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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 2018

The board of directors (the “Board”) of Zijin Mining Group Co., Ltd.* (the “Company”) is pleased to announce the unaudited interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2018 (“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 securities 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.

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

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

<u>ASSETS</u>	<u>Note</u>	30 June 2018 (Unaudited) RMB	31 December 2017 (Audited) RMB
CURRENT ASSETS			
Cash and cash equivalents		8,726,193,451	5,936,066,673
Financial assets at fair value through profit or loss		-	2,553,927,721
Held-for-trading financial assets		1,403,731,466	-
Bills receivable and trade receivables	15	2,463,263,517	2,812,240,046
Prepayments		2,010,519,805	1,344,141,153
Other receivables		1,074,246,745	1,153,002,957
Inventories		11,815,923,636	11,089,834,955
Current portion of non-current assets		49,997,508	257,775,683
Other current assets		1,641,186,796	3,528,021,403
Total current assets		29,185,062,924	28,675,010,591
NON-CURRENT ASSETS			
Available-for-sale investments		-	778,201,186
Investments in other equity instruments		1,975,106,768	-
Long-term equity investments		7,026,459,572	6,797,348,216
Investment properties		341,390,510	350,540,469
Fixed assets		28,989,967,928	30,136,199,603
Construction in progress		3,961,253,717	3,296,568,444
Intangible assets		9,796,889,940	9,903,526,027
Goodwill		463,597,655	463,597,655
Long-term deferred assets		1,101,958,181	1,114,758,644
Deferred tax assets		740,916,460	840,108,626
Other non-current assets		7,406,334,243	6,959,404,089
Total non-current assets		61,803,874,974	60,640,252,959
TOTAL ASSETS		90,988,937,898	89,315,263,550

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2018

<u>LIABILITIES AND OWNERS' EQUITY</u>	<u>Note</u>	30 June 2018 (Unaudited) RMB	31 December 2017 (Audited) RMB
CURRENT LIABILITIES			
Short-term borrowings		12,553,364,979	9,855,873,011
Financial liabilities at fair value through profit or loss		-	2,314,244,937
Held-for-trading financial liabilities		1,313,414,278	-
Bills payable and trade payables	16	4,308,589,078	4,396,254,031
Advances from customers		2,239,434,392	2,143,111,140
Employee benefits payable		449,345,964	661,764,830
Taxes payable		1,112,027,667	1,175,693,479
Other payables		3,866,580,213	3,646,308,326
Current portion of non-current liabilities		4,275,283,071	4,600,343,261
Total current liabilities		30,118,039,642	28,793,593,015
NON-CURRENT LIABILITIES			
Long-term borrowings		6,883,997,079	6,599,046,795
Bonds payable		13,782,488,614	13,779,116,465
Long-term payables		563,710,723	563,703,645
Provision		871,427,216	861,014,312
Deferred income		435,131,209	451,419,375
Deferred tax liabilities		612,991,641	624,524,725
Total non-current liabilities		23,149,746,482	22,878,825,317
TOTAL LIABILITIES		53,267,786,124	51,672,418,332
EQUITY			
Share capital		2,303,121,889	2,303,121,889
Other equity instruments		498,550,000	498,550,000
<i>Including: Perpetual bonds</i>		498,550,000	498,550,000
Capital reserve		11,120,292,769	11,109,919,061
Other comprehensive income	13	(1,095,861,526)	(602,893,526)
Special reserve		180,343,724	176,862,772
Surplus reserve		1,319,401,104	1,319,401,104
Retained earnings	17	20,649,354,716	20,194,761,855
Equity attributable to owners of the parent		34,975,202,676	34,999,723,155
Non-controlling interests		2,745,949,098	2,643,122,063
TOTAL EQUITY		37,721,151,774	37,642,845,218
TOTAL LIABILITIES AND OWNERS' EQUITY		90,988,937,898	89,315,263,550

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2018

	<u>Note</u>	For the 6 months ended 30 June 2018 (Unaudited) RMB	For the 6 months ended 30 June 2017 (Unaudited) RMB
OPERATING INCOME	2	49,813,890,835	37,523,631,910
Less: Operating costs	2	42,716,501,955	32,048,962,179
Taxes and surcharges	3	698,055,183	568,841,706
Selling expenses		430,225,695	389,061,277
Administrative expenses		1,356,911,252	1,386,152,699
Research and development expenses		130,917,000	99,999,259
Financial expenses	4	660,421,573	1,217,604,896
Including: Interest expenses		736,833,456	837,149,328
Interest income		(158,002,634)	(144,397,038)
Impairment losses on assets	5	263,678,192	237,944,424
Credit impairment losses	6	54,809,952	-
Add: Gains on changes in fair value	7	50,097,422	570,492,224
Investment income	8	127,612,938	82,809,279
Including: Share of (losses)/profits of associates and joint ventures		(27,548,270)	16,568,302
Gains on disposal of assets		13,450,270	47,979,595
Other income		83,849,029	86,860,692
OPERATING PROFIT		3,777,379,692	2,363,207,260
Add: Non-operating income	9	153,114,713	40,171,099
Less: Non-operating expenses	10	149,657,445	252,211,568
Including: Losses on disposal of non-current assets		18,332,472	163,535,468
PROFIT BEFORE TAX		3,780,836,960	2,151,166,791
Less: Income tax expenses	11	712,087,103	388,445,323
NET PROFIT		3,068,749,857	1,762,721,468
Classification according to the continuity of operation			
Net profit from continuing operations		3,068,749,857	1,762,721,468
Net profit from discontinued operations		-	-
Attributable to:			
Owners of the parent		2,526,423,099	1,505,399,413
Non-controlling interests		542,326,758	257,322,055

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)

For the six months ended 30 June 2018

	<u>Note</u>	For the 6 months ended 30 June 2018 (Unaudited) RMB	For the 6 months ended 30 June 2017 (Unaudited) RMB
NET OTHER COMPREHENSIVE (LOSS)/ INCOME AFTER TAX			
Other comprehensive loss not to be reclassified to profit or loss			
Changes in fair value of investments in other equity instruments		(748,815,912)	-
Other comprehensive (loss)/income to be reclassified to profit or loss			
Changes in fair value of available-for-sale investments		-	60,863,109
Effective part of cash flow hedging instruments		-	167,424,343
Costs of hedging - forward elements		89,457,331	-
Exchange differences arising from translation of financial statements denominated in foreign currencies		(20,565,992)	217,111,077
Net other comprehensive (loss)/income after tax attributable to owners of the parent		(679,924,573)	445,398,529
Net other comprehensive income after tax attributable to non-controlling interests		1,079,379	71,441,399
SUBTOTAL OF NET OTHER COMPREHENSIVE (LOSS)/INCOME AFTER TAX		(678,845,194)	516,839,928
TOTAL COMPREHENSIVE INCOME		2,389,904,663	2,279,561,396
Attributable to:			
Owners of the parent		1,846,498,526	1,950,797,942
Non-controlling shareholders		543,406,137	328,763,454
Earnings per share			
Basic earnings per share	12	0.110	0.069

CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2018

	For the 6 months ended 30 June 2018 (Unaudited) RMB	For the 6 months ended 30 June 2017 (Unaudited) RMB
I. CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from sale of goods and rendering of services	53,935,494,895	39,327,239,047
Refund of taxes	88,596,516	104,024,211
Other cash receipts relating to operating activities	317,880,018	280,786,248
	<u>54,341,971,429</u>	<u>39,712,049,506</u>
Sub-total of cash inflows from operating activities		
Cash payments for goods purchased and services received	44,163,031,419	31,599,031,081
Cash payments to and on behalf of employees	1,702,889,612	1,576,394,215
Payments of various types of taxes	2,705,290,182	2,060,597,308
Other cash payments relating to operating activities	790,074,926	1,170,218,113
	<u>49,361,286,139</u>	<u>36,406,240,717</u>
Sub-total of cash outflows used in operating activities		
Net cash flows from operating activities	<u>4,980,685,290</u>	<u>3,305,808,789</u>
II. CASH FLOWS FROM INVESTING ACTIVITIES		
Cash receipts from disposals and recovery of investments	389,364,522	969,571,279
Cash receipts from investment income	183,298,925	74,232,866
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	22,316,041	8,349,137
Other cash receipts relating to investing activities	2,338,933,411	610,478,938
	<u>2,933,912,899</u>	<u>1,662,632,220</u>
Sub-total of cash inflows from investing activities		
Cash payments for acquisitions or constructions of fixed assets, intangible assets and other long-term assets	1,987,581,938	1,639,220,651
Cash payments for acquisitions of investments	696,512,051	1,782,517,270
Other cash payments relating to investing activities	1,158,265,670	1,852,389,851
	<u>3,842,359,659</u>	<u>5,274,127,772</u>
Sub-total of cash outflows used in investing activities		
Net cash flows used in investing activities	<u>(908,446,760)</u>	<u>(3,611,495,552)</u>

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)*For the six months ended 30 June 2018*

	For the 6 months ended 30 June 2018 (Unaudited) RMB	For the 6 months ended 30 June 2017 (Unaudited) RMB
III. CASH FLOWS FROM FINANCING ACTIVITIES		
Cash receipts from capital contributions	39,000,000	4,597,314,976
Cash receipts from borrowings	11,022,210,854	9,887,855,362
Other cash receipts relating to financing activities	54,135,279	-
Sub-total of cash inflows from financing activities	11,115,346,133	14,485,170,338
Cash repayments of borrowings	9,165,227,774	11,209,922,779
Cash payments for distribution of dividends or profits or settlement of interest expenses	3,267,226,278	583,255,892
Other cash payments relating to financing activities	35,767,283	40,294,408
Sub-total of cash outflows used in financing activities	12,468,221,335	11,833,473,079
Net cash flows (used in)/from financing activities	(1,352,875,202)	2,651,697,259
IV. EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(75,492,743)	(118,066,725)
V. NET INCREASE IN CASH AND CASH EQUIVALENTS	2,643,870,585	2,227,943,771

Notes:**1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

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

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

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

As at 30 June 2018, the Group recorded current assets of RMB29,185,062,924 and current liabilities of RMB30,118,039,642. The balance of the current assets was less than that of the current liabilities. In view of this circumstance, the management of the Company has given consideration to the future liquidity of the Group and its available financial sources in assessing whether the Group will have sufficient financial resources to continue as a going concern:, mainly including:

- (1) The Company received the approval notice issued by the CSRC in November 2016 which approved the Company to issue renewable corporate bonds with an aggregate face value of not more than RMB5 billion by tranches within 24 months from the date of the approval. Upon the approval date of this report, the balance of unissued renewable corporate bonds was RMB4.5 billion.
- (2) The Group has sufficient bank line of credit.

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

2. OPERATING INCOME AND OPERATING COSTS

Analysis of operating income is as follows:

	For the six months ended 30 June 2018		For the six months ended 30 June 2017	
	Operating income (Unaudited) RMB	Operating costs (Unaudited) RMB	Operating income (Unaudited) RMB	Operating costs (Unaudited) RMB
Principal operations	49,491,856,821	42,479,103,910	37,187,882,282	31,851,106,812
Other operations	322,034,014	237,398,045	335,749,628	197,855,367
	<u>49,813,890,835</u>	<u>42,716,501,955</u>	<u>37,523,631,910</u>	<u>32,048,962,179</u>

During the first half of 2018, more than 99% of the operating income arose from sales of commodities. As such, the management of the Group considers that disclosure of the operating income and costs based on the nature of income is unnecessary.

3. TAXES AND SURCHARGES

	For the six months ended 30 June 2018 (Unaudited) RMB	For the six months ended 30 June 2017 (Unaudited) RMB
City construction and maintenance tax	41,166,574	40,175,793
Resource tax	445,918,146	377,540,485
Education surcharges	50,661,550	40,516,117
Land use tax	15,812,552	14,512,573
Vehicle and vessel use tax	927,224	390,971
Stamp duty	23,805,384	19,141,549
Property tax	32,963,831	31,504,673
Others	86,799,922	45,059,545
	<u>698,055,183</u>	<u>568,841,706</u>

4. FINANCIAL EXPENSES

	For the six months ended 30 June 2018 (Unaudited) RMB	For the six months ended 30 June 2017 (Unaudited) RMB
Interest expenses:	768,305,292	901,498,466
<i>Including: Bank loans</i>	<i>425,006,449</i>	<i>493,240,199</i>
<i>Bonds payable</i>	<i>343,298,843</i>	<i>343,135,350</i>
<i>Ultra short-term financing bonds</i>	<i>-</i>	<i>65,122,917</i>
Less: Interest income	158,002,634	144,397,038
Capitalised interest expenses	31,471,836	64,349,138
Exchange losses	55,885,983	497,823,026
Bank charges	25,704,768	27,029,580
	<u>660,421,573</u>	<u>1,217,604,896</u>

Capitalised interest expenses were included in construction in progress. During the first half of 2018, there was no interest income arising from impaired financial assets (six months ended 30 June 2017: Nil).

5. IMPAIRMENT LOSSES ON ASSETS

	For the six months ended 30 June 2018 (Unaudited) RMB	For the six months ended 30 June 2017 (Unaudited) RMB
Bad debt provision for trade and other receivables	-	4,827,949
Provision for decline in value of inventories	16,703,230	6,743,424
Impairment provision for fixed assets	187,076,680	191,520,543
Impairment provision for intangible assets	17,509,119	-
Impairment provision for other non-current assets	42,389,163	34,852,508
	<u>263,678,192</u>	<u>237,944,424</u>

6. CREDIT IMPAIRMENT LOSSES

	For the six months ended 30 June 2018 (Unaudited) RMB	For the six months ended 30 June 2017 (Unaudited) RMB
Bad debt provision for trade and other receivables	<u>54,809,952</u>	<u>-</u>

7. GAINS ON CHANGES IN FAIR VALUE

	For the six months ended 30 June 2018 (Unaudited) RMB	For the six months ended 30 June 2017 (Unaudited) RMB
Financial assets at fair value through profit or loss	33,638,542	507,553,184
Financial liabilities at fair value through profit or loss	<u>16,458,880</u>	<u>62,939,040</u>
	<u>50,097,422</u>	<u>570,492,224</u>

7. GAINS ON CHANGES IN FAIR VALUE (CONTINUED)

Gains on changes in fair value are as follows:

	For the six months ended 30 June 2018 (Unaudited) RMB	For the six months ended 30 June 2017 (Unaudited) RMB
1. Held for trading equity instrument investments - stocks	(45,852,360)	667,794,330
2. Gold leasing spot at fair value	(15,838,051)	-
3. Hedging instruments - ineffectively hedged derivative instruments	-	(19,780,372)
4. Derivative instruments without designated hedging relationship	139,296,776	(56,022,930)
(4-1) <i>Cross currency swaps</i>	(1,688,566)	4,447,977
(4-2) <i>Gold leasing hedging</i>	21,554,620	-
(4-3) <i>Gains/(Losses) on changes in fair value of commodity hedging</i>	119,430,722	(60,470,907)
5. Others	(27,508,943)	(21,498,804)
	<u>50,097,422</u>	<u>570,492,224</u>

8. INVESTMENT INCOME

	For the six months ended 30 June 2018 (Unaudited) RMB	For the six months ended 30 June 2017 (Unaudited) RMB
(Losses)/Gains from long-term equity investments under the equity method	(27,548,270)	16,568,302
Gains on disposal of long-term equity investments	6,731,300	-
Including: <i>Gains on disposal of long-term equity investments under the equity method</i>	6,731,300	-
Dividend income from other equity instruments	29,414,500	-
Investment income from available-for-sale investments	-	17,780,142
Including: <i>Gains on available-for-sale investments measured at cost</i>	-	17,778,000
<i>Gains on available-for-sale investments measured at fair value</i>	-	2,142
Gains on disposal of financial assets and liabilities at fair value through profit or loss (Note 1)	119,458,104	35,821,713
Others	(442,696)	12,639,122
	<u>127,612,938</u>	<u>82,809,279</u>

8. INVESTMENT INCOME (CONTINUED)

Note 1: Gains on disposal of financial assets and liabilities at fair value through profit or loss are as follows:

	For the six months ended 30 June 2018 (Unaudited) RMB	For the six months ended 30 June 2017 (Unaudited) RMB
1. Held for trading equity instrument investments - stocks	42,104,560	3,746,584
2. Gold leasing spot at fair value	(19,335,984)	-
3. Hedging instruments - ineffectively hedged derivative instruments	-	(31,755,974)
4. Derivative instruments without designated hedging relationship	51,859,843	57,965,385
(4-1) <i>Cross currency swaps</i>	31,531,033	18,500,333
(4-2) <i>Gold leasing hedging</i>	(47,679,260)	-
(4-3) <i>Investment income from commodity hedging</i>	68,008,070	39,465,052
5. Others	44,829,685	5,865,718
	<u>119,458,104</u>	<u>35,821,713</u>

9. NON-OPERATING INCOME

	For the six months ended 30 June 2018 (Unaudited) RMB	For the six months ended 30 June 2017 (Unaudited) RMB
Net penalty income	3,977,891	4,904,330
Government grants	-	2,000,000
Recovery of bad debt written-off	26,652,901	-
Others (Note 1)	122,483,921	33,266,769
	<u>153,114,713</u>	<u>40,171,099</u>

Note 1: Including earthquake insurance indemnity of RMB120,779,174 received by the Group's joint operation, BNL.

10. NON-OPERATING EXPENSES

	For the six months ended 30 June 2018 (Unaudited) RMB	For the six months ended 30 June 2017 (Unaudited) RMB
Donations	99,323,300	54,772,126
Losses on disposal of non-current assets <i>Including: Losses on disposal of fixed assets and other non-current assets</i>	18,332,472 18,332,472	163,535,468 153,692,104
Net losses arising from natural disasters	6,426,049	-
Penalties	1,848,267	2,213,432
Others	23,727,357	31,690,542
	<u>149,657,445</u>	<u>252,211,568</u>

11. INCOME TAX EXPENSES

	For the six months ended 30 June 2018 (Unaudited) RMB	For the six months ended 30 June 2017 (Unaudited) RMB
Current income tax expenses	652,668,900	426,289,691
Deferred tax expenses	59,418,203	(37,844,368)
	<u>712,087,103</u>	<u>388,445,323</u>

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

	For the six months ended 30 June 2018 (Unaudited) RMB	For the six months ended 30 June 2017 (Unaudited) RMB
Profit before tax	<u>3,780,836,960</u>	<u>2,151,166,791</u>
Tax at the statutory tax rate (Note 1)	945,209,240	537,791,698
Effect of different tax rates applicable to certain subsidiaries	(259,617,862)	(260,514,102)
Adjustments in respect of current tax of previous periods	(82,406,642)	(77,525,988)
Income not subject to tax	(34,972,264)	(53,646,801)
Expenses not deductible for tax and effect of unrecognised temporary differences and deductible tax losses	<u>143,874,631</u>	<u>242,340,516</u>
Tax charge at the Group's effective tax rate	<u>712,087,103</u>	<u>388,445,323</u>

Note 1: Provision for the PRC corporate 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 and in accordance with current laws, interpretations and customs in the countries/jurisdictions in which the Group operates.

12. 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 determined 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 2018 (Unaudited) RMB	For the six months ended 30 June 2017 (Unaudited) RMB
Earnings		
Consolidated net profit attributable to the owners of the parent	<u>2,526,423,099</u>	<u>1,505,399,413</u>
Shares		
Weighted average number of ordinary shares outstanding	<u>23,031,218,891</u>	<u>21,838,838,698</u>
Earnings per share	<u>0.110</u>	<u>0.069</u>

13. OTHER COMPREHENSIVE INCOME

30 June 2018

	1 January 2018 (Unaudited) RMB	Movements			Closing balance (Unaudited) RMB
		Amount before tax (Unaudited) RMB	Income tax (Unaudited) RMB	Amount after tax (Unaudited) RMB	
Changes in fair value of other equity instruments	210,817,947	(767,875,397)	19,059,485	(748,815,912)	(537,997,965)
Costs of hedging - forward elements	-	89,457,331	-	89,457,331	89,457,331
Exchange differences arising from translation of financial statements denominated in foreign currencies	(626,754,900)	(20,565,992)	-	(20,565,992)	(647,320,892)
	<u>(415,936,953)</u>	<u>(698,984,058)</u>	<u>19,059,485</u>	<u>(679,924,573)</u>	<u>(1,095,861,526)</u>

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

Item	Amount before tax (Unaudited) RMB	Less: Amount of other comprehensive income recognised in the previous periods transferred into profit or loss during the current period		Less: Income tax (Unaudited) RMB	Attributable to the parent (Unaudited) RMB	Attributable to non-controlling interests (Unaudited) RMB
		(Unaudited) RMB	(Unaudited) RMB			
Costs of hedging - forward elements	89,457,331	-	-	-	89,457,331	-
Exchange differences arising from translation of financial statements denominated in foreign currencies	(17,644,696)	-	-	-	(20,565,992)	2,921,296
	<u>71,812,635</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,891,339</u>	<u>2,921,296</u>

14. OPERATING SEGMENT INFORMATION

The 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 operating profit before tax. The adjusted operating profit before tax is measured consistently with the Group's operating profit before tax except that interest income, finance costs, dividend income, fair value gains from the Group's financial instruments as well as head office and corporate expenses are excluded from this measurement.

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

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

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

14. OPERATING SEGMENT INFORMATION (CONTINUED)

RMB

(Unaudited)

For the six months ended 30 June 2018

Item	Gold bullion	Processed gold	Gold concentrates	Copper cathodes	Refinery copper	Copper concentrates	Other concentrates	Zinc bullion	Others	Eliminations	Total
1. Operating income	2,620,585,590	23,792,290,443	1,473,472,285	392,441,717	9,697,519,746	3,969,896,159	3,818,900,964	2,030,004,275	13,586,029,147	(11,567,249,491)	49,813,890,835
Including: Sales to external customers	1,523,847,550	20,671,660,111	980,844,274	-	8,240,188,177	3,005,171,005	2,810,913,134	2,056,862,675	10,524,403,909	-	49,813,890,835
Intersegment sales	<u>1,096,738,040</u>	<u>3,120,630,332</u>	<u>492,628,011</u>	<u>392,441,717</u>	<u>1,457,331,569</u>	<u>964,725,154</u>	<u>1,007,987,830</u>	<u>-26,858,400</u>	<u>3,061,625,238</u>	<u>(11,567,249,491)</u>	<u>-</u>
2. Segment profit	<u>201,954,008</u>	<u>39,220,208</u>	<u>190,280,807</u>	<u>82,978,691</u>	<u>191,559,959</u>	<u>1,687,729,465</u>	<u>1,944,927,320</u>	<u>35,596,885</u>	<u>-65,579,012</u>	<u>-</u>	<u>4,308,668,331</u>
3. Segment assets	52,524,066,955	12,386,008,022	11,450,653,385	6,938,161,963	10,786,064,510	18,549,724,021	13,416,852,539	2,421,856,722	71,057,858,921	(121,713,635,614)	77,817,611,424
Unallocated assets											13,615,117,083
Total assets											91,432,728,507
4. Segment liabilities	28,887,389,832	7,990,873,649	6,585,196,924	4,244,745,921	7,277,518,638	10,966,905,641	7,909,743,380	1,488,846,509	51,055,702,878	(105,029,914,320)	21,377,009,052
Unallocated liabilities											32,334,567,681
Total liabilities											53,711,576,733
5. Supplemental information											
1. Depreciation and amortisation	526,648,958	73,769,673	243,756,942	59,959,548	131,728,033	304,203,390	417,290,985	90,803,771	268,143,706	-	2,116,305,006
2. Capital expenditure	374,935,895	38,091,238	217,268,969	176,769,805	51,922,674	622,211,130	206,847,244	6,393,464	365,489,604	-	2,059,930,023

14. OPERATING SEGMENT INFORMATION (CONTINUED)

RMB

(Unaudited)

For the six months ended 30 June 2017

Item	Gold bullion	Processed gold	Gold concentrates	Copper cathodes	Refinery copper	Copper concentrates	Other concentrates	Zinc bullion	Others	Eliminations	Total
1. Operating income	2,754,482,564	18,569,450,038	1,578,926,731	337,297,946	8,753,721,125	2,719,803,596	3,108,743,991	1,925,261,167	8,481,052,782	(10,705,108,030)	37,523,631,910
Including: Sales to external customers	1,310,022,507	14,202,482,465	1,516,417,578	335,220,113	6,881,050,616	2,561,196,296	2,545,168,931	1,922,400,216	6,249,673,188	-	37,523,631,910
Intersegment sales	<u>1,444,460,057</u>	<u>4,366,967,573</u>	<u>62,509,153</u>	<u>2,077,833</u>	<u>1,872,670,509</u>	<u>158,607,300</u>	<u>563,575,060</u>	<u>2,860,951</u>	<u>2,231,379,594</u>	<u>(10,705,108,030)</u>	<u>-</u>
2. Segment profit	<u>483,622,008</u>	<u>124,359,834</u>	<u>445,294,759</u>	<u>53,147,838</u>	<u>317,203,402</u>	<u>995,770,566</u>	<u>1,400,460,981</u>	<u>161,499,016</u>	<u>(152,119,673)</u>	<u>-</u>	<u>3,829,238,731</u>
3. Segment assets	51,332,672,741	12,505,148,688	11,262,041,249	6,444,637,648	10,181,859,346	15,905,884,280	13,053,523,984	2,735,428,981	62,666,366,798	(104,656,543,455)	81,431,020,260
Unallocated assets											13,444,660,962
Total assets											94,875,681,222
4. Segment liabilities	32,412,217,326	8,333,734,117	6,905,808,319	3,943,001,658	7,510,901,467	9,137,176,605	9,309,039,022	1,785,371,317	50,181,521,954	(95,203,482,427)	34,315,289,358
Unallocated liabilities											24,090,277,702
Total liabilities											58,405,567,060
5. Supplemental information											
1. Depreciation and amortisation	537,364,143	75,270,589	248,716,414	61,179,483	134,408,168	310,392,704	425,781,176	92,651,262	267,883,408	-	2,153,647,347
2. Capital expenditure	454,458,920	109,083,828	109,662,562	69,813,019	51,208,170	157,414,276	127,637,100	25,508,249	542,949,764	-	1,647,735,888

15. BILLS RECEIVABLE AND TRADE RECEIVABLES

	30 June 2018 (Unaudited) RMB	31 December 2017 (Audited) RMB
Bills receivable	991,285,233	1,519,375,541
Trade receivables	<u>1,480,221,124</u>	<u>1,304,061,027</u>
Less: Bad debt provision	<u>8,242,840</u>	<u>11,196,522</u>
	<u>2,463,263,517</u>	<u>2,812,240,046</u>

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:

	30 June 2018 (Unaudited) RMB	31 December 2017 (Audited) RMB
Within 1 year	1,420,041,036	1,244,854,634
Over 1 year but within 2 years	41,688,408	46,108,796
Over 2 years but within 3 years	7,176,818	2,164,105
Over 3 years	<u>11,314,862</u>	<u>10,933,492</u>
	<u>1,480,221,124</u>	<u>1,304,061,027</u>
Less: Bad debt provision for trade receivables	<u>8,242,840</u>	<u>11,196,522</u>
	<u>1,471,978,284</u>	<u>1,292,864,505</u>

The sales of gold bullion are mainly through cash sales or receipts in advance. The sales of gold bullion through cash sales are settled on the transaction dates. The sales of other products such as copper cathodes, zinc bullion and ore concentrates adopt receipts in advance, letter of credit or credit sales. The credit periods of credit sales range from one to six months in general. The Group maintains strict control over its outstanding trade receivables. Overdue amounts of trade receivables are reviewed regularly. Moreover, 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 for the trade receivables are as follows:

	As at 1 January 2018 (Unaudited) RMB	Additions (Unaudited) RMB	Reductions		As at 30 June 2018 (Unaudited) RMB
			Reversal (Unaudited) RMB	Write-off (Unaudited) RMB	
30 June 2018	<u>11,196,522</u>	<u>37,905</u>	<u>-</u>	<u>(2,991,587)</u>	<u>8,242,840</u>

15. **BILLS RECEIVABLE AND TRADE RECEIVABLES (CONTINUED)**

	30 June 2018				
	Carrying amount		Bad debt provision		Net book value
	Amount	Proportion (%)	Amount	Proportion (%)	
	(Unaudited)		(Unaudited)		(Unaudited)
	RMB		RMB		RMB
Individually significant and for which bad debt provision has been made individually	1,249,511,634	84.41	-	-	1,249,511,634
Individually not significant but for which bad debt provision has been made individually	230,709,490	15.59	8,242,840	3.57	222,466,650
	1,480,221,124	100	8,242,840	0.56	1,471,978,284

In the first half of 2018, the provision for bad debt was RMB37,905 (six months ended 30 June 2017: RMB203,814), and no provision for bad debt was reversed (2017: Nil).

In the first half of 2018, trade receivables written off amounted to RMB2,991,587 (six months ended 30 June 2017: RMB203,814).

16. **BILLS PAYABLE AND TRADE PAYABLES**

	30 June 2018 (Unaudited) RMB	31 December 2017 (Audited) RMB
Bills payable		
Bank acceptance bills	133,471,714	179,417,453
Trade payables	<u>4,175,117,364</u>	<u>4,216,836,578</u>
	<u>4,308,589,078</u>	<u>4,396,254,031</u>

Trade payables

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

	30 June 2018 (Unaudited) RMB	31 December 2017 (Audited) RMB
Within 1 year	3,491,228,497	3,677,169,188
Over 1 year but within 2 years	381,536,872	307,247,625
Over 2 years but within 3 years	128,691,437	103,327,622
Over 3 years	<u>173,660,558</u>	<u>129,092,143</u>
	<u>4,175,117,364</u>	<u>4,216,836,578</u>

Trade payables are interest-free and are normally settled within one year.

17. RETAINED EARNINGS

	30 June 2018 (Unaudited) RMB	30 June 2017 (Unaudited) RMB
Closing balance of the preceding year and opening balance of the current year	20,194,761,855	18,068,917,361
Net profit attributable to owners of the parent	2,526,423,099	1,505,399,413
Gains on disposal of investments in other equity instruments	979,462	-
Less: Appropriation for the statutory reserve	-	-
Dividends payable in cash for ordinary shares	2,072,809,700	1,381,873,133
Retained earnings as at the end of the period	<u>20,649,354,716</u>	<u>18,192,443,641</u>

On 17 May 2018, the shareholders approved at the 2017 annual general meeting of the Company the final cash dividend of RMB0.09 per ordinary share with an aggregate amount of RMB2,072,809,700.

18. NET CURRENT LIABILITIES

	30 June 2018 (Unaudited) RMB	31 December 2017 (Audited) RMB
Current assets	29,185,062,924	28,675,010,591
Less: Current liabilities	<u>30,118,039,642</u>	<u>28,793,593,015</u>
Net current liabilities	<u>(932,976,718)</u>	<u>(118,582,424)</u>

19. TOTAL ASSETS LESS CURRENT LIABILITIES

	30 June 2018 (Unaudited) RMB	31 December 2017 (Audited) RMB
Total assets	90,988,937,898	89,315,263,550
Less: Current liabilities	<u>30,118,039,642</u>	<u>28,793,593,015</u>
Total assets less current liabilities	<u>60,870,898,256</u>	<u>60,521,670,535</u>

20. PROVISION FOR DEPRECIATION

	For the six months ended 30 June 2018 (Unaudited) RMB	For the six months ended 30 June 2017 (Unaudited) RMB
Fixed assets	1,574,070,228	1,572,420,164
Investment properties	<u>7,718,780</u>	<u>4,885,571</u>

21. CHANGES IN ACCOUNTING POLICIES

In 2017, the Ministry of Finance of the PRC announced the revised “Accounting Standard for Business Enterprises No. 14 - Revenue” (the “New Revenue Standard”); “Accounting Standard for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments”; “Accounting Standard for Business Enterprises No. 23 - Transfer of Financial Assets”; “Accounting Standard for Business Enterprises No. 24 - Hedge Accounting” and “Accounting Standard for Business Enterprises No. 37 - Presentation and Reporting of Financial Instruments” (collectively the “New Financial Instruments Standards”). The Group started to implement accounting treatments pursuant to the abovementioned newly revised standards from 1 January 2018. According to the transitional provisions, the information for the comparable reporting period was not adjusted. The differences arising from implementation of the new standards on the first implementation date and the current standards were adjusted to retained earnings or other comprehensive income at the beginning of the reporting period.

The New Revenue Standard

The New Revenue Standard creates a new model for revenue recognition from contracts with customers. The amount of revenue recognised shall reflect the consideration which the entity expects to be entitled to in exchange for those promised goods or services with customers. The New Revenue Standard also regulates the judgements and estimations in respect of contract costs, performance obligation, variable consideration, principal and agent.

The New Financial Instruments Standards

The New Financial Instruments Standards revise the classification and measurement of financial assets and establish three major measurement categories: at amortised cost, at fair value through other comprehensive income, and at fair value through profit or loss. An entity shall perform business model assessment and assess the contractual cash flow characteristics of financial assets for the classification. Equity investments shall be measured at fair value and their changes shall be recognised in profit or loss for the current period. However, an entity can make an election at initial recognition to classify the instruments at fair value through other comprehensive income (gains or losses recognised on disposal shall not be transferred to profit or loss while dividend income is recognised in profit or loss) and the election is irrevocable.

The New Financial Instruments Standards require “expected credit loss model” for measurement of impairment of financial assets instead of “incurred loss model”. Expected credit loss model is applicable to financial assets at amortised cost, financial assets at fair value through other comprehensive income, loan commitments and financial guarantee contracts.

New hedge accounting model provides a better contact between an entity’s risk management and the financial statements and allows more hedging instruments and hedged items to qualify for hedge accounting. It cancels the revisit hedge effectiveness test and introduces the concept of rebalancing mechanism and hedge costs.

A comparison between the financial assets before and after implementation of the revised recognition and measurement provisions on the first implementation date, being 1 January 2018, is as follow:

The Group

	Under the recognition and measurement provisions before revision		Under the recognition and measurement provisions after revision	
	Category of measurement	Book value RMB	Category of measurement	Book value RMB
Equity investments	Cost model (available-for-sales investments)	559,552,318	At fair value through other comprehensive income (designated)	796,743,475
	At fair value through other comprehensive income (available-for-sale investments)	218,648,868	At fair value through other comprehensive income (designated)	218,648,868

Equity investments	At fair value through profit or loss	1,700,570,459	At fair value through other comprehensive income (designated)	1,700,570,459
Wealth management products	Amortised cost	2,510,982,823	At fair value through profit or loss	2,510,982,823

Reconciliation between the original book value of financial assets and the revised book value of the financial assets after recognition and measurement pursuant to the provisions on recognition and measurement of financial assets on the first implementation date is as follow:

The Group

	Under the original financial instruments standards Book value 31 December 2017 RMB	Reclassification RMB	Remeasurement RMB	Under the New Financial Instruments Standards Book value 1 January 2018 RMB
Equity investments - available-for-sale investments				
Balance under the original financial instruments standards	778,201,186	(778,201,186)	-	-
Less: Transferred to fair value through other comprehensive income (the New Financial Instruments Standards)	-	778,201,186	-	778,201,186
Balance under the New Financial Instruments Standards (Investments in other equity instruments)	-	778,201,186	237,191,157	1,015,392,343
Equity investments - financial assets at fair value through profit or loss				
Balance under the original financial instruments standards	1,700,570,459	(1,700,570,459)	-	-
Less: Transferred to fair value through other comprehensive income (the New Financial Instruments Standards)	-	1,700,570,459	-	1,700,570,459
Balance under the New Financial Instruments Standards (Investments in other equity instruments)	-	1,700,570,459	-	1,700,570,459
Wealth management products - other current assets				
Balance under the original financial instruments standards	2,321,454,667	(2,321,454,667)	-	-
Less: Transferred to fair value through profit or loss (the New Financial Instruments Standards)	-	2,321,454,667	-	2,321,454,667

Standards)				
Balance under the New Financial Instruments Standards (Held-for-trading financial assets)	-	2,321,454,667	-	2,321,454,667
Wealth management products - other non-current assets				
Balance under the original financial instruments standards	189,528,156	(189,528,156)	-	-
Less: Transferred to financial assets at fair value through profit or loss (the New Financial Instruments Standards)	-	189,528,156	-	189,528,156
Balance under the New Financial Instruments Standards (Held-for- trading financial assets)	-	189,528,156	-	189,528,156

Changes in the presentation of the financial statements are as follows:

The Group

	Book value under the original financial instruments standards 31 December 2017 RMB	Adjustment pursuant to the New Financial Instruments Standards RMB	Book value under the New Financial Instruments Standards 1 January 2018 RMB
Financial assets at fair value through profit or loss	2,553,927,721	(2,553,927,721)	-
Held-for-trading financial assets	-	3,364,340,085	3,364,340,085
Other current assets	3,528,021,403	(2,321,454,667)	1,206,566,736
Total current assets	28,675,010,591	(1,511,042,303)	27,163,968,288
Available-for-sale investments	778,201,186	(778,201,186)	-
Investments in other equity instruments	-	2,715,962,802	2,715,962,802
Other non-current assets	6,959,404,089	(189,528,156)	6,769,875,933
Total non-current assets	60,640,252,959	1,748,233,460	62,388,486,419
Total assets	89,315,263,550	237,191,157	89,552,454,707
Total current liabilities	28,793,593,015	-	28,793,593,015
Deferred tax liabilities	624,524,725	47,481,170	672,005,895
Total non-current liabilities	22,878,825,317	47,481,170	22,926,306,487
Total liabilities	51,672,418,332	47,481,170	51,719,899,502
Other comprehensive income	(602,893,526)	186,956,573	(415,936,953)
Equity attributable to owners of the parent	34,999,723,155	186,956,573	35,186,679,728
Non-controlling interests	2,643,122,063	2,753,414	2,645,875,477
Total equity	37,642,845,218	189,709,987	37,832,555,205
Total liabilities and owners' equity	89,315,263,550	237,191,157	89,552,454,707

Presentation of financial statements

Pursuant to the requirements of “Notice on the Revision of the Issuance of the Financial Statements of General Enterprises for Year 2018” (Cai Kuai [2018] No. 15), in addition to the changes in presentation resulted from the implementation of the abovementioned New Financial Instruments Standards and New Revenue Standard, the Group combined “bills receivable” and “trade receivables” into the new “bills receivable and trade receivables” category, “dividends receivable” and “interest receivables” into “other receivables” category, “disposal of fixed assets” into “fixed assets” category, “construction materials” into “construction in progress” category, “bills payable” and “trade payables” into the new “bills payable and trade payables” category, “special payables” into “long-term payables” category; in the statement of profit or loss, “research and development expenses” category was separated from “administrative expenses” category, “interest expenses” and “interest income” sub-categories were separated from “financial expenses” category; “changes in defined benefit plan transferred into retained earnings” category was newly added in the statement of changes in equity. The Group correspondingly restated the comparable financial statements retrospectively. This change in accounting policy has no effect on the consolidated and company’s net profit and owners’ equity.

Impacts on the relevant adjustments on presentation are as follows:

The Group

	Before changes in accounting policy 31 December 2017 RMB	Reclassification under changes in accounting policy RMB	After changes in accounting policy 31 December 2017 RMB
Bills receivable	1,519,375,541	(1,519,375,541)	-
Trade receivables	1,292,864,505	(1,292,864,505)	-
Bills receivable and trade receivables	-	2,812,240,046	2,812,240,046
Construction in progress	3,122,296,899	174,271,545	3,296,568,444
Construction materials	174,271,545	(174,271,545)	-
Bills payable	179,417,453	(179,417,453)	-
Trade payables	4,216,836,578	(4,216,836,578)	-
Bills payable and trade payables	-	4,396,254,031	4,396,254,031
Dividends payable	4,193,049	(4,193,049)	-
Other payables	3,642,115,277	4,193,049	3,646,308,326

II. OPERATION OVERVIEW

Overview of the Company's operation

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

1. Business scope

The Company is mainly engaged in the exploration, surveying and development of gold, copper, zinc and other metal mineral resources. The Company also covers refining and processing businesses to an optimal extent, as well as other mining-related supplementary businesses.

2. Operating model

Prioritise mineral resources as the key strategy: The Company combines self-initiated surveying with merger and acquisition, and obtains low-cost resources reserves through exploration. Also, the Company adheres to the strategy of acquiring mineral resources at the right timing, in order to secure resources for the sustainability of the Company's mining development.

Focus on mining development as the principal business: The Company always focuses on mineral resources development and utilisation as its main business. It also endeavours to create the enterprise's core competitiveness by technological innovation, as well as realising a low-cost, efficient model of mining development.

Achieve value enhancement by refining and processing: The Company engages in refining and processing business to an optimal extent to create a complete industrial chain, expand the scale of its business, and realise extra income by value creation.

Technological research and construction businesses: The Company has developed a complete research and development system. It also owns the exclusive State Key Laboratory in the domestic gold industry, grade-A designing entities and relatively strong capacity in mine development and construction.

Combine mining with finance and trading: The Company makes the best use of its finance company, capital investment company and treasury centre in Hong Kong to carry out effective management and operation of capital. It also proactively explores the pathway to a successful combination between mining and finance.

3. Market environment

During the reporting period, major economies in the world, except that of the United States, demonstrated a pattern of slowing growth and heightening inflation. In addition, rising support for deglobalisation and trade protectionism created negative or indefinite impacts on global economic development.

The macro-economy of China remained stable in general during the first half of the year. Amid continued tightening of supervision over financial sector, structural de-leveraging and regulation of real estate industry, growth in the Chinese economy demonstrated rather strong resilience against high pressure. The GDP grew at 6.8% in the first half of 2018, which was flat comparing with the full-year GDP growth rate of last year.

As gold market was affected by the strengthening of US dollar, trade tensions and other unfavourable factors in the first half of 2018, the price of gold in London during the period was weak and volatile. The price was US\$1,302.66/ounce at the beginning of 2018, which at the end of January 2018 bounced up to the US\$1,366.15/ounce, the highest point in the first half of the year, and closed at US\$1,252.65/ounce at the end of June 2018, representing a 3.84% decrease compared with the beginning of the year. The average price of gold was US\$1,317.73/ounce, representing a 6% increase compared with the same period last year.

Under the impact of global economic changes and escalation of China-US trade tensions, base metal markets experienced apparent pressure. Despite the general price trends being relatively weak amid high volatility, the magnitude of growth as compared with the same period last year was still substantial. The price of copper in London was US\$7,251.5/tonne at the beginning of the year, which reached the highest price at US\$7,348/tonne, and closed at US\$6,619/tonne at the end of June 2018, representing an 8.72% decrease compared with the beginning of the year; average price was US\$6,920.05/tonne, representing a 20.24% increase compared with the same period last year. The price of zinc in London was US\$3,298/tonne at the beginning of the year, which reached the highest price at US\$3,595.5/tonne, and closed at US\$2,857/tonne at the end of June 2018, representing a 13.37% decrease compared with the beginning of the year; average price was US\$3,263.22/tonne, representing a 21.44% increase compared with the same period last year.

Certain extent of decline in the prices of gold, copper and zinc was observed recently.

4. Condition of the industry

In the first half of 2018, the global gold production volume was 1,629.5 tonnes, representing an increase of 3.68% compared with the same period last year; the global gold demand was 1,959.9 tonnes, representing a decrease of 6.07% compared with the same period last year. During the same period, China's gold production volume was 190.279 tonnes, representing a decrease of 7.87% compared with the same period last year; China's gold consumption volume was 541.22 tonnes, which was basically flat compared with the same period last year.

As at the end of June 2018, China's gold reserve remained unchanged at 1,842.57 tonnes comparing with the same period last year, ranking at the world's 6th place in terms of volume.

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

The total assets of the Company as at 30 June 2018 amounted to RMB90.989 billion, representing a 1.60% growth compared with the end of last year, in which overseas assets amounted to RMB23.947 billion, representing 26.32% of the total assets.

III. Analysis on core competitiveness during the reporting period

Innovation is the core competitiveness of the Company. The Company possesses core technologies and competitive edges in the industry in the aspects of geological exploration and surveying, mining and processing, hydrometallurgy, comprehensive recovery and utilisation of low-grade refractory resources, large-scale engineering development and so on. It also has advantages in system and structure, professionalism of management team as well as resources and costs. The mineral resources reserves of gold, copper and zinc owned by the Company are one of the largest among the corporations in domestic industry, providing a strong foundation of resources for the Company's ongoing development.

Discussion and analysis on operating performance

Business Overview

During the reporting period, the Company closely adhered to the work focus of "clinging to reforms, stabilising growth and boosting development" as formulated by the Board; completed amendment to the articles of association of the Company; deepened reforms to move the management system towards leaner, more regulated and efficient transformation; actively tapped into the Company's potentials and enhanced efficiency; continued to rigorously monitor the standard of management, safety and environmental protection; and strived to raise production volume of mineral products amid rising price trends of the Company's major products. As a result, promising outcomes were achieved in production and operation. The Company's production volume of gold, copper and zinc continued to rank among the top three places in domestic mining industry, with the production of mine-produced copper and mine-produced zinc reporting particularly substantial growth. As the resources reserves of main types of mineral continued to increase, various indicators of the Company outperformed other peers in the mining industry, and profit recorded considerable growth, the Company continued to maintain a leading position in the industry. Moreover, the economic and technical indicators of mining, refining and processing segments achieved further improvement; integration between business and finance became more effective; and the performance of safety, environmental protection, occupational health and compliance of operation kept enhancing. With more efforts being placed on the development of talents, employees were high-spirited at work. The development of a civilised corporate spirit also achieved new breakthroughs, improving the effectiveness of supervision.

The Company's internationalisation strategy also gathered momentum. In particular, contribution from the Kolwezi copper mine in the DR Congo was increasing steadily. Another example is the Zuoan gold mine in Kyrgyzstan, which already turned around from loss to profit. The development prospect of the project is positive. Development of other important overseas projects and crucial merger and acquisition were also proceeded in full swing.

The industrial position of the Company as well as the recognition it received from global capital market continued to improve. For instance, the Company was one among the first batch of 236 large-cap A Share-companies to be included in the MSCI Index; the recent first-time credit rating of Moody's, Standard & Poor's and Fitch on the Company was Baa3 (issuer rating), BBB- (long-term issuer credit rating) and BBB- (long-term foreign currency issuer default rating and senior unsecured rating), respectively, with outlook being stable.

During the reporting period, the Group realised sales income of RMB49.814 billion, representing an increase of 32.75% compared with the same period last year (same period last year: RMB37.524 billion), and a profit before tax of RMB3.781 billion, in which the net profit attributable to owners of the parent was RMB2.526 billion, representing an increase of 67.82% compared with the same period last year (same period last year: RMB1.505 billion).

As at the end of June 2018, the Group's total assets amounted to RMB90.989 billion, representing an increase of 1.60% compared with the beginning of the year (at the beginning of the year: RMB89.552 billion), and net assets of RMB37.721 billion, in which the net assets attributable to owners of the parent amounted to RMB34.975 billion, representing a decrease of 0.06% compared with the beginning of the year (at the beginning of the year: RMB35.187 billion). The reason for no increase being recorded in the net assets attributable to owners of the parent despite growth in the Company's operating results was due to the Company's implementation of profit distribution for the year 2017 in the amount of RMB2.073 billion at the end of June 2018.

Gold Business

During the reporting period, the Group produced 104,911kg 【3,372,964 ounces】 of gold, representing an increase of 21.87% compared with the same period last year (same period last year: 86,083kg).

In which, the Group produced 16,880kg 【542,704 ounces】 of mine-produced gold, representing a decrease of 10.48% compared with the same period last year (same period last year: 18,856kg). It was mainly due to occurrence of earthquake in Papua New Guinea in February 2018, which affected the production volume of the Porgera gold mine in the first half of the year.

Major enterprises or mines	Name	Interest held by the Group	Mine-produced gold (kg)
	Porgera gold mine in Papua New Guinea	47.50%	2,530 (production volume on equity basis)
	JV Zeravshan LLC in Tajikistan	70%	1,945
	Norton Gold Fields Limited in Australia	100%	1,889
	Altynken Limited Liability Company in Kyrgyzstan	60%	1,726
	Fujian Zijinshan gold and copper mine	100%	1,618
	Jilin Hunchun Shuguang gold and copper mine	100%	1,538
Total production volume of other gold producing enterprises of the Group			5,634
Total			16,880

The Group produced 88,031kg 【2,830,260 ounces】 of refinery, processed and trading gold, representing an increase of 30.95% compared with the same period last year (same period last year: 67,227kg).

Sales income from the gold business represented approximately 46.53% (after elimination) of the total operating income during the reporting period, and the products generated approximately 19.92% of the total gross profit of the Group.

(1 troy ounce = 31.1035 grammes)

Copper Business

During the reporting period, the Group produced 337,212 tonnes of copper, representing a growth of 8.57% compared with the same period last year (same period last year: 310,589 tonnes).

In which, the Group produced 119,367 tonnes of mine-produced copper (including 9,125 tonnes of mine-produced copper cathodes), representing an increase of 30.41% compared with the same period last year (same period last year: 91,535 tonnes). It was mainly attributable to the floatation processing system of the Kolwezi copper mine in the DR Congo rapidly reaching the designated capacity after commencement of production in June 2017.

	Name	Interest held by the Group	Mine-produced copper (tonne)	Note
Major enterprises or mines	Fujian Zijinshan gold and copper mine	100%	38,472	Including: 9,125 tonnes of copper cathodes
	Kolwezi copper mine in the DR Congo	72%	22,410	
	Xinjiang Ashele Copper	51%	22,203	
	Heilongjiang Duobaoshan Copper	100%	18,846	
	Jilin Hunchun Shuguang gold and copper mine	100%	7,594	
	Qinghai West Copper	100%	5,075	
Total of other mines			4,767	
Total			119,367	Including: 9,125 tonnes of mine-produced copper cathodes

217,846 tonnes of copper were produced from refineries, representing a decrease of 0.55% compared with the same period last year (same period last year: 219,054 tonnes).

Sales income from the copper business represented approximately 22.57% (after elimination) of the total operating income during the reporting period, and the products generated approximately 36.56% of the total gross profit of the Group.

Lead and Zinc Business

During the reporting period, the Group produced 243,628 tonnes of zinc, representing a decrease of 0.49% compared with the same period last year (same period last year: 244,828 tonnes). In which, the Group produced 148,311 tonnes of mine-produced zinc in concentrate form, representing an increase of 4.51% compared with the same period last year (same period last year: 141,906 tonnes). 95,317 tonnes of zinc bullion were produced from refineries, representing a decrease of 7.39% compared with the same period last year (same period last year: 102,922 tonnes).

During the reporting period, 19,274 tonnes of lead in concentrate form were produced, representing a decrease of 0.29% compared with the same period last year (same period last year: 19,329 tonnes).

	Name	Interest held by the Group	Mine-produced zinc (tonne)	Mine-produced lead (tonne)	Mine-produced zinc + mine-produced lead (tonne)
Major enterprises or mines	Longxing Company in Tuva, Russia	70%	55,577	1,915	57,492
	Xinjiang Zijin Zinc Industry	100%	46,994	7,065	54,059
	Wulatehouqi Zijin Mining Company Limited	95%	39,962	7,617	47,579
	Xinjiang Ashele Copper Company Limited	51%	5,241	-	5,241
	Total of other mines		537	2,677	3,214
Total			148,311	19,274	167,585

Sales income from the lead and zinc business represented approximately 7.34% (after elimination) of the total operating income during the reporting period, and the products generated approximately 26.90% of the total gross profit of the Group.

Silver, Iron Mine and Other Business

During the reporting period, the Group produced 307,787kg of silver, representing a decrease of 8.64% compared with the same period last year (same period last year: 336,883kg), of which 192,643kg of silver was produced from refinery as by-product, representing a decrease of 10.05% compared with the same period last year (same period last year: 214,172kg); 115,144kg of silver was produced from mines, representing a decrease of 6.17% compared with the same period last year (same period last year: 122,710kg).

Major enterprises or mines	Name	Interest held by the Group	Mine-produced silver (kg)
	Fujian Wuping Zijin Mining Company Limited	77.5%	23,527
	Fujian Zijinshan gold and copper mine	100%	15,953
	Xinjiang Ashele Copper Company Limited	51%	15,724
Total of other mines			59,940
Total			115,144

During the reporting period, the Group produced 1.27 million tonnes of iron concentrates, representing a decrease of 1.5% compared with the same period last year (same period last year: 1.29 million tonnes). In addition, the iron concentrates produced by Fujian Makeng Mining (an associate, in which the Group holds 41.5% interests) attributable to the Group on equity basis was 291,300 tonnes, representing an increase of 20.65% compared with the same period last year (same period last year: 241,400 tonnes).

Major enterprises or mines	Name	Interest held by the Group	Iron concentrates (million tonnes)
	Xinjiang Jinbao Mining Company Limited	56%	1.27

Sales income from iron mines, silver and other products represented about 23.56% (after elimination) of total operating income during the reporting period, and the products generated approximately 16.62% of the total gross profit of the Group.

Key measures during the reporting period:

Deepened reforms to move management system towards leaner, more regulated and efficient transformation

During the reporting period, in response to the development requirements in the new era, the Board fully strengthened the leadership and core political function of the Party within the enterprise, regulated corporate governance in compliance with law, and amended the articles of association and meeting rules of the Company. The Board also continued to move ahead and deepened reforms to build a leaner, more regulated and efficient management system. As a result, the operational capacity and profitability of various business segments improved significantly; the roles and functions of directors and supervisors in the subsidiaries were enhanced; and capacity of independent operation was also improved. Moreover, a higher proportion of global talents was introduced, management on the candidates for senior management roles and excellent talents demonstrated remarkable results, a development scheme for senior technicians has also been formulated. In addition, having developed a stronger capability of extensively applying information technology to its business, the Company is ready to further the technological upgrade of its global operations.

Remarkable results were attained in the efforts of tapping into the potentials and raising the efficiencies of various business segments

During the reporting period, seizing on the favourable rise in the prices of copper, zinc and other main types of metals, the Company actively tapped into the potentials and raised the efficiencies of its operations, which successfully improved the development quality across various composite indicators of the Company, including production volume, efficiency, safety, environmental protection and occupational health. Domestic mining segment benefitted from continued enhancement in basic management, manifesting improvements in core indicators and achieving satisfactory outcomes in the precision of production and on-site services; refining and processing segment made increasing contribution to the Company's key indicators, with clearly better production efficiency as well as outstanding records of no increase in safety incident of severity above minor injury, environmental incident, and new case of occupational disease; overseas business segment reported growth in both production volume and efficiency, finance segment achieved enhanced efficiency, overseas assets' integration and financing capacities were improved, and positive development trend was observed for the newly launched segments of trading and fine processing of gold.

Stable release of overseas projects' production capacity expanded overseas operations' contribution to the Group

During the reporting period, the Company continued to benefit from increased contributions from its overseas operations. The Kolwezi copper mine in the DR Congo commenced production and reached the designated capacity in the second half of 2017, which contributed exponential growth in production and sales volume. Phase 2 of the project for comprehensive recovery and utilisation of copper-cobalt resources is currently underway; as for the Kamoa-Kakula copper mine in the DR Congo, CITIC Metal Co., Ltd. was introduced as a strategic partner by Ivanhoe to expedite the

development of the mine; at the Porgera gold mine in Papua New Guinea, post-earthquake production resumption was under good progress. In June 2018, the project resumed full operation, and received two interim compensation payments in the sum of US\$40 million. Negotiation with the insurance company is pending for determining the remaining amount of compensation as well as the time of payment; other key projects including phase 2 underground mining construction of the Tuva zinc and polymetallic mine in Russia and construction of the Taror gold mine's tailing pool in Tajikistan proceeded smoothly.

In the first half of 2018, 8.18 tonnes of gold was produced from overseas mines, representing 48.43% of the Group's total output of mine-produced gold; 25,700 tonnes of copper was produced from overseas mines, representing approximately 21.50% of the Group's total output of mine-produced copper; 55,600 tonnes of zinc was produced from overseas mines, representing 37.47% of the Group's total output of mine-produced zinc. The Company is actively seizing multiple opportunities of overseas merger and acquisition to speed up its internationalisation progress.

Attached equal significance to mining development and ecological environment conservation, actively performed social responsibility

During the reporting period, the Company strengthened related measures to achieve the targets of "zero work fatality, zero occupational disease and zero environmental incident", remained highly vigilant on sustaining safety and environmental protection standards, held every employee accountable for the implementation of safety, and introduced production safety score-based system, paramilitary work style and other safety management measures which are applicable to all staff of the Company. The management of safety, environmental protection and occupational health of overseas business achieved significant improvement. For example, Musonoie in the DR Congo maintained outstanding record of lost-time injury per 1 million working hours; the Kamoakakula copper mine in the DR Congo also recorded a combined total of 10 million working hours without a lost-time injury. On the other hand, the Company constantly enhanced environmental protection and re-vegetation management, and extended the application and implementation of the Chinese national standards. Fruitful results were achieved in the development of green mines, in particular the successful experience of the Zijinshan gold and copper mine, Ashele Copper and Wulathouqi Zijin, etc., were widely reported by the mainstream media.

During the reporting period, the Company remained highly committed to the poverty alleviation and charity work of the localities and communities at which its operations are present. In the first half of 2018, the Company's head office prepared for the establishment of Zijin Secondary School in Shanghang County. Intake of students is expected to begin from September 2018.

Project construction proceeded in an orderly manner with more stringent regulation and management in place

During the reporting period, domestic projects including Zijin Copper's phase 2 project for tapping into potentials and enhancing efficiency, Heilongjiang Duobaoshan copper mine's phase 2 expansion project, Heilongjiang Zijin Copper's copper refining plant, Zijin Zinc Industry's phase 3 technological upgrade and Xinjiang Zijin Non-ferrous Company's zinc refining plant, as well a number of overseas projects proceeded with stable progress and are expected to become new growth drivers of the Group. The monitoring, inspection and rectification of the development progress of projects were subject to continued regulation, and the pricing system of construction projects as well as equipment management also obtained remarkable results. Furthermore, the pilot programme at the Zijinshan copper mine for building the Company's own underground mining team is gradually moving towards more formalised development.

Exploration work continued to build a higher level of low-cost resources reserves

During the reporting period, the Group invested RMB99 million in geological exploration on equity basis. The aggregate volume of resources reserves of mineral resources (unreviewed) newly added from exploration were 13.48 tonnes of gold, 2.6875 million tonnes of copper, 53,200 tonnes of lead and zinc, 20.13 tonnes of silver, and 4,200 tonnes of cobalt, exceeding the Company's half-year target for resource expansion. In particular, the Kakula Discovery of the Kamoakakula copper mine has an ongoing increase in resources reserves. According to the updated mineral resource estimate released in February 2018, the Kamoakakula high-grade mineralised trend remains open for significant expansion in multiple directions; the Company also stepped up the exploratory work at the Kolwezi copper-cobalt mine in the DR Congo as the areas in the proximity of the mine have a high resource prospect; the Shanxi Yixingzhai - Yilian gold mine achieved critical development in the prospecting of its vein-type ore deposits as well as the assessment of its porphyry-type ore deposits; other mines including the Wulathouqi Sanguikou lead-zinc mine in Inner Mongolia and Shanggong gold mine in Henan Province also attained important prospecting results.

Innovation as a competitive edge of the Company further accentuated as scientific and technological systems underwent continued enhancement

During the reporting period, the Company vigorously advanced the research and development of important generic technology and design of construction project, etc., achieving significant outcomes in efficiency creation and enhancement with the use of technology. For instance, the Company's State Key Laboratory for comprehensive

utilisation of low-grade refractory gold resources passed the nationwide assessment administered by the Ministry of Science and Technology of the PRC on enterprises' State Key Laboratory; the understanding of serving practical uses with scientific and technological deliverables was further enhanced, prompting high-level interaction between the current scientific and technological systems and critical projects of the Company. Moreover, the progress of achieving breakthroughs in scientific research on underground mining at the Zijinshan copper mine is also speeding up.

III. MANAGEMENT DISCUSSION AND ANALYSIS

Analysis of main businesses

1. Operating results

During the reporting period, operating income of RMB49.814 billion was recorded, representing an increase of 32.75% compared with the same period last year (same period last year: RMB37.524 billion).

The table below sets out the sales by product for the six months ended 30 June 2018 and 30 June 2017 respectively:

Item	January - June 2018					January - June 2017				
Product name	Unit price (tax excluded) RMB		Sales volume		Amount RMB'000	Unit price (tax excluded) RMB		Sales volume		Amount RMB'000
Mine-produced gold	254.03	/g	16,117	kg	4,094,060	239.51	/g	18,092	kg	4,333,410
Refinery, processed and trading gold	270.22	/g	88,046	kg	23,792,290	276.42	/g	67,179	kg	18,569,450
Mine-produced silver	2.36	/g	113,618	kg	268,570	2.59	/g	122,210	kg	317,090
Mine-produced copper	36,914	/t	117,968	t	4,354,660	32,558	/t	93,898	t	3,057,100
Refinery copper	44,420	/t	218,315	t	9,697,520	39,584	/t	221,145	t	8,753,720
Mine-produced zinc	15,914	/t	153,601	t	2,444,450	13,058	/t	145,374	t	1,898,300
Refinery zinc	21,468	/t	94,560	t	2,030,000	18,833	/t	102,228	t	1,925,260
Iron concentrates	582	/t	1.2190	Mt	709,580	402	/t	1.2318	Mt	494,640
Others (Note 1)					13,990,010					8,879,770
Internal sales elimination					-11,567,250					-10,705,110
Total					49,813,890					37,523,630

Note 1: During the reporting period, other sales income mainly included: RMB9.356 billion from trade logistics, RMB613 million from refinery and processed silver, RMB355 million from gold manufacturing products, RMB475 million from copper pipe, RMB444 million from copperplate and RMB2.747 billion from other products, services, etc.

2. Analysis on costs and gross profit margin

The Group is mainly engaged in mine development and refinery and processing. The Group's costs 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 of fixed assets, etc.

The table below sets out details of the unit cost of sales and gross profit margin by product for the six months ended 30 June 2018 and 30 June 2017 respectively (Note 1):

Item	Unit	Unit cost of sales			Gross profit margin (%)	
		Jan-Jun 2018	Jan-Jun 2017	Compared with the same period last	Jan-Jun 2018	Jan-Jun 2017

				year (%)		
Mine-produced gold	RMB/gramme	171.62	162.03	5.92	32.44	32.35
Refinery, processed and trading gold	RMB/gramme	269.19	273.94	-1.73	0.38	0.9
Mine-produced silver	RMB/gramme	1.72	1.45	18.84	27.10	44.24
Mine-produced copper	RMB/tonne	17,405	16,431	5.93	52.85	49.53
Refinery copper	RMB/tonne	43,032	37,781	13.90	3.12	4.55
Mine-produced zinc	RMB/tonne	4,997	5,197	-3.85	68.60	60.2
Refinery zinc	RMB/tonne	20,464	17,253	18.61	4.68	8.39
Iron concentrates	RMB/tonne	158.89	152.89	3.92	72.70	61.92
Overall gross profit margin					14.25	14.59
Overall gross profit margin of mining entities					49.82	44.69

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

The Group's overall gross profit margin was 14.25%, representing a decrease of 0.34 percentage point compared with the same period last year. This was mainly due to the increase in the proportion of trading income. In which, the overall gross profit margin of mining entities was 49.82%, representing an increase of 5.13 percentage points compared with the same period last year and the overall gross profit margin of refining entities was 1.59%, representing a decrease of 1.03 percentage points compared with the same period last year.

3. Analysis on financial data

(1) Selling expenses

The selling expenses of the Group for the first half of 2018 was RMB430.23 million, representing an increase of 10.58% compared with the same period last year (same period last year: RMB389.06 million), which was mainly due to an increase in sales volume of products for the first half of 2018.

(2) Administrative expenses

The administrative expenses of the Group for the first half of 2018 was RMB1.35691 billion, representing a decrease of 2.11% compared with the same period last year (same period last year: RMB1.38615 billion). The amount of administrative expenses was basically the same with that of the same period last year.

(3) Financial expenses

The financial expenses of the Group for the first half of 2018 was RMB660.42 million, representing a decrease of 45.76% compared with the same period last year (same period last year: RMB1.21760 billion). It was mainly attributable to the decrease in exchange losses due to Renminbi exchange rate fluctuation compared with the same period last year.

(4) Impairment losses on assets and credit impairment losses

The Group provided impairment losses on assets and credit impairment losses of RMB318.49 million in the first half of 2018 (same period last year: RMB237.94 million), including (1) net provision of RMB54.81 million for bad debts after offsetting between provision and reversal of bad debts; (2) net provision of RMB16.70 million on inventories after offsetting between provision and reversal for decline in value of inventories; (3) provision of RMB187.08 million for impairment losses on fixed assets; (4) provision of RMB17.51 million for impairment losses on intangible assets; and (5) provision of RMB42.39 million for impairment losses on other non-current assets.

(5) Investment income

The investment income of the Group during the first half of 2018 was RMB127.61 million, representing an increase of

RMB44.80 million compared with the same period last year (same period last year: income of RMB82.81 million). It was mainly due to increase in income from stock investments and hedging for the first half of 2018 compared with the same period last year.

(6) Derivative financial instruments in unsettled positions

As at the end of the reporting period, the changes in fair value of hedging held by the Group amounted to RMB190.27 million (31 December 2017: changes in fair value of -RMB18.73 million).

(7) Donations

During the reporting period, the Group donated a total of RMB99.32 million (same period last year: RMB54.77 million).

(8) Working capital and sources of fund

As at 30 June 2018, the Group's cash and cash equivalents was RMB8.398 billion, representing an increase of RMB1.457 billion or 20.99% compared with the same period last year.

During the reporting period, the net cash inflows from the Group's operating activities was RMB4.981 billion, representing an increase of RMB1.675 billion compared with the same period last year, in which, the cash inflows from operating activities was RMB54.342 billion, representing an increase of RMB14.63 billion compared with the same period last year; cash outflows used in operating activities was RMB49.361 billion, representing an increase of RMB12.955 billion compared with the same period last year. The main reason for the increase in net cash flows from the Group's operating activities was the increase in selling prices of gold, copper, zinc and other metals, which increased the revenue.

During the reporting period, net cash outflows used in the Group's investing activities was RMB908 million, representing a decrease in outflow of RMB2.703 billion compared with the same period last year. The main investing expenditures in the first half of 2018 included: (1) cash payments of RMB1.988 billion for acquisitions and construction of fixed assets, intangible assets and other non-current assets; and (2) net cash outflows of RMB307 million for cash payments for acquisitions and recovery of investments.

During the reporting period, net cash outflows used in the Group's financing activities was RMB1.353 billion, while during the same period last year, the net cash inflows was RMB2.652 billion. The main reason was the completion of profit distribution of the Company for the year ended 31 December 2017 during the first half of 2018.

As at 30 June 2018, the Group's total borrowings amounted to RMB38.732 billion (31 December 2017: RMB37.019 billion), among which, the amount repayable within one year was approximately RMB18.066 billion, the amount repayable within one to two years was approximately RMB1.729 billion, the amount repayable within two to five years was approximately RMB17.945 billion, the amount repayable over five years was approximately RMB992 million. The interest rates for all the aforesaid borrowings ranged from 1.2% to 5.7% per annum.

The Group's daily capital requirements and capital expenditures in maintenance nature can be financed from its internal cash flow. The Group also has about RMB135.1 billion loan credit lines for non-specified purposes provided by banks.

4. Analysis on operating status by industry, product or region

(1) Status of main businesses by industry and product

Unit: RMB'000

Status of main businesses by product						
By product	Operating income	Operating costs	Gross profit margin (%)	Changes in operating income compared with the same period last year (%)	Changes in operating costs compared with the same period last year (%)	Changes in gross profit margin in percentage point compared with the same period last year
Mine-produced gold	4,094,060	2,766,010	32.44	-5.52	-5.64	Increased by 0.087 percentage point
Refinery,	23,792,290	23,701,180	0.38	28.13	28.79	Decreased by 0.51

processed and trading gold						percentage point
Mine-produced silver	268,570	195,790	27.10	-15.30	10.73	Decreased by 17.14 percentage points
Mine-produced copper	4,354,660	2,053,190	52.85	42.44	33.08	Increased by 3.32 percentage points
Refinery copper	9,697,520	9,394,620	3.12	10.78	12.44	Decreased by 1.43 percentage points
Mine-produced zinc	2,444,450	767,490	68.60	28.77	1.58	Increased by 8.40 percentage points
Refinery zinc	2,030,000	1,935,090	4.68	5.44	9.71	Decreased by 3.71 percentage points
Iron concentrates	709,580	193,690	72.70	43.45	2.84	Increased by 10.78 percentage points
Others	13,990,010	13,250,040		57.55	61.22	
Internal elimination	-11,567,250	-11,540,600				
Total	49,813,890	42,716,500	14.25	32.75	33.29	Increased by 5.13 percentage points

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

(2) Status of main businesses by region

Over 87.2% of the Company's operating income was originated from customers in Mainland China, and 40.01% of the operating income was from the Shanghai Gold Exchange. Therefore, it is not necessary to sort customers by region.

(3) Information on major suppliers and customers

During the reporting period, the Group's total procurement amount from the top five suppliers was RMB15.625 billion, representing 36.58% of the Group's total procurement amount. The Group's major suppliers included Shanghai Gold Exchange, Shanghai Zengfu Metal Material Co., Ltd., Louis Dreyfus Commodities Metals Trading Co., Ltd., etc.

During the reporting period, the Group's total sales income from the top five customers amounted to RMB26.535 billion, representing 53.27% of the Group's total sales income. The Group's major customers included Shanghai Gold Exchange, Guangzhou Lianhua Industrial Company Limited, Fujian Shanghang Taiyang Copper Company Limited, Shanghai Huiao Non-ferrous Metal Company Limited, Trafigura Investment Company, etc.

5. Analysis on changes in financial data in the financial statements

Unit: RMB

Item	Balance as at period end/amount for the current period	Balance as at the beginning of the year/amount for the same period last year	Changes (%)
Operating income	49,813,890,835	37,523,631,910	32.75
Operating costs	42,716,501,955	32,048,962,179	33.29
Selling expenses	430,225,695	389,061,277	10.58
Administrative expenses	1,356,911,252	1,386,152,699	-2.11
Financial expenses	660,421,573	1,217,604,896	-45.76
Net cash flows from operating activities	4,980,685,290	3,305,808,789	50.66
Net cash flows used in investing activities	(908,446,760)	(3,611,495,552)	Not applicable
Net cash flows (used in)/from financing activities	(1,352,875,202)	2,651,697,259	Not applicable
Research and development expenditures	135,959,701	133,141,552	2.12
Taxes and surcharges	698,055,183	568,841,706	22.72
Impairment losses on assets	263,678,192	237,944,424	10.82
Credit impairment losses	54,809,952	-	Not applicable

Gains on changes in fair value	50,097,422	570,492,224	-91.22
Investment income	127,612,938	82,809,279	54.10
Share of (losses)/profits of associates and joint ventures	-27,548,270	16,568,302	Not applicable
Gains on disposal of assets	13,450,270	47,979,595	-71.97
Non-operating income	153,114,713	40,171,099	281.16
Non-operating expenses	149,657,445	252,211,568	-40.66
Income tax expenses	712,087,103	388,445,323	83.32
Net profit attributable to non-controlling interests	542,326,758	257,322,055	110.76

(1) Change in operating income: Please refer to the above analysis.

(2) Change in operating costs: Please refer to the above analysis.

(3) Change in selling expenses: Please refer to the above analysis.

(4) Change in administrative expenses: Please refer to the above analysis.

(5) Change in financial expenses: Please refer to the above analysis.

(6) Change in net cash flows from operating activities: Please refer to the above analysis.

(7) Change in net cash flows used in investing activities: Please refer to the above analysis.

(8) Change in net cash flows (used in)/from financing activities: Please refer to the above analysis.

(9) Change in research and development expenditures: Basically unchanged.

(10) Change in taxes and surcharges: Mainly due to increase in resource tax in the first half of 2018.

(11) Change in impairment losses on assets: Mainly due to provision for impairment losses on certain fixed assets and intangible assets in the first half of 2018.

(12) Change in credit impairment losses: It was due to the implementation of the New Financial Instruments Standards and is not comparable.

(13) Change in gains on changes in fair value: From 1 January 2018, the Group implements the New Financial Instruments Standards, which reclassified certain stock investments which were originally classified as “financial assets at fair value through profit or loss” into “financial assets at fair value through other comprehensive income”. The unrealised profit or loss generated therefrom did not have impact on the profit or loss for the current period.

(14) Change in investment income: Mainly due to increase in income from stock investment and hedging in the first half of 2018 compared with the same period last year.

(15) Change in share of (losses)/profits of associates and joint ventures: Mainly due to a decrease in profitability of associates and joint ventures under equity method in the first half of 2018 compared with the same period last year.

(16) Change in gains on disposal of assets: Mainly due to decrease in income from asset disposal and sales in the first half of 2018 compared with the same period last year.

(17) Change in non-operating income: Mainly due to the earthquake insurance indemnity received by BNL, a company under joint operation of the Company in the first half of 2018.

(18) Change in non-operating expenses: Mainly due to decrease in the disposal or write-off of fixed assets in the first half of 2018 compared with the same period last year.

(19) Change in income tax expenses: Mainly due to increase in profitability in the first half of 2018.

(20) Change in net profit attributable to non-controlling interests: Mainly due to increase in profitability of certain non-wholly owned subsidiaries in the first half of 2018.

Gearing ratio

Gearing ratio refers to the proportion of consolidated total liabilities to the consolidated total equity. As at 30 June 2018, the Group's consolidated total liabilities amounted to RMB53,267,786,124 (30 June 2017: RMB58,405,567,060) and the Group's consolidated total equity was RMB37,721,151,774 (30 June 2017: RMB36,470,114,162). As at 30 June 2018, the gearing ratio of the Group was 1.4121 (30 June 2017: 1.6015).

Non-recurring profit or loss items and their amounts

Unit: RMB

Non-recurring profit or loss items	Amount	Note (if applicable)
Losses on disposal of non-current assets	-4,882,202	
Government grants recognised in the profit or loss for the current period, except for government grants which are closely related to the Company's normal business operations, and in line with the country's policies, calculated according to certain standards or continuously granted in fixed amount	83,349,029	
Capital utilisation fee received from non-financial enterprises recognised in profit or loss for the current	136,033,376	

period		
Gains/(Losses) on changes in fair value from held for trading financial assets and financial liabilities, and investment gains/(losses) on disposal of held for trading financial assets and financial liabilities and available-for-sale investments except for the effective portion of hedge closely related to the Company's normal operations	-74,921,811	
Non-operating income and expenses other than the aforesaid items	22,289,740	Including donation expenses of the Company amounted to RMB99,323,300
Impact on the non-controlling interests	15,332,191	
Impact on income tax	-27,246,279	
Total	149,954,044	

Description of the progress of operation plan

Operating environment

According to the Global Economic Prospects published by the World Bank in June 2018, the growth pace of global economy is anticipated to moderate amid slowing growth of developed economies and weakening economic recovery of emerging markets and developing economies which are the major bulk commodity exporters. Coupled with rising support for trade protectionism and policy uncertainties, the prospects of world economy is subject to a risk of decline.

In the second half of 2018, the Chinese economy will also come under pressure against the emergence of more unfavourable external factors, as well as escalating China-US trade tensions. However, prospect of the macro-economy is likely to remain stable.

Under the plan of the Federal Reserves of the United States to gradually lift the interest rate, the US dollar will mostly likely remain at a high level and accordingly, cause ongoing pressure to gold price in the second half of the year.

The rising friction in China-US trades may intensify risk aversion in the market, which implies ongoing volatilities in base metals' prices in the second half of the year. However, absence of clear changes in the fundamentals of copper will limit the room of downward movement for copper price. As for zinc, the medium to slightly tight supply of the metal will provide support if the price moves down.

Management measures for the second half of 2018

In the second half of 2018, the Company will remain focused on “clinging to reforms, stabilising growth and boosting development” as the main target of work, deepen reforms and move ahead innovative initiatives, as well as accelerating implementation of its strategy of internationalisation, in order to meet the various targets and goals for production and operation in 2018. The key measures to be taken are as follows:

1. Win the battle for deepening reforms and striving for achievements, modernise information technology system to cater for corporate needs

The Company shall win the battle for deepening reforms and striving for achievements, extensively establish a lean, regulated and highly efficient management system, streamline work processes and adopt a result-oriented approach, clearly define obligations, authorities and rights, and strengthen the independence and effectiveness of supervision. Continued efforts will be placed on building applicable, high-functioning and sustainable information technology systems, enhancing design of information system at the top level, improving the standardisation of primary data, developing expertise in information technology and artificial intelligence system, as well as boosting the capacity for independent development of the Company's own information technology system.

2. Focus on stabilising growth to accomplish full-year targets for production and operation

The Company will strive to capture right opportunities and implement the goal of maximising production capacity and sales to fully achieve various targets for production and operation in the year. The Company will also enhance judgment on market trends, formulate working plans according to the life cycles of mines, rigorously enforce economic accountability assessment, stringently manage technical indicators, and optimise mining and corporate assets.

Domestic mining entities: improve the technical indicators of production and refine the precision of management. The development progress of projects with strong potentials, including Shanxi Zijin, Wulatehouqi Zijin, Luoyang Kunyu, Luoning Huatai and the Nanwenhe tungsten mine will be carefully monitored; projects aiming at expanding production volume and releasing production capacity, such as phase 2 expansion of Duobaoshan, phase 3 technological upgrade of

Zijin Zinc Industry and phase 2 technological upgrade of Longnan Zijin will be proceeded in full swing; the upsizing projects of Guizhou Zijin, Shanxi Zijin and Luoyang Kunyu shall also be moved forward to maintain momentum of growth for the business segment in the future.

Overseas mining entities: the targets are to improve the production, operation and management, raise the level of internationalised operation, and regulate corporate governance of subsidiaries. The schedules of production for the full service period of Russia Longxing, Altynken, ZGC and Musonoie will be strengthened to raise the performance of key indicators; construction and development of important projects, such as the Kamoa-Kakula copper mine in the DR Congo, will be expedited; moreover, integration of various functions of the overseas business segment, including external affairs and public relations, financial management, talent development as well as supply and sales of materials, will be enhanced.

Refining and processing entities: performance and risk management will be enhanced, more efficient integration of the segment's technical resources will also be explored. Projects such as phase 2 technological upgrade of Zijin Copper, relocation and expansion of Zijin Processing Chemicals Company, etc., will be moved forward to enhance the sustainability of the segment and promote transformation and upgrade. Asset quality will be enhanced by the optimisation of asset structure.

Other types of entities: the synergy between enterprises specialising in finance, construction, trade and logistics, as well as their roles of serving other business segments will be emphasised. Differential performance assessment based on market standards will be implemented. Moreover, the disposal of non-core and small-sized projects will be accelerated.

3. Realise material breakthroughs in merger and acquisition, enrich the Company's resources and raise its profit
The Company will remain committed to the "going-out" development strategy. By focusing on the edge of itself, the Company will direct its efforts primarily on achieving breakthroughs in the merger and acquisition of projects or enterprises which possess comparatively large resources reserves, as well as existing production capacity and profits, in order to rapidly expand the Company's major types of metal resources and profits.

4. Elevate production safety, occupational health and ecological development to a new stage

The safety accountability policy will be comprehensively amended, enhanced and implemented. The business department will fully serve its management role and function to substantially reduce lost-time injury rate by benchmarking against the performance of top-tier Western mining companies. In addition, the building of green mines and eco-development will be vigorously promoted, with an aim of establishing reputation and soft power of the Company for its commitment to eco-development. As for overseas enterprises, compliance with either the local or Chinese standards is emphasised to ensure mining development is carried out in an environmentally-friendly manner. On the other hand, management of occupational health and safety, as well as source control and technological upgrade will be strengthened in order to curb the development of occupational disease at root.

5. Enhance innovation, science and technology work to raise the quality of development

The Company will strive to overcome technical challenges and constraints to innovation for its key projects, connect scientific and technological development with the actual needs of production and operation, and enhance the value of product of labour and technical service based on market standards and practices. To improve the overall quality of mining business, the Company will emphasise on innovation, research and development of mining techniques, as well as introduction of advanced mining equipment. Moreover, investment in exploration will be continued to enhance supplementary surveying at the deep borders of mining zones. Special appraisal will be conducted on the subsidiaries operating key exploration projects to drive new breakthroughs in resource expansion and prospecting.

6. Speed up formulation of talent development schemes and promote balanced development of the corporation, employees and the society

The Company aims to expedite the development and introduction of global, interdisciplinary talents, retain a pool of outstanding young talents and candidates for senior management roles, and enhance the development of senior technicians with advanced industrial expertise. The Company will particularly focus on the introduction and recruitment of top-tier mining personnel and talents specialising in informational technology.

Analysis of assets and liabilities

Status of assets and liabilities

Unit: RMB

Item	Amount at the end of the reporting period	Proportion to total assets at the	Amount at the end of 2017	Proportion to total assets at the end of	Percentage change in the amount at the
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		end of the reporting period (%)		2017(%)	end of the reporting period compared with the amount at the end of 2017 (%)
Cash and cash equivalents	8,726,193,451	9.59	5,936,066,673	6.65	47.00
Financial assets at fair value through profit or loss (Note 2)	-	-	2,553,927,721	2.86	Not applicable
Held-for-trading financial assets (Note 2)	1,403,731,466	1.54	-	-	Not applicable
Prepayments	2,010,519,805	2.21	1,344,141,153	1.50	49.58
Current portion of non-current assets	49,997,508	0.05	257,775,683	0.29	-80.60
Other current asset	1,641,186,796	1.80	3,528,021,403	3.95	-53.48
Financial liabilities at fair value through profit or loss (Note 2)	-	-	2,314,244,937	2.59	
Held-for-trading financial liabilities (Note 2)	1,313,414,278	1.44	-	-	
Employee benefits payable	449,345,964	0.49	661,764,830	0.74	-32.10
Other comprehensive income	(1,095,861,526)	-	(602,893,526)	-	Not applicable

Explanation of the reasons for changes:

- (1) Cash and cash equivalents: Mainly attributable to the Group's better management of trade receivables and redemption of wealth management products at maturity.
- (2) The Company implemented the New Financial Instruments Standards and reclassified certain financial assets. The amounts of "Financial assets at fair value through profit or loss", "Held-for-trading financial assets", "Financial liabilities at fair value through profit or loss" and "Held-for-trading financial liabilities" are not comparable to the amounts at the end of 2017.
- (3) Prepayments: Mainly attributable to the increase in the prepayments for procurement costs of materials in the first half of 2018.
- (4) Current portion of non-current assets: Mainly due to reclassification of certain extended receivables into long-term receivables.
- (5) Other current assets: Mainly due to an increase in wealth management bank products with principal and yields guarantee.
- (6) Employee benefits payable: Mainly attributable to the payment of year-end bonus accrued last year in the first half of 2018.
- (7) Other comprehensive income: Mainly attributable to the unrealised losses of certain stock investments of the Group which were reclassified as "financial assets at fair value through other comprehensive income".

Changes in the aforesaid items after reclassification according to the New Financial Instruments Standards with the beginning of the reporting period are as follows:

Item	Amount at the end of the reporting period	Proportion of amount at the end of the reporting period to total assets (%)	Amount at the beginning of the reporting period	Proportion of amount at the end of the previous period to total assets (%)	Percentage change in the amount at the end of the reporting period compared with the amount at the end of the previous period (%)
Held-for-trading financial assets	1,403,731,466	1.54	3,364,340,085	3.76	-58.28
Other current assets	1,641,186,796	1.80	1,206,566,736	1.35	36.02
Held-for-trading financial liabilities	1,313,414,278	1.44	2,314,244,937	2.58	-43.25
Other comprehensive income	(1,095,861,526)	-	(415,936,953)	-	Not applicable

Explanation of the reasons for changes:

- (1) Held-for-trading financial assets: Mainly attributable to the redemption of wealth management products at maturity.
- (2) Other current assets: Mainly due to an increase in wealth management bank products with principal and yields guarantee.
- (3) Held-for-trading financial liabilities: Mainly due to a decrease in gold leasing futures denominated in Renminbi with unfixed price.
- (4) Other comprehensive income: Mainly attributable to the unrealised losses of certain stock investments of the Group which were reclassified as “financial assets at fair value through other comprehensive income”.

Analysis on investment status

Overall analysis on external equity investment

During the reporting period, the Company continued to carry out the development strategy of “internationalisation, project upsizing, asset securitisation”, with main focus on quality gold and copper resources, and continued to pay attention to and keep track of a batch of important mining projects. The Company focused on merger and acquisition of enterprises or projects which have comparatively large resources reserve volume, existing production and profit, either by acquiring controlling interests or strategic investment. The Company strives to achieve a rapid growth, especially growth in the resources volume and production volume of gold.

(1) Key equity investments

On 23 June 2018, the Execution and Investment Committee of the Board of the Company considered and approved the Resolution in relation to Participation in Ivanhoe’s Additional Issuance of Shares. The Company was approved to exercise the anti-dilution right stipulated in the Anti-dilution Agreement entered into between the Company and Ivanhoe on 23 March 2015 to subscribe for 21,227,538 ordinary shares of Ivanhoe with a consideration of CAD3.68 per share. The total amount of subscription was CAD78.12 million (approximately equivalent to RMB409.54 million). After the completion of the subscription, the Company’s proportion of shareholding in Ivanhoe maintained at 9.74%. The Company already reported the above matter to the Development and Reform Commission and Department of Commerce of Fujian Province.

(2) Key non-equity investments

Project name	Amount (RMB million)	Progress	Investment during the reporting period (RMB million)	Actual accumulated investment (RMB million)	Project return status
Longnan Zijin (Gansu Yate) Li County gold mine project	1,400	Feasibility study reports for phase 2 development and biological pre-oxidation were completed.	2	656	Planned to produce about 6 tonnes of mine-produced gold a year after completion of the two phases of the project and upon reaching the designated production capacity.
Phase 2 construction of Duobaoshan copper mine	2,477	Construction was in progress.	206	995	Upon completion of phase 2 construction and phase 1 technological innovation, the annual production capacity is expected to increase to 80,000 tonnes of copper.

(3) Financial assets measured at fair value

Stock code	Abbreviation of stock	Initial investment cost (RMB)	Number of shares held (share)	Book value at the end of the reporting period (RMB)	Changes in owners' equity during the reporting period (RMB)
IVN	Ivanhoe Mines	539,398,844	77,117,020	1,039,976,355	(645,351,829)
AKG	Asanko Gold	88,070,557	15,300,000	108,514,866	20,444,309
PVG	Pretium Resources	82,573,019	2,696,131	130,219,771	(65,986,587)

Analysis of major entities

Unit: RMB million

Gold segment							
Company name	Mine	Interest held by the Group	Production volume of mine-produced gold (kg)	Total assets	Net assets	Operating income	Net profit
Barrick (Niugini) Limited (Note 1)	Porgera gold mine	50%	2,530	3,174.74	1,146.78	664.26	61.94
Norton Gold Fields Limited	Paddington	100%	1,889	2,022.73	888.37	513.98	-46.11
Altynken Limited Liability Company	Zuoan gold mine	60%	1,726	2,257.17	53.89	480.43	121.99
JV Zeravshan LLC	Jilau, Taror gold mines	70%	1,945	2,560.83	-130.74	441.20	47.86
Hunchun Zijin Mining Company Limited	Shuguang gold mine	100%	1,538	1,649.93	1,279.04	638.54	266.05
Zijin Mining Group Company Limited* (Note 2)	Zijinshan gold mine	100%	1,618	-	-	-	-
Copper segment							
Company name	Mine	Interest held by the Group	Production volume of mine-produced copper (tonne)	Total assets	Net assets	Operating income	Net profit
Zijin Mining Group Company Limited* (Note 2)	Zijinshan copper mine	100%	38,472	-	-	-	-
Xinjiang Ashele Copper Company Limited	Ashele copper mine	51%	22,203	3,141.58	1,992.18	971.20	430.59
Heilongjiang Duobaoshan Copper Company Limited	Duobaoshan copper mine	100%	18,846	4,396.54	2,620.85	792.81	214.88
La Compagnie Minière de Musonoie Global SAS	Kolwezi copper mine	72%	22,410	2,164.27	421.89	806.81	241.26
Hunchun Zijin Mining Company Limited	Shuguang copper mine	100%	7,594	1,649.93	1,279.04	638.54	266.05
Zinc segment							
Company name	Mine	Interest held by the Group	Production volume of mine-produced zinc (tonne)	Total assets	Net assets	Operating income	Net profit
Russia Longxing Company Limited	Kyzyl-Tash Turk zinc and polymetallic mine	70%	55,577	3,505.54	1,085.87	1,101.06	631.13
Wulatehouqi Zijin Mining Company Limited	Miaogou-Sanguikou lead and zinc mine	95%	39,962	2,183.13	1,428.89	774.65	278.26
Xinjiang Zijin Zinc Industry Company Limited	Wulagen lead and zinc mine	100%	46,994	1,338.29	1,039.05	854.03	462.77
Refining segment							
Company name	Major product	Interest held by	Production	Total assets	Net assets	Operating income	Net profit

		the Group					
Zijin Copper Company Limited	Refinery copper	100%	159,500 tonnes of copper cathode, 6.99 tonnes of gold, 150.57 tonnes of silver and 473,400 tonnes of vitriol	9,592.64	2,736.93	9,847.62	196.49
Bayannaoer Zijin Non-ferrous Metals Company Limited	Zinc bullion	87.2%	95,300 tonnes of zinc bullion, 781.05 tonnes of copper and 166,600 tonnes of vitriol	2,799.88	1,065.75	2,104.86	114.37
Other segments							
Company name	Major product	Interest held by the Group	Production volume (million tonne)	Total assets	Net assets	Operating income	Net profit
Xinjiang Jinbao Mining Company Limited	Iron concentrates	56%	1.27	1,244.28	924.53	710.48	322.73
Fujian Makeng Mining Company Limited (Note 3)	Iron concentrates	41.5%	0.2913	4,443.06	1,358.87	324.46	22.84

Note:

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

Possible risks

1. Metals price risks. Metal products such as gold, copper and zinc are the major sources of the Company's revenue and earnings. Price fluctuations of the aforesaid products will create substantial impacts on the Company's operating results. To ensure a stable operation, the Company will fully leverage on its technological and managerial strength to raise efficiency and control costs strictly.

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

3. Safety and environmental protection risks. Mining companies have relatively higher safety and environmental protection risks. The Company always adheres to the principle of "safety first, emphasis on precautions and comprehensive management" to strengthen the implementation of production safety responsibilities and continuously improve the safety standardisation operating system for ensuring the continuity and stability of production safety of the Company. The Company attaches great importance to and continues to improve environmental protection, earnestly puts environmental protection and ecological restoration into practice, emphatically promotes eco-development, and remains highly committed to move forward the eco-development trend.

4. State and community risks. Some of the Company's overseas projects are located in countries with political instability, inadequate legal policies, or discordant local communities. These factors lead to a certain level of state and community risks. The Company will proactively study laws and policies of the countries where the projects are situated, proactively seek communication through diplomatic means at the state level and with local government and communities, and promote the co-development concept of "negotiation, cooperation, sharing and win-win". The Company also purchases insurance for its overseas projects to lower the investment risks.

Significant matters

Details of shareholders' general meeting

Session of meeting	Convening date	Index of the designated website publishing the resolutions	Date of publishing the resolutions
2017 annual general meeting	17 May 2018	www.hkexnews.hk	17 May 2018

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

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

Performance of undertakings

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

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

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

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

Summary of the event	Index for details
The registration of the A Shares subscribed by phase 1 of employee stock ownership scheme of Zijin Mining Group Co., Ltd.* under the non-public issuance of A Shares was completed at China Securities Depository and Clearing Corporation Limited (Shanghai Branch) on 7 June 2017.	For details, please refer to the Resolutions of the First Holders' Meeting of Phase 1 Employee Stock Ownership Scheme of Zijin Mining Group Co., Ltd.* and Announcement in relation to the Issuance Results of Non-public Issuance of A Shares and Changes in

129,163,987 A Shares were subscribed for, the subscription amount was RMB401.7 million, the subscription price was RMB3.11 per share and the lock-up period was 36 months.	Share Capital of Zijin Mining Group Co., Ltd.* disclosed on HKEXnews website (http://www.hkexnews.hk) dated 8 June 2017.
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Material connected transactions

Connected transactions related to daily business operation

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

Summary of the event	Index for details
The Company's subsidiary, Xinjiang Ashele Copper Co., Ltd. ("Xinjiang Ashele"), entered into a copper concentrates supply contract with Xinjiang Wuxin Copper Co., Ltd., which is a subsidiary of Xinjiang Ashele's substantial shareholder, Xinjiang Non-ferrous Metals Industry (Group) Company Limited, on 23 January 2018. One of Xinjiang Ashele's ordinary businesses is selling copper concentrates and the contract was entered into under normal commercial terms, which reflects the principles of fairness and reasonableness. During the reporting period, the total amount of the transaction was RMB402 million.	For details, please refer to the Company's announcement disclosed on HKEXnews website (http://www.hkexnews.hk) dated 23 January 2018.

Poverty Alleviation Work of the Company

1. Targeted poverty alleviation plan

Fundamental strategy

2018 marks the beginning of implementing the spirit of the 19th National Congress of the Communist Party of China. The Company profoundly studies and comprehensively practices the General Secretary, Mr. Xi Jinping's important strategic thoughts on poverty alleviation and development, and "Opinion on Serving the National Poverty Alleviation Strategy by Making Use of the Capital Market" issued by the CSRC. Poverty alleviation work is required to be conducted precisely, focusing on practice and ensuring sustainability. Insisting on combining measures of providing assistance and fostering self-reliance, the Company fully utilises the subsidiary mining entities' in-depth knowledge of local remote mountainous areas. Thus, targeted poverty alleviation work is conducted in the local communities around mining sites. In addition, the Company solidly implements the poverty alleviation responsibility, policies and duties within the enterprise.

General objectives

The Company will abide by the poverty reduction policy stated in The Thirteenth Five-year Plan issued by the State Council. The work will concentrate on the identified impoverished population with the mission of targeted poverty alleviation and elimination. An internal long-term mechanism is established to support the country in its endeavor to eliminate poverty in all respects by 2020.

Key work

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

Safeguarding measures

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

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

In the first half of 2018, the Company thoroughly implemented the state's strategy of poverty alleviation and carried out poverty alleviation work according to the annual plan. The Company gave full play to the location advantages of mining subsidiaries in remote mountain areas by deploying personnel, material and capital to assist the poor villages around mining sites, and worked together with local governments' poverty alleviation institutions, Zijin Mining Charity Foundation and other charity organisations. The Company carried out 71 key projects, providing assistance in Fujian Province Minxi Old Revolutionary Base Area, Aletai Region of Xinjiang Autonomous Region, Hebei Province, Henan Province, Inner Mongolia Autonomous Region, Shanxi Province, Yunnan Province, etc., by way of infrastructure construction, industrial development, environmental protection, and improving educational facilities. Total investment on poverty alleviation exceeded RMB62 million. The poverty alleviation work effectively improved the infrastructure, production, life and education in the poor villages around the mining sites and enhanced the living standards of impoverished population.

3. Results of targeted poverty alleviation

Unit: RMB'000

Indicator	Amount and progress
I. General	
Including: 1. Subsidised amount	62,573.1
2. Monetary amount of materials provided	23.9
II. Subsidy by category	
1. Industrial development for poverty alleviation	
Including: 1.1 Industrial development projects for poverty alleviation by category	<input checked="" type="checkbox"/> Agriculture and forestry <input type="checkbox"/> Tourism <input type="checkbox"/> E-commerce <input type="checkbox"/> Asset return <input type="checkbox"/> Technology <input type="checkbox"/> Others
1.2 Number of industrial development project for poverty alleviation	1
1.3 Amount of subsidy for industrial development projects	3,000
2. Education for poverty alleviation	
Including: 2.1 Investment into improving educational resources in impoverished areas	560
3. Poverty alleviation by improving healthcare	
Including: 3.1 Amount of subsidy for medical and healthcare services	10,000
4. Poverty alleviation by ecological protection	
Including: 4.1 Name of project	<input checked="" type="checkbox"/> Carry out ecological conservation and maintenance <input type="checkbox"/> Establish compensation methods for ecological conservation <input type="checkbox"/> Set up specialised position for handling ecological and public charity related affairs <input type="checkbox"/> Others
4.2 Amount of subsidy	500
5. Other projects	
Including: 5.1 Number of project	56
5.2 Amount of subsidy	58,513.1
5.3 Details of other projects	Poverty alleviation by assisting the poor areas in

developing livelihood project and improving infrastructure by way of donations.

4. Progress of fulfilling social responsibilities by way of poverty alleviation

From January to June 2018, the Company conducted its annual poverty alleviation plan in the impoverished rural areas in Aletai of Xinjiang Autonomous Region, Hunchun of Jilin Province, Luoning County of Henan Province and Wulatehouqi of Inner Mongolia to tackle issues including road construction, drinking water, living environment and the hardship of left-behind elderly. In particular, a series of projects were carried out to improve livelihood infrastructure and grant allowance to the elderly. The measures effectively improved the living conditions of the assisted areas.

5. Plan for future targeted poverty alleviation work

In the second half of 2018, the Company plans to continuously promote targeted poverty alleviation assistance following the plan. On the basis of enhancing livelihood infrastructure, the Company will dig into education field for poverty alleviation by subsidising impoverished students' tuition fee, improving educational facilities and so on in impoverished areas. Meanwhile, through increasing publicity, all sectors will be guided to engage in poverty alleviation. The measures guarantee the results of poverty alleviation. The Company supports its subsidiaries to win the battle of poverty alleviation in the areas where their operations locate. By fulfilling its social responsibilities, the Company contributes to the building of moderately prosperous society and the comprehensive development of the economy and society.

Principal safeguarding measures

(1) Strengthen organisation and leadership. A team comprising the responsible personnel of the social responsibility department, Zijin Mining Charity Foundation, and Party branches of the locality at which the Company's operations are located, is tasked with the on-site implementation of poverty alleviation work. The team is also responsible for coordinating various departments for carrying out the poverty alleviation projects.

(2) Strengthen project implementation and management to ensure the actual needs of the assisted groups are met.

In the course of carrying out the projects, the Company ensures the groups with genuine need of assistance can be accurately identified, actively carries out study and investigations, and pays visits to the impoverished households, to obtain a better understanding of their actual needs. Key focus of the Company's work is to improve the infrastructure of the impoverished areas. The bottlenecks constraining the development of such areas, namely a lack of road, and deficient supply of water, electricity and accommodation, are identified as the crucial areas of poverty alleviation. Efforts are made to improve the infrastructure of the poverty-plagued communities to achieve the goal of targeted poverty alleviation. Adhering to the principles of openness, equality and fairness, the Company also strengthens the direct management and supervision of projects, enhances on-site inspection, strictly forbids malpractices, and implements effective supervision and evaluation of projects.

(3) Strictly regulate allocation and payment of funds. The allocation and payment of funds for assistance projects shall strictly comply with the provisions in project cooperation agreements or project proposals, and follow approval authority and process. Relevant application procedures will only be proceeded when no improprieties are identified.

(4) Joint forces for poverty alleviation. The Company engages in poverty alleviation projects by way of cooperation between its subsidiaries, local governments of the impoverished areas, and local social organisations. The Company's charity foundation plays an important role in connecting enterprises' and volunteers' assistance with the impoverished households.

(5) Improve archive management. The collection, updating, improvement, archiving and statistical analysis of fundamental data and basic information obtained in the implementation process of the projects, as well as retention of the data collected from evaluation and supervision of poverty alleviation work, shall be carried out properly.

(6) Strengthen learning and improve effectiveness. The Company takes the initiatives to consult with the Ministry of Civil Affairs, the State Poverty Alleviation Office and other relevant authorities, and actively learn from advanced poverty alleviation institutions and groups, in order to optimise its poverty alleviation measures and achieve practical work results.

Environmental information

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

During the reporting period, the Company strictly complied with the national laws, regulations, standards and other requirements on environmental protection, persisted in the basic national policy of resource conservation and

environmental protection, as well as firmly upholding the environmental protection idea of “green mountains and clear waters are our invaluable assets” to reduce pollutant discharge and develop ecological civilisation proactively.

In 2018, 18 entities of the Company were identified as the key pollutant discharging units by environmental protection authorities, namely the Zijinshan gold and copper mine, Zijin Copper Company Limited, Wuping Zijin Mining Company Limited, Zijin Mining Group Gold Refinery Co., Ltd., Guizhou Zijin Mining Company Limited, Luoyang Kunyu Mining Company Limited, Luoning Huatai Mining Development Company Limited, Luoning Zijin Gold Refinery Co., Ltd., Yuanyang County Huaxi Gold Company Limited, Wenshan Malipo Zijin Tungsten Group Company Limited, Bayannaoer Zijin Non-ferrous Metals Company Limited, Wulatehouqi Zijin Mining Company Limited, Inner Mongolia Jinzhong Mining Company Limited, Shanxi Zijin Mining Company Limited, Hebei Chongli Zijin Mining Company Limited, Jilin Zijin Copper Company Limited, the Shuguang gold and copper mine of Hunchun Zijin Mining Company Limited and Qinghai West Copper Company Limited.

1. Information of pollutant discharge

During the first half of 2018, all key pollutant discharging units of the Company strictly complied with the national and regional pollutant discharging standards and requirements. The wastewater, air pollutants and noise at plant boundary produced received standardised management, and their emission was stable and in compliance with regulatory standards. Details are as follows:

No.	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Total discharge in the last six months (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for discharge of pollutants
1	Zijinshan gold and copper mine	Wastewater	pH	6.5-8.5	-	-	Organsied discharge after meeting regulatory standards	6	Xinwuxia, Yutiankeng, Huyangkeng, Yakeng, Ermiaogou, Sanqingting	No	The standards in Schedule 2 of the Emission standard of pollutants for copper, nickel, cobalt industry (GB25467-2010)
			COD	3-40mg/L	53.861345	203					
			Total arsenic	0.0004-0.005mg/L	0.003188	0.057					
			Total lead	<0.01mg/L	0.00549	0.38933					
			Total cadmium	<0.05mg/L	0.001912	0.04216					
			Total zinc	<0.05mg/L	0.032992	3.66					
			Total copper	0.001-0.3mg/L	0.043245	2.365					
			Total cyanide	<0.004mg/L	0.003906	0.108					
		Air pollutant	Nitrogen oxides	38-77mg/m³	1.51806	5.54	Organsied discharge after meeting regulatory standards	1	Boiler for hydrometallurgical plants of copper mine	No	Emission standard of air pollutants for boiler (GB13271-2014)
			Dust	2.34-12.8mg/m³	0.03474	11.5					
			Particulates	1.7-8.3mg/m³	6.769	-	Organsied discharge after meeting regulatory standards	11	The discharge outlets of dust removers installed at the crushing and screening systems of processing plant	No	The standards in Schedule 5 of the Emission standard of pollutants for copper, nickel, cobalt industry (GB25467-2010)
		Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								
2	Wuping Zijin Mining Company Limited	Wastewater	pH	7.2-7.9			Organsied discharge after meeting regulatory standards	1	Downstream of tailings pool	No	Class 1 standards in Schedules 1 and 4 of the Integrated wastewater discharge standard (GB8978-1996)
			COD	<10mg/L	1.376	6.9					
			Total arsenic	<0.008mg/L	0.00074	-					
			Total lead	0.008-0.032mg/L	0.002468	0.042					
			Total cadmium	<0.004mg/L	0.000364	-					

No.	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Total discharge in the last six months (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for discharge of pollutants
			Total zinc	0.04-0.2mg/L	0.024239	0.115					
			Total copper	0.014-0.073mg/L	0.006612	0.05					
			Total silver	<0.063mg/L	0.004894	-					
		Air pollutant	Particulates	2.4-27.25mg/m³	5.602	8	Organsied discharge after meeting regulatory standards	4	Crushing and screening sections of processing plant	No	The standards in Schedule 2 of the Integrated emission standard of air pollutants (GB16297-1996)
		Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								
3	Hunchun Zijin Mining Company Limited	Wastewater		-	-	-	Reused and not discharged	0	N/A	No	-
		Air pollutant	Sulfur dioxide	164.5mg/m³	7.92	36	Organsied discharge after meeting regulatory standards	2	Chimneys of boilers	No	Emission standard of air pollutants for boiler (GB13271-2014)
			Nitrogen oxides	90mg/m³	4.33	28				No	
			Dust	38.5mg/m³	1.85	68				No	
			Particulates	17-65mg/m³	31.32	-		10	Dust removers of raw crushing, medium to fine crushing and oscillating screens	No	Emission standard of pollutants for copper, nickel, cobalt industry (GB25467-2010)
		Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								
4	Inner Mongolia Jinzhong Mining Company Limited	Wastewater		-	-	-	Reused and not discharged	0	N/A	No	-
		Air pollutant	Sulfur dioxide	136-238mg/m³	3.31	41	Organsied discharge after meeting regulatory standards	1	The 40m high-chimney positioned downwind from the plant	No	Emission standard of air pollutants for boiler (GB13271-2014)
			Nitrogen oxides	66.4-166.9mg/m³	7.04	26.2				No	
			Dust	4.3-9.8mg/m³	9.48	-				No	
		Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								
5	Wulatehouqi	Wastewater	pH	6-8			Organsied	1	Water discharge	No	The standards in Schedule

No.	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Total discharge in the last six months (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for discharge of pollutants
	Zijin Mining Company Limited		COD	57mg/L	13.226987	-	discharge after meeting regulatory standards		outlet of mining shaft		2 of the Emission standard of pollutants for lead and zinc industry (GB25466-2010)
			Total lead	0.15-0.32mg/L	0.074257	-					
			Total cadmium	0.043-0.048mg/L	0.011139	-					
			Total mercury	0.00025-0.000278mg/L	0.000058	-					
			Total nickel	0.06-0.19mg/L	0.044090	-					
			Suspended matter	45-47mg/L	10.906463	-					
			Fluoride	2.76mg/L	0.640465	-					
		Air pollutant	Sulfur dioxide	133mg/m³	2.642235	-	Organsied discharge after meeting regulatory standards	1	Chimney of boiler	No	Emission standard of air pollutants for boiler (GB13271-2014)
			Nitrogen oxides	103mg/m³	2.105842	-					
			Dust	36.2mg/m³	0.719165	-		7	The discharge outlets of dust removers installed at the crushing and screening systems	No	The standards in Schedule 2 of the Emission standard of pollutants for lead and zinc industry (GB25466-2010)
			Particulates	25.5-70.5mg/m³	11.271348	-					
		Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								
6	Chongli Zijin Mining Company Limited	Wastewater	pH	7.67	-	-	Organsied discharge after meeting regulatory standards	1	Standardised discharge outlet	No	Class 1 standards in Schedules 1 and 4 of the Integrated wastewater discharge standard (GB8978-1996)
			COD	7mg/L	2.493	-					
			Ammonia nitrogen	0.31mg/L	0.034	-					
			Suspended matter	16mg/L	1.728	-					
		Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								
7	Shanxi Zijin Mining	Wastewater		-	-	-	Reused and not discharged	0	N/A	No	-

No.	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Total discharge in the last six months (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for discharge of pollutants
	Company Limited	Air pollutant	Sulfur dioxide	94.1-124.3mg/m³	1.295	13.62	Organsied discharge after meeting regulatory standards	2	30m chimney of boilers, 25m chimneys of boilers	No	Emission standard of air pollutants for boiler (GB13271-2014)
			Nitrogen oxides	171.3-212.1mg/m³	2.25	41.05					
			Dust	34.1-49.1mg/m³	0.47	5.6		1	The discharge outlet of dust removers installed at the crushing systems	No	Class 2 standards in Schedule 2 of the Integrated emission standard of air pollutants (GB16297-1996)
			Particulates	17-54mg/m³	3.59	7.28					
		Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								
8	Luoning Huatai Mining Development Company Limited	Wastewater		-	-	-	Reused and not discharged	0	N/A	No	-
		Air pollutant	Particulates	27.5-29.8mg/m³	2.246	-	Organsied discharge after meeting regulatory standards	5	The discharge outlets of dust removers installed at the crushing section	No	Class 2 standards in Schedule 2 of the Integrated emission standard of air pollutants (GB16297-1996)
		Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								
9	Luoyang Kunyu Mining Company Limited	Wastewater		-	-	-	Reused and not discharged	0	N/A	No	-
		Air pollutant	Particulates	20.1mg/m³	5.4	-	Organsied discharge after meeting regulatory standards	4	The dust removers installed at the crushing and screening sections of production lines	No	Class 2 standards in Schedule 2 of the Integrated emission standard of air pollutants (GB16297-1996)
		Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								
10	Qinghai West Copper Company Limited	Wastewater		-	-	-	Reused and not discharged	0	N/A	No	-
		Air pollutant	Sulfur dioxide	168mg/m³	16.32	84.1	Organsied discharge after meeting regulatory	2	Dust removers of boilers	No	The standards in Schedule 1 of the Emission standard of air pollutants for boiler (GB13271-2014)
			Nitrogen oxides	110mg/m³	7.82	21.8					

No.	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Total discharge in the last six months (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for discharge of pollutants
			Dust	44.9mg/m³	4.41	38.6	standards				Emission standard of pollutants for copper, nickel, cobalt industry (GB25467-2010)
			Particulates	32.2-37mg/m³	3.26	26.5		3	Dust removers of raw crushing, medium to fine crushing and screening sections of production lines		
		Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								
11	Guizhou Zijin Mining Company Limited	Wastewater	pH	7.25	-	-	Organsied discharge after meeting regulatory standards	1	Discharge outlet for wastewater	No	Class 1 standards in Schedules 1 and 4 of the Integrated wastewater discharge standard (GB8978-1996)
			COD	5-6.15mg/L	1.9619675	53					
			Ammonia nitrogen	0.2-2.97mg/L	0.5517737	23.8					
			Total arsenic	0.004-0.006mg/L	0.001757224	0.09125					
			Total lead	0.02mg/L	0.04007362	1.825					
			Suspended matter	4-5mg/L	1.583474	127.75					
		Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								
12	Wenshan Malipo Zijin Tungsten Group Company Limited	Wastewater	pH	8.075			Organsied discharge after meeting regulatory standards	1	Master discharge outlet of tailings pool	No	Class 1 standards in Schedules 1 and 4 of the Integrated wastewater discharge standard (GB8978-1996)
			COD	22.58mg/L	5.98841	14.355					
			Ammonia nitrogen	0.565mg/L	0.17709	-					
			Total arsenic	0.09255mg/L	0.0222892	0.0335					
			Total lead	0.0513mg/L	0.01239	0.0144					
			Total cadmium	0.0034mg/L	0.000726	0.0009					
			Total zinc	0.0319mg/L	0.010038	-					
			Total copper	0.00525mg/L	0.0011987	0.0048					
			Suspended matter	32.145mg/L	7.70346	-					

No.	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Total discharge in the last six months (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for discharge of pollutants
13	Yuanyang County Huaxi Gold Company Limited	Wastewater	-	-	-	-	Reused and not discharged	0	N/A	No	-
		Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								
14	Zijin Copper Company Limited	Wastewater from copper refining		-	-	-	Reused and not discharged	0	N/A	No	-
		Air pollutant from copper refining	Sulfur dioxide	11-250mg/m ³	117.966	606.18	Organsied discharge after meeting regulatory standards	10	Within the plant	No	Emission standard of pollutants for copper, nickel, cobalt industry (GB25467-2010)
			Nitrogen oxides	2-39mg/m ³	20.978	195.742					
			Particulates	8-20mg/m ³	29.266	369.6					
			Mercury and its compound	<0.004mg/m ³	0	0.05544					
			Lead and its compound	<0.045mg/m ³	0.04906	3.234					
			Arsenic and its compound	0.006-0.11mg/m ³	0.1076	1.848					
		Wastewater from gold refining	pH	7-8	/	-	Organsied discharge after meeting regulatory standards	1	Discharge outlet for wastewater	No	Class 1 standards in Schedules 1 and 4 of the Integrated wastewater discharge standard (GB8978-1996)
			COD	4-8mg/L	0.287	-					
			Ammonia nitrogen	1.69-7.34mg/L	0.261	-					
			Total arsenic	0.01-0.014mg/L	0.000576	-					
			Total lead	<0.2mg/L	0.005802	-					
			Total cadmium	<0.05mg/L	0.00145	-					

No.	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Total discharge in the last six months (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for discharge of pollutants	
15	Zijin Mining Group Gold Refinery Company Limited		Total mercury	<0.00004mg/L	0.0000018	-						
			Total zinc	<0.063mg/L	0.00182	-						
			Total copper	<0.02mg/L	0	-						
			Total cyanide	<0.004mg/L	0.000116	-						
		Air pollutant from gold refining	Sulfur dioxide	22-247mg/m³	7.831	-	Organsied discharge after meeting regulatory standards	3	Within the plant	No	Integrated emission standard of air pollutants (GB16297-1996)	
			Nitrogen oxides	35-171mg/m³	5.53	-						
			Particulates	4-23mg/m³	0.636	-						
			Sulfuric acid mist	4.33-6.24mg/m³	0.315	-						
		Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)									
			Wastewater	pH	7.86			Organsied discharge after meeting regulatory standards	1	Discharge outlet	No	Class 3 standards in Schedules 1 and 4 of the Integrated wastewater discharge standard (GB8978-1996)
				COD	30.45mg/L	0.0233	1.18					
				Ammonia nitrogen	6.28mg/L	0.0048	0.177					
Total arsenic	0.13mg/L			0.0001	0.00543							
Total lead	0.2mg/L			0.00015	0.0118							
Total cadmium	0.05mg/L			0.00004	0.00118							
Total cyanide	0.18mg/L			0.000014	0.0023							
Air pollutant	Nitrogen oxides		1.443mg/m³	0.0362	0.96	Organsied discharge after meeting regulatory standards	3	Chimneys for emission of air pollutant within the plant	No	Class 2 standards in Schedule 2 of the Integrated emission standard of air pollutants (GB16297-1996)		
	Hydrogen chloride		1.54mg/m³	0.0269	0.5247							
Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)											

No.	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Total discharge in the last six months (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for discharge of pollutants
16	Jilin Zijin Copper Company Limited	Wastewater	pH	6.47-7.12	-	-	Organsied discharge after meeting regulatory standards	1	Master discharge outlet for sewage	No	The standards in Schedule 2 of the Emission standard of pollutants for copper, nickel, cobalt industry and the Standards and Requirements on Water Intake of Water Treatment Plants of Hunchun City
			COD	27-78mg/L	5.462880	12					
			Ammonia nitrogen	2.15-3.76mg/L	0.309569	1.6					
			Total arsenic	<0.013mg/L	0.000643	0.1					
			Total lead	<0.007mg/L	0.000241	0.1					
			Total cadmium	<0.007mg/L	0.000299	0.02					
			Total mercury	0mg/L	0.000000	0.01					
		Air pollutant	Sulfur dioxide	77.37-140.73mg/m³	197.715819	570	Organsied discharge after meeting regulatory standards	1	120m chimney	No	Emission standard of pollutants for copper, nickel, cobalt industry (GB25467-2010)
			Nitrogen oxides	2.15-9.09mg/m³	9.874952	107					
			Particulates	5.69-9.66mg/m³	13.274768	82.5					
			Mercury and its compound	0.0024-0.0047mg/m³	0.006096	0.0198					
			Lead and its compound	0.175-0.326mg/m³	0.37333	1.155					
			Arsenic and its compound	0.007-0.015mg/m³	0.019882	0.66					
		Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								
17	Bayannaoer Zijin Non-ferrous Metals Company	Wastewater	pH	6-9	-	-	Organsied discharge after meeting regulatory standards	1	The master pipe within the plant	No	Emission standard of pollutants for lead and zinc industry (GB25466-2010)
			COD	21.68mg/L	3.50988	96					
			Total arsenic	0.00126mg/L	0.000115	0.12					
			Total lead	0.025mg/L	0.002264	0.2					

No.	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Total discharge in the last six months (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for discharge of pollutants
	Limited		Total cadmium	0.001mg/L	0.000091	0.02					
			Total mercury	0.0094mg/L	0.000085	0.012					
		Air pollutant	Sulfur dioxide	114.09mg/m³	110.98	992	Organsied discharge after meeting regulatory standards	3	Discharge outlets for air pollutants post treatment and discharge outlets for the tailing gas of acid production facility	No	Emission standard of pollutants for lead and zinc (GB25466-2010) and Emission standard of air pollutants for thermal power plants (GB13223-2011)
			Nitrogen oxides	58.31mg/m³	85.26	515					
			Dust	25.03mg/m³	35.13	258					
			Sulfuric acid mist	16.1mg/m³	45.27	-					
		Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								
18	Luoning Zijin Gold Refinery Company Limited	Wastewater		-	-	-	Reused and not discharged	0	N/A	No	-
		Air pollutant	Sulfur dioxide	149mg/m³	16.28	36.8	Organsied discharge after meeting regulatory standards	1	60m chimney at the exit of the roasting furnace	No	Henan Province regional emission standard of air pollutants for industrial furnaces (Document no. DB41/1066-2015)
			Nitrogen oxides	72mg/m³	16.24	33.5					
			Dust	7.4mg/m³	1.48	-					
		Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								

2. Construction and operation of pollution prevention and controlling facilities

The branch companies (subsidiaries) of the Company strictly followed the requirements of environmental impact assessment and the approvals for the construction projects to construct treatment facilities for wastewater, air pollutants, noise and solid wastes, and ensure their normal, stable and continuous operation. In addition, the Company proactively cooperated with independent environmental protection corporations and science and research institutes, increased the investment in environmental protection facilities construction, and optimised and improved environmental protection treatment systems. Treatment quality of pollutants was further enhanced.

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

The branch companies (subsidiaries) of the Company strictly carried out environmental impact assessment and inspection at the conclusion of construction projects pursuant to the regulations in relation to environmental impact assessment. In the first half of 2018, approvals for environmental impact assessment were obtained for the filter press system for neutralised slag comprehensive utilisation project (Hanghuanping [2018] No. 15), filter press system for carbon-leaching slag project (Hanghuanping [2018] No. 16), and 30,000 cubic metres acidic copper-containing water environmental protection treatment system (Longhuanshen [2018] No. 68) of the Zijinshan gold and copper mine, ecological environment management and river outlet management project of the Dongshengmiao mining area of Wulatehouqi Zijin Mining Company Limited (Bahuanshenfa [2018] No. 22), copper resources comprehensive utilisation and harmless treatment project of Zijin Copper Company Limited (Longhuanshen [2018] No. 22) and industrial wastewater intensive treatment and comprehensive utilisation project of Bayannaoer Zijin Non-ferrous Metals Company Limited (Bahuanshenbiao [2018] No. 1). The abovementioned projects are currently under construction.

4. Emergency plan in response to outbreak of environmental incidents

The Company continuously improved the development of environmental emergency management system. Environmental emergency management units were in place both at the Group and subsidiary level, which developed emergency plans for environmental incidents and other special emergency plans pursuant to the requirements of National Environmental Emergency Response Plan and based on individual operations' production techniques, pollution-intensive production stages and environmental risks, and reported and filed the plans to the local environmental administrative authorities. In addition, in order to enhance prevention of emergency incidents and emergency response in real situation, the subsidiaries regularly organised different environmental emergency drills, and made timely amendments to the emergency plans in accordance with the problems and inadequacies identified during the emergency drills.

5. Environmental self-monitoring programme

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

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

1. Information of pollutant discharge

Apart from the abovementioned 18 enterprises, environmental information of the Company's entities which are not key pollutant discharging units is as follow:

No.	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Total discharge in the last six months (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for discharge of pollutants
1	Heilongjiang Duobaoshan Copper Company Limited	Wastewater		-	-	-	Reused and not discharged	0	N/A	No	-
		Air pollutant	Sulfur dioxide	95.6-99.4mg/m³	13.154	370	Organsied discharge after meeting regulatory standards	1	Discharged via a 60m chimney after desulfurisation and denitrification processes at boiler	No	Emission standard of air pollutants for boiler (GB13271-2014)
			Nitrogen oxides	110-111mg/m³	14.558	62.91					
		Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								
2	Longnan Zijin Mining Company Limited	Wastewater		-	-	-	Reused and not discharged	0	N/A	No	-
		Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								
3	Xinjiang Ashele Copper Company Limited	Wastewater		-	-	-	Reused and not discharged	0	N/A	No	-
		Air pollutant	Sulfur dioxide	140-189mg/m³	29.94	-	Organsied discharge after meeting regulatory standards	1	60m chimney in the boiler room	No	Emission standard of air pollutants for boiler (GB13271-2014)
			Nitrogen oxides	74-88mg/m³	14.59	-					
		Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								
4	Xinjiang Jinbao Mining Company Limited	Wastewater		-	-	-	Reused and not discharged	0	N/A	No	-
		Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								

No.	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Total discharge in the last six months (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for discharge of pollutants
5	Xinjiang Zijin Zinc Industry Company Limited	Wastewater		-	-	-	Reused and not discharged	0	N/A	No	-
		Air pollutant	Sulfur dioxide	298mg/m ³	1.031	-	Organsied discharge after meeting regulatory standards	1	Chimney of steam boilers	No	Emission standard of air pollutants for boiler (GB13271-2014)
			Nitrogen oxides	202mg/m ³	2.291	-					
			Particulates	6.76mg/m ³	2.07	-	Organsied discharge after meeting regulatory standards	4	The discharge outlets of dust removers installed at the crushing and screening systems	No	Emission standard of pollutants for lead and zinc industry (GB25466-2010)
		Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								
6	Kuitun Tongguan Metallurgical Chemical Company Limited	Wastewater	pH	7-9	0	-	Organsied discharge after meeting regulatory standards	1	Master discharge outlet at the northeast end of the plant	No	Class 2 standards in Schedules 1 and 4 of the Integrated wastewater discharge standard (GB8978-1996)
			COD	10-120mg/L	0.98	20					
			Ammonia nitrogen	0.2-22mg/L	0.07	1.51					
			Total arsenic	<0.15mg/L	0.002	-					
			Total copper	<0.1mg/L	0.002	-					
		Air pollutant	Sulfur dioxide	<150mg/m ³	10.17	285.4	Organsied discharge after meeting regulatory standards	1	The 90m chimney behind the tailing gas desulfurisation tower	No	Action Plan for Joint Prevention and Control of Regional Air Pollution of Kuiduwu Area
			Particulates	58.47mg/m ³	9.78	-	Organsied discharge after meeting regulatory standards				Integrated emission standard of air pollutants (GB16297-1996)

No.	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Total discharge in the last six months (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for discharge of pollutants
		Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								
7	Fujian Zijin Copper Company Limited	Wastewater	COD	27.25mg/L	0.825	7.121	Organsied discharge after meeting regulatory standards	1	Sewage discharge outlet within the plant	No	Integrated wastewater discharge standard (GB8978-1996)
			Ammonia nitrogen	12.9mg/L	0.3905	1.068					
			Total zinc	<0.05mg/L	0.00121	0.0504					
			Total copper	0.0024mg/L	0.0073	0.0252					
			Total nickel	<0.05mg/L	0.00121	0.126					
		Air pollutant	Particulates	13mg/m³	1.084356	6.43	Organsied discharge after meeting regulatory standards	2	The 15m chimneys within the plant	No	Class 2 standards of the Emission standard of air pollutants for industrial kiln and furnace (GB9078-1996)
		Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								
8	Fujian Zijin Processing Chemicals Company Limited	Wastewater	pH	6-9	-	-	Organsied discharge after meeting regulatory standards	1	Within the plant	No	Class 3 standards in Schedule 4 of the Integrated wastewater discharge standard (GB8978-1996)
			COD	60mg/L	0.3	0.66	Organsied discharge after meeting regulatory standards				
				Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)						

2. Construction and operation of pollution prevention and controlling facilities

Please refer to the corresponding section under key pollutant discharging units.

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

The branch companies (subsidiaries) of the Company strictly complied with the policies on environmental impact assessment and the “three simultaneous” policy to carry out pollution prevention and controlling work for construction projects. In the first half of 2018, there was no update for the environmental impact assessment and inspections at the conclusion stage of the construction projects of the Company’s enterprises which are not key pollutant discharging units. Please refer to the annual environmental reports issued by the Company in previous years for the historical data of environmental impact assessment permits and inspection approvals at project conclusion of the Company’s branch companies (subsidiaries).

4. Emergency plan in response to outbreak of environmental incidents

Please refer to the corresponding section under key pollutant discharging units.

5. Environmental self-monitoring programme

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

Information of corporate bonds

Basic information of corporate bonds

Unit: RMB billion

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

				amount.				
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Settlement of interests and principals of the corporate bonds

The interest of 2016 Corporate Bonds (the First Tranche) of Zijin Mining Group Co., Ltd.*, 2016 Corporate Bonds (the Second Tranche) of Zijin Mining Group Co., Ltd.* and 2017 Renewable Corporate Bonds (the First Tranche) of Zijin Mining Group Co., Ltd.* (publicly issued) were settled on schedule.

Use of proceeds raised from corporate bonds

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

During the reporting period, the designated account for the proceeds raised was well operated.

Settlement of interests of other bonds and debt financing instruments

As at 30 June 2018, the Company has issued medium-term notes of RMB8.3 billion, and all the interest payments were settled on schedule.

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

Major indicators	As at the end of the reporting period	As at the end of the previous year	Changes as at the end of the reporting period as compared with the end of last year (%)	Reason for the change
Current ratio	0.9690	0.9434	2.71	Adjustment of debt structure
Quick ratio	0.5767	0.5583	3.30	Adjustment of debt structure
Debt-to-asset ratio (%)	58.54	57.75	Increased by 0.79 percentage point	Adjustment of debt structure
Loan repayment rate (%)	100.00	100.00	-	-
	During the reporting period (January - June)	During the same period last year	Changes as compared with the same period last year	Reason for the change
EBITDA to interest coverage ratio	8.63	5.70	51.40	Adjustment of debt structure
Interest repayment ratio (%)	73.44	67.89	Increased by 5.55 percentage points	Adjustment of debt structure

IV. SUPPLEMENTAL INFORMATION

Explanation on the Relevant Matters of Corporate Governance

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

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

On 17 May 2018, the 2017 annual general meeting of the Company considered and approved the profit distribution plan of the Company for 2017. On the basis of 23,031,218,891 shares as at 31 December 2017, to pay the qualified shareholders of the Company the final cash dividend of RMB0.9 per 10 shares (tax included). The total distribution of cash dividend amounted to RMB2,072,809,700.19. The above profit distribution was completed on 29 June 2018.

For details of the profit distribution, please refer to the Company’s Notice of 2017 Annual General Meeting dated 29

March 2018, and announcements disclosed on the HKEXnews website dated 4 May 2018, 7 May 2018, 17 May 2018 and 29 June 2018.

Interim Dividend

The Board proposed to pay no dividend for the six months ended 30 June 2018. (The dividend for the six months ended 30 June 2017 was nil)

Purchase, Sale or Redemption of Listed Securities of the Company

Neither the Company nor any of its subsidiaries purchased, sold, redeemed or wrote off any of the Company's listed securities for the six months ended 30 June 2018.

Corporate Governance Report

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

Save as disclosed above, for the six months ended 30 June 2018, 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.

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 2018 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 2018 is in compliance with the applicable accounting standards and relevant laws and regulations and has made sufficient disclosure.

Independent Non-executive Directors

In compliance with rules 3.10(1) and 3.10(2) of the Listing Rules, which provide that the Company should appoint a sufficient number of independent non-executive directors and that at least one of them must have appropriate professional qualifications or accounting or related financial management expertise. The Company appointed four independent non-executive Directors and one of them possesses accounting and related financial management expertise. Brief biography of the independent non-executive Directors have been provided in the Company's 2017 annual report.

Securities Transactions by the Directors and Supervisors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as the model code for the trading of securities by the Directors and the Supervisors of the Company. The effective date was 23 December 2003. Having made specific reasonable enquiries with all Directors and Supervisors of the Company, the Company confirmed that all Directors and Supervisors have complied with the provisions of the Model Code for the six months ended 30 June 2018.

Shareholdings of the Directors and Supervisors in the Company

As at 30 June 2018, Mr. Chen Jinghe, an executive Director and the chairman of the Board of the Company, held 102,000,000 A Shares and 8,000,000 H Shares, Mr. Lan Fusheng, an executive Director, vice-chairman and president, held 7,530,510 A Shares, Mr. Zou Laichang, an executive Director, held 1,430,000 A Shares, Mr. Lin Hongfu, an executive Director, held 862,500 A Shares, Mr. Fang Qixue, an executive Director, held 301,000 A Shares, Ms. Lin Hongying, an executive Director, held 200,000 A Shares, Mr. Lin Shuiqing, a Supervisor, held 300,000 A Shares, and Mr. Liu Wenhong, a Supervisor, held 24,450 A Shares and 10,000 H Shares in the Company.

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

There were no changes in the Directors, Supervisors and senior management of the Company for the six months ended 30 June 2018.

Appointment and Dismissal of Auditors

According to the resolution passed at the Company's 2017 annual general meeting, the Company reappointed Ernst & Young Hua Ming LLP as the auditor in 2018.

Important Event After Reporting Period

On 10 August 2018, the Execution and Investment Committee of the Board of the Company considered and approved the Resolution in relation to the Next Working Plan on the Acquisition of Nkwe. The Company was approved to enter into an amalgamation agreement with Nkwe Platinum Limited ("Nkwe") to acquire 354,385,240 shares of Nkwe which the Company and its wholly-owned subsidiary do not already own through a wholly-owned subsidiary with a consideration of AUD0.1 per share. The consideration of the acquisition was approximately AUD35.44 million (approximately equivalent to RMB178.05 million). The offer was recommended by the independent directors of Nkwe and was submitted to the shareholders' meeting of Nkwe for consideration. The acquisition is still subject to the necessary filings and approvals, and there are uncertainties for the transaction. If the acquisition is completed, the Company's shareholding in Nkwe will increase from the current 60.46% to 100%.

Save as disclosed herein, the Group has no important event after the reporting period up to the date of this announcement required to be disclosed.

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

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

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

Definition

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

A Share(s)	The domestic share(s) issued by the Company to domestic investors with a nominal value of RMB0.10 each, which are listed on the Shanghai Stock Exchange
Altynken	Altynken Limited Liability Company, a subsidiary of the Company
Ashele Copper, Xinjiang Ashele Copper	Xinjiang Habahe Ashele Copper Company Limited, a subsidiary of the Company
BNL	Barrick (Niugini) Limited, a company under joint operation of the Company
Board, Board of Directors	The board of Directors of the Company
CSRC	China Securities Regulatory Commission
Director(s)	The director(s) of the Company
DR Congo	The Democratic Republic of the Congo
Fujian Makeng Mining	Fujian Makeng Mining Company Limited, an associate of the Company
Guizhou Zijin	Guizhou Zijin Mining Company Limited, a subsidiary of the Company
H Share(s)	The overseas-listed foreign invested share(s) in the Company's share capital, with a nominal value of RMB0.10 each, which are listed on the Hong Kong Stock Exchange
Heilongjiang Zijin Copper	Heilongjiang Zijin Copper Company Limited, a wholly-owned subsidiary of the Company
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
Ivanhoe	Ivanhoe Mines Ltd.
Listing Rules	The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
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

Luoyang Kunyu	Luoyang Kunyu Mining Co., Ltd., a subsidiary of the Company
Minxi Xinghang	Minxi Xinghang State-owned Assets Investment Company Limited, a substantial shareholder of the Company
Musonoie	La Compagnie Minière de Musonoie Global SAS, a subsidiary of the Company
PRC	The People's Republic of China but for the purpose of this announcement, excludes Hong Kong SAR, Macau SAR and Taiwan
Qinghai West Copper	Qinghai West Copper Company Limited, a wholly-owned subsidiary of the Company
Russia Longxing, Longxing Company	Russia Longxing Company Limited, a subsidiary of the Company
Shanxi Zijin	Shanxi Zijin Mining Company Limited, a wholly-owned subsidiary of the Company
Supervisor(s)	The supervisor(s) of the Company
Wulatehouqi Zijin	Wulatehouqi Zijin Mining Company Limited, a subsidiary of the Company
Xinjiang Zijin Non-ferrous Company	Xinjiang Zijin Non-ferrous Metals Company Limited, a wholly-owned subsidiary of the Company
ZGC	JV Zeravshan LLC, a subsidiary of the Company
Zijin Copper	Zijin Copper Company Limited, a wholly-owned subsidiary of the Company
Zijin Processing Chemicals Company	Fujian Zijin Processing Chemicals Company Limited, a subsidiary of the Company
Zijin Zinc Industry	Xinjiang Zijin Zinc Industry Co., Ltd., a wholly-owned subsidiary of the Company

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

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

Fujian, PRC, 24 August 2018

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