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Zijin Mining Group Co., Ltd.*

紫金礦業集團股份有限公司

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

(Stock code: 2899)

Announcement

Unaudited Interim Results for the Six Months Ended 30 June 2020

The board of directors (the "Board") of Zijin Mining Group Co., Ltd.* (the "Company") is pleased to announce the unaudited interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2020 ("this period"/the "reporting period"). This interim results announcement has been reviewed and passed by the Board and the audit and internal control committee.

The following unaudited consolidated financial information was prepared in accordance with the Basic Standards and the Specific Standards of the Accounting Standards for Business Enterprises ("ASBE") issued by the Ministry of Finance ("MOF"), and Application Guidance for ASBE, interpretations and other relevant regulations issued and revised thereafter (hereafter referred to as "CAS").

This announcement contains some forward looking statements and future plans of the Company, which do not constitute any actual commitment to investors. Investors are advised to pay attention to investment risks.

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

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

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)*As at 30 June 2020*

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)*As at 30 June 2020*

LIABILITIES AND OWNERS' EQUITY (CONTINUED)	Note	30 June 2020 (Unaudited) RMB	31 December 2019 (Audited) RMB
EQUITY			
Share capital		2,537,725,995	2,537,725,995
Other equity instruments		4,985,500,000	4,985,500,000
<i>Including: Renewable corporate bonds</i>		<i>4,985,500,000</i>	<i>4,985,500,000</i>
Capital reserve		18,607,343,292	18,690,342,400
Other comprehensive income	13	(1,215,468,787)	(473,929,209)
Special reserve		185,549,034	120,952,216
Surplus reserve		1,319,401,104	1,319,401,104
Retained earnings	17	23,889,633,000	24,005,972,520
Equity attributable to owners of the parent		50,309,683,638	51,185,965,026
Non-controlling interests		9,155,621,644	5,893,633,038
TOTAL EQUITY		59,465,305,282	57,079,598,064
TOTAL LIABILITIES AND OWNERS' EQUITY		149,804,640,044	123,830,947,219

CONSOLIDATED STATEMENT OF PROFIT OR LOSS*For the six months ended 30 June 2020*

	Note	For the six months ended 30 June 2020 (Unaudited) RMB	For the six months ended 30 June 2019 (Unaudited) RMB
OPERATING INCOME	2	83,142,262,114	67,198,395,835
Less: Operating costs	2	74,016,285,931	59,642,296,042
Taxes and surcharges	3	1,186,119,620	869,115,800
Selling expenses		330,176,103	629,077,911
Administrative expenses		1,825,200,364	1,858,045,581
Research and development expenses		251,270,945	134,560,641
Financial expenses	4	918,149,434	850,886,565
Including: Interest expenses		1,164,881,403	1,116,416,722
Interest income		276,774,340	234,767,888
Add: Other income		151,750,120	120,118,883
Investment income	5	27,239,648	57,950,947
Including: Share of profits of associates and joint ventures		89,172,185	10,772,724
(Losses)/Gains on changes in fair value	6	(226,816,398)	38,852,781
Credit impairment losses	7	758,951	(66,101,798)
Impairment losses on assets	8	(211,397,991)	(149,879,084)
Gains/(Losses) on disposal of non-current assets		3,157,191	(33,784)
OPERATING PROFIT		4,359,751,238	3,215,321,240
Add: Non-operating income	9	53,508,572	21,672,368
Less: Non-operating expenses	10	318,742,296	197,477,460
PROFIT BEFORE TAX		4,094,517,514	3,039,516,148
Less: Income tax expenses	11	1,003,523,337	800,346,358
NET PROFIT		3,090,994,177	2,239,169,790
Classification according to the continuity of operations			
Net profit from continuing operations		3,090,994,177	2,239,169,790
Attributable to:			
Owners of the parent		2,421,386,475	1,853,453,618
Non-controlling interests		669,607,702	385,716,172

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)*For the six months ended 30 June 2020*

	Note	For the six months ended 30 June 2020 (Unaudited) RMB	For the six months ended 30 June 2019 (Unaudited) RMB
NET OTHER COMPREHENSIVE INCOME AFTER TAX			
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods			
Changes in fair value of other equity instrument investments		(421,363,440)	1,007,649,350
Other comprehensive income that may be reclassified to profit or loss in subsequent periods			
Hedging costs - forward elements		(11,860,837)	(43,791,312)
Exchange differences arising from translation of financial statements denominated in foreign currencies		(308,315,301)	49,899,721
Other comprehensive income attributable to owners of the parent		(741,539,578)	1,013,757,759
Other comprehensive income attributable to non-controlling interests		75,951,090	28,358,841
Sub-total of net other comprehensive income after tax		(665,588,488)	1,042,116,600
TOTAL COMPREHENSIVE INCOME		2,425,405,689	3,281,286,390
Attributable to:			
<i>Owners of the parent</i>		<i>1,679,846,897</i>	<i>2,867,211,377</i>
<i>Non-controlling shareholders</i>		<i>745,558,792</i>	<i>414,075,013</i>
Earnings per share			
Basic earnings per share	12	0.095	0.080
Diluted earnings per share	12	0.095	0.080

CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2020

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

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)*For the six months ended 30 June 2020*

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

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

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

Except for certain financial instruments, the financial statements have been prepared using historical cost as the principle of measurement. Held for sale disposal groups are presented at the lower of book value and net amount of the fair value less the selling expenses. Where assets are impaired, provisions for asset impairment are made in accordance with the relevant requirements.

As at 30 June 2020, the Group recorded current assets of RMB35,349,416,713 and current liabilities of RMB50,072,866,114. The balance of the current assets was less than that of the current liabilities. In view of this circumstance, the management of the Company has given consideration to the future liquidity of the Group and its available financial sources in assessing whether the Group will have sufficient financial resources to continue as a going concern, mainly including that the Group generates sufficient net cash flows from operating activities and has sufficient bank line of credit.

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

2. OPERATING INCOME AND OPERATING COSTS

	<u>For the six months ended 30 June 2020</u>		<u>For the six months ended 30 June 2019</u>	
	Operating income (Unaudited) RMB	Operating costs (Unaudited) RMB	Operating income (Unaudited) RMB	Operating costs (Unaudited) RMB
Principal operations	82,202,143,642	73,240,884,302	66,394,712,379	58,966,803,643
Other operations	<u>940,118,472</u>	<u>775,401,629</u>	<u>803,683,456</u>	<u>675,492,399</u>
	<u>83,142,262,114</u>	<u>74,016,285,931</u>	<u>67,198,395,835</u>	<u>59,642,296,042</u>

3. TAXES AND SURCHARGES

	For the six months ended 30 June 2020 (Unaudited) RMB	For the six months ended 30 June 2019 (Unaudited) RMB
Resource tax	840,709,119	606,558,690
Property tax	33,864,910	28,731,203
Education surcharges	33,777,717	37,142,257
Stamp duty	31,223,430	26,415,515
City construction and maintenance tax	25,695,189	31,429,041
Local development fund	16,123,864	11,391,585
Land use tax	11,424,664	10,753,887
Environmental protection tax	4,746,019	10,614,569
Mineral concentrates tax	70,651,583	12,944,260
Others	117,903,125	93,134,793
	<u>1,186,119,620</u>	<u>869,115,800</u>

4. FINANCIAL EXPENSES

	For the six months ended 30 June 2020 (Unaudited) RMB	For the six months ended 30 June 2019 (Unaudited) RMB
Interest expenses	1,352,243,669	1,162,696,009
<i>Including: Bank loans</i>	983,409,821	812,040,166
<i>Bonds payable</i>	353,639,464	347,828,065
<i>Ultra short-term financing bonds</i>	15,194,384	2,827,778
Less: Interest income	276,774,340	234,767,888
Less: Capitalised interest expenses	187,362,266	46,279,287
Exchange gains	(22,974,795)	(67,731,756)
Bank charges	53,017,166	36,969,487
	<u>918,149,434</u>	<u>850,886,565</u>

Capitalised interest expenses for the six months ended 30 June 2020 were included in construction in progress. There was no interest income arising from impaired financial assets for the six months ended 30 June 2020 and 30 June 2019.

5. INVESTMENT INCOME

	For the six months ended 30 June 2020 (Unaudited) RMB	For the six months ended 30 June 2019 (Unaudited) RMB
Income from long-term equity investments under the equity method	89,172,185	10,772,724
Income from disposal of long-term equity investments	1,093,075	17,626,774
Dividend income from other equity instrument investments during holding period	17,331,900	15,789,867
(Losses)/Income from disposal of financial assets and liabilities at fair value through profit or loss (Note 1)	(83,302,738)	13,706,567
Others	2,945,226	55,015
	<u>27,239,648</u>	<u>57,950,947</u>

Note 1: Details of (losses)/income from disposal of financial assets and liabilities at fair value through profit or loss are as follows:

	For the six months ended 30 June 2020 (Unaudited) RMB	For the six months ended 30 June 2019 (Unaudited) RMB
1. Held for trading equity instrument investments - Losses arising from stock investments	(36,391,326)	(35,565,776)
2. Losses arising from gold leasing investments at fair value	(307,448)	(561,413)
3. Income/(Losses) from derivative instruments with designated hedging relationship	13,715,254	(681,228)
4. (Losses)/Income arising from derivative instruments without designated hedging relationship	(87,099,578)	31,607,549
(4-1) <i>Forward exchange contracts</i>	(27,550,265)	(260,820)
(4-2) <i>Commodity hedging contracts</i>	(59,549,313)	31,868,369
5. Others	26,780,360	18,907,435
	<u>(83,302,738)</u>	<u>13,706,567</u>

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

	For the six months ended 30 June 2020 (Unaudited) RMB	For the six months ended 30 June 2019 (Unaudited) RMB
Financial assets at fair value through profit or loss	(140,100,310)	41,209,935
Financial liabilities at fair value through profit or loss	(86,716,088)	(2,357,154)
	<u>(226,816,398)</u>	<u>38,852,781</u>

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

Details of (losses)/gains on changes in fair value are as follows:

	For the six months ended 30 June 2020 (Unaudited) RMB	For the six months ended 30 June 2019 (Unaudited) RMB
1. Held for trading equity instrument investments - Gains arising from changes in fair value of stock investments	91,986,155	20,710,783
2. (Losses)/Gains arising from changes in fair value of gold leasing at fair value	(51,217,230)	5,489,870
3. Hedging instruments - Gains arising from changes in fair value of ineffectively hedged derivative instruments	3,596,533	-
4. Losses arising from changes in fair value of derivative instruments without designated hedging relationship	(276,803,830)	(29,373,296)
(4-1) <i>Forward exchange contracts</i>	1,859,240	479,629
(4-2) <i>Commodity hedging contracts</i>	(207,307,902)	(29,852,925)
(4-3) <i>Others</i>	(71,355,167)	-
5. Others	5,621,974	42,025,424
	<u>(226,816,398)</u>	<u>38,852,781</u>

7. CREDIT IMPAIRMENT LOSSES

	For the six months ended 30 June 2020 (Unaudited) RMB	For the six months ended 30 June 2019 (Unaudited) RMB
Bad debt provision for trade receivables	4,868,064	(378,965)
Bad debt provision for other receivables	(4,109,113)	(64,784,677)
Bad debt provision for receivables financing	-	(934,130)
Bad debt provision for prepayments	-	(4,026)
	<u>758,951</u>	<u>(66,101,798)</u>

8. IMPAIRMENT LOSSES ON ASSETS

	For the six months ended 30 June 2020 (Unaudited) RMB	For the six months ended 30 June 2019 (Unaudited) RMB
Impairment provision for fixed assets	(129,439,981)	(7,162,091)
Provision for decline in value of inventories	(55,410,762)	(35,949,901)
Impairment provision for intangible assets	(10,316,081)	(56,773,189)
Impairment provision for construction in progress	-	(2,955,201)
Impairment provision for long-term equity investments	(5,224,244)	(47,038,702)
Impairment provision for other non-current assets	(11,006,923)	-
	<u>(211,397,991)</u>	<u>(149,879,084)</u>

9. NON-OPERATING INCOME

	For the six months ended 30 June 2020 (Unaudited) RMB	For the six months ended 30 June 2019 (Unaudited) RMB	Non-recurring profits or losses for the six months ended 30 June 2020 (Unaudited) RMB
Penalty income	6,585,914	5,772,959	6,585,914
Waiver of debts	15,593,783	-	15,593,783
Others	31,328,875	15,899,409	31,328,875
	<u>53,508,572</u>	<u>21,672,368</u>	<u>53,508,572</u>

10. NON-OPERATING EXPENSES

	For the six months ended 30 June 2020 (Unaudited) RMB	For the six months ended 30 June 2019 (Unaudited) RMB	Non-recurring profits or losses for the six months ended 30 June 2020 (Unaudited) RMB
Losses on write-off of fixed assets	150,908,702	44,565,723	150,908,702
Donations	103,838,564	93,624,103	103,838,564
Penalties and compensations	3,192,440	2,104,064	3,192,440
Losses on stocktaking	82,571	-	82,571
Others	60,720,019	57,183,570	60,720,019
	<u>318,742,296</u>	<u>197,477,460</u>	<u>318,742,296</u>

11. INCOME TAX EXPENSES

	For the six months ended 30 June 2020 (Unaudited) RMB	For the six months ended 30 June 2019 (Unaudited) RMB
Current income tax expenses	973,972,835	836,734,034
Deferred tax expenses	<u>29,550,502</u>	<u>(36,387,676)</u>
	<u>1,003,523,337</u>	<u>800,346,358</u>

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

	For the six months ended 30 June 2020 (Unaudited) RMB	For the six months ended 30 June 2019 (Unaudited) RMB
Profit before tax	4,094,517,514	3,039,516,148
Tax at the applicable tax rate (Note 1)	1,023,629,379	759,879,037
Effect of different tax rates applicable to certain subsidiaries (Note 1)	(221,949,513)	28,357,742
Adjustments in respect of current tax of previous periods	(9,082,971)	1,497,026
Income not subject to tax (Note 2)	(24,192,063)	(6,456,903)
Effect of unrecognised deductible temporary differences and deductible tax losses	<u>235,118,505</u>	<u>17,069,456</u>
Tax charge at the Group's effective tax rate	<u>1,003,523,337</u>	<u>800,346,358</u>

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

Note 2: The amount for the six months ended 30 June 2020 mainly included investment income from long-term equity investments under the equity method of RMB89,172,185 (six months ended 30 June 2019: investment income of RMB10,772,724).

12. EARNINGS PER SHARE

	For the six months ended 30 June 2020 (Unaudited) RMB/share	For the six months ended 30 June 2019 (Unaudited) RMB/share
Basic earnings per share		
Continuing operations	<u>0.095</u>	<u>0.080</u>
Diluted earnings per share		
Continuing operations	<u>0.095</u>	<u>0.080</u>

Basic earnings per share is calculated by dividing the consolidated net profit for the current period attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding.

There were no potential dilutive ordinary shares for the Company.

Basic earnings per share is calculated as follows:

	For the six months ended 30 June 2020 (Unaudited) RMB	For the six months ended 30 June 2019 (Unaudited) RMB
Earnings		
Consolidated net profit attributable to ordinary shareholders of the Company for the current period		
Continuing operations	<u>2,421,386,475</u>	<u>1,853,453,618</u>
	30 June 2020	30 June 2019
Shares		
Weighted average number of ordinary shares outstanding	<u>25,377,259,946</u>	<u>23,031,218,891</u>
Adjusted weighted average number of ordinary shares outstanding	<u>25,377,259,946</u>	<u>23,031,218,891</u>

13. OTHER COMPREHENSIVE INCOME

The accumulated balance of other comprehensive income attributable to owners of the parent in the consolidated statement of financial position is as follow:

30 June 2020

	Opening balance	Movements			Closing balance
	(Unaudited)	Amount before tax (Unaudited)	Income tax (Unaudited)	Amount after tax (Unaudited)	(Unaudited)
	RMB	RMB	RMB	RMB	RMB
Changes in fair value of other equity instrument investments (Note)	95,489,647	(426,302,852)	4,939,412	(421,363,440)	(325,873,793)
Hedging costs - forward elements	(3,839,794)	(11,860,837)	-	(11,860,837)	(15,700,631)
Exchange differences arising from translation of financial statements denominated in foreign currencies	(565,579,062)	(308,315,301)	-	(308,315,301)	(873,894,363)
	<u>(473,929,209)</u>	<u>(746,478,990)</u>	<u>4,939,412</u>	<u>(741,539,578)</u>	<u>(1,215,468,787)</u>

31 December 2019

	Opening balance	Movements			Closing balance
	(Audited)	Amount before tax (Audited)	Income tax (Audited)	Amount after tax (Audited)	(Audited)
	RMB	RMB	RMB	RMB	RMB
Changes in fair value of other equity instrument investments (Note)	(948,864,104)	1,045,753,536	(1,399,785)	1,044,353,751	95,489,647
Hedging costs - forward elements	61,666,120	(65,505,914)	-	(65,505,914)	(3,839,794)
Exchange differences arising from translation of financial statements denominated in foreign currencies	(688,775,081)	123,196,019	-	123,196,019	(565,579,062)
	<u>(1,575,973,065)</u>	<u>1,103,443,641</u>	<u>(1,399,785)</u>	<u>1,102,043,856</u>	<u>(473,929,209)</u>

Note: Changes in fair value were mainly attributable to the change in fair value of the stocks of Ivanhoe.

13. OTHER COMPREHENSIVE INCOME (CONTINUED)

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

For the period ended 30 June 2020

	Amount before tax (Unaudited) RMB	Less: Amount of other comprehensive income recognised in the previous periods transferred into profit or loss during the current period (Unaudited) RMB	Less: Income tax (Unaudited) RMB	Attributable to the parent (Unaudited) RMB	Attributable to non-controlling interests (Unaudited) RMB
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods					
Changes in fair value of other equity instrument investments	(426,833,753)	-	(5,018,205)	(421,363,440)	(452,108)
Other comprehensive income that may be reclassified to profit or loss in subsequent periods					
Hedging costs - forward elements	(4,313,168)	6,874,371	-	(11,860,837)	673,298
Exchange differences arising from translation of financial statements denominated in foreign currencies	(232,585,401)	-	-	(308,315,301)	75,729,900
	<u>(663,732,322)</u>	<u>6,874,371</u>	<u>(5,018,205)</u>	<u>(741,539,578)</u>	<u>75,951,090</u>

For the period ended 30 June 2019

	Amount before tax (Unaudited) RMB	Less: Amount of other comprehensive income recognised in the previous periods transferred into profit or loss during the current period (Unaudited) RMB	Less: Amount of other comprehensive income recognised in the previous periods transferred into retained earnings during the current period (Unaudited) RMB	Less: Income tax (Unaudited) RMB	Attributable to the parent (Unaudited) RMB	Attributable to non-controlling interests (Unaudited) RMB
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods						
Changes in fair value of other equity instrument investments	1,013,700,546	-	-	6,705,483	1,007,649,350	(654,287)
Other comprehensive income that may be reclassified to profit or loss in subsequent periods						
Hedging costs - forward elements	(23,954,574)	23,503,690	-	-	(43,791,312)	(3,666,952)
Exchange differences arising from translation of financial statements denominated in foreign currencies	82,579,801	-	-	-	49,899,721	32,680,080
	<u>1,072,325,773</u>	<u>23,503,690</u>	<u>-</u>	<u>6,705,483</u>	<u>1,013,757,759</u>	<u>28,358,841</u>

14. OPERATING SEGMENT INFORMATION

For management purposes, the Group is divided into business units based on its products and services and has nine reportable operating segments as follows:

- (1) the gold bullion segment engages in the production of gold bullion through the Group's integrated production processes, i.e., mining, processing and refining;
- (2) the processed, refined and trading gold segment engages in the production of gold bullion by processing gold concentrates produced by the Group or purchased from external suppliers and gold bullion in the business of physical gold trading;
- (3) the gold concentrates segment engages in the production of gold concentrates that are up to smelting standard by processing gold ore produced by the Group;
- (4) the copper cathodes segment engages in the production of copper cathodes through the Group's integrated processes, i.e., mining, processing and refining;
- (5) the refined copper segment engages in the production of copper cathodes by processing copper concentrates produced by the Group or purchased from external suppliers;
- (6) the copper concentrates segment engages in the production of copper concentrates that are up to smelting standard by processing copper ore produced by the Group;
- (7) other concentrates segment comprises, principally, the production of zinc concentrates, tungsten concentrates, lead concentrates and iron ore;
- (8) the zinc bullion segment engages in the production of zinc bullion; and
- (9) segment of others comprises, principally, sales income from sulphuric acid, copperplate, silver, iron etc., and trading income from copper cathode, etc.

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

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

Segment liabilities exclude financial liabilities at fair value through profit or loss, derivative financial instruments, bank and other borrowings, deferred tax liabilities, taxes payable, bonds payable and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

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

14. OPERATING SEGMENT INFORMATION (CONTINUED)

RMB
(Unaudited)

For the six months ended 30 June 2020

Item	Gold bullion	Processed, refined and trading gold	Gold concentrates	Copper cathodes	Refined copper	Copper concentrates	Other concentrates	Zinc bullion	Others	Eliminations	Total
I. Operating income	4,731,246,279	52,295,315,961	1,962,051,000	2,377,681,926	11,458,104,041	5,265,053,735	2,645,809,763	1,543,658,774	20,466,981,680	(19,603,641,045)	83,142,262,114
Including: Sales to external customers	3,266,116,889	47,041,184,069	640,717,143	2,002,912,570	10,824,992,573	2,094,576,169	2,235,397,138	1,453,257,333	13,583,108,230	-	83,142,262,114
Intersegment sales	<u>1,465,129,390</u>	<u>5,254,131,892</u>	<u>1,321,333,857</u>	<u>374,769,356</u>	<u>633,111,468</u>	<u>3,170,477,566</u>	<u>410,412,625</u>	<u>90,401,441</u>	<u>6,883,873,450</u>	<u>(19,603,641,045)</u>	<u>-</u>
II. Segment profit	<u>1,229,461,244</u>	<u>17,478,365</u>	<u>388,832,169</u>	<u>271,549,946</u>	<u>178,761,812</u>	<u>1,297,506,358</u>	<u>618,977,983</u>	<u>115,563,242</u>	<u>(466,767,192)</u>	<u>-</u>	<u>3,651,363,927</u>
III. Segment assets	63,781,976,601	13,453,573,054	11,932,390,555	9,038,411,965	13,739,040,558	21,172,238,231	12,013,618,134	2,493,523,414	126,856,302,342	(140,164,542,621)	134,316,532,233
Unallocated assets											15,488,107,811
Total assets											149,804,640,044
IV. Segment liabilities	33,208,102,696	9,440,635,808	7,009,689,194	4,806,867,309	9,465,259,228	12,558,737,332	8,808,673,919	1,493,454,279	96,197,888,160	(108,510,638,294)	74,478,669,631
Unallocated liabilities											15,860,665,131
Total liabilities											90,339,334,762
V. Supplemental information											
1. Depreciation and amortisation	81,299,041	1,829,758,833	33,434,935	23,763,690	388,653,419	104,196,898	62,245,348	50,224,657	698,383,717	-	3,271,960,538
2. Capital expenditure	405,804,109	121,354,193	396,090,431	66,252,171	335,935,083	417,960,954	577,074,662	75,900,557	1,855,936,143	-	4,252,308,303

14. OPERATING SEGMENT INFORMATION (CONTINUED)

RMB
(Unaudited)

For the six months ended 30 June 2019

Item	Gold bullion	Processed, refined and trading gold	Gold concentrates	Copper cathodes	Refined copper	Copper concentrates	Other concentrates	Zinc bullion	Others	Eliminations	Total
I. Operating income	3,597,089,056	38,126,759,799	1,446,053,071	1,476,874,027	9,491,325,715	4,453,783,462	3,982,664,815	2,045,680,369	18,594,633,064	(16,016,467,543)	67,198,395,835
Including: Sales to external customers	2,163,223,861	34,612,165,905	580,528,964	466,561,538	8,938,616,941	2,219,318,329	3,240,857,047	2,013,327,280	12,963,795,970	-	67,198,395,835
Intersegment sales	<u>1,433,865,195</u>	<u>3,514,593,894</u>	<u>865,524,107</u>	<u>1,010,312,489</u>	<u>552,708,774</u>	<u>2,234,465,133</u>	<u>741,807,768</u>	<u>32,353,089</u>	<u>5,630,837,094</u>	<u>(16,016,467,543)</u>	<u>-</u>
II. Segment profit	<u>905,446,265</u>	<u>100,689,054</u>	<u>324,253,328</u>	<u>321,919,138</u>	<u>187,153,772</u>	<u>1,844,351,546</u>	<u>1,699,564,015</u>	<u>216,935,024</u>	<u>(1,430,734,754)</u>	<u>-</u>	<u>4,169,577,388</u>
III. Segment assets	53,841,538,701	12,789,428,779	10,962,675,110	7,523,206,624	10,204,651,060	18,923,114,873	11,884,058,425	2,716,608,846	147,683,217,279	(174,641,781,092)	101,886,718,605
Unallocated assets											14,695,242,837
Total assets											116,581,961,442
IV. Segment liabilities	29,070,638,932	8,512,613,594	6,670,228,887	4,620,461,056	5,954,171,449	12,758,741,957	8,051,707,816	1,389,658,796	79,733,998,381	(117,754,975,422)	39,007,245,446
Unallocated liabilities											30,554,577,275
Total liabilities											69,561,822,721
V. Supplemental information											
1. Depreciation and amortisation	76,400,897	1,023,608,034	35,695,780	10,004,905	337,625,499	71,101,877	47,972,002	66,664,971	518,603,288	-	2,187,677,253
2. Capital expenditure	888,178,682	90,233,627	514,684,428	418,746,710	122,998,659	1,473,944,397	489,996,597	15,145,358	865,801,538	-	4,879,729,996

15. TRADE RECEIVABLES

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

Ageing analysis of the trade receivables is as follows:

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

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

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

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

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

15. TRADE RECEIVABLES (CONTINUED)

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

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

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

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

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

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

16. TRADE PAYABLES

	30 June 2020 (Unaudited) RMB	31 December 2019 (Audited) RMB
Trade payables	<u>4,431,074,566</u>	<u>4,382,104,169</u>

As at 30 June 2020, an ageing analysis of the trade payables, based on the invoice dates, was as follows:

	30 June 2020 (Unaudited) RMB	31 December 2019 (Audited) RMB
Within 1 year	3,906,553,188	3,754,308,693
Over 1 year but within 2 years	218,633,203	358,375,254
Over 2 years but within 3 years	145,074,442	125,860,772
Over 3 years	<u>160,813,733</u>	<u>143,559,450</u>
	<u>4,431,074,566</u>	<u>4,382,104,169</u>

17. RETAINED EARNINGS

	30 June 2020 (Unaudited) RMB	31 December 2019 (Audited) RMB
As at the beginning of the year	24,005,972,520	22,181,224,459
Net profit attributable to owners of the parent	2,421,386,475	4,283,957,365
Gains on disposal of other equity instrument investments	-	102,412,585
Less: Interest payable on renewable corporate bonds	-	258,500,000
Dividends payable in cash for ordinary shareholders	<u>2,537,725,995</u>	<u>2,303,121,889</u>
As at the end of the period	<u>23,889,633,000</u>	<u>24,005,972,520</u>

Pursuant to the resolution of the shareholders' general meeting on 12 June 2020, cash dividend of RMB0.10 per share (2019: RMB0.10 per share) would be distributed from the Company to all shareholders, calculated on the basis of 25,377,259,946 issued shares (2019: 23,031,218,891 shares), with an aggregate amount of RMB2,537,725,995 (2019: RMB2,303,121,889).

18. NET CURRENT LIABILITIES

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

19. TOTAL ASSETS LESS CURRENT LIABILITIES

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

20. PROVISION FOR DEPRECIATION

	For the six months ended 30 June 2020 (Unaudited) RMB	For the six months ended 30 June 2019 (Unaudited) RMB
Fixed assets	2,481,173,387	1,531,863,801
Investment properties	<u>3,250,927</u>	<u>12,112,481</u>

II. OPERATION OVERVIEW

Overview of the Company's operation

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

(1) Business scope

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

(2) Operating model

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

1. Operation and management of mines

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

(1) Gold

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

(2) Copper

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

(3) Zinc

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

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

To maximise overall economic and social benefits, the Company pioneered the project management model of "five ore treatment processes into one" to realise coordination, study and full-process control over the five stages of prospecting, mining, processing, refining and environmental protection. In addition to possessing a full chain of research institutes and outstanding research capacity, the Company has the exclusive State Key Laboratory of Comprehensive Utilisation

of Low-grade Refractory Gold Ores in the gold industry, as well as design and construction entities with grade-A qualifications. These bring about a high level of integration of the industry, the academia as well as research and development capabilities in the Company's technological systems, and strengthen mine designing and construction capacity. Technological capacity and advantage have become the core competitive strengths of the Company.

3. Self-initiated exploration and acquisition of resources

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

4. Optimal extension into refining business

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

5. Mining related finance and trading

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

(3) External business environment during the reporting period

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

1. Gold

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

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

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

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

2. Copper and zinc

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

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

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

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

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

(4) Positions in the industry

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

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

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

III. Analysis on the core competitiveness during the reporting period

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

(1) Advantage in self-initiated technological innovation

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

Enterprises”.

(2) Unique project management model

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

(3) Advantage in strong resources base

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

(4) Advantage in internationalised construction and operation

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

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

(5) Leading advantage in low-cost operation

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

(6) Advantage in modern corporate governance

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

Discussion and analysis on operating performance

Business overview

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

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

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

Gold mine business

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

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

	Name	Interest held by the Group	Mine-produced gold (kg)
Major enterprises or mines	Zeravshan in Tajikistan	70%	3,152
	Norton Gold Fields Pty Limited in Australia	100%	3,022
	Porgera Gold Mine in Papua New Guinea	47.50%	2,675 (production volume on equity basis)

	Altynken in Kyrgyzstan	60%	2,114
	Jilin Hunchun Shuguang Gold and Copper Mine	100%	1,628
	Zijinshan Gold and Copper Mine in Fujian	100%	1,069
	Duobaoshan Copper Industry in Heilongjiang	100%	1,001
Total production volume of other gold-producing enterprises of the Group			5,576
Total			20,237

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

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

(1 troy ounce = 31.1035 grammes)

Copper mine business

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

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

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

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

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

Lead and zinc mine business

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

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

During the reporting period, 18,246 tonnes of lead in concentrate form were produced, representing an increase of

4.75% compared with the same period last year (same period last year: 17,418 tonnes).

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

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

Silver, iron mine and other businesses

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

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

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

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

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

Major measures taken during the reporting period:

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

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

2. Implementing major acquisitions to foster advantage in resources

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

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

3. Comprehensively moving forward the Company's internationalisation development

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

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

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

4. Deepening reforms with all-out effort

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

The mechanisms for cultivating specialised talents, including "reserve talents for senior management", "outstanding

youth talents”, “outstanding artisan”, “outstanding graduates” and so on were further consolidated and developed. Management of offshore capital of the Company was further strengthened, allowing faster capital recovery and a more unified management over capital and tax matters.

5. Making substantial improvements in sustainable development capacity

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

III. MANAGEMENT DISCUSSION AND ANALYSIS

Analysis of main businesses

1. Operating results

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

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

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

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

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

2. Analysis on costs and gross profit margin

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

The table below sets out details of the unit cost of sales and gross profit margin by product for the six months ended 30 June 2020 and 30 June 2019 respectively (Note 1):

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

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

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

3. Analysis on financial data

(1) Selling expenses

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

(2) Administrative expenses

The administrative expenses of the Group for the first half of 2020 was RMB1.82520 billion, representing a decrease of

1.77% compared with the same period last year (same period last year: RMB1.85805 billion), which was mainly due to decrease in exploration expenses compared with the same period last year.

(3) Financial expenses

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

(4) Impairment losses on assets/credit impairment losses

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

(5) Investment income

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

(6) Donations

During the reporting period, the Group made donations of RMB103.84 million (same period last year: 93.62 million).

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

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

(8) Working capital and sources of fund

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

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

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

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

As at 30 June 2020, the Group's total borrowings amounted to RMB58.826 billion (31 December 2019: RMB45.071 billion), among which, the amount repayable within one year was approximately RMB30.780 billion; the amount

repayable within one to two years was approximately RMB7.669 billion; the amount repayable within two to five years was approximately RMB17.576 billion; and the amount repayable over five years was approximately RMB2.801 billion. The interest rates for all the abovementioned borrowings ranged from 0.61% to 4.9% per annum.

The Group's daily capital requirements and capital expenditures in maintenance nature can be financed from its internal cash flow. The Group also has loan facilities with no usage restriction of approximately RMB172.285 billion granted by banks.

Gearing ratio

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

Non-recurring profit or loss items and their amounts

Unit: RMB

Non-recurring profit or loss items	Amount	Note (if applicable)
Losses on disposal of non-current assets	-147,751,253	
Government grants recognised in profit or loss for the current period, except for government grants which are closely related to the Company's normal business operations, and in line with the country's policies, calculated according to certain standards or continuously granted in fixed amount	151,750,120	
Capital utilisation fee received from non-financial enterprises recognised in profit or loss for the current period	251,654,568	
Gains or losses on changes in fair value arising from held for trading financial assets, derivative financial assets, held for trading financial liabilities and derivative financial liabilities, investment income or losses on disposal of held for trading financial assets, derivative financial assets, held for trading financial liabilities, derivative financial liabilities and other debt investments except for the effective portion of hedges related to the Company's normal business operations	-234,489,804	
Reversal of impairment provision for receivables and contract assets individually subject to impairment test	4,203,734	
Non-operating income and expenses other than the aforesaid items	-114,325,279	Including donations of RMB103,838,564
Other profit or loss items which meet the definition of non-recurring profit or loss	1,093,075	
Impact on the non-controlling interests	40,371,363	
Impact on income tax	49,045,821	
Total	1,552,345	

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

(1) Status of main businesses by region

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

(2) Information on major suppliers and customers

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

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

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

Unit: RMB

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

- (1) Changes in operating income: Please refer to the above analysis
- (2) Changes in operating costs: Please refer to the above analysis
- (3) Taxes and surcharges: Mainly due to the increase in taxes due to increase in sales income from mineral products
- (4) Changes in selling expenses: Please refer to the above analysis
- (5) Changes in administrative expenses: Please refer to the above analysis
- (6) Changes in financial expenses: Please refer to the above analysis
- (7) Changes in research and development expenses: Mainly due to increase in research and development expenses during the current period
- (8) Changes in investment income: Please refer to the above analysis
- (9) Changes in share of profits of associates and joint ventures: Mainly due to increase in profitability of certain associates and joint ventures
- (10) Changes in (losses)/gains on changes in fair value: Mainly due to the increase in unrealised losses of commodity hedging of refining segment during the current period
- (11) Changes in credit impairment losses: Mainly due to a substantial amount of bad debt provision for other receivables made during the same period last year
- (12) Change in impairment losses on assets: Mainly due to the provision for impairment losses of fixed assets during the reporting period
- (13) Change in gains/(losses) on disposal of non-current assets: Mainly due to the gains on disposal of fixed assets during the reporting period whilst losses on disposal were recorded during the same period last year
- (14) Changes in non-operating income: Mainly due to recognition of waiver of debts during the current period
- (15) Change in non-operating expenses: Mainly due to increase in losses on write-off of fixed assets during the current period compared with the same period last year
- (16) Changes in net profit attributable to non-controlling interests: Mainly due to increase in profitability of certain non-wholly owned subsidiaries in the first half of 2020 compared with the same period last year
- (17) Changes in fair value of other equity instrument investments: Mainly due to unrealised losses on the stocks at fair value through other comprehensive income during the reporting period, while there was an unrealised gains during the same period last year
- (18) Exchange differences arising from translation of financial statements denominated in foreign currencies: Mainly due to the fluctuation of exchange rate between Renminbi and foreign currencies

- (19) Hedging costs - forward elements: Due to the implementation of fair value hedge accounting, forward elements were initially recognised in other comprehensive income, and was subsequently amortised and transferred into profit or loss for the period in which hedging relationship affects the profit or loss
- (20) Changes in net cash flows from operating activities: Please refer to the above analysis
- (21) Changes in net cash flows used in investing activities: Please refer to the above analysis
- (22) Changes in net cash flows from/(used in) financing activities: Please refer to the above analysis

Progress of business plans

(1) Industry development and trends

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

Prediction of price trend of key metals

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

(2) Business plan

Specific business strategies for the second half of 2020

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

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

2. Seize the opportunity to fully complete production and operational targets

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

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

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

Leveraging on the favourable conditions of high copper and zinc prices, the Company will drive forward the development of Julong Copper’s Zhibula Copper Mine in Tibet to ensure production commences early, at the same time it will consolidate and boost the volumes and efficiencies of high-quality projects such as Serbia Zijin Copper, the Kolwezi Copper Mine in the DR Congo, the Duobaoshan Copper Mine in Heilongjiang and the Bisha Zinc and Copper Mine in Eritrea. Development of Julong Copper’s Qulong Copper Mine in Tibet, the Timok Copper and Gold Mine, the Kamoa-Kakula Copper Mine in the DR Congo and other large mines of high potentials will be duly proceeded to ensure

production can commence in 2021 as scheduled. Xinjiang Jinbao's iron ore technological revamp will also be carried out speedily.

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

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

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

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

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

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

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

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

Analysis of assets and liabilities

Status of assets and liabilities

Unit: RMB

Item	Amount at the end of the reporting period	Proportion to total assets at the end of the reporting period (%)	Amount at the end of 2019	Proportion to total assets at the end of 2019 (%)	Percentage change in the amount at the end of the reporting period compared with the amount at the end of 2019 (%)
Cash and cash equivalents	9,808,104,318	6.55	6,225,144,800	5.03	57.56
Held for trading financial assets	1,491,320,277	1.00	687,951,525	0.56	116.78
Receivables financing	1,811,745,612	1.21	1,318,505,074	1.06	37.41
Other non-current financial assets	640,179,725	0.43	951,779,422	0.77	-32.74
Construction in progress	12,291,312,532	8.20	5,876,829,425	4.75	109.15
Intangible assets	32,748,627,475	21.86	24,162,508,461	19.51	35.53
Other non-current assets	16,133,236,948	10.77	11,444,009,515	9.24	40.98

Held for trading financial liabilities	1,487,828,736	0.99	326,139,054	0.26	356.19
Bills payable	1,263,893,820	0.84	420,860,145	0.34	200.31
Contract liabilities	555,956,075	0.37	359,453,565	0.29	54.67
Taxes payable	1,476,374,260	0.99	985,193,397	0.80	49.86
Other payables	8,650,510,828	5.77	5,326,849,819	4.30	62.39
Current portion of non-current liabilities	10,219,991,726	6.82	5,768,840,060	4.66	77.16
Other current liabilities	3,013,277,260	2.01	500,000,000	0.40	502.66
Long-term payables	1,755,151,393	1.17	1,201,391,669	0.97	46.09
Deferred tax liabilities	5,088,686,671	3.40	2,687,831,677	2.17	89.32
Other comprehensive income	(1,215,468,787)	-0.81	(473,929,209)	-0.38	Not applicable
Special reserve	185,549,034	0.12	120,952,216	0.10	53.41
Non-controlling interests	9,155,621,644	6.11	5,893,633,038	4.76	55.35

Other explanations:

- (1) Cash and cash equivalents: Mainly due to the cash reserved for profit distribution for 2019.
- (2) Held for trading financial assets: Mainly due to increase in wealth management products.
- (3) Receivables financing: Mainly due to increase in sales of goods to be settled by bills.
- (4) Other non-current financial assets: Mainly due to inclusion of newly acquired enterprises in the scope of consolidation.
- (5) Construction in progress: Mainly due to inclusion of newly acquired enterprises in the scope of consolidation.
- (6) Intangible assets: Mainly due to inclusion of newly acquired enterprises in the scope of consolidation.
- (7) Other non-current assets: Mainly due to increase in prepaid funds for acquisitions.
- (8) Held for trading financial liabilities: Mainly due to the increase in gold leasing not comprehensively quoted in Renminbi.
- (9) Bills payable: Mainly due to the increase in procurements of goods to be settled by bills.
- (10) Contract liabilities: Mainly due to increase in advances from sales of goods.
- (11) Taxes payable: Mainly due to increase in corporate income tax and value-added tax.
- (12) Other payables: Mainly due to provision for profit distribution pursuant to the resolution of shareholders' general meeting.
- (13) Current portion of non-current liabilities: Mainly due to reclassification of bonds payable and long-term borrowings due within one year.
- (14) Other current liabilities: Mainly due to increase in issuance of ultra short-term financing bonds during the reporting period.
- (15) Long-term payables: Mainly due to inclusion of newly acquired enterprises in the scope of consolidation.
- (16) Deferred tax liabilities: Mainly due to inclusion of newly acquired enterprises in the scope of consolidation.
- (17) Other comprehensive income: Mainly due to the unrealised losses arising from stocks at fair value through other comprehensive income held during the current period.
- (18) Special reserve: Mainly due to increase in provision for work safety fund by certain subsidiaries.
- (19) Non-controlling interests: Mainly due to the increase in capital contributions from non-controlling shareholders during the current period.

Analysis on investment status

Overall analysis on external equity investment

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

(1) Key equity investments

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

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

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

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

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

(2) Key non-equity investments

Project name	Amount	Progress	Investment during the reporting period (RMB billion)	Actual accumulated investment (RMB billion)	Project return status
Zijin Zinc phase three technological upgrade	RMB714 million	The expanded mining operation is ready to provide ore feed at present. Processing project was completed in July 2020 and has entered the stage of trial production. Expansion of the new tailings storage commenced in April 2020, and is currently in good progress.	0.092	0.58	After reaching the designated production capacity, Zijin Zinc's annual production of zinc metal and lead metal will be approximately 125 thousand tonnes and 23.4 thousand tonnes respectively.
Xinjiang Zijin Non-ferrous zinc refining (Note)	RMB1.497 billion	The roasting furnace was ignited on 30 June 2020. Construction of pyrometallurgical facilities and installation of equipment are near completion. Installation works for hydrometallurgical facilities and environmental protection facilities are still underway.	0.385	1.254	After completion of the project, the designated production capacity will be 100 thousand tonnes of zinc bullion per annum.

Zijin Bor Copper technological upgrade (mine+smelter plant)	USD1.294 billion (USD350 million capital increment included)	The overall project development plan was completed; NC Mine 2.5 million tonnes/year technological upgrade project resumed production in May 2020; MS Mine technological upgrade and expansion project completed the basic work for crushing and floatation systems, the construction of major structure is in progress; VK Mine technological upgrade and expansion project completed preliminary design, tenders for medium to long-term equipment and land levelling; JM Mine technological upgrade and expansion project completed feasibility study and commenced tenders for key projects for shafts; the construction of slag processing plant, electrolysis section, laboratory building, etc. in the technological upgrade of smelter plant commenced.	1.351	2.318	After completion of technological upgrade and expansion of the project, 120 thousand tonnes of mine-produced copper metal is expected to be produced annually and the smelter plant is expected to possess a capacity of refining 180 thousand tonnes of copper metal (with rooms to increase to 200 thousand tonnes) annually
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Note: The total investment slightly increased due to the construction of newly approved county living area, off-site slag yard, etc.

(3) Financial assets measured at fair value

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

Analysis of major subsidiaries and associates

Unit: RMB million

Gold segment						
Company name	Mine	Interest held by the Group	Total assets	Net assets	Operating income	Net profit
Hunchun Zijin Mining Co., Ltd.	Shuguang Gold Mine	100%	2,070.90	1,783.58	822.33	354.49
Norton Gold Fields Pty Limited	Paddington Operations	100%	2,536.66	1,600.91	1,046.45	313.93
Altynken Limited Liability Company	Taldybulak Levoberezhny Gold Mine	60%	2,521.17	960.84	807.08	258.31
Joint Venture Zeravshan Limited Liability Company	Jilau, Taror Gold Mines	70%	2,770.56	(228.49)	758.02	178.19
Barrick (Niugini) Limited (Note 1)	Porgera Gold Mine	50%	2,995.23	1,796.08	980.33	63.85
Zijin Mining Group Company Limited* (Note 2)	Zijinshan Gold Mine	100%	-	-	-	-
Copper segment						
Company name	Mine	Interest held by the Group	Total assets	Net assets	Operating income	Net profit
Zijin Mining Group Company Limited* (Note 2)	Zijinshan Copper Mine	100%	-	-	-	-
Heilongjiang Duobaoshan Copper Industry Inc.	Duobaoshan Copper Mine	100%	7,267.21	3,817.95	2,150.76	398.15
La Compagnie Minière de Musonoie Global Société par Actions Simplifiée	Kolwezi Copper Mine	72%	4,150.27	1,266.28	2,064.34	366.06
Xinjiang Ashele Copper Co., Ltd.	Ashele Copper Mine	51%	2,915.75	1,826.79	905.35	357.05
Hunchun Zijin Mining Co., Ltd.	Shuguang Copper Mine	100%	2,070.90	1,783.58	822.33	354.49
Serbia Zijin Copper Doo Bor	Bor Copper Mine (JM/VK/NC/MS)	63%	7,998.99	4,412.04	1,957.20	246.92
Zinc segment						
Company name	Mine	Interest held by the Group	Total assets	Net assets	Operating income	Net profit
Xinjiang Zijin Zinc Co., Ltd.	Wulagen Lead and Zinc Mine	100%	3,278.55	1,764.38	424.33	114.10
Bisha Mining Share Company	Bisha Copper and Zinc Mine	55%	3,603.14	2,615.80	952.41	(1.80)
Urad Rear Banner Zijin Mining Co., Ltd.	Miaogou-Sanguikou Lead and Zinc Mine	95%	2,151.40	1,419.67	325.48	(22.72)
Longxing Limited Liability Company in Russia	Kyzyl-Tash Turk Zinc and Polymetallic mine	70%	3,583.78	858.91	315.48	(143.28)
Refining segment						
Company name	Major product	Interest held by the Group	Total assets	Net assets	Operating income	Net profit

Zijin Copper Co., Ltd.	Refined copper	100%	10,025.31	3,454.49	9,291.47	121.34
Bayannur Zijin Non-ferrous Metals Co., Ltd.	Zinc bullion	87.2%	2,922.95	1,265.99	1,633.51	96.34
Jilin Zijin Copper Co., Ltd.	Refined copper	100%	3,603.29	963.70	3,231.28	(124.22)
Other segments						
Company name	Major product	Interest held by the Group	Total assets	Net assets	Operating income	Net profit
Xinjiang Jinbao Mining Co., Ltd.	Iron ore	56%	1,802.94	1,250.28	1,013.72	532.26
Fujian Makeng Mining Co., Ltd.	Iron ore	41.5%	4,864.66	1,466.44	733.89	151.05

Notes:

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

Possible risks

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

1. Metal price risks. Metal products such as gold, copper and zinc are the major sources of the Company's income and profit. Price fluctuations of the aforesaid products will impose substantial impacts on the Company's operating results. To ensure a stable operation, the Company will fully leverage on its technological and managerial strengths and low-cost operational advantages to raise efficiency and control costs strictly.

2. Financial market risks. The Company has a certain amount of financial assets and assets denominated in foreign currencies. As a result, fluctuations in interest rates, exchange rates and stock prices in the market could cause risks of fluctuations in the Company's asset value and operating results. The Company will strengthen management over its financial assets, optimise the Company's asset and liability structure in foreign currencies, thoroughly study the relevant measures for controlling the risks of financial assets, establish and perfect the management and risk control policies for financial assets and strive to lessen the impact from the fluctuation through early assessment and swift reactions.

3. Country and community risks. Internationalisation is the main direction for the Company's future development. Certain overseas projects of the Company are located in countries with political instability, inadequate legal policies or discordant local communities. These factors lead to a certain level of country and community risks. The Company will proactively study laws and policies of the countries where the projects are situated, strengthen communication with local governments and communities by diplomatic means at the state level, promote harmonious co-development concepts, namely "extensive consultation, joint contribution, shared benefits and common prosperity", and strive to seek solutions to problems and difficulties which hinder the enterprise's "going-out" development.

4. Safety and environmental protection risks. Mining companies have relatively higher safety and environmental protection risks. The Company always adheres to the principle of "safety first, emphasis on precaution and comprehensive management" by strengthening the implementation of production safety responsibilities, continuously improving the safety standardisation operating system and comprehensively using system, managerial, economic and other measures, for ensuring the continuity and stability of production safety of the Company. The Company attaches great importance to and continues to improve the work on environmental protection. It adheres to the environmental protection concept of "green mountains and clear water are as good as mountains of gold and silver", earnestly puts environmental protection and ecological restoration into practice, emphatically promotes the development of green mines, and remains highly committed to forming the eco-development model.

Significant matters

Details of shareholders' general meetings

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

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

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

Profit distribution or conversion into share capital	N/A
Bonus shares for every 10 shares (share)	0
Dividend for every 10 shares (RMB) (tax included)	0
Capital conversion for every 10 shares (share)	0

Explanation on plan for profit distribution or conversion of capital reserve into share capital
Not applicable

Performance of undertakings

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

Background of the undertaking	Type of the undertaking	Undertaking parties	Contents of the undertaking	Time of undertaking and its validity period	Whether there is any validity period	Whether the undertaking has been strictly complied with
Undertaking relating to initial public offering	Avoidance of competition within the same industry	Minxi Xinghang State-owned Assets Investment Co., Ltd.	During the period of being the substantial shareholder of the Company, Minxi Xinghang and its wholly-owned or controlling enterprises will not engage in any business that is in competition with or constitutes a competitive threat to the Company's main businesses or main products within or outside the PRC, including investing, acquiring, merging or entrusting to operate and manage locally or globally a company, business or other economic association which main business or product is the same with or similar to that of the Company. If the Company develops any new business segment in the future, the Company will have the priority to enter that business industry while Minxi Xinghang and its other wholly-owned or controlling enterprises will not develop the same business segment.	The undertaking was made by Minxi Xinghang in 2008 when the A Shares of the Company were listed. The undertaking is valid so long as Minxi Xinghang is the substantial shareholder of the Company	Yes	Yes
Undertaking relating to re-financing	Others	The Company	The Company undertakes that the Company and its subsidiaries will not engage in business relating to real estate development in the future.	The undertaking was made on 26 July 2019	Yes	Yes

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

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

Summary of the event	Index for details
<p>Registration of the A Shares subscribed by phase 1 of employee stock ownership scheme of Zijin Mining Group Co., Ltd.* (the "Employee Stock Ownership Scheme") under non-public issuance of A Shares was completed at China Securities Depository and Clearing Corporation Limited Shanghai Branch on 7 June 2017. 129,163,987 A Shares were subscribed for; the subscription amount was RMB401.7 million; the subscription price was RMB3.11 per share and the lock-up period was 36 months.</p> <p>The lock-up period of the A Shares held by the Employee Stock Ownership Scheme expired on 8 June 2020, and those A Shares are listed and become tradable. At the second meeting of holders of the Employee Stock Ownership Scheme and the ninth extraordinary meeting in 2020 of the seventh term of the Board, it was considered and approved that the duration of the Employee Stock Ownership Scheme to be extended from 48 months to 72 months, i.e., to be extended to 6 June 2023.</p>	<p>For details, please refer to the Resolutions of the First Holders' Meeting of Phase 1 Employee Stock Ownership Scheme of Zijin Mining Group Co., Ltd.* and Announcement in relation to the Issuance Results of Non-public Issuance of A Shares and Changes in Share Capital of Zijin Mining Group Co., Ltd.* dated 8 June 2017, respectively, and Announcement on Trading of A Shares Subject to Trading Moratorium Issued under Non-public Issuance of Zijin Mining Group Co., Ltd.*, Indicative Announcement in relation to Expiration of Lock-up Period for Phase 1 of Employee Stock Ownership Scheme of Zijin Mining Group Co., Ltd.*, Announcement in relation to Extension of Duration of Phase 1 of the Employee Stock Ownership Scheme of Zijin Mining Group Co., Ltd.* and Announcement in relation to the Resolutions of the Second Holders' Meeting of Phase 1 of Employee Stock Ownership Scheme of Zijin Mining Group Co., Ltd.* dated 28 May 2020, respectively, published on HKEXnews website (http://www.hkexnews.hk).</p>

Material connected transactions

Connected transactions related to daily business operation

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

Summary of the event	Index for details
The Company's subsidiary, Xinjiang Ashele Copper Co., Ltd., entered into a copper concentrates supply contract with Xinjiang Wuxin Copper Co., Ltd., a subsidiary of Ashele Copper's substantial shareholder, Xinjiang Nonferrous Metal Industry (Group) Co., Ltd., on 31 January 2020. One of Ashele Copper's ordinary businesses is selling copper concentrates and the contract was entered into under normal commercial terms, which reflects the principles of fairness and reasonableness. During the reporting period, the total amount of the transaction was RMB559 million (tax excluded).	For details, please refer to the Company's announcement disclosed on HKEXnews website (http://www.hkexnews.hk) dated 2 February 2020.

Others

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

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

Information of corporate bonds

Basic information of corporate bonds

Unit: RMB billion

Name of bond	Abbreviation	Code	Date of issuance	Date of maturity	Outstanding balance	Interest rate (%)	Payment of principal and interest	Listing place
2016 Corporate Bonds (the First Tranche) (Type One) of Zijin Mining Group Co., Ltd.*	16 Zijin 01	136304	18 March 2016	18 March 2021	0.30253	2.99	Interest to be paid annually, principal to be repaid in full at maturity.	Shanghai Stock Exchange
2016 Corporate Bonds (the First Tranche) (Type Two) of Zijin Mining Group Co., Ltd.*	16 Zijin 02	136305	18 March 2016	18 March 2021	2.0	3.37	Interest to be paid annually, principal to be repaid in full at maturity.	Shanghai Stock Exchange
2016 Corporate Bonds (the Second Tranche) (Type One) of Zijin Mining Group Co., Ltd.*	16 Zijin 03	136549	15 July 2016	15 July 2021	0.044001	3.05	Interest to be paid annually, principal to be repaid in full at maturity.	Shanghai Stock Exchange
2016 Corporate Bonds (the Second Tranche) (Type Two) of Zijin Mining Group Co., Ltd.*	16 Zijin 04	136550	15 July 2016	15 July 2021	1.2	3.45	Interest to be paid annually, principal to be repaid in full at maturity.	Shanghai Stock Exchange
2017 Renewable Corporate Bonds (the First Tranche) of Zijin Mining Group Co., Ltd.* (publicly issued)	17 Zijin Y1	143917	12 September 2017	The base period is 3 years. At the end of the base period and the end of each renewal period, the Company has a right to exercise the renewal option to renew the bonds for one more period (i.e., 3 years). The	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

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

Settlement of interests and principals of the corporate bonds

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

Use of proceeds raised from the corporate bonds

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

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

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

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

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

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

	(January - June)	last year	same period last year (%)	
EBITDA to interest coverage ratio	6.31	5.46	15.64	Adjustment to debt structure
Interest repayment ratio (%)	86.14	78.88	Increased by 7.26 percentage points	Adjustment to debt structure

IV. SUPPLEMENTAL INFORMATION

Explanation on the Relevant Matters of Corporate Governance

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

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

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

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

Interim Dividend

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

Purchase, Sale or Redemption of Listed Securities of the Company

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

Corporate Governance Report

As required by provision A.1.8 of Appendix 14 Corporate Governance Code and Corporate Governance Report to the Listing Rules (the “CG Code”), an issuer should arrange appropriate insurance cover in respect of potential legal action against its directors. The Board currently considers that the Company and the Board have adopted sufficient measures to prevent the Directors from committing errors and minimise the risk in claims against the Directors. Therefore, the Company has not made any relevant insurance arrangement at this stage. However, the Board will review the policy of insurance from time to time and may arrange insurance later. As required by provision F.1.3 of the CG Code, an issuer’s company secretary should report to the board chairman and/or the chief executive. The Board considers that the company secretary in Hong Kong reporting to the secretary to the Board is more suitable to meet the management needs of the Group and it enables a unified management of all listing-related matters in Hong Kong and Mainland China.

Save as disclosed above, for the six months ended 30 June 2020, the Board confirmed that the Group has adopted and complied with the provisions of the CG Code and has followed most of its recommended best practices with no deviation.

Audit and Internal Control Committee

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

Independent Non-executive Directors

The Company complied with rules 3.10(1) and 3.10(2) of the Listing Rules, which provide that the Company should appoint a sufficient number of independent non-executive directors and that at least one of them must have appropriate professional qualifications or accounting or related financial management expertise. The Company appointed five

independent non-executive Directors and one of them possesses accounting or related financial management expertise. Brief biographies of the independent non-executive Directors have been provided in the Company's 2019 annual report.

Securities Transactions by the Directors and Supervisors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as the model code for the trading of securities by the Directors and the Supervisors of the Company. The effective date was 23 December 2003. Having made specific enquiries with all Directors and Supervisors of the Company, the Company confirmed that all Directors and Supervisors have complied with the provisions of the Model Code for the six months ended 30 June 2020.

Shareholdings of the Directors and Supervisors in the Company

As at 30 June 2020, Mr. Chen Jinghe, an executive Director and the chairman of the Board, held 112,050,000 A Shares and 15,000,000 H Shares; Mr. Lan Fusheng, an executive Director and vice-chairman, held 7,730,510 A Shares; Mr. Zou Laichang, an executive Director and president, held 1,623,050 A Shares; Mr. Lin Hongfu, an executive Director, held 978,938 A Shares; Ms. Lin Hongying, an executive Director, held 227,000 A Shares; Mr. Xie Xionghui, an executive Director, held 149,000 A Shares; Mr. Lin Shuiqing, a Supervisor, held 300,000 A Shares; Mr. Liu Wenhong, a Supervisor, held 26,450 A Shares and 10,000 H Shares; and Mr. Cao Sanxing, a Supervisor, held 124,000 A Shares.

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

There were no changes in the Directors, Supervisors and senior management of the Company for the six months ended 30 June 2020.

Appointment and Dismissal of Auditor

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

Important Events After the Reporting Period

1. On 6 June 2020, Tibet Zijin Industrial Co., Ltd. ("Tibet Zijin"), a wholly-owned subsidiary of the Group, entered into the Equity Transfer Agreements in relation to Tibet Julong Copper Co., Ltd. with Zangge Group, Zhongsheng Mining, Shenzhen Chenfang, Xiao Yongming, Julong Copper, etc. Tibet Zijin proposed to acquire 50.1% equity interest in Julong Copper in cash at a consideration of RMB3.88275 billion, and agreed that if the phase 2 project of additional mining and processing scale of 150 thousand tonnes/day of the Qulong Copper and Polymetallic Mine (including the Rongmucuola Copper and Polymetallic Mine) fulfills the conditions as stipulated in the agreements, the acquirer shall make certain compensation to the current sellers of the equity interest in Julong Copper. As at 10 July 2020, Tibet Zijin completed the acquisition of 50.1% equity interest in Julong Copper. The relevant change in industrial and commercial registration was also completed.
2. On 11 June 2020, the Company entered into an arrangement agreement with Guyana Goldfields Inc. The Company, through a wholly-owned subsidiary established in Canada by Gold Mountains (H.K.), the Company's overseas wholly-owned subsidiary, proposed to acquire all the issued and outstanding common shares of Guyana Goldfields (the "Target Shares") for cash consideration of CAD\$1.85 per Target Share. The total consideration for the acquisition is approximately CAD\$323 million. After completion of the acquisition, the Company will own 100% equity interest in Guyana Goldfields. As at 30 June 2020, the acquisition had not been completed yet.

Save as disclosed above, there is no important event affecting the Group which occurred after the end of the reporting period to the date of this announcement.

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

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

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

Definition

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

A Share(s)	The domestic share(s) issued by the Company to domestic investors with a nominal value of RMB0.10 each, which are listed on the Shanghai Stock Exchange
Altynken	Altynken Limited Liability Company, a subsidiary of the Company
Ashele Copper	Xinjiang Habahe Ashele Copper Co., Ltd., a subsidiary of the Company
Bayannur Zijin	Bayannur Zijin Non-ferrous Metals Co., Ltd., a subsidiary of the Company
BNL	Barrick (Niugini) Limited, a company under joint operation of the Company
Board, Board of Directors	The board of Directors of the Company
CAD	Canadian dollar, the lawful currency of Canada
CARRILU	La Carrière Du Lualaba Société par Actions Simplifiée, a subsidiary of the Company
COMMUS	La Compagnie Minière de Musonoie Global Société par Actions Simplifiée, a subsidiary of the Company
Company, Zijin Mining, Zijin	Zijin Mining Group Co., Ltd.*
Continental Gold	Continental Gold Inc., a wholly-owned subsidiary of the Company
CSRC	China Securities Regulatory Commission
Director(s)	The director(s) of the Company
DR Congo	The Democratic Republic of the Congo
Duobaoshan Copper Industry	Heilongjiang Duobaoshan Copper Industry Inc., a wholly-owned subsidiary of the Company
Gold Mountains (H.K.)	Gold Mountains (H.K.) International Mining Co., Ltd., a wholly-owned subsidiary of the Company
Group	The Company and its subsidiaries
Guizhou Zijin	Guizhou Zijin Mining Co., Ltd., a subsidiary of the Company
Guyana Goldfields	Guyana Goldfields Inc.
H Share(s)	The overseas-listed foreign invested share(s) in the Company's share capital, with a nominal value of RMB0.10 each, which are listed on the Hong Kong Stock Exchange
Heilongjiang Zijin Copper	Heilongjiang Zijin Copper Co., Ltd., a wholly-owned subsidiary of the Company
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
Ivanhoe	Ivanhoe Mines Ltd.
Julong Copper	Tibet Julong Copper Co., Ltd.
Listing Rules	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Longnan Zijin	Longnan Zijin Mining Co., Ltd., a subsidiary of the Company
Longxing	Longxing Limited Liability Company, a subsidiary of the Company
Luoyang Kunyu	Luoyang Kunyu Mining Co., Ltd., a subsidiary of the Company
Minxi Xinghang	Minxi Xinghang State-owned Assets Investment Company Limited, a substantial shareholder of the Company
Norton	Norton Gold Fields Pty Limited, a wholly-owned subsidiary of the Company
PRC	The People's Republic of China but for the purpose of this announcement, excludes Hong Kong SAR, Macau SAR and Taiwan
RMB	Renminbi, the lawful currency of the PRC
Serbia Zijin Copper, Zijin Bor Copper	Serbia Zijin Copper Doo Bor, a subsidiary of the Company
Shanxi Zijin	Shanxi Zijin Mining Co., Ltd., a wholly-owned subsidiary of the Company
Supervisor(s)	The supervisor(s) of the Company
Supervisory Committee	The supervisory committee of the Company
Tibet Zijin	Tibet Zijin Industrial Co., Ltd., a wholly-owned subsidiary of the Company

Urad Rear Banner Zijin	Urad Rear Banner Zijin Mining Co., Ltd., a subsidiary of the Company
USD	United States dollar, the lawful currency of the United States of America
Xinjiang Jinbao	Xinjiang Jinbao Mining Co., Ltd., a subsidiary of the Company
Xinjiang Zijin Non-ferrous	Xinjiang Zijin Non-ferrous Metals Co., Ltd., a wholly-owned subsidiary of the Company
Zeravshan	Joint Venture Zeravshan Limited Liability Company, a subsidiary of the Company
Zijin Copper	Zijin Copper Co., Ltd., a wholly-owned subsidiary of the Company
Zijin Zinc	Xinjiang Zijin Zinc Co., Ltd., a wholly-owned subsidiary of the Company

As at the date of this announcement, the Board of Directors of the Company comprises Messrs. Chen Jinghe (Chairman), Lan Fusheng, Zou Laichang, Lin Hongfu, Ms. Lin Hongying and Mister Xie Xionghui as executive directors, Mister Li Jian as non-executive director, and Messrs. Zhu Guang, Mao Jingwen, Li Changqing, He Fulong and Suen Man Tak as independent non-executive directors.

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

Fujian, the PRC, 21 August 2020

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