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CHINA MINING

20 September 2016

This Week's News

- **Shanghai Daily - Production of coal sees 10.2% drop - 20/9/2016**
  In August alone, coal imports surged 52.1 percent year on year to 265.9 billion tons.
  For the complete story see: http://www.shanghaidaily.com/business/energy/Production-of-coal-sees-102-drop/shdaily.shtml
- **Latin American Herald Tribune - Argentina Looks towards China to Revive Its Mining Sector - 20/9/2016**
  Moreover, there are 300 exploration plans, many of them in the Andean heights for search and extraction of minerals such as gold, silver, copper and lithium.
  For the complete story see: http://www.laht.com/article.asp?ArticleId=2421274&CategoryId=14093
- **Reuters - China's iron ore imports stay robust, may delay price retreat - 19/9/2016**
  Much of iron ore's gains in 2016 have been driven by strong demand from China.
  For the complete story see: http://www.reuters.com/article/us-column-russell-ironore-china-idUSKCN11P157

Other Stories

- Creamer Media's Mining Weekly - Japan steelmakers suffer from China cuts as coal tops $200 - 19/9/2016
- Metal.com News - Zijin Mining Accelerates Development of Ultra-Large Copper-Molybdenum Mine in Peru - 19/9/2016
- Metal.com News - Zijin Mining Steps up Copper Supply to Xinjiang Non-Ferrous Metal - 14/9/2016
- Bloomberg - China Seen Investing Too Much in Power Plants That Burn Coal - 14/9/2016

Media Releases

- Shandong Gold Mining Co., Ltd. (SSE: 600547) - Shandong Gold Group Signs a Strategic Cooperation Agreement with Shanghai Pudong Development Bank – 2/9/2016
- Zijin Mining Group Co. Ltd. (HKSE: 2899) – Announcement Unaudited Interim Results for the Six Months Ended 30 June 2016 – 28/8/2016
- China Shenhua Energy Company Limited (HKSE: 1088) – Announcement of Interim Results for the Six Months Ended 30 June 2016 – 27/8/2016

Latest Research

- Chemical forms of heavy metals in agricultural soils affected by coal mining in the Linhuan subsidence of Huaibei Coalfield, Anhui Province, China - By Wenqin Shang, Quan Tang, Liugen Zheng, Hua Cheng

Overviews of Leading Companies

Aluminum Corporation of China Limited (CHALCO) (HKSE: 2600)
Baosteel Group Corporation (SBSA)
China Molybdenum Co., Ltd. (HKSE: 3993)
China Minmetals Corporation (SZ: 831)
China Coal Energy Co. Ltd (HKSE: 1898)
China Gas Holdings Ltd (HKSE: 384)
China Shenhua Energy Company Limited (HKSE: 1088)
China Zhongwang Holdings Limited (HKSE: 1333)
Jiangxi Copper Corporation (HKSE: 358)
Metallurgical Corp of China Ltd (MMC) (HKSE: 1618)
SDIC Xinji (SSE: 601918)
Shandong Gold Mining Co., Ltd. (SSE: 600547)
Yanzhou Coal Mining Company Limited (NYSE: YZC)
Yunnan Copper Industry Co Ltd (SZ: 878)
Zhongjin Gold (SSE: 600489)
Zijin Mining Group Co. Ltd. (HKSE: 2899)

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News and Commentary

Shanghai Daily - Production of coal sees 10.2% drop - 20/9/2016

In August alone, coal imports surged 52.1 percent year on year to 265.9 billion tons.

For the complete story see:
http://www.shanghaidaily.com/business/energy/Production-of-coal-sees-102-drop/shdaily.shtml

Latin American Herald Tribune - Argentina Looks towards China to Revive Its Mining Sector - 20/9/2016

Moreover, there are 300 exploration plans, many of them in the Andean heights for search and extraction of minerals such as gold, silver, copper and lithium.

For the complete story see:
http://www.laht.com/article.asp?ArticleId=2421274&CategoryId=14093

Reuters - China's iron ore imports stay robust, may delay price retreat - 19/9/2016

Much of iron ore's gains in 2016 have been driven by strong demand from China.

For the complete story see:
http://www.reuters.com/article/us-column-russell-ironore-china-idUSKCN11P157

Creamer Media's Mining Weekly - Japan steelmakers suffer from China cuts as coal tops $200 - 19/9/2016

Japan’s steelmakers are set to pay for China’s effort to manage its coal industry.

For the complete story see:
http://www.miningweekly.com/article/japan-steelmakers-suffer-from-china-cuts-as-coal-tops-200-2016-09-19

Metal.com News - Zijin Mining Accelerates Development of Ultra-Large Copper-Molybdenum Mine in Peru - 19/9/2016

Zijin and Peruagreed to the acceleration of development of the Whiteriver copper-molybdenum mine September 16.

For the complete story see:
http://www.metal.com/newscontent/99318_zijin-mining-accelerates-development-of-ultra-large-copper-molybdenum-mine-in-peru

Metal.com News - Zijin Mining Steps up Copper Supply to Xinjiang Non-Ferrous Metal - 14/9/2016

Xinjiang increased copper concentrate supply to Xinjiang Non-Ferrous Metal Industrial Group by a supplemental contract.

For the complete story see:
http://www.metal.com/newscontent/99252_zijin-mining-steps-up-copper-supply-to-xinjiang-non-ferrous-metal

Bloomberg - China Seen Investing Too Much in Power Plants That Burn Coal - 14/9/2016

Most generators are operating at less than half capacity.

For the complete story see:
http://www.bloomberg.com/news/articles/2016-09-13/china-seen-investing-too-much-in-power-plants-that-burn-coal

See http://www.macrosourcemedia.com/store/p7/High-Tech_Shipping_Market_Report_%2874_pages%29.html

https://www.facebook.com/acquisdata/
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Media Releases

Shandong Gold Mining Co., Ltd. (SSE: 600547) - Shandong Gold Group Signs a Strategic Cooperation Agreement with Shanghai Pudong Development Bank – 2/9/2016

On the night of August 17, Shandong Gold Group and Shanghai Pudong Development Bank signed a strategic cooperation agreement in Shanghai. Chen Yumin, Chairman of the Board and Secretary of the Party Committee of Shandong Gold Group, and Liu Xinyi, Deputy Secretary of the Party Committee and President of Shanghai Pudong Development Bank, attended the signing ceremony. Li Guohong, General Manager of Shandong Gold Group and Chairman of the Board of Shandong Gold Mining Co., Ltd. (SHA: 600547), and Yang Bin, General Manager of Shanghai Pudong Development Bank and the bank's key account department, signed the agreement on behalf of the two parties. The signing ceremony was hosted by Kong Jian, Secretary of the Party Committee and President of the Jinan Branch of Shanghai Pudong Development Bank.

Before the signing ceremony, Chen Yumin and his team visited the bank history museum of Shanghai Pudong Development Bank accompanied by Liu Xinyi, Yang bin, Kong Jian and others, and learned about the historical evolution and development of Shanghai Pudong Development Bank.

At the signing ceremony, on behalf of Shanghai Pudong Development Bank, Kong Jian welcomed the arrival of Chen Yumin and his team, and recalled the long history of harmonious cooperation between the two parties. He gave a high evaluation on the good cooperation and mutual benefit of the two parties, and expected to deepen cooperation, realize common development and create a better future jointly. The renewal of the strategic cooperation agreement has laid the foundation for further consolidating cooperation, deepening cooperation achievements and expanding new areas of cooperation. It brings the bilateral cooperation to a higher level.

Wu Naidong, Chief Financial Officer of Shandong Gold Group, Wang Peiyue, Assistant to the General Manager, Wang Xiaoling, Deputy Chief Accountant as well as heads of relevant departments of Shanghai Pudong Development Bank and executive management of the Jinan Branch of Shanghai Pudong Development Bank also attended the signing ceremony.

http://en.sd-gold.com/news_detail/newsId=131.html

Zijin Mining Group Co. Ltd. (HKSE: 2899) – Announcement Unaudited Interim Results for the Six Months Ended 30 June 2016 – 28/8/2016

Operation Overview

Discussion and Analysis by the Board on the Operation of the Company During the Reporting Period

Discussion and Analysis by the Management

1. Market Environment During the Reporting Period

During the reporting period, under the impacts of adoption of accommodative fiscal policies by the major national central banks in the world, Britain exiting from the European Union and waning expectation of an interest rate hike by the Federal Reserve of the United States, capitals seeking for safe haven invested heavily on gold ETFs, strengthening the momentum of gold price. The opening price of gold was US$1,062.47 per ounce. Its highest price was US$1,358.59 per ounce and its lowest price was at US$1,061.79 per ounce. The closing price was US$1,321.7 per ounce, which represented an increase of 24.4% compared with the beginning of the year. The average price was US$1,220.28 per ounce, which represented a 1.18% increase compared with the same period last year. As global economic recovery was still slow, copper price remained volatile at low levels. The opening price of copper was US$4,716 per tonne. Its highest price was US$5,131 per tonne and its lowest price was US$4,318 per tonne. The closing price was US$4,850.5 per tonne, which represented an increase of 2.85% compared with the beginning of the year. The average price was US$4,698.34 per tonne, which represented a decrease of 21% compared with the same period last year. Zinc price kept rebounding from low ranges due to tightening supply. The opening price of zinc was US$1,610 per tonne. Its highest price was US$2,116 per tonne and its lowest price was US$1,444.5 per tonne. The closing price was US$2,105 per tonne, which represented an increase of 30.7% compared with the beginning of the year. The average price was US$1,794.85 per tonne, still represented a 16% decrease compared with the same period last year.

2. Condition of the Industry

In the first half of 2016, global gold production was 1,537.585 tonnes, representing an increase of 1.18% compared with the same period last year. China's gold production reached 229.102 tonnes, representing an increase of 0.16% compared with the same period last year.

In the first half of 2016, global gold consumption was 1,569.694 tonnes, representing a decrease of 11.99% compared with the same period last year. China's gold consumption reached 528.52 tonnes, representing a decrease of 7.68% compared with the same period last year.

Official figure published by the People's Bank of China indicated that the national gold reserve increased by 60.96 tonnes. As at the end of June 2016, China's gold reserve reached 1,823.29 tonnes, which ranked in the world's 6th place in terms of volume.

Due to rebound of gold price, gold industry ramped up capital investment. According to the statistics of National Bureau of Statistics of the People's Republic of China, in the first half of 2016, investment in fixed assets by the gold industry in China amounted to RMB21.14 billion, representing an increase of 12.24% compared with the same period last year. Among which, investment in fixed assets by the mining and processing sectors amounted to RMB19.643 billion, representing an increase of 14.65% compared with the same period last year.

3. Management Analysis

Business Overview

During the reporting period, the Company adhered to the work focuses of"clinging to reforms, maintaining growth and boosting development" as initiated by the Board, by which the reform of management structure was basically completed, and important transitions including shifting management and control from regional-based to business segment-based and professionalisation of management were achieved. The whole management structure was further optimised, management efficiency was also improved. The Company achieved its best ever quarterly performance across various indicators in the first quarter of 2016. Based on the success of the first quarter, the Company captured the continuous uptick of gold and zinc prices in the second quarter, successfully attaining outstanding results in the production and operation of the Company's substance business segments. Domestic mining businesses also delivered promising results, with the profits of refining and processing business setting new record. Overseas projects also saw a positive trend of development, their contribution to the profit of the Company is steadily increasing.

In the meanwhile, in accordance with the Company's risk management targets and for the purpose of maintaining stability in operating results, the Company hedged a certain portion of its mineral products based on expected annual sales volume. Since gold price escalated substantially over the beginning of the year during the reporting period, hedging would offset the income arising from spot sales of products against rising product prices, hence resulting in significant decline in the Company's net profit attributable to owners of the parent during the reporting period. Moreover, since the Company held certain amount of gold leasing and a portion of which was not hedged, rising gold price would lead to a reduction in the Company's profit.

During the reporting period, the Group realised sales income of RMB38.89 billion, representing an increase of 0.15% compared with the same period last year (same period last year: RMB38.832 billion), and a net profit attributable to owners of the parent of RMB538 million, representing a decrease of 59.86% compared with the same period last year (same period last year: RMB1.341 billion).

As at the end of June 2016, the Group's total assets was RMB87.494 billion, representing an increase of 4.27% compared with the beginning of the year (at the beginning of the year: RMB83.914 billion), and net assets attributable to owners of the listed company was RMB26.623 billion, representing a decrease of 3.32% compared with the beginning of the year (at the beginning of the year: RMB27.537 billion).

Gold Business

During the reporting period, the Group produced 110,142kg of gold, representing a decrease of 11.63% compared with the same period last year (same period last year: 124,632kg).

Among which the Group produced 20,445kg of mine-produced gold, representing a growth of 17.39% over the same period last year (same period last year: 17,416kg), among which Zijinshan gold and copper mine produced 4,165kg, BNL produced 3,525kg, Norton produced 2,566kg; Longnan Zijin produced 1,639kg, ZGC produced 1,549kg, Hunchun Zijin produced 1,314kg, Guizhou Zijin produced 960kg, and other gold mining enterprises in the Group produced 4,727kg of mine-produced gold in aggregate.

The Group produced 89,697kg of refinery, processed and trading gold, representing a decrease of 16.34% compared with the same period last year (same period last year: 107,216kg).

Sales income generated from the Group's gold business represented approximately 63.41% (after elimination) of the total operating income during the reporting period, and the products generated about 45.1% of the total gross profit.

Copper Business

During the reporting period, the Group produced 273,701 tonnes of copper, representing a growth of 29.55% over the same period last year (same period last year: 211,273 tonnes).

Among which, the production included 74,754 tonnes of mine-produced copper (including 12,425 tonnes of copper cathodes), representing a decrease of 3.29% compared with the same period last year (same period last year: 77,294 tonnes). In which, Zijinshan gold and copper mine produced 27,539 tonnes (including 12,318 tonnes of copper cathodes), Ashele Copper produced 20,218 tonnes, Duobaoshan Copper produced 11,351 tonnes (including 107 tonnes of copper cathodes), West Copper produced 7,161 tonnes, Hunchun Zijin produced 6,065 tonnes, and other mining enterprises in the Group produced 2,420 tonnes of mine-produced copper in aggregate.

198,947 tonnes of refinery copper were produced in smelting enterprises, representing a growth of 48.49% over the same period last year (same period last year: 133,979 tonnes). In which, Zijin Copper produced 154,916 tonnes of refinery copper.

Sales income from the Group's copper business represented approximately 17.64% (after elimination) of the total operating income during the reporting period, and the products generated about 23.67% of the total gross profit.

Lead and Zinc Business

During the reporting period, the Group produced 225,349 tonnes of zinc, representing a growth of 24.52% over the same period last year (same period last year: 180,979 tonnes). Among which, the Group produced 122,946 tonnes of mine-produced zinc in concentrate form, representing an increase of 78.46% compared with the same period last year (same period last year: 68,891 tonnes).

Among which, Zijin Zinc Industry produced 49,347 tonnes, Wulatehouqi Zijin produced 35,862 tonnes, Russia Longxing produced 31,783 tonnes, Ashele Copper produced 5,020 tonnes and other mining enterprises in the Group produced 934 tonnes of mine-produced zinc in concentrate form in aggregate.

102,403 tonnes of zinc bullion was produced from Bayannaoer Zijin, representing a decrease of 8.64% compared with the same period last year (same period last year: 112,088 tonnes).

During the reporting period, 18,169 tonnes of lead in concentrate form were produced, representing a growth of 81.55% over the same period last year (same period last year: 10,008 tonnes).

Sales income from the Group's lead and zinc business represented approximately 5.57% (after elimination) of the total operating income during the reporting period, and the products generated about 13.74% of the total gross profit.

Silver Business

During the reporting period, the Group produced 282,300kg of silver, representing an increase of 45.24% compared with the same period last year (same period last year: 194,374kg).

Among which, 110,661kg was mine-produced silver, representing an increase of 8.46% compared with the same period last year (same period last year: 102,032kg). In which, Wuping Zijin produced 39,479kg of silver, Shanxi Zijin produced 15,967kg of silver from other associated metals, Ashele copper mine produced 12,241kg of silver from other associated metals, Luoning Huatai produced 11,449kg of silver from other associated metals, Zijinshan gold and copper mine produced 8,752kg of silver from other associated metals, and other mining entities in the Group produced 22,773kg of silver from other associated metals.

The Group produced 171,639kg of refinery silver (by-product), representing an increase of 85.87% compared with the same period last year (same period last year: 92,342kg), among which Zijin Copper produced 134,202kg of refinery silver (by-product), Hunchun Multi-metals produced 25,616kg of refinery silver (by-product), Luoning Zijin produced 8,992kg of refinery silver (by-product), Bayannaoer Zijin produced 2,310kg of refinery silver (by-product), and other refinery entities in the Group produced 519kg of refinery silver (by-product).

Sales income from the Group's silver business represented approximately 1.64% (after elimination) of the total operating income of the Group during the reporting period, and the products generated about 2.66% of the total gross profit.

Iron Mine Business

During the reporting period, no iron concentrates were produced by the Group (same period last year: 1,600,000 tonnes).

Other Business

Sales income from the Group's other products represented approximately 11.74% (after elimination) of the total operating income of the Group during the reporting period, and generated about 14.83% of the total gross profit.

External Investment

During the reporting period, the Company completed the acquisition of equity interest in Heilong Mining with a consideration of RMB1.56122 billion, obtained the headquarters assets of Heilong Mining Group Company Limited, and additional 49% equity interest in Heilongjiang Duobaoshan Copper Company Limited and 100% equity interest in Heilongjiang Tongshan Mining Company Limited respectively. Such acquisition will considerably raise the copper resources reserve and production volume of mine-produced copper of the Company, enhancing its competitiveness and sustainability in the industry.

The Company will enhance the integration of Duobaoshan copper mine in Heilongjiang with its surrounding resources, scale up development, achieve cost effectiveness, improve resource utilisation rate and efficiency of production and management, enhance profitability, and endeavour to build a large-scale copper mining entity with annual production capacity of 80,000 to 90,000 tonnes of copper as soon as possible.

Project Construction

During the reporting period, the Group's major construction projects proceeded smoothly. Among which, both of the construction period and amount of investment of the Kolwezi copper mine project in the DR Congo are expected to be reduced substantially. The Guizhou Shuiyindong gold mine's hot and pressurised pre-oxidation project is being implemented smoothly as planned.

Moreover, in the first half of 2016, the Company established Zijin Mining Construction Co., Ltd., aiming to achieve full integration and optimisation of the Group's construction business. The recent plan of the Group has outlined the goal to build a construction group combining design and engineering capacities, also to accelerate the progress of nurturing the Company's own design and construction force.

Safety and Environmental Protection

During the reporting period, the Company remained vigilant on safety and environmental protection to implement thoroughly various requirements of the new Production Safety Law, the measures include strengthening accountability of production safety at the base level, constantly striving for the target of "double zeros" by fostering full and orderly environmental control, optimising the orderliness of production of the mining and refining sites, and confronting the challenges brought by extreme weather conditions. No material incident arose from production safety or accidental environment pollution. A good trend of improvement was sustained for production safety and environmental protection, and the Company has received high accolade from local governments, the communities and the society. The Group also launched a pilot scoring system at Zijin Copper and Ashele Copper, targeting to promote a safety assessment system which ensures every member of the staff are accountable and required to follow the benchmark.

Geological Exploration

During the reporting period, the Group invested approximately RMB74.5527 million in geological exploration and completed 81,380 metres of exploration drilling and 1,340 metres of tunnel exploration. By exploring for new deposits from the currently owned mines, the Company has achieved promising results in expanding gold and copper mineral resources. Projects such as Yueyang silver mine, Yixingzhai gold mine, Jinshan-Liba gold mine, the Kolwezi copper mine, Norton, etc., have delivered satisfactory results in resources expansion, the aggregate volume of metal resources (grade 333 or above) newly added from exploration were 17.05 tonnes of gold, 74,300 tonnes of copper, 1,100 tonnes of lead and zinc, and 9,600 tonnes (copper equivalents) of other minerals.

At the Kamoa copper mine, which is an important investment project of the Company in 2015 and 47% interest of which is owned by the Company, a high-grade, thick and large copper deposit was discovered in the Kakula exploration area, approximately 5 kilometers southwest of the main mining area of the Kamoa copper mine project. The aforesaid copper deposit is flat-lying, shallow and with huge potential of resource, which makes it probably one of the most valuable and important discoveries in the field of global metal mineral explorations in the recent years and will make a substantial positive effect to the development and production of the project in the future.

In the first half of 2016, the Company also completed integration and marketisational reform of geological exploration business, and further enhanced the strength in exploration of the headquarters and entities specialising in mining geology.

Financial Business and Taxation

During the reporting period, the Company successfully captured critical market opportunities to issue ultra short-term financing bonds and corporate bonds, which helped optimise financial structure and lower financing costs, and provide capital support to and security for the Company's project construction and daily operation.

During the reporting period, the Company was also actively preparing for the reforms of value-added tax in lieu of business tax and resource tax, striving to alleviate its tax burden.

http://www.zijinmining.com/upload/file/2016/08/28/52d5067c7352417faf0b7f6d4baa90b6.pdf

China Shenhua Energy Company Limited (HKSE: 1088) – Announcement of Interim Results for the Six Months Ended 30 June 2016 – 27/8/2016

Announcement of Interim Results for the Six Months Ended 30 June 2016

Financial Highlights

• Revenue of the Group in the first half of 2016 were RMB78,723 million, representing a decrease of RMB11,278 million or 12.5% over the same period of 2015.
• Profit for the period attributable to equity holders of the Company was RMB10,827 million, representing a decrease of RMB2,592 million or 19.3% over the same period of 2015.
• Earnings per share for the period was RMB0.544.
• EBITDA in the first half of 2016 was RMB34,399 million, representing a decrease of RMB1,145 million or 3.2% over the same period of 2015.

The Board of China Shenhua Energy Company Limited (the "Company") is pleased to present the interim results of the Company and its subsidiaries (the "Group" or "China Shenhua") for the six months ended 30 June 2016 and to report our performance for the period.

Analysis on principal business

Factors affecting the changes of revenue

The revenue of the Group in 2016 recorded a year-on-year decrease of 12.5%. The main reasons for such change are:

(1) coal price rebounced in the first half of the year but still being lower than the level of the same period last year, resulting in a year-on-year decrease of 14.5% in the Group's average sales price of coal to RMB271 per tonne in the first half of 2016 (first half of 2015: RMB317 per tonne (restated));

(2) being affected by the decrease in on-grid tariff, average power tariff of the Group in the first half of 2016 was RMB306/mwh (first half of 2015: RMB342/mwh (restated)), representing a year-on-year decrease of 10.5%;

(3) a decrease in sales and selling price of coal-to-olefins products;

(4) a decrease in the materials trading business volume.

The cost of sales of the Group in the first half of 2016 represented a year-on-year decrease of 14.2%, of which:

(1) the cost of coal purchased represented a year-on-year decrease of 28.4%, which was mainly attributable to the decrease in the purchase price of coal;

(2) depreciation and amortization costs represented a year-on-year increase of 9.4%, which was mainly attributable to the increase in fixed assets of power and transportation business;

(3) repairs and maintenance costs represented a year-onyear decrease of 6.4%, which was mainly attributable to the decrease in repair costs of the railway business under the influence of the repair cycle;

(4) transportation charges mean the costs incurred through external railway, expressway, shipping transportation, the use of external port and so forth. In the first half of 2016, such charges represented a year-on-year decrease of 22.4%, which was mainly attributable to the decrease in transportation volume through national railways;

(5) Taxes and surcharges represented a year-on-year decrease of 20.4%, which was mainly attributable to the decrease in resource tax as a result of the decrease in coal price; the decrease in business tax after full implementation of the replacement of business tax with value-added tax in May 2016;

(6) other operating costs represented a year-on-year decrease in 32.8%, which was mainly attributable to the decrease in the materials trading business volume.

(3) Other items of consolidated statement of profit or loss and other comprehensive income

(1) Other gains and losses: representing a year-on-year decrease of 65.1% in the first half of 2016 which was mainly attributable to the provision for impairment of power generation facilities and related equipment of the closed Beijing Thermal Power Plant for the same period last year.

(2) Other income: representing a year-on-year increase of 98.9% in the first half of 2016, which was mainly attributable to the increase in government grants for gas-fired power received by the Company as a result of the commencement of operation of Beijing Gas.

(3) Interest income: representing a year-on-year decrease of 57.4% in the first half of 2016, which was mainly attributable to the decrease in interest income as a result of the decrease in interest rates, and a year-on-year decrease in gains from loans made to external parties.

(4) Finance costs: representing a year-on-year increase of 33.1% in the first half of 2016, which was mainly attributable to the decrease in capitalized interest and the increase in interest expenses included in finance costs as a result of the commencement of operation of certain new railway projects, and the exchange loss in borrowings denominated in Japanese Yen arising from the appreciation of Japanese Yen.

(5) Share of results of associates: representing a year-onyear decrease of 72.9% in the first half of 2016, which was mainly attributable to the decrease in gains as a result of capital checkup and verification for the units under power generation enterprises of associates.

(6) Income tax expense: representing a year-on-year increase of 0.4% in the first half of 2016, and the average rate of income tax in the first half of 2016 was 24.1% (first half of 2015: 20.6% (restated)), with an increase of 3.5 percentage points, which was mainly attributable to the decrease in proportion of profit from coal segment which was entitled to more preferential tax rate; increase in proportion of profit from power generation and transportation segment which was entitled to less preferential tax rate; and part of the deductible taxation losses incurred by operating losses of certain branches of subsidiaries were not recognized as deferred tax assets because of the uncertainty of the pay-back period.

(4) Cash flow

(1) Net cash generated from operating activities: a year-on-year increase of 18.7% in the first half of 2016, of which, net cash used in operating activities of Shenhua Finance Company was RMB9,974 million (first half of 2015: RMB9,068 million generated from operating activities (restated)), representing a year-onyear change of 210.0%, which was mainly due to the increase in deposits by Shenhua Finance Company. Excluding the effects of Shenhua Finance Company, net cash generated from operating activities of the Group represented a year-on-year increase of 108.4%. This was mainly due to the maturity for payment of bank acceptance bills receivable and the decrease in tax paid.

(2) Net cash used in investing activities: represented a year-on-year decrease of 8.2% in the first half of 2016.
This was mainly due to the decrease in net cash paid for acquisition of long-term assets.

(3) Net cash used in financing activities: represented a year-on-year decrease of 25.2% in the first half of 2016. This was mainly due to the year-on-year increase in net amounts generated by external debt financing activities.

http://www.csec.com/shenhuaChinaEn/1382683238777/201608/5a8185ae5c8f484aa6f04d8c5de85ba5/files/ad7e943a38d24bf5927670e774fd4e4c.pdf

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Latest Research

Chemical forms of heavy metals in agricultural soils affected by coal mining in the Linhuan subsidence of Huaibei Coalfield, Anhui Province, China

Wenqin Shang, Quan Tang, Liugen Zheng, Hua Cheng

Abstract

Total concentrations of heavy metals in soils may not be enough to understand their mobility and bioavailability. It is important to evaluate the degree of association of heavy metals with different chemical forms of soil. The sequential extraction method was applied to evaluate the mobile behavior of Cd, Cr, Cu, Ni, Pb, and Zn in 42 representative soil samples from the Linhuan subsidence of Huaibei Coalfield, Anhui Province, China. The results showed that mean concentrations of heavy metals were higher than background values of Huaibei City surface soil by a factor of 1.16 to 3.21 (Cd, 3.21; Cr, 1.19; Cu, 1.16; Ni, 1.23; Zn, 1.85) except Pb (0.89). Most of the total Cr, Cu, Ni, Pb, and Zn were present in the residual forms (above 70 %), while Cd was dominated by the exchangeable forms (42 %). The correlations analysis showed that the mobility of Cd, Cu, Pb, and Zn in soil was affected by both physicochemical properties and total metal concentrations. In contrast, the moblity of Cr and Ni of soil was mainly affected by their total metal concentrations. According to assessments by the potential ecological risk index (RI) and the risk assessment code (RAC), Cr, Cu, Ni, Pb, and Zn posed no or low risk. However, Cd presents high to very high risk, due to its higher exchangeable and carbonate-bound fractions.

http://link.springer.com/article/10.1007/s11356-016-7599-8

The Industry

The market

China's mining industry has experienced rapid growth over the past decade, spurred on by the increasing demand of the energy, manufacturing and construction sectors. Despite a slowdown in economic growth in the post Global Financial Crisis era, China has remained one of the world's largest consumers of minerals and the world's largest producer of coal, steel, cement, aluminum, lead, zinc, tin, magnesium, tungsten, antimony, mercury and rare earth metals.

China's mining industry is geographically expansive and highly diverse. It has proven reserves of 159 different mineral resources, which includes 10 categories of energy resources, 54 types of metals and 91 non-metal minerals. Production outside of oil and gas is dominated by:

coal - 67 per cent
iron ore - nine per cent
non-ferrous metals - seven per cent
sands and aggregates - 10 per cent
other types of mining and processing making up the remaining seven per cent.

Despite China's sizeable mineral resource reserves, which includes energy resources (coal, oil and gas) and key ferrous and non-ferrous metals (high-grade iron ores, copper, aluminum, phosphorus and potassium), it cannot meet its growing domestic demands for energy. Compounding this issue, energy resources and key ferrous and non-ferrous metal reserves are in many cases low-grade and hard to extract, making mine development costly and the smelting process more energy intensive and polluting. Mineral resources are often located long distances away from the high demand urban areas in eastern China, resulting in transportation challenges, which also contribute to environmental impact.

Historically, the mining industry has been fragmented, with many companies operating in the same mining sector – this has caused considerable overlap in the industry. Consolidation has been encouraged in an effort to increase efficiency and to improve safety and environmental standards. Chinese State Owned Enterprises (SOEs) are also starting to ensure that they are meeting international standards.

Opportunities

In addition to the strong demand for imported minerals, China also presents an opportunity for mining equipment, advanced technologies and services.

China's 12th Five-Year Plan (PDF) provides a blue-print for the economy's future direction and it emphasises the government's plans to restructure the mining sector to create a safer and sustainable industry. For example:

The government continues to consolidate coal mining companies and plans to reduce its 11 000 coal enterprises to 4000. This will be done through merging large SOEs with small and medium-sized enterprises (SMEs).

Increased funding has been allocated to IT, environmental protection and scientific research.

The sustainable development of western regions is a high priority under the Plan. The government seeks to improve energy efficiency and protect the environment, which includes Shanxi, Shaanxi, Ningxia, Gansu, Qinghai, Xinjiang, Sichuan, Yunnan, Guizhou, Chongqing and Tibet. The government has been in the process of building resource recycling zones in some of these areas.

A target has been established to increase non-fossil fuel use to 11.4 per cent by 2015, reaching 15 per cent by 2020. These targets will include an increased focus on coal-bed-methane and shale gas projects, mainly constructed by SOEs.

Medium to long-term goals of the mining industry will include upgrading technology, an increasing focus on environmental technology and the comprehensive utilisation of resources. Priority government support will be provided in the following areas:

Technologies that are used to increase the extraction/beneficiation/utilisation rate of mined materials.

Technologies that allow for deeper penetration. This will maximise extraction efforts.

Energy saving equipment and technology.

Environmental protection technology and equipment, in particular waste water, SO_2 recycling equipment and technology.

High end mining rescue equipment and technologies.

Mine site rehabilitation.

Tailings and other solid disposals recycling.

China is a growing manufacturer of mining equipment and generally the pricing is quite low in contrast to equipment manufactured overseas, due to the low labor costs and local tax incentives. Hence, mining equipment manufactured in China has been exported to countries such as Australia, Japan, South Korea and the USA.

Market reforms have also been driving mining and processing companies to seek productivity enhancing capital investment, which has resulted in more demand for foreign technology. This opens up opportunities for the high value-added Australian mining equipment, technology and services (METS) sector in the market.

At present China's coal sector provides one of the largest markets for mining equipment and is responsible for almost half of the total revenue of the industry.

The global slow-down of the coal mining industry over the past five years has resulted in significant growth in the non-coal mining industry. METS companies have been investing in the non-coal mining industry through upgrading existing mines and building new digital mines.

The Chinese Government has engaged in Direct Foreign Investment in the overseas resource industry and encourages domestic enterprises to invest offshore and make the best use of foreign resources. This has opened up opportunities for Australian mining and consulting companies who are placed to assist Chinese businesses in becoming successful overseas investors.

http://www.austrade.gov.au/Export/Export-Markets/Countries/China/Industries/Mining#.VI-18PmUf7y

Leading Companies

Aluminum Corporation of China Limited (CHALCO) (HKSE: 2600)

16/4/2016

Annual Report on Form 20-F for Fiscal Year 2015

Operating Results

Overview

We are a leading enterprise in non-ferrous metal industry in China. We are engaged principally in alumina refining, primary aluminum smelting, and trading of non-ferrous metal products, coal products and other products. In addition, we are engaged in coal mining and power generation. The remainder of our revenues were derived from research and development activities and other products and services. We organize and manage our operations according to the following key segments:

Our alumina segment, which consists of the mining and purchasing of bauxite and other raw materials, and production and sale of alumina as well as alumina-related products, such as alumina hydrate, alumina-based chemical products and gallium. Alumina accounted for approximately 91.7% of the total production volume for this segment in 2015. Alumina chemical products are used in the production of chemical, pharmaceutical, ceramic and construction materials. In the process of refining bauxite into alumina, we also produce gallium as a by-product. Gallium is a rare, high value metal with applications in the electronics and telecommunication industries.

Our primary aluminum segment, which consists of the procurement of alumina, other raw materials, supplemental materials and electricity power, the production and sale of primary aluminum and aluminum-related products, such as carbon products, aluminum alloy products and other electrolytic aluminum products. Our principal primary aluminum products are ingots and molten aluminum and aluminum alloy, which, accounted for approximately 33.5%, 42.5% and 24.0%, respectively, of our total production volume of primary aluminum in 2015. Our standard 20 kilogram remelt ingots are used for general aluminum fabrication in the construction, electricity, electronics, transportation, packaging, machinery and durable goods industries. We internally produce substantially all the carbon products used at our smelters and sell our remaining carbon products to external customers.

Our trading segment, which consists of the trading of alumina, primary aluminum, other non-ferrous metal products, and crude fuels such as coal products, as well as supplemental materials to our internal manufacturing plants and external customers. We established our trading business as a separate segment in July 2010 as a result of the implementation of our operational structural exercise.

Our energy segment, which consists of coal mining and power generation, including conventional coal-fire power generation and renewable energy generation such as wind power and photovoltaic power. We established our energy segment in January 2013 as a result of our acquisition of Ningxia Energy in line with our development strategy to partially offset our future energy costs and secure a portion of the coal we consume in our operations. In 2015, we supplied part of the electricity we generated for our own production use, supplied a portion of the coal output to our own electric power plant and sold the remaining portion to external customers, including power generation enterprises and cement plants.

Our corporate and other operating segment, which consists of corporate and other aluminum-related research, development, and other activities of the Group.

We used to be engaged in aluminum fabrication operations, where we processed primary aluminum for the production and sales of various aluminum fabrication products. As approved at our 2012 annual general meeting held on June 27, 2013, we disposed of substantially all of our aluminum fabrication operations to Chinalco in line with our development strategy to focus on the upstream sectors of the aluminum market value, industry chain and the production of high value added products. As a result, we ceased to have our aluminum fabrication business as a separate segment in June 2013. In accordance with IFRSs, our aluminum fabrication segment is classified as discontinued operation and the operating results of aluminum fabrication segment are presented as discontinued operation in the consolidated statement of comprehensive income for the year ended December 31, 2013. Our alumina, primary alumina, trading, energy and corporate and other segments are classified as continuing operations and the operating results of such segments are presented as continuing operations in the consolidated statement of comprehensive income for the years ended December 31, 2013, 2014 and 2015.

http://www.chalco.com.cn/zlgfen/rootfiles/2016/04/16/1460751495912426-1460751495914893.pdf

Baosteel Group Corporation (SBSA)

Baosteel Ltd. Published the First Quarter Report

2016-05-04

On April 28, Baosteel Ltd. published 2016 First Quarter Report. In the reporting period, Baosteel Ltd. realized 5.616 million tons of steel product sales, earning a total profit of RMB 2.18 billion, a quarter on quarter increase of RMB 3.28 billion, and its business performance is the best among domestic peers.

This year, the external macro-economy is still complicated and volatile, the “de-capacity” mission of domestic steelmakers is a long-term, arduous task. Since beginning of the year, the price level in both the buying and selling markets fluctuated and bounced back, but in the course of upswing, the steel prices fluctuated drastically especially since the Spring Festival.

Confronted with the complicated and volatile operation environment, Baosteel Ltd. seized the opportunity of market “periodic pickup”, continuously enhanced customer service, improved client perception, and made multi-dimensional cost reduction efforts in all systems, which effectively supported the stability of profitability. Meanwhile, the construction progress, ramp-up speed, market development and operation performance of Zhanjiang Steel is under control in general. Benefiting from the grasp of market opportunities and the effective implementation of internal potential tapping measures, the first quarter business performance of Baosteel Ltd. is better than the business expectation, 6.266 million tons of iron and 6.533 million tons of steel are produced accumulatively, and the consolidated total profit registers a quarter-on-quarter growth of 299%.

In the first quarter, Baosteel Ltd. realized a net cash inflow of RMB 7.4 billion from operating activities, a quarter-on-quarter growth of RMB1.62 billion, and a year-on-year increase of RMB 2.32 billion; the cost reduction completed 44% of annual target, and the amount of reduction is remarkably ahead of the time schedule; awarded the only “Quality Excellence Prize” by GAC-toyota to the steel enterprises, and obtained once again Haier’s “Gold Rubik's Cube Prize”; actively develops overseas emerging markets, two brands of high alloy premium connection and oil tubing and casing products developed independently are exported to African market for the first time; the general progress of Zhanjiang Steel project is smooth, 2030 cold rolling lines have all entered the stage of hot load test, the technical and economic indices and cost levels of main lines in the ramp-up period are rapidly approaching to those of reference plants.

http://www.baosteel.com/group_en/contents/2863/82028.html

China Molybdenum Co., Ltd. (HKSE: 3993)

Summary of 2015 Interim Report

Net profit attributable to owners of the parent company amounted to RMB463 million, representing a year-on-year decrease of 53.92%. Earnings per share were RMB0.0911 and net cash flow per share from operating activities amounted to RMB0.2458;

Net profit decreased 55.96% as compared with the same period last year, which was mainly due to the reduction in selling price of products;

NPM experienced continuing favorable operation with stable development of mining and processing businesses. In the first half of the year, cash production cost was US$0.61/lb, which contributed a net profit of US$42.6 million;

The molybdenum and tungsten segments continuously reduced their costs through optimisation of mining and processing allocation, innovation of technology research and development and other measures. In the first half of the year, cash production cost of molybdenum concentrates and tungsten concentrates decreased by 2.83% and 10.30% as compared with the same period last year, respectively;

Balance sheet was positively managed and optimised. As of 30 June 2015, the gearing ratio was approximately maintained at a relatively stable level of 54.74%; and

Domestic copper recovery has achieved preliminary commercialization, and produced 461 tonnes of 18% copper concentrates.

Copper Market

For the first half of 2015, LME copper spot price averaged at US$2.69/pound, peaking at US$2.92/pound in early May and bottomed out at US$2.45/pound in January.

The year 2015 began with the World Bank lowering its annual global economic growth projection to 3% from 3.4%. It also forecasted China’s growth at 7.1% below last year’s 7.4%, while India’s economy could increase to 6.4% this year and edge past China in 2017 in terms of economic growth. The International Monetary Fund also lowered global economic growth forecasts to 3.5%. The U.S. was an economic bright spot, with projected 2015 growth hiked to 3.6% from 3.1% and largely offsetting the weakness of the European-area economy. The Organization for Economic Co-operation and Development (OECD) lowered its 2015 global economic growth forecasts to 3.1% from its November prediction of 3.7%.

A key feature of this year so far has been a much weaker than anticipated economic growth, and although there are signs of recovery across several of the large consuming regions such as the US, Europe and Japan, it is clear that the outlook for China in particular is proving to be far more modest than in prior years. As the largest copper consumer in the world, the slowdown in economic development in China led to its lowest growth of GDP in 25 years, which is estimated to be 7% only in 2015. This had a significant impact on demand for copper and copper prices.

Over the first half of 2015, the copper market remained in surplus and inventories in LME worldwide warehouses increased to 323,450 tonnes from 178,425 tonnes at the beginning of the year, an increase of 145,025 tonnes, despite production problems due to flooding in Northern Chile, lower grade at Escondida (the largest copper mine in the world), lower production from Anglo American, and slower start up at Sierra Gorda. However, world supply will increase since projects such as Constancia in Peru will be coming on in the second half of the year along with Sierra Gorda getting closer to full production while the massive Las Bambas project will slowly ramp up in 2016. It is evident from the TC/RC‘s decline from US$107/10.7c to US$90/9c that there is a growing demand for copper concentrates in the market. There is a weak demand for finished goods market for cathode and wirerod especially in China.

Since hitting the bottom of US$2.45/pound in January, copper prices had initially trended higher, peaking most recently at US$2.92/ pound at the beginning of May. However, the market has been unable to maintain trading at these elevated levels as the weaker macroeconomic environment has dampened sentiment and prices have come back to the US$2.59/pound level at the end of June.

Wood Mackenzie believes that global refined consumption in 2015 will expand by 3.3% to 22.3 million tonnes.

http://www.chinamoly.com/06invest/DOC/E_CMOC_IR151_HKEx_0907.pdf

China Minmetals Corporation (SZ: 831)

China Minmetals Corporation is an international metals and mining corporation committed to providing high-quality services globally, adhering to a development philosophy of "cherishing limited resources and pursue boundless development". It primarily engages in exploration, mining, smelting, processing and trading for metals and minerals, and is also engaged in finance, real estate, and mining and metallurgic technology, with business scope covering 28 nations and regions in the world. It has 17.7 thousand employees and controls eight listed companies at home and abroad. In 2012, China Minmetals achieved operating revenue of RMB325 billion Yuan and total profit of RMB 8 billion Yuan, ranking No. 169 among the Fortune Global 500 and No.4 among metal companies.

Headquartered in Beijing, China Minmetals was founded in 1950, and has long played an important role as a major import and export channel for metals and minerals in China. Entering into the new century, the Group has comprehensively pushed forward strategic transformation from a traditional state-owned enterprise under the planned economy to a modern independently-operated enterprise with strong competitiveness, from a pure import and export company to a metals and minerals group backed up by resources and covering a whole industrial chain, and from a specialized company purely engaged in operation of products to an integrated group with combination of industry and finance. Over the recent years, Minmetals has also achieved remarkable mergers and acquisitions both at home and abroad. At present, the Group has six business centers, including non-ferrous metals business center, iron ore and steel business center, ferrous mining business center, finance business center, real estate business center, as well as science and technology business center. Among them, the three core business centers focusing on metals and minerals cover integrated and cohesive industry chains with global marketing networks; in respect of the other three diversified business centers, the Group has been constantly improving their synergetic supports for the core businesses, through optimized industrial structure, promoted integration of industry and finance as well as accelerated business expansion.

As a member of United Nation Global Compact, China Minmetals has been actively honoring the Ten Principles of the Global Compact and proactively undertaking social responsibilities. During the "11th Five-year Plan" period, it paid taxes of RMB23.3 billion Yuan and accumulatively donated more than RMB100 million Yuan to charity and public welfare undertakings in education, disaster relief and poverty alleviation; China Minmetals relentlessly adheres to mutual benefits and continuously creates diversified value for stakeholders in a bid to realize joint development of the Corporation and its stakeholders.

Based on the principle of service oriented and striving for excellence, China Minmetals will draw upon its six decades' experience, expedite the transformation of its economic development mode, constantly improve its self-innovation capacity, set up the status of "an advantageous nonferrous metal resources developer in China, the biggest iron ore supplier in China and the biggest steel products distributor in China" and strive for the vision of "being a metals and minerals group with international competitiveness" and "century-old enterprise with solid foundation and long-lasting prosperity"

http://www.minmetals.com/english/introduction.jsp

China Coal Energy Co. Ltd (HKSE: 1898)

First Quarterly Report 2016

Sales revenue, cost and gross profit of coal operations

For the period from January to March of 2016, the Company's revenue from coal operations decreased from RMB8.316 billion for the same period of last year to RMB8.177 billion, representing a decrease of RMB139 million; the cost of coal operations decreased from RMB5.695 billion for the same period of last year to RMB5.355 billion, representing a decrease of RMB340 million; the gross profit of coal operations increased from RMB2.621 billion for the same period of last year to RMB2.822 billion, representing an increase of RMB201 million.

Changes in unit cost of sales of self-produced commercial coal

For the period from January to March of 2016, the Company's unit cost of sales of self-produced commercial coal decreased from RMB194.05/tonne for the same period of last year to RMB139.82/tonne, representing a decrease of RMB54.23/ tonne or 27.9%, or a decrease of RMB26.64/tonne or 16.0% as compared to RMB166.46/tonne for the year of 2015.

Firstly, material costs decreased by RMB12.40/tonne as compared to the corresponding period of 2015, mainly attributable to the further improvement of management of material requisition and consumption and the enhancement of recycling of coal producing enterprises, leading to a year-on-year decrease in the material costs.

Secondly, cost of external purchase of raw coal for washing purpose decreased by RMB5.21/tonne as compared to the corresponding period of 2015, mainly attributable to the year-on-year decrease in sales volume of external purchase of raw coal for washing purpose and the year-on-year fall in purchase price, leading to a year-on-year decrease in total cost of external purchase of raw coal for washing purpose.

Thirdly, labour costs decreased by RMB13.76/tonne as compared to the corresponding period of 2015, mainly attributable to the further enhanced controls over gross salaries, strict control on manpower and wage standards of coal producing enterprises, as well as the year-on-year increase in the production volume of self-produced commercial coal, leading to the year-on-year decrease in unit labour costs.

Fourthly, depreciation and amortization decreased by RMB6.10/tonne as compared to the corresponding period of 2015, mainly attributable to a year-on-year increase in the production volume of self-produced commercial coal, leading to the year-onyear decrease in the unit depreciation and amortization cost.

Fifthly, repair costs decreased by RMB1.02/tonne as compared to the corresponding period of 2015, mainly attributable to the strengthening of routine repair and maintenance of equipment of coal producing enterprises and the decrease in repair outsourcing by making full use of the own repair capability as well as the year-onyear increase in the production volume of self-produced commercial coal, leading to the year-on-year decrease in the unit repair costs.

Sixthly, outsourcing mining engineering fee decreased by RMB4.51/tonne as compared to the corresponding period of 2015, mainly attributable to full use of self-operated stripping activities and roadheading teams by coal producing enterprises, control over outsourcing business volume and cut down of outsourcing business unit price, leading to a year-on-year decrease in outsourcing mining engineering costs.

Seventhly, other costs decreased by RMB11.23/tonne as compared to the corresponding period of 2015, mainly attributable to various measures taken by the Company to cut down the amount of non-production related sporadic projects and expenses for small and medium projects, leading to a decrease in other costs.

http://www.chinacoalenergy.com/n43830/n43840/n43841/n43844/c955658/attr/955659.pdf

China Gas Holdings Ltd (HKSE: 384)

China Gas Announces FY2016 Annual Results

Added 32 New City Gas Concession Projects, Bringing the total to 305

Core Profit per share was HK74.86 Cents, Representing a Year-On-Year Increases of 12.9%

Total Dividend per share Increases 20.5% to HK19.46 Cents

- Piped gas sales volume increased 10% to 10.02 billion cubic meters
- LPG sales up 28.6%, which led to the significant surge of 78.5% in its core net profit
- Total number of connected residential customers grew 16.7% to 14,691,200
- Core profit attributable to owners of the Company increased by 11.9% to HK$3,716,338,000
- Core profit per share was HK74.86 cents, up 12.9% year-on-year
- Healthy Balance Sheet
- Cash balance reached HK$5,772,495,000
- Reported positive free cash flow for the first time
- Actively responded to the change of RMB foreign exchange policy and effectively minimized the impact of future exchange loss. The proportion of foreign currency debts to all debts of China Gas significantly decreased from 83% (as at 31 March 2015) to 7% (as at March 2016)

Hong Kong – 28 June 2016) China's leading piped-gas operator China Gas Holdings Limited ("China Gas" or the "Group"; stock code: 384) announced its annual results for the year ended 31 March 2016. During the period under review, despite plagued by the economic slowdown in China and plunge of oil price, the overall financial and operational performance of the Group was satisfactory, with the two major business segments (natural gas and liquefied petroleum gas (LPG)) recording encouraging growth. The core net profit of LPG business surged a significant 78.5%. However, LPG unit procurement cost, selling price and sales revenue declined significantly as a result of the drastic drop of international oil prices, dragging the Group's consolidated revenue down by 19.4% year-on-year to HK$11,349,279,000. The Group's consolidated gross profit was HK$7,033,290,000, representing a year-on-year increase of 9.0%; profit attributable to owners of the Company was HK$2,273,121,000, representing a year-on-year decrease of 32.6%; and basic earnings per share were HK45.79 cents, representing a year-on-year decrease of 32%. The decrease in profit attributable to owners of the Company and basic earnings per share was mainly due to the combined effect of one-off or non-operational factors with a total amount of HK$1,443,217,000 (namely the exchange loss of subsidiaries of the Group brought by the depreciation of RMB against the US Dollar; share of exchange loss attributable to Zhongyu Gas, an associate company, and the provision for its assets; one-off front end fee due to the replacement of US dollar loans; the provision attributable to a share option litigation, the provision made for the close down of a coking methanol project of a joint venture company, the provision made for the closure of dimethyl ether production facilities and other one-off factors). If these factors were excluded, core profit attributable to owners of the Company during the period would be HK$3,716,338,000, representing a year-on-year increase of 11.9%; and core profit per share would be HK74.86 cents, a year-on-year increase of 12.9%.

The Group's satisfactory operational performance has brought in strong cash flow and prudent investment management has ensured that capital is used with good reasons. After experiencing rapid growth in the past 14 years, the Group is making steady investment in its traditional businesses, and as its gas business continues to advance, operational cash flow of the Group will increase, giving it positive free cash flow that will accumulate. During the review period, the Group reported positive free cash flow for the first time, which means it shall not need to resort to external financing but can use cash flow generated from operational activities to repay debts, pay dividends/interests and make investment.

The Board resolved in favour of the payment of a final dividend of HK14.46 cents per share. Together with the interim dividend of HK5 cents per share, the total dividend for the year is HK19.46 cents per share (2015: HK16.15 cents), a 20.5% growth against last year in order to reward shareholders for their long-term support to the Group.

Piped Gas

During the review period, the Group secured 32 additional city piped gas projects and the new projects are located in Anhui Province, Hubei Province, Jiangsu Province, Hebei Province, Guangxi Zhuang Autonomous Region, Shaanxi Province, Guangdong Province, Shanxi Province, Tianjin City, Inner Mongolia Autonomous Region, Heilongjiang Province, Fujian Province, Henan Province and Yunnan Province. As at 31 March 2016, the Group secured a total of 305 piped gas projects with exclusive concession rights, 13 long distance natural gas transmission pipeline projects, 571 CNG/LNG refilling stations for vehicles, 1 coal bed methane development projects and 98 LPG distribution projects in 25 provinces, municipalities and autonomous regions in China.

The Group sold a total of 10,022,683,000 cubic meters of piped gas during the period, representing a year-on-year increase of 10.0%. Among that, a total of 9,860,016,000 cubic meters of natural gas were sold, representing a year-on-year increase of 9.9%. The Group's piped gas is sold mainly through city piped gas network (retail) and wholesale (including long distance natural gas transmission pipelines), and during the year 7,294,760,000 cubic meters were sold through city piped gas networks, representing a year-on-year increase of 8.0%, and 2,565,256,000 cubic meters through wholesale business (including long distance natural gas transmission pipelines), representing a year-on-year increase of 15.5%.

With respect to the Group's natural gas sales structure, residential users accounted for 21.2%; industrial users 43.4%; commercial users 19.6%; and CNG/LNG vehicle users accounted for 15.8%. During the financial year, the Group completed connections for 2,100,256 new residential households, 922 industrial users and 15,169 commercial users. The total number of residential households, industrial users and commercial users reached 14,691,200, 4,590 and 86,976 respectively.

Impacted by general slowdown in economic growth in China this year, industries including real estate, construction and transportation faced critical situation. Operation rate of factories fell, downstream users with greater demand for natural gas, such as those in glassworks, ceramics and the steel industries, were negatively affected. Besides, with oil prices hovering low this year, natural gas price was not competitive when compared with alternative energy, and the demand for natural gas in the industrial sector was severely challenged. Apart from proactively responding to the challenges arising from the lacklustre macro-economic environment and low oil price by making timely adjustment to its marketing strategies, fully exploiting market potential, enhancing development of existing industrial and commercial users and seeking new growth driver for gas demand, the Group also accelerated the construction of gas-fired central heating systems and ''coal-to-gas'' conversion projects in line with requirements of the Action Plan on Prevention and Control of Air Pollution promulgated by the State Council of China in September 2013. During the review period, of the newly added 922 industrial users, 46.1% of them were converted from coal. All in all, the demand of natural gas from "coal-to-gas" industrial users will stand high in the coming years; and it will become one of the main growth drivers of the Group's gas sales.

The reasonable price difference between natural gas and alternative energy sources favours the wide use of natural gas. However, with international oil price remaining low and the prices of alternative energy sources such as fuel oil and LPG following on the down trend since the second half of 2014, there has been enormous pressure on the promotion of natural gas usage. On 18 November 2015, NDRC published a notice on price adjustment of natural gas, which stated the maximum non-residential natural gas price at city gate would be reduced by RMB0.7 per cubic meter, effective from 20 November 2015. The cut in natural gas price would relieve the burden of downstream gas users, thus help push the use of natural gas in various industries, such as industrial and commercial sectors, transportation, power generation and central heating, and in turn effectively facilitate the long-term and healthy development of natural gas as a clean energy in China.

Compressed Natural Gas ("CNG") /Liquefied Nature Gas ("LNG") Refilling Stations

Last year, international oil prices remained at low levels after a significant drop in gasoline and diesel prices in China have since been on a downward trend, hence the economic benefits of natural gas for vehicles diminished. In view of changes in the market, the Group adhered to the principle of proactively adjusting the development strategy for refilling stations. Through enhancing project management, strengthening investment risk control and promoting market development, the Group achieved expected performance in the number of gas refilling station projects and gas sales. At the same time, with a view to expanding its source of profit, attracting both new and existing customers and enhancing customer loyalty, the Group also made tremendous efforts to promote value-added businesses such as the ''Yikatong'' smart card system and convenience stores in refilling stations by improving service quality for vehicle and vessel users.

As at 31 March 2016, the Group owned a total of 398 CNG refilling stations and 173 LNG refilling stations for vehicles. The total number of gas refilling stations was 571, representing a year-on-year increase of 9.8%. Apart from that, during the period, the Group also completed construction of the first LNG refilling port –Chongqing Maliu LNG Refilling Terminal for Vessels, laying a solid foundation for further development of China's massive natural gas for vessels market.

Liquefied Petroleum Gas（"LPG"）

During the financial year, the Group's LPG business recorded strong growth. The Group sold 3,103,404 tons of LPG, representing a year-on-year increase of 28.6%, with wholesale sales volume amounted to 2,156,543 tons, representing an increase of 38.3% against the same period last year, and retail gas volume totalled at 946,861 tons, representing an increase of 10.9% compared with the same period last year. Revenue for the period amounted to approximately HK$11,349,279,000 (for the year ended 31 March 2015: HK$14,078,066,000), representing a year-on-year decrease of 19.4%. The decrease in revenue was attributable to the decline in LPG sales price alongside the plunge of international oil price during the period, yet with the procurement costs of LPG down significantly at the same time, the profit margin of the segment increase to 12.2% from 7.7%. If the impact caused by the one-time or non-operating items was excluded, the core net profit of LPG would be HK$417,763,000 (for the year ended 31 March 2015: HK$234,090,000), representing a substantial year-on-year increase of 78.5%.

Value-Added Services for End Users As connection rate continues to grow, so has the Group's customer base. Currently, the Group provides more than 20 million residential, industrial and commercial users with piped natural gas and bottled LPG services. There is an enormous potential for value-added services in the customer network. To capture the opportunities, the Group has established different teams including a department of value-added business, Gasbo Electrical & Gas Appliances Company Limited and Zhongran SmartLiving E-commerce Company Limited These teams are tasked to actively expand around the Group's core gas sales business to various emerging businesses including promotion of gas appliances carrying the Gasbo brand, comprehensive gas insurance and agency, maintenance and equipment conversion, gas corrugated pipes and gas alarms. During the period under review, gross profit from value-added business amounted to HK$245,135,000, representing a year-on-year growth of 48.3%.

Healthy Financial Position

As at 31 March 2016, the Group had cash on hand of HK$5,772,495,000 (31 March 2015: HK$5,291,981,000). The Group adopts a prudent financial management policy. With sufficient cash on hand, a reasonable gearing ratio and steadily growing cash flow from its gas operations, the Group is in a strong financial position.

Foreign Exchange and Interest Rate Risk Management

Most of the revenue of the Group is received in RMB and most of the expenses and capital expense are also denominated in RMB. However, certain bank loans and other borrowings and bank balances of the Group are denominated in currencies other than the functional currencies of the relevant entities of the Group. The appreciation or depreciation of RMB against foreign currencies will thus result in exchange gain or loss. Although most of such gain or loss is non-operating in nature, it can still cause a positive or negative impact on the results of the Group.

The reform of the central parity quotation mechanism of the RMB against the US Dollar announced on 11 August 2015 by the People's Bank of China has increased the uncertainty of the exchange rate between the two currencies. Between then and 31 March 2016, the RMB had depreciated more than 5% and that affected the Group's annual results. To mitigate the effect of exchange gain or loss on its results, the Group has revised its exchange rate risk management policies. It managed to effectively avoid risks by closely monitoring the trends of interest rates and foreign exchange rates and adjusted its debt structure timely and reasonably. In accordance with such exchange rate risks management policies, the Group has actively adjusted the structure of debt in RMB and foreign currencies and replaced existing US Dollar-denominated debt with RMB-denominated debt. Although these actions inevitably increased certain one-time financial expenses, they could greatly mitigate the potential impact of future exchange loss. The proportion of foreign currency debt had significantly decreased from 83% at the beginning of the review period to 7% as at 31 March 2016.

Management and Corporate Governance

Adhering to its "Systemised, Standardised and Institutionalised" management philosophy, the Group strives to enhance management policies and aims to implement scientific corporate management. During the period under review, the Group continued to implement the management and control model of "shifting operational focus to a lower level and moving the management platform to the frontend" to promote region-based coordination and management. Its ultimate aim is to achieve more standardised, and efficient development, plus effectively improve the expediency of decision-making. In addition, by actively refining its operating system, continuing to invest in its information technology system and actively encouraging innovation, the Group has continuously raised the standard of operation management.

Business Development and Prospects

During the financial year, plagued by the complicated international political and economic environment, the Chinese economy slowed down further as manifested in the overcapacity of the manufacturing sector and the increase in inventory in the real estate sector. And the continued downturn in the price of bulk commodities particularly that of crude oil and the changes in exchange gains or losses of enterprises brought about by the reform of RMB exchange rate regime posed additional pressure. Affected by these situations, the domestic gas industry experienced a rare decline in growth rate. However, as city-gate prices of non-residential natural gas came down twice in 2015, in terms of economic benefits, natural gas has regained some ground against alternative energy sources. In addition, at the authority's continuous promotion of policies such as the Action Plan on Prevention and Control of Air Control, the growth of market demand for natural gas has started to turnaround. While making full use of its strengths to capture opportunities presented by the transforming energy consumption structure of the country and explore market potential, the Group has also kept accelerating development of its city gas, LPG and gas for vehicles and vessels businesses, as well as growing its value-added services which it deems as the asset-light business in its "Blue Ocean" development strategy.

As for the natural gas business, the Group continues to obtain new projects while promoting organic growth of existing projects. The Group will also accelerate the connection rate of industrial and commercial users, in particular the small or mid-size commercial users; speed up the development of "coal-to-gas" conversion projects for industrial and commercial users in the city; promote "Natural Gas in Towns", "Point-to-Point Gas Supply", LNG trading and distributed energy businesses, to increase the Group's gas sales volume steadily. Also, the Group is dedicated to establishing a ''4G'' (namely piped natural gas (PNG), CNG, LNG and LPG) network for the gas industry and raising the Group's overall management efficiency and profit, and at the same time, developing China Gas into a truly outstanding market enterprise. In addition, to better regulate and protect the natural gas industry and the related franchising system, on 25 April, six government functions and departments, including the National Development and Reform Commission, promulgated the "Administrative Measures on Licensing for Infrastructure and Utilities" , which is conducive to China Gas' further development.

Regarding LPG, owing to the rapid urbanisation and increasing demand for clean energy in China, LPG is widely used in areas where piped gas is not available as it is easily transported. Furthermore, benefitting from the rapid growth of the domestic LPG deep-processing sector, China's LPG consumption surged 15% and 18% in 2014 and 2015 respectively. As the largest LPG distributor in China, China Gas will strive to maintain close collaboration between retail and wholesales businesses, and seize the vertically integrated value chain advantage arising from the cooperation between upstream and downstream sectors. Domestically, the Group will actively cooperate with upstream LPG manufacturers to form alliances and partnerships; whereas, for gas sourced from overseas, the Group will strengthen cooperation with its strategic shareholders and large international LPG traders, in order to improve continuously the procurement structure of import gas, and effectively control the risk and cost of procurement. The

Group's brand building and marketing management system will also be enhanced through the promotion of the unique brand of "China Gas-Panva". The Group believes LPG consumption will maintain stable growth in the future with plans to build more "new villages" and urbanization well underway. On the other hand, higher standard in environmental protection also reinforced, means that LPG consumption market will continue to expand steadily, presenting significant opportunities for China Gas.

While working hard at consolidating and expanding its core gas business, the Group is also accelerating the development of value-added service business, and continually exploring and gradually setting up an "Internet +" operational platform to provide energy and non-energy products and services. Such efforts are enabling the Group to expand the scope of its value-added services encompassing industrial, commercial and residential gas products and services.

The Group is striving to increase the contribution of income from value-added services to its overall operating income, that it may transform from a mere gas user developer and gas distributor into a truly integrated operation service provider with gas business as the base.

Mr. Liu Ming Hui, Executive Chairman, Managing Director and President of China Gas, said, "In the past one year, affected by a host of factors, the gas industry inevitably slowdown in growth, which is rare in its history. Facing changes in the operating environment, the Group has actively adjusted its development strategies, dug deep for market potential and seized opportunities bred by related policies. Consequently, the Group's business maintained stable growth and achieved a 12.9% growth in core profit per share for the year. Among which, LPG business reported remarkable results with a notable growth of 78.5% in core net profit.

"As the largest domestic and cross-regional gas company in China, the Group believes that natural gas is fits well with the country's policy to promote clean, highly effective and green development. China Gas, which has grown on its exertion over the years, is facing a 'new normal' in downstream natural gas demand. It started last year to take its reform in depth and devise new development strategies, looking for new business possibilities along the industry chain which can be groomed into major sales growth drivers. We will continue to capture the huge opportunities brought by natural gas pricing reform in China, the goal of increasing city natural gas penetration rate laid down in the 13th Five-Year Plan, and the policies to develop distributed energy market and "coal-to-gas" conversion projects. We are determined to speed up our business development through transformation and moving to the next level so as to achieve long-term growth of gas sales volume and profit.

"At the same time, in our quest to consistently improve corporate governance and internal control, the Group has incorporated effective and sustainable corporate governance and internal control measures into its corporate development strategies and risk management system to make sure it can make higher standards in the two aspects. China Gas will continue to build up its unique core competitiveness with the help of its outstanding management model and professional management team, in order to maximize value, deliver outstanding performance and better reward our shareholders."

About China Gas

China Gas Holdings Limited ("China Gas", stock code: 384) is principally engaged in the investment, construction and management of city gas pipeline infrastructure, distribution of natural gas and LPG to residential, industrial, commercial users, and through gas stations to the transportation sector. Major shareholders of the Company include the Beijing Enterprises Group (BVI) Company Limited, SK group of companies, Fortune Oil PLC in UK and Gail (India) Limited. To date, China Gas owns a total of 259 natural gas projects, including exclusive piped gas development rights in 243 cities and regions, 13 natural gas pipeline transmission projects, 1 natural gas exploration project and 2 coal bed methane development projects, as well as the license to import and export LNG and other fuel products in China, and 98 LPG distribution projects.

http://www.chinagasholdings.com.hk/uploadfiles/20160628044519560.pdf

China Shenhua Energy Company Limited (HKSE: 1088)

Announcement of Interim Results for the Six Months Ended 30 June 2016

Financial Highlights

• Revenue of the Group in the first half of 2016 were RMB78,723 million, representing a decrease of RMB11,278 million or 12.5% over the same period of 2015.
• Profit for the period attributable to equity holders of the Company was RMB10,827 million, representing a decrease of RMB2,592 million or 19.3% over the same period of 2015.
• Earnings per share for the period was RMB0.544.
• EBITDA in the first half of 2016 was RMB34,399 million, representing a decrease of RMB1,145 million or 3.2% over the same period of 2015.

The Board of China Shenhua Energy Company Limited (the "Company") is pleased to present the interim results of the Company and its subsidiaries (the "Group" or "China Shenhua") for the six months ended 30 June 2016 and to report our performance for the period.

Analysis on principal business

Factors affecting the changes of revenue

The revenue of the Group in 2016 recorded a year-on-year decrease of 12.5%. The main reasons for such change are:

(1) coal price rebounced in the first half of the year but still being lower than the level of the same period last year, resulting in a year-on-year decrease of 14.5% in the Group's average sales price of coal to RMB271 per tonne in the first half of 2016 (first half of 2015: RMB317 per tonne (restated));

(2) being affected by the decrease in on-grid tariff, average power tariff of the Group in the first half of 2016 was RMB306/mwh (first half of 2015: RMB342/mwh (restated)), representing a year-on-year decrease of 10.5%;

(3) a decrease in sales and selling price of coal-to-olefins products;

(4) a decrease in the materials trading business volume.

The cost of sales of the Group in the first half of 2016 represented a year-on-year decrease of 14.2%, of which:

(1) the cost of coal purchased represented a year-on-year decrease of 28.4%, which was mainly attributable to the decrease in the purchase price of coal;

(2) depreciation and amortization costs represented a year-on-year increase of 9.4%, which was mainly attributable to the increase in fixed assets of power and transportation business;

(3) repairs and maintenance costs represented a year-onyear decrease of 6.4%, which was mainly attributable to the decrease in repair costs of the railway business under the influence of the repair cycle;

(4) transportation charges mean the costs incurred through external railway, expressway, shipping transportation, the use of external port and so forth. In the first half of 2016, such charges represented a year-on-year decrease of 22.4%, which was mainly attributable to the decrease in transportation volume through national railways;

(5) Taxes and surcharges represented a year-on-year decrease of 20.4%, which was mainly attributable to the decrease in resource tax as a result of the decrease in coal price; the decrease in business tax after full implementation of the replacement of business tax with value-added tax in May 2016;

(6) other operating costs represented a year-on-year decrease in 32.8%, which was mainly attributable to the decrease in the materials trading business volume.

(3) Other items of consolidated statement of profit or loss and other comprehensive income

(1) Other gains and losses: representing a year-on-year decrease of 65.1% in the first half of 2016 which was mainly attributable to the provision for impairment of power generation facilities and related equipment of the closed Beijing Thermal Power Plant for the same period last year.

(2) Other income: representing a year-on-year increase of 98.9% in the first half of 2016, which was mainly attributable to the increase in government grants for gas-fired power received by the Company as a result of the commencement of operation of Beijing Gas.

(3) Interest income: representing a year-on-year decrease of 57.4% in the first half of 2016, which was mainly attributable to the decrease in interest income as a result of the decrease in interest rates, and a year-on-year decrease in gains from loans made to external parties.

(4) Finance costs: representing a year-on-year increase of 33.1% in the first half of 2016, which was mainly attributable to the decrease in capitalized interest and the increase in interest expenses included in finance costs as a result of the commencement of operation of certain new railway projects, and the exchange loss in borrowings denominated in Japanese Yen arising from the appreciation of Japanese Yen.

(5) Share of results of associates: representing a year-onyear decrease of 72.9% in the first half of 2016, which was mainly attributable to the decrease in gains as a result of capital checkup and verification for the units under power generation enterprises of associates.

(6) Income tax expense: representing a year-on-year increase of 0.4% in the first half of 2016, and the average rate of income tax in the first half of 2016 was 24.1% (first half of 2015: 20.6% (restated)), with an increase of 3.5 percentage points, which was mainly attributable to the decrease in proportion of profit from coal segment which was entitled to more preferential tax rate; increase in proportion of profit from power generation and transportation segment which was entitled to less preferential tax rate; and part of the deductible taxation losses incurred by operating losses of certain branches of subsidiaries were not recognized as deferred tax assets because of the uncertainty of the pay-back period.

(4) Cash flow

(1) Net cash generated from operating activities: a year-on-year increase of 18.7% in the first half of 2016, of which, net cash used in operating activities of Shenhua Finance Company was RMB9,974 million (first half of 2015: RMB9,068 million generated from operating activities (restated)), representing a year-onyear change of 210.0%, which was mainly due to the increase in deposits by Shenhua Finance Company. Excluding the effects of Shenhua Finance Company, net cash generated from operating activities of the Group represented a year-on-year increase of 108.4%. This was mainly due to the maturity for payment of bank acceptance bills receivable and the decrease in tax paid.

(2) Net cash used in investing activities: represented a year-on-year decrease of 8.2% in the first half of 2016. This was mainly due to the decrease in net cash paid for acquisition of long-term assets.

(3) Net cash used in financing activities: represented a year-on-year decrease of 25.2% in the first half of 2016. This was mainly due to the year-on-year increase in net amounts generated by external debt financing activities.

http://www.csec.com/shenhuaChinaEn/1382683238777/201608/5a8185ae5c8f484aa6f04d8c5de85ba5/files/ad7e943a38d24bf5927670e774fd4e4c.pdf

China Zhongwang Holdings Limited (HKSE: 1333)

China Zhongwang Posts Adjusted Net Profit of RMB1.51 Billion in 1H 2016

Update Time: 2016-08-25

China Zhongwang Posts Adjusted Net Profit of RMB1.51 Billion in 1H 2016
First Aluminium Flat Rolling Production Line to Commence Production This Year
Driving Long-term Growth

China Zhongwang Holdings Limited ("China Zhongwang" or the "Company", together with its subsidiaries, the "Group", stock code: 01333), a world's leading fabricated aluminium product developer and manufacturer, announced its unaudited consolidated results for the six months ended 30 June 2016 (the "Period under Review"). During the Period under Review, the Group's external sales volume increased by 6.8% year-on-year to approximately 368,000 tonnes. The total revenue amounted to approximately RMB7.68 billion. As the revenue contribution from high-end products increased, gross margin expanded by 4.5 percentage points, year-on-year, to 36.7%. Adjusted net profit rose by 0.5% to RMB1.51 billion when compared to the corresponding period of last year. Adjusted earnings per share were approximately RMB0.21. To reward shareholders' support, the Board has declared an interim dividend of HK$0.11 (approximately RMB0.09) per share to the shareholders of the Company.

Mr. Lu Changqing, President and Executive Director of China Zhongwang,said, "The Chinese Government actively promotes transformation and upgrading of industries, creating new opportunities for green and environmentally friendly fabricated aluminium products. In the first half of 2016, the Group continued to achieve business growth by optimizing its product mix, upgrading production capacity, and investing in R&D and innovation. The first production line of the Tianjin aluminium flat-rolled product project is undergoing final stage of equipment testing, and has successfully produced the widest ultra-large aluminium alloy slabs and plates during the Period under Review, setting new records in China and Asia. In addition, the spin-off and listing of the Group's aluminium extrusion business on the A-share market is making further progress. The circular on the proposed spin-off has been dispatched to shareholders, and the Group will hold an extraordinary general meeting soon. The spin-off will enhance the Group's corporate value in the long term with an additional financing platform."

Aluminium Extrusion Business

Optimize Product Mix and Upgrade Capacity to Enhance Profitability

During the Period under Review, the Group effectively strengthened its overall profitability as it continued to optimize its product mix. Gross margin of the aluminium extrusion business increased from 29.5% for the corresponding period in 2015 to 31.8% for the Period under Review. The installation of an ultra-large 225MN extrusion press ordered in 2012 is underway. It is expected to commence production in 2017. The other press has been delivered to the plant for installation. Orders for 99 extrusion presses were placed during the Period under Review, of which 19 were large-scale presses of 75MN or above, among which one was of 175MN and four of 125MN.

Deep Processing Business

Transform from a Material Supplier to an Integrated Light-weight Solutions Provider

The deep processing business is one of the Group's growth drivers. During the Period under Review, sales volume of the deep processing business surged 64.1% year-on-year to approximately 47,000 tonnes, contributing approximately RMB1.26 billion in revenue, an increase of 57.9%. Gross margin increased from 34.9% for the corresponding period in 2015 to 36.5% for the Period under Review. With the light-weight development in the transportation sector, the Group continued to augment sales of the existing products of large parts, such as vehicle bumpers, structural parts for passenger cars and skirtboards for high-speed trains, while increasing the proportion of finished products with higher added value, such as train carriages and the body frames for new energy buses. The strong capability of product and process design team has enabled the Group to make preemptive moves in an ever-changing market.

Enhance Industry Chain Extension, Strengthen Competitiveness in the Long Term

The first production line at the Tianjin flat rolling plant will commence production this year. It is currently processing small-volume orders from potential customers on a trial basis. During the Period under Review, the smelting and casting mill successfully produced aluminium alloy slabs of 2,670mm in width, which set China's new record; and the hot rolling mill successfully produced aluminium alloy plates of 4,300mm in width, setting a new record in Asia. Furthermore, the project was awarded three quality management system accreditations, including the management system certificates for aerospace and automobile industries, laying a foundation for the products to enter the high-end market.

Looking into the future, Mr. Lu concluded, "In view of the increasing trend of material upgrade in the transportation sector and equipment upgrade in the industrial sector, the Group has capacity expansion plans to fulfil the increasing downstream demand. Leveraging its technology, R&D and product design edge, China Zhongwang will capitalize on the synergy of its three core businesses, namely industrial aluminium extrusion, deep processing and aluminium flat rolling, to strengthen its foothold as a leading developer and manufacturer of high-end fabricated aluminium products and reward shareholders with positive returns."

http://www.zhongwang.com/en/index.php?ctl=news&act=detials&cid=78&infoid=79&did=1092

Jiangxi Copper Corporation (HKSE: 358)

Established in 1979, Jiangxi Copper Corporation (JCC) has gone through 30 years development, and is now the largest copper producer and copper fabricator in China, also a fundamental supplier for gold, silver, selenium, tellurium, rhenium, as well as sulphide chemicals. The company represents the flagship of China's copper industry.

In 2008, the company successfully accomplished its holistic listing, followed by an organization integration of JCC and JCCL (Jiangxi Copper Company Limited). Based on a modernized divisionalization model, the company runs 8 mines, 3 smelters, 6 copper fabrication companies, 3 precious metal and rare earth metal producers, as well as other supportive and supplementary operations including JCCL Financial Co., Ltd., Jinrui Futures Company, JCCL Logistics Company, etc. JCC's major functions focus on new business discovery, internal logistics and community affairs etc.

Through 30 years development, the company's business scope is highly expanded to span non-ferrous metal, fine chemical, machinery manufacturing, logistics, futures and brokerage, geological exploration, shafts & tunnels construction, as well as international trades, covering more than 200 products.

After stepping into 21st century, the company has embraced its fastest growth. The company's cathode capacity grows from 200,000 to 900,000 ton per year; total assets expands from 11 billion to 46 billion RMB; sales income grows from 4.72 billion to 60.58 billion RMB; pretax profit increases from 430 million to 8,300 million RMB, net profit increases from 60 million to 3470 million RMB.

Now, the company maintains the leadership in China's copper industry, as well as a top 3 rank in global cathode producers. Over the years, the company stands out the industry with its production scale, management expertise and profitability. JCC ranks the 87th in China's top 500 enterprises.

http://www.jxcc.com/english/overview.html

Metallurgical Corp of China Ltd (MMC) (HKSE: 1618)

2015 interim report

Overview

The Company's financial position as at 30 June 2015 and the operating results for the six months ended 30 June 2015 are as follows:

• Operating revenue amounted to RMB100,692 million, representing a year-on-year increase of RMB4,525 million or 4.71% from RMB96,167 million for the same period of 2014.

• Operating profit amounted to RMB3,127 million, representing a year-on-year increase of RMB406 million or 14.92% from RMB2,721 million for the same period of 2014.

• Net profit amounted to RMB2,461 million, representing a year-on-year increase of RMB499 million or 25.46% from RMB1,962 million for the same period of 2014.

• Net profit attributable to shareholders of the Company amounted to RMB2,172 million, representing a year-on-year increase of RMB363 million or 20.06% from RMB1,809 million for the same period of 2014.

• Basic earnings per share amounted to RMB0.11, while basic earnings per share amounted to RMB0.09 for the same period of 2014.

• As at 30 June 2015, the total assets amounted to RMB337,521 million, representing an increase of RMB11,543 million or 3.54% from RMB325,978 million as at 31 December 2014.

• As at 30 June 2015, the total equity attributable to shareholders amounted to RMB64,492 million, representing an increase of RMB6,467 million or 11.15% from RMB58,025 million as at 31 December 2014.

• Value of newly-signed contracts amounted to RMB177,250 million, representing a decrease of RMB1,030 million or 0.58% from RMB178,280 million for the same period of 2014.

Revenue from Principal Business Segment

During the Reporting Period, the Company's:

• Engineering and construction business

operating revenue amounted to RMB85,377 million, representing an increase of RMB4,630 million or 5.73% from RMB80,747 million for the same period of 2014.

• Property development business

operating revenue amounted to RMB9,987 million, representing an increase of RMB703 million or 7.57% from RMB9,284 million for the same period of 2014.

• Equipment manufacturing business

operating revenue amounted to RMB3,824 million, representing a decrease of RMB392 million or 9.30% from RMB4,216 million for the same period of 2014.

• Resources development business

operating revenue amounted to RMB1,283 million, representing a decrease of RMB658 million or 33.90% from RMB1,941 million for the same period of 2014.

• Other businesses

Operating revenue amounted to RMB1,365 million, representing a decrease of RMB105 million or 7.14% from RMB1,470 million for the same period of 2014.

http://www.mcc.com.cn/mccen/ir_channel/_325446/350790/2015092611180742757.pdf

SDIC Xinji (SSE: 601918)

2015/07/21

SDIC registers 90% year-on-year profit growth for the first half of 2015

Recently, SDIC rendered a pleasant grade report to society for the first half of 2015. Despite of the severe economic situation, SDIC actively adapted itself to the new norm of economic development by transforming operation mode, restructuring, lowering cost and enhancing efficiency. It got the best score since the establishment of the company. It achieved profit of 11.5 billion RMB yuan with a 90% year-on-year growth. Its EVA increased by 353% year on year. By the end of June, its assets exceeded 540 billion RMB yuan, financial assets under management exceeded 800 billion RMB yuan. This meant that SDIC had kept the momentum of rapid growth after the 11th A-rating in the annual assessment of performance conducted by SASAC.

Chairman Wang Huisheng pointed out in the just concluded half year meeting that SDIC's development was attributive to the forward-looking strategy, optimized portfolio and efficient management, especially the business layout combining industry and finance. Taking the national need as its guidance, SDIC tried to integrate its business with national strategies such as One Belt and One Road, Yangtze River Economic Belt, Public Entrepreneurship. Currently, the transformation strategy has begun to show its effects. Over 80% of the increased profit came from clean energy, financial service, fund management and venture capital. SDIC's business layout was walking towards an optimized direction with its risk prevention capacity continuously enhanced. Its follow-up steps such as transformation of traditional industry, speeding up development of burgeoning industry and role of reform platform would contribute more strengthen to SDIC's future development.

http://www.sdic.com.cn/en/InromationCenter/news/webinfo/2015/07/21/1441562798404797.htm

Shandong Gold Mining Co., Ltd. (SSE: 600547)

Shandong Gold Mining Co., Ltd. (share code: 600547) is a large listed company controlled by Shandong Gold Group (state-owned). It is mainly engaged in gold mining, owning a complete industry chain integrating exploration, exploitation, selection and smelting (refining), as well as gold products further processing and marketing; and meanwhile, it owns a complete matched support system combining scientific and technological R&D, engineering design, equipment manufacturing, power supply and personnel training.

The company owns Sanshan Island gold mine, Jiaojia gold mine, Linglong gold mine, Xincheng gold mine and other large well-known gold mines in China. In addition, it also leads the industry around the world in aspects of under-well trackless mining equipment, mineral processing and smelting technology, deep exploration, submarine mining, and refractory ore processing, wastewater "zero" discharge, mine trailings comprehensive utilization technology, and so on.

Since its successful listing in Shanghai Stock Exchange in August, 2003, the company always insists on the tenet of “maximization of company value and shareholders’ benefit”, takes “Gold No.1” as the target, energetically advocates the “two-zero” idea in safety and environmental protection, and actively push forward the construction of “ecological mining” and “digital mine”, so as to try its best to build up a mining company representing the highest level of China Gold comprehensive competitiveness. Shandong Gold’s world, global Shandong Gold. Shandong Gold is always looking forward to your attention and support, and warmly welcomes your joining and cooperation. We hope working side by side with you and seeking development with you, striving to create a brilliant and better future!

Our achievement

By virtue of wisdom and strength, and inheriting perseverance and devotion, we create “gold spirit”, forge “gold speed”, and win numerous awards: “growth king” of listed companies throughout mainland China, Taiwan and Hong Kong, top one of gold industry in top 500 of China listed companies, the most respected 50 listed companies in China, the most powerful listed company in China non-ferrous metal industry, the top ten most valuable listed companies for investment in China non-ferrous metal industry, the listed company with the most continuous growing ability in Chinese security market within 20 years, and so on.

Our vision

“Create a century brand, Win the world’s recognition” is our enterprise ideal, “Build up a large gold enterprise with international competiveness” is our unremitting pursuit, “Yields of gold and silvers without damage to the environment” and “‘Two-zero’ is the target, make the country prosperous and people living at peace” are our earnest commitment, and “Gold No.1” and “Bring prosperity to the worker” are our development target.

Taking in all rivers, the sea appears; only integrating each part on the earth, it is the world. Shandong Gold wishes to conduct extensive exchange and cooperation through concerted efforts with all sectors of the society and friends both at home and abroad, thus realizing win-win in future development!

http://en.sd-gold.com/jtcy/&i=9&comContentId=9.html

Yanzhou Coal Mining Company Limited (NYSE: YZC)

Announcement on Interim Results for the Six Months Ended 30 June 2016

The board of directors (the “Board”) of Yanzhou Coal Mining Company Limited (the “Company”) is pleased to announce the unaudited interim results of the Company and its subsidiaries for the six months ended 30 June 2016. The interim results have been reviewed by the audit committee of the Board. This announcement, containing the full text of the Interim Report of the Company for 2016, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to information to accompany preliminary announcements of interim results.

1. Coal business

1) Coal Production

In the first half of 2016, the raw coal production of the Group was 31.59 million tonnes, representing a decrease of 3.34 million tonnes or 9.6% as compared with that of the fi rst half of 2015. Salable coal production of the Group for the reporting period was 29.25 million tonnes, representing a decrease of 2.75 million tonnes or 8.6% as compared with that of the first half of 2015.

2) Coal prices and sales

In the first half of 2016, the average coal price of the Group decreased as compared with that of the first half of 2015. The average price of the Group's self-produced coal increased within a narrow range QoQ due to the national policies of production capacity reduction and side reform of supply, etc..

The Group sold 32.56 million tonnes of coal in the first half of 2016, representing a decrease of 10.44 million tonnes or 24.3% as compared with that of the first half of 2015. The decrease of coal sales was mainly due to (1) the decrease in sales by 7.54 million tonnes of externally purchased coal as compared with that of the first half of 2015; (2)1.12 million tonnes and 1.97 million tonnes of sales decrease of Ordos Neng Hua and Yancoal Australia respectively as compared with that of the first half of 2015.

In the first half of 2016, the Group realized a sales income of RMB10.6190 billion for its coal business, representing a decrease of RMB5.8534 billion or 35.5% as compared with that of the first half of 2015.

3) Cost of coal sales

The Group's cost of coal sales in the first half of 2016 was RMB7.3458 billion, representing a decrease of RMB5.4095 billion, or 42.4% as compared with that of the first half of 2015. This was mainly due to RMB4.1496 billion decrease of the sales cost of externally purchased coal as compared with that of the first half of 2015.

2. Railway transportation business

In the first half of 2016, the transportation volume of the Railway Assets was 4.87 million tonnes, representing a decrease of 2.66 million tonnes or 35.3% as compared with that of the first half of 2015, mainly due to the volume decrease of coal outward transportation. Income from railway transportation services of the Company (income from transported volume settled on the basis of off-mine prices and special purpose railway transportation fees borne by customers) was RMB100.1 million in the first half of 2016, representing a decrease of RMB56.369 million or 36.0% as compared with that of the first half of 2015. The cost of railway transportation services was RMB55.829 million, representing a decrease of RMB53.442 million or 48.9% as compared with that of the first half of 2015.

2. Others

1) Specifications for significant changes in components or sources of the Group's profits In the fi rst half of 2016, affected by the weak global economic recovery and China's economic structure adjustment, the product sales volume of the Group's main business such as coal and methanol was decreased, and profits of the main business was decreased as well compared to the first half of 2015. Facing complicated and grim economic situation, the Group adhered the "two-wheel driven" strategy of industrial operations and capital operations, accelerating the financial industry layout and improving profitability level of industries and finance. Through a series of capital operations including equity investment in China Zheshang Bank Co., Ltd. ("Zheshang Bank"), investment in Haichang Industry Co., Ltd. of Dongguan City ("Haichang Industry") and establishment of funds and insurances, etc., the Group realized investment returns of RMB385.1 million in the first half of 2016, representing an increase of RMB188.4 million or 95.7% as compared with that of the first half of 2015.

2) Implementation status of the Group's operating scheme

In the fi rst half of 2016, the Group sold 32.56 million tonnes coal, of which 27.92 million tones of self-produced coal was sold, accounting for 40.9% of the planned coal sales volume for the year 2016. This was mainly attribute to that the Group has taken the initiative to reduce sales of low energy efficiency and low quality coal to respond to the side reform of supply by the Chinese government. The Group sold 800 thousand tonnes methanol, which accounts for 53.3% of the planned methanol sales volume for the year 2016.

3) Capital Sources and Use

In the first half of 2016, the Group's principal source of capital was the cash flow from operations, issuance of the various types of bonds and bank loans. The Group has utilized its capital mainly for operating business expenses, purchase of property, machinery and equipment, repayment of bank loans bonds and interests.

The Group's capital expenditure for the purchase of property, machinery and equipment for the first half of 2016 was RMB2.4673 billion, representing an increase of RMB142 million or 6.1% as compared with RMB2.3253 billion in the first half of 2015.

http://www.yanzhoucoal.com.cn/en/announcement/img/site8/20160826/507b9d28473e192a8ba50e.pdf

Yunnan Copper Industry Co Ltd (SZ: 878)

June 2016 Quarterly Activities Report

Activities during the three months to 30 June 2016 included:

• Ongoing assessment of copper, gold and other base metal project opportunities in Australia, the Democratic Republic of Congo (DRC) and other regions.
• Agreement with Elementos Ltd and Hammer Metals Ltd to formalise the termination of CYU's interests in the Millennium Joint Venture.
• Limited exploration activity across the Mount Isa tenure portfolio as CYU continues to review its future activities in that region.

The Board of Chinalco Yunnan Copper Resources Ltd (ASX:CYU) continues to focus on transforming the Company into a substantial mid-tier mining group, with a primary focus on acquiring and developing near-term copper, gold and other base metal production activities (both locally and overseas), with a focus on the significant copper opportunities in the Democratic Republic of Congo in Africa.

The activities of CYU during the 3 months to 30 June 2016 were as follows:

Termination of Millennium Joint Venture

On 4 May 2016 CYU announced that an agreement had been entered into whereby Hammer Metals Ltd (ASX Code – HMX) acquired all the issued shares in Element Minerals Australia Pty Ltd (EMA) from its parent company, Elementos Limited (ASX Code – ELT).

The only assets held by EMA comprised the five mining leases that formed the basis of CYU's "Millennium Joint Venture" with ELT. As part of the sale of EMA to HMX, both CYU and ELT agreed to terminate the Millennium Joint Venture with no party having any further right or claim against the other in relation to that JV. CYU was issued 500,000 ordinary shares in HMX in exchange for surrendering its rights at Millennium.

It should be noted that under the terms of the Joint Venture agreement that CYU entered into in September 2013 with ELT, CYU still had approximately $400,000 of exploration expenditure to be committed to these mining lease areas (by September this year) in order to earn an initial 51% interest in the leases.

As previously reported to the ASX, CYU's exploration team has carried out exploration drilling and modelling of the mineralisation within these ELT mining leases over the past 2 years. The current view is that while the mineralisation may extend along the strike zone and at depth, there remains significant uncertainty that a resource of the size of CYU's stated exploration target (1 million tonnes of copper or copper equivalent) can be established. Furthermore follow-up drilling would be deep (+300m) and at significant additional cost. In these circumstances, the CYU's Board believed that retirement from the Millennium Joint Venture was a prudent approach as the Company continues with its focus on other project opportunities.

Mount Isa Exploration Activities

During the Quarter, CYU management was focussed almost entirely on the assessment of project opportunities in DRC and elsewhere. As a consequence, very limited exploration activities were conducted for the three months to 30 June 2016 as CYU continues to explore its options in the Mount Isa region.

Exploration Expenditure for June 2016 Quarter

Across CYU's various exploration projects, a total of $12,000 of expenditure was incurred for the June 2016 Quarter, a summary of which is as follows:

• Mary Kathleen JV - $6,000 on geological consulting and tenure admin fees;

• Mt Frosty JV – $5,000 on geological consulting and tenure admin fees;

• Cloncurry North (EPM 12205) – $1,000 on tenure admin fees.

Corporate Update

Proposed Acquisition Activities

The CYU Board is working closely with JCHX Group in the ongoing assessment and acquisition of new project opportunities – not just limited to copper projects but also gold and other base metals. The CYU Board continues to hold a view that the current difficult resources market conditions are ideal for business development and acquisition activities. Further news about these activities will be made available to the market as soon as possible.

Annual General Meeting

CYU held its Annual General Meeting on 25 May 2016 and all resolutions on the agenda were approved by overwhelming majority.

Board Composition

Mr Zhihua Yao, Chairman
Mr Paul Williams, Managing Director
Mr Robert Yang, Executive Director
Mr Xiancheng Wang, Non-Executive Director
Mr Paul Marshall, Company Secretary

Financial Position

As at 30 June 2016, CYU had cash reserves of $0.965M. This is more than sufficient funding to enable CYU to carry out project assessment review activities for the foreseeable future. In the event of CYU securing a project opportunity, additional funding will likely be required. Details of these requirements will be provided to shareholders and the market at the first available opportunity.

Further details of CYU's financial activities during the June 2016 quarter are set out in the Appendix 5B Quarterly Cashflow Statement which accompanies this Report.

Share Information – June 2016

Quarter Issued share capital of 591,276,475 ordinary shares and 2 million performance shares.

Quarter high traded price of $0.01(17 May 2016) and low of $0.004 (23, 24, 27 & 29 June 2016).

Market capitalization – high $5.913M, low $2.365M.

Average daily volume of shares traded – 87,775 shares ($576 average daily volume value).

http://www.cycal.com.au/irm/PDF/2094/QuarterlyActivitiesReport

Zhongjin Gold (SSE: 600489)

In Gold Co., Ltd. was established in 2000 June 23By China National Gold Group Corporation (formerly China National Gold Corporation) as the main sponsor, in combination with other six companies jointly set up.August 14, 2003, The company took the lead in the country's gold industry public offering of ordinary shares of RMB 100 million shares traded on the Shanghai Stock Exchange, is the domestic securities industry as “China's first gold stocks.” Stock referred to as “Gold”, stock code “600489.”

Company has 16 departments, 60 subsidiaries and employees 25,767 people, and has a post-doctoral research station.

After 2006 the share reform and non-public offering since 2007, until the end of 2012, the company issued capital of 2,943,228,797 shares, of which, the controlling shareholder China National Gold Group's equity ratio was 50.01%.

As of the end of 2012, total assets in Gold 21.495 billion yuan, sales income of 36.052 billion yuan, total profit of 2.882 billion yuan, to maintain reserves of 592.16 tons of gold resources.

Produced with high pure gold, standard gold, electrolytic silver, copper and sulfuric acid and other products, is a gold mining, dressing, smelting, processing and comprehensive capacity of large gold enterprises.

Companies adhering to the “sincerity can affect even metal and stone,” the entrepreneurial spirit in order to give shareholders and society lucrative returns for the purpose, adhere to the in-depth study and practice the scientific concept of development, has achieved remarkable economic and social benefits. Widely praised by the community. Company elected as “China Gold Association, vice president of the unit,” has passed ISO-9001, ISO-14001, OSHMS18001 management system certification and China National Accreditation Board (CNAL) certification, the first one in the country's gold industry through the London Bullion Market Association (LBMA) product certification; obtain ACFTU “National Labor Award”, “China Mining Top Ten Enterprises” and more than 30 honorary title; stocks selected for the Shanghai Stock Exchange SSE 180 Index constituent stocks and the “Shanghai Shenzhen 300 index “sample stocks; company in recent years continuously won the” China Securities News “,” Shanghai Securities News “and” Securities Times “and other domestic financial media organization named the” most cordial minds of investors of listed companies, “China's securities market 20 years, “the most popular listed companies investor”, “2011 The Most listed companies” medal. Won “Top 100 Listed Companies Taurus Award”, “China 100 Most Valuable Listed Companies”, won the “Golden Bull Award hundred market capitalization of listed companies”, “hundred listed companies in return Taurus Award”; 2011 the company appeared in the “China Top 100 Listed Companies list “,” Chinese Listed Companies Value Management Top 100 “,” Taurus Top 100 Listed Companies List “; won the” 2012 Chinese Listed Companies' Capital brand hundred “,” 2012 Annual China market capitalization of listed companies management Pokka. “ Chairman SUN Zhao won the “Meritorious Entrepreneurs” and “Taurus Best Business Leaders Award”; Board Secretary LI Yueqing won the “Best secretaries” award.

As China's first professional production of listed companies engaged in gold, in Gold Co., Ltd. will continue to use the capital market platform, expanding the share of gold and other mineral resources, through the gradual improvement and innovation management mechanism, strive to improve the core competitiveness, leapfrog development, to build China's first brand gold industry.

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http://www.zjgold.com/n355/n363/index.html

Zijin Mining Group Co. Ltd. (HKSE: 2899)

Announcement Unaudited Interim Results for the Six Months Ended 30 June **2016**

Operation Overview

Discussion and Analysis by the Board on the Operation of the Company During the Reporting Period

Discussion and Analysis by the Management

1. Market Environment During the Reporting Period

During the reporting period, under the impacts of adoption of accommodative fiscal policies by the major national central banks in the world, Britain exiting from the European Union and waning expectation of an interest rate hike by the Federal Reserve of the United States, capitals seeking for safe haven invested heavily on gold ETFs, strengthening the momentum of gold price. The opening price of gold was US$1,062.47 per ounce. Its highest price was US$1,358.59 per ounce and its lowest price was at US$1,061.79 per ounce. The closing price was US$1,321.7 per ounce, which represented an increase of 24.4% compared with the beginning of the year. The average price was US$1,220.28 per ounce, which represented a 1.18% increase compared with the same period last year. As global economic recovery was still slow, copper price remained volatile at low levels. The opening price of copper was US$4,716 per tonne. Its highest price was US$5,131 per tonne and its lowest price was US$4,318 per tonne. The closing price was US$4,850.5 per tonne, which represented an increase of 2.85% compared with the beginning of the year. The average price was US$4,698.34 per tonne, which represented a decrease of 21% compared with the same period last year. Zinc price kept rebounding from low ranges due to tightening supply. The opening price of zinc was US$1,610 per tonne. Its highest price was US$2,116 per tonne and its lowest price was US$1,444.5 per tonne. The closing price was US$2,105 per tonne, which represented an increase of 30.7% compared with the beginning of the year. The average price was US$1,794.85 per tonne, still represented a 16% decrease compared with the same period last year.

2. Condition of the Industry

In the first half of 2016, global gold production was 1,537.585 tonnes, representing an increase of 1.18% compared with the same period last year. China’s gold production reached 229.102 tonnes, representing an increase of 0.16% compared with the same period last year.

In the first half of 2016, global gold consumption was 1,569.694 tonnes, representing a decrease of 11.99% compared with the same period last year. China’s gold consumption reached 528.52 tonnes, representing a decrease of 7.68% compared with the same period last year.

Official figure published by the People's Bank of China indicated that the national gold reserve increased by 60.96 tonnes. As at the end of June 2016, China's gold reserve reached 1,823.29 tonnes, which ranked in the world's 6th place in terms of volume.

Due to rebound of gold price, gold industry ramped up capital investment. According to the statistics of National Bureau of Statistics of the People's Republic of China, in the first half of 2016, investment in fixed assets by the gold industry in China amounted to RMB21.14 billion, representing an increase of 12.24% compared with the same period last year. Among which, investment in fixed assets by the mining and processing sectors amounted to RMB19.643 billion, representing an increase of 14.65% compared with the same period last year.

3. Management Analysis

Business Overview

During the reporting period, the Company adhered to the work focuses of"clinging to reforms, maintaining growth and boosting development" as initiated by the Board, by which the reform of management structure was basically completed, and important transitions including shifting management and control from regional-based to business segment-based and professionalisation of management were achieved. The whole management structure was further optimised, management efficiency was also improved. The Company achieved its best ever quarterly performance across various indicators in the first quarter of 2016. Based on the success of the first quarter, the Company captured the continuous uptick of gold and zinc prices in the second quarter, successfully attaining outstanding results in the production and operation of the Company's substance business segments. Domestic mining businesses also delivered promising results, with the profits of refining and processing business setting new record. Overseas projects also saw a positive trend of development, their contribution to the profit of the Company is steadily increasing.

In the meanwhile, in accordance with the Company's risk management targets and for the purpose of maintaining stability in operating results, the Company hedged a certain portion of its mineral products based on expected annual sales volume. Since gold price escalated substantially over the beginning of the year during the reporting period, hedging would offset the income arising from spot sales of products against rising product prices, hence resulting in significant decline in the Company's net profit attributable to owners of the parent during the reporting period. Moreover, since the Company held certain amount of gold leasing and a portion of which was not hedged, rising gold price would lead to a reduction in the Company's profit.

During the reporting period, the Group realised sales income of RMB38.89 billion, representing an increase of 0.15% compared with the same period last year (same period last year: RMB38.832 billion), and a net profit attributable to owners of the parent of RMB538 million, representing a decrease of 59.86% compared with the same period last year (same period last year: RMB1.341 billion).

As at the end of June 2016, the Group's total assets was RMB87.494 billion, representing an increase of 4.27% compared with the beginning of the year (at the beginning of the year: RMB83.914 billion), and net assets attributable to owners of the listed company was RMB26.623 billion, representing a decrease of 3.32% compared with the beginning of the year (at the beginning of the year: RMB27.537 billion).

Gold Business

During the reporting period, the Group produced 110,142kg of gold, representing a decrease of 11.63% compared with the same period last year (same period last year: 124,632kg).

Among which the Group produced 20,445kg of mine-produced gold, representing a growth of 17.39% over the same period last year (same period last year: 17,416kg), among which Zijinshan gold and copper mine produced 4,165kg, BNL produced 3,525kg, Norton produced 2,566kg; Longnan Zijin produced 1,639kg, ZGC produced 1,549kg, Hunchun Zijin produced 1,314kg, Guizhou Zijin produced 960kg, and other gold mining enterprises in the Group produced 4,727kg of mine-produced gold in aggregate.

The Group produced 89,697kg of refinery, processed and trading gold, representing a decrease of 16.34% compared with the same period last year (same period last year: 107,216kg).

Sales income generated from the Group's gold business represented approximately 63.41% (after elimination) of the total operating income during the reporting period, and the products generated about 45.1% of the total gross profit.

Copper Business

During the reporting period, the Group produced 273,701 tonnes of copper, representing a growth of 29.55% over the same period last year (same period last year: 211,273 tonnes).

Among which, the production included 74,754 tonnes of mine-produced copper (including 12,425 tonnes of copper cathodes), representing a decrease of 3.29% compared with the same period last year (same period last year: 77,294 tonnes). In which, Zijinshan gold and copper mine produced 27,539 tonnes (including 12,318 tonnes of copper cathodes), Ashele Copper produced 20,218 tonnes, Duobaoshan Copper produced 11,351 tonnes (including 107 tonnes of copper cathodes), West Copper produced 7,161 tonnes, Hunchun Zijin produced 6,065 tonnes, and other mining enterprises in the Group produced 2,420 tonnes of mine-produced copper in aggregate.

198,947 tonnes of refinery copper were produced in smelting enterprises, representing a growth of 48.49% over the same period last year (same period last year: 133,979 tonnes). In which, Zijin Copper produced 154,916 tonnes of refinery copper.

Sales income from the Group's copper business represented approximately 17.64% (after elimination) of the total operating income during the reporting period, and the products generated about 23.67% of the total gross profit.

Lead and Zinc Business

During the reporting period, the Group produced 225,349 tonnes of zinc, representing a growth of 24.52% over the same period last year (same period last year: 180,979 tonnes). Among which, the Group produced 122,946 tonnes of mine-produced zinc in concentrate form, representing an increase of 78.46% compared with the same period last year (same period last year: 68,891 tonnes).

Among which, Zijin Zinc Industry produced 49,347 tonnes, Wulatehouqi Zijin produced 35,862 tonnes, Russia Longxing produced 31,783 tonnes, Ashele Copper produced 5,020 tonnes and other mining enterprises in the Group produced 934 tonnes of mine-produced zinc in concentrate form in aggregate.

102,403 tonnes of zinc bullion was produced from Bayannaoer Zijin, representing a decrease of 8.64% compared with the same period last year (same period last year: 112,088 tonnes).

During the reporting period, 18,169 tonnes of lead in concentrate form were produced, representing a growth of 81.55% over the same period last year (same period last year: 10,008 tonnes).

Sales income from the Group's lead and zinc business represented approximately 5.57% (after elimination) of the total operating income during the reporting period, and the products generated about 13.74% of the total gross profit.

Silver Business

During the reporting period, the Group produced 282,300kg of silver, representing an increase of 45.24% compared with the same period last year (same period last year: 194,374kg).

Among which, 110,661kg was mine-produced silver, representing an increase of 8.46% compared with the same period last year (same period last year: 102,032kg). In which, Wuping Zijin produced 39,479kg of silver, Shanxi Zijin produced 15,967kg of silver from other associated metals, Ashele copper mine produced 12,241kg of silver from other associated metals, Luoning Huatai produced 11,449kg of silver from other associated metals, Zijinshan gold and copper mine produced 8,752kg of silver from other associated metals, and other mining entities in the Group produced 22,773kg of silver from other associated metals.

The Group produced 171,639kg of refinery silver (by-product), representing an increase of 85.87% compared with the same period last year (same period last year: 92,342kg), among which Zijin Copper produced 134,202kg of refinery silver (by-product), Hunchun Multi-metals produced 25,616kg of refinery silver (by-product), Luoning Zijin produced 8,992kg of refinery silver (by-product), Bayannaoer Zijin produced 2,310kg of refinery silver (by-product), and other refinery entities in the Group produced 519kg of refinery silver (by-product).

Sales income from the Group's silver business represented approximately 1.64% (after elimination) of the total operating income of the Group during the reporting period, and the products generated about 2.66% of the total gross profit.

Iron Mine Business

During the reporting period, no iron concentrates were produced by the Group (same period last year: 1,600,000 tonnes).

Other Business

Sales income from the Group's other products represented approximately 11.74% (after elimination) of the total operating income of the Group during the reporting period, and generated about 14.83% of the total gross profit.

External Investment

During the reporting period, the Company completed the acquisition of equity interest in Heilong Mining with a consideration of RMB1.56122 billion, obtained the headquarters assets of Heilong Mining Group Company Limited, and additional 49% equity interest in Heilongjiang Duobaoshan Copper Company Limited and 100% equity interest in Heilongjiang Tongshan Mining Company Limited respectively. Such acquisition will considerably raise the copper resources reserve and production volume of mine-produced copper of the Company, enhancing its competitiveness and sustainability in the industry.

The Company will enhance the integration of Duobaoshan copper mine in Heilongjiang with its surrounding resources, scale up development, achieve cost effectiveness, improve resource utilisation rate and efficiency of production and management, enhance profitability, and endeavour to build a large-scale copper mining entity with annual production capacity of 80,000 to 90,000 tonnes of copper as soon as possible.

Project Construction

During the reporting period, the Group's major construction projects proceeded smoothly. Among which, both of the construction period and amount of investment of the Kolwezi copper mine project in the DR Congo are expected to be reduced substantially. The Guizhou Shuiyindong gold mine's hot and pressurised pre-oxidation project is being implemented smoothly as planned.

Moreover, in the first half of 2016, the Company established Zijin Mining Construction Co., Ltd., aiming to achieve full integration and optimisation of the Group's construction business. The recent plan of the Group has outlined the goal to build a construction group combining design and engineering capacities, also to accelerate the progress of nurturing the Company's own design and construction force.

Safety and Environmental Protection

During the reporting period, the Company remained vigilant on safety and environmental protection to implement thoroughly various requirements of the new Production Safety Law, the measures include strengthening accountability of production safety at the base level, constantly striving for the target of "double zeros" by fostering full and orderly environmental control, optimising the orderliness of production of the mining and refining sites, and confronting the challenges brought by extreme weather conditions. No material incident arose from production safety or accidental environment pollution. A good trend of improvement was sustained for production safety and environmental protection, and the Company has received high accolade from local governments, the communities and the society. The Group also launched a pilot scoring system at Zijin Copper and Ashele Copper, targeting to promote a safety assessment system which ensures every member of the staff are accountable and required to follow the benchmark.

Geological Exploration

During the reporting period, the Group invested approximately RMB74.5527 million in geological exploration and completed 81,380 metres of exploration drilling and 1,340 metres of tunnel exploration. By exploring for new deposits from the currently owned mines, the Company has achieved promising results in expanding gold and copper mineral resources. Projects such as Yueyang silver mine, Yixingzhai gold mine, Jinshan-Liba gold mine, the Kolwezi copper mine, Norton, etc., have delivered satisfactory results in resources expansion, the aggregate volume of metal resources (grade 333 or above) newly added from exploration were 17.05 tonnes of gold, 74,300 tonnes of copper, 1,100 tonnes of lead and zinc, and 9,600 tonnes (copper equivalents) of other minerals.

At the Kamoa copper mine, which is an important investment project of the Company in 2015 and 47% interest of which is owned by the Company, a high-grade, thick and large copper deposit was discovered in the Kakula exploration area, approximately 5 kilometers southwest of the main mining area of the Kamoa copper mine project. The aforesaid copper deposit is flat-lying, shallow and with huge potential of resource, which makes it probably one of the most valuable and important discoveries in the field of global metal mineral explorations in the recent years and will make a substantial positive effect to the development and production of the project in the future.

In the first half of 2016, the Company also completed integration and marketisational reform of geological exploration business, and further enhanced the strength in exploration of the headquarters and entities specialising in mining geology.

Financial Business and Taxation

During the reporting period, the Company successfully captured critical market opportunities to issue ultra short-term financing bonds and corporate bonds, which helped optimise financial structure and lower financing costs, and provide capital support to and security for the Company's project construction and daily operation.

During the reporting period, the Company was also actively preparing for the reforms of value-added tax in lieu of business tax and resource tax, striving to alleviate its tax burden.

http://www.zijinmining.com/upload/file/2016/08/28/52d5067c7352417faf0b7f6d4baa90b6.pdf

ACQUISDATA

Sector Coverage

- China Petroleum and Chemicals
- China Information Technology
- China Biotechnology
- China Banking
- China Automotive
- China Mining
- China Cement
- China Shipbuilding
- China Renewable Energy
- India Information Technology
- India Banking
- Australia Metal and Mining
- Australia Specialty Minerals
- Australia Biotechnology and Pharmaceuticals
- Australia Grains
- Australia Banking
- Australia Tourism
- Brazil Banking
- Brazil Metal and Mining
- Canada Mining
- Canada Grains
- Canada Media
- Canada Telecommunications
- Japan Shipbuilding
- Japan Pharmaceuticals
- Japan Automotive
- Japan Telecommunications
- Mexico Mining
- South Korea Metal and Mining
- South Korea Shipbuilding
- South Korea Automotive
- US Pharmaceuticals
- US Automotive
- US Mining
- US Petroleum and Gas
- US Armaments
- US Biotechnology
- US Textiles
- US Software and Information Technology
- US Grains
- US Telecommunications
- US Media
- US Renewable Energy
- Russia Armaments
- France Armaments
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- Germany Automotive
- Germany Shipbuilding
- Germany Pharmaceuticals
- South Africa Mining
- South Africa Petrochemicals
- Saudi Arabia Petrochemicals, Oil and Gas