliminations	Total
1. Operating income Including: Sales to external customers	2,620,585,590	23,792,290,443	1,473,472,285	392,441,717	9,697,519,746	3,969,896,159	2,030,004,275	13,586,029,147	(11,567,249,491)	49,813,890,835
Intersegment sales	1,523,847,550	20,671,660,111	980,844,274	—	8,240,188,177	3,005,171,005	2,056,862,675	10,524,403,909	—	49,813,890,835
	1,096,738,040	3,120,630,332	492,628,011	392,441,717	1,457,331,569	964,725,154	(26,858,400)	3,061,625,238	(11,567,249,491)	—
2. Segment profit	201,954,008	39,220,208	190,280,807	82,978,691	191,559,959	1,687,729,465	35,596,885	-65,579,012	—	4,308,668,331
3. Segment assets Unallocated assets Total assets	52,524,066,955	12,386,008,022	11,450,653,385	6,938,161,963	10,786,064,510	18,549,724,021	2,421,956,722	71,057,858,921	(121,713,635,614)	77,817,611,424
4. Segment liabilities Unallocated liabilities Total liabilities	28,887,389,832	7,990,873,649	6,585,196,924	4,244,745,921	7,277,518,638	10,966,905,641	1,488,846,509	51,055,702,878	(105,029,914,320)	21,377,009,052
5. Supplemental information 1. Depreciation and amortisation	374,935,895	38,091,238	217,268,969	176,769,805	51,922,674	622,211,130	206,847,244	365,489,604	—	2,116,305,006
2. Capital expenditure	526,648,958	73,769,673	243,756,942	59,959,548	131,228,033	304,203,390	90,803,771	268,143,706	—	2,059,930,023
	374,935,895	38,091,238	217,268,969	176,769,805	51,922,674	622,211,130	206,847,244	365,489,604	—	2,059,930,023

For the six months ended 30 June 2017

Item	Gold bullion	Processed gold	Gold concentrates	Copper cathodes	Refinery copper	Copper concentrates	Zinc bullion	Others	Eliminations	Total
1. Operating income Including: Sales to external customers	2,754,482,564	18,569,450,038	1,578,926,731	337,297,946	8,753,721,125	2,719,803,596	1,925,261,167	8,481,052,782	(10,705,108,030)	37,523,631,910
Intersegment sales	1,310,022,507	14,202,482,465	1,516,417,578	335,220,113	6,881,050,616	2,561,196,296	1,922,400,216	6,249,673,188	—	37,523,631,910
	1,444,460,057	4,366,967,573	62,509,153	2,077,833	1,872,670,509	158,607,300	2,860,951	2,231,379,594	(10,705,108,030)	—
2. Segment profit	483,622,008	124,359,834	445,294,759	53,147,838	317,203,402	995,770,566	161,499,016	(152,119,673)	—	3,829,238,731
3. Segment assets Unallocated assets Total 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	2,735,428,981	62,666,366,798	(104,656,543,455)	81,431,020,260
4. Segment liabilities Unallocated liabilities Total 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	1,785,371,317	50,181,521,954	(95,203,482,427)	34,315,289,358
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	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	25,508,249	542,949,764	—	1,647,335,888

Notes to Financial Statements *(continued)*

For the period ended 30 June 2018

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

XV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY

1. Bills receivable and trade receivables

	30 June 2018	31 December 2017
Bills receivable	179,474,021	159,100,091
Trade receivables	985,109,924	994,127,110
Less: Bad debt provision	119,579	119,579
	1,164,464,366	1,153,107,622

Bills receivable

	30 June 2018	31 December 2017
Bank acceptance bills	179,474,021	159,100,091
Commercial acceptance bills	—	—
	179,474,021	159,100,091

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 follow:

	30 June 2018	31 December 2017
Within 1 year	652,393,732	774,074,450
Over 1 year but within 2 years	222,415,137	130,395,377
Over 2 years but within 3 years	46,387,168	53,542,451
Over 3 years	63,913,887	36,114,832
	985,109,924	994,127,110
Less: Bad debt provision for trade receivables	119,579	119,579
	984,990,345	994,007,531

Notes to Financial Statements (continued)

For the period ended 30 June 2018

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

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

1. Bills receivable and trade receivables (continued)

Trade receivables (continued)

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

	As at	Additions	Reductions		As at
	1 January		Reversal	Write-off	30 June
	2018				2018
30 June 2018	119,579	—	—	—	119,579

	Carrying amount		30 June 2018 Bad debt provision		Net book value
	Amount	Proportion (%)	Amount	Proportion (%)	
Individually significant and for which bad debt provision has been made individually	951,669,424	96.61	—	—	951,669,424
Individually not significant but for which bad debt provision has been made individually	33,440,500	3.39	119,579	0.36	33,320,921
	985,109,924	100	119,579	0.01	984,990,345

In the first half of 2018, there was no provision for bad debt (2017: Nil), and there was no provision for bad debt which was reversed (2017: Nil).

In the first half of 2018, there was no write-off of trade receivables (2017: Nil).

The five entities with the largest balances of trade receivables at 30 June 2018 are as follows:

Name of entity	Amount	Proportion of trade receivables (%)	Ageing	Closing balance
				of bad debt provision
Fujian Zijin Copper Company Limited	505,453,245	51.31	Within 1 year/over 1 year but within 2 years	—
Shanghai Huiao Non-ferrous Metals Company Limited	238,075,321	24.17	Within 1 year	—
Zijin Copper Company Limited	208,140,858	21.13	Within 1 year/over 1 year but within 2 years/over 2 years but within 3 years	—
Longkou Jinfeng Company Limited	6,000,000	0.61	Within 1 year/over 1 year but within 2 years/over 2 years but within 3 years	—
Heilongjiang Duobaoshan Copper Co., Ltd.	4,421,156	0.45	Within 1 year	—
	962,090,580	97.67		—

Notes to Financial Statements (continued)

For the period ended 30 June 2018

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

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

2. OTHER RECEIVABLES

Ageing analysis of the other receivables is as follows:

	30 June 2018	31 December 2017
Within 1 year	5,955,796,616	3,835,734,645
Over 1 year but within 2 years	1,081,918,346	2,006,496,196
Over 2 years but within 3 years	1,745,541,592	1,522,590,893
Over 3 years	3,883,767,246	3,455,951,464
	12,667,023,800	10,820,773,198
Less: Bad debt provision for other receivables	145,955,374	145,955,374
	12,521,068,426	10,674,817,824

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

	As at 1 January 2018	Additions	Reductions		As at 30 June 2018
			Reversal	Write-off	
30 June 2018	145,955,374	—	—	—	145,955,374

	Carrying amount		30 June 2018 Bad debt provision		Net book value
	Amount	Proportion (%)	Amount	Proportion (%)	
Individually significant and for which bad debt provision has been made individually	12,218,623,624	96.46	140,992,416	1.15	12,077,631,208
Individually not significant but for which bad debt provision has been made individually	448,400,176	3.54	4,962,958	1.11	443,437,218
	12,667,023,800	100	145,955,374	1.15	12,521,068,426

As at 30 June 2018, other receivables, which were individually significant and for which bad debt provision had been made individually, were as follows:

	Carrying amount	Bad debt provision	Proportion (%)	Reason for providing bad debt provision
Zijin Tongguan	208,751,000	140,992,416	67.54	No progress for the project in which the borrowing is used

Notes to Financial Statements (continued)

For the period ended 30 June 2018

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

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

2. OTHER RECEIVABLES (continued)

Category of other receivables by nature is as follow:

	30 June 2018	31 December 2017
Due from subsidiaries	11,535,609,108	10,185,477,368
Due from associates and joint ventures	201,712,789	210,217,675
Receivables from disposal of assets	50,000,000	50,000,000
Advanced material costs	54,475,119	65,999,709
Securities and deposits	29,912,733	43,686,602
Deferred expenses	16,858,018	25,278,996
Receivables from settlement of futures	324,314,192	13,718,114
Staff advances and reserve funds	—	1,366,790
Dividends receivable	133,500,000	25,500,000
Others	320,641,841	199,527,944
	12,667,023,800	10,820,773,198
Less: Bad debt provision for other receivables	145,955,374	145,955,374
	12,521,068,426	10,674,817,824

The five entities with the largest balances of other receivables at 30 June 2018 are as follow:

	Closing balance of other receivables	Ageing	Proportion of other receivables (%)	Closing balance of bad debt provision
Gold Mountains (H.K.)	3,365,437,883	Within 1 year/over 1 year but within 2 years/over 2 years but within 3 years/over 3 years	26.57	—
Zijin Copper	886,882,367	Within 1 year/over 1 year but within 2 years/over 2 years but within 3 years/over 3 years	7.00	—
ZGC	722,671,531	Within 1 year/over 1 year but within 2 years/over 2 years but within 3 years/over 3 years	5.71	—
Xinyi Zijin	614,312,318	Within 1 year/over 1 year but within 2 years/over 3 years	4.85	—
Heilongjiang Zijin Longxing	605,850,890	Within 1 year/over 1 year but within 2 years/over 2 years but within 3 years/over 3 years	4.78	—
	6,195,154,989		48.91	—

Notes to Financial Statements *(continued)*

For the period ended 30 June 2018

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

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

3. OTHER EQUITY INSTRUMENT INVESTMENTS

Equity instrument investments not held for trading at fair value through other comprehensive income

	30 June 2018	1 January 2018
Equity instrument investments not held for trading	469,441,576	578,733,819
<i>Including: Accumulated changes in fair value recognised in other comprehensive income</i>	2,403,694	111,695,937

4. LONG-TERM EQUITY INVESTMENTS

	30 June 2018		
	Carrying amount	Impairment provision	Net book value
Investments in subsidiaries	24,467,292,831	(286,919,351)	24,180,373,480
Investments in associates	2,045,633,411	(162,757,584)	1,882,875,827
	26,512,926,242	(449,676,935)	26,063,249,307

Notes to Financial Statements (continued)

For the period ended 30 June 2018

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

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

4. LONG-TERM EQUITY INVESTMENTS (continued)

(i) Investments in subsidiaries

	1 January 2017		31 December 2017		30 June 2018		Provision for impairment at 30 June 2018
	Additions	Reductions	Additions	Reductions	Additions	Reductions	
Zijin Copper	2,120,647,343	—	2,225,749,543	—	2,225,749,543	—	—
Southwest Zijin	1,188,173,688	—	1,189,255,345	—	1,189,255,345	—	—
Qinghai West Copper Company Limited	936,000,000	—	936,000,000	—	936,000,000	—	—
Gold Mountains (H.K.)	851,643,399	—	7,818,543,399	—	7,818,543,399	—	—
Luoyang Kunyu	676,605,023	—	676,605,023	—	676,605,023	—	—
Finance Company	475,000,000	—	475,000,000	—	475,000,000	—	—
Xiamen Investment	397,061,613	—	397,061,613	—	397,061,613	—	—
Longnan Zijin	370,533,787	306,131	370,839,918	—	370,839,918	—	(43,019,351)
Bayannaer Zijin	329,844,784	249,182,680	579,027,464	—	579,027,464	—	—
Northwest Company	1,127,869,475	—	1,127,869,475	—	1,127,869,475	—	—
Southern Investment	1,255,188,882	65,014	1,255,253,896	—	1,255,253,896	—	—
Huanmin Mining	306,000,000	—	306,000,000	—	306,000,000	—	—
Zijin Real Estate	300,000,000	200,000,000	500,000,000	—	500,000,000	—	—
Shanghang County Jinsan Mining Company Limited	275,785,150	—	275,785,150	—	275,785,150	—	—
Xinyi Zijin	243,900,000	—	243,900,000	—	243,900,000	—	(243,900,000)
Capital Investment Company	400,000,000	—	400,000,000	—	600,000,000	—	—
Zijin International	888,396,686	482,500,000	1,370,896,686	—	2,158,796,686	—	—
Hunchun Zijin	139,189,081	—	139,189,081	—	139,189,081	—	—
Jilin Zijin Copper	46,359,375	911,615	47,270,990	—	47,270,990	—	—
Fujian Zijin Copper Company Limited	146,222,366	—	146,222,366	—	146,222,366	—	—
Chongli Zijin	142,501,896	—	142,501,896	—	142,501,896	—	—
Xinjiang Ashele	139,335,849	—	139,335,849	—	139,335,849	—	—
Henan Jinda	129,880,000	—	129,880,000	—	129,880,000	—	—
Shanxi Zijin	127,284,118	—	127,284,118	—	127,284,118	—	—
Luoyang Yinhu	105,000,000	—	105,000,000	—	105,000,000	—	—
Yunnan Huaxi	86,830,000	—	86,830,000	—	86,830,000	—	—
Ankang Zijin	87,787,471	—	87,787,471	—	87,787,471	—	—

Notes to Financial Statements (continued)

For the period ended 30 June 2018

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

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

4. LONG-TERM EQUITY INVESTMENTS (continued)

(i) Investments in subsidiaries (continued)

	1 January 2017	Additions	Reductions	31 December 2017	Additions	Reductions	30 June 2018	Provision for impairment at 30 June 2018
Longsheng County Dexin Mining Company Limited	53,550,000	—	—	53,550,000	—	—	53,550,000	—
Xiamen Zijin Mining and Metallurgy Technology Company Limited	50,000,000	—	—	50,000,000	—	—	50,000,000	—
Xinjiang Jinneng Mining Company Limited	50,000,000	—	(50,000,000)	—	—	—	—	—
Shenzhen Zijin Global Metals Exchange Company Limited	46,000,000	—	—	46,000,000	—	—	46,000,000	—
Zijin Mining Group Gansu Mining Development Co., Ltd.	43,460,000	—	(43,460,000)	—	—	—	—	—
Guizhou Zijin	30,674,252	39,623	—	30,713,875	—	—	30,713,875	—
Tongling Zijin Mining Company Limited	25,500,000	—	(25,500,000)	—	—	—	—	—
Zijin Mining Group (Xiamen) Metal Materials Company Limited	25,500,000	42,446	—	25,542,446	—	—	25,542,446	—
Ganzi Zijin	24,000,000	—	—	24,000,000	—	—	24,000,000	—
Zijin Mining Group Gold and Jewellery Company Limited	20,000,000	—	—	20,000,000	80,000,000	—	100,000,000	—
Wuping Zijin	19,465,037	—	—	19,465,037	—	—	19,465,037	—
Zijin Mining Logistics Company Limited	51,539,700	—	—	51,539,700	200,000,000	—	251,539,700	—
Fujian Zijin Hotel Property Management Company Limited	10,000,000	—	—	10,000,000	—	—	10,000,000	—
Fujian Zijin Metallurgy Testing Technology Company Limited	5,000,000	—	—	5,000,000	—	—	5,000,000	—
NKWE	3,272,490	—	—	3,272,490	—	—	3,272,490	—
Hellong Mining	1,561,220,000	—	—	1,561,220,000	—	—	1,561,220,000	—
Gold Refinery Company	50,000,000	—	—	50,000,000	50,000,000	(100,000,000)	—	—
Total	15,362,221,465	8,006,131,366	(118,960,000)	23,249,392,831	1,317,900,000	(100,000,000)	24,467,292,831	(286,919,351)

Notes to Financial Statements (continued)

For the period ended 30 June 2018

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

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

4. LONG-TERM EQUITY INVESTMENTS (continued)

(ii) Investments in associates

30 June 2018

Investee	Movements during the period										Provision for impairment losses at 30 June 2018
	At 1 January 2018	Additions	Reductions	Investment income/(losses) under the equity method	Other comprehensive income	Other changes in equity	Cash dividends declared by investee	Provision for impairment losses	Others	As at 30 June 2018	
Longgan Makeng	886,068,902	—	—	9,477,955	—	—	—	—	—	895,546,857	—
Tibet Yulong	219,274,376	170,500,000	—	44,297,844	—	—	—	—	—	434,072,220	—
Songgan Zijin	39,249,785	—	—	—	—	—	—	—	—	39,249,785	—
Zijin Tongguan	335,697,308	164,700,000	—	(34,618,447)	—	—	—	—	—	465,778,861	(162,757,584)
Wancheng Commercial	49,464,994	—	—	11,918,576	—	—	(14,000,000)	—	—	47,383,570	—
Jinyue Hutchuang	772,502	—	—	72,032	—	—	—	—	—	844,534	—
	1,530,527,867	335,200,000	—	31,147,960	—	—	(14,000,000)	—	—	1,882,875,827	(162,757,584)

Notes to Financial Statements (continued)

For the period ended 30 June 2018

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

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

5. FIXED ASSETS

30 June 2018

Cost	Buildings	Mining assets	Power generation and transmission equipment	Plant, machinery and equipment	Motor vehicles	Furniture and fixtures and others	Total
At 1 January 2018	852,186,024	4,163,976,295	52,911,943	1,028,504,671	77,992,268	91,795,674	6,267,366,875
Purchase additions	6,025,787	53,705,510	1,488,225	26,068,247	3,436,500	5,219,955	95,944,224
Transferred from construction in progress	2,387,632	122,454,375	—	—	—	—	124,842,007
Disposals or write-off	(49,348,805)	(4,383,227)	—	(14,226,089)	(24,700)	(1,581,812)	(69,564,633)
At 30 June 2018	811,250,638	4,335,752,953	54,400,168	1,040,346,829	81,404,068	95,433,817	6,418,588,473
Accumulated depreciation							
At 1 January 2018	221,297,615	1,794,565,309	29,440,169	506,302,092	66,159,747	65,891,620	2,683,656,552
Depreciation for the period	22,027,220	167,866,150	1,204,894	47,774,485	3,410,495	3,405,871	245,689,115
Disposals or write-off	(10,427,370)	(865,093)	—	(7,255,757)	(23,054)	(1,532,331)	(20,103,605)
At 30 June 2018	232,897,465	1,961,566,366	30,645,063	546,820,820	69,547,188	67,765,160	2,909,242,062
Impairment provision							
At 1 January 2018	—	285,118	13,157	2,142,225	—	1,632	2,442,132
Impairment for the period	—	—	—	—	—	—	—
Disposals or write-off	—	—	—	(47,972)	—	—	(47,972)
At 30 June 2018	—	285,118	13,157	2,094,253	—	1,632	2,394,160
Net book value							
At 30 June 2018	578,353,173	2,373,901,469	23,741,948	491,431,756	11,856,880	27,667,025	3,506,952,251
At 1 January 2018	630,888,409	2,369,125,868	23,458,617	520,060,354	11,832,521	25,902,422	3,581,268,191

Notes to Financial Statements (continued)

For the period ended 30 June 2018

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

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

5. FIXED ASSETS (continued)

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

	30 June 2018		31 December 2017	
	Cost	Net book value	Cost	Net book value
Buildings	24,950,351	232,585	34,037,752	—
Mining assets	664,743,884	4,045,685	615,272,286	3,532,911
Power generation and transmission equipment	12,684,999	376,500	12,281,115	364,383
Plant, machinery and equipment	259,480,736	7,567,878	236,486,495	6,759,032
Motor vehicles	23,667,178	972,377	37,774,886	1,107,466
Furniture and fixtures and others	31,942,921	1,113,309	35,670,254	1,129,958
	1,017,470,069	14,308,334	971,522,788	12,893,750

Fixed assets that are temporarily idle are as follows:

30 June 2018

	Cost	Accumulated depreciation	Impairment provision	Net book value
Mining assets	523,412	451,984	—	71,428
Plant, machinery and equipment	11,414,480	7,083,078	236,977	4,094,425
	11,937,892	7,535,062	236,977	4,165,853

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

Fixed assets of which certificates of title have not been obtained as at 30 June 2018 are as follows:

Item	Net book value	Reasons why certificates of title have not been obtained
Buildings	294,860,116	In the process of applying

6. CONSTRUCTION IN PROGRESS

	30 June 2018		Net book value
	Carrying amount	Impairment provision	
Construction in progress	183,167,579	—	183,167,579
Construction materials	2,679,584	—	2,679,584
	185,847,163	—	185,847,163

Notes to Financial Statements *(continued)*

For the period ended 30 June 2018

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

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

6. CONSTRUCTION IN PROGRESS *(continued)*

30 June 2018

	Budget	At 1 January 2018	Additions	Transferred to fixed assets	Other reductions	At 30 June 2018	Contribution in budget	Progress of construction	Accumulated balance of borrowing costs as at 30 June 2018	Including: capitalised interest for the period	Interest rate of capitalisation (%)	Source of funds
Zijinshan gold and copper mine infrastructure project	555,162,124	205,217,505	105,469,647	(124,842,007)	(2,677,566)	183,167,579	55%	43%			N/A	Equity fund
Impairment provision for construction in progress	—	—	—	—	—	—	—	—				
		205,217,505				183,167,579						

For the first half of 2018 and the year ended 31 December 2017, there were no borrowing costs eligible for capitalisation of the Company.

As at 30 June 2018 and 31 December 2017, there was no impairment provision for construction in progress of the Company.

Notes to Financial Statements (continued)

For the period ended 30 June 2018

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

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

7. INTANGIBLE ASSETS

30 June 2018

	Exploration and mining rights	Land use rights	Membership of Shanghai Gold Exchange and others	Total
Cost				
At 1 January 2018	388,144,802	93,955,477	31,329,847	513,430,126
Purchase additions	—	6,519,900	83,761	6,603,661
Disposals or write-off	—	—	—	—
At 30 June 2018	388,144,802	100,475,377	31,413,608	520,033,787
Accumulated amortisation				
At 1 January 2018	197,179,985	22,362,896	5,066,272	224,609,153
Amortisation for the period	2,256,150	1,239,393	1,876,788	5,372,331
Disposals or write-off	—	—	—	—
At 30 June 2018	199,436,135	23,602,289	6,943,060	229,981,484
Impairment provision				
At 1 January 2018 and 30 June 2018	—	—	—	—
Net book value				
At 30 June 2018	188,708,667	76,873,088	24,470,548	290,052,303
At 1 January 2018	190,964,817	71,592,581	26,263,575	288,820,973

8. LONG-TERM DEFERRED ASSETS

30 June 2018

	At 1 January 2018	Additions	Amortisation	Other reductions	At 30 June 2018
Land compensation costs (Note 1)	34,564,105	—	(1,792,354)	—	32,771,751
Others (Note 2)	141,615,993	18,364,000	(22,846,783)	—	137,133,210
	176,180,098	18,364,000	(24,639,137)	—	169,904,961

Note 1: The land compensation costs relating to the compensation for the occupation of forest lands at mining sites for production and construction need. The amortisation periods range from 5 to 50 years.

Note 2: Other long-term deferred assets mainly included forest compensation expenditure of RMB46,349,106 (31 December 2017: RMB45,683,368). The amortisation period is 10 years.

Notes to Financial Statements (continued)

For the period ended 30 June 2018

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

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

9. OTHER NON-CURRENT ASSETS

	30 June 2018	31 December 2017
Exploration and development costs	134,426,317	133,550,819
Prepaid investment costs, prepayment for exploration and mining rights and others (Note 1)	11,219,880,220	11,484,289,895
	11,354,306,537	11,617,840,714

Note 1: Mainly included prepayment for investment costs of RMB204,100,000 (31 December 2017: RMB130,900,000) and long-term receivables of RMB10,564,264,133 (31 December 2017: RMB11,273,246,221).

10. PROVISION FOR IMPAIRMENT OF ASSETS

30 June 2018

	At 1 January 2018	Additions	Reductions		At 30 June 2018
			Reversal	Write-off	
Bad debt provision	146,529,182	—	—	—	146,529,182
<i>Including: Trade receivables</i>	119,579	—	—	—	119,579
<i>Other receivables</i>	145,955,374	—	—	—	145,955,374
<i>Prepayments</i>	454,229	—	—	—	454,229
Inventory provision	3,731,641	—	—	—	3,731,641
Impairment provision for long-term equity investments	449,676,935	—	—	—	449,676,935
Impairment provision for fixed assets	2,442,132	—	—	(47,972)	2,394,160
Impairment provision for other non-current assets	198,203,515	—	—	—	198,203,515
	800,583,405	—	—	(47,972)	800,535,433

11. SHORT-TERM BORROWINGS

Short-term borrowings include: the Group financed through entering into gold leasing agreements with banks to lease gold from banks and subsequently sold the gold through the Shanghai Gold Exchange. On maturity of the lease, the Group would return gold to gold leasing banks with the same quantity and specification purchased through the Shanghai Gold Exchange. The maturity period of gold leasing was within 1 year (1 year inclusive). Please refer to note V.21 for details.

12. TRADE PAYABLES

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

As at 30 June 2018 and 31 December 2017, the Company had no significant trade payables aged more than one year.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2018

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

13. LONG-TERM PAYABLES

	30 June 2018	31 December 2017
Entrusted investments	94,206,740	94,206,740
Deposit for restoration and improvement of ecological environment in mines	68,320,794	68,320,794
Loans from a shareholder	73,250,000	78,700,000
	235,777,534	241,227,534
Including: Current portion of long-term payables	(8,300,000)	(8,300,000)
	227,477,534	232,927,534

Maturity analysis of long-term payables is as follow:

	30 June 2018	31 December 2017
Within 1 year or repayable on demand	8,300,000	8,300,000
Over 1 year but within 2 years	90,495,000	84,200,000
Over 2 years but within 5 years	30,000,000	21,700,000
Over 5 years	106,982,534	127,027,534
	235,777,534	241,227,534

14. OPERATING INCOME AND OPERATING COSTS

	For the six months ended 30 June 2018		For the six months ended 30 June 2017	
	Operating income	Operating costs	Operating income	Operating costs
Principal operations	1,891,119,706	1,037,643,696	1,606,768,878	1,016,181,454
Other operations	113,299,302	96,848,485	112,377,067	88,078,451
	2,004,419,008	1,134,492,181	1,719,145,945	1,104,259,905

Notes to Financial Statements *(continued)*

For the period ended 30 June 2018

RMB

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

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

15. INVESTMENT INCOME

	For the six months ended 30 June 2018	For the six months ended 30 June 2017
Gains from long-term equity investments under the equity method	876,250,000	344,763,300
Gains on disposal of long-term equity investments under the equity method	31,147,960	47,148,999
Dividend income from other equity instrument investments	19,300,000	—
Losses on disposal of financial assets and liabilities at fair value through profit or loss	(28,692,083)	(40,104,823)
Others	—	—
	898,005,877	351,807,476

Supplementary Information to Financial Statements

For the period ended 30 June 2018
RMB

I. SUMMARY OF NON-RECURRING PROFIT OR LOSS

Item	30 June 2018
Net profit attributable to owners of the parent	2,526,423,099
Add/(Less): Non-recurring profit or loss attributable to owners of the parent	
Net losses on disposal of non-current assets	4,882,202
Government grants recognised in the statement of profit or loss	(83,349,029)
Capital utilisation fee received from non-financial enterprises recognised in profit or loss for the current period	(136,033,376)
Gains/(Losses) on changes in fair value from financial assets and liabilities at fair value through profit or loss, and investment gains/(losses) on disposal of financial assets at fair value through profit or loss except for the effective portion of hedging, gold leasing and forward contracts closely related to the Company's normal operations	74,921,811
Other non-operating income and expenses other than the aforesaid items (Note 1)	(22,289,740)
	2,364,554,967
Impact on income tax	27,246,279
	2,391,801,246
Impact on the non-controlling interests (after tax)	(15,332,191)
	2,376,469,055

The non-recurring profit or loss of the Group was recognised under the CSRC Announcement [2008] No. 43, Explanatory Announcement No.1 on Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities – Non-recurring Profit or Loss. The hedging transactions of the Group are directly related to the ordinary operating activities, of which the underlying assets are the mineral products or similar metal futures of the Group, which are aimed at reducing the risk of significant profitability fluctuation from ordinary operations in light of price fluctuation. Hedging transactions are frequent and the Group has continued and will continue to engage in such transactions in the foreseeable future. For the above-mentioned reasons, the profit or loss on hedging is not classified as non-recurring profit or loss.

Notes to significant non-recurring profit or loss items:

Note 1: Including donations of RMB99,323,300.

Supplementary Information to Financial Statements *(continued)*

For the period ended 30 June 2018

RMB

II. RETURN ON NET ASSETS AND EARNINGS PER SHARE

For the six months ended 30 June 2018

Item	Weighted average return on net assets (%)		Basic earnings per share [#]
	Fully diluted	Weighted average	
Net profit attributable to ordinary shareholders of the parent	2,526,423,099	7.22	7.09
Net profit after non-recurring profit or loss attributable to ordinary shareholders of the parent	2,376,469,055	6.79	6.67

For the six months ended 30 June 2017

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

Net assets attributable to ordinary shareholders of the Company

	30 June 2018	31 December 2017
Net assets at period end attributable to ordinary shareholders of the Company	34,975,202,676	34,999,723,155
Weighted average net assets attributable to ordinary shareholders of the Company	35,610,659,236	31,759,907,697

The above-mentioned return on net assets and earnings per share were calculated according to the Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities No. 9 - Calculation and Disclosure of Return on Net Assets and Earnings Per Share (2010 revision) issued by the CSRC.

[#] There were no potential dilutive ordinary shares for the first half of 2018 and the year ended 31 December 2017.



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

