

CONTENTS

Corporate Information	2
Definition	3
Basic Information for the Report	4
Operation Overview	5
Management Discussion and Analysis	9
Share Capital and Shareholders	18
Disclosure of Interests and Short Positions of the Directors and Supervisors of the Company	26
Others	27
Consolidated Balance Sheet	35
Consolidated Statement of Profit or Loss and Other Comprehensive Income	37
Consolidated Statement of Changes in Owners' Equity	38
Consolidated Statement of Cash Flows	40
Balance Sheet	43
Statement of Profit or Loss and Other Comprehensive Income	45
Statement of Changes in Owners' Equity	46
Statement of Cash Flows	48
Notes to Financial Statements	50



Corporate Information

EXECUTIVE DIRECTORS

Chen Jinghe (*Chairman*)
Wang Jianhua (*President*)
Qiu Xiaohua
Lan Fusheng
Zou Laichang
Lin Hongfu

NON-EXECUTIVE DIRECTOR

Li Jian

INDEPENDENT NON-EXECUTIVE DIRECTORS

Lu Shihua
Ding Shida
Jiang Yuzhi
Sit Hoi Wah, Kenneth

AUDIT AND INTERNAL CONTROL COMMITTEE

Lu Shihua
Wang Jianhua (*President*)
Qiu Xiaohua
Li Jian
Ding Shida
Jiang Yuzhi
Sit Hoi Wah, Kenneth

AUTHORISED REPRESENTATIVE

Chen Jinghe
Lan Fusheng

SUPERVISORS

Lin Shuiqing
Xu Qiang
Zhang Yumin
Liu Wenhong
Fan Wensheng

COMPANY SECRETARY

Fan Cheung Man

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

LEGAL ADDRESS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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

LEGAL CONSULTANT OF THE COMPANY (HONG KONG LAWS)

Li & Partners

AUDITORS

PRC Auditors:
Ernst & Young Hua Ming LLP

HONG KONG H SHARE REGISTRAR AND TRANSFER OFFICE

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

WEBSITE

www.zjky.cn

STOCK CODE

Hong Kong Stock Exchange: 02899
Shanghai Stock Exchange: 601899

Definition

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

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

Xinyi Zijin	Xinyi Zijin Mining Company Limited, a wholly-owned subsidiary
Ting River Hydropower	Fujian Shanghang Ting River Hydropower Co., Ltd., an associate of the Company
Minxi Xinghang	Minxi Xinghang State-owned Assets Investment Company Limited, a substantial shareholder of the Company
Xinjiang Ashele	Xinjiang Ashele Copper Company Limited, a subsidiary of the Company
Qinghai West	Qinghai West Copper Mining Company Limited, a wholly-owned subsidiary of the Company
Jin Jiang Mining	Jin Jiang Mining Limited, a wholly-owned subsidiary of the Company
Norton	Norton Gold Fields Limited, a subsidiary of the Company
Guizhou Zijin	Guizhou Zijin Mining Company Limited, a subsidiary of the Company
Zijin Copper	Zijin Copper Company Limited, a wholly-owned subsidiary of the Company
Makeng Mining/ Longyan Makeng	Fujian Makeng Mining Company Limited, an associate of the Company
Wancheng Commercial	Wancheng Commercial Dongshengmiao Co., Ltd., an associate of the Company
Bayannaer Zijin	Bayannaer Zijin Non-ferrous Metals Company Limited, a subsidiary of the Company
Zijin Finance	Zijin Mining Group Finance Co., Ltd., a subsidiary of the Company
Wuping Zijin	Wuping Zijin Mining Company Limited, a subsidiary of the Company
Wulatehouqi Zijin	Wulatehouqi Zijin Mining Company Limited, a subsidiary of the Company
Heilongjiang Duobaoshan	Heilongjiang Duobaoshan Copper Company Limited, a subsidiary of the Company
Zijin Yinhui	Luoyang Zijin Yinhui Gold Refinery Company Limited, a subsidiary of the Company
Wuqia Jinwang	Wuqia County Jinwang Mining Development Company Limited, a wholly-owned subsidiary of the Company
Xinjiang Jinbao	Xinjiang Jinbao Mining Company Limited, a subsidiary of the Company
Hebei Chongli	Hebei Chongli Zijin Mining Company Limited, a subsidiary of the Company
Shanxi Zijin	Shanxi Zijin Mining Company Limited, a wholly-owned subsidiary of the Company
ZGC	JV Zeravshan LLC, a subsidiary of the Company
Hunchun Zijin	Hunchun Zijin Mining Company Limited, a wholly-owned subsidiary of the Company
Longnan Zijin	Longnan Zijin Mining Company Limited, a subsidiary of the Company
NKWE	NKWE Platinum Limited, an associate of the Company
Bullabulling	Bullabulling Gold Limited, an acquisition target of Norton
Kunyu Mining	Luoyang Kunyu Mining Co., Ltd., a subsidiary of the Company
Tongling Zijin	Tongling Zijin Mining Company Limited, a subsidiary of the Company
Fuyun Jinshan	Fuyun Jinshan Mining Company Limited, a subsidiary of the Company
Jinhao Iron	Xinjiang Aletai Jinhao Iron Company Limited, a subsidiary of the Company
Fujian Zijin Investment	Fujian Zijin Investment Company Limited, a wholly-owned subsidiary of the Company
Liancheng Jiuxin	Liancheng Jiuxin Mining Company Limited, a wholly-owned subsidiary of the Company

Basic Information for the Report

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

The board of directors (the “Board”) of Zijin Mining Group Co., Ltd.* (the “Company”) announces the unaudited interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2014 (“this period”/the “reporting period”). This report has been reviewed and passed by the Board and the audit and internal control committee.

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

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

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

EXTERNAL BUSINESS ENVIRONMENT

During the reporting period, the price of gold, which was mainly affected by the changes of the economic recovery situation in the United States and the geopolitical situation, remained low and volatile. The opening price of gold was US\$1,205.7 per ounce, it reached its highest at US\$1,392.3 per ounce and dropped to its lowest at US\$1,203.2 per ounce. The closing price was US\$1,327.35 per ounce and the average price was US\$1,291.1 per ounce which represented a 15.2% decrease over the same period last year.

During the reporting period, the price trends of non-ferrous metals differentiated. Copper price rebounded sharply after a drop. The opening price of copper in the London Metals Exchange ("LME") was US\$7,389 per tonne, its highest price was US\$7,460 per tonne and its lowest price was US\$6,321 per tonne. The closing price was US\$7,014 per tonne and the average price was US\$6,912 per tonne which represented a decrease of 8.3% over the same period last year.

During the reporting period, having rectified from the continuous horizontal fluctuation for almost six months, the price of lead and zinc increased rapidly at the end of the second quarter. The price of zinc reached the highest for the year. The opening price of zinc in the LME was US\$2,060 per tonne, its highest price was US\$2,219 per tonne and its lowest price was US\$1,937 per tonne. The closing price was US\$2,216 per tonne and the average price was US\$2,050 per tonne which represented a 5.9% increase over the same period last year.

During the reporting period, the price of iron ore dropped continuously. The opening and highest domestic futures prices of iron ore were both RMB912 per tonne, its lowest price was RMB656 per tonne and the closing price was RMB694 per tonne. Its average price decreased by 12.8% over the same period last year.

MANAGEMENT ANALYSIS

Operation Overview

During the reporting period, under the strong leadership of the Board together with the efforts of all staff of the Group and by implementing effective measures including tightening management, reducing cost and increasing production capacity, etc., the Group realized a relatively high growth rate for the production of major products, which included gold, copper, zinc and iron, etc., over the same period last year, and sharply reduced the losses from refinery and processing enterprises which led to a positive growth of the Company's net profit attributable to owners of the parent.

During the reporting period, the Group generated a turnover of RMB23.986 billion, representing a 7.7% decrease over the same period last year (same period last year: RMB25.988 billion), and realised a net profit attributable to the owners of the parent of RMB1.109 billion, representing an increase of 1.03% over the same period last year (same period last year: RMB1.098 billion).

As at the end of June 2014, the Group's total assets was RMB73.994 billion, representing a 10.61% increase over the beginning of the year (at beginning of the year: RMB66.898 billion), and net assets attributable to the owners of the parent was RMB27.069 billion, representing a 1.97% decrease as compared with the beginning of the year (at beginning of the year: RMB27.612 billion).

1. Gold Business

During the reporting period, the Group produced 59,655.95kg (1,917,981.90 ounces) of gold representing a 7.17% growth over the same period last year (same period last year: 55,664.45kg). Among which the Group produced 15,611.82kg (501,931.29 ounces) of mine-produced gold representing a 6.03% growth (14,724.19kg the same period last year) over the same period last year, among which Zijinshan gold mine produced 5,021.29kg (161,438.10 ounces); Norton of Australia produced 2,517.02kg (80,924.01 ounces); Hunchun Zijin produced 966.98kg (31,089.11 ounces); Guizhou Zijin produced 880.91kg (28,321.89 ounces); Tajikistan ZGC produced 772.23kg (24,827.75 ounces); and the other gold enterprises in the Group produced 5,453.39kg (175,330.43 ounces) of mine-produced gold.

The Group produced 44,044.13kg (1,416,050.61 ounces) of refinery gold, representing a 7.58% growth over the same period last year (40,940.27kg the same period last year), of which, Henan Luoyang Zijin Yinhui Gold Refinery Company Limited produced 26,526.88kg (852,858.36 ounces); the Company's gold refinery plants produced 5,836.03kg (187,632.58 ounces); Fujian Jinshan Gold Refinery Plant produced 3,213.48kg (103,315.70 ounces); Luoning Zijin produced 2,240.97kg (72,048.80 ounces) and the other enterprises in the Group produced 6,226.77kg (200,195.15 ounces).

Operation Overview *(continued)*

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

Sales income generated from the Group's gold business represented approximately 56.78% (after elimination) of the total operating income during the reporting period, and the gold products generated about 37.76% of the total gross profit.

(1 troy ounce = 31.1035 grammes)

2. Copper Business

During the reporting period, the Group produced 181,320.60 tonnes of copper, representing a 14.15% growth over the same period last year (158,843.40 tonnes the same period last year); the production of which included 70,436.80 tonnes of mine-produced copper (including 8,631.74 tonnes copper cathodes) representing a 14.17% growth over the same period last year (61,694.88 tonnes the same period last year). In which, Zijinshan copper mine produced 18,597.29 tonnes of copper (including 8,335.19 tonnes copper cathodes), Xinjiang Ashele produced 16,968.47 tonnes of copper in concentrate form, Qinghai West produced 15,415.85 tonnes of copper in concentrate form, Heilongjiang Duobaoshan produced 13,030.97 tonnes of copper (including 296.55 tonnes of copper cathodes), Hunchun Zijin produced 4,088.12 tonnes of copper in concentrate form and the other mining enterprises in the Group produced 2,336.10 tonnes of copper in concentrate form in total.

110,883.80 tonnes of refinery copper was produced by smelting enterprises, representing a 14.14% growth over the same period last year (97,148.52 tonnes the same period last year). In which, Zijin Copper produced 106,999.95 tonnes of refinery copper.

Sales income from the Group's copper business represented approximately 27.19% (after elimination) of the total operating income of the Group and the copper products generated about 32.59% of the total gross profit.

3. Lead and Zinc Business

During the reporting period, the Group produced 139,263.34 tonnes of zinc, representing a 18.67% growth over the same period last year (117,354.40 tonnes the same period last year), among which Bayannaer Zijin produced 92,823.32 tonnes of zinc bullion, representing an increase of 15.27% over the same period last year (80,526.97 tonnes the same period last year); the Group produced 46,440.02 tonnes of mine-produced zinc in concentrate form, representing an increase of 26.10% over the same period last year (36,827.43 tonnes the same period last year). Among which, Wulatehouqi Zijin produced 21,087.99 tonnes of zinc in concentrate form, Wuqia Jinwang produced 17,413.54 tonnes of zinc in concentrate form, Xinjiang Ashele produced 6,593.18 tonnes of zinc in concentrate form and other mining enterprises of the Group produced 1,345.31 tonnes of zinc in concentrate form in total.

During the reporting period, 5,099.09 tonnes of lead in concentrate form was produced, representing a 17.22% growth over the same period last year (4,349.95 tonnes the same period last year).

During the reporting period, sales income from the Group's lead and zinc business represented approximately 5.85% (after elimination) of the total operating income of the Group, and the lead and zinc business generated about 5.4% of the total gross profit.

4. Silver Business

During the reporting period, the Group produced 134,822.31kg of silver, representing a decrease of 8.03% over the same period last year (146,590.22kg the same period last year), among which 75,500.30kg was mine-produced silver, representing a 1.10% decrease over the same period last year (76,336.85kg the same period last year). In which, Wuping Zijin produced 26,406.04kg of silver, Xinjiang Ashele produced 10,168.20kg of silver from other associated metals, Shanxi Zijin produced 10,164.11kg of silver from other associated metals, Zijinshan gold and copper mine produced 9,902.28kg of silver from other associated metals, Luoning Huatai produced 3,872.93kg of silver from other associated metals, and the other mining entities in the Group produced 14,986.74kg of silver from other associated metals.

The Group produced 59,322.01kg of refinery silver (by-product), representing a decrease of 15.60% over the same period last year (70,253.37kg the same period last year). Zijin Copper refinery produced 46,168.68kg of silver (by-product), Fujian Jinshan Gold refinery produced 7,851.28kg of silver (by-product), and Luoning Zijin refinery produced 4,693.37kg of silver (by-product). The other refinery entities in the Group produced 608.68kg of silver (by-product).

Sales income from the Group's silver business represented approximately 1.35% (after elimination) of the total operating income of the Group during the reporting period, and the silver products generated about 0.64% of the total gross profit.

5. Iron Business

During the reporting period, the Group produced 1,245,100 tonnes of iron concentrates, representing an increase of 27.21% over the same period last year (978,800 tonnes the same period last year).

Sales income from the Group's iron ore business represented approximately 3.1% (after elimination) of the total operating income of the Group during the reporting period, and the iron ore products generated about 12.12% of the total gross profit.

6. Other Business

Sales income from the Group's other products represented approximately 5.73% (after elimination) of the total operating income of the Group during the reporting period, and generated about 11.49% of the total gross profit.

7. External Investment

During the reporting period, the Company acquired 25.27% equity interest in NKWE Platinum Limited ("NKWE") by way of conversion of convertible bonds, participating in capital enlargement and acquiring shares held by third parties, etc., and obtained approximately 4.35 million ounces (equivalent to approximately 135 tonnes) of 3PGE+Au platinum group resources according to the shareholding. The Company's subsidiary Norton Gold Fields Limited made a cash takeover offer for Bullabulling Gold Limited ("Bullabulling") in Australia. After the completion of the acquisition, the Company will control approximately 3.75 million ounces (equivalent to approximately 117 tonnes) of gold resources.

For domestic acquisitions, the Company invested in 70% equity interest in Henan Luoyang Kunyu Mining (56.92 tonnes of gold resources), in which its gold mines together with the Group's Luoning Huatai Luyuangou gold mine can form a large gold field, which will help for planning a large-scale development. The Company also invested in 10% equity interest in Fujian Xinluo Makeng iron mine, resulted in an increase to 41.5% equity interest of Makeng iron mine after the acquisition. The Company invested in 100% equity interest in the silver mine of Fujian Liancheng Jiuxin Company's Zijinshe mining area.

8. Fund Operation

The Company jointly set up a Sprott Zijin International Mining Fund with Sprott Inc. ("Sprott") and Americas Now Resources Investment Management Corp. ("Americas Now"), fully took the advantage of the strengths of industry, technology and operation from mining company and fund management company for investment and achieved fruitful results. The results for the first half of 2014 was stable and achieved an overall yield of 17.3%.

9. Projects Construction

During the reporting period, the Group completed investment of RMB1.637 billion in construction. All construction projects are carrying out in order. Xinjiang Jinwang Wulagen lead and zinc mine's 10,000 t/day technical innovation, being the Group's first outsourcing project under engineering, procurement and construction (EPC) contract for development, started construction in March this year. The on-site construction was running smoothly. The Group's key construction projects including Hunchun Zijin 10,000 t/day mullock integrated utilization project, Wulatehouqi Zijin Sanguikou lead and zinc mine project, Russian Tuva lead and zinc mine project, ZGC Jilau 10,000 t/day processing plant project, Kyrgyzstan Zuoan gold mine 2,500 t/day mining, processing and refining system, etc. will be completed in the second half of the year and put in pilot production, contributing new production capacity to the Group.

10. Safety and Environmental Protection

During the reporting period, the Group's overall environmental and ecological situation is getting better, various tasks are in progress orderly, the results of development of ecological civilization and construction of green mines are significant and the environmental and ecological awareness of all staff have been further improved. Seven enterprises of the Group including Zijinshan gold and copper mine, Wuping Zijin, Longnan Zijin, Wulatehouqi Zijin, Tongling Zijin, Xinjiang Jinbao and Fuyun Jinshan were selected as the fourth batch of national green mines pilot units of the Ministry of National Land and Resources of the PRC. In addition to Guizhou Zijin and Xinjiang Ashele, there were a total of nine enterprises of the Group being selected as the national green mines pilot units.

Operation Overview *(continued)*

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

During the reporting period, the Group conscientiously implemented the state's requirements of a series of directives on strengthening safety production, adhered to the safety production principle of "safety first, precautionary as the main measure and adoption of comprehensive rectification and management", promoted the safety concept of "life is more precious than gold, safety generates effectiveness", implemented a series of measures including safety production responsibility through different levels, strengthened safety production assessment, tightened basic safety management, enhanced investigation and management to eliminate hidden risks, etc. The overall safety production of the Group was in a steady status.

11. Geological Exploration

During the reporting period, the Group's exploration works include the following: 125,000 metres drilling, 4,000 metres tunnel exploration, and 17,000 cubic metres trench exploration. The investment in geological exploration was approximately RMB0.119 billion. The new metal volumes obtained from exploration were: 24.3 tonnes of gold, 191,000 tonnes of copper, other minerals converted equivalent to 59,000 tonnes of copper, and 85 million tonnes of coal (unaudited).

The Group has made good achievements in various exploration projects including Longnan Zijin Liba gold deposit supplementary exploration project, Shibuzi survey project, Zijinshan gold and copper mining area south-east section copper (molybdenum) mine detailed investigation, north-east section copper (molybdenum) mine exploration project, Xinjiang Ashele copper mine deep border exploration project, Guizhou Zijin Shuiyindong gold mine detailed investigation project, Guizhou Bojitian gold mine detailed investigation project, Chongli Zijin No.70 vein lower part ore re-evaluation and surrounding exploration project, Guizhou Qinglong Yangzhai coal mine exploration project, etc. The prospect of resources is expected to be expanded further. Gansu Zhouqu Luodiping gold mine survey, being a risk exploration project, achieved a breakthrough.

As at 30 June 2014, the Group has a total of 244 exploration rights, covering an area of 3,765.58 sq.km and a total of 246 mining rights, covering an area of 846.0115 sq.km.

Management Discussion and Analysis

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

OPERATING RESULTS

During the reporting period, the Group realised operating income of RMB23.986 billion (same period last year: RMB25.988 billion), representing a decrease of 7.7% over the corresponding period last year.

The table below sets out the breakdown of sales by products for the six months ended 30 June 2014 and 30 June 2013 respectively:

Items Product	January – June 2014				January – June 2013					
	Unit price (tax excluded) RMB	Sales volume		Amount RMB'000	Unit price (tax excluded) RMB	Sales volume		Amount RMB'000		
Mine-produced gold	239.65	/g	15,822	Kg	3,791,730	281.08	/g	14,728	Kg	4,139,580
Refinery, processed and trading gold	258.55	/g	43,720	Kg	11,303,830	296.43	/g	41,311	Kg	12,245,540
Mine-produced silver	2.47	/g	72,543	Kg	178,880	3.32	/g	75,126	Kg	249,340
Mine-produced copper	36,069	/t	68,091	t	2,456,000	41,259	/t	60,617	t	2,501,040
Refinery copper	41,972	/t	109,949	t	4,614,750	46,329	/t	96,969	t	4,492,470
Mine-produced zinc	7,553	/t	41,190	t	311,110	7,577	/t	36,278	t	274,890
Refinery zinc	12,820	/t	96,398	t	1,235,780	12,937	/t	85,530	t	1,106,540
Iron concentrates	544	/t	1.3639	Mt	742,100	673	/t	1.0001	Mt	672,720
Others (Note 1)					2,909,390					3,818,330
Internal sales elimination					-3,557,520					-3,512,820
Total					23,986,050					25,987,630

Note 1: During the reporting period, other sales income included: RMB379 million income from copper pipes, RMB305 million income from copper belts, RMB197 million income from refinery and processed silver, RMB174 million from gold products and RMB1.854 billion from other products, intermediate services and other services, etc.

During the reporting period, the Group's operating income decreased by 7.7% over the same period last year which was mainly due to the following reasons: the metal price of gold and copper decreased sharply and the growth in sales volume was insufficient to cover the decline in revenue affected by fall in prices. In which, approximately RMB1.191 billion and RMB2.196 billion decrease of sales revenue were attributed to the fall in price of mining products and refinery and processed products respectively while approximately RMB909 million and RMB1.505 billion increase of sales revenue were attributed to the increase in sales volume of mining products and refinery and processed products respectively. RMB941 million decrease of sales revenue was attributed to the decrease of sales volume of other products.

ANALYSIS OF COST AND GROSS PROFIT MARGIN

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

Management Discussion and Analysis *(continued)*

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

The table below sets out details of the unit selling cost and gross profit margin by products for the periods ended 30 June 2014 and 30 June 2013.

Product	Unit selling cost (RMB)			Compared with the same period last year %	Gross profit margin(%)	
	Jan-Jun 2014	Jan-Jun 2013	Unit		Jan-Jun 2014	Jan-Jun 2013
Mine-produced gold	149.33	146.00	/g	2.28	37.69	48.06
Refinery, processed and trading gold	257.13	299.77	/g	-14.22	0.55	-1.13
Mine-produced silver	1.58	1.56	/g	1.42	35.79	52.96
Mine-produced copper	17,305	18,246	/t	-5.16	52.02	55.78
Refinery copper	42,298	48,146	/t	-12.15	-0.78	-3.92
Mine-produced zinc	3,256	3,370	/t	-3.37	56.89	55.52
Refinery zinc	12,733	12,619	/t	0.91	0.68	2.46
Iron concentrates	197	228	/t	-13.80	63.83	66.06
Overall					16.19	17.23
Overall (Refinery entities excluded)					49.66	51.63

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

The Group's overall gross profit margin was 16.19%, representing a decrease of 1.04 percentage points over the same period last year. The overall gross profit margin (excluding refinery and processed products) was 49.66%, representing a decrease of 0.95 percentage point over the same period last year. It was mainly attributed to the substantial decrease of major metal prices compared with the same period last year.

SELLING EXPENSES

The selling expenses of the Group for the first half of 2014 was RMB309,850,000, representing an increase of 17.71% over the same period last year (the same period last year: RMB263,230,000). In which, the uncontrollable selling expenses was RMB38.8 million, representing an increase of 12.63% over the same period last year; the controllable selling expenses was RMB271,050,000, representing an increase of 18.48%. The increase in controllable selling expenses was mainly due to the increase in charges of transportation, packaging and storage, etc. resulted from the increase in sales volume.

ADMINISTRATIVE EXPENSES

The administrative expenses in the first half of 2014 amounted to RMB1,106,600,000, representing an increase of 8.58% over the same period last year (the same period last year: RMB1,019,190,000). In which, the uncontrollable administrative expenses was RMB936,570,000, representing an increase of 16.9% over the same period last year; the controllable administrative expenses was RMB170,030,000, representing a decrease of 22.01%. The increase in uncontrollable administrative expenses was mainly due to the increase in labour costs, various tax levies and the increase of depreciation and amortization of assets.

FINANCIAL EXPENSES

The financial expenses of the Group during the period was RMB249,330,000, representing a decrease of 57.36% over the same period last year (the same period last year: RMB584,660,000). It was mainly attributable to the decrease in consolidated average capital costs after issuing mid-term bond in 2013, the increase in financial income from financial management for the period and the foreign exchange gains as a result of exchange rate fluctuations for the period.

IMPAIRMENT LOSSES ON ASSETS

The Group provided impairment losses of RMB47,730,000 on assets in the first half of 2014 (the same period last year: RMB332,100,000). It was mainly due to the major metal prices' rebound from the beginning of the year, and according to the lower of cost and net realizable value principle, some refinery enterprises reversed impairment of inventory.

HEDGING BUSINESS

During the reporting period, the Group generated income of RMB115,180,000 (the same period last year: RMB125,370,000) from settlement and futures positions held in the hedging operation (other than the hedging activities for gold leasing business).

DONATIONS

During the reporting period, the Group donated a total amount of RMB69,700,000 (the same period last year: RMB84,950,000).

WORKING CAPITAL AND SOURCES OF FUND

As at 30 June 2014, the Group's cash and cash equivalents was RMB4,500,000,000, representing an increase of RMB479,000,000 or 11.91% over the beginning of the year.

During the reporting period, net cash inflow generated from the Group's operating activities was RMB1,764,000,000, representing a decrease of RMB273,000,000 over the same period last year, in which, the cash inflow generated from operating activities was RMB26,512,000,000, representing an increase of RMB404,000,000 over the same period last year; cash outflow used in operating activities was RMB24,748,000,000, representing an increase of RMB677,000,000 over the same period last year.

During the reporting period, net cash outflow used in the Group's investing activities was RMB4,356,000,000, representing an increase of RMB866,000,000. The main investing expenditures included (1) cash payments of RMB2,413,000,000 for the Group's purchase and construction of fixed assets, intangible assets and other long-term assets; and (2) cash payments of RMB1,359,000,000 for the Group's external investments.

During the reporting period, net cash inflow generated from the Group's financing activities was RMB3,061,000,000, while during the same period last year, there was a net cash outflow of RMB735,000,000. The main reason was the increase of scale of financing.

As at 30 June 2014, the Group's total borrowings amounted to RMB27,729,000,000 (31 December 2013: RMB23,571,000,000). Among which, the amount repayable within one year was about RMB15,690,000,000, the amount repayable within one to two years was about RMB990,000,000, the amount repayable within two to five years was about RMB8,943,000,000, the amount repayable within more than five years was about RMB2,106,000,000. The interest rates of all bank borrowings range from 1.16% to 7.80% (30 June 2013: range from 1.16% to 7.87%).

The Group's daily capital requirements and capital expenditures in maintenance nature can be financed from its internal cash flow. The Group also has about RMB98.4 billion loan credit lines for non-specified purposes provided by the major banks.

GEARING RATIO

Gearing ratio refers to the proportion of consolidated total liabilities to the consolidated total equity. As at 30 June 2014, the Group's consolidated total liabilities amounted to RMB41,135,060,000 (30 June 2013: RMB35,018,990,000) and the Group's consolidated total equity was RMB32,858,940,000 (30 June 2013: RMB32,171,240,000). As at 30 June 2014, the gearing ratio of the Group was 1.2519 (30 June 2013: 1.0885).

PLEGDED ASSETS OF THE GROUP

Details of the pledged assets of the Group are set out in notes V.1, V.23, V.32 and V.33 to the financial statements.

Management Discussion and Analysis *(continued)*

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

INTEREST AND CURRENCY HEDGING POLICY

As of 30 June 2014, the Group held a forward currency contract with US\$ against A\$ with contract amount equivalent to US\$15 million (31 December 2013: equivalent to US\$15 million).

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

CONTINGENT LIABILITIES

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

NET CURRENT ASSETS

	As at 30 June 2014 (Unaudited) RMB	As at 31 December 2013 (Audited) RMB
Current assets	21,621,076,097	17,931,787,510
Less: Current liabilities	(27,453,513,905)	(19,959,966,260)
Net current liabilities	(5,832,437,808)	(2,028,178,750)

TOTAL ASSETS LESS CURRENT LIABILITIES

	As at 30 June 2014 (Unaudited) RMB	As at 31 December 2013 (Audited) RMB
Total assets	73,994,005,987	66,898,389,120
Less: Current liabilities	(27,453,513,905)	(19,959,966,260)
Total assets less current liabilities	46,540,492,082	46,938,422,860

OUTLOOK FOR SECOND HALF OF 2014

Market overview

The global macroeconomy is expected to run stably in the second half of the year, the U.S. economy maintains a steady recovery, the monetary policy tends to be tightened continuously, with lower demand of stock in trade and investment, the rebound of gold price will be under pressure. However, the tense geopolitical situation and the cost of production constrain the space for decline in price.

The changes in supply and demand will be the main factor affecting the metal price trends. Facing the increase in supply of copper, but being driven by the maintain-growth stimulating policy in the PRC, the price of copper is expected to fluctuate at a relatively high position. The price of zinc is expected to be in an upward trend in the mid-to-long run.

Management Discussion and Analysis *(continued)*

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

Production plan

The production plan of major products of the Company in 2014 are: mine-produced gold of approximately 34 tonnes, mine-produced silver of approximately 160 tonnes, mine-produced copper of approximately 140,000 tonnes, mine-produced lead and zinc of 160,000 tonnes, iron concentrates (containing iron calcine) of approximately 2.75 million tonnes, refinery gold of approximately 60 tonnes, refinery silver of approximately 150 tonnes, refinery copper of approximately 220,000 tonnes and refinery zinc of approximately 200,000 tonnes.

The 2014 plan was made on the basis of the current economic condition, market situation and the existing conditions of the Company. The Board may adjust the production plan from time to time in accordance with the relevant circumstances.

Measures

Facing the economic situation and the product price trends in the second half of the year, the Company still has to focus on the overall working requirements established at the beginning of the year, conscientiously implements the Group's strategic plan to promote a new round of development, establishes green development, the concept of eco-development and a responsible corporate image, continuously puts efforts in safety and environmental protection, organizes production and management well, implements accountability and ensures the completion of objectives for the year.

The Company deeply fits into the market-oriented operation, comprehensively activates competition and develops potential, innovates and implements accountability mechanism, puts efforts to improve labour productivity and continues to promote strategic cost-reducing work.

The Company continues to optimize and integrate the corporate's internal resources, improves asset quality and operating efficiency.

The Company carries out external merger and acquisitions and exploration simultaneously, acquires resources, strives to achieve significant breakthrough in resources acquisition, resources exploration and resources management, steadily promotes development strategy for internationalization, project upsizing and asset securitization.

The Company focuses on the construction progress of key projects. The resources of the Group will be mainly used to ensure the smooth progress of projects construction including Zijinshan Luoboling copper mining and processing project (including tailings), Zijinshan copper mine new flotation processing plant project, Ashele copper mine deeper part development project, Nanwenhe tungsten mine expansion and technical transformation project, Guizhou Shuiyindong hot pressure pre-oxidation project, etc. The Company strives to make the construction projects on schedule and put into production in the second half of 2014 as planned.

The Company pays close attention to the market, avoids product price fluctuation risk, increases product selling price and profitability.

The Company strengthens financial risk prevention and centralized financial control, improves financial operation revenue, masters the timing to issue mid-term bonds and initiates the issuance of short-term and ultra-short-term financing timely.

The Company strengthens the investment in infrastructure projects, standardizes and optimises management, promotes the corporate enlargement level, automation level and information technology level.

The Company innovates talent market competition mechanism, strengthens the sense of responsibility and feasibly improves the capacity for sustainable development.

Management Discussion and Analysis *(continued)*

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

THE COMPANY'S MAJOR FINANCIAL DATA

(1) Operating analysis by industry, product or region

Unit: RMB'000

Products	Operating income	Operating costs	Gross profit margin (%)	Operating income increased/decreased compared to the same period last year (%)	Operating costs increased/decreased compared to the same period last year (%)	Gross profit margin increased/decreased in percentage point compared to the same period last year
Mine-produced gold	3,791,730	2,362,680	37.69	-8.4	9.88	-10.37
Refinery, processed and trading gold	11,303,830	11,241,900	0.55	-7.69	-9.22	1.68
Mine-produced silver	178,880	114,860	35.79	-28.26	-2.07	-17.17
Mine-produced copper	2,456,000	1,178,310	52.02	-1.8	6.54	-3.76
Refinery copper	4,614,750	4,650,610	-0.78	2.72	-0.39	3.14
Mine-produced zinc	311,110	134,130	56.89	13.18	9.71	1.37
Refinery zinc	1,235,780	1,227,420	0.68	11.68	13.73	-1.78
Iron concentrates	742,100	268,390	63.83	10.31	17.55	-2.23
Others	2,909,390	2,465,800	15.25	-23.8	-27.62	4.47
Internal elimination	-3,557,520	-3,542,160				
Total	23,986,050	20,101,940	16.19	-7.7	-6.54	-1.04

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

(2) Major suppliers and customers

During the reporting period, the total purchase from the top five suppliers was RMB9.742 billion, representing 55.25% of the Group's total purchase.

During the reporting period, the total revenue from the top five customers was RMB15.481 billion, representing 64.54% of the Group's total revenue.

(3) Regional information of the main business

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

Management Discussion and Analysis *(continued)*

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

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

Unit: RMB

Item	Current period	Same period last year	Changes (%)	Reasons
Operating income	23,986,053,892	25,987,634,065	-7.7	Refer to analysis above
Operating costs	20,101,935,320	21,509,706,763	-6.54	Refer to analysis above
Selling expenses	309,852,981	263,233,554	17.71	Refer to analysis above
Administrative expenses	1,106,603,400	1,019,189,751	8.58	Refer to analysis above
Financial expenses	249,326,277	584,662,531	-57.36	Refer to analysis above
Net cash flows from operating activities	1,763,960,766	2,037,135,426	-13.41	Refer to analysis above
Net cash flows from investing activities	-4,355,679,854	-3,489,578,128	24.82	Refer to analysis above
Net cash flows from financing activities	3,061,235,082	-73,513,938	N/A	Refer to analysis above
Research and development expenses	44,842,768	41,099,193	9.11	Increase input in research and development

Please refer to "Notes to Financial Statements - Supplementary Information III: Analytical Review of Fluctuation on Consolidated Financial Statement Items" for the analysis of other major financial data.

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

The proposal for a general mandate to issue debt financing instruments was considered and approved at the 2013 annual general meeting. It is proposed to issue debt financing instruments one-off or by tranches within or outside the PRC with a total cumulative amount not exceeding RMB10 billion (including RMB10 billion) or the equivalent in foreign currency. The Company registered and issued mid-term bonds of RMB2.5 billion in September 2013. The Company will pay close attention to the bond market situation and the funding needs of the Group to master the timing to issue mid-term bonds and initiate the issuance of short-term and ultra-short-term financing timely.

ANALYSIS OF THE CORE COMPETITIVENESS

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

INVESTMENT STATUS

External equity investment

- (1) The Company convened the fifth execution and investment committee meeting of the fifth term of board of directors on 15 March 2014 and considered and approved the proposal in relation to capital enlargement of Xinjiang Aletai Jinhao Iron Co., Ltd. It was resolved that the registered capital of Xinjiang Aletai Jinhao Iron Co., Ltd. ("Jinhao Iron") enlarged from RMB0.7 billion to RMB0.81 billion. The capital enlargement of RMB0.11 billion will be injected in cash by three shareholders according to their existing shareholding ratio. In which, the Company's subsidiary Fuyun Jinshan Mining Company Limited invested RMB56.1 million pro rata to its 51% shareholding; another subsidiary, Xinjiang Jinbao Mining Company Limited invested RMB11 million pro rata to its 10% shareholding; Turpan Yurun Iron and Steel Industry Trading Company Limited invested RMB42.9 million pro rata to its 39% shareholding. The above capital enlargement was completed on 30 April 2014. Jinhao Iron was mainly engaged in the 1,000,000 t/year high-quality cast iron project development in Xinjiang.
- (2) The investment committee of the Company considered and approved the proposal in relation to participating in the IPO of Hengxing Gold Holding Company Limited in Hong Kong by voting via telecommunication on 26 April 2014. According to the resolution, the Company invested HK\$50 million to acquire 31,250,000 ordinary shares in Hengxing Gold Holding Company Limited ("Hengxing Gold"), representing 3.38% of its total number of issued shares. Hengxing Gold is a company listed in Hong Kong and is mainly engaged in the operation of Xinjiang Jinshan gold mine.

Management Discussion and Analysis *(continued)*

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

- (3) On 27 January 2014, the Company entered into a share transfer agreement with Fujian Tianbao Mining Group Co., Ltd. ("Tianbao Mining"). The Company invested RMB410 million to acquire 10% equity interest of Fujian Makeng Mining Company Limited ("Makeng Mining"). After the acquisition, the Company's equity interest in Makeng Mining increased to 41.5%.
- (4) On 21 January 2014, a wholly-owned subsidiary of the Company, Fujian Zijin Investment Company Limited ("Fujian Zijin Investment"), entered into a share transfer agreement with natural persons Wang Zhaoping and Wu Weibin. Fujian Zijin Investment invested RMB35 million to acquire 100% equity interest of Liancheng Jiuxin Mining Company Limited ("Liancheng Jiuxin") held by Wang Zhaoping and Wu Weibin collectively. Liancheng Jiuxin owned the detailed survey, surrounding investigation and exploration right of the silver mine located at the Zijinshe southern mining region, Liancheng County, Fujian Province. According to the "Evaluation Report of the Detailed Survey, Surrounding Investigation and Exploration Right of Silver Mine Located at the Zijinshe Southern Mining Region, Liancheng County, Fujian Province" issued by Shaanxi Qindi Mining Right Asset Evaluation Company Limited (Shaan Qindi Kuangping (2014) No.101), through geological elements evaluation method, the assessed value of the exploration right was RMB80,430,100.

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

RMB'000

Company name	Major products	Registered capital	Total assets	Net assets	Net profit
Xinjiang Ashele Copper Company Limited	Copper concentrates	250,000	2,191,060	1,869,450	321,720
Xinjiang Jinbao Mining Company Limited	Iron concentrates	50,000	1,318,010	861,460	244,680
Qinghai West Copper Company Limited	Copper concentrates	120,000	1,666,320	1,172,080	203,800
Heilongjiang Duobaoshan Copper Company Limited	Copper concentrates	800,000	2,761,240	1,249,980	96,630
Wulatehouqi Zijin Mining Company Limited	Zinc concentrates	150,000	1,746,190	522,530	60,630
Hebei Chongli Zijin Mining Company Limited	Gold	237,500	702,020	481,500	91,570
Wenshan Malipo Zijin Tungsten Group Company Limited	Tungsten products	1,000,000	1,697,190	1,231,460	39,260
Bayannaoer Zijin Non-ferrous Metals Company Limited	Zinc bullion	375,000	3,773,030	809,420	-65,660
Zijin Copper Company Limited	Copper cathodes	1,818,300	7,894,380	1,161,390	-69,820

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

RMB'000

Company name	Total assets	Net assets	Operating income	Operating profit	Net profit
Xinjiang Ashele Copper Company Limited	2,191,060	1,869,450	714,620	399,580	321,720
Xinjiang Jinbao Mining Company Limited	1,318,010	861,460	689,440	290,800	244,680
Qinghai West Copper Mining Company Limited	1,666,320	1,172,080	581,010	239,080	203,800

Management Discussion and Analysis *(continued)*

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

Projects using non-proceeds funds

RMB billion

Project name	Planned investment amount	Progress	Investment for the reporting period	Accumulated actual investment	Project return status
Russia Tuva Kyzyl-Tash Turk multi-metals mine	3.5	Planned to complete the construction and put into production in 2014	0.21	3.091	Planned to produce about 90,000 tonnes of zinc a year
Gansu Yate Li County gold mine project (including phase 1 of the 6,000 tonnes/day processing project and the 10,000 tonnes/day mining project at Liba mining area)	1.4	Improving the design and planning for the 10,000 tonnes/day mining project at Liba mining area. Working on preparatory work including road building for mining transportation, waste disposal planning and relocation of residents within mining area.	0.092	0.478	Planned to produce about 5 tonnes of gold a year after completion of the two phases of the project
Kyrgyzstan Zuoan gold mine project	1.489	Planned to complete the construction and put into production in 2014	0.396	1.003	Planned to produce about 3.7 tonnes of gold
Phase 1 of Heilongjiang Duobaoshan Copper project	2.66	Put into production by the end of May 2012	0.022	2.612	Upon meeting production capacity for phase 1, production of about 25,000 tonnes of copper metal a year
Technological innovation of ZGC Gold Mine in Tajikistan	1.412	The stripping of open-pit infrastructure of Jilau mine is expected to be completed by the end of this year. The Jilau 10,000 tonnes processing plant is expected to be put into trial run and operation by the end of August 2014. The stripping of open-pit infrastructure of Taror is expected to be completed by January 2015. The technical reformation of Taror oxide ore processing plant has been completed	0.298	1.3	Upon completion of technological innovation, it will increase production capacity by about 3.5 tonnes of gold a year
Wulatehouqi Zijin Sanguikou Lead and Zinc Mine	1.378	Completed land surface works, planned to put into pilot production by the end of August 2014	0.055	1.325	Planned to produce about 70,000 tonnes of zinc a year
Total	11.839		1.073	9.809	

Implementation or adjustment of profit distribution proposal during the reporting period

The profit distribution proposal for 2013 was considered and approved at the Company's 2013 annual general meeting on 28 May 2014, based on the total number of shares of 21,645,855,650 after deducting the H shares repurchased, to distribute cash dividends of RMB0.08 (including tax) per share to all shareholders. The Company distributed the cash dividends of RMB1,731,668,452 in total. The remaining undistributed profit will be carried forward to the next financial year. The above profit distribution proposal was fully implemented on 7 July 2014. For details of profit distribution, please refer to the announcement dated 7 July 2014.

The Company does not carry out interim profit distribution or capital conversion.

Share Capital and Shareholders

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

CHANGE OF ISSUED SHARES

At the 2012 annual general meeting, the first A Shareholders' class meeting in 2013 and the first H Shareholders' class meeting in 2013 convened on 28 May 2013, a resolution in relation to the proposal to grant a general mandate to the Board of the Company to repurchase H shares was approved. The Board continued the repurchase of H shares according to the general mandate in 2014. During the period from January to June 2014, the Company repurchased 54,302,000 shares in total. In addition to the 111,806,000 shares repurchased in 2013, the Company repurchased 166,108,000 H shares in total. The shares repurchased have been cancelled by Computershare Hong Kong Investor Services Limited. The change of business registration process in China has been also completed.

The details of the Company's issued ordinary shares (with par value of RMB0.1 each) as at 30 June 2014 are set out in note V.38 to the financial statements.

SHAREHOLDING STRUCTURE

As at 30 June 2014, the Company has a total of 837,335 shareholders, of which 1,058 are holders of H shares and 836,277 are holders of domestic shares. By approximate percentage of shareholding in the registered capital, the shareholdings of the Company's top ten shareholders are as follows:

Shareholders' names	Class of Shares	Number of Shares held	Approximate percentage of shareholding in the registered capital*
1. Minxi Xinghang State-owned Assets Investment Co., Ltd. (Notes 2 & 3)	Domestic Shares	6,316,353,180	29.18%
2. HKSCC Nominees Limited (Note 1)	H Shares	5,808,476,929	26.83%
3. Xinhua Industrial Group Co., Ltd.	Domestic Shares	2,380,611,279	11.00%
4. Shanghang County Jinshan Trading Co., Ltd.	Domestic Shares	256,245,000	1.18%
5. Xiamen Hengxing Group Co., Ltd.	Domestic Shares	238,236,133	1.10%
6. Chen Jinghe	Domestic Shares	132,000,000	0.61%
7. Yunnan International Trust Co., Ltd. – Yunxin Growth 2007-2 Fifth Capital Trust	Domestic Shares	44,508,847	0.21%
8. Bank of China Limited - Harvest Hushen 300 Exchange Traded Equity Fund	Domestic Shares	41,796,192	0.19%
9. Qiu Hui	Domestic Shares	34,350,052	0.16%
10. Industrial and Commercial Bank of China – ChinaAMC CSI 300 Index ETF	Domestic Shares	30,586,600	0.14%

Notes:

* Percentage calculation based on 21,645,855,650 shares.

1. HKSCC Nominees Limited is holding 5,808,476,929 H shares in the Company as a nominee, representing 26.83% of the Company's shares in issue. HKSCC Nominees Limited is a member of the Central Clearing and Settlement System, which carries out securities registration and trust business for customers.
2. 208,484,145 A shares of the Company held by Minxi Xinghang State-owned Assets Investment Co., Ltd. has to be transferred to National Council for Social Security Fund, PRC, that part of the stock is frozen.
3. Minxi Xinghang State-owned Assets Investment Co., Ltd. has pledged 1,790,000,000 A shares of the Company.

Share Capital and Shareholders *(continued)*

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

SUBSTANTIAL SHAREHOLDERS

So far as the Directors, supervisors and chief executives are aware, as at 30 June 2014, the interests and long/short positions of substantial shareholders (except directors, supervisors and the chief executives of the Company) in the issued share capital of the Company which will be required, pursuant to Section 336 of the Securities and Futures Ordinance (“SFO”), to be entered into the register referred to therein, or holding 5% or above in the issued share capital of the Company which will be required to be notified to the Company are as follows:

Name of shareholders	Class of shares	Number of shares/equity interest held	Approximate percentage of the total number of issued shares*	Approximate percentage of the total number of issued domestic shares	Approximate percentage of the total number of issued H shares**	Long/short positions
Minxi Xinghang State-owned Assets Investment Co., Ltd.	Domestic Shares	6,316,353,180	29.18%	39.97%	—	Long
Xinhuadu Industrial Group Company Limited	Domestic Shares	2,380,611,279 (Note 1)	11.00%	15.06%	—	Long
Chen Fashu	Domestic Shares	2,395,727,569 (Note 2)	11.07%	15.16%	—	Long
The Bank of New York Mellon Corporation	H Shares	418,169,434 (Note 3)	1.93%	—	6.96%	Long
The Bank of New York Mellon Corporation	H Shares	412,645,964 (Note 3)	1.91%	—	6.87%	Lending pool
BlackRock, Inc.	H Shares	361,856,987 (Note 4)	1.67%	—	6.02%	Long
BlackRock, Inc.	H Shares	1,976,000 (Note 4)	0.01%	—	0.03%	Short
Morgan Stanley	H Shares	319,033,751 (Note 5)	1.47%	—	5.31%	Long
Morgan Stanley	H Shares	286,079,497 (Note 5)	1.32%	—	4.76%	Short

Notes:

* Percentage calculation based on 21,645,855,650 shares.

** Percentage calculation based on 6,008,160,000 shares H share.

- (1) Xinhuadu Industrial Group Company Limited holds 2,380,611,279 domestic shares in the Company.
- (2) Mr. Chen Fashu holds 15,116,290 domestic shares in the Company. Mr. Chen Fashu also holds 73.56% interests in the issued share capital of Xinhuadu Industrial Group Company Limited. Pursuant to Section 316 of the SFO, Mr. Chen Fashu is deemed to be interested in 2,380,611,279 domestic shares in the Company. Therefore, Mr. Chen Fashu is deemed to be interested in 2,395,727,569 domestic shares in the Company.
- (3) The Bank of New York Mellon Corporation is interested in 418,169,434 H shares (Long position) of the Company (representing approximately 6.96% of the total issued H shares of the Company) and 412,645,964 H shares (Lending pool) of the Company (representing approximately 6.87% of the total issued H shares of the Company).

Share Capital and Shareholders *(continued)*

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

According to the disclosure form filed by The Bank of New York Mellon Corporation on 2 April 2014, the following interests in shares were held by The Bank of New York Mellon Corporation in the following capacity:

Capacity	No. of Shares
Corporations controlled by The Bank of New York Mellon Corporation	418,169,434 (Long position) 412,645,964 (Lending pool)

These shares were held by The Bank of New York Mellon Corporation through its controlled corporations, the details of which are as follows:

Name of controlled corporation	Address and place of incorporation	Name of controlling shareholder	% control	Direct interest	Number of shares	
The Bank of New York Mellon	One Wall Street New York, New York 10286 USA (New York)	The Bank of New York Mellon Corporation	100.00	Y	Long position	418,169,434

- (4) BlackRock, Inc. is interested in 361,856,987 H shares (Long position) of the Company (representing approximately 6.02% of the total issued H shares of the Company) and 1,976,000 H shares (Short position) of the Company (representing approximately 0.03% of the total issued H shares of the Company).

According to the disclosure form filed by BlackRock, Inc. on 27 June 2014, the following interests in shares were held by BlackRock, Inc. in the following capacity:

Capacity	No. of Shares
Corporations controlled by BlackRock, Inc.	361,856,987 (Long position) 1,976,000 (Short position)

These shares were held by BlackRock, Inc. through its controlled corporations, the details of which are as follows:

Name of controlled corporation	Address and place of incorporation	Name of controlling shareholder	% control	Direct interest	Number of shares	
Trident Merger, LLC	1209 Orange Street, Wilmington DE 19801, United States	Blackrock Inc.	100.00	N	Long position	3,713,250
BlackRock Investment Management, LLC.	1 University Square Drive Princeton, NJ 08540, United States	Trident Merger, LLC	100.00	Y	Long position	3,713,250
BlackRock Holdco 2 Inc.	1209 Orange Street, Wilmington DE 19801, United States	Blackrock Inc.	100.00	N	Long position Short position	358,143,737 1,976,000
BlackRock Financial Management, Inc.	40 East 52nd Street, New York NY 10022, United States	BlackRock Holdco 2 Inc.	100.00	Y	Long position Short position	358,143,737 1,976,000
BlackRock Holdco 4 LLC	40 East 52nd Street, New York, 10022, United States	BlackRock Financial Management, Inc.	100.00	N	Long position Short position	187,617,000 146,000
BlackRock Holdco 6 LLC	40 East 52nd Street, New York, 10022, United States	BlackRock Holdco 4 LLC	100.00	N	Long position Short position	187,617,000 146,000

Share Capital and Shareholders *(continued)*

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

Name of controlled corporation	Address and place of incorporation	Name of controlling shareholder	% control	Direct interest	Number of shares
BlackRock Delaware Holdings, Inc.	c/o The Corporation Trust Company, BlackRock Holdco 6 LLC 1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States		100.00	N	Long position Short position 187,617,000 146,000
BlackRock Institutional Trust Company, N.A.	400 Howard St, San Francisco, CA, 94105-2618	BlackRock Delaware Holdings, Inc.	100.00	Y	Long position Short position 103,447,000 146,000
BlackRock Fund Advisors	400 Howard Street San Francisco, CA 94105, United States	BlackRock Delaware Holdings, Inc.	100.00	Y	Long position 84,170,000
BlackRock Advisors Holdings Inc.	55 East 52nd Street New York, NY 10055, United States	BlackRock Financial Management, Inc.	100.00	N	Long position Short position 160,168,757 1,830,000
BlackRock Capital Holdings, Inc.	100 Bellevue Parkway, Wilmington, DE 19809, United States	BlackRock Advisors Holdings Inc.	100.00	N	Long position Short position 5,225,731 1,830,000
BlackRock Advisors, LLC	100 Bellevue Parkway, Wilmington, DE 19809, United States	BlackRock Capital Holdings, Inc.	100.00	Y	Long position Short position 5,225,731 1,830,000
BlackRock International Holdings Inc.	55 East 52nd Street New York, NY 10055, United States	BlackRock Advisors Holdings Inc.	100.00	N	Long position 154,943,026
BR Jersey International LP	One Waverley Place, 4th Floor, St. Helier, Jersey, JE1 0BR	BlackRock International Holdings Inc.	100.00	N	Long position 154,943,026
BlackRock Cayco Ltd.	c/o Walkers SPV Limited, P.O. Box 908GT, Walker House, Mary Street, George Town, British West Indies, Cayman Islands	BR Jersey International LP	100.00	N	Long position 4,476,000
BlackRock Trident Holding Company Limited	Taney Hall Eglinton Terrace Dundrum Dublin 14, Ireland	BlackRock Cayco Ltd.	100.00	N	Long position 4,476,000
BlackRock Japan Holdings GK	Marunouchi Trust Tower Main, 1-8-3 Marunouchi, Chiyoda-ku, Tokyo 100-8217	BlackRock Trident Holding Company Limited	100.00	N	Long position 4,476,000
BlackRock Japan Co Ltd	Marunouchi Trust Tower Main, 1-8-3 Marunouchi, Chiyoda-ku, Tokyo 100-8217	BlackRock Japan Holdings GK	100.00	Y	Long position 4,476,000
BlackRock (Institutional) Canada Ltd	250 Yonge Street, Suite 2400, Toronto ON M5B 2M6, Canada	BR Jersey International LP	100.00	N	Long position 894,000
BlackRock Holdings Canada Limited	161 Bay Street, Suite 2500, Toronto, Ontario M5J 2S1, Canada	BlackRock (Institutional) Canada Ltd	100.00	N	Long position 894,000
BlackRock Asset Management Canada Limited	161 Bay Street, Suite 2500, Toronto, Ontario M5J 2S1, Canada	BlackRock Holdings Canada Limited	100.00	N	Long position 894,000
BlackRock Australia Holdco Pty Ltd	Level 26, 101 Collins Street Melbourne VIC 3000 Australia	BR Jersey International LP	100.00	N	Long position 654,000
BlackRock Investment Management (Australia) Limited	Level 26, 101 Collins Street Melbourne VIC 3000 Australia	BlackRock Australia Holdco Pty Ltd	100.00	Y	Long position 654,000

Share Capital and Shareholders *(continued)*

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

Name of controlled corporation	Address and place of incorporation	Name of controlling shareholder	% control	Direct interest	Number of shares	
BlackRock HK Holdco Limited	35/F Cheung Kong Center, 2 Queen's Road Central, Hong Kong	BR Jersey International LP	100.00	N	Long position	17,446,542
BlackRock Asset Management North Asia Limited	16/F, Cheung Kong Center, 2 Queen's Road Central, Hong Kong	BlackRock HK Holdco Limited	100.00	Y	Long position	17,446,542
BlackRock Group Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom	BR Jersey International LP	100.00	N	Long position	131,472,484
BlackRock (Netherlands) B.V.	Rembrandt Tower, 17th floor, Amstelplein, Amsterdam Netherlands	BlackRock Group Limited	100.00	Y	Long position	808,000
Blackrock Advisors (UK) Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom	BlackRock Group Limited	100.00	Y	Long position	61,347,893
BlackRock International Limited	40 Torphichen Street, Edinburgh, EH3 8JB, United Kingdom	BlackRock Group Limited	100.00	Y	Long position	3,964,000
BlackRock Luxembourg Holdco S.a.r.l.	6D, Route de Trèves, Senningerberg, L-2633, Luxembourg	BlackRock Group Limited	100.00	N	Long position	47,166,341
BlackRock Investment Management Ireland Holdings Ltd	JP Morgan House, International Financial Services Centre, Dublin 1, Ireland	BlackRock Luxembourg Holdco S.a.r.l.	100.00	N	Long position	43,066,341
BlackRock Asset Management Ireland Limited	JP Morgan House, International Financial Services Centre, Dublin 1, Ireland	BlackRock Investment Management Ireland Holdings Ltd	100.00	Y	Long position	43,066,341
BlackRock (Luxembourg) S.A.	6D, Route de Trèves, Senningerberg, L-2633, Luxembourg	BlackRock Luxembourg Holdco S.a.r.l.	100.00	Y	Long position	4,100,000
BlackRock Investment Management (UK) Ltd	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom	BlackRock Group Limited	100.00	Y	Long position	18,186,250
BlackRock Fund Managers Ltd	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom	BlackRock Investment Management (UK) Ltd	100.00	Y	Long position	2,490,250

Share Capital and Shareholders *(continued)*

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

- (5) Morgan Stanley is interested in 319,033,751 H shares (Long position) of the Company (representing approximately 5.31% of the total issued H shares of the Company) and 286,079,497 H shares (Short position) of the Company (representing approximately 4.76% of the total issued H shares of the Company).

According to the disclosure form filed by Morgan Stanley on 2 July 2014, the following interests in shares were held by Morgan Stanley in the following capacity:

Capacity	No. of Shares
Corporations controlled by Morgan Stanley	319,033,751 (Long position) 286,079,497 (Short position)

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

Name of controlled corporation	Address and place of incorporation	Name of controlling shareholder	% control	Direct interest	Number of shares	
Morgan Stanley Capital Management, LLC	1585 Broadway, New York, New York, 10036, New York. Place of incorporation: USA	Morgan Stanley	100.00	N	Long position Short position	319,033,751 286,079,497
Morgan Stanley Domestic Holdings, Inc.	1585 Broadway, New York, New York, 10036, New York. Place of incorporation: USA	Morgan Stanley Capital Management, LLC	100.00	N	Long position Short position	319,033,751 286,079,497
Morgan Stanley International Incorporated	1585 Broadway, New York, New York, 10036, New York. Place of incorporation: USA	Morgan Stanley	90.00	N	Long position Short position	244,098,000 105,973,059
Morgan Stanley International Incorporated	1585 Broadway, New York, New York, 10036, New York. Place of incorporation: USA	Morgan Stanley Domestic Holdings, Inc.	10.00	N	Long position Short position	244,098,000 105,973,059
MSDW Investment Holdings (US) LLC	1585 Broadway, New York, New York, 10036, New York. Place of incorporation: USA	Morgan Stanley International Incorporated	100.00	N	Long position Short position	244,098,000 105,973,059
Morgan Stanley International Holdings Inc.	1585 Broadway, New York, New York, 10036, New York. Place of incorporation: USA	Morgan Stanley	72.00	N	Long position Short position	244,098,000 105,973,059
Morgan Stanley International Holdings Inc.	1585 Broadway, New York, New York, 10036, New York. Place of incorporation: USA	Morgan Stanley Domestic Holdings, Inc.	10.00	N	Long position Short position	244,098,000 105,973,059
Morgan Stanley International Holdings Inc.	1585 Broadway, New York, New York, 10036, New York. Place of incorporation: USA	Morgan Stanley International Incorporated	18.00	N	Long position Short position	244,098,000 105,973,059

Share Capital and Shareholders *(continued)*

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

Name of controlled corporation	Address and place of incorporation	Name of controlling shareholder	% control	Direct interest	Number of shares	
Morgan Stanley International Holdings Inc.	1585 Broadway, New York, New York, 10036, New York. Place of incorporation: USA	MSDW Investment Holdings (US) LLC	0.00	N	Long position Short position	244,098,000 105,973,059
Morgan Stanley International Limited	25 Cabot Square, Canary Wharf, London, E14 4QA, Place of incorporation: UNITED KINGDOM	Morgan Stanley International Holdings Inc.	99.99	N	Long position Short position	243,828,000 105,973,059
Morgan Stanley Group (Europe)	20 Bank Street, Canary Wharf, London, E14 4AD, Place of incorporation: UNITED KINGDOM	Morgan Stanley International Limited	100.00	N	Long position Short position	243,828,000 105,973,059
Morgan Stanley Strategic Funding Limited	20 Bank Street, Canary Wharf, London, E14 4AD, Place of incorporation: UNITED KINGDOM	Morgan Stanley International Limited	50.28	N	Long position Short position	243,828,000 105,973,059
Morgan Stanley Strategic Funding Limited	20 Bank Street, Canary Wharf, London, E14 4AD, Place of incorporation: UNITED KINGDOM	Morgan Stanley Group (Europe)	21.55	N	Long position Short position	243,828,000 105,973,059
Morgan Stanley UK Group	25 Cabot Square, Canary Wharf, London, E14 4QA, Place of incorporation: UNITED KINGDOM	Morgan Stanley Group (Europe)	90.00	N	Long position Short position	243,828,000 105,973,059
Morgan Stanley UK Group	25 Cabot Square, Canary Wharf, London, E14 4QA, Place of incorporation: UNITED KINGDOM	Morgan Stanley Strategic Funding Limited	10.00	N	Long position Short position	243,828,000 105,973,059
Morgan Stanley Investments (UK)	20 Bank Street, Canary Wharf, London, E14 4AD, Place of incorporation: UNITED KINGDOM	Morgan Stanley UK Group	100.00	N	Long position Short position	243,828,000 105,973,059
Morgan Stanley & Co. International plc	Legal & Compliance Department, 25 Cabot Square, Canary Wharf, London, E14 4QA, Place of incorporation: UNITED KINGDOM	Morgan Stanley Investments (UK)	100.00	Y	Long position Short position	243,828,000 105,973,059
Morgan Stanley Capital Services LLC	1585 Broadway, New York, New York, 10036, New York. Place of incorporation: USA	Morgan Stanley Domestic Holdings, Inc.	100.00	Y	Long position Short position	61,102,000 24,018,000
Morgan Stanley & Co. LLC	1585 Broadway, New York, New York, 10036, New York. Place of incorporation: USA	Morgan Stanley Domestic Holdings, Inc.	100.00	Y	Long position Short position	13,833,751 156,088,438
Morgan Stanley Latin America Incorporated	1585 Broadway, New York, New York, 10036, New York. Place of incorporation: USA	Morgan Stanley International Incorporated	100.00	N	Long position Short position	270,000 0

Share Capital and Shareholders *(continued)*

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

Name of controlled corporation	Address and place of incorporation	Name of controlling shareholder	% control	Direct interest	Number of shares
MSL Incorporated	1585 Broadway, New York, New York, 10036, New York. Place of incorporation: USA	Morgan Stanley International Holdings Inc.	100.00	N	Long position 270,000 Short position 0
Morgan Stanley Capital (Luxembourg) S.A.	19 rue de Bitbourg, Luxembourg, Luxembourg, L-1273, Luxembourg. Place of incorporation: LUXEMBOURG	Morgan Stanley Latin America Incorporated	0.01	Y	Long position 270,000 Short position 0
Morgan Stanley Capital (Luxembourg) S.A.	19 rue de Bitbourg, Luxembourg, Luxembourg, L-1273, Luxembourg. Place of incorporation: LUXEMBOURG	Morgan Stanley International Holdings Inc.	99.99	Y	Long position 270,000 Short position 0
Morgan Stanley Capital (Luxembourg) S.A.	19 rue de Bitbourg, Luxembourg, Luxembourg, L-1273, Luxembourg. Place of incorporation: LUXEMBOURG	MSL Incorporated	0.00	Y	Long position 270,000 Short position 0

Save as disclosed above and so far as the Directors are aware, as at 30 June 2014, no other person (other than the Directors, supervisors, chief executives or members of senior management of the Company) had an interest or short position in the Company's shares or underlying shares (as the case may be) which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO, or was otherwise a substantial shareholder (as such term is defined in the Listing Rules) of the Company.

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

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

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

As at 30 June 2014, the interests of the Directors or supervisors of the Company in the shares or equity or debt securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors are taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO to be entered into the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the Stock Exchange are as follows:

Shareholdings of Directors and supervisors in the Company as at 30 June 2014:

Director	Number of domestic shares/amount of equity interest held	Nature of interest	Long/short positions	Approximate percentage of shareholding in the same class of securities	Approximate percentage of shareholding in the registered capital
Chen Jinghe	132,000,000	Personal	Long	0.84%	0.61%
Lan Fusheng	7,500,000	Personal	Long	0.05%	0.03%
Zou Laichang	1,500,000	Personal	Long	0.01%	0.01%
Lin Hongfu	750,000	Personal	Long	0.01%	0.01%

Supervisor	Number of domestic shares/amount of equity interest held	Nature of interest	Long/short positions	Approximate percentage of shareholding in the same class of securities	Approximate percentage of shareholding in the registered capital
Liu Wenhong	24,450	Personal	Long	0.01%	0.01%

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

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

STAFF OF THE GROUP

Total number of current staff	22,832
Number of retired employees that the Group is responsible for the retirement expenses	233

Profession structure

Classification	Number of staff
Mining	1,672
Processing	4,769
Refining and metallurgical	2,868
Geology	761
Infrastructure	447
Electrical and mechanical	2,314
Accounting	645
Surveying	386
Economic	1,262
Chemical works	956
Management	1,448
Others	5,304
Total	22,832

Education

Classification	Number of staff
Doctorial degree	28
Master degree	248
Bachelor degree	2,947
Tertiary education	4,159
Secondary school or below	15,450
Total	22,832

As at 30 June 2014, the Group had a total of 22,832 employees. The Group persisted in the “people-oriented” human resources management policy, adhered to the concept of “fair competition, survival of the outstanding ones and dismissal of the unfitted ones, promoting strengths and avoiding weaknesses of staff and allowing them to perform their best in the right positions” for talents, actively promoted the human resources-related reforms, perfected the normative system among the three main salary systems: annual salary system, negotiated salary system and structured salary system, and the collaborative human resources management and control system of the Group and its subsidiaries. The recruitment, training, evaluation and remuneration management system of human resources were further optimized.

Others (continued)

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

Major events

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

Summary and type of event

On 21 September 2010, the collapse of Yinyan Tin Mine Gaoqiling tailing pool dam of Xinyi Zijin was affected by the extreme weather brought by typhoon "Fanapi", resulting in casualties and property damage downstream. Most of the litigations arising from this incident were solved by way of mediation in 2011 and 2012, while only part of the disputed litigations (mainly the 6 hydropower plants including Shihuadi and a water treatment plant made a claim of RMB52,284,733 to Xinyi Zijin for the property damage, Xinyi Zijin has applied to court to carry out technical examination of Shihuadi and Qianfeng power stations and filed a lawsuit to request them to bear the relevant portion of the compensation of RMB49,900,000), which is still in progress.

Index for details

For details, please refer to the Company's announcements on HKEx website (<http://www.hkex.com.hk>): dated 9 March 2012 and 13 September 2012.

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

RMB'000

During the reporting period:

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

Asset transaction, corporate mergers

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

Summary and type of event	Index for details
<p>Jin Jiang Mining Limited ("Jin Jiang"), a wholly-owned offshore subsidiary of the Company entered into a convertible bond subscription agreement ("CBS Agreement") with NKWE Platinum Limited ("NKWE") (a company incorporated in Bermuda and listed on the Australian Securities Exchange "ASX", stock code "NKP") on 25 April 2013, pursuant to which Jin Jiang will invest A\$20 million in NKWE by a placement of acquisition of convertible bonds which, subject to adjustment for certain events, are convertible into 200 million NKWE shares. The subscription of the above convertible bonds were completed during the reporting period in which they were converted to 202,576,000 NKWE shares (including interests).</p> <p>In addition to the convertible bond transaction, Jin Jiang entered into a conditional heads of agreement with Genorah, NKWE and other parties (the "Sale Transaction") on 16 December 2013. Under the terms of the Sale Transaction, Jin Jiang will purchase 145,880,907 ordinary shares in NKWE from Genorah for a total purchase price of A\$18,364,518. The transaction had not been completed at the end of the reporting period.</p> <p>During the reporting period, Jin Jiang invested A\$1.9 million at an issue price of A\$0.1 per share to subscribe 19 million fully paid NKWE ordinary shares; invested A\$0.4 million to acquire the 4 million NKWE ordinary shares which were held by International Goldfields Limited (IGS).</p> <p>As at the end of the reporting period, the Company held 225,576,000 NKWE shares in total, represented NKWE's 25.27% equity interest. The Company obtained approximately 4.35 million ounces (equivalent to 135 tonnes) of 3PGE+Au platinum group resources according to the shareholding. The Company has appointed 2 NKWE directors, one of them acting as the managing director of NKWE.</p> <p>NKWE owns a diversified Platinum Group Metals (PGM) portfolio in South Africa. Platinoid resources are rare in China, while South Africa is a vital supplying place for platinoid metals in the world. To acquire NKWE is to take control of an important piece of platinoid resource in South Africa, in which it is an important opportunity for the Company to enter into the African mining sector, and it is of great strategic significance to the Company as well.</p>	<p>For details, please refer to the Company's announcements on HKEx website (http://www.hkex.com.hk): dated 29 April 2013, 24 June 2013, 15 August 2013, 27 September 2013, 17 December 2013, 31 December 2013 and 7 March 2014.</p>

Others (continued)

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

Summary and type of event

Norton Gold Fields Limited (“Norton”, stock code “NGF” on the ASX), a subsidiary of the Company, issued announcement on 17 April 2014 regarding its all cash takeover for all the issued shares of Bullabulling Gold Limited (“Bullabulling”) at A\$0.07 per share.

On 16 June 2014, Norton conditionally increased the offer price. If the number of Bullabulling shares acquired by Norton as at 30 June 2014 was equal to or more than 30% of the equity interest of Bullabulling, the offer price will be increased to A\$0.08 per share.

As at 30 June 2014, the percentage of shares held by Bullabulling shareholders who had accepted the offer reached 41.35%. The offer price was increased to A\$0.08 per share.

The offer is still in progress. Currently more than half of the shareholders have accepted the offer. Approximately 3.75 million ounces (equivalent to 117 tonnes) of gold resources will be under the Company’s control after the completion of the acquisition.

The offer is valid until 18 August 2014.

Bullabulling’s key asset is the wholly-owned Bullabulling Gold Project, located in Coolgardie, Western Australia.

On 15 April 2014, the Company and China Molybdenum Co., Ltd. (“China Molybdenum”) entered into a share transfer agreement (the “Transfer Agreement”) in relation to the transfer of 70% equity interest in Luoyang Kunyu Mining Co., Ltd. (“Kunyu Mining”). The Company invested RMB700 million to acquire 70% equity interest in Kunyu Mining. The gold mines owned by Kunyu Mining are all located in Luoning County, Henan Province, which are in production. Kunyu Mining currently owns 5 mining rights of gold mine covering a total area of 50.66 square kilometers; 1 exploration right of gold mine covering a total area of 5.04 square kilometers. As at 31 December 2013, the five Luoning gold mines of Kunyu Mining had 56.92 tonnes of gold resources with an average grade of 4.3g/tonne.

Index for details

For details, please refer to the Company’s announcement on HKEx website (<http://www.hkex.com.hk>): dated 17 April 2014.

For details, please refer to the Company’s announcement on HKEx website (<http://www.hkex.com.hk>): dated 15 April 2014.

Material connected transaction during the reporting period

Summary and type of event	Index for details
Ting River Hydropower is a subsidiary of Minxi Xinghang, the Company's substantial shareholder and an associate of Zijin Finance, the Company's subsidiary. Zijin Finance provides financial services to Ting River Hydropower. As at the end of the reporting period, Zijin Finance has provided loans in the amount of RMB45.7 million to Ting River Hydropower.	For details, please refer to the Company's announcement on HKEx website (http://www.hkex.com.hk): dated 9 January 2014.

OTHER SIGNIFICANT MATTERS

1. Analysis on reasons and effects of changes of accounting policies, accounting estimates or accounting method by the Board

The Ministry of Finance established and revised a total of seven accounting standards for enterprises in 2014, which shall take effect from 1 July 2014. Corporates listed overseas are encouraged to implement the revised accounting standards in advance. As an A+H shares listed company, the Company implemented five of the above accounting standards in advance in preparing the 2013 annual report. While preparing the 2014 interim report, the Company implemented the remaining two of the above accounting standards in advance and carried out accounting treatment according to relevant provisions of convergence.

In this interim report, the Company had carried out accounting treatments according to relevant provisions of convergence for the above changes in accounting standards which caused corresponding changes in accounting policies of the Company. Pursuant to the newly amended "Accounting Standards for Business Enterprises No.2 – Long-term Equity Investments", the Company adjusted the long-term equity investments previously in "investment in entities not under joint control or significant influence and do not have a quoted market price in an active market and whose fair value cannot be reliably measured" to "available-for-sale investments", which correspondingly adjusted the comparative figures of "long-term equity investments" and "available-for-sale investments" at the beginning of the year, details as follows. Other than this, no other retrospective adjustment is required.

Unit: RMB

Item	Balance at the beginning of the year		
	Before adoption	Amount adjusted for accounting standards adopted	After adoption
Long-term equity investments	5,034,150,419	(354,992,482)	4,679,157,937
Available-for-sale investments	343,624,001	354,992,482	698,616,483

The Company has submitted the proposal to adopt new accounting policies to adjust year-beginning figures to the Board for consideration and approval.

Others (continued)

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

2. Others

1. According to the general mandate granted at the 2012 annual general meeting, the first A Shareholders' class meeting in 2013 and the first H Shareholders' class meeting in 2013, the Company continued the repurchase of H shares in 2014. During the reporting period, the Company repurchased 54,302,000 shares in total. The total amount paid was HK\$90,893,440 (excluding commission and other expenses). During the authorization period, the Company repurchased 166,108,000 shares in total. The total amount paid was HK\$285,569,440 (excluding commission and other expenses).

At the 2013 annual general meeting, the first A Shareholders' class meeting in 2014 and the first H Shareholders' class meeting in 2014 convened by the Company on 28 May 2014, a new general mandate to the Board to repurchase H shares was granted. The Company will continue to repurchase H shares during the second half year of 2014 according to the general mandate.

2. On 31 July 2014, the Company received a petition letter to increase the litigation amount by Xinyi Qianfeng Hydropower Station from the Xinyi People's Court. Xinyi Qianfeng Hydropower Station increased the amount of compensation claimed in the lawsuit from the original RMB19.96 million to RMB31.3226 million, which was increased by RMB11.3626 million.

On 8 August 2014, the Company received a petition letter to increase and amend the litigation amount by Xinyi Shihuadi Hydropower Station from the Xinyi People's Court. Xinyi Shihuadi Hydropower Station increased the amount of compensation claimed in the lawsuit from the original RMB13 million to RMB20.0136 million, which was increased by RMB7.0136 million.

The litigation of Xinyi Zijin is still in progress.

3. In September 2013, the Company registered the mid-term bonds of RMB4 billion and RMB6 billion (RMB10 billion in total) in the National Association of Financial Market Institutional Investors. In October 2013, the Company issued mid-term bonds amounted to RMB2.5 billion.

According to the Company's overall financing plan, the Company's application to reduce the mid-term bonds registration credit by RMB0.7 billion and RMB1 billion respectively to the National Association of Financial Market Institutional Investors was approved in August 2014. The Company's mid-term bond registration credit was reduced from RMB4 billion and RMB6 billion to RMB3.3 billion and RMB5 billion (the registered amount was RMB8.3 billion in total, including the mid-term bonds of RMB2.5 billion issued in 2013) respectively.

4. On 4 August 2014, when the Bullabulling shareholders' acceptance of Norton's offer reached 75.99%, Bullabulling announced to appoint two of Norton's directors to be Bullabulling's directors and one of them served as the chairman of Bullabulling. As at 14 August, the Bullabulling shareholders' acceptance of Norton's offer reached 78.29%. The deadline of the offer is 18 August.

SUPPLEMENTAL INFORMATION

Corporate governance

During the reporting period, the Company strictly complied with the "Company Law", the "Securities Law", "Corporate Governance Guidelines of Listed Companies", "Listing Rules of the Shanghai Stock Exchange", "Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited" and other domestic and overseas laws and regulations requirements, to constantly improve the corporate governance structure, establish a sound internal control system and regulate the Company's operation. According to "Guidelines of Listed Companies No. 3 - Cash Dividends of Listed Companies" of the China Securities Regulatory Commission, the documents about improving cash distribution system issued by China Securities Regulatory Commission Fujian Bureau, taking into account the actual situation of the Company, the current articles of association of the Company was revised and considered and approved by the 2013 annual general meeting. The actual operation of the Company complies with the requirements of the relevant corporate governance regulations for listed companies issued by the regulatory authorities.

The execution of profit distribution policy during the reporting period

On 28 May 2014, the Company passed the resolution of “The proposal of the Company’s 2013 profit distribution” at the 2013 annual general meeting. Based on the total shares of 21,645,855,650 of the Company (after deduction of the repurchased H shares), a dividend of RMB0.08 (tax included) per share (a total of RMB1,731,668,452 in cash) was distributed, and the undistributed profit was retained for future distribution. The above profit distribution was completed on 7 July 2014.

For details, please refer to the Company’s announcement dated 7 July 2014.

Interim dividend

The Board proposed to pay no dividend for the six months ended 30 June 2014. (The dividend for the six months ended 30 June 2013 was nil)

Purchase, Redemption or Sale of Listed Securities of the Company

At the 2012 annual general meeting, the first A Shareholders’ class meeting in 2013 and the first H Shareholders’ class meeting in 2013 convened on 28 May 2013, a resolution in relation to the proposal to grant a general mandate to the Board of the Company to repurchase H shares was approved. The Board continued the repurchase of H shares according to the general mandate in 2014. During the period from January to June 2014, the Company repurchased 54,302,000 shares in total. In addition to the 111,806,000 shares repurchased in 2013, the Company repurchased 166,108,000 H shares in total. The shares repurchased have been cancelled by Computershare Hong Kong Investor Services Limited. The change of business registration process in China has also been completed.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company’s listed securities during the six months ended 30 June 2014.

Corporate Governance Report

As required by A.1.8 of Appendix 14 Corporate Governance Code and Corporate Governance Report to the Listing Rules (“Corporate Governance Code”), an issuer should arrange appropriate insurance cover in respect of potential legal action against its directors. The Board currently considers that the Company and the Board have adopted sufficient measures to prevent directors from committing errors and minimise the risk in claims against the directors. Therefore, the Company has not made any relevant insurance arrangement at this stage. However, the Board will review this policy of insurance from time to time and may arrange insurance cover later. As required by F.1.3 of the Corporate Governance 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 should report to the secretary of the Board to meet the management needs of the Group and it enables a unified management of all listing related matters in Hong Kong and Mainland China. The provision A.5.6 of Corporate Governance Code stipulates that the nomination committee (or the board) should have a policy concerning diversity of board members, and should disclose the policy or a summary of the policy in the corporate governance report. The nomination and remuneration committee of the Company would review the board composition from time to time and from a number of aspects, including but not limited to skills, experience, knowledge, expertise, culture, independence, age and gender. It considered that the board diversity is in place and therefore the update of policy is not required.

Save as disclosed above, for the six months ended 30 June 2014, the Board confirmed that the Group has adopted and complied with the provisions of the Corporate Governance Code and Corporate Governance Report and has followed most of its recommended best practices with no deviation (for details, please refer to the Group’s 2013 annual report).

Audit and Internal Control Committee

The audit and internal control committee of the Board has reviewed the Group’s unaudited financial report for the six months ended 30 June 2014 and further discussed the auditing, internal control and financial reporting matters. The audit and internal control committee considers that the Group’s financial report for the six months ended 30 June 2014 was in compliance with the applicable accounting standards and relevant laws and regulations and had made sufficient disclosure.

Others *(continued)*

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

Independent Non-executive Directors

In compliance with rules 3.10(1) and 3.10(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”), which states that company should appoint a sufficient number of independent non-executive directors and that at least one of them must have appropriate professional qualifications or accounting related financial management expertise. The Company appointed four independent non-executive directors and one of them possesses accounting and related financial management expertise. Details of the independent non-executive directors have been provided in the Group’s 2013 annual report.

Securities Transactions by Directors of the Company

During the reporting period, the Company adopted the required standards as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) in Appendix 10 of the Listing Rules. Having made reasonable inquiries to all directors, the Group confirmed that all directors complied with the Model Code for the six months ended 30 June 2014.

Appointment and Dismissal of Auditors

According to the approval in the 2010 annual general meeting, the Company decided not to re-appoint international auditors — Ernst & Young since 2011. According to the approval in the 2013 annual general meeting, the Company reappointed Ernst & Young Hua Ming LLP to audit the Company’s financial statements in 2014 according to the China Auditing Standards.

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

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

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

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

Fujian, PRC, 15 August 2014

As at the date of this report, the Board of Directors of the Company comprises Messrs. Chen Jinghe (Chairman), Wang Jianhua, Qiu Xiaohua, Lan Fusheng, Zou Laichang, and Lin Hongfu as executive directors, Mr. Li Jian as non-executive director, and Messrs. Lu Shihua, Ding Shida, Jiang Yuzhi, and Sit Hoi Wah, Kenneth as independent non-executive directors.

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

Consolidated Balance Sheet

As at 30 June 2014

RMB

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

FINANCIAL STATEMENTS (AS PREPARED IN ACCORDANCE WITH CAS)

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

ASSETS	Note V	30 June 2014 (Unaudited)	31 December 2013 (Audited)
Current assets			
Cash and cash equivalents	1	5,371,722,325	4,491,737,212
Held-for-trading financial assets	2	675,836,886	475,941,951
Bills receivable	3	533,343,232	780,847,129
Trade receivables	4	922,861,756	519,354,631
Prepayments	5	1,128,220,726	921,089,268
Other receivables	6	1,787,654,089	1,791,576,506
Inventories	7	10,026,285,749	8,200,028,550
Other current assets	8	1,175,151,334	751,212,263
Total current assets		21,621,076,097	17,931,787,510
Non-current assets			
Available-for-sale investments	9	427,373,603	698,616,483
Held-to-maturity investments		—	—
Long-term equity investments	11	5,357,523,907	4,679,157,937
Investment properties	12	110,374,927	112,444,271
Fixed assets	13	21,474,362,528	19,353,330,551
Construction in progress	14	9,661,414,653	9,986,200,612
Construction materials	15	210,595,696	189,696,519
Intangible assets	16	9,170,946,197	8,498,320,317
Goodwill	17	496,758,705	496,758,705
Long-term deferred assets	18	1,139,071,153	1,093,707,245
Deferred tax assets	19	797,558,630	795,179,740
Other non-current assets	20	3,526,949,891	3,063,189,230
Total non-current assets		52,372,929,890	48,966,601,610
Total assets		73,994,005,987	66,898,389,120

Consolidated Balance Sheet *(continued)*

As at 30 June 2014

RMB

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

LIABILITIES AND OWNERS' EQUITY	Note V	30 June 2014 (Unaudited)	31 December 2013 (Audited)
Current liabilities			
Short-term borrowings	23	5,834,395,346	2,774,147,375
Held-for-trading financial liabilities	24	8,957,342,854	6,746,734,855
Bills payable	25	206,227,763	281,648,206
Trade payables	26	4,928,252,251	4,593,524,531
Advances from customers	27	682,186,136	577,062,261
Employee benefits payable	28	223,893,591	321,424,528
Taxes payable	29	783,333,266	1,014,800,781
Dividends payable	30	1,841,855,584	5,534,343
Other payables	31	2,889,349,166	2,267,104,690
Current portion of non-current liabilities	32	1,106,677,948	1,377,984,690
Other current liabilities		—	—
Total current liabilities		27,453,513,905	19,959,966,260
Non-current liabilities			
Long-term borrowings	33	6,602,536,841	6,997,843,844
Bonds payable	34	5,436,307,609	5,405,880,513
Long-term payables	35	356,607,221	309,261,109
Provision	36	167,982,142	147,115,898
Deferred tax liabilities	19	561,366,528	443,536,908
Other non-current liabilities	37	556,749,838	549,332,668
Total non-current liabilities		13,681,550,179	13,852,970,940
Total liabilities		41,135,064,084	33,812,937,200
EQUITY			
Share capital	38	2,164,585,565	2,170,015,765
Capital reserve	39	7,365,451,443	7,424,785,017
Special reserve	40	116,135,504	101,948,305
Surplus reserve	41	1,319,401,104	1,319,401,104
Retained earnings	42	16,356,055,861	16,978,322,418
Exchange differences arising from translation of financial statements denominated in foreign currencies		(252,391,032)	(382,214,854)
Equity attributable to owners of the parent		27,069,238,445	27,612,257,755
Non-controlling interests	43	5,789,703,458	5,473,194,165
Total equity		32,858,941,903	33,085,451,920
Total liabilities and owners' equity		73,994,005,987	66,898,389,120

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2014

RMB

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

	Note V	For the six months ended 30 June 2014 (Unaudited)	For the six months ended 30 June 2013 (Unaudited)
Operating income	44	23,986,053,892	25,987,634,065
Less: Operating costs	44	20,101,935,320	21,509,706,763
Taxes and surcharges	45	377,188,158	257,861,291
Selling expenses	46	309,852,981	263,233,554
Administrative expenses	47	1,106,603,400	1,019,189,751
Financial expenses	48	249,326,277	584,662,531
Impairment losses on assets	49	47,727,130	332,096,005
Add: Gains/(losses) on changes in fair value	50	(303,919,909)	9,581,824
Investment income	51	412,610,448	86,443,677
<i>Including: Share of profits of associates and joint ventures</i>		112,166,463	62,759,501
Operating profit		1,902,111,165	2,116,909,671
Add: Non-operating income	52	72,054,811	72,288,477
Less: Non-operating expenses	53	124,346,018	104,830,439
<i>Including: Losses on disposal of non-current assets</i>		35,711,137	10,499,965
Profit before tax		1,849,819,958	2,084,367,709
Less: Income tax expenses	54	486,472,110	551,478,767
Net profit		1,363,347,848	1,532,888,942
Including: Attributable to owners of the parent		1,109,401,895	1,098,050,168
Non-controlling interests		253,945,953	434,838,774
Earnings per share			
Basic earnings per share	55	0.051	0.050
Other comprehensive income	56	147,597,292	(147,749,599)
Total comprehensive income		1,510,945,140	1,385,139,343
Attributable to:			
Owners of the parent		1,246,151,635	964,102,754
Non-controlling interests		264,793,505	421,036,589

Consolidated Statement of Changes in Owners' Equity

For the six months ended 30 June 2014

RMB

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

	Attributable to owners of the parent							Total equity	
	Share capital	Capital reserve	Special reserve	Surplus reserve	Retained earnings	Exchange differences arising from translation of financial statements denominated in foreign currencies	Subtotal		Non-controlling interests
I. Closing balance of the preceding year	2,170,015,765	7,424,785,017	101,948,305	1,319,401,104	16,978,322,418	(382,214,854)	27,612,257,755	5,473,194,165	33,085,451,920
Add: Changes in accounting policies	—	—	—	—	—	—	—	—	—
II. Opening balance of current year	2,170,015,765	7,424,785,017	101,948,305	1,319,401,104	16,978,322,418	(382,214,854)	27,612,257,755	5,473,194,165	33,085,451,920
III. Changes for the period	(5,430,200)	(59,333,574)	14,187,199	—	(622,266,557)	129,823,822	(543,019,310)	316,509,293	(226,510,017)
(i) Net profit	—	—	—	—	1,109,401,895	—	1,109,401,895	253,945,953	1,363,347,848
(ii) Other comprehensive income	—	6,925,918	—	—	—	129,823,822	136,749,740	10,847,552	147,597,292
Subtotal of comprehensive income	—	6,925,918	—	—	1,109,401,895	129,823,822	1,246,151,635	264,793,505	1,510,945,140
(iii) Except profits allocation, transactions with shareholders as owners	(5,430,200)	(66,259,492)	—	—	—	—	(71,689,692)	385,385,334	313,695,642
1. Owners' contributions	(5,430,200)	(66,259,492)	—	—	—	—	(71,689,692)	37,821,084	(33,868,608)
2. Others	—	—	—	—	—	—	—	347,564,250	347,564,250
(iv) Special reserve	—	—	14,187,199	—	—	—	14,187,199	(136,720)	14,050,479
1. Transfer in the period	—	—	294,914,182	—	—	—	294,914,182	46,127,526	341,041,708
2. Amount utilised in the current period	—	—	(280,726,983)	—	—	—	(280,726,983)	(46,264,246)	(326,991,229)
(v) Profit distributions	—	—	—	—	(1,731,668,452)	—	(1,731,668,452)	(333,532,826)	(2,065,201,278)
1. Transfer to surplus reserve	—	—	—	—	—	—	—	—	—
2. Distributions to owners	—	—	—	—	(1,731,668,452)	—	(1,731,668,452)	(333,532,826)	(2,065,201,278)
(vi) Transfers within owners' equity	—	—	—	—	—	—	—	—	—
IV. Closing balance of the current period	2,164,585,565	7,365,451,443	116,135,504	1,319,401,104	16,356,055,861	(252,391,032)	27,069,238,445	5,789,703,458	32,858,941,903

Consolidated Statement of Changes in Owners' Equity *(continued)*

For the six months ended 30 June 2013

RMB

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

	Attributable to owners of the parent							Total equity
	Share capital	Capital reserve	Special reserve	Surplus reserve	Retained earnings	Exchange differences arising from translation of financial statements denominated in foreign currencies	Subtotal	
I. Closing balance of the preceding year	2,181,196,365	7,770,714,175	98,196,798	1,319,401,104	17,034,164,960	(222,084,649)	28,181,588,753	33,582,965,739
Add: Changes in accounting policies	—	—	—	—	—	—	—	—
II. Opening balance of current year	2,181,196,365	7,770,714,175	98,196,798	1,319,401,104	17,034,164,960	(222,084,649)	28,181,588,753	33,582,965,739
III. Changes for the period	—	(176,929,848)	24,510,784	—	(1,083,146,198)	(79,012,220)	(1,314,577,482)	(1,411,721,008)
(i) Net profit	—	—	—	—	1,098,050,167	—	1,098,050,167	1,532,888,941
(ii) Other comprehensive income	—	(54,935,193)	—	—	—	(79,012,220)	(133,947,413)	(147,749,598)
Subtotal of comprehensive income	—	(54,935,193)	—	—	1,098,050,167	(79,012,220)	964,102,754	1,385,139,343
(iii) Except profits allocation, transactions with shareholders as owners	—	(121,994,655)	—	—	—	—	(121,994,655)	(74,874,309)
1. Owners' contributions	—	—	—	—	—	—	—	116,250,000
2. Others	—	(121,994,655)	—	—	—	—	(121,994,655)	(69,129,654)
(iv) Special reserve	—	—	24,510,784	—	—	—	24,510,784	38,938,095
1. Transfer in the period	—	—	183,650,154	—	—	—	183,650,154	291,748,611
2. Amount utilised in the current period	—	—	(159,139,370)	—	—	—	(159,139,370)	(252,810,516)
(v) Profit distributions	—	—	—	—	(2,181,196,365)	—	(2,181,196,365)	(2,760,924,137)
1. Transfer to surplus reserve	—	—	—	—	(2,181,196,365)	—	(2,181,196,365)	—
2. Distributions to owners	—	—	—	—	—	—	—	—
(vi) Transfers within owners' equity	—	—	—	—	—	—	—	—
IV. Closing balance of the current period	2,181,196,365	7,593,784,327	122,707,582	1,319,401,104	15,951,018,762	(301,096,869)	26,867,011,271	32,171,244,731

Consolidated Statement of Cash Flows

For the six months ended 30 June 2014

RMB

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

Items	Note V	For the six months ended 30 June 2014 (Unaudited)	For the six months ended 30 June 2013 (Unaudited)
1. Cash flows from operating activities:			
Cash receipts from sale of goods and rendering of services		25,431,419,864	25,561,531,586
Refund of taxes		34,985,910	21,233,730
Other cash receipts relating to operating activities		1,045,120,902	525,582,951
Sub-total of cash inflows from operating activities		26,511,526,676	26,108,348,267
Cash payments for goods purchased and services received		20,934,796,747	19,411,423,313
Cash payments to and on behalf of employees		1,185,417,632	1,200,140,866
Payments of various types of taxes		2,000,175,223	2,928,810,790
Other cash payments relating to operating activities	57	627,176,308	530,837,872
Sub-total of cash outflows used in operating activities		24,747,565,910	24,071,212,841
Net cash flows from operating activities		1,763,960,766	2,037,135,426
2. Cash flows from investing activities:			
Cash receipts from disposals of investments		922,958,327	273,387,633
Cash receipts from investment income		208,320,842	111,422,555
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		1,172,058	60,769,233
Net cash receipts from disposals of subsidiaries and other business units		12,904,099	10,629,334
Other cash receipts relating to investing activities	57	—	1,054,012,463
Sub-total of cash inflows from investing activities		1,145,355,326	1,510,221,218
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		2,413,033,165	3,663,751,623
Cash payments to acquire investments		1,358,607,503	354,625,000
Cash payments for acquisitions of subsidiaries and other business units		444,422,323	—
Other cash payments relating to investing activities	57	1,284,972,189	981,422,723
Sub-total of cash outflows used in investing activities		5,501,035,180	4,999,799,346
Net cash flows used in investing activities		(4,355,679,854)	(3,489,578,128)

Consolidated Statement of Cash Flows *(continued)*

For the six months ended 30 June 2014

RMB

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

Items	Note V	For the six months ended 30 June 2014 (Unaudited)	For the six months ended 30 June 2013 (Unaudited)
3. Cash flows from financing activities:			
Cash receipts from capital contributions		42,812,312	116,250,000
Cash receipts from borrowings		10,108,691,883	8,453,398,920
Other cash receipts relating to financing activities		1,251,344	86,587,026
Sub-total of cash inflows from financing activities		10,152,755,539	8,656,235,946
Cash repayments of borrowings		5,972,442,058	7,336,207,029
Cash payments for distribution of dividends or profits or settlement in interest expenses		746,598,630	966,371,191
Other cash payments relating to financing activities	57	372,479,769	427,171,664
Sub-total of cash outflows used in financing activities		7,091,520,457	8,729,749,884
Net cash flows from/(used in) financing activities		3,061,235,082	(73,513,938)
4. Effects of foreign exchange rate changes on cash and cash equivalents		9,806,299	36,518,620
5. Net increase/(decrease) in cash and cash equivalents		479,322,293	(1,489,438,020)

Consolidated Statement of Cash Flows *(continued)*

For the six months ended 30 June 2014

RMB

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

Items	Note V	For the six months ended 30 June 2014 (Unaudited)	For the six months ended 30 June 2013 (Unaudited)
1. Reconciliation of net profit to net cash flows from operating activities:			
Net profit attributable to owners of the parent		1,109,401,895	1,098,050,168
Add: Non-controlling interests		253,945,953	434,838,774
Less: Unrealised loss on investments		—	—
Add: Asset impairment provision		47,727,130	332,096,005
Depreciation of fixed assets		955,581,215	736,256,914
Amortisation of intangible assets and long-term deferred assets		317,323,868	220,539,979
Losses/(gains) on disposals of fixed assets, intangible assets and other long-term assets		32,402,702	10,499,965
Losses/(gains) on changes in fair value		303,919,909	(9,581,824)
Financial expenses		371,759,370	584,662,531
Losses/(gains) on investments		(412,610,448)	(86,443,677)
Decrease/(increase) in deferred tax assets		(7,547,262)	(91,114,233)
Increase/(decrease) in deferred tax liabilities		(14,379,287)	8,618,103
Decrease/(increase) in inventories		(1,740,772,656)	1,359,581,887
Decrease/(increase) in receivables from operating activities		(499,822,967)	(419,775,311)
Increase/(decrease) in payables from operating activities		1,047,031,344	(2,285,957,106)
Others		—	144,863,251
Net cash flows from operating activities		1,763,960,766	2,037,135,426
2. Non-cash investing and financing activities:			
Conversion of debt into capital			
Convertible bonds matured within 1 year			
Finance leased fixed assets			
3. Net increase in cash and cash equivalents:			
Closing balance of cash and cash equivalents	1	4,500,255,314	4,825,301,955
Less: Opening balance of cash and cash equivalents	1	4,020,933,021	6,314,739,975
Net increase/(decrease) in cash and cash equivalents		479,322,293	(1,489,438,020)

Balance Sheet

As at 30 June 2014

RMB

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

ASSETS	Note XI	30 June 2014 (Unaudited)	31 December 2013 (Audited)
Current assets			
Cash and cash equivalents		4,760,877,014	3,858,328,024
Held-for-trading financial assets		242,772,357	135,738,802
Bills receivable		116,943,796	83,734,355
Dividends receivable		35,882,500	24,257,500
Trade receivables	1	1,380,116,551	1,166,401,878
Prepayments		69,511,235	74,528,015
Other receivables	2	8,737,383,975	8,083,561,546
Inventories		450,125,817	408,499,205
Other current assets		198,650,342	66,518,178
Total current assets		15,992,263,587	13,901,567,503
Non-current assets			
Available-for-sale investments		164,750,000	357,398,928
Long-term equity investments	3	12,371,579,846	11,237,572,693
Long-term receivables		—	—
Fixed assets		3,066,379,481	3,114,611,380
Construction in progress		514,886,832	455,097,581
Construction materials		2,564,070	6,064,431
Intangible assets		287,549,126	302,634,555
Long-term deferred assets		152,967,181	176,801,483
Deferred tax assets		169,957,152	211,403,875
Other non-current assets		4,589,280,156	4,324,814,636
Total non-current assets		21,319,913,844	20,186,399,562
Total assets		37,312,177,431	34,087,967,065

Balance Sheet *(continued)*

As at 30 June 2014

RMB

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

LIABILITIES AND OWNERS' EQUITY	Note XI	30 June 2014 (Unaudited)	31 December 2013 (Audited)
Current liabilities			
Short-term borrowings		1,624,339,200	518,236,500
Held-for-trading financial liabilities		5,523,603,837	4,510,524,854
Trade payables		323,617,461	372,302,808
Advances from customers		5,682,890	1,183,110
Employee benefits payable		99,259,219	131,886,635
Dividends payable		1,731,668,452	—
Taxes payable		89,490,780	323,431,678
Other payables		874,544,691	564,995,521
Current portion of non-current liabilities		763,828,634	380,806,634
Other current liabilities		67,884,216	67,884,216
Total current liabilities		11,103,919,380	6,871,251,956
Non-current liabilities			
Long-term borrowings		503,370,600	646,271,400
Bonds payable		2,500,000,000	2,500,000,000
Long-term payables		270,647,534	276,247,534
Special payables		—	—
Other non-current liabilities		517,408,966	522,095,056
Deferred tax liabilities		—	—
Total non-current liabilities		3,791,427,100	3,944,613,990
Total liabilities		14,895,346,480	10,815,865,946
EQUITY			
Share capital		2,164,585,565	2,170,015,765
Capital reserve		8,698,096,468	8,747,266,358
Special reserve		62,200	16,589
Surplus reserve		1,090,812,600	1,090,812,600
Retained earnings		10,463,274,118	11,263,989,807
Total equity		22,416,830,951	23,272,101,119
Total liabilities and owners' equity		37,312,177,431	34,087,967,065

Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2014

RMB

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

	Note XI	For the six months ended 30 June 2014 (Unaudited)	For the six months ended 30 June 2013 (Unaudited)
Operating income	4	3,700,188,618	6,434,320,261
Less: Operating costs	4	2,737,124,357	5,224,393,045
Taxes and surcharges		170,830,082	94,801,786
Selling expenses		10,245,594	(5,779,292)
Administrative expenses		269,999,355	258,218,695
Financial expenses		(112,886,499)	(12,626,011)
Impairment losses on assets		826,230	—
Add: Gains/(losses) on changes in fair value		(90,412,396)	(50,398,588)
Investment income	5	591,482,096	1,230,945,833
Including: Share of profits of associates		34,007,152	17,781,759
Operating profit		1,125,119,199	2,055,859,283
Add: Non-operating income		28,854,392	17,794,280
Less: Non-operating expenses		43,573,468	36,283,360
Including: Losses on disposal of non-current assets		14,819,273	755,605
Profit before tax		1,110,400,123	2,037,370,203
Less: Income tax expenses		179,447,360	153,534,778
Net profit		930,952,763	1,883,835,425
Other comprehensive income		17,089,603	(71,318,663)
Total comprehensive income		948,042,366	1,812,516,762

Statement of Changes in Owners' Equity

For the six months ended 30 June 2014

RMB

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

(Unaudited)

	Share capital	Capital reserve	Special reserve	Surplus reserve	Retained earnings	Total equity
I. Closing balance of the preceding year	2,170,015,765	8,747,266,358	16,589	1,090,812,600	11,263,989,807	23,272,101,119
Add: Changes in accounting policies	—	—	—	—	—	—
I. Opening balance of current year	2,170,015,765	8,747,266,358	16,589	1,090,812,600	11,263,989,807	23,272,101,119
II. Changes for the period	(5,430,200)	(49,169,890)	45,611	—	(800,715,689)	(855,270,168)
(I) Net profit	—	—	—	—	930,952,763	930,952,763
(II) Other comprehensive income	—	17,089,602	—	—	—	17,089,602
Sub-total of comprehensive income	—	17,089,602	—	—	930,952,763	948,042,365
(III) Equity transactions with shareholders as owners except for profit distributions	(5,430,200)	(66,259,492)	—	—	—	(71,689,692)
1. Repurchase H Shares	(5,430,200)	(66,259,492)	—	—	—	(71,689,692)
(IV) Special reserve	—	—	45,611	—	—	45,611
1. Transfer to special reserve in the current period	—	—	135,707,820	—	—	135,707,820
2. Amount utilized in the current period	—	—	(135,662,209)	—	—	(135,662,209)
(V) Profit distributions	—	—	—	—	(1,731,668,452)	(1,731,668,452)
1. Transfer to surplus reserve	—	—	—	—	—	—
2. Distributions to owners	—	—	—	—	(1,731,668,452)	(1,731,668,452)
(VI) Transfer within owners' equity	—	—	—	—	—	—
III. Closing balance of the current period	2,164,585,565	8,698,096,468	62,200	1,090,812,600	10,463,274,118	22,416,830,951

Statement of Changes in Owners' Equity *(continued)*

For the six months ended 30 June 2013

RMB

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

(Unaudited)

	Share capital	Capital reserve	Special reserve	Surplus reserve	Retained earnings	Total equity
I. Closing balance of the preceding year	2,181,196,365	8,864,346,593	16,021	1,090,812,600	10,682,213,790	22,818,585,369
Add: Changes in accounting policies	—	—	—	—	—	—
I. Opening balance of current year	2,181,196,365	8,864,346,593	16,021	1,090,812,600	10,682,213,790	22,818,585,369
II. Changes for the period	—	(71,318,663)	568	—	(297,360,942)	(368,679,037)
(I) Net profit	—	—	—	—	1,883,835,423	1,883,835,423
(II) Other comprehensive income	—	(71,318,663)	—	—	—	(71,318,663)
Sub-total of comprehensive income	—	(71,318,663)	—	—	1,883,835,423	1,812,516,760
(III) Special reserve	—	—	568	—	—	568
1. Transfer to special reserve in the current period	—	—	148,585,965	—	—	148,585,965
2. Amount utilized in the current period	—	—	(148,585,397)	—	—	(148,585,397)
(IV) Profit distributions	—	—	—	—	(2,181,196,365)	(2,181,196,365)
1. Transfer to surplus reserve	—	—	—	—	—	—
2. Distributions to owners	—	—	—	—	(2,181,196,365)	(2,181,196,365)
(V) Transfer within owners' equity	—	—	—	—	—	—
III. Closing balance of the current period	2,181,196,365	8,793,027,930	16,589	1,090,812,600	10,384,852,848	22,449,906,332

Statement of Cash Flows

For the six months ended 30 June 2014

RMB

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

	For the six months ended 30 June 2014 (Unaudited)	For the six months ended 30 June 2013 (Unaudited)
1. Cash flows from operating activities:		
Cash receipts from sale of goods and rendering of services	3,587,284,879	6,656,328,757
Refund of taxes	6,826,044	—
Other cash receipts relating to operating activities	1,206,235,079	—
Sub-total of cash inflows from operating activities	4,800,346,002	6,656,328,757
Cash payments for goods purchased and services received	2,524,488,611	4,587,970,195
Cash payments to and on behalf of employees	254,513,529	198,956,780
Payments of various types of taxes	707,290,337	848,919,807
Other cash payments relating to operating activities	451,130,288	664,422,710
Sub-total of cash outflows used in operating activities	3,937,422,765	6,300,269,492
Net cash flows from operating activities	862,923,237	356,059,265
2. Cash flows from investing activities:		
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	2,086,612	—
Net cash receipts from disposals of subsidiaries	—	200,000,000
Cash receipts from investment income	688,690,901	1,061,525,000
Other cash receipts relating to investing activities	4,783,847,668	302,861,377
Sub-total of cash inflows from investing activities	5,474,625,181	1,564,386,377
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	292,689,884	373,837,870
Cash payments to acquire investments	928,215,751	57,980,000
Other cash payments relating to investing activities	6,518,913,783	645,862,766
Sub-total of cash outflows used in investing activities	7,739,819,418	1,077,680,636
Net cash flows (used in)/from investing activities	(2,265,194,237)	486,705,741
3. Cash flows from financing activities:		
Cash receipts from capital contributions	—	—
Cash receipts from borrowings	3,996,618,999	100,000,000
Other cash receipts relating to financing activities	—	246,257,755
Sub-total of cash inflows from financing activities	3,996,618,999	346,257,755
Cash repayments of borrowings	1,858,572,969	568,161,730
Cash payments for distribution of dividends or settlement in interest expenses	95,129,853	92,886,770
Other cash payments relating to financing activities	317,114,014	43,916,567
Sub-total of cash outflows used in financing activities	2,270,816,836	704,965,067
Net cash flows from/(used in) financing activities	1,725,802,163	(358,707,312)
4. Effects of foreign exchange rate changes on cash and cash equivalents	340,930	—
5. Net increase/(decrease) in cash and cash equivalents	323,872,093	484,057,694

Statement of Cash Flows *(continued)*

For the six months ended 30 June 2014

RMB

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

Supplementary Information	For the six months ended 30 June 2014 (Unaudited)	For the six months ended 30 June 2013 (Unaudited)
(1) Reconciliation of net profit to net cash flows from operating activities:		
Net profit	930,952,763	1,883,835,425
Add: Depreciation of fixed assets	186,836,864	130,314,733
Asset impairment provision	826,230	—
Amortisation of intangible assets and long-term deferred assets	44,491,145	26,528,744
Losses/(gains) on disposals of fixed assets, intangible assets and other long-term assets	14,819,273	755,605
Losses/(gains) on changes in fair value	90,412,396	50,398,588
Losses/(gains) on investments	(591,482,096)	(1,230,945,833)
Financial expenses	183,510,864	(12,626,011)
Decrease/(increase) in inventories	(41,626,612)	(11,380,828)
Decrease/(increase) in deferred tax assets	41,446,723	26,209,165
Increase/(decrease) in deferred tax liabilities	—	—
Decrease/(increase) in receivables from operating activities	(245,923,130)	(400,273,236)
Increase/(decrease) in payables from operating activities	248,658,817	(106,757,087)
Net cash flows from operating activities	862,923,237	356,059,265
(2) Non-cash investing and financing activities:		
Provision of impairment for equity investments in associates		
(3) Net decrease in cash and cash equivalents:		
Closing balance of cash and cash equivalents	3,179,418,113	3,856,197,787
Less: Opening balance of cash and cash equivalents	2,855,546,020	3,372,140,093
Net increase/(decrease) in cash and cash equivalents	323,872,093	484,057,694

Notes to Financial Statements

For the six months ended 30 June 2014

RMB

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

I. CORPORATE INFORMATION

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

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

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

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

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

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

I. CORPORATE INFORMATION *(continued)*

On 28 May 2013, the Company held the 2012 Annual General Meeting, the first A Shareholders' class meeting in 2013 and the first H Shareholders' class meeting in 2013. A resolution in relation to the proposal of granting a general mandate to the board of directors of the Company to repurchase H shares was approved. The Company carried out repurchases of H shares on 21 August 2013, 13 November 2013, 4 December 2013, 10 December 2013, 16 December 2013, 18 December 2013, 23 December 2013, 3 January 2014, 10 January 2014 and 7 February 2014 respectively. As at 30 June 2014, the aggregate number of repurchased H shares reached 166,108,000. Details are disclosed in Note V 38.

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

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

The financial statements were approved by the Company's board of directors on 15 August 2014.

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1. Basis of preparation of financial statements

The financial statements were prepared in accordance with the Basic Standard and the Specific Standards of the Accounting Standards for Business Enterprises ("ASBE") issued by the Ministry of Finance in February 2006, 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 principal of measurement in financial statements. Where assets are impaired, provisions for asset impairment are made in accordance with the relevant requirements.

As at 30 June 2014, the Group recorded current assets of RMB21,621,076,097 and current liabilities of RMB27,453,513,905. The balance of the current assets was less than that of the current liabilities. In view of these circumstances, the directors of the Company have given consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern. In 2013, the Group was approved by the National Association of Financial Market Institutional Investors to register mid-term bonds which amounted to RMB10 billion with a term of 5 years. The Group issued RMB2.5 billion of the mid-term bonds in October 2013. The rest of the mid-term bonds which amounted to RMB7.5 billion will be issued before 22 September 2015 depending on the financial condition of the Group. The directors of the Company believe that the Group has adequate resources to continue operation and fulfill the due financial responsibility in the foreseeable future. The directors of the Company therefore are of the opinion that it is appropriate to adopt the going concern basis in preparing the consolidated financial statements.

2. Adoption of certain revised/new accounting standards

In January and February 2014, the Ministry of Finance promulgated "Accounting Standards for Business Enterprises No.39 – Fair Value Measurement", "Accounting Standards for Business Enterprises No.40 - Joint Arrangements", and revised "Accounting Standards for Business Enterprises No.30 - Presentation of Financial Statements", "Accounting Standards for Business Enterprises No.9 - Employee Benefits" and "Accounting Standards for Business Enterprises No.33 - Consolidated Financial Statements"; in March 2014, the Ministry of Finance promulgated "Accounting Standards for Business Enterprises No.41 - Disclosure of Interests in Other Entities", revised "Accounting Standards for Business Enterprises No.2 - Long-term Equity Investments". The above seven accounting standards will become effective on 1 July 2014 for entities adopting ASBE and early adoption was encouraged for overseas listed entities. As an A and H shares listed company, the Company has early adopted the above five accounting standards in preparing the 2013 annual report. While preparing the 2014 interim report, the Company implemented the remaining two of the above accounting standards in advance and carried out accounting treatment according to relevant provisions of convergence.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

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

2. Adoption of certain revised/new accounting standards *(continued)*

In this interim financial statement, the Company had carried out accounting treatments according to relevant provisions of convergence for the above changes in accounting standards which caused corresponding changes in accounting policies of the Company. Pursuant to the newly amended "Accounting Standards for Business Enterprises No.2 – Long-term Equity Investments", the Company adjusted the long-term equity investments previously in "investment in entities not under joint control or significant influence and do not have a quoted market price in an active market and whose fair value cannot be reliably measured" to "available-for-sale investments", which correspondingly adjusted the comparative figures of "long-term equity investments" and "available-for-sale investments" at the beginning of the year, details as follows. Other than this, no other retrospective adjustment is required.

Item	Balance at the beginning of the year		
	Before adoption	Amount adjusted for accounting standards adopted	After adoption
Long-term equity investments	5,034,150,419	(354,992,482)	4,679,157,937
Available-for-sale investments	343,624,001	354,992,482	698,616,483

3. Statement of compliance with CAS

The financial statements have been prepared in accordance with CAS, and presented truly and completely the Company's and the Group's financial position as at 30 June 2014, and the Company's and the Group's financial performance and cash flows for the first half of 2014.

4. Accounting period

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

5. Functional currency

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

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

6. Business combination

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

Business combinations involving enterprises under common control

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

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

6. Business combination *(continued)*

Business combinations involving enterprises under common control *(continued)*

Assets and liabilities obtained shall be measured at their respective carrying amounts as recorded by the combining entities at the date of the combination. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination/the aggregate face value of shares issued as consideration is adjusted as share premium in capital reserve. If the share premium is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

Business combinations not involving enterprises under common control

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

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

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

7. Consolidation of financial statements

The scope of consolidation in the consolidated financial statements is determined on the basis of control. The consolidated financial statements include the financial statements of the Company and its subsidiaries for the period ended 30 June 2014. A subsidiary is a structured entity (including an entity, a separable part of an investee, and the structural entities controlled by the Company, etc.) which is under the control of the Company.

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

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

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

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

7. Consolidation of financial statements *(continued)*

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

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

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

Acquisition of non-controlling interests or disposal of an interest in a subsidiary that does not result in the loss of control over the subsidiary is accounted for as an equity transaction.

8. Cash and cash equivalents

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

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

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

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

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

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

9. Foreign currency transactions and translation of financial statements denominated in foreign currencies *(continued)*

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

10. Financial instruments

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

Recognition and derecognition of financial instruments

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

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

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

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

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

Classification and measurement of financial assets

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

Subsequent measurement of financial instruments is determined on the classification.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

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

10. Financial instruments *(continued)*

Classification and measurement of financial assets *(continued)*

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

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

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

Held-to-maturity investments

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

Loans and receivables

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

Available-for-sale investments

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

An equity investment instrument not under control, joint control or significant influence and without a quoted price in an active market, whose fair value cannot be reliably measured, is recognised as available-for-sale investment and subsequently measured at cost.

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

10. Financial instruments *(continued)*

Classification and measurement of financial liabilities

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

Subsequent measurement of financial liabilities is determined on the classification.

Financial liabilities at fair value through profit or loss

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

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

Other financial liabilities

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

Financial guarantee contracts

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

Derivatives

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

Except for the effective cash flow hedging which is recorded in other comprehensive income, and later reclassified to profit or loss when the hedged item affects profit or loss, changes in fair value on derivatives are recognised as profit or loss.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

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

10. Financial instruments *(continued)*

Impairment of financial assets

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

Financial assets measured at amortised cost

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

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

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

Available-for-sale investments

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

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

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

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

10. Financial instruments *(continued)*

Impairment of financial assets *(continued)*

Financial assets measured at cost

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

Transfer of financial assets

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

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

11. Hedge accounting

Hedging activities of the Group include fair value hedges.

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

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

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

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

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

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

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

12. Receivables

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

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

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

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

13. Inventories

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

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

The perpetual inventory system is maintained for the stock system.

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

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

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

14. Long-term equity investments

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

The long-term equity investment is initially measured at its cost. For a long-term equity investment involving enterprises under common control, the investment cost of the long-term equity investment is the attributable share of the carrying amount of the owners' equity of the acquiree at the date of combination. For a long-term equity investment acquired through business combination not involving enterprises under common control, the investment cost of a long-term equity investment is the cost of acquisition. For a long-term equity investment acquired through business combination not involving enterprises under common control and achieved in stages, the investment cost of the long-term equity investment is the aggregate of the carrying amount of the equity interest held in the acquiree prior to the acquisition date and the cost of the additional investment at the acquisition date. The investment cost is the aggregate of the fair values, at the acquisition date, of the assets given, liabilities incurred or assumed, and equity securities issued by the acquirer in exchange for control of the acquiree. For the other comprehensive income generated from a long-term equity investment under equity method which is already held before the acquisition date, on the disposal of the investment, the same accounting method of which the investee directly disposes the related assets and liabilities should be used; for long-term equity investment which is a financial instrument and already held before the acquisition date, the accumulated fair value changes recorded under other comprehensive income should be transferred to profit or loss of the period under cost method. The costs of the investments acquired other than business combination are recognised as follows: a) acquired by cash, the investment is initially recognised at the actual consideration paid plus the expenses, taxes and other required expenditures directly attributable to the acquisition; b) acquired through issuing equity securities, the investment is initially recognised at the fair value of issuing equity instruments; and c) acquired through exchange of non-monetary assets, the cost of investment is initially recognised in accordance with the requirements of "Accounting Standards for Business Enterprises No. 7 – Exchange of Non-monetary Assets".

For long-term equity investments over which the Company has control are accounted for using the cost method in the Company's separate financial statements.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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

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

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

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

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

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

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

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

More details about the method of impairment assessment and determination of the provision for impairment losses on long-term equity investments are disclosed in Note II 27.

15. Investment properties

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

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

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

Details of impairment provision for investment properties measured at cost are given in Note II 27.

16. Fixed assets

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

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

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

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

16. Fixed assets *(continued)*

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

Category	Depreciation period (years)	Residual value rate	Annual depreciation rate
Buildings	8-50 years	0%-5%	1.90-12.50%
Power generating and transmission equipment	8-30 years	0%-5%	3.17-12.50%
Plant, machinery and equipment	5-15 years	0%-5%	6.33-20.00%
Leasehold improvements	5 years	0%-5%	19.00-20.00%
Furniture and fixtures	3-10 years	0%-5%	9.50-33.33%
Motor vehicles	6 years	0%-5%	15.83-16.67%

The Group reviews the useful life and estimated net residual value of a fixed asset and the depreciation method applied at least once at each financial year-end, and accounts for any change as a change in an accounting estimate. If the actual useful life of buildings in mining areas is less than the life under units of production method, straight-line method can be used.

Details on the method for impairment test and provision of fixed assets are disclosed in Note II 27.

17. Construction in progress

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

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

Details on the method for impairment test and provision of construction in progress are disclosed in Note II 27.

18. Borrowing costs

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

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

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

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

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

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

18. Borrowing costs *(continued)*

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

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

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

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

19. Intangible assets

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

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

An exploration and mining right (included in Note V 16 Intangible assets) is amortised over its designated estimated production using the units-of-production method. Other intangible assets are amortised over their useful lives using the straight-line method. The estimated useful life of each category of intangible assets are as follows:

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

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

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

19. Intangible assets *(continued)*

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

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

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

Details on the methods of impairment test and provision of intangible assets are disclosed in Note II 27.

20. Long-term deferred assets

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

21. Contingent liabilities

Except for contingent consideration and contingent liabilities arising from business combinations, contingent liabilities are recognised when the Group has an obligation related to a contingency, which meets all of the following conditions:

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

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

22. Share repurchase

The considerations and transaction costs incurred in reacquiring the Group's own equity instruments are deducted from equity. No gain or loss is recognised in the statement of profit or loss on the issue, repurchase, sale, or cancellation of the Group's own equity instruments.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

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

23. Revenue

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

Revenue from sale of goods

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

Revenue from the rendering of services

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

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

Interest income

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

Rental income

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

24. Government grants

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

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

24. Government grants *(continued)*

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

For a government grant related to income, if the grant is a compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognised as deferred income, and recognised in profit or loss over the periods in which the related costs are recognised. If the grant is a compensation for related expenses or losses already incurred, the grant is recognised immediately in profit or loss for the period. A government grant related to an asset is recognised as deferred income, and evenly amortised to profit or loss over the useful life of the related asset. A government grant measured at a nominal amount is recognised immediately in profit or loss for the period.

25. Income tax

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

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

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

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

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

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

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

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

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

25. Income tax *(continued)*

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

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

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

26. Operating leases

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

As lessee under operating leases

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

As lessor under operating leases

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

27. Impairment of assets

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

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

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

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

27. Impairment of assets *(continued)*

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

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

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

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

28. Employee benefits

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

The employees in the Group participate in the local government's administrated social insurance scheme, including pension insurance, medical insurance, unemployment insurance, etc. and housing funds. The related expenditures are recorded in cost of related assets or profit or loss in the period when they are incurred.

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

29. Profits distribution

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

30. Work safety fund and production maintenance fund

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

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

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

31. Fair value measurement

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

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised under fair value in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period.

32. Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

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

33. Significant accounting judgement, accounting estimates and estimation uncertainty

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

Judgements

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

Operating lease commitments as lessor

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

Classification between investment properties and fixed assets

The Group has entered into contracts for buildings under commercial leases. The Group determined that according to rental agreements and the management's objective in holding the building the leased out building is held to earn rentals or for capital appreciation or both and is accounted for as investment properties.

Income tax

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

Joint venture arrangements—the investments in the off-shore mining fund by the Group

The Group has determined that although the Group holds 90.9% participants shares of Sprott-Zijin Mining Fund ("Sprott Fund"), based on the co-operation agreement between the Group and Sprott Inc. (a fund management company incorporated in Canada, "Sprott"), investments decision-making was controlled by the investment committee of Sprott Fund, and the Group and Sprott have joint control over the investment committee. As such, the Group recognised its investment in the Sprott Fund as an investment in a joint venture. Details are disclosed in Note V 10.

Estimation uncertainty

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

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

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

33. Significant accounting judgement, accounting estimates and estimation uncertainty *(continued)*

Estimation uncertainty *(continued)*

Impairment of available-for-sale investments

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

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

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

Useful lives of property, plant and equipment

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

Impairment of goodwill

Goodwill is tested for impairment at least at the end of each year. For the purpose of impairment testing, the present value of cash flows, which are generated from sets of assets or asset groups considered together with goodwill, is estimated. The Group estimates the present value of cash flows from sets of assets or asset groups by forecasting the related cash flow and selecting a suitable discount rate. Details are disclosed in Note V 17.

Exploration and development expenditures

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

Bad debt provision for trade receivables

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

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

33. Significant accounting judgement, accounting estimates and estimation uncertainty *(continued)*

Estimation uncertainty *(continued)*

Inventory provision determined on net realisable value

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

Proved mineral reserves

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

Deferred tax assets

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

Estimated compensation

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

Rehabilitation provision

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

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

III. TAX

1. Major taxes and tax rates

Value-added tax ("VAT")	<p>Sales of finished gold products and carrying-gold minerals are exempted from VAT. The VAT rate for mining and processing of non-ferrous metals such as iron concentrates, copper concentrates, zinc concentrates, and copper cathodes, zinc bullion, material sales and processing is 17%. The taxpayer is required to remit the VAT it collects to the tax authority, but may deduct the VAT it has paid on eligible purchases.</p> <p>Pursuant to the Notice of the Ministry of Finance and the State Administration of Tax on the Implementation of the Pilot Policy in respect of Changing the Levy of Business Tax to Value-added Tax for Transportation Industry and Certain Modern Service Industries in the Eight Provinces and Municipalities including Beijing (Cai Shui [2012] No.71), from 1 November 2012, VAT tax rate for transportation service income derived in Fujian Province is 11%, and that for trademark royalty income and technical service income derived in Fujian Province is 6%. Small-scale taxpayer's VAT tax rate for all the income mentioned above is 3%.</p> <p>Pursuant to the Notice of the Ministry of Finance and the State Administration of Tax on the Implementation of the Pilot Policy in respect of Changing the Levy of Business Tax to Value-added Tax for Transportation Industry and Certain Modern Service Industries Nationwide (Cai Shui [2013] No.37), from 1 August 2013, VAT tax rate for transportation service income derived nationwide is 11%, and that for trademark royalty income and technical service income derived nationwide is 6%. Small-scale taxpayer's VAT tax rate for all the income mentioned above is 3%.</p>
Business tax	<p>Business tax rate for rental income and hotel service revenue is 5%, and that for construction labour income is 3%. From 1 November 2012, the incomes of transportation service, trademark royalty and technical service derived in Fujian Province and originally subject to business tax are levied under VAT. From 1 August 2013, the levy of business tax for transportation service and certain modern service industries in the whole country was changed to be levied under VAT in pilot run, the incomes of transportation service, trademark royalty and technical service derived nationwide and originally subject to business tax are levied under VAT.</p>
City construction and maintenance tax	<p>Levied on actual payment of turnover tax at rates ranging from 1% to 7%.</p>

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

III. TAX (continued)

1. Major taxes and tax rates (continued)

Resource tax	Tax rates for gold resources ranged from RMB3 to RMB10 (2013: RMB2 to RMB8.5) per tonne depending on the gold ore quantity; tax rates for copper resources ranged from RMB6 to RMB7 (2013: RMB6 to RMB7) per tonne depending on the copper ore quantity; tax rate for iron resource ranged from RMB12 to RMB16 (2013: RMB9.52) per tonne according to the ore quantity, according to Notice on Issues of Adjusting Standard Resource Tax Rate of Certain Mineral Products in Partial Regions of Autonomous Regions (Xincaifashui [2014] No.14), the iron ore resources of Xinjiang Jinbao Mining Company Limited is classified as the second grade, the standard tax rate per unit is adjusted to RMB16 per tonne, the iron ore resources of Fuyun Jinshan Mining Company Limited is classified as the fourth grade, the standard tax rate per unit is adjusted to RMB15 per tonne, the notice is effective from 1 January 2014. Besides, according to Notice of Tax Issues by Fuyun County Regional Tax Bureau (the content of notice Fu Di Shui Tong [2014] No.196, the resource tax of Fuyun Jinshan Mining Company Limited is levied at 80% of the rate under the current policy RMB15 per tonne. From 1 May 2014, the resource tax for iron ore is temporarily levied at RMB12 per tonne); tax rate for lead and zinc resources ranged from RMB10 to RMB20 (2013: RMB20) per tonne according to the ore quantity.
Resource compensation fee	The resource compensation fee is calculated according to a certain proportion of mineral sales revenue. The formula is: Mineral sales revenue x Resource compensation rate x Coefficient of mining recovery. Resource compensation rates range from 2% to 4%.
Enterprise income tax	Provision for the PRC income tax has been made at the rate of 25% based on the taxable profits except for certain companies in the Group which are further mentioned below. Provision for Hong Kong profits tax has been made at the rate of 16.5% on the assessable profits arising in Hong Kong for the year. Provision for Australian profits tax has been made at the rate of 30% on the assessable profits arising in Australia for the year. Provision for Tajikistan profits tax has been made at the rate of 15% on the assessable profits arising in Tajikistan for the year.

2. Tax incentives and approvals

Pursuant to the Notice of the Ministry of Finance, the General Administration of Customs and the State Administration of Tax on the Issues of Preferential Taxation Policies for Further Implementing the Western Development Strategy (Cai Shui [2011] No.58), from 1 January 2011 to 31 December 2020, the enterprises in the western region, which engaged in encouraged industries as indicated in the Catalogue of Encouraged Industries of Western Region and which derive 70% of their income from the encouraged industries could apply for a tax incentives. After in-charge tax bureau approving, those enterprises could enjoy a reduced enterprises income tax ("EIT") rate of 15%. In 2014, the following subsidiaries got in-charge tax bureau approval and granted a reduced EIT rate of 15%.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

III. TAX (continued)

2. Tax incentives and approvals (continued)

- (1) Pursuant to the Notice of Tax Issue (Ha Di Shui Tong [2013] No.585) issued by the Xinjiang Autonomous Region Habahe County Local Tax Bureau on 5 August 2013, Xinjiang Ashele Copper Company Limited ("Xinjiang Ashele") enjoyed a tax concession of Western Development at a preferential EIT rate of 15% in 2014.
- (2) Pursuant to the Notice of Tax Issue (Fu Di Shui Tong [2013] No.54) issued by the Xinjiang Autonomous Region Fuyun County Local Tax Bureau on 18 December 2013, Xinjiang Jinbao Mining Company Limited ("Xinjiang Jinbao") enjoyed a tax concession of Western Development at a preferential EIT rate of 15% in 2014.
- (3) Pursuant to the Notice in relation to Relevant Matters about Enterprise Income Tax on the Enterprises including Hunchun Zijin Mining Company Limited (Ji Guo Shui Suo Bian Han [2012] No.35) issued by the Jilin Provincial State Tax Bureau on 26 October 2012, Hunchun Zijin Mining Company Limited ("Hunchun Zijin") enjoyed a tax concession of Western Development at a preferential EIT rate of 15% in 2014.
- (4) Pursuant to the Letter Confirming the Principal Operations of Wuqia County Jinwang Mining Development Company Limited Meeting the National Encouraging Category (Xin Jing Xin Chan Ye Han [2014] No.195) issued by the Economic and Information Commission of Xinjiang Uyghur Autonomous Region on 28 April 2014 and the Approval of Tax Relief Application Form of Taxpayer from Wuqia County State Tax Bureau, Wuqia County Jinwang Mining Development Company ("Wuqia Jinwang") enjoyed a tax concession of Western Development at a preferential EIT rate of 15% in 2014.
- (5) Pursuant to the Notice of Approval of Tax Relief (Qin Guo Shui Deng Zi [2014] No.2) issued by the Qin Hai Province Maqin County State Tax Bureau on 22 May 2014, Qinghai West Copper Mining Company Limited ("Qinghai West") enjoyed a tax concession of Western Development at a preferential EIT rate of 15% in 2014.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

IV. SCOPE OF CONSOLIDATION

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

(1) Principal subsidiaries established or acquired through investments

Company name	Organisation code	Place of registration	Legal representative	Principal activities	Type of entities	Paid-in capital/Registered capital RMB	Capital contribution of the Group RMB	Proportion of ownership interest Directly	Proportion of ownership interest Indirectly	Proportion of voting rights %	Non-controlling interests in the consolidated balance sheet reduced by non-controlling interests in the consolidated statement of profit or loss RMB	Note
Gold Mountains (H.K.) International Mining Company Limited ("Gold Mountains H.K.")	Not applicable ("N/A")	Hong Kong, China	N/A	Investment	Limited liability company	HK\$38,500,001/HK\$1,000,000,000	HK\$38,500,001	100%	—	100%	—	—
Bajanaer Zim Non-Ferrous Metals Company Limited ("Bajanaer Zim")	767866440	Bayanaer City, Inner Mongolia	Lao Yuanhang	Zinc refinery	Limited liability company	375,000,000	252,000,000	67.2%	—	67.2%	77,589,767	
Hurchun Zim Mining Company Limited ("Hurchun Zim")	74566859	Hurchun City, Jim Province	Jiang Cheng	Mining, refining and processing of gold, copper and other non-ferrous metals, mineral resources and geological exploration and its information technology services	Limited liability company	200,000,000	200,000,000	96.6%	3.37%	100%	—	—
Xinyi Zim Mining Company Limited ("Xinyi Zim")	66989364	Xinyi City, Guangdong Province	Lin Hongping	Refining, processing and sales of tin and gold, mineral resources technology services	Limited liability company	200,000,000	200,000,000	100%	—	100%	—	—
Qinghai West Copper Mining Company Limited ("Qinghai West")	710525653	Maqin County, Guo Luo State, Qinghai Province	Cao Senning	Exploration and exploitation of copper mines, technical consultation, catering and accommodation	Limited liability company	120,000,000	120,000,000	100%	—	100%	—	—
Fujian Zim Real Estate Company Limited ("Zim Real Estate")	671930794	Xiamen City, Fujian Province	Hu Tielu	Real estate development	Limited liability company	500,000,000	500,000,000	60%	40%	100%	—	—

Notes to Financial Statements (continued)

For the six months ended 30 June 2014

RMB

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

IV. SCOPE OF CONSOLIDATION (continued)

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

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

Company name	Organisation code	Place of registration	Legal representative	Principal activities	Type of entities	Registered capital RMB	Capital contribution of the Group RMB	Proportion of ownership interest Directly	Proportion of ownership interest Indirectly	Proportion of voting rights %	Non-controlling interests in the consolidated balance sheet reduced by non-controlling interests in the consolidated statement of profit or loss RMB	Note
Zijin International Finance Company Limited ("International Finance")	IVA	Hong Kong	IVA	Bond issuance	Limited liability company	HK\$1	HK\$1	—	100%	100%	—	
Zijin Mining Group Finance Company Limited ("Zijin Finance")	68437785-6	Shanghang County, Longyan City, Fujian Province	Lin Hongying	The operations in local and foreign currencies; financing advisory to member units; credit verification and related advisory; agent services; assist member units to settle payments; approved insurance agent services; guarantee provision to member units; entrusted loans and investment among member units; bill acceptance and honour among member units; internal account settlement and clearing among member units; acceptance of deposits from member units; application for loans and financial leasing; inter-company borrowings; underwriting corporate bond; equity investment in financial institutions; investment in securities (excluding stocks traded in the secondary market)	Limited liability company	531,557,000	504,979,150	95%	—	95%	—	

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

IV. SCOPE OF CONSOLIDATION (continued)

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

(2) Principal subsidiaries acquired not involving enterprises under common control

Company name	Organisation code	Place of registration	Legal representative	Principal activities	Type of entities	Paid-in capital/Registered capital RMB	Capital contribution of the Group RMB	Proportion of ownership interest Directly	Proportion of ownership interest Indirectly	Proportion of voting rights %	Non-controlling interests in the consolidated balance sheet reduced by non-controlling interests in the consolidated statement of profit or loss RMB	Note
Xinjiang Aobei Copper Company Limited ("Xinjiang Aobei")	71296926-X	Alatix City, Xinjiang	Peng Shupin	Research and exploration of geological resources; production, processing and sales of mineral products; technological and transportation services of geological mining; environmental protection and development of tourism	Joint stock liability limited company	250,000,000	127,350,000	51%	—	51%	—	
Norton Goldfields Ltd. ("Norton")	WA	Australia	NA	Production of gold; geological resource exploration and related information and technological services	Joint stock liability limited company	Australian dollar ("A\$") 176,651,533	A\$157,484,842	—	82.45%	82.45%	7,526,199	
Zijin Copper Company Limited ("Zijin Copper")	6858216-7	Shangqiang County, Longjiao City, Fujian Province	Wu Jianhui	Refinery and sales of copper cathodes; gold and silver production and sales of refined	Limited liability company	1,818,300,000	1,818,300,000	100%	—	100%	—	
Luoyang Zijin Yinhui Gold Refinery Company Limited ("Luoyang Yinhui")	71911462-7	Luoyang City, Henan Province	Fan Daqiu	Refinery of gold and silver; purchase of gold ore; gold transaction agency; sales of mineral products and mining pit design and research	Limited liability company	150,000,000	105,000,000	70%	—	70%	—	
Luoyang King Mining Co., Ltd. ("Luoyang King")	4102871002357	Luoyang City, Henan Province	Leo Bssou	Exploration of mineral products; purchase and sales; processing and marketing	Limited liability company	531,226,252	700,000,000	70%	—	70%	—	

The above principal subsidiaries are included in the scope of consolidation. The management of the Company considered that fund transfers from the subsidiaries to the Company are without restriction.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014

RMB

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

IV. SCOPE OF CONSOLIDATION (continued)

2. CHANGES IN THE SCOPE OF CONSOLIDATION

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

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

New entities that have been consolidated in the period ended 30 June 2014:

	Note	Net assets at 30 June 2014	Net profit/(loss) up to the end of the period
Liancheng Jiuxin Mining Company Limited ("Jiuxin Mining")	Note 1	35,000,000	(41,969)
Luoyang Kunyu Mining Co., Ltd. ("Luoyang Kunyu")	Note 2	998,144,581	(3,154,212)
		1,033,144,581	(3,196,181)

The carrying amount and fair value of the identifiable assets and liabilities of the acquired subsidiaries mentioned above on acquisition:

Items	Fair value		Carrying amount	
	Jiuxin Mining	Luoyang Kunyu	Jiuxin Mining	Luoyang Kunyu
Current assets	1,001,591	98,102,076	1,001,591	98,102,076
Non-current assets	50,046,237	1,301,648,891	45,004,269	772,813,262
Current liabilities	16,047,828	234,946,604	16,047,828	234,946,604
Non-current liabilities	—	164,804,363	—	32,595,456
Sub-total	35,000,000	1,000,000,000	29,958,032	603,373,278
Non-controlling interests	—	300,000,000	—	181,011,983
Total equity attributable to the Group	35,000,000	700,000,000	29,958,032	422,361,295
Goodwill				
Consideration for the combination	35,000,000	700,000,000	—	—

The cash flows and operating results of the acquired subsidiaries mentioned above accumulated from the acquisition date to the end of the reporting period:

Items	Jiuxin Mining	Luoyang Kunyu
Revenue	—	29,710,383
Net gain (loss)	(41,969)	(3,154,212)
Net cash inflows (outflows)	1,001,591	(8,293,291)

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

IV. SCOPE OF CONSOLIDATION *(continued)*

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

The net cash flows of the acquired subsidiaries mentioned above:

Items	Jiuxin Mining	Luoyang Kunyu
Consideration for the acquisition of the subsidiaries	35,000,000	700,000,000
Cash and cash equivalents paid for acquisition of the subsidiaries	30,000,000	450,000,000
Less: Cash and cash equivalents held by the subsidiaries on acquisition date	1,591	35,576,086
Net cash outflows/(inflows) upon acquisition of the subsidiaries	29,998,409	414,423,914

Entities that are excluded from the consolidation in the period ended 30 June 2014:

	Note	Net assets on disposal date	Net profit/(loss) from the beginning of 2014 to disposal date
Fujian Jinshan Investment Company Limited ("Fujian Jinshan Investment")	Note 3	6,146,320	17,653
Wuqia County Huaxin Mining Company Limited ("Wuqia Huaxin")	Note 4	—	—
Fujian Province Shanghang County Zijin Lime Material Company Limited ("Zijin Lime")	Note 5	5,460,123	—
Golden Sand Mining (BVI) Limited ("Golden Sand Mining")	Note 6	—	270,077
Right Fame Holdings Limited ("Right Fame Holdings")	Note 6	—	—
Golden Island Resource (BVI) Limited ("Golden Island Resource")	Note 6	—	(91,312)
Permanent Glow Limited ("Permanent Glow")	Note 6	—	(322)
Praise Thrive Limited ("Praise Thrive")	Note 7	—	(392,923)
Yield Gold Group Limited ("Yield Gold")	Note 7	—	1,420,356
Jiangxi Jinhuan Mining Company Limited ("Jiangxi Jinhuan")	Note 8	8,843,750	933
Hunchun Zijin Tianhong Mining Company Limited ("Hunchun Tianhong")	Note 9	25,759,310	(6,137,206)
		46,209,503	(4,912,744)

Note 1: According to the share transfer agreement entered into on 21 January 2014 by the Company's subsidiary, Fujian Zijin Investment Company Limited and the natural person shareholders of Jiuxin Mining, Wang Zhaoping and Wu Weibin, Fujian Zijin Investment acquired 100% equity interest of Jiuxin Mining with a consideration of RMB35 million. As at 30 June 2014, the Company held 100% equity interest of Jiuxin Mining, as such, Jiuxin Mining was included in the scope of consolidation;

Note 2: According to the share transfer agreement entered into on 15 April 2014 by the Company and China Molybdenum Co., Ltd., the Company acquired 70% equity interest of Luoyang Kunyu with a consideration of RMB700 million. As at 30 June 2014, the Company held 70% equity interest of Luoyang Kunyu, as such, Luoyang Kunyu was included in the scope of consolidation;

Note 3: Fujian Jinshan Investment was de-registered in June 2014. As such, Fujian Jinshan Investment was excluded from the scope of consolidation;

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

IV. SCOPE OF CONSOLIDATION *(continued)*

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

Note 4: At the shareholders' meetings of the subsidiaries of the Group, Wuqia Huaxin and Wuqia Jinwang held in July 2012, it agreed for combination and absorption. Wuqia Jinwang would absorb Wuqia Huaxin. In January 2014, the procedures of absorption were completed. Wuqia Huaxin was deregistered;

Note 5: According to the share transfer agreement entered into by the Company's subsidiary, Fujian Zijin Investment and natural person Lan Chaoqiang, Fujian Zijin Investment sold 100% equity interest of Zijin Lime with a consideration of RMB7,169,389. As such, Zijin Lime was excluded from the scope of consolidation;

Note 6: Golden Sand Mining, Right Fame Holdings, Golden Island Resource and Permanent Glow were de-registered in March 2014. As such, these companies were excluded from the scope of consolidation;

Note 7: Praise Thrive and Yield Gold were de-registered in June 2014. As such, these companies were excluded from the scope of consolidation;

Note 8: According to the shareholders' meeting of Jiangxi Jinhuan Mining Company Limited on 13 March 2014, the Group's subsidiary, Huanmin Mining, would not further inject capital into nor manage Jiangxi Jinhuan. The equity interest in Huanmin Mining will be diluted year by year based on the capital injection of another shareholder, Jiangxi Jinyuan Dikuang Group Company Limited. As such, Jiangxi Jinhuan was excluded from the scope of consolidation on 30 June 2014;

Note 9: According to the share transfer agreement entered into by the Company's subsidiary, Hunchun Zijin Mining Company Limited and Yantai Hongning Investment Management Company Limited, Hunchun Zijin sold 70% equity interest of Hunchun Zijin Tianhong Mining Company Limited (including 100% equity interest of Mongolia Tianhong Mining Company Limited held by Hunchun Zijin Tianhong Mining Company Limited) with a consideration of RMB8 million. As such, Hunchun Zijin Tianhong Mining Company Limited and Mongolia Tianhong Mining Company Limited were excluded from the scope of consolidation.

4. BUSINESS COMBINATIONS NOT INVOLVING ENTERPRISES UNDER COMMON CONTROL IN THE FIRST HALF OF 2014

In the first half of 2014, there were two enterprises not under common control newly consolidated by the Group: Liancheng Jiuxin Mining Company Limited and Luoyang Kunyu Mining Co., Ltd. Please refer to Note IV. 3. for details.

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

Company name	Place of registration	Nature of business	Proportion of equity attributable to the Group	Proportion of voting rights attributable to the Group	Reasons for deconsolidation	Disposal/ de-registration date
Fujian Jinshan Investment	Shanghang County, Fujian Province	Investment in mining	80.00%	80.00%	De-registration	30 June 2014
Wuqia Huaxin	Wuqia County, Xinjiang	Mining	100.00%	100.00%	De-registration	31 January 2014
Zijin Lime	Shanghang County, Fujian Province	Mining	100.00%	100.00%	Disposal	31 January 2014
Golden Sand Mining	British Virgin Islands	Investment	100.00%	100.00%	De-registration	31 March 2014
Right Fame Holdings	British Virgin Islands	Investment	100.00%	100.00%	De-registration	31 March 2014
Golden Island Resource	British Virgin Islands	Investment	100.00%	100.00%	De-registration	31 March 2014
Permanent Glow	British Virgin Islands	Investment	100.00%	100.00%	De-registration	31 March 2014
Praise Thrive	British Virgin Islands	Investment	100.00%	100.00%	De-registration	30 June 2014
Yield Gold	British Virgin Islands	Investment	100.00%	100.00%	De-registration	30 June 2014
Jiangxi Jinhuan	Nanchang City, Jiangxi Province	Geological exploration	51.00%	51.00%	Others	31 March 2014
Hunchun Tianhong	Hunchun City, Jilin Province	Investment and mining	70.00%	70.00%	Disposal	30 June 2014

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

IV. SCOPE OF CONSOLIDATION *(continued)*

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

The financial information of disposed subsidiaries on disposal dates:

	Fujian Jinshan			Golden	Right Fame	Golden Island
	Investment	Wuqia Huaxin	Zijin Lime	Sand Mining	Holdings	Resource
Current assets	6,146,320	—	2,824,483	247,673	6	278,648,747
Non-current assets	—	—	7,939,960	—	—	—
Current liabilities	—	—	5,304,320	247,673	6	278,648,747
Non-current liabilities	—	—	—	—	—	—
Net assets	6,146,320	—	5,460,123	—	—	—
Non-controlling interests	1,229,264	—	—	—	—	—
Equity attributable to owners of the parent	4,917,056	—	5,460,123	—	—	—
Consideration of disposal	4,932,303	—	7,169,389	—	—	—
Gains/(losses) on disposal	15,247	—	1,709,266	—	—	—

	Permanent			Jiangxi	Hunchun
	Glow	Praise Thrive	Yield Gold	Jinhuan	Tianhong
Current assets	367,351	1,238,130	2,532,526	680,672	38,723,925
Non-current assets	—	—	—	8,164,591	21,486,152
Current liabilities	367,351	1,238,130	2,532,526	1,513	34,450,767
Non-current liabilities	—	—	—	—	—
Net assets	—	—	—	8,843,750	25,759,310
Non-controlling interests	—	—	—	5,014,590	7,367,100
Equity attributable to owners of the parent	—	—	—	3,829,160	18,392,210
Consideration of disposal	—	—	—	3,829,160	8,000,000
Gains/(losses) on disposal	—	—	—	—	(10,392,210)

Notes to Financial Statements (continued)

For the six months ended 30 June 2014

RMB

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

IV. SCOPE OF CONSOLIDATION (continued)

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

The financial information of disposed subsidiaries on disposal dates:

	Fujian Jinshan Investment	Wuqia Huaxin	Zijin Lime	Golden Sand Mining	Right Fame Holdings	Golden Island Resource
Revenue	—	—	—	—	—	—
Cost of sales	—	—	—	—	—	—
Net profit/(loss)	17,653	—	—	270,077	—	(91,312)
Consideration of disposal	4,932,303	—	7,169,389	—	—	—
Cash and cash equivalents received upon disposal of subsidiaries	4,932,303	—	7,169,389	—	—	—
Less: Cash and cash equivalents held by subsidiaries upon disposal	6,165,379	—	348,345	—	—	—
Net inflow/(outflow) of cash and cash equivalents in respect of the disposal of subsidiaries	(1,233,076)	—	6,821,044	—	—	—

	Permanent Glow	Praise Thrive	Yield Gold	Jiangxi Jinhuan	Hunchun Tianhong
Revenue	—	—	—	—	338,957
Cost of sales	—	—	—	—	—
Net profit/(loss)	(322)	(392,923)	1,420,356	933	(6,137,206)
Consideration of disposal	—	—	—	6,575,000	8,000,000
Cash and cash equivalents received upon disposal of subsidiaries	—	—	—	—	8,000,000
Less: Cash and cash equivalents held by subsidiaries upon disposal	—	—	—	682,308	1,562
Net inflow/(outflow) of cash and cash equivalents in respect of the disposal of subsidiaries	—	—	—	(682,308)	7,998,438

6. EXCHANGE RATE USED FOR FOREIGN OPERATIONS

	Average exchange rate		Closing exchange rate	
	For the six months ended 30 June 2014	For the six months ended 30 June 2013	30 June 2014	30 June 2013
United States Dollar ("US\$")	6.1386	6.2342	6.1528	6.1787
HK\$	0.7915	0.8033	0.7938	0.7966
Russian ruble ("RUB")	0.1761	0.1987	0.1838	0.1876
A\$	5.6246	6.2636	5.8064	5.7061

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CASH AND CASH EQUIVALENTS

	30 June 2014			31 December 2013		
	Original amount	Exchange Rate	RMB	Original amount	Exchange Rate	RMB
Cash						
RMB	5,255,328	1.0000	5,255,328	7,136,797	1.0000	7,136,797
Bank deposit						
RMB	3,085,620,327	1.0000	3,085,620,327	2,988,179,690	1.0000	2,988,179,690
HK\$	293,665,048	0.7938	233,111,315	234,837,357	0.7862	184,629,130
US\$	159,355,122	6.1528	980,480,195	56,442,183	6.0969	344,122,344
Great British Pound ("GBP")	571,317	10.4978	5,997,572	10,123,794	10.0556	101,800,821
Canadian dollar ("CAD")	2,412,124	5.7686	13,914,579	2,490,212	5.7259	14,258,703
A\$	28,585,204	5.8064	165,977,129	41,917,932	5.4301	227,618,565
RUB	26,392,720	0.1838	4,850,982	9,398,272	0.1852	1,740,560
Others	N/A	N/A	5,047,887	N/A	N/A	4,816,018
Other monetary funds						
RMB (Note 1)	474,611,411	1.0000	474,611,411	613,439,283	1.0000	613,439,283
US\$ (Note 2)	64,500,000	6.1528	396,855,600	655,300	6.0969	3,995,301
			5,371,722,325			4,491,737,212

Note 1: As at 30 June 2014, other monetary funds in RMB mainly included: (1) Land restoration and environmental rehabilitation costs of RMB63,376,175 (31 December 2013: RMB62,736,364). Pursuant to the rules of Longyan Municipal Government, the Company provided land restoration and environmental rehabilitation costs and deposited the funds in a specified bank account. The fund was restricted to the use of land restoration and environmental rehabilitation. (2) Other deposits of RMB47,605,903 (31 December 2013: RMB66,207,179) which were of guarantee nature. (3) Time deposits with maturity for more than three months of RMB261,410,456 (31 December 2013: RMB337,794,534).

Note 2: As at 30 June 2014, other monetary funds in US\$ mainly included: (1) Security fund for short-term borrowings of US\$32,500,000, approximately RMB199,966,000 (31 December 2013: Nil). (2) Time deposits with maturity for more than three months of US\$32,000,000, approximately RMB196,889,600 (31 December 2013: US\$655,300, approximately RMB3,995,301).

As at 30 June 2014, cash and cash equivalents of RMB718,683,998 (31 December 2013: RMB678,861,179) were deposited outside Mainland China.

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

2. HELD-FOR-TRADING FINANCIAL ASSETS

	30 June 2014	31 December 2013
Derivative financial assets (Note 1)	243,441,250	14,943,541
Held-for-trading equity investments (Note 2)	285,086,411	288,536,824
Others (Note 3)	147,309,225	172,461,586
	675,836,886	475,941,951

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

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

2. HELD-FOR-TRADING FINANCIAL ASSETS *(continued)*

Note 1: The Group has entered into gold forward contracts in accordance with the quantity, specification and repayment terms of gold to be returned to banks for the purpose of hedging certain risks arising from gold price fluctuation from gold leasing business. As at 30 June 2014, gain on changes in fair value arising from gold forward contracts was RMB196,862,336 (31 December 2013: losses on changes in fair value arising from gold forward contracts were recognised as financial liabilities at fair value through profit or loss).

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

Note 3: The Group has purchased money market funds in overseas markets through ICBC Credit Suisse Asset Management Company Limited. As at 30 June 2014, gains on changes in fair value arising from the money market funds were RMB10,031,526 (31 December 2013: RMB5,376,205). The Group has purchased the funds through securities companies and the domestic secondary market. As at 30 June 2014, gains on changes in fair value arising from the funds were RMB194,522 (31 December 2013: losses of RMB315,542).

The management considered that the recoverability of financial assets at fair value through profit or loss was not restricted significantly as at 30 June 2014 and 31 December 2013.

3. BILLS RECEIVABLE

	30 June 2014	31 December 2013
Bank acceptance bills	520,343,232	774,567,488
Commercial acceptance bills	13,000,000	6,279,641
	533,343,232	780,847,129

As at 30 June 2014, there were no bills receivable (31 December 2013: Nil) due from shareholders holding at least 5% of the Company's shares with voting powers. As at 30 June 2014, no bills receivable was pledged as security (31 December 2013: RMB18,250,000). As at 30 June 2014, bank acceptance bills of RMB41,411,074 (31 December 2013: RMB68,533,000) were discounted and unexpired.

As at 30 June 2014 and 31 December 2013, there were no bills receivable which were converted to trade receivables due to drawer's inability to settle the bill on maturity.

As at 30 June 2014, the Group endorsed certain unexpired bills receivable (the "Derecognised Bills") to certain independent parties with a carrying amount in aggregate of RMB234,061,018 (31 December 2013: RMB157,587,329). In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills have a right of recourse against the Group if the PRC banks default (the "Continuing Involvement"). In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills equals to their carrying amounts. In the opinion of the directors, the fair value of the Group's Continuing Involvement in the Derecognised Bills is not significant.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

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

4. TRADE RECEIVABLES

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

An ageing analysis of the trade receivables is as follows:

	30 June 2014	31 December 2013
Within 1 year	896,758,964	498,591,771
Over 1 year but within 2 years	19,973,471	12,565,676
Over 2 years but within 3 years	6,388,268	7,575,162
Over 3 years	7,230,585	8,065,554
	930,351,288	526,798,163
Less: Bad debt provision	7,489,532	7,443,532
	922,861,756	519,354,631

The movements of bad debt provision of the trade receivables:

	At 1 January 2014	Additions	Reductions Reversal	Write-off	At 30 June 2014
30 June 2014	7,443,532	46,000	—	—	7,489,532

	30 June 2014				31 December 2013			
	Carrying amount		Bad debt provision		Carrying amount		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Individually significant and for which bad debt provision has been assessed individually	803,606,549	86.37	—	—	352,453,338	66.90	—	—
Others insignificant	126,744,739	13.63	7,489,532	5.91	174,344,825	33.10	7,443,532	4.27
	930,351,288	100	7,489,532	0.80	526,798,163	100	7,443,532	1.41

As at 30 June 2014, the Group's trade receivables denominated in A\$ amounted to A\$6,998,408, approximately equivalent to RMB40,635,534 (31 December 2013: A\$8,240,211, approximately equivalent to RMB44,745,170); trade receivables denominated in US\$ amounted to US\$23,593,735, approximately equivalent to RMB145,167,533 (31 December 2013: Nil).

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

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

4. TRADE RECEIVABLES *(continued)*

Top five entities with the largest balances of trade receivables:

30 June 2014:

Name of entity	Relationship with the Group	Amount	Ageing	Proportion of trade receivables (%)
Jinchuan Group Co., Ltd.	Third party	199,902,342	Within 1 year	21.49
Baosteel Group Xinjiang Bayi Iron & Steel Co., Ltd.	Third party	152,391,262	Within 1 year or over 1 year but within 2 years	16.38
Xining Special Steel Co., Ltd.	Third party	50,050,292	Within 1 year	5.38
PerthMint	Third party	40,635,534	Within 1 year	4.37
Henan Xinhua Mining Company Limited	Third party	29,774,481	Within 1 year	3.2
		472,753,911		50.82

As at 30 June 2014, there were no trade receivables (31 December 2013: Nil) due from shareholders holding at least 5% of the Company's shares with voting powers. As at 30 June 2014, trade receivables included balances due from related parties of RMB7,074,886 (31 December 2013: RMB22,973,984).

5. PREPAYMENTS

Ageing analysis of the prepayments is as follows:

	30 June 2014		31 December 2013	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	1,042,705,418	92.27	794,452,437	86.08
Over 1 year but within 2 years	59,893,833	5.30	93,835,922	10.17
Over 2 years but within 3 years	15,929,538	1.41	20,481,030	2.22
Over 3 years	11,472,320	1.02	14,167,934	1.53
	1,130,001,109	100	922,937,323	100
Less: Bad debt provision	1,780,383		1,848,055	
	1,128,220,726		921,089,268	

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

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

5. PREPAYMENTS *(continued)*

Top five entities with the largest balances of prepayments at 30 June 2014 are as follows:

Name of entity	Relationship with the Group	Amount	Prepayment term	Proportion of prepayments (%)	Reason for unsettlement
Xiamen Zijin Zhonghang Real Estate Company Limited	Joint venture	120,706,021	Within 1 year	10.68	Transaction not yet completed
Trafigura Trading Company Limited	Third party	53,561,437	Within 1 year/over 1 year but within 2 years	4.74	Transaction not yet completed
Xunwu County Jinpeng Mining Company Limited	Third party	41,580,000	Within 1 year	3.68	Transaction not yet completed
Chen Yongshan	Third party	36,989,958	Within 1 year/over 1 year but within 2 years	3.27	Transaction not yet completed
Wancheng Commercial Dongshengmiao Company Limited	Associate	36,218,613	Within 1 year	3.21	Transaction not yet completed
		289,056,029			

As at 30 June 2014, there were no prepayments (31 December 2013: Nil) due from shareholders holding at least 5% or more of the Company's shares with voting powers. As at 30 June 2014, the prepayments to related parties amounted to RMB156,924,634 (31 December 2013: RMB143,340,247), accounting for 13.89% of total prepayments (31 December 2013: 15.53%). Further information is disclosed in Note VI RELATED PARTY RELATIONSHIPS AND TRANSACTIONS.

As at 30 June 2014, the Group's prepayments denominated in US\$ amounted to US\$8,711,583, approximately equivalent to RMB53,600,628; prepayments denominated in HK\$ amounted to HK\$522,064, approximately equivalent to RMB414,414; and prepayments denominated in Euro ("EUR") amounted to EUR138,990, approximately equivalent to RMB1,166,765. As at 31 December 2013, the Group's prepayments denominated in US\$ amounted to US\$15,982,407, approximately equivalent to RMB97,443,137; prepayments denominated in HK\$ amounted to HK\$312,064, approximately equivalent to RMB245,345; and prepayments denominated in EUR amounted to EUR43,421, approximately equivalent to RMB365,557.

6. OTHER RECEIVABLES

Ageing analysis of the other receivables:

	30 June 2014	31 December 2013
Within 1 year	1,355,139,193	1,389,263,416
Over 1 year but within 2 years	374,952,826	245,734,384
Over 2 years but within 3 years	132,089,746	88,059,076
Over 3 years	154,335,797	234,275,416
	2,016,517,562	1,957,332,292
Less: Bad debt provision	228,863,473	165,755,786
	1,787,654,089	1,791,576,506

Notes to Financial Statements (continued)

For the six months ended 30 June 2014

RMB

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. OTHER RECEIVABLES (continued)

Movements in bad debt provision of other receivables are as follows:

	At 1 January 2014	Additions	Reductions Reversal	Write-off	At 30 June 2014
30 June 2014	165,755,786	63,107,687	—	—	228,863,473

	30 June 2014				31 December 2013			
	Carrying amount		Bad debt provision		Carrying amount		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Individually significant and for which bad debt provision has been assessed individually	1,253,233,070	62.15	212,817,112	16.98	1,307,242,955	66.79	150,992,416	11.55
Others insignificant	763,284,492	37.85	16,046,361	2.10	650,089,337	33.21	14,763,370	2.27
	2,016,517,562	100.00	228,863,473	11.35	1,957,332,292	100	165,755,786	8.47

Top five entities with the largest balances of other receivables are as follows:

30 June 2014:

Name of entity	Relationship with the Group	Amount	Ageing	Proportion of other receivables (%)
Longyan Zijin AVIC Real Estate Development Co., Ltd.	Associate	676,296,314	Within 1 year	33.53
Xiamen Zijin Tongguan Investment Development Company Limited	Associate	149,755,988	Over 1 year but within 3 years	7.43
He Maoxiong	Third party	90,000,000	Over 3 years	4.46
Mongolia Tianhong Mining Company Limited	Third party	61,800,000	Within 1 year	3.06
Qianxinan Prefecture Finance Bureau	Third party	33,271,680	Over 1 year but within 2 years	1.65
		1,011,123,982		50.13

As at 30 June 2014, there were no other receivables (31 December 2013: Nil) due from shareholders holding at least 5% of the Company's shares with voting powers. As at 30 June 2014, the balance of other receivables due from related parties amounted to RMB845,672,083 (31 December 2013: RMB170,445,714), the proportion to an aggregate total amount of other receivables in the balance was 41.57% (31 December 2013: 8.71%), further information is disclosed in Note VI RELATED PARTY RELATIONSHIPS AND TRANSACTIONS.

As at 30 June 2014, the Group's other receivables denominated in US\$ amounted to US\$2,379,593, approximately equivalent to RMB14,641,160; other receivables denominated in HK\$ amounted to HK\$4,566,003, approximately equivalent to RMB3,624,493. As at 31 December 2013, the Group's other receivables denominated in US\$ amounted to US\$939,878, approximately equivalent to RMB5,730,343; other receivables denominated in HK\$ amounted to HK\$27,674,392, approximately equivalent to RMB21,757,607.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

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

7. INVENTORIES

	30 June 2014			31 December 2013		
	Carrying amount	Inventory provision	Net book value	Carrying amount	Inventory provision	Net book value
Raw materials	3,684,044,639	20,760,777	3,663,283,862	2,655,205,272	76,180,762	2,579,024,510
Work in progress	3,672,366,466	83,068	3,672,283,398	3,126,969,301	1,772,330	3,125,196,971
Finished goods	805,450,530	30,036	805,420,494	1,037,829,445	12,286,322	1,025,543,123
Property under development	1,879,206,764	—	1,879,206,764	1,463,900,648	—	1,463,900,648
Reusable materials	6,091,231	—	6,091,231	6,363,298	—	6,363,298
	10,047,159,630	20,873,881	10,026,285,749	8,290,267,964	90,239,414	8,200,028,550

The movements of inventory provision are as follows:

Type of inventories	At 1 January 2014	Additions	Reductions		At 30 June 2014
			Reversal	Write-off	
Raw materials	76,180,762	109,142,485	162,127,951	2,434,519	20,760,777
Work in progress	1,772,330	1,071,796	507,520	2,253,538	83,068
Finished goods	12,286,322	3,006,440	9,282,499	5,980,227	30,036
Total	90,239,414	113,220,721	171,917,970	10,668,284	20,873,881

Items	Basis of making provision of inventories	Reason for reversal for the period	Proportion of amount of reversal for the period to the closing balance of the relevant category of inventories
Raw materials	Lower of cost and net realizable value	Increase in market price of finished goods	4.40%
Work in progress	Decrease in market price of finished goods	Increase in market price of finished goods	0.01%
Finished goods	Decrease in market price	Increase in market price	1.05%

As at 30 June 2014 and 31 December 2013, inventories with a carrying amount of RMB575,977,286 were pledged as collateral. Details are disclosed in Note V 21.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

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

8. OTHER CURRENT ASSETS

	30 June 2014	31 December 2013
Deposit for forward contracts	435,947,647	187,652,816
Deposit for gold transactions	23,903,854	7,094,787
Liquid cash for forward contracts	37,696,592	34,682,361
Deductible taxes (Note 1)	598,783,032	445,835,700
Others	78,820,209	75,946,599
	1,175,151,334	751,212,263

Note 1: Balance represented the recoverable amount of value-added tax and enterprise income tax prepaid by the Group.

9. AVAILABLE-FOR-SALE INVESTMENTS

	30 June 2014	31 December 2013
Convertible bond investments of listed companies, at fair value		
Nkwe Platinum Limited ("NKWE") (Note 1)	—	38,099,842
Equity investments of listed companies, at fair value		
China Hanking Holdings Limited	62,194,775	95,341,908
Aquarius Platinum Limited	2,439,720	3,985,829
Equitas Resources Corp.	1,571,625	2,064,175
NKWE (Note 1)	—	11,483,318
Glencore International Corp.	—	192,648,928
Other equity investments		
CASA Minerals Limited	42,142,585	42,142,585
Solantera	7,771,757	7,771,757
Anxi Mindongnan Mining Company Limited	4,000,000	4,000,000
Fujian Shanghang Rural Commercial Bank Company Limited	89,900,000	89,900,000
Hunan Nonferrous Metals Company Limited	30,000,000	30,000,000
Jiangxi Jinhuan Mining Company Limited	6,575,000	—
Luoyang Bank	1,000,000	1,000,000
Luoyang Yongning Gold and Lead Refinery Company Limited	19,500,900	19,900,900
Muli County Rongda Mining Company Limited	62,017,517	62,017,517
Nanjing China Net Communication Company Limited	25,000,000	25,000,000
Sichuan Liwu Copper Company Limited	19,850,000	19,850,000
Taror Hydropower Station	932,950	932,950
Wulatehouqi Ruifeng Lead Refinery Company Limited	3,888,677	3,888,677
Xinjiang Tianshan Railway Company Limited	19,200,000	19,200,000
Xinjiang Xinxin Mining Industry Company Limited	18,314,097	18,314,097
Zhenfeng Rural Credit Cooperative Union	11,074,000	11,074,000
	427,373,603	698,616,483

Note 1: Details are disclosed in Note V 10 Note 1.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

10. INVESTMENTS OF JOINT VENTURES AND ASSOCIATES

30 June 2014

Name of entity	Type of entities	Place of incorporation/ registration	Legal representative	Principal activities	Registered capital	Proportion of equity interest	Proportion of voting powers	Proportion of profit sharing	Organisation code
Joint ventures									
Shandong Guoda Gold Company Limited ("Shandong Guoda")	Joint stock liability limited company	Zhaoyuan City, Shandong Province	Xu Yongxiang	Production and sales of gold, silver, copper cathode and vitriol, sales of self-made products	173,430,000	30.05%	30.05%	30.05%	26714066-X
Xiamen Zijin Zhonghang Real Estate Company Limited ("Xiamen Zijin Zhonghang")	Limited liability company	Xiamen City, Fujian Province	Zhao Shiyong	Operation and management of real estate development, property management, business information consulting services, marketing and technology consulting	250,000,000	50%	50%	50%	58128530-6
Gold Eagle Mining Investment Company Limited ("Gold Eagle Mining")	Limited liability company	Hong Kong	N/A	Trading and investment	HK\$10,000	45%	45%	45%	N/A
Guizhou Southwest Zijin Gold Development Company Limited ("Southwest Zijin Gold")	Limited liability company	Zhenfeng County, Guizhou Province	Chen Henshui	Research and development of manufacturing technology, design and processing, wholesale, retail, acquisitions, repurchases, consulting services of precious metals and jewellery products	100,000,000	50%	50%	50%	06575645-8
Gold Mountains Spott Capital Management Limited ("Gold Mountains Spott")	Limited liability company	Cayman Islands	N/A	Fund management	HK\$50,000	60%	50%	60%	N/A
Spott-Zijin Mining Fund ("Spott Fund")	Limited liability company	Cayman Islands	N/A	Fund raising and investment	HK\$50,000	82.98%	50%	82.98%	N/A
Fujian Longshu Fishery Ecological Development Co., Ltd. ("Fujian Longshu Fishery")	Limited liability company	Longyan City, Fujian Province	Guo Qianghua	Ecological aquaculture, fishing, aquatic products processing, recreational fishing, tourism, tourism real estate development	21,500,000	51%	51%	51%	08164974-0
Associates									
Fujian Makeng Mining Joint Stock Company Limited ("Longyan Makeng")	Joint stock liability limited company	Longyan City, Fujian Province	Yan Ming	Iron and molybdenum mining	600,000,000	41.5%	41.5%	41.5%	15783021-3
Shangjiang Ting River Hydropower Company Limited ("Ting River Hydropower")	Limited liability company	Shangqiang County, Fujian Province	Zhang Huaming	Hydroelectric power	69,000,000	49%	49%	49%	76179780-0

Notes to Financial Statements (continued)

For the six months ended 30 June 2014

RMB

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

10. INVESTMENTS OF JOINT VENTURES AND ASSOCIATES (continued)

30 June 2014 (continued)

Name of entity	Type of entities	Place of incorporation/ registration	Legal representative	Principal activities	Registered capital	Proportion of equity interest	Proportion of voting powers	Proportion of profit sharing	Organisation code
Associates (continued)									
Tibet Yulong Copper Joint Stock Company Limited ("Tibet Yulong")	Joint stock liability limited company	Changdu County, Changdu Prefecture, Tibet Autonomous Region	Wang Shangzhen	Copper mining and geological studies	62,500,000	22%	22%	22%	74192416-3
Fujian Province Wuping Zijin Hydropower Company Limited ("Wuping Zijin Hydropower")	Limited liability company	Wuping County, Fujian Province	Chen Jiayuan	Hydroelectric power and investment in hydropower industry	60,000,000	48%	48%	48%	77290454-4
Xiamen Zijin Tongguan Investment Development Company Limited ("Zijin Tongguan")	Limited liability company	Xiamen City, Fujian Province	Yang Yifang	Investment holding of mining companies, wholesale and retail of mineral products	1,350,000,000	45%	45%	45%	79125452-4
Fujian Haixia Technology Joint Stock Company Limited ("Haixia Technology")	Joint stock liability limited company	Yong'an City, Fujian Province	Wu Caifeng	Production of dynamite for civilian use	231,500,000	27.82%	27.82%	27.82%	66508896-7
Hunchun Jindi Mining Company Limited ("Hunchun Jindi")	Joint stock liability limited company	Hunchun City, Yanbian Korean Autonomous Prefecture	Liu Shouhua	Analysis and testing of mineral geology exploration, technology development, consulting and transfer, sales of mineral products	100,000,000	40%	40%	40%	66428790-5
Songgan County Zijin Industrial and Trading Company Limited ("Songgan Zijin")	Limited liability company	Songgan County, Ngawa Tibetan and Qiang Autonomous Prefecture	Sun Wanzhang	Sales of industrial production data, equipment and instruments, development and sales of general machinery	80,000,000	34%	34%	34%	77296409-6
Yanbianzhou SMEs Credit Security Investment Company Limited ("Yanbian Credit Security")	Limited liability company	Yanbian Korean Autonomous Prefecture	Ning Xin	Provide loan guarantees for SMEs and individuals	200,000,000	25%	25%	25%	66425741-5
Luoyang Huajin Guarantee Investment Company Limited ("Luoyang Huajin")	Limited liability company	Luoyang City, Henan Province	Ma Yirshuan	Providing guarantee for financing, discounted bills acceptance and performance	10,000,000	20%	20%	20%	66094514-9
Shanghang Xinyuan Water Company Limited ("Shanghang Xinyuan")	Limited liability company	Shanghang County, Fujian Province	Qiu Zhiqiang	Pipe water supply	300,000,000	38%	38%	38%	77066619-1

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

10. INVESTMENTS OF JOINT VENTURES AND ASSOCIATES (continued)

30 June 2014 (continued)

Name of entity	Type of entities	Place of incorporation/ registration	Legal representative	Principal activities	Registered capital	Proportion of equity interest	Proportion of voting powers	Proportion of profit sharing	Organisation code
Associates (continued)									
Wancheng Commercial Dongshengmiao Company Limited ("Wancheng Commercial")	Limited liability company	Wulatehouqi, Bayanador City, Inner Mongolia	Jia Yonggui	Mining, processing and sales of zinc, lead, vitriol, copper and iron	73,440,000	47.5%	47.5%	47.5%	72018822-4
Xiamen Modern Terminals Company Limited ("Xiamen Modern Terminals")	Limited liability company	Xiamen City, Fujian Province	Zhang Shuili	Dock construction, dock and other port facilities, cargo loading and storage operation (under permission in licence)	355,580,000	25%	25%	25%	77604426-2
Xinjiang Wuxin Copper Company Limited ("Wuxin Copper")	Limited liability company	Fukang City, Xinjiang	Sun Baohui	Sales, processing and refinery of copper, gold, silver and other non-ferrous metals	830,000,000	34%	34%	34%	68959791-8
Xinjiang Buejin County Kanas Travel Company Limited ("Xinjiang Kanas")	Joint stock liability limited company	Buejin County, Xinjiang	Wu Jiaoyong	Catering and travel services	107,000,000	25.23%	25.23%	25.23%	23094142-0
Xinjiang Tianlong Mining Company Limited ("Xinjiang Tianlong")	Joint stock liability limited company	Fukang City, Xinjiang	Liu Kaiwen	Limestone mining, cement production, intensive processing and refining of non-ferrous metals	870,935,192	18.46%	18.46%	18.46%	72235510-2
Wengfu Zijin Chemical Industry Company Limited ("Wengfu Zijin")	Joint stock liability limited company	Shanghang County, Fujian Province	Chen Shaoping	Production of monoammonium phosphate, diammonium hydrogen phosphate, gypsum block, and cement additive (under development)	782,000,000	38.87%	38.87%	38.87%	55508854-4
Qinghai Copper Company Limited ("Qinghai Copper")	Limited liability company	Xining City, Qinghai Province	Liu Zhaohong	Refinery of copper	800,000,000	30%	30%	30%	56493886-2
Kuitun Yutong Logistics Company Limited ("Kuitun Yutong")	Limited liability company	Kuitun City, Xinjiang	Dong Feiglin	Logistics and transportation service	5,000,000	20%	20%	20%	58933582-2
Longyan Zijin AVIC Real Estate Development Company Limited ("Longyan Zijin AVIC")	Limited liability company	Longyan City, Fujian Province	Li Bin	Operation and management of real estate development, property management, car park service	20,408,163	49%	49%	49%	08740342-6

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

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

10. INVESTMENTS OF JOINT VENTURES AND ASSOCIATES *(continued)*

30 June 2014 *(continued)*

	Total assets 30 June 2014	Total liabilities 30 June 2014	Total net assets 30 June 2014	Operating income January-June 2014	Net profit/(loss) January-June 2014
Joint ventures					
Shandong Guoda	1,051,045,465	464,122,124	586,923,341	1,125,958,311	8,511,895
Xiamen Zijin Zhonghang	1,258,365,290	1,042,714,777	215,650,513	5,850,000	(15,029,624)
Gold Eagle Mining	3,814,534,631	1,217,250,424	2,597,284,207	—	(14,159,665)
Southwest Zijin Gold	176,426,662	131,488,053	44,938,609	584,026,894	(1,918,758)
Gold Mountains Sprott	5,233,215	2,467,194	2,766,021	7,101,625	911,408
Sprott Fund	1,195,166,695	349,681,739	845,484,956	3,210,355	144,534,747
Fujian Longhu Fishery	20,417,084	31,065	20,386,019	—	(888,461)
Associates					
Longyan Makeng	4,032,394,643	2,408,137,554	1,624,257,089	301,465,345	39,793,240
Ting River Hydropower	192,419,476	103,153,037	89,266,439	7,425,082	231,786
Tibet Yulong	4,110,598,519	3,566,378,097	544,220,422	114,768,901	90,997,363
Wuping Zijin Hydropower	201,162,907	112,574,382	88,588,525	11,838,263	4,422,987
Zijin Tongguan	1,068,132,346	361,852,164	706,280,182	—	(14,373,755)
Haixia Technology	1,116,223,602	416,386,825	699,836,777	412,922,566	40,458,520
Hunchun Jindi	88,008,769	59,874	87,948,895	500,000	(444,621)
Songpan Zijin	78,095,483	508,870	77,586,613	—	(42,168)
Yanbian Credit Security	531,149,520	267,977,601	263,171,919	28,280,920	12,276,517
Luoyang Huayin	10,642,094	1,460,480	9,181,614	—	—
Shanghang Xinyuan	583,973,003	284,196,436	299,776,567	4,005,956	(272,872)
Wancheng Commercial	288,169,798	128,017,995	160,151,803	116,942,380	33,008,361
Xiamen Modern Terminals	1,058,681,409	568,610,629	490,070,780	395,430,000	9,929,344
Wuxin Copper	4,452,041,616	3,689,885,763	762,155,853	2,983,276	(36,141,255)
Xinjiang Kanas	225,529,126	46,895,256	178,633,870	5,653,260	(19,668,774)
Xinjiang Tianlong	4,088,399,564	1,966,922,158	2,121,477,406	855,118,065	(101,888,105)
Wengfu Zijin	2,646,490,609	1,884,906,104	761,584,505	606,124,709	(20,509,654)
Qinghai Copper	627,115,371	467,064,571	160,050,800	—	—
Kuitun Yutong	12,344,002	8,569,541	3,774,461	2,179,941	(273,229)
Longyan Zijin AVIC	1,406,593,313	1,387,058,759	19,534,554	—	(873,609)
NKWE (Note 1)	860,398,332	114,909,602	745,488,730	122,492	(41,637,567)
BAB (Note 2)	20,783,655	11,472,111	9,311,544	—	—

Note 1: As at 30 June 2014, the Group held 25.27% of the NKWE equity interest in total. The Group appointed two out of the six directors in the board of directors of NKWE Platinum Limited.

Note 2: Norton Gold Fields Limited ("Norton"), a subsidiary of the Company listed on the Australian Securities Exchange ("ASX"), issued an announcement on 17 April 2014 regarding its all cash takeover for all the issued shares of Bullabulling Gold Limited ("BAB") at A\$0.07 per share. On 16 June 2014, Norton conditionally increased the offer price. If the number of Bullabulling shares acquired by Norton as at 30 June 2014 was equal to or more than 30% of the equity interest of Bullabulling, the offer price will be increased to A\$0.08 per share. As at 30 June 2014, the percentage of shares held by Bullabulling shareholders who had accepted the offer reached 41.35%. The offer price was increased to A\$0.08 per share. The offer is valid until 18 August 2014.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

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

10. INVESTMENTS OF JOINT VENTURES AND ASSOCIATES *(continued)*

The significant joint ventures of the Group include Shangdong Guoda, Xiamen Zijin Zhonghang and Gold Eagle Mining, which are accounted for using the equity method.

The financial information of the above joint ventures is as follows, which was adjusted to book value as the consolidated financial statements in accordance with the Group's accounting policies:

30 June 2014

	Shangdong Guoda	Xiamen Zijin Zhonghang	Gold Eagle Mining
Cash and cash equivalents	53,649,620	569,334,003	837,298,110
Other current assets	556,496,230	688,834,543	45,948,975
Total current assets	610,145,850	1,258,168,546	883,247,085
Total non-current assets	440,899,615	196,744	2,931,287,546
Financial liabilities, excluding trade payables and other payables	369,800,000	—	59,531,250
Other current liabilities	85,506,975	982,332,570	1,091,814,936
Total current liabilities	455,306,975	982,332,570	1,151,346,186
Total non-current liabilities	8,815,149	60,382,207	65,904,238
Net assets	586,923,341	215,650,513	2,597,284,207
Net assets, excluding goodwill	586,923,341	215,650,513	2,597,284,207
Adjusted to the Group's equity interest in the joint venture:			
Proportion of equity interest	30.05%	50.00%	45.00%
Share of net assets, excluding goodwill	176,370,464	107,825,257	1,168,777,893
Goodwill arising on acquisition (except accumulated impairment)	—	—	—
Book value of equity investments	176,370,464	107,825,257	1,168,777,893
Operating income	1,125,958,311	5,850,000	—
Interest Income	(1,991,036)	(2,734,639)	(289,890)
Depreciation and amortisation expenses	18,438,981	83,716	973,008
Interest expenses	12,356,902	14,391	6,198,048
Income tax expenses	2,837,298	3,259	—
Net profit/(loss)	8,511,895	(15,029,624)	(14,159,665)
Other comprehensive income	—	—	—
Total comprehensive income	8,511,895	(15,029,624)	(14,159,665)
Dividends received	9,014,700	—	—

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

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

10. INVESTMENTS OF JOINT VENTURES AND ASSOCIATES *(continued)*

The significant associates of the Group include Haixia Technology, Longyan Makeng, Tibet Yulong, Zijin Tongguan, Xiamen Modern Terminals, Wuxin Copper, Xinjiang Tianlong and Wengfu Zijin, which are accounted for using the equity method.

The financial information of the above associates is as follows, which was adjusted to book value as the consolidated financial statements in accordance with the Group's accounting policies:

30 June 2014

Name of associates	Longyan Makeng	Tibet Yulong	Zijin Tongguan	Haixia Technology	Xiamen Modern Terminals	Wuxin Copper	Xinjiang Tianlong	Wengfu Zijin
Cash and cash equivalents	325,373,745	432,559,437	22,815,533	88,820,911	51,595,983	101,426,621	165,947,304	6,236,304
Other current assets	177,938,131	209,697,183	2,916,977	408,462,252	16,632,132	1,968,196,589	726,338,699	448,772,073
Total current assets	503,311,876	642,256,620	25,732,510	497,283,163	68,228,115	2,069,623,210	892,286,003	455,008,377
Total non-current assets	3,529,082,767	3,468,341,899	1,042,399,836	618,940,439	990,453,294	2,382,418,406	3,196,113,561	2,191,482,232
Total assets	4,032,394,643	4,110,598,519	1,068,132,346	1,116,223,602	1,058,681,409	4,452,041,616	4,088,399,564	2,646,490,609
Financial liabilities, excluding trade payables and other payables	580,000,000	7,054,620	—	148,800,000	—	1,065,359,724	623,940,000	300,000,000
Other current liabilities	589,255,942	1,116,366,218	336,248,060	205,167,426	41,170,629	1,008,223,039	829,173,383	546,288,193
Total current liabilities	1,169,255,942	1,123,420,838	336,248,060	353,967,426	41,170,629	2,073,582,763	1,453,113,383	846,288,193
Total non-current liabilities	1,238,881,612	2,442,957,259	25,604,104	62,419,399	527,440,000	1,616,303,000	513,808,775	1,038,617,911
Total liabilities	2,408,137,554	3,566,378,097	361,852,164	416,386,825	568,610,629	3,689,885,763	1,966,922,158	1,884,906,104
Net assets	1,624,257,089	544,220,422	706,280,182	699,836,777	490,070,780	762,155,853	2,121,477,406	761,584,505
Net assets, excluding goodwill	1,624,257,089	544,220,422	706,280,182	699,836,777	490,070,780	762,155,853	2,121,477,406	761,584,505
Proportion of equity interest in that associates	41.50%	22.00%	45.00%	27.82%	25.00%	34.00%	18.46%	38.87%
Share of net assets, excluding goodwill	674,066,692	119,728,493	317,826,082	194,694,591	122,517,695	259,132,990	391,624,729	296,027,897
Goodwill arising on acquisition (except accumulated impairment)	—	—	—	—	—	—	—	—
Book value of equity investments	674,066,692	119,728,493	317,826,082	194,694,591	122,517,695	259,132,990	391,624,729	296,027,897
Accumulated operating income	301,465,345	114,768,901	—	412,922,566	64,592,905	2,983,276	855,264,846	606,124,709
Accumulated interest expenses	15,015,500	—	1,414,559	5,044,792	16,113,066	12,879,105	31,837,660	47,826,784
Interest Income	(596,607)	—	(226,718)	(244,068)	(285,114)	(490,211)	(262,733)	(374,722)
Depreciation and amortisation expenses	63,429,859	583,969	306,856	11,929,419	11,929,419	1,332,291	80,398,400	61,440,334
Income tax expenses	13,741,281	—	—	10,752,851	1,418,478	—	—	—
Net profit/(loss)	39,793,240	90,997,363	(14,373,755)	40,458,520	9,929,344	(36,141,255)	(101,888,105)	(20,509,654)
Other comprehensive income	—	—	—	—	—	—	—	—
Total comprehensive income	39,793,240	90,997,363	(14,373,755)	40,458,520	9,929,344	(36,141,255)	(101,888,105)	(20,509,654)
Cash dividends received by the Company this year	—	—	—	9,660,000	—	—	—	—

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

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

11. LONG-TERM EQUITY INVESTMENTS

	Initial amount	At 1 January 2014	Additions	Reductions	Including: cash dividends received for the period	At 30 June 2014
Long-term equity investments under the equity method:						
Joint ventures	2,038,304,784	2,103,949,609	89,073,950	9,014,700	9,014,700	2,184,008,859
Associates	2,551,395,497	2,750,316,767	617,966,720	19,660,000	19,660,000	3,348,623,487
Subtotal under equity method	4,589,700,281	4,854,266,376	707,040,670	28,674,700	28,674,700	5,532,632,346
Less: Provision for impairment of long-term equity investments		175,108,439	—	—	—	175,108,439
		4,679,157,937	707,040,670	28,674,700	28,674,700	5,357,523,907

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

30 June 2014

	At 1 January 2014	Additions	Reductions Reversal	Write-off	At 30 June 2014
Joint venture - Shandong Guoda	12,350,855	—	—	—	12,350,855
Associate - Zijin Tongguan	162,757,584	—	—	—	162,757,584
Total	175,108,439	—	—	—	175,108,439

Notes to Financial Statements (continued)

For the six months ended 30 June 2014

RMB

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. LONG-TERM EQUITY INVESTMENTS (continued)

Long-term equity investments under the equity method:

30 June 2014

	Investment cost	At 1 January 2014	Changes in investment cost for the period	Equity changes			Provision for impairment losses		At 30 June 2014
				Changes for the period	Cash dividends	Accumulated changes	Changes for the period	Accumulated changes	
Joint ventures									
Shandong Guoda	57,724,473	182,844,781	—	2,540,383	(9,014,700)	130,996,846	—	(12,350,855)	176,370,464
Xiamen Zijin Zhonghang	125,000,000	115,768,138	—	(7,942,881)	—	(17,174,743)	—	—	107,825,257
Gold Eagle Mining	1,209,886,622	1,175,152,774	—	(6,374,881)	—	(41,108,729)	—	—	1,168,777,893
Southwest Zijin Gold	25,000,000	23,422,578	—	(959,379)	—	(2,536,801)	—	—	22,463,199
Gold Mountains Sprott	3,689	1,108,498	—	519,625	—	1,624,434	—	—	1,628,123
Sprott Fund	609,690,000	582,417,000	—	101,745,620	—	74,472,620	—	—	684,162,620
Fujian Longhu Fishery	11,000,000	10,884,985	—	(454,537)	—	(569,552)	—	—	10,430,448
Subtotal of joint ventures	2,038,304,784	2,091,598,754	—	89,073,950	(9,014,700)	145,704,075	—	(12,350,855)	2,171,658,004

Notes to Financial Statements (continued)

For the six months ended 30 June 2014

RMB

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. LONG-TERM EQUITY INVESTMENTS (continued)

Long-term equity investments under the equity method: (continued)

30 June 2014

	Investment cost	At 1 January 2014	Changes in investment cost for the period	Equity changes					Provision for impairment losses			
				Cash dividends	Other equities		Changes for the period	At 30 June 2014	Changes for the period	At 30 June 2014		
					Accumulated changes	Changes for the period					Accumulated changes	
Associates												
Ting River Hydropower	33,810,000	43,728,247	—	113,575	—	10,031,822	—	—	—	—	—	43,841,822
Wuoping Zijin Hydropower	32,095,000	43,115,648	—	2,123,034	—	13,143,682	—	—	—	—	—	45,238,682
Qinghai Copper	48,000,000	48,000,000	—	—	—	—	—	—	—	—	—	48,000,000
Haixia Technology	64,400,000	194,880,884	—	9,473,707	(9,660,000)	130,294,591	—	—	—	—	—	194,694,591
Shanghang Xinyuan	114,000,000	114,052,955	—	(103,691)	—	(50,736)	—	—	—	—	—	113,949,264
Hunchun Jindi	40,000,000	35,853,799	—	(177,848)	—	(4,324,049)	—	—	—	—	—	35,675,951
Yanbian Credit Security	50,000,000	61,496,752	—	3,069,129	(500,000)	14,065,881	—	—	—	—	—	64,065,881
Xinjiang Kanas	48,870,000	60,615,375	—	(4,963,218)	—	6,782,157	—	—	—	—	—	55,652,157
Longyan Makeng	57,060,000	246,911,606	410,000,000	17,155,086	—	204,552,442	—	2,454,250	—	—	—	674,066,692
Songpan Zijin	39,400,000	39,249,785	—	—	—	(150,215)	—	—	—	—	—	39,249,785
Wancheng Commercial	180,100,356	157,191,081	—	14,729,194	(9,500,000)	(17,680,081)	—	—	—	—	—	162,420,275
Tibet Yulong	137,500,000	99,709,073	—	20,019,420	—	(17,771,507)	—	—	—	—	—	119,728,493
Xinjiang Tianlong	379,653,678	410,177,031	—	(18,552,302)	—	11,971,051	—	—	—	—	—	391,624,729
Wuxin Copper	282,200,000	271,421,017	—	(12,288,027)	—	(23,067,010)	—	—	—	—	—	259,132,990
Luoyang Huayin	1,806,463	1,806,463	—	—	—	—	—	—	—	—	—	1,806,463
Xiamen Modern Terminals	120,000,000	120,055,195	—	2,462,500	—	2,517,695	—	—	—	—	—	122,572,895
Wengfu Zijin	304,000,000	304,000,000	—	(7,972,103)	—	(7,972,103)	—	—	—	—	—	296,027,897
Zijin Tongguan	607,500,000	324,294,272	—	(6,468,190)	—	(103,155,773)	—	(23,760,561)	—	(162,757,584)	—	317,826,082
Kuitun Yutong	1,000,000	1,000,000	—	—	—	—	—	—	—	—	—	1,000,000
Longyan Zijin AVIC	10,000,000	10,000,000	—	—	—	—	—	—	—	—	—	10,000,000
NKWE	—	—	130,810,895	(7,545,303)	—	(7,545,303)	—	—	—	—	—	123,265,592
BAB	—	—	66,080,862	—	—	—	—	—	—	—	—	66,080,862
Subtotal of associates	2,551,395,497	2,587,559,183	606,891,757	11,074,963	(19,660,000)	211,642,544	—	(21,306,311)	—	(162,757,584)	—	3,185,865,903
	4,589,700,281	4,679,157,937	606,891,757	100,148,913	(28,674,700)	357,346,619	—	(21,306,311)	—	(175,108,439)	—	5,357,523,907

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

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

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

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

12. INVESTMENT PROPERTIES

Buildings subsequently measured at cost:

30 June 2014

	Buildings
Cost:	
At 1 January and 30 June	129,070,324
Accumulated depreciation:	
At 1 January	16,626,053
Depreciation for the period	2,069,344
At 30 June	18,695,397
Net book value:	
At 30 June	110,374,927
At 1 January	112,444,271
Provision for impairment loss	
At 1 January and 30 June	—
Net book value:	
At 30 June	110,374,927
At 1 January	112,444,271

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

There are no investment properties for which certificates of title have not been obtained as at 30 June 2014.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

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

13. FIXED ASSETS

30 June 2014

	Buildings	Mining assets	Power generating and transmission equipment	Plant, machinery and equipment	Leasehold improvements	Furniture and fixtures	Motor vehicles	Total
Cost								
At 1 January 2014	5,557,273,827	10,480,924,830	930,690,699	8,417,397,010	55,444,894	267,178,766	767,487,485	26,476,397,511
Purchase additions and acquisition of subsidiaries	245,334,361	231,185,826	99,743,601	295,330,866	972,496	16,096,229	109,128,915	997,792,294
Transfer from construction in progress	246,828,130	1,376,109,482	7,718,306	830,411,821	381,590	12,928,242	—	2,474,377,571
Disposals	102,982,450	166,483,631	20,974,319	172,153,175	463,939	5,252,174	43,086,680	511,396,368
At 30 June 2014	5,946,453,868	11,921,736,507	1,017,178,287	9,370,986,522	56,335,041	290,951,063	833,529,720	29,437,171,008
Accumulated depreciation								
At 1 January 2014	872,694,800	2,540,065,231	334,993,012	2,487,136,659	22,790,439	140,049,225	408,361,659	6,806,091,025
Depreciation for the period	130,483,428	355,114,651	39,766,932	376,681,757	1,493,532	20,903,867	40,061,670	964,505,837
Other additions	52,206,140	27,760,040	—	35,734,538	—	1,427,968	5,054,586	122,183,272
Disposals	9,813,328	68,839,908	4,647,956	27,660,927	39,525	3,128,627	24,884,089	139,014,360
At 30 June 2014	1,045,571,040	2,854,100,014	370,111,988	2,871,892,027	24,244,446	159,252,433	428,593,826	7,753,765,774
Impairment								
At 1 January 2014	42,804,831	206,291,589	2,460,845	61,922,782	—	999,448	2,496,440	316,975,935
Impairment provided for the period	—	17,121,259	—	431,141	—	—	—	17,552,400
Disposals (Note 1)	40,327,431	60,751,347	1,433,401	20,080,124	—	407,686	2,485,640	125,485,629
At 30 June 2014	2,477,400	162,661,501	1,027,444	42,273,799	—	591,762	10,800	209,042,706
Net book value								
At 30 June 2014	4,898,405,428	8,904,974,992	646,038,855	6,456,820,696	32,090,595	131,106,868	404,925,094	21,474,362,528
At 1 January 2014	4,641,774,196	7,734,568,010	593,236,842	5,868,337,569	32,654,455	126,130,093	356,629,386	19,353,330,551

Note 1: Represented the write-off of provision for impairment due to disposal of Hunchun Tianhong during the year.

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

	30 June 2014		31 December 2013	
	Cost	Net book value	Cost	Net book value
Buildings	7,912,345	—	8,074,145	909,572
Mining assets	480,987,017	789,285	556,501,523	2,309,133
Power generating and transmission equipment	11,426,252	338,738	23,102,314	2,735,989
Plant, machinery and equipment	140,265,594	4,019,579	167,283,439	7,220,156
Leasehold improvements	1,582,804	37,849	9,569,569	604,374
Furniture and fixtures	14,118,624	415,827	46,085,840	3,314,389
Motor vehicles	13,597,201	368,678	47,622,760	4,900,289
	669,889,837	5,969,956	858,239,590	21,993,902

Notes to Financial Statements (continued)

For the six months ended 30 June 2014

RMB

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. FIXED ASSETS (continued)

Fixed assets that are temporarily idle are as follows:

30 June 2014

Category							Total
	Buildings	Mining assets	Power generating and transmission equipment	Plant, machinery and equipment	Furniture and fixtures	Motor vehicles	
Cost	7,522,741	22,994,047	76,360	17,409,228	626,135	198,423	48,826,934
Accumulated depreciation	2,086,340	3,479,987	20,363	4,002,155	496,700	130,577	10,216,122
Impairment	—	—	—	6,302,304	—	—	6,302,304
Net book value	5,436,401	19,514,060	55,997	7,104,769	129,435	67,846	32,308,508

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

Fixed assets of which certificates of title have not been obtained as at 30 June 2014 are as follows:

Item	Net book value	Reasons why certificates of title have not been obtained	Expected timing of obtaining certificates of title
Buildings	730,220,105	In the process of applying	2015
Mining assets	283,101,751	In the process of applying	2015
	1,013,321,856		

14. CONSTRUCTION IN PROGRESS

Name of projects	Budget	At 1 January 2014	Additions	Transfer to fixed assets	Other reductions	At 30 June 2014	Source of funds	Contribution in budget	Progress of construction
Russia Longxing infrastructure project	3,500,000,000	2,092,490,089	154,525,399	—	—	2,247,015,488	Equity Fund/Loan	74%	78%
Jinhao Iron infrastructure project	2,134,312,300	1,653,432,510	344,314,880	1,894,695,610	17,880,353	85,171,427	Equity Fund/Loan	139%	99%
Wulate Zijin infrastructure project	1,378,510,000	1,236,546,526	90,436,605	86,744,870	—	1,240,238,261	Equity Fund/Loan	132%	84%
ZGC infrastructure project	1,411,800,000	914,161,829	178,953,166	—	36,696,406	1,056,418,589	Equity Fund/Loan	88%	99%
Bayannaer Zijin infrastructure project	850,000,000	637,819,706	62,461,898	210,998	—	700,070,606	Equity Fund/Loan	76%	99%
Others	13,585,787,110	3,553,058,596	1,447,796,309	492,726,093	79,569,993	4,428,558,819	Equity Fund/Loan	N/A	N/A
	22,860,409,410	10,087,509,256	2,278,488,257	2,474,377,571	134,146,752	9,757,473,190			
Impairment		101,308,644	—	—	5,250,107	96,058,537			
		9,986,200,612	2,278,488,257	2,474,377,571	128,896,645	9,661,414,653			

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

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

14. CONSTRUCTION IN PROGRESS *(continued)*

Movements in capitalised borrowing cost:

	At 1 January 2014	Capitalised interest for the period	Transfer out for the period	At 30 June 2014	Interest rate of capitalisation
Wuping Zijin infrastructure project	20,707,328	—	19,451,882	1,255,446	6.00%
Wulate Zijin infrastructure project	70,366,304	30,979,803	—	101,346,107	5.30%-6.44%
Bayannaoer Zijin infrastructure project	41,555,105	12,904,450	—	54,459,555	6.52%
Guizhou Zijin infrastructure project	13,960,608	8,149,820	—	22,110,428	6.31%
Longnan Zijin infrastructure project	14,931,076	—	6,409,148	8,521,928	5.84%-6.00%
Altynken infrastructure project	28,026,566	24,516,041	—	52,542,607	6.00%
Liancheng Zijin infrastructure project	388,747	173,998	—	562,745	6.10%
Xinyi Zijin infrastructure project	116,000	405,377	—	521,377	6.00%
Ankang Jinfeng infrastructure project	5,797,237	5,234,530	—	11,031,767	6.46%-6.77%
Jinneng Mining infrastructure project	1,291,817	736,207	—	2,028,024	5.56%-6.89%
ZGC infrastructure project	94,731,934	58,215,488	—	152,947,422	8.00%-10.00%
Jinhao Iron infrastructure project	8,598,890	21,699,317	28,735,305	1,562,902	6.00%
Russia Longxing infrastructure project	157,568,818	84,674,586	—	242,243,404	5.56%-8.00%
Total	458,040,430	247,689,617	54,596,335	651,133,712	

Movements in impairment provision of construction in progress:

	At 1 January 2014	Additions	Reversal	Other reductions	At 30 June 2014
Hebei Chongli infrastructure project	227,165	—	—	—	227,165
Mongolia Tianhong	5,250,107	—	—	5,250,107	—
Shandong Longkou Jintai infrastructure project	91,469,553	—	—	—	91,469,553
Xinjiang Jinbao infrastructure project	3,649,228	—	—	—	3,649,228
Others	712,591	—	—	—	712,591
	101,308,644	—	—	5,250,107	96,058,537

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

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

15. CONSTRUCTION MATERIALS

Item	At 1 January 2014	Additions	Reductions	At 30 June 2014
Dedicated materials	60,670,467	28,966,289	58,178,159	31,458,597
Dedicated equipment	129,026,052	87,239,827	37,128,780	179,137,099
Total	189,696,519	116,206,116	95,306,939	210,595,696

16. INTANGIBLE ASSETS

30 June 2014

	Exploration and mining rights	Land use rights	Membership of Shanghai Gold Exchange and others	Total cost
Cost				
At 1 January 2014	9,035,548,281	1,331,127,403	170,545,238	10,537,220,922
Additions	723,570,996	186,388,326	23,528,876	933,488,198
Disposals	49,491,779	255,953	—	49,747,732
At 30 June 2014	9,709,627,498	1,517,259,776	194,074,114	11,420,961,388
Accumulated amortisation				
At 1 January 2014	1,223,948,749	147,761,972	15,751,639	1,387,462,360
Amortisation provided for the period	219,492,070	34,169,282	3,001,618	256,662,970
Disposals	1,533,673	—	—	1,533,673
At 30 June 2014	1,441,907,146	181,931,254	18,753,257	1,642,591,657
Impairment				
At 1 January 2014	576,267,938	—	75,170,307	651,438,245
Impairment provided	—	—	—	—
Write-off (Note 1)	44,014,711	—	—	44,014,711
At 30 June 2014	532,253,227	—	75,170,307	607,423,534
Net book value				
At 30 June 2014	7,735,467,125	1,335,328,522	100,150,550	9,170,946,197
At 1 January 2014	7,235,331,594	1,183,365,431	79,623,292	8,498,320,317

Note 1: Represented the write-off of provision for impairment due to disposal of Hunchun Tianhong during the year.

As at 30 June 2014 and 31 December 2013, there were no restriction on the ownership of the intangible assets.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

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

17. GOODWILL

30 June 2014

	At 1 January (before impairment)	Additions	Reductions	At 30 June 2014 (before impairment)	Impairment provision
Xinjiang Ashele	12,906,890	—	—	12,906,890	—
Qinghai West	455,874	—	—	455,874	—
Hunchun Zijin	71,099,520	—	—	71,099,520	—
Yunnan Huaxi	33,161,050	—	—	33,161,050	—
Xiamen Investment	1,241,101	—	—	1,241,101	—
Shanxi Zijin	2,503,610	—	—	2,503,610	—
Longkou Jintai	14,291,025	—	—	14,291,025	(14,291,025)
Xinyi Zijin	44,319,632	—	—	44,319,632	(44,319,632)
Longkou Jinfeng	8,657,601	—	—	8,657,601	(8,657,601)
Norton Gold Fields	157,778,981	—	—	157,778,981	—
Wulate Zijin	119,097,944	—	—	119,097,944	—
Bayannaer Zijin	14,531,538	—	—	14,531,538	—
Zijin Copper	4,340,000	—	—	4,340,000	—
Sino Trend Hydro Power	79,642,197	—	—	79,642,197	—
	564,026,963	—	—	564,026,963	(67,268,258)

18. LONG-TERM DEFERRED ASSETS

	30 June 2014			31 December 2013		
	Land compensation costs (Note 1)	Others (Note 2)	Total	Land compensation costs (Note 1)	Others (Note 2)	Total
At 1 January	194,955,156	898,752,089	1,093,707,245	225,363,690	574,741,012	800,104,702
Additions	4,575,112	155,846,327	160,421,439	1,477,666	451,277,721	452,755,387
Amortisation	37,234,709	77,822,822	115,057,531	25,108,876	127,266,644	152,375,520
Other reductions (Note 3)	—	—	—	6,777,324	—	6,777,324
At 30 June	162,295,559	976,775,594	1,139,071,153	194,955,156	898,752,089	1,093,707,245
Impairment						
At 1 January	—	—	—	—	—	—
Provided for the period	—	—	—	—	—	—
Reductions	—	—	—	—	—	—
At 30 June	—	—	—	—	—	—
Net book value at 30 June	162,295,559	976,775,594	1,139,071,153	194,955,156	898,752,089	1,093,707,245
Net book value at 1 January	194,955,156	898,752,089	1,093,707,245	225,363,690	574,741,012	800,104,702

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

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

18. LONG-TERM DEFERRED ASSETS *(continued)*

Note 1: The land compensation costs relate to the compensation for the occupation of forest lands at mining sites. The amortization period ranges from 5 to 50 years.

Note 2: As at 30 June 2014 and 31 December 2013, other long-term deferred assets mainly include: mining shaft development expenditure of RMB184,052,633 and RMB192,259,471, respectively; highway charges of RMB61,927,087 and RMB69,336,094, respectively; resource compensation cost of RMB87,516,959 and RMB72,652,608, respectively; amortisation cost of bi-polar plates of RMB215,811,633 and RMB203,319,150, respectively; resource integration fee of RMB26,692,519 and RMB29,188,474, respectively; forest compensation expenditure of RMB160,996,431 and RMB155,817,218, respectively, and reconstruction of power supply lines of RMB24,055,718 and RMB24,092,711, respectively. The useful lives of bi-polar plates are 18 months, and the amortisation period of other long-term deferred assets ranges from 5 to 50 years.

Note 3: Other reductions were mainly due to disposals of subsidiaries.

19. DEFERRED TAX ASSETS/LIABILITIES

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

Deferred tax assets which have been recognised:

	At 31 December 2013	Acquisition of subsidiaries	Deferred tax (charged)/ credited to the statement of profit or loss during the period	Deferred tax (charged)/ credited to equity during the period	At 30 June 2014
Impairment provision	163,816,389	27,109	(38,035,639)	—	125,807,859
Deductible losses	452,860,455	—	43,239,628	—	496,100,083
Elimination of unrealized profit	80,133,481	—	(3,782,691)	—	76,350,790
Differences in depreciation policies	8,948,100	—	22,271,988	—	31,220,088
Changes in the fair value of held-for-trading financial assets/liabilities	—	—	22,452,890	—	22,452,890
Changes in the fair value of available-for-sale investments	25,646,395	—	—	(9,217,086)	16,429,309
Expenses accrued but not yet paid and others	63,774,920	4,021,605	(38,598,914)	—	29,197,611
Total	795,179,740	4,048,714	7,547,262	(9,217,086)	797,558,630

As at 30 June 2014, deferred tax assets generated from the above deductible temporary differences are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

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

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

Deferred tax liabilities which have been recognised:

	31 December 2013	Acquisition of subsidiaries	Deferred tax charged/(credited) to the statement of profit or loss during the period	30 June 2014
Changes in fair value of financial liabilities at fair value through profit or loss	19,984,426	—	—	19,984,426
Differences in amortisation policies for exploration and evaluation costs	86,021,895	—	5,961,211	91,983,106
Fair value adjustments arising from acquisition of subsidiaries	337,530,587	132,208,907	(20,340,498)	449,398,996
Total	443,536,908	132,208,907	(14,379,287)	561,366,528

Deferred tax assets which have not been recognised:

	30 June 2014	31 December 2013
Deductible temporary differences	1,447,386,057	1,385,388,057
Deductible tax losses	1,211,549,125	1,118,495,820
	2,658,935,182	2,503,883,877

Deductible losses with no deferred tax assets recognised will expire in the following years:

	30 June 2014	31 December 2013
2014	—	18,645,317
2015	21,712,725	45,067,164
2016	52,556,347	96,990,502
2017	411,947,815	446,702,660
2018	415,492,710	511,090,177
2019	309,839,528	—
	1,211,549,125	1,118,495,820

Notes to Financial Statements (continued)

For the six months ended 30 June 2014

RMB

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

19. DEFERRED TAX ASSETS/LIABILITIES (continued)

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

Taxable temporary differences	30 June 2014	31 December 2013
Fair value adjustments arising from acquisition of subsidiaries	1,797,595,983	1,350,122,347
<i>Including: Intangible assets</i>	1,741,990,832	1,292,083,606
<i>Fixed assets</i>	55,605,151	58,038,741
Changes in the fair value of financial liabilities at fair value through profit or loss	79,937,704	79,937,704
Differences in amortisation policies for exploration and evaluation costs	306,610,353	286,739,650
Total	2,184,144,040	1,716,799,701
Deductible temporary differences	30 June 2014	31 December 2013
Bad debt provision	20,940,508	19,870,907
Inventory provision and unrealised profits	346,056,474	370,370,933
Impairment provision for fixed assets	38,889,537	147,070,568
Differences in fixed assets depreciation policies	117,015,755	35,792,400
Impairment provision for other non-current assets	210,890,795	325,832,743
Employee benefits payable	43,879,461	58,922,327
Deductible tax losses	1,904,648,468	1,731,689,955
Mineral resource compensation fee not yet paid	20,520,665	154,484,243
Changes in the fair value of available-for-sale investments	65,717,237	102,585,580
Others	222,555,567	121,348,107
Total	2,991,114,467	3,067,967,763

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

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

20. OTHER NON-CURRENT ASSETS

	30 June 2014			31 December 2013		
	Exploration and evaluation costs	Prepaid investment costs, prepayment for exploration and mining rights and others (Note 1)	Total	Exploration and evaluation costs	Prepaid investment costs, prepayment for exploration and mining rights and others (Note 1)	Total
At 1 January	1,902,797,527	1,211,391,703	3,114,189,230	1,819,660,391	1,682,213,984	3,501,874,375
Additions for the period	235,020,979	823,384,404	1,058,405,383	558,292,354	362,144,018	920,436,372
Reductions for the period	51,378,005	543,266,717	594,644,722	356,587,435	718,963,189	1,075,550,624
Transfer to intangible assets	—	—	—	118,567,783	114,003,110	232,570,893
At 30 June	2,086,440,501	1,491,509,390	3,577,949,891	1,902,797,527	1,211,391,703	3,114,189,230
Impairment						
At 1 January	—	51,000,000	51,000,000	—	51,000,000	51,000,000
Provided for the period	—	—	—	—	—	—
Reductions for the period	—	—	—	—	—	—
At 30 June	—	51,000,000	51,000,000	—	51,000,000	51,000,000
Carrying amount at 30 June	2,086,440,501	1,440,509,390	3,526,949,891	1,902,797,527	1,160,391,703	3,063,189,230
Carrying amount at 1 January	1,902,797,527	1,160,391,703	3,063,189,230	1,819,660,391	1,631,213,984	3,450,874,375

Note 1: The Group's balance of prepaid investment costs, prepayment for exploration and mining rights and others mainly comprised of prepayment for land use rights of RMB82,904,384 (31 December 2013: RMB77,363,293), prepaid exploration and mining rights of RMB15,065,343 (31 December 2013: RMB19,800,578), prepaid investment costs of RMB357,887,977 (31 December 2013: RMB357,370,000), prepayment for purchase of equipment of RMB156,529,966 (31 December 2013: RMB165,016,617), prepayment for purchase of Longhu integrated development rights of RMB204,962,108 (31 December 2013: RMB204,962,108), long-term receivables of RMB498,686,691 (31 December 2013: RMB175,436,756), deposit for Restoration and Improvement of Ecological Environment in Mines of RMB96,343,675 (31 December 2013: RMB103,147,470).

21. ASSETS WITH RESTRICTIONS ON TITLE

30 June 2014

	At 1 January 2014	Additions	Reductions	At 30 June 2014	Note
Cash and cash equivalents	—	199,966,000	—	199,966,000	Note V.1
Inventories	575,977,286	—	—	575,977,286	Note 1
	575,977,286	199,966,000	—	775,943,286	

Note 1: As at 30 June 2014, inventories with carrying amount of RMB83,637,186 and RMB492,340,100 of Zijin Real Estate, a subsidiary of the Company, were pledged as collateral against bank borrowings of RMB39,500,000 and RMB216,000,000, with maturity of two years and four years, respectively.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014

RMB

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

22. PROVISION FOR IMPAIRMENT OF ASSETS

	At 31 December 2013		Reductions		At 30 June 2014 Carrying amount
	Carrying amount	Additions	Reversal	Write-off	
Bad debt provision	175,047,373	63,153,687	67,672	—	238,133,388
<i>Including: Trade receivables</i>	<i>7,443,532</i>	<i>46,000</i>	—	—	7,489,532
<i>Other receivables</i>	<i>165,755,786</i>	<i>63,107,687</i>	—	—	228,863,473
<i>Prepayments</i>	<i>1,848,055</i>	—	67,672	—	1,780,383
Inventory provision	90,239,414	113,220,721	171,917,970	10,668,284	20,873,881
Impairment of available-for-sale investments	157,779,940	25,785,964	—	76,661,264	106,904,640
Impairment of long-term equity investments	175,108,439	—	—	—	175,108,439
Impairment of fixed assets	316,975,935	17,552,400	—	125,485,629	209,042,706
Impairment of construction in progress	101,308,644	—	—	5,250,107	96,058,537
Impairment of intangible assets	651,438,245	—	—	44,014,711	607,423,534
Impairment of goodwill	67,268,258	—	—	—	67,268,258
Impairment of other non-current assets	51,000,000	—	—	—	51,000,000
	1,786,166,248	219,712,772	171,985,642	262,079,995	1,571,813,383

23. SHORT-TERM BORROWINGS

	30 June 2014	31 December 2013
Unsecured and non-guaranteed loans	5,637,505,746	2,774,147,375
Secured loans with securities under the lenders' custody Note 1	196,889,600	—
	5,834,395,346	2,774,147,375

Note 1: As at 30 June 2014, a guarantee deposit of US\$32,500,000 (equivalent to RMB199,966,000) of the Group was pledged as collateral against a bank borrowing of US\$32,000,000 (equivalent to RMB196,889,600) from Agricultural Bank of China, Shanghai Branch, with a maturity of six months.

As at 30 June 2014, the interest rates of the above borrowings ranged from 1.84% to 7.20% (30 June 2013: 1.16% to 7.87%).

As at 30 June 2014 and 31 December 2013, there were no short-term loans of the Group that are overdue but not yet repaid.

24. HELD-FOR-TRADING FINANCIAL LIABILITIES

	30 June 2014	31 December 2013
Gold leasing business Note 1	8,762,198,599	5,665,210,229
Derivative financial liabilities Note 2	195,144,255	1,081,524,626
	8,957,342,854	6,746,734,855

Note 1: The Group financed through lease of gold from banks and subsequently sold through the Shanghai Gold Exchange. On maturity, the Group would return gold with the same quantity and specification purchased through the Shanghai Gold Exchange, and pay rental fees to banks. The maturity period ranged within 1 year. As at 30 June 2014, losses on changes in fair value of the financial liabilities were RMB199,309,727 (31 December 2013: gains of RMB1,145,063,045).

Note 2: The Group has engaged in gold forward contracts in accordance with the quantity, specification and repayment terms of gold to be returned to banks in the future for the purpose of hedging certain risks arising from gold price fluctuation from the gold leasing business. As at 30 June 2014, losses on changes in fair value arising from derivative financial liabilities were RMB7,702,849 (31 December 2013: RMB1,012,324,249).

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

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

25. BILLS PAYABLE

	30 June 2014	31 December 2013
Bank acceptances	206,227,763	232,198,206
Commercial acceptances	—	49,450,000
	206,227,763	281,648,206

As at 30 June 2014, bills payable of RMB206,227,763 would be due within 1 year.

26. TRADE PAYABLES

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

	30 June 2014	31 December 2013
Within 1 year	4,752,165,709	4,440,449,426
Over 1 year but within 2 years	152,831,384	107,080,663
Over 2 years but within 3 years	10,471,350	12,830,510
Over 3 years	12,783,808	33,163,932
	4,928,252,251	4,593,524,531

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

Trade payables of the Group included balances due to related parties of RMB144,111 and RMB4,118,023 as at 30 June 2014 and 31 December 2013, respectively. There were no trade payables of the Group due to shareholders holding at least 5% of the Company's shares with voting power (31 December 2013: Nil).

As at 30 June 2014, trade payables of the Group included US\$ payables of US\$318,763,185 (approximately equivalent to RMB1,961,286,125) and A\$ payables amounted to A\$43,221,270 (approximately equivalent to RMB250,959,982). As at 31 December 2013, trade payables of the Group included US\$ payables of US\$317,845,740 (approximately equivalent to RMB1,937,873,692) and A\$ payables amounted to A\$35,110,171 (approximately equivalent to RMB190,651,740).

27. ADVANCES FROM CUSTOMERS

As at 30 June 2014, advances from customers included balances due to related parties of RMB8,765,544 (31 December 2013: RMB12,525,095). Details are disclosed in Note VI RELATED PARTY RELATIONSHIPS AND TRANSACTIONS. There were no advances of the Group from shareholders holding at least 5% of the Company's shares with voting power.

As at 30 June 2014, there were no advances from customers denominated in foreign currency (31 December 2013: Nil).

As at 30 June 2014, there was no significant balance of advances from customers aged more than one year (31 December 2013: Nil).

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

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

28. EMPLOYEE BENEFITS PAYABLE

30 June 2014

	At 1 January 2014	Additions	Reductions	At 30 June 2014
Wages or salaries, bonuses, allowances and subsidies	272,192,270	817,256,546	929,045,676	160,403,140
Staff welfare	—	34,473,394	34,473,394	—
Social security contributions	9,455,345	90,304,358	82,849,345	16,910,358
<i>Including: Basic pension insurance</i>	<i>8,478,892</i>	<i>56,876,016</i>	<i>50,715,823</i>	<i>14,639,085</i>
<i>Medical insurance</i>	—	19,410,645	18,068,334	1,342,311
<i>Unemployment insurance</i>	940,910	4,951,598	4,974,797	917,711
<i>Accident insurance</i>	—	7,495,379	7,495,379	—
<i>Maternity insurance</i>	35,543	1,570,720	1,595,012	11,251
Housing fund	2,318,317	34,464,502	34,250,013	2,532,806
Compensation to employees for termination of employment relationship	—	5,951,482	5,951,482	—
Union running costs and employee education costs	34,376,671	27,744,873	18,092,090	44,029,454
Others	3,081,925	—	3,064,092	17,833
	321,424,528	1,010,195,155	1,107,726,092	223,893,591

As at 30 June 2014 and 31 December 2013, there was no overdue employee benefits payable.

29. TAXES PAYABLE

	30 June 2014	31 December 2013
Value-added tax	68,035,053	25,973,548
Business tax	13,100,761	12,234,744
Enterprise income tax	381,944,130	525,085,171
Resource tax	74,337,318	95,533,126
Resource compensation fee	145,914,332	279,417,779
Others	100,001,672	76,556,413
	783,333,266	1,014,800,781

30. DIVIDENDS PAYABLE

	30 June 2014	31 December 2013
"A" shares held by public in PRC (Note 1)	1,264,304,292	—
"H" shares held by public (Note 1)	467,364,160	—
China Molybdenum Company Limited	61,226,476	—
Luoning County Funiu Mining Development Centre	21,866,599	—
Guizhou Province Geology and Mineral Resources Exploration and Development Bureau Team 105	12,023,186	5,523,186
Others	15,070,871	11,157
	1,841,855,584	5,534,343

Note 1: On 28 May 2014, the 2013 annual general meeting passed the resolution of profit distribution of the Company for the year ended 31 December 2013. A dividend of RMB0.8 (tax included) per 10 shares was distributed. The above profit distribution proposal was completed on 7 July 2014.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

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

31. OTHER PAYABLES

	30 June 2014	31 December 2013
Payables for construction work and equipment	1,507,547,497	1,219,059,425
Payables for exploration and mining rights	83,590,874	45,215,623
Donations payables	15,240,292	37,176,805
Amounts due to third parties	270,185,615	249,450,052
Withholding income tax	36,633,591	31,537,109
Deposits	244,302,593	224,416,432
Payables for investment costs	345,355,600	149,500,000
Payables for agent service	6,720,552	8,662,657
Payables for losses on forward contracts	15,395,040	39,575,998
Accrued maintenance costs	9,627,556	9,693,824
Payables to non-controlling shareholders	30,172,233	34,659,196
Accrued interest expenses	132,872,489	89,993,653
Others	191,705,234	128,163,916
	2,889,349,166	2,267,104,690

As at 30 June 2014, there were no other payables from the Group to shareholders holding at least 5% of the Company's shares with voting power (31 December 2013: Nil).

As at 30 June 2014, other payables of the Group included US\$ other payables of US\$514,586 (approximately equivalent to RMB3,166,145), HK\$ other payables of HK\$2,969,537 (approximately equivalent to RMB2,357,218) and A\$ other payables of A\$2,446,967 (approximately equivalent to RMB14,208,069). As at 31 December 2013, other payables of the Group included US\$ other payables of US\$1,579,842 (approximately equivalent to RMB9,632,140), HK\$ other payables of HK\$12,175,307 (approximately equivalent to RMB9,572,226) and A\$ other payables of A\$1,043,298 (approximately equivalent to RMB5,665,212).

As at 30 June 2014, other payables included balances due to related parties of RMB86,635,143, represented 3% of the other payables. As at 31 December 2013, other payables included balances due to related parties of RMB31,274,589, represented 1.38% of the other payables. Details are disclosed in Note VI RELATED PARTY RELATIONSHIPS AND TRANSACTIONS.

32. CURRENT PORTION OF NON-CURRENT LIABILITIES

	30 June 2014	31 December 2013
Long-term borrowings due within one year	1,093,879,114	1,375,185,856
Long-term payables due within one year	12,798,834	2,798,834
	1,106,677,948	1,377,984,690

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

	30 June 2014	31 December 2013
Guaranteed loans	—	302,687,035
Unsecured and non-guaranteed loans	1,093,879,114	1,072,498,821
	1,093,879,114	1,375,185,856

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

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

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

As at 30 June 2014, there were no long-term borrowings due within one year which were overdue.

As at 30 June 2014, the top five balances of long-term borrowings due within one year are as follows:

Lenders	Inception date of borrowing	Maturity date	Currency	Interest rate (%)	30 June 2014	
					Foreign currency	RMB
Export-Import Bank of China, Fujian Province Branch	14 December 2012	29 November 2014	US\$	LIBOR+3%	61,500,000	378,397,200
Industrial and Commercial Bank of China, Nen River Branch	21 December 2011	25 December 2018	RMB	6.55%	N/A	144,264,903
Cathay United Bank	22 August 2012	22 August 2014	US\$	3 Month LIBOR+2.7%	18,000,000	110,750,400
Industrial and Commercial Bank of China (Asia) Limited	30 August 2012	30 August 2014	US\$	3 Month LIBOR+2.3%	13,320,000	81,955,296
Agricultural Bank of China, Longnan Li County Branch	20 September 2012	20 September 2015	RMB	5.84%	N/A	58,000,000
Total						773,367,799

As at 30 June 2014, there were no long-term borrowings that are due but not yet paid.

As at 30 June 2014, the top five balances of long-term payables due within one year are as follows:

Creditor	Period	Initial amount	Annual interest rate (%)	Accrued interest	As at 30 June 2014	Borrowing terms
Department of Land and Resources of Henan Province	4 years	31,095,456			10,000,000	Unsecured
Shanghang Finance Bureau	10 years	56,109,000			2,798,384	Unsecured
		87,204,456			12,798,384	

As at 30 June 2014, no current portion of non-current liabilities was due to related parties. As at 30 June 2014, no current portion of non-current liabilities was due to shareholders holding at least 5% of the Company's shares with voting power.

33. LONG-TERM BORROWINGS

		30 June 2014	31 December 2013
Secured loans with securities under the Group's custody	Note 1	255,500,000	162,500,000
Guaranteed loans	Note 2	449,154,400	463,364,400
Unsecured and non-guaranteed loans		6,991,761,555	7,747,165,300
Subtotal		7,696,415,955	8,373,029,700
Including: Long-term borrowings due within one year	Note V.32	(1,093,879,114)	(1,375,185,856)
		6,602,536,841	6,997,843,844

Note 1: As at 30 June 2014, inventories with carrying amount of RMB83,637,186 and RMB492,340,100 of Zijin Real Estate, a subsidiary of the Company, were pledged as collateral against bank borrowings of RMB39,500,000 and RMB216,000,000 from banks with terms of 2 years and 4 years respectively.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

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

33. LONG-TERM BORROWINGS *(continued)*

Note 2: In June 2014, Heilongjiang Zijin Longxing Mining Company Limited ("Heilongjiang Longxing"), a subsidiary of the Company, borrowed US\$73,000,000 from the Export-Import Bank of China, of which, US\$21,900,000 was guaranteed by Heilongjiang Longxing International Resources Development Group Company Limited ("Longxing International"), a non-controlling shareholder of Heilongjiang Longxing.

As at 30 June 2014, long-term borrowings included foreign currency loans of US\$771,204,790. As at 30 June 2014, there were no long-term borrowings that were due but not yet paid.

As at 30 June 2014, top five balances of long-term borrowings are as follows:

Lenders	Inception date of borrowing	Maturity date	Currency	Interest rate (%)	30 June 2014	
					Foreign currency	Functional currency
China Development Bank	26 October 2012	25 August 2022	US\$	LIBOR+4%	168,000,000	1,033,670,400
Bank of China	20 June 2013	20 June 2017	US\$	2.77%	107,087,000	658,884,894
The Export-Import Bank of China	22 September 2013	18 September 2016	US\$	LIBOR +2.7%	64,500,000	396,855,600
China Development Bank	22 January 2013	21 January 2023	US\$	LIBOR+3.30%	60,000,000	369,168,000
Cathay United Bank	22 August 2012	22 August 2017	US\$	LIBOR+2.7%	49,500,000	304,563,600
					449,087,000	2,763,142,494

34. BONDS PAYABLE

30 June 2014	1 January 2014	Additions	Reductions	30 June 2014
Bonds payable	2,905,880,513	66,781,321	(36,354,225)	2,936,307,609
Medium-term notes	2,500,000,000	—	—	2,500,000,000
	5,405,880,513	66,781,321	(36,354,225)	5,436,307,609

As at 30 June 2014, the balance of bonds payable is as follow:

Total principal value	Issue date	Term of the bond	Book value of bond	Interest adjustment in the current period	Accrued interest and interest paid for the period	At 30 June 2014	Currency
280,000,000	30 June 2011	Five years	277,494,040	6,427,993	(5,950,000)	277,972,033	US\$
200,000,000	24 July 2011	Five years	199,105,123	4,420,693	(4,250,000)	199,275,816	US\$
480,000,000			476,599,163	10,848,686	(10,200,000)	477,247,849	

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

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

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

34. BONDS PAYABLE *(continued)*

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

In 2013, the Company registered the maximum credit limit of medium-term notes of RMB6,000,000,000 and RMB4,000,000,000 in the National Association of Financial Market Institutional Investors. On 22 October 2013, the Company issued medium-term notes with face value of RMB2,500,000,000, maturity of five years, and coupon rate of 5.7%. Interest on the bonds is payable annually in arrears.

As at 30 June 2014, there were no bonds that are due but not yet paid (31 December 2013: Nil).

35. LONG-TERM PAYABLES

	30 June 2014	31 December 2013
Payables for acquisition of mining rights	31,095,456	2,798,834
Entrusted investment	251,348,440	207,926,740
Deposit for Restoration and Improvement of Ecological Environment in Mines	82,827,054	82,827,054
Others	4,135,105	18,507,315
Subtotal	369,406,055	312,059,943
Including: Long-term payables due within one year	(12,798,834)	(2,798,834)
	356,607,221	309,261,109

As at 30 June 2014, the top five balances of long-term payables are as follows:

Creditor	Period	Initial amount	Annual interest rate (%)	30 June 2014	Borrowing terms
Deposit for Restoration and Improvement of Ecological Environment in Mines (Note 1)	Long-term	59,588,184		82,827,054	Unsecured and non-guaranteed
Committee of Jingmei Village (Note 2)	10 years	22,146,063	10	15,981,740	Unsecured and non-guaranteed
Shanghang County Caixitongkang Village (Note 3)	25 years	18,745,000	10	18,745,000	Unsecured and non-guaranteed
Shanghang Charity Federation (Note 4)	3 years	8,000,000	10	44,380,000	Unsecured and non-guaranteed
Charitable Foundation of Zijin Mining (Note 5)	3 years	150,000,000	10	150,000,000	Unsecured and non-guaranteed
Total		258,479,247		311,933,794	

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

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

35. LONG-TERM PAYABLES *(continued)*

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

According to the Notice of Jilin Province Deposit for Restoration and Improvement of Ecological Environment in Mines, the provision for Deposit for Restoration and Improvement of Ecological Environment in Mines is made based on the area of the mines and a coefficient set by relevant authority to Hunchun Zijin, a subsidiary of the Group.

Note 2: The payables represented the land compensation to Jingmei Village. According to the agreement, the Company pays annual fixed returns with return on capital of 10% to the counter party. The Company will repay a one-off lump sum compensation at the 10th year of the agreement.

Note 3: The payables represented the land compensation and compensation for relocation and production for Caixitongkang Village, Shanghang County. According to the agreement, the Company pays annual fixed returns with return on capital of 10%. The Company will repay a one-off lump sum compensation to the village at the 25th year of the agreement.

Note 4: In May 2013, Shanghang Charity Federation entered into an entrusted investment agreement with the Company. The Company pays annual fixed returns with return on capital of 10%. The term of the agreement is three years and can be renewed upon mutual consent.

Note 5: In May 2013, the Charitable Foundation of Zijin Mining entered into an entrusted investment agreement with the Company. The Company pays annual fixed returns with return on capital of 10%. The term of the agreement is three years while the fixed returns will be paid quarterly.

36. PROVISION

30 June 2014

	1 January 2014	Additions	Reductions	30 June 2014
Provision for Environmental Rehabilitation and Restoration of Mines	147,115,898	20,866,244	—	167,982,142

Norton Gold Fields, a subsidiary of the Group, recognised a provision for environmental rehabilitation and restoration of mines based on the estimation of the useful life of mines, timing of closing pit and the expenditures to be incurred at the time of closing pit.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

37. OTHER NON-CURRENT LIABILITIES

As at 30 June 2014 and 31 December 2013, the balances of deferred income of other non-current liabilities were government grants relating to the assets. The components and movements are as follows:

30 June 2014

	1 January 2014	Additions	Recognised as non- operating income for the period	Other movements	30 June 2014
Expenditures for science projects	7,226,660	370,000	35,000	—	7,561,660
Fund for environmental protection projects	65,705,776	23,474,239	10,015,515	(14,309,116)	64,855,384
Refund of land compensation	112,030,567	500,000	276,354	—	112,254,213
Fund for comprehensive utilisation of mineral resources	343,147,607	—	4,591,707	—	338,555,900
Other financial subsidies	21,222,058	5,145,699	9,754,192	—	16,613,565
Fund for geological exploration	—	2,600,000	—	14,309,116	16,909,116
	549,332,668	32,089,938	24,672,768	—	556,749,838

38. SHARE CAPITAL

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

30 June 2014

	At 30 June 2014		At 1 January 2014	
	Number of shares	Proportion	Number of shares	Proportion
1. Non-restricted tradable shares				
RMB ordinary shares	15,803,803,650	73.01%	15,803,803,650	72.83%
Foreign-owned shares listed overseas	5,842,052,000	26.99%	5,896,354,000	27.17%
Total non-restricted tradable shares	21,645,855,650	100%	21,700,157,650	100%
2. Total shares	21,645,855,650	100%	21,700,157,650	100%

At the 2012 Annual General Meeting, the First A Shareholders' Class Meeting in 2013 and the First H Shareholders' Class Meeting in 2013 convened by the Company on 28 May 2013, a resolution in relation to the proposal of granting a general mandate to the board of directors of the Company to repurchase H shares was approved. As at 31 December 2013, the number of H shares repurchased was 111,806,000 in aggregate. In January and February 2014, the Company continued to repurchase 54,302,000 H shares. As at 30 June 2014, the change of business registration process related to the above share repurchase was completed.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

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

39. CAPITAL RESERVE

30 June 2014

	At 1 January 2014	Additions	Reductions	At 30 June 2014
Share premium	7,503,391,514	—	66,259,492	7,437,132,022
<i>Including: Premium on acquisition of non-controlling interests</i>	<i>(1,438,051,980)</i>	—	—	<i>(1,438,051,980)</i>
<i>Fair value change arising from step acquisition of subsidiaries in business combinations not involving enterprises under common control</i>	<i>37,406,271</i>	—	—	<i>37,406,271</i>
<i>Share of premium arising from capital injection of non-controlling shareholders</i>	<i>72,700,130</i>	—	—	<i>72,700,130</i>
<i>Capital reserve transferred to issued capital H share repurchase (Note 1)</i>	<i>(727,065,455)</i>	—	—	<i>(727,065,455)</i>
	<i>(143,149,886)</i>	—	66,259,492	<i>(209,409,378)</i>
Changes in fair value of available-for-sale investments	(77,564,125)	(35,278,519)	(42,204,437)	(70,638,207)
Others	(1,042,372)	—	—	(1,042,372)
	7,424,785,017	(35,278,519)	24,055,055	7,365,451,443

Note 1: The capital reserve decreased by RMB66,259,492 due to the repurchases of 54,302,000 H shares during January-February 2014 (2013: RMB143,149,886).

40. SPECIAL RESERVE

30 June 2014

	At 1 January 2014	Additions	Reductions	At 30 June 2014
Production maintenance fund	—	11,643,646	11,643,646	—
Safety fund	101,948,305	283,270,537	269,083,338	116,135,504
Total	101,948,305	294,914,183	280,726,984	116,135,504

41. SURPLUS RESERVE

30 June 2014

	At 1 January 2014	Additions	Reductions	At 30 June 2014
Statutory reserve	1,319,401,104	—	—	1,319,401,104

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

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

Notes to Financial Statements (continued)

For the six months ended 30 June 2014

RMB

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

42. RETAINED EARNINGS

	30 June 2014	31 December 2013
Retained earnings of the preceding year and opening balance of the current year	16,978,322,418	17,034,164,960
Net profit attributable to the owners of the parent	1,109,401,895	2,125,353,823
Less: Appropriation for the statutory reserve	—	—
Proposed final dividend in cash for ordinary shares	1,731,668,452	2,181,196,365
Retained earnings of the end of the period	16,356,055,861	16,978,322,418

On 28 May 2014, the 2013 annual general meeting of the Company approved the final cash dividend of RMB0.08 per ordinary share in aggregate of RMB1,731,668,452.

43. NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

	Percentage of equity interest held by non-controlling interests	Profit/(loss) for the period allocated to non-controlling interests	Dividends paid to non-controlling interests	Accumulated balances of non-controlling interests at the reporting date
Xinjiang Ashele	49.00%	157,643,045	196,000,000	899,212,205
Heilongjiang Duobaoshan Copper Company Limited ("Heilongjiang Duobaoshan")	49.00%	47,349,324	—	596,738,499
Guizhou Zijin Mining Company Limited ("Guizhou Zijin")	44.00%	3,305,639	22,000,000	333,434,006
Bayannaoer Zijin	32.80%	(21,537,972)	—	285,004,410
Xinjiang Jinbao	44.00%	107,661,193	—	387,529,916
Yunnan Huaxi	47.00%	1,435,601	—	262,496,334
Xinjiang Aletai Jinhao Iron Company Limited ("Jinhao Iron")	61.48%	(23,441,185)	—	269,766,468
Wenshan Malipo Zijin Tungsten Company Limited ("Wenshan Malipo Zijin")	24.08%	9,454,049	17,985,600	263,092,977
Huanmin Mining Company Limited ("Huanmin Mining")	49.00%	(963,991)	—	244,981,888
Inner Mongolia Jinzhong Mining Company Limited ("Inner Mongolia Jinzhong")	42.75%	6,881,014	—	201,084,571
Chongli Zijin Mining Company Limited ("Chongli Zijin")	40.00%	36,628,761	45,183,546	172,755,411
Longnan Zijin	15.78%	716,796	—	178,685,606
Malipo Jinwei Mining Company Limited ("Malipo Jinwei")	61.28%	(11,438,678)	—	139,194,680
Altynken Limited Liability Company ("Altynken")	40.00%	—	—	141,584,224
Heilongjiang Zijin Longxing	30.00%	(4,393,219)	—	123,349,032
Luoyang Kunyu	30.00%	(1,582,888)	—	298,417,112
Others	N/A	(52,726,355)	52,363,680	759,616,799
Total		253,945,954	333,532,826	5,789,703,458

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

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

43. NON-CONTROLLING INTERESTS *(continued)*

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are adjusted for differences in accounting policies and reconciled to the carrying accounts in this financial statement:

	Xinjiang Ashele	Heilongjiang Duobaoshan	Guizhou Zijin	Bayannaoer Zijin	Xinjiang Jinbao	Xinjiang Aletai Jinhao Iron
Revenue	714,616,262	535,151,907	981,449,615	1,355,707,558	689,436,206	54,058,269
Total expenses	392,895,762	438,520,633	973,936,799	1,421,372,107	444,751,677	92,186,417
Profit/(loss) for the period	321,720,500	96,631,274	7,512,816	(65,664,549)	244,684,529	(38,128,147)
Total comprehensive income for the period	321,720,500	96,631,274	7,512,816	(65,664,549)	244,684,529	(38,128,147)
Current assets	525,384,608	293,836,275	645,404,991	1,083,193,693	806,957,248	835,601,161
Non-current assets	1,665,674,463	2,467,402,718	1,274,188,933	2,689,840,184	511,057,695	1,728,173,852
Current liabilities	350,732,121	869,698,418	1,161,789,365	2,134,651,727	432,722,436	1,374,987,654
Non-current liabilities	5,200,000	673,706,903	—	769,466,266	4,542,697	750,000,000
Net cash flows from/(used in) operating activities	284,902,589	111,870,532	59,715,713	42,541,114	354,777,254	(239,928,753)
Net cash flows from/(used in) investing activities	(93,719,538)	(40,819,538)	(74,090,483)	(29,989,942)	(19,685,999)	(175,574,758)
Net cash flows from/(used in) financing activities	(258,702,137)	(70,830,560)	73,289,119	(14,603,946)	(331,519,905)	407,551,905
Net increase/(decrease) in cash and cash equivalents	(67,519,086)	220,434	58,914,349	(2,052,775)	3,571,350	(7,951,605)

	Wenshan Malipo Zijin	Huanmin Mining	Inner Mongolia Jinzhong	Chongli Zijin	Longnan Zijin
Revenue	227,995,316	—	181,218,986	279,572,613	217,889,771
Total expenses	188,734,316	1,967,329	165,123,047	188,000,710	213,347,338
Profit/(loss) for the period	39,261,000	(1,967,329)	16,095,939	91,571,903	4,542,433
Total comprehensive income for the period	39,261,000	(1,967,329)	16,095,939	91,571,903	4,542,433
Current assets	283,521,269	35,632,574	79,488,280	103,456,118	191,248,953
Non-current assets	1,413,665,277	619,745,748	681,461,257	598,565,429	1,549,835,485
Current liabilities	604,607,738	38,650,429	235,576,272	270,133,019	366,755,238
Non-current liabilities	—	116,764,856	55,000,000	—	241,974,282
Net cash flows from/(used in) operating activities	109,681,270	(830,595)	55,202,669	114,926,873	38,016,314
Net cash flows from/(used in) investing activities	(28,653,674)	(8,295,217)	(7,497,814)	(36,301,148)	(42,893,400)
Net cash flows from/(used in) financing activities	(76,514,439)	6,998,061	(90,205,266)	(66,728,057)	(53,403,242)
Net increase/(decrease) in cash and cash equivalents	4,513,158	(2,127,752)	(42,500,411)	11,897,669	(58,280,328)

Notes to Financial Statements (continued)

For the six months ended 30 June 2014

RMB

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

43. NON-CONTROLLING INTERESTS (continued)

	Malipo Jinwei Mining Company Limited	Alтынкен	Heilongjiang Zijin Longxing	Luoyang Kunyu Mining Company Limited	Yunnan Huaxi
Revenue	40,353,999	—	61,245,223	29,710,383	94,830,487
Total expenses	59,020,249	—	75,889,286	34,986,676	91,776,017
Profit/(loss) for the period	(18,666,250)	—	(14,644,063)	(5,276,293)	3,054,470
Total comprehensive income for the period	(18,666,250)	—	(14,644,063)	(5,276,293)	3,054,470
Current assets	75,354,652	31,158,441	965,533,140	61,754,895	240,392,368
Non-current assets	304,100,034	1,570,392,662	655,974,380	1,161,613,815	611,299,794
Current liabilities	152,309,320	1,243,958,085	560,480,380	196,049,547	293,189,323
Non-current liabilities	—	3,632,457	649,863,700	32,595,456	—
Net cash flows from/(used in) operating activities	6,907,348	—	31,499,051	(7,306,353)	82,785,687
Net cash flows from/(used in) investing activities	(3,900,421)	(234,889,009)	(36,559,567)	(883,605)	(14,832,652)
Net cash flows from/(used in) financing activities	(4,443,766)	200,605,948	(1,295,840)	(103,333)	(53,282,540)
Net increase/(decrease) in cash and cash equivalents	(1,436,839)	(34,283,061)	(6,356,356)	(8,293,291)	14,670,495

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

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

44. OPERATING INCOME AND OPERATING COSTS

Operating income:

	For the six months ended 30 June 2014	For the six months ended 30 June 2013
Revenue from principal operations	23,773,393,839	25,782,878,844
Revenue from other operations	212,660,053	204,755,221
	23,986,053,892	25,987,634,065

Operating costs:

	For the six months ended 30 June 2014	For the six months ended 30 June 2013
Cost of principal operations	19,969,017,598	21,431,275,714
Cost of other operations	132,917,722	78,431,049
	20,101,935,320	21,509,706,763

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

	For the six months ended 30 June 2014		For the six months ended 30 June 2013	
	Revenue	Cost	Revenue	Cost
Gold bullion	1,903,946,712	911,539,023	3,151,207,184	1,892,718,413
Refinery, processed and trading gold	10,148,565,430	10,093,545,449	10,293,862,875	10,444,372,524
Copper cathodes	254,040,805	132,711,771	226,505,512	157,399,667
Refinery copper	4,282,277,541	4,318,601,122	4,010,162,063	4,158,741,136
Ore concentrates	4,962,193,456	2,413,618,749	4,863,035,812	2,012,365,447
Zinc bullion	1,152,662,321	1,144,300,821	933,759,426	906,494,777
Others	1,069,707,574	954,700,663	2,304,345,972	1,859,183,750
	23,773,393,839	19,969,017,598	25,782,878,844	21,431,275,714

During the first half of 2014, more than 98.86% of revenue from and cost of principal operations of the Group arise from the mining, processing and refining for mineral products and trading of finished products (the first half of 2013: 98.6%). As such, the management of the Group considers that there is no need to disclose the segment revenue and costs based on the industry.

During the first half of 2014, more than 99.48% of the operating income arises from the sales of commodities (the first half of 2013: 98%). As such, the management of the Group considers that there is no need to disclose the operating income and costs based on the nature of income.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014

RMB

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

44. OPERATING INCOME AND OPERATING COSTS (continued)

Revenue of the top five customers of the Group for the six months ended 30 June 2014:

	For the six months ended 30 June 2014	Proportion of revenue
Shanghai Gold Exchange (Note 1)	12,158,381,070	50.69%
Guangzhou Jinchuangli Trading Company Limited	1,024,895,933	4.27%
Jinchuan Group Company Limited	847,391,295	3.53%
Hengbaochang (Shanghai) Copper Company Limited	748,145,591	3.12%
Shenzhen Jiangtong Marketing Company Limited	702,414,608	2.93%
	15,481,228,497	64.54%

Note 1: The ultimate customers are not known.

45. TAXES AND SURCHARGES

	For the six months ended 30 June 2014	For the six months ended 30 June 2013
Business tax	26,912,958	30,684,317
City construction and maintenance tax	24,199,535	23,271,319
Resource tax	292,830,248	167,840,555
Education surcharges	27,531,400	30,162,815
Others	5,714,017	5,902,285
	377,188,158	257,861,291

Tax rates for taxes and surcharges are disclosed in Note III.

46. SELLING EXPENSES

	For the six months ended 30 June 2014	For the six months ended 30 June 2013
Salaries and welfares	26,134,284	23,020,842
Transportation expenses	228,171,422	205,807,245
Unloading expenses	2,496,347	4,157,538
Storage expenses	1,027,331	541,231
Packing expenses	3,449,733	2,037,263
Insurance expenses	1,432,775	1,023,127
Charge of commission sales	6,746,162	5,634,274
Advertising expenses	5,027,327	2,765,307
Depreciation expenses	3,182,784	2,624,707
Material consumption	2,665,083	3,912,078
Others	29,519,733	11,709,942
	309,852,981	263,233,554

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

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

47. ADMINISTRATIVE EXPENSES

	For the six months ended 30 June 2014	For the six months ended 30 June 2013
Salaries and welfares	480,662,895	416,289,522
Office expenses	16,838,589	21,427,863
Travelling and meeting expenses	21,189,007	25,385,014
Stipulated fees	149,168,223	130,753,588
Taxes	52,379,440	44,577,649
Depreciation expenses	110,133,851	90,682,017
Amortization of intangible assets	31,662,265	27,980,088
Amortization of deferred expenses	40,129,568	29,661,682
Audit fees	11,442,752	8,075,454
Entertainment expenses	15,195,275	25,248,302
Repair and maintenance costs	4,749,868	3,263,361
Professional consulting expenses	26,023,300	32,260,130
Exploration expenses	20,266,623	24,843,708
Others	126,761,744	138,741,373
	1,106,603,400	1,019,189,751

48. FINANCIAL EXPENSES

	For the six months ended 30 June 2014	For the six months ended 30 June 2013
Interest expenses:	568,237,911	651,216,576
<i>Including: Bank loans</i>	429,810,757	601,557,901
<i>Bonds payable</i>	138,427,154	49,658,675
Less: Interest income	(91,918,738)	(39,266,584)
Capitalised interest expenses	(247,689,617)	(155,742,427)
Exchange losses/(gains)	(31,586,625)	80,213,673
Bank charges	52,283,346	48,241,293
	249,326,277	584,662,531

Capitalized interest expenses are included in construction in progress. During the first half of 2014, no interest income arose from impaired financial assets (six months ended 30 June 2013: Nil).

49. IMPAIRMENT LOSSES ON ASSETS

	For the six months ended 30 June 2014	For the six months ended 30 June 2013
Bad debt provision for trade and other receivables	63,086,015	(22,535)
Provisions for decline in value of inventories	(58,697,249)	264,185,648
Impairment on fixed assets	17,552,400	3,505,411
Impairment on available-for-sale investments	25,785,964	64,427,481
	47,727,130	332,096,005

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

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

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

	For the six months ended 30 June 2014	For the six months ended 30 June 2013
Share, bond and fund investments	10,091,483	(79,592,984)
Other future hedging	(144,403,454)	101,771,309
Gold leasing and its future hedging (Note 1)	(169,607,938)	(12,596,501)
	(303,919,909)	9,581,824

Note 1: During the first half of 2014, losses on changes in fair value arising from the gold leasing business of RMB1,093,761,653, gains on changes in fair value of gold futures of RMB924,153,715 which arose from gold forward contracts entered into by the Group in accordance with the repayment terms of gold leasing business for the purpose of hedging its risks arising from gold price fluctuation.

51. INVESTMENT INCOME

	For the six months ended 30 June 2014	For the six months ended 30 June 2013
Income from long-term equity investments under the equity method (Note 3)	112,166,463	62,759,501
Income from other equity investments under available-for-sale investments (Note 2)	20,670,000	22,535,537
Gain/losses on disposal of certain subsidiaries	(8,667,697)	474,321
Gains/losses from disposal of held-for-trading financial assets (Note 1)	249,113,675	10,201,032
Gain/losses on disposal of available-for-sale investments	(15,766,258)	(11,475,542)
Others	55,094,265	1,948,828
	412,610,448	86,443,677

Note 1: For the six months ended 30 June 2014, the gains on disposal of held-for-trading financial assets included gains of RMB259,581,065 from the settlement of future contracts (six months ended 30 June 2013: gains of RMB23,602,111).

Note 2: Investees with top five investment income from other equity investments under available-for-sale investments:

Investee	For the six months ended 30 June 2014	For the six months ended 30 June 2013
Shanghang County Rural Commercial Bank	15,000,000	10,200,000
Sichuan Liwu Copper Company Limited	5,000,000	8,000,000
Muli Rongda	—	3,120,000
Luoyang Commercial Bank	520,000	390,000
Nanjing China Net Communication Company Limited	150,000	150,000
	20,670,000	21,860,000

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

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

51. INVESTMENT INCOME *(continued)*

Note 3: Investees with top five investment income from long-term equity investments under the equity method:

Investee	For the six months ended 30 June 2014	For the six months ended 30 June 2013	Reason for the change between current period and last period
Sprott-Zijin Mining Fund	101,745,620	—	Change in net profit of the investee
Wancheng Commercial	23,340,400	30,566,125	Change in net profit of the investee
Tibet Yulong	20,019,420	4,220,764	Change in net profit of the investee
Makeng Mining	17,155,086	12,171,285	Change in net profit of the investee
Haixia Technology	9,473,707	15,409,365	Change in net profit of the investee
Shangdong Guoda	2,540,383	6,023,207	Change in net profit of the investee
	174,274,616	68,390,746	

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

As at 30 June 2014, there are no material restrictions on the transfer of the investment income back to the Group.

52. NON-OPERATING INCOME

	For the six months ended 30 June 2014	For the six months ended 30 June 2013
Gains on disposal of non-current assets	3,308,435	989,524
<i>Including: Gains on disposal of fixed assets</i>	3,308,435	989,524
Penalty income	4,616,899	2,713,440
Government grants	37,567,662	45,950,699
Others	26,561,815	22,634,814
	72,054,811	72,288,477

Analysis of government grants is as follows:

	For the six months ended 30 June 2014	For the six months ended 30 June 2013
Government grants related to assets:	24,672,768	20,859,730
Expenditures for science projects	35,000	300,000
Environmental protection	10,015,515	1,536,049
Refund for land compensation	276,354	—
Comprehensive utilization of mineral resources	4,591,707	18,674,981
Others	9,754,192	348,700
Government grants related to income:	12,894,894	25,090,969
Special government rewards	2,236,378	2,642,733
Tax refunds	9,382,960	15,014,924
Others	1,275,556	7,433,312
	37,567,662	45,950,699

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

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

53. NON-OPERATING EXPENSES

	For the six months ended 30 June 2014	For the six months ended 30 June 2013
Donations	69,699,817	84,946,361
Losses on disposal of non-current assets	35,711,137	10,499,965
<i>Including: Loss on disposal of fixed assets</i>	35,711,137	<i>10,499,965</i>
Penalties	3,030,068	2,256,335
Others	15,904,996	7,127,778
	124,346,018	104,830,439

54. INCOME TAX EXPENSES

	For the six months ended 30 June 2014	For the six months ended 30 June 2013
Current tax expenses	508,398,659	632,279,097
Deferred tax expenses	(21,926,549)	(80,800,330)
	486,472,110	551,478,767

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

	For the six months ended 30 June 2014	For the six months ended 30 June 2013
Profit before tax	1,849,819,958	2,084,367,709
Income tax calculated at the applicable tax rate (Note 1)	462,454,990	521,091,927
Effect on different tax rates of certain subsidiaries	(80,320,765)	4,708,283
Overprovision in prior years	(11,262,908)	(16,189,703)
Income not subject to tax	(39,098,421)	(17,376,844)
Expenses not deductible for tax purposes and unrecognised temporary differences and deductible tax losses	204,428,694	155,419,544
Others	(49,729,480)	(96,174,440)
Income tax expenses calculated at the Group's effective tax rate	486,472,110	551,478,767

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

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

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

55. EARNINGS PER SHARE

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

Basic earnings per share is calculated as follows:

	For the six months ended 30 June 2014	For the six months ended 30 June 2013
Earnings		
Consolidated net profit attributable to the owners of the parent	1,109,401,895	1,098,050,168
Shares		
Weighted average number of ordinary shares outstanding	21,650,478,601	21,811,963,650

56. OTHER COMPREHENSIVE INCOME

	For the six months ended 30 June 2014	For the six months ended 30 June 2013
Gains/(Losses) arising from available-for-sale investments	(35,278,519)	(104,004,825)
Less: Income tax effects arising from available-for-sale investments	—	(11,056,645)
Gains transferred from other comprehensive income to consolidated statement of profit or loss	(42,204,437)	(38,012,987)
Share of other comprehensive income of investee recognised and measured by equity method	6,925,918	(54,935,193)
Exchange differences arising from translation of financial statements denominated in foreign currencies	140,671,374	(92,814,405)
	147,597,292	(147,749,598)

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

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

57. NOTES TO STATEMENT OF CASH FLOWS

Significant cash flows of the Group are as follows:

	For the six months ended 30 June 2014	For the six months ended 30 June 2013
Other cash receipts relating to operating activities	1,045,120,902	525,582,951
Including: Interest income	29,727,117	—
Government grants	34,492,540	—
Cash receipts for security deposits	725,403,162	—
Others	255,498,084	525,582,951
Other cash payments relating to operating activities	627,176,308	530,837,872
Including: Selling expenses	43,876,995	21,143,269
Administrative expenses	129,560,811	254,168,042
Donations	83,234,095	84,946,361
Cash paid for security deposits	—	26,305,976
Others	370,504,407	144,274,224
Other cash receipts relating to investing activities	—	1,054,012,463
Including: Cash received from time deposits	—	570,447,661
Others	—	483,564,802
Other cash payments relating to investing activities	1,284,972,189	981,422,723
Including: Loss on investments in stocks and bonds	—	55,622,434
Purchase of short-term financial products by Zijin Finance	—	378,109,470
Cash paid for time deposits with maturity for more than three months	200,232,796	—
Repay borrowings from third parties	800,708,422	—
Others	284,030,972	547,690,819
Other cash receipts relating to financing activities	1,251,344	86,587,026
Including: Release of pledged bank deposits	1,000,000	—
Others	251,344	86,587,026
Other cash payments relating to financing activities	372,479,769	427,171,664
Including: Pledged cash for loans	210,184,982	305,495,640
H shares repurchase	71,689,692	—
Bank charges	48,149,799	48,241,292
Others	42,455,296	73,434,732

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

VI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

1. THE LARGEST SHAREHOLDER OF THE COMPANY

Name of the entity	Type of the entity	Place of incorporation/registration	Legal representative	Nature of Business	Registered capital	Proportion of the Company's ownership (%)	Proportion of the Company's voting powers(%)	Organisation code
Minxi Xinghang State-owned Assets Investment Co., Ltd. ("Minxi Xinghang")	State-owned	No. 110 Zhenxing Road, Linjiang Village, Shanghang County, Longyan City, Fujian Province	Mr. Liu Shimin	Investment in Fujian	RMB368 million	29.18%	29.18%	70511151X

The ultimate controlling party of the Company is also Minxi Xinghang State-owned Assets Investment Co., Ltd.

2. SUBSIDIARIES OF THE COMPANY

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

3. ASSOCIATES AND JOINT VENTURES

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

4. OTHER RELATED PARTIES OF THE COMPANY

Name of entity	Relationship between the related parties and the Company	Organisation code
Western Mining Company Limited Zinc Branch ("Western Mining")	A non-controlling shareholder of Bayannaoer Zijin	71056701-X
Xinjiang Nonferrous Logistics Company Limited ("Xinjiang Logistics")	A non-controlling shareholder of Xinjiang Ashele	734468753
Sichuan Bureau of Geological Exploration and Development of Mineral Resources ("Sichuan Geology")	A non-controlling shareholder of Sichuan Ganzi	450724639
Xiamen Mine Communication Technology Company Limited ("Xiamen Mine Communication Tech")	A related party of the Company	76172376-4
Jilin The Sixth Geological Survey	A non-controlling shareholder of Tumen Shuguang Mining Company Limited	605390056
Heilongjiang Longxing International Resources Development Group Company Limited	A non-controlling shareholder of Heilongjiang Longxing	772632200

5. RELATED PARTY TRANSACTIONS

(A) Sales of products and rendering of services

Nature of transaction	For the six months ended 30 June 2014		For the six months ended 30 June 2013	
	Amount	Proportion (%)	Amount	Proportion (%)
Shandong Guoda (Note 1)	64,673,669	0.12	79,960,941	0.31
Wengfu Zijin (Note 1)	32,436,095	0.14	58,608,284	0.23
	97,109,764	0.26	138,569,225	0.54

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

VI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

5. RELATED PARTY TRANSACTIONS *(continued)*

(B) Purchases of products and receipt of services

	Nature of transaction	For the six months ended 30 June 2014		For the six months ended 30 June 2013	
		Amount	Proportion (%)	Amount	Proportion (%)
Wancheng Commercial (Note 1)	Purchase of zinc concentrates	69,512,988	0.35	111,820,855	0.43
Haixia Technology (Note 1)	Purchase of raw materials	13,783,833	0.07	12,724,141	0.05
Xinjiang Logistics (Note 1)	Transportation service	1,609,048	0.01	2,045,830	0.02
Sichuan Geology (Note 1)	Exploration service	143,760	—	368,000	0.01
Xiamen Mine Communication Tech (Note 1)	Purchase of equipment and materials	—	—	1,692,375	0.01
Xiamen Zijin Zhonghang (Note 1)	Construction service	93,076,490	0.46	29,809,064	0.12
		178,126,119	0.89	158,460,265	0.64

Note 1: Transactions, such as sales and purchasing of raw materials, receiving of services and selling of products against shareholders of the Company, associates, joint ventures, non-controlling shareholders of subsidiaries and companies controlled by non-controlling shareholders were made at market prices and settled under similar conditions offered to third parties.

(C) Related party guarantees

(a) *Related party guarantees for bank loans of the Group*

30 June 2014

Guarantor	Guaranteed party	Guaranteed amount	Inception date of guarantee	Expiration date of guarantee	Whether execution of guarantee has been completed
The Company	Wengfu Zijin (Note VII 2)	376,200,000	28 April 2011	27 April 2019	No
Northwest Company	Xinjiang Tianlong (Note VII 3)	50,000,000	16 January 2014	16 January 2015	No
Northwest Company	Xinjiang Tianlong (Note VII 3)	30,000,000	27 May 2014	26 May 2015	No
		456,200,000			

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

VI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

5. RELATED PARTY TRANSACTIONS *(continued)*

(C) Related party guarantees *(continued)*

(b) *The Group's guarantees of bank loans for related parties*

30 June 2014

Guarantor	Guaranteed party	Guaranteed amount	Inception date of guarantee	Expiration date of guarantee	Whether execution of guarantee has been completed
Heilongjiang Longxing International Resources Development Group Company Limited	Heilongjiang Longxing	US\$21,900,000	29 December 2011	29 December 2018	No

(D) Borrowings to related parties

30 June 2014

Related party	Amount of borrowings	Inception date	Maturity date
Ting River Hydropower	4,000,000	31 August 2011	30 August 2014
Ting River Hydropower	5,500,000	23 October 2013	22 October 2016
Ting River Hydropower	8,400,000	1 November 2013	31 October 2016
Ting River Hydropower	10,500,000	8 November 2013	7 November 2016
Ting River Hydropower	10,000,000	16 January 2014	15 January 2017
Ting River Hydropower	7,300,000	27 February 2014	26 September 2014
Zijin Tongguan	9,000,000	13 April 2012	31 December 2014
Zijin Tongguan	109,350,000	20 June 2012	31 December 2014
Zijin Tongguan	9,000,000	31 January 2013	31 December 2014
Zijin Tongguan	13,500,000	31 October 2013	31 December 2014
Gold Eagle Mining	457,952,904	11 July 2012	30 June 2015
	644,502,904		

(E) Compensation of key management and directors' remuneration

	For the six months ended 30 June 2014		For the six months ended 30 June 2013	
	Amount	Proportion (%)	Amount	Proportion (%)
Directors' remuneration	7,812,732	0.96%	9,148,938	1.06%
Compensation of key management	5,284,782	0.65%	5,620,673	0.65%
	13,097,514	1.60%	14,769,611	1.71%

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

VI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

6. AMOUNTS DUE FROM/TO RELATED PARTIES

Trade receivables	30 June 2014	31 December 2013
Longyan Makeng	124,961	—
Haixia Technology	—	1,704
Wengfu Zijin	6,949,925	6,361,930
Western Mining	—	16,610,350
	7,074,886	22,973,984
Trade payables	30 June 2014	31 December 2013
Haixia Technology	144,111	4,118,023
	144,111	4,118,023
Other receivables	30 June 2014	31 December 2013
Sichuan Geology	2,000,000	2,000,000
Longyan Zijin AVIC Real Estate Development Co., Ltd.	676,296,314	—
Wancheng Commercial	—	61
Ting River Hydropower	7,619,781	7,616,803
Jilin The Sixth Geological Survey	4,000,000	4,000,000
Xinjiang Tianlong	6,000,000	7,180,858
Zijin Tongguan	149,755,988	149,647,992
	845,672,083	170,445,714
Other payables	30 June 2014	31 December 2013
Xiamen Zijin Zhonghang Real Estate Company Limited	85,714,300	—
Zijin Tongguan	920,843	31,274,589
	86,635,143	31,274,589

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

VI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

6. AMOUNTS DUE FROM/TO RELATED PARTIES *(continued)*

Prepayments	30 June 2014	31 December 2013
Wancheng Commercial	36,218,613	115,710,717
Xiamen Zijin Zhonghang	120,706,021	27,629,530
	156,924,634	143,340,247
<hr/>		
Advances from customers	30 June 2014	31 December 2013
Longyan Makeng	36,726	—
Shandong Guoda	8,728,818	12,525,095
	8,765,544	12,525,095
<hr/>		
Other non-current assets	30 June 2014	31 December 2013
Gold Eagle Mining	405,581,639	145,436,756
Ting River Hydropower	38,400,000	30,000,000
Tibet Yulong	132,000,000	132,000,000
Qinghai Copper	192,000,000	192,000,000
	767,981,639	499,436,756

Related party balances in receivables and payables were interest-free, unsecured and had no fixed terms of repayment.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

VII. CONTINGENCIES

	30 June 2014	31 December 2013
Contingent liabilities arising from providing guarantees to third parties		
Ting River Hydropower	—	10,000,000
Wengfu Zijin (Note 2)	376,200,000	399,000,000
Xinjiang Tianlong (Note 3)	80,000,000	60,000,000
Mortgage guarantee of small property owners (Note 4)	122,615,027	163,998,239
Subtotal	578,815,027	632,998,239
Contingencies arising from pending litigation (Note 1)	70,661,333	52,284,733
Total	649,476,360	685,282,972

Note 1: As at 31 July 2014, the Company received a petition letter to increase the litigation amount by Xinyi Qianfeng Hydropower Station from the Xinyi People's Court. Xinyi Qianfeng Hydropower Station increased the amount of compensation claimed in the lawsuit from the original RMB19.96 million to RMB31.3226 million, which was increased by RMB11.3626 million. On 8 August 2014, the Company received a petition letter to increase and amend the litigation amount by Xinyi Shihuadi Hydropower Station from the Xinyi People's Court. Xinyi Shihuadi Hydropower Station increased the amount of compensation claimed in the lawsuit from the original RMB13 million to RMB20.0136 million, which was increased by RMB7.0136 million. As at the reporting date of this report, the amount pending for litigation is RMB70,661,333. Currently, the related litigation is still in progress. In respect of the opinions of the legal advisors, the Group is still in the process of estimating the compensation amount due to the complexity of the legal cases.

Note 2: As at 30 June 2014, the Company granted to Wengfu Zijin, an associate of the Group, joint guarantees in respect of bank loans at a cap of RMB450,000,000 (31 December 2013: RMB450,000,000). As at 30 June 2014, Wengfu Zijin has utilised the guarantee facility of RMB376,200,000 (31 December 2013: RMB399,000,000).

Note 3: As at 30 June 2014, Northwest Company, a subsidiary of the Company, granted to Xinjiang Tianlong, an associate of the Group, joint guarantees in respect of bank loans at a cap of RMB80,000,000 (31 December 2013: RMB90,000,000). As at 30 June 2014, Xinjiang Tianlong has utilised the guarantee facility of RMB80,000,000 (31 December 2013: RMB60,000,000).

Note 4: As at 30 June 2014, Zijin Real Estate, a subsidiary of the Company, granted a small property owners mortgage pledge to the buyers in respect of their mortgages amounting to RMB122,615,027 (31 December 2013: RMB163,998,239).

Based on the evaluation of the credit rating and repayment ability, the Group considered that the probability that recipients of the guarantees could not repay the liabilities and the Group had to settle the obligations was remote, and it was unnecessary to accrue the related contingent liabilities.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

X. OTHER SIGNIFICANT EVENTS

1. BUSINESS COMBINATIONS

More details are disclosed in Note IV 4 and 5.

2. LEASING

As lessor

As at the 30 June 2014, irrevocable operating lease contracts entered into by the Group are as follows:

	30 June 2014	30 June 2013
Within 1 year	16,262,065	4,563,719
Over 1 year but within 2 years	14,079,510	4,563,719
Over 2 years but within 3 years	15,005,383	4,563,719
Over 3 years but within 5 years	23,602,643	4,563,719
Over 5 years	16,004,414	4,563,719
	84,954,015	22,818,595

As lessee

Significant operating lease: pursuant to the operating lease agreement with lessors, the minimum lease payments under irrevocable operating leases fall due as follows:

	30 June 2014	30 June 2013
Within 1 year	1,418,178	580,000
Over 1 year but within 2 years	2,842,356	1,160,000
Over 2 years but within 3 years	562,356	1,160,000
	4,822,890	2,900,000

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

X. OTHER SIGNIFICANT EVENTS *(continued)*

3. ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

30 June 2014

Item	At 1 January 2014	Profit/(losses) arising from changes in fair value for the period	Changes in fair value recognised in equity	Provision for impairment losses for the period	At 30 June 2014
Financial assets					
Financial assets at fair value through profit or loss (excluding derivative financial assets)	460,998,410	10,091,483	—	—	432,395,636
Derivative financial assets	14,943,541	144,403,454	—	—	243,441,250
Available-for-sale investments	343,624,000	—	6,925,918	(25,785,964)	66,206,120
	819,565,952	134,311,971	6,925,918	(25,781,964)	742,043,006
Financial liabilities					
Financial liabilities at fair value through profit or loss (excluding derivative financial liabilities)	5,665,210,229	1,093,761,653	—	—	8,762,198,599
Derivative financial liabilities	1,081,524,626	924,153,715	—	—	195,144,255
	6,746,734,855	169,607,938	—	—	8,957,342,854

4. OPERATING SEGMENT INFORMATION

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

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

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

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

Notes to Financial Statements (continued)

For the six months ended 30 June 2014

RMB

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

X. OTHER SIGNIFICANT EVENTS (continued)

4. OPERATING SEGMENT INFORMATION (continued)

For the six months ended 30 June 2014

Items	Gold bullion	Processed gold	Gold concentrates	Copper cathodes	Refinery copper	Copper concentrates	Other concentrates	Zinc bullion	Others	Eliminations	Consolidated
1. Segment revenue including sales to external customers	2,065,933,518	11,303,827,582	1,725,874,847	355,746,876	4,614,752,276	2,100,248,709	1,542,610,456	1,235,784,652	2,598,789,108	(3,557,514,132)	23,986,053,892
Intersegment sales	1,903,946,712	10,148,565,430	1,565,679,879	254,040,805	4,282,277,541	1,986,309,204	1,410,204,374	1,152,662,321	1,282,367,626	—	23,986,053,892
2. Segment profit/(loss)	161,986,806	1,155,262,152	160,194,968	101,706,071	332,474,735	113,939,505	132,406,082	83,122,331	1,316,421,482	(3,557,514,132)	—
	548,832,684	13,526,590	328,847,392	85,226,517	(78,805,802)	906,626,977	515,578,498	(55,094,865)	54,007,279	—	2,319,045,270
3. Segment assets	7,640,174,081	2,383,725,893	8,851,402,783	1,424,445,350	8,744,228,294	7,133,043,225	10,339,445,918	3,466,744,374	11,701,913,798	—	61,685,823,716
Unallocated assets	—	—	—	—	—	—	—	—	—	—	12,308,182,271
Total assets	—	—	—	—	—	—	—	—	—	—	73,994,005,987
4. Segment liabilities	4,963,723,522	1,164,731,626	4,099,709,234	1,309,962,397	2,961,627,609	2,866,703,425	6,841,154,020	2,680,859,352	7,833,783,966	—	34,722,255,151
Unallocated liabilities	—	—	—	—	—	—	—	—	—	—	6,412,808,933
Total liabilities	—	—	—	—	—	—	—	—	—	—	41,135,064,084
5. Supplemental information											
(1) Depreciation and amortisation	226,932,304	34,120,763	143,521,165	70,805,576	147,236,647	191,314,411	160,833,435	86,606,952	211,533,830	—	1,272,005,083
(2) Capital expenditure	416,034,184	6,651,983	2,125,762,181	54,673,540	116,951,354	242,426,926	542,305,975	87,771,530	466,305,413	—	4,058,883,086

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

X. OTHER SIGNIFICANT EVENTS *(continued)*

4. OPERATING SEGMENT INFORMATION *(continued)*

For the six months ended 30 June 2013

Items	Gold bullion	Processed gold	Gold concentrates	Copper cathodes	Refinery copper	Copper concentrates	Other concentrates	Zinc bullion	Others	Eliminations	Consolidated
1. Segment revenue including sales to external customers	3,039,905,491	12,245,544,551	1,099,669,839	269,399,879	4,492,466,984	2,231,639,196	1,237,515,582	1,106,543,551	3,777,764,488	(3,512,815,476)	25,987,634,065
Intersegment sales	3,151,207,184	10,293,862,875	1,365,300,948	226,505,512	4,010,162,063	2,289,159,473	1,208,575,392	933,759,426	2,509,101,192	—	25,987,634,065
	(111,301,693)	1,951,681,676	(265,631,109)	42,894,367	482,304,921	(57,520,277)	28,940,190	172,784,125	1,268,663,276	(3,512,815,476)	—
2. Segment profit/(loss)	1,108,601,141	(260,929,665)	623,409,820	34,832,755	(277,961,315)	1,111,030,817	496,222,469	(79,567,385)	(118,272,060)	—	2,637,366,577
3. Segment assets	7,179,293,536	2,395,481,008	2,097,973,892	2,684,332,110	9,446,633,891	7,482,643,859	8,419,553,893	31,894,046,679	13,909,173,792	—	56,804,490,660
Unallocated assets											10,385,745,677
Total assets											67,190,236,337
4. Segment liabilities	2,203,940,143	963,507,535	1,499,307,588	1,798,917,149	5,996,427,688	1,557,089,854	4,815,817,209	2,442,528,096	3,087,423,430	—	24,364,938,692
Unallocated liabilities											10,654,032,915
Total liabilities											35,018,991,606
5. Supplemental information											
(1) Depreciation and amortisation	117,817,580	19,163,256	68,096,259	51,938,216	55,494,519	182,297,139	85,152,260	66,153,784	310,683,880	—	956,796,893
(2) Capital expenditure	824,927,699	58,047,629	642,266,168	179,190,900	436,117,323	665,344,467	634,491,477	5,003,899	712,315,932	—	4,157,705,494

Notes to Financial Statements (continued)

For the six months ended 30 June 2014

RMB

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

X. OTHER SIGNIFICANT EVENTS (continued)

4. OPERATING SEGMENT INFORMATION (continued)

The following table presents the reconciliations of reportable profit before tax to the Group's consolidated amounts:

	For the six months ended 30 June 2014 RMB	For the six months ended 30 June 2013 RMB
Segmental profits	2,319,045,270	2,637,366,575
Interest and dividend income	112,588,738	61,802,121
Head office and corporate expenses	(18,301,234)	(63,213,199)
Financial expenses	(371,759,370)	(623,929,114)
Share of profits of joint ventures and associates	112,166,463	62,759,501
Gains/(losses) from changes in fair value of financial instruments	(303,919,909)	9,581,824
Profit before tax	1,849,819,958	2,084,367,708

XI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS

1. TRADE RECEIVABLES

The trade receivables are interest-free with a credit period of three months.

An ageing analysis of the trade receivables is as follows:

	30 June 2014	31 December 2013
Within 1 year	399,822,673	497,253,083
Over 1 year but within 2 years	962,581,330	649,857,840
Over 2 years but within 3 years	9,431,207	1,972,197
Over 3 years	8,396,054	17,407,271
	1,380,231,264	1,166,490,391

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

	At 1 January 2014		Reductions		At 30 June 2014
	Additions	Reversal	Write-off		
30 June 2014	88,513	26,200	—	—	114,713

	30 June 2014				31 December 2013			
	Carrying amount Amount	Proportion (%)	Bad debt provision Amount	Proportion (%)	Carrying amount Amount	Proportion (%)	Bad debt provision Amount	Proportion (%)
Individually significant	1,361,860,160	98.67	—	—	1,156,626,880	99.15	—	—
Others not significant	18,371,104	1.33	114,713	0.62	9,863,511	0.85	88,513	0.90
	1,380,231,264	100	114,713	0.01	1,166,490,391	100	88,513	0.01

There were no trade receivables denominated in foreign currencies as at 30 June 2014 and 31 December 2013.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

XI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

1. TRADE RECEIVABLES *(continued)*

Top five entities with the largest balances of trade receivables are as follows:

30 June 2014

Name of entity	Relationship with the Company	Amount	Ageing	Proportion of trade receivables (%)
Zijin Copper Company Limited	A subsidiary of the Company	1,149,232,171	Within 1 year/Over 1 year but within 2 years	83.26
Fujian Jinyi Copper Company Limited	A subsidiary of the Company	113,121,681	Within 1 year/Over 1 year but within 2 years	8.20
Zijin Mining Group (Xiamen) Marketing Company Limited	A subsidiary of the Company	43,723,064	Within 1 year/Over 1 year but within 2 years	3.17
Fujian Zijin Copper Company Limited	A subsidiary of the Company	31,765,885	Within 1 year/Over 1 year but within 2 years	2.30
Fujian Jinshan Gold Refinery Company Limited	A subsidiary of the Company	32,299,044	Within 1 year/Over 1 year but within 2 years	2.34
Total		1,370,141,845		99.27

As at 30 June 2014, there were no trade receivables (31 December 2013: Nil) due from shareholders holding at least 5% of the Company's shares with voting powers.

2. OTHER RECEIVABLES

An ageing analysis of other receivables as is as follows:

	30 June 2014	31 December 2013
Within 1 year	2,997,827,578	2,706,994,184
Over 1 year but within 2 years	1,242,665,495	2,101,658,797
Over 2 years but within 3 years	1,669,059,971	1,589,215,609
Over 3 years	2,975,838,988	1,833,032,438
	8,885,392,032	8,230,901,028

Notes to Financial Statements (continued)

For the six months ended 30 June 2014

RMB

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

XI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (continued)

2. OTHER RECEIVABLES (continued)

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

	At 1 January 2014	Additions	Reductions Reversal	Write-off	At 30 June 2014
30 June 2014	147,339,482	668,575	—	—	148,008,057

	30 June 2014				31 December 2013			
	Carrying amount		Bad debt provision		Carrying amount		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Individually significant	8,693,298,996	97.84	140,992,416	1.62	8,015,679,568	97.39	140,992,416	1.76
Others not significant	192,093,036	2.16	7,015,641	3.65	215,221,460	2.61	6,347,066	2.95
	8,885,392,032	100.00	148,008,057	1.67	8,230,901,028	100	147,339,482	1.79

Top five entities with the largest balances of other receivables are as follows:

30 June 2014

Name of entity	Relationship with the Company	Amount	Ageing	Proportion of other receivables (%)
Gold Mountains (H.K.) International Mining Company Limited	A subsidiary of the Company	1,499,929,299	Within 1 year/Over 1 year but within 2 years/Over 2 years but within 3 years/Over 3 years	16.88
Fujian Zijin Investment Company Limited	A subsidiary of the Company	1,050,586,834	Within 1 year/Over 1 year but within 2 years/Over 2 years but within 3 years/Over 3 years	11.82
Fujian Zijin Real Estate Company Limited	A subsidiary of the Company	766,127,154	Within 1 year/Over 1 year but within 2 years/Over 2 years but within 3 years/Over 3 years	8.62
Zijin Mining Group Northwest Company Limited	A subsidiary of the Company	716,760,752	Within 1 year/Over 1 year but within 2 years/Over 2 years but within 3 years	8.07
Longyan Zijin AVIC Real Estate Development Co., Ltd.	Associate	676,200,000	Within 1 year	7.61
		4,709,604,039		53.00

As at 30 June 2014, there were no other receivables (31 December 2013: Nil) due from shareholders holding at least 5% of the Company's shares with voting powers.

As at 30 June 2014 and 31 December 2013, there were no other receivables of the Company denominated in foreign currencies.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

XI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

3. LONG-TERM EQUITY INVESTMENTS

		31 December 2013	Additions	Reductions	30 June 2014
Equity investments under the cost method					
Subsidiaries	(i)	10,969,798,206	700,000,000	8,000,000	11,661,798,206
Other equity investments		—	—	—	—
Equity investments under the equity method					
Associates	(ii)	910,935,401	444,007,153	2,000,000	1,352,942,554
Total		11,880,733,607	1,144,007,153	10,000,000	13,014,740,760
Provision for impairment					
Subsidiaries	(i)	480,403,330	—	—	480,403,330
Associates		162,757,584	—	—	162,757,584
		11,237,572,693	1,144,007,153	10,000,000	12,371,579,846

(i) INVESTMENT IN SUBSIDIARIES

	31 December 2013	Additions	Reductions	30 June 2014
Longsheng County Dexin Mining Company Limited	53,550,000	—	—	53,550,000
Guizhou Zijin	30,600,000	—	—	30,600,000
Anhui Zijin Mining Company Limited ("Anhui Zijin")	6,000,000	—	—	6,000,000
Xiamen Zijin	402,026,923	—	—	402,026,923
Xinjiang Ashele	139,335,849	—	—	139,335,849
Hunchun Zijin	185,437,500	—	—	185,437,500
Tongling Zijin Mining Company Limited	25,500,000	—	—	25,500,000
Ganzi Zijin	24,000,000	—	—	24,000,000
Zijin Investment	588,241,019	—	—	588,241,019
Qinghai West	936,000,000	—	—	936,000,000
Northwest Company	304,257,777	—	—	304,257,777
Bayannaer Zijin	329,844,784	—	—	329,844,784
Gold Mountains H.K.	793,420,813	—	—	793,420,813
Zijin International Mining Company Limited	173,780,454	—	—	173,780,454
Yunnan Huaxi	86,830,000	—	—	86,830,000
Henan Jinda Mining Company Limited	129,880,000	—	—	129,880,000

Notes to Financial Statements (continued)

For the six months ended 30 June 2014

RMB

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

XI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (continued)

3. LONG-TERM EQUITY INVESTMENTS (continued)

(i) INVESTMENT IN SUBSIDIARIES (continued)

	31 December 2013	Additions	Reductions	30 June 2014
Luoyang Yinhui	105,000,000	—	—	105,000,000
Xinyi Zijin	243,900,000	—	—	243,900,000
Jinshan Refinery	298,000,000	—	—	298,000,000
Fujian Zijin Hotel Management Company Limited	10,000,000	—	—	10,000,000
Fujian Zijin Mining Technology Company Limited	5,000,000	—	—	5,000,000
Chongli Zijin	142,500,000	—	—	142,500,000
Longkou Jintai	192,000,000	—	—	192,000,000
Shanxi Zijin	127,284,118	—	—	127,284,118
Zijin Mining Group Southwest Company Limited	1,184,821,221	—	—	1,184,821,221
Xiamen Zijin Mining and Metallurgy Technology Company Limited	50,000,000	—	—	50,000,000
Wuping Zijin Mining Company Limited	19,465,037	—	—	19,465,037
Fujian Jinshan Investment Company Limited	8,000,000	—	8,000,000	—
Zijin Real Estate	300,000,000	—	—	300,000,000
Longnan Zijin	370,505,723	—	—	370,505,723
Huanmin Mining	306,000,000	—	—	306,000,000
Inner Mongolia Zijin Company Limited	100,000,000	—	—	100,000,000
Northeast Asia Zijin	669,723,750	—	—	669,723,750
Zijin Finance	475,000,000	—	—	475,000,000
Zijin Copper	1,822,647,343	—	—	1,822,647,343
Xinjiang Jinneng Mining Co., Ltd. ("Jinneng Mining")	50,000,000	—	—	50,000,000
Zijin Xiangyu (Longyan) Logistics Company Limited	13,000,000	—	—	13,000,000
Zijin Xiamen Marketing	20,000,000	—	—	20,000,000
Jinyi Copper	140,004,185	—	—	140,004,185
Ankang Zijin Mining Company Limited	78,241,710	—	—	78,241,710
Gansu Mining Development	30,000,000	—	—	30,000,000
Luoyang Kunyu	—	700,000,000	—	700,000,000
	10,969,798,206	700,000,000	8,000,000	11,661,798,206

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

	31 December 2013	Additions	Write-off due to disposal of subsidiaries	30 June 2014
Anhui Zijin	6,000,000	—	—	6,000,000
Longnan Zijin	43,019,351	—	—	43,019,351
Longkou Jintai	187,483,979	—	—	187,483,979
Xinyi Zijin	243,900,000	—	—	243,900,000
	480,403,330	—	—	480,403,330

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

XI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (continued)

3. LONG-TERM EQUITY INVESTMENTS (continued)

(ii) ASSOCIATES

30 June 2014

Name of investee	Proportion of equity interest in the investee	Investment cost	At 1 January 2014	Changes of investment cost for the period	Equity changes				Provision for impairment losses			At 30 June 2014
					Changes for the period	Cash Dividends	Disposals	Accumulated Changes	Additions for the period	Accumulated Changes	Impairment losses	
Longyan Makeng	41.50%	57,060,000	246,911,606	410,000,000	17,155,086	—	—	204,552,442	—	2,454,250	—	674,066,692
Tibet Yulong	22.00%	137,500,000	99,709,073	—	20,019,420	—	—	(17,771,507)	—	—	—	119,728,493
Songpan Zijin	34.00%	39,400,000	39,249,785	—	—	—	—	(150,215)	—	—	—	39,249,785
Zijin Tongguan	45.00%	607,500,000	324,294,272	—	(6,468,189)	—	—	(103,155,772)	—	(23,760,561)	(162,757,584)	317,826,083
Wancheng Commercial	10.00%	74,746,978	38,013,081	—	3,300,836	(2,000,000)	—	(35,433,061)	—	—	—	39,313,917
		916,206,978	748,177,817	410,000,000	34,007,153	(2,000,000)	—	48,041,887	—	(21,306,311)	(162,757,584)	1,190,184,970

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

XI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

4. OPERATING INCOME

An analysis of operating income:

	For the six months ended 30 June 2014	For the six months ended 30 June 2013
Revenue from principal operations	3,569,258,788	6,291,694,186
Revenue from other operations	130,929,830	142,626,075
	3,700,188,618	6,434,320,261

An analysis of operating income from principal operations and cost of principal operations by products:

	For the six months ended 30 June 2014		For the six months ended 30 June 2013	
	Revenue	Cost	Revenue	Cost
Mine-produced gold	1,271,390,494	623,068,677	1,599,615,745	623,917,063
Processed and trading gold	1,504,316,708	1,501,438,398	4,094,540,740	4,164,391,842
Mine-produced copper cathodes	344,389,824	229,859,673	245,288,827	166,523,430
Copper concentrates	404,297,820	227,742,956	295,001,461	158,448,589
Others	44,863,942	45,285,183	57,247,413	22,065,881
	3,569,258,788	2,627,394,887	6,291,694,186	5,135,346,805

Operating income of the top five customers of the Company:

	For the six months ended 30 June 2014	Proportion of revenue (%)
Shanghai Gold Exchange*	2,824,714,965	76.34%
Zijin Copper Company Limited	318,178,392	8.60%
Fujian Jinyi Copper Company Limited	194,657,232	5.26%
Fujian Shanghang Taiyang Copper Company Limited	129,717,818	3.51%
Meizhou Jincheng Industrial and Trading Company Limited	69,866,766	1.89%
	3,537,135,173	95.60%

* The ultimate customers are not known.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

XI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

5. INVESTMENT INCOME

	For the six months ended 30 June 2014	For the six months ended 30 June 2013
Gains/(losses) on disposal of held-for-trading financial assets (Note 1)	117,250,512	(53,471,487)
Investment income from long-term equity investments under the equity method (Note 3)	34,007,153	17,781,760
Investment income from long-term equity investments under the cost method (Note 2)	379,640,117	1,256,770,000
Income from other equity investments under available-for-sale investments	20,150,000	18,350,000
(Losses)/gains on disposal of available-for-sale investments	(13,903,660)	(8,417,447)
Others	54,337,974	(66,993)
	591,482,096	1,230,945,833

Note 1: Gains/(losses) on disposal of held-for-trading financial assets include gains of RMB115,224,580 on settlement of future contracts (For the six months ended 30 June 2013: loss of RMB53,471,487).

Note 2: Investees with the top five investment income from long-term equity investments under the cost method for the six months ended 30 June 2014 are as follows:

Investee	For the six months ended 30 June 2014	For the six months ended 30 June 2013
Xinjiang Ashele	204,000,000	204,000,000
Chongli Zijin	67,775,320	100,200,000
Zijin Finance	57,000,000	35,150,000
Guizhou Zijin	25,500,000	76,500,000
Tongling Zijin	15,110,000	16,150,000
	369,385,320	432,000,000

Note 3: Investment income from long-term equity investments under the equity method for the six months ended 30 June 2014 are as follows:

Investee	For the six months ended 30 June 2014	For the six months ended 30 June 2013
Tibet Yulong	20,019,420	4,220,764
Longyan Makeng	17,155,086	12,171,285
Wancheng Commercial	3,300,836	6,641,580
Zijin Tongguan	(6,468,189)	(5,251,869)
Total	34,007,153	17,781,760

Investment income/loss was recognised based on the carrying amount of net profit/loss of the investees.

As at 30 June 2014, there were no material restrictions on the transfer of the investment income back to the Company.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

SUPPLEMENTARY INFORMATION

I. SUMMARY OF NON-RECURRING PROFIT OR LOSS

Item	For the six months ended 30 June 2014
Net profit attributable to owners of the parent	1,109,401,895
Add/(less): Non-recurring profit or loss attributable to owners of the parent	
Loss on disposal of non-current assets	32,402,702
Government grants recognised in the statement of profit or loss	(37,567,662)
Net gains/losses on changes in fair value arising from financial assets and financial liabilities at fair value through profit or loss, net investment losses on disposal of financial assets at fair value through profit or loss and available-for-sale investments except for the effective portion of ordinary operating activities qualified for hedge accounting, gold leasing business and forward contracts (Note 1)	16,142,165
Impairment on available-for-sale investments	25,785,964
Other non-operating income and expenses other than the aforesaid items (Note 2)	63,378,024
	1,209,543,088
Impact on income tax	(19,349,255)
	1,190,193,833
Impact on the non-controlling interests (after tax)	(11,594,949)
	1,178,598,884

The non-recurring profit or loss of the Group was recognised under the China Securities Regulatory Commission (“CSRC”) Announcement [2008] No.43, Explanatory Announcement No.1 on Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities–Non-recurring profit or loss. The future contract transactions of the Group are related to the ordinary operating activities, of which the objects are the mineral products or similar metal products of the Group, aimed at reducing the risk of significant profitability fluctuation from ordinary operations in accordance with the price fluctuation. The transactions of future contracts are frequent and the Group has continued and will continue to engage in such future contracts in the foreseeable future. For the above-mentioned reasons, the profit or loss on future contracts are not classified as non-recurring profit or loss.

Notes to significant non-recurring profit or loss:

Note 1: Including the gains on changes in fair value of trading stocks, funds and bonds amounted to RMB10,091,483, and losses on disposal of stocks amounted to RMB26,233,648.

Note 2: Including donations of RMB69,699,817.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

SUPPLEMENTARY INFORMATION *(continued)*

I. SUMMARY OF NON-RECURRING PROFIT OR LOSS *(continued)*

For the six months ended 30 June 2014, the non-recurring profit or loss included in non-operating income and non-operating expenses are as follows (breakdowns are the same with non-operating income and non-operating expenses):

	For the six months ended 30 June 2014
Non-recurring profits or losses on non-operating income	
Gains on disposal of non-current assets	3,308,435
<i>Including: Gains on disposal of fixed assets</i>	3,308,435
Net penalty income	4,616,899
Government grants	37,567,662
Others	26,561,815
Non-recurring profits or losses included in non-operating expenses	
Donations	69,699,817
Losses on disposal of non-current assets	35,711,137
<i>Including: Loss on disposal of fixed assets</i>	35,711,137
Penalties	3,030,068
Others	15,904,996

II. RETURN ON NET ASSETS AND EARNINGS PER SHARE

For the six months ended 30 June 2014

Item		Weighted average return on net assets (%)		Basic earnings per share (EPS)
		Fully diluted	Weighted average	
Net profit attributable to owners of the parent	1,109,401,895	4.10	3.98	0.051
Net profit excluding non-recurring profit or loss attributable to ordinary shareholders of the Company	1,178,598,884	4.35	4.23	0.054

Notes to Financial Statements (continued)

For the six months ended 30 June 2014

RMB

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

SUPPLEMENTARY INFORMATION (continued)

II. RETURN ON NET ASSETS AND EARNINGS PER SHARE (continued)

For the six months ended 30 June 2013

Item		Weighted average return on net assets (%)		Basic earnings per share (EPS)
		Fully diluted	Weighted average	
Net profit attributable to owners of the parent	1,098,050,167	3.89	3.89	0.050
Net profit excluding non-recurring profit or loss attributable to ordinary shareholders of the Company	1,278,438,955	4.53	4.53	0.059

Net assets attributable to ordinary shareholders of the Company

	30 June 2014	30 June 2013
Net assets at 30 June attributable to ordinary shareholders of the Company	27,065,680,769	26,867,011,270
Weighted average net assets attributable to ordinary shareholders of the Company	27,862,512,846	28,251,365,467

The above-mentioned return on net assets and earnings per share were calculated according to the Announcement of CSRC: Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities No.9 - Calculation and Disclosure of Return on Net Assets and Earnings Per Share (revision 2010).

III. ANALYTICAL REVIEW OF FLUCTUATION ON CONSOLIDATED FINANCIAL STATEMENT ITEMS

1. Held-for-trading financial assets

As compared with the balance as at 31 December 2013, the balance of held-for-trading financial assets of the Group as at 30 June 2014 increased by RMB199,890,000 (approximately 42%), which was mainly attributable to the increase in fair value of gold leasing forward call contract in the first half of 2014.

2. Bills receivable

As compared with the balance as at 31 December 2013, the balance of bills receivable of the Group as at 30 June 2014 decreased by RMB247,500,000 (approximately 31.70%), which was mainly attributable to the realization of certain bills at maturity and the discount of bills before maturity in the first half year of 2014.

3. Trade receivables

As compared with the balance as at 31 December 2013, the balance of trade receivables of the Group as at 30 June 2014 increased by RMB403,510,000 (approximately 77.69%), which was mainly attributable to the increase of trade receivables due from customers including Jinchuan Group Co, Ltd., Xinjiang Bayi Iron & Steel Co., Ltd., etc. in the first half of 2014.

4. Available-for-sale investments

As compared with the balance as at 31 December 2013, the balance of available-for-sale investments of the Group as at 30 June 2014 decreased by RMB271,240,000 (approximately 38.83%), which was mainly attributable to the disposal of certain available-for-sale investments and fall of share prices of the investees in the first half year of 2014.

SUPPLEMENTARY INFORMATION *(continued)*

III. ANALYTICAL REVIEW OF FLUCTUATION ON CONSOLIDATED FINANCIAL STATEMENT ITEMS *(continued)*

5. Short-term borrowings

As compared with the balance as at 31 December 2013, the balance of short-term borrowings of the Group as at 30 June 2014 increased by RMB3,060,250,000 (approximately 110.31%), which was mainly attributable to the increase of borrowings for working capital in the first half year of 2014.

6. Held-for-trading financial liabilities

As compared with the balance as at 31 December 2013, the balance of held-for-trading financial liabilities of the Group as at 30 June 2014 increased by RMB2,210,610,000 (approximately 32.77%), which was mainly attributable to the increase of the scale of gold leasing in the first half year of 2014.

7. Employee benefits payable

As compared with the balance as at 31 December 2013, the balance of employee benefits payable of the Group as at 30 June 2014 decreased by RMB97,530,000 (approximately 30.34%), which was mainly attributable to the settlement of accrued annual bonus for last year in the first half year of 2014.

8. Dividends payable

As compared with the balance as at 31 December 2013, the balance of dividends payable of the Group as at 30 June 2014 increased by RMB1,836,320,000, which was mainly attributable to the provision of dividends of RMB1,731,670,000 according to the shareholders resolution of the Group passed in the first half of 2014.

9. Exchange differences arising from translation of financial statements denominated in foreign currencies

As compared with the balance as at 31 December 2013, the balance of exchange differences arising from translation of financial statements denominated in foreign currencies of the Group as at 30 June 2014 decreased by RMB129,820,000 (approximately 33.97%), which was mainly attributable to the exchange rate fluctuations of RMB in the first half of 2014.

10. Taxes and surcharges

As compared with the same period of 2013, taxes and surcharges of the Group for the period ended 30 June 2014 increased by RMB119,330,000 (approximately 46.28%), which was mainly attributable to the increase in the resource tax rate of mining products during the period ended 30 June 2014.

11. Financial expenses

As compared with the same period of 2013, financial expenses of the Group for the period ended 30 June 2014 decreased by RMB335,340,000 (approximately 57.36%), which was mainly attributable to the decrease in average financing costs due to issuance of mid-term bond and the increase in interest income from certain financial products during the period ended 30 June 2014.

12. Impairment losses on assets

As compared with the same period of 2013, impairment losses on assets of the Group for the period ended 30 June 2014 decreased by RMB284,370,000, which was mainly attributable to the metal prices rebound during the period ended 30 June 2014, and some refinery enterprises reversed impairment of inventory.

13. Gains/(losses) on changes in fair value

The losses on changes in fair value of the Group for the period ended 30 June 2014 amounted to RMB303,920,000, while gains on changes in fair value for the same period last year amounted to RMB9,580,000, which was mainly attributable to the unrealized losses on fair value changes generated by hedging and the decrease in difference between the spot price and bank's valuation on forward contracts of gold leasing during the period ended 30 June 2014.

Notes to Financial Statements *(continued)*

For the six months ended 30 June 2014

RMB

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

SUPPLEMENTARY INFORMATION *(continued)*

III. ANALYTICAL REVIEW OF FLUCTUATION ON CONSOLIDATED FINANCIAL STATEMENT ITEMS *(continued)*

14. Investment income

As compared with the same period of 2013, investment income of the Group for the period ended 30 June 2014 increased by RMB326,170,000 (approximately 377.32%), which was mainly attributable to increase in profits realised by the settlement of futures position and investment income from associates and joint ventures in the first half of 2014.

15. Losses on disposal of non-current assets

As compared with the same period of 2013, losses on disposal of non-current assets of the Group for the period ended 30 June 2014 increased by RMB25,210,000 (approximately 240.11%), which was mainly attributable to disposals of certain damaged and obsolete fixed assets during the period ended 30 June 2014.

16. Other comprehensive income

As compared with the same period of 2013, other comprehensive income of the Group for the period ended 30 June 2014 increased by RMB295,350,000, which was mainly attributable to the decrease in exchange differences arising from translation of financial statements denominated in foreign currencies and disposals of certain available-for-sale investments with accumulated drop of fair values during the period ended 30 June 2014.



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