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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 2015**

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 2015 ("this period"/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 announcement contains some forward looking statements and future plans of the Company, which do not constitute any actual commitment to investors. Investors are advised to exercise caution when dealing in the shares of the Company.

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

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

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

### CONSOLIDATED BALANCE SHEET

*As at 30 June 2015*

	<u>30 June 2015</u> (Unaudited) RMB	<u>31 December 2014</u> (Audited) RMB
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	5,136,834,249	4,139,672,768
Financial assets at fair value through profit or loss	570,496,828	312,247,627
Bills receivable	297,401,602	538,484,702
Trade receivables	1,665,038,519	1,228,075,464
Prepayments	799,336,765	649,968,149
Other receivables	1,284,187,271	1,266,545,176
Inventories	10,204,462,452	10,353,917,540
Assets classified as held-for-sale	717,297,750	-
Other current assets	924,722,978	1,129,315,164
Total current assets	<u>21,599,778,414</u>	<u>19,618,226,590</u>
<b>NON-CURRENT ASSETS</b>		
Available-for-sale investments	1,287,348,371	495,285,702
Long-term equity investments	5,306,783,771	5,346,350,207
Investment properties	171,961,935	174,284,695
Fixed assets	23,822,064,837	25,003,524,624
Construction in progress	9,596,969,798	7,964,785,151
Construction materials	150,523,571	274,012,010
Intangible assets	9,175,153,682	9,385,134,080
Goodwill	496,758,705	496,758,705
Long-term deferred assets	1,025,376,188	1,126,092,176
Deferred tax assets	725,970,573	867,406,609
Other non-current assets	4,398,734,881	4,407,727,099
Total non-current assets	<u>56,157,646,312</u>	<u>55,541,361,058</u>
<b>TOTAL ASSETS</b>	<u><u>77,757,424,726</u></u>	<u><u>75,159,587,648</u></u>

<u>LIABILITIES AND OWNERS' EQUITY</u>	<u>30 June 2015</u> (Unaudited) RMB	<u>31 December 2014</u> (Audited) RMB
<b>CURRENT LIABILITIES</b>		
Short-term borrowings	4,997,740,500	4,551,121,572
Financial liabilities at fair value through profit or loss	9,137,335,752	8,597,538,500
Bills payable	354,715,828	282,976,147
Trade payables	4,247,063,643	4,011,412,543
Advances from customers	1,546,456,738	1,005,215,386
Employee benefits payable	245,685,244	389,444,043
Taxes payable	635,027,205	656,071,856
Dividends payable	1,749,763,259	35,938,170
Other payables	3,125,072,352	2,626,729,259
Liabilities classified as held-for-sale	45,355,754	-
Current portion of non-current liabilities	2,986,385,366	1,347,611,097
Total current liabilities	<u>29,070,601,641</u>	<u>23,504,058,573</u>
<b>NON-CURRENT LIABILITIES</b>		
Long-term borrowings	8,351,630,892	8,339,476,546
Bonds payable	6,220,651,837	7,923,716,925
Long-term payables	411,518,226	413,864,086
Provision	143,951,420	177,486,513
Deferred income	506,996,868	538,727,221
Deferred tax liabilities	497,950,549	593,335,439
Total non-current liabilities	<u>16,132,699,792</u>	<u>17,986,606,730</u>
<b>TOTAL LIABILITIES</b>	<u>45,203,301,433</u>	<u>41,490,665,303</u>
<b>EQUITY</b>		
Share capital	2,154,324,365	2,157,281,365
Capital reserve	7,228,872,183	7,329,951,989
Other comprehensive income	(567,175,638)	(447,341,491)
Special reserve	151,802,252	108,445,194
Surplus reserve	1,319,401,104	1,319,401,104
Retained earnings	17,207,046,728	17,591,716,635
Equity attributable to owners of the parent	<u>27,494,270,994</u>	<u>28,059,454,796</u>
Non-controlling interests	<u>5,059,852,299</u>	<u>5,609,467,549</u>
<b>TOTAL EQUITY</b>	<u>32,554,123,293</u>	<u>33,668,922,345</u>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>	<u>77,757,424,726</u>	<u>75,159,587,648</u>

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*For the six months ended 30 June 2015*

	For the 6 months ended 30 June 2015 (Unaudited) RMB	For the 6 months ended 30 June 2014 (Unaudited) RMB
OPERATING INCOME	38,832,439,537	23,986,053,892
Less: Operating costs	35,015,201,697	20,101,935,320
Taxes and surcharges	415,226,067	377,188,158
Selling expenses	391,516,830	309,852,981
Administrative expenses	1,171,923,947	1,106,603,400
Financial expenses	434,556,891	249,326,277
Impairment losses on assets	82,162,710	47,727,130
Add: Gains/(losses) on changes in fair value	337,686,299	(303,919,909)
Investment income	253,463,357	412,610,448
<i>Including: Share of profits/(losses) of associates and         joint ventures</i>	<u>(162,033,012)</u>	<u>112,166,463</u>
OPERATING PROFIT	1,913,001,051	1,902,111,165
Add: Non-operating income	102,154,260	72,054,811
Less: Non-operating expenses	108,468,861	124,346,018
<i>Including: Losses on disposal of non-current assets</i>	<u>15,594,414</u>	<u>35,711,137</u>
PROFIT BEFORE TAX	1,906,686,450	1,849,819,958
Less: Income tax expenses	496,673,012	486,472,110
NET PROFIT	<u>1,410,013,438</u>	<u>1,363,347,848</u>
Including: Attributable to owners of the parent	1,341,155,185	1,109,401,895
Non-controlling interests	<u>68,858,253</u>	<u>253,945,953</u>
Earnings per share		
Basic earnings per share	<u>0.062</u>	<u>0.051</u>
NET OTHER COMPREHENSIVE INCOME AFTER TAX		
Changes in fair value of available-for-sale investments	(98,624,639)	6,925,918
Exchange differences arising from translation of financial statements denominated in foreign currencies	<u>(21,209,508)</u>	<u>129,823,822</u>
Other comprehensive income attributable to owners of the parent	(119,834,147)	136,749,740
Other comprehensive income attributable to non-controlling interests	<u>(8,931,599)</u>	<u>10,847,552</u>
SUBTOTAL OF NET OTHER COMPREHENSIVE INCOME AFTER TAX	<u>(128,765,746)</u>	<u>147,597,292</u>
TOTAL COMPREHENSIVE INCOME	<u>1,281,247,692</u>	<u>1,510,945,140</u>
Attributable to:		
Owners of the parent	<u>1,221,321,038</u>	<u>1,246,151,635</u>
Non-controlling interests	<u>59,926,654</u>	<u>264,793,505</u>

## CONSOLIDATED STATEMENT OF CASH FLOWS

*For the six months ended 30 June 2015*

Items	For the six months ended 30 June 2015 (Unaudited) RMB	For the six months ended 30 June 2014 (Unaudited) RMB
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash receipts from sale of goods and rendering of services	42,994,551,958	25,431,419,864
Refund of taxes	12,201,742	34,985,910
Other cash receipts relating to operating activities	597,372,435	1,045,120,902
Sub-total of cash inflows from operating activities	43,604,126,135	26,511,526,676
Cash payments for goods purchased and services received	36,012,753,328	20,934,796,747
Cash payments to and on behalf of employees	1,474,558,502	1,185,417,632
Payments of various types of taxes	1,689,786,803	2,000,175,223
Other cash payments relating to operating activities	575,701,601	627,176,308
Sub-total of cash outflows used in operating activities	39,752,800,234	24,747,565,910
Net cash flow from operating activities	3,851,325,901	1,763,960,766
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Cash receipts from disposals and recovery of investments	1,315,312,909	922,958,327
Cash receipts from investment income	66,715,328	208,320,842
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	21,002,737	1,172,058
Net cash receipts from disposals of subsidiaries and other business units	5,157,736	12,904,099
Other cash receipts relating to investing activities	253,881,157	-
Sub-total of cash inflows from investing activities	1,662,069,867	1,145,355,326
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	1,930,867,515	2,413,033,165
Cash payments to acquire investments	2,358,324,107	1,358,607,503
Cash payments for acquisitions of subsidiaries and other business units	74,115,009	444,422,323
Other cash payments relating to investing activities	1,403,280,365	1,284,972,189
Sub-total of cash outflows used in investing activities	5,766,586,996	5,501,035,180
Net cash flow used in investing activities	(4,104,517,129)	(4,355,679,854)
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Cash receipts from capital contributions	-	42,812,312
Cash receipts from borrowings	9,569,635,021	10,108,691,883
Other cash receipts relating to financing activities	36,847,378	1,251,344
Sub-total of cash inflows from financing activities	9,606,482,399	10,152,755,539
Cash repayments of borrowings	8,601,463,190	5,972,442,058
Cash payments for distribution of dividends or profits or settlement in interest expenses	776,764,040	746,598,630
Other cash payments relating to financing activities	153,804,091	372,479,769
Sub-total of cash outflows used in financing activities	9,532,031,321	7,091,520,457
Net cash flow from financing activities	74,451,078	3,061,235,082
<b>IV. EFFECTS OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>		
	(41,639,322)	9,806,299
<b>V. NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		
	(220,379,472)	479,322,293

## CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the six months ended 30 June 2015

Items	For the six months ended 30 June 2015 (Unaudited) RMB	For the six months ended 30 June 2014 (Unaudited) RMB
1.Reconciliation of net profit to net cash flow from operating activities:		
Net profit attributable to owners of the parent	1,341,155,185	1,109,401,895
Add: Non-controlling interests	68,858,253	253,945,953
Less: Unrealised loss on investments	-	-
Add: Asset impairment provision	82,162,710	47,727,130
Depreciation of fixed assets	1,233,722,053	955,581,215
Amortisation of intangible assets and long-term deferred assets	288,177,180	317,323,868
Losses/(gains) on disposal of fixed assets, intangible assets and other long-term assets	10,908,459	32,402,702
Losses/(gains) on changes in the fair values	(337,686,299)	303,919,909
Financial expenses	464,496,128	371,759,370
Losses/(gains) on investments	151,675,426	(412,610,448)
Decrease/(increase) in deferred tax assets	141,436,036	(7,547,262)
Increase/(decrease) in deferred tax liabilities	(95,384,890)	(14,379,287)
Decrease/(increase) in inventories	15,437,145	(1,740,772,656)
Decrease/(increase) in receivables from operating activities	(460,728,300)	(499,822,967)
Increase/(decrease) in payables from operating activities	947,096,815	1,047,031,344
Others	-	-
Net cash flow from operating activities	<u>3,851,325,901</u>	<u>1,763,960,766</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	<u>3,291,380,984</u>	<u>4,500,255,314</u>
Less: Opening balance of cash and cash equivalents	<u>3,511,760,456</u>	<u>4,020,933,021</u>
Net (decrease)/increase in cash and cash equivalents	<u>(220,379,472)</u>	<u>479,322,293</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, and Application Guidance for ASBE, interpretations and other relevant regulations issued and revised thereafter (hereafter referred to as “CAS”).

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

Except for certain financial instruments, the financial statements have been prepared using historical cost as the principle of measurement in financial statements. Where assets are impaired, provisions for asset impairment are made in accordance with the relevant requirements.

As at 30 June 2015, the Group recorded current assets of RMB21,599,778,414 and current liabilities of RMB29,070,601,641. 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 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. The balance of the Group’s unissued mid-term bonds with a term of 5 years registered at the National Association of Financial Market Institutional Investors in previous years amounted to RMB3.3 billion. The bonds will be issued by the Group before 22 September 2015 depending on the financial condition. Meanwhile, the Group has sufficient bank line of credit. The directors of the Company believe that the Group has adequate resources to continue operation and fulfill the financial responsibility which will become due 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 is as follows:

	For the six months ended 30 June 2015		For the six months ended 30 June 2014	
	(Unaudited)		(Unaudited)	
	RMB		RMB	
	Operating income	Operating costs	Operating income	Operating costs
Principal operations	38,612,060,731	34,905,301,193	23,773,393,839	19,969,017,598
Other operations	<u>220,378,806</u>	<u>109,900,504</u>	<u>212,660,053</u>	<u>132,917,722</u>
	<u>38,832,439,537</u>	<u>35,015,201,697</u>	<u>23,986,053,892</u>	<u>20,101,935,320</u>

During the first half of 2015, 99.35% of the operating income arises from the sales of commodities (the first half of 2014: 99.48%). 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.

**3. TAXES AND SURCHARGES**

	For the six months	For the six months
	ended 30 June 2015	ended 30 June 2014
	(Unaudited)	(Unaudited)
	RMB	RMB
Business tax	24,599,961	26,912,958
City construction and maintenance tax	25,184,824	24,199,535
Resource tax	331,398,606	292,830,248
Education surcharges	28,451,059	27,531,400
Others	<u>5,591,617</u>	<u>5,714,017</u>
	<u>415,226,067</u>	<u>377,188,158</u>

4. FINANCIAL EXPENSES

	For the six months ended 30 June 2015 (Unaudited) RMB	For the six months ended 30 June 2014 (Unaudited) RMB
Interest expenses:	669,923,519	568,237,911
<i>Including: Bank loans</i>	467,409,759	429,810,757
<i>Bonds payable</i>	202,513,760	138,427,154
Less: Interest income	(64,716,495)	(91,918,738)
Capitalised interest expenses	(255,884,897)	(247,689,617)
Exchange losses/(gains)	34,777,258	(31,586,625)
Bank charges	50,457,506	52,283,346
	<u>434,556,891</u>	<u>249,326,277</u>

Capitalised interest expenses are included in construction in progress and inventories. During the first half of 2015, no interest income arose from impaired financial assets (six months ended 30 June 2014: Nil).

5. IMPAIRMENT LOSSES ON ASSETS

	For the six months ended 30 June 2015 (Unaudited) RMB	For the six months ended 30 June 2014 (Unaudited) RMB
Bad debt provision for trade and other receivables	(8,050,579)	63,086,015
Provisions for decline in value of inventories	36,100,536	(58,697,249)
Impairment on fixed assets	21,776,073	17,552,400
Impairment on available-for-sale investments	740,039	25,785,964
Impairment on other non-current assets	31,596,641	-
	<u>82,162,710</u>	<u>47,727,130</u>

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

	For the six months ended 30 June 2015 (Unaudited) RMB	For the six months ended 30 June 2014 (Unaudited) RMB
Financial assets at fair value through profit or loss (Note 1)	301,392,302	934,245,198
Financial liabilities at fair value through profit or loss (Note 2)	36,293,997	(1,238,165,107)
	<u>337,686,299</u>	<u>(303,919,909)</u>

Note 1: In the first half of 2015, gains or losses on changes in fair value of financial assets at fair value through profit or loss included: net gains on changes in fair value arising from stocks and funds of RMB14,328,167 (the same period of 2014: net gains of RMB10,091,483); net gains on changes in fair value of gold futures of RMB4,613,863 (the same period of 2014: gains on changes in fair value of gold futures of RMB924,153,715), which arose from gold futures contracts entered into by the Group in accordance with the repayment terms of gold leasing business for the purpose of hedging its risks of gold leasing business arising from gold price fluctuation; net gains on changes in fair value of other futures hedging instruments of RMB282,450,272 (the same period of 2014: the amount was recognised under financial liabilities at fair value through profit or loss).

Note 2: In the first half of 2015, gains or losses on changes in fair value of financial liabilities at fair value through profit or loss included net losses on changes in fair value arising from the gold leasing business of RMB62,371,597 (the same period of 2014: net losses of RMB1,093,761,653); net gains on changes in fair value of gold futures of RMB102,202,683 (the same period of 2014: the amount was recognised under financial assets at fair value through profit or loss), which arose from gold futures contracts



entered into by the Group in accordance with the repayment terms of gold leasing business for the purpose of hedging its risks of gold leasing business arising from gold price fluctuation, and net losses on changes in fair value of other financial liabilities of RMB3,537,089 (same period of 2014: net losses of RMB144,403,454).

#### 7. INVESTMENT INCOME

	For the six months ended 30 June 2015 (Unaudited) RMB	For the six months ended 30 June 2014 (Unaudited) RMB
Income on long-term equity investments under the equity method	(162,033,012)	112,166,463
Losses on disposal of subsidiaries	(1,771,335)	(8,667,697)
Gains/(Losses) on available-for-sale investments	79,589,045	4,903,742
<i>Including: Gain on disposal of available-for-sale investments measured at cost</i>	<i>40,860,200</i>	<i>20,670,000</i>
<i>Gains/(Losses) on disposal of available-for-sale investments measured at fair value</i>	<i>38,728,845</i>	<i>(15,766,258)</i>
Gains on disposal of financial assets and liabilities at fair value through profit or loss	331,524,862	249,113,675
Others	6,153,797	55,094,265
	<u>253,463,357</u>	<u>412,610,448</u>

#### 8. NON-OPERATING INCOME

	For the six months ended 30 June 2015 (Unaudited) RMB	For the six months ended 30 June 2014 (Unaudited) RMB
Gains on disposal of non-current assets	4,685,955	3,308,435
<i>Including: Gains on disposal of fixed assets</i>	<i>4,585,955</i>	<i>3,308,435</i>
<i>Gains on disposal of intangible assets</i>	<i>100,000</i>	-
Penalty income	3,444,929	4,616,899
Government grants	76,915,612	37,567,662
Others	17,107,764	26,561,815
	<u>102,154,260</u>	<u>72,054,811</u>

Analysis of government grants is as follows:

	For the six months ended 30 June 2015 (Unaudited) RMB	For the six months ended 30 June 2014 (Unaudited) RMB
Government grants related to assets:		
Expenditures for science projects	650,000	35,000
Environmental protection	1,960,883	10,015,515
Refund for land compensation	1,491,486	276,354
Comprehensive utilisation of mineral resources	24,469,874	4,591,707
Others	5,252,862	9,754,192
	<u>33,825,105</u>	<u>24,672,768</u>
Government grants related to income:		
Special government rewards	7,465,570	2,236,378
VAT subsidies	330,414	9,382,960
Tax refunds	5,984,079	-

Others	29,310,444	1,275,556
	<u>43,090,507</u>	<u>12,894,894</u>
	<u>76,915,612</u>	<u>37,567,662</u>

9. NON-OPERATING EXPENSES

	For the six months ended 30 June 2015 (Unaudited) RMB	For the six months ended 30 June 2014 (Unaudited) RMB
Donations	86,252,634	69,699,817
Losses on disposal of non-current assets	15,594,414	35,711,137
<i>Including: Loss on disposal of fixed assets and other non-current assets</i>	<i>15,594,414</i>	<i>35,711,137</i>
Penalties	2,402,534	3,030,068
Others	4,219,279	15,904,996
	<u>108,468,861</u>	<u>124,346,018</u>

10. INCOME TAX EXPENSES

	For the six months ended 30 June 2015 (Unaudited) RMB	For the six months ended 30 June 2014 (Unaudited) RMB
Current tax expenses	450,621,866	508,398,659
Deferred tax expenses	46,051,146	(21,926,549)
	<u>496,673,012</u>	<u>486,472,110</u>

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

	For the six months ended 30 June 2015 (Unaudited) RMB	For the six months ended 30 June 2014 (Unaudited) RMB
Profit before tax	<u>1,906,686,450</u>	<u>1,849,819,958</u>
Income tax calculated at the applicable tax rate (Note 1)	476,671,612	462,454,990
Effect on different tax rates of certain subsidiaries	(99,783,169)	(80,320,765)
Overprovision in prior years	(53,990,446)	(11,262,908)
Income not subject to tax	(136,263,352)	(39,098,421)
Non-deductible investment loss	162,033,012	-
Expenses not deductible for tax purposes and unrecognised temporary differences and deductible tax losses	148,005,355	204,428,694
Others	-	(49,729,480)
Income tax expenses calculated at the Group's effective tax rate	<u>496,673,012</u>	<u>486,472,110</u>

Note 1: Provision for the PRC enterprise income tax expenses has been made at applicable tax rates based on the estimated taxable profits. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing 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 2015 (Unaudited) RMB	For the six months ended 30 June 2014 (Unaudited) RMB
Earnings		
Consolidated net profit attributable to the owners of the parent	<u>1,341,155,185</u>	<u>1,109,401,895</u>
Shares		
Weighted average number of ordinary shares outstanding	<u>21,570,802,850</u>	<u>21,650,478,601</u>
Earnings per share	<u>0.062</u>	<u>0.051</u>

## 12. OTHER COMPREHENSIVE INCOME

30 June 2015

	1 January 2015 (Unaudited) RMB	Movements			30 June 2015 (Unaudited) RMB
		Amount before tax (Unaudited) RMB	Income tax expenses (Unaudited) RMB	Amount after tax (Unaudited) RMB	
Changes in fair value of available-for-sale investments	(66,022,699)	(98,624,639)	-	(98,624,639)	(164,647,338)
Exchange differences arising from translation of financial statements denominated in foreign currencies	<u>(381,318,792)</u>	<u>(21,209,508)</u>	<u>-</u>	<u>(21,209,508)</u>	<u>(402,528,300)</u>
	<u>(447,341,491)</u>	<u>(119,834,147)</u>	<u>-</u>	<u>(119,834,147)</u>	<u>(567,175,638)</u>

## 13. OPERATING SEGMENT INFORMATION

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's operating profit before tax except that interest income, finance costs, dividend income, share of profits of joint ventures and associates, fair value gains/(losses) from the Group's financial instruments as well as head office and corporate expenses are 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, 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 made with reference to the selling prices used for sales made to third parties at the prevailing market prices.

13. OPERATING SEGMENT INFORMATION (continued)

For the six months ended 30 June 2015 (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	1,564,045,427	24,804,955,581	2,229,611,575	599,572,429	4,870,221,278	2,009,514,057	1,458,401,438	1,523,537,395	3,376,542,866	(3,603,962,509)	38,832,439,537
Including: Sales to external customers	<u>1,562,220,227</u>	<u>23,721,154,924</u>	<u>2,065,919,657</u>	<u>415,603,356</u>	<u>4,104,674,218</u>	<u>2,009,046,868</u>	<u>1,415,977,254</u>	<u>1,204,843,492</u>	<u>2,332,999,541</u>	-	<u>38,832,439,537</u>
Intersegment sales	<u>1,825,200</u>	<u>1,083,800,657</u>	<u>163,691,918</u>	<u>183,969,073</u>	<u>765,547,060</u>	<u>467,189</u>	<u>42,424,184</u>	<u>318,693,903</u>	<u>1,043,543,325</u>	<u>(3,603,962,509)</u>	<u>-</u>
2. Segment profit	<u>393,675,643</u>	<u>31,945,521</u>	<u>403,171,273</u>	<u>80,699,795</u>	<u>55,705,648</u>	<u>688,366,137</u>	<u>380,201,456</u>	<u>7,645,172</u>	<u>147,070,526</u>	<u>-</u>	<u>2,188,481,171</u>
3. Segment assets	33,581,309,204	8,729,799,219	9,218,296,252	5,667,127,800	6,098,406,201	14,900,330,669	14,229,820,237	2,880,131,733	45,228,604,136	(72,152,356,705)	68,381,468,746
Unallocated assets	-	-	-	-	-	-	-	-	-	-	9,375,955,980
Total assets	-	-	-	-	-	-	-	-	-	-	77,757,424,726
4. Segment liabilities	17,582,613,362	5,217,252,648	4,815,777,952	2,902,703,030	4,878,461,627	6,876,157,946	9,866,481,361	2,156,130,588	36,698,390,607	(68,980,421,759)	22,013,547,362
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	23,189,754,071
Total liabilities	-	-	-	-	-	-	-	-	-	-	45,203,301,433
5. Supplemental information											
(1) Depreciation and amortisation	120,665,045	83,378,034	404,617,535	66,366,443	97,767,237	199,832,205	213,278,834	96,233,071	239,760,829	-	1,521,899,233
(2) Capital expenditure	829,196,940	215,558,088	227,620,162	139,933,944	150,583,163	367,922,183	351,365,795	71,116,835	1,116,794,460	-	3,470,091,570

13. OPERATING SEGMENT INFORMATION (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	1,903,946,712	10,148,565,430	1,565,679,879	254,040,805	4,282,277,541	1,986,309,204	1,410,204,374	1,152,662,321	1,282,367,626	-	23,986,053,892
Intersegment sales	161,986,806	1,155,262,152	160,194,968	101,706,071	332,474,735	113,939,505	132,406,082	83,122,331	1,316,421,482	(3,557,514,132)	-
2. Segment profit	548,832,684	13,526,590	328,847,392	85,226,517	(78,805,802)	906,926,977	515,578,498	(55,094,865)	54,007,279	-	2,319,045,270
3. Segment assets	7,640,174,081	2,383,725,893	8,851,402,783	1,424,445,350	8,744,928,294	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

13. OPERATING SEGMENT INFORMATION (continued)

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

	For the six months ended 30 June 2015 (Unaudited) RMB	For the six months ended 30 June 2014 (Unaudited) RMB
Segmental profits	2,188,481,171	2,319,045,270
Interest and dividend income	96,640,131	112,588,738
Head office and corporate expenses	(151,402,665)	(18,301,234)
Financial expenses	(402,685,474)	(371,759,370)
Share of profits of joint ventures and associates	(162,033,012)	112,166,463
Gains/(losses) on changes in fair value of financial instruments	<u>337,686,299</u>	<u>(303,919,909)</u>
Profit before tax	<u>1,906,686,450</u>	<u>1,849,819,958</u>

14. EARNINGS PER SHARE

On the basis of the Group's profit attributable to owners of the parent in the sum of RMB1,341,155,185 during the reporting period (six months ended 30 June 2014: RMB1,109,401,895) and the weighted average number of 21,570,802,850 ordinary shares in issue during the reporting period (six months ended 30 June 2014: 21,650,478,601 shares), the earnings per share attributable to the owners of the parent is RMB0.062 (six months ended 30 June 2014: RMB0.051).

Diluted earnings per share for the six months ended 30 June 2014 and 2015 have not been disclosed as there were no diluting events during respective periods.

15. RETAINED EARNINGS

	As at 30 June 2015 (Unaudited) RMB	As at 31 December 2014 (Audited) RMB
Closing balance of the preceding year and opening balance of the current year	17,591,716,635	16,978,322,418
Net profit attributable to the owners of the parent	1,341,155,185	2,345,062,669
Less: Appropriation for the statutory reserve	-	-
Proposed final dividend in cash for ordinary shares	<u>1,725,825,092</u>	<u>1,731,668,452</u>
Retained earnings as at the end of the period	<u>17,207,046,728</u>	<u>17,591,716,635</u>

At the 2014 annual general meeting of the Company held on 11 May 2015, cash dividend distribution of RMB0.08 per share was approved. The total amount of cash dividend amounted to RMB1,725,825,092.

## 16. TRADE RECEIVABLES

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

An ageing analysis of the trade receivables is as follows:

	As at 30 June 2015 (Unaudited) RMB	As at 31 December 2014 (Audited) RMB
Within 1 year	1,605,812,187	1,204,922,684
Over 1 year but within 2 years	47,389,083	17,117,052
Over 2 years but within 3 years	6,868,495	8,577,001
Over 3 years	<u>9,104,398</u>	<u>1,594,371</u>
	1,669,174,163	1,232,211,108
Less: Bad debt provision	<u>4,135,644</u>	<u>4,135,644</u>
	<u><u>1,665,038,519</u></u>	<u><u>1,228,075,464</u></u>

The sales of gold bullions are settled on the transaction dates. The credit periods for the sales of other products such as copper cathodes, zinc bullions and ore concentrates range from 1 to 6 months. The Group maintains strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. As mentioned above and because of the fact that the Group's trade receivables were related to a large number of diversified customers, there is no significant concentration of credit risk.

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

	As at 1 January 2015 (Unaudited) RMB	Additions RMB	Reductions		As at 30 June 2015 (Unaudited) RMB
			Reversal RMB	Write-off RMB	
30 June 2015	<u>4,135,644</u>	-	-	-	<u>4,135,644</u>
			30 June 2015		
	Carrying amount		Bad debt provision		Net book value
	Amount (Unaudited) RMB	Proportion (%)	Amount (Unaudited) RMB	Proportion (%)	(Unaudited) RMB
Individually significant and for which bad debt provision has been assessed individually	1,294,182,231	77.53%	-	-	1,294,182,231
Individually not significant but for which bad debt provision has been assessed individually	<u>374,991,932</u>	<u>22.47%</u>	<u>4,135,644</u>	<u>1.10</u>	<u>370,856,288</u>
	<u>1,669,174,163</u>	<u>100.00%</u>	<u>4,135,644</u>	<u>0.25</u>	<u>1,665,038,519</u>

In the first half of 2015, no provision was made for bad debt (2014: RMB4,119,219). There was neither reversal nor writeoff of bad debt (2014: Nil).

In the first half of 2015, there was no write-off of trade receivables of prior years to bad debt provision (2014: RMB7,427,107).

## 17. TRADE PAYABLES

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

As at 30 June 2015 (Unaudited)	As at 31 December 2014 (Audited)
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	RMB	RMB
Within 1 year	3,795,669,479	3,798,019,773
Over 1 year but within 2 years	348,736,233	162,094,487
Over 2 years but within 3 years	55,588,685	20,381,490
Over 3 years	47,069,246	30,916,793
	<u>4,247,063,643</u>	<u>4,011,412,543</u>

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

As at 30 June 2015, there was no significant balance of trade payables aged more than one year (31 December 2014: Nil).

18. NET CURRENT LIABILITIES

	As at 30 June 2015 (Unaudited) RMB	As at 31 December 2014 (Audited) RMB
Current assets	21,599,778,414	19,618,226,590
Less: Current liabilities	<u>29,070,601,641</u>	<u>23,504,058,573</u>
Net current liabilities	<u>(7,470,823,227)</u>	<u>(3,885,831,983)</u>

19. TOTAL ASSETS LESS CURRENT LIABILITIES

	As at 30 June 2015 (Unaudited) RMB	As at 31 December 2014 (Audited) RMB
Total assets	77,757,424,726	75,159,587,648
Less: Current liabilities	<u>29,070,601,641</u>	<u>23,504,058,573</u>
Total assets less current liabilities	<u>48,686,823,085</u>	<u>51,655,529,075</u>

20. PROVISION FOR DEPRECIATION

	For the six months ended 30 June 2015 (Unaudited) RMB	For the six months ended 30 June 2014 (Unaudited) RMB
Fixed assets	1,233,722,053	964,505,837
Investment properties	<u>3,688,370</u>	<u>2,069,344</u>



## 2. OPERATION OVERVIEW

### External Business Environment During the Reporting Period

During the reporting period, the price trend of gold was weak and remained fluctuating within a narrow range. The opening price of gold was US\$1,182.51 per ounce. It reached the highest at US\$1,307.63 per ounce and dropped to the lowest at US\$1,142.82 per ounce. The closing price was US\$1,172.18 per ounce and the average price was US\$1,206.02 per ounce, which represented a 6.6% decrease over the same period last year. Copper price was also under downside pressure. The opening price of copper in the London Metals Exchange (“LME”) was US\$6,273.5 per tonne. Its highest price was US\$6,481 per tonne and its lowest price was US\$5,339.5 per tonne. The closing price was US\$5,762 per tonne and the average price was US\$5,950 per tonne, which represented a decrease of 13.9% over the same period last year. The opening price of zinc in the LME was US\$2,177.25 per tonne. Its highest price was US\$2,404.5 per tonne and its lowest price was US\$1,964.5 per tonne. The closing price was US\$1,999 per tonne and the average price was US\$2,137 per tonne, which represented a 4.2% increase over the same period last year.

### Condition of the Industry

According to the statistics of China Gold Association, in the first half of 2015, China’s production of gold reached 228.735 tonnes in aggregate, representing an increase of 8.37% over the same period last year, in which mine-produced gold reached 191.689 tonnes.

### Management Analysis

#### Operation Overview

During the reporting period, the Group proactively adapted to the new norm of economic development and the need for transformation and upgrading, insisted on the “clinging to reforms, keeping growth and boosting development” targets proposed by the Board as the main focus of work, strongly pushed for and implemented various measures for organic growth, enhanced efficiency and quality, sustained growth in the production volume of key products and achieved reduction in various costs. As a result, the Company’s net profit attributable to owners of the parent achieved growth against adverse market condition, which was remarkable.

During the reporting period, the Group generated a turnover of RMB38.832 billion, representing a 61.90% increase over the same period last year (same period last year: RMB23.986 billion), and realised a net profit attributable to the owners of the parent of RMB1.341 billion, representing an increase of 20.89% over the same period last year (same period last year: RMB1.109 billion).

As at the end of June 2015, the Group’s total assets was RMB77.757 billion, representing a 3.46% increase over the beginning of the year (at beginning of the year: RMB75.160 billion), and the net assets attributable to the owners of the listed company was RMB27.494 billion, representing a 2.01% decrease as compared with the beginning of the year (at beginning of the year: RMB28.059 billion).

#### 1. Gold Business

During the reporting period, the Group produced 124,632kg of gold, representing a 108.92% growth over the same period last year (same period last year: 59,656kg). Among which the Group produced 17,416kg of mine-produced gold, representing an 11.56% growth (same period last year: 15,612kg) over the same period last year, among which Zijinshan gold and copper mine produced 4,708kg; Norton of Australia produced 2,666kg; Longnan Zijin produced 2,151kg; ZGC produced 1,504kg; Hunchun Zijin produced 1,314kg; Guizhou Shuiyindong gold mine produced 956kg, and other gold enterprises in the Group produced 4,117kg of mine-produced gold in aggregate.

The Group produced 107,216kg of refinery, processed and trading gold, representing a 143.43% growth over the same period last year (same period last year: 44,044kg).

Sales income generated from the Group’s gold business represented approximately 70.52% (after elimination) of the total operating income during the reporting period, and the gold products generated about 35.93% of the total gross profit.

#### 2. Copper Business

During the reporting period, the Group produced 211,273 tonnes of copper, representing a 16.52% growth over the

same period last year (same period last year: 181,321 tonnes); the production of which included 77,294 tonnes of mine-produced copper (including 11,196 tonnes of copper cathodes), representing a 9.74% growth over the same period last year (70,437 tonnes the same period last year). In which, Zijinshan copper mine produced 23,117 tonnes (including 10,806 tonnes of copper cathodes), Ashele copper mine produced 18,798 tonnes, Duobaoshan copper mine produced 13,708 tonnes (including 390 tonnes of copper cathodes), Qinghai Deerni copper mine produced 12,361 tonnes, Hunchun Zijin produced 6,038 tonnes, and other mining enterprises in the Group produced 3,272 tonnes of mine-produced copper in aggregate.

133,979 tonnes of refinery copper were produced in smelting enterprises, representing a 20.83% growth over the same period last year (same period last year: 110,884 tonnes). In which, Zijin Copper produced 130,145 tonnes of refinery copper.

Sales income from the Group's copper business represented approximately 16.81% (after elimination) of the total operating income of the Group and the copper products generated about 32.48% of the total gross profit.

### 3. *Lead and Zinc Business*

During the reporting period, the Group produced 180,979 tonnes of zinc, representing a 29.95% growth over the same period last year (139,263 tonnes the same period last year), among which Bayannaer Zijin zinc refinery plant produced 112,088 tonnes of zinc bullion, representing an increase of 20.75% over the same period last year (92,823 tonnes the same period last year).

The Group produced 68,891 tonnes of mine-produced zinc in concentrate form, representing an increase of 48.34% over the same period last year (46,440 tonnes the same period last year). Among which, Wuqia Jinwang produced 32,630 tonnes, Wulatehouqi Zijin produced 29,536 tonnes, Ashele copper mine produced 5,595 tonnes and other mining enterprises in the Group produced 1,130 tonnes of mine-produced zinc in concentrate form in aggregate.

During the reporting period, 10,008 tonnes of lead in concentrate form were produced, representing a 96.27% growth over the same period last year (5,099 tonnes the same period last year).

Sales income from the Group's lead and zinc business represented approximately 4.84% (after elimination) of the total operating income of the Group, and the products generated about 10.29% of the total gross profit.

### 4. *Silver Business*

During the reporting period, the Group produced 194,374kg of silver, representing an increase of 44.17% over the same period last year (same period last year: 134,822kg), among which 102,032kg was mine-produced silver, representing a 35.14% increase over the same period last year (same period last year: 75,500kg). In which, Wuping Zijin produced 25,744kg of silver, Luoning Huatai produced 14,475kg of silver from other associated metals, Zijinshan gold and copper mine produced 12,127kg of silver from other associated metals, Shanxi Zijin produced 12,085kg of silver from other associated metals, Ashele copper mine produced 11,151kg of silver from other associated metals, and other mining entities in the Group produced 26,450kg of silver from other associated metals.

The Group produced 92,342kg of refinery silver (by-product), representing an increase of 55.66% over the same period last year (same period last year: 59,322kg of silver). Zijin Copper produced 79,175kg of refinery silver (by-product), Bayannaer Zijin produced 6,611kg of refinery silver (by-product), Luoning Zijin refinery plant produced 6,025kg of refinery silver (by-product), and other refinery entities in the Group produced 531kg of refinery silver (by-product).

Sales income from the Group's silver business represented approximately 1.05% (after elimination) of the total operating income of the Group during the reporting period, and the silver products generated about 1.04% of the total gross profit.

### 5. *Iron Mine Business*

During the reporting period, the Group produced 1,600,000 tonnes of iron concentrates, representing an increase of 28% over the same period last year (same period last year: 1,250,000 tonnes).

Sales income from the Group's iron mine business represented approximately 0.79% (after elimination) of the total operating income of the Group during the reporting period, and the iron ore products generated about 7.47% of the

total gross profit.

#### 6. *Other Business*

Sales income from the Group's other products represented approximately 5.99% (after elimination) of the total operating income of the Group during the reporting period, and generated about 12.79% of the total gross profit.

#### 7. *External Investment*

During the reporting period, the Company achieved remarkable results in overseas merger and acquisition, which include entering into agreements with Barrick Gold Corporation, the world's largest gold corporation, and Ivanhoe Mines Ltd., a reputable exploration company, to acquire the large-scale operating Porgera gold mine in Papua New Guinea and the world-class large-scale undeveloped Kamao copper mine in the Democratic Republic of the Congo (the "DR Congo") respectively. After completing the merger and acquisition of these 2 important overseas projects, the Company's gold production volume will increase, its premium resource reserve will also significantly increase, bringing positive and far-reaching impacts to the Company's future development.

During the reporting period, the Company offered for a 100% takeover of its subsidiary, Norton of Australia, realising the delisting of Norton; it subscribed for 9.9% shareholding in Ivanhoe Mines Ltd. and became one of its important shareholders; it continued to increase its shareholding in NKWE Platinum Limited ("NKWE") in order to obtain the controlling right of the company after completion of the acquisition.

#### 8. *Projects Construction*

During the reporting period, the Group's construction projects proceeded smoothly, among which the exploration project on the deep parts of the Zijinshan copper mine was put into trial production; processing plant No.3 of the Zijinshan copper mine began construction with the adoption of engineering, procurement and construction (EPC) contract for development; Russian Tuva lead, zinc and multi-metals mine completed construction and commenced production in July; Kyrgyzstan Zuoan gold mine project successfully carried out trial production in July; the adit-ore passes component of Tajikistan ZGC 10,000 tonnes processing plant completed loading test ahead of schedule; the Kolwezi copper mine project in the DR Congo completed applications for the basic licenses required and started the construction smoothly; Xinjiang Ashele accelerated the deep parts development project and the construction of respective ancillary projects; and Guizhou Zijin hot pressure pre-oxidation project had fully commenced.

#### 9. *Safety and Environmental Protection*

As the new Production Safety Law and Environmental Protection Law have been put into force, the Group further enhanced the understanding on the importance of production safety and environmental protection, fully and thoroughly implemented the central theme of the Group's production safety and environmental protection working conference in 2015, strengthened enterprise accountability on production safety and the system of "dual responsibilities for one post", proactively optimised production safety and environmental protection related formalities, and supervised the legal and compliant operation of the enterprises, as such the Company sustained a good trend for production safety and environmental protection related tasks during the reporting period.

At the same time, the Group comprehensively improved the production safety and environmental protection management of its outsourced engineering companies, adopted strong and effective measures and strengthened supervision to enhance the awareness and controlling system of its outsourced engineering companies over production safety and environmental protection, and consistently built an effective long-term mechanism for the Group's production safety.

During the reporting period, the Group ceaselessly pushed for "zero emission" of industrial waste water for its development projects, making Qinghai West Copper another successful example of achieving "zero emission" of industrial waste water.

#### 10. *Geological Exploration*

During the reporting period, the Group invested approximately RMB108 million in geological exploration and completed 101,300 metres of exploration drilling, 5,800 metres of tunnel exploration and 8,900 cubic metres of trench exploration. The metal volumes newly added from exploration were 23.8 tonnes of gold, and 40,000 tonnes of copper and copper equivalents (unaudited).

New ore bodies were discovered through Longnan Zijin's exploration, further enlarging the size of main ore body; the resource replacement project and integrated exploration project of Kunyu Company managed to increase gold resources volume through exploration; and good ore prospect is expected of the Norton project and the copper mine in the Dayanli mining section at the surrounding area of Zijinshan.

The geological management efforts of the Group's mines begin to show promising results. The overall reserved volume of 3(2) grade-ores remained stable with significant decline in the loss rate and dilution rate.

As at 30 June 2015, the Group has a total of 259 exploration rights, covering an area of 3,270.48 sq.km and a total of 232 mining rights, covering an area of 788.749 sq.km.

#### 11. Financial business

Taking advantage of its standing in the industry and competitiveness in the spot market, the Company proactively explored and implemented new model of integration between production and finance. The 2 newly established e-commerce platforms have obtained certain results and experience after last 6 months of operation, contributing to the integration of metal companies' business offline and e-commerce platforms online. The Company also accelerated research and development on new methods for spot trading, striving to explore new models and new methods for developing financial business and serving the real economy by the use of the internet and e-commerce platforms.

During the reporting period, for the purpose of strengthening financial assets management, facilitating data sharing and creating synergy, the Company reorganised and combined the financial business within the scope of the Group's business. A new company, Zijin Capital Investment Company, was thereby established.

The Company announced the proposal for non-public issuance of A Shares on 26 May for raising proceeds of not more than RMB10 billion. The proceeds will be mainly used in the development, acquisition, etc. of overseas projects. The Company is actively pushing forward all the relevant refinancing tasks.

### 3. MANAGEMENT DISCUSSION AND ANALYSIS

#### Operating results

During the reporting period, the Group realised operating income of RMB38.832 billion (same period last year: RMB23.986 billion), representing an increase of 61.90% over the same period last year.

The table below sets out the breakdown of sales by products for the six months ended 30 June 2015 and 30 June 2014 respectively:

Item	January – June 2015				January – June 2014					
	Unit price (tax excluded) RMB		Sales volume	Amount RMB'000	Unit price (tax excluded) RMB		Sales volume	Amount RMB'000		
Mine-produced gold	220.21	/g	16,979	kg	3,738,960	239.65	/g	15,822	kg	3,791,730
Refinery, processed and trading gold	232.90	/g	106,732	kg	24,857,410	258.55	/g	43,720	kg	11,303,830
Mine-produced silver	2.16	/g	101,386	kg	218,790	2.47	/g	72,543	kg	178,880
Mine-produced copper	30,918	/t	77,239	t	2,388,050	36,069	/t	68,091	t	2,456,000
Refinery copper	36,869	/t	133,100	t	4,907,290	41,972	/t	109,949	t	4,614,750
Mine-produced zinc	8,272	/t	67,928	t	561,930	7,553	/t	41,190	t	311,110
Refinery zinc	13,910	/t	109,531	t	1,523,540	12,820	/t	96,398	t	1,235,780
Iron concentrates	404	/t	0.7545	Mt	305,200	544	/t	1.3639	Mt	742,100
Others (Note 1)					3,935,240					2,909,390

Internal sales elimination		-3,603,970		-3,557,520
Total		38,832,440		23,986,050

Note 1:

During the reporting period, other sales income included: RMB501 million from spheroidal graphite iron, RMB358 million from copper pipe, RMB254 million from copperplate, RMB259 million from refinery and processed silver, RMB242 million from gold products and RMB2.321 billion from other products, intermediate services and other services, etc.

The operating income of the Group for the period from January to June 2015 recorded a relatively substantial growth compared with last year, which was mainly benefited from the substantial growth in sales volume of refinery, processed and trading gold.

#### Analysis of cost and gross profit margin

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

The table below sets out details of the cumulative unit cost of sales and gross profit margin by products for the 6 months ended 30 June 2015 and 30 June 2014 respectively. (Note 1)

Item	Unit	Unit cost of sales			Gross profit margin (%)	
		Jan-Jun 2015 (RMB)	Jan-Jun 2014 (RMB)	Compared with the same period last year %	Jan-Jun 2015	Jan-Jun 2014
Mine-produced gold	RMB/g	139.38	149.33	-6.66	36.71	37.69
Refinery, processed and trading gold	RMB/g	232.29	257.13	-9.66	0.26	0.55
Mine-produced silver	RMB/g	1.51	1.58	-4.43	29.91	35.79
Mine-produced copper	RMB/tonne	16,368	17,305	-5.41	47.06	52.02
Refinery copper	RMB/tonne	36,111	42,298	-14.63	2.06	-0.78
Mine-produced zinc	RMB/tonne	4,239	3,256	30.19	48.75	56.89
Refinery zinc	RMB/tonne	13,226	12,733	3.87	4.91	0.68
Iron concentrates	RMB/tonne	162.67	196.78	-17.33	59.78	63.83
<b>Overall gross profit margin</b>					<b>9.83</b>	<b>16.19</b>
<b>Mining entities</b>					<b>42.29</b>	<b>49.66</b>

Note 1: The gross profit margin by products was calculated based on the figures before offsetting internal sales, the overall gross profit margin was calculated after offsetting internal sales.

The Group's overall gross profit margin was 9.83%, representing a decrease of 6.36 percentage points over the same period last year. The overall gross profit margin of mining entities was 42.29%, representing a decrease of 7.37 percentage points over the same period last year. It was mainly attributable to the substantial decrease in metal prices compared with the same period last year.

#### Selling expenses

The selling expenses of the Group for the first half of 2015 was RMB391,520,000, representing an increase of 26.36% over the same period last year (the same period last year: RMB309,850,000). It was mainly attributable to the increase in the production volume and sales volume, and certain enterprises changed the delivery methods for sales.

#### Administrative expenses

The administrative expenses of the Group for the first half of 2015 was RMB1,171,920,000, representing an increase of 5.9% over the same period last year (the same period last year: RMB1,106,600,000). It was mainly attributable to the increase in technology development costs, depreciation, etc.

#### Financial expenses

The financial expenses of the Group for the first half of 2015 was RMB434,560,000, representing an increase of 74.29% over the same period last year (the same period last year: RMB249,330,000). It was mainly attributable to the increase in financing scale and the fluctuation of the RMB exchange rate.

#### Impairment losses on assets

The impairment losses on assets of the Group for the first half of 2015 was RMB82,160,000 (the same period last year: RMB47,730,000), including (1) reversal of bad debt provision of RMB8,050,000; (2) net provision of RMB36,100,000 on inventories, after offsetting between provision and reversal for decline in value of inventories; (3) impairment on available-for-sale investments (stock investment) of RMB740,000; (4) impairment on fixed assets of RMB21,780,000, which mainly included impairment loss on the mining right of Norton's Mt. Morgan by RMB21,720,000; and (5) impairment loss on Shaanxi Dadi's exploration and development costs of RMB31,590,000.

#### **Investment income**

The investment income of the Group for the first half of 2015 was RMB253,460,000 (the same period last year: RMB412,610,000). The significant fluctuation of investment income was mainly due to the following factors: (1) income from settlement of future positions of RMB354,090,000, which increased by RMB94,510,000 compared with the same period last year; (2) losses on investment in associates and joint ventures of RMB162,030,000 (the same period last year: gains of RMB112,170,000); and (3) investment income from stocks, bonds and funds of RMB21,660,000 (the same period last year: losses of RMB26,240,000).

#### **Derivative financial instruments in unsettled positions**

As at the end of the reporting period, gains on changes in fair value of futures contracts held by the Group amounted to RMB321,200,000 (31 December 2014: unrealised gains of RMB40,340,000).

As at the end of the reporting period, the net losses from the fair values of the gold leasing spots and the gold future hedging was RMB45,930,000 (31 December 2014: unrealised losses of RMB90,370,000).

#### **Donations**

During the reporting period, the Group donated a total amount of RMB86,250,000 (the same period last year: RMB69,700,000).

#### **Working capital and sources of fund**

As at 30 June 2015, the Group's cash and cash equivalents was RMB3,291,000,000, representing a decrease of RMB1,209,000,000 or 26.86% compared with the same period last year.

During the reporting period, net cash inflow generated from the Group's operating activities was RMB3,851,000,000, representing an increase of RMB2,087,000,000 over the same period last year, in which, the cash inflow generated from operating activities was RMB43,604,000,000, representing an increase of RMB17,093,000,000 over the same period last year; cash outflow used in operating activities was RMB39,753,000,000, representing an increase of RMB15,005,000,000 over the same period last year. The main reasons for the increase in net cash inflow generated from the Group's operating activities were: (1) increase in sales volume which contributed to the increase in income; (2) the Group enhanced its inventory management during the first half of 2015, thus the amount of inventories decreased over the same period last year.

During the reporting period, net cash outflow used in the Group's investing activities was RMB4,105,000,000, representing a decrease of RMB251,000,000 compared with the same period last year. The main investing expenditures in the first half of 2015 included (1) cash payments of RMB1,931,000,000 for the Group's purchase and construction of fixed assets, intangible assets and other non-current assets; and (2) net cash outflow of RMB2,358,000,000 for the Group's payment and receipt for investment.

During the reporting period, net cash inflow generated from the Group's financing activities was RMB74,000,000, while during the same period last year, the net cash inflow was RMB3,061,000,000. The main reason was the increase in repayment of borrowings in the first half of 2015 over the same period last year.

As at 30 June 2015, the Group's total borrowings amounted to RMB31,261,000,000 (31 December 2014: RMB30,227,000,000). Among which, the amount repayable within one year was about RMB16,688,000,000, the amount repayable within one to two years was about RMB3,322,000,000, the amount repayable within two to five years was about RMB9,453,000,000, the amount repayable within more than five years was about RMB1,798,000,000. The interest rates for all the aforesaid borrowings ranged from 0.80% to 7.86%.

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 RMB107.1 billion loan credit lines for non-specified purposes provided by banks.

#### **Gearing ratio**

Gearing ratio refers to the proportion of consolidated total liabilities to the consolidated total equity. As at 30 June 2015, the Group's consolidated total liabilities amounted to RMB45,203,300,000 (30 June 2014: RMB41,135,060,000) and the Group's consolidated total equity was RMB32,554,120,000 (30 June 2014: RMB32,858,940,000). As at 30 June 2015, the gearing ratio of the Group was 1.3886 (30 June 2014: 1.2519).

#### **Impacts on financial indicators including earnings per share, net assets per share, etc. from changes in shares during the period from the end of the reporting period to the issuance of interim report (if any)**

Pursuant to the relevant laws and regulations regarding repurchase, if a listed company issues periodic report during the repurchase period, the total issued share capital to be disclosed should be after the deduction of the number of shares repurchased, and the relevant indicators (e.g. basic earnings per share, etc.) should be calculated with the share capital after the deduction. Using the number of shares before repurchase for calculation, the Company's basic earnings per share

for the first half of 2015 (rounded to the nearest two decimal places, same hereinafter) was RMB0.06 and the net assets per share was RMB1.28. The above financial indicators are generally consistent with the indicators based on the number of shares after deduction of the repurchased shares. The repurchase this time does not have significant impact on the Company's major financial indicators.

## **Outlook for the second half of 2015**

### **Operating environment**

Overall, the recovery momentum of the global economy is weak. The uptrend of the US dollar interest rate is bound to create further pressure on gold price, which is expected to remain fluctuating in low range; decline in China's demand will form clear pressure for the prices of bulk commodities, non-ferrous metals will overall continue to fluctuate in low ranges.

### **Production plan**

The production volume plan for major products of the Company in 2015 is: mine-produced gold of approximately 36 tonnes, mine-produced copper of approximately 150,000 tonnes, mine-produced lead and zinc of approximately 210,000 tonnes, iron concentrates of approximately 3 million tonnes, refinery and processed gold of approximately 117 tonnes, refinery silver of approximately 169 tonnes, refinery copper of approximately 250,000 tonnes and refinery zinc of approximately 200,000 tonnes.

The 2015 plan was made on the basis of the current economic condition, market situation and the current conditions of the Company. The Board may adjust the production plan from time to time in accordance with the relevant circumstances.

### **Measures**

The outlook for mining industry is still grim in the second half of the year, but opportunities will come along with challenges. The Company will continue to adhere to the working roadmap drawn earlier this year to meticulously organise both production and operation, improve management on key enterprises and construction projects, strengthen accountability and appraisal, emphasise the basic principle of efficiency-priority, keep building on cost advantages, consolidate the Company's market position and further boost corporate competitiveness, and strive to complete all production tasks. The sluggish performance of the mining industry provides crucial opportunities for the Company to carry out international merger and acquisition. In the new market landscape, making a faster and bigger stride for internationalisation is the necessary development trend for the Company. Key measures to be adopted by the Company include:

With reform as the main task and efficiency enhancement, cost reduction, potential and vitality stimulation as the basic targets, speed up organisational reform, boost efficiency by headcounts reduction, loss reduction and cost reduction, and tackle problems and release benefits through the implementation of reformative measures.

Fully unleash the potential of cost reduction and efficiency enhancement of existing mining enterprises, keep monitoring production capacity and efficiency closely to ensure a balanced, sound and sustainable development of the mines; strive to improve the profitability of refining and processing enterprises and realise a low inventory level and high-turnover operation.

As a batch of overseas projects are currently under construction and will gradually commence production, it is necessary for the Group to provide strong technical and managerial support to these projects so as to ensure smooth commencement of production.

Focus on supervising the construction and technical innovation of the acquired projects to improve their construction quality, maximise their values as soon as possible and turn them into new contributors for the Company's growth.

The Company's internationalisation progress has entered into an accelerating period. Based on the requirements for internationalisation, the Company will review and rearrange the respective organisations, place more efforts on the introduction and recruitment of international talents, measure and boost staff competency against the benchmark for international talents.

Advocate for a diversified investment approach, seek favourable timing to acquire a number of highly influential overseas projects with significant value-adding benefits to the Company. The key targets for merger and acquisition are projects with existing operations.

Operate the financial segment strictly in accordance with market standards, conform to the basic market principle of rewarding the outstanding and eliminating the underperforming, establish a scientific risk controlling system, make the best use of the Group's branding and capital advantages to accelerate the development of new business, expand its strengths and scale, and further enhance the significance of financial segment in the Group's business.

Proactively push for A Share placement and realise growth in corporate value through the capital market.

Establish and improve the accountability mechanism for production safety and environmental protection, strengthen supervision, scientific supervision and clearly define responsibility, improve the Group's production safety, environmental protection and ecology system by high standards, and comprehensively enhance fundamental safety level for the purpose of turning production safety and environmental protection into a core competitiveness of the Company, as well as creating

a sustainable platform for further corporate development.

### Analysis on operation status based on industry, product or region

#### (1) Major businesses by industry and product

Unit: RMB'000

Product	Operating income	Operating costs	Gross profit margin (%)	Change in operating income compared with same period last year (%)	Change in operating costs compared with same period last year (%)	Change in gross profit margin in percentage point compared with same period last year
Mine-produced gold	3,738,960	2,366,520	36.71	-1.39	0.16	Decreased by 0.98 percentage point
Refinery, processed and trading gold	24,857,410	24,793,260	0.26	119.90	120.54	Decreased by 0.29 percentage point
Mine-produced silver	218,790	153,350	29.91	22.31	33.51	Decreased by 5.88 percentage points
Mine-produced copper	2,388,050	1,264,210	47.06	-2.77	7.29	Decreased by 4.96 percentage points
Refinery copper	4,907,290	4,806,380	2.06	6.34	3.35	Increased by 2.84 percentage points
Mine-produced zinc	561,930	287,960	48.75	80.62	114.69	Decreased by 8.14 percentage points
Refinery zinc	1,523,540	1,448,700	4.91	23.29	18.03	Increased by 4.23 percentage points
Iron concentrates	305,200	122,740	59.78	-58.87	-54.27	Decreased by 4.05 percentage points
Others	3,935,240	3,433,180	12.76	35.26	39.23	Decreased by 2.49 percentage points
Internal elimination	-3,603,960	-3,661,100				
Total	38,832,440	35,015,200	9.83	61.90	74.19	Decreased by 6.36 percentage points

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

#### (2) Regional information of the main business

Over 97.5% of the Company's operating income was originated from customers in Mainland China while 51.39% was from the Shanghai Gold Exchange. Therefore, it is unable to sort customers by region.

#### (3) Major suppliers and customers

During the reporting period, the total procurement amount from the top five suppliers was RMB12.326 billion, representing 35.2% of the Group's total procurement amount. The major suppliers were Shanghai Gold Exchange, Glencore International Plc, etc.

During the reporting period, the total sales revenue from the top five customers was RMB23.097 billion, representing 59.48% of the Group's total sales revenue. The major customers were Shanghai Gold Exchange, Fujian Shanghang Taiyang Copper Co., Ltd., Jinchuan Group Co., Ltd., etc.

#### Analysis on changes in key financial data during the reporting period (increase or decrease for over 30%)

Unit: RMB'000

Item	Balance as at period end/ (accumulated for the year)	Balance as at the beginning of the year/ (same period last year)	Amount of increase or decrease	% Change
Financial assets at fair value	570,500	312,250	258,250	82.71%



through profit or loss				
Bills receivable	297,400	538,480	-241,080	-44.77%
Trade receivables	1,665,040	1,228,080	436,960	35.58%
Assets classified as held-for-sale	717,300	0	717,300	N/A
Available-for-sale investments	1,287,350	495,290	792,060	159.92%
Construction materials	150,520	274,010	-123,490	-45.07%
Advances from customers	1,546,460	1,005,220	541,240	53.84%
Employee benefits payable	245,690	389,440	-143,750	-36.91%
Dividends payable	1,749,760	35,940	1,713,820	4,768.82%
Liabilities classified as held-for-sale	45,360	0	45,360	N/A
Current portion of non-current liabilities	2,986,390	1,347,610	1,638,780	121.61%
Special reserve	151,800	108,450	43,350	39.98%
Operating income	38,832,440	23,986,050	14,846,390	61.90%
Operating costs	35,015,200	20,101,940	14,913,260	74.19%
Financial expenses	434,560	249,330	185,230	74.29%
Impairment losses on assets	82,160	47,730	34,430	72.15%
Gains / Losses on changes in fair value	337,690	-303,920	641,610	N/A
Investment income	253,460	412,610	-159,150	-38.57%
Non-operating income	102,150	72,050	30,100	41.77%
Net other comprehensive income after tax	-128,770	147,600	-276,370	N/A
Research and development expenditure	159,550	44,840	114,710	255.82%

- (1) **Financial assets at fair value through profit or loss:** due to increase in gains on changes in fair value of future hedging;
- (2) **Bills receivable:** due to the discount or maturity of certain bills held at the beginning of the year;
- (3) **Trade receivables:** affected by the demand and supply of commodities, certain subsidiaries changed the sales method from cash sales to credit sales;
- (4) **Assets classified as held-for-sale:** according to the transfer agreement, the assets of Inner Mongolia Jinzhong, a subsidiary of the Group, were classified as held-for-sale assets;
- (5) **Available-for-sale investments:** due to the new equity investments in two companies namely Pretium and Ivanhoe in the first half of 2015;
- (6) **Construction materials:** used for construction in progress;
- (7) **Advances from customers:** mainly due to the increase in advances from customers of Zijin Real Estate in the first half of 2015;
- (8) **Employee benefits payable:** due to payment of the accrued 2014 bonus in the first half of 2015;
- (9) **Dividends payable:** based on the resolution passed at the shareholders' meeting, dividends of RMB0.08 per share for 2014 were provided;
- (10) **Liabilities classified as held-for-sale:** according to the transfer agreement, the liabilities of Inner Mongolia Jinzhong, a subsidiary of the Group, were classified as held-for-sale liabilities;
- (11) **Current portion of non-current liabilities:** due to the reclassification of the US\$ bonds due within one year;
- (12) **Special reserve:** due to the greater provision for safety measure fee than the actual usage;
- (13) **(14) Operating income / Operating costs:** due to the increase in production and sales volume;
- (15) **Financial expenses:** due to the expansion of financing scale and fluctuation of exchange rates;
- (16) **Impairment losses on assets:** due to the impairment of certain mining rights and exploration projects;
- (17) **Gains on changes in fair value:** due to the increase in gains from future hedging over the same period last year;
- (18) **Investment income:** the substantial decline in profitability of major associates and joint ventures resulted in a decrease in investment income for the Group over the same period last year;
- (19) **Non-operating income:** mainly due to the increase in government subsidies;
- (20) **Net other comprehensive income after tax:** prices of stocks under available-for-sale investments dropped and the increase in the negative value of exchange differences arising from translation of financial statements denominated in foreign currencies;
- (21) **Research and development expenditure:** due to the Company's greater investment in research and development.

#### **Analysis and descriptions of the implementation progress of various types of financing, major asset reorganisation of the Company**

Resolutions related to the Non-public Issuance of A Shares of the Company were considered and approved at the ninth and tenth meeting of the fifth Board, the first extraordinary general meeting in 2015 and the second A shareholders' and H shareholders' class meetings in 2015 respectively. The Company proposed to issue, on a non-public basis, not more than 2,421,307,506 A Shares to not more than ten specific investors at a minimum subscription price of RMB4.13 per share to

raise gross proceeds of not more than RMB10 billion (since the profit distribution for 2014 has been completed in July 2015, the minimum subscription price was adjusted to RMB4.05 per share and the number of shares to be issued was adjusted to not more than 2,469,135,802 shares). The Company is actively pushing forward various tasks relating to refinancing.

The proposal for a general mandate to issue debt financing instruments was considered and approved at the Company's 2014 annual general meeting. The Company proposed to issue debt financing instruments on a one-off basis or by tranches within or outside the PRC with a total cumulative amount not exceeding RMB10 billion (RMB10 billion inclusive) or the equivalent in foreign currency. According to the authorisation, the Company has applied to the National Association of Financial Market Institutional Investors for the registration of ultra-short term financing bonds.

The Company registered mid-term bonds in September 2013 and issued mid-term bonds of RMB2.5 billion in 2013 and 2014 respectively. The Company will master the timing to issue the remaining balance of RMB3.3 billion.

## Investment status

### Analysis on external equity investment

On 3 February 2015, Zijin Mining Group Southern Investment Co., Ltd., a wholly-owned subsidiary of the Company and Fujian JincuiFu Jewelry Development Co., Ltd. jointly established Fujian Zijin Cuifu Jewelry Development Co., Ltd. ("Zijin JincuiFu") with registered capital of RMB20 million, in which Zijin Mining Group Southern Investment Co., Ltd. invested RMB10.2 million to subscribe for 51% shareholding while Fujian JincuiFu Jewelry Development Co., Ltd. invested RMB9.8 million to subscribe for 49% shareholding. The scope of business of Zijin JincuiFu mainly includes processing and sales of jewelry, Karat gold, diamond, and jade, fine processing of gold and recovery of metal materials, etc.

On 15 June 2015, the Company established a wholly-owned subsidiary, Zijin Mining Group Capital Investment Co., Ltd. ("Zijin Capital Investment") with registered capital of RMB1 billion. The initial paid-up capital is RMB50 million. Zijin Capital Investment is mainly engaged in the entrusted management of unlisted equity investment and the related consultation services; entrusted management and operation of equity investment funds and providing consultation services; investment and assets management; spot sales of gold; wholesale of metals and metal ores; trading agency, etc.

### Analysis on major subsidiaries and associates

#### (1) Operating 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	2,811,700	1,955,370	677,260	315,190	249,200
Longnan Zijin Mining Co., Ltd.	962,260	499,360	348,590	220,380	165,060
Hunchun Zijin Mining Co., Ltd.	2,506,630	1,553,100	498,430	179,520	153,220

#### (2) Operating status and results of other major subsidiaries

RMB'000

Company name	Major products	Registered capital	Total assets	Net assets	Net profit
Qinghai West Copper Mining Company Limited	Copper concentrates	120,000	1,719,210	1,311,610	120,880
Zijin Copper Co., Ltd.	Copper cathodes	1,818,300	8,052,130	1,723,830	102,560
Wuqia County Jinwang Mining Development Co., Ltd.	Zinc concentrates	346,500	1,242,410	422,980	55,190
Wulatehouqi Zijin Mining Company Limited	Zinc concentrates	150,000	2,034,390	613,280	46,330
Guizhou Zijin Mining Co., Ltd.	Gold bullion / Gold concentrates	200,000	1,977,120	804,560	30,760
Hebei Chongli Zijin Mining Company Limited	Gold	237,500	699,910	427,290	22,040
Heilongjiang Duobaoshan Copper Company Limited	Copper concentrates	800,000	2,855,410	1,304,940	21,170

Bayannaer Zijin Non-ferrous Metals Company Limited	Zinc bullion	375,000	3,310,820	858,310	16,740
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### Projects using non-proceeds funds

RMB million

Project name	Amount	Progress	Investment for the reporting period	Actual accumulated investment	Project return status
Russia Tuva Kyzyl-Tash Turk multi-metals mine	3,500	Officially put into production on 1 July 2015.	0.84	3,300	Designed production capacity is about 80,000 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)	1,400	Improving the design and planning for the 10,000 tonnes/day mining project at Liba mining area. Relocation of residents within the mining area, leasing of ground for dumping and stripping of infrastructure are in progress.	5	483	Production capacity will reach approximately 5 tonnes of mine-produced gold a year after completion of the two phases.
Kyrgyzstan Zuon gold mine project	1,489	Trial production succeeded on 29 July 2015. The Company carries out copper-sulphur separation technological innovation project from August to September and plans to put it into normal production by October.	58	1,456	Designed production capacity is about 3.7 tonnes of gold a year.
Technological innovation of ZGC gold mine in Tajikistan	1,916	The stripping of open-pit infrastructure of Jilau and Taror has been completed. The construction of Jilau 10,000 tonnes processing plant is completed and is operating on a single line.	59	1,462	Upon completion of technological innovation, production capacity of gold will be increased by about 3.5 tonnes a year.
Kolwezi project in the DR Congo	3,529	The feasibility study of the project has been completed, relevant works are in progress and will be completed soon. Construction works including land levelling, building of fences for mining area and exploration and surveying are in progress. Major terms of the contracts for civil construction, river diversions and construction for residential area have been basically confirmed and the contracts will be executed soon.	12.8	12.8	Designed production capacity is sulphuric copper concentrate of 7,212 tonnes (containing 60% copper), blister copper of 43,616 tonnes (containing 90% copper) and copper cathodes of 8,203 tonnes a year.
Total	11,834	/	135.64	6,713.8	/

### 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
The dispute between Xinyi Zijin Mining Co., Ltd. and the 6 hydropower plants including Shihuadi hydropower station in Qianpai Town, Xinyi City and a water	For details, please refer to the Company's 2014 annual results

treatment plant for liability for damages due to collapse of structures in the “9.21 flooding” in 2010.	announcement disclosed on HKEx website ( <a href="http://www.hkex.com.hk">http://www.hkex.com.hk</a> ) on 20 March 2015.
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**(2) Litigation, arbitration which have not been published on provisional announcements or with further progress**

For details of the dispute between the Company and Zhongxing Henghe Investment Group Company Limited regarding a share transfer framework agreement, please refer to the Company’s 2014 annual results announcement disclosed on HKEx website (<http://www.hkex.com.hk>) on 20 March 2015.

**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>On 12 January 2015, Norton Gold Fields Limited (“Norton”, stock code “NGF” on the Australian Securities Exchange (“ASX”)), a subsidiary of the Company, was offered an indicative, conditional and non-binding proposal by the Company for the acquisition of all of Norton’s issued securities that the Company did not already own. The Company entered into a binding scheme implementation agreement (the “SIA”) with Norton on 6 February 2015. The SIA provided that the Company would acquire all of Norton’s issued securities that it did not already own by way of a court approved scheme of arrangement.</p> <p>The abovementioned scheme of arrangement was approved at shareholders’ general meeting of Norton on 12 June 2015 and by the court on 19 June 2015, and was implemented on 30 June 2015. The scheme consideration of A\$0.25 for each Norton share held as at the record date (7pm on 25 June 2015, Australian time) was paid to Norton’s shareholders. The total consideration was approximately A\$41 million.</p> <p>Norton was removed from the ASX Official List on 1 July 2015.</p>	<p>For details, please refer to the Company’s announcements disclosed on HKEx website (<a href="http://www.hkex.com.hk">http://www.hkex.com.hk</a>) on 13 January 2015, 6 February 2015 and 30 June 2015.</p>
<p>Sharp Hero Developments Limited (“Sharp Hero”), a wholly-owned subsidiary of the Company, entered into a subscription agreement with Ivanhoe Mines Ltd. (“Ivanhoe”) on 23 March 2015. Sharp Hero agreed to subscribe 76,817,020 Class A common shares of Ivanhoe with cash consideration of Canadian Dollar (“CAD”) 1.36 per share. The total consideration would be CAD104,471,147. Approximately 9.9% of Ivanhoe’s issued and outstanding common shares would become owned by Sharp Hero when the placement was completed.</p> <p>Ivanhoe is a mining exploration and development company incorporated in British Columbia, Canada. Its major assets comprise of three projects including 95% equity interest in the Kamoia copper deposit in the DR Congo, 68% equity interest in the Kipushi zinc-multimetals deposit in the DR Congo and 64% equity interest in the Platreef platinum deposit in South Africa.</p>	<p>For details, please refer to the Company’s announcement disclosed on HKEx website (<a href="http://www.hkex.com.hk">http://www.hkex.com.hk</a>) on 23 March 2015.</p>
<p>The Company and its wholly-owned subsidiary, Gold Mountains (H.K.) International Mining Company Limited (“Gold Mountains”) entered into a conditional share acquisition agreement with Ivanhoe Mines Ltd. of Canada, Ivanhoe Mines US LLC and Crystal River Global Limited on 26 May 2015. The Company designated Gold Mountains as the purchaser to acquire (1) 49.5% equity interest in Kamoia Holding Limited (the “Target Company”) held by Ivanhoe Mines US LLC and (2) 49.5% of the shareholder’s loans provided to the Target Company by Ivanhoe and its affiliates as at the date of the transaction. The total consideration of the acquisition would be US\$412 million.</p> <p>The Target Company holds 95% interest in Kamoia Copper SA and Kamoia Copper SA holds the Kamoia copper mine project in the DR Congo.</p> <p>According to the Letter of Assessment Opinions on Reserve Volume of Mineral Resources in relation to the Verification Report on the Reserve Volume of Resources of the Kamoia Copper Mine in Katanga Province, the DR Congo (Zhongkuangzipingzi 2015 [No. 67]) issued by China Mining Association Reserve Evaluation Centre in Beijing, the Kamoia copper mine possesses copper metal of 22.471 million tonnes, with an average grade of 2.57%.</p> <p>The original closing date of the transaction was 31 July 2015 or such earlier or later date as the vendor and the purchaser may determine in writing in accordance with the terms of the agreement; the expiration date of the share acquisition agreement would be</p>	<p>For details, please refer to the Company’s announcements disclosed on HKEx website (<a href="http://www.hkex.com.hk">http://www.hkex.com.hk</a>) on 26 May 2015, 3 July 2015 and 3 August 2015.</p>

<p>6 months following the date of signing of the agreement (i.e. 25 November 2015), unless the purchaser and vendor agree to extend to a later date or opt for an earlier date as agreed by all parties to the agreement.</p> <p>The Company made an announcement on 3 August 2015. All parties acknowledged that they will continue to implement the share acquisition agreement and to use their commercially reasonable efforts to satisfy all conditions precedent as soon as possible. All parties agreed that the closing date of the transaction will be changed to 15 business days following the satisfaction or waiver of all conditions precedent as contemplated in the share acquisition agreement.</p>	
<p>On 26 May 2015, the Company, Gold Mountains (H.K.) International Mining Company Limited (“Gold Mountains”), a wholly-owned subsidiary of the Company, jointly entered into a share acquisition agreement with Barrick Gold Corporation (“Barrick”) and Barrick (PD) Australia Limited (“Barrick Australia”). Gold Mountains will pay US\$298 million in cash to acquire (a) 50% equity interest in Barrick (Niugini) Limited (the “Target Company”) held by Barrick Australia and (b) 50% of the shareholders’ loans provided to the Target Company by Barrick and its affiliates. The completion date of the transaction will be 31 August 2015.</p> <p>The Target Company is a company incorporated in Papua New Guinea. 100% of its equity interest is held by Barrick through its wholly-owned subsidiary, Barrick Australia. The major asset of the Target Company is the 95% equity interest it holds in the Porgera Joint Venture (non-registered) in Papua New Guinea.</p> <p>According to the Letter of Assessment Opinions on Reserve Volume of Mineral Resources regarding the “Verification Report on the Reserve Volume of Resources of the Porgera Gold Mine in Enga Province, Papua New Guinea” (Zhongkuangzipingzi [2015] No. 68) issued by China CMA Consultancy Center, the Porgera gold mine possesses 330.13 tonnes of Au metal volume with an average grade of 4.65 grammes/tonne.</p>	<p>For details, please refer to the Company’s announcements disclosed on HKEx website (<a href="http://www.hkex.com.hk">http://www.hkex.com.hk</a>) on 26 May 2015 and 3 July 2015.</p>

**(2) Without disclosure in provisional announcements or further progress**

**1. Disposal of assets**

Hunan Nonferrous Metals Jinsheng Development Company Limited and Hunan Nonferrous Metals Corporation Limited (“Hunan Nonferrous”) issued a joint announcement on 11 December 2014 and a composite offer and response document on 20 January 2015 relating to the pre-conditional voluntary cash offer to acquire all the issued domestic shares in Hunan Nonferrous. Pursuant to the conditions of the offer, the Company sold all of the 30,000,000 domestic shares it held in Hunan Nonferrous at RMB1.58 per share and the total amount was RMB47.40 million.

**2. Held-for-sale assets**

On 15 January 2015, the overseas wholly-owned subsidiary of the Company, Jinyu (H.K.) International Mining Co., Ltd. (“Jinyu”) and Huihaoda Gold Ltd. entered into the “Golden China Nei Men Share Transfer Agreement”. Jinyu will transfer its 55% equity interest in Golden China Nei Men Gold Exploration Corporation (“Golden China Nei Men”) to Huihaoda Gold Ltd. with a consideration of RMB270 million. The main asset of Golden China Nei Men is the 95% equity interest in Inner Mongolia Jinzhong Mining Co., Ltd. (“Inner Mongolia Jinzhong”).

On 15 January 2015, the wholly-owned subsidiary of the Company, Zijin International Mining Co., Ltd. (“Zijin International”) and Huixinda International Investment Co., Ltd. (“Huixinda”) entered into the “Inner Mongolia Jinzhong Share Transfer Agreement”. Zijin International will transfer its 5% equity interest in Inner Mongolia Jinzhong to Huixinda with a consideration of RMB28 million.

As at the end of the reporting period, the aforementioned equity transfer has not yet been completed.

**Material connected transactions**

**Connected transactions related to ordinary business**

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

Summary of event	Index for details
<p>The Company’s subsidiary, Xinjiang Ashele Copper Co., Ltd. (“Xinjiang Ashele”), sold copper concentrates to Xinjiang Wuxin Copper Company Limited which is indirectly held by Xinjiang Ashele’s major shareholder, Xinjiang Non-ferrous Metals Industry (Group) Company Limited. One of Xinjiang Ashele’s ordinary businesses is selling copper concentrates and the contract is entered into under normal commercial terms, which reflects the</p>	<p>For details, please refer to the Company’s announcement disclosed on HKEx website (<a href="http://www.hkex.com.hk">http://www.hkex.com.hk</a>) on 6 February 2015.</p>

principle of fairness and reasonableness. During the reporting period, the transaction amount was RMB157 million.	
Fujian Shanghang Ting River Hydropower Co., Ltd. (“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 RMB27.1 million to Ting River Hydropower.	For details, please refer to the Company’s announcement disclosed on HKEx website ( <a href="http://www.hkex.com.hk">http://www.hkex.com.hk</a> ) on 9 January 2014.

#### Others

(1) At the 2014 annual general meeting, the first A Shareholders’ class meeting in 2015 and the first H Shareholders’ class meeting in 2015 convened by the Company on 11 May 2015, a resolution in relation to the proposal of granting a general mandate to the Board of the Company to repurchase H shares was approved. According to the authorisation, the Company started to implement repurchases of shares in June 2015, and will implement repurchases in due course during the second half of the year.

(2) On 20 July 2015, Jin Jiang Mining Limited (“Jin Jiang”), an overseas wholly-owned subsidiary of the Company, entered into a sale of shares agreement with Genorah Resources (Pty) Limited (“Genorah”) and other parties. Jin Jiang agreed to acquire 305,833,120 fully paid ordinary shares in NKWE which are held by Genorah and its subsidiary and free of all encumbrances with a cash consideration of A\$0.10 per share. The total consideration will be A\$30,583,312.

After the completion of the transaction, the Company, Jin Jiang and other wholly-owned subsidiaries of the Company will own 60.47% equity interest in NKWE. NKWE will become a subsidiary of the Company.

## 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”, “Rules Governing the Listing of Stocks on Shanghai Stock Exchange”, “Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited” (the “Listing Rules”) 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. In accordance with the “Notice in relation to Further Implementing Cash Dividend Distribution of Listed Companies” (Zheng Jian Fa [2012] No.37) issued by the China Securities Regulatory Commission, requirements of the relevant laws, regulations and regulatory documents about improving cash distribution system issued by China Securities Regulatory Commission Fujian Bureau, provisions of the articles of association of the Company and taking into account the actual situation of the Company, the Company formulated a “Profit Distribution and Return Plan for the Next Three Years (Year 2015-2017)”, which was submitted to the first extraordinary general meeting in 2015 for consideration and approval. 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 or adjustment to the profit distribution policy during the reporting period

On 11 May 2015, the 2014 annual general meeting of the Company passed the resolution of “The proposal of the Company’s 2014 profit distribution”. Based on the total number of shares of 21,572,813,650 of the Company (after deduction of the repurchased H Shares) as at 31 December 2014, a dividend of RMB0.8 (tax included) per every 10 shares (a total of RMB1,725,825,092 in cash) was provided, and the undistributed profit was retained for future distribution. The above profit distribution was completed on 9 July 2015.

For details, please refer to the Company’s announcement dated 9 July 2015.

#### Interim dividend

The Board proposed to pay no dividend for the six months ended 30 June 2015. (The dividend for the six months ended 30 June 2014 was nil)

#### Purchase, Redemption or Sale of Listed Securities of the Company

At the 2014 annual general meeting, the first A Shareholders’ class meeting in 2015 and the first H Shareholders’ class meeting in 2015 convened by the Company on 11 May 2015, a resolution in relation to the proposal of granting a general mandate to the Board of the Company to repurchase H Shares was approved. According to the authorisation, the Company started to implement repurchases of shares in June 2015. As at the end of the reporting period, the Company

repurchased 29,570,000 H Shares in aggregate with the total amount paid of HK\$81,320,000. The cancellation of the shares repurchased was completed at Computershare Hong Kong Investor Services Limited, but the change of business registration in the PRC for the cancellation of the repurchased H Shares has not yet been completed.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 June 2015.

#### **Corporate Governance Report**

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

Save as disclosed above, for the six months ended 30 June 2015, the Board confirmed that the Group has adopted and complied with the provisions of the CG Code and has followed most of its recommended best practices with no deviation.

#### **Audit and Internal Control Committee**

The audit and internal control committee of the Board has reviewed the Group's unaudited financial report for the six months ended 30 June 2015 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 2015 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 Listing Rules, which states the Company should appoint a sufficient number of independent non-executive directors and that at least one of them must have appropriate professional qualifications or accounting 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 Company's 2014 annual report.

#### **Securities Transactions by Directors of the Company**

The Group has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as the model code for the trading of securities by directors of the Group. The effective date was 23 December 2003. Following enquiries with all directors of the Company, the Group confirmed that all directors have complied with the provisions of the Model Code for the six months ended 30 June 2015.

#### **Shareholdings of Directors and Supervisors in the Company**

As at 30 June 2015, Mr. Chen Jinghe, the Chairman of the Board of the Company, held 100,000,000 shares, Mr. Lan Fusheng, Vice Chairman, held 7,230,510 shares, Mr. Zou Laichang, Director, held 1,130,000 shares, Mr. Lin Hongfu, Director, held 562,500 shares, and Mr. Liu Wenhong, Supervisor, held 24,450 shares in the Company.

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

<b>Name</b>	<b>Position</b>	<b>Change</b>	<b>Reasons for change</b>
Yang Kaihui	Vice-president	Resignation	Personal reason
Fang Qixue	Director	Election	Elected as director of the Company at shareholders' general meeting
Fang Qixue	Vice-president and chief engineer	Appointment	Appointed by the Board as the Company's vice-president and chief engineer

### Appointment and Dismissal of Auditors

According to the resolution passed at the Company's 2014 annual general meeting, the Company reappointed Ernst & Young Hua Ming LLP as the auditor in 2015.

### 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:

Bayannaer Zijin	Bayannaer Zijin Non-ferrous Metals Company Limited, a subsidiary of the Company
Gold Mountains	Gold Mountains (H.K.) International Mining Company Limited, a wholly-owned subsidiary of the Company
Guizhou Zijin	Guizhou Zijin Mining Company Limited, a subsidiary of the Company
Hunchun Zijin	Hunchun Zijin Mining Company Limited, a wholly-owned subsidiary of the Company
Ivanhoe	Ivanhoe Mines Ltd.
Jin Jiang	Jin Jiang Mining Limited, a wholly-owned subsidiary of the Company
Jinyu	Jinyu (H.K.) International Mining Co., Ltd., a wholly-owned subsidiary of the Company
Inner Mongolia Jinzhong	Inner Mongolia Jinzhong Mining Co., Ltd., a subsidiary of the Company
Kunyu Company	Luoyang Kunyu Mining Co., Ltd., a subsidiary of the Company
Longnan Zijin	Longnan Zijin Mining Company Limited, a subsidiary of the Company
Luoning Huatai	Luoning Huatai Mining Development Company Limited, a subsidiary of the Company
Luoning Zijin	Luoning Zijin Gold Refinery Company Limited, a subsidiary of the Company
Minxi Xinghang	Minxi Xinghang State-owned Assets Investment Company Limited, a substantial shareholder of the Company
NKWE	NKWE Platinum Limited, an associate of the Company
Norton	Norton Gold Fields Limited, a subsidiary of the Company
Pretium	Pretium Resources Inc.
Qinghai West Copper	Qinghai West Copper Mining Company Limited, a wholly-owned subsidiary of the Company
Shaanxi Dadi	Shaanxi Dadi Mining Company Limited, a subsidiary of the Company
Shanxi Zijin	Shanxi Zijin Mining Company Limited, a wholly-owned subsidiary of the Company
Sharp Hero	Sharp Hero Developments Limited, a wholly-owned subsidiary of the Company
Ting River Hydropower	Fujian Shanghang Ting River Hydropower Co., Ltd., an associate of the Company
Wulatehouqi Zijin	Wulatehouqi Zijin Mining Company Limited, a subsidiary of the Company
Wuping Zijin	Wuping Zijin Mining Company Limited, a subsidiary of the Company
Wuqia Jinwang	Wuqia County Jinwang Mining Development Company Limited, a wholly-owned subsidiary of the Company
Xinjiang Ashele	Xinjiang Ashele Copper Company Limited, a subsidiary of the Company
Xinyi Zijin	Xinyi Zijin Mining Company Limited, a wholly-owned subsidiary of the Company
ZGC	JV Zeravshan LLC, a subsidiary of the Company
Zijin Capital Investment, Zijin Capital Investment Company	Zijin Mining Group Capital Investment Co., Ltd., a wholly-owned subsidiary of the Company
Zijin Copper	Zijin Copper Company Limited, a wholly-owned subsidiary of the Company
Zijin Finance	Zijin Mining Group Finance Co., Ltd., a subsidiary of the Company
Zijin International	Zijin International Mining Co., Ltd., a wholly-owned subsidiary of the Company
Zijin Real Estate	Fujian Zijin Real Estate 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, Fang Qixue and Lin Hongfu as executive directors, Mister. Li Jian as non-executive director, and Messrs. Lu Shihua, Ding Shida, Qiu Guanzhou, 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 28 August 2015

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