Jiangxi Copper Company Limited

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

(Stock Code H Share: 0358 A Share: 600362)

2008 Interim Report

CONTENTS

CORPORATE INFORMATION

I. IMPORTANT NOTICE

(1) The board of directors (the "Board"), the supervisory committee (the "Supervisory Committee") and the directors (the "Directors"), supervisors (the "Supervisors") and senior management of Jiangxi Copper Company Limited (the "Company") warrant that there are no false representations or misleading statements contained in or material omissions from this report, and collectively and individually accept full responsibility for the truthfulness, accuracy and completeness of the information contained herein.

(2) The Directors of the Company, Mr. Wang Chiwei and Mr. Wu Jianchang were unable to attend the Board meeting, but have authorised other Directors to attend on their behalf.

(3) The interim financial report have not been audited, but the condensed consolidated interim financial statements prepared in accordance with International Accounting Standards 34 "Interim Financial Reporting" and other relevant provisions (collectively refer to as "IFRS") have been reviewed by Ernst & Young Certified Public Accountants and considered and approved by the independent audit committee (the "Audit Committee") of the Company.

(4) No funding appropriation by substantial shareholders was found in the Company.

(5) The Company's Chairman, Mr. Li Yihuang, Director and Financial Controller, Mr. Wu Jinxing, and Manager of the Financial Department, Ms. Qiu Ling, represent that they warrant the truthfulness and accuracy of the financial statements contained in this interim report.

II. CORPORATE INFORMATION

1.	Legal name of the Company in Chinese:	江西銅業股份有限公司
	Chinese abbreviation:	江西銅業
	Legal name of the Company in English:	Jiangxi Copper Company Limited
	English abbreviation:	JCCL
2.	Legal representative:	Li Yihuang
3.	Company Secretary:	Pan Qifang
	Address:	No.15 Yejin Avenue, Guixi City, Jiangxi, the People's Republic of China
	Telephone:	86701-3777736
	Fax:	86701-3777013
	E-mail:	jccl@jxcc.com
	Securities Affairs Representative:	Zhou Zhenghua
	Address:	No.15 Yejin Avenue, Guixi City, Jiangxi, the People's Republic of China
	Telephone:	86701-3777733
	Fax:	86701-3777013
	E-mail:	jccl@jxcc.com

4.	Registered address:	No.15 Yejin Avenue, Guixi City, Jiangxi, the People's Republic of China
	Office address:	No.15 Yejin Avenue, Guixi City, Jiangxi, the People's Republic of China
	Postal code:	335424
	Website:	http://www.jxcc.com
	E-mail:	jccl@jxcc.com
5.	Name of newspapers for information disclosure:	Shanghai Securities News
	Websites publishing Interim Report:	http://www.hkex.com.hk, http://www.sse.com.cn, http://www.jxcc.com and http://jxcc.wsfg.hk
	Place available for inspection of Interim Report:	Secretarial Office of the Board No.15 Yejin Avenue, Guixi City, Jiangxi, the People's Republic of China
6.	Stock Exchange of listing A Shares:	Shanghai Stock Exchange
	Stock abbreviation (A Shares):	Jiangxi Copper
	Stock code (A Shares):	600362
	Stock Exchange of listing H Shares:	The Stock Exchange of Hong Kong Limited London Stock Exchange (secondary listing) The Bank of New York (Level I American Depository Receipt)
	Stock abbreviation (H Shares):	Jiangxi Copper
	Stock code (H Shares):	0358

MAJOR FINANCIAL DATA AND INDICATORS

The consolidated operating results previously reported by the Company for the six months ended 30 June 2007 have been restated to include the operation results of the acquired companies and business under common control.

1. CONSOLIDATED ACCOUNTING DATA AND FINANCIAL INDICATORS PREPARED IN ACCORDANCE WITH IFRS

	For the six months ended 30 June		
	2008	2007	Increase/ (decrease)
	(Unaudited)	(Unaudited and restated)	
	RMB'000	*RMB'000*	*(%)*
Revenue	**26,714,084**	17,274,073	54.65
Profit before taxation	**3,668,691**	2,512,095	46.04
Net profit for the period attributable to shareholders of the Company	**2,766,987**	2,096,518	31.98
Basic earnings per share	**RMB0.92**	RMB0.72	27.78

	As at 30 June 2008	As at 31 December 2007	Increase/ (decrease)
	(Unaudited)	(Audited)	
	RMB'000	*RMB'000*	*(%)*
Total assets	**31,883,276**	30,220,183	5.50
Total liabilities	**11,769,051**	11,825,371	(0.48)
Minority interests	**235,736**	244,153	(3.45)
Net assets attributable to shareholders of the Company	**19,878,489**	18,150,659	9.52
Net assets per share attributable to shareholders of the Company	**RMB6.58**	RMB6.00	9.67

2. CONSOLIDATED ACCOUNTING DATA AND FINANCIAL INDICATORS PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS AND REGULATIONS ("PRC GAAP")

	As at 30 June 2008 (Unaudited)	As at 31 December 2007 (Audited)	Increase/ (decrease)
	RMB'000	*RMB'000*	*(%)*
Total assets	**31,767,704**	30,054,809	5.70
Net assets attributable to shareholders of the Company	**19,878,489**	18,138,389	9.59
Net assets per share attributable to shareholders of the Company	**RMB6.58**	RMB6.00	9.67

	For the six months ended 30 June		
	2008	2007	Increase/ (decrease)
	(Unaudited)	(Unaudited and restated)	
	RMB'000	*RMB'000*	*(%)*
Operating profit	**3,700,314**	2,469,857	49.82
Total profit	**3,685,050**	2,460,594	49.76
Net profit attributable to shareholders of the Company	**2,779,256**	2,057,892	35.05
Net profit after extraordinary items attributable to shareholders of the Company	**2,790,810**	2,001,547	39.43
Basic earnings per share	**RMB0.92**	RMB0.70	31.43
Basic earnings per share after extraordinary items	**RMB0.92**	RMB0.68	35.29
Fully diluted return on net assets *(%)*	**13.98**	11.35	2.63
Net cash flow from operating activities	**1,884,749**	(575,466)	427.52
Net cash flow from operating activities per share	**RMB0.62**	RMB(0.19)	426.32

Net profit after extraordinary items attributable to shareholders of the Company is set out as follows:

	For the six months ended 30 June	
	2008	2007
	(Unaudited)	(Unaudited and restated)
	RMB'000	*RMB'000*
Net profit attributable to shareholders of the Company	**2,779,256**	2,057,892
Plus: non-recurring items		
Profit and loss of disposal of non-current assets	**7,070**	7,930
Other items in non-operating income and expense (excluding profit and loss of disposal of non-current assets)	**8,194**	1,334
Investments income or loss from disposal of subsidiaries	**(84)**	—
Net profits and losses of the current period of subsidiaries under same control arising from merger of enterprise	**—**	(64,322)
Income tax impact from non-recurring items	**(3,728)**	(1,443)
Net profit after non-recurring items	**2,790,708**	2,001,391
Less: Non-recurring profit and loss impact attributable to minority shareholders	**(102)**	(156)
Net profit attributable to holders of ordinary shares of the Company after deducting non-recurring items	**2,790,810**	2,001,547

The Company's reorganization of non- recurring items is in accordance with the regulations of "public offering of securities of companies standardize information disclosure quiz" No. 1 issued by the China Securities Regulatory Commission ("CSRC").

3. RECONCILIATION BETWEEN IFRS AND PRC GAAP

	Consolidated net profit For the six months ended 30 June		Consolidated net asset	
			As at 30 June	As at 31 December
	2008	2007	**2008**	2007
	(Unaudited)	(Unaudited and restated)	**(Unaudited)**	(Audited)
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Financial statements prepared under PRC GAAP	**2,786,539**	2,098,836	**20,114,225**	18,382,543
Adjustments in accordance with IFRS				
— Reversal of safe production cost not qualified for liability under IFRS	**(16,359)**	51,501	**—**	16,359
— Change of deferred tax arising from the reversal of safety production fund under IFRS	**4,090**	(12,875)	**—**	(4,090)
Financial statement prepared in accordance with IFRS	**2,774,270**	2,137,462	**20,114,225**	18,394,812

Note: Differences between PRC GAAP and IFRS refer to reversal of provision for safe production cost under IFRS and related impact arising from deferred income tax.

CHANGES IN SHARE CAPITAL AND SHAREHOLDERS

1. STATEMENT OF CHANGES IN SHARE CAPITAL

During the reporting period, there were no changes in total shares and shareholding structure.

2. SHAREHOLDERS

1. The number of shareholders and shareholdings

Unit: Share

The number of shareholders at the end of reporting period	144,390 shareholders in total, of which 143,151 are holders of A shares and 1,239 are holders of H shares

Shareholdings of the top ten shareholders

Name of shareholder	Type of shareholders	Shareholding percentage *(%)*	Total number of shares held	Increase/ (decrease) during the reporting period	Number of shares subject to trading moratorium	Number of shares pledged or frozen
HKSCC Nominees Limited	Unknown	45.62	1,379,108,900	(250,000)	—	Unknown
Jiangxi Copper Corporation ("JCC")	State-owned legal person	42.41	1,282,074,893	—	1,282,074,893	No
Guotai Junan Investment Management Co., Ltd.	Unknown	0.44	13,400,000	—	13,400,000	Unknown
Suzhou Industrial Park Assets Management Co., Ltd.	Unknown	0.33	10,000,000	—	10,000,000	Unknown
Minmetals Investment & Development Co., Ltd.	Unknown	0.33	10,000,000	—	10,000,000	Unknown
Wuxi Guolian Development (Group) Co., Ltd.	Unknown	0.33	10,000,000	—	10,000,000	Unknown
Sanjiang Aerospace Group Financial Company Limited	Unknown	0.30	9,000,000	—	9,000,000	Unknown
Shanghai Rongchang Assets Management Co., Ltd.	Unknown	0.25	7,600,000	—	7,600,000	Unknown
Shanghai Yuanhai Industrial Co.,Ltd.	Unknown	0.21	6,300,000	—	6,300,000	Unknown
Zhongrong International Trust & Investment Co., Ltd.	Unknown	0.15	4,456,048	—	4,456,048	Unknown

Shareholdings of the top ten shareholders not subject to trading moratorium

Unit: Share

Shareholdings of the top ten shareholders not subject to trading moratorium		
Name of shareholder	**Number of shares not subject to trading moratorium**	**Class of shares**
HKSCC Nominees Limited	1,379,108,900	Overseas listed foreign shares (H shares)
Shanghai Pudong Development Bank-Guangfa Small-scale Fast-growing "A" shares Company Securities Investment Fund	4,248,909	Ordinary shares denominated in RMB (A shares)
China Construction Bank — Huabao Xingye Multi-strategies Growth Securities Investment Fund	3,499,965	Ordinary shares denominated in RMB (A shares)
Industrial and Commercial Bank of China — Shanghai 50 ETF	3,447,511	Ordinary shares denominated in RMB (A shares)
Bank of Communications — Yi Fang Da 50 Index Securities Investment Fund	3,299,930	Ordinary shares denominated in RMB (A shares)
Bank of China — Jiashi Shanghai — Shenzhen 300 Index Securities Investment Fund	2,023,771	Ordinary shares denominated in RMB (A shares)
Guosen Securities Co., Ltd.* (國信證券股份有限公司)	1,946,050	Ordinary shares denominated in RMB (A shares)
Agricultural Bank of China — Baoying Strategic Growth Stock Fund	1,618,725	Ordinary shares denominated in RMB (A shares)
International Finance — Chartered — CITIGROUP GLOBAL MARKETS LIMITED	1,455,453	Ordinary shares denominated in RMB (A shares)
Goldman Sachs Asset Management L.P. — Goldman Sachs China Fund	1,219,367	Ordinary shares denominated in RMB (A shares)

The explanation of the connected relationship and acting in concert among the aforesaid shareholders	The Company is not aware of any connected relationship among the above holders of shares not subject to trading moratorium, nor aware of any parties acting in concert as defined in Administrative Measures on Acquisitions of Listed Companies.

(1) So far as the Directors are aware, JCC, the controlling shareholder of the Company, and the other top ten shareholders are neither connected persons nor parties acting in concert. The Company is not aware of the existence of such relationship amongst any other top ten shareholders.

(2) HKSCC Nominees Limited held a total of 1,379,108,900 H shares of the Company in capacity of nominee on behalf of a number of customers, representing approximately 45.62% of the total issued share capital of the Company. HKSCC Nominees Limited is a member of Central Clearing and Settlement System, providing securities registration and custodial services for customers.

Shareholdings of the top ten shareholders subject to trading moratorium and the condition of trading moratorium

Unit: Share

			Particulars of shares subject to trading moratorium to be listed		
No.	Name of shareholder	Number of shares held subject to trading moratorium	Time for listing and trading	Number of additional shares to be listed and traded	Conditions of trading moratorium
1.	JCC	1,282,074,893	27 September 2010	0	Shares subscribed by JCC through non-public issue of shares of the Company and shares originally held by JCC shall not be transferred within 36 months from the closing date of the non-public issue of A shares.
2.	Guotai Junan Investment Management Co., Ltd.	13,400,000	27 September 2008	0	Pursuant to the Administrative Measures for the Issuance of Securities by Listed Companies, it may not be transferred within 12 months from the completion date of the issue.
3.	Suzhou Industrial Park Assets Management Co., Ltd.	10,000,000	27 September 2008	0	Pursuant to the Administrative Measures for the Issuance of Securities by Listed Companies, it may not be transferred within 12 months from the completion date of the issue.
4.	Minmetals Investment & Development Co., Ltd.	10,000,000	27 September 2008	0	Pursuant to the Administrative Measures for the Issuance of Securities by Listed Companies, it may not be transferred within 12 months from the completion date of the issue.

No.	Name of shareholder	Number of shares held subject to trading moratorium	Particulars of shares subject to trading moratorium to be listed: Time for listing and trading	Particulars of shares subject to trading moratorium to be listed: Number of additional shares to be listed and traded	Conditions of trading moratorium
5.	Wuxi Guolian Development (Group) Co., Ltd.	10,000,000	27 September 2008	0	Pursuant to the Administrative Measures for the Issuance of Securities by Listed Companies, it may not be transferred within 12 months from the completion date of the issue.
6.	Sanjiang Aerospace Group Financial Company Limited	9,000,000	27 September 2008	0	Pursuant to the Administrative Measures for the Issuance of Securities by Listed Companies, it may not be transferred within 12 months from the completion date of the issue.
7.	Shanghai Rongchang Assets Management Co., Ltd.	7,600,000	27 September 2008	0	Pursuant to the Administrative Measures for the Issuance of Securities by Listed Companies, it may not be transferred within 12 months from the completion date of the issue.
8.	Shanghai Yuanhai Industrial Co., Ltd.	6,300,000	27 September 2008	0	Pursuant to the Administrative Measures for the Issuance of Securities by Listed Companies, it may not be transferred within 12 months from the completion date of the issue.
9.	Zhongrong International Trust & Investment Co., Ltd.	4,456,048	27 September 2008	0	Pursuant to the Administrative Measures for the Issuance of Securities by Listed Companies, it may not be transferred within 12 months from the completion date of the issue.

Interests and short positions of shareholders

As at 30 June 2008, the interests and short positions of the shareholders, other than Directors, Supervisors or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register of shares 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 total number of the relevant class of share *(%)*	Approximate Percentage of total issued share capital *(%)*
JCC	Domestic shares	Beneficial owner	1,282,074,893(L)	78.39%(L)	42.41%(L)
HSBC Holdings plc	H Shares	Interest of controlled corporation	77,116,759(L) 59,333,185(S)	5.55%(L) 4.27%(S)	2.55%(L) 1.96%(S)
Deutsche Bank Aktiengesellschaft	H Shares	*(note 2)*	76,370,218(L) 61,514,474(S)	5.50%(L) 4.43%(S)	2.52%(L) 2.03%(S)
UBS AG	H Shares	*(note 3)*	75,302,078(L) 11,405,014(S)	5.42%(L) 0.82%(S)	2.49%(L) 0.37%(S)

Note 1: "L" means long positions in the shares; "S" means short position in the shares.

Note 2: According to the corporate substantial shareholders notice filed by Deutsche Bank Aktiengesellschaft on 11 June 2008, the H shares were held in the following capacities:

Capacity	Numbers of H Shares
Beneficial owner	53,473,072(L) 46,818,774(S)
Investment manager	4,740,000(L)
Person having a security interest in shares	18,157,146(L) 14,695,700(S)

Note 3: According to the corporate substantial shareholders notice filed by UBS AG on 24 June 2008, the H shares were held in the following capacities:

Capacity	Numbers of H Shares
Beneficial owner	66,335,078(L) 9,542,014(S)
Person having a security interest in shares	6,555,000(L)
Interest of controlled corporation	2,412,000(L) 1,863,000(S)

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 or underlying shares of the Company as at 30 June 2008.

2. Change in controlling shareholder and the de facto controller

There were no changes in controlling shareholder and the de facto controller of the Company during the reporting period.

(1) CHANGES IN THE SHAREHOLDINGS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

During the reporting period, there were no changes in the shareholdings of Directors, Supervisors and senior management of the Company.

(2) INTERESTS OF DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE(S) IN SHARES AND H-SHARE APPRECIATION RIGHTS

An extraordinary general meeting of the Company was held on 19 February 2008 to approve the H-Share Appreciation Rights Scheme (the "Scheme"). Details of the Scheme were set out in the Company's circular dated 27 December 2007 to shareholders. The purpose of the Scheme is to attract, retain and encourage senior management and executive Directors of the Company to work towards increasing the performance of the Company and its subsidiaries (the "Group") and the value of the Group. The interests of such senior management and executive Directors in respect of the H-share appreciation rights granted by the Company as at 30 June 2008 were as follows:

Serial no.	Name (Position)	Number of H share appreciation rights granted	Approximate Percentage of the shares involved in H share appreciation rights granted to the total share capital	Percentage of the H share appreciation rights granted to the total H share appreciation rights of this batch
1.	Mr. Li Yihuang *(Chairman)*	92,700	0.0030%	18.18%
2.	Mr. Li Baomin *(Executive Director)*	92,700	0.0030%	18.18%
3.	Mr. Wang Chiwei *(Executive Director and Deputy General Manager)*	64,900	0.0021%	12.72%
4.	Mr. Long Ziping *(Executive Director)*	64,900	0.0021%	12.72%
5.	Mr. Wu Jinxing *(Executive Director and Chief Financial Officer)*	64,900	0.0021%	12.72%
6.	Mr. Liu Yuewei *(Deputy General Manager)*	64,900	0.0021%	12.72%
7.	Mr. Liu Jianghao *(Chief Engineer)*	64,900	0.0021%	12.72%
	Total	**509,900**	**0.0168%**	**100.00%**

H-share appreciation rights represent the rights conferred to the incentive recipients by the Company to receive stipulated earnings from the increase in the share price of a specific number of shares, subject to specific timeframe and conditions. The incentive recipients do not beneficially hold any shares nor will they be entitled to any shareholder voting rights, placement rights and rights as to dividend payment. H-share appreciation rights cannot be transferred nor used as guarantee or for repayment of debts.

As at 30 June 2008, none of the Directors, Supervisors and chief executives of the Company had any interests or short positions in any shares, any underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) as required to be recorded in the register of the Company under Section 352 of the SFO or otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

(3) RIGHT TO PURCHASE SHARES OR DEBENTURES

During the six months ended 30 June 2008, none of the Directors, Supervisors and chief executive(s) of the Company, or their respective associates had been granted any rights to subscribe for any shares or debt securities of the Company nor had exercised any of such rights.

At no time during the period ended 30 June 2008 was the Company or its holding company or any of its subsidiaries or fellow subsidiaries a party to any arrangements which would enable any of the Directors, Supervisors or chief executive(s) of the Company to acquire benefit by means of acquisition of shares in or debt securities of the Company or any other body corporates.

(4) APPOINTMENT AND TERMINATION OF APPOINTMENT OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

1. On 6 June 2008, the Company held the annual general meeting of the year 2007 at which the resignation of Mr. Kang Yi as independent non-executive Director of the Company was approved and Mr. Wu Jianchang was appointed as independent non-executive Director of the Company;

2. On 6 June 2008, the Company held the annual general meeting of the year 2007 at which the resignation of Mr. Wang Maoxian as a Supervisor representing the shareholders of the Company was approved and Mr. Wu Jimeng was appointed as a Supervisor representing the shareholders of the Company and Mr. Liu Qianming was confirmed as a Supervisor representing the employees of the Company.

During the reporting period, the Company has overcome the adverse impact of its plants being suspended from production due to the slowdown in global economy and snowy weather in early 2008, and attained operating results at this historical best.

(1) DISCUSSION AND ANALYSIS ON THE OVERALL OPERATION FOR THE REPORTING PERIOD

1. Industry Overview

During the reporting period, amidst the implementation of a tightened monetary policy in China, resulted in a slowdown of the growing domestic demand for copper. Meanwhile, under the influence of the United States mortgage crisis, the soaring oil price, mounting inflation pressure and other factors, the global economy spiraled into a downturn which affected copper consumption. On the other hand, however, following the gradual downgrade of copper mines, with the production of newly acquired mines falling behind schedule and consecutive strikes, the supply of copper concentrates became tight and gave rise to a high copper price. During the reporting period, the average copper price for three months as quoted on the London Metal Exchange was US$8,030 per tonne, posting a growth of US$1,267 per tonne as compared with the corresponding period last year, or a 18.73% growth. Due to the weak US dollars, the growth of domestic copper price in Renminbi ("RMB") for the corresponding period was far slower than that as quoted on the London Metal Exchange, the weighted average copper price for three months (tax inclusive) as quoted on the Shanghai Futures Exchange hit RMB62,886 per tonne, representing an increase of RMB1,990 per tonne or 3.27% as compared with the corresponding period last year.

2. Business Review

Substantial growth of operating results — According to the unaudited consolidated financial statements of the Group prepared in accordance with PRC GAAP, the operating revenue of the Group increased by RMB9,526.19 million or 55.05% to RMB26,830.82 million for the reporting period over the corresponding period of last year. Operating profit of the Group increased by RMB1,230.45 million or 49.82% to RMB3,700.31 million over the corresponding period of last year. Net profit attributable to shareholders of the Company increased by RMB721.36 million or 35.05% to RMB2,779.26 million over the corresponding period of last year. Basic earnings per share was RMB0.92, representing an increase of RMB0.22 or 31.43% over the corresponding period of last year.

Completion of planned production of products — During the reporting period, the Company produced 365,000 tonnes of copper cathode, including processed copper cathode, representing a growth of 50.21% over the corresponding period last year (2007 interim: 243,000 tonnes). As compared to the corresponding period last year, the production of gold decreased by 1.11% to 7,200 kg (2007 interim: 7,281 kg), while that of silver dropped by 1.96% to 200 tonnes (2007 interim: 204 tonnes). Copper rods and wires increased by 22.64% to 195,000 tonnes as compared with the corresponding period last year (2007 interim: 159,000 tonnes). Sulphuric acid increased by 55.41% to 805,000 tonnes as compared with the corresponding period last year (2007 interim: 518,000 tonnes). Sulphuric concentrate reached 638,000 tonnes, representing an increase of 3.24% over the corresponding period last year (2007 interim: 618,000 tonnes). Copper concentrates (containing copper) increased by 5.41% to 78,000 tonnes as compared with the corresponding period last year (2007 interim: 74,000 tonnes).

Surge of resource reserves — During the reporting period, the Company made sound progress in the strategic development for mine resources. The Company and China Minerals Non-ferrous Metals Co., Ltd. jointly acquired 100% equity interest of Northern Peru Copper Corp. ("NPC"). In addition, the Company and China Metallurgical Group Corporation established a consortium to acquire the mining rights of the Aynak Copper Mine in Afghanistan. In accordance with the interest attributable to the Company, the additional copper metal reserves of the Company hurdled over 4,200,000 tonnes in the reporting period.

(2) INVESTMENT OF THE COMPANY

1. Overview of the Use of Proceeds

The Company raised a net proceed of RMB3,950.17 million by non-public issue of A shares in 2007, among which an amount of RMB2,164.84 million was in cash. As at the end of the reporting period, the aggregate use of proceeds reached RMB2,859.75 million, among which an amount of RMB174.44 million was used this year. The proceeds of RMB1,090.42 million not yet utilised, will still be allocated to projects undertaken by the Company during the fund raising.

2. Use of proceeds in projects undertaken

Unit: 0'000 Currency: RMB

Name of projects undertaken	Amount of proceeds to be applied	Subject to changes or not	Actual injection of proceeds as at the reporting period in total	Estimated earnings	Earnings generated	On schedule or not
Expansion project of Chengmenshan Copper Mine Phase II	49,800	No	4,481	Upon completion of the expansion, Chengmenshan Copper mine can produce copper concentrates containing 14,817 tonnes of copper, 25,814 tonnes of sulfur, 232 kg of gold and 15,142 kg of silver, and 607,150 tonnes of sulfur concentrate (equivalent to standard sulphuric concentrate of 703,542 tonnes) per annum	Under construction, no earnings realised yet	Yes
Technology renovation project for conversion of the open-pit to underground mining of Yongping Copper Mine	37,852	No	9,144	Extend the existing production scale of the mine by about 8 years	Under construction, no earnings realised yet	Yes

Name of projects undertaken	Amount of proceeds to be applied	Subject to changes or not	Actual injection of proceeds as at the reporting period in total	Estimated earnings	Earnings generated	On schedule or not
Technology renovation of open-pit mining of the Fujiawu Copper Mine	30,056	No	17,410	Extend the service life of Dexing Copper Mine	Under construction, no earnings realised yet	Yes
Utilization of the heat recovered from smelting process	27,261	No	26,620	Steam load in engineering boiler Utilization plant will be decreased and off-gas, dust and sulfur dioxide will also be decreased. Accordingly, atmospheric environment in the plant area will be improved to certain extent, thus enhancing social benefit.	Under construction, no earnings realised yet	Yes
Expansion project for anode mud treatment and comprehensive utilization	19,427	No	5,078	Increase the production of gold and silver	Under construction, no earnings realised yet	Yes
Expansion of copper recovering from slag	18,953	No	13,306	Increase the rate of copper recovery smelting process by nearly 1% and another 2,000 tonnes of copper can be recovered from slag per annum	Under construction, no earnings realised yet	Yes
Technology renovation project for expansion of the processing capacity of Wushan Copper Mine to 5,000 tonnes per day	12,024	No	8,835	Produce copper concentrates containing 12,800 tonnes of copper, 171,000 tonnes of sulfur, 218 kg of gold and 7,512 kg of silver per annum upon completion	Under construction, no earnings realised yet	Yes
Supplemental working capital	22,567	No	22,567	Can be allocated flexibly with working capital	—	Yes
JCC's Subscription of non-public issue of 57,039,479 ordinary A shares of the Company by non-cash assets amounting to RMB1,785.34 million	178,534	No	178,534	Increase resource reserves of the Company and perfect the industrial chain of the Company	Increase copper reserves by 1,530,000 tonnes and gold by 62 tonnes	Yes

1) *Expansion project of Chengmenshan Copper Mine Phase II*

The Company intends to invest a total of RMB498 million in the project, all of which will be raised by proceeds of the non-public issue of A Shares. During the reporting period, the actual investment by proceeds amounted to RMB32.14 million. As at the end of the reporting period, the aggregate investment of the project amounted to RMB44.81 million, representing 9.00% of the planned investment for the project.

2) *Technology renovation project for conversion of the open-pit to underground mining of Yongping Copper Mine*

The Company intends to invest a total of RMB387.54 million in the project, of which RMB378.52 million will be financed through non-public issue of A shares. During the reporting period, RMB40.65 million was invested by proceeds of the non-public issue of A Shares and RMB11.72 million was invested by self-funding. As at the end of the reporting period, the aggregate investment of the project amounted to RMB103.16 million, representing 26.62% of the planned investment for the project.

3) *Technology renovation of open-pit mining of the Fujiawu Copper Mine*

The Company intends to invest a total of RMB1,052.54 million in the project, of which RMB300.56 million will be financed through non-public issue of A shares and RMB570.98 million will be invested by self-funding. During the reporting period, RMB22.04 million was invested by proceeds. As at the end of the reporting period, the aggregate investment of the project amounted to RMB820.51 million, representing 77.96% of the total planned investment for the project.

4) *Utilization of the heat recovered from smelting process*

The Company intends to invest a total of RMB272.61 million in the project, all of which will be raised by proceeds of the non-public issue of A Shares. During the reporting period, the actual investment by proceeds amounted to RMB16.09 million. As at the end of the reporting period, the aggregate investment of the project amounted to RMB266.20 million, representing 97.65% of the planned investment for the project.

5) *Expansion project for anode mud treatment and comprehensive utilization*

The Company intends to invest a total of RMB195.74 million in the project, of which RMB194.27 million will be financed through previously raised proceeds and RMB1.47 million will be invested by self-funding. During the reporting period, the actual investment by proceeds amounted to RMB26.46 million. As at the end of the reporting period, the aggregate investment of the project amounted to RMB50.78 million, representing 25.94% of the planned investment for the project.

6) *Expansion of copper recovering from slag*

The Company intends to invest a total of RMB212.14 million in the project, of which RMB189.53 million will be financed through previously raised proceeds and RMB22.61 million will be invested by self-funding. During the reporting period, the actual investment by proceeds amounted to RMB14.87 million and RMB13.38 million was invested by self-funding. As at the end of the reporting period, the aggregate investment of the project amounted to RMB146.44 million, representing 69.03% of the planned investment for the project.

7) *Technology renovation project for expansion of the processing capacity of Wushan Copper Mine to 5,000 tonnes per day*

The Company intends to invest a total of RMB257.32 million in the project, of which RMB120.24 million will be financed through previously raised proceeds and RMB137.08 million will be invested by self-funding. During the reporting period, RMB22.19 million was invested by proceeds and RMB2.77 million was invested by self-funding. As at the end of the reporting period, the aggregate investment of the project amounted to RMB220.27 million, representing 85.60% of the planned investment for the project.

3. Progress of projects financed by non-raised proceeds

1) *Arsenious acid Project Expansion*

The Company intends to invest a total of RMB113 million in the project. During the reporting period, the actual investment in the project amounted to RMB9.31 million. As at the end of the reporting period, the aggregate investment of the project amounted to RMB82.66 million, representing 73.15% of the planned investment for the project.

2) *Expansion Project of Guixi Smelter's Tankhouse*

The Company intends to invest a total of RMB294.79 million in the project. During the reporting period, the actual investment in the project amounted to RMB43.99 million. As at the end of the reporting period, the aggregate investment of the project amounted to RMB53.79 million, representing 18.25% of the planned investment for the project. Upon the completion of the project, the average volume of production of refined copper cathode can hit 160,000 tonnes per annum.

3) *Technical renovation engineering of enlarging production scale of Dexing Copper Mine*

The Company intends to invest a total of RMB2,537.87 million in the project. During the reporting period, the actual investment in the project amounted to RMB51.48 million. As at the end of the reporting period, the aggregate investment in the project amounted to RMB65.77 million, representing 2.59% of the planned investment. Upon completion of the construction of the project, there will be an upscale of daily mining and milling capacity of Dexing Copper Mine from 100,000 tonnes of ores to 130,000 tonnes. Additional copper concentrates containing 41,000 tonnes of copper, 61 kg of gold, 25.3 tonnes of silver, 1,614 tonnes of molybdenum and 87,597 tonnes of sulphur will be delivered per annum. The completion of the project will enhance the self-supply rate of the Company which boosts investment efficiencies.

(3) PROSPECT FOR THE SECOND HALF OF THE YEAR

It is estimated that, it is basically difficult for the global economic growth to pick up its momentum in the second half of the year, which will suppress the demand for copper. The US dollars that keeps slumping may rebound from time to time, which may lead to a correction of the copper price. However, in view of the shortage of copper concentrates supply around the world and the downgrade of copper concentrates, the copper price for the second half of the year will linger high.

During the second half of the year, the Company will endeavor to complete the follow tasks:

1) Speed up the implementation of resources development strategy

The Company strives to further the progress of the construction of overseas resource projects such as the Aynak Copper Mine project in Afghanistan and NPC and to accelerate the Company's expansion of the existing mine, mainly including technical renovation engineering of enlarging production scale of Dexing Copper Mine, extension of Open-pitting Mining project of Yongping Copper Mine and Expansion project of Chengmenshan Copper Mine Phase II. The Company will also enhance the exploration of resources and risk exploration. In addition, the Company is also seeking the possibility of ensuring supply of resources by other methods.

2) Implement the proposal of "Issue of bonds with warrants in an amount of not more than RMB6,800 million" (the "Proposed Issuance")

On 28 July 2008, the Proposed Issuance was conditionally approved by the Public Offering Review Committee of CSRC（中國證監會發行審核委員會）. The Company will strive to complete this proposed before the year end to extend and optimize the industry chain of the Company and reduce the connected transactions between the Company and, its controlling shareholder, JCC.

3) Actively utilize cycle economy for the Company's sustainable development and promote the energy saving and emission reduction

The Company will focus on three major tasks, including comprehensive recycling and utilization of resources, environmental protection and rehabilitation as well as saving energy and reduction of consumption, the Company will strive to develop recurring economy, reduce the generation and emission of "three wastes". The Company will eliminate outdated production equipment and work craft whilst enhancing the effectiveness of energy utilization through technical renovation.

4) Adhere to the promotion of corporate reform

In an effort to optimise management and explore a more effective incentive and control system, the Company will streamline the business portfolio, accelerate the innovation system and promote reform of organization structure with the Proposed Issuance.

The following figures are extracted from the unaudited consolidated accounting statements prepared in accordance with PRC GAAP.

1. PRINCIPAL OPERATIONS BY INDUSTRY

By industry	Operating revenue RMB'000	Operating cost RMB'000	Gross profit margin (%)	Increase/ (decrease) in operating income from the same period last year (%)	Increase/ (decrease) in operating cost from the same period last year (%)	Increase/ (decrease) in gross profit margin from the same period last year (%)
Revenue from principal operation:						
— Non-ferrous metals (copper cathode and tolling)	13,363,949	12,367,490	7.46	78.21	95.40	(8.14)
— Copper products processing (copper rods and wires and tolling)	9,507,784	8,594,628	9.60	24.24	29.93	(3.96)
— Precious metals (gold and silver)	2,092,520	1,303,880	37.69	16.51	1.60	9.15
— Chemical and others (sulphuric acid, sulphuric concentrate and recycled products)	1,658,170	366,919	77.87	521.05	118.96	40.63
Subtotal	26,622,423	22,632,917	14.99	54.65	57.23	(1.40)
Other operating revenue	208,393	197,744	5.11	132.88	132.60	0.11
Total	26,830,816	22,830,661	14.91	55.05	57.67	(1.41)

Among which the connected transactions relating to sales of products and provision of services by the Company to the controlling shareholder and its subsidiaries during the reporting period amounted to RMB2,624.74 million.

Non-ferrous Metals (mainly including copper cathode products and tolling service of copper cathode):

During the reporting period, the Group's sales of copper cathode and tolling service were 229,100 tonnes. The revenue of non-ferrous metals accounted for 49.81% of total operating revenue of the Group. But since copper tolling service fee decreased comparing to the same period last year, the surged cost of outsourced raw material in this period, the increased proportion of outsourced raw materials and relative higher cost of surged power, materials and equipments, the gross profit margin of non-ferrous metals dropped during the reporting period accordingly. During the reporting period, gross profit from non-ferrous metals accounted for 24.91% of total gross profit of the Group.

Copper products processing (mainly including copper rods and wires products and tolling service of copper rods and wires):

During the reporting period, the Group's sales of copper rods and wires products and tolling service were 171,800 tonnes. The revenue of copper products processing accounted for 35.44% of total operating revenue of the Group. But since the surged cost of outsourced raw material in this period, the increased proportion of outsourced raw materials and relative higher cost of surged power, materials and equipments, the gross profit margin of copper products processing dropped during the reporting period accordingly. During the reporting period, gross profit from copper products processing accounted for 22.83% of total gross profit of the Group.

Precious metals (mainly including gold and silver products):

During the reporting period, the Group's sales of gold and silver were 6,772 kg and 173,103 kg respectively. The revenue of precious metals accounted for 7.80% of total operating revenue of the Group. Due to the increase of selling price of gold and silver in the reporting period, the gross profit margin of precious metals increased accordingly. During the reporting period, gross profit of precious metals accounted for 19.72% of total gross profit of the Group.

Chemical products and others (mainly including sulphuric acid, sulphuric concentrate and recycled products):

During the reporting period, the Group's sales of sulphuric acid and sulphuric concentrates were 105.67 tonnes and 56.56 tonnes respectively. The revenue of chemical products and others accounted for 6.18% of total operating revenue of the Group. With the substantial surge in the selling price of sulphuric acid and sulphuric concentrates products, the gross profit margin of chemical products increased significantly as compared with that of the corresponding period of last year. During the reporting period, gross profit of chemical products and others accounted for 32.28% of total gross profit of the Group.

2. PRINCIPAL OPERATIONS BY GEOGRAPHICAL AREAS

Currency: RMB

Geographical areas	**Revenue from principal operation** *RMB'000*	**Increase/(decrease) in revenue from principal operation from the same period last year** *(%)*
Mainland China	25,535,467	52.76
Hong Kong	1,084,393	147.31
New Zealand	2,116	25.72
Others	447	(99.24)
Total	26,622,423	54.65

3. FINANCIAL POSITION

As at the end of the reporting period, the total asset of the Group amounted to RMB31,767.70 million, representing an increase of RMB1,712.89 million or an increase of 5.70% over the beginning of the reporting period, in which (i) the balance of monetary capital amounted to RMB3,465.72 million, representing an increase of RMB712.62 million or an increase of 25.88% as compared with the beginning of the period, was mainly due to the surge of cash from operating activities due to the growth of 55.05% in sales during the reporting period comparing to the same period last year; (ii) the balance of notes receivables and accounts receivables which amounted to RMB3,280.28 million and RMB1,942.49 million, respectively, representing an increase of RMB455.98 million and RMB238.60 million or an increase of 16.15% and 14.00% over the beginning of the period mainly due to the growth in sales during the reporting period; and (iii) the balance of construction in progress of RMB1,596.95 million which increased by RMB360.35 million or 29.14% over the beginning of the period, mainly due to the addition of certain large construction projects under the previous capital commitment and the further investment in on-going projects during the reporting period.

As at the end of the reporting period, the total liabilities of the Group amounted to RMB11,653.48 million, which have not changed significantly from the beginning of the period, in which: the bank borrowings due within one year amounted to RMB7,416.74 million, representing a decrease of RMB99.87 million or 1.33% from the beginning of the period; the bank borrowings due above one year amounted to RMB329 million, representing a decrease of RMB73.05 million or 18.17% from the beginning of the period.

As at the end of the reporting period, shareholders' equity of the Group amounted to RMB20,114.22 million, representing an increase of RMB1,731.68 million or 9.42% over the beginning of the period. Gearing ratio was 36.68%, representing a decrease of 2.16 percentage points from the beginning of the reporting period. Capital-liabilities ratio (liabilities divided by shareholders' equity) was 57.94%.

4. CASH FLOW FROM OPERATING ACTIVITIES

The Group's net cash flow from operating activities for the reporting period amounted to RMB1,884.75 million, representing an increase of RMB2,460.21 million over the same period last year. The amount increase in cash flow from operating activities significantly mainly because: (i) as the Group estimated price increase of copper, it increased the purchase volume and remained more raw materials at the end of previous period of last year. While, the purchase and usage of raw materials is stable during the reporting period, which resulted in an increase of cash inflow from operating activities over the same period last year; (ii) the sales of the Group increased by 55.05% during the reporting period over the same period of last year.

As at the end of reporting period, the balance of cash and cash equivalents of the Group was RMB3,465.72 million, representing an increase of RMB712.62 million over the beginning of the period.

SIGNIFICANT EVENTS

(1) IMPLEMENTATION OF PROFIT DISTRIBUTION PLAN DURING THE REPORTING PERIOD

The Company's profit distribution plan for 2007 was to distribute a dividend of RMB3 (tax inclusive for A shares) for every ten shares to all shareholders. The profit distribution plan was considered and approved at the annual general meeting of the Company held on 6 June 2008. On 27 June 2008 and 1 July 2008, the Company distributed RMB0.30 (tax inclusive for A shares) per share in cash to the holders of H shares whose names appeared on the Company's register of members of H shares on 12 May 2008 and holders of A shares whose names appeared on the Company's register of members of A shares on 20 June 2008, respectively.

(2) INTERIM DIVIDEND

The Board does not recommend the payment of interim dividends for the six months ended 30 June 2008. No interim dividends were distributed by the Company in the corresponding period last year.

(3) APPOINTMENT AND TERMINATION OF APPOINTMENT OF THE AUDITORS

During the reporting period, the Company did not change the auditors. The Company appointed Ernst & Young Hua Ming and Ernst & Young Certified Public Accountants as the domestic and international auditors respectively.

(4) AUDIT COMMITTEE

The Company has convened Audit Committee meeting in which the unaudited interim condensed consolidated financial statements and the interim report for the six months ended 30 June 2008 were considered and approved.

(5) CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining and establishing high level of corporate governance. The Company has not employed a Qualified Accountant as senior management of the Company pursuant to Rule 3.24 of the Listing Rules. As at the end of the reporting period, the Company has not finalized any employment terms with any candidate. The Company is actively seeking a suitable candidate to act as the Qualified Accountant.

Save as disclosed, the Company has complied with the code provisions of the Code of Corporate Governance Practice as set out in Appendix 14 to the Listing Rules.

(6) MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

During the reporting period, the Company adopted the Model Code set out in Appendix 10 to the Listing Rules. Having made specific enquiries to all Directors and Supervisors, the Company confirms that all the Directors and Supervisors of the Company have complied with the requirements of the Model Code during the reporting period.

(7) PURCHASE, DISPOSAL AND REPURCHASE OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2008, the Company did not repurchase any of its shares. Neither the Company nor any of its subsidiaries purchased or disposed of any shares of the Company during the six months ended 30 June 2008.

(8) LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group's principal source of liquidity is cash flow from operating activities and short-term loans. The Group's cash is mainly used in paying for operating costs, capital expenditures and loan repayments. During the period, the Group recorded a net cash inflow from operating activities of RMB1,884.75 million. The Group had a cash balance in banks of RMB3,465.72 million as at 30 June 2008. Cash and cash equivalents were mainly denominated in RMB (RMB accounted for approximately 94%, US dollars accounted for approximately 5%, Hong Kong dollars and other currencies accounted for approximately 1%).

As at 30 June 2008, the Group's total bank borrowings were RMB7,745.74 million. The maturity profile is spread over a period between 2008 and 2012, with RMB7,416.74 million payable within one year and RMB329 million payable after the first year.

Among the total bank borrowings, the Group had RMB borrowings in the amount of RMB4,581.46 million, with annual interest rates ranging from 5.18% to 7.83%, and US dollars borrowings in the amount of US$461.33 million (equivalent to RMB3,164.28 million), with an annual interest rate ranging from 3.60% to 6.70%. The Group's borrowings are settled in Renminbi and US dollars.

As at 30 June 2008, the capital-liabilities ratio of the Group was 57.94%, which is lower than the ratio of 63.50% as at 31 December 2007.

It is the intention of the Group to maintain an appropriate composition of equity and debt to constantly achieve an effective capital structure.

(9) ASSETS PLEDGED OF THE GROUP

As at 30 June 2008, assets of the Group amounting to the net book value of RMB2,202.32 million were pledged for securing certain bank loans, including the discounted unmatured commercial and bank notes of RMB1,892.37 million (as of 31 December 2007: RMB2,209.98 million), machineries and equipments with carrying value of RMB129.92 million (as of 31 December 2007: RMB50.27 million) and inventories with net value of RMB180.03 million (as of 31 December 2007: RMB127.13 million).

(10) FOREIGN EXCHANGE RISK

The reporting currency of the Group is Renminbi. Where any transactions in foreign currencies of the Company are incurred, amounts in foreign currencies are translated into RMB at the middle market exchange rates at the beginning of the transaction month. Year-end balance in foreign currency account are retranslated at the market exchange rates at the year end.

Although currently RMB is an inconvertible 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 Group's balance of foreign exchange revenue and spending or dividends payable denominated in Hong Kong dollars or other currencies. However, the Group believes that it is able to obtain sufficient foreign exchange to satisfy its foreign exchange spending.

The Group's operations are mainly in the PRC. Except for export sales, which are mainly transacted in US dollars, the Group currently receives its sales revenue mainly in Renminbi. The Group's exposure to exchange rate fluctuations results primarily from the sales of products and purchase of raw materials in foreign currencies.

(11) DETAILS OF EMPLOYEES

As at 30 June 2008, the Group had 14,422 employees in total, of whom 1,711 were management personnel, 912 were technicians, 11,045 were production personnel and 754 were supporting staff.

(12) CONTINGENT LIABILITIES

As at 30 June 2008, the Group did not have any material contingent liabilities.

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

ERNST & YOUNG

To the Board of Directors of
Jiangxi Copper Company Limited
(Incorporated in the People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 28 to 56 which comprises the condensed consolidated balance sheet of Jiangxi Copper Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") as at 30 June 2008 and the related condensed consolidated statements of income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standards 34 "Interim Financial Reporting" ("IAS 34") issued by International Accounting Standard Board.

The directors are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young
Certified Public Accountants

Hong Kong
26 August 2008

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2008
(PREPARED IN ACCORDANCE WITH IFRS)

		For the six months ended 30 June	
		2008	2007
			(Unaudited
		(Unaudited)	and restated)
	Notes	***RMB'000***	*RMB'000*
REVENUE	4	**26,714,084**	17,274,073
Cost of sales		**(22,847,020)**	(14,428,530)
Gross profit		**3,867,064**	2,845,543
Other income and gains	5	**411,748**	76,525
Selling and distribution costs		**(85,323)**	(68,610)
Administrative expenses		**(298,579)**	(213,441)
Other expenses		**(38,783)**	(36,244)
Finance costs		**(177,372)**	(93,415)
Share of profits and losses of:			
A jointly-controlled entity		**(173)**	—
Associates		**(9,891)**	1,737
PROFIT BEFORE TAX		**3,668,691**	2,512,095
Income tax expense	6	**(894,421)**	(374,633)
PROFIT FOR THE PERIOD		**2,774,270**	2,137,462
Attributable to:			
Equity holders of the company		**2,766,987**	2,096,518
Minority interests		**7,283**	40,944
		2,774,270	2,137,462
DIVIDENDS	7	**906,850**	1,158,015
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
— Basic	8	**RMB0.92**	RMB0.72

The accompanying notes form an integral part of this financial information.

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

AT 30 JUNE 2008
(PREPARED IN ACCORDANCE WITH IFRS)

	Notes	**30 June 2008 (Unaudited) *RMB'000***	31 December 2007 (Audited) *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment	9	**11,182,880**	10,664,343
Prepaid land lease payments		**196,307**	193,386
Intangible assets		**428,586**	454,840
Exploration rights		**41,880**	—
Interest in a jointly-controlled entity		**13,613**	13,786
Interests in associates		**572,682**	634,973
Available-for-sale investments		**292,000**	290,000
Deferred tax assets	10	**52,506**	75,348
Total non-current assets		**12,780,454**	12,326,676
CURRENT ASSETS			
Inventories		**8,977,984**	8,939,919
Trade and bills receivables	11	**5,222,763**	4,528,176
Prepayments, deposits and other receivables		**1,412,846**	1,617,617
Derivative financial instruments	12	**23,513**	54,704
Cash and cash equivalents	13	**3,465,716**	2,753,091
Total current assets		**19,102,822**	17,893,507
Total assets		**31,883,276**	30,220,183
CURRENT LIABILITIES			
Trade and bills payables	14	**1,187,130**	1,944,705
Other payables and accruals		**1,813,472**	1,243,437
Derivative financial instruments	12	**55,280**	—
Interest-bearing bank and other borrowings	15	**7,416,736**	7,516,603
Dividends payable		**1,784**	3,228
Income tax payable		**759,571**	532,617
Total current liabilities		**11,233,973**	11,240,590
NET CURRENT ASSETS		**7,868,849**	6,652,917
TOTAL ASSETS LESS CURRENT LIABILITIES		**20,649,303**	18,979,593

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

AT 30 JUNE 2008
(PREPARED IN ACCORDANCE WITH IFRS)

	Notes	**30 June 2008 (Unaudited) *RMB'000***	31 December 2007 (Audited) *RMB'000*
TOTAL ASSETS LESS CURRENT LIABILITIES		**20,649,303**	18,979,593
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	15	**329,000**	402,046
Deferred income - Government grants	16	**92,845**	96,287
Deferred tax liabilities	10	**5,449**	5,779
Provision for rehabilitation	17	**79,718**	48,224
Other long term payables	18	**28,066**	32,445
Total non-current liabilities		**535,078**	584,781
Net assets		**20,114,225**	18,394,812
EQUITY			
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY			
Share capital	19	**3,022,834**	3,022,834
Reserves	20	**16,855,655**	14,220,975
Proposed dividend	7	**—**	906,850
		19,878,489	18,150,659
Minority interests		**235,736**	244,153
Total equity		**20,114,225**	18,394,812

Approved on behalf of the Board of Directors:

Li Yihuang
Director

Wu Jinxing
Director

The accompanying notes form an integral part of this financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2008
(PREPARED IN ACCORDANCE WITH IFRS)

	Attributable to equity holders of the Company												
	Share capital	Share premium	Capital reserve	Other reserves	Statutory surplus reserve	Discretionary surplus reserve	Retained earnings	Exchange fluctuation reserve	Hedging earnings/ (losses)	Proposed dividend	Total	Minority interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(note 19)	*(note 20)*	*(note 20)*	*(note 20)*	*(note 20)*	*(note 20)*	*(note 20)*	*(note 20)*	*(note 20)*				
At 1 January 2008 (audited)	3,022,834	4,585,536	65,175	(92,506)	1,693,056	3,470,497	4,480,713	(4,092)	22,596	906,850	18,150,659	244,153	18,394,812
Profit for the period	—	—	—	—	—	—	2,766,987	—	—	—	2,766,987	7,283	2,774,270
Exchange difference arising on translation of operations in Hong Kong	—	—	—	—	—	—	—	(2,032)	—	—	(2,032)	(1,663)	(3,695)
Decrease in fair value of cash flow hedges	—	—	—	—	—	—	—	—	(48,624)	—	(48,624)	—	(48,624)
Transfer to profit and loss on cash flow hedges	—	—	—	—	—	—	—	—	(29,252)	—	(29,252)	—	(29,252)
Share of exchange fluctuation reserves of the associate	—	—	—	—	—	—	—	(52,399)	—	—	(52,399)	—	(52,399)
Dividends paid to minority shareholders	—	—	—	—	—	—	—	—	—	—	—	(14,037)	(14,037)
2007 final dividends declared	—	—	—	—	—	—	—	—	—	(906,850)	(906,850)	—	(906,850)
At 30 June 2008 (Unaudited)	3,022,834	4,585,536	65,175	(92,506)	1,693,056	3,470,497	7,247,700	(58,523)	(55,280)	—	19,878,489	235,736	20,114,225
At 1 January 2007 (audited)													
As previously reported	2,895,038	1,945,551	70,546	(92,506)	1,307,273	2,313,617	2,873,156	(1,740)	38,746	1,158,015	12,507,696	415,331	12,923,027
Effect of business combination under common control	—	—	366,414	—	156	—	930	—	—	—	367,500	—	367,500
As restated	2,895,038	1,945,551	436,960	(92,506)	1,307,429	2,313,617	2,874,086	(1,740)	38,746	1,158,015	12,875,196	415,331	13,290,527
Profit for the period	—	—	—	—	—	—	2,096,518	—	—	—	2,096,518	40,944	2,137,462
Exchange difference arising on translation of operations in Hong Kong	—	—	—	—	—	—	—	(986)	—	—	(986)	(807)	(1,793)
Decrease in fair value of cash flow hedges	—	—	—	—	—	—	—	—	(43,216)	—	(43,216)	—	(43,216)
Transfer to profit and loss on cash flow hedges	—	—	—	—	—	—	—	—	4,602	—	4,602	—	4,602
Effect of business combination under common control	—	—	(8,747)	—	—	—	—	—	—	—	(8,747)	—	(8,747)
Dividends paid by acquirees of business combination under common control before the acquisition date	—	—	—	—	—	—	(60,470)	—	—	—	(60,470)	—	(60,470)
Dividends paid to minority shareholders	—	—	—	—	—	—	—	—	—	—	—	(8,741)	(8,741)
2006 final dividends declared	—	—	—	—	—	—	—	—	—	(1,158,015)	(1,158,015)	—	(1,158,015)
At 30 June 2007 (Unaudited)	2,895,038	1,945,551	428,213	(92,506)	1,307,429	2,313,617	4,910,134	(2,726)	132	—	13,704,882	446,727	14,151,609

The accompanying notes form an integral part of this financial information.

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2008
(PREPARED IN ACCORDANCE WITH IFRS)

	For the six months ended 30 June	
	2008	2007
	(Unaudited)	(Unaudited and restated)
	RMB'000	*RMB'000*
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**3,668,691**	2,512,095
Adjustments for:		
Finance costs	**177,372**	93,415
Foreign exchange gains arising from borrowings	**(130,903)**	(105)
Share of losses/(profits) of		
A jointly-controlled entity	**173**	—
Associates	**9,891**	(1,737)
Interest income	**(18,946)**	(7,391)
Loss on disposal of items of property, plant and equipment	**5,754**	7,930
Fair value losses, net:		
Derivative instruments — transactions not qualifying as hedges	**8,594**	12,175
Dividend income from available-for-sale investments	**(5,259)**	—
Provision for impairment of trade and other receivables	**1,012**	12,987
Depreciation of items of property, plant and equipment	**341,064**	265,001
Amortisation of prepaid land lease payments	**1,605**	305
Amortisation of intangible assets	**27,720**	7,793
Deferred income released to income statement	**(3,442)**	(3,252)
	4,083,326	2,899,216
Increase in inventories	**(38,065)**	(1,820,884)
Increase in trade and other receivables	**(876,275)**	(1,318,043)
(Decrease)/increase in trade and other payables	**(658,228)**	29,866
Cash generated from (used in) operations	**2,510,758**	(209,845)
Income tax paid	**(644,955)**	(377,363)
Net cash inflow/(outflow) from operating activities	**1,865,803**	(587,208)

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2008
(PREPARED IN ACCORDANCE WITH IFRS)

	For the six months ended 30 June	
	2008	2007
	(Unaudited)	(Unaudited and restated)
	RMB'000	*RMB'000*
Net cash inflow from (used in) operating activities	**1,865,803**	(587,208)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	**18,946**	7,391
Purchases of items of property, plant and equipment	**(360,107)**	(1,232,765)
Additions to prepaid land lease payments	**(3,701)**	—
Additions to exploration rights	**(25,000)**	—
Additions to intangible assets	**(1,466)**	—
Proceeds from disposal of items of property, plant and equipment	**16,738**	770
Acquisition of available-for-sale investments	**(2,000)**	—
Dividend income received from available-for-sale investments	**5,259**	—
Purchases of shareholding in associates	**—**	(36,000)
Net cash outflow from investing activities	**(351,331)**	(1,260,604)
CASH FLOWS FROM FINANCING ACTIVITIES		
New bank loans	**8,179,600**	4,295,565
Repayment of bank loans	**(8,221,610)**	(2,320,609)
Interest paid	**(218,433)**	(83,439)
Dividends paid	**(523,672)**	—
Dividends paid to minority shareholders	**(14,037)**	—
Net cash (outflow)/inflow from financing activities	**(798,152)**	1,891,517
NET INCREASE IN CASH AND CASH EQUIVALENTS	**716,320**	43,705
Cash and cash equivalents at beginning of period	**2,753,091**	1,021,495
Effect of foreign exchange rate changes, net	**(3,695)**	(105)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**3,465,716**	1,065,095

The accompanying notes form an integral part of this financial information.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2008
(PREPARED IN ACCORDANCE WITH IFRS)

1. CORPORATE INFORMATION

The Company is a Sino-foreign joint venture joint stock limited company established in the People's Republic of China (the "PRC") on 24 January 1997. The registered office of the Company is located at 15 Yejin Avenue, Guixi City, Jiangxi, PRC. In the opinion of the directors, its parent and ultimate holding company is Jiangxi Copper Corporation ("JCC"), which is incorporated in the PRC.

The Company's H Shares are listed on The Stock Exchange of Hong Kong Limited and the London Stock Exchange Limited. The Company's A Shares are listed on the Shanghai Stock Exchange.

The Company is an integrated producer of copper and related products 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. It also provides smelting and refining services pursuant to tolling arrangements for customers.

2. BUSINESS COMBINATION INVOLVING ENTITIES UNDER COMMON CONTROL, ACQUISITION OF MINORITY INTERESTS AND BASIS OF PRESENTATION

In 2007, the Company acquired the following interests and businesses from JCC (the "Acquisition"):

— a 40% equity interest in Jiangxi Copper Alloy Materials Company Limited ("JCAC");

— a 40% equity interest in Jiangxi Copper Products Company Limited ("JCPC");

— 100% equity interests in both Jiangxi Copper Corporation Chemical Company Limited ("Detong Chemical") and Jiangxi Copper Corporation Dexing Transportation Company Limited ("Detong Transportation"); and

— the operating assets and liabilities, and the related business of the Chengmenshan Copper Mine ("Chengmenshan mine").

The Acquisition was satisfied by the Company's issue of 57,039,479 A shares of RMB1 each at a price of approximately RMB31.30 per share (RMB1,785 million) and RMB52 million settled in cash, representing a total consideration of RMB1,837 million. The Acquisition was completed on 27 September 2007.

The Company held 60% equity interests in JCAC and JCPC before the Acquisition. Hence, the above acquisition of the remaining 40% equity interests of JCAC and JCPC was accounted for as an acquisition of minority interests.

The Company, Detong Chemical, Detong Transportation and Chengmenshan mine (the "combining entities") were under the common control of JCC, before and after the Acquisition. The financial statements of the Group have been prepared based on the principles of merger accounting as if the business combination under common control had occurred from the date when the combining entities first came under the control of JCC.

2. BUSINESS COMBINATION INVOLVING ENTITIES UNDER COMMON CONTROL, ACQUISITION OF MINORITY INTERESTS AND BASIS OF PRESENTATION *(CONTINUED)*

The operating results previously reported by the Group for the six months ended 30 June 2007 have been restated to include the operating results of the acquired companies and business as set out below:

	The Group (as previously reported)	**Acquired companies and business under common control**	**Total**	**Consolidation adjustment**	**The Group (as restated)**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Operating profit:					
Revenue	17,298,422	186,644	17,485,066	(210,993)	17,274,073
Profit before tax	2,417,361	94,069	2,511,430	665	2,512,095
Profit for the period	2,072,642	64,322	2,136,964	498	2,137,462

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES

3.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months ended 30 June 2008 have been prepared in accordance with International Accounting Standards 34 "Interim Financial Reporting" and applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2007.

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES *(CONTINUED)*

3.2 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in preparation of the Group's annual financial statements for the year ended 31 December 2007, except for the new accounting policy related to new transactions and the adoption of new standards and interpretations, noted below.

IFRS 2 — Share based compensation

The Group operates a cash-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of share appreciation rights is recognised as expense. The employees are entitled to a future cash payment, based on the increase in the Company's H Share price from a specified level over a specified period of time.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share appreciation rights, by applying an option pricing models, taking into account the terms and condition on which the share appreciation rights were granted, and the extent to which the employees have rendered service to date.

At each balance sheet date, the Group measures the services acquired and the liability incurred at the fair value of the liabilities. The fair value of the liabilities are re-measured at each balance sheet date and at the date of settlement, with any changes in fair value, if any, recognised in the consolidated income statement over the vesting period or for the year, where appropriate.

IFRIC 11 IFRS 2 — Group and Treasury Share Transactions

This interpretation requires arrangements whereby an employee is granted rights to the Group's equity instruments, to be accounted for as an equity-settled scheme, even if the Group acquires the instruments from another party, or the shareholders provide the equity instruments needed. IFRIC 11 also addresses the accounting for share-based payment transactions involving two or more entities within the Group. The adoption of this interpretation did not have effect on the financial position or performance of the Group.

IFRIC 12 — Service Concession Arrangements

This interpretation requires an operator under public-to-private service concession arrangements to recognise the consideration received or receivable in exchange for the construction services as a financial asset and/or an intangible asset, based on the terms of the contractual arrangements.

IFRIC 12 also addresses how an operator shall apply existing IFRSs to account for the obligations and the rights arising from service concession arrangements by which a government or a public sector entity grants a contract for the construction of infrastructure used to provide public services and/or for the supply of public services. As the Group currently has no such arrangements, the interpretation is unlikely to have any financial impact on the Group.

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES *(CONTINUED)*

3.2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

IFRIC-Int 14 IAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

This interpretation addresses the limit under IAS 19 Employee Benefits, on the amount of a refund or a reduction in future contributions in relation to a defined benefit scheme that can be recognised as an asset, in particular, when a minimum funding requirement exists. As the Group currently has no defined benefit scheme, IFRIC-Int 14 is not applicable to the Group and therefore is unlikely to have any financial impact on the Group.

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements.

IFRS 2 Amendments	IFRS 2 Share-based Payment-Vesting Conditions and Cancellations[1]
IFRS 3 (Revised)	Business Combinations[3]
IFRS 8	Operating Segments[1]
IAS 1 (Revised)	Presentation of Financial Statements[1]
IAS 23 (Revised)	Borrowing Costs[1]
IAS 27 (Revised)	Consolidated and Separate Financial Statements[3]
IAS 28 (Revised)	Investments in Associates[3]
IAS 31 (Revised)	Interests in Joint Ventures[3]
IFRIC 13	Customer Loyalty Programmes[2]
IAS 32 and IAS 1(Revised)	Puttable Financial Instruments and Obligations Arising on Liquidation[1]

1 *Effective for annual periods beginning on or after 1 January 2009*
2 *Effective for annual periods beginning on or after 1 July 2008*
3 *Effective for annual periods beginning on or after 1 July 2009*

IFRS 2 Amendments clarifies the definition of "vesting condition", introduces the term "non-vesting condition" for conditions other than vesting conditions; and prescribes the accounting treatment of an award that is effectively cancelled because a non-vesting condition is not satisfied. Previously, IFRS 2 dealt only with situations where an entity cancels an award.

IFRS 3 (Revised) provides the option to measure non-controlling interests at their fair value. Other key changes include: all contingent considerations will be measured at fair value at the date of acquisition, and subsequent changes will no longer result in a change to goodwill; acquisition related costs will be expensed through the income statement at the time the services are received; the acquirer will reassess all assets and liabilities acquired to determine their classification or designation as required by other standards; contingent liabilities only reflect those that represent obligations arising from past events; if the acquirer reacquires a right that it had previously granted to an acquiree, the right will be recognised as an identifiable intangible asset, separately from goodwill; gains or losses from measuring initial equity holdings in step acquisitions at fair value will be recognised. Applying the new requirements will mean, in many cases, that either goodwill will be lower or that the reported results of the Group will become more volatile both in the year of acquisition and subsequently.

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES *(CONTINUED)*

3.2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

IFRS 8, which will replace IAS 14 Segment Reporting, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. The Group expects to adopt IFRS 8 from 1 January 2009.

IAS 1 (Revised) separates owner and non-owner changes in equity. The statement of changes in equity will include only details of transactions with owners, with all non-owner changes in equity presented as a single line. In addition, the standard introduces the statement of comprehensive income: it presents all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense, either in one single statement, or in two linked statements. The Company is still evaluating whether it will have one or two statements.

IAS 23 has been revised to require capitalisation of borrowing costs when such costs are directly attributable to the acquisition, construction or production of a qualifying asset. As the Group's current policy for borrowing costs aligns with the requirements of the revised standard, the revised standard is unlikely to have any financial impact on the Group.

IAS 27 requires that change in the ownership interest of a subsidiary (that does not result in loss of control) will be accounted for as an equity transaction and will have no impact on goodwill nor will it give rise to a gain or loss; losses incurred by a subsidiary will be allocated between the controlling and non-controlling interests, even if the losses exceed the non-controlling equity investment in the subsidiary. The excess losses will no longer be shown in the parent's consolidated financial statements as part of the parent's own equity; on loss of control of a subsidiary, any retained interest will be remeasured to fair value and will impact the gain or loss recognised on disposal.

IAS 28 has been revised to require disclosures when investments in associates are accounted for at fair value through profit or loss. It provides clarification of disclosures required for investments in associates accounted for at fair value in accordance with IAS 39 (i.e. only certain of IAS 28's disclosures are required in addition to those required by IFRS 7). In addition, it has been revised to provide clarification that an investment in an associate is treated as a single asset for impairment testing. Therefore, an impairment loss recorded by an investor after applying the equity method is not allocated against any goodwill included in the equity accounted investment balance. Such an impairment loss should be reversed in a subsequent period to the extent that the recoverable amount of the associate increases.

IAS 31 has been revised to require disclosures when interests in jointly controlled entities are accounted for at fair value through profit or loss. It provides clarification of disclosures required for interests in jointly controlled entities accounted for at fair value in accordance with IAS 39 (i.e. only certain of IAS 31's disclosures are required in addition to those required by IFRS 7).

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES *(CONTINUED)*

3.2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

IFRIC 13 requires that loyalty award credits granted to customers as part of a sales transaction are accounted for as a separate component of the sales transaction. The consideration received in the sales transaction is allocated between the loyalty award credits and the other components of the sale. The amount allocated to the loyalty award credits is determined by reference to their fair value and is deferred until the awards are redeemed or the liability is otherwise extinguished.

IAS 32 (Revised) and IAS 1 (Revised) allows a limited scope exception for puttable financial instruments to be classified as equity if they fulfill a number of specified criteria.

The Group is in the process of making an assessment of the impact of these new and revised IFRSs upon initial application. So far, it has concluded that while the adoption of IFRS 8 may result in new or amended disclosures, these new and revised IFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

4. REVENUE AND SEGMENT INFORMATION

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts; and the value of services rendered, less sales taxes, for the six months ended 30 June. All significant transactions within the Group have been eliminated.

An analysis of the Group's revenue, by goods and services categories, is as follows:

	For the six months ended 30 June	
	2008	2007
	(Unaudited)	(Unaudited and restated)
	RMB'000	*RMB'000*
Sales of goods		
— copper cathodes	**13,288,725**	7,448,641
— copper rods and wires	**9,449,877**	7,639,564
— other joint products and by-products	**3,941,858**	2,148,657
Tolling services	**33,624**	37,211
	26,714,084	17,274,073

4. REVENUE AND SEGMENT INFORMATION *(CONTINUED)*

The Group's revenue and profit for the six months ended 30 June are almost entirely derived from the production and sale of copper cathodes, copper rods and wires and other related products. The directors consider that these activities constitute one single business segment since the products are related and are subject to common risks and returns.

Over 90% of the Group's revenue is derived from Mainland China. All of the production facilities of the Group are located in Mainland China. Therefore, no business and geographical segments are presented.

5. OTHER INCOME AND GAINS

	For the six months ended 30 June	
	2008	2007
	(Unaudited)	(Unaudited and restated)
	RMB'000	*RMB'000*
Net gains of derivative financial instruments *(note)*	**250,624**	63,015
— Net Gains of the settled forward contracts	**256,378**	63,015
— Net losses of fair value changes of outstanding forward contracts	**(5,754)**	—
Foreign exchange gain, net	**130,903**	105
Interest income	**18,946**	7,391
Deferred income released to income statement *(note 16)*	**3,442**	3,252
Dividend income from available-for-sale investments	**5,259**	—
Others	**2,574**	2,762
	411,748	76,525

Note: This item relates to fair value changes of derivative financial instruments which are not designated as hedging instruments and/or not qualified for hedge accounting.

6. INCOME TAX EXPENSE

The major components of income tax expense for the six months ended 30 June 2008 and 2007 are:

	For the six months ended 30 June	
	2008	2007
	(Unaudited)	(Unaudited and restated)
	RMB'000	*RMB'000*
Current income tax payable:		
PRC income tax	**871,217**	419,000
HK income tax	**692**	1,071
	871,909	420,071
Deferred income tax	**22,512**	(45,438)
Income tax charge for the period	**894,421**	374,633

Hong Kong profits tax on one of the Group's subsidiaries has been provided at the rate of 16.5% (2007: 17.5%) on the estimated assessable profits arising in Hong Kong during the six months ended 30 June 2008.

During the 5th Session of the 10th National People's Congress, which was concluded on 16 March 2007, the PRC Corporate Income Tax Law (the "New Corporate Income Tax Law") was approved and became effective on 1 January 2008. The New Corporate Income Tax Law introduces a wide range of changes which include, but are not limited to, the unification of the income tax rate for domestic-invested and foreign-invested enterprises at 25%. New income tax rates have been applied in measuring deferred tax assets and liabilities resulting from temporary differences estimated to be realised after 1 January 2008.

The provision for PRC current income tax is based on a statutory rate of 25% (2007:33%) of the assessable profit of the Group as determined in accordance with the relevant income tax rules and regulations of the PRC, except for certain companies in Mainland China, which enjoy reduced tax rates during a transition period from 2008 to 2012.

Pursuant to a notice dated 16 April 2001 and 13 September 2004 issued by the Jiangxi Provincial Tax Bureau, the Company, being located in the mid-western part of Mainland China, is subject to a reduced income tax rate of 16.5% for a period of three years from year 2005 to year 2007.

At 30 June 2008, the Group has RMB14.5 million (31 December 2007: RMB18.7 million) unused tax losses in respect of a subsidiary acquired in 2005 available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of the subsidiary's future profit streams.

7. DIVIDENDS

	For the six months ended 30 June	
	2008	2007
	(Unaudited)	(Unaudited and restated)
	RMB'000	*RMB'000*
Dividends on ordinary shares declared and paid during the six month period:		
Final dividend for 2007: RMB0.3 per share (2006: RMB0.4 per share)	**906,850**	1,158,015

On 10 June 2008, a dividend of RMB0.30 per share (tax inclusive for A shares) on 3,022,833,727 shares, in aggregate approximately RMB906,850,000 was declared to the shareholders as the final dividend for year 2007. On 27 June 2008 and 1 July 2008, the dividend was paid to the shareholders of H shares and A shares and offset against the receivables from JCC, respectively.

On 26 June 2007, a dividend of RMB0.40 per share (tax inclusive for A Shares) on 2,895,038,200 shares, in aggregate approximately RMB1,158,015,000, was declared to the shareholders as the final dividend for year 2006. On 16 July 2007, the dividend was paid to the shareholders.

The directors do not recommend the payment of an interim dividend for the six months ended 30 June 2008. No interim dividend was declared for the same period last year.

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares in issue during the period. Ordinary shares issued as part of the cost of a business combination involving entities under common control are included in the weighted average number of shares from the beginning of relevant reporting periods, since the Group incorporates into its income statement the acquiree's profits and losses during the relevant reporting periods.

The calculation of basic earnings per share is based on:

	For the six months ended 30 June	
	2008	2007
	(Unaudited)	(Unaudited and restated)
	RMB'000	*RMB'000*
Profit attributable to ordinary equity holders of the Company *(RMB'000)*	**2,766,987**	2,096,518
Weighted average number of ordinary shares in issue	**3,022,833,727**	2,928,843,649
	RMB0.92	RMB0.72

Diluted earnings per share for the six months ended 30 June 2008 and 2007 have not been calculated as no diluting events existed during those periods.

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2008, the Group acquired items of property, plant and equipment with a cost of RMB882,093,000 (2007: RMB1,629,242,000). Depreciation for items of property, plant and equipment is RMB341,064,000 (2007: RMB265,001,000) during the period. No property, plant and equipment were acquired through a business combination during the period (2007: nil).

Property, plant and equipment with a net book value of RMB22,492,000 (2007: RMB34,355,000) was disposed of by the Group during the six months ended 30 June 2008, resulting in a net loss on disposal of RMB5,754,000 (2007: RMB7,930,000).

10. DEFERRED TAX

The balance in deferred tax assets and liabilities are as follows:

	30 June 2008	31 December 2007
	(Unaudited)	*(Audited)*
	RMB'000	*RMB'000*
Deferred tax assets:		
Impairment of assets	**20,207**	20,134
Accrued expenses	**22,631**	46,784
Unrealised profits	**9,247**	7,519
Others	**421**	911
	52,506	75,348

	30 June 2008	31 December 2007
	(Unaudited)	*(Audited)*
	RMB'000	*RMB'000*
Deferred tax liability:		
Fair value gain from derivative financial instruments		
— transactions not qualifying as hedges	**5,449**	5,779

At 30 June 2008, there was no significant unrecognised deferred tax liability (31 December 2007: Nil) for taxes that would be payable on the unremitted earnings of the Group's subsidiaries, associates or jointly-controlled entity as the Group has no liability to additional tax should such amounts be remitted.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

11. TRADE AND BILLS RECEIVABLES

	30 June 2008 **(Unaudited)** ***RMB'000***	31 December 2007 (Audited) *RMB'000*
Trade receivables	**2,069,906**	1,831,346
Bills receivable	**3,280,276**	2,824,294
Less: Provision for impairment of trade receivables	**(127,419)**	(127,464)
	5,222,763	4,528,176

Included in the Group's trade receivables are amounts due from the Group's associates and related parties, as detailed in note 23, which are repayable on similar credit terms to those offered to the major customers of the Group.

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 one month, extending up to three months for major customers. 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 aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

An aged analysis of the trade receivables as at the balance sheet date, based on the invoice date, is as follows:

	30 June 2008 **(Unaudited)** ***RMB'000***	31 December 2007 (Audited) *RMB'000*
Within 1 year	**1,942,617**	1,703,262
1 to 2 years	**—**	709
2 to 3 years	**74**	126
Over 3 years	**127,215**	127,249
	2,069,906	1,831,346

The terms of bills receivables are all within six months.

As at 30 June 2008, certain of the Group's bank-accepted notes with a net book value of RMB1,892,368,000 (31 December 2007: RMB2,029,980,000) were discounted to secure short term bank borrowings *(note 15)*.

12. DERIVATIVE FINANCIAL INSTRUMENTS

	30 June 2008 (Unaudited) ***RMB'000***	31 December 2007 (Audited) *RMB'000*
Commodity forward contracts — copper cathodes		
— Under hedge accounting	**(55,280)**	22,597
— Not under hedge accounting	**23,513**	32,107
	(31,767)	54,704

Under hedge accounting

As at 30 June 2008, forward contracts designated as cash flow hedges to forecasted copper cathode sales were assessed to be highly effective and the unrealised losses of RMB55,280,000 (31 December 2007: unrealised profit of RMB22,597,000) arising from the change in fair value of these derivative instruments are included in equity. This unrealised gain is expected to be released to the income statement when the designated sales of copper cathode occur.

The terms of commodity forward contracts have been negotiated to match the timing of the forecasted sales of copper cathodes. As at the balance sheet date, the expected delivery period of the forecasted sales of copper cathodes is from July 2008 to September 2008.

Not under hedge accounting

The Group also utilises commodity purchase forward contracts to hedge forecasted purchases of copper concentrate and the forecasted purchases of copper rods and copper wires. These arrangements are designated to address significant fluctuations in the price of copper concentrate and copper related products which move in line with the price of copper cathode. However, this arrangement is not considered as an effective hedge according to the Group's accounting policies. The unrealised gains or losses arising from the change in fair value of these hedge instruments are recognised in the income statement. As at the balance sheet date, the expected delivery period of the forecasted purchase of copper concentrate, copper rods and copper wires is from July 2008 to September 2008.

13. CASH AND CASH EQUIVALENTS

	30 June 2008 **(Unaudited)** ***RMB'000***	31 December 2007 (Audited) *RMB'000*
Cash and bank balances	**3,371,234**	2,704,009
Time deposits	**94,482**	49,082
Cash and cash equivalents	**3,465,716**	2,753,091

14. TRADE AND BILLS PAYABLES

	30 June 2008 **(Unaudited)** ***RMB'000***	31 December 2007 (Audited) *RMB'000*
Trade payables	**1,187,130**	1,694,784
Bills payable	**—**	249,921
	1,187,130	1,944,705

An aged analysis of the trade payables as at the balance sheet date, based on the invoice date, is as follows:

	30 June 2008 **(Unaudited)** ***RMB'000***	31 December 2007 (Audited) *RMB'000*
Within 1 year	**1,163,519**	1,680,571
1 to 2 years	**18,321**	9,158
2 to 3 years	**1,293**	2,419
Over 3 years	**3,997**	2,636
	1,187,130	1,694,784

The trade payables are non-interest-bearing and are normally settled on 60 to 90 days terms.

The directors consider that the carrying amount of trade and bills payables approximates to their fair value.

Trade payables due to related parties included in the trade and bills payables are disclosed in note 23 to the financial statements.

15. INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2008 (Unaudited) ***RMB'000***	31 December 2007 (Audited) *RMB'000*
Current:		
Bank loans — secured	**1,998,868**	3,982,577
Bank loans — unsecured	**5,235,686**	2,029,980
Short term debentures	**—**	1,000,000
Current portion of long term bank loans — secured	**182,182**	504,046
	7,416,736	7,516,603
Non-current:		
Bank loans — secured	**99,000**	350,000
Bank loans — unsecured	**412,182**	556,092
	511,182	906,092
Less: Current portion due within one year	**(182,182)**	(504,046)
	329,000	402,046
	7,745,736	7,918,649

For the six months ended 30 June 2008, the bank borrowings carry interest at rates ranging from 3.60% to 7.83% (2007: 4.32% to 7.29%) per annum.

On 11 January 2007, the Company completed the issuance of short term debentures with a fair value of RMB1,000,000,000 (due in 365 days). The debentures bear a coupon rate of 3.8% per annum. The debentures were repaid on 11 January 2008.

15. INTEREST-BEARING BANK AND OTHER BORROWINGS *(CONTINUED)*

Certain of the Group's bank loans are secured by:

(i) mortgages over the Group's bank-accepted notes, which had an aggregate carrying value at the balance sheet date of approximately RMB1,892,368,000 (31 December 2007: RMB2,209,980,000);

(ii) pledges over the Group's machinery, which had an aggregate carrying value at the balance sheet date of approximately RMB129,920,000 (31 December 2007: RMB50,268,000);

(iii) guarantees issued by the Group's ultimate holding company, JCC, for aggregate amounts of approximately RMB99,000,000 (31 December 2007: RMB350,000,000) as at the balance sheet date;

(iv) pledges over the Group's inventories, which had an aggregate carrying value at the balance sheet date of approximately RMB180,030,000 (31 December 2007: RMB127,130,000).

The directors estimate that the carrying amounts of the Group's and the Company's current and non-current borrowings approximate to their fair values, and these borrowings bear interest at variable rates.

16. DEFERRED INCOME — GOVERNMENT GRANTS

	For the six months ended 30 June 2008 (Unaudited) ***RMB'000***	For the year ended 31 December 2007 (Audited) *RMB'000*
At beginning of period/year	**96,287**	72,680
Received during the period/year	**—**	30,665
Released to the income statement	**(3,442)**	(7,058)
At end of period/year	**92,845**	96,287

The deferred income represents government subsidies granted to the Group in relation to its production facilities. The deferred income is released to the income statement over the expected useful life of the facility by equal annual installments.

17. PROVISION FOR REHABILITATION

	For the six months ended 30 June 2008 (Unaudited) ***RMB'000***	For the year ended 31 December 2007 (Audited) *RMB'000*
At beginning of period/year	**48,224**	—
Additions during the period/year	**28,491**	48,224
Interest increment during the period/year	**3,003**	—
At end of period/year	**79,718**	48,224

The Company makes provision for rehabilitation costs expected to arise on closure of the mines. The provision is based on assessments of the cost per square metre to rehabilitate the underground workings, waste dumps, mine site infrastructure, and vegetational zones. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

18. OTHER LONG TERM PAYABLES

	30 June 2008 (Unaudited) ***RMB'000***	31 December 2007 (Audited) *RMB'000*
Payable to JCC *(i)*	**18,248**	20,020
Payable to the Ministry of Land and Resources *(ii)*	**28,462**	32,812
	46,710	52,832
Less:		
Payable to JCC due within one year	**—**	(1,870)
Payable to the Ministry of Land and Resources due within one year	**(18,644)**	(18,517)
	28,066	32,445

(i) The amount represents the balance due to JCC as the consideration for the transfer of the mining rights in respect of the Dexing Mine and the Yongping Mine from JCC to the Company. The amount is repayable in 30 annual installments of RMB1,870,000 each and subject to payment of interest at a rate equal to the State lending rate for a one-year fixed term loan up to a maximum of 15% on each annual installment starting from 1 January 1998. The effective interest rate for the six months ended 30 June 2008 was 7.47% (2007: 7.47%).

(ii) The amount represents the balance due to the Ministry of Land and Resources as the consideration for the acquisition of the mining rights in respect of the Fujiawu Copper Mine.

The directors have estimated that there is no significant difference between the carrying amount of other long term payables and their fair value, as the directors have discounted the amount due after one year with the market average yield.

19. SHARE CAPITAL

	30 June 2008 (Unaudited)		31 December 2007 (Audited)	
	Number of shares	**Share capital** *RMB'000*	Number of shares	Share capital *RMB'000*
— Listed shares subject to trading restrictions	**1,352,830,941**	**1,352,831**	1,352,830,941	1,352,831
— H shares	**1,387,482,000**	**1,387,482**	1,387,482,000	1,387,482
— A shares	**282,520,786**	**282,521**	282,520,786	282,521
	3,022,833,727	**3,022,834**	3,022,833,727	3,022,834

Except for the currency in which dividends are paid and the restrictions as to whether the shareholders should be PRC investors or foreign investors, listed shares subject to trading restrictions, H shares and A shares rank pari passu in all respects with each other.

Pursuant to the resolution of a meeting of the Company's shareholders and as approved by the China Securities Regulatory Commission and relevant authorities, the Company issued 127,795,527 A shares (subject to trading restrictions) of RMB1 each at a price of RMB31.30 per share on 27 September 2007. Out of the newly issued 127,795,527 A shares (subject to trading restrictions), 57,039,479 shares were issued to JCC in consideration of the purchase of certain equity interests and businesses at an agreed value of RMB1,785,336,000 as set out in detail in note 2. The remaining 70,756,048 shares were issued to eight financial institutions for cash of RMB2,214,664,000.

JCC and the eight financial institutions undertake that new shares received by them in this issue will be subject to trading moratorium periods of 36 months and 12 months, respectively, from the date of completion of the new share placement.

20. RESERVES

	30 June 2008 (Unaudited) *RMB'000*	31 December 2007 (Audited) *RMB'000*
Share premium	**4,585,536**	4,585,536
Capital reserve	**65,175**	65,175
Other reserve	**(92,506)**	(92,506)
Statutory surplus reserve	**1,693,056**	1,693,056
Discretionary surplus reserve	**3,470,497**	3,470,497
Retained earning	**7,247,700**	4,480,713
Exchange fluctuation reserve	**(58,523)**	(4,092)
Hedging (losses) /earnings	**(55,280)**	22,596
	16,855,655	14,220,975

21. MAJOR NON-CASH TRANSACTIONS

	For the six months ended 30 June	
	2008	2007
	(Unaudited)	(Unaudited and restated)
	RMB'000	*RMB'000*
Settlement of the 2007 Final dividend payable to JCC by netting off against the receivable from JCC	**384,622**	—
Net increase in amount of payable for acquisition of items of property, plant and equipment	**521,986**	396,477

22. H SHARE SHARE APPRECIATION RIGHTS SCHEME

In accordance with the "Resolution Regarding Adoption and Approval of the H Share Share Appreciation Rights Scheme and Implementation Methods" passed at the Company's Special General Meeting held on 19 February 2008, the Company implemented an H Share share appreciation rights scheme as an appropriate incentive policy for its directors and senior management. Under this scheme, the H Share share appreciation rights (the "Rights") are granted in units with each unit representing one H Share. On 22 February 2008, 509,000 units of the Rights were granted to seven directors and senior management members at the offer price HKD18.9. No shares will be issued under the share appreciation rights scheme. Upon exercise of the Rights, the grantees will receive a cash payment in RMB, subject to any applicable withholding tax, translated from the Hong Kong dollars ("HKD") amount equal to the number of units of Rights exercised multiplied by the appreciation, if any, in the market price of the Company's H Share above the offer price of the Rights, based on the applicable exchange rate between RMB and HKD at the date of the exercise. Not less than 20% of the cash payments so deposited shall remain in the account until the end of the term of service of the relevant grantee. In addition, the cash payments shall only be payable if the grantee has passed the final performance assessment.

The stipulated lock-up period for exercising the Rights is two years after the date of grant. Not more than 40%, 70% and 100% of the Rights can be exercised during the third year, fourth year and fifth year, respectively. The directors and senior management members must retain not less than 20% of their exercisable Rights as at the end of their respective terms of service subject to their final performance assessment results at the end of the term of service. The remaining Rights can be exercised before the expiration of the term of the scheme (10 years). The Rights which have not been exercised by then shall lapse.

During the period ended 30 June 2008, no Rights granted were exercised or expired (2007: nil). As at 30 June 2008, the expiry dates of the outstanding Rights were between 9 and 10 years.

For the period ended 30 June 2008 and as at 30 June 2008, the Group did not recognise share compensation cost and the liability related to the Rights and has not determined the value of Rights granted as the directors believe the related compensation cost is not material to the consolidated financial statements for the period ended 30 June 2008.

23. RELATED PARTY TRANSACTIONS AND BALANCES

In addition to the transactions detailed elsewhere in these financial statements, the Group had transactions with (i) JCC and its affiliates, (ii) Jiangxi Copper Everprofit Qing Yuan Copper Company Limited ("Qing Yuan"), which is the Company's associate and (iii) other state-controlled entities in China, and paid compensation to management as summarised below:

(a) Related party transactions with JCC and its affiliates:

	For the six months ended 30 June	
	2008	2007
	(Unaudited)	(Unaudited and restated)
	RMB'000	*RMB'000*
Sales of goods and services:		
Sales of products and by-products	**2,567,243**	1,605,747
Supply of water and transmission of electricity	**34,590**	44,306
Operation management services	**3,870**	1,762
Supply of gases	**1,494**	977
Processing fee of blister (scrap) copper charged	**17,548**	19,326
Purchases of goods and services:		
Purchases of raw materials and auxiliary materials	**704,744**	972,629
Vehicle transportation services	**69,104**	63,404
Construction services	**39,367**	41,852
Social welfare and support services	**25,749**	32,701
Repair and maintenance services	**69,688**	28,115
Purchase of equipment	**12,545**	11,566
Industrial water supplied	**10,627**	9,882
Brokerage agency services	**6,796**	5,295
Environmental greenery services provided	**4,631**	826
Other related party transactions:		
Pension contributions paid by the Group	**29,401**	27,952
Rentals for office premises charged by the Group	**1,920**	720
Rentals for land use rights charged by the Group	**5,805**	7,070
Rentals for housing for the employees and use of common facilities charged to the Group	**12,626**	12,699
Transfers of mining rights from JCC	**960**	1,735
Rentals for office premises charged to the Group	**2,288**	1,569

The sales to and purchases from related parties are negotiated and agreed by both parties with reference to market prices.

23. RELATED PARTY TRANSACTIONS AND BALANCES *(CONTINUED)*

(b) Related party transactions with Qing Yuan

	For the six months ended 30 June	
	2008	2007
	(Unaudited)	(Unaudited and restated)
	RMB'000	*RMB'000*
Purchase of raw materials and auxiliary products by the Group	**926,171**	30,978

(c) Transactions with other state-controlled entities in the PRC:

The Group operates in an economic environment predominated by enterprises directly or indirectly owned or controlled by the PRC government through its numerous authorities, affiliates or other organisations (collectively "State-owned Enterprises"). During the year, the Group had transactions with State-owned Enterprises including, but not limited to, the sales of goods, purchases of goods, and purchases of items of property, plant and equipment.

The directors consider that the transactions with other State-owned Enterprises are conducted in the ordinary course of the Group's business, and that the dealings of the Group have not been significantly or unduly affected by the fact that the Group and those State-owned Enterprises are ultimately controlled or owned by the PRC government. The Group has established pricing policies for products and services, and these pricing policies do not depend on whether or not the customers are State-owned Enterprises. The directors have confirmed that these transactions are carried out on terms similar to those that would be entered into with non-State-owned Enterprises and have been reflected in the financial statements. The directors are of the opinion that the transactions with other State-owned Enterprises are fair and reasonable.

(d) Compensation of key management personnel of the Group

The remuneration of key management during the year was as follows:

	For the six months ended 30 June	
	2008	2007
	(Unaudited)	(Unaudited and restated)
	RMB'000	*RMB'000*
Total compensation paid to key management personnel	**4,459**	4,406

Having due regard to the substance of the relationship, the directors are of the opinion that meaningful information relating to related party disclosures has been adequately disclosed.

23. RELATED PARTY TRANSACTIONS AND BALANCES *(CONTINUED)*

(e) Outstanding balances with related parties

The Group had the following significant balances with related parties at the balance sheet date:

	30 June 2008 (Unaudited) ***RMB'000***	31 December 2007 (Audited) *RMB'000*
Amounts due from related parties:		
Trade and bills receivables:		
JCC	**—**	121
JCC's affiliates	**873,915**	581,032
	873,915	581,153
Prepayments and other receivables:		
JCC	**2,723**	1,107
JCC's affiliates	**383,063**	302,723
Qing Yuan	**131,084**	—
	516,870	303,830
	1,390,785	884,983
Amounts due to related parties:		
Trade and bills payables:		
JCC	**6,352**	18
JCC's affiliates	**33,063**	39,752
Qing Yuan	**—**	27,222
	39,415	66,992
Other payables and accruals:		
JCC	**202,696**	210,555
JCC's affiliates	**34,512**	90,988
	237,208	301,543
	276,623	368,535
Other long term payables within one year *(note 18)*:		
JCC	**—**	1,870
Other long term payables *(note 18)*:		
JCC	**18,248**	18,150

The above balances arose from the aforementioned transactions, advances to/from related parties and payments made by the Group and related parties on behalf of each other. These balances was unsecured, interest-free and have no fixed repayment terms except for other long term payable to JCC as mentioned in note 18.

24. OPERATING LEASE COMMITMENTS

At the balance sheet date, the Group had outstanding commitments under non-cancellable operating leases, which fall due as follows:

	30 June 2008 (Unaudited) ***RMB'000***	31 December 2007 (Audited) *RMB'000*
Within one year	**16,013**	16,781
In the second to fifth years, inclusive	**63,510**	66,889
After five years	**277,730**	316,266
	357,253	399,936

25. CAPITAL COMMITMENTS

At the balance sheet date, the Group had the following capital commitments:

	30 June 2008 (Unaudited) ***RMB'000***	31 December 2007 (Audited) *RMB'000*
Commitments for the acquisition of items of property, plant and equipment:		
— contracted for, but not provided in the financial statements	**158,986**	441,738
— authorised, but not contracted for		
Investment in associate companies — contracted for, but not provided in the financial statements	**4,407**	11,433
— Project Company in Afghanistan *(i)*	**2,258,347**	—
— Jiangxi Copper Corporation Finance Company Limited *(ii)*	**140,000**	—
	2,561,740	453,171

(i) *The consortium (the "Consortium") comprising the Company and China Metallurgical Group Corporation ("CMCC") entered into a mining contract with the Government of Afghanistan on 25 May 2008. Pursuant to the mining contract, the Consortium agrees to pay the Ministry of Mines of Afghanistan a sum of USD808,000,000 by phases for the rights to explore and exploit minerals in the Central and Western mineralised zones in Aynak Mine in Afghanistan for a period of 30 years. The mining contract can be extended for every five years after its expiry, until the resource reserves therein are exhausted.*

The Company and CMCC agreed to establish a Project Company to replace the Consortium to continue with the development and operation of the Aynak Copper Mine on 27 June 2008. Prior to the introduction of other independent investors, the initial shareholding of the Company and CMCC in the Project Company shall be 25% and 75% respectively.

The total investment of the Project Company shall initially be USD4,390,835,000 and shall be funded by capital injection and by project financing in the proportions of 30% and 70% respectively. The capital injection shall be contributed by the Company and CMCC on a pro rata basis. The Company shall not be obliged to provide guarantees, indemnities or capital commitments for the project financing.

25. CAPITAL COMMITMENTS *(CONTINUED)*

(ii) As at 30 June 2008, 35% of the equity interest of Jiangxi Copper Corporation Finance Company Limited ("JXFC") was owned by the Group. The Board of the Company has passed a resolution on 13 May 2008 to approve a Capital Increase Agreement by the Company with the other shareholders of JXFC, pursuant to which the shareholders of JXFC agree to increase the registered capital of JXFC from RMB300 million to RMB700 million in accordance with their proportional interests in JXFC. The Group has committed to contribute RMB140 million as its portion of the increased registered capital of JXFC. This capital increase is subject to the approval of the China Banking Regulatory Commission. As at the date of approval of the interim condensed consolidated financial statements, this approval has not been obtained.

26. POST BALANCE SHEET EVENTS

(a) Issuance of Bond with Warrants

On 22 January 2008, the Company announced its plan to apply to the China Securities Regulatory Commission ("CSRC") and other relevant PRC authorities for the approval of the issue of RMB Bonds with Warrants in an amount of not more than RMB6.8 billion with no more than 68 million certificates of Bonds to be issued and the listing of such Bonds with Warrants on the Shanghai Stock Exchange ("the Proposed Issuance").

The proceeds from the Proposed Issuance will be applied as to: (i) pursuant to the Acquisition Agreement entered into with JCC by the Company on 16 January 2008, approximately RMB2.08 billion (subject to adjustment) for the acquisition of the businesses closely related to the operation of the Group and operated by JCC and its subsidiaries, (ii) approximately RMB4.72 billion for the repayment of the Company's outstanding borrowings from financial institutions.

The maxim proceeds from the exercise of the Warrants during the 24 months after the listing of the Warrants will be applied as to: (i) approximately RMB2.58 billion for the expansion projects of Dexing Copper Mine; (ii) approximately RMB2.5 billion for development of resources in Afghanistan and Peru; and (iii) approximately RMB1.72 billion for working capital purposes.

The proposed issue of Bonds with Warrants and the connected transaction were approved at a special shareholder meeting held on 20 March 2008. The Company received notice on 28 July 2008 from the CSRC that its application to issue Bonds with Warrants had been conditionally approved.

27. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved and authorised for issue by the board of directors on 26 August 2008.

CONSOLIDATED BALANCE SHEET

30 JUNE 2008
(Expressed in Renminbi Yuan)
(Prepared in accordance with PRC GAAP)

ASSETS	*Note 6*	**30 June 2008 (Unaudited) *RMB***	31 December 2007 (Audited) *RMB*
Current assets:			
Cash and bank	1	**3,465,715,883**	2,753,091,382
Notes receivable	2	**3,280,276,651**	2,824,293,880
Accounts receivable	3	**1,942,486,767**	1,703,882,290
Advances to suppliers	4	**845,558,694**	1,076,252,061
Other receivables	5	**447,501,652**	366,862,217
Inventories	6	**8,977,983,758**	8,939,919,227
Other current assets	7	**23,512,511**	54,703,559
Total current assets		**18,983,035,916**	17,719,004,616
Non-current assets:			
Available-for-sale financial assets	8	**292,000,000**	290,000,000
Long-term equity investments	9	**586,294,986**	648,758,765
Fixed assets	10	**9,585,928,225**	9,427,742,279
Construction in progress	11	**1,596,952,133**	1,236,600,955
Intangible assets	12	**629,106,182**	653,263,989
Exploration costs	13	**41,880,000**	—
Deferred tax assets	14	**52,506,346**	79,437,957
Total non-current assets		**12,784,667,872**	12,335,803,945
TOTAL ASSETS		**31,767,703,788**	30,054,808,561

The notes on pages 71 to 154 form an integral part of these financial statements.

CONSOLIDATED BALANCE SHEET

30 JUNE 2008
(Expressed in Renminbi Yuan)
(Prepared in accordance with PRC GAAP)

LIABILITIES AND OWNERS' EQUITY	*Note 6*	**30 June 2008 (Unaudited) *RMB***	31 December 2007 (Audited) *RMB*
Current liabilities:			
Short-term loans	16	**7,234,554,098**	7,012,556,702
Notes payable	17	**—**	249,921,676
Accounts payable	18	**1,583,333,016**	1,694,783,773
Advances from customers	19	**429,045,712**	232,819,117
Payroll payable	20	**99,310,831**	206,323,048
Taxes payable	21	**835,021,042**	575,149,324
Interests payable		**5,782,700**	46,844,169
Dividends payable	22	**1,784,000**	3,227,511
Other payables	23	**673,465,932**	525,067,796
Non-current liabilities due within one year	24	**200,825,675**	524,433,261
Other current liabilities	7	**55,278,324**	—
Total current liabilities		**11,118,401,330**	11,071,126,377
Non-current liabilities:			
Long-term borrowings	25	**329,000,000**	402,046,000
Long-term payables	26	**28,065,634**	48,803,863
Other non-current liabilities	27	**92,845,084**	96,286,946
Provisions	28	**79,718,062**	48,224,000
Deferred tax liabilities	14	**5,449,017**	5,779,260
Total non-current liabilities		**535,077,797**	601,140,069
Total liabilities		**11,653,479,127**	11,672,266,446

The notes on pages 71 to 154 form an integral part of these financial statements.

30 JUNE 2008
(Expressed in Renminbi Yuan)
(Prepared in accordance with PRC GAAP)

LIABILITIES AND OWNERS' EQUITY *(continued)*	*Note 6*	**30 June 2008 (Unaudited) *RMB***	31 December 2007 (Audited) *RMB*
Owners' equity:			
Share capital	29	**3,022,833,727**	3,022,833,727
Capital reserves	30	**4,483,538,238**	4,613,812,761
Surplus reserves	31	**5,163,553,020**	5,163,553,020
Retained earnings	32	**7,214,686,454**	5,342,280,409
Exchange fluctuation reserves		**(6,123,063)**	(4,090,600)
Equity attributable to shareholders of the Company		**19,878,488,376**	18,138,389,317
Minority interests	33	**235,736,285**	244,152,798
Total owners' equity		**20,114,224,661**	18,382,542,115
TOTAL LIABILITIES AND OWNERS' EQUITY		**31,767,703,788**	30,054,808,561

The financial statements on page 57 to 70 have been signed by:

Legal representative: Li Yihuang   Financial controller: Wu Jinxing   Head of accounting: Qiu Ling

The notes on pages 71 to 154 form an integral part of these financial statements.

CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2008
(Expressed in Renminbi Yuan)
(Prepared in accordance with PRC GAAP)

	Note 6	**For the six months ended 30 June 2008 (Unaudited)** ***RMB***	For the six months ended 30 June 2007 (Unaudited Restated (Note 12)) *RMB*
Revenue	34	**26,830,815,530**	17,304,626,911
Less: Cost of sales	34	**22,830,660,780**	14,480,031,065
Taxes and surcharges	35	**116,731,303**	30,553,510
Distribution and selling costs		**85,322,861**	68,610,214
General and administrative expenses		**297,566,924**	198,874,298
Financial expenses	36	**45,110,613**	94,710,270
Provision for impairment of assets	37	**1,012,143**	14,566,792
Loss from changes of fair value	38	**8,594,489**	12,175,106
Add: Investment income	39	**254,498,024**	64,751,494
Include: (Loss)/gain of share of profit of the associates and a jointly controlled entity		**(10,064,138)**	1,736,906
Operating profit		**3,700,314,441**	2,469,857,150
Add: Non-operating income		**5,931,556**	6,014,353
Less: Non-operating expenses	40	**21,195,885**	15,277,948
Include: Loss on disposal of non-current assets		**7,070,187**	7,929,642
Total profit		**3,685,050,112**	2,460,593,555
Less: Income tax	41	**898,510,667**	361,757,819
Net profit		**2,786,539,445**	2,098,835,736
Include: Net profits of the acquired companies and businesses under common control before the acquisition		**—**	64,322,010
Attributable to share holders of the Company		**2,779,256,163**	2,057,891,981
Minority interests		**7,283,282**	40,943,755
Earnings per share attributable to share holders of the Company — Basic	42	**0.92**	0.70

The notes on pages 71 to 154 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2008
(Expressed in Renminbi Yuan)
(Prepared in accordance with PRC GAAP)

	Attributable to share holders of the Company							
	Share capital	Capital reserves	Surplus reserves	Retained earnings	Exchange fluctuation reserves	Total	Minority interests	Total equity
	RMB	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*
Balance at 1 January 2008 (Audited)	3,022,833,727	4,613,812,761	5,163,553,020	5,342,280,409	(4,090,600)	18,138,389,317	244,152,798	18,382,542,115
Change in current period								
1. Net profit	—	—	—	2,779,256,163	—	2,779,256,163	7,283,282	2,786,539,445
2. Gain or (loss) directly recognized in owners' equity								
(1) Change in fair value of derivative financial instrument	—	(48,623,437)	—	—	—	(48,623,437)	—	(48,623,437)
(2) Transfer to profit or loss on derivative financial instrument	—	(29,251,445)	—	—	—	(29,251,445)	—	(29,251,445)
(3) Exchange difference arising of translation of operation in Hong Kong	—	—	—	—	(2,032,463)	(2,032,463)	(1,662,924)	(3,695,387)
(4) Other equity movement from associate	—	(52,399,641)	—	—	—	(52,399,641)	—	(52,399,641)
3. Shareholders capital contribution and reduction								
(1) Issue new shares	—	—	—	—	—	—	—	—
4. Profit appropriation								
(1) Appropriation to surplus reserve	—	—	—	—	—	—	—	—
(2) Distribution to shareholders	—	—	—	(906,850,118)	—	(906,850,118)	(14,036,871)	(920,886,989)
Total changes in current period	—	(130,274,523)	—	1,872,406,045	(2,032,463)	1,740,099,059	(8,416,513)	1,731,682,546
Balance at 30 June 2008 (Unaudited)	3,022,833,727	4,483,538,238	5,163,553,020	7,214,686,454	(6,123,063)	19,878,488,376	235,736,285	20,114,224,661

The notes on pages 71 to 154 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2008
(Expressed in Renminbi Yuan)
(Prepared in accordance with PRC GAAP)

	Attributable to share holders of the Company							
	Share capital	Capital reserves	Surplus reserves	Retained earnings	Exchange fluctuation reserves	Total	Minority interests	Total equity
	RMB	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*
Balance at 1 January 2007 (Audited)	2,895,038,200	1,995,348,895	3,620,890,129	3,998,159,747	(1,740,229)	12,507,696,742	415,330,609	12,923,027,351
Add: Effect of opening balance adjustment for business combination under common Control	—	366,413,922	156,413	927,948	—	367,498,283	—	367,498,283
Balance at 1 January 2007 (Restated)	2,895,038,200	2,361,762,817	3,621,046,542	3,999,087,695	(1,740,229)	12,875,195,025	415,330,609	13,290,525,634
Change in current period								
1. Net profit	—	—	—	2,057,891,981	—	2,057,891,981	40,943,755	2,098,835,736
2. Gain or (loss) directly recognized in owners' equity								
(1) Change in fair value of derivative financial instrument	—	(43,216,290)	—	—	—	(43,216,290)	—	(43,216,290)
(2) Transfer to profit or loss on derivative financial instrument	—	4,602,000	—	—	—	4,602,000	—	4,602,000
(3) Exchange difference arising of translation of operation in Hong Kong	—	—	—	—	(986,117)	(986,117)	(806,823)	(1,792,940)
3. Shareholders capital contribution and reduction								
(1) Issue new shares	—	—	—	—	—	—	—	—
(2) Effect of business combination under common control	—	(8,747,043)	—	—	—	(8,747,043)	—	(8,747,043)
4. Profit appropriation								
(1) Appropriation to surplus reserve	—	—	—	—	—	—	—	—
(2) Distribution to shareholders	—	—	—	(1,158,015,280)	—	(1,158,015,280)	(8,740,827)	(1,166,756,107)
(3) Dividends paid by acquirees of business combination under common control before the acquisition date	—	—	—	(60,469,452)	—	(60,469,452)	—	(60,469,452)
Total changes in current period	—	(47,361,333)	—	839,407,249	(986,117)	791,059,799	31,396,105	822,455,904
Balance at 30 June 2007 (Unaudited Restated)	2,895,038,200	2,314,401,484	3,621,046,542	4,838,494,944	(2,726,346)	13,666,254,824	446,726,714	14,112,981,538

The notes on pages 71 to 154 form an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2008
(Expressed in Renminbi Yuan)
(Prepared in accordance with PRC GAAP)

	Note 6	**For the six months ended 30 June 2008 (Unaudited)** ***RMB***	For the six months ended 30 June 2007 (Unaudited Restated (Note12)) *RMB*
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from sale of goods or rendering of services		**33,629,424,035**	22,263,772,934
Cash received relating to other operating activities	43	**279,421,622**	76,419,956
Sub-total of cash inflows		**33,908,845,657**	22,340,192,890
Cash paid for goods and services		**29,162,295,088**	20,584,620,543
Cash paid to and on behalf of employees		**453,876,770**	382,010,395
Cash paid for all types of taxes		**1,927,454,957**	1,608,422,214
Cash paid relating to other operating activities	43	**480,469,911**	340,605,522
Sub-total of cash outflows		**32,024,096,726**	22,915,658,674
Net cash flows from operating activities	45	**1,884,748,931**	(575,465,784)
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash received from investment income		**5,259,417**	—
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		**16,736,675**	770,053
Sub-total of cash inflows		**21,996,092**	770,053
Cash paid for acquiring of fixed assets, intangible assets and other long-term assets		**390,274,236**	1,224,430,340
Cash paid for acquisition of investments		**2,000,000**	36,000,000
Sub-total of cash outflows		**392,274,236**	1,260,430,340
Net cash flows from investing activities		**(370,278,144)**	(1,259,660,287)

The notes on pages 71 to 154 form an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2008
(Expressed in Renminbi Yuan)
(Prepared in accordance with PRC GAAP)

	Note 6	**For the six months ended 30 June 2008 (Unaudited)** ***RMB***	For the six months ended 30 June 2007 (Unaudited Restated (Note12)) *RMB*
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash received from borrowings		**8,179,600,444**	4,303,695,434
Sub-total of cash inflows		**8,179,600,444**	4,303,695,434
Cash repayments of borrowings		**8,221,609,821**	2,320,608,500
Cash paid for distribution of dividends or profits and for interest expenses		**756,141,522**	104,466,114
Including cash paid to minority interests for distribution of dividends or profits by subsidiaries		**14,036,871**	8,740,828
Sub-total of cash outflows		**8,977,751,343**	2,425,074,614
Net cash flows from financing activities		**(798,150,899)**	1,878,620,820
EFFECT OF EXCHANGES RATE CHANGES		**(3,695,387)**	104,987
NET INCREASE IN CASH AND CASH EQUIVALENTS		**712,624,501**	43,599,736
Add: Cash and cash equivalents balance at beginning of period		**2,753,091,382**	1,021,494,768
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**3,465,715,883**	1,065,094,504

The notes on pages 71 to 154 form an integral part of these financial statements.

BALANCE SHEET

30 June 2008
(Expressed in Renminbi Yuan)
(Prepared in accordance with PRC GAAP)

ASSETS	*Note 7*	**30 June 2008 (Unaudited) *RMB***	31 December 2007 (Audited) *RMB*
Current assets:			
Cash and bank		**3,226,000,796**	2,186,547,620
Notes receivable		**3,112,012,549**	2,785,852,908
Accounts receivable	1	**1,327,872,614**	1,213,919,259
Advances to suppliers		**745,628,757**	954,994,863
Dividend receivable		**16,000,000**	—
Other receivables	2	**347,806,704**	313,540,205
Inventories		**8,565,260,810**	8,780,300,514
Other current assets		**15,239,861**	22,596,559
Total current assets		**17,355,822,091**	16,257,751,928
Non-current assets:			
Available-for-sale financial assets		**280,000,000**	280,000,000
Long-term equity investments	3	**1,426,245,207**	1,506,504,940
Fixed assets		**8,734,052,156**	8,527,514,838
Construction in progress		**1,575,239,757**	1,231,789,996
Intangible assets		**608,546,950**	621,065,568
Deferred tax assets		**42,515,325**	70,612,658
Exploration costs		**41,880,000**	—
Total non-current assets		**12,708,479,395**	12,237,488,000
TOTAL ASSETS		**30,064,301,486**	28,495,239,928

The notes on pages 71 to 154 form an integral part of these financial statements.

BALANCE SHEET

30 June 2008
(Expressed in Renminbi Yuan)
(Prepared in accordance with PRC GAAP)

LIABILITIES AND OWNERS' EQUITY	*Note 7*	**30 June 2008 (Unaudited)** ***RMB***	31 December 2007 (Audited) *RMB*
Current liabilities:			
Short-term loans		**7,014,928,552**	6,832,712,240
Notes payable		**—**	249,921,676
Accounts payable		**1,231,948,335**	1,129,953,366
Advances from customers		**128,740,068**	167,084,256
Payroll payable		**90,172,877**	186,779,498
Taxes payable		**832,636,746**	530,053,356
Interests payable		**5,782,700**	46,844,169
Other payables		**537,191,043**	449,232,036
Non-current liabilities due within one year		**200,825,675**	493,433,261
Other Non-current liabilities		**55,278,324**	—
Total current liabilities		**10,097,504,320**	10,086,013,858
Non-current liabilities:			
Long-term borrowings		**230,000,000**	303,046,000
Long-term payables		**28,065,634**	43,868,654
Other non-current liabilities		**91,370,084**	94,636,946
Provisions		**79,718,062**	48,224,000
Deferred tax liabilities		**3,809,965**	—
Total non-current liabilities		**432,963,745**	489,775,600
Total liabilities		**10,530,468,065**	10,575,789,458
Owners' equity:			
Share capital		**3,022,833,727**	3,022,833,727
Capital reserves		**4,488,909,086**	4,619,183,609
Surplus reserves		**5,145,125,770**	5,145,125,770
Retained earnings		**6,876,964,838**	5,132,307,364
Total owners' equity		**19,533,833,421**	17,919,450,470
TOTAL LIABILITIES AND OWNERS' EQUITY		**30,064,301,486**	28,495,239,928

The notes on pages 71 to 154 form an integral part of these financial statements.

INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2008
(Expressed in Renminbi Yuan)
(Prepared in accordance with PRC GAAP)

	Note 7	**For the six months ended 30 June 2008 (Unaudited)** ***RMB***	For the six months ended 30 June 2007 (Unaudited Restated (Note12)) *RMB*
Revenue	4	**25,451,447,763**	16,741,252,936
Less: Cost of sales	4	**21,602,635,323**	14,236,624,250
Taxes and surcharges		**115,142,638**	27,691,246
Distribution and selling costs		**59,871,021**	47,465,174
General and administrative expenses		**262,112,890**	134,718,669
Financial expenses		**39,307,947**	82,656,972
Provision for impairment of assets		**(8,269)**	12,682,668
Add: Gain/(loss) from changes of fair value		**15,239,861**	(12,175,106)
Investment income	5	**164,725,315**	57,369,137
Include: (Loss)/gain of share of profit of the associates and a jointly controlled entity		**(9,968,571)**	1,701,118
Operating profit		**3,552,351,389**	2,244,607,988
Add: Non-operating income		**5,268,783**	3,643,431
Less: Non-operating expenses		**19,476,924**	13,427,051
Include: Loss on disposal of non-current assets		**7,070,187**	7,929,642
Total profit		**3,538,143,248**	2,234,824,368
Less: Income tax		**886,635,656**	323,393,447
Net profit		**2,651,507,592**	1,911,430,921

The notes on pages 71 to 154 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2008
(Expressed in Renminbi Yuan)
(Prepared in accordance with PRC GAAP)

	Share capital *RMB*	Capital reserves *RMB*	Surplus reserves *RMB*	Retained earnings *RMB*	Total *RMB*
Balance at 1 January 2008 (Audited)	3,022,833,727	4,619,183,609	5,145,125,770	5,132,307,364	17,919,450,470
Change in current period					
1. Net profit	—	—	—	2,651,507,592	2,651,507,592
2. Gain or (loss) directly recognized in owners' equity					
(1) Change in fair value of derivative financial instrument	—	(48,623,437)	—	—	(48,623,437)
(2) Transfer to profit or loss on derivative financial instrument	—	(29,251,445)	—	—	(29,251,445)
(3) Other equity movement from associate	—	(52,399,641)	—	—	(52,399,641)
3. Shareholders capital contribution and reduction					
(1) Issue new shares	—	—	—	—	—
4. Profit appropriation					
(1) Appropriation to surplus reserve	—	—	—	—	—
(2) Distribution to shareholders	—	—	—	(906,850,118)	(906,850,118)
Changes in current period	—	(130,274,523)	—	1,744,657,474	1,614,382,951
Balance at 30 June 2008 (Unaudited)	3,022,833,727	4,488,909,086	5,145,125,770	6,876,964,838	19,533,833,421

	Share capital *RMB*	Capital reserves *RMB*	Surplus reserves *RMB*	Retained earnings *RMB*	Total *RMB*
Balance at 1 January 2007 (Audited)	2,895,038,200	1,995,348,895	3,602,619,292	3,974,518,929	12,467,525,316
Change in current period					
1. Net profit	—	—	—	1,911,430,921	1,911,430,921
2. Gain or (loss) directly recognized in owners' equity					
(1) Change in fair value of derivative financial instrument	—	(43,216,290)	—	—	(43,216,290)
(2) Transfer to profit or loss on derivative financial instrument	—	4,602,000	—	—	4,602,000
3. Shareholders capital contribution and reduction					
(1) Issue new shares	—	—	—	—	—
4. Profit appropriation					
(1) Appropriation to surplus reserve	—	—	—	—	—
(2) Distribution to shareholders	—	—	—	(1,158,015,280)	(1,158,015,280)
Changes in current period	—	(38,614,290)	—	753,415,641	714,801,351
Balance at 30 June 2007 (Unaudited Restated)	2,895,038,200	1,956,734,605	3,602,619,292	4,727,934,570	13,182,326,667

The notes on pages 71 to 154 form an integral part of these financial statements.

CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2008
(Expressed in Renminbi Yuan)
(Prepared in accordance with PRC GAAP)

	For the six months ended 30 June 2008 (Unaudited) *RMB*	For the six months ended 30 June 2007 (Unaudited Restated (Note12)) *RMB*
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from sale of goods or rendering of services	**30,672,906,626**	21,947,312,869
Cash received relating to other operating activities	**171,742,693**	7,270,964
Sub-total of cash inflows	**30,844,649,319**	21,954,583,833
Cash paid for goods and services	**25,966,324,862**	20,540,842,892
Cash paid to and on behalf of employees	**414,863,266**	338,559,145
Cash paid for all types of taxes	**1,832,550,303**	1,221,896,408
Cash paid relating to other operating activities	**322,179,629**	286,387,530
Sub-total of cash outflows	**28,535,918,060**	22,387,685,975
Net cash flows from operating activities	**2,308,731,259**	(433,102,142)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash received from investment income	**2,505,492**	81,655
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	**10,027,885**	698,075
Sub-total of cash inflows	**12,533,377**	779,730
Cash paid for acquiring of fixed assets, intangible assets and other long-term assets	**480,469,896**	1,185,634,116
Cash paid for acquisition of investments	**—**	36,000,000
Sub-total of cash outflows	**480,469,896**	1,221,634,116
Net cash flows from investing activities	**(467,936,519)**	(1,220,854,386)

The notes on pages 71 to 154 form an integral part of these financial statements.

CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2008
(Expressed in Renminbi Yuan)
(Prepared in accordance with PRC GAAP)

	For the six months ended 30 June 2008 (Unaudited) ***RMB***	For the six months ended 30 June 2007 (Unaudited Restated (Note12)) *RMB*
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from borrowings	**7,989,974,899**	4,042,671,628
Sub-total of cash inflows	**7,989,974,899**	4,042,671,628
Cash repayments of borrowings	**8,071,765,359**	2,158,908,500
Cash paid for distribution of dividends or profits and for interest expenses	**719,551,104**	27,077,992
Sub-total of cash outflows	**8,791,316,463**	2,185,986,492
Net cash flows from financing activities	**(801,341,564)**	1,856,685,136
EFFECT OF EXCHANGES RATE CHANGES	**—**	—
NET INCREASE IN CASH AND CASH EQUIVALENTS	**1,039,453,176**	202,728,608
Add: Cash and cash equivalents Balance at beginning of period	**2,186,547,620**	515,988,371
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**3,226,000,796**	718,716,979

The notes on pages 71 to 154 form an integral part of these financial statements.

FOR THE SIX MONTHS ENDED 30 JUNE 2008
(Expressed in Renminbi Yuan)
(Prepared in accordance with PRC GAAP)

1. COMPANY INFORMATION

Jiangxi Copper Company Limited (the "Company") was registered in Jiangxi Province, the People's Republic of China (the "PRC") as a joint stock limited company. On 24 January 1997, the company was established by Jiangxi Copper Corporation ("JCC"), HongKong 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 registration number of the Company's business licence is Qi He Kan Zhong Zi 003556. The Company's H Shares were listed on the Stock Exchange of Hong Kong Limited and London Stock Exchange ("LSE") on 12 June 1997. The head office of the Company is located in 15 Yejin Avenue, Guixi City, Jiangxi Province, PRC. The Company's holding company is JCC, and the ultimate controller is the State-owned Assets Supervision & Administration Commission ("SASAC") of People's Government of Jiangxi Province.

The Company has allotted 230,000,000 ordinary A shares of par value of RMB1.00 each on 21 December 2001 and was listed on Shanghai Stock Exchange ("SSE") on 11 January 2002. The Company's share capital increased to RMB2,664,038,200 after the issue of A shares.

According to the approval of the Company's annual general meeting of 2004 and pursuant to the sanction document of ZhengJianGuoHeZi [2004] No.16 issued by the China Security and Regulatory Commission ("CSRC"), the Company places an aggregate of 231,000,000 H shares of par value of RMB1.00 each on 25 July 2005. After the placing, the share capital of the Company increases to RMB2,895,038,200.

The Company has been recognized as one of the twenty-second batch share reform companies by China Securities Regulatory Commission and its share reform plan was implemented on 17 April 2006 upon approval of the Gan State-owned Assets Ownership Letter [2006] No.76 issued by the SASAC of People's Government of Jiangxi Province and the Ministry of Commerce of the PRC, as well as approved by the Company's shareholder's meeting. More details are given in notes 6 (29).

According to the approval of the Company's annual general meeting of 2007 and pursuant to the sanction document of ZhengJianGuoHeZi (2007)278 issued by the CSRC, the Company non-publicly issues an aggregate of 127,795,527 A shares of par value of RMB1.00 each on 27 September 2007. After the placing, the share capital of the Company increases to RMB3,022,833,727. More details are given in notes 6 (29).

The Company mainly engages in smelting, protracting and refining of non-ferrous metal mine, precious metal mine, non-metal mine, non ferrous metal and by-products; after-sale service for self-produced products and relevant consulting service.

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with the "Accounting Standards for Business Enterprises" issued by the Ministry of Finance of the PRC in 2006, which comprise the Basic Standard, the Specific Standards, application guidance and other related regulations.

The financial statements for the six months ended 30 June 2008 present truthfully and completely the financial position of the Group and the Company as at 30 June 2008, and of its financial performance and its cash flows for 2008 in accordance with the Accounting Standards for Business Enterprises.

3. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

The financial statements are prepared based on the following accounting policies and estimates.

(1) Accounting year

The accounting year of the Group is from 1 January to 31 December. The period of this financial statement is from 1 January 2008 to 30 June 2008 (the "Period").

(2) Reporting currency

The Company's reporting and presentation currency is the Renminbi ("RMB"). Unless otherwise stated, the unit of the currency is Yuan.

The reporting and presentation currencies of the Group's subsidiaries, associates and joint ventures are adopted according to their own business environments and have been translated to RMB for consolidation.

(3) Basis of accounting and measurement basis

Except for certain financial instruments, the Group's accounts have been prepared on an accrual basis using the historical cost as the basis of measurement. If the assets are impaired, impairment provisions are made in accordance with the relevant regulations.

3. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES *(CONTINUED)*

(4) Business combinations

The term "business combination" refers to a transaction or event bringing together two or more separate enterprises into one reporting entity. Business combinations are classified into the business combinations under common control and the business combinations not under common control.

Business combinations under common control

A business combination under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. In a business combination under common control, the party which obtains control of other combining enterprise(s) on the combination date is the merging party, the other combining enterprise(s) is (are) the merged party. The "combination date" refers to the date on which the merging party actually obtains control of the merged parties.

The assets and liabilities that the merging party obtains in a business combination shall be measured on the basis of their carrying amounts in the merged parties on the date of combination. The difference between the carrying amount of the net assets which the merging party obtains and the carrying amount of the consideration which it pays (or the total par value of the shares issued) shall adjust the additional capital reserves. If the additional capital reserves are not sufficient to be offset, the retained earnings shall be adjusted.

The merging party's direct costs for the business combination shall be recorded in the profits and losses in the current period.

Business combinations not under common control

A business combination not under common control is a business combination in which the combining enterprises are not ultimately controlled by the same party or parties both before and after the business combination. In a business combination not under common control, the party which obtains control of other combining enterprise(s) on the purchase date is the acquirer, other combining enterprise(s) is (are) the acquirees. The "acquisition date" refers to the date on which the acquirer actually obtains control of the acquirees.

For a business combination not under common control, the combination costs shall be the fair values, on the acquisition date, of the assets given, the liabilities incurred or assumed, and the equity securities issued by the acquirer, in exchange for the control of the acquiree and the direct costs for the business combination.

The acquirer shall measure the assets given and liabilities incurred or assumed as consideration of the business combination at their fair values on the acquisition date.

3. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES *(CONTINUED)*

(4) Business combinations *(continued)*

Business combinations not under common control (continued)

Where the cost of a business combination exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference shall be recognized as goodwill. Where the cost of combination is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference shall be accounted for according to the following requirements:

(i) the acquirer shall reassess the measurement of the fair values of the acquiree's identifiable assets, liabilities and contingent liabilities and measurement of the cost of combination;

(ii) if after that reassessment, the cost of combination is still less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer shall recognize the remaining difference immediately in profit or loss for the current period.

(5) Consolidated financial statements

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the six months ended 30 June 2008. A subsidiary is an entity whose financial and operating policies the Group controls, directly or indirectly.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All significant intra-group balances and transactions are eliminated.

Minority interests represent the interests of outside shareholders not held by the Group in the results and net assets of the Group's subsidiaries and are presented separately in the financial statement.

Where the parent has acquired a subsidiary or business during the reporting period through a business combination involving enterprises under common control, the acquiree's operating results and cash flows shall be incorporated in the consolidated income statement and consolidated financial statements as if the acquiree is under the control at the beginning and the comparative amounts of the consolidated financial statements of the Group shall be restated accordingly.

Where the Group has acquired a subsidiary through a business combination involving enterprises not under common control, the operating results and cash flows of the acquiree shall be included in the consolidated financial statements of the acquirer from the acquisition date until the date that such control cease. In preparation of the consolidated financial statements, the financial statements of the acquired subsidiary shall be adjusted based on the fair value of the subsidiary's identifiable assets, liabilities or contingent liabilities determined at the acquisition date.

3. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES *(CONTINUED)*

(6) Cash equivalents

Cash equivalents represent short-term, highly liquid investments which are readily convertible into known amounts of cash, and which are subject to an insignificant risk of changes in value.

(7) Foreign currency translation

Foreign currency translation

Transactions in foreign currencies are translated into the reporting currency when the transactions take place.

Transactions in foreign currencies are translated into the reporting currency at the market exchange rates prevailing on the first day of the month in which the transactions take place. Monetary assets and liabilities denominated in foreign currencies are restated into the reporting currency using the rates of exchange ruling at the balance sheet date. The exchange gains or losses are dealt with in the income statement for the period. The exchange gains or losses arising from foreign currency borrowings related to the acquisition or construction of a fixed asset are accounted for based on the requirements relating to the capitalisation of borrowing costs. Non-monetary assets and liabilities denominated in foreign currencies measured at historical cost shall continue to be translated at the spot exchange rates at the dates of the transactions; the amount in functional currency shall remain unchanged. Non-monetary assets and liabilities denominated in foreign currencies measured at fair value shall be translated at the spot exchange rates at the dates of. Exchange differences arising from the difference are recognized in profit or loss or capital surplus for the current period.

Translation for overseas operation

The functional currencies of certain overseas entities within the Group are currencies other than RMB. These financial statements in foreign currency are translated into RMB for consolidation as follows: As at the balance sheet date, the assets and liabilities of these entities are translated into RMB at the exchange rates ruling at the balance sheet date and, the owner's equities (except for retained earnings) and the items of income statements are all translated into RMB at the exchange rates ruling on the transaction dates. Income statement items in the year are translated at the average exchange rates for year. The resulting exchange differences are included in a separate component of equity. On disposal of a foreign entity, the Group may calculate the differences arising from the translation of foreign currency statements of the part of disposal based on the disposal rate and shall shift them into the profits and losses of the current period.

For the purpose of the consolidated cash flow statement, the cash flows of the subsidiary incorporated overseas are translated into RMB at the exchange rates ruling at the dates of the cash flows. The cash difference caused by the exchange rates was recognised as an adjusted item and represent in a separate component of the cash flow.

3. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES *(CONTINUED)*

(8) Inventories

Inventories include raw materials, work in progress, and finished goods. Inventories contains finished goods for sales purpose produced in normal operating activities, or work in progress for sales purpose which is under processing, or materials and consumables being consumed in the production or rendering of services.

Inventories are initially stated at cost. The cost of inventories comprises all costs of purchase, costs of conversion and other costs.

The cost of inventories issued is determined on the weighted average basis.

When more than one finished product is abstracted from the mineral resource ("joint-product, major product and by-product"), their production costs are apportioned among resulting finished products by reference to their sales amount at the point where those products become physically separated.

The Company adopts perpetual inventory method.

Low-value consumables and packing materials are expensed in full when issued for use.

Inventories are measured at the lower of cost and net realizable value at balance sheet day. Where the net realizable value is lower than the cost, the difference is recognized in the current period as a provision for decline in value. When the circumstances that previously caused the inventories to be written down below the cost no longer exist, the write-down shall be reversed. The reversal shall be limited to the originally amount provided for the decline in value of inventories. The amount of the reversal is included in profit or loss for the current period.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs to completion and the estimated expenses and the related taxes necessary to make the sale. Provision for decline in value of finished goods is made an individual item basis and that of raw material is made by category.

3. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES *(CONTINUED)*

(9) Long-term investments

Long-term investments include the investments in subsidiaries, joint ventures and associated companies. A long-term investment is initially recorded at its cost on acquisition.

When the Company holds control or does not hold jointly control, or exercises no significant influence on the invested enterprise, and the investment is not quoted in an active market and its fair value cannot be reliably measured, the cost method is applied.

When the cost method is adopted, the investments are initially recognised at cost, and investment income is recognized in the income statement of the period to the extent that the Company's share of the profit or cash dividend declared to be distributed by the invested enterprise. Any excess is treated as a recovery of the investment cost.

The equity method is adopted when the Company holds joint control, or exercises significant influence over the invested company.

When the equity method is adopted, where the initial investment cost of a long-term equity investment exceeds the investing enterprise's interest in the fair values of the investee's identifiable net assets at the acquisition date, the difference is accounted for as an initial cost. Where the initial investment cost is less than the investing enterprise's interest in the fair values of the investee's identifiable net assets at the acquisition date, the difference shall be charged to profit or loss for the current period, and the cost of the long-term equity investment shall be adjusted accordingly.

When the equity method is adopted, the Group recognizes its share of post-acquisition result in the invested enterprise for the current period as a gain or loss on investment, and also increases or decreases the carrying amount of the investment. When the Group recognizes its share of net profit of the invested enterprise, it shall adjust the financial statements of the invested entity to conform to its own accounting period and accounting policies, and make appropriate adjustments based on the fair values of the invested entity's individual separately identifiable assets etc, determine at the time of acquisition. Moreover, profits and losses arising from intra-group transactions between the enterprise (including its consolidated subsidiaries) and its associates or joint ventures shall be eliminated to the extent of the enterprise's interest in the investees, and on that basis the investment income or losses is recognised. However, the share of net loss is only recognized to the extent that the carrying value of the investment is reduced to zero, except to the extent that the Group has incurred obligations to assume additional losses. The Group shall adjust the carrying amount of the long-term equity investment for other changes in owner's equity of the invested enterprise (other than net profits or losses), and include the corresponding adjustment in equity.

On disposal of a long-term equity investment, the difference between the proceeds actually received and carrying amount shall be recognized in profit or loss for the current period.

Where the addition cost of long term equity investment for acquisition of share of minority interest exceeds the share of the subsidiary's identifiable net assets continuously calculated by new share percentage since acquisition date or combination date, the difference is represented as goodwill or capital reserve in the consolidated financial statements.

(Expressed in Renminbi Yuan)

3. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES *(CONTINUED)*

(10) Fixed assets

Fixed assets are tangible assets held by the Company for use in production of goods, supply of services, for rental or for administrative purposes, and are expected to be used for more than one year.

A fixed asset shall be recognized only when the economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. Subsequent expenditures incurred for a fixed asset that meet the recognition criteria shall be included in the cost of the fixed asset. Otherwise, such expenditure shall be recognized in profit or loss in the period in which they are incurred.

Fixed assets are initially measured at cost and the expected discard expenses should be taken into account. The cost of a purchased fixed asset comprises the purchase price; related taxes and any directly attributable expenditure for bring the asset to its working condition for its intended use, such as delivery and handling costs, installation costs and other surcharge.

Depreciation is calculated using the straight-line method. The estimated useful lives, estimated residual values and annual depreciation rates of fixed assets are as follows:

	Estimated useful life	**Estimated residual rate**	**Annual depreciation rate**
Buildings	12 — 40 years	3% - 10%	2.25 — 8.08%
Equipment and machinery	10 — 25 years	3% - 10%	3.60 — 9.70%
Vehicles	10 — 12 years	3% - 10%	7.50 — 9.70%
Office equipment	5 — 8 years	3% - 10%	11.25 — 19.40%

The Group reviews the useful life and estimated net residual value of a fixed asset and the depreciation method applied at least at the end of each year and adjust if necessary.

(11) Construction in progress

Construction in progress is recorded at the actual cost incurred for the construction. Cost includes all expenditures incurred for construction projects, capitalised borrowing costs incurred on borrowings for the construction in progress and incurred before it has been completed and ready for its intended use, and other related expenses.

Construction in progress is transferred to fixed assets when the asset is ready for its intended use.

3. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES *(CONTINUED)*

(12) Intangible assets

Intangible assets are recorded at actual cost on acquisition.

The useful life of the intangible assets shall be assessed according to the estimated beneficial period expected to generate economic benefits. An intangible asset shall be regarded as having an indefinite useful life when there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Company.

The useful lives are as follow:

	Useful life
Mining right	12 — 50 years
Trademarks	20 years
Land use rights	25 — 50 years

The land use rights obtained by the Group are treated as intangible assets. When the Company built plants, factories and other buildings, the related land use rights shall be accounted for intangible assets and fixed assets respectively. When the buildings are purchased from the third party, the payment shall be amortized between the land use rights and fixed assets, if it can not be measured reliably, it should be recognised as property, plant and equipments.

The cost of a finite useful life intangible asset is amortised using the straight-line method during the estimated useful life. For an intangible asset with a finite useful life, the Company shall review the useful life and amortization method at least at the end of each year and adjust if necessary.

(13) Exploration costs

Exploration costs include the cost of acquiring exploration rights, topographical and geological surveys, exploratory drilling, sampling and trenching and activities in relation to commercial and technical feasibility studies. When it can be reasonably ascertained that an exploration property is capable of commercial production, exploration costs capitalised are transferred to intangible assets. When it cannot be reasonably ascertained that an exploration property is capable of commercial production, exploration costs capitalised are written off to the income statement.

3. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES *(CONTINUED)*

(14) Financial instruments

Financial instruments refer to the contracts whereby the financial assets of an enterprise are formed, and whereby the financial liabilities or right instruments of any other entity are formed.

Recognition and derecognition

The Group recognizes a financial asset or a financial liability on its balance sheet when the company becomes a party to the contractual provisions of the financial instruments.

The Group derecognizes a financial asset if one of the following conditions is met: (i) The contractual rights to the cash flow from the financial asset expire; (ii) The financial asset has been transferred and the transfer qualifies for derecognition.

The Group derecognizes a financial liability only when the underlying present obligation is implemented, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the income statement.

Classification and measurement of financial assets

Financial assets are classified into one of the following four categories when they are initially recognized: i) financial assets at fair value through profit or loss; ii) held-on-maturity investments; iii) loans and receivables; iv) available-for-sale financial assets. When financial assets are recognized initially, they are measured at fair value, plus, in case of financial assets not at fair value through profit or loss, directly attributable transaction losses.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets may be classified as held for trading if one of the following conditions is met: (i) the financial assets is acquired or incurred principally for the purpose of selling it in the near term; (ii) the financial assets is part of a portfolio of identified financial instruments that are managed together and for which there is objective evidence of a recent pattern of short-term profit-taking; or (iii) the financial assets is a derivative. For these assets, fair value shall be adopted for subsequence amount and realized or unrealized variation shall be charged to the profit or loss for the current period.

3. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES *(CONTINUED)*

(14) Financial instruments *(continued)*

Classification and measurement of financial assets (continued)

(b) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and a fixed maturity date that an enterprise has the positive intention and ability to hold to maturity. Investments held until their maturities are measured at amortized cost, by adopting the effective interest rate method. Any derecognization, impairment provision and gain or loss from the amortization is included in profit or loss for the current period.

(c) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortized cost, by adopting the effective interest rate method. Any derecognization, impairment provision and gain or loss from the amortization is included in profit or loss for the current period.

(d) Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss. After initial recognition, available-for-sale financial assets are measured at fair value. The premium/discount is amortized using the effective interest method and recognized as interest income. A gain or loss arising from a change in the fair value of an available-for-sale financial asset is recognized in a separate component of capital surplus, except for impairment losses and foreign exchange gains and losses resulting from monetary financial assets, until the financial asset is derecognized or determined to be impaired, at which time the cumulative gain or loss previously recognized in capital surplus is transferred out from capital surplus and recognized in current profits or losses. Interests and dividends relating to an available-for-sale financial asset are recognized in current profits or losses for the period they relate to.

Investments in equity instruments, that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured, are measured at cost.

3. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES *(CONTINUED)*

(14) Financial instruments *(continued)*

Classification and measurement of financial liabilities

Financial liabilities are classified into one of the following two categories when they are initially recognized: (i) financial liabilities at fair value through profit or loss; and (ii) other financial liabilities. Financial liabilities measured at fair value and whose variation is included in profit or loss for the current period, the transaction expenses thereof are recorded in profit or loss for the current period. Otherwise, the transaction expenses are included their initial recognition amount.

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if one of the following conditions is met: (i) the financial liability is incurred principally for the purpose of repurchasing it in the near future; (ii) the financial liabilities is part of a portfolio of identified financial instruments that are managed together and for which there is objective evidence of a recent pattern of short-term profit-taking; or (iii) the financial liability is a derivative. Financial liabilities measured at fair value and realised or unrealised variation is included in profit or loss for the current period.

(b) Other financial liabilities

Other financial liabilities are measured at amortized cost using the effective interest rate method.

(c) Financial guarantee contracts

Financial guarantee contracts are measured, upon initial recognition, at fair value. Financial guarantee contracts that are not designated as financial liabilities at fair value through profit or loss are subsequently measured at the higher of the following two amounts: (i) the amount determined in accordance with the "Accounting Standard for Business Enterprises No. 13 - Contingencies"; and (ii) the amount initially recognized less cumulative amortization recognized in accordance with the principles set out in the "Accounting Standard for Business Enterprises No. 14 - Revenue".

3. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES *(CONTINUED)*

(14) Financial instruments *(continued)*

Derivative financial instruments

The Group uses derivative financial instruments such as forward contracts to hedge its risks associated. The Group's policy with respect to avoid Commodity price risk and the hedge accounting is to designate its hedges as cash flow hedges. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The use of financial derivatives is governed by the Group's policies, which provide written principles on the use of financial derivatives consistent with the Group's risk management strategy. While the Group does not use derivative financial instruments for speculative purposes, certain derivative instruments are not designated as hedging instruments and/or qualified for hedge accounting.

For cash flow hedges that qualified under hedge accounting, the effective portion of the gains or losses arising from the changes in fair value of hedging instruments is initially recognised in equity and to be released to the income statement when the hedged item affects. Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are taken directly to the income statement.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, the hedging accounting shall be derecognized.

Fair value of financial instruments

Financial assets and financial liabilities, for which there is an active market, the quotations in the active market are employed to determine the fair value thereof. If there is no active market for a financial asset/liability, the Group adopts value-appraisal techniques to determine the fair value. The result generated by the value-appraisal techniques is able to reflect the transaction prices that may be adopted in fair dealings on the value appraisal date. The value-appraisal techniques include the prices employed by the parties, who are familiar with each other, in the latest market transactions upon their own free will, the current fair value obtained by referring to other financial instruments of essentially the same nature, the cash flow discount method, and the option-pricing model and so on.

3. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES *(CONTINUED)*

(14) Financial instruments *(continued)*

Impairment of financial assets

The Group conducts an inspection, on the balance sheet date, if there is any objective evidence that a financial asset has been impaired, an impairment provision is made. The expression "objective evidence that proves the financial asset has been impaired" refers to the actual incurred events that, after the financial asset is initially recognized, have an impact upon the predicted future cash flows of the financial asset, and the impact can be reliably measured by the Group.

(a) Financial assets measured at amortized cost

If there is any objective evidence that a financial asset has been impaired, the carrying amount of the financial asset is written down to the current value of the predicted future cash flows (excluding the loss of future credits not yet incurred), and the amount is recognized as loss of the impairment of the asset, and it is included in profit or loss for the current period. The current value of the predicted future cash flows is determined in accordance with the capitalization of the original actual interest rate of the financial asset, taking into account the value of the relevant guaranty.

An impairment test is made to financial assets with significant individual amounts. If any objective evidence indicates that it has been impaired, the impairment-related losses are recognized and included in profit or loss for the current period. With regard to the financial assets with insignificant individual amounts, an independent impairment test may be carried out, or may be included in a combination of financial assets with similar credit risk features, for the purpose of conducting an impairment-related test. If, upon an independent test, the financial assets (including those financial assets with significant single amounts and those with insignificant amounts) are not found to have been impaired, it is included in a combination of financial assets with similar risk features, to conduct another impairment test. Financial assets that have suffered from impairment losses, in any single amount, are not included in any combination of financial assets with similar risk features for any impairment test.

If any financial asset, measured on the basis of amortized costs, is recognized as having suffered from any impairment loss, if there is any objective evidence that can prove the value of the financial asset has been restored, and it is objectively related to events that incur after such loss is recognized (e.g., the credit rating of the debtor has been elevated and so on.), the impairment-related losses, as originally recognized, is reversed and included in profit or loss for the current period. However, the reversed carrying amount is not more than amortized costs of the financial asset on the day of reverse, under the assumption that no provision is made for the impairment.

3. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES *(CONTINUED)*

(14) Financial instruments *(continued)*

Impairment of financial assets (continued)

(b) Financial assets measured at cost

If any objective evidence indicates financial assets measured at cost suffering from any impairment, the difference between the carrying amount of the equity investment or derivative financial asset and the current value of the future cash flows of similar financial assets, capitalized based on the returns ratio of the market at the same time, is recognized as impairment-related losses and be included in profit or loss for the current period. Once the impairment loss has been recognized, it is not being reversed.

For a long-term equity investment accounted for using the cost method in accordance with the requirements of the "Accounting Standards for Business Enterprises No. 2 - Long-term Equity Investments" and which is not quoted in an active market and its fair value cannot be measured reliably, impairment is accounted for in accordance with the above method.

(c) Available-for-sale financial assets

If an available-for-sale financial asset is impaired, even if the recognition of the financial asset has not stopped, the accumulative losses arising from the decrease in the fair value of the owner's equity, which was directly included, is transferred out and included into the current profits or losses. The accumulative losses that are transferred out is the surplus obtained from the initially obtained costs of the sold financial asset, after the deduction of the principal, the current fair value and the impairment-related losses, were included in profit or loss for the current period.

As for the tradable debt instruments, whose impairment-related losses have been recognized, if within the accounting period, the fair value has risen and is objectively related to the subsequent events that occur after the original impairment-related losses were recognized, the originally recognized impairment-related losses were reversed and included in profit or loss for the current period. Impairment-related losses incurred to tradable instrument investments are not reversed through profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES *(CONTINUED)*

(14) Financial instruments *(continued)*

Transfers of financial assets

The term "transfer of a financial asset" refers to the Group transfers or deliveries of a financial asset to a party other than the issuer of the financial asset (the "transferee").

If the Group has transferred substantially all of the risks and rewards related to the ownership of a financial asset to the transferee, the Group derecognizes the financial asset. However, if it has substantially retained all of the risks and rewards related to the ownership of a financial asset, the Group continues recognizing the asset.

When the Group does not either transfer substantially or retain all of the risks and rewards related to the ownership of a financial asset, the Group treats it as follows, according to the individual circumstances: (i) if the Group relinquishes control over the financial asset, the Group derecognizes the financial asset; (ii) if the Group does not relinquish control over the financial asset, the Group, to the extent of its continuous involvement in the financial asset, recognizes it as a related financial asset and recognizes the relevant liability accordingly.

(15) Borrowing costs

Borrowing costs are interests and other related costs incurred by the Group in connection with the borrowing of funds. Borrowing costs include interests, amortisation of discounts or premiums, ancillary expenses and exchange differences arising from foreign currency borrowings.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset shall be capitalized as part of the cost of that asset. The amount of other borrowing costs incurred shall be recognized as an expense in the period in which they are incurred. Qualifying assets are assets that necessarily take a substantial period of time for acquisition, construction or production to get ready for their intended use or sale.

The capitalization of borrowing costs can commence only when all of the following conditions are satisfied:

— Expenditures for the asset are being incurred;

— Borrowing costs are being incurred; and

— Activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced.

Capitalization of borrowing costs shall cease when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale. The actual amounts of any borrowing costs subsequently incurred shall be recognized as an expense in the period in which they are incurred.

3. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES *(CONTINUED)*

(15) Borrowing costs *(continued)*

During the capitalization period, the amount of interest to be capitalized for each accounting period shall be determined as follows:

— Where funds are borrowed under a specific-purpose borrowing for the acquisition, the amount of interest to be capitalized shall be the actual interest expense less any bank interest earned from depositing the borrowed funds or any investment income on the temporary investment of these funds;

— Where funds are borrowed under general-purpose borrowing and are utilized for the acquisition, the company shall determine the amount of interest to be capitalized on such borrowings by applying a capitalization rate to the weighted average of the excess amounts of cumulative expenditures on the asset over and above the amounts of specific-purpose borrowings.

Capitalization of borrowing costs shall be suspended during periods in which the acquisition, construction or production of qualifying assets is interrupted abnormally for a continuous period of more than three months. The borrowing costs incurred during these periods shall be recognized as an expense for the current period until the acquisition, construction or production is resumed.

(16) Impairment of assets

Impairment of assets other than inventories, deferred income tax assets and financial assets is recognized based on the following method:

The Group shall assess at the balance sheet date whether there is any indication that an asset may be impaired. If any indication exists, the Group shall estimate the recoverable amount of the asset. Goodwill arising in a business combination and an intangible asset with an indefinite useful life shall be tested for impairment annually, irrespective of whether there is any important indication incurred.

The recoverable amount of an asset is the higher of its fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. The Group shall estimate the recoverable amount individually. If it is not possible to estimate the recoverable amount of the individual asset, the Group shall determine the recoverable amount of the asset group to which the asset belongs. Identification of an asset group shall be based on whether there are major cash inflows from other assets or asset groups.

If the result of the recoverable amount calculation indicates what the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset shall be reduced to its recoverable amount. The reduction is recognized as an impairment loss and charged to profit or loss for the current period. A provision for impairment loss of the asset is recognized accordingly.

3. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES *(CONTINUED)*

(16) Impairment of assets *(continued)*

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is so allocated represents those are expected to benefit from the synergies of the combination and is not larger than a segment in the Group's report.

In testing an asset group or a set of asset groups to which goodwill has been allocated for impairment, the company shall first test the asset group or the set of asset groups excluding the amount of goodwill allocated for impairment. It shall determine and compare the recoverable amount with the related carrying amount and recognize any impairment loss. After that, the Company shall test the asset group or set of asset groups including the goodwill for impairment. The carrying amount is compared to its recoverable amount. If the carrying amount of the asset group or set of asset groups is lower than its recoverable amount, an impairment loss on goodwill shall be recognized.

Once an impairment loss is recognized, it shall not be reversed in a subsequent period.

(17) Contingencies

An obligation related to a contingency shall be recognized as a provision when all of the following conditions are satisfied:

— The obligation is a present obligation of the Group;

— It is probable that an outflow of economic benefits will be required to settle the obligation;

— The amount of the obligation can be measured reliably.

A provision shall be initially measured at the best estimate of the expenditure required to settle the related present obligation. Factors pertaining to a contingency such as risks, uncertainties and time value of money shall be taken into account as a whole in reaching the best estimate. The group may review the carrying amount of a provision at the balance sheet date. Where there is clear evidence that the carrying amount of a provision does not reflect the current best estimate, the carrying amount shall be adjusted to the current best estimate.

3. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES *(CONTINUED)*

(18) Revenue

Revenue can be recognized as the gross inflow of economic benefits, the amount can be measured reliably and all of the following conditions are satisfied.

Revenue from sale of goods

Revenue from sales of goods is recognised when the significant risks and rewards in relation to ownership of the goods have been transferred to the buyer, the Group maintains neither continuing managerial involvement nor effective control over the goods sold and the relevant amounts of costs can be measured reliably.

Revenue from the rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably at the balance sheet date, revenue associated with the transaction shall be recognized using the percentage of completion method. Otherwise, revenue shall be recognized to the extent of costs incurred that are expected to be recoverable. The outcome of a transaction involving the rendering of services can be estimated reliably when all of the following conditions are satisfied: (i) the amount of revenue can be measured reliably; (ii) it is probable that the associated economic benefits will flow to the company; (iii) the stage of completion of the transaction can be measured reliably and (iv) the costs incurred and to be incurred for the transaction can be measured reliably. The Group determines the stage of completion of a transaction by the proportion of services performed to date to the total services to be performed.

Interest income

Interest income is recognized on a time proportion basis taking into account the principle outstanding and the effective interest rate applicable.

Rental income

Revenue from operating leases is recognized on a straight-line basis over the lease terms.

(19) Leasing

Leases of assets where all the risks and rewards incident to ownership are in substance transferred to the lessees are classified as finance leases. All other leases are operating leases.

Lease payments under an operating lease shall be recognized by a leasee on a straight-line basis over the lease term, and either included in the cost of another related asset or charged to income statements for the current period.

3. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES *(CONTINUED)*

(20) Employee benefit

Employee benefits are all forms of consideration given and other relevant expenditures incurred by the Company in exchange for service rendered by employees. In the accounting period in which an employee has rendered service to the Group, the Group recognizes the employee benefits payable as a liability. When the termination benefits fall due more than 1 year after the balance sheet date, if the discounted value is material, it is reflected in the present value.

The employees of the Group participate in employee social security plans managed by the local government, including pension, medical, housing and other welfare benefits. The costs are charged to relevant assets or the income statement when incurred.

(21) Income tax

Income tax includes current and deferred tax. Current and deferred tax of a company shall be recognized as income or expense and included in income statement for the current period, except to the extent that the tax arises from a business combination or a transaction or event which is recognized directly in owners' equity.

Income tax expense is determined based on the total amount of the taxable profit for the year. The taxable profit is based on the profit before tax and adjusted according to the requirements of tax laws.

Current income tax liabilities (or assets) for the current and prior periods shall be measured at the amount expected to be paid (or recovered) according to the requirements of tax laws.

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities of the Group and their carrying amounts for financial reporting purposes.

A deferred tax liability shall be recognized for all taxable temporary differences, except that the deferred tax liability arises from:

(i) the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction which contains both of the following characteristics: the transaction is not a business combination; at the time of the transaction, it affects neither accounting profit nor taxable profit (or deductible loss); and

(ii) for taxable temporary differences associated with investments in subsidiaries, associates and interests in jointly controlled enterprises, the investing enterprise is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not be reverse in the foreseeable future.

3. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES *(CONTINUED)*

(21) Income tax *(continued)*

A deferred tax asset shall be recognized for deductible temporary differences to the extent that it is probable that the taxable profits will be available against which the deductible temporary differences can be utilized, except where the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that:

(i) the transaction is not a business combination and at the time of the transaction, it affects neither accounting profit nor taxable profit (or deductible loss); and

(ii) for taxable temporary differences associated with investments in subsidiaries, associates and interests in jointly controlled entities, the investing enterprise is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not be reverse in the foreseeable future.

At the balance sheet date, deferred tax assets and deferred tax liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled according the requirements to the tax laws.

At the balance sheet date, the carrying amount of a deferred tax asset shall be reviewed. The Group shall reduce the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profits will be available in future periods to allow the benefit of the deferred tax asset to be utilized.

(22) Production Safety Fund ("the Safety Fund")

According to CaiQi [2006] No 478 "Interim Measures for the financial management of the Production Safety fund for the high risk enterprises", issued by MOF and Safety Production General Bureau. The Group is required to accrue a "Production Safety Fund" to improve the production safety.

According to the China Accounting Standard Committee's ("CASC") expert opinion No.1 Q&A issued on 1st February 2007, the Production Safety Fund shall be recognised as a long-term payable and accrued in cost of products when incurred. For the utilization of the fund to pay for safety equipments and facilities, the cost of safety facilities was fully depreciated by debiting the long term payable upon the recognition of fixed assets. For the utilization of the fund to pay for safety related expenses, the long term payables will be reversed accordingly.

3. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES *(CONTINUED)*

(23) Changes in accounting policies and accounting estimates

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of long-term investment assets

Where an indication of impairment exists, or when annual impairment testing for a non-current asset is required (other than non-current assets classified as held for sale), the non-current asset's recoverable amount is estimated. A non-current asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs to sell, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs. When the Group cannot obtain the market price of the assets or groups of assets, it undertakes value in use calculations, which require estimation of the present value of future cash flows. Significant estimations regarding future production volumes and selling prices are necessary.

Depreciation

Depreciation is calculated on the straight-line basis to write off the cost of each item of fixed assets to its residual value over its estimated useful life. Useful lives were determined based on management's past experience of similar assets and estimated changes in technologies. Actual economic lives may differ from estimated useful lives and periodic reviews could result in changes in useful lives.

Reserve of minerals

Technical estimates of the Group's mining reserves are inherently imprecise and represent only approximate amounts because of the subjective judgments involved in developing such information. There are authoritative guidelines regarding the engineering criteria that have to be met before the estimated mining reserves can be designated as "proved" and "probable". Proved and probable reserve estimates are updated on a regular basis and have taken into account recent production and technical information about each mine. In addition, as prices and cost levels change from year to year, the estimates of proved and probable mining reserves also changes. Despite the inherent imprecision in these engineering estimates, these estimates are used in assessing estimated useful lives of mining related fixed assets and impairment loss.

Deferred tax assets

Recognition primarily involves judgement regarding the future performance of the particular legal entity or tax group in which the deferred tax asset has been recognised. A variety of other factors are also evaluated in considering whether there is convincing evidence that it is probable that some portion or all of the deferred tax assets will ultimately be realised, such as the amount and timing of future taxable profit and tax planning strategies.

(Expressed in Renminbi Yuan)

3. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES *(CONTINUED)*

(23) Changes in accounting policies and accounting estimates *(continued)*

Environment rehabilitation obligations

Environment rehabilitation obligations are inherently imprecise and represent only the approximate amounts because of the subjective judgments involved in the estimation of the costs. Environment rehabilitation obligations are subject to a considerable amount of uncertainties which affects the Group's ability to estimate the ultimate cost of remediation efforts. These uncertainties include: (i) the exact nature and extent of the contamination at various sites including, but not limited to, mines and land development areas, whether operating, closed or sold, (ii) the extent of required cleanup efforts, (iii) varying cost of alternative remediation strategies, (iv) changes in environmental remediation requirements, and (v) the identification of new remediation sites. In addition, as prices and cost levels change from year to year, the estimate of environment liabilities also changes. Despite the inherent imprecision in these estimates, these estimates are used in assessing the provision for rehabilitation.

4. TAXATION

The Group's main tax item and rate are as follows:

Value Added Tax	Output value added tax ("VAT") is calculated at 17% on revenue from principal operations except for gold (free of VAT) and sulphuric concentrate (13% on revenue). The company is required to remit the VAT it collect to the tax authority, but may deduct the VAT it has paid on eligible purchases.
Business Tax	Business tax is calculated and paid at 5% of operating income.
Resource Tax	Resource tax is calculated and paid according to the quantity of extracted and consumed copper ore. The range of resource tax rate is RMB1.3-1.5/ton. Pursuant to the Notice Relating to Adjustment of Applicable Rate for Resource Tax for Lead and Zinc Ore, etc. (Cai Shui [2007] No.100)., from 1st August 2007, the range of resource tax rate is RMB5-7/ton.
Income Tax — parent company	During the 5th Session of the 10th National People's Congress, which was concluded on 16 March 2007, the PRC Corporate Income Tax Law (the "New Corporate Income Tax Law") was approved and became effective on 1 January 2008. The New Corporate Income Tax Law introduces a wide range of changes which include, but are not limited to, the unification of the income tax rate for domestic-invested and foreign-invested enterprises at 25%.

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4. TAXATION *(CONTINUED)*

The Group's main tax item and rate are as follows: *(continued)*

Income Tax — subsidiaries	The income tax rate for the company's subsidiaries, except for Jiangxi Copper Products Company Limited ("JCPC"), Jiangxi Copper Alloy Materials Company Limited ("JCAC"), Sichuan Kangtong Copper Company Limited ("Kangtong Copper"), Sure Spread Company Limited ("Sure Spread"), Jiangxi Copper Shenzhen Trading Company Limited ("Shenzhen Trading") are 25%.
	The income tax rate for JCPC is 25%, but as a newly set-up productive foreign-funded enterprise and upon approval of Gui Guo Shui Fa [2006] No.20 issued by the State Tax Bureau of Guixi City, Jiangxi Province, JCPC shall be exempted from income tax in the first and second profit-making years and allowed a 50% reduction of income tax in the third, fourth and fifth years. In addition, JCPC shall be exempted from local income tax from 2006 to 2010 and allowed a 50% reduction of local income tax from 2011 to 2015. Since this year is the second 50% reduction year, its effective income tax rate is 12.5%.
Income Tax — subsidiaries	Since JCAC is a set-up productive foreign-funded enterprise, JCAC shall be exempted from income tax in the first and second profit-making years and allowed a 50% reduction of income tax in the third, fourth and fifth years from 1 January 2007. Its effective income tax rate is 0% this year.
	Since Kangtong Copper is a set-up productive foreign-funded enterprise, Kangtong Copper shall be exempted from income tax in the first and second profit-making years and allowed a 50% reduction of income tax in the third, fourth and fifth years from 1 July 2006. Its effective income tax rate is 12.5% this year.
	Sure Spread pays profits tax at a rate of 16.5% in Hong Kong.
	The income tax rate for Shenzhen Trading is 18%, as it is registered in Shenzhen Special Zone.
	In accordance with the New Corporate Income Tax Law in effective from 1 January 2008, Shenzhen Trading who enjoys the lower tax rates before, Corporate Income Tax rate will be gradually integrated to the new rate of 25% on a 5-year basis which applicable tax rates will be 18% in 2008, 20% in year 2009, 22% in year 2010, 24% in year 2011 and 25% in year 2012.
	In accordance with the New Corporate Income Tax Law in effective from 1 January 2008, Kangtong Copper, JCPC and JCAC can continuously enjoy their tax holiday until the expire date. However, for the existing enterprises which are entitled to, but not yet commenced, the tax holiday due to continuing losses, the tax holiday is calculated from year 2008. The enterprise can only choose the best tax incentive policy either the transitional tax incentive policy or new corporate tax law and regulations.

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5. SCOPE OF CONSOLIDATION AND SUBSIDIARIES

The group main subsidiary companies are as follow:

Name of Subsidiary	Place of establishment and operations	Principal activities	Paid up/ registered capital		Group Investment	Attributable equity interest of the company		Vote	Note
			Currency	*'000*	*'000*	*Direct*	*Indirect*		
Xiaoshan Tongda Chemical Limited ("Xiaoshan Tongda")	Zhejiang Hangzhou	Sales of sulphuric acid	RMB	1,000	600	60%	—	60%	Note 1
JCPC	Jiangxi Guixi	Produce and operating of copper industrial materials	RMB	225,000	246,879	100%	—	100%	Note 2
Kangtong Copper	Sichuan Xichang	Sales of copper materials, precious metal materials and sulphuric acid	RMB	140,000	80,000	57.14%	—	57.14%	Note 3
Shanxi Diaoquan Silver and Copper Mining Company Limited ("Diaoquan Silver and Copper")	Shanxi Diaoquan	Sales of copper materials precious metal materials and sulphuric concentrate	RMB	76,158	35,000	45.96%	—	66.76%	Note 4
Sure Spread	Hongkong	Import and export trading and related limited tech service	HKD	50,000	27,500	55%	—	55%	Note 5
JCAC	Jiangxi Guixi	Manufacture sales of copper and copper alloy rods and wires	RMB	199,500	229,509	100%	—	100%	Note 6
Jiangxi Jiangtong-Wengfu Chemical Industry Company Limited ("Wengfu")	Jiangxi Shangrao	Manufacture sales of sulphuric acid and lay product	RMB	181,500	127,050	70%	—	70%	Note 7
Shenzheng Trading	Shenzhen	Sale of copper products	RMB	30,000	30,000	100%	—	100%	Note 8

5. SCOPE OF CONSOLIDATION AND SUBSIDIARIES *(CONTINUED)*

The group main subsidiary companies are as follow: *(continued)*

Name of Subsidiary	Place of establishment and operations	Principal activities	Paid up/ registered capital		Group Investment	Attributable equity interest of the company		Vote	Note
			Currency	*'000*	*'000*	*Direct*	*Indirect*		
Shanghai Trading	Shanghai Pudong	Sale of copper products	RMB	20,000	20,000	100%	—	100%	Note 8
Jiangxi Copper Beijing Trading Company Limited ("Beijing Trading")	Beijing	Sale of copper products	RMB	10,000	10,000	100%	—	100%	Note 9
Jiangxi Copper Corporation Chemical Company Limited ("Jiangtong Chemical")	Jiangxi Dexing	Manufacture sales of sulphuric acid and lay product	RMB	42,630	47,485	100%	—	100%	Note 10
Jiangxi Copper Corporation Dexing Transportation Company ("Jiangtong Transportation")	Jiangxi Dexing	Offering railway and vehicle transportation services	RMB	15,487	18,372	100%	—	100%	Note 11

Note 1: *In April 1997, the Company and Xiaoshan Chemical Main Factory Limited has jointly invested RMB1,000,000 to establish Xiaoshan Tongda, in which the Company contributed RMB600,000, representing 60% of registered capital.*

Note 2: *In March 2002, the Company invested jointly RMB150,000,000 to establish JCPC, in which the Company contributed RMB90,000,000, representing 60% of registered capital. In November 2003, JCC sold 40% interest in JCPC to one of its subsidiary Jiangxi Copper Corporation Products Company Limited ("JCCPC"). In the same month, the Company reached on agreement with JCCPC to contribute another RMB75,000,000 to JCPC. After the injection of capital, the paid-in-capital of JCPC increased to RMB225,000,000, in which the Company contributed RMB135,000,000 representing 60% of registered capital, and JCCPC contributed RMB90,000,000 representing 40% of registered capital. In September 2007, the Company newly issued 127,795,527 A shares, and as a part of the consideration of the shares issued to JCC, the Company obtained 40% share right in JCPC, more detail are given in Note 6 (29). Therefore, JCPC become wholly owned subsidiary of the Company.*

Note 3: *In September 2003, the Company bought 40% interest with purchase consideration of RMB40,000,000 in Kangtong Copper from third parties. The interest of Kangtong Copper which the Company owned is less than 50%, but the Company made an agreement with another investor which owned 11.68% interest of Kangtong Copper, that the Company has the power to govern the financial and operating policies of Kangtong Copper. Thus, Kangtong Copper is included in the scope of consolidation. In October 2005, the Company invested another RMB40,000,000 in Kangtong Copper which made its paid-in capital increase to RMB140,000,000. Subsequently ,the interest of Kangtong Copper also rose to 57.143%.*

5. SCOPE OF CONSOLIDATION AND SUBSIDIARIES *(CONTINUED)*

Note 4: *In June 2004, the Company bought 45.957% interest (RMB35,000,000) in Diaoquan Silver and Copper. This interest of Diaoquan Silver and Copper which the Company owned is less than 50%, but the Company made an agreement with another investor, which owned 20.80% interest of Diaoquan Silver and Copper, that the Company has the power to govern the financial and operating policies of Diaoquan Silver and Copper. Thus, Diaoquan Silver and Copper are included in the scope of consolidation.*

Note 5: *In January 2005, the Company invested jointly HKD50,000,000 to establish Sure Spread, in which the Company contributed HKD27,500,000, representing 55% of registered capital.*

Note 6: *In February 2005, the Company invested jointly RMB199,500,000 to establish JCAC with JCC, in which the Company should contribute RMB119,700,000, representing 60% of registered capital. In September 2007, the Company newly issued 127,795,527 A shares, and as a part of the consideration of the shares issued to JCC, the Company obtained 40% share right in JCAC, more detail are given in Note 6 (29). Therefore, JCAC become wholly owned subsidiary of the Company.*

Note 7: *In May 2005, the Company invested jointly RMB181,500,000 to establish Wengfu Chemical, in which the Company contributed RMB127,050,000, representing 70% of the registered capital. As at 30 June 2007, Wengfu Chemical was still in testing phase.*

Note 8: *In June 2006, the Company invested RMB30,000,000 and RMB20,000,000 respectively to establish Shenzhen Trading and Shanghai Trading. Shenzhen Trading and Shanghai Trading are wholly owned subsidiaries of the Company.*

Note 9: *In July 2006, the Company invested RMB10,000,000 to establish Beijing Trading. Beijing Trading is a wholly owned subsidiary of the Company.*

Note 10: *In September 2007, the Company newly issued 127,795,527 A shares, and as a part of the consideration of the shares issued to JCC, the Company obtained 100% share right in Jiangtong Chemical, more detail are given in Note 6 (29). Therefore, Jiangtong Chemical become wholly owned subsidiary of the Company.*

Note 11: *In September 2007, the Company newly issued 127,795,527 A shares, and as a part of the consideration of the shares issued to JCC, the Company obtained 100% share right in Jiangtong Transportation, more detail are given in Note 6 (29). Therefore, Jiangtong Transportation become wholly owned subsidiary of the Company. As at 31 December 2007, for the purpose of reorganization of the Group, Jiangtong Transportation was deregistered in February 2008 and merged by the Company.*

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) Cash and Bank

	30 June 2008			31 December 2007		
	Original Currency	**Exchange Rate**	**RMB Equivalent**	Original Currency	Exchange Rate	RMB Equivalent
Cash on hand						
— RMB			**260,102**			127,444
— JPY	**2,265**	**0.0645**	**146**	952	0.0641	61
— GBP	**1**	**13.6836**	**14**	—		
— HKD			**—**	1,102	0.9364	1,032
			260,262			128,537
Cash in bank						
— RMB			**3,260,238,227**			2,606,444,618
— USD	**25,503,156**	**6.8591**	**174,928,697**	14,680,085	7.3046	107,232,149
— HKD	**33,557,418**	**0.8792**	**29,503,682**	41,000,969	0.9364	38,392,487
— AUD	**118,835**	**6.5964**	**783,880**	128,558	6.4540	829,709
— EUR	**99**	**10.8302**	**1,074**	5,983	10.6669	63,820
— JPY	**946**	**0.0645**	**61**	974	0.0641	62
			3,465,455,621			2,752,962,845
			3,465,715,883			2,753,091,382

(2) Notes Receivable

	30 June 2008 *RMB*	31 December 2007 *RMB*
Bank accepted notes	**3,230,276,651**	2,783,348,844
Commercial accepted notes	**50,000,000**	40,945,036
	3,280,276,651	2,824,293,880

As at 30 June 2008, the amount of RMB1,892,367,740 bank accepted and commercial accepted notes have been discounted to obtain bank short- term loan. (31 December 2007: the amount of RMB2,029,980,149 bank accepted and commercial accepted notes).

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(3) Accounts Receivable

The credit period is generally 15 days, extending up to one month for major customers. Trade receivables are non-interest-bearing.

	30 June 2008	31 December 2007
	RMB	*RMB*
Accounts Receivable	**2,069,905,708**	1,831,345,806
Less: Bad debt provision	**(127,418,941)**	(127,463,516)
	1,942,486,767	1,703,882,290

The ageing analysis of accounts receivable is as below:

	30 June 2008			
	Balance	**%**	**Bad debt provision**	**Net book value**
Within 1 year	**1,942,616,915**	**93.85%**	**(167,073)**	**1,942,449,842**
1-2 years	**58**	**0.00%**	**(12)**	**46**
2-3 years	**73,755**	**0.00%**	**(36,876)**	**36,879**
Over 3 years	**127,214,980**	**6.15%**	**(127,214,980)**	**—**
	2,069,905,708	**100.00%**	**(127,418,941)**	**1,942,486,767**

	30 June 2007			
	Balance	%	Bad debt provision	Net book value
Within 1 year	1,703,260,867	93.01%	(6,113)	1,703,254,754
1-2 years	709,253	0.04%	(144,863)	564,390
2-3 years	126,293	0.01%	(63,147)	63,146
Over 3 years	127,249,393	6.94%	(127,249,393)	—
	1,831,345,806	100.00%	(127,463,516)	1,703,882,290

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(3) Accounts Receivable *(continued)*

The ageing analysis of accounts receivable is as below: *(continued)*

	30 June 2008			
	Balance	**%**	**Bad debt provision**	**Net book value**
Individually Significant	**1,324,088,203**	**63.97%**	**71,195,359**	**5.38%**
Others	**745,817,505**	**36.03%**	**56,223,582**	**7.54%**
	2,069,905,708	**100.00%**	**127,418,941**	**6.16%**

	30 June 2007			
	Balance	%	Bad debt provision	Net book value
Individually Significant	1,252,470,238	68.39%	71,236,691	5.69%
Others	578,875,568	31.61%	56,226,825	9.71%
	1,831,345,806	100.00%	127,463,516	6.69%

The movement of bad debt provision on accounts receivable is as below:

	For the six months ended 30 June 2008 ***RMB***	For the year ended 31 December 2007 *RMB*
At beginning of the period	**127,463,516**	133,366,414
Addition during the period	**7,131**	9,552,696
Reversals during the period	**(16,000)**	(15,240,694)
Written off during the period	**(35,706)**	(214,900)
At the end of the period	**127,418,941**	127,463,516

	30 June 2008 ***RMB***	31 December 2007 *RMB*
Total amount of five largest debtors	**606,143,741**	586,722,162
Percentage in total accounts receivable	**29.28%**	32.04%

As at 30 June 2008, the Group's balance due from shareholder who holds more than 5% shares of the Company is Nil (31 December 2007: RMB120,827). More details are given in note 8 "relationships and transactions of related parties".

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(4) Advances to suppliers

The ageing analysis of advances to suppliers is as below:

	30 June 2008		31 December 2007	
	Balance	**%**	Balance	%
Within 1 year	**843,107,849**	**99.71%**	1,032,819,736	95.96%
1-2 years	**1,250,266**	**0.15%**	42,328,572	3.93%
2-3 years	**428,357**	**0.05%**	294,896	0.03%
Over 3 years	**772,222**	**0.09%**	808,857	0.08%
	845,558,694	**100.00%**	1,076,252,061	100.00%

As at 30 June 2008, the balances with aging over one year are mainly advance to suppliers for uncompleted purchased contracts.

(5) Other receivables

	30 June 2008	31 December 2007
Other Receivable	**468,287,663**	386,631,216
Less: Bad debt provision	**(20,786,011)**	(19,768,999)
	447,501,652	366,862,217

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(5) Other receivables *(continued)*

The ageing analysis of other receivables is as below:

	30 June 2008			
	Balance	**%**	**Bad debt provision**	**Net book value**
Within 1 year	**424,466,673**	**90.65%**	**(1,028,494)**	**423,438,179**
1-2 years	**23,754,837**	**5.07%**	**(1,162,750)**	**22,592,087**
2-3 years	**866,170**	**0.18%**	**(459,021)**	**407,149**
Over 3 years	**19,199,983**	**4.10%**	**(18,135,746)**	**1,064,237**
	468,287,663	**100.00%**	**(20,786,011)**	**447,501,652**

	30 June 2007			
	Balance	%	Bad debt provision	Net book value
Within 1 year	343,391,936	88.82%	(109,528)	343,282,408
1-2 years	23,117,249	5.98%	(1,314,378)	21,802,871
2-3 years	926,179	0.24%	(223,073)	703,106
Over 3 years	19,195,852	4.96%	(18,122,020)	1,073,832
	386,631,216	100.00%	(19,768,999)	366,862,217

	30 June 2008			
	Balance	**%**	**Bad debt provision**	**Net book value**
Individually Significant	**313,500,975**	**66.95%**	**—**	**—**
Others	**154,786,688**	**33.05%**	**20,786,011**	**13.43%**
	468,287,663	**100.00%**	**20,786,011**	**4.44%**

	30 June 2007			
	Balance	%	Bad debt provision	Net book value
Individually Significant	265,218,433	68.60%	—	—
Others	121,412,783	31.40%	19,768,999	16.28%
	386,631,216	100.00%	19,768,999	5.11%

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(5) Other receivables *(continued)*

As at 30 June 2008, the Group's balance of deposits for commodity forward contracts is RMB335,726,423 (31 December 2007: RMB269,787,514).

Movement of bad debt provision on other receivables is as below:

	For the six months ended 30 June 2008 ***RMB***	For the year ended 31 December 2007 *RMB*
At beginning of the period	**19,768,999**	27,619,856
Addition during the period	**1,024,412**	1,732,980
Reversal during the period	**(3,400)**	(9,583,837)
Written off during the period	**(4,000)**	—
At the end of the period	**20,786,011**	19,768,999

	30 June 2008	**31 December 2007**
Total amount of five largest debtors	**311,837,725**	265,218,433
Percentage in total other receivable	**66.59%**	68.60%

As at 30 June 2008, the Group's balance due from shareholder who holds more than 5% shares of the Company is RMB2,723,162 (31 December 2007:RMB1,107,284). More details are given in note 8 "relationships and transactions of related parties".

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(6) Inventories

	30 June 2008	31 December 2007
Raw materials	**3,090,691,311**	2,035,825,294
Work in process	**4,758,330,338**	6,522,112,006
Finished goods	**1,129,624,344**	382,644,162
Less: Provisions	**(662,235)**	(662,235)
	8,977,983,758	8,939,919,227

As at 30 June 2008, the Group's inventories with a net book value of RMB180,030,000 (31 December 2007: RMB127,130,000) were pledged to the banks as security of the bank loans. More details are given in note 6 (16).

The movement of stock provision for the six months ended 30 June 2008 is as below:

	Beginning balance	**Addition**	**Decrease**		**Ending balance**
			Reversals	**Written off**	
Raw materials	**662,235**	**—**	**—**	**—**	**662,235**

The movement of stock provision for the year ended 31 December 2007 is as below:

	Beginning balance	Addition	Decrease		Ending balance
			Reversals	Written off	
Raw materials	662,235	—	—	—	662,235

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(7) Other current financial assets/ liabilities

Other current financial assets/liabilities represent the gains/(losses) arising from changes of fair value for those undelivered commodity forward contracts.

	30 June 2008		31 December 2007	
	Assets	**Liability**	Assets	Liability
Commodity forward contracts — copper cathode				
— Under hedge accounting	**—**	**55,278,324**	22,596,559	—
— Not under hedge accounting	**23,512,511**	**—**	32,107,000	—
	23,512,511	**55,278,324**	54,703,559	—

Under hedge accounting

As at 30 June 2008, the fair value of commodity forward contracts in relation to copper cathode designated as cash flow hedges of the Group according to RMB55,278,324 (31 December 2007: RMB22,596,559) were recognized in the balance sheet. These commodity forward contracts are designated as highly effective hedging instruments in order to manage the Group's exposure in relation to forecasted sale of copper cathode.

The terms of commodity forwards contracts have been negotiated to match the timing of the forecasted sales of copper cathode. As at balance sheets date, the expected delivery period of the forecast sales of copper cathode is from July 2008 to September 2008.

Not under hedge accounting

The Group also utilizes commodity purchase forward contracts to hedge forecasted purchases of copper concentrate and the forecasted purchase of copper rods and copper wires. These arrangements are designed to address significant fluctuations in the price of copper concentrate and copper related products which move in line with the price of copper cathode. However, this arrangement is not considered as an effective hedge according to Accounting Standards for Business Enterprises No. 24.

The unrealized gain or losses arising from the change in fair value of the hedge instruments are recognized in the income statement. As at balance sheets date, the expected delivery period of the forecast purchase of copper concentrate copper rods and copper wires is from July 2008 to September 2008.

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(8) Available-for-sale investments

	Investment Cost	Opening balance	Addition	Ending balance
Available-for-sale investment:				
Nanchang Commercial Bank ("Nanchang Bank")	280,000,000	280,000,000	—	280,000,000
Liangshan Mining Co., Ltd ("Liangshan Mining")	10,000,000	10,000,000	—	10,000,000
Kebang Telecom (Group) Co., Ltd ("KebangTelecom")	5,610,000	5,610,000	—	5,610,000
Gantian Wan Mining in Luchang Town Huili County (" Gantian Wan Mining")	2,000,000	—	2,000,000	2,000,000
Less: Impairment provision		(5,610,000)	—	(5,610,000)
		290,000,000	2,000,000	292,000,000

As at 30 June 2008, the Group's unlisted equity investments represent the Group's 4.20% equity interest in Nanchang Bank, 6.67% equity interest in Liangshan Mining and 0.4% equity interest in Kebang Telecom and 11.13% equity interest in Gantian Wan Mining. These unlisted equity investments were stated at cost and subject to a test for impairment loss because there is no quoted market price in an active market and their fair values cannot be measured reliably.

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(9) Long-term equity investments

The movement of Long-term equity investments for the six months ended 30 June 2008 is as below:

		Investment cost			Share of net profit		Other equity movement from associate		
	Investment Cost	Opening balance	Addition	Accumulated Addition	Opening balance	Increase/ (Decrease)	Opening balance	Increase	Ending balance
Equity method:									
Investment in associates									
Minerals Jiangxi Copper Mining Investment Company Limited ("Minerals Jiangxi Copper")	460,000,000	460,000,000	—	460,000,000	(130,825)	(20,300,608)	—	(52,399,641)	387,168,926
Jiangxi Copper Corporation Finance Company Limited ("JCC Finance")	105,000,000	105,000,000	—	105,000,000	10,718,261	5,790,230	—	—	121,508,491
Jiangxi Copper Ever profit Qing Yuan Copper Company Limited ("Qing Yuan")	36,000,000	36,000,000	—	36,000,000	12,520,573	4,708,047	—	—	53,228,620
Asia Development Sure Spread Company Limited ("Asia Sure Spread")	6,186,812	6,186,812	—	6,186,812	—	—	—	—	6,186,812
Zhaojue Fenye Smelting Company Limited ("Zhaojue Smelting")	4,000,000	4,000,000	—	4,000,000	(23,793)	(149,853)	—	—	3,826,354
Jiangxi Fortune Transportation Industry Company Limited ("Fortune Transportation")	480,000	480,000	—	480,000	221,990	61,217	—	—	763,207
Investment in Jointly controlled entity									
Jiangxi JCC-BIOTEQ Environmental Technologies Company Limited ("Jiangtong Bioteq")	14,100,000	14,100,000	—	14,100,000	(314,253)	(173,171)	—	—	13,612,576
Total	625,766,812	625,766,812	—	625,766,812	22,991,953	(10,064,138)	—	(52,399,641)	586,294,986

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(9) Long-term equity investments *(continued)*

The financial information in respect of the Group's associates and jointly controlled entity is set out below:

	Register place	Principal business	Registered capital	
			Currency	*'000*
Investment in associates				
Minerals Jiangxi Copper	China	Investment company	RMB	1,150,000
JCC Finance	China	Finance consulting	RMB	300,000
Qing Yuan	China	Manufacture &sale of copper products	RMB	90,000
Asia Sure Spread	Japan	Import and export of copper products	JPY	200,000
Zhaojue Smelting	China	Manufacture &sale of copper products	RMB	10,000
Fortune Transportation	China	Transportation service	RMB	1,200
Investment in jointly controlled entity				
Jiangtong Bioteq	China	Recover the copper metals from industrial waste water	RMB	28,200

	30 June 2008		For the six months ended 30 June 2008	
	Total Assets	**Total Liabilities**	**Revenue**	**Net (loss)/ profit**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Investment in associates				
Minerals Jiangxi Copper	3,437,465	2,469,543	—	(50,752)
JCC Finance	1,485,482	472,282	23,322	16,544
Qing Yuan	472,282	339,210	941,676	11,770
Asia Sure Spread	12,894	—	—	—
Zhaojue Smelting	15,855	6,289	—	(375)
Fortune Transportation	3,591	1,683	3,341	153
Investment in jointly controlled entity				
Jiang Tong Bioteq	28,640	786	1,081	(346)

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(10) Fixed Assets

The movement of fixed assets for the six months ended 30 June 2008 is as below:

	Buildings	Equipment and machinery	Vehicles	Office equipment	Total
Original cost					
1 January 2008	4,788,734,044	10,358,187,338	929,294,570	101,100,169	16,177,316,121
Additions	28,490,692	810,028	1,138,656	84,912	30,524,288
Transferred from construction in progress	470,183,043	2,178,245	18,463,222	392,538	491,217,048
Disposals	(8,382,996)	(28,636,688)	(22,660,927)	(2,021,935)	(61,702,546)
30 June 2008	5,279,024,783	10,332,538,923	926,235,521	99,555,684	16,637,354,911
Accumulated Depreciation					
1 January 2008	(1,678,178,113)	(4,392,224,224)	(623,996,882)	(50,345,365)	(6,744,744,584)
Charge for the period	(106,075,216)	(219,445,391)	(12,665,852)	(2,878,446)	(341,064,905)
Disposals	3,098,318	18,240,363	16,792,128	1,081,252	39,212,061
30 June 2008	(1,781,155,011)	(4,593,429,252)	(619,870,606)	(52,142,559)	(7,046,597,428)
Impairment provision					
1 January 2008	(69,953)	(4,759,305)	—	—	(4,829,258)
Recognised	—	—	—	—	—
30 June 2008	(69,953)	(4,759,305)	—	—	(4,829,258)
Net book value					
30 June 2008	3,497,799,819	5,734,350,366	306,364,915	47,413,125	9,585,928,225
1 January 2008	3,110,485,978	5,961,203,809	305,297,688	50,754,804	9,427,742,279

As at 30 June 2008, equipment and machinery with net book value of RMB129,920,000 (31 December 2007: RMB50,268,200) has been pledged as security for short term bank loans. Please refer to Note 6 (16).

As at 30 June 2008, original cost of the building and equipments and machinery have been fully depreciated but still in use amounting to RMB1,725,460,799 with net book value amounting to RMB 171,575,792.

As at 30 June 2008, the Group is in the process of obtaining the property ownership certificate for certain of the Group's building with original cost of RMB238,721,321 and net book value of RMB228,649,635.

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(11) Construction in progress

The movement of construction in progress for the six months ended 30 June 2008 is as below:

Construction name	Budget	Opening balance	Addition	Transfer to fixed assets	Ending balance	% of budget	Source of funds
Electromotor Update	355,200,000	119,056,598	187,116,182	—	306,172,780	86.20%	Self-funding
5,000 ton Technical Improvement	257,320,000	195,310,007	24,962,907	—	220,272,914	85.60%	Self-funding and Proceeds
Fujiawu Mine Development and Construction Project	1,052,540,000	95,550,725	15,255,709	—	110,806,434	77.96%	Self-funding and Proceeds
Stove Mining Project Expansion	212,140,000	118,190,000	28,249,791	—	146,439,791	69.03%	Self-funding and Proceeds
Extension of Open-pitting Mining project	387,540,000	50,790,000	52,369,583	—	103,159,583	26.62%	Self-funding and Proceeds
Electric Shovel Update 2300XP	210,000,000	51,329,897	35,943,379	—	87,273,276	41.56%	Self-funding
Arsenious acid Project Expansion	113,000,000	73,356,954	9,306,745	—	82,663,699	73.15%	Self-funding
Expansion Project of Guiye Workshop	104,710,000	21,548,707	32,725,924	—	54,274,631	51.83%	Self-funding
Expansion project for electrolyze	294,790,000	9,807,166	43,987,457	—	53,794,623	18.25%	Self-funding
Utilization of Remaining Heat from Anode Store	54,240,000	50,423,072	65,665	—	50,488,737	93.08%	Self-funding
Expansion project of phase II of Chengmenshan Copper Mine	498,000,000	12,670,000	32,142,892	—	44,812,892	9.00%	Proceeds
Heat Re-cycling Project from Smoke Sulphuric acid Series I, II	18,500,000	17,503,104	—	—	17,503,104	94.61%	Self-funding
300K ton Copper Smelting Project	3,372,140,000	62,002,576	162,050,522	(221,943,098)	2,110,000	66.48%	Self-funding
Project for Remaining Heat Re-cycling and comprehensive Utilization	272,610,000	189,570,000	16,093,881	(204,473,422)	1,190,459	97.65%	Proceeds
400,000 AUD Sulphuric Project	344,890,000	1,538,365	6,889,795	—	8,428,160	98.13%	Self-funding and loan
Technical renovation engineering of enlarging production scale of Dexing Mining	2,537,870,000	14,295,189	51,476,558	—	65,771,747	2.59%	Self-funding
Others		153,658,595	152,931,236	(64,800,528)	241,789,303		
Total		1,236,600,955	851,568,226	(491,217,048)	1,596,952,133		

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(12) Intangible asset

	Trade marks	Mining right	Land use right	Total
Cost				
1 January 2008	52,375,156	460,357,151	201,618,826	714,351,133
Additions	—	1,467,000	3,700,956	5,167,956
CIP transfer	—	—	—	—
30 June 2008	52,375,156	461,824,151	205,319,782	719,519,089
Accumulated amortization				
1 January 2008	(19,598,066)	(38,294,288)	(3,194,790)	(61,087,144)
Charge for the period	(861,160)	(26,860,075)	(1,604,528)	(29,325,763)
30 June 2008	(20,459,226)	(65,154,363)	(4,799,318)	(90,412,907)
Net book value				
30 June 2008	31,915,930	396,669,788	200,520,464	629,106,182
1 January 2008	32,777,090	422,062,863	198,424,036	653,263,989

As at 30 June 2008, the Group is in the process of obtaining the property certificates for certain land use rights with net book value of RMB62,427,080 (31 December 2007 : RMB45,332,231).

(13) Exploration costs

	Exploration costs
1 January 2008	—
Addition	41,880,000
30 June 2008	41,880,000

This represents the exploration right for cinnabar mine.

FOR THE SIX MONTHS ENDED 30 JUNE 2008
(Expressed in Renminbi Yuan)
(Prepared in accordance with PRC GAAP)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(14) Deferred tax assets/liabilities

Deferred tax assets affirmed as at 30 June 2008:

	Impairment provision	Payroll accrued but not paid	The Safety fund accrued but not utilization	Unrealised profits arising from inter-company	Others	Total
At beginning of period	20,133,810	46,783,899	4,089,840	7,518,938	911,470	79,437,957
Charge to income statements	72,808	(24,153,081)	(4,089,840)	1,727,606	(489,104)	(26,931,611)
At the end of period	20,206,618	22,630,818	—	9,246,544	422,366	52,506,346

Deferred tax liabilities affirmed as at 30 June 2008:

	Fair value gain arising from commodity forward contracts
At beginning of period	5,779,260
Charge to income statements	(330,243)
At the end of period	5,449,017

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(15) Provision for Impairment of assets

The movement of provision for impairment of assets for the six months ended 30 June 2008 is as below:

			Deduction		
	1 January 2008	**Addition**	**Reversals**	**Written off**	**30 June 2008**
Accounts Receivable					
Bad debt provision	**127,463,516**	**7,131**	**(16,000)**	**(35,706)**	**127,418,941**
Other Receivable					
Bad debt provision	**19,768,999**	**1,024,412**	**(3,400)**	**(4,000)**	**20,786,011**
Stock provision	**662,235**	**—**	**—**	**—**	**662,235**
Impairments of available-for-sale investments	**5,610,000**	**—**	**—**	**—**	**5,610,000**
Impairments of fixed assets	**4,829,258**	**—**	**—**	**—**	**4,829,258**
	158,334,008	**1,031,543**	**(19,400)**	**(39,706)**	**159,306,445**

The movement of provision for impairment of assets for the year ended 31 December 2007 is as below:

			Deduction		31 December
	1 January 2007	Addition	Reversals	Written off	2007
Accounts Receivable					
— Bad debt provision	133,366,414	9,552,696	(15,240,694)	(214,900)	127,463,516
Other Receivable					
— Bad debt provision	27,619,856	1,732,980	(9,583,837)	—	19,768,999
Stock provision	662,235	—	—	—	662,235
Impairments of available-for-sale investments	5,610,000	—	—	—	5,610,000
Impairments of fixed assets	4,829,258	—	—	—	4,829,258
	172,087,763	11,285,676	(24,824,531)	(214,900)	158,334,008

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(16) Short-term loans

	30 June 2008 *RMB*	31 December 2007 *RMB*
Bank loan	**7,234,554,098**	6,012,556,702
Including:		
Credit loans	**5,235,686,358**	3,896,076,553
Pledged loans *(i)*	**106,500,000**	86,500,000
Guaranteed loans	**1,892,367,740**	2,029,980,149
Short- term debentures *(iii)*	**—**	1,000,000,000
	7,234,554,098	7,012,556,702

The borrowing carry interest at rates ranging from 3.60%to 7.83% per annum.

(i) *Pledged loans including*

Pledged loans amounting to RMB48,500,000 was secured by machineries with carrying value of RMB129,920,000;

Pledged loans amounting to RMB58,000,000 was secured by inventories with carrying value of RMB180,030,000;

(ii) *Mortgaged loans were secured by the discounted unmatured commercial and bank notes with carrying value of RMB1,892,367,740;*

(iii) *With the approval of the general meeting of the Company held on 1 November, 2005, the company issued the short-term debenture in installments with accumulated maximum repayment amount of not more than RMB2,000,000,000 after getting the notification of record from the People's Bank of China on 14 February 2006.*

On 11 January 2007, the Company issued short-term debentures with par value of RMB1,000,000,000 (maturity in 365 days), bearing an interest rate of 3.8% per annual, which was settled on 11 January 2008.

(17) Notes payable

	30 June 2008 *RMB*	31 December 2007 *RMB*
Bank accepted notes payable	**—**	149,921,676
Commercial accepted notes payable	**—**	100,000,000
	—	249,921,676

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(18) Accounts payable

As at 30 June 2008, the Group's balance due to shareholder who holds more than 5% shares of the Company is RMB6,351,615 (31 December 2007: RMB17,866). More details are given in note 8 "relationships and transactions of related parties".

As at 30 June 2008, the Group does not have material balance of accounts payable with ageing over one year.

(19) Advance from customers

As at 30 June 2008, the Group does not have material balance of advance from customers with ageing over one year.

(20) Employee benefit payable

The movement of employee benefits for the six months ended 30 June 2008 is as below:

	1 January 2008	Addition	Decrease	30 June 2008
Payroll, bonus and allowance	**162,418,845**	**227,228,320**	**(341,626,671)**	**48,020,494**
Social insurance	**28,117,595**	**53,576,353**	**(51,200,033)**	**30,493,915**
Labor Union fee and personnel education fee	**7,605,361**	**7,425,574**	**(8,386,897)**	**6,644,038**
Staff welfare	**6,316,655**	**40,474,854**	**(34,414,001)**	**12,377,508**
Housing fund	**1,838,655**	**18,063,876**	**(18,152,435)**	**1,750,096**
Others	**25,937**	**95,576**	**(96,733)**	**24,780**
	206,323,048	**346,864,553**	**(453,876,770)**	**99,310,831**

The movement of employee benefits for the year ended 31 December 2007 is as below:

	1 January 2007	Addition	Decrease	31 December 2007
Payroll, bonus and allowance	137,022,802	563,633,726	(538,237,683)	162,418,845
Social insurance	3,363,050	112,733,026	(87,978,481)	28,117,595
Labor Union fee and personnel education fee	4,671,845	15,793,159	(12,859,643)	7,605,361
Staff welfare	2,403,351	92,384,227	(88,470,923)	6,316,655
Housing fund	1,354,578	22,651,896	(22,167,819)	1,838,655
Others	—	328,297	(302,360)	25,937
	148,815,626	807,524,331	(750,016,909)	206,323,048

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(21) Taxes payable

	30 June 2008 **RMB**	31 December 2007 *RMB*
Corporate income tax	**759,570,979**	532,617,224
Mineral resource compensate fee	**23,842,299**	43,446,921
Value-added tax	**17,323,334**	(57,334,053)
Resource tax	**13,862,669**	31,331,125
Business tax	**59,391**	128,874
Others	**20,362,370**	24,959,233
	835,021,042	575,149,324

Mineral resources compensation fee is collected in accordance with the PRC State Council Decree Order No. 150, the mineral resource compensate fee collection management regulation, and Jiangxi Province Government Order No. 35, the mineral resource compensate fee collection implementation rules, and is calculated as sales of mineral products multiply compensation rate and extracting coefficient rate.

(22) Dividends payable

	30 June 2008 **RMB**	31 December 2007 *RMB*
JCC	**—**	3,227,511
Ganzi State State-owned Assets Supervision & Administration Company Limited	**1,784,000**	—
	1,784,000	3,227,511

(23) Other payables

	30 June 2008 **RMB**	31 December 2007 *RMB*
Paid on behalf of the company by JCC *(Note 8 (5))*	**202,696,408**	210,555,053
Paid on behalf of the company by the subsidiaries under the control of JCC *(Note 8 (5))*	**24,710,865**	58,375,433
Miscellaneous construction fee	**191,203,045**	89,577,927
Retention for contract	**119,012,483**	88,149,897
Construction materials and spare parts	**95,782,490**	63,756,523
Others	**40,060,641**	14,652,963
	673,465,932	525,067,796

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(23) Other payables *(continued)*

As at 30 June 2008, the Group's balance of other payables due to shareholder who holds more than 5% of the Company is RMB202,696,408 (31 December 2007: RMB210,555,053). More details are given in note 8 "relationships and transactions of related parties".

As at 30 June 2008, the Group does not have material balance of other payables with ageing over one year.

(24) Non-current liabilities due within one year

	Note 6	**30 June 2008** **RMB**	31 December 2007 RMB
Long-term borrowings	(25)	**182,182,000**	504,046,000
Long-term payables	(26)	**18,643,675**	20,387,261
		200,825,675	524,433,261

(25) Long-term borrowings

	30 June 2008		31 December 2007		
	Original amount	**RMB Equivalent**	Original amount	RMB Equivalent	Loan condition
Guaranteed loans *(i)*	**99,000,000**	**99,000,000**	350,000,000	350,000,000	Guaranteed
Credit loans	**275,000,000**	**275,000,000**	410,000,000	410,000,000	Credit
Credit loans	**USD20,000,000**	**137,182,000**	USD 20,000,000	146,092,000	Credit
		511,182,000		906,092,000	
Less: Amount due within one year		**(182,182,000)**		(504,046,000)	
		329,000,000		402,046,000	

(i) As at 30 June 2008, the guarantee which amounted RMB99,000,000 is provided by JCC, the Company's holding company. The interests are paid per month and the principals will be repaid on 28 June 2012 when matured.

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(26) Long-term payables

	Term	**30 June 2008** **RMB**	31 December 2007 RMB
Mining right payable		**46,709,309**	52,831,766
— Dexing & Yongping Mining *(i)*	30 years	**18,247,608**	20,019,770
— Fujiawu Mining *(ii)*	6 years	**28,461,701**	32,811,996
Safety production fund *(iii)*		**—**	16,359,358
Less: Amount due within one year		**(18,643,675)**	(20,387,261)
		28,065,634	48,803,863

(i) *The amount represents the balance due to JCC as the consideration for the transfer of the mining rights. The amount is repayable in 30 annual installments of RMB1,870,000 each year and subject to payment of interest at a rate equal to the state-lending rate for a one-year fixed term loan up to a maximum of 15% on annual installment starting from 1 January 1998. There was no interest payment in this period (2007: RMB139,689) and interest rate announced by the state during the year is 7.47% (2007: 7.47%).*

(ii) *The amount represents the balance due to the National Land Management Authority on the consideration for the mining rights obtained for Fujiawu Project. The amount is repayable in 6 annual installment of RMB 10,000,000 each year, and this long term payable is interest free.*

(iii) *The Company shall accrued safety production cost from 2007 in accordance with the notices (Cai Qi [2006] No.478) promulgated by the Ministry of Finance and State and the Administration of Work Safety on 8 December 2006. As specified in the document, the standard rate for each raw ore extracted is RMB4 per tonne of raw ore for open-pit mines and RMB8 per tonne for underground mines.*

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(27) Other non-current liabilities

Other non-current liabilities represent the deferred revenue derived from government subsidy received in respect of fixed assets purchase and construction. The movement during the period is as follows:

	For the six months ended 30 June 2008 ***RMB***	For the year ended 31 December 2007 *RMB*
At beginning of the period/year	**96,286,946**	72,680,000
Addition during the period/year	**—**	30,665,000
Recognized as income during the period	**(3,441,862)**	(7,058,054)
At end of the period/year	**92,845,084**	96,286,946

(28) Provision

	For the six months ended 30 June 2008 ***RMB***	For the year ended 31 December 2007 *RMB*
At beginning of the period/year	**48,224,000**	—
Addition during the period/year	**28,490,693**	48,224,000
Interest increment during the period/year	**3,003,369**	—
At end of the period/year	**79,718,062**	48,224,000

Provision represents the environment rehabilitation costs, as there is obligation of the Group in future for the environmental costs, and there is probable outflow of economic benefits as the results of its obligation. The amount recognised as a provision shall be the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(29) Share capital

Paid in capital of the Group is RMB3,022,833,727. The face value of the shares is RMB1.00 each. The shares' type and configuration is as follow:

	Beginning		Increase / (Decrease)				Ending	
	No. of shares	%	Issue share	Donate share	Other	Subtotal	No. of shares	%
Listed shares with restricted trading condition								
(1) State owned	—	—	—	—	—	—	—	—
(2) State legal person owned	1,282,074,893	42.41%	—	—	—	—	1,282,074,893	42.41%
(3) Domestic other legal owned	70,756,048	2.34%	—	—	—	—	70,756,048	2.34%
Including:								
Domestic legal person owned	70,756,048	2.34%	—	—	—	—	70,756,048	2.34%
Domestic person owed	—	—	—	—	—	—	—	—
Listed shares with restricted trading conditions	1,352,830,941	44.75%	—	—	—	—	1,352,830,941	44.75%
Listed shares without restricted trading conditions								
(1) A shares	282,520,786	9.35%	—	—	—	—	282,520,786	9.35%
(2) Domestic foreign shares	—	—	—	—	—	—	—	—
(3) H shares	1,387,482,000	45.90%	—	—	—	—	1,387,482,000	45.90%
(4) Others	—	—	—	—	—	—	—	—
Listed shares without restricted trading conditions	1,670,002,786	55.25%	—	—	—	—	1,670,002,786	55.25%
Total of share capital	3,022,833,727	100.00%	—	—	—	—	3,022,833,727	100.00%

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(29) Share capital *(continued)*

Pursuant to the sanction document of ZhengJianFaXingZi [2007] 278 issued by the CSRC, the Company issued 127,795,527 A shares of RMB1 each at a price of RMB31.30 per share in September 2007 and received an aggregate of RMB3,999,999,995 paid up share capital from share holders. Out of the newly issued 127,795,527 A shares (subject to trading restrictions), 57,039,479 shares were issued to JCC in consideration of the purchase of certain equity interests and businesses at an agreed value of RMB1,785,336,000, accounting for 44.63% of total newly issued A shares. The remaining 70,756,048 shares were issued to eight financial institutions for cash of RMB2,214,664,000, accounting for 55.37% of total newly issued A shares. Deducting the issuing expenses, the actual net proceeds raised is RMB3,950,174,667 (including RMB2,164,838,974 of cash). The amount contributed by JCC in form of non-cash assets to subscribe for the A Shares mainly included all Chengmenshan's net assets except for land use rights, 40% equity interests in Jiangxi Copper Alloy Materials Company, 40% equity interests in Jiangxi Copper Products Company Limited, 100% equity interests in Jiangtong Chemical and 100% equity interest in Jiangtong Transportation. The part of total amount RMB1,837,768,956 exceeding the agreed value of RMB1,785,335,693 (RMB52,433,263) was recorded as other payable and paid in cash.

JCC and the eight financial institutions undertake that new shares received by them in this issue will be subject to trading moratorium periods of 36 months and 12 months, respectively, from the date of completion of the new share placement. The shares of JCC with trading moratorium are expected to be listed on 27 September 2010 (defer to the next trading day in the case of a non-trading date) and the shares of the eight financial institutions with trading moratorium are expected to be listed on 27 September 2008 (defer to the next trading day in the case of a non-trading date). The eight financial institutions were Guotai Junan Investment Management Co., Ltd, Suzhou Industrial Park Assets Management Co., Ltd, Minmetals Investment & Development Co., Ltd, Wuxi Guolian Development (Group) Co., Ltd, Sanjiang Aerospace Group Financial Company Limited, Shanghai Rongchang Assets Management Co., Ltd, Shanghai Yuanhai Industrial Co., Ltd, Zhongrong International Trust & Investment Co., Ltd.

Pursuant to share reform plan approved by shareholders' meeting on 3 April 2006, the plan was carried into execution from 19 April 2006,while 17 April 2006 was regarded as share register date, the 1,920,786 shares with trading moratorium held by Zhongniang Estate Group Co., Ltd(formerly is Shenzhen Baoheng Group Co., Ltd), Jiangxi Xinxin Industry Co., Ltd, Hubei Sanxin Gold and Copper Co., Ltd is listed on 19 April 2007.

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(30) Capital reserves

The change of capital reserves for the six months ended 30 June 2008 is as below:

	1 January 2008	Addition/ (Deduction)	Reclassification	30 June 2008
Share premium	**4,591,103,139**	**—**	**—**	**4,591,103,139**
Revaluation reserve	**113,063**	**—**	**—**	**113,063**
Change in fair value of commodity forward contracts	**22,596,559**	**(77,874,882)**	**—**	**(55,278,323)**
Other equity Movement from Associate	**—**	**(52,399,641)**	**—**	**(52,399,641)**
	4,613,812,761	**(130,274,523)**	**—**	**4,483,538,238**

The change of capital reserves in year 2007 is as below:

	1 January 2007	Addition/ (Deduction)	Reclassification	31 December 2007
Share premium	1,956,488,732	2,639,985,255	(5,370,848)	4,591,103,139
Revaluation reserve	113,063	—	—	113,063
Change in fair value of commodity forward contracts	38,747,100	(16,150,541)	—	22,596,559
Capital injection by preshareholders of acquirees of business combination before the acquisition date	366,413,922	(371,784,770)	5,370,848	—
	2,361,762,817	2,252,049,944	—	4,613,812,761

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(31) Surplus reserves

The movement of surplus reserves for the six months ended 30 June 2008 is as below:

	Statutory surplus reserves *RMB*	Discretionary surplus reserves *RMB*	Total *RMB*
1 January 2008	**1,693,055,795**	**3,470,497,225**	**5,163,553,020**
Charge for the period	—	—	—
30 June 2008	**1,693,055,795**	**3,470,497,225**	**5,163,553,020**

The change of surplus reserves for the year ended 31 December 2007 is as below:

	Statutory surplus reserves *RMB*	Discretionary surplus reserves *RMB*	Total *RMB*
1 January 2007	1,307,429,176	2,313,617,366	3,621,046,542
Charge for the year	385,626,619	1,156,879,859	1,542,506,478
31 December 2007	1,693,055,795	3,470,497,225	5,163,553,020

Pursuant to company law and the Company's Article of Association, the Company is required to appropriate 10% of its profit after tax as statutory surplus reserve. The appropriation may cease to apply if the balance of the statutory surplus reverse has reached 50% of the Company's registered capital.

According to the Company Law of the PRC and other regulations, the Company is no longer required to make any transfer of profit after tax to the statutory public welfare fund. The remaining balance of the statutory public welfare fund as at 31 December 2005 has been transferred to statutory surplus reverse.

After statutory surplus reserves are accrued, discretionary surplus reserves can be accrued. Discretionary surplus reserves can offset accumulated losses, or increase share capital after approval.

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(32) Retained earnings

	For the six months ended 30 June 2008 ***RMB***	For the year ended 31 December 2007 *RMB*
Retained earnings at beginning of the period/year	**5,342,280,409**	3,999,087,695
Add: Net profit for the period	**2,779,256,163**	4,132,734,558
Profits available for appropriation	**8,121,536,572**	8,131,822,253
Less: Appropriations to statutory surplus reserve	—	385,626,619
Appropriations to discretionary surplus reserve	—	1,156,879,859
Profits available for appropriation to shareholders	**8,121,536,572**	6,589,315,775
Less: Cash dividend approved by the general meeting of last year	**906,850,118**	1,158,015,280
Dividends paid by acquirees of business combination under common control before the acquisition date	—	89,020,086
Retained earnings at the end of the period/year	**7,214,686,454**	5,342,280,409
Including: Cash dividends proposed after the balance sheet date	—	906,850,118

On 10 June 2008, a dividend of RMB0.30 per share (tax inclusive for A shares) on 3,022,833,727 shares, in aggregate approximately RMB906,850,000 was declared to the shareholders as the final dividend for year 2007. On 1 July 2008, the dividend was paid to the shareholders of H shares and shareholders of A shares individually on 27 June 2008 and 1 July 2008. The 2007 final dividend payable to JCC was settled by netting off against the receivable from JCC (Note 6 (44)).

On 26 June 2007, a dividend of RMB0.40 per share (tax inclusive for A shares) on 2,895,038,200 shares, in aggregate approximately RMB1,158,015,000 was declared to the shareholders as the final dividend fro year 2006. On 16 July 2007, the dividend was paid to the shareholders.

The Board resolved not to declared the interim dividend for the six months ended 30 June 2008. No interim dividend was distributed in the corresponding period of last year.

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(33) Minority interests

The minority interests of the significant subsidiaries of the Group are stated as below:

	30 June 2008	31 December 2007
	RMB	*RMB*
Kangtong Copper	**105,622,842**	111,555,938
Wengfu	**55,799,435**	47,485,075
Diaoquan Silver and Copper	**46,313,382**	55,542,166
Sure Spread	**27,215,464**	28,822,421
Xiaoshan Tongda	**785,162**	747,198
	235,736,285	244,152,798

(34) Revenue and Costs of sales

	For the six months ended 30 June 2008	For the year ended 31 December 2007 *(Restated (Note12))*
	RMB	*RMB*
Revenue from principal operation	**26,622,423,326**	17,215,140,303
Other operating income	**208,392,204**	89,486,608
	26,830,815,530	17,304,626,911

Revenue from principal operations by products:

	For the six months ended 30 June 2008	For the year ended 31 December 2007 *(Restated (Note12))*
	RMB	*RMB*
Copper cathodes	**13,346,791,984**	7,461,815,413
Copper rods and wires	**9,491,169,652**	7,653,076,596
Other products (silver, sulphuric acid and etc.)	**2,347,671,637**	770,432,565
Gold	**1,403,018,674**	1,292,538,568
Tolling services	**33,771,379**	37,277,161
	26,622,423,326	17,215,140,303

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(34) Revenue and cost of sales *(continued)*

Revenue from principal operations by Geographical:

Geographical segments	**For the six months ended 30 June 2008** ***RMB***	For the year ended 31 December 2007 *(Restated (Note12))* *RMB*
Mainland China	**25,535,467,000**	16,715,760,751
Hong Kong	**1,084,392,912**	438,466,943
New Zealand	**2,115,702**	1,682,914
Holland	**—**	47,647,658
Belgium	**—**	10,768,980
Others	**447,712**	813,057
	26,622,423,326	17,215,140,303

Cost of sales:

	For the six months ended 30 June 2008 ***RMB***	For the year ended 31 December 2007 *(Restated (Note12))* *RMB*
Costs of domestic sales	**21,826,192,207**	14,025,892,655
Costs of export sales	**1,004,468,573**	454,138,410
	22,830,660,780	14,480,031,065
Total revenue of the five largest customers	**6,552,152,911**	2,577,914,472
Percentage in the total revenue	**24.61%**	14.97%

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(35) Taxes and surcharges

	For the six months ended 30 June 2008 **RMB**	For the year ended 31 December 2007 *(Restated (Note12))* *RMB*
Resources tax	**114,969,406**	28,383,964
Business tax	**531,227**	1,162,454
Cities construction tax and education surcharge	**808,925**	657,853
Fund for price change on non-staple foods	**421,745**	349,239
	116,731,303	30,553,510

(36) Financial expenses

	For the six months ended 30 June 2008 **RMB**	For the year ended 31 December 2007 *(Restated (Note12))* *RMB*
Interest expense	**164,796,812**	92,219,000
Interest on discounted note	**12,575,209**	1,196,251
Add: Interest income	**(18,945,560)**	(7,391,015)
Foreign exchange gains	**(130,903,227)**	(104,988)
Others	**17,587,379**	8,791,022
	45,110,613	94,710,270

(37) Provision for Impairment of assets

	For the six months ended 30 June 2008 **RMB**	For the year ended 31 December 2007 *(Restated (Note12))* *RMB*
Provision for the bad debt provision	**1,012,143**	14,566,792

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(38) Loss from change in fair value

	For the six months ended 30 June 2008	For the year ended 31 December 2007 *(Restated (Note12))*
	RMB	*RMB*
Commodity forward contracts	**8,594,489**	12,175,106

(39) Investment income/ (losses)

	For the six months ended 30 June 2008	For the year ended 31 December 2007 *(Restated (Note12))*
	RMB	*RMB*
Gain from commodity forward contracts not qualified for hedge accounting	**259,218,296**	63,014,588
Dividend declared from invested entities under cost method	**5,259,418**	—
Gain from disposal of subsidiary	**84,448**	—
Share of profit of a jointly controlled entity and associates	**(10,064,138)**	1,736,906
	254,498,024	64,751,494

(40) Non-operating expenses

	For the six months ended 30 June 2008	For the year ended 31 December 2007 *(Restated (Note12))*
	RMB	*RMB*
Donation	**11,523,044**	728,223
Loss on disposal of fixed assets	**7,070,187**	7,929,642
Education expenses	**—**	5,258,850
Others	**2,602,654**	1,361,233
	21,195,885	15,277,948

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(41) Income tax

	For the six months ended 30 June 2008 ***RMB***	For the year ended 31 December 2007 *(Restated (Note12))* *RMB*
Current income tax	**871,909,299**	407,195,359
Deferred income tax	**26,601,368**	(45,437,540)
	898,510,667	361,757,819

Reconciliation of the tax expense applicable to profit before tax are as follows:

	For the six months ended 30 June 2008 ***RMB***	For the year ended 31 December 2007 *(Restated (Note12))* *RMB*
Profit before tax	**3,685,050,112**	2,460,593,555
Tax at the statutory income tax rate (25%) (2007 Jan to June was 33%)	**921,262,528**	811,995,873
Lower tax rates for the Company	**—**	(363,697,563)
Lower tax rates for the subsidiaries	**(26,513,018)**	(44,245,874)
Profits and losses attributable to a jointly controlled entity and associates	**2,516,035**	(573,179)
Non-deductible expenses	**1,245,122**	3,716,102
Previously unrecognised deferred tax assets	**—**	(45,437,540)
Income tax expense at the Group's effective rate	**898,510,667**	361,757,819

During the 5th Session of the 10th National People's Congress, which was concluded on 16 March 2007, the New Corporate Income Tax Law was approved and became effective on 1 January 2008. Pursuant to the new regulation, the companies who enjoyed lower tax rate benefit will be entitled to have a 5-year intergrades for tax rate changes. As for the companies with income tax rate of 15%, their following 5 years tax rates are 18% for year 2008, 20% for year 2009, 22% for year 2010, 24% for year 2011, 25% for year 2012. As for the companies enjoyed two exemptions and three halved, they will still operate under the old tax regulation, rules of laws after the implementation of new tax laws until the end of the tax holiday. Existing enterprises which are entitled to, but not yet commenced, tax holiday due to continuing losses, tax holiday is calculated from year 2008.

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(42) Earnings per share

The calculation of basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the company, and the weighted average number of ordinary shares in issue during the period. The number of newly issued ordinary shares, according to the detail articles of the issuance contract, is settled from the due day, normally the share issuance date.

The calculation of basic earnings per share is based on:

	For the six months ended 30 June 2008 *RMB*	For the year ended 31 December 2007 *(Restated (Note12))* *RMB*
Earnings:		
Profit attributable to ordinary equity holders of the parent	**2,779,256,163**	2,057,891,981
Shares:		
Weighted average number of ordinary shares adjusted	**3,022,833,727**	2,928,843,649

No diluted earnings per share amount are presented for the period as there were no dilutive events occurred during the period.

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(43) Cash received or paid relating to other operating activities

Cash received relating to other operating activities are stated as below:

	For the six months ended 30 June 2008 **RMB**	For the year ended 31 December 2007 *(Restated (Note12))* *RMB*
Cashes received relating to other operating activities:		
Net gains from the settlement of commodity forward contracts	**259,218,296**	63,014,588
Interest income	**18,945,560**	7,391,015
Non-operating income	**1,257,766**	6,014,353
	279,421,622	76,419,956

Cash paid relating to other operating activities are stated as below:

	For the six months ended 30 June 2008 **RMB**	For the year ended 31 December 2007 *(Restated (Note12))* *RMB*
Cashes paid relating to other operating activities:		
Selling expenses and general and administrative expenses	**384,687,766**	248,668,859
Deposit for commodity forward contracts	**77,015,575**	81,838,870
Non operating expense	**14,125,698**	7,348,306
Others	**4,640,872**	2,749,487
	480,469,911	340,605,522

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6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(44) Major non-cash transactions

	For the six months ended 30 June 2008	For the year ended 31 December 2007 *(Restated (Note12))*
	RMB	*RMB*
Settle the final dividend for year 2007 payable to JCC by net off the receivable balance due from JCC	**384,622,468**	—
Net increase of payable balance for items of property, plant and equipment	**521,986,233**	396,477,059
	906,608,701	396,477,059

(45) Cash flows from operating activities

	For the six months ended 30 June 2008	For the year ended 31 December 2007 *(Restated (Note12))*
	RMB	*RMB*
Reconciliation of net profit to cash flow from operating activities		
Net profit for the period	**2,786,539,445**	2,098,835,736
Add: Provision for impairment of assets	**1,012,143**	12,987,495
Depreciation of fixed assets	**341,064,905**	265,001,234
Amortisation of intangible assets	**29,325,763**	8,097,945
Loss on disposal of fixed assets, intangible assets, and other long term assets	**5,753,810**	7,929,642
Financial expense	**46,468,794**	93,444,464
Investment losses/(incomes)	**4,804,720**	(1,736,906)
Losses on fair value change	**8,594,489**	12,175,106
Decrease/(increase) in of deferred tax assets	**26,931,611**	(45,437,540)
Decrease in deferred tax liabilities	**(330,243)**	—
Deferred revenue released to income statement	**(3,441,862)**	—
Increase in inventories	**(38,064,531)**	(1,820,883,764)
Increase in operating receivables	**(820,246,463)**	(1,235,745,674)
Decrease/(increase) in operating payables	**(503,663,650)**	29,866,478
Net cash inflow from operating activities	**1,884,748,931**	(575,465,784)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(46) Business Combination

Business combination under common control

Pursuant to the sanction document of ZhengJianFaXingZi [2007] 278 issued by the CSRC, the Company issued 127,795,527 A shares on 27 September 2007. JCC purchased part of the shares with the consideration of all Chenmengshan's net assets except for land use rights, 100% equity interests in Jiangtong Chemical and 100% equity interest in Jiangtong Transportation. As the acquired companies are the affiliates of the Company's parent company before and after the acquisition, both parties are under common and consistent control of JCC, the combination is defined as business combination under common control. The Company and JCC jointly agreed to treat 22 September 2007 as the date of transactions for assets and shares ("The Transaction Date").

(47) H Share share appreciation rights scheme

In accordance with the "Resolution Regarding Adoption and Approval of the H Share Share Appreciation Rights Scheme and Implementation Methods" passed at the Company's Special General Meeting in year 2008 held on 19 February 2008, the Company implemented a H Share share appreciation rights scheme as appropriate incentive policy to its directors and senior management. Under this scheme, the H Share share appreciation rights (the "Rights") are granted in units with each unit representing one H Share. On 22 February 2008, 509,000 unit of the Rights are granted to seven directors and senior management members by the offer price HKD18.9 dollar. No shares will be issued under the share appreciation rights scheme. Upon exercise of the Rights, the grantees will receive a cash payment in RMB, subject to any applicable withholding tax, translated from the Hong Kong dollars ("HKD") amount equal to the number of units of Rights exercised multiplied by the appreciation, if any, in the market price of the Company's H Share above the exercise price of the Rights, based on the applicable exchange rate between RMB and HKD at the date of the exercise. Not less than 20% of such cash payments so deposited shall remain in the account until the end of the term of service of the relevant grantee. In addition, such cash payments shall only be payable if the grantee has passed the final performance assessment.

The stipulated lock-up period for exercising the Rights is two years after the date of grant. Not more than 40%, 70% and 100% of the Rights can be exercised during the third year, fourth year and fifth year, respectively. The Directors and senior management members must retain not less than 20% of their Rights remained to be exercisable as at the end of their respective terms of service subject to their final performance assessment results at the end of the term of service. The remaining Rights can be exercised before the expiration of the term of the scheme (10 years). The Rights which have not been exercised after the expiration of the term of the scheme shall lapse.

During the period ended 30 June 2008, no Rights granted was exercised or expired (2007: nil). As at 30 June 2008, the expiry dates of the outstanding Rights were between 9 and 10 years.

For the period ended 30 June 2008 and as of 30 June 2008, the Group did not recognize share compensation cost and the liability related to the Rights and has not determined the value of Rights granted as the directors believe the related compensation cost is not material to the consolidated financial statement for the period ended 30 June 2008.

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(48) Segment information

The Group's revenue and profit for the year are almost derived from the production and sale of copper cathodes, copper rods and wires and other related products. The directors consider that these operating constitute one single business segment since the products are related and are subject to common risks and returns.

Over 90% of the Group's revenue is derived from Mainland China. All of the production facilities of the Group are located in Mainland China. Therefore, no business and geographical segments are presented.

7 NOTES TO FINANCIAL STATEMENTS OF THE COMPANY

(1) Accounts Receivable

	30 June 2008	31 December 2007
	RMB	*RMB*
Accounts Receivable	**1,455,284,658**	1,341,340,172
Less: Bad debt provision	**(127,412,044)**	(127,420,913)
	1,327,872,614	1,213,919,259

The aging analysis of accounts receivable is as below:

	30 June 2008			
	Balance	**(%)**	**Bad debt provision**	**Net book value**
Within 1 year	**1,327,997,433**	**91.25%**	**(160,960)**	**1,327,836,473**
1-2 years	**58**	**0.00%**	**(12)**	**46**
2-3 years	**72,187**	**0.01%**	**(36,092)**	**36,095**
Over 3 years	**127,214,980**	**8.74%**	**(127,214,980)**	**—**
	1,455,284,658	**100.00%**	**(127,412,044)**	**1,327,872,614**

(Expressed in Renminbi Yuan)

7 NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(CONTINUED)*

(1) Accounts Receivable *(continued)*

The aging analysis of accounts receivable is as below: *(continued)*

	30 June 2007			
	Balance	%	Bad debt provision	Net book value
Within 1year	1,213,401,511	90.46%	—	1,213,401,511
1-2 years	576,770	0.04%	(115,354)	461,416
2-3 years	112,664	0.01%	(56,332)	56,332
Over 3 years	127,249,227	9.49%	(127,249,227)	—
	1,341,340,172	100.00%	(127,420,913)	1,213,919,259

	30 June 2008			
	Balance	**(%)**	**Bad debt provision**	**Net book value**
Individually significant	**488,051,5933**	**3.54%**	**71,195,359**	**14.59%**
Others	**967,233,065**	**66.46%**	**56,216,685**	**5.81%**
	1,455,284,658	**100.00%**	**127,412,044**	**8.76%**

	30 June 2007			
	Balance	%	Bad debt provision	Net book value
Individually significant	731,885,308	54.56%	71,211,359	9.73%
Others	609,454,864	45.44%	56,209,554	9.22%
	1,341,340,172	100.00%	127,420,913	9.50%

	30 June 2008 *RMB*	31 December 2007 *RMB*
Total amount of five largest debtors	**606,143,741**	676,108,503
Percentage in total accounts receivable	**41.65%**	50.41%

On 30 June 2008, the company's balance due from shareholder who holds more than 5% shares of the Company is Nil (31 December 2007: RMB57,856).

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7 NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(CONTINUED)*

(2) Other receivables

	30 June 2008	31 December 2007
	RMB	*RMB*
Other receivables	**363,899,877**	329,632,778
Less: Bad debt provision	**(16,093,173)**	(16,092,573)
	347,806,704	313,540,205

The aging analysis of other receivable is as follows:

	30 June 2008			
	Balance	**(%)**	**Bad debt provision**	**Net book value**
Within 1year	**323,743,931**	**88.96%**	**—**	**323,743,931**
1-2 years	**23,754,137**	**6.53%**	**(1,162,750)**	**22,591,387**
2-3 years	**866,170**	**0.24%**	**(459,021)**	**407,149**
Over 3 years	**15,535,639**	**4.27%**	**(14,471,402)**	**1,064,237**
	363,899,877	**100.00%**	**(16,093,173)**	**347,806,704**

	30 June 2007			
	Balance	%	Bad debt provision	Net book value
Within 1year	290,234,321	88.05%	(109,528)	290,124,793
1-2 years	22,945,799	6.96%	(1,302,256)	21,643,543
2-3 years	918,042	0.28%	(219,005)	699,037
Over 3 years	15,534,616	4.71%	(14,461,784)	1,072,832
	329,632,778	100.00%	(16,092,573)	313,540,205

(Expressed in Renminbi Yuan)

7 NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(CONTINUED)*

(2) Other receivables *(continued)*

	30 June 2008			
	Balance	**(%)**	**Bad debt provision**	**Net book value**
Individually significant	**205,428,455**	**56.45%**	**—**	**—**
Others	**158,471,422**	**43.55%**	**16,093,173**	**10.16%**
	363,899,877	**100.00%**	**16,093,173**	**4.42%**

	30 June 2007			
	Balance	%	Bad debt provision	Net book value
Individually significant	168,610,391	51.15%	—	—
Others	161,022,387	48.85%	16,092,573	9.99%
	329,632,778	100.00%	16,092,573	5.00%

	30 June 2008 *RMB*	31 December 2007 *RMB*
Total amount of five largest debtors	**205,428,455**	168,610,391
Percentage in total other receivables	**56.45%**	51.15%

As at 30 June 2008, the Company's balance of deposit for commodity forward contracts is RMB237,268,226 (31 December 2007: RMB173,179,471).

As at 30 June 2008, the Company's balance due from shareholder who holds more than 5% shares of the Company is RMB2,723,162 (31 December 2007: RMB1,107,284).

(Expressed in Renminbi Yuan)

7 NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(CONTINUED)*

(3) Long-term equity investments

The movement of Long-term equity investments for the six months ended 30 June 2008 is as below:

		Investment Cost				Share of net profit		Other equity movement from associate		
	Investment Cost	Opening Balance	Addition	Accumulated Addition	Liquidation	Opening Balance	Increase/ (Decrease)	Opening Balance	Increase	Ending Balance
Cost method:										
Kangxi Copper	80,000,000	80,000,000	–	80,000,000	–	–	–	–	–	80,000,000
Xiaoshan Tongda	600,000	600,000	–	600,000	–	–	–	–	–	600,000
JCPC	135,000,000	246,879,928	–	246,879,928	–	–	–	–	–	246,879,928
Diaoquan Silver and Copper	35,000,000	35,000,000	–	35,000,000	–	–	–	–	–	35,000,000
Sure Spread	29,227,000	29,227,000	–	29,227,000	–	–	–	–	–	29,227,000
JCAC	119,700,000	229,509,299	–	229,509,299	–	–	–	–	–	229,509,299
Wengfu	127,050,000	127,050,000	–	127,050,000	–	–	–	–	–	127,050,000
Shenzhen Trading	30,000,000	30,000,000	–	30,000,000	–	–	–	–	–	30,000,000
Shanghai Trading	20,000,000	20,000,000	–	20,000,000	–	–	–	–	–	20,000,000
Beijing Trading	10,000,000	10,000,000	–	10,000,000	–	–	–	–	–	10,000,000
Jiangtong Chemical	47,484,598	47,484,598	–	47,484,598	–	–	–	–	–	47,484,598
Jiangtong Transportation	18,371,521	18,371,521	–	18,371,521	(18,371,521)	–	–	–	–	–
Equity method:										
Minerals Jiangxi Copper	460,000,000	460,000,000	–	460,000,000	–	(130,825)	(20,300,608)	–	(52,399,641)	387,168,926
JCC Finance	100,000,000	100,000,000	–	100,000,000	–	10,207,099	5,513,954	–	–	115,721,053
Qingyuan	36,000,000	36,000,000	–	36,000,000	–	12,520,573	4,708,047	–	–	53,228,620
Jiangtong Bioteq	14,100,000	14,100,000	–	14,100,000	–	(314,253)	(173,171)	–	–	13,612,576
Jiangxi Fuyun(i)	480,000	–	480,000	480,000	–	–	283,207	–	–	763,207
Total	1,263,013,119	1,484,222,346	480,000	1,484,702,346	(18,371,521)	22,282,594	(9,968,571)	–	(52,399,641)	1,426,245,207

(Expressed in Renminbi Yuan)

7 NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(CONTINUED)*

(4) Revenue and cost of sales

	For the six months ended 30 June 2008 **RMB**	For the year ended 31 December 2007 *(Restated (Note12))* *RMB*
Revenue from principal operations	**25,251,039,742**	16,653,911,039
Other operating income	**200,408,021**	87,341,897
	25,451,447,763	16,741,252,936

Revenue from principal operations by products:

	For the six months ended 30 June 2008 **RMB**	For the year ended 31 December 2007 *(Restated (Note12))* *RMB*
Product category		
Cathode copper	**11,635,872,941**	6,970,598,364
Copper rods and wires	**9,683,996,269**	7,634,796,759
Gold	**1,403,018,674**	1,292,538,568
Others (Silver, Sulphuric acid, etc)	**2,510,994,372**	737,774,955
Tolling services	**17,157,486**	18,202,393
	25,251,039,742	16,653,911,039

(Expressed in Renminbi Yuan)

7 NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(CONTINUED)*

(4) Revenue and cost of sales *(continued)*

Revenue by Geographical:

	For the six months ended 30 June 2008 ***RMB***	For the year ended 31 December 2007 *(Restated (Note12))* *RMB*
Geographical segments		
Mainland China	**24,700,012,930**	16,154,531,487
Hong Kong	**548,463,398**	438,466,943
New Zealand	**2,115,702**	1,682,914
Holland	**—**	47,647,658
Belgium	**—**	10,768,980
Singapore	**—**	369,414
Others	**447,712**	443,643
	25,251,039,742	16,653,911,039

Cost of Sales:

	For the six months ended 30 June 2008 ***RMB***	For the year ended 31 December 2007 *(Restated (Note12))* *RMB*
Cost of domestic sales	**21,133,078,330**	13,782,485,840
Cost of export sales	**469,556,993**	454,138,410
	21,602,635,323	14,236,624,250
Total revenue of five largest customers	**6,269,479,739**	2,577,914,472
Percentage in total revenue	**24.83%**	15.48%

(Expressed in Renminbi Yuan)

7 NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(CONTINUED)*

(5) Investment income/(loss)

	For the six months ended 30 June 2008 *RMB*	For the year ended 31 December 2007 (Restated (Note12)) *RMB*
Gain/(loss) from commodity from forward contracts not qualified hedging accounting	**156,103,996**	43,175,278
Dividend declared from invested entities under cost method	**18,505,492**	12,492,741
Loss from consolidation of the subsidiary	**84,448**	—
Share of profit of jointly controlled entity and associates	**(9,968,621)**	1,701,118
	164,725,315	57,369,137

(6) Major non-cash transactions

	For the six months ended 30 June 2008 *RMB*	For the year ended 31 December 2007 (Restated (Note12)) *RMB*
Settle the final dividend for year 2007 payable to JCC by net off the receivable balance due from JCC	**384,622,468**	—
Net increase of payable balance for items of property, plant and equipment	**388,035,985**	149,293,627
	772,658,453	149,293,627

8. RELATED PARTY RELATIONSHIP AND TRANSACTION

(a) Definition of related party

If a party has the power to control, jointly control or exercise significant influence over another party, they are regarded as related parties. Two or more parties are also regarded as related parties if they are subject to control, jointly control or significant influence from the same party.

Here below are the related parties of the Group:

1) The parents of the Group;

2) The subsidiaries of the Group;

3) Other enterprises which are controlled by the Group's parents;

4) An investors who has jointly control over the Group;

5) An investors who can exercise significant influence over the Group;

6) A joint venture in which the Group is an investor;

7) The associates of the Group;

8) Principal individual investor of the Group, and close family member of such individuals;

9) Key management personnel of the Company or its parent, and close family members of such individuals; and

10) Other enterprises that are controlled jointly controlled or significantly influenced by the Group's principal individual investors, key management personnel or close family members of such individuals.

Enterprises are not regarded as related parties if they are under common control from the state

8. RELATED PARTY RELATIONSHIP AND TRANSACTION *(CONTINUED)*

(b) Parent company and subsidiaries

Parent company	Registration place	Principal business	Direct interest	Voting power	Registered capital *RMB '000*
JCC	Jiangxi Guixi	Non-ferrous metal mines Non-metal mining, smelting, and mangle rolling processing of non-ferrous metals	42.41%	42.41%	2,656,150

Subsidiaries of the Group are given in note 5 "scope of consolidation".

(c) Other related parties

Name	Relationship
JCC's affiliates	Controlled by parent company
JC Qingyuan	Associate

(Expressed in Renminbi Yuan)

8. RELATED PARTY RELATIONSHIP AND TRANSACTION *(CONTINUED)*

(d) Significant transactions with related parties

The Group had the following significant transactions with related parties, except for the acquisition of assets and business from JCC and loans guarantee obtained from JCC mentioned above.

	For the six months ended 30 June 2008	For the year ended 31 December 2007 (Restated (Note12))
	RMB	*RMB*
Sales to and services provided to related parties:		
Sales of products and by-products	**2,567,243,037**	1,605,746,899
Processing fee of blister (scrap) copper charged	**17,547,772**	19,326,202
Supply of water and transmission of electricity	**34,589,740**	44,306,000
Operation management services	**3,870,265**	1,762,000
Supply of gases	**1,493,667**	977,000
Purchase of goods from and services provided from related parties:		
Purchases of raw materials and auxiliary materials	**1,630,915,007**	1,003,606,967
Vehicle transportation services	**69,104,142**	63,403,866
Construction services	**39,367,019**	41,852,000
Social welfare and support services	**25,749,429**	32,701,370
Repair and maintenance services	**69,688,453**	28,115,000
Purchase of equipment	**12,545,275**	11,566,000
Industrial water supplied	**10,626,772**	9,882,225
Brokerage agency services	**6,796,198**	5,295,000
Environmental greenery services provided	**4,630,651**	826,000
Other related party transactions:		
Pension contributions paid by the Group	**29,401,076**	27,952,000
Rentals for office premises charged by the Group	**1,920,000**	720,000
Key management personnel salary paid to the Group	**4,459,500**	4,406,000
Rentals for land use rights charged by the Group	**5,805,000**	7,070,000
Rentals for housing for the employees and use of common facilities charged to the Group	**12,625,591**	12,699,000
Transfers of mining rights from	**960,000**	1,735,000
Rentals for office premises charged to the Group	**2,288,344**	1,569,000

(Expressed in Renminbi Yuan)

8. RELATED PARTY RELATIONSHIP AND TRANSACTION *(CONTINUED)*

(d) Significant transactions with related parties *(continued)*

The sales to and purchase from related parties are negotiated and agreed by both parties with the reference to market price.

The amount of sales and services provided to JCC is 9.64% (Jan to Jun 2007: 9.28%) of the total revenue of the Group. The amount of purchase and service provided from JCC is 7.16% (Jan to Jun 2007: 6.93%) of the total purchase amount of the Group.

(e) Amounts due from/to related parties

		30 June 2008	31 December 2007
		RMB	*RMB*
Notes receivable	JCC's affiliates	**682,227,308**	235,295,002
Accounts receivable	JCC	**—**	120,827
	JCC's affiliates	**191,688,087**	345,736,900
		191,688,087	345,857,727
Other receivables	JCC	**2,723,162**	1,107,284
	JCC's affiliates	**320,562,452**	243,139,729
		323,285,614	244,247,013
Advances to suppliers	JCC's affiliates	**62,500,701**	59,583,326
	Qinyuan JXCC	**131,084,403**	
		193,585,104	59,583,326

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8. RELATED PARTY RELATIONSHIP AND TRANSACTION *(CONTINUED)*

(e) Amounts due from/to related parties *(continued)*

		30 June 2008	31 December 2007
		RMB	*RMB*
Accounts Payable	JCC	**6,351,615**	17,866
	JCC's affiliates	**33,063,321**	39,751,687
	QingYuan	**—**	27,222,396
		39,414,936	66,991,949
Advances from customers	JCC's affiliates	**9,801,512**	32,612,175
Other payables	JCC	**202,696,408**	210,555,053
	JCC's affiliates	**24,710,865**	58,375,433
		227,407,273	268,930,486
Non-current liabilities due within 1year	JCC	**—**	1,870,000
Long term payables	JCC	**18,247,608**	18,149,770

The amount due form/to related parties are all arising from the transaction mentioned above and the advances to/from related parties and payments made by the Group and related parties on behalf of each other. These balances was unsecured, interest-free and have no fixed repayment terms except for other long term payable to JCC as mentioned in note 6 (26).

(Expressed in Renminbi Yuan)

9. COMMITMENTS

(a) Operating commitments

The non-cancellable minimal lease payment subsequent to the balance sheet date and the aggregate minimum lease payments thereafter are as follows:

	30 June 2008	31 December 2007
	RMB	*RMB*
Within 1 year (1 year included)	**16,012,741**	16,781,156
1-2 years (2 years included)	**16,012,741**	16,884,158
2-3 years (3 years included)	**15,885,261**	16,780,820
Above 3 years	**309,342,372**	349,490,880
	357,253,115	399,937,014

(b) Capital commitments

	30 June 2008	31 December 2007
	RMB	*RMB*
Contracted for but not provided	**158,986,143**	441,737,793
Authorized but not contracted for	**4,407,000**	11,432,511
Investment in associates		
— Project Company in Afghanistan *(i)*	**2,258,346,947**	—
— Jiangxi Copper Corporation Finance Company Limited *(ii)*	**140,000,000**	—
	2,561,740,090	453,170,304

9. COMMITMENTS *(CONTINUED)*

(b) Capital commitments *(continued)*

(i) *The consortium (the "Consortium") comprising the Company and China Metallurgical Group Corporation ("CMCC") entered into a mining contract with the Government of Afghanistan on May 25 2008. Pursuant to the mining contract, the Consortium agrees to pay the Ministry of Mine of Afghanistan a sum of USD808,000,000 by phases for the rights to explore and exploit minerals in the Central and Western mineralized zones in Aynak Mine in Afghanistan for a period of 30 years. The mining contract can be extended for every five years after its expiry, until the resource reserves therein are exhausted.*

The Company and CMCC agreed to establish a Project Company to replace the Consortium to continue with the development and operation of the Aynak Copper Mine on 27 June 2008. Prior to the introduction of other independent investors, the initial shareholding of the Company and CMCC in the Project Company shall be 25% and 75% respectively.

The total investment of the Project Company shall initially be USD4,390,835,000 and shall be funded by capital injection and by project financing in the proportion of 30% and 70% respectively. The capital injection shall be contributed by the Company and CMCC on a pro rata basis. The Company shall not be obliged to provide guarantee, indemnity or capital commitment for such project financing.

(ii) *As of 30 June 2008, 35% of the equity interest of Jiangxi Copper Corporation Finance Company Limited ("JXFC") was owned by the Group. The Board of the Company has passed a resolution on 13 May 2008 to approve a Capital Increase Agreement by the Company with the other shareholders of JXFC, pursuant to which, the shareholders of JXFC agree to increase the registered capital of JXFC from RMB300 million to RMB700 million in accordance with their proportional interests in JXFC. The Group has committed to contribute RMB140 million as its portion of the increased registered capital of JXFC. This capital increase is subject to the approval of the China Banking Regulatory Commission. Till the date of approval of interim consolidated financial statements, such approval has not been obtained.*

10. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise loans and borrowings, cash and cash equivalents and etc. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables, other receivables, trade and bills payables and other payables, which arise directly from its operations. The Group also enters into derivative transactions, principally commodity forward contracts. The purpose is to manage the Group's exposure in relation to commodity price risk.

The main risks arising from the Group's financial instruments are commodity price risk, credit risk, liquidity risk, and interest rate risk. The policies for managing each of these risks which are summarized below:

Commodity price risk

The Group's commodity price risk is mainly the exposure to fluctuations in the price of copper cathodes which are the major commodities produced and sold by the Group. To minimise this risk, the Group enters into commodity forward contracts to secure future selling prices of copper cathodes. Also, the Group purchases copper concentrate from third parties for the production of copper cathodes. To minimise this risk, the Group has entered into commodity buy forward contracts to secure future purchase prices of copper concentrate.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Group trades only with recognized and credit worthy third parties. Receivables balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. There are no significant concentrations of credit risk within the Group.

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at 31 December 2007 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews regularly the recoverable amount of each individual trade receivable to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, management considers that the Group's credit risk is significantly reduced. There is no significant concentration of credit risk.

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10. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(CONTINUED)*

Credit risk *(continued)*

As at the balance sheet date, the analysis of the neither past due nor impaired and past due nor impaired is as following:

	30 June 2008	**Neither past due nor impaired**	**Past due nor impaired**		
			Within 1 year	**1 to 2 years**	**2 to 3 years**
	RMB	*RMB*	*RMB*	*RMB*	*RMB*
Accounts receivable	1,942,486,767	460,649,969	1,481,799,873	46	36,879

	31 December 2007	Neither past due nor impaired	Past due nor impaired		
			Within 1 year	1 to 2 years	2 to 3 years
	RMB	*RMB*	*RMB*	*RMB*	*RMB*
Accounts receivable	1,703,882,290	1,056,380,258	646,874,496	564,390	63,146

Liquidity risk

The Group's treasury department monitors the Group's cash flow positions on a regular basis to ensure the cash flows of the Group are positive and closely controlled. The Group aims to maintain flexibility in funding by keeping committed credit lines available, obtaining debentures from specific financial institution and borrowing loans from banks.

The table below summarises the maturity profile of the Group's financial assets at balance sheet date on contractual undiscounted payments before deduction of bad debt provision:

	30 June 2008		
	Within 1 year	**1-5 years**	**Total**
	RMB	*RMB*	*RMB*
Cash and bank	**3,465,715,883**	**—**	**3,465,715,883**
Notes receivable	**3,280,276,651**	**—**	**3,280,276,651**
Accounts receivable	**2,069,905,708**	**—**	**2,069,905,708**
Other receivables	**468,287,663**	**—**	**468,287,663**
Other current financial assets	**23,512,511**	**—**	**23,512,511**
	9,307,698,416	**—**	**9,307,698,416**

(Expressed in Renminbi Yuan)

10. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(CONTINUED)*

Liquidity risk *(continued)*

		31 December 2007	
	Within 1 year	1-5 years	Total
	RMB	*RMB*	*RMB*
Cash and bank	2,753,091,382	—	2,753,091,382
Notes receivable	2,824,293,880	—	2,824,293,880
Accounts receivable	1,831,345,806	—	1,831,345,806
Other receivables	386,631,216	—	386,631,216
Other current assets	54,703,559	—	54,703,559
	7,850,065,843	—	7,850,065,843

The table below summarises the maturity profile of the Company's financial liabilities at each balance sheet date based on contractual undiscounted payments:

		30 June 2008	
	Within 1 year	**Above 1 years**	**Total**
	RMB	*RMB*	*RMB*
Long-term borrowings	**182,182,000**	**329,000,000**	**511,182,000**
Short term loans	**7,234,554,098**	**—**	**7,234,554,098**
Accounts payable	**1,583,333,016**	**—**	**1,583,333,016**
Employee benefit payable	**99,310,831**	**—**	**99,310,831**
Interest payable	**5,782,700**	**—**	**5,782,700**
Dividends payable	**1,784,000**	**—**	**1,784,000**
Other payables	**673,465,932**	**—**	**673,465,932**
Other current liabilities	**55,278,324**	**—**	**55,278,324**
Long term payables	**18,643,675**	**28,065,634**	**46,709,309**
	9,854,334,576	**357,065,634**	**10,211,400,210**

10. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(CONTINUED)*

Liquidity risk *(continued)*

		31 December 2007	
	Within 1 year	Above 1 years	Total
	RMB	*RMB*	*RMB*
Long-term borrowings	504,046,000	402,046,000	906,092,000
Short term loans	7,012,556,702	—	7,012,556,702
Notes payable	249,921,676	—	249,921,676
Accounts payable	1,694,783,773	—	1,694,783,773
Employee benefit payable	206,323,048	—	206,323,048
Interest payable	46,844,169	—	46,844,169
Dividends payable	3,227,511	—	3,227,511
Other payables	525,067,796	—	525,067,796
Long-term payables	20,387,261	48,803,863	69,191,124
	10,263,157,936	450,849,863	10,714,007,799

Interest rate risk

The Group's exposure to interest rate risk for changes in interest rates relates primarily to the Group's short term and long term interest-bearing bank loans and short term debentures. The Group does not use derivative financial instruments to hedge its interest rate risk.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax:

30 June 2008	**Increase/decrease in basis points**	**Effect on profit before tax**
		RMB'000
RMB	+200	(154,915)
RMB	-100	77,457

10. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(CONTINUED)*

Fair values

Fair value is estimated according to relevant market information and information about financial instruments at specific point in time. Those estimates are subjective in nature, involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

The fair value of the Group's long term borrowings and long term payables is calculated according to similar terms and time frame and prevailing market borrowing interest rates, and there is no material difference between their fair value and carrying amount

The remaining financial instruments are all short term instruments, and there is no material difference between their fair value and carrying amount due to the short term to maturity.

11. EVENTS AFTER THE BALANCE SHEET DATE

Issuance of Bond with Warrants

Pursuant to an announcement dated on 22 January 2008, the Company announced its plan to apply to the China Securities Regulatory Commission ("CSRC") and other relevant PRC authorities for the approval of the issue of RMB Bonds with Warrants in an amount of not more than RMB6.8 billion with no more than 68 million certificates of Bonds to be issued and the listing of such Bonds with Warrants on the Shanghai Stock Exchange ("the Proposed Issuance").

The proceeds from the Proposed Issuance will be applied as to: (i) pursuant to the Acquisition Agreement entered into with JCC by the Company on 16 January 2008, approximately RMB2.08 billion (subject to adjustment) for the acquisition of the businesses closely related to the operation of the Group and operated by JCC and its subsidiaries, (ii) approximately RMB4.72 billion for the repayment of the Company's outstanding borrowings from financial institutions.

The maxim proceeds from the exercise of the Warrants during the 24 months after the listing of the Warrants will be applied as to: (i) approximately RMB2.58 billion for the expansion projects of Dexing Copper Mine; (ii) approximately RMB2.5 billion for development of resources in Afghanistan and Peru; and (iii) approximately RMB1.72 billion for working capital purposes.

The proposed issue of Bonds with Warrants and the connected transaction were approved by a special shareholder meeting dated on 20 March 2008. The Company received the notice on 28 July 2008 from the CSRC that its application to issue Bonds with Warrants had been conditionally approved.

12 COMPARATIVE FIGURE

Comparative figures have been adjusted to apply merger accounting for business combination under common control (Note6 (46)), and certain comparatives have been reclassified to conform to the current period's presentation.

13 APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorized for issue by the board of directors on 26 August 2008.

APPENDIX I SUPPLEMENT INFORMATION TO FINANCIAL STATEMENTS

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(Expressed in Renminbi Yuan)
(Prepared in accordance with PRC GAAP)

1. RECONCILIATION BETWEEN INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS") AND NEW CHINESE ACCOUNTING STANDARD AND REGULATIONS ("PRC GAAP")

The main differences between the consolidated financial statement in accordance with IFRS and PRC GAAP are stated below.

	For the six months ended 30 June 2008 Net profit *RMB*	As at 30 June 2008 Net asset *RMB*
Financial statements prepared under PRC GAAP	2,786,539,445	20,114,224,661
Adjustment in accordance with IFRS		
— Reversal of pervious years' safety production fund not qualified for liability	(16,359,358)	—
— Reversal of pervious years' recognition of the impact on deferred tax arising from the reversal of safety production fund	4,089,840	—
Financial statements prepared in accordance with IFRS	2,774,269,927	20,114,224,661

2. WEIGHTED AVERAGE AND FULLY DILUTED RETURN ON NET ASSETS AND EARNING PER SHARE

	For the six months ended 30 June 2008			
	Return on net asset (%)		Earning per share(RMB)	
	Fully diluted	Weighted average	Fully diluted	Weighted average
Net profit attributable to equity holders of the parent	13.98%	14.23%	0.9194	0.9194
Net profit attributable to equity holders of the parent excluding extraordinary gain/loss	14.04%	14.29%	0.9232	0.9232

FOR THE SIX MONTHS ENDED 30 JUNE 2008
(Expressed in Renminbi Yuan)
(Prepared in accordance with PRC GAAP)

2. WEIGHTED AVERAGE AND FULLY DILUTED RETURN ON NET ASSETS AND EARNING PER SHARE *(CONTINUED)*

There is no potential diluted share issued. Net profit attributable to equity holders of the parent excluding extraordinary gain/ (losses) is calculated as below:

	For the six months ended 30 June 2008 **RMB**	For the year ended 31 December 2007 *(Restated (Note12))* *RMB*
Net profit attributable to equity holders of the parent	**2,779,256,163**	2,057,891,981
Add: Non-recurring items		
Loss on disposal of non-current assets	**7,070,187**	7,929,642
Loss in non-operating expense other than the disposals loss of non-recurring assets	**8,194,142**	1,333,953
Gains from disposal of a subsidiary	**(84,448)**	—
Effect of business combination under common control	**—**	(64,322,010)
Impact of income tax on non-recurring item	**(3,728,214)**	(1,442,689)
Net profit after Non-recurring item	**2,790,707,830**	2,001,390,877
Less: Impact of non-recurring item attributable to minority interest	**(102,624)**	(156,173)
Net profit attributable to equity holders of the parent after Non-recurring item	**2,790,810,454**	2,001,547,050

The Company's recognition of non-recurring items is in accordance with the regulations of "public offering of securities of companies standardize information disclosure quiz" No. 1 issued by the China Securities Regulatory Commission.