



SIGNIFICANT EVENTS

I. INTERIM DIVIDEND

The Board resolved not to declare the interim dividend for the six months ended 30 June 2005. No interim dividend was distributed in the corresponding period of last year.

II. IMPLEMENTATION OF PROFIT DISTRIBUTION PLAN DURING THE REPORTING PERIOD

On 20 May 2005, the Company's profit distribution plan for 2004 was considered and approved at the annual general meeting, pursuant to which RMB1.20 (tax inclusive for A shares) was distributed for every 10 shares to all shareholders.

On 9 June 2005, the Company distributed RMB0.12 (tax inclusive for A shares) per share in cash to its H shareholders whose names appear in the register of members the Company on 27 April 2005 and A shareholders whose names appear in the Company's register of members of A shares and legal person shareholders on 2 June 2005.

III. AS AT THE END OF THE REPORTING PERIOD, THE COMPANY WAS NOT INVOLVED IN ANY MATERIAL LITIGATION OR ARBITRATION.

IV. MATERIAL CONTRACTS AND THEIR IMPLEMENTATION

1. As at the end of the reporting period, the Company had no significant events of managing on custody, contracting or leasing assets from other corporations, or having other corporations managing on custody, contracting or leasing assets of the Company.
2. As at the end of the reporting period, the Company had no external guarantee contracts.
3. As at the end of the reporting period, the Company had no contracts concerning asset management on trust.
4. As at the end of the reporting period, the Company did not have any deposit on trust with financial or non-financial institutions, nor incur any failure in recovering time deposits falling due.

V. TAX PREFERENCE POLICY

The income tax rate applicable to the Company is 15% for a period of three years from 2005 to 2007.

VI. EXCHANGE RISKS

The reporting currency of the Company is Renminbi ("RMB"). Transactions in foreign currencies are translated into RMB at the middle market exchange rates ruling on the first day of the transaction month. Monetary assets and liabilities denominated in foreign currencies are retranslated at the middle market exchange rates ruling on the balance sheet date.

Although currently RMB is not a freely convertible currency in the PRC, China government is taking initiatives for exchange reform and adjustments to exchange rate. Exchange rate fluctuations will have an impact on the Company's balance of foreign exchange revenue and spending or dividends payable denominated in Hong Kong dollars or other currencies. However, the Company believes that it is able to obtain sufficient foreign exchange to satisfy its foreign exchange spending.



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VII. INDEPENDENT AUDIT COMMITTEE

The independent audit committee of the Company held a meeting on 2 August 2005, at which the financial statements and interim report of the Company for the six months ended 30 June 2005 were considered and approved.

VIII. CODE ON CORPORATE GOVERNANCE PRACTICES

Throughout the six months ended 30 June 2005, the Company has complied with the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), except that the Company has not established a remuneration committee under Code Provision B.1.1. The Company will establish a remuneration committee under Code Provisions B.1.1 as soon as practicable.

The Company has not yet employed a Qualified Accountant pursuant to Rule 3.24 of the Listing Rules. The Company is actively recruiting an accountant who possesses the qualifications stipulated by Rule 3.24 of the Listing Rules.

IX. PURCHASE, DISPOSAL AND REPURCHASE OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2005, the Company did not repurchase any of its shares. Nor did the Company or its subsidiaries purchase or dispose any shares of the Company during the six months ended 30 June 2005.

X. COMPLIANCE WITH MODEL CODE

Having made specific enquiry of all Directors and supervisors of the Company, during the six months ended 30 June 2005, the Directors and supervisors of the Company have complied with the required standard set out in the Model Code for Securities Transaction by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules regarding securities transactions by Directors of the Company.



SIGNIFICANT EVENTS

XI. MATERIAL CONNECTED TRANSACTIONS BETWEEN THE COMPANY AND JCC AND ITS SUBSIDIARIES

1. Material connected transactions with Jiangxi Copper and its subsidiaries ("JCC Group") relating to purchasing goods and receiving services

Connected parties	Content of connected transactions	Pricing policy for connected transactions	Price of connected transactions	Amount of connected transactions (RMB'000)	As a percentage in similar transactions (%)	Settlement methods
JCC Group	Copper content in copper concentrates	Market price RMB/per tonne	21,579	128,859	11.02	Cash settlement
JCC Group	Blister and scrap copper	Purchase cost + purchase expenses RMB/per tonne	26,346	294,562	18.07	Cash settlement
JCC Group	Gold content	Market price RMB/per kg	105,452	78,884	21.00	Cash settlement
JCC Group	Silver content	Market price RMB/per kg	1,485	45,429	23.53	Cash settlement
JCC Group	Sulphur content in copper concentrates	Market price RMB/per tonne	62	667	46.78	Cash settlement
JCC Group	Materials	Market price		65,942	18.33	Cash settlement
JCC Group	Spare parts	Market price		62,331	39.32	Cash settlement
JCC Group	Transportation	Cost +tax + industry profit		62,994	30.26	Cash settlement
JCC Group	Water supply	Cost + tax		8,843	100.00	Cash settlement
JCC Group	Vehicles repairmen	Industry price		2,707	99.79	Cash settlement
JCC Group	Machinery repairmen and maintenance	Industry price		36,301	94.64	Cash settlement
JCC Group	Engineering construction	Industry price		23,483	100.00	Cash settlement
JCC Group	Rentals of office premises	Cost+ tax		1,155	99.99	Cash settlement
JCC Group	Sharing of public facilities	Shared on the cost basis according to the percentage of assets		3,526	100.00	Cash settlement
JCC Group	Staff welfare	Based on 18% of staff salaries		18,476	100.00	Cash settlement
JCC Group	Unified planning of retirement benefit	Based on 20% of staff salaries		20,546	100.00	Cash settlement
JCC Group	Environment sanitation leasing fees	Shared on the cost basis according to the percentage of staff		1,120	100.00	Cash settlement
JCC Group	Environmental and greenery	Shared on the cost basis according to the percentage of staff		2,484	99.98	Cash settlement
JCC Group	Secondary and primary education fees	Shared on the cost basis according to the percentage of staff		6,022	100.00	Cash settlement
JCC Group	Telecommunication services	Shared on the cost basis according to the percentage of assets		654	99.95	Cash settlement
JCC Group	Amortisation of management fees	Shared on the cost basis according to the percentage of staff		3,922	100.00	Cash settlement
JCC Group	Professional technological education services	Shared on the cost basis according to the percentage of staff		2,391	99.98	Cash settlement



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Connected parties	Content of connected transactions	Pricing policy for connected transactions	Price of connected transactions	Amount of connected transactions	As a percentage in similar transactions (%)	Settlement methods
JCC Group	Futures agency services	Market price		3,563	75.91	Cash settlement
JCC Group	Off-site information services	Shared on the cost basis according to the percentage of assets		484	99.97	Cash settlement
JCC Group	Copper cathode	Market price RMB/per tonne	28,650	319,457	100.00	Cash settlement
JCC Group	Short-distance transportation	Agreed price RMB/per tonne	12	784	100.00	Cash settlement
JCC Group	Transportation	Cost + tax + industry profit		1,698	43.29	Cash settlement
JCC Group	Power supply	Cost + tax		3,898	100.00	Cash settlement
JCC Group	Water supply	Cost + tax		14	100.00	Cash settlement

2. Material connected transactions relating to selling goods and providing services

Connected parties	Content of connected transactions	Pricing policy for connected transactions	Price of connected transactions	Amount of connected transactions (RMB'000)	As a percentage in similar transactions (%)	Settlement methods
JCC Group	Copper cathode	Market price RMB/per tonne	27,957	169,194	5.74	Cash settlement
JCC Group	Copper cathode tolling	Market price RMB/per tonne	940	8,593	13.99	Cash settlement
JCC Group	Imported copper processing	Market price RMB/per tonne	1,896	72,522	100.00	Cash settlement
JCC Group	Sulphuric acid	Market price RMB/per tonne	396	1,741	0.93	Cash settlement
JCC Group	Raw materials and by-products	Market price		58,493	87.67	Cash settlement
JCC Group	Materials	Market price		39,626	82.08	Cash settlement
JCC Group	Spare parts	Market price		2,870	98.65	Cash settlement
JCC Group	Oxygen, nitrogen and argon	Market price		2,399	33.80	Cash settlement
JCC Group	Power supply	Cost + tax		25,027	40.23	Cash settlement
JCC Group	Water supply	Cost + tax		629	21.38	Cash settlement
JCC Group	Gas supply	Cost + tax		438	61.10	Cash settlement
JCC Group	Communication	Shared on the cost basis according to the percentage of assets		44	42.52	Cash settlement
JCC Group	Rentals of office premises	Shared on the cost basis according to the percentage of staff		309	100.00	Cash settlement
JCC Group	Copper wire	Market price RMB/per tonne	28,469	7,183	1.18	Cash settlement
JCC Group	Copper wire tolling	Market price RMB/per tonne	830	2,446	97.31	Cash settlement
JCC Group	Amortisation of management fees	Based on actual working hours of the staff of Jiangxi Copper Products Company Limited for performing the operation management services		807	100.00	Cash settlement



SIGNIFICANT EVENTS

3. Connected transactions

A. *Explanations on ongoing nature and necessity of connected transactions*

The Company, upon separation of quality assets in principal production and operation from the former state-owned enterprise Jiangxi Copper Company (currently Jiangxi Copper Corporation), was restructured into an integrated mining company with mining, milling and smelting. Although the Company has complete and independent systems of assets, organisation, personnel, business and finance, the necessary services including social services and auxiliary services, land and property services are still required to be timely provided by its connected parties, the provision of such services is beneficial for the steady production and operation of the Company. Meanwhile, according to respective requirements and on a commercial basis, the Company and its connected parties mutually utilised their respective supply network for producing products, which is also beneficial for resource sharing, advantage complementation and cost reduction, etc. Therefore, such connected transactions are necessary to continue.

B. *Performance of contracts for connected transactions*

(1) Performance of agreements dated 16 November 2004

On 16 November 2004, the Company and Jiangxi Copper Corporation entered into the Consolidated Supply Agreement, the Consolidated Industrial Services Agreement and the Consolidated Miscellaneous Services Agreement with a term of three years from 1 January 2005 to 31 December 2007.

Pursuant to the Consolidated Supply Agreement, Jiangxi Copper Corporation and its subsidiaries ("JCC Group") agreed to sell copper concentrates, blister and scrap copper containing gold, silver, sulphur, and other raw materials containing copper, gold and silver to the Company at market price, or provide copper concentrates, blister copper and scrap copper to the Company for copper cathode tolling; and provide such auxiliary materials as materials, spare parts and machined parts at market price. The Company can also sell copper cathode, sulphuric acid, other by-products, such auxiliary materials as materials, fuels and spare parts, as well as industrial wastage, waste materials and waste gas, etc. to JCC Group at market price.

Pursuant to the Consolidated Industrial Services Agreement, JCC Group will provide the Company railway and highway transportation, repair and maintenance of production and transportation facilities, and auxiliary industrial services including engineering construction, installation and water supply at industry price or cost plus tax. The Company will provide water and power supply services to JCC Group at cost plus tax under this agreement.

In accordance with the Consolidated Miscellaneous Agreement, JCC Group will provide various services ranging from utility, welfare, environment sanitation, greenery and monitoring, education for employees and their children, telecommunication, administrative management, futures agency, reporting of imported and exported goods, rental of office premises and information service for off-site branches to the Company at the State prescribed price or market price or at cost. The Company will provide office premises and communication services to JCC Group at cost plus tax.

On 20 January 2005, the Company convened the first extraordinary general meeting for 2005, at which the said three consolidated agreements of connected transactions and the annual caps of the transactions thereunder within an effective period of three years were considered and approved.



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The annual cap for the Consolidated Supply Agreement from 2005 to 2007 will not exceed RMB5,666,395,000, RMB6,793,077,000 and RMB6,884,565,000 respectively.

The annual cap for the Consolidated Industrial Services Agreement from 2005 to 2007 will be up to RMB528,495,000, RMB568,512,000 and RMB625,829,000 respectively.

The annual cap for the Consolidated Miscellaneous Agreement from 2005 to 2007 will be up to RMB332,456,000, RMB355,896,000 and RMB385,165,000 respectively.

The transactions for the above three consolidated agreements within the respective approved caps are waived from strict compliance with repetitive disclosure and shareholders approved requirement under the Listing Rules but are subject to the annual review requirement and the reporting requirement under the Listing Rules.

During the reporting period, the amount of the transactions under the Consolidated Supply Agreement was RMB964,640,000; the amount of the transactions under the Consolidated Industrial Services Agreement was RMB160,420,000; the amount of the transactions under the Consolidated Miscellaneous Agreement was RMB64,700,000.

(2) Performance of agreements dated on 25 May 2004

On 25 May 2004, the Company and JCC entered into the New Tolling (Note: Processing in original) Agreement for Tolling of Copper Concentrate, Blister Copper and Scrap Copper with a term of three years and Jiangxi Copper Products Company Limited, a subsidiary of the Company, and JCC entered into the Copper Cathode Supply Agreement, Transportation Services Agreement and Equipment Repair and Equipment Maintenance and Machinery Processing Agreement with a term of three years.

Pursuant to the New Tolling Agreement, JCC agreed to provide raw materials including imported copper concentrate and blister (scrap) copper to the Company and appoint the Company to process them into copper cathode at market price and to sell the processed copper cathode.

Pursuant to the Copper Cathode Supply Agreement, JCC shall provide the copper cathode processed by the Company to Jiangxi Copper Products Company Limited at market price.

Pursuant to the Transportation Services Agreement and Equipment Maintenance and Machinery Processing Agreement, subsidiaries of JCC shall provide highway transportation, repair of production facilities and mechanical machining services to Jiangxi Copper Products Company Limited at market price or industry prescribed price.

On 29 July 2004, the New Tolling Agreement and Copper Cathode Supply Agreement were considered and approved at the Company's 2004 second extraordinary general meeting, together with their respective annual cap of RMB270,000,000 and RMB1,250,000,000 for the transactions thereunder during the three years. The transactions within the respective approved caps are waived from strict compliance with repetitive disclosure and shareholder approved requirements under the Listing Rules but are subject to the annual review requirement and the reporting requirement under the Listing Rules.

During the reporting period, the amount of transactions under the New Tolling Agreement, Copper Cathode Supply Agreement and Transportation Services Agreement read RMB72,520,000, RMB319,460,000 and RMB1,700,000 respectively.



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(3) Performance of agreements dated on 28 November 2003

On 28 November 2003, Jiangxi Copper Products Company Limited, a subsidiary of the Company, entered into the Consolidated Supply and Services Agreement with JCC with a term of three years.

Pursuant to the agreement, subsidiaries of JCC shall provide Jiangxi Copper Products Company Limited with on-site transportation services at a price of RMB12 per tonne and electricity re-supply services at cost, whereas Jiangxi Copper Products Company Limited shall provide subsidiaries of JCC with copper rods and wires or processing service at market price as well as public administrative service, cost of which are calculated based on actual working hours of the staff of Jiangxi Copper Products Company Limited for performing the operation management services to JCC Group.

On 15 January 2004, the Consolidated Supply and Services Agreement was considered and approved at the Company's 2004 first extraordinary general meeting. The Stock Exchange of Hong Kong Limited has granted the Company a waiver from strictly complying with the repetitive disclosure and shareholders approval requirement, provided that the transaction amount for copper rods and wires or copper rods and wires processing shall not exceed 7% of the Company's turnover and the transaction amount for electricity re-supply, transportation and public administrative services shall not exceed 1% of the Company's turnover. However, such transactions are subject to annual review requirement and reporting requirement under the Listing Rules.

During the reporting period, the Company sold and processed copper rods and wires amounting to RMB9,630,000 and provided electricity, transportation and public management services amounting to RMB5,500,000 under the agreement, both of which fell within the cap under the waiver.

(4) Performance of other material connected transactions

On 16 May 1997, the Company and the former Jiangxi Copper Company (restructured and currently known as JCC) entered into a Land Leasing Agreement with a term of 50 years and Mining Right Transfer Agreement with a term of 30 years. During the reporting period, the Company paid RMB7,500,000 and RMB940,000 to JCC respectively for land leasing and the mining right under the agreements.

On 25 January 2005, the Company and JCC entered into a Joint Venture Contract, pursuant to which the Company and JCC shall invest RMB199,500,000 in aggregation to establish Jiangxi Copper Alloy Company Limited, of which the Company shall contribute RMB119,700,000, representing 60% equity interests in the joint venture and JCC shall contribute RMB79,800,000, representing 40% equity interests in the joint venture. Total investment in the joint venture is estimated at RMB400,400,000. During the reporting period, both parties have paid their contribution entirely.

On 10 March 2005, the Company and JCC entered into a Framework Agreement for Trademark Transfer or Sharing, pursuant to which JCC shall transfer or change the trademark "江銅" registered on its goods in relation to the Company's products at nil consideration.



SIGNIFICANT EVENTS

XII. AS AT THE END OF THE REPORTING PERIOD, THE COMPANY HAD NO OTHER CREDITOR'S RIGHT OR DEBT WITH CONNECTED PARTIES OTHER THAN COMMODITY PURCHASE AND SALE, PROVISION OR RECEIPT OF SERVICES AND ACQUISITION AND DISPOSAL OF ASSETS.

XIII. PERFORMANCE OF UNDERTAKINGS BY SHAREHOLDERS HOLDING 5% OR MORE OF THE COMPANY'S SHARES

On 22 May 1997, JCC Group undertook to the Company as follows:

So far as JCC Group holds 30% or more of the voting rights on the Company, JCC Group and its subsidiaries and associated companies (except for those under the control of the Company) shall not engage in any business or activities which may directly or indirectly compete with the Company's business.

During the period when JCC Group holds 30% or more of the voting rights on the Company, JCC Group will devote utmost efforts to ensure the independency of the Company's Board of Directors and will not impose any control thereon in accordance with the requirements of the Stock Exchange of Hong Kong Limited and the London Stock Exchange.

The Company's Board of Directors believe that JCC Group has complied with the above undertakings when it holds 30% or more of the voting rights on the Company.

XIV. APPOINTMENT AND DISMISSAL OF AUDITORS

The Company did not change its auditors during the reporting period.

XV. PUNISHMENT ON THE COMPANY, THE BOARD OR ITS DIRECTORS

During the reporting period, none of the Company and the Board and its Directors and senior management was a subject of any investigation, administrative punishment or criticism by CSRC or any condemnation by any administrative authority or securities exchange.

XVI. SIGNIFICANT POST BALANCE SHEET EVENT

As authorised by the general meeting on 20 May 2005, the Company was approved to issue up to 231,000,000 additional H shares to Hong Kong and international institutions and professional investors that are not connected with the Company or connected parties of the Company as defined in the Listing Rules and Shanghai Stock Exchange. The Company entered into a placing agreement with Citigroup Global Markets Limited on 25 July 2005, pursuant to which Citigroup Global Markets Limited agreed to place H shares to not less than six independent third parties at a placing price of HK\$3.813 per placing share. Net proceeds from this placing (after deduction of placing commission and other related expenses) are approximately HK\$856,000,000. The net proceeds from this placing will be used for the Company's production capacity expansion for copper cathode, technology renovation for mines and further copper fabricating.