

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



江西銅業股份有限公司
JIANGXI COPPER COMPANY LIMITED

(a Sino-foreign joint venture joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 0358)

ANNOUNCEMENT OF RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2017

IMPORTANT NOTICE

- 1.1 The board of directors (the “**Board**”) and the supervisory committee (the “**Supervisory Committee**”) of Jiangxi Copper Company Limited (the “**Company**”) and its directors (the “**Directors**”), supervisors (the “**Supervisors**”) and senior management warrant the truthfulness, accuracy and completeness of the information contained in this announcement and there are no false representations, misleading statements contained herein or material omissions from this announcement, and jointly and severally accept full responsibility.
- 1.2 All Directors of the Company attended the Board meeting in relation to, among others, the approval of results for the year ended 31 December 2017.
- 1.3 The consolidated financial statements of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2017 (the “**Reporting Period**”) prepared in accordance with PRC Accounting Standards for Business Enterprises (“**PRC GAAP**”) and International Financial Reporting Standards (“**IFRSs**”) have been audited by Deloitte Touche Tohmatsu Certified Public Accountants LLP (Special General Partnership) (domestic auditor) and Deloitte Touche Tohmatsu (overseas auditor) respectively with standard unqualified audit report issued.

- 1.4 The person in charge of the Company, Long Ziping, the person in charge of accounting, Wu Jinxing, and Manager of Finance Department (accounting chief), Zhou Minhui, hereby warrant the truthfulness, accuracy and completeness of the financial report as set out in the annual report.
- 1.5 The Board has recommended distributing to all shareholders a final dividend of RMB0.20 per share (inclusive of tax) for 2017. The Board did not recommend transfer of capital reserve to share capital or issue of bonus shares.
- 1.6 The audit committee of the Company has reviewed the financial report for the year ended 31 December 2017.
- 1.7 This announcement contains forward-looking statements that involve future plans and development strategies which do not constitute a commitment by the Company to its investors. Investors should be aware of the investment risks.
- 1.8 There is no misappropriation of funds by the controlling shareholders and their connected parties for non-operation purpose in the Group.
- 1.9 There are no external guarantees made in violation of the required decision-making procedures in the Group.

2 CORPORATE INFORMATION

2.1 Corporate information

Name of the Company in Chinese	江西銅業股份有限公司
Chinese abbreviation	江西銅業
Name of the Company in English	Jiangxi Copper Company Limited
English abbreviation	JCCL
Legal representative	Long Ziping

2.2 Contact persons and contact methods

	Secretary to the Board	Securities Affairs Representative
Name	(Chairman of the Board takes up the responsibilities of Secretary to the Board)	Xiao Huadong
Address	7666 Chang Dong Avenue, High-tech Development Zone, Nanchang, Jiangxi Province, the People's Republic of China	7666 Chang Dong Avenue, High-tech Development Zone, Nanchang, Jiangxi Province, the People's Republic of China
Telephone	(86)791-82710117	(86)791-82710111
Facsimile	(86)791-82710114	(86)791-82710114
E-mail	jccl@jxcc.com	jccl@jxcc.com

2.3 Basic information

Registered address of the Company	15 Yejin Avenue, Guixi City, Jiangxi Province, the People's Republic of China
Postal code of the registered address of the Company	335424
Office address of the Company	7666 Changdong Avenue, High-tech Development Zone, Nanchang, Jiangxi Province, the People's Republic of China
Postal code of the office address of the Company	330096
Website of the Company	http://www.jxcc.com
E-mail	jccl@jxcc.com

2.4 Information disclosure and place of inspection

Media selected by the Company for information disclosure	Shanghai Securities News
Website designated by China Securities Regulatory Commission ("CSRC") for publishing the annual report	www.sse.com.cn
Place for inspection of annual report	7666 Changdong Avenue, High-tech Development Zone, Nanchang, Jiangxi Province, the People's Republic of China

3 SUMMARY OF ACCOUNTING DATA AND FINANCIAL INDICATORS IN THE LAST THREE YEARS

3.1 Major accounting data (prepared in accordance with PRC GAAP)

Unit: Yuan Currency: RMB

Major accounting information	2017	2016		Increase/decrease for the period over the same period last year (%)	2015	
		As original stated	Restated		As original stated	Restated
Revenue	205,046,854,771	202,308,220,227	202,308,220,227	1.35	185,782,491,341	185,782,491,341
Net profit attributable to shareholders of the Company	1,604,107,754	784,149,893	787,538,113	104.57	636,841,393	637,218,130
Net profit after non-recurring profit and loss items attributable to shareholders of the Company	2,385,607,672	1,390,442,915	1,388,184,102	71.57	122,134,872	121,883,714
Net cash flows from operating activities	3,259,243,125	4,059,614,617	4,325,998,967	-19.72	1,901,306,683	1,902,023,306

	End of 2017	End of 2016		Increase/decrease at the end of the period over the end of the same period last year (%)	End of 2015	
		As original stated	Restated		As original stated	Restated
Net assets attributable to shareholders of the Company	47,532,426,878	46,834,108,258	46,597,873,215	1.49	45,973,203,318	45,906,380,055
Total assets	97,468,655,222	87,481,112,363	87,384,092,258	11.42	89,856,591,238	89,755,211,107

3.2 Major financial indicators (prepared in accordance with PRC GAAP)

Currency: RMB

Major financial indicator	2017	2016		Increase/decrease for the period over the same period last year (%)	2015	
		As original stated	Restated		As original stated	Restated
Basic earnings per share (<i>RMB/share</i>)	0.46	0.23	0.23	100	0.18	0.18
Diluted earnings per share (<i>RMB/share</i>)	N/A	N/A	N/A	N/A	N/A	N/A
Basic earnings per share after non- recurring profit and loss items (<i>RMB/share</i>)	0.69	0.4	0.4	72.5	0.04	0.04
Rate of return on net assets (weighted average) (%)	3.39	1.7	1.7	Increased by 1.69 percentage points	1.39	1.39
Rate of return on net assets after non- recurring profit and loss items (weighted average) (%)	5.05	3	3	Increased by 2.05 percentage points	0.27	0.27

Non-recurring profit and loss items and amount (prepared in accordance with PRC GAAP)

Unit: Yuan Currency: RMB

Non-recurring profit and loss items	2017 amount	Notes (if applicable)	2016 amount (<i>Restated</i>)	2015 amount (<i>Restated</i>)
Profit and loss from disposal of non-current asset Ultra vires approval, or no formal approval document, or incidental tax return and reduction	-57,926,166		-56,767,605	-26,564,619
Government grant as included in profit and loss of the current period, other than those closely relating to the normal business of enterprises and subject to a fixed amount or quantity under certain standard and in compliance with national policies	89,668,111		108,716,949	130,017,135

Non-recurring profit and loss items	2017 amount	Notes (if applicable)	2016 amount <i>(Restated)</i>	2015 amount <i>(Restated)</i>
Fund occupation expense collected from the non-financial enterprises calculated into the current profits and losses				
The investment cost of the subsidiaries, associates and joint enterprise obtained by the enterprise is less than the profit generated from the fair value of identifiable net assets of the invested unit enjoyed when investment is obtained				
Profit and loss from exchange of non-monetary assets				
Profit and loss from investment or asset management entrusted to others				
Provision for impairment reserves due to force majeure factor, such as natural disasters				
Profit and loss from debt restructuring				
Enterprise restructuring expense, such as employee placement expenditure, integration expenses and so on				
Profit and loss exceeding the fair value generated in transaction where the transaction price is obviously unfair				
Net profit or loss from the beginning of period to the combination date of the subsidiary company generated from consolidation of enterprises under the same control	-5,246,320		-5,647,033	-627,895
Profit and loss generated from contingencies unrelated with normal operation of the Company				

Unit: Yuan Currency: RMB

Non-recurring profit and loss items	2017 amount	Notes (if applicable)	2016 amount (Restated)	2015 amount (Restated)
Profit and loss from changes in the fair value of financial assets and financial liabilities held for trading, and investment gains from disposal of financial assets and liabilities held for trading and available-for-sale financial assets except for effective hedging business related to normal operation of the Company	-744,055,340		-928,113,160	514,659,035
Reversion of provision for impairment of the receivables under independent impairment test			89,755,067	246,914,831
Profit and loss from foreign entrusted loan				
Profit and loss from changes in the fair value of the investment real estate subject to subsequent measurement in the mode of fair value				
Influence of one-time adjustment on current profits and losses according to requirements in the laws and regulations of tax and accounting	-163,881,961			
Income from trustee fee obtained from entrusted operation				
Other non-operating income and expenses other than the above	-29,251,066			69,887,172
Other profit and loss items conforming to definition of non-recurring items			12,877,655	-88,233,512
Income from disposal of long-term equity investment			15,198,345	
Impact from interests of non-controlling shareholders	26,149,604		-18,155,322	-120,319,110
Impact from income tax	103,043,220		175,842,082	-211,026,516
Total	<u>-781,499,918</u>		<u>-606,293,022</u>	<u>514,706,521</u>

Items measured at fair value (prepared in accordance with PRC GAAP)

Unit: Yuan Currency: RMB

Item	Opening balance	Closing balance	Change during the period	Impact on profit of the current period
1. Investment in held-for-trading equity instruments				
Equity investments	27,284,608	56,861,137	29,576,529	-3,409,816
2. Investment in held-for-trading debt instruments				
Bond investment	160,750,782	152,873,898	-7,876,884	-16,298,663
3. Derivatives not designated as a hedge				
Forward foreign exchange contracts	-53,486,962	9,650,606	63,137,568	62,838,622
Interest rate swap contracts	-12,841	-42,562	-29,721	-31,644
Commodity option contracts	-132,280,125	-122,291,963	9,988,162	28,276,066
Commodity futures contracts	-140,954,879	-191,123,081	-50,168,202	-55,035,766
Gold futures contracts	129,153,350	-18,231,510	-147,384,860	-147,384,860
Foreign exchange swap contracts	-3,664,397	-14,051,364	-10,386,967	-10,839,911
4. Liabilities arising from the gold lease contracts measured at fair value	-2,682,585,751	-4,742,760,000	-2,060,174,249	120,947,050
5. Hedging instruments				
(1) Non-effective hedging derivative instruments				
Commodity futures contracts	19,624,410	-1,598,845	-21,223,255	-20,690,487
Provisional pricing arrangement	-10,414,104	-14,293,551	-3,879,447	-3,879,446
(2) Effective hedging derivative instruments				
Commodity futures contracts	3,299,862	-19,569,660	-22,869,522	-17,211,717
Item measured at fair value included in inventory	2,693,886,370	3,249,373,800	555,487,430	134,231,785
Provisional pricing arrangement	-60,140,289	-179,057,903	-118,917,614	-118,917,615
6. Available-for-sale financial assets				
Available-for-sale equity instruments	430,000,000	514,670,000	84,670,000	–
Available-for-sale debt instruments	3,481,749,017	2,911,426,352	-570,322,665	–
Total	3,862,209,051	1,591,835,354	-2,270,373,697	-47,406,402

Major quarterly financial data in 2017 (prepared in accordance with PRC GAAP)

Unit: Yuan Currency: RMB

	First Quarter (January–March)	Second Quarter (April–June)	Third Quarter (July–September)	Fourth Quarter (October–December)
Operating revenue	44,684,133,049	53,601,674,521	57,069,593,368	49,691,453,833
Net profit attributable to shareholders of the Company	541,250,886	288,961,877	750,450,145	23,444,846
Net profit after non-recurring profit and loss items attributable to shareholders of the Company	583,031,472	38,588,459	1,288,432,052	475,555,689
Net cash flows from operating activities	982,124,500	-118,087,115	633,317,906	1,761,887,834

3.3 Major accounting data (prepared in accordance with IFRSs)

Unit: '000 Currency: RMB

	2017	2016 <i>(Restated)</i>	Increase/ (decrease) <i>(%)</i>	2015 <i>(Restated)</i>
Revenue	204,233,881	201,728,151	1.24	185,228,170
Profit before tax	2,904,201	2,077,966	39.76	1,215,764
Income tax expenses	1,145,542	1,088,551	5.24	477,741
Profit attributable to non-controlling shareholders	109,071	152,009	(28.25)	48,844
Profit attributable to shareholders of the Company	1,649,588	837,406	96.99	689,179
Basic earnings per ordinary share attributable to shareholders of the Company <i>(RMB)</i>	0.48	0.24	100.00	0.20
Diluted earnings per ordinary share attributable to shareholders of the Company <i>(RMB)</i>	N/A	N/A	N/A	N/A
	As at 31 December 2017	As at 31 December 2016 <i>(Restated)</i>	Increase/ (decrease) <i>(%)</i>	As at 31 December 2015 <i>(Restated)</i>
Total assets	97,468,660	87,481,111	11.42	89,852,409
Total liabilities	47,485,426	38,303,337	23.97	41,921,736
Equity attributable to shareholders of the Company	47,532,431	46,834,221	1.49	45,969,180
Equity per share attributable to shareholders of the Company <i>(RMB)</i>	13.73	13.53	1.48	13.28

3.4 Differences in accounting data between IFRSs and PRC GAAP

Differences in net profit and net assets attributable to shareholders of the Company in the consolidated financial report prepared under IFRSs and those under PRC GAAP

Unit: Yuan Currency: RMB

	Net profit Amount for the period	Amount for the previous period (Restated)	Net assets attributable to shareholders of the Company	
			As at the end of the period	As at the beginning of the period (Restated)
Under PRC GAAP	1,604,107,754	784,149,893	47,532,426,878	46,834,108,258
Adjustments to items and amounts under IFRSs:				
Production safety fund provided under the PRC GAAP but not used during the period	45,590,875	49,121,253	-	-
Income tax effect on production safety fund	-	4,180,835	-	-
Other 1	(111,000)	-	-	-
Other 2	-	-	4,000	-
	<u>1,649,587,629</u>	<u>837,451,981</u>	<u>47,532,430,878</u>	<u>46,834,108,258</u>
Under IFRSs	<u>1,649,587,629</u>	<u>837,451,981</u>	<u>47,532,430,878</u>	<u>46,834,108,258</u>

4 CHANGES IN SHARE CAPITAL AND SHAREHOLDERS

(I) Changes in Shares

During the Reporting Period, there were no changes in total number of ordinary shares and share capital structure of the Company.

(II) Changes in Shares Subject to Lock-up

Not applicable

(III) The Number of Shareholders and Shareholdings

(1) Total number of Shareholders

Total number of ordinary shareholders at the end of the Reporting Period	124,781
Total number of shareholders of preference shares with voting rights restored at the end of the Reporting Period	0

(2) Particulars of shareholdings of the top ten shareholders and the top ten holders of tradable shares (or holders of shares not subject to lock-up) at the end of the Reporting Period

Particulars of shareholding of the top ten shareholders

Unit: Share

Name of shareholder (full name)	Increase/ decrease in the Reporting Period	Number of shares held at the end of the Reporting Period	Shareholding percentage (%)	Number of shares held subject to lock-up	Pledged or frozen status Share status	Number of shares	Nature of shareholder
Jiangxi Copper Corporation Limited (previously known as Jiangxi Copper Corporation) (“JCC”)	0	1,403,614,110	40.53	0	Nil	0	State-owned legal person
HKSCC Nominees Limited (“HKSCC”)	113,000	1,180,558,495	34.09	0	Unknown		Unknown
Central Huijin Asset Management Limited	0	31,843,800	0.92	0	Unknown		Unknown
Agricultural Bank of China Company Limited – China Post Core Growth Mixed Securities Investment Fund (中國農業銀行股份有限公司—中郵核心成長混合型證券投資基金)	0	11,000,000	0.32	0	Unknown		Unknown

Name of shareholder (full name)	Increase/ decrease in the Reporting Period	Number of shares held at the end of the Reporting Period	Shareholding percentage (%)	Number of shares held subject to lock-up	Pledged or frozen status		Nature of shareholder
					Share status	Number of shares	
National Social Security Fund No. 412 Portfolio (全國社保 基金四一二組合)	1,990,798	9,490,600	0.27	0	Unknown		Unknown
Guo Youping	9,088,430	9,088,430	0.26	0	Unknown		Unknown
New China Life Insurance Company Limited – Bonus – Individual Bonus – 018L- FH002 SH (新華人壽保險 股份有限公司–分紅–個 人分紅–018L-FH002滬)	0	8,049,449	0.23	0	Unknown		Unknown
Bank of Communications Co., Ltd. – Fuguo Tianyi Value Hybrid Securities Investment Fund (交通銀行股份有限 公司–富國天益價值混合 型證券投資基金)	7,964,281	7,964,281	0.23	0	Unknown		Unknown
ICBC – China Southern Component Selected Equity Securities Investment Fund (中 國工商銀行–南方成份精 選股票型證券投資基金)	7,500,000	7,500,000	0.22	0	Unknown		Unknown
National Social Security Fund No. 414 Portfolio (全國社保 基金四一四組合)	7,499,802	7,499,802	0.22	0	Unknown		Unknown

Shareholdings of the top ten shareholders not subject to lock-up

Name of shareholder	Number of tradable shares held not subject to lock-up	Class and number of shares	
		Class	Number
JCC	1,403,614,110	Ordinary shares denominated in RMB (A Shares)	1,205,479,110
		Overseas listed foreign shares (H Shares)	198,135,000
HKSCC	1,180,558,495	Overseas listed foreign shares (H Shares)	1,180,558,495
Central Huijin Asset Management Limited	31,843,800	Ordinary shares denominated in RMB (A Shares)	31,843,800
Agricultural Bank of China Company Limited – China Post Core Growth Mixed Securities Investment Fund (中國農業銀行股份有限公司-中郵核心成長混合型證券投資基金)	11,000,000	Ordinary shares denominated in RMB (A Shares)	11,000,000
National Social Security Fund No. 412 Portfolio (全國社保基金四一二組合)	9,490,600	Ordinary shares denominated in RMB (A Shares)	9,490,600
Guo Youping	9,088,430	Ordinary shares denominated in RMB (A Shares)	9,088,430
New China Life Insurance Company Limited – Bonus – Individual Bonus – 018L-FH002 SH (新華人壽保險股份有限公司-分紅-個人分紅-018L-FH002滬)	8,049,449	Ordinary shares denominated in RMB (A Shares)	8,049,449
Bank of Communications Co., Ltd. – Fuguo Tianyi Value Hybrid Securities Investment Fund (交通銀行股份有限公司-富國天益價值混合型證券投資基金)	7,964,281	Ordinary shares denominated in RMB (A Shares)	7,964,281
ICBC – China Southern Component Selected Equity Securities Investment Fund (中國工商銀行-南方成份精選股票型證券投資基金)	7,500,000	Ordinary shares denominated in RMB (A Shares)	7,500,000
National Social Security Fund No. 414 Portfolio (全國社保基金四一四組合)	7,499,802	Ordinary shares denominated in RMB (A Shares)	7,499,802

The explanation of the connected relationship or parties acting in concert among the aforesaid shareholders	(1) JCC, the controlling shareholder of the Company, and the other holders of shares not subject to lock-up are neither connected persons nor parties acting in concert as defined in “the Measures for the Administration of the Takeover of Listed Companies” (《上市公司收購管理辦法》) issued by CSRC.
	(2) The Company is not aware of any connected relationship among other holders of shares not subject to lock-up, nor aware of any parties acting in concert as defined in “the Measures for the Administration of the Takeover of Listed Companies” (《上市公司收購管理辦法》) issued by CSRC.
Shareholders of preference shares with restored voting rights and their shareholding	/

- Notes:*
1. HKSCC held a total of 1,180,558,495 H Shares of the Company in the capacity of nominee on behalf of a number of customers, representing approximately 34.09% of the total issued share capital of the Company. HKSCC is a member of the Central Clearing and Settlement System, providing registration and custodial services for customers.
 2. The 198,135,000 H Shares held by JCC have been registered with HKSCC and were separately listed from the other shares held by HKSCC when disclosed in the table above. Taking into account the H shares held by JCC, HKSCC held 1,378,693,495 shares as nominee, representing approximately 39.82% of the issued share capital of the Company.

Shareholdings of the top ten shareholders subject to lock-up and the trading restrictions

Not applicable

(3) *Strategic investors or general legal persons who become the top ten shareholders due to the placement of new shares*

Not applicable

(IV) Interests and Short Positions of Shareholders

As at 31 December 2017, the interests or short positions of the shareholders, other than Directors, Supervisors and chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the Securities and Futures Ordinance (“SFO”) were as follows:

Name of shareholder	Class of shares	Capacity	Number of shares (Note 1)	Approximate percentage of the number of the relevant class of shares (%)	Approximate percentage of total issued share capital (%)
JCC	Domestic shares	Beneficial owner	1,205,479,110(L)	58.09(L)	34.81(L)
JCC (Note 2)	H shares	Beneficial owner	198,135,000(L)	14.28(L)	5.72(L)
Citigroup Inc.	H shares	(Note 3)	70,536,122(L)	5.08(L)	2.04(L)
			10,551,432(S)	0.76(S)	0.30(S)
			59,211,559(P)	4.26(P)	1.71(S)
Blackrock, Inc. (Note 4)	H shares	Interests in a controlled corporation	93,561,250(L)	6.74(L)	2.70(L)
			875,000(S)	0.06(S)	0.03(S)

Note 1: “L” means long positions in the shares; “S” means short positions in the shares; and “P” means shares available for lending in the shares.

Note 2: The 198,135,000 H shares held by JCC were registered with HKSCC.

Note 3: According to the corporate substantial shareholder notice filed by Citigroup Inc. on 2 January 2018, its holdings of H Shares are held under the following capacities:

Capacity	Number of H Shares
Interests in a controlled corporation	11,163,563(L)
	10,551,432(S)
Approved lending agents	59,211,559(L)
Persons having a security interest in shares	161,000(L)

According to the notice, long position in 4,529,040 H shares and short position in 4,955,783 H shares are physically settled unlisted derivative; and long position in 38,000 H shares and short position in 1,013,398 H shares are cash settled unlisted derivative.

Note 4: According to the corporate substantial shareholder notice issued by Blackrock, Inc. on 21 December 2017, long position in 271,000 H shares and short position in 875,000 H shares are cash settled unlisted derivative.

Save as disclosed above, the register required to be kept under Section 336 of SFO showed that the Company had not been notified of any interests or short positions in the shares and underlying shares of the Company as at 31 December 2017.

5 BASIC INFORMATION OF CORPORATE BONDS

Unit: Yuan Currency: RMB

Name of bonds	Abbreviation	Code	Issue date	Maturity date	Bonds balance	Interest rate (%)	Repayment of principal and interest	Trading venue
2017 Corporate Bonds (First Tranche) publicly issued to qualified investors by Jiangxi Copper Company Limited	17 JCC 01	143304	20 September 2017	21 September 2022	500,000,000	4.74	The interest of the bonds is payable on a yearly basis and the principal is payable upon maturity. The interest is payable annually, and the final interest shall be paid together with the principal amount.	Shanghai Stock Exchange

Interest payment and repayment of corporate bonds

The Company will pay the first interest on 21 September 2018.

Other information on corporate bonds

- (1) Options for the issuer to adjust the coupon rate: The issuer is entitled to determine to adjust the coupon rate for the 2 years following the end of the third year of the term of the bonds. The issuer will publish an announcement on whether to adjust the coupon rate of the bonds and the adjustment rate on the 20th business day prior to the interest payment date of the third interest payment year of the bonds. If the issuer does not exercise the option to adjust the coupon rate, the coupon rate for the remaining term will remain unchanged at the original coupon rate.
- (2) Resale options of investors: Upon publication of the announcement on whether to adjust the coupon rate of the bonds, and the adjustment rate investors are entitled to elect to register during the announced resale registration period for investors so as to resell all or part of the bonds held by them at face value to the issuer. If bonds holders do not register, they will be deemed to continue to hold the bonds and accept the aforementioned adjustment.

6 CHANGES IN SHAREHOLDINGS AND REMUNERATIONS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Unit: Share

Name	Position (Note)	Sex	Age	Commencement date of term of office	Termination date of term of office	Opening shares held	Closing shares held	Change in increase or decrease in shares during the year	Reasons for change	Total remuneration payable by the Company during the Reporting Period (before tax)	Whether received remuneration from related parties of the Company
										(RMB0'000)	
Long Ziping	Chairman	Male	57	11 September 2017		0	0	/	/	73.55	No
	Former vice-chairman			14 June 2013	11 September 2017						
	Executive Director/General Manager			14 June 2013							
Li Baomin	Former Chairman/Former Executive Director	Male	60	4 March 2013	11 September 2017	0	0	/	/	55.16	No
Wu Yuneng	Executive Director	Male	55	18 July 2016		0	0	/	/	73.55	No
	Deputy General Manager			25 March 2011							
	Executive Deputy General Manager			23 October 2017							
Wu Jinxing	Executive Director/Chief financial officer	Male	55	18 July 2016		0	0	/	/	73.55	No
Wang Bo	Executive Director	Male	54	18 July 2016		0	0	/	/	73.55	No
Gao Jianmin	Executive Director	Male	58	24 January 1997		0	0	/	/	20	No
Liang Qing	Executive Director	Male	64	12 June 2002		0	0	/	/	20	No
Sun Chuanyao	Independent non-executive Director (Note)	Male	73	18 July 2016	(Note)	0	0	/	/	10	No
Zhou Donghua	Independent non-executive Director	Male	35	7 June 2017		0	0	/	/	5	No
Zhang Weidong	Former independent non-executive Director	Male	54	19 June 2012	7 June 2017	0	0	/	/	5	No
Liu Erh Fei	Independent non-executive Director	Male	59	18 July 2016		0	0	/	/	10	No
Tu Shutian	Independent non-executive Director	Male	55	12 January 2015		0	0	/	/	10	No
Hu Qingwen	Chairman of the Supervisory Committee	Male	54	14 June 2013		0	0	/	/	52.81	No
Zeng Min	Supervisor	Male	53	21 March 2016		0	0	/	/	52.81	No
Liao Shengsen	Supervisor	Male	57	18 July 2016		0	0	/	/	52.81	No
Zhang Jianhua	Supervisor	Male	53	18 July 2016		0	0	/	/	52.81	No

Unit: Share

Name	Position (Note)	Sex	Age	Commencement date of term of office	Termination date of term of office	Opening shares held	Closing shares held	Change in increase or decrease in shares during the year	Reasons for change	Total remuneration payable by the Company during the Reporting Period (before tax)	Whether received remuneration from related parties of the Company
										(RMB0'000)	
Zhang Kui	Supervisor	Male	55	29 March 2017		0	0	/	/	39.61	No
Xie Ming	Former Supervisor	Male	61	26 June 2009	29 March 2017	0	0	/	/	13.2	No
Huang Mingjin	Deputy General Manager	Male	55	3 October 2012		0	0	/	/	56.26	No
Jiang Chunlin	Deputy General Manager	Male	48	25 August 2010		0	0	/	/	56.26	No
Chen Yunian	Deputy General Manager	Male	53	23 October 2017		0	0	/	/	9.38	No
Zeng Qingjian	Deputy General Manager	Male	46	23 October 2017		0	0	/	/	9.38	No
Zhou Shaobing	Deputy General Manager	Male	47	23 October 2017		0	0	/	/	9.38	No
Lin Jinliang	Legal Director	Male	53	30 August 2010		0	0	/	/	56.26	No
Liu Jianghao	Former Deputy General Manager	Male	57	28 August 2013	23 October 2017	0	0	/	/	56.26	No
	Chief Engineer			23 October 2017				/	/		
Dong Jiahui	Former Deputy General Manager	Male	55	31 March 2009	23 October 2017	0	0	/	/	46.88	No
Wu Jimeng	Former Deputy General Manager	Male	59	25 February 2016	23 October 2017	0	0	/	/	46.88	No
Tung Tat Chiu	Secretary to the Board	Male	55	24 January 1997		0	0	/	/	5	No
Total	/	/	/	/	/	/	/	/	/	1,045.35	/

Note: Mr. Sun Chuanyao has resigned as an independent non-executive director of the Company on 6 March 2018.

7 REPORT OF THE BOARD

I. Principal business, operation mode and industry situation of the Company during the Reporting Period

(I) Principal business and operation mode of the Company

The principal business of the Company covers copper mining and dressing, smelting and processing, extraction and processing of the precious metal and scattered metal, sulphuric chemistry as well as finance and trade fields. It has established the complete industrial chain integrated with exploration, mining, ore dressing, smelting and processing in copper and related non-ferrous metal fields. It is the important production base of copper, gold, silver and sulphuric chemistry. The main products of the Company include more than 50 varieties, such as copper cathode, gold, silver, sulphuric acid, copper rod, copper tube, copper foil, selenium, tellurium, rhenium, bismuth, etc.

The main assets owned and controlled by the Company include:

1. Six mines under production: Dexing Copper Mine (including copper factory mining area, Fujiawu mining area and Zhushahong mining area), Yongping Copper Mine, Chengmenshan Copper Mine (including Jinjiwo Silver-Copper Mine), Wushan Copper Mine, Dongxiang Copper Mine and Yinshan Lead-Zinc Mine.
2. Guixi Smelter, the largest blister and copper concentrate smelter and refiner in China with the largest scale, most advanced technologies and best environmental protection.

- | | |
|--|--|
| 3. Seven modern copper products processing plants: | Jiangxi Copper Products Company Limited, Guangzhou Copper Production Company Limited, Jiangxi JCC – Yates Copper Foil Inc., Jiangxi Copper Taiyi Special Electrical Materials Company Limited, Jiangxi Copper (Longchang) Precise Pipe Company Limited, JCC Copper Products Company Limited and JCC Huabei (Tianjin) Copper Co., Ltd.. |
| 4. Two sulphuric acid plants with advanced technology: | Jiangxi Jiangtong – Wengfu Chemical Company Limited and Jiangxi Copper (Dexing) Chemical Company Limited. |

(II) Explanation of the industry

In 2017, the strong rebound of the manufacturing industry in developed countries and the stable economic growth in developing countries drove the continuous recovery of global economy and the rebound of international non-ferrous metal price stimulated the overall upturn of operating results in mining companies. Suffered from impact including international copper mine strikes and changes in policies on copper scrap import in China, the international copper price recorded an eye-catching performance that the price of copper on the London Metal Exchange (LME) increased from USD5,516 per tonne at the beginning of the year to USD7,251.5 per tonne, representing a significant increase of 31.5%.

II. Analysis of core competitiveness during the Reporting Period

The Group has established an industry chain with core businesses such as mining, ore dressing, smelting and processing of copper, as well as sulphuric chemistry and extraction and processing of precious and rare metals after more than thirty years of development. The Group also conducts business in various areas such as finance and trading at the same time.

1. Advantage of mines. The Group places first priority to development of mines amongst its strategies, and has been dedicated to seeking control of more resources and raising the production volume of self-owned mines. As of the end of 2017, the Group maintained its major resources as follows:

The Company had 100% ownership in the proven resource reserves of approximately 9,979,000 tonnes of copper metal, 296.5 tonnes of gold, 9,774 tonnes of silver, and 209,000 tonnes of molybdenum. Among the resources jointly controlled by the Company and other companies, metal resource reserves attributable to the Company (based on its equity percentage) were approximately 4,430,000 tonnes of copper and 52 tonnes of gold.

2. Advantage of scale in the industry. The Group owns the current largest size of domestic copper mine, namely Dexing Copper Mine and a number of copper mines under production with annual production of copper contained in copper concentrates of approximately 210,000 tonnes. The Group's current production capacity of copper cathode is over 1,300,000 tonnes per year, and Guixi Smelter is the copper smelter with the largest monomer smelting scale in the world. The Group is also the largest copper processor with over 1,000,000 tonnes of copper products processed annually.
3. Advantages of technology and talents. The Group possesses industry-leading copper smelting and mine development technologies. With years of legacy, the Group has reserved abundant mines and talents specialized in smelting and is equipped with expansion ability and advantages for operating similar mines or smelting enterprises.
4. Advantage of brand. The Group operates with a complete industry chain of mining, ore dressing, smelting and processing. Being larger in scale and better in reputation, the Group has occupied a front position among top 500 Chinese enterprises and top 500 Chinese manufacturing enterprises for consecutive years. The Group has gained recognition, trust, support and help from various sectors of the society, and possesses a relatively stronger risk resistant capability.

III. Management Discussion and Analysis

(I) Discussion and analysis of the Company's operation

During the Reporting Period, the global economic environment was recovering moderately and the domestic economy was stabilizing and improving. With the joint efforts of all employees of the Company, the Group has made steady progress and positive achievements. It has taken a series of effective measures and successfully completed various production and operation targets.

In respect of industrial production, the Group continued to implement benchmarking management, while the mining and smelting capacity remained efficient: Guixi Smelter overcame the difficulties of outsourcing complex raw materials processing, and maintained a stable and efficient dual system operation; 16 indicators including running rate of semi-autogenous mill of Dexing Copper Mine, 6 indicators including the recovery rate of sulfur selection of Chengmenshan Copper Mine and recovery rate of copper, gold and silver of Yinshan Mining reached the highest levels in recent three years, thereby creating substantial economic benefits for the Group while strengthening its position in the industry. In 2017, through scientific organization and precision management, the Group was able to maintain stable performance of production capacity in different types of products. The Group smelted and produced 1,370,000 tonnes of copper cathode, while the self-owned copper mine produced 209,600 tonnes of copper contained in copper concentrates in total. The production quality of subsidiary copper processing enterprises continued to improve, whereas the grade A product rate of copper foil, level 1 and 2 product rate of copper rods and comprehensive yield rate of copper tube all reached a record high.

In respect of cost control, facing the increasingly fierce competition in the industry, the Group focused on improving quality and efficiency, forming a strong atmosphere of quality improvement, cost reduction and efficiency increase, thereby the production costs were effectively controlled. The Group optimized business systems such as material procurement, trade and sales business, and financial accounting, proactively explored the use of new financing instruments, optimized the financing structure, adopted an improved raw material procurement structure, and implemented measures such as interaction between the futures market and spot market and so on to enhance the results of the Company.

In respect of managing technological innovation, the Group established a goal orientation, strengthened the management of scientific research and innovation projects, accelerated the transformation of scientific research achievements, and accelerated the implementation of innovation-driven strategies. In 2017, a total of 42 patents were granted throughout the year, of which 13 were invention patents, among which, the “Key Technologies and Application of Comprehensive Utilization of Associated Pyrite Resources in Non-ferrous Metals” (“有色金屬共伴生硫鐵礦資源綜合利用關鍵技術及應用”) project won the National Science and Technology Progress Award (Second Prize), the “New Technology and Industrialization of Integrated Recycling

of Sulphurized Copper Ores and Associated Metal Molybdenum And Rhenium” (“硫化銅礦伴生金屬鉬銻綜合回收新技術與產業化”) and “System Process and Equipment Development of Recycled Copper Smelting” (“再生銅冶煉系統工藝及裝備開發”) projects won the Science and Technology Progress Award of Jiangxi Province (First Prize). The Group has stepped up its efforts to promote the construction of intelligent factories and digital mines, among which the construction of the intelligent factory of Guixi Smelter has been fully launched, and the relevant modules of Chengmenshan Copper Mine intelligent mining service platform have been built orderly.

In respect of risk control, the Group strengthened the concept of comprehensive risk management and control, strengthened the management before, during, and after any incident, and continued to increase the efforts on management and control of operational risks. The Group promulgated the “Customer Credit Management Measures” to initially realize the “four unifications” of customer and supplier management, credit management, guarantee management, and market management of the marketing system of the Company. The Group adhered to the principle of “focusing on prevention before incidents and controlling during incidents, while supplemented by remedies after incidents” to further strengthen the legal risk prevention mechanism, innovate legal affairs management, and enhance the awareness on rule of law of all employees.

In respect of safety and environmental protection, the Group adhered to the priority of environmental protection, continued to increase environmental protection investment, strengthened the operation, maintenance and management of environmental protection facilities, and steadily carried out the construction of pollution prevention, ecological restoration and environmental governance projects. In 2017, the Company was elected as the “Annual Green Development Leading Enterprise of China Nonferrous Metals Industry” (First Session).

(II) Major business operations during the Reporting Period

During the Reporting Period, with the joint efforts of all employees, the Group successfully achieved the production target made at the beginning of the year. The Group produced 209,600 tonnes of copper contained in copper concentrates, basically the same as last year; produced 1,370,000 tonnes of copper cathode, which is 160,000 tonnes more than that produced last year; produced 25.58 tonnes of gold, basically the same as last year; produced 484 tonnes of silver, which is 23 tonnes less than that produced last year; produced 1,140,000 tonnes

of various copper products, which is 190,000 tonnes more than those produced last year; produced 3,570,000 tonnes of sulphuric acids and 2,500,000 tonnes of sulphur concentrates, basically the same as last year; furthermore, produced 7,286 tonnes of standard molybdenum concentrates (average grade at 45%), 2,090 kilograms of ammonium perrhenate, 55 tonnes of refined tellurium and 556 tonnes of refined bismuth.

According to the audited 2017 consolidated financial statement prepared in accordance with the PRC GAAP, the consolidated operating income of the Group is RMB205,046,854,771 (2016: RMB202,308,220,227), representing an increase of RMB2,738,634,544 (or 1.35%) as compared with last year; achieving net profit attributable to shareholders of the Company of RMB1,604,107,754 (2016: RMB784,149,893), representing an increase of RMB819,957,861 (or 104.57%) as compared with last year; basic earning per share is RMB0.46 (2016: RMB0.23), representing an increase of RMB0.23 (or 100%) as compared with last year.

(III) Analysis of principal businesses (prepared in accordance with PRC GAAP)

Table of movement analysis for the related items in income statement and cash flow statement

Unit: Yuan Currency: RMB

Items	For the period	For the same period last year (Restated)	Changes (%)
Revenue	205,046,854,771	202,308,220,227	1.35
Cost	195,837,045,341	195,310,265,014	0.27
Selling and distribution expenses	533,432,834	569,016,272	-6.25
Administrative expenses	1,673,942,919	1,669,673,092	0.26
Finance costs	461,339,624	251,833,703	83.19
Net cash flow from operating activities	3,259,243,125	4,059,614,617	-19.72
Net cash flow from investing activities	-2,141,076,026	-2,777,259,695	22.91
Net cash flow from financing activities	1,558,510,351	-10,094,298,146	115.44
Expenses on research and development	2,464,851,000	2,327,990,000	5.88

1. Analysis on income and cost

The Company has combined the characteristics of the industry and its actual situation to explain the composition of the Company's operating income during the Reporting Period by industry, product and geographical location.

(1) Principal businesses by industry, by product and by geographical location

Unit: Yuan Currency: RMB

By industry	Principal businesses by industry					
	Operating revenue	Operating cost	Gross profit margin (%)	Increase/decrease in operating revenue over last year (%)	Increase/decrease in operating cost over last year (%)	Increase/decrease in gross profit margin over last year (%)
Manufacturing of non-ferrous metals	82,019,653,837	73,460,673,221	10.44	39.16	37.96	Increased by 0.78 percentage point
Trade	122,334,810,414	121,725,806,544	0.50	-14.23	-13.94	Decreased by 0.34 percentage point

By product	Principal businesses by product					
	Operating revenue	Operating cost	Gross profit margin (%)	Increase/decrease in operating revenue over last year (%)	Increase/decrease in operating cost over last year (%)	Increase/decrease in gross profit margin over last year (%)
Copper cathode	121,462,701,411	115,669,790,380	4.77	-3.05	-5.93	Increased by 2.92 percentage points
Copper rods and wires	45,463,902,392	44,219,921,037	2.74	17.37	18.92	Decreased by 1.27 percentage points
Copper processing products	5,268,556,651	4,841,426,798	8.11	46.65	44.73	Increased by 1.22 percentage points
Gold	7,227,737,467	6,503,822,145	10.02	3.47	11.94	Decreased by 6.80 percentage points
Silver	2,954,147,585	2,760,330,866	6.56	-26.24	-27.59	Increased by 1.75 percentage points
Chemical products	1,185,914,444	1,326,722,133	-11.87	68.43	106.71	Decreased by 20.71 percentage points
Rare metals and other non-ferrous metals	17,756,830,832	17,164,135,305	3.34	-8.23	-6.72	Decreased by 1.57 percentage points
Other principal business	3,034,673,469	2,700,331,101	11.02	3.86	6.45	Decreased by 2.16 percentage points
Others	692,390,520	650,565,576	6.04	-5.23	5.16	Decreased by 9.29 percentage points

Unit: Yuan Currency: RMB

By geographical location	Principal businesses by geographical location			Increase/decrease		Increase/decrease in gross profit margin over last year (%)
	Operating revenue	Operating cost	Gross profit margin (%)	in operating revenue over last year (%)	in operating cost over last year (%)	
Mainland China	166,886,400,379	158,068,705,820	5.28	-1.61	-2.94	Increased by 1.29 percentage points
Hong Kong	20,634,351,594	20,465,505,543	0.82	-11.6	-11.68	Increased by 0.09 percentage point
Others	17,526,102,798	17,302,833,978	1.27	87.42	86.33	Increased by 0.57 percentage point
Total	205,046,854,771	195,837,045,341	4.49	1.35	0.27	Increased by 1.03 percentage points

Explanation on principal businesses by industry, by product and by geographical location

1) Copper cathode

During the Reporting Period, copper cathode trading volume decreased and copper price increased, leading to a decrease in the operating revenue from copper cathode amounting to RMB3,821.49 million (or -3.05%) as compared with last year; the operating cost decreased by RMB7,292.95 million (or -5.93%) as compared with last year; the gross profit increased by RMB3,471.46 million as compared with last year; and the gross profit margin increased from 1.85% last year to 4.77% for the year.

2) Copper rods and wires

During the Reporting Period, the year-on-year increase in copper price and the decrease in processing price of copper rods led to an increase in the operating revenue from copper rods and wires amounting to RMB6,728.71 million (or 17.37%) as compared with last year; the operating cost increased by RMB7,036.75 million (or 18.92%) as compared with last year; the gross profit decreased by RMB308.05 million as compared with last year; and the gross profit margin decreased from 4.01% last year to 2.74% for the year.

3) Other copper rods processed products apart from copper rods and wires

During the Reporting Period, the average selling price of copper processed products represented a year-on-year increase, whereas sale volume recorded an overall increase as compared with last year. The operating income of copper processed products apart from copper rods and wires increased by RMB1,675.84 million (or 46.65%) as compared with last year; the operating costs increased by RMB1,496.34 million (or 44.73%) as compared with last year; the gross profit increased by RMB179.50 million as compared with last year; and the gross profit margin increased from 6.89% last year to 8.11% for the year.

4) Gold

During the Reporting Period, operating revenue from gold increased by RMB242.71 million (or 3.47%) as compared with last year due to the increase in gold price and the decreased proportion of mineral gold. Operating costs increased by RMB693.56 million (or 11.94%) as compared with last year, the gross profit of gold decreased by RMB450.84 million as compared with last year while the gross profit margin decreased from 16.82% last year to 10.02% for the year.

5) Silver

During the Reporting Period, due to the decrease in sales volume of silver and the increase in silver price, the operating revenue from silver decreased by RMB1,050.74 million (or -26.24%) as compared with last year while the operating cost decreased by RMB1,051.79 million (or -27.59%) as compared with last year; the gross profit increased by RMB1.06 million as compared with last year and the gross profit margin increased from 4.81% last year to 6.56% for the year.

(2) Analysis table for output and sales

Major products	Output	Sales	Stock	Output	Sales	Stock
				Increased (reduced) as compared with last year (%)	Increased (reduced) as compared with last year (%)	Increased (reduced) as compared with last year (%)
Copper cathode (ten thousand tonnes)	137.42	135.26	3.05	13.52	12.42	131.06
Gold (tonne)	25.58	26.25	0.23	-3.22	2.10	-4.17
Silver (tonne)	483.5	504.16	12.27	-4.70	-0.66	96.63
Sulfuric acids (ten thousand tonnes)	363.74	374.21	3.42	3.89	4.65	-91.08
Copper processing products (ten thousand tonnes)	113.57	92.55	1.03	19.21	-1.85	232.26

Explanation of output and sales

NIL

(3) Analysis on costs

Unit: Yuan Currency: RMB

By industry	Cost constituent	For the period	By industry		Share of total costs for the same period last year (%)	Changes of the amount for the period compared to the same period last year (%)	Explanation
			Share of total costs for the period (%)	For the same period last year			
Manufacturing of non-ferrous metals	Raw materials	67,596,869,109	34.63	45,400,466,666	23.34	48.89	
	Energy power	2,066,086,128	1.06	1,864,082,436	0.96	10.84	
	Labour	1,256,280,022	0.64	1,044,751,824	0.54	20.25	
	Overheads	4,244,760,771	2.17	3,780,069,749	1.94	12.29	
	Sub-total	<u>75,163,996,031</u>	<u>38.51</u>	<u>52,089,370,675</u>	<u>26.78</u>	<u>44.3</u>	
Trading of non-ferrous metals and others	Trading of non-ferrous metals and others	<u>120,022,483,734</u>	<u>61.49</u>	<u>142,407,972,391</u>	<u>73.22</u>	<u>-15.8</u>	
	Total	<u>195,186,479,765</u>	<u>100</u>	<u>194,497,343,066</u>	<u>100</u>	<u>0.29</u>	

Unit: Yuan Currency: RMB

By product	Cost constituent	By product					Explanation
		For the period	Share of total costs for the period (%)	For the same period last year	Share of total costs for the same period last year (%)	Changes of the amount for the period compared to the same period last year (%)	
Copper products	Raw materials	59,502,683,468	89.79	37,832,860,766	86.46	57.28	
	Energy power	1,878,872,531	2.84	1,683,064,428	3.85	11.63	
	Labour	1,070,509,138	1.62	887,643,698	2.03	20.60	
	Overheads	3,817,050,206	5.76	3,353,780,300	7.66	13.81	
	Sub-total	66,269,115,342	100.00	43,757,349,192	100.00	51.45	
By-products of precious metals	Raw materials	7,663,120,305	99.07	7,180,368,441	99.06	6.72	
	Energy power	3,849,798	0.05	4,720,630	0.07	-18.45	
	Labour	19,957,525	0.26	17,254,035	0.24	15.67	
	Overheads	48,456,415	0.63	45,842,832	0.63	5.70	
	Sub-total	7,735,384,044	100.00	7,248,185,938	100.00	6.72	
Chemical products	Raw materials	406,289,523	36.75	368,087,359	35.31	10.38	
	Energy power	179,867,614	16.27	172,992,612	16.60	3.97	
	Labour	155,261,826	14.04	132,846,046	12.74	16.87	
	Overheads	364,063,419	32.93	368,417,678	35.35	-1.18	
	Sub-total	1,105,482,382	100.00	1,042,343,695	100.00	6.06	

Unit: Yuan Currency: RMB

By product	Cost constituent	By product					Explanation
		For the period	Share of total costs for the period (%)	For the same period last year	Share of total costs for the same period last year (%)	Changes of the amount for the period compared to the same period last year (%)	
Rare metals	Raw materials	24,775,813	45.87	19,150,100	46.15	29.38	
	Energy power	3,496,185	6.47	3,304,766	7.96	5.79	
	Labour	10,551,533	19.53	7,008,045	16.89	50.56	
	Overheads	15,190,732	28.12	12,028,939	28.99	26.28	
	Sub-total	54,014,262	100.00	41,491,850	100.00	30.18	
Trading and others		120,022,483,734	61.49	142,407,972,391	73.22	-15.72	
	Total	195,186,479,765		194,497,343,066		0.35	

(4) Major sales customers and major suppliers

Sales amount of the top five customers was RMB20,954.76 million, making up 10.22% of the total sales amount for the year, among which sales amount of related parties in the sales amount of the top five customers was RMB0, making up 0% of the total sales amount.

Procurement amount of the top five suppliers was RMB22,307.69 million, making up 11.39% of the total procurement amount for the year, among which procurement amount of related parties in the procurement amount of the top five suppliers was RMB0, making up 0% of the total procurement amount.

Other descriptions

NIL

Explanation of other situations of analysis on costs

2. *Expense*

Unit: Yuan Currency: RMB

Item	For the period ended	For the same period last year (Restated)	Increase/ (decrease) over the same period last year (%)	Reasons for the changes
Selling expenses	533,432,834	569,016,272	-6.25	Note 1
Administrative expenses	1,673,942,919	1,669,673,092	0.26	Note 2
Finance costs	461,339,624	251,833,703	83.19	Note 3

Note 1: Decrease in selling expenses for the period was mainly attributable to decrease in transportation fees and storage fees.

Note 2: Increase in administrative expenses for the period was mainly attributable to increase in depreciation of fixed assets.

Note 3: Increase in finance costs for the period was mainly attributable to increase in interest expenditure arising from short-term borrowings and gold leasing.

3. *Research and Development (“R&D”) contribution*

R&D contribution table

Unit: Yuan Currency: RMB

Expenditure R&D contribution in current period	2,151,214,000
Capitalization R&D contribution in current period	313,637,000
Sum of R&D contribution	2,464,851,000
Percentage (%) of sum of R&D contribution in operating income	1.20
Number of R&D personnel in the company	2,924
Percentage (%) of number of R&D personnel in total amount of company staff	13.41
Proportion (%) of R&D investment capitalization	12.72

Explanation

In 2017, the Group continued to develop a series of targeted R&D projects around production process linked to the practical conditions of the Company. The projects mainly covered a complete industry chain of copper (exploration, selection, smelting and processing) and strengthened R&D investment in cost reduction, environmental protection, and the like.

During the Reporting Period, the “Key Technologies and Application of Comprehensive Utilization of Associated Pyrite Resources in Non-ferrous Metals” (「有色金屬共伴生硫鐵礦資源綜合利用關鍵技術及應用」) project submitted by the Group won the National Science and Technology Progress Award (Second Prize); the “New Technology and Industrialization of Integrated Recycling of Sulphurized Copper Ores and Associated Metal Molybdenum And Rhenium” (「硫化銅礦伴生金屬鉬銻綜合回收新技術與產業化」) and “System Process and Equipment Development of Recycled Copper Smelting” (「再生銅冶煉系統工藝及裝備開發」) projects won the Science and Technology Progress Award of Jiangxi Province (First Prize) and the “Disaster Prevention Technology Research on Tailings Reservoir of Metal Mines under Extreme Weather Conditions” (「極端氣象條件下金屬礦山尾礦庫防災技術研究」) won the Science and Technology Progress Award of Jiangxi Province (Second Prize). In addition, projects including the “Industrial Experimental Research of Utilizing Alumina Ceramic Balls As Grinding Media For Ball Mills” (「氧化鋁瓷球作為球磨機磨礦介質的工業試驗研究」) and the “Experimental Research on Integrated Recycling of Flotation Tailings in Guixi Smelter” (「貴冶浮選尾渣綜合回收試驗研究」) were promoted in full swing.

The Group believes that the continuous implementation of R&D projects would lay a solid foundation for the Company's positive development and the fostering of its new economic growth points.

4. Cash Flow

<i>Unit: Yuan Currency: RMB</i>				
Item	For the year	For the same period last year <i>(Restated)</i>	Changes the changes <i>(%)</i>	Reasons for the changes
Net cash flow from operating activities	3,259,243,125	4,059,614,617	-19.72	Note 1
Net cash flow from investing activities	-2,141,076,026	-2,777,259,695	22.91	Note 2
Net cash flow from financing activities	1,558,510,351	-10,094,298,146	115.44	Note 3

Note 1: The reason for change in cash flow generated in operating activities: mainly due to an increase in raw material price and increase in inventory.

Note 2: The reason for change in cash flow generated in investing activities: mainly due to a decrease in cash payment from investments.

Note 3: The reason for change in cash flow generated in financing activities: year-on-year increase in borrowings obtained and year-on-year decrease in repayment of debts.

IV. Analysis of assets and liabilities

Unit: Yuan Currency: RMB

Item	As at the end of the period	Share of total assets as at the end of the period (%)	As at the end of the previous period (Restated)	Share of total assets as at the end of the previous period (%)	Changes as at	Explanation
					the end of the period over the end of the previous period (%)	
Cash and bank	19,003,038,079	19.50	13,093,661,144	14.97	45.13	Note 1
Interest receivable	169,985,118	0.17	124,513,665	0.14	36.52	Note 2
Other receivables	4,882,467,815	5.01	2,975,082,258	3.40	64.11	Note 3
Held-for-sale assets	23,308,163	0.02	189,891,677	0.22	-87.73	Note 4
Other current assets	1,879,824,856	1.93	2,717,423,373	3.11	-30.82	Note 5
Other non-current assets	593,612,328	0.61	421,096,646	0.48	40.97	Note 6
Short-term borrowing	23,623,884,388	24.24	14,868,139,788	17.00	58.89	Note 7
Financial liabilities at fair value						
through profit or loss	5,485,139,445	5.63	3,229,152,199	3.69	69.86	Note 8
Notes payable	1,033,843,222	1.06	5,656,814,269	6.47	-81.72	Note 9
Interest payable	165,774,548	0.17	102,155,262	0.12	62.28	Note 10
Dividend payable	0	0.00	64,000,000	0.07	-100.00	Note 11
Non-current liabilities due within one year	230,895,078	0.24	137,614,544	0.16	67.78	Note 12
Other current liabilities	3,178,510,772	3.26	1,926,154,633	2.20	65.02	Note 13
Long-term borrowings	8,750,000	0.01	228,100,000	0.26	-96.16	Note 14
Bonds payable	500,000,000	0.51	0	0.00	100.00	Note 15
Long-term payroll payables	63,880,275	0.07	109,189,561	0.12	-41.50	Note 16
Long-term payables	124,647,619	0.13	10,979,054	0.01	1,035.32	Note 17
Other comprehensive income	-114,215,007	-0.12	81,499,591	0.09	-240.14	Note 18

Other explanations

Note 1: As at the end of the Reporting Period, the cash and bank of the Group amounted to RMB19,003.04 million, representing an increase of RMB5,909.38 million (or 45.13%) over the same period last year, mainly attributable to increase in fixed deposits and customer bank deposits of the Group.

Note 2: As at the end of the Reporting Period, the interest receivable of the Group amounted to RMB169.99 million, representing an increase of RMB45.47 million (or 36.52%) over the same period last year, mainly attributable to corresponding increase in interest arising from the new fixed deposits of the Group.

- Note 3:* As at the end of the Reporting Period, other receivables of the Group amounted to RMB4,882.47 million, representing an increase of RMB1,907.39 million (or 64.11%) over the same period last year, mainly attributable to considerations receivable arising from the disposal of accounts receivables arising from transactions of the subsidiaries of the Group and disposal of specific asset management plans.
- Note 4:* As at the end of the Reporting Period, the held-for-sale assets of the Group amounted to RMB23.31 million, representing a decrease of RMB166.58 million (or -87.73%) over the same period last year, mainly attributable to provision for impairment of immovable idle fixed asset of Sichuan Kangxi Copper Industry Co., Ltd.* (四川康西銅業有限責任公司), a subsidiary of the Group.
- Note 5:* As at the end of the Reporting Period, other current assets of the Group amounted to RMB1,879.82 million, representing a decrease of RMB837.60 million (or -30.82%) over the same period last year, mainly attributable to the maturity of the capital preservation financial products purchased by the subsidiaries of the Group at the end of last year.
- Note 6:* As at the end of the Reporting Period, other non-current assets of the Group amounted to RMB593.61 million, representing an increase of RMB172.52 million (or 40.97%) over the same period of last year, mainly attributable to the increase in prepayment to the Land and Resources Bureau in the current period for obtaining land use rights.
- Note 7:* As at the end of the Reporting Period, short-term borrowings of the Group amounted to RMB23,623.88 million, representing an increase of RMB8,755.74 million (or 58.89%) over the same period last year, mainly attributable to the increase in the amount of credit borrowings of the Group.
- Note 8:* As at the end of the Reporting Period, the financial liabilities measured at fair value and its changes being included in the profit or loss of the Group amounted to RMB5,485.14 million, representing an increase of RMB2,255.99 million (or 69.86%) over the same period last year, mainly attributable to the increase in the scale of tradable financing of the Group.
- Note 9:* As at the end of the Reporting Period, the notes payable of the Group amounted to RMB1,033.84 million, representing a decrease of RMB4,622.97 million (or -81.72%) over the same period last year, mainly attributable to the Group's reduction in the discounting of notes among subsidiaries within the Group.
- Note 10:* As at the end of the Reporting Period, the interest payable of the Group amounted to RMB165.77 million, representing an increase of RMB63.62 million (or 62.28%) over the same period last year, mainly attributable to the public issuance of 2017 corporate bonds (first tranche) to qualified investors by the Group in this year and the increase in bank borrowings.

Note 11: As at the end of the Reporting Period, the dividend payable of the Group amounted to RMB0, representing a decrease of RMB64 million (or -100%) over the same period last year, mainly attributable to dividends paid to minority shareholders by subsidiaries of the Group for this period.

Note 12: As at the end of the Reporting Period, the non-current liabilities due within one year of the Group amounted to RMB230.90 million, representing an increase of RMB93.28 million (or 67.78%) over the same period last year, mainly attributable to the charge of accounts payable for long-term sale-leaseback financial leasing equipment of the subsidiaries of the Group due within one year of the Group.

Note 13: As at the end of the Reporting Period, other current liabilities of the Group amounted to RMB3,178.51 million, representing an increase of RMB1,252.36 million (or 65.02%) over the same period last year, mainly attributable to the substantial increase in the amount of deposits received from JCC Group and its subsidiaries.

Note 14: As at the end of the Reporting Period, the long-term borrowings of the Group amounted to RMB8.75 million, representing a decrease of RMB219.35 million (or -96.16%) over same period last year, mainly attributable the fact that long-term borrowings of the Group are about to expire and the long-term borrowings due within one year will be changed to non-current liabilities due within one year for accounting.

Note 15: As at the end of the Reporting Period, the bonds payable of the Group amounted to RMB500.00 million, representing an increase of RMB500.00 million (or 100%) over the same period last year, mainly attributable to the issuance of 2017 corporate bonds (first tranche) to qualified investors by the Group.

Note 16: As at the end of the Reporting Period, the long-term payroll payable of the Group amounted to RMB63.88 million, representing a decrease of RMB45.31 million (or -41.50%) over the same period last year, mainly attributable to the change of long-term payroll payable due within one year to short-term payroll.

Note 17: As at the end of the Reporting Period, the long-term payables of the Group amounted to RMB124.65 million, representing an increase of RMB113.67 million (or 1,035.32%) over the same period last year, mainly attributable to the new accounts payable for long-term sale-leaseback and financial leasing equipment of the subsidiaries of the Group.

Note 18: As at the end of the Reporting Period, other comprehensive income of the Group amounted to RMB -114.22 million, representing a decrease of RMB195.71 million (or -240.14%) over the same period last year, mainly attributable to the difference in translation of foreign currency statements of overseas joint and associates enterprises resulting from the decrease in the exchange rate of the US dollars.

V. Discussion and analysis by the Company concerning the future development of the Company

(I) Information disclosure of industry operation

In 2018, as the previous round of international copper mine investment capacity has basically been released, the global copper concentrate production growth will slow down in the next 2 to 3 years. In addition, the steady growth of domestic grid investment, household appliances, and automobile industries, as well as the limitation on imports of scrap copper, will all promote the consumption of copper concentrate. However, the continuous decline in the growth rate of domestic real estate and infrastructure investment will become the most important constraint factor for economic growth, as well as continued tight monetary policy and gradual increase of copper inventory pressure, may lead to pressure on copper prices. It is expected that copper prices in 2018 will continue its previous trend of fluctuation in high position.

(II) Competition within the industry and the trend of development

In 2017, the global economy showed obvious signs of recovery. The manufacturing industries in China, the United States and Europe continued to expand. The market was of the view that the basic cycle of economic growth has been initiated. The tax reduction policy in the United States and burden reduction and decentralization policy in China will benefit future economic growth. Domestically, real estate investment in 2015 to 2016 drove a large increase in economy and copper consumption in 2017, while the supply-side reforms have pushed up the bulk commodity prices, promoted a comprehensive transformation and upgrading of the copper industry, and have optimized the allocation of resources, which will boost the Chinese economy over the long term and further boost copper prices. However, such factors as the current tightening international monetary policy, increased international trade friction and high financing costs, will cause a certain degree of drag on economic development and copper prices in the short term.

From the perspective of the supply side, copper raw materials will turn to a shortage in the future as a whole. Copper prices have experienced a six-year decline since 2011, and the global copper mines have had insufficient incentives for new construction and expansion. After the global copper concentrate reached its peak in 2016, it began to shrink in 2017 and its future growth rate would slow down. According to certain research data, the global copper production in 2017 was only 19.8 million tonnes, representing a decrease of 1.7%. From the perspective of the demand side, the world is transitioning to a low-emission energy system, and the global investment in electric vehicles and renewable energy will continue to drive copper consumption. Taken together, the global economic recovery supports the increase of copper prices, and the supply of copper raw materials has been tightened for a long period of time. Under the waxing-and-waning of consumption, it is expected that the copper price will maintain its volatile and slumping pattern in the short term.

(III) The development strategy of the Company

Facing the new situation, the Company will implement the development strategy of “copper-based, strengthening non-ferrous, diversified development, global layout”, adhering to the development path of mainly focusing on extensive expansion, and combination of extensive expansion and connotation development, while adhering to the development principle of “quality first” and giving priority to efficiency, deepening reform in an all-round way, and speeding up transformation and upgrading to promote the transformation in terms of quality, efficiency, and driving force of enterprise development, striving to build the Company into a world-class mining company with a leading position in the copper industry, which engages in multi-metal mining and achieves deep integration of production, financing and trading, and unleashing global competitiveness.

(IV) Business plan

The Group completed or outperformed a series of production plans set in early 2017. In 2018, the Company’s main production and operation plan is to produce: 1.42 million tonnes of copper cathode, 25 tonnes of gold, 354 tonnes of silver, 3.71 million tonnes of sulphuric acid, 206,800 tonnes of copper contained in copper concentrate, and 1.10 million tonnes of copper rods and wires and other copper processing products. The Group will timely adjust the plan based on the changes in market conditions.

To realize the above plan, in 2018, the Group will primarily exert efforts in the following aspects:

1. The Group will make an effort on merger and acquisition and speed up internationalized operation. The Group will set up a platform for internationalized operation, optimize the investment and merger and acquisition management mechanism, clarify the team, responsibilities and processes to improve efficiency and effectiveness. The Group will actively integrate into the strategy of “One Belt One Road”, accelerate the pace of “going out”, strengthen cooperation with international mining companies, implement overseas resources merger and acquisition for development and production capacity cooperation, and improve risk exploration efforts to increase resource reserves of the Company.
2. The Group will speed up the reform of systems and improve effectiveness of the reform. The Company will continue to steadily deepen the supply-side structural adjustment, enhance the vitality of enterprise development, and improve the development quality of the Company. The Group will speed up the optimization of capacity structure layout, intensify the transformation of backward production capacity, promote traditional industrial technology transformation of the Company by making use of policy support, and gradually achieve high-end, intelligent, green and personalized changes. The Group will optimize the market employment mechanism to open up channels for more socialized employment, and start the construction of an international talent team.
3. The Group will promote the innovation-driven strategy to enhance the risk management. Taking technological innovation as the main direction, the Group will enhance the ability of independent innovation and achievement transformation, continue to enhance innovation, while further promoting the innovation of all staff and enhancing the enthusiasm in innovation and efficiency of all staff. The Group will further deepen benchmarking management, focus on optimizing methods, quantifying results, and solidifying experience to promote continuous in-depth development of benchmarking. The Group strives to improve the “macro risk control” system of the Company and shall review the risk control mechanism of the Company from the perspectives of customers, credit, contracts and fund management.

4. The Group will excavate internal potential and enhance efficiency and effectiveness. By continuously improving the development quality, enhancing core competitiveness, and establishing a long-term mechanism, the Group will implement long-term measures in terms of process optimization, refined management, and optimization of labor organizations. The Group will take the interests of the Company as a whole, strive to tap into the market potential and efficiency space, and increase the operating performance of the Company.
5. The Group will promote the development of a safe, environmentally friendly, green and harmonious environment. The Group will adhere to the concept of green and co-shared development and steadily implement corporate social responsibility. The Group will promptly implement the increasingly stringent environmental protection policy requirements, implement the safety and environmental responsibility system, and establish a safety and environmental protection management mechanism in which all staff can participate and manage jointly. The Group will continue to increase investment in safety and environmental protection, and work hard on investigation of hidden problems and source governance. The Group will continue to optimize energy management and implement energy contract system. While completing the annual energy saving and emission reduction tasks, it will actively seek for policy support to reduce the energy costs of the Company.

(V) Potential risks

1. The risk of decrease in copper price

In 2018, the Group plans to produce a total of 206,800 tonnes of copper contained in copper concentrates. For every decrease of RMB1,000 in copper price, the profits from the self-produced mines of the Company will decrease by RMB200 million (before tax) and the equivalent earnings per share (EPS) before tax will decrease by approximately RMB0.06 per share. The Company has been pursuing a positive and prudent hedging policy for years. With an aim to ensure operating targets, the Company has provided hedging for self-produced raw materials according to their price ranges, and has aimed to lock the processing fee in respect of outsourced raw materials, so as to shelter from the risk generated from fluctuations in copper price.

2. *The risk of decrease in smelting processing fees*

With the gradual operation of domestic new smelting capacity, the relative smelting capacity of copper concentrate will experience a slight shortage with an expanding trend. As of current, there has been a certain degree of decline in copper smelting processing fees. The future uncertainty in the global macroeconomic development will also limit the growth of copper consumption, and the risk in copper smelting industry will be further increased.

3. *Changes in domestic and overseas economic environment*

Since the second half of 2016, the growth rate of the world's major economies has accelerated. Along with the rate hike and balance sheet reduction by the Federal Reserve, the central banks of Britain, Canada, and South Korea also followed suit. In the future, the European Central Bank will also consider gradually withdrawing from the quantitative easing monetary policy, and the global capital flow will change significantly in the future. In 2018, the structural adjustment of the economy in China will continue, and the operational benefits of traditional manufacturing industries will be further divided.

8 SIGNIFICANT EVENTS

8.1 Model code for securities transactions by Directors

During the Reporting Period, the Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“**Model Code**”) contained in Appendix 10 to the Rule Governing the Listing of Securities (“**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Having made special enquiries to all of its Directors and Supervisors, the Company confirms that the Directors and Supervisors have complied with the requirements of the Model Code during the Reporting Period.

8.2 Code on Corporate Governance Practices

The Company strives to maintain and establish quality corporate governance.

To the knowledge of the Board, during the Reporting Period, the Company has been in full compliance with all the code provisions under the Corporate Governance Code (the “**Code**”) as set out in Appendix 14 to the Listing Rules, with the exception of the following deviations:

During the Reporting Period, the legal action which the Directors of the Company may face is covered in the internal control and risk management of the Company. As the Company considers that no additional risk is likely to exist, insurance arrangements in respect of legal action against Directors have not been made as required under code provision A.1.8 of the Code.

8.3 Purchase, sale or redemption of the Company’s listed securities

During the Reporting Period, the Company has not redeemed any of its listed securities. Neither the Company nor any of its subsidiaries had purchased or sold any of the Company’s listed securities during the Reporting Period.

8.4 Analysis and explanation of the Company regarding the reasons for and impacts brought by the changes in accounting policies and accounting estimates

Since 2017, the Ministry of Finance of the PRC has successively promulgated or revised eight ASBE: “ASBE No. 16 – Government Grants” (“**ASBE No. 16**”), “ASBE No. 42 – Non-current Assets Held for Sale, Disposal Groups and Discontinued Operations” (“**ASBE No. 42**”), “Notice on the Revision of the Format for Issuing General Enterprise Financial Statements” (Cai Kuai [2017] No. 30) (“**Cai Kuai Document No. 30**”), “ASBE No. 14 – Revenue”, “ASBE No. 22 – Recognition and Measurement of Financial Instruments”, “ASBE No. 23 – Transfer of Financial Assets”, “ASBE No. 24 – Hedge Accounting” and “ASBE No. 37 – Presentation and Reporting of Financial Instruments” (collectively known as the “**New Standards**”).

According to the abovementioned requirements, the Company has implemented ASBE No. 16 since 1 January 2017; ASBE No. 42 since 28 May 2017; has prepared the financial statements for the year 2017 and subsequent periods in accordance with Cai Kuai Document No. 30 and has implemented all remaining newly-revised standards since 1 January 2018.

For details about the changes in accounting policies, please refer to the announcement of the Company dated 28 March 2018 in respect of changes in accounting policies disclosed on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Shanghai Stock Exchange (www.sse.com.cn).

8.5 Information on payment of final dividend

The Board hereby recommends the distribution of final dividends of RMB0.20 per share (tax inclusive) for the year ended 31 December 2017 (2016: RMB0.15 per share), subject to the approval of the shareholders at the forthcoming 2017 annual general meeting of the Company (the “AGM”).

Withholding and Payment of Enterprise Income Tax for Non-resident Enterprise Shareholders

Pursuant to the “Enterprise Income Tax Law of the PRC” (《中華人民共和國企業所得稅法》) and the relevant implementing rules which came into effect on 1 January 2008 and the “Notice of the Issues concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H Share Holders Which are Overseas non-resident Enterprises” (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) issued by the State Administration of Taxation on 6 November 2008, the Company is required to withhold and pay corporate income tax at the rate of 10% before distributing the final dividend to non-resident enterprise shareholders as appearing on the H Shares register of members of the Company. Any Shares registered in the names of non-individual registered shareholders (including HKSCC Nominees Limited, other corporate nominees, trustees or other entities and organizations) will be treated as being held by non-resident enterprise shareholder and will therefore be subject to the withholding of the enterprise income tax.

Withholding and Payment of Personal Income Tax for Individual H Shareholders

Pursuant to the State Administration of Taxation Notice on Matters Concerning the Levy and Administration of Individual Income Tax After the Repeal of Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348) (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)) dated 28 June 2011, and the letter entitled “Tax arrangements on dividends paid to Hong Kong residents by Mainland companies” dated 4 July 2011 issued by the Stock Exchange, the Company is required to withhold and pay the individual income tax in respect of the 2017 final dividends paid to the individual H Shareholders (the “**Individual H Shareholders**”), as a withholding agent on behalf of the same. However, the Individual H Shareholders may be entitled to certain tax preferential treatments pursuant to the tax treaties between the PRC and the countries (regions) in which the Individual H Shareholders are domiciled and the tax arrangements between Mainland China and Hong Kong (Macau).

Pursuant to the aforesaid tax regulations, when the 2017 final dividends is to be distributed to the holders of H Shares whose names appear on the register of members of the Company as at 26 June 2018, the Company will base on the tax rate of 10% to withhold 10% of the dividend to be distributed to the Individual H Shareholders as individual income tax. For non-resident enterprise holders of H Shares, the Company will withhold 10% of the dividend as enterprise income tax according to the relevant tax regulations in line with its previous practice.

If shareholders' names appear on the H Shares register of members, please refer to nominees or trust organization for details of the relevant arrangements. The Company has no obligation and shall not be responsible for confirming the identities of the shareholders. The Company will strictly comply with the laws, and withhold and pay the enterprise income tax and individual income tax on behalf of the relevant shareholders based on the H Shares register of members of the Company as of 26 June 2018. The Company will not accept any requests relating to any delay in confirming the identity of the shareholders or any uncertainties in the identity of the shareholders.

Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)), for dividends received by domestic individual investors from investing in H shares listed on the Stock Exchange through Shanghai-Hong Kong Stock Connect, the company of such H shares shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in H shares listed on the Stock Exchange through Shanghai-Hong Kong Stock Connect, the tax payable shall be the same as that for domestic individual investors. The company of such H shares will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

Pursuant to the Notice on the Tax Policies for Shenzhen-Hong Kong Stock Connect Pilot Program (Cai Shui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), for dividends received by domestic individual investors from investing in H shares listed on the Stock Exchange through Shenzhen-Hong Kong Stock Connect, the company of such H shares shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in H shares listed on the Stock Exchange through Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for domestic individual investors. The company of such H shares will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

Should the holders of H Shares of the Company have any doubts in relation to the aforesaid arrangements, they are recommended to consult their tax advisors regarding the relevant tax impacts in mainland China, Hong Kong and other countries (regions) on the possession and disposal of H Shares of the Company.

Closure of Register of Members

In order to determine the identity of the shareholders entitled to attend and vote at the AGM, the register of members of the Company will be closed from Saturday, 12 May 2018 to Tuesday, 12 June 2018 (both dates inclusive). All transfer documents accompanied by the relevant share certificates, must be lodged with the H Share Registrar of the Company, Hong Kong Registrars Limited, whose address is at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on Friday, 11 May 2018.

In order to determine the identity of the shareholders entitled to receive the final dividend of the Company for the year ended 31 December 2017, the register of members of the Company will be closed from Wednesday, 20 June 2018 to Tuesday, 26 June 2018 (both dates inclusive). All transfer documents accompanied by the relevant share certificates must be lodged with the H Share Registrar of the Company, Hong Kong Registrars Limited, whose address is at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on Tuesday, 19 June 2018.

9 FINANCIAL REPORT

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2017

(PREPARED IN ACCORDANCE WITH IFRS)

	NOTES	2017 RMB'000	2016 RMB'000 (Restated)
Revenue	2	204,233,881	201,728,151
Cost of sales		<u>(195,797,601)</u>	<u>(195,164,342)</u>
Gross profit		8,436,280	6,563,809
Other income	3	694,115	615,295
Other gains and losses	4	(3,179,641)	(1,827,110)
Selling and distribution expenses		(533,434)	(569,017)
Administrative expenses		(1,691,423)	1,685,275
Finance costs	5	(854,789)	(968,920)
Share of results of joint ventures		(36,963)	(42,259)
Share of results of associates		<u>70,056</u>	<u>(8,557)</u>
Profit before taxation		2,904,201	2,077,966
Taxation	6	<u>(1,145,542)</u>	<u>(1,088,551)</u>
Profit for the year	7	<u>1,758,659</u>	<u>989,415</u>
Other comprehensive income (loss)			
Items that may be subsequently reclassified to profit or loss:			
Fair value change on hedging instruments designated in cash flow hedges		11,459	10,907
Reclassification adjustments relating to transfer of cash flow hedges		(5,806)	(10,211)
Fair value change on available-for-sale investments		(753)	(9,997)
Share of exchange differences of associates		(154,119)	154,804
Share of exchange differences of joint ventures		16,657	3,499
Exchange differences arising on translation		(51,962)	52,244

	<i>NOTES</i>	2017 RMB'000	2016 <i>RMB'000</i> <i>(Restated)</i>
Income tax relating to components of other comprehensive income		<u>(755)</u>	<u>1,013</u>
Other comprehensive income for the year (net of tax)		<u>(185,279)</u>	<u>202,259</u>
Total comprehensive income for the year		<u>1,573,380</u>	<u>1,191,674</u>
Profit for the year attributable to:			
Owners of the Company		1,649,588	837,406
Non-controlling interests		<u>109,071</u>	<u>152,009</u>
		<u>1,758,659</u>	<u>989,415</u>
Total comprehensive income attributable to:			
Owners of the Company		1,453,875	1,038,514
Non-controlling interests		<u>119,505</u>	<u>153,160</u>
		<u>1,573,380</u>	<u>1,191,674</u>
Earnings per share			
Basic	9	<u>RMB0.48</u>	<u>RMB0.24</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2017
(PREPARED IN ACCORDANCE WITH IFRS)

		31/12/2017	31/12/2016	01/01/2016
	<i>NOTES</i>	RMB'000	<i>RMB'000</i>	<i>RMB'000</i>
			<i>(Restated)</i>	<i>(Restated)</i>
Non-current assets				
Property, plant and equipment		21,980,079	20,935,582	21,447,447
Investment properties		473,556	484,297	352,526
Prepaid lease payments		1,205,601	1,197,908	1,221,393
Intangible assets		1,182,094	1,217,689	1,144,156
Exploration and evaluation assets		603,719	517,400	530,191
Interests in associates		2,904,100	2,722,937	2,564,586
Interests in joint ventures		273,694	283,468	338,027
Available-for-sale investments		1,665,484	1,931,736	835,249
Deferred tax assets		716,044	960,335	918,707
Deposit for prepaid lease payments		460,610	82,150	–
Deposits for property, plant and equipment		133,007	338,363	417,427
		<u>31,597,988</u>	<u>30,671,865</u>	<u>29,769,709</u>
Current assets				
Inventories		19,997,187	15,412,386	13,368,855
Trade and bills receivables	10	15,032,330	16,562,303	14,205,827
Prepayments, deposits and other receivables		7,628,899	6,373,929	6,930,282
Other investments		70,375	689,707	311,799
Loans to fellow subsidiaries		1,014,165	1,082,560	945,209
Prepaid lease payments		28,689	28,506	25,078
Available-for-sale investments		2,671,176	2,890,577	2,812,500
Held-for-trading financial assets		209,735	188,035	156,947
Derivative financial instruments	11	191,770	297,690	615,000
Restricted bank deposits		8,639,835	4,818,393	3,975,457
Bank balances and cash		10,363,203	8,275,268	16,735,746
		<u>65,847,364</u>	<u>56,619,354</u>	<u>60,082,700</u>
Assets classified as held for sale		23,308	189,892	–
		<u>65,870,672</u>	<u>56,809,246</u>	<u>60,082,700</u>

		31/12/2017	31/12/2016	01/01/2016
	<i>NOTES</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
			<i>(Restated)</i>	<i>(Restated)</i>
Current liabilities				
Trade and bills payables	12	7,881,408	11,817,151	8,575,020
Other payables and accruals		4,898,623	4,517,550	4,687,635
Deposits from holding company and fellow subsidiaries		3,102,720	1,707,339	1,611,576
Deferred revenue		50,915	47,855	48,988
Derivative financial instruments	11	742,380	546,565	210,708
Held-for-trading financial liabilities		4,742,760	2,682,586	1,758,825
Tax payable		772,880	806,285	351,625
Bonds payable		–	–	6,554,733
Bank borrowings		23,739,234	14,955,890	16,704,886
		<u>45,930,920</u>	<u>37,081,221</u>	<u>40,503,996</u>
Net current assets		<u>19,939,752</u>	<u>19,728,025</u>	<u>19,578,704</u>
Total assets less current liabilities		<u>51,537,740</u>	<u>50,399,890</u>	<u>49,348,413</u>
Non-current liabilities				
Bank borrowings		8,750	228,100	347,600
Bonds payable		500,000	–	–
Provision for rehabilitation		182,485	173,509	165,695
Employee benefit liability		63,880	109,190	149,551
Deferred revenue		568,905	592,224	634,159
Other long-term payables		124,648	10,979	11,735
Deferred tax liabilities		105,838	108,114	109,000
		<u>1,554,506</u>	<u>1,222,116</u>	<u>1,417,740</u>
		<u>49,983,234</u>	<u>49,177,774</u>	<u>47,930,673</u>
Capital and reserves				
Share capital		3,462,729	3,462,729	3,462,729
Reserves		44,069,702	43,371,492	42,506,451
Equity attributable to owners of the Company		47,532,431	46,834,221	45,969,180
Non-controlling interests		2,450,803	2,343,553	1,961,493
		<u>49,983,234</u>	<u>49,177,774</u>	<u>47,930,673</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017
(PREPARED IN ACCORDANCE WITH IFRS)

1. GENERAL

The Company was registered in the People's Republic of China (the "PRC") as a joint stock limited company. The registration number of the Company's business licence is Qi He Gan Zhong Zi 003556. The Company was established on 24 January 1997 by Jiangxi Copper Corporation ("JCC"), a company established in the PRC, Hong Kong International Copper Industry (China) Investment Limited, Shenzhen Baoheng (Group) Company Limited, Jiangxi Xinxin Company Limited and Hubei Sanxin Gold & Copper Company Limited, and approved by Jiangxi Province's Administrative Bureau for Industry and Commerce. The Company's H shares and A shares were listed on The Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange, respectively. The registered address of the Company is located at 15 Yejin Avenue, Guixi City, Jiangxi, the PRC. The Company's ultimate holding company is JCC, and the ultimate controlling party is the State-owned Assets Supervision & Administration Commission of the People's Government of Jiangxi Province.

The Group is an integrated producer of copper in the PRC. Its operations consist of copper mining, milling, smelting and refining for the production of copper cathodes, copper rods and wires and other related products, including pyrite concentrates, sulphuric acid, and electrolytic gold and silver, and rare metals such as molybdenum, and trading of copper related products, etc.

The consolidated financial statements are presented in Renminbi ("RMB") which is also the functional currency of the Company.

2. REVENUE AND SEGMENT INFORMATION

The Group's operating activities are attributable to a single operating segment focusing on production and sale of copper and other related products. This operating segment has been identified on the basis of internal management reports prepared in accordance with accounting policies conform to Accounting Standards for Business Enterprises ("ASBE") issued by the Ministry of Finance of the PRC, that are regularly reviewed by the General Manager of the Group. The General Manager of the Group regularly reviews revenue analysis by products. However, other than revenue analysis, no operating results and other discrete financial information is available for the assessment of performance of the respective products. The General Manager of the Group reviews the revenue and the operating results of the Group as a whole to make decision about resources allocation. No analysis of segment assets or segment liabilities is presented as they are not regularly provided to the General Manager of the Group. Accordingly, no analysis of this single operating segment is presented.

An analysis of the Group's revenue by category of goods is as follows:

	2017 <i>RMB'000</i>	2016 <i>RMB'000</i> <i>(Restated)</i>
Sales of goods		
– copper cathodes	121,462,701	125,284,190
– copper rods	45,463,902	38,735,196
– copper processing products	5,268,557	3,592,718
– gold	7,227,737	6,985,024
– silver	2,954,148	4,004,884
– sulphuric and sulphuric concentrate	1,185,914	704,088
– rare and other non-ferrous metals	17,756,831	19,349,579
– others	3,727,065	3,652,541
	<hr/>	<hr/>
Revenue analysis prepared in accordance with ASBE	205,046,855	202,308,220
Less: sales related taxes	(812,974)	(580,069)
	<hr/>	<hr/>
Revenue analysis prepared in accordance with IFRSs	<u>204,233,881</u>	<u>201,728,151</u>

Geographical information

The Group's operation is mainly located in the Mainland China and Hong Kong. The Group's revenue by geographical location of customers are detailed below:

	2017 RMB'000	2016 RMB'000 (Restated)
Mainland China	166,886,400	169,615,513
Hong Kong	20,634,352	23,341,250
Others	17,526,103	9,351,457
Revenue analysis prepared in accordance with ASBE	205,046,855	202,308,220
Less: sales related taxes	(812,974)	(580,069)
Revenue analysis prepared in accordance with IFRSs	<u>204,233,881</u>	<u>201,728,151</u>

All non-current assets of the Group (excluding deferred tax assets and financial instruments) are located in the PRC except for certain investments in Afghanistan, Turkey, Peru and Japan of which carrying amounts are not material.

Information about major customers

During the year ended 31 December 2017, there is no revenue from customer contributing over 10% of the total revenue of the Group (2016: nil). The revenue from the largest customer amounted to approximately RMB7,074,078,000 (2016: RMB6,883,732,000), representing 3.45% (2016: 3.40%) of the total revenue of the Group.

3. OTHER INCOME

	2017 RMB'000	2016 <i>RMB'000</i> <i>(Restated)</i>
Interest income	569,899	496,390
Dividend income on available-for-sale investments	40,006	6,750
Government grants recognized (<i>note</i>)	53,477	52,664
Income from value-added tax refund	36,192	56,052
Others	1,541	3,439
	<u>694,115</u>	<u>615,295</u>

Note: Government grants recognized represents compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs and government subsidies granted to the Group in relation to its production facilities.

4. OTHER GAINS AND LOSSES

	2017 RMB'000	2016 <i>RMB'000</i>
Fair value change on derivative financial instruments		
Transactions not qualifying for hedging accounting		
– Fair value change on commodity derivative contracts	(940,771)	(661,931)
– Fair value change on foreign currency forward contracts and interest rate swaps	143,032	(53,647)
Transactions qualifying as fair value hedges		
– Inventory hedged	20,365	(2,919)
– Fair value change on hedging instruments	(18,785)	3,009
Ineffective portion of cash flow hedges	4,070	(7,933)
Fair value change on held-for-trading financial assets	(10,409)	(7,762)
Fair value change on held-for-trading financial liabilities	(63,972)	(285,089)
Income from available-for-sale investments	260,239	254,755
Gain on disposal of interest in associates	–	15,198

	2017 RMB'000	2016 <i>RMB'000</i>
Loss on disposal of property, plant and equipment	(57,926)	(56,768)
Impairment loss on property, plant and equipment	(5,914)	(3,787)
Impairment loss on assets classified as held for sale	(166,584)	–
Impairment loss on trade and bills receivables	(1,932,577)	(1,295,987)
(Impairment loss on) reversal of prepayment, deposits and other receivables	(226,190)	66,597
Impairment loss on available-for-sale investments	(4,414)	–
Impairment loss on loans to fellow subsidiaries	2,957	(1,669)
Impairment loss on interest in joint ventures	–	(34,917)
Donations	(1,207)	(818)
Net exchange gains/(losses)	(151,969)	236,300
Others	(29,586)	10,258
	<u>(3,179,641)</u>	<u>(1,827,110)</u>

5. FINANCE COSTS

	2017 RMB'000	2016 <i>RMB'000</i>
Interests on:		
Bank borrowings	684,127	321,641
Bonds payable	6,715	296,267
Discounted notes	163,947	351,012
	<u>854,789</u>	<u>968,920</u>

6. TAXATION

	2017 <i>RMB'000</i>	2016 <i>RMB'000</i>
The charge comprises:		
Current taxation		
– PRC Enterprise Income Tax	904,281	1,070,595
– Hong Kong Profits Tax	<u>3,050</u>	<u>(3,584)</u>
	<u>907,331</u>	<u>1,067,011</u>
Under (over) provision in prior years		
– PRC Enterprise Income Tax	(2,598)	70,075
– Hong Kong Profits Tax	<u>–</u>	<u>(7,034)</u>
	<u>(2,598)</u>	<u>63,041</u>
Deferred taxation	<u>240,809</u>	<u>(41,501)</u>
	<u>1,145,542</u>	<u>1,088,551</u>

Hong Kong Profits Tax in five (2016: five) of the Group's subsidiaries has been provided at the rate of 16.5% (2016: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

The provision for PRC Enterprise Income Tax is based on a statutory rate of 25% (2016: 25%) of the assessable profits of the PRC companies as determined in accordance with the relevant income tax rules and regulations of the PRC Enterprise Income Tax Law except for those recognised as New and High Technology Enterprise entitled to a preferential PRC Enterprise Income Tax rate of 15%, according to the PRC Enterprise Income Tax Law.

Taxation in other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

7. PROFIT FOR THE YEAR

	2017 RMB'000	2016 <i>RMB'000</i> <i>(Restated)</i>
Profit for the year has been arrived at after charging (crediting):		
Employee benefit expense (including directors', chief executive's and supervisors' remuneration):		
– Wages and salaries	2,282,274	2,069,424
– Performance related bonus	45,309	50,169
– Pension scheme contributions	509,984	471,234
– Other staff costs, allowances and welfare	618,796	509,562
	3,456,363	3,100,389
Capitalised in inventories	(2,825,453)	(2,545,300)
	630,910	555,089
Auditor's remuneration	11,460	10,471
Cost of inventories recognized as an expense	195,797,601	195,164,342
Depreciation of property, plant and equipment	1,713,483	1,780,442
Depreciation of investment properties	10,741	10,785
Amortization of prepaid lease payments	28,689	28,326
Amortization of intangible assets included in administration expenses	52,018	42,074
(Reversal of) allowance for inventories, included in cost of sales	3,379	(116,308)
Minimum lease payments under operating lease of land use rights	159,277	160,345

8. DIVIDENDS

	2017	2016
	<i>RMB'000</i>	<i>RMB'000</i>
Dividends recognised as distribution during the year:		
Final dividend of RMB0.15 for 2016 (2016: final dividend of RMB0.1 for 2015) per share	<u>519,409</u>	<u>346,273</u>

Subsequent to the end of the Reporting Period, a final dividend of RMB0.20 in respect of the year ended 31 December 2017 (2016: final dividend of RMB0.15 in respect of the year ended 31 December 2016) per share has been proposed by the directors and is subject to approval by the shareholders in the forthcoming general meeting. The total amount of RMB692,546,000 (2016: RMB519,409,000) of the proposed final dividend, calculated on the Company's number of shares issued at the date of annual report, is not recognised as a liability in the consolidated statement of financial position.

9. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit for the year attributable to owners of the Company of RMB1,649,588,000 (2016: RMB837,406,000) and on the number of 3,462,729,405 (2016: 3,462,729,405) ordinary shares in issue during the year.

Diluted earnings per share presented is the same as basic earnings per share because there is no outstanding potential dilutive ordinary shares as at 31 December 2017 and 2016 and during both years.

10. TRADE AND BILLS RECEIVABLES

	2017	2016
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables	13,391,108	13,792,028
Bills receivables	3,200,367	3,019,515
Factoring receivables	<u>2,306,494</u>	<u>2,003,582</u>
	18,897,969	18,815,125
Less: allowance for doubtful debts	<u>(3,865,639)</u>	<u>(2,252,822)</u>
	<u>15,032,330</u>	<u>16,562,303</u>

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally three months. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances.

The aged analysis of trade and bills receivables, net of allowance for doubtful debts, is presented based on the goods delivery date at the end of the Reporting Period as follows:

	2017	2016
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	11,741,857	13,748,041
1–2 years	1,893,785	2,216,724
2–3 years	813,269	594,124
Over 3 years	583,419	3,414
	<u>15,032,330</u>	<u>16,562,303</u>

11. DERIVATIVE FINANCIAL INSTRUMENTS

	2017		2016	
	Fair value		Fair value	
	Assets	Liabilities	Assets	Liabilities
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Net settlement:				
Commodity derivative contracts	99,410	(452,224)	297,690	(418,847)
Provisional price arrangement	–	(193,352)	–	(70,554)
Foreign currency forward contracts and interest rate swaps	92,360	(96,804)	–	(57,164)
	<u>191,770</u>	<u>(742,380)</u>	<u>297,690</u>	<u>(546,565)</u>

	2017 RMB'000	2016 <i>RMB'000</i>
Derivatives qualifying for hedge accounting:		
Cash flow hedges		
– Commodity derivative contracts	(4,093)	3,300
Fair value hedges		
– Commodity derivative contracts	(15,476)	–
– Provisional price arrangement	<u>(179,058)</u>	<u>(60,140)</u>
	<u>(198,627)</u>	<u>(56,840)</u>
Derivatives not qualifying for hedge accounting:		
– Commodity derivative contracts	(1,599)	19,624
– Provisional price arrangement	<u>(14,294)</u>	<u>(10,414)</u>
	<u>(15,893)</u>	<u>9,210</u>
Derivatives not under hedge accounting:		
– Commodity derivative contracts	(331,646)	(144,081)
– Foreign currency forward contracts and interest rate swaps	<u>(4,444)</u>	<u>(57,164)</u>
	<u>(336,090)</u>	<u>(201,245)</u>
	<u>(550,610)</u>	<u>(248,875)</u>

12. TRADE AND BILLS PAYABLES

	2017 RMB'000	2016 <i>RMB'000</i>
Trade payables	6,847,564	6,160,337
Bills payables	<u>1,033,844</u>	<u>5,656,814</u>
	<u>7,881,408</u>	<u>11,817,151</u>

The ageing analysis of trade and bills payables is presented based on the invoice date at the end of the Reporting Period as follows:

	2017	2016
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	7,812,787	11,769,680
1–2 years	30,830	7,551
2–3 years	5,823	22,637
Over 3 years	31,968	17,283
	<u>7,881,408</u>	<u>11,817,151</u>

The trade payables are normally settled on 60-day to one-year terms.

By Order of the Board
JIANGXI COPPER COMPANY LIMITED
Long Ziping
Chairman

Nanchang, Jiangxi, the People's Republic of China, 28 March 2018

As at the date of this announcement, the executive Directors are Mr. Long Ziping, Mr. Gao Jianmin, Mr. Liang Qing, Mr. Wang Bo, Mr. Wu Jinxing and Mr. Wu Yuneng; and the independent non-executive Directors are Mr. Tu Shutian, Mr. Liu Erh Fei and Dr. Zhou Donghua.