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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 2019**

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

This 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 2019*

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)***As at 30 June 2019*

<b>LIABILITIES AND OWNERS' EQUITY</b>	<b>Note</b>	<b>30 June 2019</b> (Unaudited) RMB	<b>31 December 2018</b> (Audited) RMB
<b>CURRENT LIABILITIES</b>			
Short-term borrowings		15,225,532,960	15,616,680,236
Held for trading financial liabilities		444,104,907	242,482,582
Bills payable		129,319,520	160,733,506
Trade payables	16	4,422,877,762	4,540,248,350
Contract liabilities		288,630,888	277,125,058
Employee benefits payable		545,245,716	726,630,090
Taxes payable		873,412,237	903,782,106
Other payables		7,995,359,860	4,979,586,829
Held for sale liabilities		-	68,739,751
Current portion of non-current liabilities		7,075,876,564	9,707,089,022
Other current liabilities		1,000,000,000	-
Total current liabilities		38,000,360,414	37,223,097,530
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings		13,171,630,302	12,917,915,706
Bonds payable		11,687,615,524	8,879,453,693
Lease liabilities		216,230,093	-
Long-term payables		647,527,632	733,077,872
Provision		2,698,331,191	2,686,090,453
Deferred income		408,349,735	422,783,097
Deferred tax liabilities		2,731,777,830	2,743,172,789
Total non-current liabilities		31,561,462,307	28,382,493,610
<b>TOTAL LIABILITIES</b>		<b>69,561,822,721</b>	<b>65,605,591,140</b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)***As at 30 June 2019*

<b>LIABILITIES AND OWNERS' EQUITY</b> <u>Note</u>	30 June 2019	31 December 2018
<b>(Continued)</b>	(Unaudited)	(Audited)
	RMB	RMB
<b>EQUITY</b>		
Share capital	2,303,121,889	2,303,121,889
Other equity instruments	4,985,500,000	4,985,500,000
<i>Including: Renewable corporate bonds</i>	<i>4,985,500,000</i>	<i>4,985,500,000</i>
Capital reserve	10,988,661,891	11,094,766,390
Other comprehensive income 13	(594,846,374)	(1,575,973,065)
Special reserve	165,604,338	147,393,497
Surplus reserve	1,319,401,104	1,319,401,104
Retained earnings 17	21,764,187,256	22,181,224,459
Equity attributable to owners of the parent	40,931,630,104	40,455,434,274
Non-controlling interests	6,088,508,617	6,818,278,428
<b>TOTAL EQUITY</b>	<b>47,020,138,721</b>	<b>47,273,712,702</b>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>	<b>116,581,961,442</b>	<b>112,879,303,842</b>

# **CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

For the six months ended 30 June 2019

	<u>Note</u>	For the six months ended 30 June 2019 (Unaudited) RMB	For the six months ended 30 June 2018 (Unaudited) RMB
OPERATING INCOME	2	67,198,395,835	49,813,890,835
Less: Operating costs	2	59,642,296,042	42,716,501,955
Taxes and surcharges	3	869,115,800	698,055,183
Selling expenses		629,077,911	430,225,695
Administrative expenses		1,858,045,581	1,356,911,252
Research and development expenses		134,560,641	130,917,000
Financial expenses	4	850,886,565	660,421,573
Including: Interest expenses		1,116,416,722	736,833,456
Interest income		234,767,888	158,002,634
Add: Other income		120,118,883	83,849,029
Investment income	5	57,950,947	127,612,938
Including: Share of profits/(losses) of associates and joint ventures		10,772,724	(27,548,270)
Gains on changes in fair value	6	38,852,781	50,097,422
Credit impairment losses	7	(66,101,798)	(54,809,952)
Impairment losses on assets	8	(149,879,084)	(263,678,192)
(Losses)/Gains on disposal of non-current assets		(33,784)	13,450,270
OPERATING PROFIT		3,215,321,240	3,777,379,692
Add: Non-operating income	9	21,672,368	153,114,713
Less: Non-operating expenses	10	197,477,460	149,657,445
PROFIT BEFORE TAX		3,039,516,148	3,780,836,960
Less: Income tax expenses	11	800,346,358	712,087,103
NET PROFIT		2,239,169,790	3,068,749,857
Classification according to the continuity of operation			
Net profit from continuing operations		2,239,169,790	3,068,749,857
Attributable to:			
Owners of the parent		1,853,453,618	2,526,423,099
Non-controlling interests		385,716,172	542,326,758

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)***For the six months ended 30 June 2019*

	<u>Note</u>	For the six months ended 30 June 2019 (Unaudited) RMB	For the six months ended 30 June 2018 (Unaudited) RMB
NET OTHER COMPREHENSIVE INCOME/(LOSS) AFTER TAX			
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods			
Changes in fair value of other equity instrument investments		1,007,649,350	(748,815,912)
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods			
Hedging costs - forward elements		(43,791,312)	89,457,331
Exchange differences arising from translation of financial statements denominated in foreign currencies		49,899,721	(20,565,992)
Other comprehensive income/(loss) attributable to owners of the parent		1,013,757,759	(679,924,573)
Other comprehensive income attributable to non-controlling interests		28,358,841	1,079,379
Sub-total of net other comprehensive income/(loss) after tax		1,042,116,600	(678,845,194)
TOTAL COMPREHENSIVE INCOME		3,281,286,390	2,389,904,663
Attributable to:			
Owners of the parent		2,867,211,377	1,846,498,526
Non-controlling shareholders		414,075,013	543,406,137
Earnings per share	12		
Basic earnings per share		0.080	0.110

**CONSOLIDATED STATEMENT OF CASH FLOWS***For the six months ended 30 June 2019*

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

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)***For the six months ended 30 June 2019*

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



**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 (“MOF”), and Application Guidance for ASBE, interpretations and other relevant regulations issued and revised thereafter (hereafter referred to as “CAS”).

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

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

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

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

**2. OPERATING INCOME AND OPERATING COSTS**

	For the six months ended 30 June 2019		For the six months ended 30 June 2018	
	Operating income (Unaudited) RMB	Operating costs (Unaudited) RMB	Operating income (Unaudited) RMB	Operating costs (Unaudited) RMB
Principal operations	66,394,712,379	58,966,803,643	49,491,856,821	42,479,103,910
Other operations	803,683,456	675,492,399	322,034,014	237,398,045
	<u>67,198,395,835</u>	<u>59,642,296,042</u>	<u>49,813,890,835</u>	<u>42,716,501,955</u>

### 3. TAXES AND SURCHARGES

	For the six months ended 30 June 2019 (Unaudited) RMB	For the six months ended 30 June 2018 (Unaudited) RMB
Resource tax	606,558,690	445,918,146
Education surcharges	37,142,257	50,661,550
City construction and maintenance tax	31,429,041	41,166,574
Property tax	28,731,203	32,963,831
Stamp duty	26,415,515	23,805,384
Land use tax	10,753,887	15,812,552
Vehicle and vessel use tax	946,099	927,224
Consumption tax	460,196	294,079
Other - income tax for mine-produced gold	12,944,260	11,720,700
Other - development fund for Kemin District	11,391,585	9,908,985
Environmental protection tax	10,614,569	6,763,495
Others	91,728,498	58,112,663
	<u>869,115,800</u>	<u>698,055,183</u>

### 4. FINANCIAL EXPENSES

	For the six months ended 30 June 2019 (Unaudited) RMB	For the six months ended 30 June 2018 (Unaudited) RMB
Interest expenses	1,162,696,009	768,305,292
<i>Including: Bank loans</i>	<i>812,040,166</i>	<i>425,006,449</i>
<i>Bonds payable</i>	<i>347,828,065</i>	<i>343,298,843</i>
<i>Ultra short-term financing bonds</i>	<i>2,827,778</i>	-
Less: Interest income	234,767,888	158,002,634
Less: Capitalised interest expenses	46,279,287	31,471,836
Exchange (gains)/losses	(67,731,756)	55,885,983
Bank charges	36,969,487	25,704,768
	<u>850,886,565</u>	<u>660,421,573</u>

Capitalised interest expenses were included in construction in progress. In the first half of 2019, there was no interest income arising from impaired financial assets (six months ended 30 June 2018: Nil).

5. INVESTMENT INCOME

	For the six months ended 30 June 2019 (Unaudited) RMB	For the six months ended 30 June 2018 (Unaudited) RMB
Gains/(Losses) from long-term equity investments under the equity method	10,772,724	(27,548,270)
Gains on disposal of long-term equity investments	17,626,774	6,731,300
Investment income from other equity instrument investments/available-for-sale investments during the holding period	15,789,867	29,414,500
Gains from disposal of financial assets and financial liabilities at fair value through profit or loss (Note 1)	13,706,567	119,458,104
Others	55,015	(442,696)
	<u>57,950,947</u>	<u>127,612,938</u>

Note 1: Details of gains from disposal of financial assets and financial liabilities at fair value through profit or loss are as follows:

	For the six months ended 30 June 2019 (Unaudited) RMB	For the six months ended 30 June 2018 (Unaudited) RMB
1. Held for trading equity instrument investments - (Losses)/Gains arising from stock investments	(35,565,776)	42,104,560
2. Losses arising from gold leasing investments at fair value	(561,413)	(19,335,984)
3. Hedging instruments - Gains arising from ineffectively hedged derivative instruments	4,536,316	-
4. Gains arising from derivative instruments without designated hedging relationship	31,607,549	51,859,843
(4-1) Cross currency swaps	(260,820)	31,531,033
(4-2) Gold leasing hedging contracts	-	(47,679,260)
(4-3) Commodity hedging contracts	31,868,369	68,008,070
5. Losses arising from derivate instruments with designated hedging relationship	(5,217,544)	-
6. Others	18,907,435	44,829,685
	<u>13,706,567</u>	<u>119,458,104</u>

6. GAINS ON CHANGES IN FAIR VALUE

	For the six months ended 30 June 2019 (Unaudited) RMB	For the six months ended 30 June 2018 (Unaudited) RMB
Financial assets at fair value through profit or loss	41,209,935	33,638,542
Financial liabilities at fair value through profit or loss	(2,357,154)	16,458,880
	<u>38,852,781</u>	<u>50,097,422</u>

6. GAINS ON CHANGES IN FAIR VALUE (CONTINUED)

Details of gains on changes in fair value are as follows:

	For the six months ended 30 June 2019 (Unaudited) RMB	For the six months ended 30 June 2018 (Unaudited) RMB
1. Held for trading equity instrument investments - Gains/(Losses) arising from changes in fair value of stock investments	20,710,783	(45,852,360)
2. Gains/(Losses) arising from changes in fair value of gold leasing at fair value	5,489,870	(15,838,051)
3. (Losses)/Gains arising from changes in fair value of derivative instruments without designated hedging relationship	(29,373,296)	139,296,776
(3-1) Cross currency swaps	479,629	(1,688,566)
(3-2) Gold leasing hedging	-	21,554,620
(3-3) Commodity hedging contracts	(29,852,925)	119,430,722
4. Others	42,025,424	(27,508,943)
	<u>38,852,781</u>	<u>50,097,422</u>

7. CREDIT IMPAIRMENT LOSSES

	For the six months ended 30 June 2019 (Unaudited) RMB	For the six months ended 30 June 2018 (Unaudited) RMB
Bad debt provision for trade receivables	(378,965)	(37,905)
Bad debt provision for other receivables	(64,784,677)	(54,772,047)
Bad debt provision for prepayments	(4,026)	-
Bad debt provision for trade receivables financing	(934,130)	-
	<u>(66,101,798)</u>	<u>(54,809,952)</u>

8. IMPAIRMENT LOSSES ON ASSETS

	For the six months ended 30 June 2019 (Unaudited) RMB	For the six months ended 30 June 2018 (Unaudited) RMB
Impairment provision for fixed assets	(7,162,091)	(187,076,680)
Provision for decline in value of inventories	(35,949,901)	(16,703,230)
Impairment provision for intangible assets	(56,773,189)	(17,509,119)
Impairment provision for construction in progress	(2,955,201)	-
Impairment provision for long-term equity investments	(47,038,702)	-
Impairment provision for other non-current assets	-	(42,389,163)
	<u>(149,879,084)</u>	<u>(263,678,192)</u>

9. NON-OPERATING INCOME

	For the six months ended 30 June 2019 (Unaudited) RMB	For the six months ended 30 June 2018 (Unaudited) RMB	Non-recurring profits or losses for the six months ended 30 June 2019 (Unaudited) RMB
Penalty income	5,772,959	3,977,891	5,772,959
Recovery of bad debt written-off	-	26,652,901	-
Others	15,899,409	122,483,921	15,899,409
	<u>21,672,368</u>	<u>153,114,713</u>	<u>21,672,368</u>

10. NON-OPERATING EXPENSES

	For the six months ended 30 June 2019 (Unaudited) RMB	For the six months ended 30 June 2018 (Unaudited) RMB	Non-recurring profits or losses for the six months ended 30 June 2019 (Unaudited) RMB
Losses on write-off of non-current assets	44,747,542	18,332,472	44,747,542
<i>Including: Losses on write-off of fixed assets</i>	<i>44,565,723</i>	<i>18,332,472</i>	<i>44,565,723</i>
<i>Losses on write-off of other long-term assets</i>	<i>181,819</i>	<i>-</i>	<i>181,819</i>
Donations	93,624,103	99,323,300	93,624,103
Penalties and compensations	2,104,064	1,848,267	2,104,064
Net losses arising from natural disasters	359,207	6,426,049	359,207
Others	56,642,544	23,727,357	56,642,544
	<u>197,477,460</u>	<u>149,657,445</u>	<u>197,477,460</u>

11. INCOME TAX EXPENSES

	For the six months ended 30 June 2019 (Unaudited) RMB	For the six months ended 30 June 2018 (Unaudited) RMB
Current income tax expenses	836,734,034	652,668,900
Deferred tax expenses	<u>(36,387,676)</u>	<u>59,418,203</u>
	<u>800,346,358</u>	<u>712,087,103</u>

# 11. INCOME TAX EXPENSES (CONTINUED)

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

	For the six months ended 30 June 2019 (Unaudited) RMB	For the six months ended 30 June 2018 (Unaudited) RMB
Profit before tax	3,039,516,148	3,780,836,960
Tax at the applicable tax rate (Note 1)	759,879,037	945,209,240
Effect of different tax rates applicable to certain subsidiaries (Note 1)	28,357,742	(259,617,862)
Adjustments in respect of current tax of previous periods	1,497,026	(82,406,642)
Income not subject to tax	(6,456,903)	(34,972,264)
Expenses not deductible for tax and effect of unrecognised temporary differences and deductible tax losses	17,069,456	143,874,631
Tax charge at the Group's effective tax rate	<u>800,346,358</u>	<u>712,087,103</u>

Note 1: Provision for the PRC corporate income tax expenses has been made at the applicable tax rates based on the estimated taxable profits. Provision for Hong Kong profits tax expenses has been made at applicable tax rate based on assessable profits for the current period. Taxes on profits assessable elsewhere have been calculated at the 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

	For the six months ended 30 June 2019 (Unaudited) RMB/share	For the six months ended 30 June 2018 (Unaudited) RMB/share
Basic earnings per share Continuing operations	<u>0.080</u>	<u>0.110</u>

Basic earnings per share is calculated by dividing the consolidated net profit for the current period attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding.

There were no potential dilutive ordinary shares for the Company.

Basic earnings per share is calculated as follows:

	For the six months ended 30 June 2019 (Unaudited) RMB	For the six months ended 30 June 2018 (Unaudited) RMB
Earnings		
Consolidated net profit attributable to ordinary shareholders of the Company for the current period		
Continuing operations	<u>1,853,453,618</u>	<u>2,526,423,099</u>
	30 June 2019	30 June 2018
Shares		
Weighted average number of ordinary shares outstanding	<u>23,031,218,891</u>	<u>23,031,218,891</u>
Adjusted weighted average number of ordinary shares outstanding	<u>23,031,218,891</u>	<u>23,031,218,891</u>

### 13. OTHER COMPREHENSIVE INCOME

The accumulated balance of other comprehensive income attributable to owners of the parent in the consolidated statement of financial position is as follow:

30 June 2019

	Opening balance	Movements			Closing balance
	(Unaudited) RMB	Amount before tax (Unaudited) RMB	Income tax (Unaudited) RMB	Amount after tax (Unaudited) RMB	(Unaudited) RMB
Changes in fair value of other equity instrument investments	(948,864,104)	981,815,825	(6,797,543)	975,018,282	26,154,178
Hedging costs - forward elements	61,666,120	(43,791,312)	-	(43,791,312)	17,874,808
Exchange differences arising from translation of financial statements denominated in foreign currencies	(688,775,081)	49,899,721	-	49,899,721	(638,875,360)
	<u>(1,575,973,065)</u>	<u>987,924,234</u>	<u>(6,797,543)</u>	<u>981,126,691</u>	<u>(594,846,374)</u>

31 December 2018

	Opening balance	Impacts of accounting policies	Movements			Closing balance
	(Audited) RMB	(Audited) RMB	Amount before tax (Audited) RMB	Income tax (Audited) RMB	Amount after tax (Audited) RMB	(Audited) RMB
Changes in fair value of other equity instrument investments	23,861,374	186,956,573	(1,158,320,421)	(1,361,630)	(1,159,682,051)	(948,864,104)
Hedging costs - forward elements	-	-	61,666,120	-	61,666,120	61,666,120
Exchange differences arising from translation of financial statements denominated in foreign currencies	(626,754,900)	-	(62,020,181)	-	(62,020,181)	(688,775,081)
	<u>(602,893,526)</u>	<u>186,956,573</u>	<u>(1,158,674,482)</u>	<u>(1,361,630)</u>	<u>(1,160,036,112)</u>	<u>(1,575,973,065)</u>

13. OTHER COMPREHENSIVE INCOME (CONTINUED)

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

For the period ended 30 June 2019

	Amount before tax (Unaudited) RMB	Less: Amount of other comprehensive income recognised in the previous periods transferred into profit or loss during the current period (Unaudited) RMB	Less: Income tax (Unaudited) RMB	Attributable to the parent (Unaudited) RMB	Attributable to non-controlling interests (Unaudited) RMB
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
Changes in fair value of other equity instrument investments	1,013,700,546	-	6,705,483	1,007,649,350	(654,287)
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
Hedging costs - forward elements	(23,954,574)	23,503,690	-	(43,791,312)	(3,666,952)
Exchange differences arising from translation of financial statements denominated in foreign currencies	82,579,801	-	-	49,899,721	32,680,080
	<u>1,072,325,773</u>	<u>23,503,690</u>	<u>6,705,483</u>	<u>1,013,757,759</u>	<u>28,358,841</u>

For the year ended 31 December 2018

	Amount before tax (Audited) RMB	Less: Amount of other comprehensive income recognised in the previous periods transferred into profit or loss during the current period (Audited) RMB	Less: Income tax (Audited) RMB	Attributable to the parent (Audited) RMB	Attributable to non-controlling interests (Audited) RMB
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
Changes in fair value of other equity instrument investments	(1,157,992,851)	-	1,952,206	(1,159,682,051)	(263,006)
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
Hedging costs - forward elements	61,666,120	-	-	61,666,120	-
Exchange differences arising from translation of financial statements denominated in foreign currencies	(76,206,453)	-	-	(62,020,181)	(14,186,272)
	<u>(1,172,533,184)</u>	<u>-</u>	<u>1,952,206</u>	<u>(1,160,036,112)</u>	<u>(14,449,278)</u>



#### 14. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on its products and services and has nine reportable operating segments as follows:

- (1) the gold bullion segment engages in the production of gold bullion through the Group's integrated processes, i.e., mining, processing and refining;
- (2) the processed, refined and trading gold segment engages in the production of gold bullion by processing gold concentrates produced by the Group or purchased from external suppliers and gold bullion in the business of physical gold trading;
- (3) the gold concentrates segment engages in the production of gold concentrates that are up to smelting standard by processing gold ore produced by the Group;
- (4) the copper cathodes segment engages in the production of copper cathodes through the Group's integrated processes, i.e., mining, processing and refining;
- (5) the refined copper segment engages in the production of copper cathodes by processing copper concentrates produced by the Group or purchased from external suppliers;
- (6) the copper concentrates segment engages in the production of copper concentrates that are up to smelting standard by processing copper ore produced by the Group;
- (7) other concentrates segment comprises, principally, the production of zinc concentrates, tungsten concentrates, lead concentrates and iron ore;
- (8) the zinc bullion segment engages in the production of zinc bullion; and
- (9) segment of others comprises, principally, the production relating to sulphuric acid, copperplate, silver, iron, real estate development income, etc.

The management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted operating profit before tax. The adjusted operating profit before tax is measured consistently with the Group's operating profit before tax except that interest income, finance costs, dividend income, fair value gains or losses from the Group's financial instruments as well as head office and corporate expenses are excluded from this measurement.

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

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

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

# 14. OPERATING SEGMENT INFORMATION (CONTINUED)

RMB

(Unaudited)

For the six months ended 30 June 2019

Item	Gold bullion	Processed gold	Gold concentrates	Copper cathodes	Refined copper	Copper concentrates	Other concentrates	Zinc bullion	Others	Eliminations	Total
I. Operating income	3,597,089,056	38,126,759,799	1,446,053,071	1,476,874,027	9,491,325,715	4,453,783,462	3,982,664,815	2,045,680,369	18,594,633,064	(16,016,467,543)	67,198,395,835
Including: Sales to external customers	2,163,223,861	34,612,165,905	580,528,964	466,561,538	8,938,616,941	2,219,318,329	3,240,857,047	2,013,327,280	12,963,795,970	-	67,198,395,835
Intersegment sales	<u>1,433,865,195</u>	<u>3,514,593,894</u>	<u>865,524,107</u>	<u>1,010,312,489</u>	<u>552,708,774</u>	<u>2,234,465,133</u>	<u>741,807,768</u>	<u>32,353,089</u>	<u>5,630,837,094</u>	<u>(16,016,467,543)</u>	<u>-</u>
II. Segment profit	<u>905,446,265</u>	<u>100,689,054</u>	<u>324,253,328</u>	<u>321,919,138</u>	<u>187,153,772</u>	<u>1,844,351,546</u>	<u>1,699,564,015</u>	<u>216,935,024</u>	<u>(1,430,734,754)</u>	<u>-</u>	<u>4,169,577,388</u>
III. Segment assets	53,841,538,701	12,789,428,779	10,962,675,110	7,523,206,624	10,204,651,060	18,923,114,873	11,884,058,425	2,716,608,846	147,683,217,279	(174,641,781,092)	101,886,718,605
Unallocated assets											14,695,242,837
Total assets											116,581,961,442
IV. Segment liabilities	29,070,638,932	8,512,613,594	6,670,228,887	4,620,461,056	5,954,171,449	12,758,741,957	8,051,707,816	1,389,658,796	79,733,998,381	(117,754,975,422)	39,007,245,446
Unallocated liabilities											30,554,577,275
Total liabilities											69,561,822,721
V. Supplemental information											
1. Depreciation and amortisation	76,400,897	1,023,608,034	35,695,780	10,004,905	337,625,499	71,101,877	47,972,002	66,664,971	518,603,288	-	2,187,677,253
2. Capital expenditure	888,178,682	90,233,627	514,684,428	418,746,710	122,998,659	1,473,944,397	489,996,597	15,145,358	865,801,538	-	4,879,729,996

# 14. OPERATING SEGMENT INFORMATION (CONTINUED)

RMB

(Unaudited)

For the six months ended 30 June 2018

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

# 15. TRADE RECEIVABLES

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

Ageing analysis of the trade receivables is as follows:

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

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

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

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

	30 June 2019			
	Carrying amount		Bad debt provision	
	Amount (Unaudited) RMB	Proportion (%)	Amount (Unaudited) RMB	Proportion (%)
Individually significant and for which bad debt provision has been made individually	8,183,063	1.25	3,956,271	48.35
Provision for bad debts based on credit risk characteristics	<u>648,712,511</u>	<u>98.75</u>	<u>7,977,679</u>	<u>1.23</u>
	<u>656,895,574</u>	<u>100.00</u>	<u>11,933,950</u>	<u>1.82</u>
	31 December 2018			
	Carrying amount		Bad debt provision	
	Amount (Audited) RMB	Proportion (%)	Amount (Audited) RMB	Proportion (%)
Individually significant and for which bad debt provision has been made individually	4,650,678	0.46	3,983,886	85.66
Provision for bad debts based on credit risk characteristics	<u>1,017,206,928</u>	<u>99.54</u>	<u>8,002,611</u>	<u>0.79</u>
	<u>1,021,857,606</u>	<u>100.00</u>	<u>11,986,497</u>	<u>1.17</u>

15. TRADE RECEIVABLES (CONTINUED)

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

	30 June 2019		
	Carrying amount with estimated default (Unaudited) RMB	Expected credit losses rate (%)	Entire lifetime expected credit losses (Unaudited) RMB
Within 1 year	591,501,248	0.30	1,774,504
Over 1 year but within 2 years	33,238,716	6.00	1,994,323
Over 2 years but within 3 years	19,886,082	15.00	2,982,912
Over 3 years	4,086,465	30.00	1,225,940
	<u>648,712,511</u>		<u>7,977,679</u>
	31 December 2018		
	Carrying amount with estimated default (Audited) RMB	Expected credit losses rate (%)	Entire lifetime expected credit losses (Audited) RMB
Within 1 year	971,384,134	0.30	2,914,152
Over 1 year but within 2 years	25,016,888	6.00	1,501,013
Over 2 years but within 3 years	17,695,503	15.00	2,654,325
Over 3 years	3,110,403	30.00	933,121
	<u>1,017,206,928</u>		<u>8,002,611</u>

16. TRADE PAYABLES

As at 30 June 2019, an ageing analysis of the trade payables, based on the invoice dates, is as follows:

	30 June 2019 (Unaudited) RMB	31 December 2018 (Audited) RMB
Within 1 year	3,956,482,451	3,941,803,169
Over 1 year but within 2 years	127,071,298	376,762,142
Over 2 years but within 3 years	240,937,504	119,449,275
Over 3 years	98,386,509	102,233,764
	<u>4,422,877,762</u>	<u>4,540,248,350</u>

17. RETAINED EARNINGS

	30 June 2019 (Unaudited) RMB	30 June 2018 (Unaudited) RMB
As at the beginning of the period	22,181,224,459	20,194,761,855
Net profit attributable to owners of the parent	1,853,453,618	2,526,423,099
Gains on disposal of other equity instrument investments	32,631,068	979,462
Less: Appropriation for the statutory reserve	-	-
Interest payable on renewable corporate bonds	-	-
Dividends payable in cash for ordinary shareholders	<u>2,303,121,889</u>	<u>2,072,809,700</u>
As at the end of the period	<u>21,764,187,256</u>	<u>20,649,354,716</u>

Pursuant to the resolution of the shareholders' general meeting on 24 May 2019, cash dividend of RMB0.10 per share (2018: RMB0.09 per share) would be distributed from the Company to all shareholders, calculated on the basis of 23,031,218,891 issued shares (2018: 23,031,218,891 shares), with an aggregate amount of RMB2,303,121,889 (2018: RMB2,072,809,700).

18. NET CURRENT LIABILITIES

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

19. TOTAL ASSETS LESS CURRENT LIABILITIES

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

20. PROVISION FOR DEPRECIATION

	For the six months ended 30 June 2019 (Unaudited) RMB	For the six months ended 30 June 2018 (Unaudited) RMB
Fixed assets	1,531,863,801	1,574,070,228
Investment properties	<u>12,112,481</u>	<u>7,718,780</u>

## 21. CHANGES IN ACCOUNTING POLICIES

### *New ASBE on Leases*

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

Under the New ASBE on Leases, at the date of commencement of the lease term, lessees shall recognise right-of-use assets and lease liabilities for the leases, except for those using simplified approach to account for short-term leases and low-value asset leases. Right-of-use assets shall be initially measured at cost, and subsequently measured under the cost model. Depreciation shall be provided for the right-of-use assets according to the relevant depreciation provisions of ASBE No. 4 - Fixed Assets. An entity shall determine whether there are impairments of the right-of-use assets, and carry out accounting treatment to the impairment losses identified according to ASBE No. 8 - Impairment of Assets. Lease liabilities shall be initially measured at the present value of the amount of lease payments outstanding on the date of commencement of the lease term, and lessees shall calculate interest expenses of the lease liabilities for each period of the lease term at a fixed cyclical rate and the interest expenses shall be charged into profit or loss for the respective periods. The Group applied the New ASBE on Leases from 1 January 2019. Pursuant to the transitional provisions of the New ASBE on Leases, for the cumulative impact on the first implementation date of the New ASBE on Leases, adjustments to retained earnings and other related items in the financial statements at the beginning of the year were made, without adjusting comparative period information. Based on the Group’s assessment, the adoption of the New ASBE on Leases had no significant impact on the Group.

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

### *Changes in the reporting format of financial statements*

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

## 21. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

The Group	Carrying amount presented under previous ASBEs 31 December 2018 (Audited) RMB	Impact of New ASBE on Leases (Unaudited) RMB	Impact of other changes in financial statements presentation (Unaudited) RMB	Carrying amount presented under New ASBEs 1 January 2019 (Unaudited) RMB
Fixed assets	34,144,464,854	(23,132,414)	-	34,121,332,440
Right-of-use assets	-	361,021,214	-	361,021,214
Bills receivable and trade receivables	1,009,871,109	-	-	1,009,871,109
<i>Including: Bills receivable</i>	-	-	-	-
<i>Trade receivables</i>	1,009,871,109	-	-	1,009,871,109
Bills receivable	-	-	-	-
Trade receivables	1,009,871,109	-	-	1,009,871,109
Trade receivables financing	-	-	1,243,090,520	1,243,090,520
<i>Including: Bills receivable</i>	-	-	1,243,090,520	1,243,090,520
Other current assets	2,504,018,792	-	(1,243,090,520)	1,260,928,272
<i>Including: Bills receivable</i>	1,243,090,520	-	(1,243,090,520)	-
Lease liabilities	-	262,932,525	-	262,932,525
Current portion of non-current liabilities	9,707,089,022	74,956,275	-	9,782,045,297
Bills payable and trade payables	4,700,981,856	-	(4,700,981,856)	-
<i>Including: Bills payable</i>	160,733,506	-	(160,733,506)	-
<i>Trade payables</i>	4,540,248,350	-	(4,540,248,350)	-
Bills payable	-	-	160,733,506	160,733,506
Trade payables	-	-	4,540,248,350	4,540,248,350
The Company	Carrying amount presented under previous ASBEs 31 December 2018 (Audited) RMB	Impact of New ASBE on Leases (Unaudited) RMB	Impact of other changes in financial statements presentation (Unaudited) RMB	Carrying amount presented under New ASBEs 1 January 2019 (Unaudited) RMB
Right-of-use assets	-	1,204,617	-	1,204,617
Bills receivable and trade receivables	944,410,158	-	(944,410,158)	-
<i>Including: Bills receivable</i>	-	-	-	-
<i>Trade receivables</i>	944,410,158	-	(944,410,158)	-
Bills receivable	-	-	-	-
Trade receivables	-	-	944,410,158	944,410,158
Trade receivables financing	-	-	230,232,703	230,232,703
<i>Including: Bills receivable</i>	-	-	230,232,703	230,232,703
Other current assets	294,869,619	-	(230,232,703)	64,636,916
<i>Including: Bills receivable</i>	230,232,703	-	(230,232,703)	-
Current portion of non-current liabilities	-	(1,204,617)	-	(1,204,617)
Bills payable and trade payables	643,993,331	-	(643,993,331)	-
<i>Including: Bills payable</i>	-	-	-	-
<i>Trade payables</i>	643,993,331	-	(643,993,331)	-
Bills payable	-	-	-	-
Trade payables	-	-	643,993,331	643,993,331



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

##### 2. Operating model

**-Obtain mineral resources by exploration or acquisition.** Adhering to the mining resource priority strategy, the Company has relatively strong geological prospecting technologies and capacity. Resources reserve is obtained from projects at low cost through exploration. Moreover, the Company insists on carrying out merger and acquisition of mining companies and mineral resources projects at appropriate times in order to ensure that the growth of resources reserve volume can meet the enterprise's needs of sustainable development.

**-Obtain mineral resources by development of mines.** The Company focuses on development and utilisation of mineral resources as its key business, with gold, copper and zinc being the key minerals, and strives to develop mines in a low-cost, high-tech and efficient manner.

**-Enhance the industrial chain with refining and processing business.** The Company carries out refining and processing business of gold, copper and zinc in an optimal scale while developing its mining business. Through perfecting the industrial chain and expanding business scale for forming upstream and downstream synergies, the Company enhances industrial security and gains value-added income.

**-Technological research and construction business.** The Company has a comprehensive scientific research system with strong pertinence and practicability, which specialises in geology, mining, processing, metallurgy and environmental protection application. The Company has a qualification of grade A design entity, with a strong mine construction capacity.

**-Integrate mining with finance, trade and logistics.** The Company has established a finance company, Hong Kong treasury centre and capital investment company for fund management and capital operation of its global business. The Company proactively explores the pathway to a successful integration of mining, finance, trade and logistics, and has built platforms for selling, trading and marketing of gold and other metal products.

##### 3. Market environment

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

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

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

In respect of copper metal, the TC/RC processing fees continuously declined, and there was a tension between tightening supply from mines and expanding refining capacity. Added with a weak downstream demand, the spot market remained tight-balanced. However, the economic conditions limited the rebounding extent of copper price. Copper price in London was USD5,970/tonne at the beginning of the year, reaching the highest price at

USD6,609/tonne, and closing at USD5,982/tonne at the end of June 2019, representing a 0.2% increase compared with the beginning of the year. Average copper price for the first half of 2019 was USD6,167/tonne, representing a 10.88% decrease compared with the same period last year. Average copper price in China for the first half of 2019 was RMB48,300/tonne, representing a 7.05% decrease compared with the same period last year.

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

#### **4. Condition of the industry**

##### **Gold**

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

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

##### **Copper and zinc**

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

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

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

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

#### **III. Analysis on the core competitiveness during the reporting period**

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

#### **Discussion and analysis on operating performance**

##### **Business overview**

In the first half of 2019, the Company closely adhered to the work focus of "clinging to reforms, stabilising growth and boosting development", seized the favorable opportunity of rising gold price and overcame the adverse conditions of declining prices of copper and zinc metals. The production volume of major products realised substantial growth. The Group deepened reforms in order to continuously enhance the operation and management level of mining, refining,

processing and overseas segments, as well as steadily improved the “five rates” including mining loss rate, ore dilution rate, ore recovery rate, equipment operating rate and labour productivity rate. Smooth transition and operation were realised for the newly acquired projects and constructions for key projects went on with good progress. The safety and environmental protection work stayed stable in general, and phased outcome was achieved in the aspect of informatisation development. The industrial status of the Company was consistently elevated; the Company occupies the 889th place in the Forbes list of “Global 2000: The World’s Largest Public Companies” in 2019, being the top company both among global gold enterprises and Chinese non-ferrous companies on the list.

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

### Gold mine business

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

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

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

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

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

(1 troy ounce = 31.1035 grammes)

### Copper mine business

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

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

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

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

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

#### Lead and zinc mine business

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

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

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

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

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

#### Silver, iron mine and other businesses

During the reporting period, the Group produced 250,609kg of silver, representing a decrease of 18.58% compared with the same period last year (same period last year: 307,787kg), among which, 141,068kg of silver was produced from

refinery as by-product, representing a decrease of 26.77% compared with the same period last year (same period last year: 192,643kg); 109,541kg of mine-produced silver was produced, representing a decrease of 4.87% compared with the same period last year (same period last year: 115,144kg).

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

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

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

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

#### **Major measures taken during the reporting period:**

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

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

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

##### **Continued achievements in overseas projects and higher standard of international operation**

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

With consistent improvement in international operation, the Company gained fruitful accomplishments in several overseas production increment projects, and the integration of newly acquired projects was implemented with high efficiency. The Bor copper (gold) mine in Serbia went through a smooth transition after takeover and turned loss into

profit; the construction of the Timok copper-gold mine was conducted in order; the construction of the Kamoa-Kakula copper mine project in the DR Congo attained significant achievements by prospecting and discovering high-grade copper sulphide mineralisation at the Kamoa North; the 50,000 tonnes/annum hydrometallurgy system of the Kolwezi copper (cobalt) mine in the DR Congo commenced production in full swing and the mine rose to the tier of large-scale copper mine at production volume of 100,000 tonnes/annum, through which the resources reserves of copper and cobalt were continuously increased; production capacity of the Porgera gold mine in Papua New Guinea resumed raising; the underground mining system of Longxing's zinc and polymetallic mine in Tuva was connected; the achievements of technological reforms in the gold mine of Altynken in Kyrgyzstan and Zeravshan's gold mines in Tajikistan were outstanding.

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

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

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

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

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

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

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

### **III. MANAGEMENT DISCUSSION AND ANALYSIS**

#### **Analysis of main businesses**

##### **1. Operating results**

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

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

respectively:

Item	January - June 2019					January - June 2018				
Product name	Unit price (tax excluded)		Sales volume		Amount RMB'000	Unit price (tax excluded)		Sales volume		Amount RMB'000
Mine-produced gold	274.95	RMB/g	18,342	kg	5,043,140	254.03	RMB/g	16,117	kg	4,094,060
Refined, processed and trading gold	287.96	RMB/g	132,404	kg	38,126,760	270.22	RMB/g	88,046	kg	23,792,290
Mine-produced silver	2.38	RMB/g	108,348	kg	258,370	2.36	RMB/g	113,618	kg	268,570
Mine-produced copper	35,558.12	RMB/t	166,788	t	5,930,660	36,914	RMB/t	117,968	t	4,354,660
Refined copper	41,907.67	RMB/t	226,482	t	9,491,330	44,420	RMB/t	218,315	t	9,697,520
Mine-produced zinc	11,582.10	RMB/t	191,658	t	2,219,800	15,914	RMB/t	153,601	t	2,444,450
Refined zinc	18,869.02	RMB/t	108,415	t	2,045,680	21,468	RMB/t	94,560	t	2,030,000
Iron ore	612.08	RMB/t	1,792	Mt	1,096,680	582	RMB/t	1,2190	Mt	709,580
Others (Note 1)					19,002,460					13,990,010
Internal sales elimination					-16,016,470					-11,567,250
Total					67,198,400					49,813,890

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

## 2. Analysis on costs and gross profit margin

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

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

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

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

### 3. Analysis on financial data

#### (1) Selling expenses

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

#### (2) Administrative expenses

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

#### (3) Financial expenses

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

#### (4) Impairment losses on assets/credit impairment losses

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

#### (5) Investment income

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

#### (6) Derivative financial instruments in unsettled positions

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

#### (7) Donations

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

#### (8) Working capital and sources of fund

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

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



the Group's operating activities was the fall in copper and zinc prices, which led to a decrease in gross profit generated from copper and zinc mines.

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

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

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

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

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

##### (1) Status of main businesses by region

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

##### (2) Information on major suppliers and customers

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

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

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

Currency: RMB

Item	Amount for the current period	Amount for the same period last year	Changes (%)
Operating income	67,198,395,835	49,813,890,835	34.90
Operating costs	59,642,296,042	42,716,501,955	39.62
Selling expenses	629,077,911	430,225,695	46.22
Administrative expenses	1,858,045,581	1,356,911,252	36.93
Financial expenses	850,886,565	660,421,573	28.84
Research and development expenses	134,560,641	130,917,000	2.78
Net cash flows from operating activities	4,406,208,104	4,980,685,290	-11.53
Net cash flows used in investing activities	(4,655,664,266)	(908,446,760)	Not applicable
Net cash flows used in financing activities	(462,395,876)	(1,352,875,202)	Not applicable
Other income	120,118,883	83,849,029	43.26
Investment income	57,950,947	127,612,938	-54.59
Share of profits/(losses) of associates and joint ventures	10,772,724	(27,548,270)	Not applicable
Impairment losses on assets	149,879,084	263,678,192	-43.16
(Losses)/Gains on disposal of non-current assets	(33,784)	13,450,270	Not applicable
Non-operating income	21,672,368	153,114,713	-85.85

Non-operating expenses	197,477,460	149,657,445	31.95
Changes in fair value of other equity instrument investments	1,007,649,350	(748,815,912)	Not applicable
Exchange differences arising from translation of financial statements denominated in foreign currencies	49,899,721	(20,565,992)	Not applicable
Hedging costs - forward elements	(43,791,312)	89,457,331	Not applicable

- (1) Changes in operating income: Please refer to the above analysis
- (2) Changes in operating costs: Please refer to the above analysis
- (3) Changes in selling expenses: Please refer to the above analysis
- (4) Changes in administrative expenses: Please refer to the above analysis
- (5) Changes in financial expenses: Please refer to the above analysis
- (6) Changes in research and development expenses: Basically unchanged
- (7) Changes in net cash flows from operating activities: Please refer to the above analysis
- (8) Changes in net cash flows used in investing activities: Please refer to the above analysis
- (9) Changes in net cash flows used in financing activities: Please refer to the above analysis
- (10) Changes in other income: Mainly due to increase in government grants
- (11) Changes in investment income: Please refer to the above analysis
- (12) Change in share of profits/(losses) of associates and joint ventures: Mainly due to increase in profitability of certain associates and joint ventures
- (13) Change in impairment losses on assets: Mainly due to decrease in provision for impairment losses of fixed assets during the reporting period compared with the same period last year
- (14) Change in (losses)/gains on disposal of non-current assets: Mainly due to the gains on disposal of intangible assets during the same period last year
- (15) Changes in non-operating income: Mainly due to the earthquake insurance indemnity received by BNL, a company under joint operation of the Group during the same period last year
- (16) Change in non-operating expenses: Mainly due to increase in write-off of fixed assets during the reporting period
- (17) Changes in fair value of other equity instrument investments: Mainly due to unrealised gains on the stocks at fair value through other comprehensive income during the reporting period, while there was an unrealised loss during the same period last year
- (18) Exchange differences arising from translation of financial statements denominated in foreign currencies: Mainly due to the fluctuation of exchange rate between Renminbi and foreign currencies
- (19) Hedging costs - forward elements: Due to the implementation of fair value hedge accounting in 2018, forward elements were initially identified and recognised in other comprehensive income, and was subsequently transferred from other comprehensive income to profit or loss for the current period during the period for hedging relationship affecting the profit or loss

### Gearing ratio

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

### Non-recurring profit or loss items and their amounts

Unit: RMB		
Non-recurring profit or loss items	Amount	Note (if applicable)
Losses on disposal of non-current assets	(43,418,257)	
Government grants recognised in the statement of profit or loss for the current period, except for government grants which are closely related to the Company's normal business operations, and in line with the country's policies, calculated according to certain standards or continuously granted in fixed amount	120,118,883	
Capital utilisation fee received from non-financial enterprises recognised in profit or loss for the current period	163,127,909	
Gains or losses on changes in fair value arising from held for trading financial assets, derivative financial assets, held for trading financial liabilities and derivative financial liabilities, investment income from disposal of held for trading financial assets, derivative financial assets, held for trading financial liabilities, derivative financial liabilities and	50,470,356	

other debt investments except for the effective portion of hedging closely related to the Company's normal operations		
Non-operating income and expenses other than the aforesaid items	(132,420,619)	Including donations made by the Group of RMB93,624,103
Investment income from disposal of long-term equity instrument investments	17,626,774	
Impact on the non-controlling interests	33,054,086	
Impact on income tax	(12,054,050)	
Total	196,505,082	

## Progress of business plans

### Operating environment

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

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

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

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

### Management measures for the second half of 2019

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

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

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

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

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

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

**Releasing capacities to boost production volume:** The Company will transform the advantage in resources into the

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

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

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

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

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

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

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

## Analysis of assets and liabilities

### Status of assets and liabilities

Unit: RMB

Item	Amount at the end of the reporting period	Proportion to total assets at the end of the reporting period (%)	Amount at the end of 2018	Proportion to total assets at the end of 2018 (%)	Percentage change in the amount at the end of the reporting period compared with the amount at the end of 2018 (%)
Trade receivables	644,961,624	0.55	1,009,871,109	0.89	-36.13
Trade receivables financing	1,269,788,153	1.09	0	0.00	Not applicable
Held for sale assets	0	0.00	246,189,223	0.22	-100.00
Current portion of non-current assets	635,358,196	0.54	307,233,993	0.27	106.80
Other current assets	1,280,337,685	1.10	2,504,018,792	2.22	-48.87
Other equity instrument investments	2,957,099,097	2.54	1,983,796,793	1.76	49.06
Investment properties	133,644,389	0.11	608,221,789	0.54	-78.03
Right-of-use assets	380,794,489	0.33	0	0.00	Not applicable
Held for trading financial liabilities	444,104,907	0.38	242,482,582	0.21	83.15
Other payables	7,995,359,860	6.86	4,979,586,829	4.41	60.56
Held for sale liabilities	0	0.00	68,739,751	0.06	Not applicable

Bonds payable	11,687,615,524	10.03	8,879,453,693	7.87	31.63
Lease liabilities	216,230,093	0.19	-	0.00	Not applicable
Other comprehensive income	-594,846,374	-0.51	-1,575,973,065	-1.40	Not applicable

Reasons for the changes:

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

## Analysis on investment status

### Overall analysis on external equity investment

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

#### (1) Key equity investments

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

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

#### (2) Key non-equity investments

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

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

### (3) Financial assets measured at fair value

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

### Material asset and equity interest disposals

On 24 December 2018, the Company entered into an equity transfer agreement with Aikeruite (Beijing) Investment Co., Ltd. ("Aikeruite") and transferred its 60% equity interest in Hebei Chongli Zijin Mining Company Limited ("Chongli Zijin") at a consideration of RMB180 million. According to the "Asset Valuation Report of Total Owners' Equity on the Project in relation to Zijin Mining Group Co., Ltd.\*'s Proposed Transfer of Its Equity Interest in Hebei Chongli

Zijin Mining Company Limited” issued by Chongqing Rongkuang Assets, Real Estates and Land Appraisal Co., Ltd. (Rongkuangzipingzi [2018] No. 401), the valuation of owners’ equity of Chongli Zijin was RMB297.0508 million. During the reporting period, the abovementioned registration change regarding the transfer of the equity interest was completed.

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

#### Analysis of major subsidiaries and associates

Unit: RMB million

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%	3,935	3,398.75	1,513.17	1,154.94	160.36
Joint Venture Zeravshan Limited Liability Company	Jilau, Taror gold mines	70%	2,896	2,548.46	(314.01)	593.44	82.67
Norton Gold Fields Pty Limited	Paddington	100%	2,227	2,036.64	950.52	629.93	11.17
Altynken Limited Liability Company	Zuoan gold mine	60%	1,961	2,277.23	179.72	571.00	120.78
Hunchun Zijin Mining Company Limited	Shuguang gold mine	100%	1,594	1,903.75	1,604.06	701.41	282.27
Zijin Mining Group Company Limited* (Note 2)	Zijinshan gold mine	100%	1,279	-	-	-	-
Copper segment							
Company name	Mine	Interest held by the Group	Production volume of mine-produced copper (tonne)	Total assets	Net assets	Operating income	Net profit
Zijin Mining Group Company Limited* (Note 2)	Zijinshan copper mine	100%	40,728	-	-	-	-
La Compagnie Minière de Musonoie Global SAS	Kolwezi copper mine	72%	35,176	4,516.40	926.53	1,102.68	222.56
Heilongjiang Duobaoshan Copper Company Limited	Duobaoshan copper mine	100%	32,366	5,777.73	3,061.63	1,319.20	285.87
Xinjiang Ashele Copper Company Limited	Ashele copper mine	51%	21,975	3,205.75	1,889.28	909.45	376.16
Zijin Bor Copper doo Bor	Bor copper mine (JM/VK/NC/MS)	63%	19,238	5,174.94	3,277.28	1,544.50	6.05
Hunchun Zijin Mining Company Limited	Shuguang copper mine	100%	8,345	1,903.75	1,604.06	701.41	282.27
Zinc segment							
Company name	Mine	Interest held by the Group	Production volume of mine-produced zinc (tonne)	Total assets	Net assets	Operating income	Net profit
Bisha Mining Share Company	Bisha copper-zinc mine	55%	54,525	4,044.54	3,355.02	998.87	80.85
Xinjiang Zijin Zinc Industry Company Limited	Wulagen lead and zinc mine	100%	46,010	2,030.32	1,501.25	576.45	230.32

Longxing Limited Liability Company in Russia	Kyzyl-Tash Turk zinc and polymetallic mine	70%	42,145	3,525.00	1,369.34	597.65	77.27
Wulatehouqi Zijin Mining Company Limited	Miaogou-Sanguikou lead and zinc mine	95%	37,754	2,252.60	1,406.76	569.88	78.92
<b>Refining segment</b>							
<b>Company name</b>	<b>Major product</b>	<b>Interest held by the Group</b>	<b>Production</b>	<b>Total assets</b>	<b>Net assets</b>	<b>Operating income</b>	<b>Net profit</b>
Zijin Copper Company Limited	Refined copper	100%	142.7 thousand tonnes of copper cathode, 6.05 tonnes of gold, 100.42 tonnes of silver and 406.7 thousand tonnes of sulphuric acid	8,280.79	3,141.97	8,332.13	166.73
Bayannaoer Zijin Non-ferrous Metals Company Limited	Zinc bullion	87.2%	108.6 thousand tonnes of zinc bullion, 1,457.88 tonnes of copper and 180.6 thousand tonnes of sulphuric acid	3,047.87	1,153.90	2,119.52	130.39
<b>Other segments</b>							
<b>Company name</b>	<b>Major product</b>	<b>Interest held by the Group</b>	<b>Production volume of iron ore powder (million tonne)</b>	<b>Total assets</b>	<b>Net assets</b>	<b>Operating income</b>	<b>Net profit</b>
Xinjiang Jinbao Mining Company Limited	Iron ore	56%	1.68	1,576.31	1,147.10	1,097.42	516.99
Fujian Makeng Mining Company Limited (Note 3)	Iron ore	41.5%	0.3468	4,574.45	2,177.14	522.13	67.61

Note:

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

### Possible risks

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

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

**3. Safety and environmental protection risks.** Mining companies have relatively higher safety and environmental protection risks. The Company always adheres to the principle of "safety first, emphasis on precaution and comprehensive management" by strengthening the implementation of production safety responsibilities, continuously improve the safety standardisation operating system and comprehensively utilise systematic, managerial, economic and other measures, for ensuring the continuity and stability of production safety of the Company. The Company attaches great importance to and continues to improve the work on environmental protection. It adheres to the environmental protection concept of "green mountains and clear water are our invaluable assets", earnestly puts environmental protection and ecological restoration into practice, emphatically promotes the development of green mines, and remains highly committed to forming the eco-development model.

**4. Country and community risks:** Internationalisation is the main direction of the Company's future development.



Certain overseas projects of the Company are located in countries amid political instability, inadequate legal policies, or discordant local communities. These factors lead to a certain level of country and community risks. The Company will proactively study laws and policies of the countries where the projects are situated, strengthen communication with local governments and communities by diplomatic means at the state level, promote harmonious co-development concepts, namely “negotiation, cooperation, sharing and win-win”, and strive to seek solutions to problems and difficulties which hinder the enterprise in its “going-out” development.

## Significant matters

### Details of shareholders’ general meetings

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

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

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

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

### Performance of undertakings

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

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

			Minxi Xinghang and its other wholly-owned or controlling enterprises will not develop the same business segment.			
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#### Details of share incentive scheme, employee stock ownership scheme or other employee incentive measures and their impacts

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

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

#### Material connected transactions

#### Connected transactions related to daily business operation

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

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

#### Others

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

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

#### Information of corporate bonds

#### Basic information of corporate bonds

Unit: RMB billion

Name of bond	Abbreviation	Code	Date of issuance	Date of maturity	Outstanding balance	Interest rate (%)	Payment of principal and interest	Listing place
2016 Corporate Bonds (the First Tranche) (Type One) of Zijin Mining Group Co., Ltd.*	16 Zijin 01	136304	18 March 2016	18 March 2021	0.30253	2.99	Interest to be paid annually, principal to be repaid in full at maturity.	Shanghai Stock Exchange
2016 Corporate	16 Zijin 02	136305	18 March 2016	18 March 2021	2	3.37	Interest to be paid	Shanghai

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

#### Settlement of interests and principals of the corporate bonds

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

#### Use of proceeds raised from corporate bonds

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

the unused balance of the proceeds is RMB0.

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

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

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

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

Unit: RMB

Major indicators	As at the end of the reporting period	As at the end of last year	Changes as at the end of the reporting period as compared with as at the end of last year (%)	Reason for the change
Current ratio	78.70%	81.80%	Decreased by 3.10 percentage points	Adjustment of debt structure
Quick ratio	44.64%	47.76%	Decreased by 3.12 percentage points	Adjustment of debt structure
Debt-to-asset ratio (%)	59.67	58.12	Increased by 1.55 percentage points	Adjustment of debt structure
Loan repayment rate (%)	100.00	100.00	-	-
	During the reporting period (January - June)	During the same period last year	Changes as compared with the same period last year	Reason for the change
EBITDA to interest coverage ratio	5.46	8.63	-36.81%	Adjustment of debt structure
Interest repayment ratio (%)	78.88	73.44	Increased by 5.44 percentage points	Adjustment of debt structure

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

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

#### Interim Dividend

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

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

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

## **Corporate Governance Report**

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

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

## **Audit and Internal Control Committee**

The audit and internal control committee of the Board has reviewed the Group’s unaudited financial report for the six months ended 30 June 2019 and further discussed the auditing, internal control and financial reporting matters. The audit and internal control committee considers that the Group’s financial report for the six months ended 30 June 2019 is in compliance with the applicable accounting standards and relevant laws and regulations and has made sufficient disclosure.

## **Independent Non-executive Directors**

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

## **Securities Transactions by the Directors and Supervisors**

The Company has adopted the Model Code 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 2019.

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

As at 30 June 2019, Mr. Chen Jinghe, an executive Director and the chairman of the Board of the Company, held 102,000,000 A Shares and 12,000,000 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 2019.

## **Appointment and Dismissal of Auditor**

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

## **Important Events After the Reporting Period**

1. On 5 and 6 July 2019, the Company carried out the issuance of the 2019 Medium-Term Notes (the Second Tranche). The total scale of the issuance was RMB1 billion. All the proceeds raised were deposited on 8 July 2019.

2. Recently, the Company has received the notice of registration acceptance (Zhongshixiezhushu [2019] DFI No. 18) (the “Notice”) from the National Association of Financial Market Institutional Investors (“NAFMII”), by which NAFMII approved the Company’s registration for debt financing instruments. Such registration will be valid for a term of 2 years from the date of the Notice, during which the Company may issue ultra short-term financing bonds, short-term bonds, medium-term notes and perpetual bonds in multiple tranches. Details such as lead underwriter, type of instruments to be issued, size and terms of issuance, etc., shall be determined at each issuance. After the completion of issuance, the Company shall disclose the issuance results via channels consented by NAFMII.

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

Zijin Bor Copper	Serbia Zijin Bor Copper doo Bor, a subsidiary of the Company
Zijin Copper	Zijin Copper Company Limited, a wholly-owned subsidiary of the Company
Zijin Zinc Industry, Xinjiang Zijin Zinc Industry	Xinjiang Zijin Zinc Industry Co., Ltd., a wholly-owned subsidiary of the Company

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, the PRC, 29 August 2019

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