

2019

INTERIM
REPORT



ZIJIN

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

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



* For identification purpose only

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Corporate Information

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

EXECUTIVE DIRECTORS

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

NON-EXECUTIVE DIRECTOR

Li Jian

INDEPENDENT NON-EXECUTIVE DIRECTORS

Lu Shihua
Zhu Guang
Sit Hoi Wah, Kenneth
Cai Meifeng

AUDIT AND INTERNAL CONTROL COMMITTEE

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

AUTHORISED REPRESENTATIVE

Chen Jinghe
Lan Fusheng

SUPERVISORS

Lin Shuiqing
Xu Qiang
Fan Wensheng
Liu Wenhong
Lan Liying

COMPANY SECRETARY

Fan Cheung Man

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

LEGAL ADDRESS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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

LEGAL CONSULTANT OF THE COMPANY (HONG KONG LAWS)

Chungs Lawyers

AUDITORS

PRC Auditors:
Ernst & Young Hua Ming LLP

HONG KONG H SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
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WEBSITE

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STOCK CODE

Hong Kong Stock Exchange: 02899
Shanghai Stock Exchange: 601899

Definition

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

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

A Share(s)	The domestic share(s) issued by the Company to domestic investors with a nominal value of RMB0.10 each, which are listed on the Shanghai Stock Exchange
Altynken	Altynken Limited Liability Company, a subsidiary of the Company
BNL	Barrick (Niugini) Limited, a company under joint operation of the Company
Board, Board of Directors	The board of Directors of the Company
Chongli Zijin	Hebei Chongli Zijin Mining Company Limited
COMMUS	La Compagnie Minière de Musonoie Global SAS, a subsidiary of the Company
CSRC	China Securities Regulatory Commission
Director(s)	The director(s) of the Company
DR Congo	The Democratic Republic of the Congo
Duobaoshan Copper, Heilongjiang Duobaoshan Copper	Heilongjiang Duobaoshan Copper Company Limited, a wholly-owned subsidiary of the Company
Fujian Makeng Mining	Fujian Makeng Mining Company Limited, an associate of the Company
H Share(s)	The overseas-listed foreign invested share(s) in the Company's share capital, with a nominal value of RMB0.10 each, which are listed on the Hong Kong Stock Exchange
Heilongjiang Zijin	Heilongjiang Zijin Copper Company Limited, a wholly-owned subsidiary of the Company
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
Ivanhoe	Ivanhoe Mines Ltd.
Listing Rules	The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
Longxing, Longxing Company	Longxing Limited Liability Company, a subsidiary of the Company
Luoyang Kunyu	Luoyang Kunyu Mining Co., Ltd., a subsidiary of the Company
Minxi Xinghang	Minxi Xinghang State-owned Assets Investment Company Limited, a substantial shareholder of the Company
Norton Gold Fields	Norton Gold Fields Pty Limited, a wholly-owned subsidiary of the Company
Papua New Guinea	Independent State of Papua New Guinea
PRC	The People's Republic of China but for the purpose of this report, excludes Hong Kong SAR, Macau SAR and Taiwan
Supervisor(s)	The supervisor(s) of the Company
Xinjiang Ashele Copper	Xinjiang Habahe Ashele Copper Company Limited, a subsidiary of the Company
Xinjiang Zijin Non-ferrous	Xinjiang Zijin Non-ferrous Metals Company Limited, a wholly-owned subsidiary of the Company
Zeravshan	Joint Venture Zeravshan Limited Liability Company, a subsidiary of the Company
Zijin Bor Copper	Serbia Zijin Bor Copper doo Bor, a subsidiary of the Company
Zijin Copper	Zijin Copper Company Limited, a wholly-owned subsidiary of the Company
Zijin Zinc Industry, Xinjiang Zijin Zinc Industry	Xinjiang Zijin Zinc Industry Co., Ltd., a wholly-owned subsidiary of the Company

Basic Information of the Report

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

The board of directors (the “Board”) of Zijin Mining Group Co., Ltd.* (the “Company”) is pleased to announce the unaudited interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2019 (“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 the Basic Standards and the Specific Standards of the Accounting Standards for Business Enterprises (“ASBE”) issued by the Ministry of Finance (“MOF”), and Application Guidance for ASBE, interpretations and other relevant regulations issued and revised thereafter (hereafter referred to as “CAS”).

This report contains some forward looking statements and future plans of the Company, which do not constitute any actual commitment to investors. Investors should be aware of investment risks.

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

Operation Overview

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

OVERVIEW OF THE COMPANY'S OPERATION

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

1. Business scope

The Company is globally engaged in the exploration, mining, refining and processing of gold, copper, zinc and other metal mineral resources and sales of relevant products. The Company also carries out other mining-related businesses such as research and development, construction, trade and finance, etc.

2. Operating model

- **Obtain mineral resources by exploration or acquisition.** Adhering to the mining resource priority strategy, the Company has relatively strong geological prospecting technologies and capacity. Resources reserve is obtained from projects at low cost through exploration. Moreover, the Company insists on carrying out merger and acquisition of mining companies and mineral resources projects at appropriate times in order to ensure that the growth of resources reserve volume can meet the enterprise's needs of sustainable development.
- **Obtain mineral resources by development of mines.** The Company focuses on development and utilisation of mineral resources as its key business, with gold, copper and zinc being the key minerals, and strives to develop mines in a low-cost, high-tech and efficient manner.
- **Enhance the industrial chain with refining and processing business.** The Company carries out refining and processing business of gold, copper and zinc in an optimal scale while developing its mining business. Through perfecting the industrial chain and expanding business scale for forming upstream and downstream synergies, the Company enhances industrial security and gains value-added income.
- **Technological research and construction business.** The Company has a comprehensive scientific research system with strong pertinence and practicability, which specialises in geology, mining, processing, metallurgy and environmental protection application. The Company has a qualification of grade A design entity, with a strong mine construction capacity.
- **Integrate mining with finance, trade and logistics.** The Company has established a finance company, Hong Kong treasury centre and capital investment company for fund management and capital operation of its global business. The Company proactively explores the pathway to a successful integration of mining, finance, trade and logistics, and has built platforms for selling, trading and marketing gold and other metal products.

3. Market environment

During the reporting period, global economy demonstrated an overall pattern of slowing growth. Geopolitical uncertainties rose, and trade protectionism prevailed globally. The majority of international organisations lowered their economic growth expectation in the year of 2019.

The economy of China was overall steady in operation, and supply-side structural reform was consistently pushed forward. With complicated and unpredictable internal and external conditions of economic operation and development, downward pressure on the economy increased.

Operation Overview *(continued)*

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During the reporting period, in respect of gold, the expectation in adoption of monetary easing policy by central banks of the United States and Europe raised, coupled with increasing demand for risk aversion. Gold price in London was USD1,279/ounce at the beginning of 2019, which bounced up to USD1,439/ounce on 25 June 2019, the highest price in the first half of 2019, and closed at USD1,409/ounce at the end of June 2019, representing a 10.15% increase compared with the beginning of the year. Average gold price for the first half of 2019 was USD1,307/ounce, representing a 0.83% decrease compared with the same period last year. Under the influence of exchange rate and other factors, gold price in China was RMB283.98/gramme at the beginning of 2019, which bounced up to RMB322/gramme on 25 June 2019, the highest price in the first half of 2019, and closed at RMB314.43/gramme at the end of June 2019, representing a 10.72% increase compared with the beginning of the year. Average gold price for the first half of 2019 was RMB287.96/gramme, representing a 6.12% increase compared with the same period last year.

In respect of copper metal, the TC/RC processing fees continuously declined, and there was a tension between tightening supply from mines and expanding refining capacity. Added with a weak downstream demand, the spot market remained tight-balanced. However, the economic conditions limited the rebounding extent of copper price. Copper price in London was USD5,970/tonne at the beginning of the year, reaching the highest price at USD6,609/tonne, and closing at USD5,982/tonne at the end of June 2019, representing a 0.2% increase compared with the beginning of the year. Average copper price for the first half of 2019 was USD6,167/tonne, representing a 10.88% decrease compared with the same period last year. Average copper price in China for the first half of 2019 was RMB48,300/tonne, representing a 7.05% decrease compared with the same period last year.

In respect of zinc metal, plenty supply of zinc minerals and negative consumption growth contributed to the feeble performance of zinc price. Zinc price in London was USD2,470/tonne at the beginning of the year, reaching the highest price at USD2,958/tonne, and closing at USD2,565/tonne at the end of June 2019, representing a 3.85% increase compared with the beginning of the year. Average zinc price for the first half of 2019 was USD2,732/tonne, representing a 16.27% decrease compared with the same period last year. Average zinc price in China for the first half of 2019 was RMB21,655/tonne, representing a 13.45% decrease compared with the same period last year.

4. Condition of the industry

Gold

According to the statistics of the World Gold Council, in the first half of 2019, the global gold production volume was 2,323.9 tonnes, representing an increase of 2.18% compared with the same period last year, and it was the highest level since 2016, of which mine-produced gold production volume was 1,735 tonnes. The global gold consumption was 2,181.7 tonnes, representing an increase of 8% compared with the same period last year.

According to the statistics of the China Gold Association, China's gold production volume was 235 tonnes in aggregate, representing a decrease of 6.6% compared with the same period last year. Among which, 180.7 tonnes of gold were produced from domestic raw materials (including 153.9 tonnes of domestic mine-produced gold and 26.8 tonnes of domestic non-ferrous by-product), representing a 5.1% decrease compared with the same period last year; 54.3 tonnes of gold were produced from imported raw materials, representing an 11.2% decrease compared with the same period last year. China's actual gold consumption was 523.54 tonnes, representing a 3.3% decrease compared with the same period last year.

Operation Overview *(continued)*

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Copper and zinc

According to the statistics of the World Bureau of Metal Statistics (“WBMS”), in the first half of 2019, the global production volume of mine-produced copper was 10.28 million tonnes, representing an increase of 0.4% compared with the same period last year; the global production volume of refined copper was 11.21 million tonnes, representing a decrease of 4.8% compared with the same period last year; the global copper consumption was 11.25 million tonnes, representing a decrease of 4% compared with the same period last year.

According to the statistics of the International Lead and Zinc Study Group (“ILZSG”), in the first half of 2019, the global production volume of mine-produced zinc was 6.355 million tonnes, representing an increase of 1.86% compared with the same period last year; the global production volume of refined zinc was 6.513 million tonnes, representing a decrease of 0.4% compared with the same period last year; the global zinc consumption was 6.647 million tonnes, representing an increase of 0.2% compared with the same period last year.

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

The total assets of the Group as at 30 June 2019 amounted to RMB116.582 billion, representing a 3.28% growth compared with the end of last year, among which, overseas assets amounted to RMB44.494 billion, representing 38.17% of the total assets.

III. Analysis on the core competitiveness during the reporting period

Innovation is the core competitiveness of the Company. The Company possesses core technology and competitive edges in the industry in the aspects of geological prospecting, hydrometallurgy, comprehensive recovery and utilisation of low-grade refractory resources, large-scale engineering development and so on. It also has comparative advantages in system and mechanism, strategic development, resources reserve, technological innovation, cost control, synergy, competition for talents, etc. The mineral resources reserve of gold, copper and zinc owned by the Company are one of the largest among domestic corporations in China, providing a strong foundation of resources for the Company’s sustainable development.

DISCUSSION AND ANALYSIS ON OPERATING PERFORMANCE

Business overview

In the first half of 2019, the Company closely adhered to the work focus of “clinging to reforms, stabilising growth and boosting development”, seized the favorable opportunity of rising gold price and overcame the adverse conditions of declining prices of copper and zinc metals. The production volume of major products realised substantial growth. The Group deepened reforms in order to continuously enhance the operation and management level of mining, refining, processing and overseas segments, as well as steadily improved the “five rates” including mining loss rate, ore dilution rate, ore recovery rate, equipment operating rate and labour productivity rate. Smooth transition and operation were realised for the newly acquired projects and constructions for key projects went on with good progress. The safety and environmental protection work stayed stable in general, and phased outcome was achieved in the aspect of informatisation development. The industrial status of the Company was consistently elevated; the Company occupies the 889th place in the Forbes list of “Global 2000: The World’s Largest Public Companies” in 2019, being the top company both among global gold enterprises and Chinese non-ferrous companies on the list.

During the reporting period, the Group realised sales income of RMB67.198 billion, representing an increase of 34.90% compared with the same period last year (same period last year: RMB49.814 billion), and the net profit attributable to owners of the parent was RMB1.853 billion, representing a decrease of 26.64% compared with the same period last year (same period last year: RMB2.526 billion). As at the end of June 2019, the Group’s total assets amounted to RMB116.582 billion, representing an increase of 3.28% compared with the beginning of the year (at the beginning of the year: RMB112.879 billion), and net assets of RMB47.02 billion, in which the net assets attributable to owners of the parent amounted to RMB40.932 billion, representing an increase of 1.18% compared with the beginning of the year (at the beginning of the year: RMB40.455 billion).

Operation Overview *(continued)*

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Gold mine business

During the reporting period, the Group produced 151,735kg (4,878,390 ounces) of gold, representing an increase of 44.63% compared with the same period last year (same period last year: 104,911kg).

Among which, 19,104kg (614,207 ounces) of mine-produced gold was produced, representing an increase of 13.18% compared with the same period last year (same period last year: 16,880kg).

	Name	Interest held by the Group	Mine-produced gold (kg)
Major enterprises or mines	Porgera gold mine in Papua New Guinea	47.50%	3,935 (production volume on equity basis)
	Joint Venture Zeravshan Limited Liability Company in Tajikistan	70%	2,896
	Norton Gold Fields Pty Limited in Australia	100%	2,227
	Altynken Limited Liability Company in Kyrgyzstan	60%	1,961
	Jilin Hunchun Shuguang gold and copper mine	100%	1,594
	Zijinshan gold and copper mine in Fujian	100%	1,279
Total production volume of other gold-producing enterprises of the Group			5,212
Total			19,104

132,631kg (4,264,182 ounces) of refined, processed and trading gold was produced, representing an increase of 50.66% compared with the same period last year (same period last year: 88,031kg).

Sales income from the gold business represented approximately 55.59% (after elimination) of the operating income during the reporting period, and the products generated approximately 24.69% of the gross profit of the Group.

(1 troy ounce = 31.1035 grammes)

Copper mine business

During the reporting period, the Group produced 397,269 tonnes of copper, representing a growth of 17.81% compared with the same period last year (same period last year: 337,212 tonnes).

Among which, 171,089 tonnes of mine-produced copper were produced, representing an increase of 43.33% compared with the same period last year (same period last year: 119,367 tonnes). The increase in production volume was mainly attributable to: the floatation processing system of the Kolwezi copper mine in the DR Congo, which reached the designated production capacity, and also its hydrometallurgy system commenced production; phase 2 of Duobaoshan commenced production; and the production increment of the newly acquired Zijin Bor Copper.

Operation Overview *(continued)*

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	Name	Interest held by the Group	Mine-produced copper (tonne)	Note
Major enterprises or mines	Zijinshan gold and copper mine in Fujian	100%	40,728	Including: 11,846 tonnes of copper cathodes
	Kolwezi copper mine in the DR Congo	72%	35,176	Including: 5,307 tonnes of copper cathodes and 15,552 tonnes of blister copper
	Heilongjiang Duobaoshan Copper	100%	32,366	
	Xinjiang Ashele Copper	51%	21,975	
	Zijin Bor Copper	63%	19,238	Copper cathodes
	Jilin Hunchun Shuguang gold and copper mine	100%	8,345	
Total of other mines			13,261	
Total			171,089	

226,180 tonnes of copper were produced from refinery, representing an increase of 3.83% compared with the same period last year (same period last year: 217,846 tonnes).

Sales income from the copper mine business represented approximately 17.30% (after elimination) of the operating income during the reporting period, and the products generated approximately 35.88% of the gross profit of the Group.

Lead and zinc mine business

During the reporting period, the Group produced 295,377 tonnes of zinc, representing an increase of 21.24% compared with the same period last year (same period last year: 243,628 tonnes). Among which, the Group produced 186,748 tonnes of mine-produced zinc in concentrate form, representing an increase of 25.92% compared with the same period last year (same period last year: 148,311 tonnes). It was mainly attributable to the production increment from the newly acquired Bisha project.

108,628 tonnes of zinc bullion were produced from refinery, representing an increase of 13.96% compared with the same period last year (same period last year: 95,317 tonnes).

During the reporting period, 17,418 tonnes of lead in concentrate form were produced, representing a decrease of 9.63% compared with the same period last year (same period last year: 19,274 tonnes).

	Name	Interest held by the Group	Mine-produced zinc (tonne)	Mine-produced lead (tonne)	Mine-produced zinc + mine-produced lead (tonne)
Major enterprises or mines	Bisha Mining Share Company in Eritrea	55%	54,525	–	54,525
	Xinjiang Zijin Zinc Industry	100%	46,010	6,830	52,840
	Longxing Company in Tuva, Russia	70%	42,145	1,050	43,195
	Wulatehouqi Zijin Mining Company Limited	95%	37,754	7,204	44,958
	Xinjiang Ashele Copper	51%	5,641	–	5,641
Total of other mines			673	2,334	3,007
Total			186,748	17,418	204,166

Sales income from the lead and zinc mine business represented approximately 5.59% (after elimination) of the operating income during the reporting period, and the products generated approximately 17% of the gross profit of the Group.

Operation Overview *(continued)*

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Silver, iron mine and other businesses

During the reporting period, the Group produced 250,609kg of silver, representing a decrease of 18.58% compared with the same period last year (same period last year: 307,787kg), among which, 141,068kg of silver was produced from refinery as by-product, representing a decrease of 26.77% compared with the same period last year (same period last year: 192,643kg); 109,541kg of mine-produced silver was produced, representing a decrease of 4.87% compared with the same period last year (same period last year: 115,144kg).

	Name	Interest held by the Group	Mine-produced silver (kg)
Major enterprises or mines	Luoyang Kunyu Mining Company Limited	70%	17,809
	Xinjiang Ashele Copper	51%	15,414
	Shanxi Zijin Mining Company Limited	100%	15,316
	Zijinshan gold and copper mine in Fujian	100%	14,135
	Fujian Wuping Zijin Mining Company Limited	77.5%	14,099
	Heilongjiang Duobaoshan Copper	100%	10,267
	Total of other mines		22,501
Total			109,541

During the reporting period, the Group produced 1.68 million tonnes of iron ore, representing an increase of 32.28% compared with the same period last year (same period last year: 1.27 million tonnes). In addition, the iron ore produced by Fujian Makeng Mining (an associate, in which the Group holds 41.5% interest) attributable to the Group on equity basis was 346,800 tonnes, representing an increase of 19.05% compared with the same period last year (same period last year: 291,300 tonnes).

	Name	Interest held by the Group	Iron ore (million tonne)
Major enterprises or mines	Xinjiang Jinbao Mining Company Limited	56%	1.68

Sales income from iron mine, silver and other products represented approximately 21.52% (after elimination) of the operating income during the reporting period, and the products generated approximately 22.43% of the gross profit of the Group.

Major measures taken during the reporting period:

Further regulated the Company's corporate governance and moved forward management system reform of the Group

The Company's corporate governance system was consistently enhanced. Aimed at building an international operation system, the Company continuously carried out measures for deepening reform and stepped up to benchmark against the management model of first-tier international mining companies. The operational capacity of various business segments improved.

The Company consistently promoted innovation in management's belief, cost reduction by technological innovation and innovation at base-level work. The indicators of "five rates" in domestic mines, refining, processing and overseas segments were constantly optimised. The Company pushed forward informatisation development in all aspects and gradually optimised the fundamental data framework of "internationalisation, intellectualisation, standardisation and compliance" and information security system. The selection and cultivation mechanism for the Group's medium to long-term reserve talents, talents with professional techniques and skills and outstanding artisans was firmly established. The financial management of the Company had significant effect and overseas fund management was further strengthened. With more efficient capital reflow, standardised management of capital and taxes was improved. Steps were taken to further regulate the procurement and logistics management of the Company. Procurement efficiency was enhanced while the costs was reduced. Development of internal e-commerce platform proceeded in order.

Operation Overview *(continued)*

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Continued achievements in overseas projects and improvement in international operation

During the reporting period, significant growths were achieved in terms of the Company's overseas production volumes of gold, copper and zinc products as well as operating income. The Company's overseas projects produced 11.21 tonnes of mine-produced gold, 65,900 tonnes of mine-produced copper and 96,700 tonnes of mine-produced zinc, representing 58.66%, 38.55% and 51.77% of the total production volumes of the Group respectively, and representing an increase of 37.04%, 156.42% and 73.92% respectively over the same period last year.

With consistent improvement in international operation, the Company gained fruitful accomplishments in several overseas production increment projects, and the integration of newly acquired projects was implemented with high efficiency. The Bor copper (gold) mine in Serbia went through a smooth transition after takeover and turned loss into profit; the construction of the Timok copper-gold mine was conducted in order; the Kamoia-Kakula copper mine construction project in the DR Congo attained significant achievements by prospecting and discovering high-grade copper sulphide mineralisation at the Kamoia North; the 50,000 tonnes/annum hydrometallurgy system of the Kolwezi copper (cobalt) mine in the DR Congo commenced production in full swing and the mine rose to the tier of large-scale copper mine at production volume of 100,000 tonnes/annum, through which the resources reserves of copper and cobalt were continuously increased; production capacity of the Porgera gold mine in Papua New Guinea resumed raising; the underground mining system of Longxing's zinc and polymetallic mine in Tuva was connected; the achievements of technological reforms in the gold mine of Altynten in Kyrgyzstan and Zeravshan's gold mines in Tajikistan were outstanding.

Upheld the harmonious unity between mine development and ecological civilisation and actively carried out social responsibility

Production safety, ecological and environmental protection as well as occupational health were included in the overall plan of the Company. Under the circumstances of overall stability in terms of safety and environmental protection, the Company refined the responsibility system continuously, endeavored to build a long-term mechanism for production safety, determined to curb the occurrence of significant and extra-large safety incidents and focused on safety supervision of construction contractors. Hence, the safety standard was evidently elevated. The Company achieved the goal of "zero environmental incident" and obtained comprehensive benefits from ecological and environmental protection. The influence of international green mine ecological brand constantly spread. The Kolwezi copper mine in the DR Congo was successfully constructed as the first green mine in the history of the DR Congo, Africa, in accordance with "Chinese Standard"; the Zijin Bor copper mine in Serbia and Zeravshan in Tajikistan gave impetus to green mine construction, which evidently improved the environment of mining areas. The Company respected multicultural exchange and mutual appreciation, consistently worked on co-development with localities, poverty alleviation in communities and charities, so as to develop a community of shared future between the projects and localities. The Company was awarded the title of "Top Ten Charity Enterprises of China" in 2019.

Standardised and organised constructions of key projects and impressive outcome of mine exploration and resources reserve increment

The Company made full use of the technological advantage of large-scale project development, in order to strengthen sustainable development ability of the Company. Apart from the crucial construction outcome from a number of overseas key project constructions, domestically, the comprehensive utilisation of resources from copper refining and harmless treatment project of Zijin Copper commenced pilot production; the phase 2 expansion project of the Duobaoshan copper (molybdenum) mine and the Qiqihar copper refining project in Heilongjiang were in the ending stage; steady progress was made in the 15,000t/d technological upgrade and comprehensive utilisation project of low-grade and waste rock resources of Xinjiang Zijin Zinc Industry. The Company relentlessly perfected standardised management of projects, enhanced full process control and supervision and advanced to a higher calibre in terms of overall results.

During the reporting period, the Company invested RMB211 million into geological exploration and accomplished 160 thousand metres of drilling and 5.020 thousand metres of tunnel exploration. The Yixingzhai – Yilian gold mine in Shanxi Province, the Luyuangou gold mine and the Shanggong gold mine in Henan Province attained significant results, while important advancement was made in supplemental exploration projects including the Kamoia North mine section in the DR Congo, C2 deposit of Altynten in Kyrgyzstan, the Jilau gold mine in Tajikistan, the Ashele copper mine in Xinjiang, and the deep section of the Wulagen zinc mine in Wuqia County.

Full efforts in pushing forward A Share equity financing and keeping up the capital operation capabilities

The Company made full efforts in pushing forward the public issuance of A Shares and the related work was in good progress. By continuously deepening comprehensive financial strategies, enhancing risk prevention and enriching financing channels and types, the Company reduced the finance costs and optimised the capital structure.

Management Discussion and Analysis

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

ANALYSIS OF MAIN BUSINESSES

1. Operating results

During the reporting period, the Company recorded operating income of RMB67.198 billion, representing an increase of 34.9% compared with the same period last year (same period last year: RMB49.814 billion).

The table below sets out the sales by product for the six months ended 30 June 2019 and 30 June 2018 respectively:

Item Product name	January – June 2019					January – June 2018				
	Unit price (tax excluded)		Sales volume		Amount RMB' 000	Unit price (tax excluded)		Sales volume		Amount RMB' 000
Mine-produced gold	274.95	RMB/g	18,342	kg	5,043,140	254.03	RMB/g	16,117	kg	4,094,060
Refined, processed and trading gold	287.96	RMB/g	132,404	kg	38,126,760	270.22	RMB/g	88,046	kg	23,792,290
Mine-produced silver	2.38	RMB/g	108,348	kg	258,370	2.36	RMB/g	113,618	kg	268,570
Mine-produced copper	35,558.12	RMB/t	166,788	t	5,930,660	36,914	RMB/t	117,968	t	4,354,660
Refined copper	41,907.67	RMB/t	226,482	t	9,491,330	44,420	RMB/t	218,315	t	9,697,520
Mine-produced zinc	11,582.10	RMB/t	191,658	t	2,219,800	15,914	RMB/t	153,601	t	2,444,450
Refined zinc	18,869.02	RMB/t	108,415	t	2,045,680	21,468	RMB/t	94,560	t	2,030,000
Iron ore	612.08	RMB/t	1,792	Mt	1,096,680	582	RMB/t	1.2190	Mt	709,580
Others (Note 1)					19,002,460					13,990,010
Internal sales elimination					-16,016,470					-11,567,250
Total					67,198,400					49,813,890

Note 1: During the reporting period, other sales income mainly included: RMB9.224 billion from trading and logistics, RMB444 million from refined and processed silver, RMB822 million from gold manufacturing products, RMB338 million from copper pipe, RMB446 million from copperplate, RMB564 million from trading of precious metals and RMB7.164 billion from other products, services, etc.

2. Analysis on costs and gross profit margin

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

The table below sets out details of the unit cost of sales and gross profit margin by product for the six months ended 30 June 2019 and 30 June 2018 respectively (Note 1):

Item	Unit	Unit cost of sales			Gross profit margin (%)	
		January – June 2019	January – June 2018	Compared with the same period last year (%)	January – June 2019	January – June 2018
Mine-produced gold	RMB/gramme	175.16	171.62	2.06	36.29	32.44
Refined, processed and trading gold	RMB/gramme	286.69	269.19	6.50	0.44	0.38
Mine-produced silver	RMB/gramme	1.58	1.72	-8.14	33.76	27.10
Mine-produced copper	RMB/tonne	19,996	17,405	14.89	43.76	52.85
Refined copper	RMB/tonne	40,549	43,032	-5.77	3.24	3.12
Mine-produced zinc	RMB/tonne	5,936	4,997	18.79	48.75	68.60
Refined zinc	RMB/tonne	17,148	20,464	-16.20	9.12	4.68
Iron ore	RMB/tonne	166.11	158.89	4.54	72.86	72.70
Overall gross profit margin					11.24	14.25
Overall gross profit margin of mining entities					44.00	49.82

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

Management Discussion and Analysis *(continued)*

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

The Group's overall gross profit margin was 11.24%, representing a decrease of 3.01 percentage points compared with the same period last year. It was mainly due to the fall of metal prices and increase in the proportion of trading income. Among which, the overall gross profit margin of mining entities was 44%, representing a decrease of 5.82 percentage points compared with the same period last year; the overall gross profit margin of refining entities was 1.41%, representing a decrease of 0.18 percentage point compared with the same period last year.

3. Analysis on financial data

(1) Selling expenses

The selling expenses of the Group for the first half of 2019 was RMB629.08 million, representing an increase of 46.22% compared with the same period last year (same period last year: RMB430.23 million), which was mainly due to the newly acquired enterprises being included in the scope of consolidation.

(2) Administrative expenses

The administrative expenses of the Group for the first half of 2019 was RMB1.85805 billion, representing an increase of 36.93% compared with the same period last year (same period last year: RMB1.35691 billion), which was mainly due to the newly acquired enterprises being included in the scope of consolidation.

(3) Financial expenses

The financial expenses of the Group for the first half of 2019 was RMB850.89 million, representing an increase of 28.84% compared with the same period last year (same period last year: RMB660.42 million), which was mainly due to increase in interest expenses.

(4) Impairment losses on assets/credit impairment losses

The Group provided impairment losses on assets/credit impairment losses of RMB215.98 million in the first half of 2019 (same period last year: RMB318.49 million), including (1) net provision of RMB66.10 million for bad debts after offsetting between provision and reversal of bad debts; (2) net provision of RMB35.95 million on inventories after offsetting between provision and reversal for decline in value of inventories; (3) provision of RMB7.16 million for impairment losses on fixed assets; (4) provision of RMB56.77 million for impairment losses on intangible assets; (5) provision of RMB47.04 million for impairment losses on long-term equity investments; and (6) provision of RMB2.96 million for impairment losses on construction in progress.

(5) Investment income

The investment income of the Group during the first half of 2019 was RMB57.95 million, representing a decrease of RMB69.66 million compared with the same period last year (same period last year: RMB127.61 million). It was mainly due to decrease in gains from disposal of financial assets and financial liabilities at fair value through profit or loss during the period compared with the same period last year.

(6) Derivative financial instruments in unsettled positions

As at the end of the reporting period, the changes in fair value of hedging contracts held by the Group amounted to RMB27.07 million (31 December 2018: changes in fair value of -RMB58.33 million).

(7) Donations

During the reporting period, the Group made donations of RMB93.62 million (same period last year: RMB99.32 million).

Management Discussion and Analysis *(continued)*

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(8) Working capital and sources of fund

As at 30 June 2019, the Group's cash and cash equivalents was RMB9.031 billion, representing an increase of RMB633 million or 7.53% compared with the same period last year.

During the reporting period, the net cash inflows from the Group's operating activities was RMB4.406 billion, representing a decrease of RMB574 million compared with the same period last year, in which, the cash inflows from operating activities was RMB70.257 billion, representing an increase of RMB15.915 billion compared with the same period last year; cash outflows used in operating activities was RMB65.850 billion, representing an increase of RMB16.489 billion compared with the same period last year. The main reason for the decrease in net cash flows from the Group's operating activities was the fall in copper and zinc prices, which led to a decrease in gross profit generated from copper and zinc mines.

During the reporting period, net cash outflows used in the Group's investing activities was RMB4.656 billion, representing an increase in outflow of RMB3.747 billion compared with the same period last year. The main investment expenditures in the first half of 2019 included: (1) cash payments of RMB3.816 billion for acquisitions and constructions of fixed assets, intangible assets and other long-term assets; and (2) net cash outflows of RMB1.106 billion for cash payments for acquisitions and recovery of investments.

During the reporting period, net cash outflows used in the Group's financing activities was RMB462 million, while during the same period last year, the net cash outflows was RMB1.353 billion. The main reason was settlement of profit distribution in July 2019 while settlement of profit distribution in last year was completed in June 2018.

As at 30 June 2019, the Group's total borrowings amounted to RMB47.969 billion (31 December 2018: RMB47.148 billion), among which, the amount repayable within one year was approximately RMB23.109 billion; the amount repayable within one to two years was approximately RMB10.216 billion; the amount repayable within two to five years was approximately RMB13.980 billion; and the amount repayable over five years was approximately RMB664 million. The interest rates for all the abovementioned borrowings ranged from 1.2% to 5.6% per annum.

The Group's daily capital requirements and capital expenditures in maintenance nature can be financed from its internal cash flow. The Group also has loan facilities with no usage restriction of approximately RMB152.348 billion granted by banks.

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

(1) Status of main businesses by region

Over 87.53% of the Company's operating income was originated from customers in Mainland China, and 50.45% of the operating income was from the Shanghai Gold Exchange. Therefore, it is not necessary to sort customers by region.

(2) Information on major suppliers and customers

During the reporting period, the Group's total procurement from the top five suppliers amounted to RMB18.062 billion, representing 30.28% of the Group's total procurement amount.

During the reporting period, the Group's total sales income from the top five customers amounted to RMB40.567 billion, representing 60.37% of the Group's total sales income.

Management Discussion and Analysis *(continued)*

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

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

Currency: RMB

Item	Amount for the current period	Amount for the same period last year	Changes (%)
Operating income	67,198,395,835	49,813,890,835	34.90
Operating costs	59,642,296,042	42,716,501,955	39.62
Selling expenses	629,077,911	430,225,695	46.22
Administrative expenses	1,858,045,581	1,356,911,252	36.93
Financial expenses	850,886,565	660,421,573	28.84
Research and development expenses	134,560,641	130,917,000	2.78
Net cash flows from operating activities	4,406,208,104	4,980,685,290	-11.53
Net cash flows used in investing activities	(4,655,664,266)	(908,446,760)	Not applicable
Net cash flows used in financing activities	(462,395,876)	(1,352,875,202)	Not applicable
Other income	120,118,883	83,849,029	43.26
Investment income	57,950,947	127,612,938	-54.59
Share of profits/(losses) of associates and joint ventures	10,772,724	(27,548,270)	Not applicable
Impairment losses on assets	149,879,084	263,678,192	-43.16
(Losses)/Gains on disposal of non-current assets	(33,784)	13,450,270	Not applicable
Non-operating income	21,672,368	153,114,713	-85.85
Non-operating expenses	197,477,460	149,657,445	31.95
Changes in fair value of other equity instrument investments	1,007,649,350	(748,815,912)	Not applicable
Exchange differences arising from translation of financial statements denominated in foreign currencies	49,899,721	(20,565,992)	Not applicable
Hedging costs – forward elements	(43,791,312)	89,457,331	Not applicable

- (1) Change in operating income: Please refer to the above analysis
- (2) Change in operating costs: Please refer to the above analysis
- (3) Change in selling expenses: Please refer to the above analysis
- (4) Change in administrative expenses: Please refer to the above analysis
- (5) Change in financial expenses: Please refer to the above analysis
- (6) Change in research and development expenses: Basically unchanged
- (7) Change in net cash flows from operating activities: Please refer to the above analysis
- (8) Change in net cash flows used in investing activities: Please refer to the above analysis
- (9) Change in net cash flows used in financing activities: Please refer to the above analysis
- (10) Change in other income: Mainly due to increase in government grants
- (11) Change in investment income: Please refer to the above analysis
- (12) Change in share of profits/(losses) of associates and joint ventures: Mainly due to increase in profitability of certain associates and joint ventures
- (13) Change in impairment losses on assets: Mainly due to decrease in provision for impairment losses for fixed assets during the reporting period compared with the same period last year
- (14) Change in (losses)/gains on disposal of non-current assets: Mainly due to the gains on disposal of intangible assets during the same period last year

Management Discussion and Analysis *(continued)*

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

- (15) Change in non-operating income: Mainly due to the earthquake insurance indemnity received by BNL, a company under joint operation of the Group during the same period last year
- (16) Change in non-operating expenses: Mainly due to increase in write-off of fixed assets during the reporting period
- (17) Change in fair value of other equity instrument investments: Mainly due to unrealised gains on the stocks at fair value through other comprehensive income during the reporting period, while there was an unrealised loss during the same period last year
- (18) Change in exchange differences arising from translation of financial statements denominated in foreign currencies: Mainly due to the fluctuation of exchange rate between Renminbi and foreign currencies
- (19) Change in hedging costs – forward elements: Due to the implementation of fair value hedge accounting in 2018, forward elements were initially identified and recognised in other comprehensive income, and was subsequently transferred from other comprehensive income to profit or loss for the period during which hedging relationship affecting the profit or loss

Gearing ratio

Gearing ratio refers to the proportion of consolidated total liabilities to the consolidated total equity. As at 30 June 2019, the Group's consolidated total liabilities amounted to RMB69,561,822,721 (30 June 2018: RMB53,267,786,124) and the Group's consolidated total equity was RMB47,020,138,721 (30 June 2018: RMB37,721,151,774). As at 30 June 2019, the gearing ratio of the Group was 1.4794 (30 June 2018: 1.4121).

Non-recurring profit or loss items and their amounts

Unit: RMB

Non-recurring profit or loss items	Amount	Note (if applicable)
Losses on disposal of non-current assets	(43,418,257)	
Government grants recognised in the statement of profit or loss for the current period, except for government grants which are closely related to the Company's normal business operations, and in line with the country's policies, calculated according to certain standards or continuously granted in fixed amount	120,118,883	
Capital utilisation fee received from non-financial enterprises recognised in profit or loss for the current period	163,127,909	
Gains or losses on changes in fair value arising from held for trading financial assets, derivative financial assets, held for trading financial liabilities and derivative financial liabilities, investment income from disposal of held for trading financial assets, derivative financial assets, held for trading financial liabilities, derivative financial liabilities and other debt investments except for the effective portion of hedging closely related to the Company's normal business operations	50,470,356	
Non-operating income and expenses other than the aforesaid items	(132,420,619)	Including donations made by the Group of RMB93,624,103
Investment income from disposal of long-term equity instrument investments	17,626,774	
Impact on the non-controlling interests	33,054,086	
Impact on income tax	(12,054,050)	
Total	196,505,082	

Management Discussion and Analysis *(continued)*

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

Net current liabilities

	30 June 2019 (Unaudited) RMB	31 December 2018 (Audited) RMB
Current assets	29,904,846,481	30,448,688,235
Less: Current liabilities	38,000,360,414	37,223,097,530
Net current liabilities	(8,095,513,933)	(6,774,409,295)

Total assets less current liabilities

	30 June 2018 (Unaudited) RMB	31 December 2018 (Audited) RMB
Total assets	116,581,961,442	112,879,303,842
Less: Current liabilities	38,000,360,414	37,223,097,530
Total assets less current liabilities	78,581,601,028	75,656,206,312

Progress of business plans

Operating environment

Looking ahead to the second half of 2019, it is expected that frictions of finance, trade, technology, etc. among countries will increase, and there will be larger uncertainties for global politics and economy. Central banks of several countries announced an interest rate cut to hedge against economic downturn pressure. It is expected that monetary easing will be strengthened.

Domestically, in the context of growing economic downturn pressure and external uncertainties, the state's work focuses on the economy for the second half of 2019, namely, "stabilising growth" and "structural adjustment", will continue to stabilise investment, expand the opening-up, promote reform and increase countercyclical regulation and control. It is expected that the economic growth rate will remain stable throughout the year.

Along with global economy entering into the interest rate cut period and the rising demand for risk aversion, gold will maintain its strong currency nature. It is expected that gold price will rise amid fluctuation in the second half of 2019; relatively weak demand for base metals is expected. Global copper supply and demand will still be in a tight balance. Zinc market will be under pressure continuously in the future.

At present, China accounts for approximately 50% and 46% of global copper and zinc consumption respectively. With a consistent promotion of domestic environmental protection policies and supply-side reform, industrial structure will be adjusted effectively, which will benefit the stable development of the industry.

Management Discussion and Analysis *(continued)*

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Management measures for the second half of 2019

In the second half of 2019, the Company will remain focused on “clinging to reforms, stabilising growth and boosting development” as the main target of work, deepen reform and move ahead innovation initiatives, as well as accelerate the implementation of internationalisation and informatisation strategies. The Company will further exert the Zijin spirit in the new era, and strives to meet various targets and goals for production and operation for 2019.

1. Carry out deepening of reform measures, persistently improve management and operation standard

The Company will continue to carry out deepening of reform measures and put forward the plan for developing international management system, in order to speed up and realise the transition to management system of a large-scale international metal mining company. The systems of authorisation and corporate governance shall be standardised, and independent and effective supervision shall be focused on. The Company will put the Informatisation Work Plan into practice, and accelerate the development of key information systems including the Group’s human resources management system, financial and capital management system, significant production system, procurement, sales and storage management system, etc.

2. Tap into potential, enhance efficiency and exert strict cost control to accomplish full-year targets for production and operation

Stabilising growth: The Company will seize the favourable opportunities of the market, revive reserve, boost the production volume, reinforce assessment and make great efforts in raising production and operation efficiency, so as to reach the full-year targets for production and operation.

Reducing costs and increasing profits: The Company will strengthen cost control and optimise production techniques, improve technological indicators, innovate management pattern, enhance risk prevention and control, strive to maximise production and sale volumes, revive inventories and capital, relieve operating pressure, optimise financial budget management, focus on market research and scientifically coordinate the value-added function of supplemental segments.

Releasing capacities to boost production volume: The Company will transform the advantage in resources into the advantage in efficacies as soon as possible, endeavor to push forward the release of new production capacity and increase efficacies from the newly acquired projects in production, including the Bor copper (gold) mine in Serbia and the Bisha zinc (copper) mine in Eritrea, give impetus to the hydrometallurgy system of the Kolwezi copper (cobalt) mine in the DR Congo and phase 2 of technological upgrade project of Duobaoshan Copper for commencement of production and reaching production target, and ensure commencement of production of Heilongjiang Zijin’s copper refining project. The Company will focus on pushing forward the construction of the Timok copper-gold mine in Serbia and phase 1 of the Kamao-Kakula copper mine in the DR Congo, accelerate the project progress of transition from open-pit mining to underground mining of Longxing in Tuva, Russia, development of refractory and low-grade gold mines of Norton Gold Fields in Australia, technological upgrade and capacity expansion of Zijin Copper, etc.

3. Grasp the chance to push forward A Share issuance and optimise the Company’s capital structure

The Company will take the initiative to push forward the work of A Share issuance, closely monitor the market trend, grasp the chance of issuance, optimise the Company’s capital structure and strengthen the Company’s core competitiveness.

Management Discussion and Analysis *(continued)*

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4. Strengthen the implementation of responsibilities and continuously intensify safety and environmental protection as well as ecological development

The Company will continuously intensify safety, environmental protection, occupational health and ecological development, enhance the production safety responsibility system for all staff, focus on safety management and control, hidden risk rectification and occupational health management, and improve the development of the safety information platform. The Company will also reinforce the construction of green and ecological mines and promote the implementation of "Zijin Standard" in overseas mines for green ecological development, so as to build up a brand of safety, environmental and ecological protection.

5. Insist on leading scientific and technological innovation, raise the overall quality and efficiency

The Company will uphold innovation as the core competitiveness and inexhaustible power for corporate development, and consolidate sustainable development as the fundamental solution. The leading role of science and technology shall be enhanced, which will be demonstrated by close involvement in production, creation of a research-friendly environment, standardisation of scientific research, highlighting actual benefits of science and technology, implementing significant investment projects, overcoming technological upgrade challenges, concentrating on key areas of application such as geological prospecting of mines and mining researches.

ANALYSIS OF ASSETS AND LIABILITIES

Status of assets and liabilities

Unit: RMB

Item	Amount at the end of the reporting period	Proportion to total assets at the end of the reporting period (%)	Amount at the end of 2018	Proportion to total assets at the end of 2018 (%)	Percentage change in the amount at the end of the reporting period compared with the amount at the end of 2018 (%)
Trade receivables	644,961,624	0.55	1,009,871,109	0.89	-36.13
Trade receivables financing	1,269,788,153	1.09	–	0.00	Not applicable
Held for sale assets	–	0.00	246,189,223	0.22	-100.00
Current portion of non-current assets	635,358,196	0.54	307,233,993	0.27	106.80
Other current assets	1,280,337,685	1.10	2,504,018,792	2.22	-48.87
Other equity instrument investments	2,957,099,097	2.54	1,983,796,793	1.76	49.06
Investment properties	133,644,389	0.11	608,221,789	0.54	-78.03
Right-of-use assets	380,794,489	0.33	–	0.00	Not applicable
Held for trading financial liabilities	444,104,907	0.38	242,482,582	0.21	83.15
Other payables	7,995,359,860	6.86	4,979,586,829	4.41	60.56
Held for sale liabilities	–	0.00	68,739,751	0.06	Not applicable
Bonds payable	11,687,615,524	10.03	8,879,453,693	7.87	31.63
Lease liabilities	216,230,093	0.19	–	0.00	Not applicable
Other comprehensive income	-594,846,374	-0.51	-1,575,973,065	-1.40	Not applicable

Management Discussion and Analysis *(continued)*

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

Reasons for the changes:

- (1) Trade receivables: Mainly due to the Group's strengthening of liquidity management and trade receivables settlement was enhanced.
- (2) Trade receivables financing: Mainly due to bills receivable at fair value through other comprehensive income originally classified as "other current assets" being reclassified to "trade receivables financing" under new financial statements presentation format.
- (3) Held for sale assets: Mainly due to completion of disposal of Chongli Zijin in 2019, which was held for sale.
- (4) Current portion of non-current assets: Mainly due to reclassification of long-term receivables due within one year.
- (5) Other current assets: Mainly due to bills receivable at fair value through other comprehensive income originally classified as "other current assets" being reclassified to "trade receivables financing" under new financial statements presentation format.
- (6) Other equity instrument investments: Mainly due to unrealised gains arising from stocks at fair value through other comprehensive income held by the Group.
- (7) Investment properties: Mainly due to the change of use of certain properties from rental purpose to self-use purpose and reclassified as fixed assets.
- (8) Right-of-use assets: Implementation of the New ASBE on Leases and is not comparable.
- (9) Held for trading financial liabilities: Mainly due to increase in gold leasing not comprehensively quoted in Renminbi.
- (10) Other payables: Mainly due to provision for profit distribution pursuant to the resolution of shareholders' general meeting.
- (11) Held for sale liabilities: Mainly due to completion of disposal of Chongli Zijin in 2019, which was held for sale.
- (12) Bonds payable: Mainly due to issuance of medium-term notes during the reporting period.
- (13) Lease liabilities: Implementation of the New ASBE on Leases and is not comparable.
- (14) Other comprehensive income: Mainly due to unrealised gains arising from stocks at fair value through other comprehensive income held by the Group.

ANALYSIS ON INVESTMENT STATUS

Overall analysis on external equity investment

The Company consistently implements the development strategy of "internationalisation, project upsizing and asset securitisation" with gold and copper as the main focuses, and continues to track high-quality mining resources projects across the world.

(1) Key equity investments

On 14 May 2019, the Execution and Investment Committee of the Board of the Company considered and approved the Resolution in relation to Execution of Anti-dilution Right and Participation in Ivanhoe's Additional Issuance of Shares. The Company was approved to exercise the anti-dilution right pursuant to the anti-dilution agreement entered into between the Company and Ivanhoe on 23 March 2015 to subscribe for 16,754,296 common shares of Ivanhoe at a consideration of CAD3.98 per share. The total amount of subscription was CAD66.6821 million. After the completion of the subscription, the Company's proportion of shareholding in Ivanhoe is about 9.8%. As at the date of this report, the transaction has been completed.

Management Discussion and Analysis *(continued)*

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The Company's subsidiary, COMMUS, entered into an equity transfer agreement with Canoca Investment Limited and invested USD37,621,200 to acquire 51% equity interest in La Carrière Du Lualaba Société par Actions Simplifiée (the "Target Company") in the DR Congo. The transaction was completed on 24 June 2019. The Target Company owns a large-scale high-quality limestone mine in the DR Congo, which is suitable for producing cement and lime. The resources reserve volume verified by the Company is (332) + (333) 553,324,200 tonnes of ore with average CaO grade of 51.92%. After the project is completed and commences production, the demand for cement and lime raw materials of the Company's construction projects in the DR Congo can be satisfied.

(2) Key non-equity investments

Project name	Amount	Progress	Investment during the reporting period (RMB million)	Actual accumulated investment (RMB million)	Project return status
Zijin Zinc Industry technological reform phase 3	RMB714 million	Parts of the processing plant project construction commenced on 1 June. It is expected that all subprojects except the semi-autogenous grinding system will be completed before the end of December 2019.	76	76	After reaching the designated production capacity, Zijin Zinc Industry's annual production of zinc metal and lead metal will be approximately 125 thousand tonnes and 23.4 thousand tonnes respectively
Xinjiang Zijin Non-ferrous zinc refining	RMB1.337 billion	Applications for permits and licences for the construction period was completed. Approximately 60% and 75% of the project's land construction and equipment purchase order have been completed respectively.	243	299	After completion of the project, the designated production capacity will be 100 thousand tonnes of zinc bullion per annum
Construction of the Kamao copper mine phase 1	USD1.472 billion (Note)	Tenders for medium to long-term equipment were completed, and design of construction drawing is under progress; for shaft development, main slope excavation was completed, while excavations of roadways and ventilation shafts are under progress; for facilities on the land surface, levelling of land for processing plant, electrical facilities, residential area, roads connecting the airport and other supplemental land surface equipment are under construction.	598	1,931	After completion of construction of phase 1 and reaching designated production capacity, the annual production will be copper concentrate containing 300 thousand tonnes of copper

Note: The figure is the total investment amount of the project.

Management Discussion and Analysis *(continued)*

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

(3) Financial assets measured at fair value

Stock code	Abbreviation of stock	Initial investment cost (RMB)	Number of shares held (share)	Book value at the end of the reporting period (RMB)	Changes in owners' equity during the reporting period (RMB)
IVN	Ivanhoe Mines	944,178,121	100,006,058	2,183,537,422	989,435,237

Material asset and equity interest disposals

On 24 December 2018, the Company entered into an equity transfer agreement with Aikeruite (Beijing) Investment Co., Ltd. ("Aikeruite") and transferred its 60% equity interest in Hebei Chongli Zijin Mining Company Limited ("Chongli Zijin") at a consideration of RMB180 million. According to the "Asset Valuation Report of Total Owners' Equity on the Project in relation to Zijin Mining Group Co., Ltd.*'s Proposed Transfer of Its Equity Interest in Hebei Chongli Zijin Mining Company Limited" issued by Chongqing Rongkuang Assets, Real Estates and Land Appraisal Co., Ltd. (Rongkuangzipingzi [2018] No. 401), the valuation of total owners' equity of Chongli Zijin was RMB297.0508 million. During the reporting period, the abovementioned registration change regarding the transfer of the equity interest was completed.

On 30 April 2019, Nevsun Resources (Eritrea) Ltd. ("Nevsun Eritrea"), a subsidiary of the Company, entered into an equity transfer agreement with Eritrean National Mining Corporation and Bisha Mining Share Company ("BMSC"). Nevsun Eritrea transferred its 5% equity interest in BMSC to Eritrean National Mining Corporation at a consideration of USD10 million. The registration change of the above equity transfer was completed on 30 May 2019. The Company ultimately owns 55% equity interest in BMSC through Nevsun Eritrea, while Eritrean National Mining Corporation owns 45% equity interest in BMSC. The arrangement of board members of BMSC remained unchanged.

ANALYSIS OF MAJOR SUBSIDIARIES AND ASSOCIATES

Unit: RMB million

Company name	Mine	Gold segment					
		Interest held by the Group	Production volume of mine-produced gold (kg)	Total assets	Net assets	Operating income	Net profit
Barrick (Niugini) Limited (Note 1)	Porgera gold mine	50%	3,935	3,398.75	1,513.17	1,154.94	160.36
Joint Venture Zeravshan Limited Liability Company	Jilau, Taror gold mines	70%	2,896	2,548.46	(314.01)	593.44	82.67
Norton Gold Fields Pty Limited	Paddington	100%	2,227	2,036.64	950.52	629.93	11.17
Altynken Limited Liability Company	Zuoan gold mine	60%	1,961	2,277.23	179.72	571.00	120.78
Hunchun Zijin Mining Company Limited	Shuguang gold mine	100%	1,594	1,903.75	1,604.06	701.41	282.27
Zijin Mining Group Company Limited* (Note 2)	Zijinshan gold mine	100%	1,279	-	-	-	-

Management Discussion and Analysis *(continued)*

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Unit: RMB million

Copper segment							
Company name	Mine	Interest held by the Group	Production volume of mine-produced copper (tonne)	Total assets	Net assets	Operating income	Net profit
Zijin Mining Group Company Limited* (Note 2)	Zijinshan copper mine	100%	40,728	–	–	–	–
La Compagnie Minière de Musonoie Global SAS	Kolwezi copper mine	72%	35,176	4,516.40	926.53	1,102.68	222.56
Heilongjiang Duobaoshan Copper Company Limited	Duobaoshan copper mine	100%	32,366	5,777.73	3,061.63	1,319.20	285.87
Xinjiang Ashele Copper Company Limited	Ashele copper mine	51%	21,975	3,205.75	1,889.28	909.45	376.16
Zijin Bor Copper doo Bor	Bor copper mine (JMVK/NC/MS)	63%	19,238	5,174.94	3,277.28	1,544.50	6.05
Hunchun Zijin Mining Company Limited	Shuguang copper mine	100%	8,345	1,903.75	1,604.06	701.41	282.27

Zinc segment							
Company name	Mine	Interest held by the Group	Production volume of mine-produced zinc (tonne)	Total assets	Net assets	Operating income	Net profit
Bisha Mining Share Company	Bisha copper-zinc mine	55%	54,525	4,044.54	3,355.02	998.87	80.85
Xinjiang Zijin Zinc Industry Company Limited	Wulagen lead and zinc mine	100%	46,010	2,030.32	1,501.25	576.45	230.32
Longxing Limited Liability Company in Russia	Kyzyl-Tash Turk zinc and polymetallic mine	70%	42,145	3,525.00	1,369.34	597.65	77.27
Wulatehouqi Zijin Mining Company Limited	Miaogou-Sanguikou lead and zinc mine	95%	37,754	2,252.60	1,406.76	569.88	78.92

Refining segment							
Company name	Major product	Interest held by the Group	Production	Total assets	Net assets	Operating income	Net profit
Zijin Copper Company Limited	Refined copper	100%	142.7 thousand tonnes of copper cathode, 6.05 tonnes of gold, 100.42 tonnes of silver and 406.7 thousand tonnes of sulphuric acid	8,280.79	3,141.97	8,332.13	166.73
Bayannaer Zijin Non-ferrous Metals Company Limited	Zinc bullion	87.2%	108.6 thousand tonnes of zinc bullion, 1,457.88 tonnes of copper and 180.6 thousand tonnes of sulphuric acid	3,047.87	1,153.90	2,119.52	130.39

Management Discussion and Analysis *(continued)*

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

Unit: RMB million

Company name	Major product	Other segments		Total assets	Net assets	Operating income	Net profit
		Interest held by the Group	Production volume of iron ore powder (million tonne)				
Xinjiang Jinbao Mining Company Limited	Iron ore	56%	1.68	1,576.31	1,147.10	1,097.42	516.99
Fujian Makeng Mining Company Limited (Note 3)	Iron ore	41.5%	0.3468	4,574.45	2,177.14	522.13	67.61

Note:

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

Possible risks

1. **Metal price risks.** Metal products such as gold, copper and zinc are the major sources of the Company's income and profits. Price fluctuations of the aforesaid products will impose substantial impacts on the Company's operating results. To ensure a stable operation, the Company will fully leverage on its technological and managerial strengths to raise efficiency and control costs strictly.
2. **Financial market risks.** The Company has a certain amount of financial assets and assets denominated in foreign currencies. As a result, fluctuations in interest rates, exchange rates and stock prices in the market could cause risks of fluctuations in the Company's asset value and operating results. The Company will strengthen management over its financial assets, optimise the Company's asset and liability structure in foreign currencies, thoroughly study the relevant measures for controlling the risks of financial assets, establish and perfect the management and risk control policies for financial assets and strive to lessen the impact from the fluctuation through pre-judgement and swift reactions.
3. **Safety and environmental protection risks.** Mining companies have relatively higher safety and environmental protection risks. The Company always adheres to the principle of "safety first, emphasis on precaution and comprehensive management" by strengthening the implementation of production safety responsibilities, continuously improve the safety standardisation operating system and comprehensively utilise systematic, managerial, economic and other measures, for ensuring the continuity and stability of production safety of the Company. The Company attaches great importance to and continues to improve the work on environmental protection. It adheres to the environmental protection concept of "green mountains and clear water are our invaluable assets", earnestly puts environmental protection and ecological restoration into practice, emphatically promotes the development of green mines, and remains highly committed to forming the eco-development model.
4. **Country and community risks.** Internationalisation is the main direction of the Company's future development. Certain overseas projects of the Company are located in countries amid political instability, inadequate legal policies, or discordant local communities. These factors lead to a certain level of country and community risks. The Company will proactively study laws and policies of the countries where the projects are situated, strengthen communication with local governments and communities by diplomatic means at the state level, promote harmonious co-development concepts, namely "negotiation, cooperation, sharing and win-win", and strive to seek solutions to problems and difficulties which hinder the enterprise in its "going-out" development.

Share Capital and Shareholders

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

Details of the Company's issued ordinary shares (with par value of RMB0.1 each) as at 30 June 2019 are set out in Note V.40 to the financial statements.

SHAREHOLDER STRUCTURE OF SUBSTANTIAL SHAREHOLDERS

As at 30 June 2019, the Company has a total of 693,997 shareholders, of which 869 are H Shareholders and 693,128 are holders of domestic shares. By approximate percentage of shareholding in the share capital, the shareholdings of the Company's top ten shareholders are as follows:

Name of shareholders	Class of shares	Number of shares held	Approximate percentage of shareholding in the share capital
1. Minxi Xinghang State-owned Assets Investment Co., Ltd. (Note 1)	Domestic shares	5,960,742,247	25.88%
2. HKSCC Nominees Limited (Note 2)	H Shares	5,711,549,259	24.80%
3. China Securities Finance Corporation Limited	Domestic shares	691,190,823	3.00%
4. China-Africa Development Fund Co., Ltd.	Domestic shares	321,543,408	1.40%
5. Xinhuaadu-Guosen Securities-17 Xinhuaadu EB Guarantee and Trust Assets Special Account	Domestic shares	281,676,059	1.22%
6. Hong Kong Securities Clearing Company Limited (Note 3)	Domestic shares	224,444,076	0.97%
7. Central Huijin Asset Management Ltd.	Domestic shares	191,694,700	0.83%
8. Huarong Ruitong Equity Investment Management Co., Ltd.	Domestic shares	160,771,704	0.70%
9. Phase 1 of employee stock ownership scheme of Zijin Mining Group Co., Ltd.*	Domestic shares	129,163,987	0.56%
10. National Social Security Fund 103	Domestic shares	119,958,883	0.52%

Notes:

- 208,484,145 domestic shares of the Company held by Minxi Xinghang State-owned Assets Investment Co., Ltd. have to be transferred to National Council for Social Security Fund, the PRC, that part of the stock is frozen.
- HKSCC Nominees Limited held 5,711,549,259 H Shares in the Company as a nominee, representing approximately 24.80% in aggregate of the Company's issued shares. HKSCC Nominees Limited is a member of the Central Clearing and Settlement System, which carries out securities registration and custodian business for customers.
- Hong Kong Securities Clearing Company Limited held 224,444,076 domestic shares in the Company as a nominee, representing approximately 0.97% in aggregate of the Company's issued shares. Hong Kong Securities Clearing Company Limited is a member of the Central Clearing and Settlement System, which carries out securities registration and custodian business for customers.

Share Capital and Shareholders *(continued)*

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

SUBSTANTIAL SHAREHOLDERS

So far as the Directors, Supervisors and chief executive of the Company are aware, as at 30 June 2019, the interests and long/short positions of shareholders (except the Directors, Supervisors and chief executive of the Company) in the shares or underlying shares of the Company which will be required, pursuant to Section 336 of the Securities and Futures Ordinance (the "SFO"), to be entered into the register referred to therein, or required to be notified to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO are as follows:

Name of shareholders	Class of shares	Number of shares held	Approximate percentage in the total number of issued shares	Approximate percentage of shareholding in the total number of issued domestic shares	Approximate percentage of shareholding in the total number of issued H Shares	Long/Short positions
Minxi Xinghang State-owned Assets Investment Co., Ltd.	Domestic shares	5,960,742,247	25.88%	34.47%	–	Long
BlackRock, Inc.	H Shares	407,344,782 (Note 1)	1.77%	–	7.10%	Long
BlackRock, Inc.	H Shares	1,342,000 (Note 1)	0.01%	–	0.02%	Short
The Bank of New York Mellon Corporation	H Shares	402,948,012 (Note 2)	1.75%	–	7.02%	Long
The Bank of New York Mellon Corporation	H Shares	394,518,082 (Note 2)	1.71%	–	6.88%	Lending pool
Van Eck Associates Corporation	H Shares	401,225,661 (Note 3)	1.74%	–	6.99%	Long
VanEck Vectors ETF – VanEck Vectors Gold Miners ETF	H Shares	355,862,000 (Note 4)	1.55%	–	6.20%	Long

Notes:

- (1) BlackRock, Inc. held 407,344,782 H Shares (long position) of the Company (representing approximately 7.10% of the total issued H Shares of the Company) and 1,342,000 H Shares (short position) of the Company (representing approximately 0.01% of the total issued H Shares of the Company).

According to the disclosure form filed by BlackRock, Inc. on 31 May 2019, the following interests were held by BlackRock, Inc. in the following capacity:

Capacity		Number of shares
Interest of corporation controlled by BlackRock, Inc.	Long position	407,344,782
	Short position	1,342,000

Share Capital and Shareholders *(continued)*

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

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

Name of controlled corporation	Address and place of incorporation	Name of controlling person	% control	Direct interest		Number of shares
				(Y/N)		
Trident Merger, LLC	1209 Orange Street, Wilmington DE 19801, United States (Delaware, USA)	BlackRock, Inc.	100.00	N	Long position	6,110,250
BlackRock Investment Management, LLC	1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States (Delaware, USA)	Trident Merger, LLC	100.00	Y	Long position	6,110,250
BlackRock Holdco 2, Inc.	1209 Orange Street, Wilmington DE 19801, United States (Delaware, USA)	BlackRock, Inc.	100.00	N	Long position Short position	401,234,532 1,342,000
BlackRock Financial Management, Inc.	1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States (Delaware, USA)	BlackRock Holdco 2, Inc.	100.00	N	Long position Short position	373,339,532 1,342,000
BlackRock Financial Management, Inc.	1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States (Delaware, USA)	BlackRock Holdco 2, Inc.	100.00	Y	Long position	27,895,000
BlackRock Holdco 4, LLC	1209 Orange Street, Wilmington DE 19801, United States (Delaware, USA)	BlackRock Financial Management, Inc.	100.00	N	Long position Short position	233,551,337 1,342,000
BlackRock Holdco 6, LLC	1209 Orange Street, Wilmington DE 19801, United States (Delaware, USA)	BlackRock Holdco 4, LLC	90.00	N	Long position Short position	233,551,337 1,342,000
BlackRock Delaware Holdings Inc.	1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States (Delaware, USA)	BlackRock Holdco 6, LLC	100.00	N	Long position Short position	233,551,337 1,342,000
BlackRock Institutional Trust Company, National Association	1225 17th Street, Suite 300, Denver, CO 80202 (Colorado, USA)	BlackRock Delaware Holdings Inc.	100.00	Y	Long position Short position	109,184,337 1,342,000
BlackRock Fund Advisors	400 Howard Street San Francisco, CA 94105, United States (California, USA)	BlackRock Delaware Holdings Inc.	100.00	Y	Long position	124,367,000
BlackRock Capital Holdings, Inc.	1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States (Delaware, USA)	BlackRock Financial Management, Inc.	100.00	N	Long position	8,256,000
BlackRock Advisors, LLC	1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States (Delaware, USA)	BlackRock Capital Holdings, Inc.	100.00	Y	Long position	8,256,000
BlackRock International Holdings, Inc.	1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States (Delaware, USA)	BlackRock Financial Management, Inc.	100.00	N	Long position	131,532,195
BR Jersey International Holdings L.P.	13 Castle Street, St. Helier, Jersey, Channel Islands JE4 5UT (Jersey)	BlackRock International Holdings, Inc.	86.00	N	Long position	131,532,195
BlackRock Lux Finco S.à r.l.	1st Floor, 35a Avenue J.F. Kennedy, L-1855 Luxembourg	BlackRock HK Holdco Limited	100.00	N	Long position	10,396,350
BlackRock Trident Holding Company Limited	Taney Hall, Eglington Terrace, Dundrum, Dublin 14, Ireland (Ireland)	BlackRock Lux Finco S.à r.l.	100.00	N	Long position	10,324,350
BlackRock Japan Holdings GK	Marunouchi Trust Tower Main, 1-8-3 Marunouchi, Chiyoda-ku, Tokyo 100-8217 (Japan)	BlackRock Trident Holding Company Limited	100.00	N	Long position	10,324,350

Share Capital and Shareholders *(continued)*

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

Name of controlled corporation	Address and place of incorporation	Name of controlling person	% control	Direct interest (Y/N)		Number of shares
BlackRock Japan Co., Ltd.	Marunouchi Trust Tower Main, 1-8-3 Marunouchi, Chiyoda-ku, Tokyo 100-8217 (Japan)	BlackRock Japan Holdings GK	100.00	Y	Long position	10,324,350
BlackRock Holdco 3, LLC	1209 Orange Street, Wilmington DE 19801, United States (Delaware, USA)	BR Jersey International Holdings L.P.	100.00	N	Long position	112,091,238
BlackRock Canada Holdings LP	161 Bay Street, Suite 2500, Toronto, Ontario M5J 2S1, Canada (Ontario, Canada)	BlackRock Holdco 3, LLC	99.90	N	Long position	934,000
BlackRock Canada Holdings ULC	161 Bay Street, Suite 2500, Toronto, Ontario M5J 2S1, Canada (Ontario, Canada)	BlackRock Canada Holdings LP	100.00	N	Long position	934,000
BlackRock Asset Management Canada Limited	161 Bay Street, Suite 2500, Toronto, Ontario M5J 2S1, Canada (Ontario, Canada)	BlackRock Canada Holdings ULC	100.00	Y	Long position	934,000
BlackRock Australia Holdco Pty. Ltd.	Level 26, 101 Collins Street Melbourne VIC 3000 Australia (Victoria, Australia)	BR Jersey International Holdings L.P.	100.00	N	Long position	3,932,000
BlackRock Investment Management (Australia) Limited	Level 26, 101 Collins Street Melbourne VIC 3000 Australia (Victoria, Australia)	BlackRock Australia Holdco Pty. Ltd.	100.00	Y	Long position	3,932,000
BlackRock (Singapore) Holdco Pte. Ltd.	20 Anson Road #18-01 079912 Singapore (Singapore)	BR Jersey International Holdings L.P.	100.00	N	Long position	15,508,957
BlackRock HK Holdco Limited	13th Floor, One Pacific Place, 88 Queensway, Hong Kong (Hong Kong)	BlackRock (Singapore) Holdco Pte. Ltd.	100.00	N	Long position	13,748,957
BlackRock Asset Management North Asia Limited	15/F, 16/F, 17/F Champion Tower & 17/F ICBC Tower, 3 Garden Road, Central, Hong Kong	BlackRock HK Holdco Limited	100.00	Y	Long position	3,352,607
BlackRock Cayman 1 LP	c/o Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman, KY1-9005, Cayman Islands	BlackRock Holdco 3, LLC	100.00	N	Long position	111,157,238
BlackRock Cayman West Bay Finco Limited	c/o Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman, KY1-9005, Cayman Islands	BlackRock Cayman 1 LP	100.00	N	Long position	111,157,238
BlackRock Cayman West Bay IV Limited	c/o Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman, KY1-9005, Cayman Islands	BlackRock Cayman West Bay Finco Limited	100.00	N	Long position	111,157,238
BlackRock Group Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock Cayman West Bay IV Limited	90.00	N	Long position	111,157,238
BlackRock Finance Europe Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock Group Limited	100.00	N	Long position	37,400,897
BlackRock (Netherlands) B.V.	Rembrandt Tower, 17th floor, Amstelplein, Amsterdam Netherlands (Amsterdam, Netherlands)	BlackRock Finance Europe Limited	100.00	Y	Long position	914,000

Share Capital and Shareholders *(continued)*

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

Name of controlled corporation	Address and place of incorporation	Name of controlling person	% control	Direct interest		Number of shares
				(Y/N)		
BlackRock Advisors (UK) Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock Finance Europe Limited	100.00	Y	Long position	642,000
BlackRock International Limited	Exchange Place One, 1 Semple Street, Edinburgh, EH3 8BL, United Kingdom (Scotland, United Kingdom)	BlackRock Group Limited	100.00	N	Long position	136,000
BlackRock International Limited	Exchange Place One, 1 Semple Street, Edinburgh, EH3 8BL, United Kingdom (Scotland, United Kingdom)	BlackRock Group Limited	100.00	Y	Long position	706,000
BlackRock Group Limited-Luxembourg Branch	35 A, avenue J.F. Kennedy L-1855 Luxembourg	BlackRock Group Limited	100.00	N	Long position	72,914,341
BlackRock Luxembourg Holdco S.à r.l.	35 A, avenue J.F. Kennedy L-1855 Luxembourg	BlackRock Group Limited-Luxembourg Branch	100.00	N	Long position	72,914,341
BlackRock Investment Management Ireland Holdings Limited	JP Morgan House, International Financial Services Centre, Dublin 1, Ireland (Ireland)	BlackRock Luxembourg Holdco S.à r.l.	100.00	N	Long position	70,230,341
BlackRock Asset Management Ireland Limited	JP Morgan House, International Financial Services Centre, Dublin 1, Ireland (Ireland)	BlackRock Investment Management Ireland Holdings Limited	100.00	Y	Long position	70,230,341
BLACKROCK (Luxembourg) S.A.	35 A, avenue J.F. Kennedy L-1855 Luxembourg	BlackRock Luxembourg Holdco S.à r.l.	100.00	Y	Long position	2,626,000
BlackRock Investment Management (UK) Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock Finance Europe Limited	100.00	N	Long position	2,942,250
BlackRock Investment Management (UK) Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock Finance Europe Limited	100.00	Y	Long position	32,902,647
BlackRock Fund Managers Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock Investment Management (UK) Limited	100.00	Y	Long position	2,942,250
BlackRock Life Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock International Limited	100.00	Y	Long position	136,000
BlackRock (Singapore) Limited	20 Anson Road #18-01 079912 Singapore (Singapore)	BlackRock (Singapore) Holdco Pte. Ltd.	100.00	Y	Long position	1,760,000
BlackRock UK Holdco Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock Luxembourg Holdco S.à r.l.	100.00	N	Long position	58,000
BlackRock Asset Management (Schweiz) AG	Bahnhofstrasse 39 8001 Zurich, Switzerland (Switzerland)	BlackRock UK Holdco Limited	100.00	Y	Long position	58,000
BlackRock Investment Management (Taiwan) Limited	28F, 95 Tun Hwa South Road, Section 2, Taipei, Taiwan (Taiwan)	BlackRock Lux Finco S.à r.l.	100.00	Y	Long position	72,000

Further information in respect of derivative interests:

Unlisted derivatives – Cash settled	Long position	3,954,000
	Short position	1,342,000

Share Capital and Shareholders *(continued)*

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

- (2) The Bank of New York Mellon Corporation held 402,948,012 H Shares (long position) of the Company (representing approximately 7.02% of the total issued H Shares of the Company) and 394,518,082 H Shares (lending pool) of the Company (representing approximately 6.88% of the total issued H Shares of the Company).

According to the disclosure form filed by The Bank of New York Mellon Corporation on 25 June 2019, the following interests were held by The Bank of New York Mellon Corporation in the following capacity:

Capacity	Number of shares
Interest of corporation controlled by The Bank of New York Mellon Corporation	402,948,012

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

Name of controlled corporation	Address and place of incorporation	Name of controlling person	% control	Direct interest (Y/N)		Number of shares
The Bank of New York Mellon	240 Greenwich Street, New York, NY 10286 USA	The Bank of New York Mellon Corporation	100.00	Y	Long position	402,948,012

- (3) VanEck Vectors ETF – VanEck Vectors Gold Miners ETF is managed by Van Eck Associates Corporation. Van Eck Associates Corporation is deemed to be interested in 401,225,661 H Shares (long position) of the Company (representing approximately 6.99% of the total issued H Shares of the Company).
- (4) VanEck Vectors ETF – VanEck Vectors Gold Miners ETF held 355,862,000 H Shares (long position) of the Company (representing approximately 6.20% of the total issued H Shares of the Company).

Save as disclosed above and so far as the Directors are aware, as at 30 June 2019, no other person (other than the Directors, Supervisors or chief executive of the Company) had an interest or short position in the Company's shares, underlying shares or debentures (as the case may be) which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO, or was otherwise a substantial shareholder (as such term is defined in the Listing Rules) of the Company.

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

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

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

As at 30 June 2019, the interests and short positions of the Directors, Supervisors and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors, Supervisors and chief executive are taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO to be entered into the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), to be notified to the Company and the Stock Exchange are as follows:

Shareholdings of the Directors, Supervisors and chief executive of the Company as at 30 June 2019 are as follows:

Director	Class of shares	Number of shares held	Nature of interest	Long/Short positions	Approximate percentage of shareholding in the same class of securities	Approximate percentage of shareholding in the registered capital
Chen Jinghe	Domestic shares	102,000,000	Personal	Long position	0.59%	0.44%
	H Shares	12,000,000	Personal	Long position	0.21%	0.05%
	Total	114,000,000	Personal	Long position		0.49%
Lan Fusheng	Domestic shares	7,530,510	Personal	Long position	0.04%	0.03%
Zou Laichang	Domestic shares	1,430,000	Personal	Long position	0.01%	0.01%
Lin Hongfu	Domestic shares	862,500	Personal	Long position	0.01%	0.01%
Fang Qixue	Domestic shares	301,000	Personal	Long position	0.01%	0.01%
Lin Hongying	Domestic shares	200,000	Personal	Long position	0.01%	0.01%

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

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

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

Others

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STAFF OF THE COMPANY AND ITS MAJOR SUBSIDIARIES

Staff

The number of current staff of the Company	2,474
The number of current staff of the major subsidiaries	16,695
Total number of current staff (including staff of domestic enterprises and Chinese staff of overseas enterprises)	19,169
The number of retired staff at the Company and major subsidiaries' expense	245

Profession structure

Classification	Number of staff
Production	7,620
Sales	253
Technical	5,946
Finance	512
Administration	4,838
Total	19,169

Education

Classification	Number of staff
Doctoral degree	34
Master degree	463
Bachelor degree	3,387
Other tertiary education	3,875
Secondary school or below	11,410
Total	19,169

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

Others (continued)

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

SIGNIFICANT MATTERS

Details of shareholders' general meetings

Session of meeting	Convening date	Index of the designated website publishing the resolutions	Date of publishing the resolutions
The first extraordinary general meeting in 2019, the first A Shareholders' class meeting in 2019 and the first H Shareholders' class meeting in 2019	12 April 2019	For details, please refer to the Company's announcement disclosed on HKEXnews website (http://www.hkexnews.hk) dated 12 April 2019	12 April 2019
2018 annual general meeting	24 May 2019	For details, please refer to the Company's announcement disclosed on HKEXnews website (http://www.hkexnews.hk) dated 24 May 2019	24 May 2019

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

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

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

Performance of undertakings

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

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

Others *(continued)*

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

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

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

MATERIAL CONNECTED TRANSACTIONS

Connected transactions related to daily business operation

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

Summary of the event	Index for details
<p>The Company's subsidiary, Xinjiang Ashele Copper Co., Ltd. ("Xinjiang Ashele"), entered into a copper concentrates supply contract with Xinjiang Wuxin Copper Co., Ltd., a subsidiary of Xinjiang Ashele's substantial shareholder, Xinjiang Nonferrous Metal Industry (Group) Company Limited, on 28 January 2019. One of Xinjiang Ashele's ordinary businesses is selling copper concentrates and the contract was entered into under normal commercial terms, which reflects the principles of fairness and reasonableness. During the reporting period, the total amount of the transaction was RMB458 million (tax excluded).</p>	<p>For details, please refer to the Company's announcement disclosed on HKEXnews website (http://www.hkexnews.hk) dated 28 January 2019.</p>

POVERTY ALLEVIATION WORK OF THE COMPANY

1. Precise poverty alleviation plan

Fundamental strategy

2019 marks the crucial year for the state to win the battle against poverty. The Company conscientiously studied and implemented General Secretary Mr. Xi Jinping's significant strategic thought on poverty alleviation and development and "Opinion on Serving the National Poverty Alleviation Strategy by Making Use of the Capital Market" issued by the CSRC. The Company insisted on combining measures of providing assistance with fostering self-reliance, in accordance with the requirements for poverty alleviation work, namely "precision as the core and implementation as the crux to ensure sustainability". Since the mining subsidiaries are located in remote mountain areas and are familiar with the situation of the community, the Company gave full play to these advantages and carried out precise poverty alleviation activities at the areas around the mining sites. The poverty alleviation responsibilities, policies and tasks of the Company were focused on and put into practice vigorously.

Others (continued)

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General objectives

Pursuant to the poverty alleviation targets of the 13th Five-Year Plan policies identified by the State Council of the PRC, the Company focused on the core tasks of identification and data tracking of poverty alleviation targets and the fundamentals of precise poverty alleviation and elimination. At the same time, an effective long-term mechanism of the Company for precise poverty alleviation was gradually established, in order to promote the realisation of comprehensive poverty elimination in the country by 2020.

Key work

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

Safeguarding measures

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

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

In the first half of 2019, the Company actively responded to the state's strategy of precise poverty alleviation and carried out poverty alleviation work according to the annual plan. The Company gave full play to the location advantages of mining subsidiaries in remote mountain areas by deploying personnel, material and capital to assist the poor villages around mining sites, and worked together with local governmental poverty alleviation institutions, Zijin Mining Charity Foundation and other charitable organisations. By deeply involving in the poor villages in the surroundings of mines, the Company provided assistance in Minxi Old Revolutionary Base Area of Fujian Province, Aletai Region of Xinjiang Autonomous Region, Jilin Province, Henan Province, Inner Mongolia Autonomous Region, Shanxi Province, Yunnan Province, Gansu Province, etc., by way of infrastructure construction, industrial development, environmental protection, educational facilities improvement and so on. Total investment into poverty alleviation exceeded RMB48.671 million. The poverty alleviation activities effectively improved the infrastructure for living, production and education facilities in the poor villages around the mining sites, practically enhancing the living standards of impoverished population.

3. Results of precise poverty alleviation

Unit: RMB' 000

Indicator	Amount and progress
I. General	
Including: 1. Subsidised amount	48,671
2. Monetary amount of materials provided	172.94
3. Number of person no longer registered under the category of population in poverty as a result of obtaining assistance from the Company (person)	40

Others (continued)

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

Unit: RMB' 000

Indicator	Amount and progress
II. Subsidy by category	
1. Industrial development for poverty alleviation	
Including: 1.1 Industrial development projects for poverty alleviation by category	<input checked="" type="checkbox"/> Agriculture and forestry <input checked="" type="checkbox"/> Tourism <input type="checkbox"/> E-commerce <input checked="" type="checkbox"/> Asset return <input type="checkbox"/> Technology <input type="checkbox"/> Others
1.2 Number of industrial development project for poverty alleviation	2
1.3 Amount of subsidy for industrial development project	3,300
1.4 Number of person no longer registered under the category of population in poverty as a result of obtaining assistance from the Company (person)	0
2. Employment transfer for poverty alleviation	
Including: 2.1 Amount of subsidy for vocational skill training	0
2.2 Number of person provided with vocational skill training (person/time)	0
2.3 Number of person no longer registered under the category of population in poverty as a result of obtaining assistance for employment from the Company (person)	34
3. Relocation for poverty alleviation	
Including: 3.1 Number of relocated person whom the Company helped for employment	669
4. Education for poverty alleviation	
Including: 4.1 Amount of subsidy for impoverished students	223
4.2 Number of impoverished students supported (person)	84
4.3 Amount of subsidy for improving educational resources in poor areas	188
5. Poverty alleviation by improving healthcare	
Including: 5.1 Amount of subsidy for medical and healthcare services in poor areas	628
6. Guaranteeing basic living standard for people in need	
Including: 6.1 Amount of subsidy for helping left-behind children, women and elderly	25
6.2 Number of left-behind children, women and elderly supported (person)	100
6.3 Amount of subsidy for helping impoverished disabled persons	10
6.4 Number of impoverished disabled persons supported (person)	40

Others (continued)

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Unit: RMB' 000

Indicator	Amount and progress
7. Community poverty alleviation	
Including: 7.1 Amount of subsidy for East-West Partnerships for Poverty Alleviation	3,000
7.2 Amount of subsidy for poverty alleviation in targeted areas	20,091
8. Other projects	
Including: 8.1 Number of project	51
8.2 Amount of subsidy	21,206
8.3 Number of person no longer registered under the category of population in poverty as a result of obtaining assistance from the Company (person)	6
8.4 Other details of the projects	Poverty alleviation by assisting the poor areas in developing livelihood project and improving infrastructure by way of donations.
III. Awards received (details and level)	
1. The Sixteenth China Charity Ranking (2019), "Top Ten China Charity Enterprises" (state level)	
2. "Exemplary Enterprise in the Precise Poverty Alleviation Campaign of 'Aiding 1,000 Villages by 1,000 Companies'" in Fujian Province (provincial level)	

4. Phased progress of fulfilling social responsibilities by way of precise poverty alleviation

In the first half of 2019, the Company conducted its annual poverty alleviation plan in the impoverished rural areas of Aletai Region of Xinjiang Autonomous Region, Wulatehouqi of Inner Mongolia Autonomous Region, Yunnan Province, Shaanxi Province, Minxi District of Fujian Province and so on, to tackle issues including poor road condition, lack of drinking water, poor living environment and the hardship of left-behind elderly. In particular, a series of projects were carried out to conduct relocation, improve livelihood infrastructure, assistance in education, industrial support and other poverty alleviation campaigns. The measures effectively improved the production and living conditions of the impoverished areas.

5. Plan for future precise poverty alleviation work

In the second half of 2019, the Company plans to continuously promote precise poverty alleviation following the annual plan. Precise poverty alleviation will be conducted by involving more deeply in poor villages in Minxi Old Revolutionary Base Area of Fujian Province, Aletai Region of Xinjiang Autonomous Region, Hunchun City of Jilin Province, Luoning County of Henan Province, Guoluo Prefecture of Qinghai Province, Wulatehouqi of Inner Mongolia Autonomous Region, etc. At the same time, the Company will continue to provide precise poverty alleviation assistance to senior citizens and orphans, enhance ecological protection and assist students and local schools in Shanghang headquarters area, and raise the public awareness, in order to encourage the public to participate in poverty alleviation work, earnestly fulfill social responsibilities and promote the economic development of the impoverished areas.

Others *(continued)*

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Principal safeguarding measures

- (1) **Strengthen organisation and leadership.** A team comprising the responsible personnel of the social responsibility department, Zijin Mining Charity Foundation, and Party branches of the locality at which the Company's operations are located, is tasked with the on-site implementation of poverty alleviation work. The team is also responsible for coordinating the collaboration among various departments for carrying out the poverty alleviation projects.
- (2) **Strengthen project implementation and management to ensure the actual needs of the assisted groups are met.** In the course of carrying out the projects, the Company ensures that the groups with genuine need of assistance could be accurately identified, actively carries out study and investigations, pays visits to the impoverished households, and obtains a better understanding of their actual needs. Key focus on the Company's work will be improving the infrastructure construction of the poor areas. The bottlenecks constraining the development of such areas, namely a lack of road, and deficient supply of water, electricity and accommodation, are identified as the crucial areas of poverty alleviation. Efforts are made to improve the infrastructure of the poverty-plagued communities to achieve the goal of precise poverty alleviation. Adhering to the principles of openness, equality and fairness, the Company also strengthens the direct management and supervision of projects, enhances on-site inspection, strictly forbids malpractices, and implements effective supervision and evaluation of projects.
- (3) **Strictly regulate allocation and payment of funds.** The allocation and payment of funds for assistance projects shall strictly comply with the provisions in project cooperation agreements or project proposals, and follow approval authority and process. Relevant application procedures will only be proceeded when no improprieties are identified.
- (4) **Joint forces for poverty alleviation.** The Company engages in poverty alleviation projects by way of cooperation with its subsidiaries, local governments of the impoverished areas, and local social organisations. The Company's charity foundation plays an important role in connecting enterprises and citizens' assistance with the impoverished households.
- (5) **Improve archive management.** The collection, updating, improvement, archiving and statistical analysis of the raw data and basic information obtained in the implementation process of the projects, as well as retention of the data from evaluation and supervision of poverty alleviation work, shall be carried out properly.
- (6) **Strengthen learning and improve effectiveness.** The Company takes the initiatives to consult with the Ministry of Civil Affairs, the State Poverty Alleviation Office and other relevant authorities, and actively learn from advanced poverty alleviation institutions and groups, in order to optimise its poverty alleviation measures and achieve practical work results.

ENVIRONMENTAL INFORMATION

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

During the reporting period, the Company strictly complied with the national laws, regulations, standards and other requirements on environmental protection, persisted in both environmental protection and development, took priority to ecological and green development, as well as firmly upholding and consciously fulfilling the environmental protection idea of "green mountains and clear water are our invaluable assets", in order to accelerate the development of ecological civilisation of the Company.

In 2019, 21 entities of the Company were identified as the key pollutant discharging units by environmental protection authorities, including the Zijinshan gold and copper mine, Zijin Copper Company Limited, Wuping Zijin Mining Company Limited, Zijin Mining Group Gold Refinery Company Limited, Guizhou Zijin Mining Company Limited, Luoyang Kunyu Mining Company Limited, Luoning Huatai Mining Development Company Limited, Luoning Zijin Gold Refinery Company Limited, Yuanyang County Huaxi Gold Company Limited, Wenshan Malipo Zijin Tungsten Group Company Limited, Bayannaer Zijin Non-ferrous Metals Company Limited, Wulatehouqi Zijin Mining Company Limited, Inner Mongolia Jinzhong Mining Company Limited, Shanxi Zijin Mining Company Limited, Jilin Zijin Copper Company Limited, Qinghai West Copper Company Limited, Xinjiang Jinbao Mining Company Limited, Xinjiang Habahe Ashele Copper Company Limited, Xinjiang Zijin Zinc Industry Company Limited, Kuitun Tongguan Metallurgical Company Limited and Heilongjiang Duobaoshan Copper Company Limited.

Others (continued)

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1. Information of pollutant discharge

In 2019, all key pollutant discharging units of the Company strictly complied with the national and regional pollutant discharging standards and requirements. The wastewater, exhaust gas and noise at plant boundary received standardised management, and their emission was stable and in compliance with regulatory standards. Details are as follows:

Number	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Total discharge in the last six months (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for pollutant discharge
1	Zhishan gold and copper mine	Wastewater	COD Total arsenic Total lead Total cadmium Total zinc Total copper Total cyanide	<25mg/L <0.02mg/L <0.02mg/L <0.001mg/L <0.02mg/L <0.2mg/L <0.01mg/L	52.24 0.007 0.007 0.002 0.031 0.191 0.021	203 0.057 0.38933 0.04126 3.66 2.365 0.108	Organised discharge after meeting regulatory standards	6	Discharge outlets at Xinuxia, Yuitankeng, Hujiangkeng, Yakeng, Ermaogou and Sanqingting	No	The standards in Schedule 2 of the Emission standard of pollutants for copper, nickel, cobalt industry (GB25467-2010)
		Exhaust gas	Sulphur dioxide Nitrogen oxides Dust Particulates	<15mg/m ³ <30mg/m ³ <5mg/m ³ 3.2-14mg/m ³	0.256014 0.72 0.074298 8.52	71.37 5.54 11.5 -	Organised discharge after meeting regulatory standards	1	Boiler for hydrometallurgical plant of copper mine	No	Emission standard of air pollutants for boiler (GB13271-2014)
2	Wuping Zijin Mining Company Limited	Noise		Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)							
		Wastewater	COD Total arsenic Total lead Total cadmium Total copper Total silver Particulates	8.34mg/L 0.012mg/L 0.013mg/L 0.002mg/L 0.057mg/L 0.032mg/L 7.17mg/m ³	3.215 0.002954 0.005543 0.002154 0.027794 0.012338 1.162	6.9 - 0.042 - 0.05 - 8	Organised discharge after meeting regulatory standards	1	Downstream of tailings pool	No	Class 1 standards in Schedules 1 and 4 of the integrated wastewater discharge standard (GB8978-1996)
		Exhaust gas		Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)					Crushing and screening sections of processing plant	No	The standards in Schedule 2 of the integrated emission standard of air pollutants (GB16297-1996)

Others (continued)

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Number	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Total discharge in the last six months (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for pollutant discharge							
3	Inner Mongolia Jizhong Mining Company Limited	Wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-							
				Exhaust gas	Sulphur dioxide	221.3mg/m ³	2.3	41	Organised discharge after meeting regulatory standards	1	The 40m high chimney positioned downwind from the plant	No	Emission standard of air pollutants for boiler (GB13271-2014)					
					Nitrogen oxides	220mg/m ³	6.05	26.2										
			Particulates	6mg/m ³	3.71	-												
4	Wulatehouqi Zijin Mining Company Limited	Noise	Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)														
				Wastewater	COD	30-56mg/L	94.980	-	Organised discharge after meeting regulatory standards	1	Discharge outlet for drainage water	No	Emission standard of pollutants for lead and zinc industry (GB25466-2010)					
					Ammonia nitrogen	3.2-4.88mg/L	9.311	-										
					Total arsenic	0.003-0.0034mg/L	0.000551	-										
					Total lead	0.14-0.46mg/L	0.575	-										
					Total cadmium	0.027-0.03mg/L	0.049	-										
					Total mercury	0.00026-0.002mg/L	0.001562	-										
					Total nickel	0.092-0.271mg/L	0.345	-										
					Suspended matter	21-30mg/L	45.116	-										
					Hexavalent chromium	0.031-0.069mg/L	0.092683	-										
					Particulates	23.2-73mg/m ³	13.729	-						Organised discharge after meeting regulatory standards	6	The discharge outlets of dust removers installed at the crushing and screening systems	No	Emission standard of pollutants for lead and zinc industry (GB25466-2010)
					Exhaust gas													
								Noise						Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)				

Others (continued)

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Number	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Total discharge in the last six months (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for pollutant discharge										
5	Shanxi Zijin Mining Company Limited	Wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-										
												Exhaust gas	Sulphur dioxide	133mg/m ³	2.26	16.32	Organised discharge after meeting regulatory standards	1	The chimney of boiler house	No	Emission standard of air pollutants for boiler (GB13271-2014)
													Nitrogen oxides	154mg/m ³	2.62	41.05					
													Dust	24.3mg/m ³	0.6	5.6					
Particulates	18.3mg/m ³	4.5	7.28	1	The discharge outlets of dust removers installed at the crushing systems	No	Integrated emission standard of air pollutants (GB16297-1996)														
6	Luoning Huatai Mining Development Company Limited	Noise	-	-	-	-	Not discharged and internally reused	0	N/A	No	-										
												Exhaust gas	Particulates	30mg/m ³	5.17	Organised discharge after meeting regulatory standards	5	The discharge outlets of dust remover installed at crushing section	No	Class 2 standards in Schedule 2 of the Integrated emission standard of air pollutants (GB16297-1996)	
													Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)							
7	Luoyang Kunyu Mining Company Limited	Wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-										
												Exhaust gas	Particulates	14.1mg/m ³	5.0231	Organised discharge after meeting regulatory standards	5	Dust removers installed at the crushing and screening sections in production line	No	Class 2 standards in Schedule 2 of the Integrated emission standard of air pollutants (GB16297-1996)	
													Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)							

Others (continued)

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Number	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Total discharge in the last six months (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for pollutant discharge	
8	Xinjiang Hababe Ashele Copper Company Limited	Wastewater	-	-	-	-	Not discharged and internally reused	0	-	No	-	
			Exhaust gas	Sulphur dioxide	135.245mg/m ³	34.59	-	Organised discharge after meeting regulatory standards	1	The 60m chimney in boiler house	No	Emission standard of air pollutants for boiler (GB13271-2014)
			Nitrogen oxides	107.02mg/m ³	25.97	-						
			Particulates	21.025mg/m ³	4.64	-						
		Noise							Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)			
9	Xinjiang Jinbao Mining Company Limited	Wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-	
		Noise							Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)			
10	Xinjiang Zijin Zinc Industry Company Limited	Wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-	
			Exhaust gas	Sulphur dioxide	98.5mg/m ³	4.28	-	Organised discharge after meeting regulatory standards	1	Discharged through 45m chimney in the boiler house	No	Emission standard of air pollutants for boiler (GB13271-2001)
			Nitrogen oxides	77.3mg/m ³	3.35	-						
			Dust	23mg/m ³	0.99	-						
			Particulates	5.69mg/m ³	3.5	-	Organised discharge after meeting regulatory standards	4	The discharge outlets of wet dust removers installed at the crushing and screening systems	No	Emission standard of pollutants for lead and zinc industry (GB25466-2010)	
		Noise							Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)			

Others (continued)

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Number	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Total discharge in the last six months (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for pollutant discharge
13	Guizhou Zijin Mining Company Limited	Wastewater	COD Ammonia nitrogen Total arsenic Total lead Total cadmium Total mercury Suspended matter	5mg/L 1.296mg/L 0.00425mg/L 0.0175mg/L 0.0114mg/L 0.00032mg/L 4mg/L	1.909615 0.436751 0.001554 0.006913 0.003725 0.000104 1.527692	109.5 27.375 0.09125 1.825 - - 127.75	Organised discharge after meeting regulatory standards	1	Discharge outlet for wastewater	No	Class 1 standards of the integrated wastewater discharge standard (GB8978-1996)
		Exhaust gas	Sulphuric acid mist	21.5mg/m ³	0.528	1.5	Organised discharge after meeting regulatory standards	1	Discharge outlet for exhaust gas	No	The maximum emission concentration limit in Schedule 2 of the integrated emission standard of air pollutants (GB16297-1996)
14	Wenshan Malpo Zijin Tungsten Group Company Limited	Noise					Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)				
		Wastewater	COD Ammonia nitrogen Total cadmium Total zinc Total copper Suspended matter	24.41mg/L 0.49mg/L 0.004mg/L 0.046mg/L 0.006mg/L 21.51mg/L	6.128 0.116 0.0002 0.0118 0.0006 5.246	14.355 - 0.0009 - 0.0048 -	Organised discharge after meeting regulatory standards	1	Master discharge outlet of tailings pool	No	Class 1 standards of the integrated wastewater discharge standard (GB8978-1996)
15	Yuanjiang County Huaxi Gold Company Limited	Wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-
		Noise					Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)				

Others (continued)

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Number	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Total discharge in the last six months (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for pollutant discharge				
16	Zijin Copper Company Limited	Wastewater	COD	10.771 mg/L	5.421	-	Organised discharge after meeting regulatory standards	2	Copper refining; discharge outlet for clear water; gold refining; discharge outlet for wastewater	No	Emission standard of pollutants for copper, nickel, cobalt industry (GB25467-2010), Integrated wastewater discharge standard (GB8978-1996)				
			Ammonia nitrogen	0.4855 mg/L	0.244347	-									
			Total arsenic	0.0048 mg/L	0.002422	-									
			Total lead	0.0004 mg/L	0.000202	-									
			Total cadmium	0.00008 mg/L	0.0000404	-									
			Total mercury	0.0000778 mg/L	0.000039	-									
			Total cyanide	0.002 mg/L	0.00003232	-									
			Exhaust gas	Sulphur dioxide	44.685mg/m ³	106.604						679.98	Organised discharge after meeting regulatory standards	12	Discharge outlets for copper refining; discharge outlet for exhaust gas from ore concentrate dehydration; discharge outlet for environmental smoke; discharge outlet for tailing gas from acid manufacturing; discharge outlet for exhaust gas from electrolysis; discharge outlet for exhaust gas from purifying electrolyte solutions; discharge outlet for exhaust gas from waste acid treatment; smoke discharge outlet for Kaldos furnace; discharge outlet for environmental smoke from Kaldos furnace; exhaust gas discharge outlet for transportation system; discharge outlets for gold refining; discharge outlet for tailing gas from acid manufacturing; exhaust gas from silver smelting furnace and exhaust gas from dissolving gold and silver sludge with nitric acid
				Nitrogen oxides	11.2635mg/m ³	26.871						242.742			
				Particulates	12.029mg/m ³	31.172						371.48			
Sulphuric acid mist	6.85086mg/m ³	17.1185		-											
		Noise									Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)				

Others (continued)

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Number	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Total discharge in the last six months (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for pollutant discharge
17	Zijin Mining Group Gold Refinery Company Limited	Wastewater	COD Ammonia nitrogen Total arsenic Total lead Total cadmium Total cyanide	61.0511mg/L 5.9983mg/L 0.0157mg/L <0.2mg/L <0.05mg/L 0.0791mg/L	0.1535 0.0149 0.000038 0.000246 0.000061 0.000197	1.18 0.177 0.00543 0.0118 0.00118 0.0023	Organised discharge after meeting regulatory standards	1	Discharge outlet at the western side of the plant HAO11800	No	Class 3 standards in Schedules 1 and 4 of the Integrated wastewater discharge standard (GB8978-1996)
		Exhaust gas	Nitrogen oxides Hydrogen chloride Ammonia gas	1.7312mg/m ³ 1.01mg/m ³ 0.915kg/h	0.0484 0.0154 0.00314	0.96 0.5247 0.1624	Organised discharge after meeting regulatory standards	2 1	Exhaust gas discharge outlet for extraction and purification production line Exhaust gas discharge outlet for carbon treatment production line	No No	Class 2 standards in Schedule 2 of the Integrated emission standard of air pollutants (GB16297-1996) Standards in Schedule 2 of the Emission standard for odor pollutants (GB14554-93)
18	Jilin Zijin Copper Company Limited	Noise					Noise at boundary meet the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)				
		Wastewater	COD Ammonia nitrogen Total arsenic Total lead Total cadmium Total mercury	49.83mg/L 2.8mg/L 0.08mg/L 0 0 0.0066mg/L	4.72 0.27 0.0076 0 0 0.000007	12 1.6 0.1 0.1 0.02 0.01	Organised discharge after meeting regulatory standards	1	Master discharge outlet at the northwestern corner of the plant	No	Schedule 2 of the Emission standard of pollutants for copper, nickel, cobalt industry and the Standards and Requirements on Water Intake of Water Treatment Plants of Hunchun City
		Exhaust gas	Sulphur dioxide Nitrogen oxides Particulates Mercury and its compounds Lead and its compounds Arsenic and its compounds	131.9mg/m ³ 7.75mg/m ³ 5.98mg/m ³ 0.0065mg/m ³ 0.233mg/m ³ 0.1624mg/m ³	240.45 12.78 10.08 0.0099 0.3606 0.2483	570 130.44 82.5 0.0198 1.155 0.66	Organised discharge after meeting regulatory standards	1	Exhaust gas discharge outlet of 120m chimney	No	Emission standard of pollutants for copper, nickel, cobalt industry (GB25467-2010) and Integrated emission standard of air pollutants (GB16297-1996)
		Noise					Noise at boundary meet the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)				

Others (continued)

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

Number	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Total discharge in the last six months (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for pollutant discharge
19	Bayanbaer Zijin Non-ferrous Metals Company Limited	Wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-
		Exhaust gas from refining	Sulphur dioxide	137mg/m ³	69.72	400	Organised discharge after meeting regulatory standards	2	Discharge outlet for exhaust gas	No	Emission standard of pollutants for lead and zinc industry (GB25466-2010)
			Sulphuric acid mist	13mg/m ³	2.97	-					
			Particulates	24mg/m ³	12.07	80					
		Exhaust gas from thermal power plant	Sulphur dioxide	25mg/m ³	30.93	592	Organised discharge after meeting regulatory standards	1	Discharge outlet for exhaust gas	No	Emission standard of air pollutants for thermal power plants (GB13223-2011)
			Nitrogen oxides	75mg/m ³	89.9	515					
		Dust	13mg/m ³	14.44	178						
		Noise					Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)				
20	Luoning Zijin Gold Refinery Company Limited	Wastewater	-	-	-	-	Not discharged and internally reused	0	No	No	-
		Exhaust gas	Sulphur dioxide	44mg/m ³	3.99	29.733	Organised discharge after meeting regulatory standards	1	The 60m chimney at the exit of boiling roasting furnace	No	Henan Province regional industrial furnace kiln air pollutant emission standards (DB41-1066-2015)
			Particulates	0.73mg/m ³	0.086	-					
		Noise					Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)				
21	Kuitun Tongguan Metallurgical Company Limited	Wastewater	COD	46.23mg/L	1.28	20	Organised discharge after meeting regulatory standards	1	Master discharge outlet at the northeast end of the plant	No	Integrated wastewater discharge standard (GB8978-1996)
		Exhaust gas	Ammonia nitrogen	8.46mg/L	0.23	1.51					
			Total arsenic	0.04mg/L	0.001	-					
			Total copper	0.09mg/L	0.002	-					
		Exhaust gas	Sulphur dioxide	85.31mg/m ³	8.96	285.4	Organised discharge after meeting regulatory standards	1	Master discharge outlet for smoke	No	Special emission limit of the Emission standard of pollutants for sulphuric acid industry (GB26132-2010)
		Noise					Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)				

Others *(continued)*

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

2. Construction and operation of pollution prevention and controlling facilities

The branch companies (subsidiaries) of the Company strictly followed the requirements of environmental impact assessment and the approvals for the construction projects and invested environmental protection fund in full amount to construct treatment facilities for wastewater, exhaust gas, noise and solid wastes, enhance the routine maintenance of equipment and ensure their stable and continuous operation. At the same time, in accordance with the latest state policies and standards for environmental protection, the Company persistently optimised and improved environmental protection treatment systems to enhance treatment quality of pollutants.

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

The branch companies (subsidiaries) of the Company strictly carried out environmental impact assessment and inspection at the conclusion of construction projects pursuant to the regulations in relation to environmental impact assessment. In the first half of 2019, approvals for environmental impact assessment were obtained or acceptance checks were carried out for 7 projects altogether. Specifically, approvals for environmental impact assessment were granted for Zijin Copper's production expansion and reform project (Long Huan Shen [2019] No. 144), Xinjiang Zijin Zinc Industry's 15,000t/d technological upgrade and comprehensive utilisation project of low-grade and waste rock resources in the Wulagen zinc mine (Xin Huan Huan Ping [2019] No. 498) and tailings pool project (Xin Huan Huan Ping [2019] No. 463), Heilongjiang Duobaoshan Copper's mining project at the Tongshan mine (Hei Huan Shen [2019] No. 30) and Luoyang Kunyu's Shanggong gold mine processing plant expansion and reform project (Yu Huan Shen [2019] No. 14); Yuanyang County Huaxi Gold Company Limited's 450t/d mining and processing expansion project (after amendment) passed the self-acceptance check on completion of construction in January 2019; Jilin Zijin Copper's expansion and reform project passed the acceptance check on 14 June 2019 (Ji Huan Han [2019] No. 355).

4. Emergency plan in response to outbreak of environmental incidents

The Company continuously improved the development of environmental emergency management system. Environmental emergency management units were in place both at the Group and subsidiary level. Emergency plans for environmental incidents and other special emergency plans pursuant to the requirements of National Environmental Emergency Response Plan and based on individual operations' production techniques, pollution-intensive production stages and environmental risks were developed, and further revised and filed based on the Environmental Incident Emergency Plan and Filing Management Method (Tentative) (Huan Fa [2015] No. 4). In addition, in order to enhance prevention from and reaction to outbreak of environmental incidents, the subsidiaries regularly organised different environmental emergency drills, and continuously carried out review and analysis on the drills in order to improve the work on emergency management.

5. Environmental self-monitoring programme

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

Others (continued)

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

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

1. Information of pollutant discharge

Apart from the abovementioned 21 enterprises, environmental information of the Company's 6 entities which are not key pollutant discharging units including Longnan Zijin Mining Company Limited, Hunchun Zijin Mining Company Limited, Fujian Zijin Copper Company Limited, Fujian Zijin Processing Chemicals Company Limited, Fujian Jinshan Wearing-Resistant Materials Company Limited and Luoyang Zijin Yinhuai Gold Refinery Company Limited is as below:

Number	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Total discharge in the last six months (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for discharge of pollutants
1	Longnan Zijin Mining Company Limited	Wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-
		Noise			Noise at boundary meet the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)						
2	Hunchun Zijin Mining Company Limited	Wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-
		Exhaust gas	Sulphur dioxide	42mg/m ³	2.33	36	Organised discharge after meeting regulatory standards	1	Discharge outlet of boiler	No	Emission standard of air pollutants for boiler (GB13271-2014)
			Nitrogen oxides	131mg/m ³	7.267	28					
			Dust	36mg/m ³	1.997	68					
			Particulates	17-42mg/m ³	45.539	-	Organised discharge after meeting regulatory standards	10	The discharge outlets of crude crushing, medium and refined crushing, vibration dust removers and screening systems	No	Emission standard of pollutants for copper, nickel, cobalt industry (GB25467-2010)
		Noise			Noise at boundary meet the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)						
3	Fujian Zijin Copper Company Limited	Wastewater	COD	40.75mg/L	1.9318	7.121	Organised discharge after meeting regulatory standards	1	Wastewater treatment station	No	Class 3 standards in Schedule 4 of the Integrated wastewater discharge standard (GB8978-1996)
			Ammonia nitrogen	11.15mg/L	0.523659	1.068					
			Total zinc	0.074mg/L	0.003475	0.0504					
			Total copper	0.16475mg/L	0.007737	0.0252					
			Total nickel	<0.05mg/L	0.002348	0.126					
		Exhaust gas	Particulates	14.5-17.3mg/m ³	1.9821	6.43	Organised discharge after meeting regulatory standards	2	Discharged via a 15m chimney	No	The maximum limit in Schedule 2 of the Integrated emission standard of air pollutants (GB16297-1996)
		Noise			Noise at boundary meet the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)						

Others (continued)

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

Number	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Total discharge in the last six months (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for discharge of pollutants
4	Fujian Zijin Processing Chemicals Company Limited	Wastewater	COD	50mg/L	0.35	0.66	Organised discharge after meeting regulatory standards	1	Within the plant	No	Class 3 standards in Schedule 4 of the Integrated wastewater discharge standard (GB8976-1996)
		Noise		Noise at boundary meet the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)							
5	Fujian Jinsian Wearing-Resistant Materials Company Limited	Exhaust gas	Particulates	2mg/m ³	0.00752	-	Organised discharge after meeting regulatory standards	1	Discharged via a 15m chimney in ball milling section	No	Class 2 standards in Schedule 2 of the Integrated emission standard of air pollutants (GB16297-1996)
			Dust	1.06mg/m ³	0.00352	-	Organised discharge after meeting regulatory standards	1	Discharged via a 15m chimney in intermediate frequency furnace section	No	Class 2 standards in Schedule 2 of the Emission standard of air pollutants for industrial kiln and furnace (GB9078-1996)
		Noise		Noise at boundary meet the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)							
6	Luoyang Zijin Yinhui Gold Refinery Company Limited	Wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-
		Exhaust gas	Nitrogen oxides	49.5mg/m ³	0.05475	1.9125	Organised discharge after meeting regulatory standards	1	The discharge outlet of purification section	No	The Integrated emission standard of air pollutants (GB16297-1996)
			Chlorine gas	1.560mg/m ³	0.00514	-					
			Hydrogen chloride	6.925mg/m ³	0.02321	-					
			Particulates	2.6mg/m ³	0.01709	-	Organised discharge after meeting regulatory standards	1	The discharge outlet of smelting section	No	Henan Province regional industrial furnace kiln air pollutant emission standards (DB41-1066-2015)
		Noise		Noise at boundary meet the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)							

Others *(continued)*

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

2. Construction and operation of pollution prevention and controlling facilities

Same as the corresponding section under key pollutant discharging units.

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

In the first half of 2019, there was no update for environmental impact assessment and acceptance check on completion of construction for the companies which are not key pollutant discharging units.

4. Emergency plan in response to outbreak of environmental incidents

Same as the corresponding section under key pollutant discharging units.

5. Environmental self-monitoring programme

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

Others

At the fifteenth extraordinary meeting in 2018 of the sixth term of the Board of the Company convened on 29 December 2018, the resolutions relating to public issuance of A Shares for the year 2018 were considered and approved. Pursuant to the plan of the issuance, the Company proposed to issue A Shares by means of public issuance, which shall raise gross proceeds of up to RMB8 billion. The proceeds raised will be used to substitute the fund for the project of acquiring 100% equity interest in Nevsun Resources Ltd.

The abovementioned resolutions were considered and approved at the third extraordinary meeting in 2019 of the sixth term of the Board convened on 25 February 2019 and the first extraordinary general meeting in 2019, the first A Shareholders' class meeting in 2019 and the first H Shareholders' class meeting in 2019 convened on 12 April 2019 respectively. The relevant refinancing work is in progress proactively.

Others (continued)

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INFORMATION OF CORPORATE BONDS

Basic information of corporate bonds

Unit: RMB billion

Name of bond	Abbreviation	Code	Date of issuance	Date of maturity	Outstanding balance	Interest rate (%)	Payment of principal and interest	Listing place
2016 Corporate Bonds (the First Tranche) (Type One) of Zijin Mining Group Co., Ltd.*	16 Zijin 01	136304	18 March 2016	18 March 2021	0.30253	2.99	Interest to be paid annually, principal to be repaid in full at maturity.	Shanghai Stock Exchange
2016 Corporate Bonds (the First Tranche) (Type Two) of Zijin Mining Group Co., Ltd.*	16 Zijin 02	136305	18 March 2016	18 March 2021	2	3.37	Interest to be paid annually, principal to be repaid in full at maturity.	Shanghai Stock Exchange
2016 Corporate Bonds (the Second Tranche) (Type One) of Zijin Mining Group Co., Ltd.*	16 Zijin 03	136549	15 July 2016	15 July 2021	1.8	3.05	Interest to be paid annually, principal to be repaid in full at maturity.	Shanghai Stock Exchange
2016 Corporate Bonds (the Second Tranche) (Type Two) of Zijin Mining Group Co., Ltd.*	16 Zijin 04	136550	15 July 2016	15 July 2021	1.2	3.45	Interest to be paid annually, principal to be repaid in full at maturity.	Shanghai Stock Exchange
2017 Renewable Corporate Bonds (the First Tranche) of Zijin Mining Group Co., Ltd.* (publicly issued)	17 Zijin Y1	143917	12 September 2017	The base period is 3 years. At the end of the base period and the end of each renewal period, the Company has a right to exercise the renewal option to renew the bonds for one more period (i.e., 3 years). The renewable corporate bonds will mature when the Company does not exercise the renewal option and redeems the bonds in full amount.	0.5	5.17	When the Company does not exercise the option to delay interest payment, the interest shall be paid annually.	Shanghai Stock Exchange
2018 Renewable Corporate Bonds (the First Tranche) of Zijin Mining Group Co., Ltd.* (publicly issued)	18 Zijin Y1	136951	16 October 2018	The base period is 3 years. At the end of the base period and the end of each renewal period, the Company has a right to exercise the renewal option to renew the bonds for one more period (i.e., 3 years). The renewable corporate bonds will mature when the Company does not exercise the renewal option and redeems the bonds in full amount.	4.5	5.17	When the Company does not exercise the option to delay interest payment, the interest shall be paid annually.	Shanghai Stock Exchange

Others (continued)

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Settlement of interests and principals of the corporate bonds

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

Use of proceeds raised from corporate bonds

As at the date of the report, RMB5 billion of proceeds raised from 2016 Corporate Bonds (the First Tranche) of Zijin Mining Group Co., Ltd.* has been fully used for supplementing working capital, and the unused balance of the proceeds is RMB0; and RMB3 billion of proceeds raised from 2016 Corporate Bonds (the Second Tranche) of Zijin Mining Group Co., Ltd.* has been fully used for supplementing working capital, and the unused balance of the proceeds is RMB0; RMB0.5 billion of proceeds raised from 2017 Renewable Corporate Bonds (the First Tranche) of Zijin Mining Group Co., Ltd.* (publicly issued) has been fully used for supplementing working capital, and the unused balance of the proceeds is RMB0; RMB4.5 billion of proceeds raised from 2018 Renewable Corporate Bonds (the First Tranche) of Zijin Mining Group Co., Ltd.* (publicly issued) has been fully used for supplementing working capital, and the unused balance of the proceeds is RMB0.

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

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

As at 30 June 2019, the Company has issued medium-term notes of RMB8.3 billion, ultra short-term financing bonds of RMB1 billion and US dollar notes of USD350 million. All the interest payments were settled on schedule.

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

Major indicators	As at the end of the reporting period	As at the end of last year	Changes as at the end of the reporting period as compared with as at the end of last year (%)	Reason for the change
Current ratio	78.70%	81.80%	Decreased by 3.10 percentage points	Adjustment of debt structure
Quick ratio	44.64%	47.76%	Decreased by 3.12 percentage points	Adjustment of debt structure
Debt-to-asset ratio (%)	59.67	58.12	Increased by 1.55 percentage points	Adjustment of debt structure
Loan repayment rate (%)	100.00	100.00	–	–

	During the reporting period (January – June)	During the same period last year	Changes as compared with the same period last year	Reason for the change
EBITDA to interest coverage ratio	5.46	8.63	-36.81%	Adjustment of debt structure
Interest repayment ratio (%)	78.88	73.44	Increased by 5.44 percentage points	Adjustment of debt structure

Others *(continued)*

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SUPPLEMENTAL INFORMATION

Explanation on the Relevant Matters of Corporate Governance

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

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

On 24 May 2019, the 2018 annual general meeting of the Company considered and approved the profit distribution proposal of the Company for 2018. On the basis of 23,031,218,891 shares as at 31 December 2018, final cash dividend of RMB1 per 10 shares (tax included) shall be paid to the qualified shareholders of the Company. The total distribution of cash dividend amounted to RMB2,303,121,889.1. The above profit distribution was completed on 11 July 2019.

For details of the profit distribution, please refer to the Company’s Notice of 2018 Annual General Meeting dated 9 April 2019 and Revised Notice of 2018 Annual General Meeting dated 6 May 2019, and announcements disclosed on the HKEXnews website dated 15 May 2019 and 11 July 2019.

Interim Dividend

The Board proposed not to pay dividend for the six months ended 30 June 2019. (The dividend for the six months ended 30 June 2018 was nil)

Purchase, Sale or Redemption of Listed Securities of the Company

Neither the Company nor any of its subsidiaries purchased, sold, redeemed or wrote off any of the Company’s listed securities for the six months ended 30 June 2019.

Corporate Governance Report

As required by provision A.1.8 of Appendix 14 Corporate Governance Code and Corporate Governance Report to the Listing Rules (the “CG Code”), an issuer should arrange appropriate insurance cover in respect of potential legal action against its directors. The Board currently considers that the Company and the Board have adopted sufficient measures to prevent Directors from committing errors and minimise the risk in claims against the Directors. Therefore, the Company has not made any relevant insurance arrangement at this stage. However, the Board will review this policy of insurance from time to time and may arrange insurance later. As required by provision F.1.3 of the CG Code, an issuer’s company secretary should report to the board chairman and/or the chief executive. The Board considers that the company secretary in Hong Kong reporting to the secretary to the Board is more suitable to meet the management needs of the Group and it enables a unified management of all listing related matters in Hong Kong and Mainland China. As required by provision A.6.7 of the CG Code, independent non-executive director should attend general meetings. Independent non-executive Director Mr. Cai Meifeng had work appointment and could not attend the Company’s annual general meeting on 24 May 2019.

Save as disclosed above, for the six months ended 30 June 2019, the Board confirmed that the Group has adopted and complied with the provisions of the CG Code and has followed most of its recommended best practices with no deviation.

Others *(continued)*

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

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 2019 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 2019 is in compliance with the applicable accounting standards and relevant laws and regulations and has made sufficient disclosure.

Independent Non-executive Directors

In compliance with rules 3.10(1) and 3.10(2) of the Listing Rules, which provide that the Company should appoint a sufficient number of independent non-executive directors and that at least one of them must have appropriate professional qualifications or accounting or related financial management expertise. The Company appointed four independent non-executive Directors and one of them possesses accounting or related financial management expertise. Brief biographies of the independent non-executive Directors have been provided in the Company's 2018 annual report.

Securities Transactions by the Directors and Supervisors

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as the model code for the trading of securities by the Directors and the Supervisors of the Company. The effective date was 23 December 2003. Having made specific reasonable enquiries with all Directors and Supervisors of the Company, the Company confirmed that all Directors and Supervisors have complied with the provisions of the Model Code for the six months ended 30 June 2019.

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

There were no changes in the Directors, Supervisors and senior management of the Company for the six months ended 30 June 2019.

Appointment and Dismissal of Auditor

According to the resolution passed at the Company's 2018 annual general meeting, the Company reappointed Ernst & Young Hua Ming LLP as the auditor in 2019.

Important Events After the Reporting Period

Details of the Group's events after the reporting period are set out in Note XII to the financial statements. Save as disclosed in this report, there is no important event affecting the Group which has occurred after the reporting period.

Contingent Liabilities

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

Acquisitions, Disposals and Mergers

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

Assets Pledged or Charged

As at 30 June 2019, details of the Group's pledged or charged assets are set out in Note V.65 to the financial statements.

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

Others *(continued)*

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Exposure to Fluctuations in Exchange Rates and Hedges

Details of the Group's exposure to the fluctuations in exchange rates and related hedges are disclosed in Notes V.67 and VIII.2 to the financial statements.

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

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

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

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

Fujian, the PRC, 29 August 2019

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

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

Consolidated Statement of Financial Position

As at 30 June 2019

RMB

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

ASSETS	Note V	30 June 2019 (Unaudited)	31 December 2018 (Audited)
CURRENT ASSETS			
Cash and cash equivalents	1	9,458,981,004	10,089,890,808
Held for trading financial assets	2	727,935,573	787,134,360
Trade receivables	3	644,961,624	1,009,871,109
Trade receivables financing	4	1,269,788,153	–
Prepayments	5	1,773,963,505	1,419,162,525
Other receivables	6	1,171,209,440	1,415,512,562
Inventories	7	12,942,311,301	12,669,674,863
Held for sale assets	8	–	246,189,223
Current portion of non-current assets	9	635,358,196	307,233,993
Other current assets	10	1,280,337,685	2,504,018,792
Total current assets		29,904,846,481	30,448,688,235
NON-CURRENT ASSETS			
Long-term equity investments	11	6,971,315,161	7,041,753,269
Other equity instrument investments	12	2,957,099,097	1,983,796,793
Other non-current financial assets	13	444,588,000	401,513,674
Investment properties	14	133,644,389	608,221,789
Fixed assets	15	35,473,423,521	34,144,464,854
Construction in progress	16	6,366,740,989	5,355,805,804
Right-of-use assets	17	380,794,489	–
Intangible assets	18	22,697,549,676	22,510,280,215
Goodwill	19	314,149,588	314,149,588
Long-term deferred assets	20	994,066,679	987,315,471
Deferred tax assets	21	916,474,403	884,776,204
Other non-current assets	22	9,027,268,969	8,198,537,946
Total non-current assets		86,677,114,961	82,430,615,607
TOTAL ASSETS		116,581,961,442	112,879,303,842

The accompanying notes to financial statements are an integral part of the financial statements.

Consolidated Statement of Financial Position *(continued)*

As at 30 June 2019

RMB

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

LIABILITIES AND OWNERS' EQUITY	Note V	30 June 2019 (Unaudited)	31 December 2018 (Audited)
CURRENT LIABILITIES			
Short-term borrowings	24	15,225,532,960	15,616,680,236
Held for trading financial liabilities	25	444,104,907	242,482,582
Bills payable	26	129,319,520	160,733,506
Trade payables	27	4,422,877,762	4,540,248,350
Contract liabilities	28	288,630,888	277,125,058
Employee benefits payable	29	545,245,716	726,630,090
Taxes payable	30	873,412,237	903,782,106
Other payables	31	7,995,359,860	4,979,586,829
Held for sale liabilities	8	–	68,739,751
Current portion of non-current liabilities	32	7,075,876,564	9,707,089,022
Other current liabilities	33	1,000,000,000	–
Total current liabilities		38,000,360,414	37,223,097,530
NON-CURRENT LIABILITIES			
Long-term borrowings	34	13,171,630,302	12,917,915,706
Bonds payable	35	11,687,615,524	8,879,453,693
Lease liabilities	36	216,230,093	–
Long-term payables	37	647,527,632	733,077,872
Provision	38	2,698,331,191	2,686,090,453
Deferred income	39	408,349,735	422,783,097
Deferred tax liabilities	21	2,731,777,830	2,743,172,789
Total non-current liabilities		31,561,462,307	28,382,493,610
TOTAL LIABILITIES		69,561,822,721	65,605,591,140
EQUITY			
Share capital	40	2,303,121,889	2,303,121,889
Other equity instruments	41	4,985,500,000	4,985,500,000
<i>Including: Renewable corporate bonds</i>		<i>4,985,500,000</i>	<i>4,985,500,000</i>
Capital reserve	42	10,988,661,891	11,094,766,390
Other comprehensive income	43	(594,846,374)	(1,575,973,065)
Special reserve	44	165,604,338	147,393,497
Surplus reserve	45	1,319,401,104	1,319,401,104
Retained earnings	46	21,764,187,256	22,181,224,459
Equity attributable to owners of the parent		40,931,630,104	40,455,434,274
Non-controlling interests		6,088,508,617	6,818,278,428
TOTAL EQUITY		47,020,138,721	47,273,712,702
TOTAL LIABILITIES AND OWNERS' EQUITY		116,581,961,442	112,879,303,842

The accompanying notes to financial statements are an integral part of the financial statements.

The financial statements were signed by the followings:

Legal representative:
Chen Jinghe

Principal in charge of accounting:
Lin Hongying

Head of accounting department:
Wu Honghui

Consolidated Statement of Profit or Loss

For the period ended 30 June 2019

RMB

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

	Note V	For the six months ended 30 June 2019 (Unaudited)	For the six months ended 30 June 2018 (Unaudited)
OPERATING INCOME	47	67,198,395,835	49,813,890,835
Less: Operating costs	47	59,642,296,042	42,716,501,955
Taxes and surcharges	48	869,115,800	698,055,183
Selling expenses	49	629,077,911	430,225,695
Administrative expenses	50	1,858,045,581	1,356,911,252
Research and development expenses	51	134,560,641	130,917,000
Financial expenses	52	850,886,565	660,421,573
Including: Interest expenses		1,116,416,722	736,833,456
Interest income		234,767,888	158,002,634
Add: Other income	53	120,118,883	83,849,029
Investment income	54	57,950,947	127,612,938
Including: Share of profits/(losses) of associates and joint ventures		10,772,724	(27,548,270)
Gains on changes in fair value	55	38,852,781	50,097,422
Credit impairment losses	56	(66,101,798)	(54,809,952)
Impairment losses on assets	57	(149,879,084)	(263,678,192)
(Losses)/Gains on disposal of non-current assets	58	(33,784)	13,450,270
OPERATING PROFIT		3,215,321,240	3,777,379,692
Add: Non-operating income	59	21,672,368	153,114,713
Less: Non-operating expenses	60	197,477,460	149,657,445
PROFIT BEFORE TAX		3,039,516,148	3,780,836,960
Less: Income tax expenses	61	800,346,358	712,087,103
NET PROFIT		2,239,169,790	3,068,749,857
Classification according to the continuity of operation			
Net profit from continuing operations		2,239,169,790	3,068,749,857
Attributable to:			
Owners of the parent		1,853,453,618	2,526,423,099
Non-controlling interests		385,716,172	542,326,758

The accompanying notes to financial statements are an integral part of the financial statements.

Consolidated Statement of Profit or Loss *(continued)*

For the period ended 30 June 2019

RMB

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

	Note V	For the six months ended 30 June 2019 (Unaudited)	For the six months ended 30 June 2018 (Unaudited)
NET OTHER COMPREHENSIVE INCOME/(LOSS) AFTER TAX			
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods			
Changes in fair value of other equity instrument investments		1,007,649,350	(748,815,912)
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods			
Hedging costs – forward elements		(43,791,312)	89,457,331
Exchange differences arising from translation of financial statements denominated in foreign currencies		49,899,721	(20,565,992)
Other comprehensive income/(loss) attributable to owners of the parent		1,013,757,759	(679,924,573)
Other comprehensive income attributable to non-controlling interests		28,358,841	1,079,379
Sub-total of net other comprehensive income/(loss) after tax		1,042,116,600	(678,845,194)
TOTAL COMPREHENSIVE INCOME		3,281,286,390	2,389,904,663
Attributable to:			
Owners of the parent		2,867,211,377	1,846,498,526
Non-controlling shareholders		414,075,013	543,406,137
Earnings per share	62		
Basic earnings per share		0.080	0.110

The accompanying notes to financial statements are an integral part of the financial statements.

Consolidated Statement of Changes in Equity

For the period ended 30 June 2019

RMB

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

(Unaudited)	Attributable to owners of the parent						Non-controlling interests	Total equity		
	Share capital	Capital reserve	Other equity instruments	Other comprehensive income	Special reserve	Surplus reserve			Retained earnings	Subtotal
I. Closing balance of the preceding year	2,303,121,889	11,094,766,390	4,985,500,000	(1,575,973,065)	147,393,497	1,319,401,104	22,181,224,459	40,455,434,274	6,818,278,428	47,273,712,702
Add: Changes in accounting policies	-	-	-	-	-	-	-	-	-	-
II. Opening balance of the current period	2,303,121,889	11,094,766,390	4,985,500,000	(1,575,973,065)	147,393,497	1,319,401,104	22,181,224,459	40,455,434,274	6,818,278,428	47,273,712,702
III. Changes for the period	-	(106,104,499)	-	981,126,691	18,210,841	-	(417,037,203)	476,195,830	(729,769,811)	(253,573,981)
(I) Total comprehensive income	-	-	-	1,013,757,759	-	-	1,853,453,618	2,867,211,377	414,075,013	3,281,286,390
(II) Owners' contributions and reductions in capital	-	(106,104,499)	-	-	-	-	-	(106,104,499)	(950,118,874)	(1,056,223,373)
1. Capital contributed by owners	-	-	-	-	-	-	-	-	6,791,400	6,791,400
2. Others	-	(106,104,499)	-	-	-	-	-	(106,104,499)	(956,910,274)	(1,063,014,773)
(III) Profit distributions	-	-	-	-	-	-	(2,303,121,889)	(2,303,121,889)	(195,134,880)	(2,498,256,769)
1. Distributions to owners	-	-	-	-	-	-	(2,303,121,889)	(2,303,121,889)	(195,134,880)	(2,498,256,769)
2. Others	-	-	-	-	-	-	-	-	-	-
(IV) Special reserve	-	-	-	-	18,210,841	-	-	18,210,841	1,408,930	19,619,771
1. Transferred to special reserve in the current period	-	-	-	-	18,210,841	-	-	18,210,841	1,408,930	19,619,771
2. Amount utilised in the current period	-	-	-	-	239,724,095	-	-	239,724,095	22,773,740	262,497,835
(V) Transferred within owners' equity	-	-	-	(32,631,068)	(221,513,254)	-	-	(221,513,254)	(21,364,810)	(242,878,064)
1. Other comprehensive income transferred to retained earnings	-	-	-	(32,631,068)	-	-	-	-	-	-
2. Others	-	-	-	-	-	-	32,631,068	-	-	-
IV. Closing balance of the current period	2,303,121,889	10,988,661,891	4,985,500,000	(594,846,374)	165,604,338	1,319,401,104	21,764,187,256	40,931,630,104	6,088,508,617	47,020,138,721

The accompanying notes to financial statements are an integral part of the financial statements.

Consolidated Statement of Changes in Equity *(continued)*

For the period ended 30 June 2018

RMB

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

(Unaudited)	Attributable to owners of the parent						Non-controlling interests	Total equity		
	Share capital	Capital reserve	Other equity instruments	Other comprehensive income	Special reserve	Surplus reserve			Retained earnings	Subtotal
I. Closing balance of the preceding year	2,303,121,889	11,109,919,061	498,550,000	(602,893,526)	176,862,772	1,319,401,104	20,194,761,855	34,999,723,155	37,642,845,218	
Add: Changes in accounting policies	-	-	-	186,956,573	-	-	-	186,956,573	2,753,414	189,709,987
II. Opening balance of the current period	2,303,121,889	11,109,919,061	498,550,000	(415,936,953)	176,862,772	1,319,401,104	20,194,761,855	35,186,679,728	37,832,555,205	
III. Changes for the period	-	10,373,708	-	(679,924,573)	3,480,952	-	454,592,861	(211,477,052)	100,073,621	(111,403,431)
(I) Total comprehensive income	-	-	-	(679,924,573)	-	-	2,526,423,099	1,846,498,526	543,406,137	2,389,904,663
(II) Owners' contributions and reductions in capital	-	10,373,708	-	-	-	-	979,462	11,353,170	9,215,323	20,568,493
1. Capital contributed by owners	-	-	-	-	-	-	-	-	-	-
2. Others	-	10,373,708	-	-	-	-	979,462	11,353,170	9,215,323	20,568,493
(III) Profit distributions	-	-	-	-	-	-	(2,072,809,700)	(2,072,809,700)	(457,445,258)	(2,530,254,958)
1. Distributions to owners	-	-	-	-	-	-	(2,072,809,700)	(2,072,809,700)	(457,445,258)	(2,530,254,958)
2. Others	-	-	-	-	-	-	-	-	-	-
(IV) Special reserve	-	-	-	-	3,480,952	-	-	3,480,952	4,897,419	8,378,371
1. Transferred to special reserve in the current period	-	-	-	-	293,423,814	-	-	293,423,814	31,746,741	325,170,555
2. Amount utilised in the current period	-	-	-	-	(289,942,862)	-	-	(289,942,862)	(26,849,322)	(316,792,184)
IV. Closing balance of the current period	2,303,121,889	11,120,292,769	498,550,000	(1,095,861,526)	180,343,724	1,319,401,104	20,649,354,716	34,975,202,676	2,745,949,098	37,721,151,774

The accompanying notes to financial statements are an integral part of the financial statements.

Consolidated Statement of Cash Flows

For the period ended 30 June 2019

RMB

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

	Note V	For the six months ended 30 June 2019 (Unaudited)	For the six months ended 30 June 2018 (Unaudited)
I. CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from sale of goods and rendering of services		69,697,273,879	53,935,494,895
Refund of taxes		277,435,263	88,596,516
Other cash receipts relating to operating activities	63	282,064,208	317,880,018
Sub-total of cash inflows from operating activities		70,256,773,350	54,341,971,429
Cash payments for goods purchased and services received		60,327,215,713	44,163,031,419
Cash payments to and on behalf of employees		2,270,770,365	1,702,889,612
Payments of various types of taxes		2,405,013,799	2,705,290,182
Other cash payments relating to operating activities	63	847,565,369	790,074,926
Sub-total of cash outflows used in operating activities		65,850,565,246	49,361,286,139
Net cash flows from operating activities		4,406,208,104	4,980,685,290
II. CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash receipts from disposals and recovery of investments		395,293,030	389,364,522
Cash receipts from investment income		78,817,710	183,298,925
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		20,331,374	22,316,041
Other cash receipts relating to investing activities	63	633,831,259	2,338,933,411
Sub-total of cash inflows from investing activities		1,128,273,373	2,933,912,899
Cash payments for acquisitions or constructions of fixed assets, intangible assets and other long-term assets		3,815,716,103	1,987,581,938
Cash payments for acquisitions of investments		1,501,248,276	696,512,051
Other cash payments relating to investing activities	63	466,973,260	1,158,265,670
Sub-total of cash outflows used in investing activities		5,783,937,639	3,842,359,659
Net cash flows used in investing activities		(4,655,664,266)	(908,446,760)

The accompanying notes to financial statements are an integral part of the financial statements.

Consolidated Statement of Cash Flows *(continued)*

For the period ended 30 June 2019

RMB

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

	Note V	For the six months ended 30 June 2019 (Unaudited)	For the six months ended 30 June 2018 (Unaudited)
III. CASH FLOWS FROM FINANCING ACTIVITIES:			
Cash receipts from capital contributions		5,291,400	39,000,000
Cash receipts from borrowings		6,663,314,566	8,128,280,417
Cash receipts from gold leasing business		3,159,475,582	2,893,930,437
Cash receipts from issuance of bonds and ultra short-term financing bonds		3,500,000,000	–
Other cash receipts relating to financing activities	63	5,092,655	54,135,279
Sub-total of cash inflows from financing activities		13,333,174,203	11,115,346,133
Cash repayments of borrowings		5,848,818,265	6,060,319,816
Cash repayments of gold leasing business		3,815,055,963	3,104,907,958
Cash repayments of bonds		2,697,470,000	–
Cash payments for distribution of dividends or profits or settlement of interest expenses		1,338,114,297	3,267,226,278
Other cash payments relating to financing activities	63	96,111,554	35,767,283
Sub-total of cash outflows used in financing activities		13,795,570,079	12,468,221,335
Net cash flows used in financing activities		(462,395,876)	(1,352,875,202)
IV. EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS			
		(190,201,388)	(75,492,743)
V. NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS			
Add: Opening balance of cash and cash equivalents	64	(902,053,426)	2,643,870,585
		9,932,838,151	5,754,343,955
VI. CLOSING BALANCE OF CASH AND CASH EQUIVALENTS			
	64	9,030,784,725	8,398,214,540

The accompanying notes to financial statements are an integral part of the financial statements.

Company Statement of Financial Position

As at 30 June 2019

RMB

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

ASSETS	Note XIV	30 June 2019 (Unaudited)	31 December 2018 (Audited)
CURRENT ASSETS			
Cash and cash equivalents		5,537,462,359	3,405,752,073
Held for trading financial assets		14,746,198	149,869,381
Trade receivables	1	881,855,256	944,410,158
Trade receivables financing		408,682,629	–
Prepayments		51,247,408	54,761,022
Other receivables	2	11,424,861,023	13,369,134,726
Inventories		131,315,255	181,835,201
Held for sale assets		–	142,501,896
Other current assets		36,829,650	294,869,619
Total current assets		18,486,999,778	18,543,134,076
NON-CURRENT ASSETS			
Long-term equity investments	3	29,465,190,126	29,273,825,050
Other equity instrument investments		272,620,399	299,890,204
Fixed assets	4	3,274,757,770	3,423,396,138
Construction in progress	5	258,705,979	162,970,313
Right-of-use assets		5,578,654	–
Intangible assets	6	275,407,978	280,495,251
Long-term deferred assets	7	207,173,833	202,140,313
Deferred tax assets		222,530,773	203,515,795
Other non-current assets	8	9,687,529,900	9,830,231,598
Total non-current assets		43,669,495,412	43,676,464,662
TOTAL ASSETS		62,156,495,190	62,219,598,738

The accompanying notes to financial statements are an integral part of the financial statements.

Company Statement of Financial Position *(continued)*

As at 30 June 2019

RMB

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

LIABILITIES AND OWNERS' EQUITY	Note XIV	30 June 2019 (Unaudited)	31 December 2018 (Audited)
CURRENT LIABILITIES			
Short-term borrowings		4,995,267,629	6,439,941,129
Bills payables		–	–
Trade payables	10	564,035,932	643,993,331
Contract liabilities		10,306,079	9,110,298
Employee benefits payable		99,779,797	131,945,173
Taxes payable		52,550,435	39,111,115
Other payables		3,334,921,251	976,050,313
Current portion of non-current liabilities		6,231,074,307	9,219,712,010
Other current liabilities		1,295,797,972	295,798,605
Total current liabilities		16,583,733,402	17,755,661,974
NON-CURRENT LIABILITIES			
Long-term borrowings		4,704,501,310	4,752,185,360
Bonds payable	11	9,294,662,047	6,493,057,030
Lease liabilities		4,062,537	–
Long-term payables	12	232,268,834	274,768,834
Deferred income		180,211,239	188,631,381
Other non-current liabilities		802,177,902	802,178,723
Total non-current liabilities		15,217,883,869	12,510,821,328
TOTAL LIABILITIES		31,801,617,271	30,266,483,302
EQUITY			
Share capital		2,303,121,889	2,303,121,889
Other equity instruments		4,985,500,000	4,985,500,000
<i>Including: Renewable corporate bonds</i>		4,985,500,000	4,985,500,000
Capital reserve		13,057,926,951	13,057,926,951
Other comprehensive income		(100,026,460)	(79,283,749)
Surplus reserve		1,151,560,944	1,151,560,944
Retained earnings		8,956,794,595	10,534,289,401
TOTAL EQUITY		30,354,877,919	31,953,115,436
TOTAL LIABILITIES AND OWNERS' EQUITY		62,156,495,190	62,219,598,738

The accompanying notes to financial statements are an integral part of the financial statements.

Company Statement of Profit or Loss

For the period ended 30 June 2019

RMB

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

	Note XIV	For the six months ended 30 June 2019 (Unaudited)	For the six months ended 30 June 2018 (Unaudited)
OPERATING INCOME	13	2,258,045,302	2,004,419,008
Less: Operating costs	13	1,313,503,614	1,134,492,181
Taxes and surcharges		126,722,872	134,865,067
Selling expenses		9,890,221	11,370,872
Administrative expenses		270,628,051	221,008,506
Research and development expenses		81,196,955	80,003,671
Financial expenses	14	188,348,577	90,222,398
Including: Interest expenses		553,460,930	579,883,028
Interest income		369,096,738	465,661,803
Add: Other income		12,942,831	24,382,587
Investment income	15	582,774,889	898,005,877
Including: Share of profits of associates and joint ventures		73,637,566	31,147,960
Gains/(Losses) on changes in fair value		5,456,011	(5,596,563)
Credit impairment losses	16	(91,995,689)	–
Gains/(Losses) on disposal of non-current assets		27,031	(413,618)
OPERATING PROFIT		776,960,085	1,248,834,596
Add: Non-operating income		266,686	29,316,980
Less: Non-operating expenses		25,468,901	51,666,300
PROFIT BEFORE TAX		751,757,870	1,226,485,276
Less: Income tax expenses		26,130,787	55,539,727
NET PROFIT		725,627,083	1,170,945,549
Including: Net profit from continuing operations		725,627,083	1,170,945,549
NET OTHER COMPREHENSIVE LOSS AFTER TAX			
Other comprehensive loss not to be reclassified to profit or loss in subsequent periods			
Changes in fair value of other equity instrument investments		(20,742,711)	(93,310,114)
TOTAL COMPREHENSIVE INCOME		704,884,372	1,077,635,435

The accompanying notes to financial statements are an integral part of the financial statements.

Company Statement of Changes in Equity

For the period ended 30 June 2019

RMB

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

(Unaudited)	Share capital	Capital reserve	Other equity instruments	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total equity
I. Closing balance of the preceding year Add: Changes in accounting policies	2,303,121,889	13,057,926,951	4,985,500,000	(79,283,749)	-	1,151,560,944	10,534,289,401	31,953,115,436
II. Opening balance of the current period	2,303,121,889	13,057,926,951	4,985,500,000	(79,283,749)	-	1,151,560,944	10,534,289,401	31,953,115,436
III. Changes for the period								
(i) Total comprehensive income	-	-	-	(20,742,711)	-	-	(1,577,494,806)	(1,598,237,517)
(ii) Owners' contributions and reductions in capital	-	-	-	(20,742,711)	-	-	725,627,083	704,884,372
(iii) Profit distributions	-	-	-	-	-	-	-	-
1. Others	-	-	-	-	-	-	-	-
(iv) Special reserve	-	-	-	-	-	-	(2,303,121,889)	(2,303,121,889)
1. Transferred to surplus reserve	-	-	-	-	-	-	-	-
2. Distributions to owners	-	-	-	-	-	-	(2,303,121,889)	(2,303,121,889)
3. Others	-	-	-	-	-	-	-	-
(v) Special reserve	-	-	-	-	-	-	-	-
1. Transferred to special reserve in the current period	-	-	-	-	97,293,430	-	-	97,293,430
2. Amount utilised in the current period	-	-	-	-	(97,293,430)	-	-	(97,293,430)
IV. Closing balance of the current period	2,303,121,889	13,057,926,951	4,985,500,000	(100,026,460)	-	1,151,560,944	8,956,794,595	30,354,877,919

The accompanying notes to financial statements are an integral part of the financial statements.

Company Statement of Changes in Equity (continued)

For the period ended 30 June 2018

RMB

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

(Unaudited)	Share capital	Capital reserve	Other equity instruments	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total equity
I. Closing balance of the preceding year	2,303,121,889	13,226,407,493	498,550,000	-	-	1,090,812,600	10,328,210,138	27,447,102,120
Add: Changes in accounting policies	-	-	-	94,941,546	-	-	-	94,941,546
II. Opening balance of the current period	2,303,121,889	13,226,407,493	498,550,000	94,941,546	-	1,090,812,600	10,328,210,138	27,542,043,666
III. Changes for the period	-	(100,000,000)	-	(93,310,114)	14,111	-	(901,864,151)	(1,095,160,154)
(i) Total comprehensive income	-	-	-	(93,310,114)	-	-	1,170,945,549	1,077,635,435
(ii) Owners' contributions and reductions in capital	-	(100,000,000)	-	-	-	-	-	(100,000,000)
1. Others	-	(100,000,000)	-	-	-	-	-	(100,000,000)
(iii) Profit distributions	-	-	-	-	-	-	(2,072,809,700)	(2,072,809,700)
1. Transferred to surplus reserve	-	-	-	-	-	-	-	-
2. Distributions to owners	-	-	-	-	-	-	(2,072,809,700)	(2,072,809,700)
3. Others	-	-	-	-	-	-	-	-
(iv) Special reserve	-	-	-	-	14,111	-	-	14,111
1. Transferred to special reserve in the current period	-	-	-	-	107,531,416	-	-	107,531,416
2. Amount utilised in the current period	-	-	-	-	(107,517,305)	-	-	(107,517,305)
IV. Closing balance of the current period	2,303,121,889	13,126,407,493	498,550,000	1,631,432	14,111	1,090,812,600	9,426,345,987	26,446,883,512

The accompanying notes to financial statements are an integral part of the financial statements.

Company Statement of Cash Flows

For the period ended 30 June 2019

RMB

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

	Note XIV	For the six months ended 30 June 2019 (Unaudited)	For the six months ended 30 June 2018 (Unaudited)
I. CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from sale of goods and rendering of services		2,395,964,533	2,014,780,030
Other cash receipts relating to operating activities		85,018,931	345,470,357
Sub-total of cash inflows from operating activities		2,480,983,464	2,360,250,387
Cash payments for goods purchased and services received		1,045,972,949	794,786,608
Cash payments to and on behalf of employees		308,846,337	282,973,076
Payments of various types of taxes		269,975,358	354,529,502
Other cash payments relating to operating activities		171,287,477	342,843,156
Sub-total of cash outflows used in operating activities		1,796,082,121	1,775,132,342
Net cash flows from operating activities	17	684,901,343	585,118,045
II. CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash receipts from disposals and recovery of investments		222,884,276	54,377,181
Cash receipts from investment income		414,757,582	809,943,653
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		155,000	2,207,902
Other cash receipts relating to investing activities		2,241,187,796	2,157,491,164
Sub-total of cash inflows from investing activities		2,878,984,654	3,024,019,900
Cash payments for acquisitions or constructions of fixed assets, intangible assets and other long-term assets		325,573,146	397,031,991
Cash payments for acquisitions of investments		121,000,000	1,726,300,000
Other cash payments relating to investing activities		-	152,804,371
Sub-total of cash outflows used in investing activities		446,573,146	2,276,136,362
Net cash flows from investing activities		2,432,411,508	747,883,538
III. CASH FLOWS FROM FINANCING ACTIVITIES:			
Cash receipts from borrowings		3,740,000,000	2,578,810,000
Cash receipts from gold leasing business		1,771,808,500	1,605,149,922
Other cash receipts relating to financing activities		156,446,313	153,140,702
Sub-total of cash inflows from financing activities		5,668,254,813	4,337,100,624
Cash repayments of borrowings		3,696,425,330	240,548,430
Cash repayments of gold leasing business		2,469,068,100	1,629,336,322
Cash payments for distribution of dividends or profits or settlement of interest expenses		404,820,350	2,495,665,880
Other cash payments relating to financing activities		68,452,019	11,071,916
Sub-total of cash outflows used in financing activities		6,638,765,799	4,376,622,548
Net cash flows used in financing activities		(970,510,986)	(39,521,924)
IV. EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS			
		(20,407,820)	(2,729,613)
V. NET INCREASE IN CASH AND CASH EQUIVALENTS			
Add: Opening balance of cash and cash equivalents		3,126,335,183	3,396,040,173
VI. CLOSING BALANCE OF CASH AND CASH EQUIVALENTS			
		5,252,729,228	4,686,790,219

The accompanying notes to financial statements are an integral part of the financial statements.

Notes to Financial Statements

For the period ended 30 June 2019

RMB

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

I. CORPORATE INFORMATION

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

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

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

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

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

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

RMB

(English translation is for reference only. 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 considered and approved. The Company carried out repurchases of H Shares on 21 August 2013, 13 November 2013, 4 December 2013, 10 December 2013, 16 December 2013, 18 December 2013 and 23 December 2013. As at 31 December 2013, the aggregate number of repurchased H Shares reached 111,806,000.

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

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

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

Pursuant to the second Extraordinary General Meeting in 2016 of the Company held on 25 August 2016 and Approval for Non-public Issuance of A Shares of Zijin Mining Group Co., Ltd.* (Zheng Jian Xu Ke [2017] No. 289) issued by the CSRC on 9 May 2017, the Company non-publicly issued 1,490,475,241 ordinary A Shares (with par value of RMB0.1) at an issuance price of RMB3.11 per share on 23 May 2017. The Company's registered capital was then changed to RMB2,303,121,889.

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

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

The financial statements were approved by the Company's board of directors on 29 August 2019.

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

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

RMB

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

II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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

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

As at 30 June 2019, the Group recorded current assets of RMB29,904,846,481 and current liabilities of RMB38,000,360,414. The balance of the current assets was less than that of the current liabilities. In view of this circumstance, the management of the Company has given consideration to the future liquidity of the Group and its available financial sources in assessing whether the Group will have sufficient financial resources to continue as a going concern, mainly including that the Group has sufficient bank credit facilities.

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

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

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

1. Statement of compliance with CAS

The financial statements have been prepared in accordance with CAS, and presented truthfully and completely the Company’s and Group’s financial position as at 30 June 2019, and the Company’s and Group’s financial performance and cash flows for the period from 1 January 2019 to 30 June 2019.

2. Accounting period

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

3. Functional currency

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

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

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

RMB

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

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

4. Business combination

Business combinations are classified into business combinations involving enterprises under common control and business combinations not involving enterprises under common control.

Business combinations involving enterprises under common control

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

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

Business combinations not involving enterprises under common control

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

The acquiree's identifiable assets, liabilities and contingent liabilities acquired by the acquirer in a business combination not involving enterprises under common control 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 by 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 by the acquiree prior to the acquisition date are less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer firstly reassesses the measurement of the fair values of the acquiree's identifiable assets, liabilities and contingent liabilities and measurement of the fair value of combination consideration (or the fair value of issued equity securities) and the fair value of the equity interest held by the acquiree prior to the acquisition date. If after that reassessment, the fair value of combination consideration (or the fair value of issued equity securities) and the fair value of the equity interest held by the acquiree prior to the acquisition date are still less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer recognises the remaining difference immediately in profit or loss for the current period.

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

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

RMB

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

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

5. Consolidation of financial statements

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

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

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

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

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

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

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

6. Classification of joint arrangement and joint operation

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

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

7. Cash and cash equivalents

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

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

RMB

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

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

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

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

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

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

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

9. Financial instruments

Financial instruments are the contracts that form the financial assets of one entity, and at the same time form 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 part of a group of similar financial assets, i.e., offset from the accounts and statement of financial position, if either of the following conditions is satisfied:

- (1) The contractual rights to receive 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 subject to a "pass-through" agreement; and (a) substantially all the risks and rewards of ownership of the financial asset are transferred to the transferee; or (b) the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, but has not retained control of the financial asset.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

RMB

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

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

9. Financial instruments *(continued)*

Recognition and derecognition of financial instruments *(continued)*

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

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

Classification and measurement of financial assets

At initial recognition, the Group classifies its financial assets into: financial assets at fair value through profit or loss, financial assets at amortised cost, or financial assets at fair value through other comprehensive income, according to the Group's business model for managing financial assets and the contractual cash flows characteristics of the financial assets. Financial assets are measured at fair value at initial recognition, provided that trade receivables or bills receivable arising from the sale of goods or rendering of services not containing significant financing components or for which financing components of not more than 1 year are not taken into consideration and shall be measured at their transaction prices at initial recognition.

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

Subsequent measurement of financial assets is determined by its classification:

Financial assets at amortised cost (debt instrument investments)

The Group measures financial assets at amortised cost if both of the following conditions are met: the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income of this kind of financial assets is recognised using the effective interest method. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired. These financial assets mainly include cash and cash equivalents, bills receivable and trade receivables, other receivables, debt investments and long-term receivables. Debt investments and long-term receivables due within one year from the date of statement of financial position are reported by the Group as current portion of non-current assets, and debt investments due within one year from the original maturity date are reported as other current assets.

Financial assets at fair value through other comprehensive income (debt instrument investments)

The Group measures financial assets at fair value through other comprehensive income if both of the following conditions are met: the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income of such financial assets is recognised based on effective interest method. Changes in fair values are recognised in other comprehensive income except that interest income, impairment losses and exchange differences are recognised in current profit or loss. Upon derecognition, the accumulated gains or losses previously recognised in other comprehensive income are transferred to the profit or loss. Such financial assets are reported as other debt investments. Other debt investments due within one year from the date of statement of financial position are reported as current portion of non-current assets and other debt investments due within one year from the original maturity date are reported as other current assets.

Notes to Financial Statements *(continued)*

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

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

9. Financial instruments *(continued)*

Classification and measurement of financial assets *(continued)*

Financial assets at fair value through other comprehensive income (equity instrument investments)

The Group irrevocably chooses to designate some instrument investments of non-trading nature as financial assets at fair value through other comprehensive income. Only relevant dividend income (excluding dividend income explicitly recovered as part of investment cost) is recognised in profit or loss, and subsequent changes in fair value are included in other comprehensive income without provision for impairment. When financial assets are derecognised, the accumulated gains or losses previously recognised in other comprehensive gains are transferred from other comprehensive income and recognised in retained earnings. Such financial assets are reported as other equity investments.

If one of the following conditions is met, it is a held for trading financial asset: the acquisition of the relevant financial asset is intended primarily for sale or repurchase in the near future; it is a part of the portfolio of identifiable financial instruments under centralised management, and there is objective evidence that the short-term profit model is adopted in the near future; it is a derivative, except for a derivative that is designated as an effective hedging instrument, other than a derivative that constitutes a financial guarantee contract.

Financial assets at fair value through profit or loss

Financial assets other than the abovementioned financial assets at amortised cost and financial assets at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. For such financial assets, fair value is used for subsequent measurement, and all changes in fair value are recognised in profit or loss. Such financial assets are presented as held for trading financial assets and are presented as other non-current financial assets if they expire after more than one year from the date of statement of financial position or expected to be held more than one year from the date of statement of financial position.

When an enterprise initially designates a financial asset as a financial asset at fair value through profit or loss, it cannot be reclassified to other financial assets; other financial assets cannot be re-designated after initial recognition as financial assets at fair value through profit or loss.

In accordance with the above conditions, the Group's designated financial assets mainly consist of equity instrument investments of non-trading nature which are irrevocably designated as financial assets at fair value through other comprehensive income.

When and only when the Group changes its business model of managing financial assets, it reclassifies all relevant financial assets affected.

Classification and measurement of financial liabilities

On initial recognition, financial liabilities of the Group are classified as financial liabilities at fair value through profit or loss, other financial liabilities and derivatives designated as effective hedging instruments. For financial liabilities at fair value through profit or loss, the relevant transaction costs are directly recognised in profit or loss for the current period, and the related transaction costs of other financial liabilities are recognised in their initial amount.

Subsequent measurement of financial liabilities is determined by its classification:

Notes to Financial Statements *(continued)*

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

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

9. Financial instruments *(continued)*

Classification and measurement of financial liabilities *(continued)*

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss consist of held for trading financial liabilities (including derivatives belonging to financial liabilities) and financial liabilities designated on initial recognition as financial liabilities at fair value through profit or loss.

Financial liabilities are classified as held for trading financial liabilities if one of the following conditions are met: the purpose of assuming related financial liabilities is mainly to sell or repurchase in the near future; they are part of a centrally managed identifiable portfolio of financial instruments, and there is objective evidence that enterprises have adopted short-term profitability model in the near future; they are derivatives, excluding derivatives that are designated as effective hedging instruments and derivatives that meet the financial guarantee contract. Held for trading financial liabilities (including derivatives belonging to financial liabilities) are subsequently measured at fair value. Except for those relating to hedge accounting, all changes in fair value are recognised in profit or loss for the current period.

Only if one of the following conditions is met can financial liabilities be designated as financial liabilities at fair value through profit or loss on initial recognition:

- (1) It can eliminate or significantly reduce accounting mismatch.
- (2) The formal written document of risk management or investment strategy has stated that the portfolio of financial instruments is managed, evaluated and reported to key managers on the basis of fair value.
- (3) A hybrid instrument that contains one or more embedded derivatives, unless the embedded derivatives have no significant change in the cash flow of the hybrid instrument, or the embedded derivatives should obviously not be separated from the related hybrid instruments.
- (4) Hybrid instruments containing embedded derivatives that need to be split but cannot be measured separately at the time of acquisition or on subsequent dates of statement of financial position.

For such financial liabilities, subsequent measurements are made at fair value. Changes in fair value caused by changes in the Group's own credit risk are recognised in other comprehensive income, while other changes in fair value are recognised in profit or loss for the current period. Unless changes in fair value caused by changes in the Group's own credit risk recognised in other comprehensive income may result in or expand accounting mismatches in profit or loss, the Group shall recognise all changes in fair value (including the amount of impact of changes in its own credit risk) in profit or loss.

When an enterprise designates a financial liability as a financial liability at fair value through profit or loss on initial recognition, it cannot be reclassified as other financial liabilities; nor can other financial liabilities be re-designated as financial liabilities at fair value through profit or loss after initial recognition.

Other financial liabilities

For such financial liabilities, subsequent measurement is made at amortised cost using effective interest method.

Notes to Financial Statements *(continued)*

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

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

9. Financial instruments *(continued)*

Impairment of financial assets

Based on expected credit losses, the Group undertakes impairment treatment and confirms loss provisions of financial assets at amortised cost, debt instrument investments at fair value through other comprehensive income and financial guarantee contracts.

Credit loss refers to the difference between the cash flow of all contracts discounted at the original effective interest rate and the expected cash flow of all contracts receivable, i.e. the present value of all cash shortages. Among them, the financial assets purchased by or originated from the Group to which credit impairment has occurred shall be discounted at the effective interest rate adjusted by the credit of the financial assets.

For trade receivables and contract assets that do not contain significant financing components, the Group uses a simplified measurement approach to measure loss provisions in accordance with the amount of expected credit losses equivalent to the entire lifetime.

For trade receivables and contract assets with significant financing components, the Group chooses to use a simplified measurement approach to measure loss provisions in accordance with the amount of expected credit losses equivalent to the lifetime expected credit losses.

For financial assets and financial guarantee contracts other than those measured with simplified approach, the Group evaluates at each date of statement of financial position whether its credit risk has significantly increased since initial recognition. The period during which credit risk has not significantly increased since initial recognition is considered the first stage, at which the Group shall measure loss provision based on the amount of expected credit losses for the next 12 months and shall compute interest income according to the book value and effective interest rate; the period during which credit risk has significantly increased since initial recognition although no credit impairment has occurred is considered the second stage, at which the Group shall measure loss provision based on the amount of expected credit losses for the entire lifetime and shall compute interest income according to the book value and effective interest rate; the period during which credit impairment has occurred after initial recognition is considered the third stage, at which the Group shall measure loss provision based on the amount of expected credit losses for the entire lifetime and shall compute interest income according to the amortised cost and effective interest rate. For financial instruments with relatively low credit risk at the date of statement of financial position, the Group assumes its credit risk has not significantly increased since initial recognition.

The Group evaluates the expected credit losses of financial instruments on a single and combined basis. Taking into account the credit risk characteristics of different customers, the Group evaluates the expected credit losses of trade receivables based on the ageing portfolio.

In assessing expected credit losses, the Group takes into account reasonable and valid information on past events, current conditions and future economic forecasts.

Please refer to Note VIII.3 for the disclosure of the Group's criteria for judging the significant increase in credit risk, the definition of credit-impaired financial assets, and the assumption of measuring expected credit losses, etc.

When the Group no longer reasonably expects to be able to recover all or part of the contractual cash flows of the financial assets, the Group will write off the book value of the financial assets directly.

Offsetting of financial instruments

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

Notes to Financial Statements *(continued)*

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

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

9. Financial instruments *(continued)*

Financial guarantee contracts

A financial guarantee contract is a contract by which the guarantor and the lender agree that the guarantor would settle the debts or bear obligations in accordance with terms of the contract in case the borrower fails to settle the debts. Financial guarantee contracts are measured at fair value on initial recognition. Subsequent to initial recognition, financial guarantee contracts that are not designated as financial liabilities at fair value through profit and loss are measured at the higher of: the expected credit loss amount recognised on the date of statement of financial position and the balance of the initial recognition amount after deducting the accumulated amortisation amount recognised according to the revenue recognition principle.

Derivatives

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

Other than those relating to hedge accounting, gains or losses arising from changes in the fair value of derivatives are directly recognised in profit or loss for the current period.

Modification of financial assets

Where the Group modifies or renegotiates the contract with its counterparty which does not result in the derecognition of financial assets, but results in a change in the cash flow of the contract, the Group recalculates the book value of the financial asset on the basis of the renegotiated or modified contractual cash flow at the discounted value of the original effective interest rate (or credit-adjusted effective rate of interest) of the financial asset, and the related gains or losses are recognised in profit or loss. The revised cost or expense of the financial assets adjust the book value of the financial assets and are amortised within the remaining period of the modified financial assets.

Transfer of financial assets

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

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

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

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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

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

10. Receivables

Receivables that are not individually significant but for which bad debt has been provided individually

For a receivable that exceeds RMB10,000,000 and 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 for the current period. Objective evidence that a receivable is impaired is that, the estimated future cash flows of the receivable arising from one or more events that occurred subsequent to the initial recognition of the asset, which can be reliably measured, have been affected.

For receivables that are individually not significant, if there is objective evidence that 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 current period.

11. Inventories

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

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

The perpetual inventory system is maintained for the stock system.

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

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

12. Held for sale non-current assets or disposal groups

A non-current asset or disposal group is classified as held for sale when its carrying amount will be recovered principally through a sale transaction rather than through continuous use. The following conditions need to be simultaneously met to be classified as held for sale: according to the practice of selling such assets or disposal groups in similar transactions, they can be sold immediately under current conditions; the sale is highly likely, that is, the Company has already made a sale plan, a resolution is made and a certain purchase commitment is obtained. It is expected that the sale will be completed within one year (approval has been obtained where the relevant regulations require the relevant authorities of the enterprise or the supervisory authorities to approve the sale). If the control of the subsidiary is lost due to the sale of the subsidiary, etc., whether part of the equity investment is retained after the sale or not, and the conditions for holding for sale are satisfied, the investment in the subsidiary will be presented to held for sale in the individual financial statements and all assets and liabilities of the subsidiary are to be classified into held for sale in the consolidated financial statements.

Notes to Financial Statements *(continued)*

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

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

12. Held for sale non-current assets or disposal groups *(continued)*

For non-current assets or disposal groups held for sale (other than financial assets and deferred tax assets), if book value is higher than the fair value less the sale expenses, the book value is reduced to the fair value less costs to sell. The amount of the write-down is recognised as a loss, which is recognised in profit or loss, and the provision for impairment of held for sale assets is made. Held for sale non-current assets or non-current assets in disposal groups are not depreciated or amortised.

13. Long-term equity investments

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

A long-term equity investment is initially measured at its cost. For a long-term equity investment acquired through business combination involving enterprises under common control, the initial investment cost of the long-term equity investment is the attributable share of the carrying amount of the owners' equity of the acquiree in the ultimate controlling party's consolidated financial statements at the date of combination. The difference between initial investment cost and the carrying amount of the consideration is adjusted against capital reserve. If the capital reserve is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings. For the other comprehensive income which is already held before the acquisition date, on the disposal of the investment, the same accounting treatment of which the investee directly disposes of the related assets and liabilities should be used, changes in owners' equity of the investee other than net profit or loss, other comprehensive income and profits distribution are recognised in profit or loss for the current period when the investments are disposed of. Among which, those remain as long-term equity investments will be charged into the statement of profit or loss proportionately, those transferred as financial instruments will be fully charged to the statement of profit or loss. For a long-term equity investment acquired through business combination not involving enterprises under common control, the initial investment cost of a long-term equity investment is the cost of acquisition. For a long-term equity investment acquired through business combination not involving enterprises under common control and achieved in stages, the initial investment cost of the long-term equity investment is the aggregate of the carrying amount of the equity interest held in the acquiree prior to the acquisition date and the cost of the additional investment at the acquisition date. The investment cost is the aggregate of the fair values, at the acquisition date, of the assets given, liabilities incurred or assumed, and equity securities issued by the acquirer in exchange for control of the acquiree. For the other comprehensive income under the equity method which is already held before the acquisition date, on the disposal of the investment, the same accounting treatment of which the investee directly disposes of the related assets and liabilities should be used, changes in owners' equity of the investee other than net profit or loss, other comprehensive income and profits distribution are recognised in profit or loss when the investments are disposed of. Among which, those remain as long-term equity investments will be charged into the statement of profit or loss proportionately, those transferred as financial instruments will be fully charged to the statement of profit or loss. All accumulated fair value changes charged into other comprehensive income of equity investments held before acquisition date classified as other equity instrument investments are transferred to retained earnings when the cost method is adopted. The initial costs of the investments acquired other than business combination are recognised as follows: if acquired by cash, the investment is initially recognised at the actual consideration paid plus the expenses, taxes and other required expenditures directly attributable to the acquisition; if acquired through issuing equity securities, the investment is initially recognised at the fair value of issuing equity instruments.

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

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

Notes to Financial Statements *(continued)*

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

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

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

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

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

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

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

14. Investment properties

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

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

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

Notes to Financial Statements *(continued)*

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

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

15. Fixed assets

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

Fixed assets are initially measured at cost and the effect of any expected costs of abandoning the asset at the end of its use is considered. The cost of a fixed asset is the aggregate cost of purchase price, related taxes and any directly attributable expenditure for bringing the asset to its working condition for its intended use.

A mining asset (included in Note V.15 Fixed assets) is depreciated over its useful life using the straight-line method, or depreciated over its designated estimated production using the units-of-production method; an asset formed by work safety fund and production maintenance fund is depreciated one time. Other fixed assets are depreciated over their useful lives using the straight-line method, except the fixed assets of the joint operation, Barrick (Niugini) Limited ("BNL") are depreciated by using the units-of-production method. The depreciation period, estimated net residual value rate and annual depreciation rate of each category of fixed assets are as follows:

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

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

16. Construction in progress

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

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

17. Borrowing costs

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

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

Notes to Financial Statements *(continued)*

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

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

17. Borrowing costs *(continued)*

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

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

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

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

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

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

18. Intangible assets

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

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

A mining right (included in Note V.18 Intangible assets) is amortised using the units-of-production method. An exploration right will not be amortised until it is transferred to mining right which is amortised using the units-of-production method. Other intangible assets are amortised over their useful lives using the straight-line method. The estimated useful lives of each category of intangible assets are as follows:

	Useful life
Land use rights	30-50 years
Membership of Shanghai Gold Exchange	10 years

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

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

18. Intangible assets *(continued)*

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

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

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

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

19. Impairment of assets

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

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

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

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

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

Notes to Financial Statements *(continued)*

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

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

19. Impairment of assets *(continued)*

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

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

20. Long-term deferred assets

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

21. Employee benefits

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

Short-term employee benefits

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

Post-employment benefits (defined contribution plans)

The employees in the Group participate in social insurance and unemployment insurance schemes administrated by the local governments, and the related expenditures are recorded in cost of related assets or profit or loss in the period when they incurred.

Termination benefits

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

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

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

22. Contingent liabilities

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

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

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

The contingent liabilities of the acquiree acquired in the business combination not involving enterprises under common control are measured at fair value at initial recognition. After initial recognition, contingent liabilities are subsequently measured by the higher of: the amount that would be recognised based on provisions and the balance of the amount initially recognised less the cumulative amortisation determined by the income recognition principle.

23. Other equity instruments

The Group has the right to extend for an unlimited number of times the renewable corporate bonds issued by the Group after maturity, has the right to defer payment for the interest at the nominal interest rate of the renewable corporate bonds, and has no contractual obligation to pay cash or other financial assets. Hence the renewable corporate bonds are classified as equity instruments.

24. Revenue

The Group recognises revenue when it has fulfilled its obligations under the contract, i.e., when the customer acquires control of relevant goods or services. Acquiring control over the goods or services refers to the ability to dominate the use of the goods or the provision of services and to derive almost all the economic benefits therefrom.

Contracts for sale of goods

The contracts for the sale of goods between the Group and its customers usually only contain the performance obligations for the transfer of goods. The Group generally recognises revenue at the point of transfer of the control of goods on the basis of a combination of the following factors: the present right to payment for the goods, the transfer of major risks and rewards in the ownership of the goods, the transfer of the legal title of the goods, the transfer of physical possession of the goods and that the customers have accepted the goods.

Service contracts

The service contracts between the Group and its customers usually consist of performance obligations such as engineering construction management, engineering design consulting and so on. As the Group's performance of contracts is at the same time when the customer obtains and consumes the economic benefits of the performance of the Group, and the Group has the right to collect receivables from the performance of contracts that has been completed to date, the Group regards it as a performance of contract obligation over a period of time and recognises revenue according to the progress of performance, except that the progress of performance cannot be reasonably determined. The Group determines the progress of the performance of contracts in accordance with the input method. If the progress of performance of contracts cannot be reasonably determined and the costs incurred by the Group are expected to be compensated, the revenue is recognised at the amount of the incurred costs until the progress of performance of contracts can be reasonably measured.

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

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

24. Revenue *(continued)*

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.

25. Contract assets and contract liabilities

The Group presents contract assets or contract liabilities on the statement of financial position depending on the relationship between contractual performance obligations and customer payments.

Contract assets

The Group's unconditional right to receive consideration from customers (i.e., dependent only on the passage of time) shall be presented as trade receivable. The right to receive consideration following the transfer of products to customers which is dependent on factors other than the passage of time is presented as contract assets.

As at 30 June 2019, the Group had no contract assets.

Contract liabilities

The obligation to transfer products to customers in connection with customer consideration received or receivable is presented as contract liabilities, for example, amounts received prior to the transfer of the promised products.

Contract assets and contract liabilities under the same contract are presented on a net basis after offset.

26A. Right-of-use assets (applicable since 1 January 2019)

The Group's right-of-use assets mainly include buildings, plant, machinery and equipment, motor vehicles and other equipment.

At the commencement date of a lease, the Group recognised its rights to use underlying assets for the lease term as right-of-use assets. After the commencement date, the Group provides depreciation for the right-of-use assets using straight-line method. If it is reasonably certain to obtain ownership of the underlying assets at the end of the lease term, the Group provides depreciation for the right-of-use assets over their remaining useful lives. If it cannot be reasonably certain to obtain ownership of the underlying assets at the end of the lease term, the Group provides depreciation for the right-of-use assets for the shorter period of lease term or remaining useful lives of the underlying assets.

The Group remeasures a lease liability to reflect changes in the present value of the lease payments and correspondingly adjusts the carrying amount of a right-of-use asset. If the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount in profit or loss during the current period.

Notes to Financial Statements *(continued)*

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

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

26B. Lease liabilities (applicable since 1 January 2019)

At the commencement date of a lease, the Group measures lease liability at the present value of the lease payments that are not paid at that date, except for short-term leases and leases of low-value assets. The Group uses the interest rate implicit in the lease to calculate the present value of the lease payments. If the interest rate implicit cannot be readily determined, the Group uses the incremental borrowing rate as the discount rate. Interest on the lease liability in each period during the lease term shall be the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability and shall be recognised in the profit or loss for the respective period. Contingent rents not included in the lease liability shall be charged as expenses in the periods in which they are incurred.

After the commencement date of a lease, if there is any change in the amount of in-substance fixed payments, change in the amounts expected to be paid under a residual value guarantee, change in an index or a rate used to determine those payments, change in the assessment in purchase option, extension option or termination option or change in exercise of rights, the Group remeasures the lease liabilities based on the present value of the lease payments after such changes.

26C. Leases (applicable since 1 January 2019)

Separation of lease and non-lease components

Assessment of lease term

Lease term is the non-cancellable period for which the Group has the right to use an underlying asset. Where the Group has an extension option, i.e., the Group has the right to extend the lease of such asset and it is reasonably certain that the Group will exercise such option, the lease term includes the period covered by an option to extend the lease. Where the Group has a termination option, i.e., the Group has the right to terminate the lease of such asset and it is reasonably certain that the Group will not exercise such option, the lease term includes the period covered by an option to terminate the lease. The Group reassesses whether it is reasonably certain to exercise or not to exercise an option to extend or terminate the lease or to purchase the underlying asset when there is a significant event or a significant change in circumstances that is within the control of the Group and directly affects whether the Group is reasonably certain to exercise such options.

As lessee

Lease modification

Lease modification is the change in the scope of a lease, the consideration for a lease or the lease term, which includes adding or terminating the right to use one or more underlying assets or extending or shortening the contractual lease term.

The Group accounts for a lease modification as a separate lease and carries out accounting treatment when both of the following conditions are met:

- (1) The modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- (2) The consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification, the Group reassesses the lease term, and remeasures the lease liability by discounting the revised lease payments using a revised discount rate. The revised discount rate is determined as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, or the Group's incremental borrowing rate at the effective date of the modification, if the interest rate implicit in the lease cannot be readily determined.

Notes to Financial Statements *(continued)*

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

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

26C. Leases (applicable since 1 January 2019) *(continued)*

As lessee *(continued)*

Lease modification (continued)

For the effect of abovementioned adjustments to lease liabilities, the Group carries out accounting treatment based on the below circumstances:

- (3) Where the lease modification decreases the scope of the lease or shortens the lease term, the Group decreases the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognises in profit or loss for the current period any gain or loss relating to the partial or full termination of the lease.
- (4) The Group makes a corresponding adjustment to the carrying amount of the right-of-use asset for all other lease modifications.

Short-term leases and leases of low-value assets

A lease is classified as a short-term lease if, at the commencement date, it has a lease term of 12 months or less and does not contain a purchase option. The Group classified a lease with value of a new underlying asset below RMB35,000 as a lease of low-value assets. If the Group subleases an asset or expects to sublease an asset, the original lease does not qualify as a lease of a low-value asset. The Group recognises the lease payments associated with these leases as asset costs or expense on a straight-line basis over the lease term. Contingent rents are charged to profit or loss in the period in which they are actually incurred.

As lessor

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset at the commencement date of a lease. Other leases are classified as operating leases. When the Group is a lessor of a sublease, the classification will be based on the right-of-use assets generated from the original lease.

As a lessor of a finance lease

At the commencement date of a lease, the Group recognises finance lease receivables of a finance lease and derecognises the underlying asset. At initial measurement of the finance lease receivables of a finance lease, the net investment in finance lease is recognised as the carrying amount of the finance lease receivables. Net investment in the finance lease is the sum of the present values of unguaranteed residual value and any lease payments not yet received at the commencement date of a lease discounted by interest rate implicit.

The Group recognises finance income for each period over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. Variable lease payments not included in the measurement of the net investment in the lease received by the Group are recognised in profit or loss for the reporting period occurred.

27. Leases (applicable in 2018)

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

As lessee under operating leases

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

Notes to Financial Statements *(continued)*

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

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

27. Leases (applicable in 2018) *(continued)*

As lessor under operating leases

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

As lessee under finance leases

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

28. 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.

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

The method applicable to the Group's government grants is the gross method.

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

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

29. Income tax

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

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

Notes to Financial Statements *(continued)*

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

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

29. Income tax *(continued)*

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

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

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

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

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

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

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

30. Hedge accounting

In respect of the methods of hedge accounting, the Group's hedging is classified as fair value hedge, that is a hedge of the exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment (other than foreign exchange risk).

At the inception of a hedge relationship, the Group officially designates the hedge relationship and prepares formal written documentation of the hedge relationship, risk management objectives and hedge strategies. The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess the hedging instrument's effectiveness. Hedge effectiveness is the extent to which the changes in fair value or cash flows of the hedging instruments offset changes in the fair value or cash flow of hedged items caused by the hedged risk. Such hedges are expected to be highly effective and are assessed on an ongoing basis to ensure that such hedges are highly effective during the accounting period with designated hedging relationships.

Notes to Financial Statements *(continued)*

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

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

30. Hedge accounting *(continued)*

If the hedging instrument expires or is sold, terminated or exercised (but the rollover or replacement of part of a hedging instrument under the hedging strategy is not treated as an expiration or a contract termination), or due to a change in the risk management objective, the hedging relationship no longer meets the risk management objective, or when the hedging no longer meets other conditions of the hedge accounting method, the Group terminates the use of hedge accounting.

Where the hedging relationship no longer meets the hedging effectiveness requirements due to the hedging ratio, but the risk management objectives for the designated hedging relationship have not changed, the Group rebalances the hedging relationship.

The Group's methodology for assessing the effectiveness of hedging, risk management strategy and how to apply the strategy to manage risks are described in Note V.67.

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

Fair value hedge

The gains or losses arising from the hedging instrument are recognised in profit or loss in the current period. The gains or losses arising from the hedging instrument shall be recognised in other comprehensive income if it is a hedge against the investment of a non-trading equity instrument investment designated to be measured at fair value through other comprehensive income. The gain or loss of the hedged item arising from risk exposure is recognised in profit or loss in the current period. If the hedged item is a non-trading equity instrument investment designated to be measured at fair value through other comprehensive income, the gains and loss arising from risk exposure is recognised in other comprehensive income. The book value of the hedged item that is not measured at fair value is adjusted accordingly.

For fair value hedge relating to financial instruments measured at amortised cost, the carrying amount of the hedged items is adjusted and amortised to profit or loss over the remaining term of the hedge using the effective interest method. Amortisation using effective interest rate may begin upon the adjustment of the carrying amount but no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is a debt instrument measured at fair value through other comprehensive income, the accumulation of recognised hedged gains or losses shall be amortised in the same manner and recognised in profit or loss, while the book value of financial assets is not adjusted. If the hedged item is terminated, the unamortised fair value is recognised in profit or loss.

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

31. Share repurchase

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

32. Profits distribution

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

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

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

33. Work safety fund and production maintenance fund

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

34. Fair value measurement

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole: Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities which can be accessed at the measurement date; Level 2 – based on inputs other than those included within level 1 that are observable for the relevant asset or liability, either directly or indirectly; and Level 3 – based on unobservable inputs for the relevant asset and liability.

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

35. Significant accounting judgements and estimates

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

Notes to Financial Statements *(continued)*

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

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

Judgements

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

Corporate income tax

Objective estimates and judgements based on currently enacted tax laws, regulations and other related policies are required in determining the provision for corporate income tax expenses to be made for the reporting period. Where the final tax outcome of these matters is different from the amounts originally recorded, the differences will be accounted in the income tax expenses in the period in which the differences are realised.

Joint arrangement – the investment in BNL by the Group

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

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

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

Business model

The classification of financial assets at initial recognition is dependent on the Group's business model for managing the assets. Factors considered by the Group in judging the business model include enterprise evaluation, the method of reporting the results of financial assets to key management members, risks affecting the results of financial assets and the method for managing such risks, as well as the form of remuneration received by the management personnel of the businesses concerned. In assessing whether the business model is aimed at receiving contractual cash flows, the Group is required to analyse and exercise judgment in respect of the reasons, timing, frequency and values of any disposals prior to maturity.

Characteristics of contractual cash flows

The classification of financial assets at initial recognition is dependent on the characteristics of the contractual cash flows of such type of financial assets. Judgement is required to determine whether the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding, including judgement of whether it is significantly different from the benchmark cash flows when assessing modifications to the time value of currencies.

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

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

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

Estimation uncertainty

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

Inventory provision determined on net realisable value

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

Impairment of financial instruments

The Group has adopted the expected credit loss model to evaluate the impairment of financial instruments. The application of the expected credit loss model requires significant judgement and estimates and the consideration of all reasonable and supportable information, including forward-looking information. In making such judgement and estimates, the Group estimates the projected movements of the debtor's credit risk according to past repayment records, economic policies, macro-economic indicators and industry risks, etc.

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

The Group assesses whether there are any indicators of impairment for non-current assets other than financial assets at the date of statement of financial position. Intangible assets with indefinite useful lives are tested for impairment annually and at other times when such an indicator exists. Other non-current assets other than financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or asset group exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its present value of future cash flows. The calculation of the fair value less costs to sell is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or asset group and choose a suitable discount rate in order to calculate the present value of those cash flows. Please refer to Notes V.15, 16, 17 and 18.

Impairment of goodwill

Goodwill is tested for impairment at least at the end of each year. For the purpose of impairment testing, the present value of future cash flows, which are generated from asset groups or sets of asset groups considered together with allocated goodwill, is estimated. The Group estimates the present value of future cash flows from asset groups or sets of asset groups by forecasting the related cash flow and selecting a suitable discount rate. Please refer to Note V.19.

Fair value of non-listed equity investments

Non-listed equity investments are valued as expected future cash flows based on the current discount rate of other financial instruments with similar contractual terms and risk characteristics. This requires the Group to estimate future cash flows, credit risks, fluctuations and discount rates and is therefore uncertain.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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

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

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

Estimation uncertainty *(continued)*

Useful lives of property, plant and equipment

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

Exploration expenditures

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

Proved mineral reserves

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

Deferred tax assets

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

Provision for environmental rehabilitation and restoration of mines

Pursuant to the regulations of the governmental authorities in the countries where the mines are located, the Group recognises provision for environmental rehabilitation and restoration of mines. The amount of provision is an estimate based upon the life of mining tenements, timing of mine closure and cost of such rehabilitation, and depends on an overall judgement of management. When this estimate changes, it may affect the Group's operations and performance.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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

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

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

Changes in accounting policies

New ASBE on Leases

On 7 December 2018, the MOF issued the revised “ASBE 21 – Leases” (the “New ASBE on Leases”) in place of the “ASBE 21 – Leases” issued on 15 February 2006 and the “Application Guidance for ‘ASBE 21 – Leases’” issued on 30 October 2006. Enterprises listed in both domestic and overseas markets and enterprises listed overseas adopting International Financial Reporting Standards or ASBEs for preparation of financial statements are required to adopt the New ASBE on Leases with effect from 1 January 2019.

Under the New ASBE on Leases, at the commencement date of the lease, lessees shall recognise right-of-use assets and lease liabilities for the leases, except for those using simplified approach to account for short-term leases and low-value asset leases. Right-of-use assets shall be initially measured at cost, and subsequently measured under the cost model. Depreciation shall be provided for the right-of-use assets according to the relevant depreciation provisions of ASBE No. 4 – Fixed Assets. An entity shall determine whether there are impairments of the right-of-use assets, and carry out accounting treatment to the impairment losses identified according to ASBE No. 8 – Impairment of Assets. Lease liabilities shall be initially measured at the present value of the amount of lease payments that are not paid on the commencement date of the lease, and lessees shall calculate interest of the lease liabilities for each period of the lease term at a constant periodic rate and the interest expenses shall be charged into profit or loss for the respective periods. The Group applied the New ASBE on Leases from 1 January 2019. Pursuant to the transitional provisions of the New ASBE on Leases, for the cumulative impact on the first implementation date of the New ASBE on Leases, adjustments to retained earnings and other related items in the financial statements at the beginning of the year were made, without adjusting comparative period information. Based on the Group’s assessment, the adoption of the New ASBE on Leases had no significant impact on the Group.

Minimum lease payments for significant operating leases as at 31 December 2018	387,884,441
Less: Minimum lease payments subject to simplified approach	10,463,266
<i>Including: Short-term leases</i>	<i>9,897,970</i>
<i>Leases having a lease term of 12 months or less</i>	<i>565,296</i>
<i>Leases of low-value assets having a lease term longer than 12 months</i>	–
Add: Additional minimum lease payments of which it is reasonably certain to exercise options to extend the leases	–
Add: Minimum lease payments of finance leases as at 31 December 2018	6,568,708
Add: Variable lease payments that depend on an index or a rate	–
Add/(Less): Other adjustments	–
Minimum lease payments under the New ASBE on Leases as at 1 January 2019	383,989,883
Weighted average incremental borrowing rate as at 1 January 2019	4.98%
Lease liabilities as at 1 January 2019	337,888,800

Changes in the reporting format of financial statements

In accordance with the “Notice on the Revision and Publication of the 2019 General Corporate Financial Reporting Format” (Cai Kuai [2019] No. 6), in the statements of financial position, a breakdown of “bills receivable” and “trade receivables” under “bills receivable and trade receivables” has been introduced and a breakdown of “bills payable” and “trade payables” under “bills payable and trade payables” has been introduced. The Group correspondingly restated the comparative figures retrospectively. This change in accounting policy has had no impact on the amounts of net profit and owners’ equity in the consolidated and company financial statements.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*35. Significant accounting judgements and estimates *(continued)*Changes in accounting policies *(continued)**Changes in the reporting format of financial statements (continued)*

The Group	Carrying amount presented under previous ASBEs 31 December 2018	Impact of New ASBE on Leases	Impact of other changes in financial statements presentation	Carrying amount presented under New ASBEs 1 January 2019
Fixed assets	34,144,464,854	(23,132,414)	–	34,121,332,440
Right-of-use assets	–	361,021,214	–	361,021,214
Bills receivable and trade receivables	1,009,871,109	–	–	1,009,871,109
<i>Including: Bills receivable</i>	–	–	–	–
<i>Trade receivables</i>	1,009,871,109	–	–	1,009,871,109
Bills receivable	–	–	–	–
Trade receivables	1,009,871,109	–	–	1,009,871,109
Trade receivables financing	–	–	1,243,090,520	1,243,090,520
<i>Including: Bills receivable</i>	–	–	1,243,090,520	1,243,090,520
Other current assets	2,504,018,792	–	(1,243,090,520)	1,260,928,272
<i>Including: Bills receivable</i>	1,243,090,520	–	(1,243,090,520)	–
<i>Lease liabilities</i>	–	262,932,525	–	262,932,525
Current portion of non-current liabilities	9,707,089,022	74,956,275	–	9,782,045,297
Bills payable and trade payables	4,700,981,856	–	(4,700,981,856)	–
<i>Including: Bills payable</i>	160,733,506	–	(160,733,506)	–
<i>Trade payables</i>	4,540,248,350	–	(4,540,248,350)	–
Bills payable	–	–	160,733,506	160,733,506
Trade payables	–	–	4,540,248,350	4,540,248,350

The Company	Carrying amount presented under previous ASBEs 31 December 2018	Impact of New ASBE on Leases	Impact of other changes in financial statements presentation	Carrying amount presented under New ASBEs 1 January 2019
Right-of-use assets	–	1,204,617	–	1,204,617
Bills receivable and trade receivables	944,410,158	–	(944,410,158)	–
<i>Including: Bills receivable</i>	–	–	–	–
<i>Trade receivables</i>	944,410,158	–	(944,410,158)	–
Bills receivable	–	–	–	–
Trade receivables	–	–	944,410,158	944,410,158
Trade receivables financing	–	–	230,232,703	230,232,703
<i>Including: Bills receivable</i>	–	–	230,232,703	230,232,703
Other current assets	294,869,619	–	(230,232,703)	64,636,916
<i>Including: Bills receivable</i>	230,232,703	–	(230,232,703)	–
Current portion of non-current liabilities	–	(1,204,617)	–	(1,204,617)
Bills payable and trade payables	643,993,331	–	(643,993,331)	–
<i>Including: Bills payable</i>	–	–	–	–
<i>Trade payables</i>	643,993,331	–	(643,993,331)	–
Bills payable	–	–	–	–
Trade payables	–	–	643,993,331	643,993,331

Notes to Financial Statements *(continued)*

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

IV. TAX

1. Major taxes and tax rates

Value-added tax ("VAT")	<p>For the Company and the Company's subsidiaries incorporated and operating in the PRC: Sales of final gold products and carrying-gold minerals are exempted from VAT. The output VAT rate for mining and processing of ferrous metals such as iron ores and nonferrous metals such as copper concentrates, zinc concentrates, and the sales and processing of copper cathodes, zinc bullion, silver bullion and materials was 16% before 1 April 2019 and is 13% since 1 April 2019. 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. The output VAT rate for transportation service income was 10% before 1 April 2019 and is 9% since 1 April 2019, and that for trademark royalty income and technical service income is 6%. The taxpayer is required to remit the VAT it collects to the tax authority, but may deduct the VAT it has paid on eligible purchases. Small-scale taxpayer's VAT rate for all the income mentioned above is 3%.</p> <p>For the Company's subsidiaries incorporated and operating abroad: The output VAT rate of 10%-20% is applicable to subsidiaries in different countries and regions according to local VAT or goods services tax ("GST") regulations.</p>
Urban construction and maintenance tax	<p>Levied on actual payment of turnover tax at rates ranging from 1% to 7%.</p>
Resource tax	<p>For the Company and the Company's subsidiaries incorporated and operating in the PRC: Since 1 July 2016, taxes on mineral resources have been calculated with the price-based method instead of the quantity-based method. The basis for taxation has been adjusted from original ore quantity to the sales amount of original ore concentrates (or processed products from original ore), primary products or gold bullion. The tax rates are 1% to 4% for gold resources; 2% to 7% for copper resources; 1% to 6% for iron resources; and 2% to 6% for lead-zinc resources.</p> <p>For the Company's subsidiaries incorporated and operating abroad: In accordance with the relevant provisions of local resource tax, utilisation fee of mine or mining tax of mineral resources, subsidiaries in different countries and regions abroad apply different tax rates. The tax rates are 2.5% to 6% for precious metals such as gold and silver resources and 2.5% to 8% for other bulk metals such as copper and zinc resources.</p>
Corporate income tax	<p>Provision for tax for the Company and the Company's subsidiaries incorporated and operating in the PRC has been made at the rate of 25% based on the taxable profits, except for certain companies in the Group which enjoy tax concession and preferential tax rate under approval documents and are further mentioned below. Provision for tax for the Company's subsidiaries incorporated and operating in Hong Kong has been made at the rate of 16.5% on the assessable profits for the year. Provision for tax for the Company's subsidiaries or joint arrangement incorporated and operating in Australia, the Democratic Republic of the Congo and Papua New Guinea has been made at the rate of 30% on the assessable profits for the year. Provision for tax for the Company's subsidiaries incorporated and operating in the Republic of Tajikistan has been made at the rate of 13% on the assessable profits for the year. Provision for tax for the Company's subsidiaries incorporated and operating in the Russian Federation has been made at the rate of 20% on the assessable profits for the year, and has been made at 0% on the assessable profits for this year in accordance with tax incentive policies. Provision for tax for the Company's subsidiaries incorporated and operating in the Republic of Serbia ("Serbia") has been made at the rate of 15% on the assessable profits for the year. Provision for tax for the Company's subsidiaries incorporated and operating in the State of Eritrea has been made at the rate of 38% on the assessable profits for the year. For the Company's subsidiaries incorporated and operating in the Kyrgyz Republic, according to the local tax laws, a zero corporate income tax rate is adopted for taxpayer specialising in mining activities and selling gold ore, gold concentrates, alloy gold and refined gold. Meanwhile, income tax is imposed on the revenue ranging at the rate from 1% to 20% depending on the range of gold price.</p>
Value-added tax on land	<p>Pursuant to Regulations on Value-added Tax on Land of the People's Republic of China (Tentative), value-added tax on land is levied based on the added value obtained from transfer of real estates and the stipulated tax rates, at the rate of the 4th-level super progressive tax rate (30%-60%).</p>

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)***IV. TAX** *(continued)***2. Tax incentives**

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

According to the Notice Concerning Issuance and Amendment of "Handling Methods of Preferential Corporate Income Tax Policies" issued by the State Administration of Taxation (State Administration of Taxation Announcement 2018 No. 23), the handling methods of "self-determination, reporting the entitlement and retaining the relevant information" shall be adopted by the enterprises enjoying the tax concessions.

In 2019, the following subsidiaries met the conditions for enjoying tax concessions and were entitled to a reduced CIT rate of 15%:

- (1) Xinjiang Ashele Copper Company Limited ("Xinjiang Ashele") met the conditions of preferential taxation policies for the Western Development and was entitled to a tax concession at a preferential CIT rate of 15% in 2019.
- (2) Xinjiang Zijin Zinc Industry Co., Ltd. ("Xinjiang Zijin Zinc Industry") met the conditions of preferential taxation policies for the Western Development and was entitled to a tax concession at a preferential CIT rate of 15% in 2019.
- (3) Xinjiang Jinbao Mining Company Limited ("Xinjiang Jinbao") met the conditions of preferential taxation policies for the Western Development and was entitled to a tax concession at a preferential CIT rate of 15% in 2019.
- (4) Hunchun Zijin Mining Co., Ltd. ("Hunchun Zijin") met the conditions of preferential taxation policies for the Western Development and was entitled to a tax concession at a preferential CIT rate of 15% in 2019.
- (5) Wulatehouqi Zijin Mining Co., Ltd. ("Wulatehouqi Zijin") met the conditions of preferential taxation policies for the Western Development and was entitled to a tax concession at a preferential CIT rate of 15% in 2019.

Pursuant to the Notice Concerning Revision and Issuance of Administration Policy for Determination of High and New Technology Enterprise (Guo Ke Fa Huo [2016] No. 32) issued by the Ministry of Science and Technology, the Ministry of Finance and the State Administration of Taxation and the Notice Concerning Revision and Issuance of Administration Guideline on Determination of High and New Technology Enterprise (Guo Ke Fa Huo [2016] No. 195) issued by the Ministry of Science and Technology, the Ministry of Finance and the State Administration of Taxation, the Company obtained the certificate of High and New Technology Enterprise jointly issued by authorities including the Science and Technology Department of Fujian Province, Finance Department of Fujian Province, State Tax Bureau of Fujian Province, Local Tax Bureau of Fujian Province, etc. on 23 October 2017 (reference number: GR201735000251). The validity period of the certificate is from 23 October 2017 to 23 October 2020. Zijin Mining Group Co., Ltd.* was entitled to enjoy the preferential CIT policies for high and new technology enterprises and entitled to a tax concession of the CIT rate of 15% in 2019.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and cash equivalents

	30 June 2019	31 December 2018
Cash	5,885,693	3,467,899
Bank deposits	8,801,006,939	9,814,256,960
Other monetary funds (Note 1)	652,088,372	272,165,949
	9,458,981,004	10,089,890,808

Note 1: As at 30 June 2019, the balance of other monetary funds of the Group in Renminbi mainly included:

Land restoration and environmental rehabilitation costs of RMB98,760,110 (31 December 2018: RMB101,359,612); The Group provided a deposit for mine restoration and improvement of ecological environment in mines and deposited the fund in a specified bank account. The fund was restricted to the use of land restoration, environmental rehabilitation and environmental protection during the course of mining, pit closure, suspension and mine closure; structured deposit of RMB150,000,000 (31 December 2018: Nil); other guarantee deposits of RMB25,199,168 (31 December 2018: RMB52,693,045), which were restricted to use; time deposits with maturity for more than three months but less than one year of RMB154,237,001 (31 December 2018: RMB3,000,000), and deposit in the Shanghai Gold Exchange of RMB223,892,093 (31 December 2018: RMB115,113,292).

As at 30 June 2019, cash and cash equivalents in the equivalent amount of RMB2,215,894,047 (31 December 2018: RMB5,778,285,534) were deposited outside Mainland China. Bank deposits of RMB9,701,719 (31 December 2018: RMB9,736,619) were frozen due to litigation reason.

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 capital requirement of the Group. Time deposits earn interest at the relevant rates with different maturities.

2. Held for trading financial assets

	30 June 2019	31 December 2018
Financial assets at fair value through profit or loss		
Investments in debt Instruments (Note 1)	1,731,594	8,767,740
Investments in equity Instruments (Note 2)	412,198,638	357,294,790
Derivative financial assets (Note 3)	138,498,423	107,539,834
Others (Note 4)	175,506,918	313,531,996
	727,935,573	787,134,360

Note 1: The Group's investments in bonds.

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

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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*(English translation is for reference only. 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 3: Derivative financial assets are as follows:

	30 June 2019	31 December 2018
(1) Derivative financial assets without designated hedging relationship	100,630,720	79,720,776
<i>Including: Forward contracts</i>	40,488,197	<i>31,087,405</i>
<i>Futures contracts</i>	60,142,523	<i>48,633,371</i>
(2) Hedging instruments – Forward contracts	37,867,703	27,819,058
	138,498,423	107,539,834

Note 4: The Group's investments in funds and other investments aimed at making short-term profits.

3. Trade receivables

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

Ageing analysis of the trade receivables is as follows:

	30 June 2019	31 December 2018
Within 1 year	595,148,109	971,470,996
Over 1 year but within 2 years	36,385,647	28,163,819
Over 2 years but within 3 years	20,550,110	18,359,531
Over 3 years	4,811,708	3,863,260
	656,895,574	1,021,857,606
Less: Bad debt provision for trade receivables	11,933,950	11,986,497
	644,961,624	1,009,871,109

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

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

	At the beginning of the period	Impact of changes in accounting policy	Additions	Reversal	Write-off	At the end of the period
30 June 2019	11,986,497	–	431,512	(52,547)	(431,512)	11,933,950
31 December 2018	11,196,522	9,495,496	2,455,700	–	(11,161,221)	11,986,497

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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

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

3. Trade receivables *(continued)*

The movement of bad debt provision for trade receivables are as follows: *(continued)*

	30 June 2019			
	Carrying amount Amount	Proportion (%)	Bad debt provision Amount	Proportion (%)
Individually significant and for which bad debt provision has been made individually	8,183,063	1.25	3,956,271	48.35
Provision for bad debts based on credit risk characteristics	648,712,511	98.75	7,977,679	1.23
	656,895,574	100.00	11,933,950	1.82

	31 December 2018			
	Carrying amount Amount	Proportion (%)	Bad debt provision Amount	Proportion (%)
Individually significant and for which bad debt provision has been made individually	4,650,678	0.46	3,983,886	85.66
Provision for bad debts based on credit risk characteristics	1,017,206,928	99.54	8,002,611	0.79
	1,021,857,606	100.00	11,986,497	1.17

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

	30 June 2019		
	Carrying amount with estimated default	Expected credit losses rate (%)	Entire lifetime expected credit losses
Within 1 year	591,501,248	0.30	1,774,504
Over 1 year but within 2 years	33,238,716	6.00	1,994,323
Over 2 years but within 3 years	19,886,082	15.00	2,982,912
Over 3 years	4,086,465	30.00	1,225,940
	648,712,511		7,977,679

	31 December 2018		
	Carrying amount with estimated default	Expected credit losses rate (%)	Entire lifetime expected credit losses
Within 1 year	971,384,134	0.30	2,914,152
Over 1 year but within 2 years	25,016,888	6.00	1,501,013
Over 2 years but within 3 years	17,695,503	15.00	2,654,325
Over 3 years	3,110,403	30.00	933,121
	1,017,206,928		8,002,611

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*3. Trade receivables *(continued)*

The five entities with the largest balances of trade receivables at 30 June 2019 are as follows:

Name of entity	Amount	Proportion of trade receivables (%)	Ageing	Closing balance of bad debt provision
Trafigura Pte Limited	56,790,809	8.69	Within 1 year	170,372
Xinjiang Bayi Iron & Steel Co., Ltd.	41,099,067	6.29	Within 1 year	123,297
Thomas Mining Sarl	39,541,953	6.05	Within 1 year	118,626
Intercontinental Resources Inc	35,429,689	5.42	Within 1 year	106,289
Kazzinc	29,634,601	4.54	Within 1 year	88,904
	202,496,119	30.99		607,488

The five entities with the largest balances of trade receivables at 31 December 2018 are as follows:

Name of entity	Amount	Proportion of trade receivables (%)	Ageing	Closing balance of bad debt provision
The Perth Mint Australia	89,930,782	8.80	Within 1 year	269,792
Kazzinc	86,182,790	8.43	Within 1 year	258,548
Golden Wealth International Trading Limited	62,641,775	6.13	Within 1 year	187,925
Freeport Metals & Concentrate	55,573,232	5.44	Within 1 year	166,720
Chelyabinsk Zinc Plant	55,166,980	5.40	Within 1 year	165,501
	349,495,559	34.20		1,048,486

4. Trade receivables financing

	30 June 2019	1 January 2019
Bills receivable (Note 1)	1,269,788,153	1,243,090,520
	1,269,788,153	1,243,090,520

Note 1: Details of bills receivable are as follows:

	30 June 2019	1 January 2019
Bank acceptance bills	975,706,527	971,636,786
Commercial acceptance bills	300,677,812	277,115,790
	1,276,384,339	1,248,752,576
Less: Bad debt provision for trade receivables financing	6,596,186	5,662,056
	1,269,788,153	1,243,090,520

Notes to Financial Statements *(continued)*

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

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

4. Trade receivables financing *(continued)*

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

	30 June 2019	1 January 2019
Bank acceptance bills	–	1,972,833

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

	30 June 2019		1 January 2019	
	Derecognised	Not derecognised	Derecognised	Not derecognised
Bank acceptance bills	89,160,576	166,500,000	393,200,171	137,193,063
Commercial acceptance bills	19,520,000	–	–	13,840,000
	108,680,576	166,500,000	393,200,171	151,033,063

As at 30 June 2019, bills receivable of RMB3,560,000 were converted to trade receivables due to the drawer's inability to settle the bills on maturity.

5. Prepayments

Ageing analysis of the prepayments is as follows:

	30 June 2019		31 December 2018	
	Carrying amount	Proportion (%)	Carrying amount	Proportion (%)
Within 1 year	1,546,758,193	86.98	1,276,215,825	89.65
Over 1 year but within 2 years	195,332,210	10.98	104,815,990	7.36
Over 2 years but within 3 years	8,718,046	0.49	23,455,856	1.65
Over 3 years	27,527,581	1.55	19,047,379	1.34
	1,778,336,030	100	1,423,535,050	100
Less: Bad debt provision for prepayments	4,372,525		4,372,525	
	1,773,963,505		1,419,162,525	

As at 30 June 2019, there were no prepayments with significant balances aged over one year (31 December 2018: Nil).

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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

As at 30 June 2019, the breakdowns of bad debt provision for prepayments are as follows:

The movements of bad debt provision for prepayments are as follows:

	At the beginning of the period	Additions	Reversal	Write-off	Classified as held for sale	At the end of the period
30 June 2019	4,372,525	4,026	–	(4,026)	–	4,372,525
31 December 2018	7,752,470	1,076,140	–	(3,645,702)	(810,383)	4,372,525

The five entities with the largest balances of prepayments at 30 June 2019 are as follows:

Name of entity	Relationship	Amount	Proportion of prepayments (%)
PRC Xingang Customs (Note 1)	Third party	83,628,186	4.71
Ye Xiaodong	Third party	80,330,000	4.53
MCC Non-Ferrous Trading Inc. (Mitsubishi Corporation)	Third party	36,662,649	2.07
BHP	Third party	31,903,838	1.80
Bank of China Limited Hainan Branch	Third party	20,743,779	1.17
		253,268,452	14.28

The five entities with the largest balances of prepayments at 31 December 2018 are as follows:

Name of entity	Relationship	Amount	Proportion of prepayments (%)
Zisen (Xiamen)	Associate	150,817,902	10.59
Chifeng Fubang Copper Co., Ltd.	Third party	42,747,400	3.00
China National Gold Group Inner Mongolia Mining Co., Ltd.	Third party	34,740,792	2.44
PRC Longyan Customs (Note 1)	Third party	29,648,533	2.08
PRC Xingang Customs (Note 1)	Third party	27,531,899	1.93
		285,486,526	20.04

Note 1: Prepaid customs duty deposit.

6. Other receivables

	30 June 2019	31 December 2018
Interest receivables	36,672,734	23,376,850
Other receivables	1,134,536,706	1,392,135,712
	1,171,209,440	1,415,512,562

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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

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

6. Other receivables *(continued)*

Aging analysis of the other receivables is as follows:

	30 June 2019	31 December 2018
Within 1 year	525,260,731	834,777,898
Over 1 year but within 2 years	387,461,023	336,302,172
Over 2 years but within 3 years	195,401,418	190,576,920
Over 3 years	154,304,792	93,585,303
	1,262,427,964	1,455,242,293
Less: Bad debt provision for other receivables	127,891,258	63,106,581
	1,134,536,706	1,392,135,712

The changes in bad debt provision for other receivables based on 12-month expected credit losses and the entire lifetime expected credit losses are as follows:

	Stage 1 12-month expected credit losses	Stage 2 Entire lifetime expected credit losses (individually assessed)	Stage 2 Entire lifetime expected credit losses (collectively assessed)	Stage 3 Financial assets with credit impairment occurred (entire lifetime)	Total
Balance at 1 January 2019	1,498,073	-	-	61,608,508	63,106,581
Balance at 1 January 2019 during the period					
- Transfer to Stage 2	-	-	-	-	-
- Transfer to Stage 3	-	-	-	-	-
- Reverse to Stage 2	-	-	-	-	-
- Reverse to Stage 1	-	-	-	-	-
Provisions during the period	-	11,083,478	-	54,193,200	65,276,678
Reversal during the period	(492,001)	-	-	-	(492,001)
Write-back during the period	-	-	-	-	-
Write-off during the period	-	-	-	-	-
Other changes	-	-	-	-	-
- Classified as held for sale	-	-	-	-	-
	1,006,072	11,083,478	-	115,801,708	127,891,258

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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

Category of other receivables by nature is as follows:

	30 June 2019	31 December 2018
Due from third parties	190,619,708	293,698,641
Receivables from associates and joint ventures	75,949,976	87,182,932
Receivables from disposal of assets	270,778,044	269,392,246
Guarantees and deposits	202,199,714	161,702,883
Deferred expenses	119,000,549	152,293,971
Advanced material costs	93,234,347	81,100,461
Due from non-controlling shareholders	57,701,983	57,988,324
Staff advances and reserve funds	45,744,157	39,282,541
Receivables from settlement of futures	19,636,559	17,223,394
Receivables from insurance claim	–	129,178,317
Others	187,562,927	166,198,583
	1,262,427,964	1,455,242,293
Less: Bad debt provision for other receivables	127,891,258	63,106,581
	1,134,536,706	1,392,135,712

The five entities with the largest balances of other receivables at 30 June 2019 are as follows:

	Closing balance of other receivables	Proportion of other receivables (%)	Nature	Ageing	Closing balance of bad debt provision
Eritrean National Mining Corporation (ENAMCO)	68,747,000	5.45	Receivables from disposal of equity investments	Within 1 year	–
Xinjiang Xingguang Chemical Industry Co., Ltd.	55,500,000	4.40	Receivables from disposal of equity investments	Over 1 year but within 2 years	–
Xinjiang Jinneng Mining Co., Ltd.	55,428,114	4.39	Due from third parties	Over 3 years	–
Receivables from Serbian Tax Administration for value-added tax refundable	55,409,875	4.39	Receivables from value-added tax refundable	Within 1 year	–
Wuping County Tianan Municipal Construction Investment Development Company Limited	54,193,200	4.29	Due from third parties	Over 3 years	54,193,200
	289,278,189	22.92			54,193,200

Notes to Financial Statements (continued)

For the period ended 30 June 2019

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. Other receivables (continued)

The five entities with the largest balances of other receivables at 31 December 2018 are as follows:

	Closing balance of other receivables	Proportion of other receivables (%)	Nature	Ageing	Closing balance of bad debt provision
Aurum Insurance Company Inc.	129,178,317	8.88	Receivables from insurance claim	Within 1 year	–
Xinjiang Xingguang Chemical Industry Co., Ltd. (“Xingguang Chemical Industry”)	105,500,000	7.25	Receivables from disposal of equity investments	Over 1 year but within 2 years	–
Computershare Limited	96,508,684	6.63	Receivables from disposal of equity investments	Within 1 year	–
Xinjiang Jinneng Mining Co., Ltd. (“Xinjiang Jinneng”)	55,428,114	3.81	Due from third parties	Over 3 years	–
Fujian Makeng Mining Company Limited (“Longyan Makeng”)	50,073,104	3.44	Due from third parties	Within 1 year	–
	436,688,219	30.01			–

7. Inventories

	30 June 2019			31 December 2018		
	Carrying amount	Inventory provision	Net book value	Carrying amount	Inventory provision	Net book value
Raw materials	5,356,341,417	(14,572,772)	5,341,768,645	5,727,609,085	(12,191,343)	5,715,417,742
Work in progress	6,179,911,876	(53,264,226)	6,126,647,650	5,844,793,946	(32,203,111)	5,812,590,835
Finished goods	1,501,582,151	(32,540,928)	1,469,041,223	1,163,677,848	(25,479,025)	1,138,198,823
Reusable materials	4,853,783	–	4,853,783	3,467,463	–	3,467,463
	13,042,689,227	(100,377,926)	12,942,311,301	12,739,548,342	(69,873,479)	12,669,674,863

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)***V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***7. Inventories** *(continued)*

The movements of inventory provision are as follows:

30 June 2019

	At the beginning of the period	Additions	Reductions		At the end of the period
			Reversal	Write-back	
Raw materials	12,191,343	10,277,770	(7,896,341)	–	14,572,772
Work in progress	32,203,111	22,266,634	(1,205,519)	–	53,264,226
Finished goods	25,479,025	15,678,358	(3,171,001)	(5,445,454)	32,540,928
	69,873,479	48,222,762	(12,272,861)	(5,445,454)	100,377,926

31 December 2018

	At the beginning of the period	Additions	Reductions		At the end of the period
			Reversal	Write-back	
Raw materials	83,672,404	23,207,508	(94,676,940)	(11,629)	12,191,343
Work in progress	25,289,064	8,365,257	(1,451,210)	–	32,203,111
Finished goods	21,879,806	62,767,829	(6,255,506)	(52,913,104)	25,479,025
	130,841,274	94,340,594	(102,383,656)	(52,924,733)	69,873,479

30 June 2019 and 31 December 2018	Determination basis of net realisable value	Basis of making provision for inventories	Reasons for reversal of inventory provision
Raw materials	Market price of raw materials/market price of relevant finished goods	Defectiveness and obsolescence/decrease in market price of relevant finished goods	Increase in market price of relevant finished goods
Work in progress	Market price of relevant finished goods	Decrease in market price of relevant finished goods	Increase in market price of relevant finished goods
Finished goods	Market price/contract price	Decrease in market price	Increase in market price

As at 30 June 2019, the Group has no inventories with restricted ownership (31 December 2018: Nil).

As at 30 June 2019, the Group had no capitalised interest expenses in the closing balance of inventories (31 December 2018: Nil).

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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

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

8. Held for sale assets/liabilities

In view of the fact that the mine of Hebei Chongli Zijin Mining Co., Ltd. (“Chongli Zijin”) has entered the end of its production period and the resources volume of the gold mine is insufficient, the Company convened a board of directors meeting on 29 December 2017, and decided to dispose the entire 60% of the equity interest in Chongli Zijin. On 24 December 2018, the Company entered into a formal equity transfer agreement with Aikeruite (Beijing) Investment Co., Ltd. (“Aikeruite”). The consideration for the disposal was RMB180 million. According to the agreement, Aikeruite shall complete the registration of the equity change within the 2-month effective period of the agreement. As at 31 December 2018, the transfer of equity was not yet completed. Assets and liabilities of Chongli Zijin held by the Company were therefore presented as held for sale assets and liabilities. With reference to the consideration of the equity transfer, the fair value of 100% equity interest of Chongli Zijin after deduction of the costs to sell is higher than the book value.

The formalities of equity transfer of Chongli Zijin were completed in January 2019 and the Company does not include Chongli Zijin in the scope of consolidation anymore.

The book values of Chongli Zijin’s assets and liabilities are as follows:

	31 December 2018
Cash and cash equivalents	8,713,028
Other receivables	19,271,706
Prepayments	1,915,556
Inventories	47,251,526
Fixed assets	35,556,074
Construction materials	355,650
Intangible assets	24,244,245
Long-term deferred assets	38,724,778
Deferred tax assets	25,292,977
Other non-current assets	44,863,683
Total held for sale assets	246,189,223
	31 December 2018
Trade payables	43,774,813
Advances from customers	7,209,493
Employee benefits payable	9,349,789
Taxes payable	631,309
Other payables	7,744,045
Deferred tax liabilities	30,302
Total held for sale liabilities	68,739,751

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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

9. Current portion of non-current assets

	30 June 2019	31 December 2018
Current portion of long-term receivables	635,358,196	307,233,993

10. Other current assets

	30 June 2019	31 December 2018
Deposit for futures contracts	140,306,659	122,033,048
Deposit for gold transactions	10,000	10,000
Liquid cash for futures contracts	239,283,669	111,382,424
Input VAT to be credited	40,219,480	35,945,492
Input VAT to be verified	32,951,076	19,450,082
VAT recoverable	703,552,208	539,559,831
Taxes prepayment	114,195,581	147,104,629
Wealth management products (Note 1)	–	280,400,925
Bills receivable (Note 2)	–	1,243,090,520
Others	9,819,012	5,041,841
	1,280,337,685	2,504,018,792

Note 1: Wealth management products in other current assets of the Group are reverse-repurchase products of Chinese government bonds, and interest is charged at a fixed interest rate.

Note 2: In accordance with the “Notice on the Revision and Publication of the 2019 General Corporate Financial Reporting Format” (Cai Kuai [2019] No. 6), bills receivable at fair value through other comprehensive income are reclassified and presented as trade receivables financing.

11. Long-term equity investments

	30 June 2019			31 December 2018		
	Carrying amount	Impairment provision	Net book value	Carrying amount	Impairment provision	Net book value
Investments in joint ventures	3,502,277,904	(15,815,023)	3,486,462,881	3,670,508,922	(15,815,023)	3,654,693,899
Investments in associates	3,531,890,982	(47,038,702)	3,484,852,280	3,387,059,370	–	3,387,059,370
	7,034,168,886	(62,853,725)	6,971,315,161	7,057,568,292	(15,815,023)	7,041,753,269

Notes to Financial Statements (continued)

For the period ended 30 June 2019

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. Long-term equity investments (continued)

30 June 2019

	Movements during the period											
	At 1 January 2019	Additions	Reductions	Investment income/(losses) under the equity method	Other comprehensive income	Other changes in equity	Cash dividends declared by investee	Provision for impairment losses	Exchange differences arising from translation of financial statements denominated in foreign currencies	Transfer of control and becomes investments in subsidiaries	At 30 June 2019	Provision for impairment losses at 30 June 2019
Joint ventures												
Gold Eagle Mining Investment Limited ("Gold Eagle Mining")	1,445,504,737	-	-	(14,198,370)	-	-	-	-	-	-	1,431,306,367	-
Shandong Guoda Gold Company Limited ("Shandong Guoda")	165,782,309	-	-	3,800,798	-	-	-	-	-	-	169,583,107	(12,350,855)
Xiamen Zijin Zhonghang	226,794,323	-	-	(14,141,955)	-	-	(60,827,729)	-	-	-	151,824,639	-
Guizhou Funeng Zijin Energy Company Limited ("Guizhou Funeng Zijin")	74,816,879	-	-	-	-	-	-	-	-	-	74,816,879	-
Guizhou Southwest Zijin Gold Development Company Limited ("Southwest Zijin Gold")	20,673,365	-	-	203,012	-	-	-	-	-	-	20,876,577	-
Fujian Longhu Fishery Ecological Development Company Limited ("Fujian Longhu Fishery")	9,262,877	-	-	(163,000)	-	-	-	-	-	-	9,099,877	-
Kamoa	1,705,286,682	-	-	(83,301,467)	-	-	-	-	-	-	1,621,985,215	-
Fujian Zijin Cuiyu Jewellery Development Co., Ltd. ("Zijin Cuiyu")	-	-	-	-	-	-	-	-	-	-	-	(3,464,168)
Porgera Service Company	1,027,943	-	-	397,693	-	-	-	-	-	-	1,425,636	-
Preduzece za proizvodnju Bankarnog Praha	5,544,584	-	-	-	-	-	-	-	-	-	5,544,584	-
Pometon Tir Doo Bor (Note 1)												
Subtotal	3,654,693,899	-	-	(107,403,289)	-	-	(60,827,729)	-	-	-	3,486,462,881	(15,815,023)

Notes to Financial Statements (continued)

For the period ended 30 June 2019

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. Long-term equity investments (continued)

30 June 2019 (continued)

	Movements during the period											
	At 1 January 2019	Additions	Reductions	Investment income/(losses) under the equity method	Other comprehensive income	Other changes in equity	Cash dividends declared by investee	Provision for impairment losses	Exchange differences arising from translation of financial statements denominated in foreign currencies	Transfer of control and becomes investments in subsidiaries	At 30 June 2019	Provision for impairment losses at 30 June 2019
Associates												
Longyan Makeng	876,923,359	-	-	26,590,457	-	-	-	-	-	-	903,513,816	-
Xinjiang Hearen Dragon Mining Company Limited ("Xinjiang Hearen Dragon")	363,999,658	-	-	(15,199,809)	-	-	-	-	-	-	348,799,849	-
Zijin Tongguan (Note 2)	-	-	-	-	-	-	-	-	-	-	-	-
Wengfu Zijin Chemical Industry Company Limited ("Wengfu Zijin")	310,983,390	-	-	22,267,155	-	-	-	-	-	-	333,250,545	-
Fujian Haxia Technology Company Limited ("Haxia Technology")	228,104,609	-	-	(1,691,073)	-	-	-	-	-	-	226,413,536	-
Wancheng Commercial Dongshengmiao Company Limited ("Wancheng Commercial")	239,705,354	-	-	38,754,468	-	-	-	-	-	-	278,459,822	-
Xiamen Modern Terminal Company Limited ("Xiamen Modern Terminal")	132,691,846	-	-	740,740	-	-	-	-	-	-	133,432,586	-
Tibet Yulong Copper Company Limited ("Tibet Yulong")	596,152,414	-	-	39,102,885	-	-	-	-	-	-	635,255,299	-
Shanghai Xinyuan Water Supply Company Limited ("Shanghai Xinyuan")	109,507,289	-	-	(1,955,767)	-	-	-	-	-	-	107,551,522	-
Yanbian SMEs Credit Security Investment Company Limited ("Yanbian Credit Security")	73,193,680	-	-	(415,357)	-	-	-	-	-	-	72,778,323	-
Xinjiang Kanas Travel Development Company Limited ("Kanas Travel")	79,674,300	-	-	(4,218,000)	-	-	(5,400,000)	-	-	-	70,056,300	-
Fujian Shanghang Ting River Hydropower Company Limited ("Ting River Hydropower")	61,211,550	-	-	2,517,419	-	-	(2,450,000)	-	-	-	61,278,969	-

Notes to Financial Statements (continued)

For the period ended 30 June 2019

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. Long-term equity investments (continued)

30 June 2019 (continued)

	Movements during the period											
	At 1 January 2019	Additions	Reductions	Investment income/(losses) under the equity method	Other comprehensive income	Other changes in equity	Cash dividends declared by investee	Provision for impairment losses	Exchange differences arising from translation of financial statements denominated in foreign currencies	Transfer of control and becomes investments in subsidiaries	At 30 June 2019	Provision for impairment losses at 30 June 2019
Associates (continued)												
Songgan Zijin Industrial and Trading Company Limited ("Songgan Zijin")	39,249,785	-	-	-	-	-	-	-	-	-	39,249,785	-
Fujian Wuping Zijin Hydropower Company Limited ("Wuping Zijin Hydropower")	35,384,429	-	-	2,335,624	-	-	(480,000)	-	-	-	37,240,053	-
Hundun Jindi Mining Company Limited ("Hundun Jindi")	46,215,762	-	-	822,940	-	-	-	(47,038,702)	-	-	11,623,090	(47,038,702)
Zisen (Xiamen)	9,173,651	-	-	2,449,439	-	-	-	-	-	-	11,623,090	-
Fujian Jinyue Huichuang Intelligent Technology Co., Ltd. ("Jinyue Huichuang")	3,212,092	-	-	(482,593)	-	-	-	-	-	-	2,729,499	-
Changsha Science Environmental Technology Co. Ltd. ("Science")	174,509,759	31,200,000	-	3,600,338	-	4,101,742	-	-	-	-	213,411,839	-
Fujian Evergreen New Energy Technology Co., Ltd.	7,022,443	-	-	(358,996)	-	-	-	-	-	-	6,663,447	-
Beijing Anchuang Shenzhen Technology Co., Ltd. ("Beijing Anchuang") (Note 1)	144,000	-	-	-	-	-	-	-	-	-	144,000	-
Fujian Shangzhang Caxi Cultural Communication Company Limited ("Caxi Cultural Communication")	-	3,000,000	-	-	-	-	-	-	-	-	3,000,000	-
Subtotal	3,387,059,370	34,200,000	-	114,859,870	-	4,101,742	(8,330,000)	(47,038,702)	-	-	3,484,852,280	(47,038,702)
Total	7,041,753,269	34,200,000	-	7,456,581	-	4,101,742	(69,157,729)	(47,038,702)	-	-	6,971,315,161	(62,853,725)

Notes to Financial Statements (continued)

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. Long-term equity investments (continued)

31 December 2018

	Movements during the year											
	At 1 January 2018	Additions	Reductions	Investment income/(losses) under the equity method	Other comprehensive income	Other changes in equity	Cash dividends declared by investee	Provision for impairment losses	Exchange differences arising from translation of financial statements denominated in foreign currencies	Transfer of control of investments in subsidiaries	At 31 December 2018	Provision for impairment losses at 31 December 2018
Joint ventures												
Gold Eagle Mining Investment Limited ("Gold Eagle Mining")	1,456,649,055	-	-	(11,144,318)	-	-	-	-	-	-	1,445,504,737	-
Shandong Guoda Gold Company Limited ("Shandong Guoda")	165,745,938	-	-	8,567,214	-	-	(8,530,843)	-	-	-	165,782,309	(12,350,855)
Xiamen Zijin Zhonghang	220,174,279	-	-	6,620,044	-	-	-	-	-	-	226,794,323	-
Guizhou Funeng Zijin Energy Company Limited ("Guizhou Funeng Zijin")	74,816,879	-	-	-	-	-	-	-	-	-	74,816,879	-
Guizhou Southwest Zijin Gold Development Company Limited ("Southwest Zijin Gold")	20,293,036	-	-	380,529	-	-	-	-	-	-	20,673,565	-
Fujian Longhu Fishery Ecological Development Company Limited ("Fujian Longhu Fishery")	9,188,227	-	-	74,650	-	-	-	-	-	-	9,262,877	-
Kaomoa	1,570,666,726	-	-	134,619,956	-	-	-	-	-	-	1,705,286,682	-
Fujian Zijin CuiFu Jewellery Development Co., Ltd. ("Zijin CuiFu")	3,472,151	-	-	(7,983)	-	-	-	-	-	-	-	(3,464,168)
Porgera Service Company	491,673	-	-	536,270	-	-	-	-	-	-	1,027,943	-
Preduzee za proizvodnju Bankarnog Praha Pometon Tir Doo Bor (Note 1)	-	5,544,584	-	-	-	-	-	-	-	-	5,544,584	-
Subtotal	3,521,497,964	5,544,584	-	139,646,362	-	-	(8,530,843)	(3,464,168)	-	-	3,654,093,899	(15,815,023)

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. Long-term equity investments (continued)

31 December 2018 (continued)

	Movements during the year											
	At 1 January 2018	Additions	Reductions	Investment income/(losses) under the equity method	Other comprehensive income	Other changes in equity	Cash dividends declared by investee	Provision for impairment losses	Exchange differences arising from translation of financial statements denominated in foreign currencies	Transfer of control and becomes investments in subsidiaries	At 31 December 2018	Provision for impairment losses at 31 December 2018
Associates												
Longyan Making	886,068,902	-	-	11,604,457	-	-	(20,750,000)	-	-	-	876,923,359	-
Xinjiang Heaven Dragon Mining Company Limited ("Xinjiang Heaven Dragon")	374,202,269	-	-	(3,292,565)	-	-	(6,910,046)	-	-	-	363,999,658	-
Zijin Tongguan (Note 2)	335,697,308	164,700,000	-	(16,011,644)	-	-	-	-	-	(484,385,664)	-	-
Wengfu Zijin Chemical Industry Company Limited ("Wengfu Zijin")	286,101,282	-	-	24,882,108	-	-	-	-	-	-	310,983,390	-
Fujian Haixia Technology Company Limited ("Haixia Technology")	208,243,797	-	-	21,148,812	-	-	(1,288,000)	-	-	-	228,104,609	-
Wancheng Commercial Dongshengmiao Company Limited ("Wancheng Commercial")	199,855,351	-	-	106,350,003	-	-	(66,500,000)	-	-	-	239,705,354	-
Xiamen Modern Terminal Company Limited ("Xiamen Modern Terminal")	133,006,948	-	-	4,684,898	-	-	(5,000,000)	-	-	-	132,691,846	-
Tibet Yulong Copper Company Limited ("Tibet Yulong")	219,274,376	302,500,000	-	74,378,038	-	-	-	-	-	-	596,152,414	-
Shanghai Xinyuan Water Supply Company Limited ("Shanghai Xinyuan")	114,047,122	-	-	(4,539,833)	-	-	-	-	-	-	109,507,289	-
Yanbian SMEs Credit Security Investment Company Limited ("Yanbian Credit Security")	74,337,276	-	-	(1,143,596)	-	-	-	-	-	-	73,193,680	-
Xinjiang Kanus Travel Development Company Limited ("Kanus Travel")	68,094,151	-	-	14,280,149	-	-	(2,700,000)	-	-	-	79,674,300	-
Fujian Shanghang Ting River Hydropower Company Limited ("Ting River Hydropower")	66,131,155	-	-	(2,469,605)	-	-	(2,450,000)	-	-	-	61,211,550	-

Notes to Financial Statements (continued)

For the period ended 30 June 2019

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. Long-term equity investments (continued)

31 December 2018 (continued)

	Movements during the year											
	At 1 January 2018	Additions	Reductions	Investment income/(losses) under the equity method	Other comprehensive income	Other changes in equity	Cash dividends declared by investee	Provision for impairment losses	Exchange differences arising from translation of financial statements denominated in foreign currencies	Transfer of control of investments and becomes subsidiaries	At 31 December 2018	Provision for impairment losses at 31 December 2018
<i>Associates (continued)</i>												
Songan Zijin Industrial and Trading Company Limited ("Songpan Zijin")	39,249,785	-	-	-	-	-	-	-	-	-	39,249,785	-
Fujian Wuping Zijin Hydropower Company Limited ("Wuping Zijin Hydropower")	41,905,493	-	-	(2,402,864)	-	-	(4,118,200)	-	-	-	35,384,429	-
Hunchun Jindi Mining Company Limited ("Hunchun Jindi")	46,479,075	-	-	(263,313)	-	-	-	-	-	-	46,215,762	-
Kuitun Yutong Logistics Company Limited ("Kuitun Yutong")	970,729	-	(1,000,000)	29,271	-	-	-	-	-	-	-	-
Zisen (Xiamen)	6,763,119	2,940,000	-	4,360,532	-	-	(4,890,000)	-	-	-	9,173,651	-
Fujian Jinyue Huichuang Intelligent Technology Co., Ltd. ("Jinyue Huichuang")	2,815,844	-	-	396,248	-	-	-	-	-	-	3,212,092	-
Changsha Science Environmental Technology Co., Ltd. ("Science")	172,606,270	-	-	1,903,489	-	-	-	-	-	-	174,509,759	-
Fujian Evergreen New Energy Technology Co., Ltd.	-	7,500,000	-	(477,557)	-	-	-	-	-	-	7,022,443	-
Beijing Anchuang Shenzhen Technology Co., Ltd. ("Beijing Anchuang") (Note 1)	-	144,000	-	-	-	-	-	-	-	-	144,000	-
Subtotal	3,275,850,252	477,784,000	(1,000,000)	233,417,028	-	-	(114,606,246)	-	-	(484,385,664)	3,387,959,370	-
Total	6,797,348,216	483,328,584	(1,000,000)	373,063,390	-	-	(123,137,089)	(3,464,168)	-	(484,385,664)	7,041,753,269	(15,815,023)

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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

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

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

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

30 June 2019

	At 1 January 2019	Additions	Reductions	At 30 June 2019
Joint venture – Zijin Cuifu	3,464,168	–	–	3,464,168
Joint venture – Shandong Guoda	12,350,855	–	–	12,350,855
Associate – Hunchun Jindi	–	47,038,702	–	47,038,702
	15,815,023	47,038,702	–	62,853,725

31 December 2018

	At 1 January 2018	Additions	Reductions	At 31 December 2018
Joint venture – Zijin Cuifu	–	3,464,168	–	3,464,168
Joint venture – Shandong Guoda	12,350,855	–	–	12,350,855
Associate – Zijin Tongguan (Note 2)	162,757,584	–	(162,757,584)	–
	175,108,439	3,464,168	(162,757,584)	15,815,023

Note 1: Preduzece za proizvodnju Bankarnog Praha Pometon Tir Doo Bor is a joint venture of Bor Copper; Beijing Anchuang Shenzhou Technology Co., Ltd. is an associate of Beijing Anchuang.

Note 2: The Company originally held 45% equity interest in Zijin Tongguan. After increasing the equity interest by 6% in 2018, the Company held 51% equity interest in Zijin Tongguan and obtained the control. Zijin Tongguan was included in the scope of consolidation.

Notes to Financial Statements (continued)

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

12. Other equity instrument investments

	Costs	Accumulated changes in fair value of other comprehensive income	Fair value	Dividend income for the current period		Reasons for designating at fair value through other comprehensive income
				Equity instruments derecognised in the current period	Equity instruments held in the current period	
Share-holding companies						
Fujian Shanghang Rural Commercial Bank Company Limited ("Shanghang Rural Commercial Bank")	89,900,000	2,762,939	92,662,939	–	6,000,000	No active market quotation
Muli County Rongda Mining Company Limited ("Muli Rongda")	74,950,241	63,066,567	138,016,808	–	7,200,000	No active market quotation
Lenghu Bindi Potash Co., Ltd. ("Bindi Potash")	187,106,400	(100,343,072)	86,763,328	–	–	No active market quotation
Beijing Larkworld Environmental Technology Incorporated Company	76,739,294	17,190,561	93,929,855	–	1,666,667	No active market quotation
Fujian Shanghang Xingcheng Guarantee Company Limited ("Xingcheng Guarantee")	50,000,000	(3,611,458)	46,388,542	–	–	No active market quotation
Xinjiang Xinxin Mining Industry Company Limited ("Xinjiang Xinxin")	18,314,097	7,220,270	25,534,367	–	–	No active market quotation
Zhenfeng Rural Credit Cooperative Union ("Zhenfeng Rural")	11,074,000	12,052,961	23,126,961	–	823,200	No active market quotation
Sichuan Liwu Copper Company Limited ("Liwu Copper")	19,850,000	2,212,837	22,062,837	–	–	No active market quotation
Nanjing China Net Communication Company Limited ("Nanjing China Net")	25,000,000	(8,979,642)	16,020,358	–	100,000	No active market quotation
Xinjiang Wuxin Copper Company Limited ("Wuxin Copper") (Note 1)	6,731,300	624,375	7,355,675	–	–	No active market quotation
Cloud Chain (Beijing) Financial Information Services Co., Ltd.	6,500,000	(5,775,847)	724,153	–	–	No active market quotation
Others	12,978,588	(8,862,482)	4,116,106	–	–	No active market quotation
	579,143,920	(22,441,991)	556,701,929	–	15,789,867	

Notes to Financial Statements (continued)

For the period ended 30 June 2019

RMB

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

12. Other equity instrument investments (continued)

	Costs	Accumulated changes in fair value of other comprehensive income	Fair value	Dividend income for the current period		Reasons for designating at fair value through other comprehensive income
				Equity instruments derecognised in the current period	Equity instruments held in the current period	
Stocks						
Ivanhoe Mines Ltd.-CL A	944,178,121	1,239,359,301	2,183,537,422	-	-	Strategic investment
Pretium Resources Inc. (Note 2)	65,532,550	61,240,411	126,772,961	-	-	Strategic investment
Asanko Gold Inc.	88,835,810	(22,149,848)	66,685,962	-	-	Strategic investment
Lydian International Ltd.	26,593,507	(6,111,680)	20,481,827	-	-	Strategic investment
Bank of Nanjing (Note 2)	-	-	-	-	-	Strategic investment
Equitas Resources Corp.	8,741,624	(8,637,417)	104,207	-	-	Strategic investment
Chrometco	3,160,462	(345,673)	2,814,789	-	-	Strategic investment
	1,137,042,074	1,263,355,094	2,400,397,168	-	-	
	1,716,185,994	1,240,913,103	2,957,099,097	-	15,789,867	

Note 1: On 22 April 2018, Xinjiang Ashele, a subsidiary of the Group, entered into an equity transfer agreement with Xinjiang Nonferrous Metal Industry (Group) Co., Ltd. ("Xinjiang Nonferrous"), pursuant to which Xinjiang Ashele transferred the 33.34% equity interest in Wuxin Copper held by Xinjiang Ashele to Xinjiang Nonferrous at a consideration of RMB6.6 million. On 23 April 2018, Xinjiang Ashele and Xinjiang Nonferrous entered into a capital increase agreement for Wuxin Copper. Xinjiang Ashele conducted the capital increase with debt receivables amounted to RMB6.6 million. After the capital increase, Xinjiang Ashele holds 0.66% equity interest in Wuxin Copper. The Group designates such equity interest as a financial asset at fair value through other comprehensive income.

Note 2: As at 30 June 2019, the Group disposed partially other equity instrument investments of Pretium Resources Inc. and Bank of Nanjing, generating accumulated profit of RMB32,326,709 and RMB304,359 respectively. The amounts were transferred from other comprehensive income to retained earnings.

13. Other non-current financial assets

	30 June 2019	31 December 2018
Jinrui Co-operative Business Operation Project (Note 1)	359,606,400	320,298,674
Shiwei No.1 Fund (Note 2)	84,981,600	81,215,000
	444,588,000	401,513,674

Note 1: On 19 April 2018, Zijin Mining Group Capital Investment Co., Ltd., a subsidiary of the Group, entered into an agreement with Xiamen Jinrui Commercial Factoring Co., Ltd. to cooperate in the documentary factoring of business acceptance bills for a period of three years. As at 30 June 2019, the investment cost of the project was RMB350,800,000 and the fair value change was RMB8,806,400.

Note 2: Zijin Mining Group Capital Investment Co., Ltd. ("Capital Investment Company"), a subsidiary of the Group, holds Shiwei No. 1 Fund, and the filing period will end in September 2020. As at 30 June 2019, the investment cost of the fund was RMB74,000,000 and the fair value change was RMB10,981,600.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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

14. Investment properties

Buildings subsequently measured at cost:

	30 June 2019	31 December 2018
Cost		
At the beginning of the year	756,670,882	403,634,434
Transferred from inventories	–	354,629,674
Other transfers (Note 1)	(574,140,938)	(1,593,226)
At the end of the period	182,529,944	756,670,882
Accumulated depreciation and amortisation		
At the beginning of the year	68,512,215	53,093,965
Depreciation for the period	12,112,481	15,418,250
Other transfers (Note 1)	(31,739,141)	–
At the end of the period	48,885,555	68,512,215
Impairment provision		
At the beginning of the year	79,936,878	–
Impairment for the period	–	79,936,878
Reversal	(953,688)	–
Other transfers (Note 1)	(78,983,190)	–
At the end of the period	–	79,936,878
Net book value		
At the end of the period	133,644,389	608,221,789
At the beginning of the year	608,221,789	350,540,469

Note 1: Due to change in holding purpose during the period, certain investment properties were reclassified to fixed assets.

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

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

As at 30 June 2019, the carrying amount of investment properties which the certificates of title have not been obtained was nil (31 December 2018: RMB435,316,077).

15. Fixed assets

	30 June 2019	31 December 2018
Fixed assets	35,473,423,521	34,144,464,854
	35,473,423,521	34,144,464,854

Notes to Financial Statements (continued)

For the period ended 30 June 2019

RMB

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

15. Fixed assets (continued)

30 June 2019

	Buildings	Lands	Mining assets	Power generation and transmission equipment	Plant, machinery and equipment	Motor vehicles	Furniture and fixtures and others	Total
Cost								
At 1 January 2019	10,487,871,010	244,619,991	23,320,703,750	1,917,702,523	16,734,733,982	1,574,164,826	532,025,899	54,811,821,981
Transferred to right-of-use assets	-	-	-	-	(12,612,652)	-	(28,124,124)	(40,736,776)
At 1 January 2019	10,487,871,010	244,619,991	23,320,703,750	1,917,702,523	16,722,121,330	1,574,164,826	503,901,775	54,771,085,205
Purchase additions	34,020,994	4,975,287	27,562,491	14,510,211	122,755,619	29,488,109	33,608,398	266,921,109
Transferred from construction in progress	1,164,427,261	-	425,508,195	39,182,726	648,205,063	-	2,257,621	2,279,580,866
Business combination not involving enterprises under common control	-	-	-	1,277,753	26,505,778	26,814,973	214,904	54,813,408
Disposals or write-off	(48,195,233)	-	(265,222,761)	(22,847,202)	(74,288,186)	(14,410,902)	(7,933,494)	(432,897,778)
Transferred from investment properties	574,140,938	-	-	-	-	-	-	574,140,938
Exchange realignments	13,165,673	-	14,418,436	595,090	11,509,454	3,479,619	124,745	43,293,017
	12,225,430,643	249,595,278	23,522,970,111	1,950,421,101	17,456,809,058	1,619,536,625	532,173,949	57,556,936,765
Accumulated depreciation								
At 1 January 2019	2,619,303,318	-	7,178,410,628	822,444,242	7,044,769,065	844,669,779	324,570,247	18,834,167,279
Transferred to right-of-use assets	-	-	-	-	(8,229,654)	-	(9,374,708)	(17,604,362)
At 1 January 2019	2,619,303,318	-	7,178,410,628	822,444,242	7,036,539,411	844,669,779	315,195,539	18,816,562,917
Depreciation for the period	186,599,790	-	769,566,635	47,803,266	421,827,568	54,427,403	51,639,139	1,531,863,801
Business combination not involving enterprises under common control	-	-	-	260,092	10,253,689	7,636,432	37,293	18,187,506
Disposals or write-off	(3,657,756)	-	(41,132,558)	(8,744,123)	(47,691,977)	(12,175,866)	(5,015,215)	(118,417,495)
Transferred from investment properties	31,739,141	-	-	-	-	-	-	31,739,141
Exchange realignments	587,895	-	2,630,206	354,644	3,437,205	928,977	68,195	8,007,122
	2,834,572,388	-	7,909,474,911	862,118,121	7,424,365,896	895,486,725	361,924,951	20,287,942,992
Impairment								
At 1 January 2019	256,746,402	-	1,401,988,134	12,302,610	161,462,966	449,739	239,997	1,833,189,848
Impairment provided for the period	-	-	6,282,766	899	873,080	-	5,346	7,162,091
Transferred from investment properties	78,983,190	-	-	-	-	-	-	78,983,190
Disposals or write-off	(35,708,094)	-	(72,582,948)	(2,890,381)	(12,583,454)	-	-	(123,764,877)
	300,021,498	-	1,335,687,952	9,413,128	149,752,592	449,739	245,343	1,795,570,252
Net book value								
At 30 June 2019	9,090,836,757	249,595,278	14,277,807,248	1,078,889,852	9,882,690,570	723,600,161	170,003,655	35,473,423,521
At 1 January 2019	7,611,821,290	244,619,991	14,740,304,988	1,082,955,671	9,528,501,951	729,045,308	207,215,655	34,144,464,854

Notes to Financial Statements (continued)

For the period ended 30 June 2019

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

15. Fixed assets (continued)

31 December 2018

	Buildings	Mining assets	Power generation and transmission equipment	Plant, machinery and equipment	Motor vehicles	Furniture and fixtures and others	Total
Cost							
At 1 January 2018	7,916,900,835	23,680,005,875	1,582,387,075	13,113,760,342	1,192,672,373	440,179,545	47,925,906,045
Purchase additions	111,724,237	1,067,143,031	22,445,302	259,333,162	203,683,668	38,805,846	1,703,135,246
Transferred from construction in progress	2,281,872,327	(1,449,741,547)	305,367,474	1,976,847,513	(24,019,899)	10,818,428	3,101,144,296
Business combination not involving enterprises under common control	480,813,231	355,406,631	25,768,574	1,832,959,927	280,644,143	76,654,271	3,052,246,777
Classified as held for sale	(94,455,453)	(383,636,576)	(31,727,397)	(96,202,621)	(12,473,869)	(13,318,775)	(631,814,691)
Disposals or write-off	(80,060,564)	(240,539,125)	(18,283,332)	(578,027,266)	(69,365,208)	(21,533,101)	(1,007,808,596)
Exchange realignments	115,696,388	292,065,461	31,744,827	226,062,925	3,023,618	419,685	669,012,904
	10,732,491,001	23,320,703,750	1,917,702,523	16,734,733,982	1,574,164,826	532,025,899	54,811,821,981
Depreciation							
At 1 January 2018	2,110,209,091	6,189,208,251	658,222,480	5,967,479,443	808,132,847	279,250,662	16,012,502,774
Depreciation for the year	567,186,372	1,195,719,453	179,571,053	1,307,624,926	109,878,446	76,004,556	3,435,984,806
Classified as held for sale	(56,948,301)	(236,408,297)	(16,514,376)	(62,384,364)	(10,401,591)	(10,876,168)	(393,533,097)
Disposals or write-off	(21,047,037)	(55,664,434)	(6,863,369)	(313,346,560)	(62,379,545)	(19,582,638)	(478,883,583)
Exchange realignments	19,903,193	85,555,655	8,028,454	145,395,620	(560,378)	(226,165)	258,096,379
	2,619,303,318	7,178,410,628	822,444,242	7,044,769,065	844,669,779	324,570,247	18,834,167,279
Impairment provision							
At 1 January 2018	251,897,750	1,369,404,061	11,891,434	143,898,331	104,641	7,451	1,777,203,668
Impairment provided for the year	44,744,814	191,553,508	1,016,782	22,373,609	388,813	236,892	260,314,418
Classified as held for sale	(39,098,332)	(158,969,435)	(27,333)	(4,582,359)	(43,715)	(4,346)	(202,725,520)
Disposals or write-off	(79,830)	—	(578,273)	(226,615)	—	—	(1,602,718)
	256,746,402	1,401,988,134	12,302,610	161,462,966	449,739	239,997	1,833,189,848
Net book value							
At 31 December 2018	7,856,441,281	14,740,304,988	1,082,955,671	9,528,501,951	729,045,308	207,215,655	34,144,464,854
At 1 January 2018	5,554,793,994	16,121,393,563	912,273,161	7,002,382,568	384,434,885	160,921,432	30,136,199,603

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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

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

15. Fixed assets *(continued)*

Fixed assets that are temporarily idle are as follows:

30 June 2019

	Cost	Accumulated depreciation	Impairment provision	Net book value
Buildings	378,592,794	(147,654,394)	(5,240,058)	225,698,342
Mining assets	1,564,179,138	(434,796,845)	(345,136,953)	784,245,340
Plant, machinery and equipment	368,052,525	(252,597,289)	(5,439,673)	110,015,563
Motor vehicles	16,152,305	(10,792,231)	(55,105)	5,304,969
Power generation and transmission equipment	1,471,935	(1,149,707)	–	322,228
Furniture and fixtures and others	6,319,609	(5,875,858)	(64,301)	379,450
	2,334,768,306	(852,866,324)	(355,936,090)	1,125,965,892

31 December 2018

	Cost	Accumulated depreciation	Impairment provision	Net book value
Buildings	403,704,462	(142,891,452)	(7,755,676)	253,057,334
Mining assets	1,561,967,823	(410,910,178)	(343,819,121)	807,238,524
Plant, machinery and equipment	407,839,292	(273,405,908)	(5,933,606)	128,499,778
Motor vehicles	55,670,352	(31,207,225)	(56,577)	24,406,550
Power generation and transmission equipment	50,398,535	(34,822,514)	(895,942)	14,680,079
Furniture and fixtures and others	10,389,459	(9,356,498)	(68,038)	964,923
	2,489,969,923	(902,593,775)	(358,528,960)	1,228,847,188

Fixed assets leased under finance leases are as follows:

Fixed assets leased under finance leases were classified and presented as right-of-use assets as at 30 June 2019 pursuant to ASBE 21 – Leases.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*15. Fixed assets *(continued)*Fixed assets leased under finance leases are as follows: *(continued)*

31 December 2018

	Cost	Accumulated depreciation	Impairment provision	Net book value
Plant, machinery and equipment	12,612,652	(8,229,654)	–	4,382,998
Furniture and fixtures and others	25,223,133	(9,374,708)	–	15,848,425
	37,835,785	(17,604,362)	–	20,231,423

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

	30 June 2019 Net book value	31 December 2018 Net book value	Reasons why certificates of titles have not been obtained
Buildings	1,574,900,086	1,849,476,632	In the process of application/the projects were unsettled
Mining assets	479,441,035	345,053,144	In the process of application/the projects were unsettled
	2,054,341,121	2,194,529,776	

As at 30 June 2019, the carrying amount of plant, machinery and equipment with restricted ownership amounted to RMB2,132,232 (31 December 2018: RMB2,132,232). Details are disclosed in Note V.65.

16. Construction in progress

	30 June 2019	31 December 2018
Construction in progress	5,726,382,090	4,807,176,438
Construction materials	640,358,899	548,629,366
	6,366,740,989	5,355,805,804

Construction in progress

	30 June 2019		31 December 2018		
	Carrying amount	Impairment provision	Carrying amount	Impairment provision	Net book value
	6,458,915,082	(732,532,992)	5,537,727,640	(730,551,202)	4,807,176,438

Notes to Financial Statements (continued)

For the period ended 30 June 2019

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. Construction in progress (continued)

The movements of important construction in progress in the first half of 2019 are as follows:

	Budget	At 1 January 2019	Additions	Transferred to fixed asset	Other reductions	At 30 June 2019	Contribution in budget	Progress of projects	Accumulated balance of capitalised interest as at 30 June 2019	Including: capitalised interest for the period	Interest rate of capitalisation (%)	Source of funds
Bor Copper infrastructure project	518,140,000	256,529,294	172,777,234	(145,788,184)	(892,466)	282,625,878	33%	32%	-	-	N/A	Equity fund
Heilongjiang Zijin Copper infrastructure project	2,079,893,893	1,179,757,743	395,512,132	-	(40,213)	1,575,229,662	76%	95%	23,716,319	9,726,316	5.00	Equity fund/ Proceeds raised/Loan
Guizhou Zijin infrastructure project	557,170,800	445,817,833	37,891,610	-	-	483,709,443	87%	87%	50,090,062	10,507,131	4.57	Equity fund/ Loan
Heilongjiang Duobaoshan infrastructure project	984,151,546	390,667,518	111,001,611	(391,413,464)	-	110,255,665	79%	83%	16,165,861	5,925,669	4.57	Equity fund/ Loan
Guizhou Xinhergiji infrastructure project	350,000,000	386,911,825	11,679,086	-	-	398,590,911	114%	96%	136,215,384	10,219,164	5.50	Equity fund/ Loan
COMMIJS infrastructure project	1,469,663,686	281,477,355	1,174,706,371	(1,432,009,563)	-	24,174,163	97%	95%	-	-	-	Equity fund
Ankang Jinfeng infrastructure project	278,400,000	276,127,577	7,039,277	-	-	283,166,854	102%	95%	81,308,279	6,298,381	3.80	Equity fund/ Loan
Zijinshan gold and copper mine infrastructure project	538,080,000	160,383,177	132,156,767	(35,281,021)	(1,043,556)	256,215,367	47%	46%	-	-	N/A	Equity fund
Longxing infrastructure project in Russia	559,100,000	135,588,967	138,726,865	(26,231,019)	-	248,084,813	50%	51%	-	-	N/A	Equity fund
Yilian gold mine infrastructure project	178,589,845	125,711,114	23,468,877	(84,595,745)	-	64,584,246	84%	84%	9,059,760	1,771,354	4.75	Equity fund/ Loan
Others	9,517,377,286	1,898,755,237	968,244,537	(164,261,870)	29,540,176	2,732,278,080			11,028,299	1,831,272	N/A	Equity fund/ Loan
Subtotal	17,030,567,056	5,537,727,640	3,173,204,367	(2,279,580,866)	27,563,941	6,458,915,082			327,583,964	46,279,287		
Impairment provision for construction in progress		(730,551,202)				(732,532,992)						
Total		4,807,176,438				5,726,382,090						

Notes to Financial Statements (continued)

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. Construction in progress (continued)

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

	Budget	At 1 January 2018	Additions	Transferred to fixed asset	Other reductions	At 31 December 2018	Contribution in budget	Progress of projects	Accumulated balance of capitalised interest as at 31 December 2018	Including: capitalised interest for the year	Interest rate of capitalisation (%)	Source of funds
Bor Copper infrastructure project (Note 1)	2,498,727,665	-	1,687,385,076	(1,430,855,782)	-	256,529,294	60%	54%	-	-	N/A	Equity fund
Heilongjiang Zijin Copper infrastructure project	2,079,844,841	406,227,833	773,529,910	-	-	1,179,757,743	57%	53%	13,990,609	12,994,429	5.00	Equity fund/ Proceeds raised/Loan
Guizhou Zijin infrastructure project	557,170,800	316,620,865	134,146,818	(4,949,850)	-	445,817,833	81%	81%	39,582,930	17,839,656	4.57	Equity fund/Loan
Heilongjiang Duobaoshan infrastructure project	1,038,904,789	179,777,565	607,979,193	(391,742,513)	(5,346,727)	390,667,518	75%	81%	10,240,192	17,447,609	4.57	Equity fund/Loan
Guizhou Xinhengji infrastructure project	350,000,000	368,580,233	18,331,592	-	-	386,911,825	111%	96%	125,996,221	15,583,793	5.50	Equity fund/Loan
COMMUS infrastructure project	1,469,663,686	1,166,034	377,411,704	(91,505,051)	(5,595,332)	281,477,355	25%	48%	-	-	4.42	Equity fund/ Proceeds raised
Ankang Jinfeng infrastructure project	278,400,000	260,795,415	15,332,162	-	-	276,127,577	99%	95%	75,009,898	12,490,129	3.80	Equity fund/Loan
Zijinshan gold and copper mine infrastructure project	400,040,000	205,217,505	155,480,159	(193,448,435)	(6,866,052)	160,383,177	88%	85%	-	-	N/A	Equity fund
Longxing infrastructure project in Russia	559,100,000	39,232,809	124,096,429	(27,740,271)	-	135,588,967	29%	30%	-	-	N/A	Equity fund
Yilian gold mine infrastructure project	178,589,845	120,903,077	48,120,551	(43,312,514)	-	125,711,114	95%	95%	7,288,406	4,544,167	4.75	Equity fund/Loan
Others	6,430,352,894	1,842,870,203	1,007,474,745	(917,589,880)	(33,999,831)	1,898,755,237	N/A	N/A	9,740,697	2,031,962	N/A	Equity fund/Loan
Subtotal	15,840,794,520	3,741,391,539	4,949,288,339	(3,101,144,296)	(51,807,942)	5,537,727,640			281,848,953	82,931,745		
Impairment provision for construction in progress		(619,094,640)				(730,551,202)						
Total		3,122,296,899				4,807,176,438						

Note 1: The addition of Bor Copper infrastructure project amounted to RMB1,641,589,144 was due to the business combination not involving enterprises under common control, and the amount transferred to fixed assets in 2018 was RMB1,430,855,782.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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

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

16. Construction in progress *(continued)*

Impairment provision for construction in progress:

30 June 2019	At 1 January 2019	Additions	Reductions	At 30 June 2019	Reasons for making provision
Luoyang Kunyu infrastructure project	5,005,874	–	–	5,005,874	No expected usable value in the future
Ankang Jinfeng infrastructure project	53,637,599	–	–	53,637,599	Expected recoverable amount less than carrying amount
Malipo Jinwei infrastructure project	973,411	–	(973,411)	–	Expected recoverable amount less than carrying amount
Jinhao Iron infrastructure project	591,814,765	–	–	591,814,765	Expected recoverable amount less than carrying amount
Wuping Zijin infrastructure project	5,653,808	–	–	5,653,808	Expected recoverable amount less than carrying amount
Liancheng Zijin infrastructure project	64,276,926	–	–	64,276,926	Expected recoverable amount less than carrying amount
Norton Gold Fields infrastructure project	–	2,331,234	–	2,331,234	Expected recoverable amount less than carrying amount
Sichuan Jinkang infrastructure project	–	623,967	–	623,967	Expected recoverable amount less than carrying amount
Shangri-la County Huaxi infrastructure project	9,188,819	–	–	9,188,819	Expected recoverable amount less than carrying amount
	730,551,202	2,955,201	(973,411)	732,532,992	

Notes to Financial Statements (continued)

For the period ended 30 June 2019

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. Construction in progress (continued)

Impairment provision for construction in progress: (continued)

	At 1 January 2018	Additions	Reductions	At 31 December 2018	Reasons for making provision
31 December 2018					
Luoyang Kunyu infrastructure project	5,005,874	–	–	5,005,874	No expected usable value in the future
Ankang Jinfeng infrastructure project	53,637,599	–	–	53,637,599	Expected recoverable amount less than carrying amount
Malipo Jinwei infrastructure project	973,411	–	–	973,411	Expected recoverable amount less than carrying amount
Jinhao Iron infrastructure project	559,477,756	32,337,009	–	591,814,765	Expected recoverable amount less than carrying amount
Wuping Zijin infrastructure project	–	5,653,808	–	5,653,808	Expected recoverable amount less than carrying amount
Liancheng Zijin infrastructure project	–	64,276,926	–	64,276,926	Expected recoverable amount less than carrying amount
Shangri-la County Huaxi infrastructure project	–	9,188,819	–	9,188,819	Expected recoverable amount less than carrying amount
	619,094,640	111,456,562	–	730,551,202	

Construction materials

	30 June 2019			31 December 2018		
	Carrying amount	Impairment provision	Net book value	Carrying amount	Impairment provision	Net book value
Dedicated materials	338,113,803	–	338,113,803	329,683,560	–	329,683,560
Dedicated equipment	304,042,140	(1,797,044)	302,245,096	220,742,850	(1,797,044)	218,945,806
	642,155,943	(1,797,044)	640,358,899	550,426,410	(1,797,044)	548,629,366

Impairment provision for construction materials:

30 June 2019

	At 1 January 2019	Additions	Reductions	At 30 June 2019	Reasons for provision
Dedicated equipment	1,797,044	–	–	1,797,044	No usable value

31 December 2018

	At 1 January 2018	Additions	Reductions	At 31 December 2018	Reasons for provision
Dedicated equipment	4,193,103	–	(2,396,059)	1,797,044	No usable value

Notes to Financial Statements (continued)

For the period ended 30 June 2019

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

17. Right-of-use assets

	30 June 2019	1 January 2019
Right-of-use assets	380,794,489	361,021,214
	380,794,489	361,021,214

	Buildings	Power generation and transmission equipment	Plant, machinery and equipment	Motor vehicles	Furniture and fixtures and others	Total
Cost						
At 1 January 2019	5,731,480	287,794,838	44,077,812	4,667,668	18,749,416	361,021,214
Additions	35,378,347	8,735,779	–	44,658,724	9,775,415	98,548,265
	41,109,827	296,530,617	44,077,812	49,326,392	28,524,831	459,569,479
Accumulated depreciation						
At 1 January 2019	–	–	–	–	–	–
Depreciation for the period	7,455,720	36,714,877	12,981,738	17,116,165	4,506,490	78,774,990
At 30 June 2019	7,455,720	36,714,877	12,981,738	17,116,165	4,506,490	78,774,990
Impairment provision						
At 1 January 2019	–	–	–	–	–	–
Impairment provided for the period	–	–	–	–	–	–
At 30 June 2019	–	–	–	–	–	–
Net book value						
At 30 June 2019	33,654,107	259,815,740	31,096,074	32,210,227	24,018,341	380,794,489
At 1 January 2019	5,731,480	287,794,838	44,077,812	4,667,668	18,749,416	361,021,214

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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

18. Intangible assets

30 June 2019

	Exploration and mining rights	Land use rights	Membership of Shanghai Gold Exchange and others	Total
Cost				
At 1 January 2019	25,213,147,009	2,358,847,137	223,100,401	27,795,094,547
Purchase additions	183,654,641	84,221,072	53,699,422	321,575,135
Business combination not involving enterprises under common control	487,089,234	2,749,880	5,284	489,844,398
Disposals or write-off	(125,298,869)	(459,751)	(5,731,969)	(131,490,589)
Other reductions	–	(111,949,562)	–	(111,949,562)
At 30 June 2019	25,758,592,015	2,333,408,776	271,073,138	28,363,073,929
Accumulated amortisation				
At 1 January 2019	3,560,843,142	406,381,217	55,852,549	4,023,076,908
Amortisation provided for the period	391,053,697	47,969,322	17,746,227	456,769,246
Disposals or write-off	(48,769,683)	(153,250)	–	(48,922,933)
Other reductions	–	(2,261,428)	–	(2,261,428)
At 30 June 2019	3,903,127,156	451,935,861	73,598,776	4,428,661,793
Impairment provision				
At 1 January 2019	1,178,678,859	–	83,058,565	1,261,737,424
Impairment provided for the period (Note 1)	56,773,189	–	–	56,773,189
Disposals or write-off	(75,916,184)	–	(5,731,969)	(81,648,153)
Other reductions	–	–	–	–
At 30 June 2019	1,159,535,864	–	77,326,596	1,236,862,460
Net book value				
At 30 June 2019	20,695,928,995	1,881,472,915	120,147,766	22,697,549,676
At 1 January 2019	20,473,625,008	1,952,465,920	84,189,287	22,510,280,215

Note 1: The mining right of the Group's subsidiary, Wuping Zijin Mining Company Limited ("Wupin Zijin"), and the exploration right of the Group's subsidiary, Sichuan Jinkang Mining Company Limited ("Sichuan Jinkang"), showed indications of impairment. Provisions for impairment of RMB17,185,089 and RMB39,588,100 were made respectively.

Notes to Financial Statements (continued)

For the period ended 30 June 2019

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

18. Intangible assets (continued)

31 December 2018

	Exploration and mining rights	Land use rights	Membership of Shanghai Gold Exchange and others	Total
Cost				
At 1 January 2018	11,484,473,219	2,173,772,699	172,867,271	13,831,113,189
Purchase additions	554,463,377	128,051,502	106,228,522	788,743,401
Business combination not involving enterprises under common control	13,258,975,468	164,325,177	–	13,423,300,645
Classified as held for sale	(57,871,312)	(96,821,921)	(732,465)	(155,425,698)
Disposals or write-off	(26,893,743)	(10,480,320)	(55,262,927)	(92,636,990)
At 31 December 2018	25,213,147,009	2,358,847,137	223,100,401	27,795,094,547
Accumulated amortisation				
At 1 January 2018	2,931,241,991	404,777,394	32,291,124	3,368,310,509
Amortisation provided for the year	669,963,344	76,220,167	27,303,061	773,486,572
Classified as held for sale	(40,362,193)	(72,888,051)	(422,090)	(113,672,334)
Disposals or write-off	–	(1,728,293)	(3,319,546)	(5,047,839)
At 31 December 2018	3,560,843,142	406,381,217	55,852,549	4,023,076,908
Impairment provision				
At 1 January 2018	484,106,346	–	75,170,307	559,276,653
Impairment provided for the year (Note 2)	712,081,632	–	7,888,258	719,969,890
Classified as held for sale	(17,509,119)	–	–	(17,509,119)
Disposals or write-off	–	–	–	–
At 31 December 2018	1,178,678,859	–	83,058,565	1,261,737,424
Net book value				
At 31 December 2018	20,473,625,008	1,952,465,920	84,189,287	22,510,280,215
At 1 January 2018	8,069,124,882	1,768,995,305	65,405,840	9,903,526,027

Note 2: Some exploration rights of the Group's subsidiaries, namely Liancheng Zijin Mining Co., Ltd. ("Liancheng Zijin"), Sanming City Hongguo Mining Development Co., Ltd. ("Sanming Hongguo"), Huanmin Mining, Chongli Zijin, and Shangri-la County Huaxi Mining Co., Ltd. ("Shangri-la County Huaxi Mining") showed indications of impairment. Impairment tests were performed on these rights and provisions for impairment of RMB239,748,643, RMB231,807,744, RMB195,146,647, RMB13,009,930, RMB5,725,026 were made respectively. Some mining rights of the Group's subsidiaries, namely Chongli Zijin and Shangri-la County Huaxi Mining showed indications of impairment. Impairment tests were performed on these rights and provisions for impairment of RMB4,499,189 and RMB22,144,453 were made respectively. The fishery breeding right of Yongding Zijin Longhu Ecological Industry Development Co., Ltd. ("Yongding Longhu"), a subsidiary of the Group, showed indication of impairment. Impairment test was performed on this right and provision for impairment of RMB7,888,258 was made. During 2018, the Group wrote back impairment provisions of RMB17,509,119 as Chongli Zijin was reclassified as held for sale.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*18. Intangible assets *(continued)*

As at 30 June 2019, ownerships of land use rights with a carrying amount of RMB83,970,603 (31 December 2018: RMB85,807,143) were restricted. Details are disclosed in Note V.65.

Intangible assets which certificates of title have not been obtained as at 30 June 2019 are as follows:

	Net book value	Reason why certificates of title have not been obtained
Land use rights of Duobaoshan (storage of explosives, management and living areas, etc.)	530,501,459	In the process of application
Land use rights of Duobaoshan (phase II construction land)	21,478,102	In the process of application
Land use rights of Duobaoshan's employee apartment building	2,179,834	In the process of application
Land use rights of Ashele's new tailings pool	107,730,846	In the process of application
Land use rights of Wulatehouqi Zijin	68,976,178	In the process of application
140 hectares of land use rights of Duobaoshan (Orebody no. 3, mining area, dump, tailings pool)	136,921,956	In the process of application
Land beside the Zijin Avenue	12,897,139	In the process of application
Land use rights of Ashele's 1,200 tonnes of copper selection from zinc tailings	1,417,855	In the process of application
169 hectares of land use rights in Duobaoshan (expansion of western side of open-pit mine, dump, tailings pool with level-four sub-dam)	183,620,632	In the process of application
Land use rights of Bor Copper*	155,598,870	In the process of application

Intangible assets which certificates of title have not been obtained as at 31 December 2018 are as follows:

	Net book value	Reason why certificates of title have not been obtained
Land use rights of Duobaoshan (storage of explosives, management and living areas)	543,546,577	In the process of application
Land use rights of Duobaoshan (phase II construction land)	16,030,760	In the process of application
Land use rights of Duobaoshan's employee apartment building	2,233,522	In the process of application
Land use rights of Ashele's new tailings pool	112,361,572	In the process of application
Land use rights of Wulatehouqi Zijin	70,324,247	In the process of application
140 hectares of land use rights of Duobaoshan (Orebody no. 3, mining area, dump, tailings pool)	193,315,174	In the process of application
Land beside the Zijin Avenue	13,311,572	In the process of application
Land use rights of Ashele's 1,200 tonnes of copper selection from zinc tailings	1,481,819	In the process of application
169 hectares of land use rights in Duobaoshan (expansion of western side of open-pit mine, dump, tailings pool with level-four sub-dam)	207,861,072	In the process of application
Land use rights of Bor Copper*	164,325,177	In the process of application

* Land use rights of Bor Copper are situated in Serbia and held upon freehold property. Land use rights of Joint Venture Zeravshan Limited Liability Company (hereafter referred to as "ZRV") for production are situated in Tajikistan and held upon freehold property. Other land use rights of the Group are situated in Mainland China and held under medium-term leases.

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

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

19. Goodwill

30 June 2019

	At 1 January 2019	Additions	Reductions	At 30 June 2019
Xinjiang Ashele	12,906,890	–	–	12,906,890
Qinghai West	455,874	–	–	455,874
Hunchun Zijin	71,099,520	–	–	71,099,520
Yunnan Huaxi Mining Company Limited ("Yunnan Huaxi")	33,161,050	–	–	33,161,050
Zijin Mining Group (Xiamen) Investment Company Limited ("Xiamen Investment")	1,241,101	–	–	1,241,101
Shanxi Zijin Mining Company Limited ("Shanxi Zijin")	2,503,610	–	–	2,503,610
Xinyi Zijin Mining Company Limited ("Xinyi Zijin")	44,319,632	–	–	44,319,632
Norton Gold Fields Pty Limited ("Norton Gold Fields")	157,778,981	–	–	157,778,981
Wulatehouqi Zijin	119,097,944	–	–	119,097,944
Bayannaoer Zijin Non-ferrous Metals Company Limited ("Bayannaoer Zijin")	14,531,538	–	–	14,531,538
Zijin Copper Company Limited ("Zijin Copper")	4,340,000	–	–	4,340,000
Fujian Shanghang Jinshan Hydropower Company Limited ("Jinshan Hydropower")	79,642,197	–	–	79,642,197
Beijing Anchuang	8,330,914	–	–	8,330,914
	549,409,251	–	–	549,409,251
Provision for impairment of goodwill	(235,259,663)	–	–	(235,259,663)
	314,149,588	–	–	314,149,588

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*19. Goodwill *(continued)*

31 December 2018

	At 1 January 2018	Additions	Reductions	At 31 December 2018
Xinjiang Ashele	12,906,890	–	–	12,906,890
Qinghai West	455,874	–	–	455,874
Hunchun Zijin	71,099,520	–	–	71,099,520
Yunnan Huaxi Mining Company Limited ("Yunnan Huaxi")	33,161,050	–	–	33,161,050
Zijin Mining Group (Xiamen) Investment Company Limited ("Xiamen Investment")	1,241,101	–	–	1,241,101
Shanxi Zijin Mining Company Limited ("Shanxi Zijin")	2,503,610	–	–	2,503,610
Xinyi Zijin Mining Company Limited ("Xinyi Zijin")	44,319,632	–	–	44,319,632
Norton Gold Fields Pty Limited ("Norton Gold Fields")	157,778,981	–	–	157,778,981
Wulatehouqi Zijin	119,097,944	–	–	119,097,944
Bayannaoer Zijin Non-ferrous Metals Company Limited ("Bayannaoer Zijin")	14,531,538	–	–	14,531,538
Zijin Copper Company Limited ("Zijin Copper")	4,340,000	–	–	4,340,000
Fujian Shanghang Jinshan Hydropower Company Limited ("Jinshan Hydropower")	79,642,197	–	–	79,642,197
Beijing Anchuang (Note 1)	–	8,330,914	–	8,330,914
	541,078,337	8,330,914	–	549,409,251
Provision for impairment of goodwill	(77,480,682)	(157,778,981)	–	(235,259,663)
	463,597,655	(149,448,067)	–	314,149,588

Notes to Financial Statements *(continued)*

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

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

19. Goodwill *(continued)*

The movements of impairment provision for goodwill are as follows:

30 June 2019

	At 1 January 2019	Additions	Reductions	At 30 June 2019
		Provision	Disposal	
Norton Gold Fields	157,778,981	–	–	157,778,981
Xinyi Zijin	44,319,632	–	–	44,319,632
Yunnan Huaxi	33,161,050	–	–	33,161,050
	235,259,663	–	–	235,259,663

31 December 2018

	At 1 January 2018	Additions	Reductions	At 31 December 2018
		Provision	Disposal	
Norton Gold Fields (Note 2)	–	157,778,981	–	157,778,981
Xinyi Zijin	44,319,632	–	–	44,319,632
Yunnan Huaxi	33,161,050	–	–	33,161,050
	77,480,682	157,778,981	–	235,259,663

Note 1: In December 2018, the Group acquired 51% equity interest in Beijing Anchuang held by Zhongda Foundation (Beijing) Investment Co., Ltd. and goodwill of RMB8,330,914 was recognised.

Note 2: At the end of each period, the Group conducts an impairment test on the goodwill. After testing, the Group has made a full impairment provision of RMB157,778,981 for the goodwill of Norton Gold Fields.

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

20. Long-term deferred assets

30 June 2019

	At 1 January 2019	Additions	Amortisation	Other reductions	At 30 June 2019
Land compensation costs (Note 1)	180,373,342	–	(2,965,835)	–	177,407,507
Mining shaft development expenditure	195,455,325	28,352,813	(23,384,496)	–	200,423,642
Amortisation costs of bipolar plates	203,707,175	2,569,553	(878,728)	–	205,398,000
Forest compensation expenditure	135,312,365	–	(8,725,930)	–	126,586,435
Others (Note 2)	272,467,264	83,985,577	(72,201,746)	–	284,251,095
	987,315,471	114,907,943	(108,156,735)	–	994,066,679

31 December 2018

	At 1 January 2018	Additions	Amortisation	Other reductions	At 31 December 2018
Land compensation costs (Note 1)	193,695,011	5,129,364	(8,123,666)	(10,327,367)	180,373,342
Mining shaft development expenditure	219,114,624	21,780,338	(45,439,637)	–	195,455,325
Amortisation costs of bipolar plates	211,787,834	1,802,983	(2,084,425)	(7,799,217)	203,707,175
Forest compensation expenditure	116,329,287	34,948,612	(15,428,508)	(537,026)	135,312,365
Others (Note 2)	373,831,888	159,694,156	(153,202,334)	(107,856,446)	272,467,264
	1,114,758,644	223,355,453	(224,278,570)	(126,520,056)	987,315,471

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

Note 2: As at 30 June 2019, other long-term deferred assets mainly included highway tolls of RMB23,681,050 (31 December 2018: RMB25,660,065); resource integration fees of RMB3,299,054 (31 December 2018: RMB5,851,558); reconstruction costs of power supply lines of RMB16,215,985 (31 December 2018: RMB18,558,251); exploration expenditures of RMB29,710,093 (31 December 2018: RMB31,291,875); mine use fees of RMB9,676,687 (31 December 2018: RMB19,353,374); fixed asset improvement expenditures of RMB43,555,145 (31 December 2018: RMB47,385,776), etc. Other long-term deferred assets are amortised in accordance with their useful lives.

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

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

21. Deferred tax assets/liabilities

Deferred tax assets and deferred tax liabilities before offsetting:

	30 June 2019		31 December 2018	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Deferred tax assets				
Provision for impairment of assets	493,846,084	125,070,700	539,009,855	118,626,806
Elimination of unrealised profit arising from intra-group transactions	928,761,103	201,240,754	748,644,808	166,856,027
Deductible losses (Note 1)	1,309,400,548	251,728,427	1,378,941,575	261,829,967
Differences in depreciation policies	465,324,668	87,922,099	524,923,462	89,626,658
Changes in fair value of equity instrument investments not held for trading	55,422,431	13,818,074	89,416,683	13,739,440
Changes in fair value of held for trading financial assets	56,247,592	11,364,415	66,641,790	11,922,662
Expenses accrued but not yet paid and others	862,583,281	225,329,934	877,264,569	222,174,644
	4,171,585,707	916,474,403	4,224,842,742	884,776,204

Note 1: As at 30 June 2019, deferred tax assets generated from the above deductible tax losses were recognised to the extent that it was probable that taxable profits would be available against which the deductible tax losses can be utilised.

	30 June 2019		31 December 2018	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Deferred tax liabilities				
Fair value adjustments arising from business combination not involving enterprises under common control	8,154,533,961	1,910,923,425	8,311,438,590	1,950,149,582
Changes in fair value of held for trading financial assets	182,963,046	45,740,762	126,188,991	27,250,962
Changes in fair value of equity instrument investments not held for trading	81,751,053	19,132,496	49,243,384	12,348,380
Differences in amortisation policies for stripping costs	2,078,674,810	755,981,147	2,634,653,026	753,423,865
	10,497,922,870	2,731,777,830	11,121,523,991	2,743,172,789

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*21. Deferred tax assets/liabilities *(continued)*

The accumulated deductible losses of RMB1,492,479,154.79 (2018: RMB1,192,534,033) incurred by the Group's subsidiaries in Hong Kong and Australia can be deducted indefinitely; the accumulated deductible losses incurred by PRC subsidiaries of RMB4,267,431,538.85 (2018: RMB3,842,431,307) can be deducted within five consecutive years from the year when they are incurred; and the accumulated deductible losses incurred by PRC subsidiaries of RMB216,638,697.38 (2018: RMB139,542,204) can be deducted within ten consecutive years from the year when they are incurred.

Deductible temporary differences and deductible tax losses for which deferred tax assets are not recognised are as follows:

	30 June 2019	31 December 2018
Deductible temporary differences	3,446,670,564	3,212,983,316
Deductible tax losses	6,134,036,680	5,174,507,544
	9,580,707,244	8,387,490,860

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

	30 June 2019	31 December 2018
2019	562,978,309	554,206,500
2020	963,734,272	934,443,312
2021	815,923,312	870,485,786
2022	552,780,308	568,482,038
2023	812,308,561	914,813,671
2024 and the following years	2,426,311,918	1,332,076,237
	6,134,036,680	5,174,507,544

22. Other non-current assets

	30 June 2019	31 December 2018
Long-term receivables	4,437,165,648	4,182,117,096
Exploration and development costs	2,324,681,570	2,327,413,425
Prepayments for land use rights	898,381,250	898,381,250
Inventories expected not to be processed within one year	644,712,458	375,748,494
Prepayments for fixed assets and constructions	147,054,430	182,705,630
Deposit for mine restoration and improvement of ecological environment in mines	91,882,716	125,517,781
Prepayments for exploration and mining rights	356,056,636	21,604,274
Others	127,334,261	85,049,996
	9,027,268,969	8,198,537,946

As at 30 June 2019, ownerships of other non-current assets with a carrying amount of RMB91,882,716 (31 December 2018: RMB125,517,781) were restricted. Details are disclosed in Note V.65.

Notes to Financial Statements (continued)

For the period ended 30 June 2019

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

23. Provision for impairment of assets

30 June 2019

	At 1 January 2019	Additions			Reductions			At 30 June 2019
		Provided for the period	Changes in accounting policies	Reversal	Write-back	Reclassified		
Bad debt provision	85,127,659	66,646,346	-	(544,548)	(435,538)	-	150,793,919	
Including: Trade receivables	11,986,497	431,512	-	(52,547)	(431,512)	-	11,933,950	
Other receivables	63,106,581	65,276,678	-	(492,001)	-	-	127,891,258	
Prepayments	4,372,525	4,026	-	-	(4,026)	-	4,372,525	
Trade receivables financing	5,662,056	934,130	-	-	-	-	6,596,186	
Inventory provision	69,873,479	48,222,762	-	(12,272,861)	(5,445,454)	-	100,377,926	
Impairment provision for long-term equity investments	15,815,023	47,038,702	-	-	-	-	62,853,725	
Impairment provision for investment properties	79,936,878	-	-	-	(953,688)	(78,983,190)	-	
Impairment provision for fixed assets	1,833,189,848	7,162,091	-	-	(123,764,877)	78,983,190	1,795,570,252	
Impairment provision for construction in progress	732,348,246	2,955,201	-	-	(973,411)	-	734,330,036	
Impairment provision for intangible assets	1,261,737,424	56,773,189	-	-	(81,648,153)	-	1,236,862,460	
Impairment provision for goodwill	235,259,663	-	-	-	-	-	235,259,663	
Impairment provision for other current assets	5,527,310	-	-	-	-	-	5,527,310	
Impairment provision for other non-current assets	498,884,816	-	-	-	-	-	498,884,816	
	4,817,700,346	228,798,291	-	(12,817,409)	(213,221,121)	-	4,820,460,107	

31 December 2018

	At 1 January 2018	Additions			Reductions			At 31 December 2018
		Provided for the year	Changes in accounting policies	Reversal	Write-back	Classified as held for sale		
Bad debt provision	204,280,797	64,178,147	9,495,496	(141,557,407)	(46,648,012)	(10,283,418)	79,465,603	
Inventory provision	130,841,274	94,340,594	-	(102,383,656)	(52,924,733)	-	69,873,479	
Impairment provision for financial assets at fair value through other comprehensive income	60,204,548	-	(10,500,000)	-	(49,704,548)	-	-	
Impairment provision for long-term equity investments	175,108,439	3,464,168	-	-	(162,757,584)	-	15,815,023	
Impairment provision for investment properties	-	79,936,878	-	-	-	-	79,936,878	
Impairment provision for fixed assets (Note 1)	1,777,203,668	260,314,418	-	-	(1,602,718)	(202,725,520)	1,833,189,848	
Impairment provision for construction in progress (Note 1)	623,287,743	111,456,562	-	-	(2,396,059)	-	732,348,246	
Impairment provision for intangible assets (Note 1)	559,276,653	719,969,890	-	-	-	(17,509,119)	1,261,737,424	
Impairment provision for goodwill (Note 1)	77,480,682	157,778,981	-	-	-	-	235,259,663	
Impairment provision for other current assets	5,527,310	5,662,056	-	-	-	-	11,189,366	
Impairment provision for other non-current assets (Note 2)	333,663,617	165,221,199	-	-	-	-	498,884,816	
	3,946,874,731	1,662,322,893	(1,004,504)	(243,941,063)	(316,033,654)	(230,518,057)	4,817,700,346	

Note 1: In 2018, the Group recognised impairment provisions of RMB260,314,418, RMB111,456,562, RMB719,969,890 and RMB157,778,981 for fixed assets, construction in progress, intangible assets and goodwill, respectively. The recoverable amounts were determined based on the present value of the estimated future cash flows of the asset group or the fair value estimated by a professional appraisal firm. In determining the present value of the estimated future cash flows of the asset group, the discount rates adopted ranged from 7% to 14%.

Note 2: In 2018, the Group recognised impairment provisions of RMB165,221,199 for other non-current assets, mainly including: 1) RMB117,423,299 for prepayments for investments of Yongding Longhu to Yongding County Government, details are disclosed in Note V.22; 2) RMB42,389,163 for inventories that are not expected to be discharged within one year from BNL; and 3) RMB5,408,737 for impairment of other non-current assets of Liancheng Zijin, Norton Gold Fields and other subsidiaries.

Notes to Financial Statements *(continued)*

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

24. Short-term borrowings

	30 June 2019	31 December 2018
Unsecured and non-guaranteed loans	8,120,754,151	7,894,762,845
Secured loans with securities under the lenders' custody (Note 1)	–	1,946,875
Gold leasing (Note 2)	6,838,278,809	7,482,777,453
Bills receivable discounted	266,500,000	237,193,063
	15,225,532,960	15,616,680,236

As at 30 June 2019 and 31 December 2018, the Group had no secured borrowings.

As at 30 June 2019, the interest rates of the above borrowings ranged from 2.75% to 4.57% per annum (31 December 2018: 2.85% to 4.70% per annum).

As at 30 June 2019 and 31 December 2018, there were no short-term borrowings of the Group that were overdue but not yet repaid.

Note 1: As at 30 June 2019, no bills receivable were pledged; as at 31 December 2018, bills receivable of Shanghang Zijin Jiabo Electronic New Material Technology Company Limited ("Zijin Jiabo"), a subsidiary of the Group, were pledged as collaterals against a bank borrowing from Industrial and Commercial Bank of China, and such borrowing was repaid on the due date of 15 April 2019.

Note 2: The Group financed through entering into gold leasing agreements with banks to lease gold from banks and subsequently sold the gold through the Shanghai Gold Exchange. On maturity of the leases, the Group would return the gold to gold leasing banks with the same quantity and specification purchased through the Shanghai Gold Exchange. The Group considered that under such gold leasing business model, the banks entirely bore the risk of gold price fluctuation during the gold leasing period. The Group only bore the agreed gold leasing fee and related handling fee. Therefore, the Group included the leased gold in short-term borrowings.

25. Held for trading financial liabilities

	30 June 2019	31 December 2018
Gold leasing (Note 1)	273,588,500	74,841,064
Derivative financial liabilities – commodity hedging (Note 2)	111,426,566	165,871,253
Derivative financial liabilities – foreign currency derivatives (Note 3)	59,089,841	1,770,265
	444,104,907	242,482,582

Note 1: The Group financed through leasing gold from banks and subsequently sold the gold through the Shanghai Gold Exchange. On maturity of the lease, the Group would return the gold to gold leasing banks with the same quantity and specification purchased through the Shanghai Gold Exchange, and pay the agreed leasing fees. The maturity period of gold leasing was within one year (one year inclusive). Besides, other gold leasing of the Group has been classified as short-term borrowings. Please refer to Note V.24. As at 30 June 2019, the cost of these financial liabilities was RMB272,336,449, and the losses from changes in fair value were RMB1,252,051.

Notes to Financial Statements *(continued)*

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

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

25. Held for trading financial liabilities *(continued)*

Note 2: Details of derivative financial liabilities – commodity hedging are as follows:

	30 June 2019	31 December 2018
(1) Derivative financial liabilities without designated hedging relationship	80,551,155	36,096,792
<i>Including: Forward contracts</i>	22,296,655	10,858,519
<i>Futures contracts</i>	58,254,500	25,238,273
(2) Hedging instruments – Forward contracts	30,875,411	129,774,461
	111,426,566	165,871,253

Note 3: The Group has used cross currency swap contracts to hedge the currency risk and interest rate risk. As at 30 June 2019, losses on changes in fair value arising from cross currency swap were RMB59,089,841 (31 December 2018: losses on changes in fair value of RMB1,770,265).

26. Bills payable

	30 June 2019	31 December 2018
Bank acceptances bills	129,319,520	160,733,506

As at 30 June 2019, there were no overdue bills payable (31 December 2018: Nil).

27. Trade payables

As at 30 June 2019, an ageing analysis of the trade payables, based on the invoice dates, is as follows:

	30 June 2019	31 December 2018
Within 1 year	3,956,482,451	3,941,803,169
Over 1 year but within 2 years	127,071,298	376,762,142
Over 2 years but within 3 years	240,937,504	119,449,275
Over 3 years	98,386,509	102,233,764
	4,422,877,762	4,540,248,350

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*27. Trade payables *(continued)*

As at 30 June 2019, the significant balances of trade payables aged more than one year are as follows:

	Balance	Reason for not being settled
Wenzhou Mine Workings Co., Ltd.	41,996,030	Construction payment not yet settled
China Fifteen Metallurgical Construction Co., Ltd.	30,614,510	Construction payment not yet settled
Hangzhou Steam Turbine Engineering Co., Ltd.	28,984,059	Construction payment not yet settled
Chongqing Industrial Equipment Installation Group Co., Ltd.	22,002,118	Construction payment not yet settled
Fuzhou Fuda Automation Technology Co., Ltd.	17,625,672	Equipment payment not yet settled
Beijing Li De Heng Environmental Protection Engineering Co., Ltd.	16,821,097	Construction payment not yet settled
Fujian Xingwanxiang Construction Group Co., Ltd.	13,040,548	Construction payment not yet settled
Zhejiang Jianhui Mine Construction Co., Ltd.	10,847,331	Construction payment not yet settled
	181,931,365	

As at 31 December 2018, the significant balances of trade payables aged more than one year are as follows:

	Balance	Reason for not being settled
Wenzhou Mine Workings Co., Ltd.	29,502,871	Construction payment not yet settled
Hangzhou Steam Turbine Engineering Co., Ltd.	28,984,059	Construction payment not yet settled
China Fifteen Metallurgical Construction Co., Ltd.	27,155,865	Construction payment not yet settled
Wenzhou Tongye Construction Work Co., Ltd. Sanguikou project site	27,127,319	Construction payment not yet settled
BGRIMM Machinery and Electrics Technology Co., Ltd.	19,484,950	Equipment payment not yet settled
Fuzhou Fuda Automation Technology Co., Ltd.	17,742,418	Equipment payment not yet settled
Beijing Li De Heng Environmental Protection Engineering Co., Ltd.	16,821,097	Construction payment not yet settled
Fujian Xingwanxiang Construction Group Co., Ltd.	16,354,132	Construction payment not yet settled
Chongqing Industrial Equipment Installation Group Co., Ltd.	16,088,925	Construction payment not yet settled
	199,261,636	

Notes to Financial Statements *(continued)*

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

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

28. Contract liabilities

	30 June 2019	31 December 2018
Advances from sales of goods	288,630,888	277,125,058
	288,630,888	277,125,058

As at 30 June 2019 and 31 December 2018, there was no significant balance of advances from customers that aged more than one year.

As at 30 June 2019 and 31 December 2018, there was no settled but uncompleted contract arising from construction project.

29. Employee benefits payable

30 June 2019

	At 1 January 2019	Additions	Reductions	At 30 June 2019
Short-term employee benefits	694,371,924	1,922,622,139	(2,099,689,102)	517,304,961
Post-employment benefit plan (defined contribution plan)	32,244,199	160,403,654	(164,732,771)	27,915,082
Termination benefit	13,967	6,340,447	(6,328,741)	25,673
Other employee benefits due within one year	–	19,751	(19,751)	–
	726,630,090	2,089,385,991	(2,270,770,365)	545,245,716

31 December 2018

	At 1 January 2018	Additions	Reductions	At 31 December 2018
Short-term employee benefits	650,508,839	2,904,271,680	(2,860,408,595)	694,371,924
Post-employment benefit plan (defined contribution plan)	11,215,107	216,473,793	(195,444,701)	32,244,199
Termination benefit	40,884	15,069,308	(15,096,225)	13,967
Other employee benefits due within one year	–	1,356,070	(1,356,070)	–
	661,764,830	3,137,170,851	(3,072,305,591)	726,630,090

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*29. Employee benefits payable *(continued)*

Short-term employee benefits are as follows:

30 June 2019

	At 1 January 2019	Additions	Reductions	At 30 June 2019
Wages or salaries, bonuses, allowances and subsidies	506,238,608	1,584,869,229	(1,770,835,443)	320,272,394
Staff welfare	117,475,184	147,128,021	(147,185,518)	117,417,687
Social security contributions	1,989,107	74,360,511	(72,625,634)	3,723,984
<i>Including: Medical insurance</i>	229,283	61,984,213	(60,530,753)	1,682,743
<i>Work-related injury insurance</i>	1,737,953	9,480,358	(9,350,695)	1,867,616
<i>Maternity insurance</i>	21,871	2,895,940	(2,744,186)	173,625
Housing fund	1,879,086	60,214,046	(60,075,779)	2,017,353
Union running costs and employee education costs	45,416,542	31,770,751	(26,803,233)	50,384,060
Short-term compensated absence	1,557,946	19,551,101	(19,087,859)	2,021,188
Short-term profit-sharing plan (Note 1)	19,815,451	4,728,480	(3,075,636)	21,468,295
	694,371,924	1,922,622,139	(2,099,689,102)	517,304,961

31 December 2018

	At 1 January 2018	Additions	Reductions	At 31 December 2018
Wages or salaries, bonuses, allowances and subsidies	462,314,877	2,405,622,119	(2,361,698,388)	506,238,608
Staff welfare	118,970,301	234,863,238	(236,358,355)	117,475,184
Social security contributions	50,912	106,221,724	(104,283,529)	1,989,107
<i>Including: Medical insurance</i>	–	71,541,468	(71,312,185)	229,283
<i>Work-related injury insurance</i>	–	28,727,511	(26,989,558)	1,737,953
<i>Maternity insurance</i>	50,912	5,952,745	(5,981,786)	21,871
Housing fund	2,086,532	104,717,415	(104,924,861)	1,879,086
Union running costs and employee education costs	59,251,668	31,186,092	(45,021,218)	45,416,542
Short-term compensated absence	–	8,812,273	(7,254,327)	1,557,946
Short-term profit-sharing plan (Note 1)	7,834,549	12,848,819	(867,917)	19,815,451
	650,508,839	2,904,271,680	(2,860,408,595)	694,371,924

Note 1: The short-term profit-sharing plan was determined by remuneration assessment and a certain percentage of the increased amount of the Group's net assets.

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

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

29. Employee benefits payable *(continued)*

Details of defined contribution plan are as follows:

30 June 2019

	At 1 January 2019	Additions	Reductions	At 30 June 2019
Basic pension insurance	31,583,371	156,011,755	(160,583,286)	27,011,840
Unemployment insurance	660,828	4,391,899	(4,149,485)	903,242
	32,244,199	160,403,654	(164,732,771)	27,915,082

31 December 2018

	At 1 January 2018	Additions	Reductions	At 31 December 2018
Basic pension insurance	10,395,797	209,938,214	(188,750,640)	31,583,371
Unemployment insurance	819,310	6,535,579	(6,694,061)	660,828
	11,215,107	216,473,793	(195,444,701)	32,244,199

30. Taxes payable

	30 June 2019	31 December 2018
Corporate income tax	385,988,045	497,642,288
Value-added tax	164,689,002	128,853,698
Resource compensation fee	120,769,049	120,769,049
Resource tax	132,488,389	88,849,349
Others	69,477,752	67,667,722
	873,412,237	903,782,106

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

31. Other payables

	30 June 2019	31 December 2018
Dividends payable	2,401,106,464	6,939,516
Interest payables	544,568,406	502,305,167
Other payables	5,049,684,990	4,470,342,146
	7,995,359,860	4,979,586,829

Dividends payables

	30 June 2019	31 December 2018
A Shares held by the public (Note 1)	1,729,427,889	–
H Shares held by the public (Note 1)	573,694,000	–
Xinjiang Nonferrous Metal Industry (Group) Co., Ltd.	68,000,000	–
Xinjiang Uyghur Autonomous Region Geological Exploration and Mineral Resources Development Bureau	26,000,000	–
Malipo State-owned Assets Management Co., Ltd.	–	3,000,000
Malipo Luowei Investment Co., Ltd.	–	1,200,000
Luoning County Funiu Mining Development Centre	180,000	180,000
Others	3,804,575	2,559,516
	2,401,106,464	6,939,516

Note 1: Pursuant to the resolution of the shareholders' general meeting on 24 May 2019, cash dividend of RMB0.10 per share (tax included) would be distributed from the Company to all shareholders, calculated on the basis of 23,031,218,891 issued shares, with an aggregate amount of RMB2,303,121,889.10. The implementation of the profit distribution plan was completed on 11 July 2019.

Interest payables

	30 June 2019	31 December 2018
Bond interests	233,689,762	238,653,997
Borrowing interests	240,021,159	186,585,234
Gold leasing interests	70,857,485	77,065,936
	544,568,406	502,305,167

Notes to Financial Statements (continued)

For the period ended 30 June 2019

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

31. Other payables (continued)

Other payables

	30 June 2019	31 December 2018
Payables for construction work and equipment	2,097,865,623	1,799,763,269
Payables for exploration and mining rights	98,690,646	111,666,003
Donation payables	37,636,592	30,628,021
Amounts due to third parties	1,334,393,147	1,077,995,565
Withholding individual income tax	24,025,725	21,967,321
Deposits	274,422,841	295,421,081
Payables for acquisition of equities	2,882,000	10,894,000
Payables for losses on futures contracts	21,203,553	18,344,277
Accrued maintenance costs	29,324,648	24,493,446
Due to non-controlling shareholders	29,916,481	33,721,618
Due to non-controlling shareholders of Timok project	310,134,282	310,134,282
Payables for consulting services	–	125,942,902
Others	789,189,452	609,370,361
	5,049,684,990	4,470,342,146

As at 30 June 2019, the significant balances of other payables aged more than one year are as follows:

	Balance	Reason for not being settled
Jiangxi Construction and Installation Engineering Co., Ltd.	33,263,262	Construction payments not yet settled
Zhu Hongxing	29,672,233	Expense of mining rights not yet settled
Yang Fulan	26,943,643	Expense of mining rights not yet settled
The 8th Metallurgical Construction Group Company Limited	24,542,324	Construction payments not yet settled
Fujian Longcheng Construction Group Co., Ltd.	23,956,452	Construction payments not yet settled
Shanghang County Finance Bureau	22,535,911	Expense of exploration rights not yet settled
Changtian project department of Wenzhou Tongye Construction Work Co., Ltd.	20,662,247	Construction payments not yet settled
Xiamen Minxing Investment Company Limited	19,600,000	Payables not yet settled
	201,176,072	

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*31. Other payables *(continued)***Other payables** *(continued)*

As at 31 December 2018, the significant balances of other payables aged more than one year are as follows:

	Balance	Reason for not being settled
Wenzhou Mine Workings Co., Ltd.	47,090,971	Construction payments not yet settled
The 8th Metallurgical Construction Group Company Limited	44,899,906	Construction payments not yet settled
ZhongYeDiKan Geotechnical Engineering Co., Ltd.	43,950,736	Construction payments not yet settled
Zhu Hongxing	29,672,233	Expense of mining rights not yet settled
Shanghang County Finance Bureau	22,535,911	Expense of exploration rights not yet settled
Xiamen Minxing Investment Company Limited	19,600,000	Payables not yet settled
Zhejiang Xinwang Mining Co., Ltd.	19,062,055	Construction payments not yet settled
Wenzhou Jianfeng Mining Engineering Co., Ltd. Wuping Branch	13,650,312	Construction payments not yet settled
	240,462,124	

32. Current portion of non-current liabilities

	30 June 2019	31 December 2018
Current portion of long-term borrowings (Note V.34)	2,585,631,630	2,366,783,159
Current portion of bond payables (Note V.35)	4,297,609,523	7,292,870,010
Current portion of lease liabilities (Note V.36)	152,912,033	–
Current portion of long-term payables (Note V.37)	39,723,378	47,435,853
	7,075,876,564	9,707,089,022

33. Other current liabilities

	30 June 2019	31 December 2018
Ultra short-term financing bonds (Note 1)	1,000,000,000	–

Note 1: In October 2018, the Company received the "Notice of registration acceptance" (Zhongshixiezhuzhu [2018] SCP No. 268) (the "Notice") issued by the National Association of Financial Market Institutional Investors (the "NAFMII"), pursuant to which the NAFMII accepted the registration for ultra short-term financing bonds of the Company. The registered amount of ultra short-term financing bonds of the Company is RMB5 billion and is valid for 2 years commencing from the issuance date of the Notice. The Company can issue ultra short-term financing bonds by tranches within the effective registration period. On 26 April 2019 and 27 June 2019, the Company issued ultra short-term financing bonds of RMB500 million respectively, with term of 180 days, maturity date on 23 October 2019 and 24 December 2019 respectively, and coupon rate of 2.90% and 3.05% respectively.

Notes to Financial Statements *(continued)*

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

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

34. Long-term borrowings

	30 June 2019	31 December 2018
Unsecured and non-guaranteed loans	15,757,261,932	15,284,698,865
Including: Current portion of long-term borrowings (Note V.32)	(2,585,631,630)	(2,366,783,159)
	13,171,630,302	12,917,915,706

As at 30 June 2019 and 31 December 2018, the Group had neither secured loans nor guaranteed loans.

As at 30 June 2019, interest rates of the Group's long-term borrowings ranged from 1.20% to 5.6% per annum (31 December 2018: 1.20% to 6.49% per annum).

* Maturity analysis of long-term borrowings is as follows:

	30 June 2019	31 December 2018
Within 1 year or repayable on demand	2,585,631,630	2,366,783,159
Over 1 year but within 2 years	4,612,738,094	2,687,922,863
Over 2 years but within 5 years	7,894,819,046	8,697,806,391
Over 5 years	664,073,162	1,532,186,452
	15,757,261,932	15,284,698,865

35. Bonds payable

	30 June 2019	31 December 2018
Bonds payable	7,690,996,669	10,375,987,499
Medium-term notes	8,294,228,378	5,796,336,204
	15,985,225,047	16,172,323,703
Including: Current portion of bonds payable (Note V.32)	(4,297,609,523)	(7,292,870,010)
	11,687,615,524	8,879,453,693

Notes to Financial Statements (continued)

For the period ended 30 June 2019

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

35. Bonds payable (continued)

As at 30 June 2019, the balances of bonds payable are as follows:

Currency	Face value	Issue date	Duration of the bonds	Issue value of the bonds	At 1 January 2019	Issued in the current period	Interest accrued for the current period	Amortisation of discount/premium	Interest paid in the current period	Repayment of principal during the period	At 30 June 2019
RMB	3,300,000,000	11 September 2015	5 years	3,300,000,000	3,297,283,788	-	72,600,000	754,645	-	-	3,298,038,433
RMB	1,500,000,000	11 March 2019	3 years	1,500,000,000	-	1,498,200,000	23,750,000	189,924	-	-	1,498,389,924
RMB	1,000,000,000	11 March 2019	5 years	1,000,000,000	-	998,000,000	17,916,667	120,266	-	-	998,120,266
RMB	2,000,000,000	18 March 2016	5 years	2,000,000,000	1,997,524,823	-	33,700,000	533,686	(67,400,000)	-	1,998,058,509
RMB	3,000,000,000	18 March 2016	3 years + 2 years	3,000,000,000	2,996,365,082	-	4,522,824	786,397	(89,837,191)	(2,697,470,000)	299,861,479
RMB	1,200,000,000	15 July 2016	5 years	1,200,000,000	1,198,248,418	-	20,700,000	326,757	-	-	1,198,575,175
USD (equivalent amount in RMB)	2,402,120,455	18 October 2018	3 years	2,402,120,455	2,386,396,664	-	63,661,368	10,355,074	(62,195,814)	-	2,396,751,738
Bonds payable due within one year											
RMB	2,500,000,000	5 September 2014	5 years	2,500,000,000	2,499,052,416	-	68,750,000	627,340	-	-	2,499,679,756
RMB	1,800,000,000	15 July 2016	3 years	1,800,000,000	1,797,452,512	-	27,450,000	477,255	-	-	1,797,929,767
	18,702,120,455			18,702,120,455	16,172,323,703	2,496,200,000	333,050,859	14,171,344	(219,433,005)	(2,697,470,000)	15,985,225,047

As at 31 December 2018, the balances of bonds payable are as follows:

Currency	Face value	Issue date	Duration of the bonds	Issue value of the bonds	At 1 January 2018	Issued in the current year	Interest accrued for the current year	Amortisation of discount/premium	Interest paid in the current year	Repayment of principal during the year	At 31 December 2018
RMB	2,500,000,000	23 October 2013	5 years	2,500,000,000	2,498,945,407	-	118,750,000	1,054,593	(142,750,000)	(2,500,000,000)	-
RMB	3,300,000,000	11 September 2015	5 years	3,300,000,000	3,295,823,852	-	145,200,000	1,459,936	(145,200,000)	-	3,297,283,788
RMB	2,000,000,000	18 March 2016	5 years	2,000,000,000	1,996,484,460	-	67,400,000	1,040,363	(67,400,000)	-	1,997,524,823
RMB	1,200,000,000	15 July 2016	5 years	1,200,000,000	1,197,611,829	-	41,400,000	636,589	(89,700,000)	-	1,198,248,418
USD (equivalent amount in RMB)	2,402,120,455	18 October 2018	3 years	2,402,120,455	-	2,402,120,455	25,728,446	(15,723,791)	-	-	2,386,396,664
Bonds payable due within one year											
RMB	2,500,000,000	5 September 2014	5 years	2,500,000,000	2,497,848,675	-	137,500,000	1,203,741	(137,500,000)	-	2,499,052,416
RMB	3,000,000,000	18 March 2016	5 years	3,000,000,000	2,994,827,720	-	89,700,000	1,537,362	(89,700,000)	-	2,996,365,082
RMB	1,800,000,000	15 July 2016	5 years	1,800,000,000	1,796,519,929	-	54,900,000	932,583	(41,400,000)	-	1,797,452,512
	18,702,120,455			18,702,120,455	16,278,061,872	2,402,120,455	680,578,446	(7,858,624)	(713,650,000)	(2,500,000,000)	16,172,323,703

Notes to Financial Statements *(continued)*

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

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

35. Bonds payable *(continued)*

In 2013, the Group registered the maximum credit limits of medium-term notes of RMB6 billion and RMB4 billion respectively with the National Association of Financial Market Institutional Investors. In 2014, the Group wrote off the credit limit of RMB1.7 billion. The Company issued medium-term notes of RMB2.5 billion on 5 September 2014 and RMB3.3 billion on 11 September 2015 respectively, with an aggregate amount of RMB5.8 billion, maturity of five years, and coupon rates of 5.5% and 4.4% respectively. Coupons on the bonds are payable annually. On 11 March 2019, the Company issued medium-term notes of RMB1.5 billion, maturity of three years and coupon rate of 3.8%, and medium-term notes of RMB1.0 billion, maturity of five years and coupon rate of 4.3% respectively, totalled RMB2.5 billion. Coupons on the bonds are payable annually.

Pursuant to the approval of the CSRC on 17 February 2016, on 18 March 2016, the Company issued corporate bonds with a face value of RMB2 billion on the Shanghai Stock Exchange. The bonds have a duration of five years and an annual interest rate of 3.37%. On 18 March 2016, the Company issued corporate bonds with a face value of RMB3 billion on the Shanghai Stock Exchange. The bonds have a duration of five years, with terms that the issuer has an option of adjusting the interest rate and investors have an option of redemption at the end of the third year, and an annual interest rate of 2.99%. On 18 March 2019, principal of RMB2,697,470,000 was repaid and the remaining principal will be repaid on 18 March 2021; on 15 July 2016, the Company issued corporate bonds with a face value of RMB1.8 billion on the Shanghai Stock Exchange. The bonds have a duration of five years, with terms that the issuer has an option of adjusting the interest rate and investors have an option of redemption at the end of the third year, and an annual interest rate of 3.05%. Those corporate bonds will be repaid on 15 July 2019 and were therefore classified as bonds payable due within one year; on 15 July 2016, the Company issued corporate bonds with a face value of RMB1.2 billion on the Shanghai Stock Exchange. The bonds have a duration of five years and an annual interest rate of 3.45%. The interest of the above bonds shall be settled annually and the principal shall be repaid in full upon their maturity.

In October 2018, the Group's overseas wholly-owned subsidiary, Zijin International Capital Company Limited issued guaranteed senior notes with total face value of USD350 million on the Stock Exchange of Hong Kong Limited on 18 October 2018, with the Group as the guarantor, maturity date on 18 October 2021 and annual interest rate of 5.282%. From 18 April 2019, interest payment shall be made semiannually on 18 April and 18 October.

As at 30 June 2019 and 31 December 2018, the Group had no overdue bonds.

36. Lease liabilities

	30 June 2019	1 January 2019
Lease liabilities	369,142,126	337,888,800
Less: Lease liabilities due within one year (Note V.32)	(152,912,033)	(74,956,275)
	216,230,093	262,932,525

37. Long-term payables

	30 June 2019	31 December 2018
Payables for acquisition of equities/debts	224,102,170	181,972,127
Payables for acquisition of mining rights (Note 1)	87,182,951	63,162,176
Entrusted investments	145,178,040	142,894,314
Loans from a shareholder (Note 2)	22,200,000	70,400,000
Deposit for restoration and improvement of ecological environment in mines	96,687,237	111,991,951
Others	111,900,612	210,093,157
Subtotal	687,251,010	780,513,725
Including: Current portion of long-term payables (Note V.32)	(39,723,378)	(47,435,853)
	647,527,632	733,077,872

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*37. Long-term payables *(continued)*

* Maturity analysis of long-term payables is as follows:

	30 June 2019	31 December 2018
Within 1 year or repayable on demand	39,723,378	47,435,853
Over 1 year but within 2 years	276,646,096	279,372,794
Over 2 years but within 5 years	98,040,212	95,920,815
Over 5 years	272,841,324	357,784,263
	687,251,010	780,513,725

Note 1: Payables for acquisition of mining rights are the installments for mining rights payable from Luoyang Kunyu to the Luoning County Land and Resources Bureau.

Note 2: Long-term payables to a shareholder represent loans from Minxi Xinghang.

38. Provision

30 June 2019

	At 1 January 2019	Additions	Reductions	At 30 June 2019
Provision for environmental rehabilitation and restoration of mines (Note 1)	2,061,474,181	26,998,341	(13,364,870)	2,075,107,652
Defined benefits payable	62,754,474	–	(1,214,805)	61,539,669
Provision for litigation	41,621,501	–	(177,928)	41,443,573
Onerous contracts	119,810,882	–	–	119,810,882
Provision for payable to minority shareholders of the Timok project (Note 2)	400,429,415	–	–	400,429,415
	2,686,090,453	26,998,341	(14,757,603)	2,698,331,191

31 December 2018

	At 1 January 2018	Additions	Reductions	At 31 December 2018
Provision for environmental rehabilitation and restoration of mines (Note 1)	861,014,312	1,420,625,796	(220,165,927)	2,061,474,181
Defined benefits payable	–	62,754,474	–	62,754,474
Provision for litigation	–	41,621,501	–	41,621,501
Onerous contracts	–	119,810,882	–	119,810,882
Payable to minority shareholders of the Timok project (Note 2)	–	400,429,415	–	400,429,415
	861,014,312	2,045,242,068	(220,165,927)	2,686,090,453

Note 1: Norton Gold Fields, Bor Copper, Nevsun Resources, subsidiaries of the Group, and BNL, a joint operation of the Group, recognised a provision for environmental rehabilitation and restoration of mines based on the estimation of the lives of mining tenements, timing of mine closure and costs of rehabilitation to be incurred at mine closure.

Note 2: In 2016, Nevsun Resources acquired the relevant equity of the Timok project and according to the acquisition agreement, Nevsun Resources should pay a consideration to Timok project's another shareholder, Freeport, based on future events. The amount payable is classified as other payables and provision respectively based on the time of payment.

Notes to Financial Statements (continued)

For the period ended 30 June 2019

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

39. Deferred income

30 June 2019

	At 1 January 2019	Additions	Reductions	At 30 June 2019
Government grants	422,783,097	1,137,018	(15,570,380)	408,349,735

31 December 2018

	At 1 January 2018	Additions	Reductions	At 31 December 2018
Government grants	451,419,375	21,864,414	(50,500,692)	422,783,097

As at 30 June 2019, liabilities related to government grants are as follows:

	At 1 January 2019	Additions	Recognised as other income for the period	Other movements	At 30 June 2019	Related to assets or income
Expenditures for science projects	8,692,800	-	(2,239,597)	-	6,453,203	Assets
Fund for environmental protection projects	70,390,182	-	(3,244,567)	-	67,145,615	Assets
Refund of land compensation	101,630,672	-	(880,018)	-	100,750,654	Assets
Comprehensive utilisation of mineral resources	180,325,678	-	(8,420,142)	-	171,905,536	Assets
Other financial subsidies	61,743,765	1,137,018	(786,056)	-	62,094,727	Assets
	422,783,097	1,137,018	(15,570,380)	-	408,349,735	

As at 31 December 2018, liabilities related to government grants are as follows:

	At 1 January 2018	Additions	Recognised as other income for the year	Other movements	At 31 December 2018	Related to assets or income
Expenditures for science projects	11,177,388	-	(2,484,588)	-	8,692,800	Assets
Fund for environmental protection projects	65,086,772	13,000,000	(7,696,590)	-	70,390,182	Assets
Refund of land compensation	104,579,032	-	(2,948,360)	-	101,630,672	Assets
Comprehensive utilisation of mineral resources	214,290,178	-	(33,964,500)	-	180,325,678	Assets
Other financial subsidies	56,286,005	8,864,414	(2,077,260)	(1,329,394)	61,743,765	Assets
	451,419,375	21,864,414	(49,171,298)	(1,329,394)	422,783,097	

Notes to Financial Statements (continued)

For the period ended 30 June 2019

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

40. Share capital

30 June 2019

	At	Movements					At 30 June 2019
	1 January 2019	Issuance of new shares	Stock dividend	Conversion of capital reserve into shares	Others	Subtotal	
I. Shares not subject to trading moratorium							
RMB ordinary shares	16,875,725,837	-	-	-	-	-	16,875,725,837
Overseas-listed foreign invested shares	5,736,940,000	-	-	-	-	-	5,736,940,000
Total number of shares not subject to trading moratorium	22,612,665,837	-	-	-	-	-	22,612,665,837
II. Shares subject to trading moratorium							
RMB ordinary shares	418,553,054	-	-	-	-	-	418,553,054
III. Total number of shares	23,031,218,891	-	-	-	-	-	23,031,218,891

31 December 2018

	At	Movements					At
	1 January 2018	Issuance of new shares	Stock dividend	Conversion of capital reserve into shares	Others	Subtotal	31 December 2018
I. Shares not subject to trading moratorium							
RMB ordinary shares	15,803,803,650	-	-	-	1,071,922,187	1,071,922,187	16,875,725,837
Overseas-listed foreign invested shares	5,736,940,000	-	-	-	-	-	5,736,940,000
Total number of shares not subject to trading moratorium	21,540,743,650	-	-	-	1,071,922,187	1,071,922,187	22,612,665,837
II. Shares subject to trading moratorium							
RMB ordinary shares	1,490,475,241	-	-	-	(1,071,922,187)	(1,071,922,187)	418,553,054
III. Total number of shares	23,031,218,891	-	-	-	-	-	23,031,218,891

Notes to Financial Statements (continued)

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

41. Other equity instruments

(1) Basic information of renewable corporate bonds issued

On 30 June 2019, the detailed information of renewable corporate bonds issued by the Group was as follows:

Name of bond	Date of issuance	Accounting classification	Interest rate	Issue price (RMB)	Number (million)	Amount of total issuance (RMB billion)	Amount recognised in other equity instruments (RMB' 000)	Date of maturity
18 Zijin Y1	16 October 2018	Renewable corporate bonds	5.17%	100	45	4.5	4,486,950	17 October 2021
17 Zijin Y1	12 September 2017	Renewable corporate bonds	5.17%	100	5	0.5	498,550	13 September 2020
						5	4,985,500	

On 31 December 2018, the detailed information of renewable corporate bonds issued by the Group was as follows:

Name of bond	Date of issuance	Accounting classification	Interest rate	Issue price (RMB)	Number (million)	Amount of total issuance (RMB billion)	Amount recognised in other equity instruments (RMB' 000)	Date of maturity
18 Zijin Y1	16 October 2018	Renewable corporate bonds	5.17%	100	45	4.5	4,486,950	17 October 2021
17 Zijin Y1	12 September 2017	Renewable corporate bonds	5.17%	100	5	0.5	498,550	13 September 2020
						5	4,985,500	

On 16 October 2018, the Group issued 2018 Renewable Corporate Bonds (the First Tranche) ("18 Zijin Y1") with total principal amount of RMB4,500,000,000 and the coupon rate of 5.17% for the first period. The remaining balance of RMB4,486,950,000 after deducting issuance expenses was recognised as other equity instruments.

The base period of 18 Zijin Y1 is 3 years. At the end of the base period and the end of each renewal period, the Group has an option to renew the bonds for one more period (i.e., 3 years). The renewable corporate bonds will mature when the Group does not exercise the renewal option and redeems the bonds in full amount.

Notes to Financial Statements *(continued)*

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

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

41. Other equity instruments *(continued)*

(1) Basic information of renewable corporate bonds issued *(continued)*

18 Zijin Y1 applies a fixed interest rate on an annual basis, instead of a compound interest rate. In the case of deferral, each deferred interest is accrued at the prevailing coupon rate during the deferred period. The coupon rate inquiry range for the first base period of 18 Zijin Y1 is 4.3%-5.8%. The coupon rate for the first base period will be determined by the Group and the bookrunner within the preset range according to the book building conditions. The coupon rate is fixed for the first base period and will be reset at each subsequent period. The coupon rate for the first base period is the initial benchmark rate plus the initial interest rate margin, and the coupon rates of the subsequent periods will be adjusted to the prevailing benchmark interest rate plus initial interest rate margin and 300 basis points. The initial interest rate margin is the coupon rate of the first period minus the initial benchmark interest rate. If the prevailing benchmark interest rate is unavailable at the interest rate reset date due to factors such as macroeconomic and policy changes in the future, the benchmark interest rate prior to the interest rate reset date is deemed to be the prevailing benchmark interest rate. The determination method of the benchmark interest rate: the initial benchmark interest rate shall be the arithmetic mean of the yield of Chinese government bond with duration equals to the length of the initial period as shown in China Bond Inter-bank Fixed Rate Chinese Government Bond Yield Curve published on China Bond Information Website (www.chinabond.com.cn) (or other websites as recognised by China Central Depository & Clearing Co. Ltd.) 250 working days before the book building date (rounded to 0.01%). The benchmark interest rates for the subsequent periods shall be the arithmetic mean of the yield of Chinese government bond with duration equals to the length of the initial period as shown in China Bond Inter-bank Fixed Rate Chinese Government Bond Yield Curve published on China Bond Information Website (www.chinabond.com.cn) (or other websites as recognised by China Central Depository & Clearing Co. Ltd.) 250 working days before the date of coupon rate reset (rounded to 0.01%).

On 12 September 2017, the Group issued 2017 Renewable Corporate Bonds (the First Tranche) ("17 Zijin Y1") with total principal amount of RMB500,000,000 and the coupon rate of 5.17% for the first period. The remaining balance of RMB498,550,000 after deducting issuance expenses was recognised as other equity instruments.

The base period of 17 Zijin Y1 is 3 years. At the end of the base period and the end of each renewal period, the Group has an option to renew the bonds for one more period (i.e., 3 years). The renewable corporate bonds will mature when the Group does not exercise the renewal option and redeems the bonds in full amount.

17 Zijin Y1 applies a fixed interest rate on an annual basis, instead of a compound interest rate. In the case of deferral, each deferred interest is accrued at the prevailing coupon rate during the deferred period. The coupon rate inquiry range for the first base period of 17 Zijin Y1 is 4.8%-5.8%. The coupon rate for the first base period will be determined by the Group and the bookrunner within the preset range according to the book building conditions. The coupon rate is fixed for the first base period and will be reset at each subsequent period. The coupon rate for the first base period is the initial benchmark rate plus the initial interest rate margin, and the coupon rates of the subsequent periods will be adjusted to the prevailing benchmark interest rate plus initial interest rate margin and 300 basis points. The initial interest rate margin is the coupon rate of the first period minus the initial benchmark interest rate. If the prevailing benchmark interest rate is unavailable at the interest rate reset date due to factors such as macroeconomic and policy changes in the future, the benchmark interest rate prior to the interest rate reset date is deemed to be the prevailing benchmark interest rate. The determination method of the benchmark interest rate: the initial benchmark interest rate shall be the arithmetic mean of the yield of Chinese government bond with duration equals to the length of the initial period as shown in China Bond Inter-bank Fixed Rate Chinese Government Bond Yield Curve published on China Bond Information Website (www.chinabond.com.cn) (or other websites as recognised by China Central Depository & Clearing Co. Ltd.) 250 working days before the book building date (rounded to 0.01%). The benchmark interest rates for the subsequent periods shall be the arithmetic mean of the yield of Chinese government bond with duration equals to the length of the initial period as shown in China Bond Inter-bank Fixed Rate Chinese Government Bond Yield Curve published on China Bond Information Website (www.chinabond.com.cn) (or other websites as recognised by China Central Depository & Clearing Co. Ltd.) 250 working days before the date of coupon rate reset (rounded to 0.01%).

Notes to Financial Statements (continued)

For the period ended 30 June 2019

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

41. Other equity instruments (continued)

(2) Movements of renewable corporate bonds issued:

30 June 2019

	At 1 January 2019		Additions		Reductions		At 30 June 2019	
	Number (million)	Book value (RMB' 000)	Number (million)	Book value (RMB' 000)	Number (million)	Book value (RMB' 000)	Number (million)	Book value (RMB' 000)
18 Zijin Y1	45	4,486,950	-	-	-	-	45	4,486,950
17 Zijin Y1	5	498,550	-	-	-	-	5	498,550
		4,985,500		-		-		4,985,500

31 December 2018

	At 1 January 2018		Additions		Reductions		At 31 December 2018	
	Number (million)	Book value (RMB' 000)	Number (million)	Book value (RMB' 000)	Number (million)	Book value (RMB' 000)	Number (million)	Book value (RMB' 000)
18 Zijin Y1	-	-	45	4,486,950	-	-	45	4,486,950
17 Zijin Y1	5	498,550	-	-	-	-	5	498,550
		498,550		4,486,950		-		4,985,500

42. Capital reserve

30 June 2019

	At 1 January 2019	Additions	Reductions	At 30 June 2019
Share premium	10,902,398,401	-	-	10,902,398,401
Others (Note 1)	192,367,989	29,914,633	(136,019,132)	86,263,490
	11,094,766,390	29,914,633	(136,019,132)	10,988,661,891

31 December 2018

	At 1 January 2018	Additions	Reductions	At 31 December 2018
Share premium	10,902,398,401	-	-	10,902,398,401
Others	207,520,660	10,373,708	(25,526,379)	192,367,989
	11,109,919,061	10,373,708	(25,526,379)	11,094,766,390

Note 1: During the reporting period, the Group acquired 10.63% of the equity interest in Nevsun Resources and increased its shareholding to 100%, resulting in an increase of capital reserve by RMB4,347,342; during the reporting period, the Group sold 39% of the equity interest in Zijin Chemicals Company and decreased its shareholding to 51%, resulting in an increase of capital reserve by RMB25,478,225; during the reporting period, the Group acquired 39.53% of the equity interest in Nkwe and increased its shareholding to 100%, resulting in a decrease of capital reserve by RMB39,446,010; during the reporting period, the Group sold 5% of the equity interest in Bisha and decreased its shareholding to 55%, resulting in a decrease of capital reserve by RMB96,567,785.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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

43. Other comprehensive income

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

30 June 2019

	Opening balance	Movements			Closing balance
		Amount before tax	Income tax	Amount after tax	
Changes in fair value of other equity instrument investments	(948,864,104)	981,815,825	(6,797,543)	975,018,282	26,154,178
Hedging costs – forward elements	61,666,120	(43,791,312)	–	(43,791,312)	17,874,808
Exchange differences arising from translation of financial statements denominated in foreign currencies	(688,775,081)	49,899,721	–	49,899,721	(638,875,360)
	(1,575,973,065)	987,924,234	(6,797,543)	981,126,691	(594,846,374)

31 December 2018

	Opening balance	Impacts of accounting policies	Movements			Closing balance
			Amount before tax	Income tax	Amount after tax	
Changes in fair value of other equity instrument investments	23,861,374	186,956,573	(1,158,320,421)	(1,361,630)	(1,159,682,051)	(948,864,104)
Hedging costs – forward elements	–	–	61,666,120	–	61,666,120	61,666,120
Exchange differences arising from translation of financial statements denominated in foreign currencies	(626,754,900)	–	(62,020,181)	–	(62,020,181)	(688,775,081)
	(602,893,526)	186,956,573	(1,158,674,482)	(1,361,630)	(1,160,036,112)	(1,575,973,065)

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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

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

43. Other comprehensive income *(continued)*

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

For the period ended 30 June 2019

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

For the year ended 31 December 2018

	Amount before tax	Less: Amount of other comprehensive income recognised in the previous periods transferred into profit or loss during the current period	Less: Income tax	Attributable to the parent	Attributable to non-controlling interests
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
Changes in fair value of other equity instrument investments	(1,157,992,851)	–	1,952,206	(1,159,682,051)	(263,006)
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
Hedging costs – forward elements	61,666,120	–	–	61,666,120	–
Exchange differences arising from translation of financial statements denominated in foreign currencies	(76,206,453)	–	–	(62,020,181)	(14,186,272)
	(1,172,533,184)	–	1,952,206	(1,160,036,112)	(14,449,278)

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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

44. Special reserve

30 June 2019

	At 1 January 2019	Additions	Reductions	At 30 June 2019
Work safety fund	147,393,497	239,724,095	(221,513,254)	165,604,338

31 December 2018

	At 1 January 2018	Additions	Reductions	At 31 December 2018
Work safety fund	176,862,772	667,226,059	(696,695,334)	147,393,497

45. Surplus reserve

30 June 2019

	At 1 January 2019	Additions	Reductions	At 30 June 2019
Statutory reserve	1,319,401,104	–	–	1,319,401,104

31 December 2018

	At 1 January 2018	Additions	Reductions	At 31 December 2018
Statutory reserve	1,319,401,104	–	–	1,319,401,104

Pursuant to the stipulations of the Company Law of the PRC and the articles of associations of the Company, the Company shall make provision for statutory reserve at the amount of 10% of net profit. Provision for statutory reserve is optional if the aggregate balance of the statutory reserve reaches 50% of the Company's registered capital. The balance of the statutory reserve has reached 50% of the Company's registered capital. Therefore, no provision for statutory reserve was made.

The Company can make provision for a discretionary reserve after the provision for statutory reserve is made. Discretionary reserve can be used to offset accumulated losses for previous years or to issue capital on approval.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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

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

46. Retained earnings

	30 June 2019	30 June 2018
As at the beginning of the period	22,181,224,459	20,194,761,855
Net profit attributable to owners of the parent	1,853,453,618	2,526,423,099
Gains on disposal of other equity instrument investments	32,631,068	979,462
Less: Appropriation for the statutory reserve	–	–
Interest payables on renewable corporate bonds	–	–
Dividends payable in cash for ordinary shareholders	2,303,121,889	2,072,809,700
As at the end of the period	21,764,187,256	20,649,354,716

Pursuant to the resolution of the shareholders' general meeting on 24 May 2019, cash dividend of RMB0.10 per share (2018: RMB0.09 per share) would be distributed from the Company to all shareholders, calculated on the basis of 23,031,218,891 issued shares (2018: 23,031,218,891 shares), with an aggregate amount of RMB2,303,121,889 (2018: RMB2,072,809,700).

47. Operating income and operating costs

	For the six months ended 30 June 2019		For the six months ended 30 June 2018	
	Operating income	Operating costs	Operating income	Operating costs
Principal operations	66,394,712,379	58,966,803,643	49,491,856,821	42,479,103,910
Other operations	803,683,456	675,492,399	322,034,014	237,398,045
	67,198,395,835	59,642,296,042	49,813,890,835	42,716,501,955

48. Taxes and surcharges

	For the six months ended 30 June 2019	For the six months ended 30 June 2018
Resource tax	606,558,690	445,918,146
Education surcharges	37,142,257	50,661,550
City construction and maintenance tax	31,429,041	41,166,574
Property tax	28,731,203	32,963,831
Stamp duty	26,415,515	23,805,384
Land use tax	10,753,887	15,812,552
Vehicle and vessel use tax	946,099	927,224
Consumption tax	460,196	294,079
Other – income tax for mine-produced gold	12,944,260	11,720,700
Other – development fund for Kemin District	11,391,585	9,908,985
Environmental protection tax	10,614,569	6,763,495
Others	91,728,498	58,112,663
	869,115,800	698,055,183

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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

49. Selling expenses

	For the six months ended 30 June 2019	For the six months ended 30 June 2018
Salaries and benefits	40,600,706	40,822,881
Transportation expenses	451,124,238	277,304,151
Storage expenses	2,397,081	2,500,947
Packing expenses	5,450,610	6,108,530
Insurance expenses	5,566,250	4,804,527
Charge of commission sales	12,762,212	10,237,495
Advertising expenses	363,189	185,981
Depreciation expenses	8,551,476	8,172,961
Material consumption	3,170,637	3,029,464
Service expenses related to sales	48,413,889	24,765,210
Others	50,677,623	52,293,548
	629,077,911	430,225,695

50. Administrative expenses

	For the six months ended 30 June 2019	For the six months ended 30 June 2018
Office expenses	77,928,425	69,142,174
Travelling and conference expenses	60,125,436	53,909,853
Stipulated fees	86,002,070	53,342,771
Salaries and benefits	813,850,205	568,329,807
Audit fees	16,743,633	11,705,538
Repair and maintenance costs	68,666,038	45,076,984
Depreciation and amortisation	325,893,187	263,079,464
Professional consulting expenses	94,472,169	47,305,581
Exploration expenses	112,849,772	92,436,493
Others	201,514,646	152,582,587
	1,858,045,581	1,356,911,252

51. Research and development expenses

	For the six months ended 30 June 2019	For the six months ended 30 June 2018
Salaries and benefits	44,063,882	46,852,783
Depreciation and amortisation	15,930,830	21,142,879
Technical development costs	8,220,917	24,684,702
Material consumption	38,067,836	20,552,028
Office expenses	13,290,468	10,429,223
Travelling and conference expenses	178,959	332,486
Professional consulting expenses	155,032	269,814
Stipulated fees	36,323	16,029
Others	14,616,394	6,637,056
	134,560,641	130,917,000

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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

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

52. Financial expenses

	For the six months ended 30 June 2019	For the six months ended 30 June 2018
Interest expenses	1,162,696,009	768,305,292
<i>Including: Bank loans</i>	812,040,166	425,006,449
<i>Bonds payable</i>	347,828,065	343,298,843
<i>Ultra short-term financing bonds</i>	2,827,778	–
Less: Interest income	234,767,888	158,002,634
Less: Capitalised interest expenses	46,279,287	31,471,836
Exchange (gains)/losses	(67,731,756)	55,885,983
Bank charges	36,969,487	25,704,768
	850,886,565	660,421,573

Capitalised interest expenses were included in construction in progress. In the first half of 2019, there was no interest income arising from impaired financial assets (six months ended 30 June 2018: Nil).

53. Other income

	For the six months ended 30 June 2019	For the six months ended 30 June 2018
Government grants relating to daily operating activities	120,118,883	83,849,029

Government grants relating to daily operating activities for the six months ended 30 June 2019 are as follows:

	2019	Related to income/assets
Tax incentives and rewards for 2017	30,000,000	Income
Alloy gold and remelting gold award	29,610,100	Income
Tax incentives of Shanghang County Industry, Information Technology, Science and Technology Bureau for 2017	10,000,000	Income
Export incentives	7,308,930	Income
Export subsidies	4,919,389	Income
Subsidies for intellectual manufacturing upgrade and transformation	3,700,000	Income
Special allowance for foreign investment and cooperation	3,000,000	Income
Subsidies for social security	2,250,820	Income
Government grant of interest expenses subsidy from Central Foreign Trade Development Fund	2,200,000	Income
Supporting allowance for key and carrying points for processing and trading gradient transfer of Longyan City for 2018	1,200,000	Income
Subsidies for job position security	492,556	Income
Other government grants directly recognised in other income	9,866,708	Income
Other government grants transferred from deferred income	15,570,380	Assets
	120,118,883	

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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

54. Investment income

	For the six months ended 30 June 2019	For the six months ended 30 June 2018
Gains/(Losses) from long-term equity investments under the equity method	10,772,724	(27,548,270)
Gains on disposal of long-term equity investments	17,626,774	6,731,300
Investment income from other equity instrument investments/available-for-sale investments during the holding period	15,789,867	29,414,500
Gains from disposal of financial assets and financial liabilities at fair value through profit or loss (Note 1)	13,706,567	119,458,104
Others	55,015	(442,696)
	57,950,947	127,612,938

Note 1: Details of gains from disposal of financial assets and financial liabilities at fair value through profit or loss are as follows:

	For the six months ended 30 June 2019	For the six months ended 30 June 2018
1. Held for trading equity instrument investments – (Losses)/Gains arising from stock investments	(35,565,776)	42,104,560
2. Losses arising from gold leasing investments at fair value	(561,413)	(19,335,984)
3. Hedging instruments – Gains arising from ineffectively hedged derivative instruments	4,536,316	–
4. Gains arising from derivative instruments without designated hedging relationship	31,607,549	51,859,843
(4-1) <i>Cross currency swaps</i>	(260,820)	31,531,033
(4-2) <i>Gold leasing hedging contracts</i>	–	(47,679,260)
(4-3) <i>Commodity hedging contracts</i>	31,868,369	68,008,070
5. Losses arising from derivative instruments with designated hedging relationship	(5,217,544)	–
6. Others	18,907,435	44,829,685
	13,706,567	119,458,104

55. Gains on changes in fair value

	For the six months ended 30 June 2019	For the six months ended 30 June 2018
Financial assets at fair value through profit or loss	41,209,935	33,638,542
Financial liabilities at fair value through profit or loss	(2,357,154)	16,458,880
	38,852,781	50,097,422

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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

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

55. Gains on changes in fair value *(continued)*

Details of gains on changes in fair value are as follows:

	For the six months ended 30 June 2019	For the six months ended 30 June 2018
1. Held for trading equity instrument investments – Gains/(Losses) arising from changes in fair value of stock investments	20,710,783	(45,852,360)
2. Gains/(Losses) arising from changes in fair value of gold leasing at fair value	5,489,870	(15,838,051)
3. (Losses)/Gains arising from changes in fair value of derivative instruments without designated hedging relationship	(29,373,296)	139,296,776
(3-1) <i>Cross currency swaps</i>	479,629	(1,688,566)
(3-2) <i>Gold leasing hedging</i>	–	21,554,620
(3-3) <i>Commodity hedging contracts</i>	(29,852,925)	119,430,722
4. Others	42,025,424	(27,508,943)
	38,852,781	50,097,422

56. Credit impairment losses

	For the six months ended 30 June 2019	For the six months ended 30 June 2018
Bad debt provision for trade receivables	(378,965)	(37,905)
Bad debt provision for other receivables	(64,784,677)	(54,772,047)
Bad debt provision for prepayments	(4,026)	–
Bad debt provision for trade receivables financing	(934,130)	–
	(66,101,798)	(54,809,952)

57. Impairment losses on assets

	For the six months ended 30 June 2019	For the six months ended 30 June 2018
Impairment provision for fixed assets	(7,162,091)	(187,076,680)
Provision for decline in value of inventories	(35,949,901)	(16,703,230)
Impairment provision for intangible assets	(56,773,189)	(17,509,119)
Impairment provision for construction in progress	(2,955,201)	–
Impairment provision for long-term equity investments	(47,038,702)	–
Impairment provision for other non-current assets	–	(42,389,163)
	(149,879,084)	(263,678,192)

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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

58. (Losses)/Gains on disposal of non-current assets

	For the six months ended 30 June 2019	For the six months ended 30 June 2018
Losses on disposal of fixed assets	(1,225,110)	(262,377)
Gains on disposal of intangible assets	1,315,370	13,712,647
Losses on disposal of other non-current assets	(124,044)	–
	(33,784)	13,450,270

59. Non-operating income

	For the six months ended 30 June 2019	For the six months ended 30 June 2018	Non-recurring profits or losses for the six months ended 30 June 2019
Penalty income	5,772,959	3,977,891	5,772,959
Recovery of bad debt written-off	–	26,652,901	–
Others	15,899,409	122,483,921	15,899,409
	21,672,368	153,114,713	21,672,368

60. Non-operating expenses

	For the six months ended 30 June 2019	For the six months ended 30 June 2018	Non-recurring profits or losses for the six months ended 30 June 2019
Losses on write-off of non-current assets	44,747,542	18,332,472	44,747,542
<i>Including: Losses on write-off of fixed assets</i>	<i>44,565,723</i>	<i>18,332,472</i>	<i>44,565,723</i>
<i>Losses on write-off of other long-term assets</i>	<i>181,819</i>	–	<i>181,819</i>
Donations	93,624,103	99,323,300	93,624,103
Penalties and compensations	2,104,064	1,848,267	2,104,064
Net losses arising from natural disasters	359,207	6,426,049	359,207
Others	56,642,544	23,727,357	56,642,544
	197,477,460	149,657,445	197,477,460

61. Income tax expenses

	For the six months ended 30 June 2019	For the six months ended 30 June 2018
Current income tax expenses	836,734,034	652,668,900
Deferred tax expenses	(36,387,676)	59,418,203
	800,346,358	712,087,103

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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

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

61. Income tax expenses *(continued)*

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

	For the six months ended 30 June 2019	For the six months ended 30 June 2018
Profit before tax	3,039,516,148	3,780,836,960
Tax at the applicable tax rate (Note 1)	759,879,037	945,209,240
Effect of different tax rates applicable to certain subsidiaries (Note 1)	28,357,742	(259,617,862)
Adjustments in respect of current tax of previous periods	1,497,026	(82,406,642)
Income not subject to tax	(6,456,903)	(34,972,264)
Expenses not deductible for tax and effect of unrecognised temporary differences and deductible tax losses	17,069,456	143,874,631
Tax charge at the Group's effective tax rate	800,346,358	712,087,103

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

62. Earnings per share

	For the six months ended 30 June 2019 RMB/share	For the six months ended 30 June 2018 RMB/share
Basic earnings per share Continuing operations	0.080	0.110

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

There were no potential dilutive ordinary shares for the Company.

Basic earnings per share is calculated as follows:

	For the six months ended 30 June 2019	For the six months ended 30 June 2018
Earnings Consolidated net profit attributable to ordinary shareholders of the Company for the current period Continuing operations	1,853,453,618	2,526,423,099
Shares Weighted average number of ordinary shares outstanding	30 June 2019 23,031,218,891	30 June 2018 23,031,218,891
Adjusted weighted average number of ordinary shares outstanding	23,031,218,891	23,031,218,891

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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

63. Notes to the statement of cash flows

	For the six months ended 30 June 2019	For the six months ended 30 June 2018
Other cash receipts relating to operating activities		
Interest income	61,346,540	81,052,667
Government grants relating to income	93,601,336	62,728,456
Cash received from guarantees and deposits	68,021,010	153,955,502
Others	59,095,322	20,143,393
	282,064,208	317,880,018
Other cash payments relating to operating activities		
Transportation expenses, insurance expenses, commission charges and other selling expenses	231,062,271	170,955,385
Office expenses, conference expenses and other administrative expenses	387,637,629	374,247,258
Donations	96,248,115	112,587,253
Losses on the settlement of forward contracts, futures contracts and others	132,617,354	132,285,030
	847,565,369	790,074,926
Other cash receipts relating to investing activities		
Cash receipts from time deposits with maturity for more than three months	3,090,032	–
Recovered wealth management products	630,741,227	2,196,496,058
Others	–	142,437,353
	633,831,259	2,338,933,411
Other cash payments relating to investing activities		
Cash payments for time deposits with maturity for more than three months	150,000,000	137,727,000
Cash payments for purchase of wealth management products	–	834,446,082
Others	316,973,260	186,092,588
	466,973,260	1,158,265,670
Other cash receipts relating to financing activities		
Borrowings from third parties	5,092,655	54,135,279
	5,092,655	54,135,279
Other cash payments relating to financing activities		
Repayment of borrowings from third parties	48,609,895	15,013,593
Bank charges and others	47,501,659	20,753,690
	96,111,554	35,767,283

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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

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

64. Supplementary information to the statement of cash flows

Reconciliation of net profit to cash flows from operating activities:

	For the six months ended 30 June 2019	For the six months ended 30 June 2018
Net profit	2,239,169,790	3,068,749,857
Add: Provisions for credit impairment losses	66,101,798	54,809,952
Provision for impairment losses on assets	149,879,084	263,678,192
Depreciation of fixed assets	1,531,863,801	1,574,070,228
Amortisation of intangible assets	456,769,246	360,264,854
Depreciation and amortisation of investment properties	12,112,481	7,718,780
Amortisation of long-term deferred assets	108,156,735	174,251,144
Depreciation of right-of-use assets	78,774,990	–
Losses on disposal of fixed assets, intangible assets and other non-current assets	44,781,326	4,882,202
Losses on write-off of fixed assets	–	–
Gains on changes in fair values	(38,852,781)	(50,097,422)
Financial expenses	616,118,676	808,934,207
Investment income	(2,307,834)	(94,342,344)
(Increase)/Decrease in deferred tax assets	(31,698,199)	99,192,166
Decrease in deferred tax liabilities	(11,394,959)	(39,773,964)
Increase in inventories	(202,762,959)	(712,018,110)
Increase in receivables from operating activities	(228,753,304)	(334,447,426)
Decrease in payables from operating activities	(381,749,787)	(205,187,026)
Net cash flows from operating activities	4,406,208,104	4,980,685,290

(1) Net changes in cash and cash equivalents

	30 June 2019	31 December 2018
Closing balance of cash	8,806,892,632	9,817,724,859
Less: Opening balance of cash	9,817,724,859	5,537,001,830
Add: Closing balance of cash equivalents	223,892,093	115,113,292
Less: Opening balance of cash equivalents	115,113,292	217,342,125
Net (decrease)/increase in cash and cash equivalents	(902,053,426)	4,178,494,196

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*64. Supplementary information to the statement of cash flows *(continued)*

(2) Cash and cash equivalents

	30 June 2019	31 December 2018
Cash	8,806,892,632	9,817,724,859
<i>Including: Cash on hand</i>	5,885,693	3,467,899
<i>Cash at banks that can be readily drawn on demand</i>	8,801,006,939	9,814,256,960
Cash equivalents	223,892,093	115,113,292
Closing balance of cash and cash equivalents	9,030,784,725	9,932,838,151

65. Assets with restrictions on title or use

	30 June 2019	31 December 2018
Cash and cash equivalents (Note 1)	283,660,997	163,789,276
Bills receivable (Note 2)	–	1,972,833
Intangible assets (Note 3)	83,970,603	85,807,143
Fixed assets (Note 3)	2,132,232	2,132,232
Other non-current assets (Note 4)	91,882,716	125,517,781
	461,646,548	379,219,265

Note 1: As at 30 June 2019, a bank deposit with a carrying amount of RMB98,760,110 was provision for land restoration and environmental rehabilitation (31 December 2018: RMB101,359,612). The deposit was restricted to the use of land restoration, environmental rehabilitation and environmental protection during the course of mining, pit closure, suspension and after mine closure. As at 30 June 2019, bank deposits with a carrying amount of RMB175,199,168 were other kinds of deposits with restricted use (31 December 2018: RMB52,693,045). Bank deposits with a carrying amount of RMB9,701,719 were frozen due to litigation (31 December 2018: RMB9,736,619).

Note 2: As at 30 June 2019, the Group had not pledged any bills receivable (as at 31 December 2018, Zijin Jiabo, a subsidiary of the Group, pledged a bill receivable of RMB1,972,833 to the Industrial and Commercial Bank of China for borrowing purpose).

Note 3: As at 30 June 2019, intangible assets (land use rights, including water source, direct reduced plant and iron refinery) with a carrying amount of RMB83,970,603 owned by Xinjiang Jinhao Iron, a subsidiary of the Group, were frozen by the intermediate court of Qidong, Jiangsu and Aksu due to debt disputes (31 December 2018: RMB85,807,143). As at 30 June 2019, fixed assets (a batch of valves) with a carrying amount of RMB2,132,232 owned by Xinjiang Jinhao Iron, a subsidiary of the Group, were frozen by the court due to debt disputes (31 December 2018: RMB2,132,232).

Note 4: As at 30 June 2019, other non-current assets with a carrying amount of RMB91,882,716 were deposits for mine restoration and improvement of ecological environment in mines and their rights of use were restricted (31 December 2018: RMB125,517,781).

Notes to Financial Statements (continued)

For the period ended 30 June 2019

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

66. Foreign currency monetary items

	30 June 2019			31 December 2018		
	Original amount	Exchange rate	Equivalent to RMB	Original amount	Exchange rate	Equivalent to RMB
Cash and cash equivalents						
Hong Kong dollar	389,383,133	0.8797	342,540,342	15,674,451	0.8762	13,733,954
United States dollar	265,036,528	6.8747	1,822,046,619	678,405,739	6.8632	4,656,034,268
Great British pound	1,234,764	8.7113	10,756,400	988,811	8.6762	8,579,122
Canadian dollar	18,377,674	5.2490	96,464,411	221,481,591	5.0381	1,115,846,404
Australian dollar	42,743,933	4.8156	205,837,684	39,531,327	4.8250	190,738,653
Russian Ruble	5,692,868	0.1090	620,523	15,602,535	0.0986	1,538,410
Euro	103,247	7.8170	807,082	626,228	7.8473	4,914,199
Philippine peso	100,163	0.1340	13,422	–	–	–
Kyrgyzstani som	168,314,030	0.0986	16,600,813	–	–	–
Serbian dinar	827,401,954	0.0662	54,782,283	–	–	–
Peruvian sol	1,042,227	2.0907	2,178,984	–	–	–
Macedonian denar	7,163,818	0.1268	908,229	–	–	–
Eritrean nakfa	250,097,609	0.4320	108,042,167	–	–	–
South African rand	544,354	0.4852	264,121	–	–	–
Others	N/A	N/A	–	N/A	N/A	15,124,455
Trade receivables						
Australian dollar	6,939,790	4.8156	33,419,253	4,145,488	4.8250	20,001,980
United States dollar	47,363,482	6.8747	325,609,730	51,319,433	6.8632	352,215,533
Hong Kong dollar	–	0.8797	–	392,225,736	0.8762	343,668,190
Other receivables						
Australian dollar	977	4.8156	4,705	–	4.8250	–
United States dollar	35,313,071	6.8747	242,766,769	11,650,114	6.8632	79,957,062
Hong Kong dollar	–	0.8797	–	116,914,180	0.8762	102,440,205
Macedonian denar	236,322	0.1268	29,966	–	–	–
Serbian dinar	5,789,183	0.0662	383,244	–	–	–
Current portion of non-current assets						
United States dollar	28,791,874	6.8747	197,935,496	–	–	–
Other non-current assets						
United States dollar	634,272,704	6.8747	4,360,434,558	5,749,717	6.8632	39,461,458
Hong Kong dollar	–	0.8797	–	4,436,294,832	0.8762	3,887,081,532
Total foreign currency monetary assets			7,822,446,801			10,831,335,425

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*66. Foreign currency monetary items *(continued)*

	30 June 2019			31 December 2018		
	Original amount	Exchange rate	Equivalent to RMB	Original amount	Exchange rate	Equivalent to RMB
Short-term borrowings						
United States dollar	266,089,191	6.8747	1,829,283,361	970,828,327	6.8632	6,662,988,974
Trade payables						
Australian dollar	5,755,891	4.8156	27,718,069	6,312,876	4.8250	30,459,627
United States dollar	238,718,215	6.8747	1,641,116,113	102,297,179	6.8632	702,085,999
Hong Kong dollar	–	0.8797	–	534,080,174	0.8762	467,961,048
Other payables						
Australian dollar	10,998,684	4.8156	52,965,263	15,758,115	4.8250	76,032,905
United States dollar	132,097,848	6.8747	908,133,076	139,107,353	6.8632	954,721,585
Hong Kong dollar	11,952	0.8797	10,514	53,417	0.8762	46,804
Macedonian denar	1,967,892	0.1268	249,489	–	–	–
Serbian dinar	32,707,076	0.0662	2,165,536	–	–	–
Canadian dollar	4,237,219	5.2490	22,241,163	–	–	–
Current portion of non-current liabilities						
United States dollar	176,400,000	6.8747	1,212,697,080	70,817,610	6.8632	486,035,421
Euro	30,500,000	7.8170	238,418,500	30,500,000	7.8473	239,342,650
Long-term borrowings						
United States dollar	1,484,800,000	6.8747	10,207,554,560	1,459,482,390	6.8632	10,016,719,539
Long-term payables						
United States dollar	25,813,593	6.8747	177,460,708	22,081,387	6.8632	151,548,975
Hong Kong dollar	–	0.8797	–	228,529,658	0.8762	200,237,686
Bonds payable						
United States dollar	350,000,000	6.8747	2,406,145,000	350,000,000	6.8632	2,402,120,455
Total foreign currency monetary liabilities			18,726,158,432			22,390,301,668

Notes to Financial Statements *(continued)*

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

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

66. Foreign currency monetary items *(continued)*

Information about foreign business entities

Name of foreign business entity	Places of registration and business	Functional currency	Basis for adoption of functional currency
Longxing Limited Liability Company in Russia ("Russia Longxing")	Russia	United States dollar	Major sales, purchase, financing and other business activities in United States dollar
ZRV	Tajikistan	United States dollar	Major sales, purchase, financing and other business activities in United States dollar
Altynken Limited Liability Company ("Altynken")	Kyrgyzstan	United States dollar	Major sales, purchase, financing and other business activities in United States dollar
COMMUS	DR Congo	United States dollar	Major sales, purchase, financing and other business activities in United States dollar
BNL	Papua New Guinea	United States dollar	Major sales, purchase, financing and other business activities in United States dollar
Norton Gold Fields	Australia	Australian dollar	Major sales, purchase, financing and other business activities in Australian dollar
Nkwe Platinum Limited ("Nkwe")	Australia	Australian dollar	Major sales, purchase, financing and other business activities in Australian dollar
Bor Copper	Serbia	United States dollar	Major sales, purchase, financing and other business activities in United States dollar
Bisha Mining Share Company ("Bisha")	Eritrea	United States dollar	Major sales, purchase, financing and other business activities in United States dollar
Rakita Exploration Doo Bor ("Rakita")	Serbia	United States dollar	Major sales, purchase, financing and other business activities in United States dollar
Rio Blanco Copper S.A. ("Rio Blanco")	Peru	United States dollar	Major sales, purchase, financing and other business activities in United States dollar
La Carrière Du Lualaba Société par Actions Simplifiée ("Lualaba")	DR Congo	United States dollar	Major sales, purchase, financing and other business activities in United States dollar

Notes to Financial Statements *(continued)*

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

67. Hedging

Fair value hedge

The Group is engaged in the production and processing of gold, silver, copper and zinc (hereinafter referred to as “precious metals”) products, and the raw materials for precious metal products are exposed to the risk of price changes of precious metals. Therefore, the Group uses precious metals futures contracts and forward contracts in the futures exchanges to manage the commodity price risk faced by some of the raw materials for precious metal products. The precious metal products produced and processed by the Group are the same as the standard precious metal products in the precious metals futures contracts and forward contracts. The basic variables of the hedging instruments (precious metals futures contracts and forward contracts) and the hedged items (the ore concentrates required by the Group to produce precious metal products) are standard precious metal prices. Through qualitative analysis, the Group determines the ratio of the number of hedging instruments to the hedged items is 1:1. The ineffective part of the hedge mainly arises from the difference in spot and forward exchange rates. The amount of the ineffective part recognised in this period was not significant. The Group uses fair value hedges for such hedging.

As at 30 June 2019, the Group entered into a currency swap agreement with a notional amount, under which the Group exchanged U.S. dollar liabilities at a fixed exchange rate for floating-rate U.S. dollar liabilities. The purpose of the currency swap is to hedge the risk of changes in the fair value of the U.S. dollar liabilities. Through qualitative analysis, the Group determines the ratio of the number of hedging instruments to the hedged items is 1:1. The ineffective part of the hedge mainly comes from the market price fluctuation of the floating exchange rate. The ineffective part of the fair value hedge was not significant in this year.

Changes in the book value and fair value of hedging instruments are as follows:

	Notional amount of hedging instruments		Line item in the statement of financial position including hedging instruments	Changes in fair value of the hedging instruments used for measuring hedge ineffectiveness for the six months ended 30 June 2019
	Assets	Liabilities		
Fair value hedge				
Foreign exchange risk – foreign currency liabilities	–	59,051,870	Held for trading financial liabilities	–
Commodity price risk – inventories	28,897,019	21,904,727	Held for trading financial assets/liabilities	1,284,950

Notes to Financial Statements (continued)

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

67. Hedging (continued)

Fair value hedge (continued)

The book value of the hedged items and the associated adjustments are as follows:

	Book value of hedged items		Accumulated adjustments of hedged items under fair value hedge (recognised in book values of hedged items)		Line item in the statement of financial position including hedged items	Changes in fair value of the hedging instruments used for measuring hedge ineffectiveness for January to June 2019	Cash flow hedge reserve
	Assets	Liabilities	Assets	Liabilities			
	Fair value hedge						
Foreign exchange risk – foreign currency liabilities (Note 1)	–	2,209,599,019	164,241,019	–	Long-term payables	–	Not applicable
Commodity price risk – inventories	1,146,958,169	–	–	17,737,210	Inventories	(16,476,322)	Not applicable

Note 1: The hedged item is a liability formed by the counterparty within the Group. The exchange gains or losses of the monetary item formed by such transaction cannot be eliminated in the consolidated financial statements. The enterprise can designate it as a hedged item in the consolidation level. In order to truly and fairly reflect the hedge accounting process, the Group uses the data before elimination of the transaction to present the hedged items.

The ineffective part of the hedges in the changes in fair values of hedging instruments are as follows:

	Ineffective part of the hedges included in the profit or loss for the current period	Ineffective part of the hedges included in other comprehensive income	Line item in the statement of profit or loss including the ineffective part
Fair value hedge			
Foreign exchange risk	–	–	Gains or losses on changes in fair value
Commodity price risk	280,908	–	Gains or losses on changes in fair value

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)***VI. CHANGES IN THE SCOPE OF CONSOLIDATION****1. Business combination not involving enterprises under common control**

COMMUS, a subsidiary of the Group, entered into an equity transfer agreement with Canoca Investment Limited and acquired 51% equity interest in La Carrière Du Lualaba Société par Actions Simplifiée ("Lualaba") at a consideration of USD37,621,200. The acquisition was completed on 24 June 2019. As a result, Lualaba is included in the scope of consolidation. The fair value and carrying amount of the identifiable assets and liabilities of Lualaba as at the acquisition date are as follows:

	24 June 2019 Fair value	24 June 2019 Carrying amount
Cash and cash equivalents	10,204,789	10,204,789
Prepayments	123,889,358	123,889,358
Other receivables	10,100,044	10,100,044
Inventories	1,642,037	1,642,037
Fixed assets	36,625,901	35,989,328
Construction in progress	453,576,176	432,298,923
Intangible assets	489,844,397	1,586,465
Other payables	618,756,328	618,756,328
Net assets	507,126,374	(3,045,384)
Non-controlling interests	248,491,923	–
Net assets acquired (51%)	258,634,451	–
The amount exceeding the acquisition costs recognised in profit or loss	–	–

From the acquisition date to the end of the reporting period, the operating results and cash flows of Lualaba are as follows:

	For the period from 24 June 2019 to 30 June 2019
Operating income	–
Net loss	(31,581)
Net cash outflows	1,878,326

2. Major subsidiaries newly established

Gold Vale Trading and Logistics (Pty) Ltd. was incorporated on 14 March 2019 in Johannesburg, South Africa. Capco International Mining Company Limited, a subsidiary of the Group, owns 100% equity interest in Gold Vale Trading and Logistics (Pty) Ltd., of which the proposed registered capital is 50,000 South African rand. The newly incorporated subsidiary is included in the scope of consolidation during the current period.

Jinzuan International Mining Company Limited was incorporated on 4 June 2019 in Hong Kong. Gold Mountains (H.K.) International Mining Company Limited, a wholly-owned subsidiary of the Group, owns 100% equity interest in Jinzuan International Mining Company Limited with registered capital of USD1. The newly incorporated subsidiary is included in the scope of consolidation during the current period.

3. Deregistered subsidiary

Company name	Place of registration	Principal activity	Proportion of equity attributable to the Group	Proportion of voting right attributable to the Group	Reason for deconsolidation
Inner Mongolia Aipaik Resources Company Limited	Hohhot City	Mining exploration	100%	100%	De-registration

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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

VI. CHANGES IN THE SCOPE OF CONSOLIDATION *(continued)*

4. Disposals of subsidiaries

- (1) Wenshan Malipo Zijin Tungsten Group Co., Ltd., a subsidiary of the Group, entered into an equity transfer agreement with Yunnan Luowei Mining Development Co., Ltd. and transferred its 51% equity interest in Malipo Jinwei at a consideration of RMB500,000. The date of disposal was 7 January 2019. Hence, from 7 January 2019, the Group did not include Malipo Jinwei in the scope of consolidation. The relevant financial information of Malipo Jinwei is as follow:

	7 January 2019 Carrying amount
Current assets	38,074,644
Non-current assets	17,762
Current liabilities	11,503,524
Net assets	26,588,882
Non-controlling interests	34,858,517
Net assets shared by the Group	(8,269,635)
Gain on disposal	8,769,635
Consideration for disposal	500,000

- (2) The Group entered into an equity transfer agreement with Aikeruite (Beijing) Investment Co., Ltd. and transferred its 60% equity interest in Chongli Zijin at a consideration of RMB180,000,000 (in a ten-year installment, the present value is RMB133,941,140). The disposal date was 21 January 2019. Therefore, Chongli Zijin is no longer included in the scope of consolidation from 21 January 2019. The financial information relating to Chongli Zijin is as follows:

	21 January 2019 Carrying amount
Current assets	62,452,108
Non-current assets	170,519,749
Current liabilities	55,245,749
Non-current liabilities	43,647
Net assets	177,682,461
Non-controlling interests	52,598,459
Net assets shared by the Group	125,084,002
Gain on disposal	8,857,138
Consideration for disposal	133,941,140

Notes to Financial Statements *(continued)*

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

VII. INVESTMENTS IN OTHER ENTITIES

1. Investments in subsidiaries

(1) Major subsidiaries acquired by establishment or investment

Company name	Principal place of business	Place of registration	Principal activities	Registered capital RMB	Percentage of ownership interest	
					Direct	Indirect
Gold Mountains (H.K.)	Hong Kong	Hong Kong	Trading and investment	HKD10,543,576,336	100%	-
Fujian Zijin Business Services Company Limited	Xiamen City, Fujian Province	Xiamen City, Fujian Province	Provision for property logistics and management services; leasing of construction machineries and equipment; property management, etc.	500,000,000	100%	-
Zijin International Capital Company Limited	Hong Kong	Hong Kong	Bond issuance	USD10,000,000	-	100%
Finance Company	Shanghang County, Longyan City, Fujian Province	Shanghang County, Longyan City, Fujian Province	Financial services and financial consultancy to member units; credit verification and related advisory; agent services; assisting member units to settle payments; approved insurance agent services; guarantee provision to member units; entrusted loans and investment among member units; bill acceptance and discounting among member units; internal account settlement and clearing among member units; acceptance of deposits from member units; application for loans and finance leases; intercompany borrowings; underwriting corporate bonds for member units; equity investments in financial institutions; investments in securities (excluding stocks traded in the secondary market) and business approved by China Banking Regulatory Commission in accordance with relevant laws, administrative regulations and other regulations, as stated in the approval documents	531,557,000	95%	-
Capital Investment Company	Xiamen City, Fujian Province	Xiamen City, Fujian Province	Entrusted management of non-security equity investments and related advisory services; entrusted management and operation of equity investment funds and provision of consultancy services; investment and asset management; spot gold sales; wholesale of metals and ores; trade agency service	1,000,000,000	100%	-

Notes to Financial Statements *(continued)*

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

VII. INVESTMENTS IN OTHER ENTITIES *(continued)*

1. Investments in subsidiaries *(continued)*

(2) Major subsidiaries acquired by business combination not involving enterprises under common control

Company name	Principal place of business	Place of registration	Principal activities	Registered capital	Percentage of ownership interest	
				RMB	Direct	Indirect
Xinjiang Ashele	Aletai City, Xinjiang Uyghur Autonomous Region	Aletai City, Xinjiang Uyghur Autonomous Region	Exploration and development of geological resources; production, processing and sale of mineral products; technological services of geological mining; motor transportation, environmental protection, development of tourism and hotel investment	250,000,000	51%	–
Norton Gold Fields	Australia	Australia	Production of gold; geological and mineral resources exploration and related information and technical services	AUD186,844,557	–	100%
Bayannaer Zijin	Bayannaer City, Inner Mongolia	Bayannaer City, Inner Mongolia	Refining, mining, milling and processing of zinc and other non-ferrous metals, ferrous metals and energy mineral resources, and sale of mineral products	375,000,000	87.20%	–
Zijin Copper	Shanghang County, Longyan City, Fujian Province	Shanghang County, Longyan City, Fujian Province	Refining and sale of copper cathode, gold, silver, crude selenium; manufacture and sale of sulphuric acid for industrial use and copper sulphate	2,221,402,200	100%	–
Luoyang Zijin Yinhui Gold Refinery Company Limited ("Luoyang Yinhui")	Luoyang City, Henan Province	Luoyang City, Henan Province	Refining of gold and silver; testing and examination; purchase of gold ore; gold transaction agency; sale of mineral products and mining pit design and research	150,000,000	70%	–
Hunchun Zijin	Hunchun City, Jilin Province	Hunchun City, Jilin Province	Mining, milling, refining and processing of gold, copper and other non-ferrous metal and non-metallic mineral products; sale of mineral products; mineral resources exploration information and technical services	150,000,000	96.63%	3.37%
Russia Longxing	Russia	Russia	Mining of zinc-lead ore	RUB700,000,000	–	70%
Xinjiang Zijin Zinc Industry	Wuqia County, Kizilsu Kyrgyz Prefecture, Xinjiang	Wuqia County, Kizilsu Kyrgyz Prefecture, Xinjiang	Exploration and development of Wulugan lead-zinc mine in Wuqia County	346,500,000	–	100%
Bor Copper	Serbia	Serbia	Mining, processing, refining of ferrous metals, non-ferrous metals, precious metals and other metals	RSD39,414,455,845	–	63%
Newsun Resources	Canada	Canada	Developing and selling zinc, copper, gold and silver mineral products	USD728,033,163	–	100%

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

RMB

*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*VII. INVESTMENTS IN OTHER ENTITIES *(continued)*1. Investments in subsidiaries *(continued)*

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

30 June 2019

	Percentage of equity interest held by non-controlling shareholders	Profit/(Loss) for the period attributable to non-controlling shareholders	Dividend paid to non-controlling shareholders	Accumulated balances of non-controlling interests at the date of statement of financial position
Xinjiang Ashele	49.00%	183,809,721	-	923,394,508
Guizhou Zijin Mining Company Limited ("Guizhou Zijin")	44.00%	790,491	-	305,513,997
Bayannaer Zijin	12.80%	17,178,219	-	149,709,481
Xinjiang Jinbao	44.00%	227,473,615	(98,560,000)	513,183,843
Luoyang Kunyu	30.00%	4,148,097	-	249,996,745
Wenshan Malipo Zijin Tungsten Group Company Limited ("Zijin Tungsten")	24.08%	41,935,009	-	(40,339,427)
Yunnan Huaxi	47.00%	532,258	-	202,683,213
Huanmin Mining	49.00%	(661,509)	-	76,202,317
Altynken	40.00%	43,615,211	(83,819,880)	196,080,894
Longnan Zijin	15.78%	(17,944,101)	-	88,728,729
Henan Jinda Mining Company Limited ("Henan Jinda")	43.50%	(99,115)	-	98,479,501
Heilongjiang Zijin Longxing Mining Company Limited ("Hei Longxing")	30.00%	(19,520,510)	-	(54,706,998)
Russia Longxing (a subsidiary of Hei Longxing)	30.00%	23,600,766	-	344,894,926
Jinhao Iron	61.48%	(32,884,912)	-	(1,196,758,324)
Kuitun Tongguan Metallurgical Chemical Company Limited ("Kuitun Tongguan")	49.00%	(10,874,944)	-	(178,464,541)
Zijin Tongguan	49.00%	(17,050,645)	-	1,063,160,711
Joint Venture Zeravshan Limited Liability Company	30.00%	24,802,372	-	(70,618,048)
Bor Copper	37.00%	(10,681,275)	-	1,415,304,274
Others		(72,452,576)	(12,755,000)	2,002,062,816
Total		385,716,172	(195,134,880)	6,088,508,617

Notes to Financial Statements (continued)

For the period ended 30 June 2019

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

VII. INVESTMENTS IN OTHER ENTITIES (continued)

1. Investments in subsidiaries (continued)

The major financial information of the subsidiaries in the table above is stated below. These amounts are before elimination:

	30 June 2019				31 December 2018					
	Current assets	Non-current assets	Total assets	Total liabilities	Current assets	Non-current assets	Total assets	Total liabilities		
Xinjiang Ashele	564,582,218	2,641,165,292	3,205,747,510	(912,222,600)	(1,316,467,600)	345,042,414	2,670,588,421	3,015,630,835	(191,078,869)	(1,096,223,869)
Guizhou Zijin	252,993,678	2,185,152,032	2,438,145,710	(1,343,212,860)	(1,743,212,860)	214,620,272	2,153,058,780	2,367,679,052	(1,271,300,918)	(1,671,300,918)
Bayanmaoer Zijin	1,109,415,144	1,938,450,302	3,047,865,446	(1,632,450,420)	(1,893,965,244)	752,363,086	1,956,570,998	2,708,934,084	(1,298,082,077)	(1,672,113,369)
Xinjiang Jinbao	1,211,706,127	364,604,775	1,576,310,902	(423,450,189)	(429,210,345)	1,006,743,527	414,254,964	1,420,998,491	(386,088,740)	(392,396,031)
Luoyang Kunyu	64,275,959	842,667,077	906,943,036	(159,386,147)	(276,074,810)	64,829,626	866,598,912	931,428,538	(247,035,578)	(335,718,529)
Zijin Tungsten	153,057,172	1,397,183,184	1,550,240,356	(648,775,494)	(648,775,494)	350,485,898	1,498,765,391	1,849,251,289	(729,383,314)	(729,383,314)
Yunnan Huaxi	150,537,728	160,585,812	311,123,540	(2,165,365)	(2,165,365)	142,041,044	167,213,537	309,254,581	(1,428,871)	(1,428,871)
Huanmin Mining	38,526,532	358,946,123	397,472,655	(49,521,387)	(177,605,400)	38,604,467	358,946,123	397,550,590	(48,249,304)	(176,333,317)
Altyrken	270,449,615	2,006,778,726	2,277,228,341	(1,353,166,936)	(744,345,033)	225,995,059	2,065,494,910	2,291,489,969	(1,437,891,626)	(2,213,525,653)
Longnan Zijin	49,322,721	924,589,153	973,911,874	(427,797,722)	(641,470,521)	121,633,574	921,643,395	1,043,276,969	(427,218,797)	(640,891,596)
Henan Jinda Mining Company Limited ("Heran Jinda")	233,873	230,106,484	230,340,357	(3,955,756)	(3,955,756)	134,496	230,106,484	230,240,980	(3,628,528)	(3,628,528)
Heilongjiang Zijin Longxing Mining Company Limited	786,647,881	2,840,012,957	3,626,660,838	(1,645,506,841)	(2,693,142,581)	666,956,306	2,884,001,375	3,550,957,681	(1,580,804,695)	(2,627,415,931)
Jinbao Iron	163,217,647	250,045,973	413,263,620	(1,129,347,987)	(2,182,947,814)	115,318,202	287,604,433	402,922,635	(1,108,926,433)	(2,162,326,278)
Kuitun Tongguan	87,288,670	432,222,114	519,510,784	(172,716,696)	(195,294,843)	98,070,596	452,101,563	550,172,159	(180,855,772)	(203,433,920)
Zijin Tongguan Joint Venture Zeraoishan Limited Liability Company	324,395,737	1,707,698,783	2,032,094,520	(579,429,776)	(8,908,283)	348,260,596	2,735,374,105	3,083,634,701	(2,989,020)	(879,358,541)
Bor Copper	627,743,372	1,920,713,088	2,548,456,460	(1,103,702,753)	(2,862,470,830)	1,552,583,833	4,161,616,689	5,714,200,522	(433,523,130)	(1,866,907,822)
	1,706,363,501	3,468,580,942	5,174,944,443	(713,429,412)	(1,184,238,447)					

Notes to Financial Statements (continued)

For the period ended 30 June 2019

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

VII. INVESTMENTS IN OTHER ENTITIES (continued)

1. Investments in subsidiaries (continued)

The major financial information of the subsidiaries in the table above is stated below. These amounts are before elimination: (continued)

	For the six months ended 30 June 2019				For the six months ended 30 June 2018			
	Operating income	Net profit/(loss)	Total comprehensive income/(losses)	Cash flows from operating activities	Operating income	Net profit/(loss)	Total comprehensive income/(losses)	Cash flows from operating activities
Xinjiang Ashele	909,446,824	376,157,101	376,157,101	522,585,125	971,196,853	430,592,804	430,592,804	467,206,926
Guizhou Zijin	913,846,293	1,796,570	1,796,570	13,534,949	756,339,253	(27,744,529)	(27,744,529)	24,974,701
Bayannaer Zijin	2,119,517,834	130,385,834	130,385,834	336,083,300	2,104,855,220	114,369,544	114,369,544	(137,767,913)
Xinjiang Jintao	1,097,418,724	516,985,489	516,985,489	494,156,979	710,476,148	322,726,173	322,726,173	334,871,530
Luoyang Kunyu	289,665,947	33,260,769	33,260,769	113,402,770	247,434,187	17,064,987	17,064,987	64,235,472
Zijin Tungsten	187,924,700	(222,707,960)	(222,707,960)	59,573,176	117,368,876	19,778,388	19,778,388	59,917,819
Yunnan Huaxi	64,811	1,132,465	1,132,465	590,028	971,257	1,985,456	1,985,456	(380,994)
Huamin Mining	-	(1,350,018)	(1,350,018)	(76,882)	-	(1,298,481)	(1,298,481)	(3,397,033)
Altyken	571,003,893	120,783,395	120,783,395	251,451,613	480,425,621	121,994,930	121,994,930	159,181,073
Longnan Zijin	276,522	(63,812,909)	(63,812,909)	(35,331,650)	88,797,549	15,970,238	15,970,238	19,187,694
Henan Jinda Mining Company Limited	-	(227,851)	(227,851)	(104,580)	-	(209,802)	(209,802)	(128,551)
Heilongjiang Zijin Longxing Mining Company Limited	594,072,849	6,838,200	9,976,507	125,897,200	1,101,063,476	631,130,660	631,130,660	719,095,886
Jinhao Iron	1,921,757	(53,489,231)	(53,489,231)	(1,105,863)	994,527	(56,402,034)	(56,402,034)	(3,296,249)
Kuitun Tongguan	35,576,927	(22,193,764)	(22,193,764)	703,528	35,830,886	(16,644,279)	(16,644,279)	805,077
Zijin Tongguan	-	(34,797,234)	(34,797,234)	(25,002,953)	-	-	-	-
Joint Venture Zeravshan Limited Liability Company	593,437,067	82,674,574	82,674,574	151,228,376	-	-	-	-
Bor Copper	1,544,495,948	6,050,875	6,050,875	(515,174,794)	-	-	-	-

Notes to Financial Statements (continued)

For the period ended 30 June 2019

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

VII. INVESTMENTS IN OTHER ENTITIES (continued)

2. Transactions resulting in changes in proportion of owners' equity but without impact on the control of subsidiaries

In May 2019, the Group transferred its 5% equity interest in Bisha, a subsidiary of the Group. The proportion of shareholding in Bisha decreased from 60% to 55% after the completion of the transfer. The consideration of the equity transfer was USD10 million. The transaction increased non-controlling interests by RMB165,243,836 and reduced capital reserve by RMB96,567,785.

In June 2019, the Group transferred its 39% equity interest in Zijin Chemicals Company, a subsidiary of the Group. The proportion of shareholding of Zijin Chemicals Company decreased from 90% to 51% after the completion of the transfer. The consideration of the equity transfer was RMB31.2 million. The transaction increased non-controlling interests by RMB9,823,517 and increased capital reserve by RMB21,376,483.

3. Investments in joint ventures and associates

	Principal place of business	Place of registration	Principal activities	Registered capital	Proportion of ownership interest (%)		Accounting treatment
					Direct	Indirect	
Joint ventures							
Shandong Guoda (Note 1)	Zhaoyuan City, Shandong Province	Zhaoyuan City, Shandong Province	Production of gold, silver, copper cathode and sulphuric acid; sale of self-produced products	173,430,000	-	30.05%	Equity method
Xiamen Zijin Zhonghang	Xiamen City, Fujian Province	Xiamen City, Fujian Province	Development, operation and management of real estate, property management, business information consulting services, marketing and technical consultation	250,000,000	-	50%	Equity method
Gold Eagle Mining (Note 2)	Hong Kong	Hong Kong	Trading and investment	HKD3,498,500	-	45%	Equity method
Southwest Zijin Gold	Zhenfeng County, Guizhou Province	Zhenfeng County, Guizhou Province	Research and development of manufacturing technology, design and processing, wholesale and technical consultation services of precious metals, jewellery and jade products	100,000,000	-	50%	Equity method
Guizhou Funeng Zijin (Note 3)	Anshun City, Guizhou Province	Anshun City, Guizhou Province	Power and electricity investment	200,000,000	-	50%	Equity method
Fujian Longhu Fishery (Note 4)	Longyan City, Fujian Province	Longyan City, Fujian Province	Ecological aquaculture, fishing, aquatic product processing, recreational fishing business, tourism, tourism real estate development	21,500,000	-	51.16%	Equity method
Zijin Cuifu (Note 5)	Longyan City, Fujian Province	Longyan City, Fujian Province	Trading of precious metals, fine processing of gold, processing and sale of jewellery products, diamond and jade, recovery of metal materials	20,000,000	-	51%	Equity method
Kamoa	DR Congo	Barbados	Mining of copper mineral	USD14,000	-	49.5%	Equity method
Porgera Service Company	Australia	Cairns, Australia	Provision of corporate advisory service	AUD1,000	-	50%	Equity method
Preduzece za proizvodnju Bankarnog Praha Pometon Tir Doo Bor (Note 11)	Bor, Serbia	Đorđa Vajferta br. 20-22, Bor	Mainly production of copper powder, copper processing	RSD104,610,167	-	49%	Equity method

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*VII. INVESTMENTS IN OTHER ENTITIES *(continued)*3. Investments in joint ventures and associates *(continued)*

	Principal place of business	Place of registration	Principal activities	Registered capital	Proportion of ownership interest (%)		Accounting treatment
					Direct	Indirect	
Associates							
Ting River Hydropower	Shanghang County, Fujian Province	Shanghang County, Fujian Province	Hydroelectric power generation	69,000,000	–	49%	Equity method
Wuping Zijin Hydropower	Wuping County, Fujian Province	Wuping County, Fujian Province	Hydroelectric power generation and investment in hydropower industry	60,000,000	–	48%	Equity method
Haixia Technology (Note 6)	Yongan City, Fujian Province	Yongan City, Fujian Province	Production of explosives for civilian use	411,489,086	–	16.06%	Equity method
Shanghang Xinyuan	Shanghang County, Fujian Province	Shanghang County, Fujian Province	Pipe water supply	300,000,000	–	38%	Equity method
Hunchun Jindi (Note 7)	Hunchun City, Yanbian Korean Autonomous Prefecture	Hunchun City, Yanbian Korean Autonomous Prefecture	Analysis and testing of geological exploration for mineral, technology development, consultation and transfer, sale of mineral products	100,000,000	–	51%	Equity method
Yanbian Credit Security	Yanbian Korean Autonomous Prefecture	Yanbian Korean Autonomous Prefecture	Provision of loan guarantees for SMEs and individuals	200,000,000	–	25%	Equity method
Kanas Travel	Buerjin County, Xinjiang	Buerjin County, Xinjiang	Catering and travel services	135,000,000	–	21.09%	Equity method
Longyan Makeng	Longyan City, Fujian Province	Longyan City, Fujian Province	Iron and molybdenum mining	1,000,000,000	41.50%	–	Equity method
Songpan Zijin	Songpan County, Ngawa Tibetan and Qiang Autonomous Prefecture	Songpan County, Ngawa Tibetan and Qiang Autonomous Prefecture	Sale of industrial materials, equipment and instruments, development, manufacture and sale of general machinery	80,000,000	34%	–	Equity method
Wancheng Commercial	Wulatehouqi, Bayannaer City, Inner Mongolia	Wulatehouqi, Bayannaer City, Inner Mongolia	Mining, processing and sale of zinc, lead, sulphur, copper and iron	73,440,000	10%	37.50%	Equity method
Tibet Yulong	Changdu County, Changdu Prefecture, Tibet Autonomous Region	Changdu County, Changdu Prefecture, Tibet Autonomous Region	Mining of copper mineral and geological studies	2,000,000,000	22%	–	Equity method

Notes to Financial Statements *(continued)*

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

VII. INVESTMENTS IN OTHER ENTITIES *(continued)*

3. Investments in joint ventures and associates *(continued)*

	Principal place of business	Place of registration	Principal activities	Registered capital	Proportion of ownership interest (%)		Accounting treatment
					Direct	Indirect	
Associates <i>(continued)</i>							
Xinjiang Heaven Dragon	Fukang City, Xinjian, Xinjiang	Fukang City, Xinjian, Xinjiang	Limestone mining, cement production, intensive processing and refining of non-ferrous metals	870,935,192	–	16.42%	Equity method
Xiamen Modern Terminal	Xiamen City, Fujian Province	Xiamen City, Fujian Province	Dock construction, operation of dock and other port facilities; cargo loading and storage operation (under permission in license)	355,580,000	–	25%	Equity method
Wengfu Zijin	Shanghang County, Fujian Province	Shanghang County, Fujian Province	Production of monoammonium phosphate, diammonium hydrogen phosphate, gypsum block, and cement additive	813,340,000	–	37.38%	Equity method
Kuitun Yutong	Kuitun City, Xinjiang	Kuitun City, Xinjiang	Logistics and transportation service	50,000,000	–	20%	Equity method
Longyan Zijin AVIC	Longyan City, Fujian Province	Longyan City, Fujian Province	Development, operation and management of real estate, property management, and car park service	320,408,163	–	49%	Equity method
Zisen (Xiamen)	Xiamen City, Fujian Province	Xiamen City, Fujian Province	Supply chain management, management and consultation of investment; business information consultation; and investment consultation	10,000,000	–	49%	Equity method
Jinyue Huichuang (Note 8)	Fuzhou City, Fujian Province	Fuzhou City, Fujian Province	Design, manufacture, sale and repair of automatic and intelligent equipment; technological development and service in respect of industrial automation and electrical engineering; development and design of computer hardware and software products, and provision of informational system integration service	10,000,000	10%	20%	Equity method
Science (Note 9)	Changsha City, Hunan Province	Changsha City, Hunan Province	Technological consultation, design, development and operation services; design, contracting and construction of environmental protection engineering projects; and research, development, manufacture, sale and related technical services for chemicals and environmental protection equipment used in sewage and wastewater treatment	71,120,000	–	28.29%	Equity method
Fujian Evergreen New Energy Technology Co., Ltd. (Note 10)	Shanghang County, Fujian Province	Shanghang County, Fujian Province	Research of power battery recovery technology, power battery recovery, production and sales of precursors	200,000,000	30%	–	Equity method

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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

VII. INVESTMENTS IN OTHER ENTITIES *(continued)*

3. Investments in joint ventures and associates *(continued)*

- Note 1: Pursuant to the articles of association of Shandong Guoda, the board of directors of Shandong Guoda consists of five directors, including two appointed by the Group and three appointed by Shandong Zhaojin Group Zhaoyuan Gold Smelting Company Limited. The operating decisions of Shandong Guoda are effective only when approved by two-thirds of the directors. Therefore, the management of the Group considers that the Group has joint control over Shandong Guoda, and accounts for it as a joint venture.
- Note 2: Pursuant to the shareholders' agreement related to Gold Eagle Mining, the board of directors of Gold Eagle Mining consists of five directors, including two appointed by the Group and three appointed by Jinchuan Group. The operating decisions of Gold Eagle Mining are effective only when approved by two-thirds of the directors. Therefore, the management of the Group considers that the Group has joint control over Gold Eagle Mining, and accounts for it as a joint venture.
- Note 3: In December 2014, Guizhou Zijin and Fujian Coal and Electric Company Limited ("Fujian Coal and Electric") jointly established Guizhou Funeng Zijin with respective shareholding ratios of 50% and 50%. Pursuant to the agreement between the two parties, the board of directors of Guizhou Funeng Zijin consists of five directors, including two appointed by the Group and three appointed by Fujian Coal and Electric. The operating decisions of Guizhou Funeng Zijin are effective only when approved by two-thirds of the directors. Therefore, the management of the Group considers that the Group has joint control over Guizhou Funeng Zijin, and accounts for it as a joint venture.
- Note 4: Pursuant to the articles of association of Fujian Longhu Fishery, the board of directors consists of three directors, including two appointed by the Group. The resolutions of the board of directors must be approved by more than two-thirds (excluding two-thirds) of the directors. Therefore, the management of the Group considers that the Group has joint control over Fujian Longhu Fishery, and accounts for it as a joint venture.
- Note 5: On 3 February 2015, Southern Investment, a wholly-owned subsidiary of the Company, and Fujian JincuiFu Jewellery Development Company Limited ("JincuiFu") jointly established Zijin Cuifu with respective shareholding ratios of 51% and 49%. The board of directors of Zijin Cuifu consists of five directors, including three appointed by Southern Investment (one of them being appointed as the chairman) and two appointed by JincuiFu. The operation of Zijin Cuifu is carried out under contracted operation by the general manager delegated by JincuiFu. Pursuant to the articles of association of Zijin Cuifu, the operating decisions of Zijin Cuifu are effective only when approved by over two-thirds of the directors. Therefore, the management of the Group considers that the Group has joint control over Zijin Cuifu, and accounts for it as a joint venture.
- Note 6: Pursuant to the articles of association of Haixia Technology, the board of directors of Haixia Technology consists of six directors, including one appointed by the Group, three appointed by Fujian Province Mechanical and Electrical (Holding) Company Limited and two appointed by Fujian Energy Group Company Limited. The chairman of the supervisory committee, the deputy general manager and the chief financial officer of Haixia Technology are appointed by the Group. Therefore, the management of the Group considers that the Group has significant influence over the financial and operational decisions of Haixia Technology, and accounts for it as an associate.
- Note 7: In June 2015, Hunchun Zijin entered into an agreement with Jilin Hunchun Border Economic Cooperation Zone Infrastructure Investment Company Limited ("Cooperation Zone"). Cooperation Zone transferred an 11% equity interest in Hunchun Jindi to Hunchun Zijin. Pursuant to the articles of association of Hunchun Jindi, the board of directors of Hunchun Jindi consists of five directors, including two appointed by the Group. Therefore, the management of the Group considers the Group has significant influence over the financial and operational decisions of Hunchun Jindi and accounts for it as an associate.
- Note 8: In January 2016, Fujian Histron Group Company Limited, Fujian Intelligent Mining Hi-Tech Information Technology Company Limited, Xiamen Zijin Engineering Design Company Limited ("Xiamen Zijin Engineering") and the Company entered into an agreement. They jointly invested in and established Jinyue Huichuang. The Company and Xiamen Zijin Engineering hold 10% and 20% equity interest in Jinyue Huichuang respectively. The Group's wholly-owned subsidiary, Xiamen Investment, holds a 100% equity interest in Xiamen Zijin Engineering, which makes the Group indirectly hold a 30% equity interest in Jinyue Huichuang in total. Pursuant to the articles of association of Jinyue Huichuang, the board of directors of Jinyue Huichuang consists of five directors, including two directors appointed by the Group. Important decisions are effective only when approved by two-thirds of the directors. Therefore, the management of the Group considers that the Group merely has significant influence over Jinyue Huichuang, and accounts for it as an associate.
- Note 9: In April 2016, the Group's subsidiary, Capital Investment Company, entered into a capital increase agreement with Science, and Capital Investment Company subscribed for a 25% equity interest in Science in cash consideration of RMB166,600,000. Pursuant to the articles of association of Science, the board of directors of Science consists of five directors including one appointed by the Group. In addition, the Group appointed one supervisor. Important decisions are effective only when approved by two-thirds of the directors. Therefore, the management of the Group considers that the Group has significant influence over Science and accounts for it as an associate.
- Note 10: In August 2018, the Group established Fujian Evergreen New Energy Technology Co., Ltd. ("Evergreen New Energy") together with Geely Group Co., Ltd. and Hunan Shanshan Energy Technology Co., Ltd. Evergreen New Energy's registered capital is RMB200 million and the Company holds 30% of its equity interest. According to the articles of association of Evergreen New Energy, the board of directors consists of six directors including one appointed by the Group. The Group has a significant influence over Evergreen New Energy. Therefore, the Company accounts for it as an associate using the equity method.
- Note 11: Bor Copper is a subsidiary of the Group, and Preduzece za proizvodnju Bankarnog Praha Pometon Tir Doo Bor is a joint venture of Bor Copper. According to the provisions of the articles of association of Preduzece za proizvodnju Bankarnog Praha Pometon Tir Doo Bor, the company shall set up a board of directors, which shall be composed of five directors, two of whom shall be appointed by Bor Copper. The decisions of the company shall only be implemented with the unanimous consent of all the operating parties. Therefore, the Group has the joint control over the company, and it has been accounted for as a joint venture.

Notes to Financial Statements *(continued)*

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

VII. INVESTMENTS IN OTHER ENTITIES *(continued)*

3. Investments in joint ventures and associates *(continued)*

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

The financial information of the above significant joint ventures is set out below, which was adjusted to book value per consolidated financial statements in accordance with the Group's accounting policies:

30 June 2019

	Shandong Guoda	Xiamen Zijin Zhonghang	Gold Eagle Mining	Kamao
Current assets	843,544,113	374,578,447	538,110,541	872,586,257
<i>Including: Cash and cash equivalents</i>	208,473,515	264,358,884	461,978,567	359,318,262
Non-current assets	366,918,334	157,562	3,533,038,036	5,130,074,149
Total assets	1,210,462,447	374,736,009	4,071,148,577	6,002,660,406
Current liabilities	643,220,841	71,086,731	988,923,727	274,836,094
Non-current liabilities	2,905,143	–	3,427,856	2,851,753,045
Total liabilities	646,125,984	71,086,731	992,351,583	3,126,589,139
Non-controlling interests	–	–	(101,883,822)	(407,664,860)
Equity attributable to owners of the parent	564,336,463	303,649,278	3,180,680,816	3,283,736,127
Share of net assets based on proportion of equity interest	169,583,107	151,824,639	1,431,306,367	1,625,449,383
Adjustments	–	–	–	–
Impairment provision	(12,350,855)	–	–	(3,464,168)
Book value of equity investments	157,232,252	151,824,639	1,431,306,367	1,621,985,215
Operating income	1,173,848,869	12,884,021	–	–
Financial expenses	10,378,915	3,474,916	31,999,190	211,280,755
<i>Including: Interest income</i>	–	–	(725)	(17,221,821)
<i>Including: Interest expenses</i>	10,378,915	3,474,916	31,999,915	228,502,576
Income tax expenses	5,294,625	18,699,724	–	(64,342,764)
Net profit/(loss)	15,003,707	(28,283,911)	(32,029,449)	(198,303,370)
Other comprehensive income	–	–	–	–
Total comprehensive income/(loss)	15,003,707	(28,283,911)	(32,029,449)	(198,303,370)
Dividends received	–	60,827,729	–	–

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*VII. INVESTMENTS IN OTHER ENTITIES *(continued)*3. Investments in joint ventures and associates *(continued)*

The financial information of the above significant joint ventures is set out below, which was adjusted to book value per consolidated financial statements in accordance with the Group's accounting policies: *(continued)*

31 December 2018

	Shandong Guoda	Xiamen Zijin Zhonghang	Gold Eagle Mining	Kamoa
Current assets	723,572,561	521,159,427	629,435,361	549,973,185
<i>Including: Cash and cash equivalents</i>	<i>160,441,347</i>	<i>353,229,335</i>	<i>553,816,385</i>	<i>239,636,713</i>
Non-current assets	369,564,381	196,727	3,955,403,486	9,302,739,150
Total assets	1,093,136,942	521,356,154	4,584,838,847	9,852,712,335
Current liabilities	497,442,567	67,767,508	1,371,847,240	139,903,928
Non-current liabilities	2,905,143	–	88,071,079	6,644,766,309
Total liabilities	500,347,710	67,767,508	1,459,918,319	6,784,670,237
Non-controlling interests	–	–	(87,312,221)	(376,981,502)
Equity attributable to owners of the parent	592,789,232	453,588,646	3,212,232,749	3,445,023,600
Share of net assets based on proportion of equity interest	178,133,164	226,794,323	1,445,504,737	1,705,286,682
Adjustments	–	–	–	–
Impairment provision	(12,350,855)	–	–	–
Book value of equity investments	165,782,309	226,794,323	1,445,504,737	1,705,286,682
Operating income	2,341,369,422	428,386,491	–	–
Financial expenses	15,980,290	(3,062,277)	27,778,612	366,735,301
<i>Including: Interest income</i>	<i>–</i>	<i>(3,062,277)</i>	<i>(439)</i>	<i>(25,767,958)</i>
<i>Including: Interest expenses</i>	<i>5,068,480</i>	<i>–</i>	<i>54,376,432</i>	<i>392,503,258</i>
Income tax expenses	9,673,984	(30,991,200)	–	–
Net profit/(loss)	28,509,864	13,240,088	(24,765,151)	271,959,507
Other comprehensive income	–	–	–	–
Total comprehensive income/(loss)	28,509,864	13,240,088	(24,765,151)	271,959,507
Dividends received	8,530,843	–	–	–

Notes to Financial Statements *(continued)*

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

VII. INVESTMENTS IN OTHER ENTITIES *(continued)*

3. Investments in joint ventures and associates *(continued)*

The significant associates of the Group include Longyan Makeng, Tibet Yulong, Wancheng Commercial, Xinjiang Heaven Dragon and Wengfu Zijin, which are accounted for using the equity method.

The financial information of the above significant associates is set out below, which was adjusted to book value per consolidated financial statements in accordance with the Group's accounting policies:

30 June 2019

	Longyan Makeng	Tibet Yulong	Wancheng Commercial	Xinjiang Heaven Dragon	Wengfu Zijin
Current assets	353,243,989	683,479,464	430,998,286	807,376,536	464,829,428
Non-current assets	4,221,205,838	6,365,853,280	180,341,270	3,415,210,079	2,059,143,302
Total assets	4,574,449,827	7,049,332,744	611,339,556	4,222,586,615	2,523,972,730
Current liabilities	1,201,107,975	2,380,272,348	25,108,352	2,006,547,265	1,577,246,600
Non-current liabilities	1,196,200,127	1,781,536,310	-	91,801,536	55,205,143
Total liabilities	2,397,308,102	4,161,808,658	25,108,352	2,098,348,801	1,632,451,743
Non-controlling interests	-	-	-	-	-
Equity attributable to owners of the parent	2,177,141,725	2,887,524,086	586,231,204	2,124,237,814	891,520,987
Share of net assets based on proportion of equity interest	903,513,816	635,255,299	278,459,822	348,799,849	333,250,545
Adjustments	-	-	-	-	-
Impairment provision	-	-	-	-	-
Goodwill	-	-	-	-	-
Book value of equity investments	903,513,816	635,255,299	278,459,822	348,799,849	333,250,545
Operating income	522,132,377	548,223,131	202,078,225	1,486,957,741	859,566,299
Income tax expenses	22,536,822	20,243,678	28,469,868	-	10,507,901
Net profit/(loss)	67,610,465	204,943,373	85,409,604	(92,571,002)	59,569,703
Other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	67,610,465	204,943,373	85,409,604	(92,571,002)	59,569,703
Dividends received	-	-	-	-	-

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*VII. INVESTMENTS IN OTHER ENTITIES *(continued)*3. Investments in joint ventures and associates *(continued)*

The financial information of the above significant associates is set out below, which was adjusted to book value per consolidated financial statements in accordance with the Group's accounting policies: *(continued)*

31 December 2018

	Longyan Makeng	Tibet Yulong	Wancheng Commercial	Xinjiang Heaven Dragon	Wengfu Zijin
Current assets	455,462,149	782,515,051	232,990,081	880,338,891	618,528,590
Non-current assets	4,221,160,134	6,270,164,204	342,308,194	3,973,898,888	2,044,208,994
Total assets	4,676,622,283	7,052,679,255	575,298,275	4,854,237,779	2,662,737,584
Current liabilities	2,142,521,552	2,077,827,370	70,655,424	2,531,095,000	1,775,413,339
Non-current liabilities	1,220,105,560	2,265,068,185	–	106,336,091	55,372,961
Total liabilities	3,362,627,112	4,342,895,555	70,655,424	2,637,431,091	1,830,786,300
Non-controlling interests	–	–	–	–	–
Equity attributable to owners of the parent	1,313,995,171	2,709,783,700	504,642,851	2,216,806,688	831,951,284
Share of net assets based on proportion of equity interest	545,307,996	596,152,414	239,705,354	363,999,658	310,983,390
Adjustments	–	–	–	–	–
Impairment provision	–	–	–	–	–
Goodwill	331,615,363	–	–	–	–
Book value of equity investments	876,923,359	596,152,414	239,705,354	363,999,658	310,983,390
Operating income	569,694,017	1,148,570,963	450,473,306	3,168,490,171	1,585,381,519
Income tax expenses	8,644,994	56,772,464	77,113,765	27,227	(87,319)
Net profit/(loss)	27,962,547	338,081,993	223,894,743	(20,052,161)	66,565,297
Other comprehensive income	–	–	–	–	–
Total comprehensive income/(loss)	27,962,545	338,081,993	223,894,743	(20,052,161)	66,565,297
Dividends received	20,750,000	–	66,500,000	6,910,046	–

Notes to Financial Statements *(continued)*

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

VII. INVESTMENTS IN OTHER ENTITIES *(continued)*

3. Investments in joint ventures and associates *(continued)*

The following table illustrates the aggregate financial information of the Group's joint ventures and associates that are not individually significant:

	30 June 2019	31 December 2018
Joint ventures		
Aggregate book value of the Group's investments in joint ventures	124,114,408	111,325,848
Items below were calculated by the proportion of equity interest		
Share of net profit/(loss) of joint ventures	437,705	(2,728,843)
Share of other comprehensive income of joint ventures	–	–
Share of total comprehensive income/(loss) of joint ventures	437,705	(2,728,843)
Associates		
Aggregate book value of the Group's investments in associates	985,572,949	999,295,195
Items below were calculated by the proportion of equity interest		
Share of net profit/(loss) of associates	3,344,714	(7,357,206)
Share of other comprehensive income of associates	–	–
Share of total comprehensive income/(loss) of associates	3,344,714	(7,357,206)

4. Significant joint operation

Company name	Principal place of business	Place of registration	Principal activities	Proportion of ownership interest	Proportion of voting rights	Strategic or not
BNL	Papua New Guinea	Port Moresby, Papua New Guinea	Mining, processing and sale of gold ores	50%	50%	Yes

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

Notes to Financial Statements *(continued)*

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

VIII. FINANCIAL INSTRUMENTS AND RISKS

1. Financial instruments by category

The carrying amounts of each category of financial instruments as at the date of financial position are as follows:

30 June 2019

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Financial assets at fair value through other comprehensive income		Total
	Standards requirement		Standards requirement	Designated	
Cash and cash equivalents	–	9,335,021,726	–	–	9,335,021,726
Held for trading financial assets	727,935,573	–	–	–	727,935,573
Trade receivables	–	644,961,624	–	–	644,961,624
Trade receivables financing	–	–	1,269,788,153	–	1,269,788,153
Other receivables	–	1,052,208,891	–	–	1,052,208,891
Current portion of non-current assets	–	635,358,196	–	–	635,358,196
Other current assets	–	379,600,328	–	–	379,600,328
Other equity instrument investments	–	–	–	2,957,099,097	2,957,099,097
Other non-current financial assets	444,588,000	–	–	–	444,588,000
Other non-current assets	–	4,437,165,648	–	–	4,437,165,648
	1,172,523,573	16,484,316,413	1,269,788,153	2,957,099,097	21,883,727,236

Financial liabilities

	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
	Standards requirement		
Short-term borrowings	–	15,225,532,960	15,225,532,960
Held for trading financial liabilities	444,104,907	–	444,104,907
Bills payable	–	129,319,520	129,319,520
Trade payables	–	4,422,877,762	4,422,877,762
Other payables	–	5,540,903,023	5,540,903,023
Current portion of non-current liabilities	–	7,075,876,564	7,075,876,564
Long-term borrowings	–	13,171,630,302	13,171,630,302
Bonds payable	–	11,687,615,524	11,687,615,524
Long-term payables	–	550,840,395	550,840,395
	444,104,907	57,804,596,050	58,248,700,957

Notes to Financial Statements (continued)

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

VIII. FINANCIAL INSTRUMENTS AND RISKS (continued)

1. Financial instruments by category (continued)

31 December 2018

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Financial assets at fair value through other comprehensive income		Total
	Standards requirement		Standards requirement	Designated	
Cash and cash equivalents	–	9,935,838,151	–	–	9,935,838,151
Held for trading financial assets	787,134,360	–	–	–	787,134,360
Bills receivable	–	–	–	–	–
Trade receivables	–	1,009,871,109	–	–	1,009,871,109
Other receivables	–	1,263,218,591	–	–	1,263,218,591
Current portion of non-current assets	–	307,233,993	–	–	307,233,993
Other current assets	–	513,826,397	1,243,090,520	–	1,756,916,917
Other equity instrument investments	–	–	–	1,983,796,793	1,983,796,793
Other non-current financial assets	401,513,674	–	–	–	401,513,674
Other non-current assets	–	4,182,117,096	–	–	4,182,117,096
	1,188,648,034	17,212,105,337	1,243,090,520	1,983,796,793	21,627,640,684

Financial liabilities

	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
	Standards requirement		
Short-term borrowings	–	15,616,680,236	15,616,680,236
Held for trading financial liabilities	242,482,582	–	242,482,582
Bills payable	–	160,733,506	160,733,506
Trade payables	–	4,540,248,350	4,540,248,350
Other payables	–	4,933,126,062	4,933,126,062
Current portion of non-current liabilities	–	9,707,089,022	9,707,089,022
Long-term borrowings	–	12,917,915,706	12,917,915,706
Bonds payable	–	8,879,453,693	8,879,453,693
Long-term payables	–	621,085,921	621,085,921
	242,482,582	57,376,332,496	57,618,815,078

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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

VIII. FINANCIAL INSTRUMENTS AND RISKS *(continued)*

2. Risk of financial instruments

The Group is exposed to the risks of various financial instruments in its daily activities, mainly including credit risk, liquidity risk and market risk (including currency risk, interest rate risk, equity instruments price risk and commodity price risk). The Group's principal financial instruments, including cash and cash equivalents, loans, bills receivable and trade receivables, other receivables, bills payable and trade payables, and other payables. The Group also enters into derivative transactions, mainly including forward contracts. The purpose is to manage the market risks arising from the Group's operation. The Group will manage the market risk of the derivative financial instruments in accordance with the variance between actual metal prices in the active market and estimated target prices, etc. Policies of the risk management to lower the risks of the Group are summarised below.

The Group's principal risks of financial instruments are credit risk, liquidity risk and market risk. Policies of the risk management to lower the risks of the Group are summarised below.

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, trade receivable balances are monitored on an ongoing basis to ensure that the Group's exposure to bad debts is not significant.

The credit risk of the Group's financial assets, which comprise cash and cash equivalents, held for trading financial assets, loans, trade receivables and certain derivative instruments, arise from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments. The Group is also exposed to credit risk for providing financial guarantees. Detailed information is disclosed in Note XI.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Credit risks are managed by customer/counterparty, by geographical region and by industry sector. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's trade receivables are widely dispersed in different sectors and industries. The Group does not hold any collateral or other credit enhancements over its trade receivable balances.

There is no significant past due relating to those financial assets that were not impaired individually or collectively.

As at 30 June 2019, trade receivables that were neither past due nor impaired were related to a large number of dispersed customers without recent default record.

Determination of significant increase in credit risk

At each date of statement of financial position, the Group determines whether the credit risk of a financial asset has increased significantly since initial recognition. When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the date of statement of financial position with the risk of default as at the date of initial recognition, based on a single financial asset or classes of financial assets with similar credit risks characteristics.

Notes to Financial Statements *(continued)*

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

VIII. FINANCIAL INSTRUMENTS AND RISKS *(continued)*

2. Risk of financial instruments *(continued)*

Credit risk *(continued)*

The Group determines that the credit risk of financial assets has significantly increased when one or more of the following quantitative or qualitative criteria below are met:

- quantitative criteria are mainly probability of default increasing more than a given percentage throughout the remaining period since initial recognition;
- qualitative criteria are mainly significant detrimental changes in the borrower's operating or financial conditions, early warning customer lists, etc.

Definition of credit-impaired financial assets

In assessing whether a financial asset is credit-impaired, the Group considers both quantitative and qualitative indicators and adopts the standard of determination in line with internal credit risk management goal of the relevant financial instruments. The Group assesses whether a financial asset is credit-impaired by considering the following factors:

- significant financial difficulty of the issuer or borrower;
- a breach of contract by the borrower such as a default or past due event of interests or principals;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties of the issuer or borrower;
- financial assets purchased or sourced at large discounts indicating credit losses have occurred;

The impairment of financial assets may not be necessarily due to a single discrete event. The combined effects of multiple events may result in financial assets being credit-impaired.

Parameters of the expected credit loss model

Based on whether there is a significant increase in credit risk and whether the financial assets are credit-impaired, the Group recognises impairment allowance for different assets using either 12-month expected credit losses or lifetime expected credit losses. The measurement of expected credit loss model is a function of the probability of default, the loss given default and the exposure at default as key parameters. The Group establishes the model of the probability of default, the loss given default and the exposure at default by considering the quantitative analysis of historical statistics such as the counterparty rating, guarantee method, collateral category, repayment method, and also forward-looking information.

Notes to Financial Statements *(continued)*

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

VIII. FINANCIAL INSTRUMENTS AND RISKS *(continued)*

2. Risk of financial instruments *(continued)*

Credit risk *(continued)*

Parameters of the expected credit loss model (continued)

Definitions:

- The probability of default is the probability that the debtor will not be able to meet its repayment obligations within the following 12 months or throughout the remaining duration. To reflect the macro-economic expected credit loss environment conditions, the Group's assessment of the probability of default is based on the calculation of expected credit loss model adjusted by forward-looking information.
- The loss given default refers to the Group's expectation of the extent of the loss of default risk exposure. The loss given default varies depending on the type of counterparty, the way and priority of recourse, and the type of collateral. The loss given default is the percentage of the risk exposure loss at the time of default, calculated on the basis of the next 12 months or the entire duration.
- The exposure at default refers to the amount that the Group should be repaid in the event of default in the next 12 months or throughout the remaining period.

Forward-looking information

The assessment of a significant increase in credit risk and calculation of expected credit losses both involve forward-looking information. The Group recognises key economic ratios that influence credit risk and expected credit losses by historical data analysis.

As at 30 June 2019, there was no evidence of a significant increase in credit risk.

Liquidity risk

The Group monitors its risk of shortage of funds using a recurring liquidity planning tool. This tool considers both the maturity of the financial instruments and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity and flexibility of funding through the use of debentures, bank borrowings, other borrowings, etc. As at 30 June 2019, approximately 55% of the Group's debts will mature in less than one year (31 December 2018: 61%).

Notes to Financial Statements *(continued)*

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

VIII. FINANCIAL INSTRUMENTS AND RISKS *(continued)*

2. Risk of financial instruments *(continued)*

Liquidity risk *(continued)*

The table below summarises the maturity profile of the Group's financial liabilities based on the contractual undiscounted cash flows:

30 June 2019

	Within 1 year	Over 1 year but within 5 years	Over 5 years	Total
Short-term borrowings	15,330,134,512	–	–	15,330,134,512
Held for trading financial liabilities	444,104,907	–	–	444,104,907
Bills payable	129,319,520	–	–	129,319,520
Trade payables	4,422,877,762	–	–	4,422,877,762
Other payables	5,540,903,023	–	–	5,540,903,023
Current portion of non-current liabilities	7,137,933,865	–	–	7,137,933,865
Other current liabilities	1,012,047,222	–	–	1,012,047,222
Long-term borrowings	570,229,676	14,259,179,722	730,464,933	15,559,874,331
Bonds payable	490,138,226	12,255,867,021	–	12,746,005,247
Long-term payables	9,722,004	413,447,696	373,245,866	796,415,566
	35,087,410,717	26,928,494,439	1,103,710,799	63,119,615,955

31 December 2018

	Within 1 year	Over 1 year but within 5 years	Over 5 years	Total
Short-term borrowings	15,815,766,142	–	–	15,815,766,142
Held for trading financial liabilities	242,482,582	–	–	242,482,582
Bills payable	160,733,506	–	–	160,733,506
Trade payables	4,540,248,350	–	–	4,540,248,350
Other payables	4,933,126,062	–	–	4,933,126,062
Current portion of non-current liabilities	10,016,942,463	–	–	10,016,942,463
Long-term borrowings	566,700,741	6,890,025,928	8,150,069,504	15,606,796,173
Bonds payable	380,880,002	9,523,380,460	–	9,904,260,462
Long-term payables	10,232,004	292,145,603	701,732,505	1,004,110,112
	36,667,111,852	16,705,551,991	8,851,802,009	62,224,465,852

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*VIII. FINANCIAL INSTRUMENTS AND RISKS *(continued)*2. Risk of financial instruments *(continued)***Market risk***Interest rate risk*

The Group's exposure to the risk of changes in market interest rates primarily relates to the Group's long-term debt obligations with floating interest rates.

The Group maintains an appropriate fixed rate and variable rate debts portfolio to manage the interest costs. As at 30 June 2019, approximately 73% (31 December 2018: 71%) of the interest-bearing borrowings were fixed rate debts.

Currency risk

The operating results of the Group is subject to the change of value in the assets and liabilities held in foreign currencies by the Group, which is caused by the fluctuation of exchange rates. The Group carried out hedging businesses for the exchange rate risk exposure. The Board approved the annual transaction amount, the maximum position quantity, business type and business duration for the foreign currency derivative transaction business. Financial planning team is responsible for the overall management of foreign currency business and makes adjustment to the foreign currency hedging strategy according to the market. A specialised monetary financial planning team is set up under the financial planning team to carry out the specific transaction business.

Equity instruments price risk

Equity instruments price risk is the risk that the fair values of equity securities change as a result of changes in the levels of equity indices and the value of individual securities. The Group is exposed to equity price risk arising from individual equity investments classified as held for trading financial assets (Note V.2) and other equity instrument investments (Note V.12) as at 30 June 2019. The Group's listed equity instrument investments are listed on the Shanghai, Shenzhen, Toronto, New York, London, Hong Kong and Australian stock exchanges, etc., and are valued at quoted market prices at the date of statement of financial position.

Commodity price risk

The Group's exposure to commodity price risk principally relates to the future market price fluctuation in major metals, such as gold, copper, zinc and silver. The price fluctuation can affect the Group's operating results.

The Group has carried out hedging businesses on the future sales of gold, copper, zinc and silver. The board of directors has approved the maximum position quantity of hedging derivative transactions of gold, copper, zinc and silver, and the hedging decision-making team and hedging business team are responsible for the organisation and implementation, and constantly pay attention to the price fluctuation of commodity futures contracts.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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

VIII. FINANCIAL INSTRUMENTS AND RISKS *(continued)*

3. Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, repurchase shares or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the first half of 2019.

The Group monitors capital using the debt-to-asset ratio, which is total liabilities divided by total assets. The Group's debt-to-asset ratio as at the date of statement of financial position was as follows:

	30 June 2019	31 December 2018
Total assets	116,581,961,442	112,879,303,842
Total liabilities	69,561,822,721	65,605,591,140
Debt-to-asset ratio	59.67%	58%

IX. DISCLOSURE OF FAIR VALUE

1. Assets and liabilities measured at fair value

30 June 2019

	Fair value measurement using			Total
	Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Measured at fair value				
Held for trading financial assets				
Held for trading debt investments	1,731,594	-	-	1,731,594
Held for trading equity investments	412,198,638	-	-	412,198,638
Derivative financial assets	98,010,226	40,488,197	-	138,498,423
Others	175,506,918	-	-	175,506,918
Trade receivables financing				
Bills receivable	1,269,788,153	-	-	1,269,788,153
Other equity instrument investments				
Listed available-for-sale equity instruments	2,400,397,168	-	556,701,929	2,957,099,097
Other non-current financial assets				
Funds of co-operative factoring business operation project	-	444,588,000	-	444,588,000
Total assets measured at fair value	4,357,632,697	485,076,197	556,701,929	5,399,410,823
Held for trading financial liabilities				
Gold leasing	273,588,500	-	-	273,588,500
Derivative financial liabilities – commodity hedging	89,129,911	22,296,655	-	111,426,566
Derivative financial liabilities – foreign exchange derivative instruments	-	59,089,841	-	59,089,841
Total liabilities measured at fair value	362,718,411	81,386,496	-	444,104,907

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*IX. DISCLOSURE OF FAIR VALUE *(continued)*1. Assets and liabilities measured at fair value *(continued)*

31 December 2018

	Fair value measurement using			Total
	Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Measured at fair value				
Held for trading financial assets				
Held for trading debt investments	8,767,740	–	–	8,767,740
Held for trading equity investments	357,294,790	–	–	357,294,790
Derivative financial assets	76,452,429	31,087,405	–	107,539,834
Others	313,531,996	–	–	313,531,996
Other current assets				
Bills receivable	1,243,090,520	–	–	1,243,090,520
Other equity instrument investments				
Listed available-for-sale equity instruments	1,450,357,099	–	533,439,694	1,983,796,793
Other non-current financial assets				
Funds of co-operative factoring business operation project	–	401,513,674	–	401,513,674
Total assets measured at fair value	3,449,494,574	432,601,079	533,439,694	4,415,535,347
Held for trading financial liabilities				
Gold leasing	74,841,064	–	–	74,841,064
Derivative financial liabilities – commodity hedging	155,012,734	10,858,519	–	165,871,253
Derivative financial liabilities – foreign exchange derivative instruments	–	1,770,265	–	1,770,265
Total liabilities measured at fair value	229,853,798	12,628,784	–	242,482,582

During the six months ended 30 June 2019 and the year ended 31 December 2018, there were no transfers of fair value measurements of financial assets and financial liabilities between Level 1 and Level 2 and no transfers into or out from Level 3.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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

IX. DISCLOSURE OF FAIR VALUE *(continued)*

2. Assets and liabilities disclosed at fair value

30 June 2019

	Fair value measurement using			Total
	Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Long-term receivables	–	–	4,437,165,648	4,437,284,609
Borrowings	–	28,397,163,262	–	28,397,163,262
Bonds payable	–	11,687,615,524	–	11,687,615,524
Long-term payables	–	–	550,840,395	550,840,395
Lease liabilities	–	–	216,230,093	216,230,093
Current portion of non-current assets	–	–	635,358,196	635,358,196
Current portion of non-current liabilities	–	6,883,241,153	192,635,411	7,075,876,564

31 December 2018

	Fair value measurement using			Total
	Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Long-term receivables	–	–	4,182,117,096	4,182,117,096
Borrowings	–	28,534,595,942	–	28,534,595,942
Bonds payable	–	8,879,453,693	–	8,879,453,693
Long-term payables	–	–	621,085,921	621,085,921
Current portion of non-current assets	–	–	307,233,993	307,233,993
Current portion of non-current liabilities	–	9,659,653,169	47,435,853	9,707,089,022

3. Estimation of fair value

The net book values of the Group's financial instruments approximate to their fair values.

The management has assessed that the fair values of cash and cash equivalents, bills receivable, trade receivables, other receivables, other current assets, bills payable, trade payables, dividends payable, other payables, current portion of non-current liabilities and other current liabilities approximate to their carrying amounts largely due to the short remaining maturities of these instruments.

The fair values of financial assets and liabilities are included in the amount at which the instrument could be exchanged or debts could be settled in an arm's length transaction between knowledgeable and willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

The fair values of other non-current assets, short-term and long-term borrowings, long-term payables and bonds payable have been calculated by discounting the expected future cash flows using market rates of return currently available for other financial instruments with similar terms, credit risk and remaining maturities. As at 30 June 2019, the Group's own non-performance risk for short-term and long-term borrowings was assessed to be insignificant. The fair values of listed equity investments are measured at quoted market prices.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)***IX. DISCLOSURE OF FAIR VALUE** *(continued)***3. Estimation of fair value** *(continued)*

The Group has entered into derivative financial instrument contracts with various counterparties (mainly financial institutions with high credit ratings). Derivative financial instruments, including forward contracts and cross currency swap contracts, are measured using valuation techniques similar to forward pricing, swap models and the present value method. The models incorporate various market observable inputs including the credit quality of counterparties, spot and forward foreign exchange rates and interest rates curves. The carrying values of forward contracts and cross currency swap contracts are the same as their fair values.

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS**1. The largest shareholder of the Company**

Company name	Place of registration	Nature of business	Registered capital	Proportion of the Company's ownership	Proportion of the Company's voting power	Ultimate controlling entity of the Company
Minxi Xinghang	No. 110 Zhenxing Road, Linjiang Town, Shanghang County, Longyan City, Fujian Province	Investment in Fujian	RMB368 million	25.88%	25.88%	Minxi Xinghang

2. Subsidiaries of the Company

Information about the major subsidiaries of the Company is disclosed in Note VII.1.

3. Joint ventures and associates

Information about the joint ventures and associates of the Company is disclosed in Note VII.3.

4. Joint operation

Information about the joint operation of the Company is disclosed in Note VII.4.

5. Other related parties of the Company

	Relationship between the related parties and the Company
Zhu Hongxing	A non-controlling shareholder of Huanmin Mining
Hongyang Mining	A non-controlling shareholder of Guizhou Zijin
Shanghang County Jinshan Trading	A non-controlling shareholder of the Company
Xinjiang Nonferrous Metal Industrial Materials Group Company Limited ("Xinjiang Nonferrous Metal Materials")	A subsidiary of Xinjiang Nonferrous Metal Industry (Group) Company Limited, a non-controlling shareholder of Xinjiang Ashele
Gansu Province Non-ferrous Metal Geological Exploration Bureau Tianshui Mineral Exploration Institute	A subsidiary of Gansu Jiuzhou Exploration Mining Co., Ltd., a non-controlling shareholder of Longnan Zijin
Fujian Shanghang Qilin Mining Construction Co., Ltd. ("Qilin Mining")	A non-controlling shareholder of Zijin Construction
La Générale des Carrières et des Mines (Gécamines) ("Gécamines")	A non-controlling shareholder of COMMUS

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

6. Related party transactions

(A) Sales and purchases of products, and rendering and receipt of services to and from related parties

Purchases of products and receipt of services from related parties

	Nature of transaction	Pricing method and decision-making procedures of the related party transaction	For the six months ended 30 June 2019	For the six months ended 30 June 2018
Wancheng Commercial	Purchase of zinc concentrates	Market price	80,134,693	152,954,204
Haixia Technology	Purchase of raw materials	Market price	136,146	637,086
Southwest Zijin Gold	Purchase of low-purity gold	Market price	105,532,592	12,225,223
Zisen (Xiamen)	Purchase of raw materials	Market price	739,939,765	885,894,408
Shanghang County Jinshan Trading	Purchase of raw materials	Market price	18,787,517	22,194,538
Qilin Mining	Construction and transportation service	Market price	10,522,040	–
			955,052,753	1,073,905,459

Sales of products and rendering of services to related parties

	Nature of transaction	Pricing method and decision-making procedures of the related party transaction	For the six months ended 30 June 2019	For the six months ended 30 June 2018
Shandong Guoda	Sale of silver concentrates	Market price	61,230,200	22,287,318
Wengfu Zijin	Sale of sulphuric acid	Market price	53,806,082	50,028,431
Zisen (Xiamen)	Sale of zinc concentrates and copper cathodes	Market price	135,506,743	553,083,508
Xinjiang Nonferrous Metal Materials	Sale of copper concentrates	Market price	–	342,752
Wuxin Copper*	Sale of copper concentrates	Market price	457,891,888	402,027,405
Longyan Makeng	Sale of materials	Market price	2,459,754	1,090,048
			710,894,667	1,028,859,462

* Continuing connected transaction under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)***X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS** *(continued)***6. Related party transactions** *(continued)***(B) Related party guarantees**

- (1) Provision of guarantees by related parties for bank loans of the Group

As at 30 June 2019, there were no related party guarantees provided for bank loans of the Group.

- (2) The Group's provision of guarantees for bank loans of related parties

30 June 2019

Guarantor	Guaranteed party	Amount of guarantee	Inception date of guarantee	Due date of guarantee	Whether performance of guarantee has been completed
The Company	Wengfu Zijin (Note XI.2 (Note 1))	69,153,000	1 April 2019	23 May 2020	No

31 December 2018

Guarantor	Guaranteed party	Amount of guarantee	Inception date of guarantee	Due date of guarantee	Whether performance of guarantee has been completed
The Company	Wengfu Zijin (Note XI.2 (Note 1))	139,780,000	28 April 2011	27 April 2019	No

(C) Borrowings from/to related parties

Borrowings from related parties

30 June 2019

Lender	Note	Amount of borrowings	Inception date	Due date	Annual interest rate
Minxi Xinghang	Note 1	22,200,000	10 December 2015	9 December 2027	1.20%
		22,200,000			

31 December 2018

Lender	Note	Amount of borrowings	Inception date	Due date	Annual interest rate
Minxi Xinghang	Note 1	45,600,000	29 December 2015	28 December 2026	1.20%
Minxi Xinghang	Note 1	24,800,000	11 December 2015	9 December 2027	1.20%
		70,400,000			

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

6. Related party transactions *(continued)*

(C) Borrowings from/to related parties *(continued)*

Borrowings to related parties

30 June 2019

Borrowers	Notes	Amount of borrowings	Inception date	Due date	Annual interest rate
Gold Eagle Mining	Note 2	197,935,499	30 June 2015	30 June 2020	LIBOR+2.60%
Gold Eagle Mining	Note 2	424,148,214	15 May 2017	31 August 2020	LIBOR+2.60%
		622,083,713			
Longyan Zijin AVIC	Note 3	433,746,582	18 March 2016	17 March 2020	6.50%
Kamoa	Note 4	1,245,400,268	8 December 2015	–	LIBOR+7%
Kamoa	Note 4	34,373,500	2 January 2016	–	LIBOR+7%
Kamoa	Note 4	53,107,580	15 March 2016	–	LIBOR+7%
Kamoa	Note 4	140,883,227	15 August 2016	–	LIBOR+7%
Kamoa	Note 4	129,469,259	14 October 2016	–	LIBOR+7%
Kamoa	Note 4	78,007,001	21 December 2016	–	LIBOR+7%
Kamoa	Note 4	24,144,661	24 January 2017	–	LIBOR+7%
Kamoa	Note 4	24,144,661	22 February 2017	–	LIBOR+7%
Kamoa	Note 4	31,322,206	24 March 2017	–	LIBOR+7%
Kamoa	Note 4	13,268,192	31 March 2017	–	LIBOR+7%
Kamoa	Note 4	28,500,059	24 April 2017	–	LIBOR+7%
Kamoa	Note 4	77,546,341	24 May 2017	–	LIBOR+7%
Kamoa	Note 4	33,738,470	31 July 2017	–	LIBOR+7%
Kamoa	Note 4	90,759,858	31 August 2017	–	LIBOR+7%
Kamoa	Note 4	51,319,312	31 August 2017	–	LIBOR+7%
Kamoa	Note 4	57,604,349	30 September 2017	–	LIBOR+7%
Kamoa	Note 4	49,914,736	31 October 2017	–	LIBOR+7%
Kamoa	Note 4	56,356,233	30 November 2017	–	LIBOR+7%
Kamoa	Note 4	9,490,448	25 January 2018	–	LIBOR+7%
Kamoa	Note 4	33,378,408	23 February 2018	–	LIBOR+7%
Kamoa	Note 4	37,748,758	6 April 2018	–	LIBOR+7%
Kamoa	Note 4	18,255,209	23 April 2018	–	LIBOR+7%
Kamoa	Note 4	47,976,146	24 May 2018	–	LIBOR+7%
Kamoa	Note 4	24,615,489	6 August 2018	–	LIBOR+7%
Kamoa	Note 4	57,416,504	23 August 2018	–	LIBOR+7%
Kamoa	Note 4	31,942,799	25 September 2018	–	LIBOR+7%
Kamoa	Note 4	136,870,183	25 October 2018	–	LIBOR+7%
Kamoa	Note 4	82,038,236	23 November 2018	–	LIBOR+7%
Kamoa	Note 4	97,591,901	23 February 2019	–	LIBOR+7%
Kamoa	Note 4	46,848,709	12 April 2019	–	LIBOR+7%
Kamoa	Note 4	115,935,759	29 April 2019	–	LIBOR+7%
Kamoa	Note 4	111,969,793	24 May 2019	–	LIBOR+7%
		3,071,938,255			
Longyan Makeng	Note 5	50,066,458	8 October 2018	18 September 2019	4.79%
		4,177,835,008			

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)***X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS** *(continued)*6. Related party transactions *(continued)***(C) Borrowings from/to related parties** *(continued)*Borrowings to related parties *(continued)*

31 December 2018

Borrowers	Notes	Amount of borrowings	Inception date	Due date	Annual interest rate
Gold Eagle Mining	Note 2	225,400,573	30 June 2015	30 June 2020	LIBOR+2.60%
Gold Eagle Mining	Note 2	381,061,713	15 May 2017	31 August 2020	LIBOR+2.60%
Longyan Zijin AVIC	Note 3	424,879,188	18 March 2016	17 March 2019	6.50%
Kamoa	Note 4	1,243,316,962	8 December 2015	–	LIBOR+7%
Kamoa	Note 4	34,316,000	2 January 2016	–	LIBOR+7%
Kamoa	Note 4	53,018,742	15 March 2016	–	LIBOR+7%
Kamoa	Note 4	140,647,558	15 August 2016	–	LIBOR+7%
Kamoa	Note 4	129,252,683	14 October 2016	–	LIBOR+7%
Kamoa	Note 4	77,876,511	21 December 2016	–	LIBOR+7%
Kamoa	Note 4	24,104,272	24 January 2017	–	LIBOR+7%
Kamoa	Note 4	24,104,272	22 February 2017	–	LIBOR+7%
Kamoa	Note 4	31,269,810	24 March 2017	–	LIBOR+7%
Kamoa	Note 4	13,245,997	31 March 2017	–	LIBOR+7%
Kamoa	Note 4	28,452,384	24 April 2017	–	LIBOR+7%
Kamoa	Note 4	77,416,621	24 May 2017	–	LIBOR+7%
Kamoa	Note 4	33,682,032	31 July 2017	–	LIBOR+7%
Kamoa	Note 4	90,608,035	31 August 2017	–	LIBOR+7%
Kamoa	Note 4	51,233,465	31 August 2017	–	LIBOR+7%
Kamoa	Note 4	57,507,988	30 September 2017	–	LIBOR+7%
Kamoa	Note 4	49,831,238	31 October 2017	–	LIBOR+7%
Kamoa	Note 4	56,261,960	30 November 2017	–	LIBOR+7%
Kamoa	Note 4	9,474,572	25 January 2018	–	LIBOR+7%
Kamoa	Note 4	33,322,572	23 February 2018	–	LIBOR+7%
Kamoa	Note 4	37,685,612	6 April 2018	–	LIBOR+7%
Kamoa	Note 4	18,224,672	23 April 2018	–	LIBOR+7%
Kamoa	Note 4	47,895,891	24 May 2018	–	LIBOR+7%
Kamoa	Note 4	24,574,312	6 August 2018	–	LIBOR+7%
Kamoa	Note 4	57,320,458	23 August 2018	–	LIBOR+7%
Kamoa	Note 4	31,889,365	25 September 2018	–	LIBOR+7%
Kamoa	Note 4	136,641,226	25 October 2018	–	LIBOR+7%
Kamoa	Note 4	81,901,002	23 November 2018	–	LIBOR+7%
Longyan Makeng	Note 5	50,073,104	8 October 2018	18 September 2019	4.785%

3,776,490,790

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

6. Related party transactions *(continued)*

(C) Borrowings from/to related parties *(continued)*

Borrowings to related parties *(continued)*

Note 1: Minxi Xinghang, a shareholder of the Company, provided the Company with an unsecured loan of RMB30,000,000 on 11 December 2015. As at 30 June 2019, the Company has repaid RMB8,000,000; Minxi Xinghang provided the Company with an unsecured loan of RMB57,000,000 on 29 December 2015. As at 30 June 2019, the Company repaid the loan in advance.

Note 2: In 2012, Jin Jian Global Mining Limited ("Jin Jian Global"), a subsidiary of the Group, entered into an agreement with Gold Eagle Mining. Pursuant to the agreement, Jin Jian Global provided a loan of USD22,680,000 to Gold Eagle Mining which was extended to 30 June 2020. As at 30 June 2019, the total amount of the loan principal and the accrued interest was equivalent to RMB197,935,499 (31 December 2018: RMB225,400,573). In 2014, Jin Jian Global provided an additional loan of USD51,750,000 to Gold Eagle Mining which was extended to 31 August 2020. As at 30 June 2019, the total amount of the loan principal and the accrued interest was equivalent to RMB424,148,214 (31 December 2018: RMB381,061,713). The above loans were both unsecured with an interest rate of the one-year LIBOR+2.60%.

Note 3: In 2016, the Company provided a loan of RMB419,440,000 to an associate, Longyan Zijin AVIC. The loan was extended to 16 March 2020 during the year, and was unsecured with an interest rate of 6.50% per annum. As at 30 June 2019, the total amount of the loan principal and interest was RMB433,746,582. In 2017, the Company made provision for bad debts of RMB153,203,515 for the loan provided to Longyan Zijin AVIC.

Note 4: Pursuant to the equity transfer agreement, part of the original shareholders' loans of Kamoao in the amount of USD181,157,035 was transferred to the Group's subsidiary, Gold Mountains (H.K.). As at 30 June 2019, the amount was equivalent to RMB1,245,400,268 (31 December 2018: RMB1,243,316,962). These loans were unsecured with an interest rate of the one-year LIBOR+7%. The Company and Kamoao agreed that these loans would be repaid with Kamoao's future operating cash flows. Besides, based on the working capital requirements for Kamoao, Gold Mountains (H.K.) provided loans of USD265,689,846 to Kamoao (equivalent to RMB1,826,537,984). As at 30 June 2019, the total interest receivable from Kamoao of Gold Mountains (H.K.) was equivalent to RMB734,699,234.

Note 5: In October 2018, Finance Company, a subsidiary of the Group, provided loans to Longyan Makeng, an associate of the Group. As at 30 June 2019, the total amount of principal and interest was RMB50,066,458. The maturity date of the loan is September 2019.

(D) Other major related party transactions

(1) Compensation of key management and remuneration of directors accrued

	For the six months ended 30 June 2019	For the six months ended 30 June 2018
Remuneration of directors	12,961,014	15,605,370
Compensation of key management	5,571,545	7,589,260
	18,532,559	23,194,630

(2) Commitments between the Group and related parties

There was no commitment between the Group and related parties.

(3) Joint external investments between the Group and related parties

There was no joint external investment between the Group and related parties.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)***X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS** *(continued)*

7. Amounts due from related parties

	30 June 2019		31 December 2018	
	Carrying amount	Bad debt provision	Carrying amount	Bad debt provision
Trade receivables				
Wengfu Zijin	5,465,147	–	11,740,857	–
	5,465,147	–	11,740,857	–
Prepayments				
Xiamen Zijin Zhonghang	3,086,207	–	3,086,207	–
Wancheng Commercial	44,391,312	–	132,430	–
Haixia Technology	6,880,195	–	4,651,157	–
Shanghang County Jinshan Trading Zisen (Xiamen)	3,099,423	–	–	–
	387,758,658	–	150,817,902	–
	445,215,795	–	158,687,696	–
Other receivables				
Longyan Makeng	50,066,458	–	50,073,104	–
Wengfu Zijin	–	–	14,000,000	–
Xiamen Minxing	30,683,478	11,083,478	30,683,478	–
Xiamen Modern Terminal	3,500,000	–	3,500,000	–
	84,249,936	11,083,478	98,256,582	–
Current portion of non-current assets				
Gold Eagle Mining	197,935,499	–	–	–
Longyan Zijin AVIC	419,440,000	153,203,515	419,440,000	153,203,515
	617,375,499	153,203,515	419,440,000	153,203,515
Other non-current assets				
Tibet Yulong	–	–	132,000,000	–
Gold Eagle Mining	424,148,214	–	606,462,286	–
Kamoa	3,806,637,486	–	3,186,619,695	–
	4,230,785,700	–	3,925,081,981	–

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

8. Amounts due to related parties

	30 June 2019	31 December 2018
Trade payables		
Jinyue Huichuang	13,012,793	8,067,660
Xiamen Modern Terminal	1,218,278	3,037,187
	14,231,071	11,104,847
Contract liabilities		
Zisen (Xiamen)	–	1,080,020
Shandong Guoda	–	2,656,789
	–	3,736,809
Other payables		
Zhu Hongxing	29,672,233	29,672,233
Haixia Technology	6,988,854	6,988,854
Gansu Province Non-ferrous Metal Geological Exploration Bureau Tianshui Mineral Exploration Institute	557,952	3,122,200
Guizhou Province Geological and Mineral Resources Exploration and Development Bureau Team 105	13,403,536	13,371,997
	50,622,575	53,155,284
Current portion of non-current liabilities		
Gécamines	37,123,378	37,061,152
Minxi Xinghang	2,600,000	8,300,000
	39,723,378	45,361,152
Long-term payables		
Gécamines	37,123,378	74,122,560
Minxi Xinghang	19,600,000	62,100,000
	56,723,378	136,222,560

Except for the amounts due from Gold Eagle Mining, Longyan Makeng and Longyan Zijin AVIC which were interest-bearing and had a fixed term of repayment, the amount due from Kamoia was interest-bearing and without a fixed term of repayment; the amount of entrance fee due to Gécamines was interest-free and had a fixed term of repayment; and the amount due to Minxi Xinghang was interest-bearing and had a fixed term of repayment, other amounts due from/to related parties were interest-free, unsecured and had no fixed terms of repayment.

There was no loan provided by the Group to the directors as at 30 June 2019.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)***XI. COMMITMENTS AND CONTINGENCIES****1. Commitments**

	30 June 2019	31 December 2018
Contracted, but not provided Capital commitments (Note 1)	8,206,615,345	8,446,140,525

Note 1: As at 30 June 2019, the amounts of the capital commitments relating to the acquisition and construction of property, plant, machinery and equipment, and mining assets were RMB8,205,910,695 (31 December 2018: RMB8,428,290,292).

2. Contingencies

	30 June 2019	31 December 2018
Guarantees provided to third parties		
Wengfu Zijin (Note 1)	69,153,000	139,780,000
Fujian Rare Earth (Group) Company Limited ("Fujian Rare Earth") (Note 2)	447,751,883	555,859,508
Total	516,904,883	695,639,508

Note 1: As at 30 June 2019, the Company granted to Wengfu Zijin, an associate of the Group, joint guarantees in respect of bank loans at a maximum amount of RMB450,000,000 (31 December 2018: RMB450,000,000). As at 30 June 2019, Wengfu Zijin utilised RMB69,153,000 of the guarantee facility (31 December 2018: RMB139,780,000).

Note 2: As at 30 June 2019, the unused guarantee of the Company provided to Longyan Makeng (within the scope of guarantees of the Company), an associate of the Company, was RMB2,117,840,400. Longyan Makeng's controlling shareholder, Fujian Rare Earth (Group) Company Limited, provided a guarantee for its financing. The Company pledged its 41.5% equity interest in Longyan Makeng and the interest derived from such shareholdings to provide a counter guarantee for Fujian Rare Earth (Group) Company Limited. As at 30 June 2019, the guarantee provided by the Company amounted to RMB447,751,883 (31 December 2018: RMB555,859,508).

Based on the Group's evaluation of the credit rating and repayment ability of the recipients of the guarantees, the management of the Group considered that the probability that recipients of the guarantees could not repay the liabilities and settle the obligations was remote, and it was unnecessary to recognise the related contingent liabilities in financial statements.

XII. EVENTS AFTER THE REPORTING PERIOD

- On 5 and 6 July 2019, the Company carried out the issuance of the 2019 Medium-Term Notes (the Second Tranche). The total scale of the issuance was RMB1 billion. All the proceeds raised were deposited on 8 July 2019.
- Recently, the Company has received the notice of registration acceptance (Zhongshixiezhuzhu [2019] DFI No. 18) (the "Notice") from the National Association of Financial Market Institutional Investors ("NAFMII"), by which NAFMII approved the Company's registration for debt financing instruments. Such registration will be valid for a term of 2 years from the date of the Notice, during which the Company may issue ultra short-term financing bonds, short-term bonds, medium-term notes and perpetual bonds in multiple tranches. Details such as lead underwriter, type of instruments to be issued, size and terms of issuance, etc., shall be determined at each issuance. After the completion of issuance, the Company shall disclose the issuance results via channels consented by NAFMII.

Notes to Financial Statements *(continued)*

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

XIII. OTHER SIGNIFICANT EVENTS

1. Operating segment information

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

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

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

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

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

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

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*XIII. OTHER SIGNIFICANT EVENTS *(continued)*1. Operating segment information *(continued)*

For the six months ended 30 June 2019

Item	Gold bullion	Processed gold	Gold concentrates	Copper cathodes	Refined copper	Copper concentrates	Other concentrates	Zinc bullion	Others	Eliminations	Total
I. Operating income	3,597,089,056	38,126,759,799	1,446,053,071	1,476,874,027	9,491,325,715	4,453,783,462	3,982,664,815	2,045,680,369	18,594,633,064	(16,016,467,543)	67,198,395,835
Including: Sales to external customers	2,163,223,861	34,612,165,905	580,528,964	466,561,538	8,938,616,941	2,219,318,329	3,240,857,047	2,013,327,280	12,963,795,970	-	67,198,395,835
Intersegment sales	1,433,865,195	3,514,593,894	865,524,107	1,010,312,489	552,708,774	2,234,465,133	741,807,768	32,353,089	5,630,837,094	(16,016,467,543)	-
II. Segment profit	905,446,265	100,689,054	324,253,328	321,919,138	187,153,772	1,844,351,546	1,699,564,015	216,935,024	(1,430,734,754)	-	4,169,577,388
III. Segment assets	53,841,538,701	12,789,428,779	10,562,675,110	7,523,206,624	10,204,651,060	18,923,114,873	11,884,058,425	2,716,608,846	147,683,217,279	(174,641,781,092)	101,886,718,605
Unallocated assets											14,695,242,837
Total assets											116,581,961,442
IV. Segment liabilities	29,070,638,932	8,512,613,594	6,670,228,887	4,620,461,056	5,954,171,449	12,758,741,957	8,051,707,816	1,389,658,796	79,733,998,381	(117,754,975,422)	39,007,245,446
Unallocated liabilities											30,554,577,275
Total liabilities											69,561,822,721
V. Supplemental information											
1. Depreciation and amortisation	76,400,897	1,023,608,034	35,695,780	10,004,905	337,625,499	71,101,877	47,972,002	66,664,971	518,603,288	-	2,187,677,253
2. Capital expenditure	888,178,682	90,233,627	514,684,428	418,746,710	122,998,659	1,473,944,397	489,996,597	15,145,358	865,801,538	-	4,879,729,996

Notes to Financial Statements (continued)

For the period ended 30 June 2019

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

XIII. OTHER SIGNIFICANT EVENTS (continued)

1. Operating segment information (continued)

For the six months ended 30 June 2018

Item	Gold bullion	Processed gold	Gold concentrates	Copper cathodes	Refined copper	Copper concentrates	Other concentrates	Zinc bullion	Others	Eliminations	Total
I. Operating income	2,620,585,590	23,792,290,443	1,473,472,285	392,441,717	9,697,519,746	3,969,896,159	3,818,900,964	2,030,004,275	13,586,029,147	(11,567,249,491)	49,813,890,835
Including: Sales to external customers	1,523,847,550	20,671,660,111	980,844,274	-	8,240,188,177	3,005,171,005	2,810,913,134	2,056,862,675	10,524,403,909	-	49,813,890,835
Intersegment sales	1,096,738,040	3,120,630,332	492,628,011	392,441,717	1,457,331,569	964,725,154	1,007,987,830	(26,858,400)	3,061,625,238	(11,567,249,491)	-
II. Segment profit	201,954,008	39,220,208	190,280,807	82,978,691	191,559,959	1,687,729,465	1,944,927,320	35,596,885	(65,579,012)	-	4,308,668,331
III. Segment assets	52,524,066,955	12,386,008,022	11,450,653,385	6,938,161,963	10,786,064,510	18,549,724,021	13,416,852,539	2,421,856,722	71,057,858,921	(121,713,635,614)	77,817,611,424
Unallocated assets											13,615,117,083
Total assets											91,432,728,507
IV. Segment liabilities	28,887,389,832	7,990,873,649	6,585,196,924	4,244,745,921	7,277,518,638	10,966,905,641	7,909,743,380	1,488,846,509	51,055,702,878	(105,029,914,320)	21,377,009,052
Unallocated liabilities											32,334,567,681
Total liabilities											53,711,576,733
V. Supplemental information											
1. Depreciation and amortisation	526,648,958	73,769,673	243,756,942	59,959,548	131,728,033	304,203,390	417,290,985	90,803,771	268,143,706	-	2,116,305,006
2. Capital expenditure	374,935,895	38,091,238	217,268,969	176,769,805	51,922,674	622,211,130	206,847,244	6,393,464	365,489,604	-	2,059,930,023

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)***XIII. OTHER SIGNIFICANT EVENTS** *(continued)***2. Leasing****As lessor**

As at 30 June 2019, the information of irrevocable operating lease contracts entered into by the Group is as follows:

	30 June 2019	31 December 2018
Within 1 year (1 year inclusive)	27,069,124	27,138,801
Over 1 year but within 2 years (2 years inclusive)	20,771,317	18,834,932
Over 2 years but within 3 years (3 years inclusive)	19,064,240	20,100,905
Over 3 years but within 5 years (5 years inclusive)	30,864,192	30,339,431
Over 5 years	57,025,706	58,398,297
	154,794,579	154,812,366

The assets for operating leases above, primarily offices, plant, and equipment, are accounted for as investment properties and fixed assets of the Group.

As lessee

Significant operating leases: Pursuant to the operating lease agreements entered into with lessors, the minimum lease payments under irrevocable operating leases are as follows:

	30 June 2019	31 December 2018
Within 1 year (1 year inclusive)	124,346,167	77,198,222
Over 1 year but within 2 years (2 years inclusive)	116,534,122	69,296,210
Over 2 years but within 3 years (3 years inclusive)	77,831,013	59,551,992
Over 3 years but within 5 years (5 years inclusive)	150,247,452	116,159,325
Over 5 years	-	65,678,692
	468,958,754	387,884,441

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY

1. Trade receivables

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

Ageing analysis of the trade receivables is as follows:

	30 June 2019	31 December 2018
Within 1 year	876,880,772	936,356,981
Over 1 year but within 2 years	1,679,839	3,508,028
Over 2 years but within 3 years	2,455,487	3,960,697
Over 3 years	1,252,187	935,267
	882,268,285	944,760,973
Less: Bad debt provision for trade receivables	413,029	350,815
	881,855,256	944,410,158

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

	At the beginning of the period	Additions	Reversal	Write-off	At the end of the period
30 June 2019	350,815	62,214	–	–	413,029
31 December 2018	119,579	291,236	–	(60,000)	350,815

	30 June 2019			
	Carrying amount Amount	Proportion (%)	Bad debt provision Amount	Proportion (%)
Individually significant and for which bad debt provision has been made individually	146,441	0.02	146,441	100
Provision for bad debts based on credit risk characteristics				
Group 1	878,027,183	99.52	–	–
Group 2	4,094,661	0.46	266,588	6.51
	882,268,285	100	413,029	0.047

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*1. Trade receivables *(continued)*

	31 December 2018			
	Carrying amount Amount	Proportion (%)	Bad debt provision Amount	Proportion (%)
Individually significant and for which bad debt provision has been made individually	146,441	0.02	146,441	100
Provision for bad debts based on credit risk characteristics				
Group 1	940,519,871	99.55	–	–
Group 2	4,094,661	0.43	204,374	4.99
	944,760,973	100	350,815	0.04

The five entities with the largest balances of trade receivables at 30 June 2019 are as follows:

Name of entity	Amount	Proportion of trade receivables (%)	Ageing	Closing balance of bad debt provision
Fujian Zijin Copper Company Limited	450,237,885	51.03	Within 1 year	–
Zijin Copper Company Limited	288,721,830	32.72	Within 1 year	–
Xinjiang Zijin Zinc Industry	25,052,092	2.84	Within 1 year	–
Heilongjiang Duobaoshan Copper Company Limited (“Duobaoshan Copper”)	24,923,117	2.82	Within 1 year/ Over 1 year but within 2 years/ Over 2 years but within 3 years	–
Wulatehouqi Zijin Mining Company Limited	20,926,163	2.37	Within 1 year	–
	809,861,087	91.79		–

The five entities with the largest balances of trade receivables at 31 December 2018 are as follows:

Name of entity	Amount	Proportion of trade receivables (%)	Ageing	Closing balance of bad debt provision
Fujian Zijin Copper Company Limited	463,083,308	49.00	Within 1 year	–
Zijin Copper	448,267,756	47.43	Within 1 year	–
Gold refinery of Zijin Copper Company Limited	6,582,389	0.70	Within 1 year	–
Heilongjiang Duobaoshan Copper Company Limited (“Duobaoshan Copper”)	5,180,056	0.55	Within 1 year/ Over 1 year but within 2 years/ Over 2 years but within 3 years	–
Xinjiang Zijin Zinc Industry	3,865,350	0.41	Within 1 year	–
	926,978,859	98.09		–

Notes to Financial Statements *(continued)*

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

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

2. Other receivables

	30 June 2019	31 December 2018
Dividend receivables	127,500,000	25,500,000
Other receivables	11,297,361,023	13,343,634,726
	11,424,861,023	13,369,134,726

Ageing analysis of the other receivables is as follows:

	30 June 2019	31 December 2018
Within 1 year	6,257,374,805	3,830,586,548
Over 1 year but within 2 years	1,833,597,899	3,387,976,469
Over 2 years but within 3 years	1,268,726,318	1,473,247,907
Over 3 years	2,035,237,536	4,657,465,862
	11,394,936,558	13,349,276,786
Less: Bad debt provision for other receivables	97,575,535	5,642,060
	11,297,361,023	13,343,634,726

The changes in bad debt provision for other receivables based on 12-month expected credit losses and the entire lifetime expected credit losses are as follows:

30 June 2019

	Stage 1 12-month expected credit losses	Stage 2 Entire lifetime expected credit losses (individually assessed)	Stage 2 Entire lifetime expected credit losses (collectively assessed)	Stage 3 Financial assets with credit impairment occurred (entire lifetime)	Total
Balance at 1 January 2019	467,255	-	-	5,174,805	5,642,060
Balance at 1 January 2019 during the period					
- Transfer to Stage 2	-	-	-	-	-
- Transfer to Stage 3	-	-	-	-	-
- Reverse to Stage 2	-	-	-	-	-
- Reverse to Stage 1	-	-	-	-	-
Provisions during the period	-	-	-	91,941,619	91,941,619
Reversal during the period	(8,144)	-	-	-	(8,144)
Write-back during the period	-	-	-	-	-
Write-off during the period	-	-	-	-	-
Other changes	-	-	-	-	-
	459,111	-	-	97,116,424	97,575,535

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*2. Other receivables *(continued)*

31 December 2018

	Stage 1 12-month expected credit losses	Stage 2 Entire lifetime expected credit losses (individually assessed)	Stage 2 Entire lifetime expected credit losses (collectively assessed)	Stage 3 Financial assets with credit impairment occurred (entire lifetime)	Total
Balance at 1 January 2018	–	–	–	145,955,374	145,955,374
Balance at 1 January 2018 during the period					
– Transfer to Stage 2	–	–	–	–	–
– Transfer to Stage 3	–	–	–	–	–
– Reverse to Stage 2	–	–	–	–	–
– Reverse to Stage 1	–	–	–	–	–
Provisions during the period	467,255	–	–	211,847	679,102
Reversal during the period	–	–	–	(140,992,416)	(140,992,416)
Write-back during the period	–	–	–	–	–
Write-off during the period	–	–	–	–	–
Other changes	–	–	–	–	–
	467,255	–	–	5,174,805	5,642,060

Category of other receivables by nature is as follows:

	30 June 2019	31 December 2018
Receivables from subsidiaries	10,892,659,768	12,821,643,792
Receivables from associates and joint ventures	72,803,950	4,491,076
Receivables from disposal of assets	55,845,849	105,500,000
Advanced material costs	14,959,871	90,885,846
Guarantees and deposits	8,145,695	40,500,724
Deferred expenses	26,142,658	43,565,093
Receivables from settlement of futures	74,533,779	39,861,576
Staff advances and reserve funds	11,866,784	5,365,757
Others	237,978,204	197,462,922
	11,394,936,558	13,349,276,786
Less: Bad debt provision for other receivables	97,575,535	5,642,060
	11,297,361,023	13,343,634,726

Notes to Financial Statements (continued)

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

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY (continued)

2. Other receivables (continued)

The five entities with the largest balances of other receivables at 30 June 2019 are as follows:

	Closing balance of other receivables	Proportion of other receivables (%)	Nature	Ageing	Closing balance of bad debt provision
Gold Mountains (H.K.)	2,399,820,930	21.06	Due from subsidiaries	Within 1 year/Over 1 year but within 2 years	–
ZRV	821,332,607	7.21	Due from subsidiaries	Over 1 year but within 2 years/ Over 2 years but within 3 years/ Over 3 years	–
Zijin Copper	682,872,469	5.99	Due from subsidiaries	Within 1 year/Over 1 year but within 2 years/Over 2 years but within 3 years	–
Guizhou Zijin	511,661,910	4.49	Due from subsidiaries	Within 1 year	–
Aletai Jinhao	479,680,522	4.21	Due from subsidiaries	Over 1 year but within 2 years/ Over 2 years but within 3 years	–
	4,895,368,438	42.96			–

The five entities with the largest balances of other receivables at 31 December 2018 are as follows:

	Closing balance of other receivables	Proportion of other receivables (%)	Nature	Ageing	Closing balance of bad debt provision
Gold Mountains (H.K.)	3,471,700,819	26.01	Due from subsidiaries	Within 1 year/Over 1 year but within 2 years	–
ZRV	772,656,639	5.79	Due from subsidiaries	Over 1 year but within 2 years/ Over 2 years but within 3 years/ Over 3 years	–
Zijin Copper	666,579,108	4.99	Due from subsidiaries	Within 1 year/Over 1 year but within 2 years/Over 2 years but within 3 years	–
Xinyi Zijin	663,026,890	4.97	Due from subsidiaries	Within 1 year/Over 1 year but within 2 years	–
Hei Longxing	502,346,619	3.76	Due from subsidiaries	Over 2 years but within 3 years/ Over 3 years	–
	6,076,310,075	45.52			–

3. Long-term equity investments

	30 June 2019			31 December 2018		
	Carrying amount	Impairment provision	Net book value	Carrying amount	Impairment provision	Net book value
Investments in subsidiaries	28,259,308,180	(449,676,935)	27,809,631,245	28,144,580,670	(449,676,935)	27,694,903,735
Investments in associates	1,655,558,881	–	1,655,558,881	1,578,921,315	–	1,578,921,315
	29,914,867,061	(449,676,935)	29,465,190,126	29,723,501,985	(449,676,935)	29,273,825,050

Notes to Financial Statements (continued)

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

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY (continued)

3. Long-term equity investments (continued)

(i) Investments in subsidiaries

	1 January 2018		31 December 2018		30 June 2019		Provision for impairment at 30 June 2019
	Additions	Reductions	Additions	Reductions	Additions	Reductions	
Zijin Copper	2,225,749,543	-	2,225,749,543	-	2,225,749,543	-	2,225,749,543
Southwest Zijin	1,189,255,345	-	1,191,584,140	-	1,191,584,140	-	1,191,584,140
Qinghai West	936,000,000	-	936,000,000	-	936,000,000	-	936,000,000
Gold Mountains (H.K.)	7,818,543,399	2,603,564,806	10,422,108,205	-	10,422,108,205	-	10,422,108,205
Luoyang Kunyu	676,605,023	137,822	676,742,845	-	676,742,845	-	676,742,845
Finance Company	475,000,000	-	475,000,000	-	475,000,000	-	475,000,000
Xiamen Investment	397,061,613	-	397,061,613	-	397,061,613	-	397,061,613
Longnan Zijin	370,839,918	-	370,811,854	(28,064)	370,811,854	-	370,811,854
Bayannaoer Zijin	579,027,464	-	579,027,464	-	579,027,464	-	579,027,464
Northwest Company	1,127,869,475	-	1,127,869,475	-	1,127,869,475	-	1,127,869,475
Southern Investment	1,255,253,896	197,504	1,255,451,400	-	1,255,451,400	-	1,255,451,400
Huanmin Mining	306,000,000	-	306,000,000	-	306,000,000	-	306,000,000
Fujian Zijin Business Services Company Limited	500,000,000	-	500,000,000	-	500,000,000	-	500,000,000
Shanghang Jinshan Mining Company Limited	275,785,150	-	275,785,150	-	275,785,150	-	275,785,150
Xinyi Zijin	243,900,000	-	243,900,000	-	243,900,000	-	243,900,000
Capital Investment Company	400,000,000	200,000,000	600,000,000	-	600,000,000	-	600,000,000
Zijin International	1,370,896,686	918,405,246	2,289,301,932	-	2,289,301,932	-	2,289,301,932
Hunchun Zijin	139,189,081	-	139,189,081	-	139,189,081	-	139,189,081
Jilin Zijin Copper Company Limited	47,270,990	15,126,015	62,397,005	-	62,397,005	-	62,397,005
Fujian Zijin Copper Company Limited	146,222,366	-	146,222,366	-	146,222,366	-	146,222,366
Chongli Zijin	142,501,896	(142,501,896)	-	-	-	-	-
Xinjiang Ashele	139,335,849	-	139,335,849	-	139,335,849	-	139,335,849
Henan Jinda	129,880,000	-	129,880,000	-	129,880,000	-	129,880,000
Shanxi Zijin	127,284,118	-	127,284,118	-	127,284,118	-	127,284,118
Luoyang Yinhu	105,000,000	-	105,000,000	-	105,000,000	-	105,000,000
Yunnan Huaxi	86,830,000	-	86,830,000	-	86,830,000	-	86,830,000

Notes to Financial Statements (continued)

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

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY (continued)

3. Long-term equity investments (continued)

(i) Investments in subsidiaries (continued)

	1 January 2018	Additions	Reductions	31 December 2018	Additions	Reductions	30 June 2019	Provision for impairment at 30 June 2019
Ankang Zijin	87,787,471	-	-	87,787,471	-	-	87,787,471	-
Longsheng County Dexin Mining Company Limited	53,550,000	-	-	53,550,000	-	-	53,550,000	-
Xiamen Zijin Mining and Metallurgy Technology Company Limited	50,000,000	-	-	50,000,000	-	-	50,000,000	-
Zijin Global Metals Exchange Company Limited	46,000,000	-	-	46,000,000	-	-	46,000,000	-
Guizhou Zijin	30,713,875	1,219,643	-	31,933,518	-	-	31,933,518	-
Xiamen Boshang Zijin E-Commerce Company Limited	25,542,446	320,470	-	25,862,916	-	-	25,862,916	-
Ganzi Zijin	24,000,000	-	-	24,000,000	-	-	24,000,000	-
Zijin Mining Group Gold and Jewellery Company Limited	20,000,000	297,000,000	-	317,000,000	113,000,000	-	430,000,000	-
Wuping Zijin	19,465,037	964,250	-	20,429,287	-	-	20,429,287	-
Zijin Mining Logistics Company Limited	51,539,700	200,000,000	-	251,539,700	-	-	251,539,700	-
Fujian Zijin Hotel Property Management Company Limited	10,000,000	-	-	10,000,000	-	-	10,000,000	-
Fujian Zijin Metallurgy Testing Technology Company Limited	5,000,000	-	-	5,000,000	5,000,000	-	10,000,000	-
Nkwe	3,272,490	-	-	3,272,490	-	(3,272,490)	-	-
Heilong Mining	1,561,220,000	-	-	1,561,220,000	-	-	1,561,220,000	-
Gold Refinery Company	50,000,000	-	(50,000,000)	-	-	-	-	-
Zijin Tongguan	-	848,453,248	-	848,453,248	-	-	848,453,248	(162,757,584)
Total	23,249,392,831	5,087,717,799	(192,529,960)	28,144,580,670	118,000,000	(3,272,490)	28,259,308,180	(449,676,935)

Notes to Financial Statements (continued)

For the period ended 30 June 2019

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

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY (continued)

3. Long-term equity investments (continued)

(ii) Investments in associates

30 June 2019

Investee	Movements during the period									
	At 1 January 2019	Additions	Reductions	Investment income/(losses) under the equity method	Other comprehensive income	Other changes in equity	Cash dividends declared by investee	Provision for impairment losses	Additional investment and becomes investments in subsidiaries	At 30 June 2019
Longyan Makeng	876,938,160	-	-	26,590,457	-	-	-	-	-	903,528,617
Tibet Yulong	596,152,412	-	-	39,102,885	-	-	-	-	-	635,255,297
Songpan Zijin	39,249,785	-	-	-	-	-	-	-	-	39,249,785
Wancheng Commercial	58,496,914	-	-	8,393,287	-	-	-	-	-	66,890,201
Jinyue Huichuang	1,061,597	-	-	(90,067)	-	-	-	-	-	971,530
Evergreen New Energy	7,022,447	-	-	(358,996)	-	-	-	-	-	6,663,451
Caxi Cultural Communication	-	3,000,000	-	-	-	-	-	-	-	3,000,000
Total	1,578,921,315	3,000,000	-	73,637,566	-	-	-	-	-	1,655,558,881

31 December 2018

Investee	Movements during the year									
	At 1 January 2018	Additions	Reductions	Investment income/(losses) under the equity method	Other comprehensive income	Other changes in equity	Cash dividends declared by investee	Provision for impairment losses	Additional investment and becomes investments in subsidiaries	At 31 December 2018
Longyan Makeng	886,068,902	-	-	11,619,258	-	-	(20,750,000)	-	-	876,938,160
Tibet Yulong	219,274,376	302,500,000	-	74,378,036	-	-	-	-	-	596,152,412
Songpan Zijin	39,249,785	-	-	-	-	-	-	-	-	39,249,785
Zijin Tongguan	335,697,308	164,700,000	-	(16,011,644)	-	-	-	-	(484,385,664)	-
Wancheng Commercial	49,464,994	-	-	75,531,920	-	-	(66,500,000)	-	-	58,496,914
Jinyue Huichuang	772,502	-	-	289,095	-	-	-	-	-	1,061,597
Evergreen New Energy	-	7,022,447	-	-	-	-	-	-	-	7,022,447
Total	1,530,527,867	474,222,447	-	145,806,665	-	-	(87,250,000)	-	(484,385,664)	1,578,921,315

Notes to Financial Statements (continued)

For the period ended 30 June 2019

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

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY (continued)

4. Fixed assets

	30 June 2019	31 December 2018
Fixed assets	3,274,757,770	3,423,396,138
Disposal of fixed assets	–	–
	3,274,757,770	3,423,396,138

30 June 2019

	Buildings	Mining assets	Power generation and transmission equipment	Plant, machinery and equipment	Motor vehicles	Furniture and fixtures and others	Total
Cost							
At 1 January 2019	808,988,374	4,452,467,192	54,362,169	1,069,914,011	83,472,191	96,904,715	6,566,108,652
Purchase additions	209,622	19,381,096	46,920	25,884,639	2,832,907	5,608,952	53,964,136
Transferred from construction in progress	90,429	33,844,435	1,346,157	–	–	–	35,281,021
Disposals or write-off	–	(3,082,665)	–	(8,822,690)	(3,724,521)	(100,326)	(15,730,202)
At 30 June 2019	809,288,425	4,502,610,058	55,755,246	1,086,975,960	82,580,577	102,413,341	6,639,623,607
Accumulated depreciation							
At 1 January 2019	248,825,250	2,134,611,774	31,668,123	585,730,089	69,678,086	69,805,032	3,140,318,354
Depreciation for the period	19,944,745	161,887,221	1,104,894	46,231,749	2,521,056	2,765,032	234,454,697
Disposals or write-off	–	(218,176)	–	(8,416,974)	(3,566,533)	(97,316)	(12,298,999)
At 30 June 2019	268,769,995	2,296,280,819	32,773,017	623,544,864	68,632,609	72,472,748	3,362,474,052
Impairment provision							
At 1 January 2019	–	285,118	13,157	2,094,253	–	1,632	2,394,160
Impairment provided for the period	–	–	–	–	–	–	–
Disposals or write-off	–	–	–	(2,375)	–	–	(2,375)
At 30 June 2019	–	285,118	13,157	2,091,878	–	1,632	2,391,785
Net book value							
At 30 June 2019	540,518,430	2,206,044,121	22,969,072	461,339,218	13,947,968	29,938,961	3,274,757,770
At 1 January 2019	560,163,124	2,317,570,300	22,680,889	482,089,669	13,794,105	27,098,051	3,423,396,138

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*4. Fixed assets *(continued)*

31 December 2018

	Buildings	Mining assets	Power generation and transmission equipment	Plant, machinery and equipment	Motor vehicles	Furniture and fixtures and others	Total
Cost							
At 1 January 2018	852,186,024	4,163,976,295	52,911,943	1,028,504,671	77,992,268	91,795,674	6,267,366,875
Purchase additions	583,002	119,310,193	2,837	28,972,981	8,335,490	7,443,520	164,648,023
Transferred from construction in progress	(21,095,915)	185,475,008	1,485,389	27,878,652	–	–	193,743,134
Disposals or write-off	(22,684,737)	(16,294,304)	(38,000)	(15,442,293)	(2,855,567)	(2,334,479)	(59,649,380)
At 31 December 2018	808,988,374	4,452,467,192	54,362,169	1,069,914,011	83,472,191	96,904,715	6,566,108,652
Accumulated depreciation							
At 1 January 2018	221,297,615	1,794,565,309	29,440,169	506,302,092	66,159,747	65,891,620	2,683,656,552
Depreciation for the year	39,994,083	356,340,769	2,265,954	92,267,791	6,288,856	6,132,346	503,289,799
Disposals or write-off	(12,466,448)	(16,294,304)	(38,000)	(12,839,794)	(2,770,517)	(2,218,934)	(46,627,997)
At 31 December 2018	248,825,250	2,134,611,774	31,668,123	585,730,089	69,678,086	69,805,032	3,140,318,354
Impairment provision							
At 1 January 2018	–	285,118	13,157	2,142,225	–	1,632	2,442,132
Impairment provided for the year	–	–	–	–	–	–	–
Disposals or write-off	–	–	–	(47,972)	–	–	(47,972)
At 31 December 2018	–	285,118	13,157	2,094,253	–	1,632	2,394,160
Net book value							
At 31 December 2018	560,163,124	2,317,570,300	22,680,889	482,089,669	13,794,105	27,098,051	3,423,396,138
At 1 January 2018	630,888,409	2,369,125,868	23,458,617	520,060,354	11,832,521	25,902,422	3,581,268,191

Notes to Financial Statements (continued)

For the period ended 30 June 2019

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

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY (continued)

4. Fixed assets (continued)

Fixed assets that are temporarily idle are as follows:

30 June 2019

	Cost	Accumulated depreciation	Impairment provision	Net book value
Mining assets	1,495,337	(1,131,878)	–	363,459
Plant, machinery and equipment	15,890,459	(12,448,424)	(239,405)	3,202,630
	17,385,796	(13,580,302)	(239,405)	3,566,089

31 December 2018

	Cost	Accumulated depreciation	Impairment provision	Net book value
Mining assets	269,402	(243,633)	–	25,769
Plant, machinery and equipment	11,043,772	(7,573,966)	(230,634)	3,239,172
	11,313,174	(7,817,599)	(230,634)	3,264,941

Fixed assets which certificates of title have not been obtained as at 30 June 2019 are as follows:

	Net book value	Reasons why certificates of titles have not been obtained
Buildings	118,553,633	In the process of application

Fixed assets which certificates of title have not been obtained as at 31 December 2018 are as follows:

	Net book value	Reasons why certificates of titles have not been obtained
Buildings	273,937,958	In the process of application

5. Construction in progress

	30 June 2019	31 December 2018
Construction in progress	256,215,367	160,383,177
Construction materials	2,490,612	2,587,136
	258,705,979	162,970,313

Construction in progress

	30 June 2019			31 December 2018		
	Carrying amount	Impairment provision	Net book value	Carrying amount	Impairment provision	Net book value
	256,215,367	–	256,215,367	160,383,177	–	160,383,177

Notes to Financial Statements (continued)

For the period ended 30 June 2019

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

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY (continued)

5. Construction in progress (continued)

30 June 2019

	Budget	At 1 January 2019	Additions	Transferred to fixed asset	Other reductions	At 30 June 2019	Contribution in budget	Progress of projects	Accumulated balance of capitalised interest as at 30 June 2019	Including: capitalised interest for the period	Interest rate of capitalisation (%)	Source of funds
Zijinshan gold and copper mine infrastructure project	538,080,000	160,383,177	132,156,767	(35,281,021)	(1,043,556)	256,215,367	47%	46%	-	-	N/A	Equity fund
Subtotal	538,080,000	160,383,177	132,156,767	(35,281,021)	(1,043,556)	256,215,367			-	-		
Impairment provision for construction in progress	-	-	-	-	-	-	-	-	-	-	-	-
Total	538,080,000	160,383,177	132,156,767	(35,281,021)	(1,043,556)	256,215,367			-	-		

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

	Budget	At 1 January 2018	Additions	Transferred to fixed asset	Other reductions	At 31 December 2018	Contribution in budget	Progress of projects	Accumulated balance of capitalised interest as at 31 December 2018	Including: capitalised interest for the year	Interest rate of capitalisation (%)	Source of funds
Zijinshan gold and copper mine infrastructure project	400,040,000	205,217,505	155,480,159	(193,448,435)	(6,866,052)	160,383,177	88%	85%	-	-	N/A	Equity fund
Others	-	-	294,699	(294,699)	-	-	N/A	N/A	-	-	N/A	Equity fund
Subtotal	400,040,000	205,217,505	155,774,858	(193,743,134)	(6,866,052)	160,383,177			-	-		
Impairment provision for construction in progress	-	-	-	-	-	-	-	-	-	-	-	-
Total	400,040,000	205,217,505	155,774,858	(193,743,134)	(6,866,052)	160,383,177			-	-		

For the first half of 2019 and the year ended 31 December 2018, there were no borrowing costs eligible for capitalisation of the Company.

As at 30 June 2019 and 31 December 2018, there was no impairment provision for construction in progress of the Company.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

6. Intangible assets

30 June 2019

	Exploration and mining rights	Land use rights	Membership of Shanghai Gold Exchange and others	Total
Cost				
At 1 January 2019	388,144,802	94,547,535	31,666,483	514,358,820
Purchase additions	–	–	471,698	471,698
Disposals or write-off	–	–	–	–
At 30 June 2019	388,144,802	94,547,535	32,138,181	514,830,518
Accumulated amortisation				
At 1 January 2019	201,692,285	23,347,495	8,823,789	233,863,569
Amortisation provided for the period	2,256,150	1,370,086	1,932,735	5,558,971
Disposals or write-off	–	–	–	–
At 30 June 2019	203,948,435	24,717,581	10,756,524	239,422,540
Impairment provision				
At 1 January 2019	–	–	–	–
Impairment provided for the period	–	–	–	–
Disposals or write-off	–	–	–	–
At 30 June 2019	–	–	–	–
Net book value				
At 30 June 2019	184,196,367	69,829,954	21,381,657	275,407,978
At 1 January 2019	186,452,517	71,200,040	22,842,694	280,495,251

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*6. Intangible assets *(continued)*

31 December 2018

	Exploration and mining rights	Land use rights	Membership of Shanghai Gold Exchange and others	Total
Cost				
At 1 January 2018	388,144,802	93,955,477	31,329,847	513,430,126
Purchase additions	–	6,519,901	336,636	6,856,537
Disposals or write-off	–	(5,927,843)	–	(5,927,843)
At 31 December 2018	388,144,802	94,547,535	31,666,483	514,358,820
Accumulated amortisation				
At 1 January 2018	197,179,985	22,362,896	5,066,272	224,609,153
Amortisation provided for the year	4,512,300	2,696,116	3,757,517	10,965,933
Disposals or write-off	–	(1,711,517)	–	(1,711,517)
At 31 December 2018	201,692,285	23,347,495	8,823,789	233,863,569
Impairment provision				
At 1 January 2018	–	–	–	–
Impairment provided for the year	–	–	–	–
Disposals or write-off	–	–	–	–
At 31 December 2018	–	–	–	–
Net book value				
At 31 December 2018	186,452,517	71,200,040	22,842,694	280,495,251
At 1 January 2018	190,964,817	71,592,581	26,263,575	288,820,973

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

7. Long-term deferred assets

30 June 2019

	At 1 January 2019	Additions	Amortisation	Other reductions	At 30 June 2019
Land compensation costs (Note 1)	30,979,397	–	(1,792,354)	–	29,187,043
Others (Note 2)	171,160,916	30,312,172	(23,486,298)	–	177,986,790
	202,140,313	30,312,172	(25,278,652)	–	207,173,833

31 December 2018

	At 1 January 2018	Additions	Amortisation	Other reductions	At 31 December 2018
Land compensation costs (Note 1)	34,564,105	–	(3,584,708)	–	30,979,397
Others (Note 2)	141,615,993	75,636,411	(46,091,488)	–	171,160,916
	176,180,098	75,636,411	(49,676,196)	–	202,140,313

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

Note 2: Other long-term deferred assets mainly included forest compensation expenditure of RMB58,287,023 (31 December 2018: RMB67,368,854). The amortisation period is 10 years.

8. Other non-current assets

	30 June 2019	31 December 2018
Exploration and development costs	819,467,726	819,466,920
Prepaid investment costs, prepayments for exploration and mining rights and others (Note 1)	8,868,062,174	9,010,764,678
	9,687,529,900	9,830,231,598

Note 1: The Company's balance of prepaid investment costs, prepayments for exploration and mining rights and others mainly included long-term receivables of RMB8,837,084,001 (31 December 2018: RMB8,987,844,885).

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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

9. Provision for impairment of assets

30 June 2019

	1 January 2019	Additions	Reductions		At 30 June 2019
			Reversal	Write-back	
Bad debt provision	5,992,875	92,003,833	(8,144)	–	97,988,564
Inventory provision	7,307,370	–	–	–	7,307,370
Impairment provision for long-term equity investments	449,676,935	–	–	–	449,676,935
Impairment provision for fixed assets	2,394,160	–	–	(2,375)	2,391,785
Impairment provision for other non-current assets	198,203,515	–	–	–	198,203,515
	663,574,855	92,003,833	(8,144)	(2,375)	755,568,169

31 December 2018

	1 January 2018	Additions	Reductions		At
			Reversal	Write-back	31 December 2018
Bad debt provision	146,529,182	970,338	(140,992,416)	(514,229)	5,992,875
Inventory provision	3,731,641	3,575,729	–	–	7,307,370
Impairment provision for long-term equity investments	449,676,935	–	–	–	449,676,935
Impairment provision for fixed assets	2,442,132	–	–	(47,972)	2,394,160
Impairment provision for other non-current assets	198,203,515	–	–	–	198,203,515
	800,583,405	4,546,067	(140,992,416)	(562,201)	663,574,855

10. Trade payables

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

As at 30 June 2019 and 31 December 2018, the Company had no significant trade payables aged more than one year.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

11. Bonds payable

In 2013, the Company registered the maximum credit limits of medium-term notes of RMB6 billion and RMB4 billion respectively with the National Association of Financial Market Institutional Investors. In 2014, the Company wrote off the credit limit of RMB1.7 billion. The Company issued medium-term notes of RMB2.5 billion on 5 September 2014 and RMB3.3 billion on 11 September 2015 respectively, with an aggregate amount of RMB5.8 billion, maturity of five years, and coupon rates of 5.5% and 4.4% respectively. Coupons on the bonds are payable annually. On 11 March 2019, the Company issued medium-term notes of RMB1.5 billion, maturity of three years and coupon rate of 3.8%, and medium-term notes with face value of RMB1.0 billion maturity of five years and coupon rate of 4.3% respectively, totalled RMB2.5 billion. Coupons on the bonds are payable annually.

Pursuant to the approval of the CSRC on 17 February 2016, on 18 March 2016, the Company issued corporate bonds with a face value of RMB2 billion on the Shanghai Stock Exchange. The bonds have a duration of five years and an annual interest rate of 3.37%. On 18 March 2016, the Company issued corporate bonds with a face value of RMB3 billion on the Shanghai Stock Exchange. The bonds have a duration of five years, with terms that the issuer has an option of adjusting the interest rate and investors have an option of redemption at the end of the third year, and an annual interest rate of 2.99%; on 15 July 2016, the Company issued corporate bonds with a face value of RMB1.8 billion on the Shanghai Stock Exchange. The bonds have a duration of five years, with terms that the issuer has an option of adjusting the interest rate and investors have an option of redemption at the end of the third year, and an interest rate of 3.05%. Those corporate bonds will be repaid on 15 July 2019 and were therefore classified as bonds payable due within one year; on 15 July 2016, the Company issued corporate bonds with a face value of RMB1.2 billion on the Shanghai Stock Exchange. The bonds have a duration of five years and an annual interest rate of 3.45%. The interest of the above bonds shall be settled annually and the principal shall be repaid in full upon their maturity.

As at 30 June 2019 and 31 December 2018, the Company had no overdue bonds.

12. Long-term payables

	30 June 2019	31 December 2018
Entrusted investments	144,348,040	144,348,040
Deposit for restoration and improvement of ecological environment in mines	68,320,794	68,320,794
Loan from a shareholder	22,200,000	70,400,000
	234,868,834	283,068,834
<i>Including: Current portion of long-term payables</i>	(2,600,000)	<i>(8,300,000)</i>
	232,268,834	274,768,834

* Maturity analysis of long-term payables is as follows:

	30 June 2019	31 December 2018
Within 1 year or repayable on demand	2,600,000	8,300,000
Over 1 year but within 2 years	62,100,000	62,100,000
Over 2 years but within 5 years	–	–
Over 5 years	170,168,834	212,668,834
	234,868,834	283,068,834

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

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

13. Operating income and operating costs

	For the six months ended 30 June 2019		For the six months ended 30 June 2018	
	Operating income	Operating costs	Operating income	Operating costs
Principal operations	2,001,870,836	1,227,848,526	1,891,119,706	1,037,643,696
Other operations	256,174,466	85,655,088	113,299,302	96,848,485
	2,258,045,302	1,313,503,614	2,004,419,008	1,134,492,181

14. Financial expenses

	For the six months ended 30 June 2019	For the six months ended 30 June 2018
Interest expenses	553,460,930	579,883,028
Including: Bank loans	265,598,877	236,584,185
Bonds payable	285,034,275	343,298,843
Ultra short-term financing bonds	2,827,778	–
Less: Interest income	369,096,738	465,661,803
Exchange gains	(2,116,796)	(28,250,086)
Bank charges	6,101,181	4,251,259
	188,348,577	90,222,398

For the six months ended 30 June 2019 and the six months ended 30 June 2018, the Company incurred no capitalised interest expenses, and there was no interest income arising from impaired financial assets.

15. Investment income

	For the six months ended 30 June 2019	For the six months ended 30 June 2018
Gains from long-term equity investments under the cost method	510,625,000	876,250,000
Gains from long-term equity investments under the equity method	73,637,566	31,147,960
Dividend income from other equity instrument investments	6,100,000	19,300,000
Losses on disposal of subsidiaries	(7,213,606)	–
Losses on disposal of financial assets and financial liabilities at fair value through profit or loss	(374,071)	(28,692,083)
	582,774,889	898,005,877

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

RMB

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

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

16. Credit impairment losses

	For the six months ended 30 June 2019	For the six months ended 30 June 2018
Bad debt provision for trade receivables	(62,214)	–
Bad debt provision for other receivables	(91,933,475)	–
	(91,995,689)	–

17. Supplementary information to the statement of cash flows

Reconciliation of net profit to cash flows from operating activities:

	For the six months ended 30 June 2019	For the six months ended 30 June 2018
Net profit	725,627,083	1,170,945,549
Add: Provision for credit impairment losses	91,995,689	–
Provision for impairment losses on assets	–	–
Depreciation of fixed assets	234,454,697	245,689,114
Amortisation of intangible assets	5,558,971	5,372,331
Amortisation of long-term deferred assets	25,278,652	24,639,137
Depreciation of right-of-use assets	707,498	–
(Gains)/Losses on disposal of fixed assets, intangible assets and other long-term assets	(27,031)	6,260,354
Losses on write-off of fixed assets	430,776	–
(Gains)/Losses on changes in fair values	(5,456,011)	5,596,563
Financial expenses	211,056,040	555,884,200
Investment income	(575,017,645)	(945,435,578)
(Increase)/Decrease in deferred tax assets	(19,014,978)	58,860,111
Decrease/(Increase) in inventories	50,519,946	(3,146,936)
Decrease/(Increase) in receivables from operating activities	133,762,645	(428,918,845)
Decrease in payables from operating activities	(194,974,989)	(110,627,955)
Net cash flows from operating activities	684,901,343	585,118,045

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

RMB

*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)***XV. SUPPLEMENTARY INFORMATION****1. Summary of non-recurring profit or loss**

Item	For the six months ended 30 June 2019
Net profit attributable to owners of the parent	1,853,453,618
Add/(Less): Non-recurring profit or loss attributable to owners of the parent	
Net losses on disposal of non-current assets	43,418,257
Government grants recognised in the statement of profit or loss	(120,118,883)
Gains on bargain purchase as the consideration for acquiring a subsidiary was less than the shared fair values of the identifiable net assets of the investee	–
Gains or losses on changes in fair value arising from held for trading financial assets and financial liabilities, investment income on disposal of held for trading financial assets and financial liabilities and available-for-sale investments except for the effective portion of hedging and gold leasing closely related to the Group's normal business operations	(50,470,356)
Capital utilisation fee received from non-financial enterprises which is included in the profit or loss for the current period	(163,127,909)
Investment income from disposal of long-term equity investments	(17,626,774)
Other non-operating income and expenses other than the aforesaid items (Note 1)	132,420,619
	1,677,948,572
Impact on income tax	12,054,050
Impact on the non-controlling interests (after tax)	(33,054,086)
	1,656,948,536

The non-recurring profit or loss of the Group was recognised under the CSRC Announcement [2008] No. 43, Explanatory Announcement No.1 on Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities – Non-recurring Profit or Loss. Zijin Global Fund, the Group's subsidiary, is classified in the category of financial industry according to its business nature. Its investment income and gains or losses on changes in fair value were arising from financial products and classified as non-recurring profit or loss.

Note 1: Including donations made by the Group of RMB93,624,103.

Notes to Financial Statements *(continued)*

For the period ended 30 June 2019

RMB

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

XV. SUPPLEMENTARY INFORMATION *(continued)*

2. Return on net assets and earnings per share

For the six months ended 30 June 2019

		Return on net assets (%)		Basic earnings per share
		Fully diluted	Weighted average	
Net profit attributable to ordinary shareholders of the parent	1,853,453,618	4.53	5.29	0.080
Net profit after non-recurring profit or loss attributable to ordinary shareholders of the parent	1,656,948,536	4.05	4.73	0.072

For the six months ended 30 June 2018

		Return on net assets (%)		Basic earnings per share
		Fully diluted	Weighted average	
Net profit attributable to ordinary shareholders of the parent	2,526,423,099	7.22	7.09	0.110
Net profit after non-recurring profit or loss attributable to ordinary shareholders of the parent	2,376,469,055	6.79	6.67	0.103

The abovementioned return on net assets and earnings per share were calculated according to the Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings Per Share (2010 revision) issued by the CSRC.

There were no potential dilutive ordinary shares for the first half of 2019 and the year ended 31 December 2018.



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

