

Specific Statement of the Auditors in Relation to the Use of Capital by Major Shareholders and Guarantee Provided to Controlling Shareholders and Other Connected Parties

De Shi Bao (Shen) Zi (07) No.0018

To the board of director of Jiangxi Copper Company Limited:

We have been appointed to carry out the audit of the financial statements of Jiangxi Copper Company Limited ("JCCL"), including the accompanying balance sheet of the Company and the Group as of 31 December 2006 and the related statement of income, profits appropriation and cash flows of the Company and the Group for the year of 2006 in accordance with independent Auditing Standards for Chinese Certified Public Accountants, and have issued the De Shi Bao (Shen) Zi (07) No. unqualified opinion audited report on 2007.

In accordance with the requirement of the Notice in relation to issue of the regulation of cash flow between listed companies and connected parties and external guarantees of listed companies as issued by China Securities Regulatory Commission and State-owned Assets Supervision and Administration Commission of the State Council, the Company has prepared the summary table regarding the use of capital by major shareholders and other connected parties for the year of 2006.

To truly prepare and disclose the summary table and to ensure their truthfulness, legality and completeness are the responsibility of JCCL. We have cross examined the information set out in the summary table as well as the accounting information during our audit of JCCL's 2006 financial statement and other relative information in the financial statements. We found no inconsistencies therein in all material respects. Save as the relevant auditing procedures conducted in relation to the connected parties transactions with respect to the auditing of accounting statement of 2005 for the Company, we have not undertaken any additional auditing procedures for the information set out in the summary table.

This letter is solely for the purpose of presentation to China Securities Regulatory Commission by JCCL regarding the use of capital by major shareholders and other connected parties of the Company for the year of 2006. It shall not be used for other purposes or distributed to others without our written consent.

Deloitte Touche Tohmatsu CPA Ltd.

Shanghai, China
18 April 2007

Other Information

Summary of Funds Used by Controlling Shareholder and Other Related Parties

RMB'0000

Appropriator	the Company	Relationship with method	Appropriation 1 January 2006	Balance as at in 2006	Appropriation interest year 2006 31 December 2006	Decrease in the	Balance as at appropriation	Reason for Nature
JCC Yezi Copper Foil Company Limited	A subsidiary of the controlling shareholder	Other receivables	110	—	110	—	Reimbursed expenses	Non-Operating Purpose
Jiangxi Copper Corporation	Controlling shareholder	Other receivables	—	4,034	4,014	20	Purchase and sale, futures trading and uncertified income tax of value-added tax	Operating Purpose
JCC Import and Export Company	A subsidiary of the controlling shareholder	Other receivables	65	70	135	—	Purchase and sale, futures trading and uncertified income tax of value-added tax	Operating Purpose
Jiangtong Southern Company	A subsidiary of the controlling shareholder	Other receivables	1,085	—	1,085	—	Purchase and sale, futures trading and uncertified income tax of value-added tax	Operating Purpose
Jiangxi Copper Products Company Limited	A subsidiary of the controlling shareholder	Other receivables	60	—	60	—	Purchase and sale, futures trading and uncertified income tax of value-added tax	Operating Purpose
JCC (Guixi) New Materials Company Limited	A subsidiary of the controlling shareholder	Other receivables	—	155	155	—	Purchase and sale, futures trading and uncertified income tax of value-added tax	Operating Purpose
Jiangtong Guangxin Industrial Trade Electric Machinery Company	A subsidiary of the controlling shareholder	Other receivables	—	119	119	—	Purchase and sale, futures trading and uncertified income tax of value-added tax	Operating Purpose
JCC (Guixi) Logistics Company Limited	A subsidiary of the controlling shareholder	Other receivables	—	1	—	1	Purchase and sale, futures trading and uncertified income tax of value-added tax	Operating Purpose
JCC Lane Construction Company Limited	A subsidiary of the controlling shareholder	Other receivables	—	19	13	6	Purchase and sale	Operating Purpose
Jinnui Futures Co., Ltd	A subsidiary of the controlling shareholder	Other receivables	—	302,020	290,146	11,874	Purchase and sale	Operating Purpose
Guixi Smelter (Yongxin) Transportation and Repair Company Limited	A subsidiary of the controlling shareholder	Other receivables	—	1	1	—	Purchase and sale	Operating Purpose
JCC Geological Prospecting Company	A subsidiary of the controlling shareholder	Other receivables	1	—	1	—	Purchase and sale	Operating Purpose
Jiangxi Copper Corporation	Controlling shareholder	Accounts receivable	81	21,543	21,506	118	Purchase and sale	Operating Purpose
JCC Guangxin Industrial Trade Company	A subsidiary of the controlling shareholder	Accounts receivable	1	2,655	2,552	104	Purchase and sale	Operating Purpose
Jiangxi Copper Products Company Limited	A subsidiary of the controlling shareholder	Accounts receivable	1	84,715	84,186	530	Purchase and sale	Operating Purpose
JCC (Guixi) New Materials Company Limited	A subsidiary of the controlling shareholder	Accounts receivable	—	884	881	3	Purchase and sale	Operating Purpose
JCC Xinjiang Copper Products Company	A subsidiary of the controlling shareholder	Accounts receivable	70	1,971	1,939	102	Purchase and sale	Operating Purpose
JCC Yezi Copper Foil Company Limited	A subsidiary of the controlling shareholder	Accounts receivable	98	1,239	1,337	—	Purchase and sale	Operating Purpose
JCC Mine Engineering (Qianshan) Company Limited	A subsidiary of the controlling shareholder	Accounts receivable	—	34	34	—	Purchase and sale	Operating Purpose
Jiangtong Southern Company	A subsidiary of the controlling shareholder	Accounts receivable	—	4,160	3,559	601	Purchase and sale	Operating Purpose
Guangxin Electric Equipment Factory	A subsidiary of the controlling shareholder	Accounts receivable	—	2	2	—	Purchase and sale	Operating Purpose
JCC Industrial Trade (Qianshan) Company Limited	A subsidiary of the controlling shareholder	Accounts receivable	—	1,650	1,650	—	Purchase and sale	Operating Purpose
JCC Power Milling Pharmaceutical Factory	A subsidiary of the controlling shareholder	Accounts receivable	—	71	71	—	Purchase and sale	Operating Purpose
JCC Plastic (Qianshan) Company Limited	A subsidiary of the controlling shareholder	Accounts receivable	—	41	41	—	Purchase and sale	Operating Purpose
Jiangtong Tai Yi Special Electric Material Company Limited	A subsidiary of the controlling shareholder	Accounts receivable	—	32,275	32,275	—	Purchase and sale	Operating Purpose
JCC Xiamen Trading Company Limited	A subsidiary of the controlling shareholder	Accounts receivable	—	538	538	—	Purchase and sale	Operating Purpose
JCC Construction (Dexing) Company Limited	A subsidiary of the controlling shareholder	Accounts receivable	—	587	587	—	Purchase and sale	Operating Purpose
JCC Mechanical Casting Company Limited	A subsidiary of the controlling shareholder	Accounts receivable	—	1,514	1,514	—	Purchase and sale	Operating Purpose
JCC Property (Dexing) Company Limited	A subsidiary of the controlling shareholder	Accounts receivable	—	297	297	—	Purchase and sale	Operating Purpose
JCC Transportation (Dexing) Company Limited	A subsidiary of the controlling shareholder	Accounts receivable	—	812	812	—	Purchase and sale	Operating Purpose
JCC Industry (Dexing) Company Limited	A subsidiary of the controlling shareholder	Accounts receivable	—	167	167	—	Purchase and sale	Operating Purpose

Unit: RMB'0000

Appropriator	the Company	Relationship with method	Appropriation 1 January 2006	Balance as at in 2006	Appropriation interest year 2006 31 December 2006	Decrease in the 31 December 2006	Balance as at appropriation	Reason for Nature
JCC Water Supply (Dexing) Company Limited	A subsidiary of the controlling shareholder	Accounts receivable	—	1,127	1,127	—	Purchase and sale	Operating Purpose
Jiangxi Dexing Copper Tailings Recycle Company Limited	A subsidiary of the controlling shareholder	Accounts receivable	—	278	278	—	Purchase and sale	Operating Purpose
JCC Yinshan Mining Company Limited	A subsidiary of the controlling shareholder	Accounts receivable	—	472	472	—	Purchase and sale	Operating Purpose
JCC Mine New Technology Development (Dexing) Company Limited	A subsidiary of the controlling shareholder	Accounts receivable	—	673	673	—	Purchase and sale	Operating Purpose
JCC Geological Prospecting Company	A subsidiary of the controlling shareholder	Accounts receivable	—	2	2	—	Purchase and sale	Operating Purpose
JCC Casting (Dexing) Company Limited	A subsidiary of the controlling shareholder	Accounts receivable	—	89	89	—	Purchase and sale	Operating Purpose
JCC Rubber Industrial (Dexing) Company Limited	A subsidiary of the controlling shareholder	Accounts receivable	—	110	110	—	Purchase and sale	Operating Purpose
Jiangxi Copper Products (Shangyu) Plant	A subsidiary of the controlling shareholder	Accounts receivable	—	520	—	520	Purchase and sale	Operating Purpose
JCC Longchang Precise Copper Pipe Company Limited	A subsidiary of the controlling shareholder	Accounts receivable	—	11,135	11,135	—	Purchase and sale	Operating Purpose
JCC	Controlling shareholder	Prepayments	39	55	—	94	Customs, clearing fees, import tax	Operating Purpose
JCC Smelting New Technology Company Limited	A subsidiary of the controlling shareholder	Prepayments	—	899	500	399	Prepayments	Operating Purpose
Construction and Installation Branch of JCC Guixi Smelter Company	A subsidiary of the controlling shareholder	Prepayments	120	—	120	—	Prepayments	Operating Purpose
Shanghai Transportation Agency	A subsidiary of the controlling shareholder	Prepayments	695	6,829	7,060	464	Prepayments	Operating Purpose
JCC (Qianshan) Industrial Company Limited	A subsidiary of the controlling shareholder	Prepayments	60	—	60	—	Prepayments	Operating Purpose
JCC Metallurgy Chemical Engineering (Guixi) Company Limited	A subsidiary of the controlling shareholder	Prepayments	2,548	2,589	2,797	2,340	Prepayments	Operating Purpose
JCC Construction Project Company Limited	A subsidiary of the controlling shareholder	Prepayments	154	—	154	—	Prepayments	Operating Purpose
JCC Metallurgical Machinery (Guixi) Factory	A subsidiary of the controlling shareholder	Prepayments	—	88	4	84	Prepayments	Operating Purpose
JCC Antiseptic Engineering (Guixi) Company Limited	A subsidiary of the controlling shareholder	Prepayments	—	218	16	202	Prepayments	Operating Purpose
Jiangtong Southern Company	A subsidiary of the controlling shareholder	Prepayments	1,026	2,018	3,044	—	Prepayments	Operating Purpose
JCC v	Controlling shareholder	Notes receivable	—	154	120	34	Purchase and sale	Operating Purpose
JCC Tai Yi Special Electric Material Company	A subsidiary of the controlling shareholder	Notes receivable	—	10,357	5,141	5,216	Purchase and sale	Operating Purpose
JCC Guangxin Electric Equipment Factory	A subsidiary of the controlling shareholder	Notes receivable	—	20,016	15,799	4,217	Purchase and sale	Operating Purpose
JCC Longchang Precise Copper Pipe Company Limited	A subsidiary of the controlling shareholder	Notes receivable	—	5,841	—	5,841	Purchase and sale	Operating Purpose
Jiangxi Copper Products Company Limited	A subsidiary of the controlling shareholder	Notes receivable	2,940	40,987	37,730	6,197	Purchase and sale	Operating Purpose
Total			9,154	566,031	536,218	38,967		

Reconciliation Statement of difference in Consolidated Shareholders' Equity between New and Old Accounting Standards

Review Report

De Shi Bao (Shen) (07) No. R0011

To all shareholders of Jiangxi Copper Company Limited,

We have reviewed the accompanying reconciliation statement of differences in consolidated shareholders' equity between new and old accounting standards (the "Reconciliation Statement") prepared by Jiangxi Copper Company Limited (the "Company") prepared in accordance with the basis of preparation as set out in Note 2. The preparation of the Reconciliation Statement in accordance with the the basis of preparation as set out in Note 2 is the responsibility on the Company's management. Our responsibility is to express a review report on the Reconciliation Statement based on our review.

In accordance with the Notice of Improving Financial and Accounting Information Disclosure Relevant to the New Accounting Standards (Zheng Jian Fa [2006] No. 136), we have conducted our review with reference to the requirements of Reviewing Standard for China's Certified Public Accountants No.2101 - Review of Financial Statements. The standards require that we plan and perform the review to obtain reasonable assurance as to whether the Reconciliation Statement is free from material misstatement. Our review is limited to the related accounting policies used and all significant confirmation made by the Company's management in the preparation of the Reconciliation Statement, the calculation of reconciliation amounts in the Reconciliation Statement, review of the Reconciliation Statement as to whether the Reconciliation Statement was made based on the specified basis of preparation and if analysis process was implemented when necessary. The assurance for review is to a lesser extent than audit. The review provides less assurance than audit. We did not express an audit opinion as we did not conduct any audit.

According to our review, we are not aware of any matter that would make us believe that the above Reconciliation Statement was not prepared on the basis of preparation as set out in Note 2 to the Reconciliation Statement.

Further, users of the Reconciliation Statement are reminded that, as stated in the important note accompanying to the Reconciliation Statement, to the consolidated shareholders' equity as at 1 January 2007 (under new accounting standards) stated in the Reconciliation Statement, and the corresponding data to be presented in the financial statements of the Company for 2007 may differ. For a better understanding, the accompanying Reconciliation Statement should be read in conjunction of the audited financial statements of the Company

Deloitte Touche Tohmatsu Certified Public Accountants Ltd.
CPA (China)

Shanghai, the PRC

18 April 2007

Reconciliation Statement of difference in Consolidated Shareholders' Equity between New and Old Accounting Standards

1. Important Note:

Jiangxi Copper Company Limited ("the Company") has executed the Accounting Standard for Business Enterprises ("new accounting standards") promulgated by the Ministry of Finance in 2006 since 1 January 2007. The Company has been currently appraising the impact of the new accounting standards on its financial position, operating results and cash flow. Based on the prudent consideration or by reference to the further explanation made by the Ministry of Finance in respect of the new accounting standards, the Company may adjust relevant accounting policies or significant recognitions adopted in preparing the Reconciliation Statement of Difference in Consolidated Shareholders' Equity between New and Old Accounting Standards (the "Reconciliation Statement") for the 2007 financial statements. This may result in the difference between the consolidated shareholder' equity as at 1 January 2007 (under the new accounting standards), as presented in the above Reconciliation Statement, and that in the 2007 financial statements.

2. Reconciliation Statement of difference in Consolidated Shareholders' Equity between New and Old Accounting Standards

Unit: RMB

No.	Item	Note	Amount
	Consolidated shareholders' equity as at 31 December 2006 (under the current accounting standards)		12,560,926,792
1	Difference in long term equity investment		—
	Including: in Long-term equity investment difference		
	from combination involving entities under common control		—
	Credit difference of long-term equity investment accounted for using equity method		—
2	Investment property to be measured in fair value model		—
3	Additional depreciation for preceding years due to accrued asset retirement expenses		—
4	Dismissal compensation qualified as accrued liabilities		—
5	Share-based payment		—
6	Restructuring obligations qualified as accrued liabilities		—
7	Business combination		
	Including: Book value of goodwill from consolidation of combination involving entities under common control		—
	Provision for impairment of goodwill under new accounting standards		—
8	Financial assets at fair value through profit or loss and financial assets available for sale		—
9	Financial liabilities at fair value through profit or loss		—
10	Equity increased from split accounting of compound financial instruments		19,449,950
11	Derivative financial instruments	III. 1	—
12	Income tax	III. 2	—
13	Minority interests	III. 3	415,330,609
14	Others	III. 4	(72,680,000)
	Consolidated shareholders' equity as at 1 January 2007 (under the new accounting standards)		12,923,027,351

Reconciliation Statement of difference in Consolidated Shareholders' Equity between New and Old Accounting Standards

3. Notes to Reconciliation Statement of difference in Consolidated Shareholders' Equity between New and Old Accounting Standards

(I) Purpose of Preparation

Jiangxi Copper Company Limited (the "Company") has adopted the Accounting Standard for Business Enterprises ("new accounting standards") promulgated by the Ministry of Finance on 15 February 2006 since 1 January 2007. In order to analyze and disclose the impact of implementing the new accounting standards on financial position of listed companies, China Securities Regulatory Commission issued Notice of Improving Financial and Accounting Information Disclosure Relevant to the New Accounting Standards (Zheng Jian Fa [2006] No. 136) (the "Notice"), requiring listed companies to disclose the adjustment of the material difference by way of reconciliation statement in "Supplemental Information" of the financial statements for 2006 pursuant to relevant provisions of Accounting Standard for Business Enterprises No. 38 - Corporate Accounting Standard for First Audit ("Standard No.38") and the Notice.

(II) Basis of Preparation

As a listed company both in A shares and H shares, the Company simultaneously provides financial statements according to the PRC accounting rules and regulations and IFRS. The Reconciliation Statement is prepared based on the 2006 consolidated financial statements, in accordance with the Article 10 of the Panel's Opinions on Implementation of Accounting Standards for Business Enterprises and pursuant to the importance principle. As to transactions and events without difference between the new accounting standards and IFRS, the Company adopts the retroactive adjustment approach to adjust the consolidated shareholders' equity (under current accounting standards) as at 31 December 2006 on the basis of the financial statements prepared under IFRS. Please refer to Note 3 to the Reconciliation Statement for adjustments to specific items.

Minority interests under the current accounting standards shall be presented as a type of shareholder's equity as the new accounting standards require. The impact of such change in presentation modes has been reflected in a separate item in the Reconciliation Statement.

The Company's consolidated shareholders' equity (under the current accounting standards) as at 31 December 2006 was the amount of consolidated shareholders' equity in the 2006 financial statements prepared by the Company in accordance with the current Accounting Standards for Business Enterprises ("current accounting standards"). The Company's financial statements for 2006 have been audited by Deloitte Touche Tohmatsu CPA Ltd., which issued a qualified audit report De Shi Bao (Shen) Zi No P0436 on 18 April 2007.

Reconciliation Statement of difference in Consolidated Shareholders' Equity between New and Old Accounting Standards

III. Major Notes

1. Derivative instruments

Under the current accounting standards, profit or loss of derivative instruments shall be confirmed in the process of actual delivery of contracts. Under the new accounting standards, derivative financial instruments shall be measured at fair value through profit or loss.

Due to adjustment to the fair value of derivative instruments as at 31 December 2006, the consolidated shareholders' equity as at 31 December 2006 was increased by RMB19,449,950, including profit of RMB38,747,100 from derivative instruments that met the highly effective hedge standard and hence was credited into shareholders' equity and loss of RMB19,297,150 from derivative instruments that did not meet the highly effective hedge standard and hence was directly recognised in profit or loss statement.

The said fair value of derivative instruments as at 31 December 2006 is determined based on the quotation in the active market.

2. Income tax

Under the current accounting standards, business income tax is accounted for through taxes payable method. Under the new accounting standards, the Company shall account for the business income tax through the balance sheet liability approach and deferred income tax assets are recognised to the extent of the estimated taxable profit which can be used to offset the deductible temporary difference and the deductible loss. As it failed to determine the part or all of the provision for impairment as at the end of the year that can be used for deduction of taxes in future, the Company did not confirm the potential deferred tax assets arising from the reversal of provision for impairment. As the amount was small, the Company did not confirm the possible deferred tax assets arising from the derivative instruments that did not meet the highly effective hedge standard and hence was recognised in profit or loss statement and operating loss of subsidiaries.

3. Minority interests

Minority interests of the Company as at 31 December 2006 were RMB415,330,609. Under the current accounting standards, the minority interests shall be separately presented between liabilities and shareholders' equity in the consolidated financial statements. Under the new accounting standards, minority interests shall be credited into shareholders' equity, resulting in an increase of RMB 415,330,609 in the shareholders' equity as at 1 January 2007.

4. Others

Under the current accounting standards, governmental subsidy related to assets received by the Company shall be credited into capital reserves. Under the new accounting standards, governmental subsidy related to assets shall be stated as deferred income, and credited to current profit or loss on a straight line basis over the use life of relevant assets. As a result, the Company's shareholders' equity as at 1 January 2007 was decreased by RMB72,680,000.