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Zijin Mining Group Co., Ltd.*

紫金礦業集團股份有限公司

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

(Stock code: 2899)

Announcement

Unaudited Interim Results for the Six Months Ended 30 June 2014

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

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

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

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

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

CONSOLIDATED BALANCE SHEET

As at 30 June 2014

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

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2014

	For the 6 months ended 30 June 2014 (Unaudited) RMB	For the 6 months ended 30 June 2013 (Unaudited) RMB
Operating income	23,986,053,892	25,987,634,065
Less: Operating costs	20,101,935,320	21,509,706,763
Taxes and surcharges	377,188,158	257,861,291
Selling expenses	309,852,981	263,233,554
Administrative expenses	1,106,603,400	1,019,189,751
Financial expenses	249,326,277	584,662,531
Impairment losses on assets	47,727,130	332,096,005
Add: Gains/(losses) on changes in fair value	(303,919,909)	9,581,824
Investment income	412,610,448	86,443,677
<i>Including: Share of profits of associates and joint ventures</i>	<u>112,166,463</u>	<u>62,759,501</u>
Operating profit	1,902,111,165	2,116,909,671
Add: Non-operating income	72,054,811	72,288,477
Less: Non-operating expenses	124,346,018	104,830,439
<i>Including: Losses on disposal of non-current assets</i>	<u>35,711,137</u>	<u>10,499,965</u>
Profit before tax	1,849,819,958	2,084,367,709
Less: Income tax expenses	<u>486,472,110</u>	<u>551,478,767</u>
Net profit	<u>1,363,347,848</u>	<u>1,532,888,942</u>
Including: Attributable to owners of the parent	<u>1,109,401,895</u>	<u>1,098,050,168</u>
Non-controlling interests	<u>253,945,953</u>	<u>434,838,774</u>
Earnings per share		
Basic earnings per share	<u>0.051</u>	<u>0.050</u>
Other comprehensive income	<u>147,597,292</u>	<u>(147,749,599)</u>
Total comprehensive income	<u>1,510,945,140</u>	<u>1,385,139,343</u>
Attributable to:		
Owners of the parent	<u>1,246,151,635</u>	<u>964,102,754</u>
Non-controlling interests	<u>264,793,505</u>	<u>421,036,589</u>

CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2014

Items	For the six months ended 30 June 2014 (Unaudited) RMB	For the six months ended 30 June 2013 (Unaudited) RMB
1. Cash flows from operating activities:		
Cash receipts from sale of goods and rendering of services	25,431,419,864	25,561,531,586
Refund of taxes	34,985,910	21,233,730
Other cash receipts relating to operating activities	1,045,120,902	525,582,951
Sub-total of cash inflows from operating activities	26,511,526,676	26,108,348,267
Cash payments for goods purchased and services received	20,934,796,747	19,411,423,313
Cash payments to and on behalf of employees	1,185,417,632	1,200,140,866
Payments of various types of taxes	2,000,175,223	2,928,810,790
Other cash payments relating to operating activities	627,176,308	530,837,872
Sub-total of cash outflows used in operating activities	24,747,565,910	24,071,212,841
Net cash flows from operating activities	1,763,960,766	2,037,135,426
2. Cash flows from investing activities:		
Cash receipts from disposals of investments	922,958,327	273,387,633
Cash receipts from investment income	208,320,842	111,422,555
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	1,172,058	60,769,233
Net cash receipts from disposals of subsidiaries and other business units	12,904,099	10,629,334
Other cash receipts relating to investing activities	-	1,054,012,463
Sub-total of cash inflows from investing activities	1,145,355,326	1,510,221,218
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	2,413,033,165	3,663,751,623
Cash payments to acquire investments	1,358,607,503	354,625,000
Cash payments for acquisitions of subsidiaries and other business units	444,422,323	-
Other cash payments relating to investing activities	1,284,972,189	981,422,723
Sub-total of cash outflows used in investing activities	5,501,035,180	4,999,799,346
Net cash flows used in investing activities	(4,355,679,854)	(3,489,578,128)
3. Cash flows from financing activities:		
Cash receipts from capital contributions	42,812,312	116,250,000
Cash receipts from borrowings	10,108,691,883	8,453,398,920
Other cash receipts relating to financing activities	1,251,344	86,587,026
Sub-total of cash inflows from financing activities	10,152,755,539	8,656,235,946
Cash repayments of borrowings	5,972,442,058	7,336,207,029
Cash payments for distribution of dividends or profits or settlement in interest expenses	746,598,630	966,371,191
Other cash payments relating to financing activities	372,479,769	427,171,664
Sub-total of cash outflows used in financing activities	7,091,520,457	8,729,749,884
Net cash flows from (used in) financing activities	3,061,235,082	(73,513,938)
4. Effects of foreign exchange rate changes on cash and cash equivalents	9,806,299	36,518,620
5. Net increase/(decrease) in cash and cash equivalents	479,322,293	(1,489,438,020)

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

Notes:

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements were prepared in accordance with the Basic Standard and the Specific Standards of the Accounting Standards for Business Enterprises (“ASBE”) issued by the Ministry of Finance in February 2006, and Application Guidance for ASBE, interpretations and other relevant regulations issued and revised thereafter (hereafter referred to as “CAS”).

The financial statements have been prepared on a going concern basis. Except for certain financial instruments, the financial statements have been prepared using historical cost as the principal of measurement in financial statements. Where assets are impaired, provisions for asset impairment are made in accordance with the relevant requirements.

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

2. OPERATING INCOME AND OPERATING COSTS

Analysis of operating income are as follows:

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

Analysis of operating costs are as follows:

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

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

	For the six months ended 30 June 2014 (Unaudited) RMB		For the six months ended 30 June 2013 (Unaudited) RMB	
	Revenue	Cost	Revenue	Cost
Gold bullion	1,903,946,712	911,539,023	3,151,207,184	1,892,718,413
Refinery, processed and trading gold	10,148,565,430	10,093,545,449	10,293,862,875	10,444,372,524
Copper cathodes	254,040,805	132,711,771	226,505,512	157,399,667
Refinery copper	4,282,277,541	4,318,601,122	4,010,162,063	4,158,741,136
Ore concentrates	4,962,193,456	2,413,618,749	4,863,035,812	2,012,365,447

Zinc bullion	1,152,662,321	1,144,300,821	933,759,426	906,494,777
Others	1,069,707,574	954,700,663	2,304,345,972	1,859,183,750
	<u>23,773,393,839</u>	<u>19,969,017,598</u>	<u>25,782,878,844</u>	<u>21,431,275,714</u>

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

During the first half of 2014, more than 99.48% of the operating income arises from the sales of commodities (the first half of 2013: 98%). As such, the management of the Group considers that there is no need to disclose the operating income and costs based on the nature of income.

Revenue of the top five customers of the Group for the six months ended 30 June 2014:

	For the six months ended 30 June 2014 (Unaudited) RMB	Proportion of revenue
Shanghai Gold Exchange (Note 1)	12,158,381,070	50.69%
Guangzhou Jinchuanli Trading Company Limited	1,024,895,933	4.27%
Jinchuan Group Company Limited	847,391,295	3.53%
Hengbaochang (Shanghai) Copper Company Limited	748,145,591	3.12%
Shenzhen Jiangtong Marketing Company Limited	702,414,608	2.93%
	<u>15,481,228,497</u>	<u>64.54%</u>

Note 1: The ultimate customers are not known.

3. TAXES AND SURCHARGES

	For the six months ended 30 June 2014 (Unaudited) RMB	For the six months ended 30 June 2013 (Unaudited) RMB
Business tax	26,912,958	30,684,317
City construction and maintenance tax	24,199,535	23,271,319
Resource tax	292,830,248	167,840,555
Education surcharges	27,531,400	30,162,815
Others	5,714,017	5,902,285
	<u>377,188,158</u>	<u>257,861,291</u>

4. FINANCIAL EXPENSES

	For the six months ended 30 June 2014 (Unaudited) RMB	For the six months ended 30 June 2013 (Unaudited) RMB
Interest expenses	568,237,911	651,216,576
Including: Bank loans	429,810,757	601,557,901
Bonds payable	138,427,154	49,658,675
Less: Interest income	(91,918,738)	(39,266,584)
Capitalized interest expenses	(247,689,617)	(155,742,427)
Exchange losses/(gains)	(31,586,625)	80,213,673
Bank charges	52,283,346	48,241,293
	<u>249,326,277</u>	<u>584,662,531</u>

Capitalized interest expenses are included in construction in progress. During the first half of 2014, no interest income arose from impaired financial assets (six months ended 30 June 2013: Nil).

5. IMPAIRMENT LOSSES ON ASSETS

	For the six months ended 30 June 2014 (Unaudited) RMB	For the six months ended 30 June 2013 (Unaudited) RMB
Bad debt provision for trade and other receivables	63,086,015	(22,535)
Provisions for decline in value of inventories	(58,697,249)	264,185,648
Impairment on fixed assets	17,552,400	3,505,411
Impairment on available-for-sale investments	25,785,964	64,427,481
	<u>47,727,130</u>	<u>332,096,005</u>

6. GAINS/LOSSES ON CHANGES IN FAIR VALUE

	For the six months ended 30 June 2014 (Unaudited) RMB	For the six months ended 30 June 2013 (Unaudited) RMB
Share, bond and fund investments	10,091,483	(79,592,984)
Other future hedging	(144,403,454)	101,771,309
Gold leasing and its future hedging (Note 1)	(169,607,938)	(12,596,501)
	<u>(303,919,909)</u>	<u>9,581,824</u>

Note 1:

During the first half of 2014, losses on changes in fair value arising from the gold leasing business of RMB1,093,761,653, gains on changes in fair value of gold futures of RMB924,153,715 which arose from gold forward contracts entered into by the Group in accordance with the repayment terms of gold leasing business for the purpose of hedging its risks arising from gold price fluctuation.

7. INVESTMENT INCOME

	For the six months ended 30 June 2014 (Unaudited) RMB	For the six months ended 30 June 2013 (Unaudited) RMB
Income from long-term equity investments under the equity method (Note 3)	112,166,463	62,759,501
Income from other equity investments under available-for-sale investments (Note 2)	20,670,000	22,535,537
Gain/losses on disposal of certain subsidiaries	(8,667,697)	474,321
Gains/losses from disposal of held-for-trading financial assets (Note 1)	249,113,675	10,201,032
Gain/losses on disposal of available-for-sale investments	(15,766,258)	(11,475,542)
Others	55,094,265	1,948,828
	<u>412,610,448</u>	<u>86,443,677</u>

Note 1:

For the six months ended 30 June 2014, the gains on disposal of held-for-trading financial assets included gains of RMB259,581,065 from the settlement of future contracts (six months ended 30 June 2013: gains of RMB23,602,111).

Note 2: Investees with top five investment income from other equity investments under available-for-sale investments:

For the six months ended 30 June 2014 (Unaudited)	For the six months ended 30 June 2013 (Unaudited) RMB
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Investee	RMB	
Shanghang County Rural Commercial Bank	15,000,000	10,200,000
Sichuan Liwu Copper Company Limited	5,000,000	8,000,000
Muli Rongda	-	3,120,000
Luoyang Commercial Bank	520,000	390,000
Nanjing China Net Communication Company Limited	150,000	150,000
	<u>20,670,000</u>	<u>21,860,000</u>

Note 3: Investees with top five investment income from long-term equity investments under the equity method:

Investee	For the six months ended 30 June 2014 (Unaudited) RMB	For the six months ended 30 June 2013 (Unaudited) RMB	Reason for the change between current period and last period
Sprott-Zijin Mining Fund	101,745,620	-	Change in net profit of the investee
Wancheng Commercial	23,340,400	30,566,125	Change in net profit of the investee
Tibet Yulong	20,019,420	4,220,764	Change in net profit of the investee
Makeng Mining	17,155,086	12,171,285	Change in net profit of the investee
Fujian Haixia Kehua	9,473,707	15,409,365	Change in net profit of the investee
Shandong Guoda	2,540,383	6,023,207	Change in net profit of the investee
	<u>174,274,616</u>	<u>68,390,746</u>	

Since there is no difference in the accounting policies and period adopted between the investees and the Group, investment income/loss was recognised based on the carrying amount of net profit/loss of the investees.

As at 30 June 2014, there are no material restrictions on the transfer of the investment income back to the Group.

8. NON-OPERATING INCOME

	For the six months ended 30 June 2014 (Unaudited) RMB	For the six months ended 30 June 2013 (Unaudited) RMB
Gains on disposal of non-current assets	3,308,435	989,524
<i>Including: Gains on disposal of fixed assets</i>	<i>3,308,435</i>	<i>989,524</i>
Penalty income	4,616,899	2,713,440
Government grants	37,567,662	45,950,699
Others	26,561,815	22,634,814
	<u>72,054,811</u>	<u>72,288,477</u>

Analysis of government grants is as follows:

	For the six months ended 30 June 2014 (Unaudited) RMB	For the six months ended 30 June 2013 (Unaudited) RMB
Government grants related to assets:	<u>24,672,768</u>	<u>20,859,730</u>
Expenditures for science projects	35,000	300,000
Environmental protection	10,015,515	1,536,049
Refund for land compensation	276,354	-
Comprehensive utilization of mineral resources	4,591,707	18,674,981
Others	9,754,192	348,700
Government grants related to income:	<u>12,894,894</u>	<u>25,090,969</u>
Special government rewards	2,236,378	2,642,733
Tax refunds	9,382,960	15,014,924
Others	1,275,556	7,433,312
	<u>37,567,662</u>	<u>45,950,699</u>

9. NON-OPERATING EXPENSES

	For the six months ended 30 June 2014 (Unaudited) RMB	For the six months ended 30 June 2013 (Unaudited) RMB
Donations	69,699,817	84,946,361
Losses on disposal of non-current assets <i>Including: Loss on disposal of fixed assets</i>	35,711,137 35,711,137	10,499,965 10,499,965
Penalties	3,030,068	2,256,335
Others	15,904,996	7,127,778
	<u>124,346,018</u>	<u>104,830,439</u>

10. INCOME TAX EXPENSES

	For the six months ended 30 June 2014 (Unaudited) RMB	For the six months ended 30 June 2013 (Unaudited) RMB
Current tax expenses	508,398,659	632,279,097
Deferred tax expenses	(21,926,549)	(80,800,330)
	<u>486,472,110</u>	<u>551,478,767</u>

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

	For the six months ended 30 June 2014 (Unaudited) RMB	For the six months ended 30 June 2013 (Unaudited) RMB
Profit before tax	1,849,819,958	2,084,367,709
Income tax calculated at the applicable tax rate (Note 1)	462,454,990	521,091,927
Effect on different tax rates of certain subsidiaries	(80,320,765)	4,708,283
Overprovision in prior years	(11,262,908)	(16,189,703)
Income not subject to tax	(39,098,421)	(17,376,844)
Expenses not deductible for tax purposes and unrecognised temporary differences and deductible tax losses	204,428,694	155,419,544
Others	(49,729,480)	(96,174,440)
Income tax expenses calculated at the Group's effective tax rate	<u>486,472,110</u>	<u>551,478,767</u>

Note 1: Provision for the PRC enterprise income tax expenses has been made at applicable tax rates based on the taxable profits. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the enterprise operates.

11. EARNINGS PER SHARE

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

Basic earnings per share is calculated as follows:

	For the six months ended 30 June 2014 (Unaudited) RMB	For the six months ended 30 June 2013 (Unaudited) RMB
Earnings		
Consolidated net profit attributable to the	<u>1,109,401,895</u>	<u>1,098,050,168</u>

owners of the parent		
Shares		
Weighted average number of ordinary shares outstanding	21,650,478,601	21,811,963,650

12. OTHER COMPREHENSIVE INCOME

	For the six months ended 30 June 2014 (Unaudited) RMB	For the six months ended 30 June 2013 (Unaudited) RMB
Gains/(Losses) arising from available-for-sale investments	(35,278,519)	(104,004,825)
Less: Income tax effects arising from available-for-sale investments	-	(11,056,645)
Gains transferred from other comprehensive income to consolidated statement of profit or loss	(42,204,437)	(38,012,987)
Share of other comprehensive income of investee recognised and measured by equity method	6,925,918	(54,935,193)
Exchange differences arising from translation of financial statements denominated in foreign currencies	140,671,374	(92,814,405)
	<u>147,597,292</u>	<u>(147,749,598)</u>

13. SEGMENT REPORT

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's operating profit before tax except that interest income, finance costs, dividend income, profits attributable to joint ventures and associates, gains/(losses) on changes in fair value of the Group's financial instruments as well as head office and corporate expenses being excluded from this measurement. This indicator is consistent with the Group's total operating profit.

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

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

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

Segment Report (continued)

For the six months ended 30 June 2014 (Unaudited)

Currency: RMB

Items	Gold Bullion	Processes gold	Gold concentrates	Copper cathodes	Refinery copper	Copper concentrates	Other concentrates	Zinc bullion	Others	Eliminations	Consolidated
1. Operating income	2,065,933,518	11,303,827,582	1,725,874,847	355,746,876	4,614,752,276	2,100,248,709	1,542,610,456	1,235,784,652	2,598,789,108	(3,557,514,132)	23,986,053,892
Including: Sales to external customers	<u>1,903,946,712</u>	<u>10,148,565,430</u>	<u>1,565,679,879</u>	<u>254,040,805</u>	<u>4,282,277,541</u>	<u>1,986,309,204</u>	<u>1,410,204,374</u>	<u>1,152,662,321</u>	<u>1,282,367,626</u>	-	<u>23,986,053,892</u>
Intersegment sales	<u>161,986,806</u>	<u>1,155,262,152</u>	<u>160,194,968</u>	<u>101,706,071</u>	<u>332,474,735</u>	<u>113,939,505</u>	<u>132,406,082</u>	<u>83,122,331</u>	<u>1,316,421,482</u>	<u>(3,557,514,132)</u>	<u>-</u>
2. Segment profit	<u>548,832,684</u>	<u>13,526,590</u>	<u>328,847,392</u>	<u>85,226,517</u>	<u>(78,805,802)</u>	<u>906,926,977</u>	<u>515,578,498</u>	<u>(55,094,865)</u>	<u>54,007,279</u>	-	<u>2,319,045,270</u>
3. Segment assets	7,640,174,081	2,383,725,893	8,851,402,783	1,424,445,350	8,744,928,294	7,133,043,225	10,339,445,918	3,466,744,374	11,701,913,798		61,685,823,716
Unallocated assets	-	-	-	-	-	-	-	-	-	-	12,308,182,271
Total assets	-	-	-	-	-	-	-	-	-	-	73,994,005,987
4. Segment liabilities	4,963,723,522	1,164,731,626	4,099,709,234	1,309,962,397	2,961,627,609	2,866,703,425	6,841,154,020	2,680,859,352	7,833,783,966		34,722,255,151
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	6,412,808,933
Total liabilities	-	-	-	-	-	-	-	-	-	-	41,135,064,084
5. Supplemental information											
(1) Depreciation and amortisation	226,932,304	34,120,763	143,521,165	70,805,576	147,236,647	191,314,411	160,833,435	86,606,952	211,533,830		1,272,905,083
(2) Capital expenditure	416,034,184	6,651,983	2,125,762,181	54,673,540	116,951,354	242,426,926	542,305,975	87,771,530	466,305,413		4,058,883,086

Segment Report (continued)

For the six months ended 30 June 2013 (Unaudited)

Currency: RMB

Items	Gold Bullion	Processes gold	Gold concentrates	Copper cathodes	Refinery copper	Copper concentrates	Other concentrates	Zinc bullion	Others	Eliminations	Consolidated
1. Operating income	3,039,905,491	12,245,544,551	1,099,669,839	269,399,879	4,492,466,984	2,231,639,196	1,237,515,582	1,106,543,551	3,777,764,468	(3,512,815,476)	25,987,634,065
Including: Sales to external customers	3,151,207,184	10,293,862,875	1,365,300,948	226,505,512	4,010,162,063	2,289,159,473	1,208,575,392	933,759,426	2,509,101,192	-	25,987,634,065
Intersegment sales	(111,301,693)	1,951,681,676	(265,631,109)	42,894,367	482,304,921	(57,520,277)	28,940,190	172,784,125	1,268,663,276	(3,512,815,476)	-
2. Operating profit	1,108,601,141	(260,929,665)	623,409,820	34,832,755	(277,961,315)	1,111,030,817	496,222,469	(79,567,385)	(118,272,060)	-	2,637,366,577
3. Segment assets	7,179,293,536	2,395,481,008	2,097,973,892	2,684,332,110	9,446,633,891	7,482,643,859	8,419,553,893	3,189,404,679	13,909,173,792	-	56,804,490,660
Unallocated assets											10,385,745,677
Total assets											67,190,236,337
4. Segment liabilities	2,203,940,143	963,507,535	1,499,307,588	1,798,917,149	5,996,427,688	1,557,089,854	4,815,817,209	2,442,528,096	3,087,423,430		24,364,958,692
Unallocated liabilities											10,654,032,915
Total liabilities											35,018,991,606
5. Supplemental information											
(1) Depreciation and amortisation	117,817,580	19,163,256	68,096,259	51,938,216	55,494,519	182,297,139	85,152,260	66,153,784	310,683,880		956,796,893
(2) Capital expenditure	824,927,699	58,047,629	642,266,168	179,190,900	436,117,323	665,344,467	634,491,477	5,003,899	712,315,932		4,157,705,494

Segment Report (continued)

The following table presents the reconciliations of reportable profit before tax to the Group's consolidated amounts:

	For the six months ended 30 June 2014 (Unaudited) RMB	For the six months ended 30 June 2013 (Unaudited) RMB
Segmental profits	2,319,045,270	2,637,366,575
Interest and dividend income	112,588,738	61,802,121
Head office and corporate expenses	(18,301,234)	(63,213,199)
Financial expenses	(371,759,370)	(623,929,114)
Share of profits of joint ventures and associates	112,166,463	62,759,501
Gains/(losses) from changes in fair value of financial instruments	(303,919,909)	9,581,824
Profit before tax	<u>1,849,819,958</u>	<u>2,084,367,708</u>

14. EARNINGS PER SHARE

On the basis of the Group's profit attributable to owners of the parent in the sum of RMB1,109,401,895 during the reporting period (six months ended 30 June 2013: RMB1,098,050,168) and the weighted average number of 21,650,478,601 ordinary shares in issue during the reporting period (six months ended 30 June 2013: 21,811,963,650 shares), the earnings per share attributable to the owners of the parent is RMB0.051 (the earnings per share for the six months ended 30 June 2013: RMB0.050).

Diluted earnings per share for the six months ended 30 June 2013 and 2014 have not been disclosed as there were no diluting events during respective periods.

15. TRADE RECEIVABLES

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

An ageing analysis of the trade receivables is as follows:

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

The movement of bad debt provision of the trade receivables:

	As at 31 December 2013 (Audited) RMB	Additions	Reductions		As at 30 June 2014 (Unaudited) RMB
			Reversal	Write-off	
30 June 2014	<u>7,443,532</u>	<u>46,000</u>	<u>-</u>	<u>-</u>	<u>7,489,532</u>

16. RETAINED EARNINGS

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

On 28 March 2014, the Board proposed a final dividend of RMB0.08 (tax included) per ordinary share in aggregate of RMB1,731,668,452. The resolution was passed at the 2013 annual general meeting held on 28 May 2014.

17. NET CURRENT ASSETS

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

18. TOTAL ASSETS LESS CURRENT LIABILITIES

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

19. TRADE PAYABLES

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

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

20. PROVISION FOR DEPRECIATION

	For the six months ended 30 June 2014 (Unaudited) RMB	For the six months ended 30 June 2013 (Unaudited) RMB
Fixed assets	964,505,837	735,261,737
Investment properties	2,069,344	995,177
	<hr/>	<hr/>

2. OPERATION OVERVIEW

External Business Environment

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

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

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

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

Management Analysis

Operation Overview

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

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

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

1. Gold Business

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

The Group produced 44,044.13kg (1,416,050.61 ounces) of refinery gold, representing a 7.58% growth over the same period last year (40,940.27kg the same period last year), of which, Henan Luoyang Zijin Yinhu Gold Refinery Company Limited produced 26,526.88kg (852,858.36 ounces); the Company’s gold refinery plants produced

5,836.03kg (187,632.58 ounces); Fujian Jinshan Gold Refinery Plant produced 3,213.48kg (103,315.70 ounces); Luoning Zijin produced 2,240.97kg (72,048.80 ounces) and the other enterprises in the Group produced 6,226.77kg (200,195.15 ounces).

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

(1 troy ounce = 31.1035 grammes)

2. *Copper Business*

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

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

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

3. *Lead and Zinc Business*

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

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

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

4. *Silver Business*

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

The Group produced 59,322.01kg of refinery silver (by-product), representing a decrease of 15.60% over the same period last year (70,253.37kg the same period last year). Zijin Copper refinery produced 46,168.68kg of silver

(by-product), Fujian Jinshan Gold refinery produced 7,851.28kg of silver (by-product), and Luoning Zijin refinery produced 4,693.37kg of silver (by-product). The other refinery entities in the Group produced 608.68kg of silver (by-product).

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

5. *Iron Business*

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

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

6. *Other Business*

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

7. *External Investment*

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

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

8. *Fund Operation*

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

9. *Projects Construction*

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

10. *Safety and Environmental Protection*

During the reporting period, the Group's overall environmental and ecological situation is getting better, various

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

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

11. Geological Exploration

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

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

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

3. MANAGEMENT REVIEW AND ANALYSIS

Operating results

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

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

Items	January – June 2014				January – June 2013					
	Unit price (tax excluded) RMB		Sales volume		Unit price (tax excluded) RMB		Sales volume		Amount RMB'000	
Mine-produced gold	239.65	/g	15,822	Kg	3,791,730	281.08	/g	14,728	Kg	4,139,580
Refinery, processed and trading gold	258.55	/g	43,720	Kg	11,303,830	296.43	/g	41,311	Kg	12,245,540
Mine-produced silver	2.47	/g	72,543	Kg	178,880	3.32	/g	75,126	Kg	249,340
Mine-produced copper	36,069	/t	68,091	t	2,456,000	41,259	/t	60,617	t	2,501,040
Refinery copper	41,972	/t	109,949	t	4,614,750	46,329	/t	96,969	t	4,492,470

Mine-produced zinc	7,553	/t	41,190	t	311,110	7,577	/t	36,278	t	274,890
Refinery zinc	12,820	/t	96,398	t	1,235,780	12,937	/t	85,530	t	1,106,540
Iron concentrates	544	/t	1.3639	Mt	742,100	673	/t	1.0001	Mt	672,720
Others (Note 1)					2,909,390					3,818,330
Internal sales elimination					-3,557,520					-3,512,820
Total					23,986,050					25,987,630

Note 1:

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

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

Analysis of cost and gross profit margin

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

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

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

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

The Group's overall gross profit margin was 16.19%, representing a decrease of 1.04 percentage points over the same

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

Selling expenses

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

Administrative expenses

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

Financial expenses

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

Impairment losses on assets

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

Hedging business

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

Donations

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

Working capital and sources of fund

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

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

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

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

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

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

Gearing Ratio

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

Outlook for second half of 2014

Market overview

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

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

Production plan

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

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

Measures

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

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

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

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

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

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

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

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

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

The Company's major financial data

(1) Operating analysis by industry, product or region

Unit: RMB'000

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

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

(2) Major suppliers and customers

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

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

(3) Regional information of the main business

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

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

Unit: RMB

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

Analysis and descriptions of implementation progress of various types of financing, major asset reorganization of the Company

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

Analysis of the core competitiveness

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

Investment status

External equity investment

(1) The Company convened the fifth execution and investment committee meeting of the fifth term of board of directors on 15 March 2014 and considered and approved the proposal in relation to capital enlargement of Xinjiang Aletai Jinhao Iron Co., Ltd. It was resolved that the registered capital of Xinjiang Aletai Jinhao Iron Co., Ltd. (“Jiahao Iron”) enlarged from RMB0.7 billion to RMB0.81 billion. The capital enlargement of RMB0.11 billion will be injected by three shareholders according to their existing shareholding ratio. In which, the Company’s subsidiary Fuyun Jinshan Mining Company Limited invested RMB56.1 million pro rata to its 51% shareholding; another subsidiary, Xinjiang Jinbao Mining Company Limited invested RMB11 million pro rata to their 10% shareholding; Turpan Yurun Iron and Steel Industry Trading Company Limited invested RMB42.9 million pro rata to their 39% shareholding. The above capital enlargement was completed on 30 April 2014. Jiahao Iron was mainly engaged in the 1,000,000 t/year high-quality cast iron project development in Xinjiang.

(2) The investment committee of the Company considered and approved the proposal in relation to participating in the IPO of Hengxing Gold Holding Company Limited in Hong Kong by voting via telecommunication on 26 April 2014. According to the resolution, the Company invested HK\$50 million to acquire 31,250,000 ordinary shares in Hengxing Gold Holding Company Limited (“Hengxing Gold”), representing 3.38% of its total number of issued shares. Hengxing Gold is a company listed in Hong Kong and is mainly engaged in the operation of Xinjiang Jinshan gold mine.

(3) On 27 January 2014, the Company entered into a share transfer agreement with Fujian Tianbao Mining Group Co., Ltd. (“Tianbao Mining”). The Company invested RMB410 million to acquire 10% equity interest of Fujian Makeng Mining Company Limited (“Makeng Mining”). After the acquisition, the Company’s equity interest in Makeng Mining increased to 41.5%.

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

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

RMB’000

Company name	Major products	Registered capital	Total assets	Net assets	Net profit
Xinjiang Ashele Copper Company Limited	Copper concentrates	250,000	2,191,060	1,869,450	321,720
Xinjiang Jinbao Mining Company Limited	Iron concentrates	50,000	1,318,010	861,460	244,680
Qinghai West Copper Company Limited	Copper concentrates	120,000	1,666,320	1,172,080	203,800
Heilongjiang Duobaoshan Copper Company Limited	Copper concentrates	800,000	2,761,240	1,249,980	96,630
Wulatehouqi Zijin Mining Company Limited	Zinc concentrates	150,000	1,746,190	522,530	60,630
Hebei Chongli Zijin Mining Company Limited	Gold	237,500	702,020	481,500	91,570

Wenshan Malipo Zijin Tungsten Group Company Limited	Tungsten products	1,000,000	1,697,190	1,231,460	39,260
Bayannaer Zijin Non-ferrous Metals Company Limited	Zinc bullion	375,000	3,773,030	809,420	-65,660
Zijin Copper Company Limited	Copper cathodes	1,818,300	7,894,380	1,161,390	-69,820

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

RMB'000

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

Projects using non-proceeds funds

RMB billion

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

		stripping of open-pit infrastructure of Taror is expected to be completed by January 2015. The technical reformation of Taror oxide ore processing plant has been completed.			
Wulatehouqi Zijin Sanguikou Lead and Zinc Mine	1.378	Completed land surface works, planned to put into pilot production by the end of August 2014.	0.055	1.325	Planned to produce about 70,000 tonnes of zinc a year
Total	11.839	/	1.073	9.809	/

Implementation of profit distribution proposal or plan for converting capital reserve to bonus shares

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

The Company does not implement interim profit distribution or capital conversion.

Major events

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

Summary and type of event	Index for details
On 21 September 2010, the collapse of Yinyan Tin Mine Gaoqing tailing pool dam of Xinyi Zijin was affected by the extreme weather brought by typhoon "Fanapi", resulting in casualties and property damage downstream. Most of the litigations arose from this incident were solved by way of mediation in 2011 and 2012, while only part of the disputed litigations (mainly the 6 hydropower plants including Shihuadi and a water treatment plant made a claim of RMB52,284,733 to Xinyi Zijin for the property damage, Xinyi Zijin has applied to court to carry out technical examination of Shihuadi and Qianfeng power stations and filed a lawsuit to request them to bear the relevant portion of the compensation of RMB49,900,000), which is still in progress.	For details, please refer to the Company's announcements on HKEx website (http://www.hkex.com.hk): dated 9 March 2012 and 13 September 2012.

(2) Litigation, Arbitration which have not been published on provisional announcements or with further progress RMB'000

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

Asset transaction, corporate mergers

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

Summary and type of event	Index for details
<p>Jin Jiang Mining Limited (“Jin Jiang”), a wholly-owned subsidiary of the Company entered into a convertible bond subscription agreement (“CBS Agreement”) with NKWE Platinum Limited (“NKWE”) (a company incorporated in Bermuda and listed on the Australian Securities Exchange “ASX”, stock code “NKP”) on 25 April 2013, pursuant to which Jin Jiang will invest A\$20 million in NKWE by a placement of acquisition of convertible bonds which, subject to adjustment for certain events, are convertible into 200 million NKWE shares. The above convertible bonds were completed during the reporting period in which they were converted to 202,576,000 NKWE shares (including interests).</p> <p>In addition to the convertible bond transaction, Jin Jiang entered into a conditional heads of agreement with Genorah, NKWE and other parties (the “Sale Transaction”) on 16 December 2013. Under the terms of the Sale Transaction, Jin Jiang will purchase 145,880,907 ordinary shares in NKWE from Genorah for a total purchase price of A\$18,364,518. The transaction had not been completed at the end of the reporting period.</p> <p>During the reporting period, Jin Jiang invested A\$1.9 million at an issue price of A\$0.1 per share to subscribe 19 million fully paid NKWE ordinary shares; invested A\$0.4 million to acquire the 4 million NKWE ordinary shares which were held by International Goldfields Limited (IGS).</p> <p>As at the end of the reporting period, the Company held 225,576,000 NKWE shares in total, represented NKWE’s 25.27% equity interest. The Company obtained approximately 4.35 million ounces (equivalent to 135 tonnes) of 3PGE+Au platinum group resources according to the shareholding. The Company has appointed 2 NKWE directors, one of them acting as the managing director of NKWE.</p> <p>NKWE owns a diversified Platinum Group Metals (PGM) portfolio in South Africa. Platinoid resources are rare in China, while South Africa is a vital supplying place for platinoid metals in the world. To acquire NKWE is to take control of an important piece of platinoid resource in South Africa, in which it is an important opportunity for the Company to enter into the African mining sector, and it is of great strategic significance to the Company as well.</p>	<p>For details, please refer to the Company’s announcements on HKEx website (http://www.hkex.com.hk): dated 29 April 2013, 24 June 2013, 15 August 2013, 27 September 2013, 17 December 2013, 31 December 2013 and 7 March 2014.</p>
<p>Norton Gold Fields Limited (“Norton”, stock code “NGF” on the ASX), a subsidiary of the Company, issued announcement on 17 April 2014 regarding its all cash takeover for all the issued shares of Bullabulling Gold Limited (“Bullabulling”) at A\$0.07 per share.</p> <p>On 16 June 2014, Norton conditionally increased the offer price. If the number of Bullabulling shares acquired by Norton as at 30 June 2014 was equal to or more than 30% of the equity interest of Bullabulling, the offer price will be increased to A\$0.08 per share.</p> <p>As at 30 June 2014, the percentage of shares held by Bullabulling shareholders who had accepted the offer reached 41.35%. The offer price was increased to A\$0.08 per share.</p> <p>The offer is still in progress. Currently more than half of the shareholders have accepted the offer. Approximately 3.75 million ounces (equivalent to 117 tonnes) of gold resources will be under the Company’s control after the completion of the acquisition.</p> <p>The offer is valid until 18 August 2014.</p> <p>Bullabulling’s key asset is the wholly-owned Bullabulling Gold Project, located in Coolgardie, Western Australia.</p>	<p>For details, please refer to the Company’s announcement on HKEx website (http://www.hkex.com.hk): dated 17 April 2014.</p>
<p>On 15 April 2014, the Company and China Molybdenum Co., Ltd. (“China Molybdenum”) entered into a share transfer agreement (the “Transfer Agreement”) in relation to the transfer of 70% equity interest in Luoyang Kunyu Mining Co., Ltd. (“Kunyu Mining”). The Company invested RMB700 million to acquire 70% equity interest in Kunyu Mining. The gold mines owned by Kunyu Mining are all located in Luoning County, Henan Province, which are in production. Kunyu Mining currently owns 5 mining rights of gold mine covering total area of 50.66 square kilometers; 1 exploration right of gold mine covering total area of 5.04 square kilometers. As at 31 December 2013, the five Luoning gold mines of Kunyu Mining had 56.92 tonnes of gold resources with average grade of 4.3g/tonne.</p>	<p>For details, please refer to the Company’s announcement on HKEx website (http://www.hkex.com.hk): dated 15 April 2014.</p>

Material Connected Transaction During the Reporting Period

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

OTHER SIGNIFICANT MATTERS

1. Analysis on Reasons and Effects of Changes of Accounting Policies, Accounting Estimates or Accounting Method by the Board

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

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

Unit: RMB

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

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

2. Others

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

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

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

by RMB11.3626 million.

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

The litigation of Xinyi Zijin is still in progress.

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

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

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

4. SUPPLEMENTAL INFORMATION

Corporate governance

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

The execution of profit distribution policy during the reporting period

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

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

Interim dividend

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

Purchase, Redemption or Sale of Listed Securities of the Company

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

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

Corporate Governance Report

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

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

Audit and Internal Control Committee

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

Independent Non-executive Directors

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

Securities Transactions by Directors of the Company

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

Shareholdings of Directors and Supervisors in the Company

As at 30 June 2014, Mr. Chen Jinghe, the Chairman of the Board of the Company held 132,000,000 shares, Mr. Lan Fusheng, Vice Chairman, held 7,500,000 shares, Mr. Zou Laichang, Director, held 1,500,000 shares, and Mr. Lin Hongfu, Director, held 750,000 shares, Mr. Liu Wenhong, Supervisor, held 24,450 shares in the Company.

Appointment and Dismissal of Auditors

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

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

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

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

Definition

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

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

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

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

Fujian, PRC 15 August 2014

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