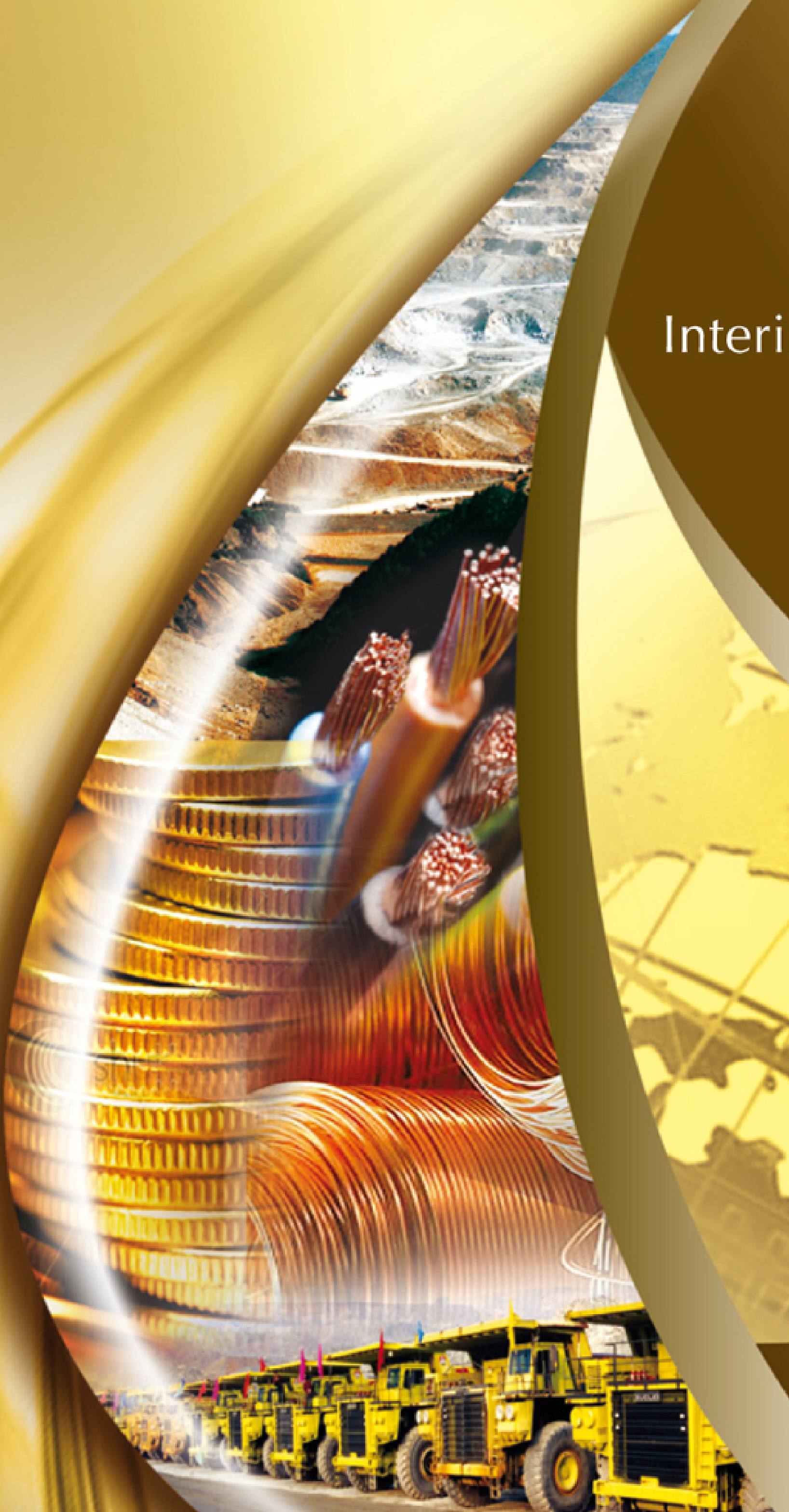
Jiangxi Copper Company Limited

(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)



Interim Report 2009

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I. IMPORTANT NOTICE

(1) The board of directors (the "Board") and the supervisory committee (the "Supervisory Committee") of Jiangxi Copper Company Limited (the "Company") and its directors (the "Directors"), supervisors (the "Supervisors") and senior management warrant that there are no false representations, 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 herein contained.

(2) All the Directors attended the Board meeting.

(3) The interim financial report of the Company and its subsidiaries (the "Group") has 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 non-operational funding appropriation by controlling shareholders and its connected parties was found in the Group.

(5) The Group did not provide third-party guarantees in violation of stipulated procedures.

(6) The Company's Chairman, Mr. Li Yihuang, Chief Financial Officer, Mr. Gan Chengjiu, and Head of Financial Department (accounting chief), Ms. Qiu Ling, have declared that they warrant the truthfulness and completeness of the financial statements in this interim report.

(7) In this interim report, the financial information previously reported by the Company for the corresponding period in 2008 has been restated as a result of the retrospective adjustments to include the operation results of the acquired companies and business combination under common control. Investors are advised to pay attention to the adjustments.

II. CORPORATE INFORMATION

(I) BASIC 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
	Company name in English:	Jiangxi Copper Company Limited
	English abbreviation:	JCCL

2.	Stock Exchange Listing A Shares:	Shanghai Stock Exchange
	Stock abbreviation (A Shares):	Jiangxi Copper
	Stock code (A Shares):	600362
	Stock Exchange 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
	Stock Exchange listing other shares:	Shanghai Stock Exchange
	Stock abbreviation (other shares):	JCC CWB1
	Stock code (other shares):	580026
	Stock Exchange listing other shares:	Shanghai Stock Exchange
	Stock abbreviation (other shares):	08 JCC Bonds
	Stock code (other shares):	126018
3.	Registered address:	15 Yejin Avenue, Guixi City, Jiangxi, the People's Republic of China
	Office address:	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
4.	Legal representative:	Li Yihuang
5.	Company Secretary:	Pan Qifang
	Telephone:	86701-3777736
	Fax:	86701-3777013
	E-mail:	jccl@jxcc.com
	Address:	15 Yejin Avenue, Guixi City, Jiangxi, the People's Republic of China
	Securities Affairs Representative:	Kang Shuigen
	Telephone:	86701-3777733
	Fax:	86701-3777013
	E-mail:	jccl@jxcc.com
	Address:	15 Yejin Avenue, Guixi City, Jiangxi, the People's Republic of China
6.	Name of newspapers for information disclosure:	Shanghai Securities News
	Websites designated by CSRC for publishing the Interim Report:	http://www.hkex.com.hk; http://www.sse.com.cn
	Place available for inspection of the Interim Report:	Secretarial Office of the Board, 15 Yejin Avenue, Guixi City, Jiangxi, the People's Republic of China

MAJOR FINANCIAL DATA AND INDICATORS

1. Consolidated Accounting Data and Financial Indicators Prepared in Accordance with IFRS

	For the six months ended 30 June **2009** **(Unaudited)** ***RMB'000***	2008 (Unaudited and restated) *RMB'000*	Increase/ (decrease) *(%)*
Revenue	**21,212,232**	27,799,237	(23.69)
Profit before taxation	**1,654,403**	4,070,125	(59.35)
Net profit for the period attributable to shareholders of the Company	**1,270,668**	3,082,945	(58.78)
Basic earnings per share	**RMB0.42**	RMB1.02	(58.82)

	As at 30 June 2009 **(Unaudited)** ***RMB'000***	As at 31 December 2008 (Audited) *RMB'000*	Increase/ (decrease) *(%)*
Total assets	**38,032,013**	34,504,921	10.22
Total liabilities	**15,896,680**	13,385,945	18.76
Net assets attributable to shareholders of the Company	**21,781,143**	20,752,344	4.96
Net assets per share attributable to shareholders of the Company	**RMB7.21**	RMB6.87	4.95

2. Consolidated Accounting Data and Financial Indicators Prepared in Accordance with PRC Accounting Standards and Regulations ("PRC GAAP")

	As at 30 June 2009 (Unaudited) *RMB'000*	As at 31 December 2008 (Audited) *RMB'000*	Increase/ (decrease) *(%)*
Total assets	**37,827,330**	34,150,637	10.77
Net assets attributable to shareholders of the Company	**21,781,143**	20,752,344	4.96
Net assets per share attributable to shareholders of the Company	**RMB7.21**	RMB6.87	4.95

	For the six months ended 30 June		
	2009	2008	
	(Unaudited) *RMB'000*	(Unaudited and restated) *RMB'000*	Increase/ (decrease) *(%)*
Operating profit	**1,541,357**	4,082,941	(62.25)
Total profit	**1,585,637**	4,068,364	(61.03)
Net profit attributable to shareholders of the Company	**1,201,903**	3,081,184	(60.99)
Net profit after non-recurring items attributable to shareholders of the Company	**987,123**	2,587,703	(61.85)
Basic earnings per share	**RMB0.40**	RMB1.02	(60.78)
Basic earnings per share after non-recurring items	**RMB0.33**	RMB0.86	(61.63)
Diluted earnings per share	**RMB0.38**	RMB1.02	(62.75)
Fully diluted return on net assets *(%)*	**5.53**	14.27	Decrease of 8.74 percentage points
Net cash flow from operating activities	**2,340,924**	2,253,362	3.89
Net cash flow from operating activities per share	**RMB0.77**	RMB0.75	2.67

Net profit after non-recurring items attributable to shareholders of the Company (prepared under the PRC GAAP) is set out as follows:

	For the six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited and restated)
	RMB'000	*RMB'000*
Net profit attributable to shareholders of the Company	**1,201,903**	3,081,184
Add: Non-recurring items		
(Gain)/loss on disposal of non-current assets	**(671)**	5,351
Other non-operating income/loss except (gain)/loss on disposal of non-current assets	**(43,610)**	9,226
Investment income from disposal of a subsidiary	**(10,738)**	(84)
Effect of business combination under common control	**—**	(310,831)
(Gain)/loss on changes in fair value from commodity derivative contracts not qualified for hedge accounting	**(340,510)**	8,594
Loss/(gain) on investment from commodity derivative contracts not qualified for hedge accounting	**120,184**	(259,218)
Impact of income tax on non-recurring items	**58,677**	53,378
Net profit after non-recurring items	**985,235**	2,587,600
Less: Impact of non-recurring items attributable to minority interest	**(1,888)**	(103)
Net profit attributable to shareholders of the Company after non-recurring item	**987,123**	2,587,703

Note: The Company's recognization of non-recurring items is in accordance with the regulations of No.1 Interpretation on Disclosure of Companies with Public Offering of Securities issued by the China Securities Regulatory Commission ("CSRC").

3. Reconciliation Between IFRS and PRC GAAP

	Consolidated net profit attributable to shareholders of the Company For the six months ended 30 June		Consolidated net assets attributable to shareholders of the Company	
	2009	2008	**As at 30 June 2009**	As at 31 December 2008
	(Unaudited)	(Unaudited and restated)	**(Unaudited)**	(Audited)
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Financial statements prepared under PRC GAAP	**1,201,903**	3,081,184	**21,781,143**	20,752,344
Adjustment in accordance with IFRS:				
Accrued production safety expenses for the period under PRC GAAP	**68,765**	1,761	**—**	—
Financial statements prepared in accordance with IFRS	**1,270,668**	3,082,945	**21,781,143**	20,752,344

Note: Difference between PRC GAAP and IFRS refers to reversal of the safety fund accrued but not utilized made under PRC GAAP in the income statement under IFRS.

CHANGES IN SHARE CAPITAL AND SHAREHOLDERS

(I) STATEMENT OF CHANGES IN SHARE CAPITAL

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

(II) PARTICULARS OF SHAREHOLDERS AND ULTIMATE CONTROLLER

1. The number of shareholders and shareholdings

The number of shareholders at the end of the reporting period	119,199 shareholders in total, of which 117,952 are holders of A shares and 1,247 are holders of H shares

Shareholdings of the top ten shareholders

Name of shareholder	Type of shareholders	Shareholding percentage *(%)*	Total number of shares held *(share)*	Number of shares subject to trading moratorium *(share)*	Number of shares pledged or frozen
HKSCC Nominees Limited	Unknown	45.46	1,374,097,515	—	Unknown
Jiangxi Copper Corporation ("JCC")	State-owned legal person	42.41	1,282,074,893	1,282,074,893	Nil
Invesco Great Wall Selected Blue Chip Securities Investment Fund (景順長城精選藍籌股票型證券投資基金)	Unknown	0.36	10,747,367	—	Unknown
Sanjiang Aerospace Group Financial Company Limited	Unknown	0.30	9,000,000	—	Unknown
GF Sound Growth Securities Investment Fund (廣發穩健增長證券投資基金)	Unknown	0.23	6,999,713	—	Unknown
Bosera Value Growth Securities Investment Fund (博時價值增長證券投資基金)	Unknown	0.22	6,799,700	—	Unknown
China Post Core Growth Securities Investment Fund (中郵核心成長股票型證券投資基金)	Unknown	0.22	6,564,755	—	Unknown
China Pacific Life Insurance Co., Ltd.	Unknown	0.17	4,999,863	—	Unknown
GF Large-cap Growth Mixed Securities Investment Fund (廣發大盤成長混合型證券投資基金)	Unknown	0.15	4,652,833	—	Unknown
Wuxi Guolian Development (Group) Co., Ltd.	Unknown	0.15	4,500,000	—	Unknown

Shareholdings of the top ten shareholders not subject to trading moratorium

Name of shareholder	Number of shares not subject to trading moratorium *(share)*	Class of shares
HKSCC Nominees Limited	1,374,097,515	Overseas listed foreign shares (H shares)
Invesco Great Wall Selected Blue Chip Fund (景順長城精選藍籌股票型證券投資基金)	10,747,367	Ordinary shares denominated in RMB (A shares)
Sanjiang Aerospace Group Financial Company Limited	9,000,000	Ordinary shares denominated in RMB (A shares)
GF Sound Growth Securities Investment Fund (廣發穩健增長證券投資基金)	6,999,713	Ordinary shares denominated in RMB (A shares)
Bosera Value Growth Securities Investment Fund (博時價值增長證券投資基金)	6,799,700	Ordinary shares denominated in RMB (A shares)
China Post Core Growth Securities Investment Fund (中郵核心成長股票型證券投資基金)	6,564,755	Ordinary shares denominated in RMB (A shares)
China Pacific Life Insurance Co., Ltd.	4,999,863	Ordinary shares denominated in RMB (A shares)
GF Large-cap Growth Mixed Securities Investment Fund (廣發大盤成長混合型證券投資基金)	4,652,833	Ordinary shares denominated in RMB (A shares)
Wuxi Guolian Development (Group) Co., Ltd.	4,500,000	Ordinary shares denominated in RMB (A shares)
GF Strategic Optimal Mixed Securities Investment Fund (廣發策略優選混合型證券投資基金)	3,499,942	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 1,374,097,515 H Shares of the Company in capacity of nominee on behalf of a number of customers, representing approximately 45.46% of the 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

No.	Name of holder of shares subject to trading moratorium	Number of shares subject to trading moratorium *(Share)*	Particulars of shares subject to trading moratorium to be listed: Date of commencement of trading	Particulars of shares subject to trading moratorium to be listed: Number of newly added shares to be listed *(Share)*	Conditions of trading moratorium
1.	JCC	1,282,074,893	27 September 2010	1,282,074,893	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 of the Company in 2007.

Interests and short positions of shareholders

As at 30 June 2009, the interests or 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)	78.40%(L)	42.41%(L)
JPMorgan Chase & Co.	H Shares	*(note 2)*	98,829,185(L) 11,730,000(S) 38,732,000(P)	7.12%(L) 0.85%(S) 2.79%(P)	3.27%(L) 0.39%(S) 1.28%(P)
Credit Suisse Group AG	H Shares	Interest of controlled corporation	86,769,648(L) 91,015,711(S)	6.25%(L) 6.56%(S)	2.87%(L) 3.01%(S)
Halbis Capital Management (Hong Kong) Limited	H Shares	Investment manager	71,104,000(L)	5.12%(L)	2.35%(L)

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

Note 2 : *According to the corporate substantial shareholders notice filed by JPMorgan Chase & Co. on 3 July 2009, the H shares were held in the following capacities:-*

Capacity	Number of H Shares
Beneficial owner	15,077,185(L)
	11,730,000(S)
Investment manager	45,020,000(L)
	0(S)
Custodian corporation/ approved lending agent	38,732,000(L)
	0(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 and underlying shares of the Company as at 30 June 2009.

2 Changes in controlling shareholder and ultimate controller

There was no change in controlling shareholder and the ultimate controller of the Company during the reporting period.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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

There was no change in the shareholding of Directors, Supervisors and senior management of the Company during the reporting period.

(II) APPOINTMENT OR DISMISSAL OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The annual general meeting of the Company for the year 2008 was held on 26 June 2009, at which eleven Directors including Li Yihuang, Li Baomin, Gan Chengjiu, Hu Qingwen, Gao Jianmin, Liang Qing, Shi Jialiang, Wu Jianchang, Tu Shutian, Zhang Rui and Gao Dezhu were elected as members of the Fifth Board of the Company, and five Supervisors including Hu Faliang, Wu Jinxing, Lin Jinliang, Xie Ming and Wan Sujuan were elected as members of the Fifth Supervisory Committee.

The 30th meeting of the Fourth Board of the Company was held on 31 March 2009, at which the Board approved the appointment of Long Ziping, Wu Jimeng and Dong Jiahui as Deputy General Managers of the Company and Gan Chengjiu as the Financial Controller of the Company as well as resignation of Wu Jinxing from the position of Financial Controller.

(III) SHAREHOLDINGS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

As at 30 June 2009, 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").

(I) DISCUSSION AND ANALYSIS OF THE OVERALL OPERATIONS DURING THE REPORTING PERIOD

During the reporting period, the global financial crisis confronted the Group with the most severe market condition. The Group safely survived the hardship by enhancing internal management, improving operating efficiency, lowering cost and consolidating the foundation of development.

1. Industry Overview

During the reporting period, copper price kept stable as a whole and gradually recovered due to the stimulus policies launched by different governments to stimulate the economic growth, eased market concern over economic deterioration, gradually weakened US Dollar and expectation on rising inflation. The price of three-month copper futures on London Metal Exchange ("LME") rebounded back to US$5,101 per tonne at the end of the period from US$3,035 per tonne as at the beginning of the year. During the reporting period, the average price of three-month copper futures on LME was US$4,071 per tonne, representing a decrease of US$3,943 per tonne or 49.2% as compared with the corresponding period last year. Weighted average price of three-month copper futures on the Shanghai Futures Exchange (inclusive of tax) was RMB31,204 per tonne, representing a decrease of RMB31,683 per tonne or 50.38% as compared with the corresponding period last year.

On the other hand, the supply of scrap copper, raw material for copper smelting, has dropped dramatically while the supply of copper concentrate has not experienced obvious increase, leading to a tighter supply of copper raw materials. Despite that major refiners in China have reached consensus with the suppliers on the copper processing fee (represented by treatment charge / refinery charge or TC/RC) for futures copper at US$75 per tonne and 7.5 US cents per pound, the TC/RC for spot coppers fell to US$25 per tonne and 2.5 US cents per pound.

Gold, as joint-product, has maintained its price at record high level.

Price of sulphuric acid and sulphuric concentrate (joint-products) has been lingering at low level since the plunge at the end of 2008, showing no sign of recovery.

2. Business Review

During the reporting period, operating results of the Group has dropped substantially. According to the unaudited consolidated financial statements prepared under PRC GAAP, the operating revenue of the Group amounted to RMB21,352.59 million, representing a decrease of RMB6,585.03 million or 23.57% over the corresponding period last year. Operating profit amounted to RMB1,541.36 million, representing a decrease of RMB2,541.58 million or 62.25% over the corresponding period last year. Net profit attributable to shareholders of the Company amounted to RMB1,201.90 million, representing a decrease of RMB1,879.28 million or 60.99% over the corresponding period last year, Basic earnings per share was RMB0.40, representing a decrease of RMB0.62 or 60.78% over the corresponding period last year.

During the reporting period, the Group completed its planned production. The Group produced 370,000 tonnes of copper cathode (including processed copper cathode), representing a growth of 1.37% over the corresponding period last year (2008 interim: 365,000 tonnes). As compared with the corresponding period last year, the production of gold increased by 39.07% to 10,013kg (2008 interim: 7,200kg); while that of silver increased by 19.50% to 239 tonnes (2008 interim: 200 tonnes). Copper rods and wires increased by 2.38% to 215,000 tonnes as compared with the corresponding period last year (2008 interim: 210,000 tonnes). Sulphuric acid increased by 36.65% to 1,100,000 tonnes as compared with the corresponding period last year (2008 interim: 805,000 tonnes). Sulphuric concentrate reached 863,300 tonnes, representing an increase of 12.19% over the corresponding period last year (2008 interim: 769,500 tonnes). Copper concentrates (containing copper) increased by 1.25% to 81,000 tonnes as compared with the corresponding period last year (2008 interim; 80,000 tonnes). Production of molybdenum concentrate (45%) was equivalent to 1,887 tonnes, representing an increase of 13.40% as compared with the corresponding period last year (2008 interim: 1,664 tonnes). Production of copper processing products other than copper rods and wires decreased by 28.26% to 33,000 tonnes over the corresponding period last year (2008 interim: 46,000 tonnes).

(II) THE GROUP'S PRINCIPAL OPERATIONS AND PERFORMANCE

1. Principal operations by industry and product

Unit: '000 Currency: RMB

By industry or by product	Operating revenue	Operating cost	Operating profit margin (%)	Increase/ (decrease) in operating revenue over the corresponding period last year (%)	Increase/ (decrease) in operating cost over the corresponding period last year (%)	Increase/ (decrease) in operating profit margin over the corresponding period last year (%)
Revenue from principal operation:						
Copper cathode	10,420,630	9,675,224	7.15	-14.76	-12.89	(2.00)
Copper rods and wires	6,232,678	5,697,598	8.59	-34.47	-33.94	(0.72)
Precious metals (gold/silver)	2,499,707	1,608,424	35.66	22.21	23.25	(0.54)
Chemical products (sulphuric acid and sulphuric concentrate)	285,198	239,402	16.06	-82.79	-20.05	(65.88)
Copper processing products other than copper rods and wires	1,097,192	1,044,713	4.78	-23.88	-23.43	(0.56)
Rare metals	335,874	233,304	30.54	-36.00	14.26	(30.56)
Other products	250,809	222,777	11.18	-20.40	-1.36	(17.15)
Total	21,122,088	18,721,442	11.37	-23.80	-19.06	(5.19)
Revenue from other business	230,505	205,093	11.02	6.09	53.76	(27.59)
Total	21,352,593	18,926,535	11.36	-23.57	-18.65	(5.36)

Among which the connected transactions relating to sales of products and provision of services by the Group to JCC, the controlling shareholder of the Company, and its subsidiaries other than the Group during the reporting period amounted to RMB279.66 million.

In October 2008, the Group acquired business related to its principal copper business from its controlling shareholder, JCC, and its subsidiaries. In view of the additional businesses, the Group adjusted its major business segments by industry. The aforesaid data for principal operations by industry over the corresponding period last year was restated in accordance with the current classification by industry.

1) *Copper cathode*

During the reporting period, as selling price of copper cathode dropped as compared with the corresponding period last year, operating revenue from copper cathode decreased by RMB1,804.98 million or 14.76% over the corresponding period last year. Operating costs of copper cathode decreased by RMB1,431.55 million or 12.89% over the corresponding period last year, attributable to the lower price of outsourced raw materials, materials and appliances as well as the adoption of quota management and equipment localization by the Company. The decrease in operating revenue exceeded the decrease in operating costs, as a result, operating profit of copper cathode decreased by RMB373.44 million or 33.38% as compared with the corresponding period last year while operating profit margin decreased from 9.15% to 7.15%.

2) *Copper rods and wires*

During the reporting period, as selling price of copper rods and wires dropped as compared with the corresponding period last year, operating revenue from copper rods and wires decreased by RMB3,277.83 million or 34.47% over the corresponding period last year. Operating costs of copper rods and wires decreased by RMB2,927.94 million or 33.94% as compared with the corresponding period last year due to lower price of outsourced raw materials. Operating profit of copper rods and wires decreased by RMB349.90 million or 39.54% as compared with the corresponding period last year and operating profit margin decreased from 9.31% to 8.59%.

3) *Precious metals (gold/silver)*

During the reporting period, operating revenue from precious metals increased by RMB454.27 million or 22.21% as compared with the corresponding period last year due to the increase in sales volume. Operating cost of precious metals increased by RMB303.44 million or 23.25%, attributable to increased quantity of outsourced raw materials. Operating profit of precious metals increased by RMB150.84 million or 20.37% as compared with the corresponding period last year while operating profit margin decreased from 36.20% to 35.66%, attributable to the increase in proportion of outsourced raw materials.

4) *Chemical products (sulphuric acid and sulphuric concentrate)*

During the reporting period, operating revenue from chemical products decreased by RMB1,372.21 million or 82.79% and operating cost of chemical products dropped by RMB60.05 million or 20.05% as compared with the corresponding period last year, mainly due to lower selling price. Operating profit of chemical products decreased by RMB1,312.16 million or 96.63% as compared with the corresponding period last year while operating profit margin decreased from 81.93% to 16.06%.

5) *Copper processing products other than copper rods and wires*

During the reporting period, as selling price of other copper processing products decreased over the corresponding period last year, operating revenue decreased by RMB344.24 million or 23.88% as compared with the corresponding period last year. Operating costs decreased by RMB319.68 million or 23.43% as compared with the corresponding period last year, due to lower price of outsourced raw materials. Operating profit decreased by RMB24.56 million or 31.88% as compared with the corresponding period last year and operating profit margin decreased from 5.34% to 4.78%.

6) *Rare metals*

During the reporting period, the increase in operating revenue of rare metals caused by sales volume increase was not able to offset the decrease in operating revenue caused by lower selling price. As such, operating revenue of rare metals decreased by RMB188.97 million or 36.00% compared with the corresponding period last year. Operating cost of rare metals increased by RMB29.12 million or 14.26% due to the increase in sales volume. Operating profit of rare metals decreased by RMB218.09 million or 68.01% compared with the corresponding period last year while operating profit margin dropped from 61.10% to 30.54%.

7) *Other products*

During the reporting period, due to the increase in sales volume, operating revenue of the Group's other products decreased by RMB64.29 million or 20.40% while operating cost decreased by RMB3.07 million or 1.36% respectively from the corresponding period last year. Operating profit decreased by RMB61.22 million or 68.59% as compared with the corresponding period last year, and operating profit margin decreased from 28.33% to 11.18%.

2. Principal operation by geographical areas

Unit: '000 Currency: RMB

Geographical areas	**Operating revenue**	**Increase/ (decrease) in operating revenue over the corresponding period last year** *(%)*
Mainland China	20,700,784	(23)
Hong Kong	330,710	(38)
Taiwan	—	(100)
Australia	—	(100)
USA	75,861	234
Others	14,733	(41)
Total	21,122,088	(24)

3. Reasons for material changes in profitability (gross profit margin) of principal operations as compared with last year

During the reporting period, profitability (gross profit margin) of the Group's principal operations decreased by 5.19 percentage points as compared with same period last year. For details, please refer to the section headed "Principal operations by industry and product" in this report.

(III) EXPLANATION ON FAIR VALUE MEASUREMENT

The Group utilizes commodity derivative contracts on copper cathode to hedge its exposure to forecasted purchases of copper concentrate and sales of copper rods and wires. These arrangements are designed to manage the exposure to significant price fluctuations in copper concentrate and copper related products which move in line with the price of copper cathode. Such contracts are based on the actual needs arising from production and operation of the Company and actual orders. However, this arrangement is not considered as an effective hedge according to Accounting Standards for Business Enterprises 24 - Hedge Accounting. The changes in fair value of the derivative instruments on copper cathode are recognized through income statement. As at the balance sheet date, the expected arrival period of the forecasted purchases of copper concentrate is from July 2009 to September 2009, and the expected delivery period of the forecasted sales of copper cathode and the committed sales of copper rods and wires is from July 2009 to November 2009. The gain on changes in fair value of outstanding commodity futures contract is RMB340,510,415 for the period, as compared with loss of RMB8,594,489 on changes in fair value of outstanding commodity futures contract for the same period last year.

According to pricing arrangement under the copper concentrate purchase contracts between the Group and its suppliers, the Group pays provisional price at the time of shipment, while the final invoiced price is subject to adjustment based on forward market prices for a specified time period. As at the balance sheet date, since final pricing of certain purchase contracts has not been determined, it is subject to volatility of forward copper prices, which shall be separated from its master agreement once the major risks and rewards of ownership have been transferred to the Group. Such provisional pricing arrangement is measured at fair value as at the balance sheet date with subsequent changes recognised through profit or loss for the period. The loss from the changes in fair value of the provisional pricing arrangement is RMB279,733,289 for the period (the same period last year: nil).

(IV) INVESTMENT OF THE COMPANY

1. Use of proceeds

Unit: 0'000 Currency: RMB

Year	Method	Total proceeds	Total utilised proceeds in the reporting period	Accumulative utilised proceeds	Unutilised proceeds	Use of unutilised proceeds
2007	Non-public issuance	395,017	12,078	319,430	75,587	Will still be allocated to projects undertaken by the Company during the fund raising
2008	Bonds with Warrants	668,633	52,131	668,633	—	—
Total	/	1,063,650	64,209	988,063	75,587	/

2. Use of proceeds in projects undertaken

Unit: 0'000 Currency: RMB

Name of projects undertaken	Any change in the project	Amount of proceeds to be applied	Actual utilised proceeds	On schedule or not	Progress of project	Estimated earnings	Earnings generated	Achieved estimated earnings or not
Phase II of Expansion Project of Chengmenshan Copper Mine	No	49,800	10,097	Yes	20.28%	Produce copper concentrates containing 14,817 tonnes of copper, 25,814 tonnes of sulfur, 232kg of gold and 15,142kg of silver and 607,000 tonnes of sulfur concentrate (standard sulphur concentrate of 703,542 tonnes) per annum	Under construction, no earnings realised yet	—
Extension of Open-Pitting Mining Project	No	37,852	20,576	Yes	53.09%	Extend the existing production scale of the mine by about 8 years	Under construction, no earnings realised yet	—
Fujiawu Mine Development and Construction Project	No	30,056	20,640	Yes	81.67%	Extend the service life of Dexing Copper Mine	Under construction, no earnings realised yet	—
Utilization of the heat recovered from smelting process	No	27,261	26,662	Yes	100.00%	Steam load in engineering boiler plant will be decreased and off-gas, dust and sulfur dioxide will also be decreased.	—	Yes
Anode Mud Comprehensive Utilization	No	19,427	9,635	Yes	49.22%	Increase the production of gold and silver	Under construction, no earnings realised yet	—
Stove Mining Project Expansion	No	18,953	19,077	Yes	89.93%	Increase the rate of copper recovery by nearly 1% and another 2,000 tonnes of copper can be recovered from slag per annum	Under construction, no earnings realised yet	—

Name of projects undertaken	Any change in the project	Amount of proceeds to be applied	Actual utilised proceeds	On schedule or not	Progress of project	Estimated earnings	Earnings generated	Achieved estimated earnings or not
5,000 Tonnes Technical Improvement	No	12,024	11,642	Yes	95.44%	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	Under construction, no earnings realised yet	—
Supplemental working capital	No	22,567	22,567	Yes	100%	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	No	178,534	178,534	Yes	100%	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

Name of projects undertaken	Any change in the project	Amount of proceeds to be applied	Actual utilised proceeds	On schedule or not	Progress of project	Estimated earnings	Earnings generated	Achieved estimated earnings or not
Acquisition of assets related to copper, gold and molybdenum from JCC	No	210,680	210,680	Yes	100%	Reduce connected transactions with JCC; expand resource reserves; increase rare metal business; extend the industry chain.	Increase copper metal resource reserves of approximately 980,000 tonnes of copper metal, 103 tonnes of gold, 1,614 tonnes of silver, 60,000 tonnes of lead, 70,000 tonnes of zinc, 17,910,000 tonnes of sulphur; form the annual production capacity of approximately 3,500 tonnes of standard molybdenum concentrates (average grade of 45%); become one of the largest manufacturers of rare metal businesses such as selenium, rhenium, tellurium, and bismuth in China; increase the copper product processing capacity of approximately 80,000 tonnes/year	Yes

Name of projects undertaken	Any change in the project	Amount of proceeds to be applied	Actual utilised proceeds	On schedule or not	Progress of project	Estimated earnings	Earnings generated	Achieved estimated earnings or not
Repayment of loans from financial institution	No	457,953	457,953	Yes	100%	Adjust the corporate liability structure, strengthen the capability against risks; reduce cash flow expenditure, and improve the corporate operating benefits	Reduce financial costs with the decrease in the short-term liability proportion and more reasonable liability structure	Yes
Total	/	1,065,107	988,063	/	/	/	/	/

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

The Company intended to invest RMB498.00 million in the project, all of which will be raised through non-public issue of A Shares. During the reporting period, the actual amount invested by raised proceeds in the project amounted to RMB35.14 million. As at the end of the reporting period, the actual accumulated amount invested by raised proceeds amounted to RMB100.97 million, representing 20.28% of the planned investment amount in the project.

2) *Extension of Open-Pitting Mining Project*

The Company intended to invest a total of RMB387.54 million in the project, of which RMB378.52 million would be financed through non-public issue of A shares, RMB9.02 million would be invested by internal resources. During the reporting period, the amount invested by proceeds from non-public issue of A Shares in the project was RMB43.64 million. As at the end of the reporting period, the accumulated amount invested by proceeds from non-public issue of A Shares amounted to RMB205.76 million, completed total investment of RMB205.76 million, representing 53.09% of the planned investment amount in the project.

3) *Fujiawu Mine Development and Construction Project*

The Company intended to invest a total of RMB1,052.54 million in the project, of which RMB300.56 million would be financed through non-public issue of A shares and RMB751.98 million would be invested by internal resources. During the reporting period, RMB4.36 million was financed by raised proceeds in the project. As at the end of the reporting period, the accumulated amount financed by the raised proceeds amounted to RMB206.40 million, the accumulated investment amount was RMB859.60 million, representing 81.67% of the planned investment amount in the project.

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

The Company intended to invest a total of RMB272.61 million in the project, all of which would be raised by proceeds of the non-public issue of A Shares. During the reporting period, the actual amount invested by raised proceeds in the project amounted to RMB266.62 million. As at the end of the reporting period, the accumulated investment amount amounted to RMB266.62 million, the project has completed construction and was converted into fixed assets.

5) *Anode Mud Comprehensive Utilization*

The Company intended to invest a total of RMB195.74 million in the project, of which RMB194.27 million would be financed through raised proceeds from non-public issue of A shares and RMB1.47 million will be invested by internal resources. During the reporting period, the actual amount invested by raised proceeds in the project amounted to RMB4.63 million. As at the end of the reporting period, the accumulated amount financed by the raised proceeds amounted to RMB96.35 million, completed accumulated investment of RMB96.35 million, representing 49.22% of the planned investment amount in the project.

6) *Stove Mining Project Expansion*

The Company intended to invest a total of RMB212.14 million in the project, of which RMB189.53 million would be financed through raised proceeds from non-public issue of A shares and RMB22.61 million would be invested by internal resources. During the reporting period, the actual amount invested by raised proceeds in the project amounted to RMB26.29 million. As at the end of the reporting period, the accumulated amount financed by the raised proceeds amounted to RMB190.77 million, completed accumulated investment of RMB190.77 million, representing 89.93% of the planned investment amount in the project.

7) *5,000 Tonnes Technical Improvement*

The Company intended to invest a total of RMB257.32 million in the project, of which RMB120.24 million would be financed through raised proceeds from non-public issue of A shares and RMB137.08 million would be invested by internal resources. During the reporting period, the actual amount invested by raised proceeds in the project amounted to RMB6.73 million. As at the end of the reporting period, the accumulated amount financed by the raised proceeds amounted to RMB116.42 million, completed accumulated investment of RMB245.58 million, representing 95.44% of the planned investment amount in the project.

3. Progress of projects financed by raised proceeds from exercise of warrants attached to Bonds with Warrants

Unit: 0'000 Currency: RMB

Project	Amount to be invested	Amount of proceeds to be applied	Aggregate investment amount	Progress of project	Earnings from projects
Technical Renovation Project of Dexing Mine	253,787	Approximately 258,000	43,330	17%	Under construction, no earnings realised yet
Tender and exploration of the rights of copper mine in Afghanistan	—	Approximately 120,000	5,813	—	Under construction, no earnings realised yet
Acquisition of equity interests in Northern Peru Copper Corp	—	Approximately 130,000	46,000	—	Under construction, no earnings realised yet
Supplemental working capital	—	Approximately 172,000	—	—	Under construction, no earnings realised yet
Total	—	680,000	95,143	—	—

The Company undertook to apply the proceeds from warrants attached to Bonds with Warrants issued by the Company in 2008 in the amount of RMB6.8 billion to the three projects including the Technical Renovation Project of Dexing Mine, the tender and development of the exploration rights of copper mine in Afghanistan, as well as the acquisition of equity interests in Northern Peru Copper Corp. The fund invested in such three projects was financed by the Company's internal resources. The development plan for the Aynak Copper Mine in Afghanistan and the mines of Northern Peru Copper Corp. is under discussion.

As stated in the Offering Memorandum for the Bonds with Warrants and Feasibility Report of the Use of Proceeds Raised from Issuance of Bonds with Warrants, the proceeds raised from the exercise of the Warrants attached to the Bonds will be applied to the above projects. In the event that the availability of the proceeds is not consistent with the progress of the projects, the Company may use funds from other available resources according to the actual condition, and the funding of which will be replaced by the proceeds from the issuance once available. When the proceeds are available, the Company will prioritise their use according to the needs of the projects. In the event that the proceeds raised are less than the capital requirement of the projects or failure in excising warrants, the shortage will be financed by other ways by reference to the then circumstances. Any surplus from the proceeds raised will be applied to repay the loan from financial institutions and supplement the working capital.

The proposed investment in the above projects is subject to approval from the relevant governmental authorities in the PRC and market conditions.

1) *Technical Renovation Project of Dexing Mine*

The Company intended to invest a total of RMB2,537.87 million in the project. During the reporting period, the actual amount invested in the project was RMB227.37 million. As at the end of the reporting period, the accumulated amount invested in the project was RMB433.30 million, representing 17.07% of the planned investment amount. Upon completion of the construction of the project, the current production scale will be expanded from a level of 100,000 tonnes as daily mining of ores to 130,000 tonnes in Dexing Copper Mine. 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 Group which raises investment efficiencies.

2) *Tender and exploration of the rights of copper mine in Afghanistan*

The Company had joined with China Metallurgical Group Corporation and successfully bid the exploration rights of Aynak Copper Mine in Afghanistan, and invested RMB58.13 million to establish MCC-JCC Aynak Minerals Company Limited（中冶江銅艾娜克礦業有限公司）in Afghanistan in which the Company holds 25% equity interest. At present, the development plan for the copper mine is under demonstration.

3) *Acquisition of equity interests in Northern Peru Copper Corp.*

The Company had joined with China Minmetals Non-Ferrous Metals Co., Ltd. and invested RMB460.00 million to establish the Minmetals-JCC Mining Investment Company Limited (五礦江銅礦業投資有限公司). They jointly acquired 100% equity interest in Northern Peru Copper Corp.. At present, the development plan for the mines of this company is under demonstration.

4. Projects financed by non-raised proceeds

Unit: 0'000 Currency: RMB

Project	Amount	Progress of project	Earnings from Projects
Arsenious Acid Expansion Project	11,300	81%	Under construction, no earnings realised yet
Expansion Project for Electrolyze	29,479	83%	Under construction, no earnings realised yet
No.5 Mine Exploitation Project	13,000	26%	Under construction, no earnings realised yet
38,000 Tonnes Copper Pipe Project	50,448	65%	Under construction, no earnings realised yet
Electric Shovel Update 2300XP	21,000	69%	Under construction, no earnings realised yet
Electromotor Update	41,000	99%	Under construction, no earnings realised yet
300,000 Tonnes Copper Smelting Project	309,953	81%	Under construction, no earnings realised yet
Total	476,180	/	/

1) *Arsenious Acid Expansion Project*

The Company intended to invest a total of RMB113.00 million in the project. During the reporting period, the actual amount invested in the project was RMB4.90 million. As at the end of the reporting period, the accumulated amount invested in the project amounted to RMB91.99 million, representing 81% of the planned investment amount in the project.

2) *Expansion Project for Electrolyze*

The Company intended to invest a total of RMB294.79 million in the project. During the reporting period, the actual amount invested in the project was RMB24.20 million. As at the end of the reporting period, the accumulated amount invested in the project amounted to RMB244.42 million, representing 83% of the planned investment amount in the project. Upon the completion of the project, the average production volume of refined copper cathode can hit 160,000 tonnes per annum.

3) *No.5 Mine Exploitation Project*

The Company intended to invest a total of RMB130.00 million in the project. During the reporting period, the actual amount invested in the project was RMB13.42 million. As at the end of the reporting period, the accumulated amount invested in the project amounted to RMB33.51 million, representing 26% of the planned investment amount in the project.

4) *38,000 Tonnes Copper Pipe Project*

The Company intended to invest a total of RMB504.48 million in the project. During the reporting period, the actual amount invested in the project was RMB1.22 million. As at the end of the reporting period, the accumulated amount invested in the project amounted to RMB326.61 million, representing 65% of the planned investment amount in the project.

5) *Electric Shovel Update 2300XP*

The Company intended to invest a total of RMB210 million in the project. During the reporting period, the actual amount invested in the project was RMB3.18 million. As at the end of the reporting period, the accumulated amount invested in the project amounted to RMB144.41 million, representing 69% of the planned investment amount in the project.

6) *Electromotor Update*

The Company intended to invest a total of RMB410.00 million in the project. During the reporting period, the actual amount invested in the project was RMB52.18 million. As at the end of the reporting period, the accumulated amount invested in the project amounted to RMB405.90 million, representing 99% of the planned investment amount in the project.

7) *300,000 Tonnes Copper Smelting Project*

The Company intended to invest a total of RMB3,099.53 million in the project. During the reporting period, the actual amount invested in the project was RMB44.64 million. As at the end of the reporting period, the accumulated amount invested in the project amounted to RMB2,524.83 million, representing 81% of the planned investment amount in the project.

(V) ANALYSIS ON FINANCIAL POSITION DURING THE REPORTING PERIOD

1. Financial Position

As at the end of the reporting period, the total asset of the Group amounted to RMB37,827.33 million, representing an increase of RMB3,676.70 million or 10.77% over the beginning of the reporting period, in which: (1) the balance of cash and cash equivalents amounted to RMB6,959.93 million, representing an increase of RMB2,819.61 million or 68.10% as compared with the beginning of the period, primarily due to net cash inflow from operating activities of RMB2,340.93 million, net cash outflow from investing activities of RMB1,752.55 million, net cash outflow from financing activities of RMB115.01 million, and the changes in restricted cash of subsidiaries of the Group, which is not defined as cash and cash equivalents: an increase of RMB153.25 million in mandatory reserve deposits placed in the People's Bank of China, an increase of RMB676.55 million in mortgaged bank deposits for loans, and an increase of RMB1,516.48 million in security deposit for bank acceptance notes; (2) the balance of accounts receivable amounted to RMB1,966.12 million, representing an increase of RMB609.78 million or 44.96% over the beginning of the period. Such increase was mainly due to the sharply increased accounts receivable at the end of the period as a result of an increase of approximately 45% in copper price as compared with the beginning of the period and an increase in the capital used for products of the same quantity despite unchanged credit terms of accounts receivable as compared with the end of last year; (3) the balance of prepayment amounted to RMB1,321.63 million, representing an increase of RMB559.69 million or 73.46% as compared with the beginning of the period, mainly due to the sharply increased prepayment as at the end of the reporting period as a result of an increase of approximately 45% in copper price as compared with the end of last year; (4) the balance of other receivables amounted to RMB679.86 million, representing a decrease of RMB706.40 million or 50.96% as compared with the beginning of the period, mainly due to the substantial copper price drop at the end of last year, which led to the gap of prepayment for purchase of copper concentrate over its final settlement, thus the receivables from suppliers for the exceeding payment; whereas copper price kept upward trend and ruled out such other receivables at the end of this period; (5) the balance of fixed assets amounted to RMB11,460.44 million, representing a decrease of RMB333.48 million or 2.83% as compared with the beginning of the period, mainly due to the depreciation charge of RMB434.21 million during the period ; (6) the balance of construction in progress amounted to RMB2,981.71 million, representing an increase of RMB722.58 million or 31.98% over the beginning of the period, mainly due to the additional construction in progress of RMB821.74 million during the period, such as the Technical Renovation Project of Dexing Mine.

As at the end of the reporting period, the total liabilities of the Group amounted to RMB15,692.00 million, representing an increase of RMB2,660.34 million over the beginning of the period, in which: (1) the balance of short-term borrowings amounted to RMB5,214.32 million, increased by RMB2,251.69 million over the beginning of the period, mainly attributable to an increase of RMB2,131.08 million in pledged borrowings over the beginning of the period secured by the bank-accepted notes receivable held by the Group, an addition of RMB683.90 million of pledged USD borrowings secured by the pledged RMB bank deposits; and a decrease of RMB593.28 million in credit borrowings of the Group over the beginning of the period, (2) the balance of dividends payable, unpaid dividends to shareholders for 2008 as at the end of the reporting period, increased by RMB241.83 million over the beginning of the period; (3) the balance of bonds payable amounted to RMB4,890.44 million, increased by RMB142.56 million or 3.00% over the beginning of the period, mainly due to the increase of accrued interest expenses for bonds with detachable warrants during the period.

2. **Capital Structure**

As at the end of the reporting period, the Group's total assets increased from RMB34,150.64 million as at the beginning of the period to RMB37,827.33 million; the total liabilities increased from RMB13,031.66 million as at the beginning of the period to RMB15,692.00 million. Gearing ratio was 41.48%, representing an increase of 3.32 percentage points over the beginning of the reporting period. Capital-liabilities ratio (liabilities divided by shareholders' equity) was 70.89%.

3. **Cash Flow**

The Group's net cash inflow from operating activities in the reporting period amounted to RMB2,340.93 million, representing an increase of net cash inflow RMB87.56 million over the corresponding period last year. The increase was mainly due to: a decrease of RMB7,346.72 million in cash received from sale of goods or rendering of services; a decrease of RMB6,245.72 million in cash paid for goods and services; a decrease of RMB138.64 million in cash paid to and on behalf of employees; a decrease of RMB1,059.10 million in cash paid for all types of taxes; a decrease of RMB9.18 million in net cash inflow from other operating activities.

The Group's net cash outflow from investing activities in the reporting period amounted to RMB1,752.55 million, representing an increase of net cash outflow of RMB1,431.26 million over the corresponding period last year. The increase was mainly due to: a decrease of RMB31.14 million in net cash received from disposal of fixed assets, intangible assets and other long-term assets; an increase of RMB1,325.18 million in cash paid for acquisition of fixed assets, intangible assets and other long-term assets; an increase of RMB80.68 million in cash paid on investments; an increase of RMB5.74 million in net cash inflow from other investing activities.

The Group's net cash outflow from financing activities in the reporting period amounted to RMB115.01 million, representing a decrease of net cash outflow of RMB1,174.39 million over the corresponding period last year. The decrease was mainly due to: an increase of RMB1.50 million in cash received from capital contributions; a decrease of RMB5,110.34 million in cash received from borrowings; a decrease of RMB5,120.47 million in cash repayment of borrowings; a decrease of RMB1,162.76 million in cash paid for distribution of dividends or profits and for interest expenses.

As at the end of the reporting period, the balance of cash and cash equivalents of the Group was RMB4,418.08 million, representing an increase of RMB473.32 million over the beginning of the period.

(VI) PROSPECT FOR THE SECOND HALF OF THE YEAR

It is expected that the global economy will start recovery slowly in the second half of the year. With the gradual increase in actual demand for copper, continuous weakening of US Dollar and the anticipation of a more intense inflation caused by abundant liquidity, copper price is unlikely to experience any substantial fall. During the second half of the year, the Group will focus on the followings:

1. Further implement the resources development strategy

The Group strives to further the development of overseas resources projects such as the Aynak Copper Mine project in Afghanistan and Northern Peru Copper Corp. Meanwhile, the Group will also accelerate the expansion of its existing mines, mainly including 130,000 Tonnes Technical Renovation Project of Dexing Mine, Extension of Open-Pitting Mining Project, Expansion Project of Phase II of Chengmenshan Copper Mine, 5,000 Tonnes Technical Improvement and No.5 Mine Exploitation Project. In addition, the Group will also enhance the exploration of resources.

2. Adhere to the promotion of corporate reform

The Group is restructuring internal business to optimize management levels. The Group has streamlined its headquarters and will supplement staff assessment mechanism, to further promote basic salary system reform so as to increase staff's working efficiency.

3. Seek opportunities to expand corporate scale

In the recent years, the Group has been seeking and negotiating appropriate projects to increase our resources reserve. On the other hand, we will seek to expand our market shares on the basis of ensured raw material supply.

(I) CORPORATE GOVERNANCE

During the reporting period, in strict compliance with the requirements of laws and regulations such as the Company Law of the People's Republic of China, Securities Law and Rules Governing the Listing of Securities, the Company standardized its operation and put efforts in investor relation to complete corporate governance structure. The general meeting, Board, Supervisory Committee, and special committees under the Board of the Company duly performed their respective duties and operated in accordance with the law; The Company implemented relevant procedures and timely disclosed information in respect of connected transactions, use of proceeds and significant investments according to relevant requirements.

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

The Company's profit distribution plan for 2008 was to distribute a dividend of RMB0.8 (inclusive of tax) for every ten shares to all shareholders. The profit distribution plan was approved at the annual general meeting held on 26 June 2009. On 17 July 2009 and 20 July 2009, the Company distributed RMB0.08 (inclusive of tax) per share in cash to the holders of H shares whose names appeared on the register of H shares of the Company on 26 May 2009 and to holders of A shares whose names appeared on the register of A shares of the Company on 10 July 2009, respectively.

(III) EXECUTION OF DIVIDEND POLICIES DURING THE REPORTING PERIOD

The articles of association of the Company specified that the Company may distribute dividends in cash or stocks. The profit distribution policy of the Company shall be maintained with certain continuity and stability and in accordance with the relevant governing regulations as amended from time to time.

The Board does not recommend the payment of interim dividends for the six months ended 30 June 2009. No interim dividends were distributed by the Company in the corresponding period last year.

(IV) MATERIAL LITIGATIONS AND ARBITRATIONS

The Company was not involved in any material litigations and arbitrations during the reporting period.

(V) EQUITY INTERESTS IN OTHER LISTED COMPANIES AND FINANCIAL ENTERPRISES HELD BY THE COMPANY

1. Equity interests in non-listing financial enterprises held by the Company

Name of companies held	Amount of accumulated investment *(RMB)*	Number of shares held *(share)*	Percentage of the company's equity *(%)*	Book value at the end of the reporting period *(RMB)*	Profit and loss occurred in the reporting period *(RMB)*	Changes in the owner's equity during the reporting period *(RMB)*	Accounting items	Ways of acquisition
Nanchang City Commercial Bank	398,080,000	398,080,000	5.88	398,080,000	—	—	Available-for-sale financial assets	Acquired from a third party

On 24 September 2008, Jiangxi Chengkai Investment Company Limited entered into a transfer agreement with the Company, pursuant to which 40,000,000 shares and relevant interests in Bank of Nanchang held by it was transferred to the Company at price of RMB2.95 each, with transfer consideration totalling RMB118.00 million. The aforesaid equity transfer had been approved by Jiangxi Office of China Banking Regulatory Commission on 23 December 2008. As at the end of 31 December 2008, the Company had made an advance payment of 30% of the total consideration, amounting to RMB35.40 million. As at 27 March 2009, the aforesaid share transfer agreement was approved by the general meeting of Bank of Nanchang. On 5 June 2009, the Company paid 70% of the total consideration to Jiangxi Chengkai Investment Company Limited, amounting to RMB82.68 million. As at 30 June 2009, the Company's shareholding in Bank of Nanchang was increased to 5.88%.

(VI) ACQUISITION AND DISPOSAL OF ASSETS, AND MERGER BY ABSORPTION DURING THE REPORTING PERIOD

During the reporting period, the Company had no material acquisition and disposal of assets or merger by absorption.

(VII) MATERIAL CONNECTED TRANSACTIONS DURING THE REPORTING PERIOD

1. Connected transactions relating to day-to-day operation

Unit:'000 Currency: RMB

Related party	Connection	Class of connected transactions	Content of connected transactions	Pricing policy for connected transactions	Price of connected transactions	Amount of connected transactions *(RMB'000)*	Percentage in similar types of transactions *(%)*	Settlement method of connected transactions
JCC	Parent company (controlling shareholder or substantial shareholder)	Sales of goods	Brass wires (RMB/tonne)	Market price	30,429	150,761	2.69	Payment upon acceptance
JCC	Parent company (controlling shareholder or substantial shareholder)	Sales of goods	Copper rods and wire and semi-finished products (RMB/tonne)	Market price	30,386	108,463	1.93	Payment upon acceptance
JCC	Parent company (controlling shareholder or substantial shareholder)	Sales of goods	By-products	Market price		2,329	100	Payment upon acceptance
JCC	Parent company (controlling shareholder or substantial shareholder)	Sales of goods	Auxiliary industrial products	Market price		2,380	100	Payment upon acceptance
JCC	Parent company (controlling shareholder or substantial shareholder)	Sales of goods	Sulphuric acid (RMB/tonne)	Market price	97	135	0.12	Payment upon acceptance
JCC	Parent company (controlling shareholder or substantial shareholder)	Loans	Loans	Market price		290,500	54.76	Monthly settlement
JCC	Parent company (controlling shareholder or substantial shareholder)	Loans	Interest income for financing service	Market price		8,690	73.61	Monthly settlement

Unit:'000 Currency: RMB

Related party	Connection	Class of connected transactions	Content of connected transactions	Pricing policy for connected transactions	Price of connected transactions	Amount of connected transactions *(RMB'000)*	Percentage in similar types of transactions *(%)*	Settlement method of connected transactions
JCC	Parent company (controlling shareholder or substantial shareholder)	Rendering of services	Processing service	Market price		731	43.84	Monthly settlement
JCC	Parent company (controlling shareholder or substantial shareholder)	Rendering of services	Repair and maintenance service	Industry price		3,263	100	Monthly settlement
JCC	Parent company (controlling shareholder or substantial shareholder)	Expenses of other utilities including water, electricity and gas (sales)	Power supply	Cost + tax		2,748	100	Monthly settlement
JCC	Parent company (controlling shareholder or substantial shareholder)	Rendering of services	Transportation services	Passenger and cargo rates of Jiangxi Province		154	100	Monthly settlement
JCC	Parent company (controlling shareholder or substantial shareholder)	Purchase of goods	Contained copper in blister and scrap copper (RMB/tonne)	Purchase cost + purchase expenses	30,604	383,662	10.64	Payment upon acceptance
JCC	Parent company (controlling shareholder or substantial shareholder)	Purchase of goods	Contained gold in blister and scrap copper (RMB/kg)	Market price	189,849	7,673	13.69	Payment upon acceptance
JCC	Parent company (controlling shareholder or substantial shareholder)	Purchase of goods	Contained silver in blister and scrap copper (RMB/kg)	Market price	2,269	13,286	14.65	Payment upon acceptance
JCC	Parent company (controlling shareholder or substantial shareholder)	Purchase of goods	Ancillary industrial products	Market price		105,516	25.94	Payment upon acceptance

Unit:'000 Currency: RMB

Related party	Connection	Class of connected transactions	Content of connected transactions	Pricing policy for connected transactions	Price of connected transactions	Amount of connected transactions *(RMB'000)*	Percentage in similar types of transactions *(%)*	Settlement method of connected transactions
JCC	Parent company (controlling shareholder or substantial shareholder)	Purchase of goods	Brass wires	Market price		3,717	100	Payment upon acceptance
JCC	Parent company (controlling shareholder or substantial shareholder)	Purchase of goods	Semi-finished products	Market price		4,122	100	Payment upon acceptance
JCC	Parent company (controlling shareholder or substantial shareholder)	Acceptance of services	Pension contributions	Based on 20% of staff salaries		64,601	100	Monthly settlement
JCC	Parent company (controlling shareholder or substantial shareholder)	Acceptance of services	Construction service	Construction fixed rates of Jiangxi Province		3,797	100	Monthly settlement
JCC	Parent company (controlling shareholder or substantial shareholder)	Acceptance of services	Repair and maintenance	Industry price		9,298	100	Monthly settlement
JCC	Parent company (controlling shareholder or substantial shareholder)	Acceptance of agency	Brokerage agency service for commodity forward contracts provided to the Group	Market price		7,726	70.38	Payment upon acceptance
JCC	Parent company (controlling shareholder or substantial shareholder)	Other outflow	Rental for land use rights	Valuation price		7,873	39.63	Monthly settlement
JCC	Parent company (controlling shareholder or substantial shareholder)	Other outflow	Compensation of key management personnel	Shared on the cost basis according to the percentage of staff member		3,500	100	Monthly settlement

Unit:'000 Currency: RMB

Related party	Connection	Class of connected transactions	Content of connected transactions	Pricing policy for connected transactions	Price of connected transactions	Amount of connected transactions *(RMB'000)*	Percentage in similar types of transactions *(%)*	Settlement method of connected transactions
JCC	Parent company (controlling shareholder or substantial shareholder)	Other outflow	Rentals for public facilities	Shared on the cost basis according to the percentage of staff member		7,503	100	Monthly settlement
JCC	Parent company (controlling shareholder or substantial shareholder)	Loans	Interest charges for deposits from customers	Market price		6,900	100	Monthly settlement
JCC	Parent company (controlling shareholder or substantial shareholder)	Acceptance of services	Vehicle transportation services	Cost + profit		354	15.63	Monthly settlement
JCC	Parent company (controlling shareholder or substantial shareholder)	Acceptance of services	Environmental greenery services	Shared on the cost basis according to the percentage of staff member		990	46.69	Monthly settlement
JCC	Parent company (controlling shareholder or substantial shareholder)	Acceptance of services	Other management fee	Shared on the cost basis according to the percentage of staff member		1,000	100	Monthly settlement
JCC	Parent company (controlling shareholder or substantial shareholder)	Acceptance of services	Welfare and medical services	Based on 18% of staff salaries		29,749	100	Monthly settlement
JCC	Parent company (controlling shareholder or substantial shareholder)	Other outflow	Use of representative offices	Shared on the cost basis according to the percentage of assets		1,800	100	Monthly settlement
JCC	Parent company (controlling shareholder or substantial shareholder)	Acceptance of services	Technical education services	Shared on the cost basis according to the percentage of staff member		1,440	100	Monthly settlement
Total	/	/	/	/	/	1,234,661	/	/

The Group entered into Consolidated Supply and Services Agreement I and Consolidated Supply and Services Agreement II with JCC in January 2009, and entered into the Financial Service Agreement with JCC in April 2009. All connected transactions above between the Group and JCC are in compliance with the aforesaid connected transaction agreements, and the actual amount did not exceed connected transaction amount approved by the independent shareholders and the cap limit granted by the Stock Exchange (where applicable).

In addition, (1) the Company purchased blister copper (the raw materials for smelting) of RMB95.44 million from Jiangxi Copper EPI (Qingyuan) Limited, an associate company jointly established by the Company and an independent third party ; (2) JCC Finance Company Limited, a controlling subsidiary of the Company, provided a short-term loan of RMB240.00 million for Minmetals-JCC Mining Company Limited（五礦江銅礦業股份有限公司）, an associated company jointly established by the Company and an independent third party, with RMB3.12 million of interest income from such loan.

(VIII) APPOINTMENT AND REMOVAL OF THE AUDITORS

Unit: 0'000 Currency: RMB

Whether changed the auditors:	No
	Current auditors
Name of the domestic auditors	Ernst & Young Certified Public Accountants
Name of overseas auditors	Ernst & Young Hua Ming
Auditing expenses	790
Name of the Certified Public Accountants	Mao Anning
	Yang Lei

(IX) CODE ON CORPORATE GOVERNANCE PRACTICE

The Company is committed to maintaining and establishing high level of corporate governance. The Company has complied with the code provisions of the Code on Corporate Governance Practice as set out in Appendix 14 to the Listing Rules.

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

At any time during the six months ended 30 June 2009, 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 2009.

(XI) 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 have complied with the requirements of the Model Code during the reporting period.

(XII) AUDIT COMMITTEE

The Company has convened Audit Committee meeting at which the unaudited interim condensed consolidated financial statements and the interim report for the six months ended 30 June 2009 were considered and approved.

(XIII) ASSETS PLEDGED OF THE GROUP

As at 30 June 2009, assets of the Group amounting to the net book value of RMB3,157.02 million were pledged for securing certain bank loans, including the restricted deposits for securing borrowings of RMB676.55 million (as of 31 December 2008: Nil), the discounted but undue bank accepted notes of RMB2,122.70 million (as of 31 December 2008: RMB1,821.63 million), inventories with net value of RMB234.60 million (as of 31 December 2008: RMB131.18 million), machineries and equipments with carrying value of RMB58.38 million (as of 31 December 2008: RMB61.03 million), buildings with carrying value of RMB62.00 million (as of 31 December 2008: RMB63.86 million) and land use rights with carrying value of RMB2.79 million (as of 31 December 2008: RMB2.82 million).

As at 30 June 2009, restricted deposits of the Group amounting to the net book value of RMB1,516.49 million were pledged for issuing bank accepted notes (as of 31 December 2008: Nil).

(XIV) 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 balances 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.

(XV) DETAILS OF EMPLOYEES

As at 30 June 2009, the Group had 23,204 employees in total, of whom 3,363 were management personnel, 1,360 were technicians, 16,821 were production personnel and 1,660 were supporting staff.

(XVI) CONTINGENT LIABILITIES

As at 30 June 2009, 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 39 and 69 which comprises the condensed consolidated statement of financial position of Jiangxi Copper Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") as at 30 June 2009 and the related interim consolidated statements of income, comprehensive 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 Standard 34 "Interim Financial Reporting" ("IAS 34") issued by International Accounting Standards Board.

The directors are responsible for the preparation and presentation of these interim condensed consolidated financial statements 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 condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young
Certified Public Accountants

Hong Kong
24 August 2009

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2009
(PREPARED IN ACCORDANCE WITH IFRS)

		For the six months ended 30 June	
		2009	2008
		(Unaudited)	(Unaudited and restated)
	Notes	***RMB'000***	*RMB'000*
REVENUE	4	**21,212,232**	27,799,237
Cost of sales		**(19,141,224)**	(23,262,527)
Gross profit		**2,071,008**	4,536,710
Other income and gains	5	**300,881**	425,486
Selling and distribution costs		**(125,075)**	(102,817)
Administrative expenses		**(376,896)**	(470,635)
Other expenses		**(4,750)**	(28,667)
Finance costs		**(200,029)**	(274,248)
Share of profits and losses of:			
A jointly-controlled entity		**1,770**	(173)
Associates		**(12,506)**	(15,531)
PROFIT BEFORE TAX		**1,654,403**	4,070,125
Income tax expense	6	**(394,944)**	(988,904)
PROFIT FOR THE PERIOD		**1,259,459**	3,081,221
Attributable to:			
Equity holders of the company		**1,270,668**	3,082,945
Minority interests		**(11,209)**	(1,724)
		1,259,459	3,081,221
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
— Basic	8	**RMB0.42**	RMB1.02
— Diluted	8	**RMB0.40**	RMB1.02

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2009
(PREPARED IN ACCORDANCE WITH IFRS)

	For the six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited and restated)
	RMB'000	*RMB'000*
PROFIT FOR THE PERIOD	**1,259,459**	3,081,221
Exchange differences on translation of foreign operation	**(54)**	(56,094)
Net loss on cash flow hedges:		
Loss arising during the period	**—**	(64,832)
Less: Reclassification adjustments for gains included in the income statement	**—**	(39,003)
	—	(103,835)
Income tax	**—**	25,959
	—	(77,876)
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX	**(54)**	(133,970)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**1,259,405**	2,947,251
Attributable to:		
Equity holders of the company	**1,270,626**	2,950,638
Minority interests	**(11,221)**	(3,387)
	1,259,405	2,947,251

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE SIX MONTHS ENDED 30 JUNE 2009
(PREPARED IN ACCORDANCE WITH IFRS)

	Notes	**30 June 2009 (Unaudited) *RMB'000***	31 December 2008 (Audited) *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment	9	**14,442,155**	14,053,056
Prepaid land lease payments		**189,260**	197,814
Intangible assets		**927,797**	945,942
Exploration and evaluation assets		**71,880**	71,880
Interest in a jointly-controlled entity		**17,556**	16,786
Interests in associates		**494,935**	508,338
Available-for-sale investments		**410,080**	327,400
Deferred tax assets	10	**175,386**	290,264
Loans to related parties		**—**	1,000
Total non-current assets		**16,729,049**	16,412,480
CURRENT ASSETS			
Inventories		**6,798,950**	6,886,056
Trade and bills receivables	11	**4,799,523**	3,976,405
Prepayments, deposits and other receivables		**2,223,686**	2,511,644
Loans to related parties		**497,532**	265,557
Provisional price arrangement	12	**—**	312,356
Commodity derivative contracts	13	**23,338**	99
Pledged deposits		**2,541,850**	195,558
Cash and cash equivalents	14	**4,418,085**	3,944,766
Total current assets		**21,302,964**	18,092,441
Total assets		**38,032,013**	34,504,921

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE SIX MONTHS ENDED 30 JUNE 2009
(PREPARED IN ACCORDANCE WITH IFRS)

	Notes	**30 June 2009 (Unaudited) *RMB'000***	31 December 2008 (Audited) *RMB'000*
CURRENT LIABILITIES			
Trade and bills payables	15	**1,814,377**	1,414,640
Other payables and accruals		**1,354,208**	1,826,057
Provisional price arrangement	12	**279,733**	—
Commodity derivative contracts	13	**42,038**	359,309
Interest-bearing bank borrowings	16	**5,297,143**	3,316,680
Deposits from customers		**1,313,593**	970,337
Dividends payable		**241,827**	—
Income tax payable		**326,055**	276,184
Total current liabilities		**10,668,974**	8,163,207
NET CURRENT ASSETS		**10,633,990**	9,929,234
TOTAL ASSETS LESS CURRENT LIABILITIES		**27,363,039**	26,341,714
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	16	**79,250**	147,250
Bonds payable		**4,890,438**	4,747,884
Deferred revenue — Government grants		**128,605**	126,384
Deferred tax liabilities	10	**5,126**	78,109
Provision for rehabilitation		**108,458**	107,002
Other long term payables		**15,829**	16,109
Total non-current liabilities		**5,227,706**	5,222,738
Net assets		**22,135,333**	21,118,976

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE SIX MONTHS ENDED 30 JUNE 2009
(PREPARED IN ACCORDANCE WITH IFRS)

	Notes	**30 June 2009 (Unaudited) *RMB'000***	31 December 2008 (Audited) *RMB'000*
EQUITY			
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY			
Share capital	17	**3,022,834**	3,022,834
Equity component of bonds with warrants		**2,008,917**	2,008,917
Reserves		**16,749,392**	15,478,766
Proposed final dividend	7	**—**	241,827
		21,781,143	20,752,344
Minority interests		**354,190**	366,632
Total equity		**22,135,333**	21,118,976

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2009
(PREPARED IN ACCORDANCE WITH IFRS)

	Attributable to equity holders of the Company													
	Share capital *RMB'000* *(note 17)*	Equity component of bond with warrants *RMB'000*	Share premium *RMB'000*	Capital reserve *RMB'000*	Other reserves *RMB'000*	Statutory surplus reserve *RMB'000*	Discretionary surplus reserve *RMB'000*	Safety fund surplus reserve *RMB'000*	Retained earnings *RMB'000*	Exchange fluctuation reserve *RMB'000*	Proposed final dividend *RMB'000* *(note 7)*	Total *RMB'000*	Minority interests *RMB'000*	Total equity *RMB'000*
At 1 January 2009 (audited)	**3,022,834**	**2,008,917**	**4,340,514**	**(934,681)**	**(92,506)**	**1,990,901**	**4,061,488**	**124,747**	**6,034,060**	**(45,757)**	**241,827**	**20,752,344**	**366,632**	**21,118,976**
Profit for the period	–	–	–	–	–	–	–	–	1,270,668	–	–	1,270,668	(11,209)	1,259,459
Other comprehensive loss	–	–	–	–	–	–	–	–	–	(42)	–	(42)	(12)	(54)
Total comprehensive income	–	–	–	–	–	–	–	–	1,270,668	(42)	–	1,270,626	(11,221)	1,259,405
Capital injection by a minority interest	–	–	–	–	–	–	–	–	–	–	–	–	1,500	1,500
Liquidation of a subsidiary	–	–	–	–	–	–	–	–	–	–	–	–	(737)	(737)
Dividends paid to minority shareholders	–	–	–	–	–	–	–	–	–	–	–	–	(1,984)	(1,984)
2008 final dividends declared	–	–	–	–	–	–	–	–	–	–	(241,827)	(241,827)	–	(241,827)
Transfers	–	–	–	–	–	–	–	68,765	(68,765)	–	–	–	–	–
At 30 June 2009 (Unaudited)	**3,022,834**	**2,008,917**	**4,340,514**	**(934,681)**	**(92,506)**	**1,990,901**	**4,061,488**	**193,512**	**7,235,963**	**(45,799)**	**–**	**21,781,143**	**354,190**	**22,135,333**

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	Safety fund surplus reserve	Retained earnings	Exchange fluctuation reserve	Hedging earnings	Proposed final 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* *(note 7)*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2008														
As previously reported	3,022,834	4,585,536	65,175	(92,506)	1,693,056	3,470,497	16,359	4,464,354	(4,092)	22,596	906,850	18,150,659	244,153	18,394,812
Effect of business combination under common control	–	–	749,896	–	101,746	2,693	12,060	527,370	–	–	–	1,393,765	233,378	1,627,143
As restated (audited)	3,022,834	4,585,536	815,071	(92,506)	1,794,802	3,473,190	28,419	4,991,724	(4,092)	22,596	906,850	19,544,424	477,531	20,021,955
Profit for the period	–	–	–	–	–	–	–	3,082,945	–	–	–	3,082,945	(1,724)	3,081,221
Other comprehensive loss	–	–	–	–	–	–	–	–	(54,431)	(77,876)	–	(132,307)	(1,663)	(133,970)
Total comprehensive income	–	–	–	–	–	–	–	3,082,945	(54,431)	(77,876)	–	2,950,638	(3,387)	2,947,251
Dividends paid to minority shareholders	–	–	–	–	–	–	–	–	–	–	–	–	(14,037)	(14,037)
2007 final dividends declared	–	–	–	–	–	–	–	–	–	–	(906,850)	(906,850)	–	(906,850)
Transfers	–	–	–	–	–	–	1,761	(1,761)	–	–	–	–	–	–
At 30 June 2008 (Unaudited, restated)	3,022,834	4,585,536	815,071	(92,506)	1,794,802	3,473,190	30,180	8,072,908	(58,523)	(55,280)	–	21,588,212	460,107	22,048,319

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2009
(PREPARED IN ACCORDANCE WITH IFRS)

	For the six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited and restated)
	RMB'000	*RMB'000*
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**1,654,403**	4,070,125
Adjustments for:		
Finance costs	**200,029**	274,248
Foreign exchange losses/(gains) arising from borrowings, net	**1,739**	(132,110)
Share of profits and losses of		
A jointly-controlled entity	**(1,770)**	173
Associates	**12,506**	15,531
(Gains)/losses on disposal of items of property, plant and equipment	**(671)**	5,350
Dividend income from available-for-sale investments	**(5,880)**	(5,259)
Rehabilitation cost	**1,456**	3,003
Provision/(reversal) for write-down of inventories to net realisable value	**3,721**	(257)
(Reversal of)/provision for impairment of trade and other receivables	**(16,075)**	995
Depreciation of items of property, plant and equipment	**434,212**	342,779
Amortisation of prepaid land lease payments	**9,551**	3,404
Amortisation of intangible assets	**18,145**	32,564
Gains on disposal of an subsidiary	**—**	(84)
Gains on partial disposal of subsidiaries	**(10,738)**	—
Deferred revenue released to the income statement	**(3,317)**	(3,442)
	2,297,311	4,607,020

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2009
(PREPARED IN ACCORDANCE WITH IFRS)

	For the six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited and restated)
	RMB'000	*RMB'000*
Decrease/(increase) in inventories	**83,385**	(204,380)
Decrease/(increase) in trade and other receivables	**66,848**	(2,981,396)
Increase in loans to related parties	**(230,975)**	(365,689)
Increase in pledged deposits	**(659,181)**	(25,597)
Increase in trade and other payables	**491,879**	2,040,495
Increase in deposits from customers	**343,256**	24,312
Decrease in repurchase agreement	**—**	(30,000)
Changes in derivative instruments - transactions not qualifying as hedges	**(340,510)**	8,594
Changes in provisional price arrangement	**592,089**	—
Cash generated from operations	**2,644,102**	3,073,359
Income tax paid	**(303,178)**	(819,997)
Net cash inflow from operating activities	**2,340,924**	2,253,362
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of items of property, plant and equipment	**(1,182,845)**	(328,584)
Addition to exploration and evaluation assets	**—**	(41,880)
Additions to prepaid land lease payments	**(1,049)**	(5,397)
Additions to intangible assets	**(521,309)**	(4,168)
Proceeds from disposal of items of property, plant and equipment	**22,024**	53,972
Receipt of government grants	**5,538**	1,422
Proceeds from disposal of subsidiaries	**—**	84
Dividend income received from available-for-sale investments	**5,880**	5,259
Dividend income received from jointly-controlled entities	**1,000**	—
Proceeds from disposal of an associate	**894**	—
Purchases of available-for-sale investments	**(82,680)**	(2,000)
Net cash outflow from investing activities	**(1,752,547)**	(321,292)

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2009
(PREPARED IN ACCORDANCE WITH IFRS)

	For the six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited and restated)
	RMB'000	*RMB'000*
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of capital to minority shareholders	**(737)**	—
Proceeds from capital injection of minority shareholders	**1,500**	—
New bank loans	**1,469,258**	6,579,600
Repayment of bank loans	**(1,546,714)**	(6,667,184)
Interest paid	**(36,330)**	(279,339)
Dividends paid	**—**	(908,443)
Dividends paid to minority shareholders	**(1,984)**	(14,037)
Net cash outflow from financing activities	**(115,007)**	(1,289,403)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**473,370**	642,667
Cash and cash equivalents at beginning of period	**3,944,766**	3,068,297
Effect of foreign exchange rate changes, net	**(51)**	(3,695)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**4,418,085**	3,707,269

1. CORPORATE INFORMATION

Jiangxi Copper Company Limited (the "Company") was registered in the People's Republic of China (the "PRC") as a joint stock limited company. The registration number of the Company's business licence is Qi He Kan Zhong Zi 003556. The Company was established on 24 January 1997 by Jiangxi Copper Corporation ("JCC"), Hong Kong International Copper Industry (China) Investment Limited, Shenzhen Baoheng (Group) Company Limited, Jiangxi Xinxin Company Limited and Hubei Sanxin Gold & Copper Company Limited, and approved by Jiangxi Province's Administrative Bureau for Industry and Commerce. The Company's H Shares were listed on the Stock Exchange of Hong Kong Limited and London Stock Exchange on 12 June 1997 and the Company's A shares were listed on Shanghai Stock Exchange on 11 January 2002. The head office of the Company is located in 15 Yejin Avenue, Guixi, 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 is an integrated producer of copper in the PRC. Its operations consist of copper mining, milling, smelting and refining for the production of copper cathodes, copper rods and wires and other related products, including pyrite concentrates, sulphuric acid, and electrolytic gold and silver, and rare metals such as molybdenum, etc. It also provides smelting and refining services pursuant to tolling arrangements for customers.

2. BUSINESS COMBINATION INVOLVING ENTITIES UNDER COMMON CONTROL AND BASIS OF PRESENTATION

Pursuant to an acquisition agreement with JCC dated 16 January 2008, the Company acquired from JCC its copper related business (the "Targets") at a consideration of RMB1.59 billion (the "Acquisition"). The transaction is completed on 1 October 2008.

Since the Company and the Targets were all ultimately controlled by JCC both before and after the business combination and control is not transitory, the Acquisition is dealt with as a business combination under common control. The financial statements of the Group have been prepared based on the principles of merger accounting as if the business combinations under common control had occurred from the date when the Targets first came under the control of JCC.

The operating results previously reported by the Group for the six months ended 30 June 2008 have been restated to include the operating results of the acquired companies and business as set out below:

	The Group (as previously reported) *RMB'000*	**Acquired companies and business under common control** *RMB'000*	**Total** *RMB'000*	**Consolidation adjustment** *RMB'000*	**The Group** (as restated) *RMB'000*
Operating profit:					
Revenue	26,714,084	4,611,013	31,325,097	(3,525,860)	27,799,237
Profit before tax	3,668,691	407,074	4,075,765	(5,640)	4,070,125
Profit for the period	2,774,270	312,591	3,086,861	(5,640)	3,081,221

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 2009 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" and applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

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 2008.

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 2008, except for the adoption of new standards and interpretations effective for the period beginning on or after 1 January 2009, as set out below:

IFRS 1 and IAS 27 Amendments	Amendments to IFRS 1 First-time Adoption of IFRSs and IAS 27 Consolidated and Separate Financial Statements — Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
IFRS 2 Amendments	Amendments to IFRS 2 Share-based Payment — Vesting Conditions and Cancellations
IFRS 7 Amendments	Amendments to IFRS 7 Financial Instruments: Disclosure — Improving Disclosures about Financial Instruments
IFRS 8	Operating Segments
IAS 1 (Revised)	Presentation of Financial Statements
IAS 23 (Revised)	Borrowing Costs
IAS 32 and IAS 1 Amendments	Amendments to IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements — Puttable Financial Instruments and Obligations Arising on Liquidation
IFRIC 9 and IAS 39 Amendments	Amendments to IFRIC 9 Reassessment of Embedded Derivatives and IAS 39 Financial Instruments: Recognition and Measurement — Embedded Derivatives
IFRIC 13	Customer Loyalty Programmes
IFRIC 15	Agreements for the Construction of Real Estate
IFRIC 16	Hedges of a Net Investment in a Foreign Operation

Improvements to IFRSs contain amendments to IFRS 7, IAS 1, IAS 8, IAS 10, IAS 16, IAS 18, IAS 19, IAS 20, IAS 23, IAS 27, IAS 28, IAS 29, IAS 31, IAS 34, IAS 36, IAS 38, IAS 39, IAS 40 and IAS 41.

The principal effects of adopting these new and revised IFRSs, which give rise to changes in accounting policies, are as follows:

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

3.2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

IFRS 8 requires disclosure of information about the Group's operating segments and replaces the requirement to determine primary (business) and secondary (geographical) reporting segments of the Group. Adoption of this standard did not have any effect on the financial position or result of operations of the Group. The Group determined that the operating segments were the same as the business segments previously identified under IAS 14 Segment Reporting.

IAS 1 (Revised) separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. In addition, this standard introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group has elected to present two statements.

Except as stated above, the adoption of the above new and revised IFRSs is unlikely to have a significant impact on the Group's interim condensed consolidated financial statements.

The Group has not applied the following new and revised IFRSs that have been issued but will be effective for annual periods beginning on or after 1 July 2009 and 1 January 2010 in the interim condensed consolidated financial statements.

IFRS 1 (Revised)	First-time Adoption of IFRSs[1]
IFRS 2 Amendments	Amendments to IFRS 2 Share-based Payment — Group Cash-settled share based payment Transactions[2]
IFRS 3 (Revised)	Business Combinations[1]
IAS 27 (Revised)	Consolidated and Separate Financial Statements[1]
IAS 39 Amendment	Amendment to IAS 39 Financial Instruments: Recognition and Measurement — Eligible Hedged Items[1]
IFRIC 17	Distribution of Non-cash Assets to Owners[1]
IFRIC 18	Transfers of Assets from Customers[3]

1 *Effective for annual periods beginning on or after 1 July 2009*

2 *Effective for annual periods beginning on or after 1 January 2010*

3 *Effective for transfers of assets from customers received on or after 1 July 2009*

Improvements to IFRSs* which sets out amendments to a number of IFRSs primarily with a view to removing inconsistencies and clarifying wording. Except for the amendments to IFRS 2, IAS 38, IFRIC 9 and IFRIC 16 which are effective for annual periods beginning on or after 1 July 2009, the amendments are effective for annual periods beginning on or after 1 January 2010 although there are separate transitional provisions for each standard.

* *Improvements to IFRSs contain amendments to IFRS 2, IFRS 5, IFRS 8, IAS 1, IAS 7, IAS 17, IAS 18, IAS 36, IAS 38, IAS 39, IFRIC 9 and IFRIC 16.*

Further information about the impact of new and revised IFRSs that are expected to significantly affect the Group is as follows:

IFRS 3 (Revised) introduces a number of changes in the accounting for business combinations that will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.

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

3.2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

IAS 27 (Revised) requires that a change in the ownership interest of a subsidiary without loss of control is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore, the revised standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments were made to IAS 7 Statement of Cash Flows, IAS 12 Income Taxes, IAS 21 The Effects of Changes in Foreign Exchange Rate, IAS 28 Investments in Associates and IAS 31 Interests in Joint Ventures.

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 the adoption of IFRS 3 (Revised) and IAS 27 (Revised) may affect future acquisitions, loss of control and transactions with minority interests. Otherwise, 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

For management purpose, the Group is organised into business units based on their products and services, and has one reportable operating segment: production and sale of copper and other related products. Management monitors the operating results of its business units as a whole for the purpose of making decisions about resource allocation of performance assessment.

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 2009 and 2008. All significant transactions within the Group have been eliminated.

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

	For the six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited and restated)
	RMB'000	*RMB'000*
Sales of goods		
— copper cathodes	**10,350,558**	12,147,941
— copper rods	**6,162,389**	9,449,797
— copper processing products	**1,097,192**	1,441,436
— gold	**1,960,959**	1,403,019
— silver	**538,747**	642,414
— sulphuric and sulphuric concentrate	**285,198**	1,657,408
— rare metals	**335,874**	524,843
— other joint products and by-products	**481,315**	532,379
	21,212,232	27,799,237

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.

5. OTHER INCOME AND GAINS

	For the six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited and restated)
	RMB'000	*RMB'000*
Net gains of derivative financial instruments — commodity derivative contracts*	**220,326**	250,624
Foreign exchange (loss)/gain, net	**(1,739)**	132,110
Interest income	**18,100**	26,321
Deferred revenue released to the income statement	**3,317**	3,442
Dividend income from available-for-sale investments	**5,880**	5,259
Gains on disposal of subsidiaries	**10,738**	84
Income from VAT refund	**10,465**	—
Subsidy income of import copper concentrate	**27,974**	—
Others	**5,820**	7,646
	300,881	425,486

* *It includes unrealised gains amounting to RMB340,510,000 (unrealised losses as at 30 June 2008: RMB8,594,000) from changes of fair value of the outstanding commodity derivative contracts and the realised losses amounting to RMB120,184,000 (realised gains for the six months ended 30 June 2008: RMB259,218,000) from the settlement of commodity derivative contracts.*

6. INCOME TAX EXPENSE

The major components of income tax expense for the six months ended 30 June 2009 and 2008 are:

	For the six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited and restated)
	RMB'000	*RMB'000*
Current income tax payable:		
PRC income tax	**346,169**	1,014,819
HK income tax	**6,880**	692
	353,049	1,015,511
Deferred income tax	**41,895**	(26,607)
Income tax charge for the period	**394,944**	988,904

Hong Kong profits tax on two of the Group's subsidiaries has been provided at the rate of 16.5% (2008: 16.5%) on the estimated assessable profits arising in Hong Kong during the six months ended 30 June 2009.

The provision for PRC current income tax is based on a statutory rate of 25% (2008: 25%) of the assessable profits of the Group as determined in accordance with the relevant income tax rules and regulations of the PRC Corporate Income Tax Law, except for certain subsidiaries in Mainland China, which enjoy preferential tax rates during a transition period from 2008 to 2012.

7. DIVIDENDS

	For the six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Dividends on ordinary shares declared and paid during the six-month period:		
Final dividend for 2008:		
RMB0.08 per share (2007: RMB0.3 per share)	**241,827**	906,850

On 26 June 2009, a dividend of RMB0.08 per share (inclusive of tax) on 3,022,833,727 shares, in aggregate approximately RMB241,827,000 was declared to the shareholders as the final dividend for year 2008.

On 10 June 2008, a dividend of RMB0.3 per share (inclusive of tax) on 3,022,833,727 shares, in aggregate approximately RMB906,850,000 was declared to the shareholders as the final dividend for year 2007.

The directors do not recommend the payment of an interim dividend for the six months ended 30 June 2009. 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 period attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares in issue during the period.

The calculation of diluted 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 used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share amounts are based on:

	For the six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited and restated)
Profit attributable to ordinary equity holders of the Company *(RMB'000)*	**1,270,668**	3,082,945
Weighted average number of ordinary shares in issue	**3,022,833,727**	3,022,833,727
Effect of dilution — weighted average number of ordinary shares:		
Warrants attached to bonds	**132,409,058**	—
Diluted average number of ordinary shares in issue	**3,155,242,785**	3,022,833,727
— Basis	**RMB0.42**	RMB1.02
— Diluted	**RMB0.40**	RMB1.02

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2009, the Group acquired items of property, plant and equipment with a cost of RMB844,663,000 (six months ended 30 June 2008: RMB1,006,822,000). Depreciation for items of property, plant and equipment is RMB434,212,000 (six months ended 30 June 2008: RMB342,779,000) during the period.

Property, plant and equipment with a net book value of RMB114,383,000 (six months ended 30 June 2008: RMB59,322,000) was disposed of by the Group during the six months ended 30 June 2009, resulting in a net gain on disposal of RMB671,000 (a net loss in six months ended 30 June 2008: RMB5,350,000).

During the six months ended 30 June 2009, the Group has written off of the fully impaired property, plant and equipment of which the cost and accumulated depreciation amounted to RMB147,119,000 and RMB54,089,000 respectively, (six months ended 30 June 2008: nil) because Shanxi Diaoquan Silver and Copper Mining Company Limited ("Diaoquan"), a subsidiary of the Company was no longer consolidated as at 30 June 2009 as the Company disposed 26.458% equity interest in Diaoquan to one third party during the period.

10. DEFERRED TAX

The components of deferred tax assets and liabilities are as follows:

	30 June 2009 (Unaudited) ***RMB'000***	31 December 2008 (Audited) *RMB'000*
Deferred tax assets:		
Impairment of assets	**36,706**	164,630
Accrued expenses	**48,773**	38,457
Unrealised profits	**4,756**	—
Fair value loss from derivative financial instruments-transactions not qualifying as hedges	**9,248**	81,950
Fair value loss from provisional price arrangement	**69,707**	—
Others	**6,196**	5,227
	175,386	290,264
Deferred tax liabilities:		
Fair value gain from derivative financial instruments-transactions not qualifying as hedges	**5,126**	20
Fair value gain from provisional price arrangement	**—**	78,089
	5,126	78,109

At 30 June 2009, there was no significant unrecognised deferred tax liability (31 December 2008: 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.

11. TRADE AND BILLS RECEIVABLES

	30 June 2009 (Unaudited) ***RMB'000***	31 December 2008 (Audited) *RMB'000*
Trade receivables	**2,103,106**	1,533,138
Bills receivable	**2,833,404**	2,620,066
Less: Provision for impairment of trade receivables	**(136,987)**	(176,799)
	4,799,523	3,976,405

Included in the Group's trade receivables are amounts due from the Group's associates and related parties, as detailed in note 19, 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 minimize 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 2009 (Unaudited) ***RMB'000***	31 December 2008 (Audited) *RMB'000*
Within 1 year	**1,952,481**	1,391,589
1 to 2 years	**14,731**	3,702
2 to 3 years	**613**	581
Over 3 years	**135,281**	137,266
	2,103,106	1,533,138

The terms of bills receivable are all within six months.

As at 30 June 2009, certain bank-accepted notes receivable held by the Group with a net book value of RMB2,122,702,000 (31 December 2008: RMB1,821,630,000) were discounted to secure short term bank borrowings (note 16).

12. PROVISIONAL PRICE ARRANGEMENT

	30 June 2009 (Unaudited) ***RMB'000***	31 December 2008 (Audited) *RMB'000*
Provisional price arrangement	**(279,733)**	312,356

The Group enters into physical commodity contracts in the normal course of business. These contracts are not derivatives and are measured at cost. However, according to the normal practice in the copper industry, the pricing mechanism-provisional price arrangement used in the copper concentrate contracts between the Group and its suppliers include a component that is subject to the variability of copper cathode prices. This has been identified as an embedded derivative and the derivative component has been separated from its host agreement for accounting purposes once the significant risks and rewards of ownership for copper concentrate have been transferred to the Group. The embedded derivative - provisional price arrangement is revalued at each balance sheet date with its fair value gain or loss recognized in the consolidated income statement. Unrealized fair value losses on provisional price arrangement of RMB279,733,000 have been included in cost of inventories sold (for the six months ended 30 June 2008: nil).

13. COMMODITY DERIVATIVE CONTRACTS

	30 June 2009 (Unaudited) ***RMB'000***	31 December 2008 (Audited) *RMB'000*
Not under hedge accounting	**(18,700)**	(359,210)

The Group utilises commodity derivative contracts (standard copper cathode forward contracts in Shanghai Futures Exchange ("SHFE") and London Metal Exchange ("LME")) to manage its risk exposure to forecast purchases of copper concentrate and copper cathode, forecast sales of copper cathode, and firm commitments of sale of copper rods and wires. These arrangements are designated to address significant fluctuations in the prices of copper concentrate and copper related products which move in line with the price of copper cathode. However, these arrangements are not considered as effective hedges and hence do not qualify for hedge accounting under IAS 39. The unrealised gains or losses arising from the change in fair value of the outstanding derivative instruments at the balance sheet date are recognised in the consolidated income statements (note 5). As at the balance sheet date, the expected arrival period of the forecasted purchases of copper concentrate and copper cathode is from July 2009 to September 2009 and the expected delivery period of the forecasted sales of copper cathode and the firm commitments of sale of copper rods and wires is from July 2009 to November 2009.

14. CASH AND CASH EQUIVALENTS

	30 June 2009 (Unaudited) ***RMB'000***	31 December 2008 (Audited) *RMB'000*
Cash and bank balances	**6,959,935**	4,140,324
Less: Pledged deposits *(a)*	**(2,541,850)**	(195,558)
Cash and cash equivalents	**4,418,085**	3,944,766

(a) The pledged deposits represent the required mandatory reserve deposits and other restricted deposits placed by JCC Finance Company Limited ("Finance Company"), a subsidiary of the Group, with the People's Bank of China ("PBOC") and time deposits pledged by the Group to obtain bank loans and issue bank-acceptance bills. Mandatory reserve deposits with the central bank and other restricted deposits are not available for use in the Group's daily operations.

15. TRADE AND BILLS PAYABLES

	30 June 2009 (Unaudited) ***RMB'000***	31 December 2008 (Audited) *RMB'000*
Trade payables	**1,494,792**	1,328,422
Bills payable	**319,585**	86,218
	1,814,377	1,414,640

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

	30 June 2009 (Unaudited) ***RMB'000***	31 December 2008 (Audited) *RMB'000*
Within 1 year	**1,374,059**	1,267,645
1 to 2 years	**92,491**	47,978
2 to 3 years	**25,320**	7,307
Over 3 years	**2,922**	5,492
	1,494,792	1,328,422

15. TRADE AND BILLS PAYABLES *(CONTINUED)*

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

The directors consider that the carrying amounts of trade and bills payables approximate to their fair values.

Trade payables due to related parties included in the trade and bills payables are disclosed in note 19 to the financial statements.

16. INTEREST-BEARING BANK BORROWINGS

	30 June 2009 (Unaudited) ***RMB'000***	31 December 2008 (Audited) *RMB'000*
Current:		
Bank loans — secured	**4,793,107**	1,948,131
Bank loans — unsecured	**421,209**	1,014,490
Current portion of long term bank loans — secured	**82,827**	285,713
Current portion of long term bank loans — unsecured	**—**	68,346
	5,297,143	3,316,680
Non-current:		
Bank loans — secured	**162,077**	413,713
Bank loans — unsecured	**—**	87,596
	162,077	501,309
Less: Current portion due within one year	**(82,827)**	(354,059)
	79,250	147,250
	5,376,393	3,463,930

For the six months ended 30 June 2009, the bank borrowings carry interest at rates ranging from 0.21% to 7.74% (2008: 4.17% to 9.17%) per annum.

16. INTEREST-BEARING BANK BORROWINGS *(CONTINUED)*

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

(i) pledges of the bank-accepted notes receivable held by the Group, which had an aggregate carrying value at the balance sheet date of approximately RMB3,952,702,000 (31 December 2008: RMB1,821,631,000) among which include bank-accepted notes approximately RMB1,830,000,000 (31 December 2008: nil) arose from the inter-company transactions within the Group;

(ii) pledges of the Group's machinery, which had an aggregate carrying value at the balance sheet date of approximately RMB58,377,000 (31 December 2008: RMB61,027,000);

(iii) guarantees issued by the Group's ultimate holding company, JCC, for an aggregate amount of approximately RMB162,077,000 (31 December 2008: RMB413,713,000) as at the balance sheet date;

(iv) pledges of the Group's inventories, which had an aggregate carrying value at the balance sheet date of approximately RMB234,600,000 (31 December 2008: RMB131,185,000);

(v) pledges of the Group's buildings and mining infrastructure which had an aggregate carrying value at the balance sheet date of approximately RMB61,996,000 (31 December 2008: RMB63,857,000);

(vi) pledges of the Group's prepaid land lease payments, which had an aggregate carrying value at balance sheet date of approximately RMB2,787,000 (31 December 2008: RMB2,815,000); and

(vii) pledges of the Group's bank deposits which had an aggregate carrying value at the balance sheet date of approximately RMB676,548,000 (31 December 2008: nil).

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

17. SHARE CAPITAL

	30 June 2009 (Unaudited)		31 December 2008 (Audited)	
	Number of shares	**Share capital** *RMB'000*	Number of shares	Share capital *RMB'000*
— Listed shares subject to trading restrictions	**1,282,074,893**	**1,282,075**	1,282,074,893	1,282,075
— H shares	**1,387,482,000**	**1,387,482**	1,387,482,000	1,387,482
— A shares	**353,276,834**	**353,277**	353,276,834	353,277
	3,022,833,727	**3,022,834**	3,022,833,727	3,022,834

17. SHARE CAPITAL *(CONTINUED)*

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.

18. 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 of HKD18.9 each. 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 dollar ("HKD") amount equal to the number of units of Rights exercised multiplies 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 a 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 their terms 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 2009, no Rights granted were exercised or expired (during the period ended 30 June 2008: nil.). As at 30 June 2009, the expiry dates of the outstanding Rights were between 8 and 9 years (31 December 2008: 9 and 10 years).

For the period ended 30 June 2009 and as at 30 June 2009, the Group did not recognise share compensation cost and the liability related to the Rights as the directors believe that the related compensation cost is not material to the interim condensed consolidated financial statements for the period ended 30 June 2009 (for the period ended 30 June 2008 and as at 31 December 2008: nil.).

19. 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") and Minmetals Jiangxi Copper Mining Investment Company Limited ("Minmetals Jiangxi Copper"), which are the Company's associates, and (iii) other state-controlled entities in China, and paid remuneration to management personnel as summarised below:

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

	For the six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited and restated)
	RMB'000	*RMB'000*
Sales to related parties:		
Sales of brass wires	**150,761**	287,744
Sales of copper rods and wire and semi-finished products	**108,463**	39,643
Sales of joint-products	**2,329**	2,448
Sales of auxiliary industrial products	**2,380**	2,444
Sales of sulphuric acid	**135**	4,165
Purchases of goods from related parties:		
Purchases of copper waste	**404,621**	70,852
Purchases of auxiliary industrial products	**105,516**	52,184
Purchases of brass wires	**3,717**	1,144
Purchases of semi-finished products	**4,122**	544
Services provided by the Group to JCC and its affiliates :		
Loans provided	**290,500**	577,744
Interest charge for financing services	**8,690**	13,838
Processing services	**731**	8,455
Repair and maintenance services	**3,263**	1,275
Supply of electricity	**2,748**	1,675
Vehicle transportation services	**154**	2,295

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

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

	For the six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited and restated)
	RMB'000	*RMB'000*
Services provided by JCC and its affiliates to the Group:		
Pension contributions	**64,601**	45,871
Construction services	**3,797**	26,613
Repair and maintenance services	**9,298**	8,598
Brokerage agency services for commodity derivative contracts	**7,726**	5,284
Rentals for land use rights	**7,873**	5,805
Rentals for public facilities	**7,503**	6,407
Interest charges for deposits from customers	**6,900**	862
Vehicle transportation services	**354**	8
Other supporting services	**990**	—
Other management fees	**1,000**	1,307
Social welfare and support services provided to the Group:		
— welfare and medical services	**29,749**	36,299
— use of representative offices	**1,800**	1,800
— technical education services	**1,440**	1,440

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

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

(b) Transactions with Qing Yuan and Minmetals Jiangxi Copper, which are the Company's associates:

	For the six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited and restated)
	RMB'000	*RMB'000*
Qing Yuan:		
Purchases of goods from related parties:		
Purchases of copper waste	**95,438**	926,171
Minmetals Jiangxi Copper:		
Loans provided to related parties:		
Short term loan	**240,000**	—
Interest charge for financing services	**3,115**	—

(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 period, the Group had transactions with State-owned Enterprises including, but not limited to, the sales of goods, purchases of goods and purchases of properties, plants and equipments.

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.

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

(d) Remuneration of key management personnel of the Group

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

	For the six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited and restated)
	RMB'000	*RMB'000*
Total remuneration paid to key management personnel	**3,500**	4,460

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

(e) Outstanding balances with related parties

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

	30 June 2009	31 December 2008
	(Unaudited)	(Audited)
	RMB'000	*RMB'000*
Amounts due from related parties:		
Trade and bills receivables:		
JCC	**2,757**	1,345
JCC's affiliates	**106,612**	62,020
	109,369	63,365
Prepayments and other receivables:		
JCC	**34,170**	623
JCC's affiliates	**379,736**	443,460
Qing Yuan	**96,000**	9,500
	509,906	453,583
Loans to — short term loans:		
JCC's affiliates	**257,532**	262,557
Minmetals Jiangxi Copper	**240,000**	—
	497,532	262,557

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

(e) Outstanding balances with related parties *(continued)*

The Group had the following significant balances with related parties at the balance sheet date: *(continued)*

	30 June 2009 (Unaudited) *RMB'000*	31 December 2008 (Audited) *RMB'000*
Loans to — current portion of long term loans:		
JCC's affiliates	**—**	3,000
Loans to — long term loans:		
JCC's affiliates	**—**	1,000
Trade and bills payables:		
JCC	**3,895**	3,916
JCC's affiliates	**13,209**	35,246
	17,104	39,162
Other payables and accruals:		
JCC	**11,066**	543,934
JCC's affiliates	**133,646**	68,124
	144,712	612,058
Deposits from customers:		
JCC	**864,847**	842,621
JCC's affiliates	**448,746**	127,716
	1,313,593	970,337
Dividend payable:		
JCC	**102,566**	—
Other long term payable:		
JCC	**15,829**	16,109

The above balances arose from the aforementioned transactions, deposits and advances to/from related parties and payments made by the Group and related parties on behalf of each other. These balances were unsecured, interest-free and had no fixed repayment terms except for loans, deposits from customers, other long term payable to JCC and JCC's affiliates and loans to Minmetals Jiangxi Copper. The terms and interest rates of loans, deposits from customers, other long-term payable to JCC and JCC's affiliates have no changes compared with those disclosed in last year annual financial statements.

20. 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 2009 (Unaudited) ***RMB'000***	31 December 2008 (Audited) *RMB'000*
Within one year	**22,910**	22,910
In the second to fifth years, inclusive	**73,127**	73,127
After five years	**267,945**	279,400
	363,982	375,437

21. CAPITAL COMMITMENTS

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

	30 June 2009 (Unaudited) ***RMB'000***	31 December 2008 (Audited) *RMB'000*
Commitments for the acquisition of items of property, plant and equipment:		
— contracted for, but not provided in the financial statements	**254,593**	178,595
Investment in an associate		
— contracted for, but not provided in the financial statements (i)	**2,192,677**	2,192,677
Investments in available-for-sale investments		
— contracted for, but not provided in the financial statements	**—**	82,600
	2,447,270	2,453,872

21. CAPITAL COMMITMENTS *(CONTINUED)*

(i) The Company and China Metallurgical Group Corporation ("CMCC") incorporated MCC-JCL Aynak Minerals Company Limited ("MCC-JCL") in Afghanistan, an associate of the Group, in September 2008. Prior to the introduction of other independent investors, the initial shareholding of the Company and CMCC in MCC-JCL shall be 25% and 75% respectively. The principal business of MCC-JCL is to explore and exploit minerals in the Central and Western mineralised zones in Aynak Mine in Afghanistan.

The total investment of MCC-JCL shall initially be USD4,390,835,000 and shall be funded by equity funding from shareholders and by project loan 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 loan financing.

22. COMPARATIVE FIGURES

Comparative figures have been adjusted to apply merger accounting for the businesses combination under common control, as explained in note 2, and certain comparatives have been reclassified to conform with the current period's presentation.

23. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved and authorised for issue by the Board on 24 August 2009.

CONSOLIDATED BALANCE SHEET

30 JUNE 2009
(Expressed in Renminbi Yuan)
(Prepared in accordance with PRC GAAP)

ASSETS	*Note 6*	**30 June 2009 (Unaudited)**	31 December 2008 (Audited)
Current assets:			
Cash and cash equivalents	1	**6,959,934,605**	4,140,323,761
Notes receivable	2	**2,833,403,772**	2,620,065,831
Accounts receivable	3	**1,966,119,381**	1,356,339,486
Advances to suppliers	4	**1,321,626,282**	761,940,509
Interest receivable		**9,689,596**	1,386,178
Other receivables	5	**679,858,786**	1,386,254,229
Inventories	6	**6,798,946,747**	6,886,053,350
Non-current assets due within one year	15	**—**	3,000,000
Other current assets	7	**520,870,079**	575,012,429
Total current assets		**21,090,449,248**	17,730,375,773
Non-current assets:			
Available-for-sale financial assets	8	**410,080,000**	327,400,000
Long-term equity investments	9	**512,491,316**	525,124,450
Fixed assets	10	**11,460,443,916**	11,793,923,906
Construction in progress	11	**2,981,711,039**	2,259,132,431
Intangible assets	12	**1,124,888,585**	1,151,535,874
Exploration costs	13	**71,880,000**	71,880,000
Deferred tax assets	14	**175,386,180**	290,264,343
Other non-current assets	15	**—**	1,000,000
Total non-current assets		**16,736,881,036**	16,420,261,004
TOTAL ASSETS		**37,827,330,284**	34,150,636,777

The notes on pages 87 to 185 form an integral part of these financial statements.

30 JUNE 2009
(Expressed in Renminbi Yuan)
(Prepared in accordance with PRC GAAP)

LIABILITIES AND OWNERS' EQUITY	*Note 6*	**30 June 2009 (Unaudited)**	31 December 2008 (Audited)
Current liabilities:			
Short-term loans	18	**5,214,315,882**	2,962,621,173
Notes payable	19	**319,584,911**	86,217,573
Accounts payable	20	**1,494,792,521**	1,328,422,011
Advances from customers	21	**305,455,326**	280,116,664
Employee benefits payable	22	**235,260,090**	236,128,931
Taxes payable	23	**200,929,502**	140,660,925
Interest payable		**2,196,896**	8,058,286
Dividends payable	24	**241,826,698**	—
Other payables	25	**700,079,838**	1,051,825,680
Non-current liabilities due within one year	26	**114,485,057**	385,226,056
Other current liabilities	27	**1,635,364,487**	1,329,646,469
Total current liabilities		**10,464,291,208**	7,808,923,768
Non-current liabilities:			
Long-term borrowings	28	**79,250,000**	147,250,000
Bonds payable	29	**4,890,438,433**	4,747,884,213
Long-term payables	30	**15,828,915**	16,109,052
Provision	31	**108,457,936**	107,001,601
Deferred tax liabilities	14	**5,125,622**	78,108,874
Other non-current liabilities	32	**128,604,987**	126,383,712
Total non-current liabilities		**5,227,705,893**	5,222,737,452
Total liabilities		**15,691,997,101**	13,031,661,220

The notes on pages 87 to 185 form an integral part of these financial statements.

CONSOLIDATED BALANCE SHEET

30 JUNE 2009
(Expressed in Renminbi Yuan)
(Prepared in accordance with PRC GAAP)

LIABILITIES AND OWNERS' EQUITY *(continued)*	*Note 6*	**30 June 2009 (Unaudited)**	31 December 2008 (Audited)
Owners' equity:			
Share capital	33	**3,022,833,727**	3,022,833,727
Capital reserve	34	**5,355,255,474**	5,355,255,474
Special surplus reserve	35	**193,513,766**	124,748,940
Surplus reserve	36	**6,052,388,095**	6,052,388,095
Retained earnings	37	**7,202,949,299**	6,242,872,933
Exchange fluctuation reserve		**(45,797,420)**	(45,755,263)
Equity attributable to shareholders of the Company		**21,781,142,941**	20,752,343,906
Minority interests	38	**354,190,242**	366,631,651
Total owners' equity		**22,135,333,183**	21,118,975,557
TOTAL LIABILITIES AND OWNERS' EQUITY		**37,827,330,284**	34,150,636,777

The financial statements on page 70 to 86 have been signed by:

Legal representative: Li Yihuang   Financial controller: Gan Chengjiu   Head of accounting: Qiu Ling

The notes on pages 87 to 185 form an integral part of these financial statements.

CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2009
(Expressed in Renminbi Yuan)
(Prepared in accordance with PRC GAAP)

	Note 6	**For the six months ended 30 June 2009 (Unaudited)**	For the six months ended 30 June 2008 (Unaudited Restated (Note 11))
Revenue	39	**21,352,592,850**	27,937,619,544
Less: Cost of sales	39	**18,926,534,841**	23,264,543,955
Taxes and surcharges	40	**140,360,432**	138,382,437
Distribution and selling costs		**125,074,697**	102,816,738
General and administrative expenses		**387,249,230**	431,035,335
Financial expenses	41	**190,846,050**	157,425,074
(Reversal)/provision for impairment of assets	42	**(12,354,279)**	738,475
Add: Gain/(loss) from changes in fair value	43	**60,777,126**	(8,594,489)
Investment (loss)/income	44	**(114,301,587)**	248,857,647
Include: Share of loss of the associates and a jointly-controlled entity		**(10,736,321)**	(15,704,515)
Operating profit		**1,541,357,418**	4,082,940,688
Add: Non-operating income	45	**47,574,701**	11,086,797
Less: Non-operating expenses	46	**3,294,683**	25,663,438
Include: Loss on disposal of non-current assets		**55,868**	7,129,818
Total profit		**1,585,637,436**	4,068,364,047
Less: Income tax	47	**394,943,845**	988,903,568
Net profit		**1,190,693,591**	3,079,460,479
Include: Net profits of the acquired companies and businesses under common control before the acquisition		**—**	310,830,930
Attributable to:			
Shareholders of the Company		**1,201,903,064**	3,081,184,410
Minority interests		**(11,209,473)**	(1,723,931)
Earnings per share attributable to shareholders of the Company			
— Basic	48	**0.40**	1.02
— Diluted	48	**0.38**	1.02

The notes on pages 87 to 185 form an integral part of these financial statements.

CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2009
(Expressed in Renminbi Yuan)
(Prepared in accordance with PRC GAAP)

	Note 6	**For the six months ended 30 June 2009 (Unaudited)**	For the six months ended 30 June 2008 (Unaudited Restated (Note 11))
Other comprehensive income/(loss):			
Cash flow hedge:			
Changes in fair value of commodity forward contracts		**—**	(64,831,249)
Commodity forward contracts charged to income statement		**—**	(39,001,927)
Income tax		**—**	25,958,294
		—	(77,874,882)
Exchange difference on translation of foreign operations		**(53,420)**	(56,095,028)
Appropriation of safety fund		**68,764,826**	1,760,167
Other comprehensive income/(loss)		**68,711,406**	(132,209,743)
Total comprehensive income		**1,259,404,997**	2,947,250,736
Attributable to:			
Shareholders of the Company		**1,270,625,733**	2,950,637,591
Minority interests		**(11,220,736)**	(3,386,855)

The notes on pages 87 to 185 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2009 (Restated note II)
(Expressed in Renminbi Yuan)
(Prepared in accordance with PRC GAAP)

	Attributable to shareholders of the Company								
	Share capital	Capital reserve	Special surplus reserve	Surplus reserve	Retained earnings	Exchange fluctuation reserve	Total	Minority interests	Total equity
Balance at 1 January 2009 (Audited)	3,022,833,727	5,355,255,474	—	6,177,137,035	6,242,872,933	(45,755,263)	20,752,343,906	366,631,651	21,118,975,557
Add: Change in accounting policies *(note 3 (24))*	—	—	124,748,940	(124,748,940)	—	—	—	—	—
Balance at 1 January 2009 (Restated)	3,022,833,727	5,355,255,474	124,748,940	6,052,388,095	6,242,872,933	(45,755,263)	20,752,343,906	366,631,651	21,118,975,557
Changes in current period									
1. Net profit	—	—	—	—	1,201,903,064	—	1,201,903,064	(11,209,473)	1,190,693,591
2. Other comprehensive income/(loss)	—	—	68,764,826	—	—	(42,157)	68,722,669	(11,263)	68,711,406
Total comprehensive income/(loss)	—	—	68,764,826	—	1,201,903,064	(42,157)	1,270,625,733	(11,220,736)	1,259,404,997
3. Other transactions relating to shareholders save for profit appropriation									
(1) Capital contribution	—	—	—	—	—	—	—	1,500,000	1,500,000
(2) Capital reduction	—	—	—	—	—	—	—	(736,825)	(736,825)
4. Profit appropriation									
(1) Dividends paid to shareholders	—	—	—	—	(241,826,698)	—	(241,826,698)	(1,983,848)	(243,810,546)
Total changes in current period	—	—	68,764,826	—	960,076,366	(42,157)	1,028,799,035	(12,441,409)	1,016,357,626
Balance at 30 June 2009 (Unaudited)	3,022,833,727	5,355,255,474	193,513,766	6,052,388,095	7,202,949,299	(45,797,420)	21,781,142,941	354,190,242	22,135,333,183

The notes on pages 87 to 185 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

	Attributable to shareholders of the Company								
	Share capital	Capital reserve	Special surplus reserve	Surplus reserve	Retained earnings	Exchange fluctuation reserve	Total	Minority interests	Total equity
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
Add: Effect of opening balance adjustment for business combination under common control *(note 6 (52))*	—	749,896,416	12,062,003	104,438,167	527,369,053	—	1,393,765,639	233,378,182	1,627,143,821
Change in accounting policies *(note 3 (24))*	—	—	16,359,359	—	(4,089,840)	—	12,269,519	—	12,269,519
Balance at 1 January 2008 (Restated)	3,022,833,727	5,363,709,177	28,421,362	5,267,991,187	5,865,559,622	(4,090,600)	19,544,424,475	477,530,980	20,021,955,455
Changes in current period									
1. Net profit	—	—	—	—	3,081,184,410	—	3,081,184,410	(1,723,931)	3,079,460,479
2. Other comprehensive income/(loss)	—	(77,874,882)	1,760,167	—	—	(54,432,104)	(130,546,819)	(1,662,924)	(132,209,743)
Total comprehensive income/(loss)	—	(77,874,882)	1,760,167	—	3,081,184,410	(54,432,104)	2,950,637,591	(3,386,855)	2,947,250,736
3. Profit appropriation									
(1) Dividends paid to shareholders	—	—	—	—	(906,850,118)	—	(906,850,118)	(14,036,871)	(920,886,989)
Total changes in current period	—	(77,874,882)	1,760,167	—	2,174,334,292	(54,432,104)	2,043,787,473	(17,423,726)	2,026,363,747
Balance at 30 June 2008 (Unaudited)	3,022,833,727	5,285,834,295	30,181,529	5,267,991,187	8,039,893,914	(58,522,704)	21,588,211,948	460,107,254	22,048,319,202

The notes on pages 87 to 185 form an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2009
(Expressed in Renminbi Yuan)
(Prepared in accordance with PRC GAAP)

	Note 6	**For the six months ended 30 June 2009 (Unaudited)**	For the six months ended 30 June 2008 (Unaudited Restated (Note 11))
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from sale of goods or rendering of services		**26,582,942,533**	33,929,660,237
Cash received from refunds of taxes		**10,464,892**	2,401,754
Cash received relating to other operating activities	49	**42,862,671**	31,129,829
Sub-total of cash inflows		**26,636,270,096**	33,963,191,820
Cash paid for goods and services		**22,014,774,230**	28,260,494,254
Cash paid to and on behalf of employees		**539,754,955**	678,398,112
Cash paid for all types of taxes		**1,209,628,537**	2,268,723,780
Cash paid relating to other operating activities	49	**531,184,563**	502,212,745
Sub-total of cash outflows		**24,295,342,285**	31,709,828,891
Net cash flows from operating activities	51	**2,340,927,811**	2,253,362,929
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash received from returns on investments		**6,880,000**	5,259,418
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		**22,918,041**	54,054,136
Cash received relating to other investing activities		**5,538,137**	1,422,168
Sub-total of cash inflows		**35,336,178**	60,735,722
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		**1,705,204,916**	380,028,193
Cash paid for acquisition of investments		**82,680,000**	2,000,000
Sub-total of cash outflows		**1,787,884,916**	382,028,193
Net cash flows from investing activities		**(1,752,548,738)**	(321,292,471)

The notes on pages 87 to 185 form an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2009
(Expressed in Renminbi Yuan)
(Prepared in accordance with PRC GAAP)

	Note 6	**For the six months ended 30 June 2009 (Unaudited)**	For the six months ended 30 June 2008 (Unaudited Restated (Note 11))
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash received from capital contributions		**1,500,000**	—
Cash received from borrowings		**1,469,257,349**	6,579,600,444
Sub-total of cash inflows		**1,470,757,349**	6,579,600,444
Cash repayment of borrowings		**1,546,715,602**	6,667,184,035
Cash paid for distribution of dividends or profits and for interest expenses		**39,050,468**	1,201,819,589
Include: cash paid to minority interests for distribution of dividends or profits by subsidiaries		**1,983,848**	14,306,871
Sub-total of cash outflows		**1,585,766,070**	7,869,003,624
Net cash flows from financing activities		**(115,008,721)**	(1,289,403,180)
EFFECT OF EXCHANGES RATE CHANGES		**(50,998)**	(3,695,388)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**473,319,354**	638,971,890
Add: Cash and cash equivalents balance at beginning of the period		**3,944,765,378**	3,068,297,059
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	50	**4,418,084,732**	3,707,268,949

The notes on pages 87 to 185 form an integral part of these financial statements.

BALANCE SHEET

30 June 2009
(Expressed in Renminbi Yuan)
(Prepared in accordance with PRC GAAP)

ASSETS	*Note 7*	**30 June 2009 (Unaudited)**	30 December 2008 (Audited)
Current assets:			
Cash and cash equivalents		**2,896,045,195**	2,518,273,220
Notes receivable		**3,556,740,725**	1,932,729,512
Accounts receivable	1	**1,176,425,177**	947,135,936
Advances to suppliers		**1,146,073,735**	778,982,354
Dividend receivable		**52,524,277**	52,524,277
Other receivables	2	**400,151,744**	1,166,033,391
Inventories		**5,727,956,578**	5,944,722,775
Other current assets		**10,495,791**	312,356,294
Total current assets		**14,966,413,222**	13,652,757,759
Non-current assets:			
Available-for-sale financial assets		**398,080,000**	315,400,000
Long-term equity investments	3	**4,187,415,122**	4,094,953,535
Fixed assets		**9,236,484,178**	9,444,806,917
Construction in progress		**2,625,166,952**	2,117,617,579
Intangible assets		**1,094,846,920**	1,120,932,499
Exploration costs		**71,880,000**	71,880,000
Deferred tax assets		**137,569,712**	223,393,807
Total non-current assets		**17,751,442,884**	17,388,984,337
TOTAL ASSETS		**32,717,856,106**	31,041,742,096

The notes on pages 87 to 185 form an integral part of these financial statements.

BALANCE SHEET

30 June 2009
(Expressed in Renminbi Yuan)
(Prepared in accordance with PRC GAAP)

LIABILITIES AND OWNERS' EQUITY	*Note 7*	**30 June 2009 (Unaudited)**	31 December 2008 (Audited)
Current liabilities:			
Short-term loans		**2,982,904,163**	2,306,261,309
Notes payable		**234,644,174**	86,217,573
Accounts payable		**1,246,332,754**	1,228,120,019
Advances from customers		**118,404,454**	116,904,418
Employee benefits payable		**204,010,053**	171,362,301
Taxes payable		**136,296,654**	82,205,787
Interest payable		**59,500**	7,321,828
Dividend payable		**241,826,698**	—
Other payables		**455,808,827**	1,021,369,535
Non-current liabilities due within one year		**31,658,257**	99,513,136
Other current liabilities		**257,054,415**	201,759,099
Total current liabilities		**5,908,999,949**	5,321,035,005
Non-current liabilities:			
Bonds payable		**4,890,438,433**	4,747,884,213
Long-term payables		**16,330,595**	16,109,052
Provision		**95,916,429**	94,576,154
Deferred tax liabilities		**2,623,948**	78,089,074
Other non-current liabilities		**108,836,360**	107,103,222
Total non-current liabilities		**5,114,145,765**	5,043,761,715
Total liabilities		**11,023,145,714**	10,364,796,720
Owners' equity:			
Share capital		**3,022,833,727**	3,022,833,727
Capital reserve		**6,292,910,291**	6,320,912,627
Special surplus reserve		**173,590,701**	114,362,119
Surplus reserve		**5,929,522,678**	5,929,522,678
Retained earnings		**6,275,852,995**	5,289,314,225
Total owners' equity		**21,694,710,392**	20,676,945,376
TOTAL LIABILITIES AND OWNERS' EQUITY		**32,717,856,106**	31,041,742,096

The notes on pages 87 to 185 form an integral part of these financial statements.

INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2009
(Expressed in Renminbi Yuan)
(Prepared in accordance with PRC GAAP)

	Note 7	**For the six months ended 30 June 2009 (Unaudited)**	For the six months ended 30 June 2008 (Unaudited Restated (Note 11))
Revenue	4	**15,749,048,531**	25,451,447,763
Less: Cost of sales	4	**13,777,513,254**	21,602,635,323
Taxes and surcharges		**120,451,855**	115,142,638
Distribution and selling costs		**67,687,225**	59,871,021
General and administrative expenses		**286,564,347**	262,112,890
Financial expenses		**142,956,004**	39,307,947
Reversal for impairment of assets		**(13,922,538)**	(8,269)
Add: (Loss)/gain from changes in fair value		**(67,478,399)**	15,239,861
Investment income	5	**200,433,706**	164,725,315
Include: Share of loss of the associates and a jointly-controlled entity		**(11,736,321)**	(9,968,621)
Operating profit		**1,500,753,691**	3,552,351,389
Add: Non-operating income		**29,615,756**	5,268,783
Less: Non-operating expenses		**463,349**	19,476,924
Include: Loss on disposal of non-current assets		**47,273**	7,070,187
Total profit		**1,529,906,098**	3,538,143,248
Less: Income tax		**301,540,630**	886,635,656
Net profit		**1,228,365,468**	2,651,507,592

The notes on pages 87 to 185 form an integral part of these financial statements.

INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2009
(Expressed in Renminbi Yuan)
(Prepared in accordance with PRC GAAP)

	Note 7	**For the six months ended 30 June 2009 (Unaudited)**	For the six months ended 30 June 2008 (Unaudited Restated (Note 11))
Other comprehensive income/(loss):			
Cash flow hedge:			
Changes in fair value of commodity forward contracts		**—**	(64,831,249)
Commodity forward contracts charged to income statement		**—**	(39,001,927)
Income tax		**—**	25,958,294
		—	(77,874,882)
Share of associates' changes of equity other than net profit		**(41)**	(52,399,641)
Appropriation of safety fund		**59,228,582**	—
Other comprehensive income/(loss)		**59,228,541**	(130,274,523)
Total comprehensive income		**1,287,594,009**	2,521,233,069

The notes on pages 87 to 185 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2009
(Expressed in Renminbi Yuan)
(Prepared in accordance with PRC GAAP)

	Share capital	Capital reserve	Special surplus reserve	Surplus reserve	Retained earnings	Total
Balance at 1 January 2009 (Audited)	3,022,833,727	6,320,912,627	—	6,043,884,797	5,289,314,225	20,676,945,376
Add: Changes in accounting policies *(note 3 (24))*	—	—	114,362,119	(114,362,119)	—	—
Balance at 1 January 2009 (Restated)	3,022,833,727	6,320,912,627	114,362,119	5,929,522,678	5,289,314,225	20,676,945,376
Changes in current period						
1. Net profit	—	—	—	—	1,228,365,468	1,228,365,468
2. Other comprehensive income/(loss)	—	(41)	59,228,582	—	—	59,228,541
Total comprehensive income/(loss)	—	(41)	59,228,582	—	1,228,365,468	1,287,594,009
3. Other transactions relating to shareholders save for profit appropriation						
(1) Effect of business combination of subsidiaries	—	(28,002,295)	—	—	—	(28,002,295)
4. Profit appropriation						
(1) Dividends paid to shareholders	—	—	—	—	(241,826,698)	(241,826,698)
Total changes in current period	—	(28,002,336)	59,228,582	—	986,538,770	1,017,765,016
Balance at 30 June 2009 (Unaudited)	3,022,833,727	6,292,910,291	173,590,701	5,929,522,678	6,275,852,995	21,694,710,392

The notes on pages 87 to 185 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2009
(Expressed in Renminbi Yuan)
(Prepared in accordance with PRC GAAP)

	Share capital	Capital reserve	Special surplus reserve	Surplus reserve	Retained earnings	Total
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
Add: Effect of opening balance adjustment for business combination under common control *(note 6 (52))*	—	—	—	—	(10,207,098)	(10,207,098)
Changes in accounting policies *(note 3 (24))*	—	—	15,774,444	—	(3,943,611)	11,830,833
Balance at 1 January 2009 (Restated)	3,022,833,727	4,619,183,609	15,774,444	5,145,125,770	5,118,156,655	17,921,074,205
Changes in current period						
1. Net profit	—	—	—	—	2,651,507,592	2,651,507,592
2. Other comprehensive income/(loss)	—	(130,274,523)	—	—	—	(130,274,523)
Total comprehensive income/(loss)	—	(130,274,523)	—	—	2,651,507,592	2,521,233,069
3. Profit appropriation						
(1) Dividends paid to shareholders	—	—	—	—	(906,850,118)	(906,850,118)
Total 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	15,774,444	5,145,125,770	6,862,814,129	19,535,457,156

The notes on pages 87 to 185 form an integral part of these financial statements.

CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2009
(Expressed in Renminbi Yuan)
(Prepared in accordance with PRC GAAP)

	For the six months ended 30 June 2009 (Unaudited)	For the six months ended 30 June 2008 (Unaudited Restated (Note 11))
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from sale of goods or rendering of services	**19,175,503,869**	30,672,906,626
Cash received relating to other operating activities	**42,128,570**	15,638,697
Sub-total of cash inflows	**19,217,632,439**	30,688,545,323
Cash paid for goods and services	**14,941,441,503**	25,810,220,866
Cash paid to and on behalf of employees	**337,078,751**	414,863,266
Cash paid for all types of taxes	**1,002,716,727**	1,832,550,303
Cash paid relating to other operating activities	**260,335,881**	322,179,629
Sub-total of cash outflows	**16,541,572,862**	28,379,814,064
Net cash flows from operating activities	**2,676,059,577**	2,308,731,259
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash received from returns on investments	**9,301,100**	2,505,492
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	**1,191,224**	10,027,885
Cash received relating to other investing activities	**5,000,000**	—
Sub-total of cash inflows	**15,492,324**	12,533,377
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	**1,533,670,316**	480,469,896
Cash paid for acquisition of investments	**263,680,000**	—
Sub-total of cash outflows	**1,797,350,316**	480,469,896
Net cash flows from investing activities	**(1,781,857,992)**	(467,936,519)

The notes on pages 87 to 185 form an integral part of these financial statements.

CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2009
(Expressed in Renminbi Yuan)
(Prepared in accordance with PRC GAAP)

	For the six months ended 30 June 2009 (Unaudited)	For the six months ended 30 June 2008 (Unaudited Restated (Note 11))
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from borrowings	**133,806,464**	7,989,974,899
Sub-total of cash inflows	**133,806,464**	7,989,974,899
Cash repayment of borrowings	**635,836,399**	8,071,765,359
Cash paid for distribution of dividends or profits and for interest expenses	**14,399,675**	719,551,104
Sub-total of cash outflows	**650,236,074**	8,791,316,463
Net cash flows from financing activities	**(516,429,610)**	(801,341,564)
EFFECT OF EXCHANGES RATE CHANGES	**—**	—
NET INCREASE IN CASH AND CASH EQUIVALENTS	**377,771,975**	1,039,453,176
Add: Cash and cash equivalents balance at beginning of the period	**2,518,273,220**	2,186,547,620
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**2,896,045,195**	3,226,000,796

The notes on pages 87 to 185 form an integral part of these financial statements.

1. COMPANY INFORMATION

Jiangxi Copper Company Limited (the "Company") was registered in the People's Republic of China (the "PRC") as a joint stock limited company. The registration number of the Company's business licence is Qi He Kan Zhong Zi 003556. The Company was established on 24 January 1997 by Jiangxi Copper Corporation ("JCC"), Hong Kong International Copper Industry (China) Investment Limited, Shenzhen Baoheng (Group) Company Limited, Jiangxi Xinxin Company Limited and Hubei Sanxin Gold & Copper Company Limited. 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 at 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 at 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 placed an aggregate of 231,000,000 H shares at par value of RMB1.00 each on 25 July 2005. After the placing, the share capital of the Company increased to RMB2,895,038,200.

The Company has been recognized as one of the twenty-second batch share reform companies by CSRC 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 the People's Government of Jiangxi Province and the Ministry of Commerce of the PRC, as well as approved at the Company's shareholders' meeting.

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 issued an aggregate of 127,795,527 A shares at par value of RMB1.00 each on 27 September 2007. After the placing, the share capital of the Company increased to RMB3,022,833,727.

According to the approval of the Company's annual general meeting of 2008 and pursuant to the sanction document of ZhengJianGuoHeZi (2008) 1102 issued by the CSRC, the Company issued 6,800,000,000 detachable convertible bonds at per value of RMB100 each on 22 September 2008. The bonds with warrants were listed on Shanghai Stock Exchange. More details are given in note 6 (29).

The Company mainly engages in smelting, protracting and refining of non-ferrous metals, precious metals, non-metal mine and by-products; after-sales service for self-produced products and relevant consulting service; offshore futures hedging operations; and production and processing of arsenic trioxide, sulphuric acid, oxygen, liquid oxygen, liquid nitrogen and liquid argon related to the above services.

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with the "Accounting Standards for Business Enterprises - Basic Standard" and 38 specific accounting standards issued by the Ministry of Finance of the PRC in February 2006, as well as the Application Guide, interpretations and other related regulations issued afterwards (Collectively, the "Accounting Standard for Business Enterprises").

The financial statements are stated on the basis of continuing operations.

Statement of Compliance with the "Accounting Standards for Business Enterprises"

The financial statements for the six months ended 30 June 2009 present truthfully and completely the financial position of the Group and the Company as at 30 June 2009, and of their financial performance and their cash flows for the six months ended 30 June 2009 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 2009 to 30 June 2009 (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 jointly-controlled entities 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 capital stock premium in capital reserves. If capital stock premium is not sufficient to be offset, the retained earnings shall be adjusted.

The merging party's direct costs for the business combination shall be recognized in the profit or loss for 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.

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

(4) Business combinations *(continued)*

Business combinations not under common control (continued)

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.

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 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. 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 the 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 2009. 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 intra-group balances, income and expense and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

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 consolidated financial statements.

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 ceases. In preparation of the consolidated financial statements, the financial statements of the acquiree shall be adjusted based on the fair values of its 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

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

Foreign currency transactions are initially recognized using the functional currency rates ruling 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 retranslated into the reporting currency using the rates of exchange ruling at the balance sheet date. All differences are taken to the income statement, except for the differences arising from foreign currency borrowings related to the acquisition or construction of fixed assets which are qualified for capitalisation and the differences arising from foreign currency borrowings related to the outside operating net investment hedging which are dealt with in the owners' equity until the hedging is disposed. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. All differences are taken to income statement or capital surplus for the current year.

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 at the transaction dates. 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 part of the foreign currency statements regarding the disposal based on the disposal rate and shall recognized them into the profit or loss for 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 represented in a separate component of the cash flow statement.

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 and major product"), their production costs are apportioned among resulting finished products by reference to their sales amounts at the point where those products become physically separated.

The Company adopts perpetual inventory method.

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 the 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 is made by category. For the inventories related to the series of products manufactured and sold in the same area, and of which the final use or purpose is identical or similar thereto, and if it is difficult to measure them by separating them from other items, the provision for loss on decline in value of inventories shall be made on a combined basis.

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

(9) Long-term investments

Long-term investments include the investments in subsidiaries, jointly-controlled entities and associates. A long-term investment also include the investment in the investing enterprise that does not have joint control or significant influences on the invested enterprise, and the investment which has no offer in the active market and its fair value cannot be reliably measured. A long-term investment is initially recognized at its cost on acquisition.

When the Group does not have jointly-controlled, or exercises 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 Group holds control on the invested enterprise, the cost method is applied in individual financial statements.

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 when the Company's share of the profit or cash dividend, except those already declared but not distributed when the investment is obtained, is declared to be distributed by the invested enterprise.

The equity method is adopted when the Company have joint control or exercises significant influence over the invested company. The term "joint control" refers to the control over an economic activity in accordance with the contracts and agreements, which does not exist unless the investing parties of the economic activity with one assent on sharing the control power over the relevant important financial and operating decisions. The term "significant influences" refers to the power to participate in making decisions on the financial and operating policies of an enterprise, but not to control or joint control with other parties over the formulation of these policies.

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 loss 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.

(Expressed in Renminbi Yuan)

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

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

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. When disposing of a long-term equity investment measured by employing the equity method, the portion previously included in the owner's equity shall be transferred to the current profits or losses according to a certain proportion.

When prepared the consolidated financial statement, the difference between the addition cost of long-term equity investment for acquisition of share of minority interest and the share of the subsidiary's identifiable net assets continuously calculated by new share percentage since acquisition date or combination date shall adjust the additional capital reserves. If the additional capital reserves are not sufficient to be offset, the retained earnings shall be adjusted.

(10) Fixed assets

Fixed assets are tangible assets held by the Group for the production of goods, supply of services, rental or administration, and are expected to be used for more than one year.

Where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of a fixed asset, and where the cost of the item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement. Otherwise, such expenditure shall be recognized in the income statement when it is incurred.

Fixed assets are initially measured at cost and the estimated discard expenses should be taken into account. The cost of a fixed asset comprises the purchase price, related taxes and any directly attributable expenditure for bringing the asset to its working condition and location for its intended use.

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 - 45years	3% - 10%	2.00 - 8.08%
Equipment and machinery	8 - 27 years	3% - 10%	3.33 - 12.13%
Vehicles	9 - 13 years	3% - 10%	6.92 - 10.78%
Office equipment	5 - 10 years	3% - 10%	9.00 - 19.40%

Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each balance sheet date.

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

(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, capitalized 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.

(12) Intangible assets

Intangible assets are measured on initial recognition at cost.

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 Group.

The useful lives are as follow:

	Useful life
Trademarks	20 years
Mining rights	12 - 50 years
Land use rights	25 - 50 years
Others	5 - 20 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 and the buildings 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 amortisation of a finite useful life intangible asset is calculated on the straight-line basis over the estimated useful life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

No matter whether there is any sign of possible asset's impairment, the intangible assets with uncertain service lives shall be subject to impairment test every year. Intangible assets with uncertain service life may not be amortized. The Group checks the service life of intangible assets with uncertain service life during each accounting period. Where there is evidence to prove that the intangible assets have limited service life, it shall be estimated of its service life, and be treated according to these standards.

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

(13) Exploration costs

Exploration costs include the cost of acquiring exploration rights and other costs and expenses incurred in the course of exploration. And exploration costs also include the cost of topographical and geological surveys, exploratory drilling, sampling and trenching and activities in relation to commercial and technical feasibility studies. If any project is abandoned, the total expenditure thereon will be written off from the income statement.

(14) Financial instruments

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

Recognition and derecognition

The Group recognises a financial asset or a financial liability on its balance sheet when the Group becomes a party to the contract of the financial instruments.

The Group derecognizes a financial asset if one of the following conditions is met (or part of financial assets, or part of the group of similar financial assets):

(i) the rights to receive cash flows from the asset have expired;

(ii) the Group retains the rights to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or

(iii) the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. 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.

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

(14) Financial instruments *(continued)*

Classification and measurement of financial assets

Financial assets are classified into one of the following four categories when they are initially recognised: i) financial assets at fair value through profit or loss; ii) held-to-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.

The Group assesses whether a contract contains an embedded derivative when the Group first becomes a party to and assesses whether an embedded derivative is required to be separated from the host contract when the analysis shows that the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

(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 are acquired for the purpose of sale in the near term; (ii) the financial assets are 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) derivatives, including separate embedded derivative instruments, are also classified as held for trading except where they are designated as effective hedging instruments, derivative instruments to financial guarantee contracts, or the derivative instruments which are connected with the equity instrument investments for which there is no quoted price in the active market, whose fair value cannot be reliably measured, and which shall be settled by delivering the said equity instruments. 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.

(b) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held to maturity when the Group has the positive intention and ability to hold to maturity. Held-to-maturity investments are calculated by the effective interest rate method and subsequently measured at amortised cost less any allowance for impairment. Gains and losses are recognised in the income statement when the investments are derecognised or impaired, as well as through the amortisation process.

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

(14) Financial instruments *(continued)*

Classification and measurement of financial assets (continued)

(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. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(d) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the other three categories. After initial recognition, available-for-sale financial assets are measured at fair value. The discount or premium is amortized using the effective interest method and recognized as interest income or expense. Gains or losses are recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement. Interests and dividends relating to an available-for-sale financial asset are recognized in income statement.

Investments in equity instruments, which 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. For 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. For others, the transaction expenses are included their initial recognition amounts.

(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 liabilities are incurred principally for the purpose of repurchasing it in the near term; (ii) the financial liabilities are 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 liabilities are derivatives, excluding the designated derivative instruments which are effective hedging instruments, derivative instruments to financial guarantee contract and the derivative instruments which are connected with the equity instrument investments for which there is no quoted price in the active market, whose fair value cannot be reliably measured, and which shall be settled by delivering the said equity instruments. Such financial liabilities are measured at fair value and both realised and unrealised variations are included in the 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. For the financial guarantee contracts which are not designated as financial liabilities measured at their fair value with the variation thereof being recorded into the profit or loss for the current period, a subsequent measurement shall be made after they are initially recognized according to the higher one of the following:

(i). the best estimate of the necessary expenses for the performance of the current obligation according to the balance sheet date; or

(ii). the surplus after accumulative amortization as determined according to the principle of the Accounting Standards for Enterprises No. 14 "Revenues" is subtracted from the initially recognized amount.

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

(14) Financial instruments *(continued)*

Derivative financial instruments and hedging

The Group uses derivative financial instruments (primarily commodity derivative contracts) to manage its exposure against commodity price fluctuations relating to certain forecasted transactions and its exposure against fair value change of firm commitments associated with commodity price fluctuations. Such derivative financial instruments are initially recognised 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. 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.

For derivative financial instruments that do qualify for cash flow hedge accounting, the effective portion of the gain or loss on the hedging instrument is recognised directly in equity, while the ineffective portion is recognised immediately in the income statement. Amounts taken to equity are transferred to the income statement when the hedged transaction affects the income statement, such as when hedged financial income or financial expense is recognised or when a forecast sale occurs.

If the hedging instrument expires or is sold, terminated or exercised, or no longer satisfied the requirements of hedging accounting, hedging accounting will be terminated.

The terms of the contracts regarding to the purchase of metal in copper concentrate with third parties contain provisional pricing arrangements whereby the purchase prices for metal in concentrate are based on prevailing spot prices on a specified future period after shipment by suppliers (the "quotation period"). Adjustments to the purchase price occur based on movements in quoted market prices up to the date of final settlement. The period between provisional invoicing and final settlement can be between one and four months.

The provisionally priced purchase of metal in concentrate contains an embedded derivative, which is required to be separated from the host contract for accounting purposes. The host contract concerns the purchase of metals in concentrate and the embedded derivative is the forward contract for which the provisional price is subsequently adjusted. Accordingly the embedded derivative, which does not qualify for hedge accounting, is recognised at fair value with subsequent changes in the fair value recognised in the income statement for each period until the final settlement. Changes in fair value over the quotation period and up until the final settlement are estimated by reference to the quoted market prices of the copper forward contract.

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

(14) Financial instruments *(continued)*

Bonds with warrants

On issuance of bonds with warrants, the Group will determine whether they contain a liability component and an equity component simultaneously in accordance with the terms. If it is the case, the components should be separated upon the initial recognition and accounted for separately. The component of bonds with warrants that exhibits characteristics of a liability is recognised as a liability in the balance sheet, net of transaction costs. On issuance of bonds with warrants, the fair value of the liability component is determined using a market rate for an equivalent bond without the detachable share purchase warrants; and the remainder of the proceeds is allocated to the detachable share purchase warrants that are recognised and included in the shareholders' equity. Transaction costs are apportioned between the liability and equity components of the bonds with warrants based on the allocation of proceeds to the liability and equity components when the instruments are first recognised. The liability component is carried on an amortised cost basis until redemption. The carrying amount of the detachable share purchase warrants is not remeasured in the subsequent years.

Fair value of financial instruments

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business at the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. These techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; and a discounted cash flow analysis.

Impairment of financial assets

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. The objective evidence refers to the actual incurred events that, after the initial recognition of the financial asset, have an impact upon the predicted future cash flows of the financial asset, where such impact can be reliably measured by the Group.

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

(14) Financial instruments *(continued)*

Impairment of financial assets (continued)

(a) Financial assets measured at amortized cost

If there is any objective evidence that a financial asset has been impaired, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred). The amount of the impairment loss is recognised in the income statement. The present value of estimated future cash flows is discounted at the financial asset's original effective interest rate, and the value of the relevant guaranty should also be taken into account.

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 the 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, with financial assets with similar credit risk features combined for the purpose of conducting an impairment-related test. If, upon an independent test, the financial assets (including those financial assets with significant individual amounts and those with insignificant amounts) are not found to have been impaired, they are grouped with other 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 cost, is recognized as having suffered from any impairment loss, and 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, the impairment-related losses, as originally recognized, are reversed and included in profit or loss for the current period. However, the reversed carrying amount should not be more than the amortized cost 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) Available-for-sale financial assets

If an available-for-sale financial asset is impaired, even if the recognition of the financial asset has not ceased, the accumulative losses arising from the decrease in the fair value of the owner's equity, which are directly included, are transferred out and included into the current profit or loss. The cumulative losses that are transferred out, representing 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, are included in the 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 where 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 are reversed and included in the profit or loss for the current period. Impairment-related losses incurred to tradable equity instruments are not reversed through profit or loss.

(c) Financial assets measured at cost

If any objective evidence that an impairment loss has been incurred on financial assets measured at cost. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not 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.

Transfers of financial assets

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 neither transfer nor retain substantially all of the risks and rewards related to the ownership of a financial asset, the Group treats it as follows, according to 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.

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

(15) Borrowing costs

Borrowing costs refer to interest and other related costs incurred by the Group in connection with the borrowing of funds. Borrowing costs include interest, amortization 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.

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 such period shall be recognized as an expense for the current period until the acquisition, construction or production is resumed.

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

(16) Impairment of assets

Impairment of assets other than inventories, deferred income tax assets, financial assets and long-term equity investments measured by employing the cost method which have no offer in the active market and the fair value cannot be reliably measured 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 which are independent 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.

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 the units that 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.

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

(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.

(18) Revenue

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases.

Revenue from sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, 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.

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

(18) Revenue *(continued)*

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 charged to the income statement or included in the cost of related asset on the straight-line basis over the lease terms.

(20) Employee benefit

Employee benefits refer to 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 one year after the balance sheet date, and 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.

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

(21) Income tax

Income tax comprises 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.

Current 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 tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered or paid 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 and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

(i) that the deferred tax liability arises from: the initial recognition of goodwill or the initial recognition of an asset or liability in transactions that are not business combinations and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

(ii) in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilized, except:

(i) where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in transactions that are not business combinations and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

(ii) in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

(21) Income tax *(continued)*

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

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 "Tentative Measures for the Financial Management of the Production Safety Fund for the High Risk Enterprises", issued by the Ministry of Finance ("MOF") and the Safety Production General Bureau, the Group is required to accrue a "Safety Fund", which is used to improve the production safety.

According to CaiKuai [2009] No. 8 "Accounting Standards for Business Enterprises Interpretation No 3" issued by the MOF on 11 June 2009, the Safety Fund and other similar funds accrued by the enterprises in accordance with relevant regulations should be charged to the production cost of related products or the income statement and presented as special reserves, a separate account under surplus reserve in equity. For the utilization of the fund to pay for safety related expenses, the special reserves shall be reversed directly. Capitalized expenditure shall be recognized in construction in progress before the asset has been completed and be transferred to fixed assets when the asset is ready for its intended use. The actual expenditure shall be carried over within special reserves with depreciation accrued at the same amount. Hence, the asset is not depreciated in the following periods. If the enterprises do not follow accounting treatment required by above regulations, the enterprises should propose adjustment retrospectively.

(23) Significant accounting judgments 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 affected in the future, are discussed below.

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

(23) Significant accounting judgments and accounting estimates *(continued)*

Impairment of available-for-sale financial assets

The Group classifies certain assets as available for sale. These unlisted equity investments were stated at cost and subject to a test for impairment losses because the directors of the Company are of the opinion that their fair values cannot be measured reliably. A provision for impairment is made for available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of "significant" or ''prolonged" requires judgment. When the fair value declines, management makes an assessment about the decline in value to determine whether there is an impairment that should be recognised in the income statement.

Impairment of non-current 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. These assessments require the use of estimates and assumptions such as long-term commodity price, discount rates, future capital requirement, exploration potential and operating performance.

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 are determined based on management's past experience with similar assets and their estimate for the changes in technologies. If the estimated useful lives changed significantly, adjustment of depreciation will be provided in the future period.

Impairment of loans and trade and other receivables

Provision for impairment of loans and trade and other receivables is made based on an assessment of the recoverability of loans, trade receivables and other receivables. The identification of doubtful debts requires management's judgment and estimates. Provision is made when there is objective evidence that the Group will not be able to collect the debts. Where the actual outcome or further expectation is different from the original estimate, such differences will impact on the carrying value of the receivables, doubtful debt expenses and write-back in the period in which such estimate has been changed.

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

(23) Significant accounting judgments and accounting estimates *(continued)*

Mineral reserves

Technical estimates of the Group's mining reserves are inherently imprecise and represent only the 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 mineral 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 and technical information change from year to year, the estimates of proved and probable mining reserves also changes. Despite the inherent imprecision in these technical estimates, these estimates are used in determining depreciation and amortisation rates for mine related assets and are used in assessing impairment losses.

Deferred tax assets

To the extent that it is probable that the deferred tax assets will ultimately be realised, deferred tax asset shall be recognized. Judgment regarding the timing and amount of future taxable profit, and considerations to tax planning strategies, are needed when estimating the amount of deferred tax asset.

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.

Exploration cost

The application of the Group's accounting policy for exploration and evaluation assets requires judgement in determining whether it is likely that future economic benefits will result, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalised is written off in the income statement in the period when the new information becomes available.

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

(24) Changes in accounting policies

Retrospective adjustment adopted for changes in accounting policies

For the six months ended 30 June 2008, according to the China Accounting Standard Committee's ("CASC") expert opinion Q&A No.1 issued on 1 February 2007, the Safety Fund shall be recognized as a long-term payable and accrued in production cost when incurred. For the utilization of the fund to pay for safety equipment 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.

According to "Circular on Compilation of 2008 Annual Reports Prepared under Accounting Standards for Business Enterprises" issued by the MOF on 26 December 2008, the Safety Fund shall be presented as special reserves, the separate accounts under surplus reserve in equity, and shall be adjusted retrospectively. Accrual of Safety Fund is recognized as profit appropriation to special reserve under surplus reserve in equity. Capitalized expenditure is transferred to fixed assets when the asset is ready for its intended use with depreciation released to the income statement during the useful life. Other expenditure shall be recognized in the income statement when they are incurred.

According to Caikuai[2009] No. 8 "Accounting Standard for Business Enterprises Interpretation No. 3" issued by the MOF on 11 June 2009, the Safety Fund and other similar funds accrued by the enterprises in accordance with relevant regulations should be charged to the cost of related products or the income statement. Accrual of safety fund shall be presented as special reserves, a separate account in equity. If the enterprises do not follow accounting policy as required by above regulations, the enterprises should propose the adjustment retrospectively. More details about the accounting policy of safety fund are given in note 3 (22).

According to the relevant information, the Group assessed accumulated impact from changes in accounting policies for safety fund, and restated the consolidated financial statements retrospectively, which cause a decrease in surplus reserve and an increase in special reverse by RMB124,748,940 as at 31 December 2008, respectively. The changes in accounting policies have no impact on the consolidated equity as at 31 December 2008 and the net profit for the six months ended 30 June 2009.

Perspective adjustment adopted for changes in accounting policies

When the cost method is adopted, the Group originally recognized the investment income to the extent of the Company's share of accumulated net profit after capital contribution to the invested enterprise. Any excess is treated as a recovery of the investment cost. According to Caikuai [2009] No. 8 "Accounting Standards for Business Enterprises Interpretation No. 3" issued by the MOF on 11 June 2009, the perspective adjustment has been adopted for changes in accounting policies since 1 January 2009 that the investor shall not separate the share of invested enterprise's net profit before capital contribution from that after capital contribution. Hence, when the cost method is adopted, investment income is recognized in the income statement of the period when the Company's share of the profit or cash dividend, except those already declared but not distributed when the investment is obtained, is declared to be distributed by the invested enterprise. The changes in accounting policies have no impact on the Group's consolidated financial statements.

4. TAXATION

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

Value Added Tax

According to the Provisional Regulations of the Peoples Republic of China on Value Added Tax ("VAT"), sales of goods are subject to VAT. Output VAT is calculated at 17% on revenue from principal operations except for gold (which is free of VAT), sulphuric concentrate, molybdenum and water-supply income (which is at 13% on revenue). The input VAT paid when the purchase of the raw material, works in progress, heat and power can be credited against the output VAT. The Group is required to remit the VAT it collects to the tax authority, but may deduct the VAT it has paid on eligible purchases.

Business Tax

Business tax is calculated and paid at 3% or 5% of the operating income.

Resource Tax

Resource tax is calculated and paid according to the quantity of extracted and consumed copper ore. 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 1 August 2007, the range of resource tax rate is RMB5 to 7 per ton for copper ore and RMB 10 per ton for lead and zinc ore.

Mineral Resources Compensation Fee

Pursuant to the State Council No.150, "Provisions on the Administration of Collection of the Mineral Resources Compensation" and Jiangxi Government No.35, "Provisions on the Administration of Collection of the Mineral Resources Compensation of Jiangxi", the mineral resources compensation fee shall be calculated as follows:

Mineral resources compensation fee = sales income of mineral products x compensation rate x the mining recovery coefficiency rate

Mining recovery coefficiency rate = approved mining recovery rate / actual mining recovery rate

Pursuant to the Table for Rates of Mineral Resources, the rate applicable shall be 2%, 2.8% or 4%.

4. TAXATION *(CONTINUED)*

Income Tax — parent company

According to the PRC Corporate Income Tax Law which was approved and became effective on 1 January 2008, the provision for PRC current income tax is based on a statutory rate of 25% of the assessable profit of the Company.

Income Tax — subsidiaries

The income tax rate for the Company's subsidiaries, except for Sichuan Kangtong Copper Company Limited ("Kangtong Copper"), Jiangxi Copper Alloy Materials Company Limited ("JCAC"), Jiangxi Jiangtong-Wengfu Chemical Industry Company Limited ("Wengfu"), Jiangxi Copper Yates Copper Foil Company Limited ("Yates"), Jiangxi Copper (Longchang) Precise Pipe Company Limited ("Longchang Copper Pipe"), JCC Finance Company Limited ("Finance Company"), Jiangxi Copper Shenzhen Trading Company Limited ("SZJX"), Jiangxi Copper Shanghai Trading Company Limited ("SHJX"), Xiamen Trading Company ("Xiamen Trading"), JCC Recycling Company Limited ("Copper Recycling"), and Sure Spread Company Limited ("Sure Spread"), is 25%.

Exemption from income taxation for the first two profit-making years and 50% reduction for the next three years

Since Kangtong Copper is established as a 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. With a 50% reduction of income tax allowed from 1 January 2008 to 31 December 2010, its applicable income tax rate is 12.5%.

Since JCAC is established as a 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. The first profit-making year was 2007 and JCAC was exempted from income taxation during the years of 2007 and 2008. With a 50% reduction of income tax allowed, its applicable income tax rate is 12.5% for 2009.

Since Wengfu is established as a productive foreign-funded enterprise, Wengfu 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 2008. Wengfu was exempted from income taxation in 2008 and 2009.

Yates and Longchang Copper Pipe are foreign-funded enterprises in Jiangxi Nanchang National High and New Technology Industry Development Zones JXCC Industry Zones. According to the Law of the People's Republic of China on Income Tax of Enterprises with Foreign Investment and Foreign Enterprises and the Notice Relating the Enterprise Income Tax Preferential Policy for Enterprises which has Technology Innovation (Cai Shui [2006] No.88), Yates and Longchang Copper Pipe 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. Yates and Longchang Copper Pipe have not been profitable as at 30 June 2009.

4. TAXATION *(CONTINUED)*

Income Tax — subsidiaries *(continued)*

Exemption from income taxation for the first profit-making year and 50% reduction for the next two years

The Finance Company was established as a foreign-funded enterprise under the approval of the China Banking Regulatory Commission and the Ministry of Commerce of the PRC. Pursuant to the Rules for the Implementation of the Income Tax Law of PRC for Enterprises with Foreign Investment and Foreign Enterprises, Guoshui Hanfa [1995] No.138 and the reply of Guixi Tax Office (Guiguoshuihan [2007] No. 34), Finance Company shall be exempted from income tax in 2007 and allowed a 50% reduction of income tax in 2008 and 2009. Its applicable income tax rate is 10% for 2009 (9% for 2008).

Exemption from income taxation for Special Economic Zones

SZJX, SHJX and Xiamen Trading are registered in Shenzhen Special Economic Zone, Shanghai Pudong Special Zone and Xiamen Special Economic Zone. The applicable income tax rate for them is 20% for 2009 (18% for 2008).

Exemption from income taxation for the Hong Kong Special Administrative Region of PRC

Sure Spread pays profits tax at a rate of 16.5% in Hong Kong (16.5% for 2008).

Transitional Preferential Policies concerning Enterprise Income Tax

The Notification of the State Council on Carrying out the Transitional Preferential Policies concerning Enterprise Income (Tax Guo Fa [2007] No.39) was enacted on 26 December 2007.

Based on the New Corporate Income Tax Law and the notification (Guo Fa [2007] No.29), for SZJX, SHJX and Xiamen Trading and Finance Company who enjoy lower corporate income tax rates before, their rates are gradually standardized to the new rate of 25% during a period of five years. The applicable tax rates are 18% for 2008, 20% for 2009, 22% for 2010, 24% for 2011 and 25% for 2012.

In accordance with the New Corporate Income Tax Law effective from 1 January 2008 and the above notification, Kangtong Copper, JCAC, Wengfu, Yates, Longchang Copper Pipe and Finance Company can continue to enjoy their tax holiday until the expiration date. However, for enterprises which are entitled to but have not yet commenced the tax holiday due to continuing losses, the tax holiday is considered to have started from the year 2008. The enterprise can only choose either the transitional tax incentive policy or the new corporate tax law and regulations for their best interest.

City Construction Tax

The Group paid city construction tax at a rate of 1%, 5% or 7% of the turnover tax paid.

4. TAXATION *(CONTINUED)*

Education Supplementary Tax

The Group paid education supplementary tax at a rate of 3% or 4% of the turnover tax paid.

Withholding of individual income tax

The Group is required to withhold individual income tax on salaries paid to its employees.

5. SCOPE OF CONSOLIDATION AND SUBSIDIARIES

The Group's principal subsidiary companies are as follow:

Name of subsidiary	Place and date of establishment and operations	Principal activities	Paid-up/ registered capital		Group investment	Attributable equity interest of the Company			Vote	Note
			Currency	*'000*	*'000*	*Directly*	*Indirectly*	*Final*		
Jiangxi Copper Products Company Limited ("JCPC")	Jiangxi Guixi March 2002	Production of copper industrial materials	RMB	225,000	246,879	100%	—	100%	100%	
Kangtong	Sichuan Xichang September 1996	Sale of copper materials, precious metal materials and sulphuric acid	RMB	140,000	80,000	57.14%	—	57.14%	57.14%	
Sure Spread	Hong Kong January 2005	Import and export trading and related technology service	HKD	50,000	27,500	55%	—	55%	55%	
JCAC	Jiangxi Guixi February 2005	Manufacture and sale of copper and copper alloy rods and wires	RMB	199,500	229,509	100%	—	100%	100%	
Wengfu	Jiangxi Shangrao May 2005	Manufacture and sale of sulphuric acid and by products	RMB	181,500	127,050	70%	—	70%	70%	
SZJX	Shenzhen June 2006	Sale of copper products	RMB	330,000	330,000	100%	—	100%	100%	
SHJX	Shanghai Pudong June 2006	Sale of copper products	RMB	20,000	20,000	100%	—	100%	100%	
Jiangxi Copper Beijing Trading Company Limited ("BJJX")	Beijing July 2006	Sale of copper products	RMB	10,000	10,000	100%	—	100%	100%	

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

The Group's principal subsidiary companies are as follow: *(continued)*

Name of subsidiary	Place and date of establishment and operations	Principal activities	Paid-up/ registered capital		Group investment	Attributable equity interest of the Company			Vote	Note
			Currency	*'000*	*'000*	*Directly*	*Indirectly*	*Final*		
Jiangxi Copper Corporation Chemical Company Limited ("Detong Chemical")	Jiangxi Dexing October 2004	Manufacture and sale of sulphuric acid and by products	RMB	42,630	47,485	100%	—	100%	100%	
JCC Yinshan Mining Company Limited ("Yinshan Mining")	Jiangxi Dexing July 2003	Manufacture and sale of non-ferrous, precious and ferrous metals	RMB	30,000	354,488	100%	—	100%	100%	Note1
JCC (Dexing) Construction Company Limited ("Dexing Construction")	Jiangxi Dexing July 2005	Providing construction and installation services; development and sale of construction materials	RMB	20,000	45,751	100%	—	100%	100%	Note1
JCC Dexing Explosion Company Limited. ("Dexing Explosion")	Jiangxi Dexing February 2003	Blasting engineering, etc; production and sales of pressure bearable gas locks	RMB	1,000	3,414	—	100%	100%	100%	Note1
JCC Dongtong Mining Company Limited ("Dongtong Mining")	Jiangxi Dongxiang July 2003	Manufacture and sale of non-ferrous, precious and ferrous metals	RMB	9,000	125,025	100%	—	100%	100%	Note1
JCC Guixi Logistics Company Limited ("Guixi Logistics")	Jiangxi Guixi March 2002	Provision of transportation services	RMB	40,000	72,871	100%	—	100%	100%	Note1, Note2
JCC Guixi New Materials Company Limited ("Guixi Material")	Jiangxi Guixi December 1994	Processing and extraction of rare metals from the residue and waste	RMB	60,000	276,684	100%	—	100%	100%	Note1
JCC Qianshan Copper Concentration Pharmaceuticals Company Limited ("Qianshan Concentration")	Jiangxi Qianshan October 2000	Sale of beneficiation drugs, fine chemicals and other industrial and civilian products	RMB	10,200	14,456	—	100%	100%	100%	Note1

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

The Group's principal subsidiary companies are as follow: *(continued)*

Name of subsidiary	Place and date of establishment and operations	Principal activities	Paid-up/ registered capital		Group investment	Attributable equity interest of the Company			Vote	Note
			Currency	*'000*	*'000*	*Directly*	*Indirectly*	*Final*		
JCC (Dexing) New Mining Technology Development Company Limited ("Dexing Mining")	Jiangxi Dexing January 2000	Production and sale of copper concentrate, molybdenum concentrate and sulphur concentrate, and related products, such as beneficiation drugs and lubes	RMB	44,996.3	156,172	100%	—	100%	100%	Note1
JCC (Dexing) Waste Metal Recycle Company Limited ("Dexing Recycling")	Jiangxi Dexing October 2005	Collection of copper concentrate and other mining products from the residue and waste	RMB	3,836	19,000	100%	—	100%	100%	Note1
JCC Dongxiang Alloy Materials Manufacturing Company Limited ("Dongxiang Alloy")	Jiangxi Fuzhou August 1998	Production and sale of grinding pebbles, casting pigs of machine tools and wear-resistant parts, and cast steel processing, machines work and reclaiming waste steel	RMB	29,000	22,609	—	74.97%	74.97%	74.97%	Note1
JCC Dexing Alloy Materials Manufacturing Company Limited ("Dexing Alloy")	Jiangxi Dexing December 1997	Production of alloy grinding pebbles and metal casting; maintenance of mechanical and electrical equipment; and installation and debugging of equipment	RMB	34,100	60,404	—	100%	100%	100%	Note1, Note3

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

The Group's principal subsidiary companies are as follow: *(continued)*

Name of subsidiary	Place and date of establishment and operations	Principal activities	Paid-up/ registered capital		Group investment	Attributable equity interest of the Company			Vote	Note
			Currency	*'000*	*'000*	*Directly*	*Indirectly*	*Final*		
JCC Ruichang Manufacturing Company Limited ("Ruichang Manufacturing")	Jiangxi Ruichang March 2003	Manufacture and sale of new type of ductile iron ball parameters, each kind of wear resistant material and products and machinery processing	RMB	2,602	3,223	—	100%	100%	100%	Note1
JCC Corporation Dongxiang Recycling Company Limited ("Dongxiang Recycling")	Jiangxi Dongxiang July 2005	Recovery and sale of disused metal	RMB	500	500	—	100%	89.99%	89.99%	Note1
JCC Exploration Company Limited ("Geology Exploration")	Jiangxi Dexing September 2004	Provision of services relating to geological exploration and inspection, engineering work and on-site surveying	RMB	15,000	18,145	100%	—	100%	100%	Note1
JCC Jing Hang Engineering Company Limited ("Drilling Project")	Jiangxi Ruichang September 2003	Provision of mining services	RMB	20,296	31,790	100%	—	100%	100%	Note1
Xiamen Trading Company ("Xiamen Trading")	Fujian Xiamen March 2004	Sales of products	RMB	1,080	3.127	100%	—	100%	100%	Note1
Hangzhou Tongxin Company Limited ("Hangzhou Trading")	Zhejiang Hangzhou July 2000	Sales of metal, ore and chemical products	RMB	2,000	25,453	100%	—	100%	100%	Note1
JCC (Guixi) New Metallurgical and Chemical Company Limited ("Guixi Smelter")	Jiangxi Guixi August 1999	Development of new chemical technologies and new products	RMB	2,000	20.894	100%	—	100%	100%	Note1
JCC (Dexing) Gangue Recycle Company Limited ("Dexing Recycling")	Jiangxi Dexing December 2006	Collection and sale of copper products	RMB	4,921	17,396	100%	—	100%	100%	Note1

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

The Group's principal subsidiary companies are as follow: *(continued)*

Name of subsidiary	Place and date of establishment and operations	Principal activities	Paid-up/ registered capital		Group investment	Attributable equity interest of the Company			Vote	Note
			Currency	*'000*	*'000*	*Directly*	*Indirectly*	*Final*		
JCC Copper Products Company Limited ("Copper Products")	Jiangxi Guixi December 2003	Processing of metal products	RMB	186,391	217,712	98.89%	—	98.89%	98.89%	Note1, Note4
Copper Recycling	Jiangxi Guixi November 2005	Collection and sale of metal scrap	RMB	3,000	3,000	—	100%	98.89%	98.89%	Note1
JCC (Guixi) Metallurgical and Chemical Engineering Company Limited("Guixi Smelting Industry")	Jiangxi Guixi March 1993	Provision of repair and maintenance services for production facilities and machinery equipment	RMB	20,300	27,599	100%	—	100%	100%	Note1
JCC Finance Company Limited("Finance Company")	Jiangxi Guixi December 2006	Provision of deposit, loan, guarantee and financing consultation services to related parties	RMB	300,000	246,556	78.33%	1.67%	80%	80%	Note1
Shanghai Jiangxi Copper International Shipping Agency Limited Company ("Shanghai Agency")	Shanghai October 2003	Provision of clearance services with customs in the PRC for import products and sale of metal products	RMB	6,000	14,896	100%	—	100%	100%	Note1
Jiangxi Copper Yates Copper Foil Company Limited ("Yates")	Jiangxi Nanchang June 2003	Production and sale of copper foil	RMB	453,600	392,767	89.77%	—	89.77%	89.77%	Note1
Longchang Copper Pipe	Jiangxi Nanchang August 2005	Production and sale of copper pipes and other copper pipe products	RMB	300,000	174,957	75%	—	75%	75%	Note1
Jiangxi Copper Taiyi Special Electrical Materials Company Limited ("Taiyi")	Jiangxi Nanchang May 2005	Production and sale of enamelled wires and provision of repair and consultation services	USD	16,800	RMB 64,705	70%	—	70%	70%	Note1

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

The Group's principal subsidiary companies are as follow: *(continued)*

Name of subsidiary	Place and date of establishment and operations	Principal activities	Paid-up/ registered capital		Group investment	Attributable equity interest of the Company			Vote	Note
			Currency	*'000*	*'000*	*Directly*	*Indirectly*	*Final*		
Thermonamic Electronics (Jiangxi) Company Limited ("Redian")	Jiangxi Nanchang September 2008	Manufacturing of thermoelectric semi-conductor and provision of related services	RMB	100,000	20,000	—	95.24%	95.24%	95%	Note1
Zhaojue Fenye Smelting Company Limited ("Fengye")	Sichuan Zhaojue September 2006	Production and sale of electro deposited copper and related products; developing the related technologies and providing services	RMB	10,000	6,500	—	65%	47.86%	65%	Note1
Loyal Sky Industrial Company Limited ("Loyal Sky")	Hong Kong September 2002	Trading of copper products	USD	2,001.3	2,001.3	—	100%	100%	100%	Note1

Note1. During the year 2008, the Company acquired these entities through business combinations under common control. Further details of these acquisitions are included in note 6 (52) to the financial statements.

Note2. Guixi Logistics, a subsidiary of the Group, merged with JCC Guixi Automobile Maintenance Company Limited in April 2009.

Note3. Dexing Alloy, a subsidiary of the Group, merged with JCC Machinery Foundry Company Limited and JCC Dexing Equipment Manufacturing Company Limited in January 2009.

Note4. Copper Products, a subsidiary of the Group, merged with JCC Guangxin Electric Device Manufacturing Company Limited in April 2009.

Note5. The Company merged with JCC Ruichang Transportation Company Limited, JCC (Qingshan) Mine Engineering Company Limited and JCC (Qianshan) Industrial Trade Company Limited in March, May and June 2009 respectively.

Note6. Xiaoshan Copper Chemical Co. Ltd. ("Xiaoshan Tongda"), a former subsidiary of the Group, was liquidated in March 2009. As at 30 June 2009, the Company received the cash from the liquidation. Therefore, this entity was not consolidated by the Group.

Note7. The Company entered into a share transfer agreement with Datong Jinyin Mining Company Limited ("Datong Jinyin") on 26 May 2009 to sell the Company's 26.458% equity interest in Diaoquan Silver and Copper Mining Company Limited ("Diaoquan") for a total consideration of RMB10,549,700. This transaction was completed as at 30 June 2009. Hence, the Company did not have the power to govern the financial and operating policies of Diaoquan since then. Therefore, this entity was not consolidated by the Group.

(Expressed in Renminbi Yuan)

6. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) Cash and cash equivalents

	30 June 2009			31 December 2008		
	Original Currency	**Exchange Rate**	**RMB Equivalent**	Original Currency	Exchange Rate	RMB Equivalent
Cash on hand						
— RMB			**330,238**			246,226
— HKD	**7,279**	**0.8815**	**6,417**	4,759	0.8819	4,197
— JPY	**2,234**	**0.0711**	**159**	2,272	0.0757	172
— GBP	**1**	**11.3379**	**11**	1	9.8798	10
			336,825			250,605
Cash in banks						
— RMB			**3,860,646,733**			3,890,010,307
— USD	**81,233,468**	**6.8319**	**554,978,932**	7,477,830	6.8346	51,107,975
— HKD	**1,588,198**	**0.8815**	**1,400,044**	3,313,638	0.8819	2,922,264
— AUD	**131,483**	**5.4861**	**721,337**	100,400	4.7135	473,234
— EUR	**82**	**9.6408**	**793**	86	9.6590	834
— JPY	**974**	**0.0711**	**69**	2,100	0.0757	159
			4,417,747,908			3,944,514,773
Others						
— RMB			**2,541,849,872**			195,558,383
			6,959,934,605			4,140,323,761

As at 30 June 2009, the restricted amount of cash totalled RMB2,541,849,872 (31 December 2008 RMB195,558,383). More details are given in note 6 (17).

As at 30 June 2009, the amount of cash deposited out of PRC is RMB72,399,747 (31 December 2008 RMB28,975,156).

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods between seven days and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates.

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(2) Notes receivable

	30 June 2009	31 December 2008
Bank accepted notes	**2,732,854,859**	2,571,987,601
Commercial accepted notes	**100,548,913**	48,078,230
	2,833,403,772	2,620,065,831

As at 30 June 2009, bank accepted notes of RMB2,122,702,351 have been discounted to secure short-term bank borrowings (31 December 2008 RMB1,821,630,773).

As at 30 June 2009, the Group's balance due from a shareholder who holds more than 5% of the voting power of the Company was Nil. (31 December 2008: Nil). More details are given in note 8 (5) "Related Party Relationships and Transaction".

(3) Accounts receivable

The credit period is generally three months, extending up to one year for major customers. Accounts receivables are non-interest-bearing.

The ageing analysis of accounts receivable is as below:

	30 June 2009	31 December 2008
Within 1 year	**1,952,480,839**	1,391,589,553
1 to 2 years	**14,730,746**	3,702,106
2 to 3 years	**613,119**	581,082
Over 3 years	**135,281,753**	137,265,697
Less: Bad debt provision	**(136,987,076)**	(176,798,952)
	1,966,119,381	1,356,339,486

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(3) Accounts receivable *(continued)*

	30 June 2009			
	Balance	**%**	**Bad debt provision**	**%**
Individually significant	**1,338,891,284**	**63.66%**	**63,616,796**	**4.75%**
Others	**764,215,173**	**36.34%**	**73,370,280**	**9.60%**
	2,103,106,457	**100.00%**	**136,987,076**	**6.51%**

	31 December 2008			
	Balance	**%**	**Bad debt provision**	**%**
Individually significant	1,066,244,976	69.55%	83,816,474	7.86%
Others	466,893,462	30.45%	92,982,478	19.92%
	1,533,138,438	100.00%	176,798,952	11.53%

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

	Beginning balance	Additions	Decreases: Reversal	Decreases: Written-off	Ending balance
For the six months ended 30 June 2009	176,798,952	810,134	(17,017,942)	(23,604,068)	136,987,076
2008	137,496,130	43,072,313	(365,526)	(3,403,965)	176,798,952

	30 June 2009	31 December 2008
Total amount of five largest debtors	**332,189,423**	549,182,253
Percentage in total accounts receivable	**15.80%**	35.82%
Ageing of accounts receivable	**within one year**	within one year

As at 30 June 2009, the Group's balance due from a shareholder who holds more than 5% of the voting power of the Company was RMB2,757,344 (31 December 2008: RMB1,345,359). More details are given in note 8 (5) "Related Party Relationships and Transaction".

(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 2009		31 December 2008	
	Balance	**%**	Balance	%
Within 1 year	**1,242,704,712**	**94.03%**	704,770,600	92.50%
1 to 2 years	**77,215,900**	**5.84%**	46,983,838	6.17%
2 to 3 years	**1,368,797**	**0.10%**	9,175,788	1.20%
Over 3 years	**336,873**	**0.03%**	1,010,283	0.13%
	1,321,626,282	**100.00%**	761,940,509	100.00%

As at 30 June 2009, the balances ageing over one year were mainly advances to suppliers for uncompleted purchase contracts of project and equipment.

As at 30 June 2009, the Group's balance due from a shareholder who holds more than 5% of the voting power of the Company was RMB33,375,525 (31 December 2008: RMB615,712). More details are given in note 8 (5) "Related Party Relationships and Transaction".

Management of the Group is of the opinion that no provision was necessary at the balance sheet date.

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(5) Other receivables

The ageing analysis of other receivables is as below:

	30 June 2009	31 December 2008
Within 1 year	**647,807,059**	1,348,907,585
1 to 2 years	**10,494,332**	27,516,746
2 to 3 years	**14,420,120**	5,017,040
Over 3 years	**33,414,435**	30,968,902
Less: Bad debt provision	**(26,277,160)**	(26,156,044)
	679,858,786	1,386,254,229

	30 June 2009			
	Balance	**%**	**Bad debt provision**	**%**
Individually significant	**441,023,673**	**62.46%**	**—**	**—**
Others	**265,112,273**	**37.54%**	**26,277,160**	**9.91%**
	706,135,946	**100.00%**	**26,277,160**	**3.72%**

	31 December 2008			
	Balance	**%**	**Bad debt provision**	**%**
Individually significant	1,258,752,423	89.12%	—	—
Others	153,657,850	10.88%	26,156,044	17.02%
	1,412,410,273	100.00%	26,156,044	1.85%

As at 30 June 2009, the Group's balance of deposits for commodity derivative contracts was RMB529,280,576 (31 December 2008: RMB418,696,578).

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(5) Other receivables *(continued)*

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

	Beginning balance	Additions	Decreases Reversal	Decreases Written-off	Ending balance
For the six months ended 30 June 2009	26,156,044	147,474	(15,000)	(11,358)	26,277,160
2008	30,666,684	921,300	(2,412,560)	(3,019,380)	26,156,044

	30 June 2009	31 December 2008
Total amount of five largest debtors	**520,043,749**	835,172,575
Percentage in total other receivables	**73.65%**	59.13%
Ageing of other receivable	**within one year**	within one year

As at 30 June 2009, the Group's balance due from a shareholder who holds more than 5% of the voting power of the Company was RMB794,179 (31 December 2008: Nil) . More details are given in note 8 (5) "Related Party Relationships and Transaction".

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(6) Inventories

	30 June 2009	31 December 2008
Raw materials	**2,951,601,983**	3,005,930,940
Work in process	**3,353,325,180**	3,823,889,319
Finished goods	**589,077,799**	684,745,890
Less: Provision	**(95,058,215)**	(628,512,799)
	6,798,946,747	6,886,053,350

As at 30 June 2009, inventories of RMB234,600,000 was restricted in use (31 December 2008: RMB 131,184,744). More details are given in note 6 (17).

The movement of inventory provision is as below:

For the six months ended 30 June 2009

	Beginning balance	**Additions**	**Decreases**		**Ending balance**
			Reversal	**Written-off**	
Raw materials	**407,327,722**	**—**	**—**	**(400,806,834)**	**6,520,888**
Work in process	**101,230,227**	**2,858,687**	**—**	**(74,932,722)**	**29,156,192**
Finished goods	**119,954,850**	**7,836,050**	**(6,973,682)**	**(61,436,083)**	**59,381,135**
	628,512,799	**10,694,737**	**(6,973,682)**	**(537,175,639)**	**95,058,215**

2008

	Beginning balance	**Additions**	**Decreases**		**Ending balance**
			Reversal	**Written-off**	
Raw materials	662,235	406,665,487	—	—	407,327,722
Work in process	69,476	101,230,227	(69,476)	—	101,230,227
Finished goods	48,149,694	72,400,239	(595,083)	—	119,954,850
	48,881,405	580,295,953	(664,559)	—	628,512,799

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(7) Other current assets

		30 June 2009	31 December 2008
Short term loan to related parties	(i)	**497,531,900**	262,557,135
Commodity derivative contracts			
— not under hedge accounting	(ii)	**23,338,179**	99,000
Provisional price terms	(iii)	**—**	312,356,294
		520,870,079	575,012,429

(i) As at 30 June 2009, loans to related parties are provided by Finance Company, a subsidiary of the Company, to related parties. The short term loans' interest rates range from 4.37% to 6.54% per annum (2008: 4.37% to 7.84%) and the loans will be repaid from 20 August 2009 to 29 April 2010. More details are given in note 8 (5) "Related Party Relationships and Transaction".

(ii) Commodity derivative contracts represent the gains/(losses) arising from changes of fair value for those undelivered commodity derivative contracts.

The Group utilizes commodity derivative contracts to manage its exposure to forecasted purchases of copper concentrate and copper cathode and firm commitments of sales of copper rods and 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, these arrangements are not considered as effective hedges according to the requirement of Accounting Standard for Business Enterprises No. 24 "Hedge Accounting". The unrealized gains or losses arising from the change in fair value of the derivative instruments are recognized in the income statement. As at the balance sheet date, the expected arrival period of the forecasted purchases of copper concentrate and copper cathode was expected to be from July 2009 to September 2009 and the expected delivery period of the firm commitments of sales of copper cathode, copper rods and wires was expected to be from July 2009 to November 2009.

(iii) Pursuant to pricing mechanism used in the copper concentrate contracts between the Group and its suppliers, the Group pays provisional price at the time of shipment, while the final invoiced purchase price for metals in concentrate is subject to price adjustment feature which is based on the monthly-average quoted market prices of a specified month subsequent to the date of shipment or delivery. As at the balance sheet date, since the final prices of certain copper concentrate contracts have not been determined; they are subject to variability of the copper cathode prices. It has identified that an embedded derivative exists and the derivative component has been separated from its host agreement once the significant risks and rewards of ownership have been transferred to the Group, and is recognised at fair value with subsequent changes in the fair value recognised in the income statement.

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(8) Available-for-sale investments

	Investment cost	Opening balance	Addition	Reclassification	Ending balance
Available-for-sale investments:					
Nanchang Bank	398,080,000	280,000,000	82,680,000	35,400,000	398,080,000
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
Diaoquan	—	—	—	14,850,516	14,850,516
Subtotal		297,610,000	82,680,000	50,250,516	430,540,516
Advanced to Nanchang Bank	35,400,000	35,400,000	—	(35,400,000)	—
Less: Impairment provision		(5,610,000)	—	(14,850,516)	(20,460,516)
		327,400,000	82,680,000	—	410,080,000

As at 30 June 2009, the Group's unlisted equity investments represent the Group's 5.88% equity interest in Nanchang Bank, 6.67% equity interest in Liangshan Mining, 0.4% equity interest in Kebang Telecom, 11.13% equity interest in Gantian Wan Mining and 19.5% equity interest in Diaoquan. These unlisted equity investments were stated at cost and subject to an impairment assessment because there is no quoted market price in an active market and their fair values cannot be measured reliably.

The Company entered into a share transfer agreement with Jiangxi Chengkai Investment Co., Ltd. on 24 September 2008 to acquire 40 million shares and the related equity interest of Bank of Nanchang at a price of RMB2.95 per share with total consideration of RMB118 million. As at 23 December 2008, the share transfer transaction was approved by Jiangxi Bureau of China Banking Supervision and Management Committee. As at 31 December 2008, the Company has made an advance payment of 30% of the total consideration, amounting to RMB 35,400,000. As at 27 March 2009, the above share transfer transaction has been approved by the shareholders' meeting of Nangchang Bank. On 5 June 2009, the Company paid the remaining 70% of the total consideration to Jiangxi Chengkai Investment Co., Ltd. with the amount of RMB82,680,000. As at 30 June 2009, the Company owned 5.88% equity interests in Nanchang Banks.

The Company entered into a share transfer agreement with Datong Jinyin on 26 May 2009 to sell the Company's 26.458% equity interest in Diaoquan with total consideration of RMB10,549,700. As at 30 June 2009, this transaction was completed and the Company still holds 19.5% equity interest in Diaoquan and reclassifies the equity interest from long-term equity investments to available-for-sale financial assets together with the corresponding impairment.

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(9) Long-term equity investments

For the six months ended 30 June 2009

		Investment cost			Share of net profit		Other equity movement from associate/a jointly-controlled entity		
	Investment Cost	Opening balance	Addition/ (disposal)	Accumulated additions	Opening balance	Increase/ (Decrease)	Opening balance	Increase/ (disposal)	Ending balance
Equity method:									
Investments in associates									
Minmetals Jiangxi Copper Mining Investment Company Limited ("Minmetals Jiangxi Copper")	460,000,000	460,000000	—	460,000,000	(5,079,722)	(12,827,582)	(39,761,078)	—	402,331,618
MCC-JCL Aynak Minerals Company Limited ("MCC-JCL")	58,134,560	58,134,560	—	58,134,560	(1,272,703)	—	191,556	(41)	57,053,372
Jiangxi Copper Ever Profit Qing Yuan Copper Company Limited ("Qing Yuan")	36,000,000	36,000,000	—	36,000,000	(6,595,577)	321,451	—	—	29,725,874
Asia Development Sure Spread Company Limited ("Asia Sure Spread")	6,186,812	6,186,812	—	6,186,812	—	—	(360,025)	(2,381)	5,824,406
Jiangxi Fortune Transportation Industry Company Limited ("Jiangxi Fortune")	480,000	480,000	(480,000)	—	414,391	—	—	(414,391)	—
Investment in a jointly-controlled entity									
Jiangxi JCC-BIOTEQ Environmental Technologies Company Limited ("Jiangtong Bioteq")	14,100,000	14,100,000	—	14,100,000	2,686,236	1,769,810	—	(1,000,000)	17,556,046
Total	574,901,372	574,901,372	(480,000)	574,421,372	(9,847,375)	(10,736,321)	(39,929,547)	(1,416,813)	512,491,316

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:

	%	Registration place	Principal business	Registered capital Currency	Registered capital '000
Investments in associates					
Minmetals Jiangxi Copper	40%	China	Investment company	RMB	1,150,000
MCC-JCL	25%	Afghanistan	Manufacture and sale of copper products	USD	2,800
Qing Yuan	40%	China	Manufacture and sale of copper products	RMB	90,000
Asia Sure Spread	49%	Japan	Import and export of copper products	JPY	200,000
Investment a in jointly-controlled entity					
Jiangtong Bioteq	50%	China	Recovery of the copper metals from industrial waste water	RMB	28,200

	30 June 2009 Total Assets RMB'000	30 June 2009 Total Liabilities RMB'000	For the six months ended 30 June 2009 Revenue RMB'000	For the six months ended 30 June 2009 Net (loss)/ profit RMB'000
Investments in associates				
Minmetals Jiangxi Copper	3,819,748	2,942,527	—	(32,069)
Qing Yuan	431,693	357,378	189,690	805
Asia Sure Spread	14,223	—	—	—
MCC-JCL	858,354	630,230	—	—
Investment in a jointly-controlled entity				
Jiangtong Bioteq	40,596	5,836	9,603	3,540

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(10) Fixed assets

For the six months ended 30 June 2009

	Buildings	Equipment and machinery	Vehicles	Office equipment	Total
Original cost					
1 January 2009	6,099,849,576	12,534,109,091	1,279,276,772	123,017,785	20,036,253,224
Additions	8,438,601	12,208,743	1,854,631	418,182	22,920,157
Transferred from construction in progress	7,350,292	81,798,747	9,969,180	46,410	99,164,629
Disposals	(136,892,343)	(61,162,169)	(9,317,522)	(3,964,295)	(211,336,329)
30 June 2009	5,978,746,126	12,566,954,412	1,281,783,061	119,518,082	19,947,001,681
Accumulated depreciation					
1 January 2009	(2,159,015,659)	(5,193,046,102)	(725,042,971)	(64,155,095)	(8,141,259,827)
Charge for the year	(110,187,818)	(280,495,340)	(39,786,682)	(3,742,337)	(434,212,177)
Disposals	60,129,087	30,654,862	6,149,252	20,629	96,953,830
30 June 2009	(2,209,074,390)	(5,442,886,580)	(758,680,401)	(67,876,803)	(8,478,518,174)
Impairment provision					
1 January 2009	(82,404,240)	(15,609,324)	(3,055,927)	—	(101,069,491)
Write-off(i)	77,438,778	12,535,195	3,055,927	—	93,029,900
30 June 2009	(4,965,462)	(3,074,129)	—	—	(8,039,591)
Net book value					
30 June 2009	3,764,706,274	7,120,993,703	523,102,660	51,641,279	11,460,443,916
1 January 2009	3,858,429,677	7,325,453,665	551,177,874	58,862,690	11,793,923,906

As at 30 June 2009, buildings, equipment and machinery with net book value of RMB 61,995,761 (31 December 2008 RMB63,857,385) and RMB58,377,420 (31 December 2008: RMB61,027,148) were restricted for use. More details are given in note 6 (17).

As at 30 June 2009, original costs and net book value of the buildings and equipment and machinery fully depreciated while the items were still in use was RMB2,054,339,505 and RMB206,858,950 respectively.

(i) The write-offs of fixed assets impairment was caused by scope out of Diaoquan from the consolidation of the Group as at 30 June 2009. More details are given at note 5 (7).

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(11) Construction in progress

For the six months ended 30 June 2009

Construction name	Budget	Opening balance	Addition	Transfer to fixed assets	Ending balance	% of budget	Source of funds
Phase II of Expansion Project of Chengmenshan Copper Mine	498,000,000	65,838,386	35,135,607	—	100,973,993	20%	Proceeds
Extension of Open-Pitting Mining Project	387,540,000	162,118,065	43,639,625	—	205,757,690	53%	Self-funding and proceeds
Fujiawu Mine Development and Construction Project	1,052,540,000	95,151,204	4,359,854	—	99,511,058	81%	Self-funding and proceeds
Anode Mud Comprehensive Utilization	195,740,000	91,719,550	4,633,315	—	96,352,865	49%	Self-funding and proceeds
Stove Mining Project Expansion	212,140,000	164,478,590	26,291,449	—	190,770,039	90%	Self-funding and proceeds
5,000 Ton Technical Improvement	257,320,000	238,854,411	6,727,897	—	245,582,308	95%	Self-funding and proceeds
300K Ton Copper Smelting Project	3,099,530,000	65,787,858	44,635,426	—	110,423,284	81%	Self-funding
Technical Renovation Project of Dexing Mine	2,537,870,000	205,938,514	227,365,112	—	433,303,626	17%	Self-funding
38K Ton Copper Pipe Project	504,480,000	2,229,904	1,220,883	—	3,450,787	65%	Self-funding
Electromotor Update	410,000,000	235,081,878	52,183,206	—	287,265,084	99%	Self-funding
Expansion Project for Electrolyze	294,790,000	220,212,685	24,204,964	—	244,417,649	83%	Self-funding
Electric Shovel Update 2300XP	210,000,000	141,231,298	3,182,193	—	144,413,491	69%	Self-funding
No.5 Mine Exploitation	130,000,000	20,088,521	13,417,088	—	33,505,609	26%	Self-funding
Arsenious Acid Expansion Project	113,000,000	87,089,492	4,896,391	—	91,985,883	81%	Self-funding
Expansion project of Leaded and Bismuth Material Product Line	61,940,000	50,183,799	243,135	—	50,426,934	81%	Self-funding
Utilization of Remaining Heat from Anode Store	54,240,000	51,081,037	—	(51,081,037)	—	94%	Self-funding
Concentrating Millformed by Reworking Process	24,270,600	8,335,023	4,503,999	—	12,839,022	53%	Self-funding
Heat Re-cycling Project from Smoke of Sulphuric Acid	18,500,000	17,682,104	—	(17,682,104)	—	97%	Self-funding
Wushiyuan Mine Expansion	16,070,600	13,611,874	770,000	—	14,381,874	89%	Self-funding
Others	Not applicable	322,418,238	324,333,093	(30,401,488)	616,349,843		
Total		2,259,132,431	821,743,237	(99,164,629)	2,981,711,039		

There was no interest capitalized for the six-months ended 30 June 2009 (2008: Nil).

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(12) Intangible assets

For the six months ended 30 June 2009

	Trademarks	Mining rights	Land use rights	Others	Total
Cost					
1 January 2009	52,586,056	981,666,451	216,651,511	20,265,849	1,271,169,867
Additions	—	—	1,048,934	—	1,048,934
Disposals	—	(36,334,600)	—	—	(36,334,600)
30 June 2009	52,586,056	945,331,851	217,700,445	20,265,849	1,235,884,201
Accumulated amortization					
1 January 2009	(21,588,006)	(57,001,054)	(11,057,588)	(4,907,512)	(94,554,160)
Write-off (i)	(897,250)	(16,291,524)	(9,550,846)	(956,603)	(27,696,223)
Deposit	—	11,254,767	—	—	11,254,767
30 June 2009	(22,485,256)	(62,037,811)	(20,608,434)	(5,864,115)	(110,995,616)
Impairment provision					
1 January 2009	—	(25,079,833)	—	—	(25,079,833)
Charge for the year	—	25,079,833	—	—	25,079,833
30 June 2009	—	—	—	—	—
Net book value					
30 June 2009	30,100,800	883,294,040	197,092,011	14,401,734	1,124,888,585
1 January 2009	30,998,050	899,585,564	205,593,923	15,358,337	1,151,535,874

As at 30 June 2009, land use rights with a net book value of RMB2,787,226 (31 December 2008 RMB2,815,380) were restricted for use. More details are given at note 6 (17).

(i) The write-offs of intangible assets impairment was caused by scope out of Diaoquan from the consolidation of the Group as at 30 June 2009. More details are given at note 5 (7).

(13) Exploration costs

This represents the exploration costs for the Cinnabar and Jinjiwo mines.

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(14) Deferred tax assets/liabilities

Deferred tax assets affirmed as at 30 June 2009:

For the six months ended 30 June 2009:

	Impairment provision	Unrealized profits between inter-companies	Deductible loss	Accrued but unpaid salary	Fair value loss arising from commodity derivative contracts	Provisional price terms	Others	Total
At beginning of the period	164,630,320	—	63,423	38,457,354	81,949,781	—	5,163,465	290,264,343
Charge to the income statement	(127,924,746)	4,756,204	(63,423)	10,315,713	(72,701,444)	69,706,534	1,032,999	(114,878,163)
At end of the period	36,705,574	4,756,204	—	48,773,067	9,248,337	69,706,534	6,196,464	175,386,180

At 30 June 2009, certain of the Group's subsidiaries had RMB572,279,047 of unused tax losses available for offsetting against future profits and the expiry date is from 2009 to 2014.

Deferred tax liabilities affirmed as at 30 June 2009:

For the six months ended 30 June 2009:

	Fair value gain arising from commodity derivative contracts	Provisional price terms	Total
At the beginning of the period	19,800	78,089,074	78,108,874
Charge to income statement	5,105,822	(78,089,074)	(72,983,252)
At the end of the period	5,125,622	—	5,125,622

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(15) Other non-current assets

	30 June 2009	31 December 2008
Long-term loans to related parties	—	4,000,000
Less: Non-current assets due within one year	—	(3,000,000)
	—	1,000,000

As at 30 June 2009, the balance of long-term loans to related parties provided by Finance Company, a subsidiary of the Company, was Nil. (31 December 2008: RMB4,000,000). More details are given in note 8 (5) "Related Party Relationships and Transaction".

(16) Provision for impairment of assets

For the six months ended 30 June 2009

	Beginning balance	Additions	Reclassification *note 6 (8)*	Reductions Reversal	Reductions Write-off	Closing balance
Accounts receivable bad debt provision	176,798,952	810,134	—	(17,017,942)	(23,604,068)	136,987,076
Other receivables bad debt provision	26,156,044	147,474	—	(15,000)	(11,358)	26,277,160
Inventory provision	628,512,799	10,694,737	—	(6,973,682)	(537,175,639)	95,058,215
Impairment of available-for-sale financial assets	5,610,000	—	14,850,516	—	—	20,460,516
Impairment of fixed assets	101,069,491	—	—	—	(93,029,900)	8,039,591
Impairment of intangible assets	25,079,833	—	—	—	(25,079,833)	—
	963,227,119	11,652,345	14,850,516	(24,006,624)	(678,900,798)	286,822,558

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(16) Provision for impairment of assets *(continued)*

2008

	Beginning balance	Additions	Reductions Reversal	Reductions Write-off	Closing balance
Accounts receivable bad debt provision	137,496,130	43,072,313	(365,526)	(3,403,965)	176,798,952
Other receivables bad debt provision	30,666,684	921,300	(2,412,560)	(3,019,380)	26,156,044
Inventory provision	48,881,405	580,295,953	(664,559)	—	628,512,799
Impairment of available-for-sale financial assets	5,610,000	—	—	—	5,610,000
Impairment of fixed assets	12,183,298	92,461,775	—	(3,575,582)	101,069,491
Impairment of intangible assets	—	25,079,833	—	—	25,079,833
	234,837,517	741,831,174	(3,442,645)	(9,998,927)	963,227,119

(17) Assets with restriction for use

For the six months ended 30 June 2009

	Beginning	Additions	Reductions	Ending
Assets used for guarantees				
Cash *(Note 1)*	**195,558,383**	**2,346,291,489**	**—**	**2,541,849,872**
Notes receivable *(Note 2)*	**1,821,630,773**	**2,122,702,351**	**(1,821,630,773)**	**2,122,702,351**
Inventories *(Note 3)*	**131,184,744**	**234,600,000**	**(131,184,744)**	**234,600,000**
Fixed assets *(Note 4)*	**124,884,533**	**1,328,454**	**(5,839,806)**	**120,373,181**
Intangible assets *(Note 4)*	**2,815,380**	**—**	**(28,154)**	**2,787,226**
	2,276,073,813	**4,704,922,294**	**(1,958,683,477)**	**5,022,312,630**

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(17) Assets with restriction for use *(continued)*

2008

	Beginning	Additions	Reductions	Ending
Assets used for guarantees				
Cash	125,959,592	69,598,791	—	195,558,383
Notes receivable	2,039,779,053	6,036,039,573	(6,254,187,853)	1,821,630,773
Inventories	120,903,462	131,184,744	(120,903,462)	131,184,744
Fixed assets	52,332,749	72,551,784	—	124,884,533
Intangible assets	—	2,815,380	—	2,815,380
	2,338,974,856	6,312,190,272	(6,375,091,315)	2,276,073,813

Note 1: *As at 30 June 2009, the pledged deposits represented: (i) the mandatory reserve deposits of RMB348,812,578 placed by Finance Company, a subsidiary of the Group, in the People's Bank of China ("PBOC"); (ii) restricted deposits for securing borrowings and issuing bank accepted notes placed by SZJX, a subsidiary of the Group, amounting to RMB676,547,819 and RMB1,010,562,305, respectively; (iii) restricted deposits for issuing bank accepted notes placed by Longchang Copper Pipe and Taiyi, subsidiaries of the Group, amounting to RMB441,252,870 and RMB64,674,300 respectively.*

Note 2: *As at 30 June 2009, loans of RMB2,122,702,351 were secured by the discounted but undue bank accepted notes with a carrying value of RMB 2,122,702,351, and the repayment term is within one year.*

Note 3: *As at 30 June 2009, pledged loans amounting to RMB88,000,000 was secured by inventories with a carrying value of RMB234,600,000. The loans will be repaid within one year.*

Note 4: *As at 30 June 2009, pledged loans amounting to RMB48,500,000 was secured by machinery with a carrying value of RMB58,377,420. Depreciation charged during the six months ended 30 June 2009 was RMB3,978,182. As at 30 June 2009, pledged loans amounting to RMB20,000,000 were secured by buildings with a carrying value of RMB61,995,761 and land use rights with a carrying value of RMB2,787,226. Depreciation and amortization charged during the six months ended 30 June 2009 were RMB1,861,624 and RMB28,154, respectively.*

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(18) Short-term loans

	30 June 2009	31 December 2008
Bank loans		
Including:		
Credit loans	**421,209,210**	1,014,490,400
Pledged loans (i)	**156,500,000**	126,500,000
Mortgaged loans (ii)	**4,636,606,672**	1,821,630,773
	5,214,315,882	2,962,621,173

The borrowings carry interest at rates ranging from 0.21% to 6.72% per annum (2008: 4.37% to 9.71%).

(i) Pledged loans:

Pledged loans amounting to RMB48,500,000 were secured by machinery with original cost of RMB101,887,416 and a carrying value of RMB58,377,420.

Pledged loans amounting to RMB20,000,000 were secured by buildings with original cost of RMB87,670,804 and a carrying value of RMB 61,995,761 and land use rights with an original cost of RMB 3,431,069 and a carrying value of RMB2,787,226.

Pledged loans amounting to RMB88,000,000 were secured by inventories with a carrying value of RMB234,600,000.

(ii) Mortgaged loans:

Mortgaged RMB loans amounting to RMB3,952,702,351 were secured by the discounted but undue bank accepted notes with a carrying value of RMB3,952,702,351 (31 December 2008: RMB1,821,630,773). Among which the mortgaged loans relating to the discounted but undue bank accepted notes by inter-Group transactions amounted to RMB1,830,000,000 (31 December 2008: Nil).

Mortgaged USD loans of SZJX, a subsidiary of the Group, amounting to USD100,116,237 were secured by the bank deposits with a carrying value of RMB676,547,819 (31 December 2008: Nil).

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(19) Notes payable

	30 June 2009	31 December 2008
Bank accepted notes payable	**319,584,911**	86,217,573

As at 30 June 2009, the Group does not have any balance due to a shareholder who holds more than 5% of the voting power of the Company (31 December 2008: Nil).

(20) Accounts payable

As at 30 June 2009, the Group's balance due to a shareholder who holds more than 5% of the voting power of the Company was RMB3,895,215 (31 December 2008: RMB3,916,005). More details are given in note 8 (5) "Related Party Relationships and Transaction".

As at 30 June 2009, the Group did not have any material balance of accounts payable with ageing over one year.

(21) Advances from customers

As at 30 June 2009, the Group did not have any balance due to a shareholder who holds more than 5% of the voting power of the Company (31 December 2008: Nil).

As at 30 June 2009, the Group did not have any material balance of advances from customers with ageing over one year.

(22) Employee benefits payable

For the six months ended 30 June 2009

	Beginning	**Additions**	**Decreases**	**Ending**
Payroll, bonus and allowance	**178,427,090**	**398,228,863**	**(384,513,772)**	**192,142,181**
Social insurance	**25,526,742**	**86,909,885**	**(94,747,914)**	**17,688,713**
Labor union fee and personnel education fee	**10,216,015**	**10,920,373**	**(12,028,517)**	**9,107,871**
Staff welfare	**12,002,385**	**24,745,916**	**(33,976,898)**	**2,771,403**
Housing fund	**2,482,288**	**17,665,695**	**(14,151,664)**	**5,996,319**
Others	**7,474,411**	**415,383**	**(336,191)**	**7,553,603**
	236,128,931	**538,886,115**	**(539,754,956)**	**235,260,090**

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(22) Employee benefits payable *(continued)*

2008

	Beginning	Additions	Decreases	Ending
Payroll, bonus and allowance	212,478,878	886,522,297	(920,574,085)	178,427,090
Social insurance	29,203,293	195,111,258	(198,787,809)	25,526,742
Labor union fee and personnel education fee	11,964,548	29,172,838	(30,921,371)	10,216,015
Staff welfare	8,443,977	133,071,165	(129,512,757)	12,002,385
Housing fund	2,510,631	35,812,036	(35,840,379)	2,482,288
Others	6,249,113	6,849,471	(5,624,173)	7,474,411
	270,850,440	1,286,539,065	(1,321,260,574)	236,128,931

(23) Taxes payable

	30 June 2009	31 December 2008
Corporate income tax	**326,055,123**	276,184,022
Value-added tax	**(178,745,869)**	(266,185,295)
Mineral resource compensation fees	**28,782,518**	47,817,967
Resource tax	**9,429,023**	44,641,133
Business tax	**1,180,107**	5,544,451
Withheld individual income tax	**376,595**	9,848,512
Others	**13,852,005**	22,810,135
	200,929,502	140,660,925

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(24) Dividends payable

	30 June 2009	31 December 2008
JCC *(note 8(5))*	**102,565,991**	—
Other shareholders	**139,260,707**	—
	241,826,698	—

(25) Other payables

	30 June 2009	31 December 2008
Payables to JCC for acquisition of businesses	**—**	521,309,300
Others paid on behalf of the Company by JCC	**9,195,610**	20,111,752
Paid on behalf of the Company by JCC's subsidiaries	**115,630,716**	64,378,783
Miscellaneous payables for construction in progress	**209,939,414**	146,006,495
Retention for contract	**186,334,576**	160,755,387
Construction materials and spare parts	**54,729,448**	64,249,138
Miscellaneous maintenance fees	**13,088,750**	11,856,719
Service fee	**32,116,792**	4,849,748
Others	**79,044,532**	58,308,358
	700,079,838	1,051,825,680

As at 30 June 2009, the Group's balance of other payables due to a shareholder who holds more than 5% of the voting power of the Company was RMB9,195,610 (31 December 2008: RMB541,421,052). More details are given in note 8 (5) "Related Party Relationships and Transaction".

As at 30 June 2009, the Group did not have material balance of other payables ageing over one year.

(26) Non-current liabilities due within one year

	30 June 2009	31 December 2008
Long term borrowings *(note 6 (28))*	**82,826,800**	354,058,920
Long term payables *(note 6 (30))*	**31,658,257**	31,167,136
	114,485,057	385,226,056

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(27) Other current liabilities

	30 June 2009	31 December 2008
Short term deposits from related parties *(i)* *(note 8 (5))*	**1,313,593,301**	970,337,336
Commodity derivative contracts		
— Not under hedge accounting *(note 6 (7))*	**42,037,897**	359,309,133
Provisional price terms *(note 6 (7))*	**279,733,289**	—
	1,635,364,487	1,329,646,469

(i) Deposits from related parties represent current deposits from related parties to Finance Company, a subsidiary of the Group. The deposits carry interest at rates ranging from 0.36% to 1.17% per annum (2008: 0.36% to 1.17%) and will be repaid upon demand.

(28) Long-term borrowings

		30 June 2009	
		Original amount	**Equivalent RMB**
Guaranteed loans *(i)*	RMB	**162,076,800**	**162,076,800**
Less: Amount due within one year			**(82,826,800)**
			79,250,000

		31 December 2008	
		Original amount	**Equivalent RMB**
Guaranteed loans *(i)*	RMB	344,000,000	344,000,000
Guaranteed loans *(i)*	USD	10,200,000	69,712,920
Credit loans	RMB	19,250,000	19,250,000
Credit loans	USD	10,000,000	68,346,000
Less: Amount due within one year			(354,058,920)
			147,250,000

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(28) Long-term borrowings *(continued)*

The borrowings carry interest at rates ranging from 5.18% to 7.74% per annum (2008: 4.17% to 7.74%).

(i) As at 30 June 2009, the loans were guaranteed by JCC. The interest is payable quarterly and the principal due within one year will be repaid on 5 July 2009, 22 July 2009, 5 August 2009, 28 October 2009 and 17 November 2009. The rest principal due over one year will be paid on 22 May 2011, 19 June 2011 and 27 July 2011.

(29) Bonds payable

	1 January 2009	Additions	Reductions	30 June 2009
08JCC Bond (126018)	4,747,884,213	142,554,220	—	4,890,438,433

As at 30 June 2009, the balance of bonds payable is as follows:

	Period	Issuance date	Nominal value of bonds with warrants issued during the year	Liability component at the issuance date	Interest expense as at 1 January 2009	Interest adjustment for the six months ended 30 June 2009	Liability component as at 30 June 2009
08JCC Bond (126018)	8 years	22 September 2008	6,800,000,000	4,677,412,723	70,471,490	142,554,220	4,890,438,433
Less: Bonds payable due in one year							—
							4,890,438,433

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(29) Bonds payable *(continued)*

Pursuant to the approval of CSRC (No. [2008] 1102), the Company issued 68,000,000 certificates of bonds with warrants at par with a nominal value of RMB100 each, in an amount of RMB6.8 billion on 22 September 2008. The bonds with warrants have a life of eight years from the date of issuance and bear interest at a rate of 1.0% per annum which is payable in arrears on 22 September of each year, and with principal repaid at the expiring date. The subscribers of each bond have been entitled to receive 25.9 warrants at nil consideration and in aggregate 1,761,200,000 warrants have been issued. The warrants have a life of 24 months from the date of listing, that is, from 10 October 2008 to 9 October 2010. The holders of the warrants are entitled to exercise the warrants five trading days prior to the maturity date, that is, from 4 October 2010 to 9 October 2010. The initial exercise price for the warrants representing the conversion right to one A Share of the Company is RMB15.44, and the proportion of exercise rights for the warrants is 4:1, i.e. four warrants represent a conversion right to one A Share of the Company. The exercise price and conversion ratio are subject to change according to the regulations of the Shanghai Stock Exchange which primarily require a change if dividends are declared. During the term of the warrants, in the event that the trading of A Shares of the Company is on an ex-rights or ex-dividend basis, the exercise price and the proportion of exercise rights for the warrants shall be adjusted accordingly. Pursuant to the regulations of the China Securities Regulatory Commission, if the application of the proceeds from the issuance of bonds with warrants is different from the application of proceeds disclosed in the Offering Memorandum, then the holders of the bonds are entitled to redemption of the bonds by the Company at the nominal value together with the interest accrued for the period concerned once. The fair value of the liability component was estimated at the issue date using an equivalent market interest rate for a similar bond without the attached purchase warrants. The residual amount was assigned as the equity component and is included in shareholders' equity.

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(30) Long-term payables

	Term	30 June 2009	31 December 2008
Mining rights payable			
— Dexing &Yongping Mining *(i)*	30 years	**17,838,604**	17,979,052
— Fujiawu Mining *(ii)*	6 years	**29,648,568**	29,297,136
Less: Amount due within one year		**(31,658,257)**	(31,167,136)
		15,828,915	16,109,052

(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 instalments 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% of annual instalments starting from 1 January 1998. The interest paid for the six months ended 30 June 2009 was RMB49,649 (2008: RMB99,297) and the interest rate announced by PBOC for the six months ended 30 June 2009 was 5.31% (2008: 5.31%).*

(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 amount is repayable in six annual instalments of RMB10,000,000 each year and is interest-free.*

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(31) Provision

	For the six months ended 30 June 2009	2008
At beginning of the period/year	**107,001,601**	48,224,000
Additions during the period/year	**—**	55,360,584
Interest accrued during the period/year	**1,456,335**	3,417,017
At end of the period/year	**108,457,936**	107,001,601

Provision represents the environment rehabilitation costs, as the Group has an obligation in the 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.

(32) Other non-current liabilities

Other non-current liabilities represent the deferred revenue derived from government subsidies and related to purchase and construction of fixed asset. The movements during the period are as follows:

	For the six months ended 30 June 2009	2008
At beginning of the period/year	**126,383,712**	115,536,946
Additions during the period/year	**5,538,137**	19,945,195
Recognized as income during the period/year	**(3,316,862)**	(9,098,429)
At end of the period/year	**128,604,987**	126,383,712

(Expressed in Renminbi Yuan)

6 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(33) Share capital

Paid in capital of the Company was RMB3,022,833,727. The nominal value of each share was RMB 1.00. The shares' type and configuration was as follows:

For the six months ended 30 June 2009

	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	—	—	—	—	—	—	—	—
Including:								
Domestic legal person owned	—	—	—	—	—	—	—	—
Domestic person owned	—	—	—	—	—	—	—	—
Total of listed shares with restricted trading conditions	1,282,074,893	42.41%	—	—	—	—	1,282,074,893	42.41%
Listed shares without restricted trading conditions								
(1) A shares	353,276,834	11.69%	—	—	—	—	353,276,834	11.69%
(2) Domestic foreign shares	—	—	—	—	—	—	—	—
(3) H shares	1,387,482,000	45.90%	—	—	—	—	1,387,482,000	45.90%
(4) Others	—	—	—	—	—	—	—	—
Total of listed shares without restricted trading conditions	1,740,758,834	57.59%	—	—	—	—	1,740,758,834	57.59%
Total of share capital	3,022,833,727	100.00%	—	—	—	—	3,022,833,727	100.00%

(Expressed in Renminbi Yuan)

6. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(34) Capital reserve

For the six months ended 30 June 2009:

	1 January 2009	Additions/ (deduction)	Reclassifications	30 June 2009
Share premium	**4,340,617,259**	**—**	**—**	**4,340,617,259**
Equity component of bonds with warrants	**2,008,917,277**	**—**	**—**	**2,008,917,277**
Distributions of acquirees in business combination under common control before the acquisition date	**(994,392,125)**	**—**	**—**	**(994,392,125)**
Other reserves	**113,063**	**—**	**—**	**113,063**
	5,355,255,474	**—**	**—**	**5,355,255,474**

2008:

	1 January 2008	Additions/ (deduction)	Reclassifications	31 December 2008
Share premium	4,585,639,436	(245,022,177)	—	4,340,617,259
Equity component of bonds with warrants	—	2,008,917,277	—	2,008,917,277
Change in fair value of commodity forward contracts	22,596,559	(22,596,559)	—	—
Distributions of acquirees in business combination under common control before the acquisition date	755,360,119	(1,749,752,244)	—	(994,392,125)
Other reserves	113,063	—	—	113,063
	5,363,709,177	(8,453,703)	—	5,355,255,474

(Expressed in Renminbi Yuan)

6. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(35) Special surplus reserve

	For the six months ended 30 June 2009	2008
At beginning of the period/year	**124,748,940**	28,421,362
Additions during the period/year	**79,849,689**	159,055,810
Utilized during the period/year	**(11,084,863)**	(62,728,232)
At end of the period/year	**193,513,766**	124,748,940

According to CaiQi [2006] No. 478 "Tentative Measures for the Financial Management of the Production Safety Fund for the High Risk Enterprises" issued by the MOF and the Safety Production General Bureau, the Group is required to accrue a "Safety Fund" to improve the production safety. The Group should accrue the Safety Fund from the year 2007. The accrual standard rates are RMB4 per ton for the mine above the ground and RMB8 per ton for the mine under the ground. As for the high risk enterprises, the fund is accrued according to the sales and accrual in a regressive way monthly.

(Expressed in Renminbi Yuan)

6. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(36) Surplus reserve

For the six months ended 30 June 2009:

	Statutory surplus reserves	**Discretionary surplus reserves**	**Total**
1 January 2009	**1,990,900,531**	**4,061,487,564**	**6,052,388,095**
Additions	**—**	**—**	**—**
30 June 2009	**1,990,900,531**	**4,061,487,564**	**6,052,388,095**

2008:

	Statutory surplus reserves	Discretionary surplus reserves	Total
1 January 200	1,794,801,304	3,473,189,883	5,267,991,187
Additions	196,099,227	588,297,681	784,396,908
31 December 2008	1,990,900,531	4,061,487,564	6,052,388,095

Pursuant to Company Law of the PRC and the Company's Article of Association, the Company is required to appropriate 10% of its profit after tax to the statutory surplus reserve. The appropriation may cease if the balance of the statutory surplus reserve 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 the statutory surplus reserve.

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

(Expressed in Renminbi Yuan)

6. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(37) Retained earnings

	For the six months ended 30 June 2009	2008
At beginning of the period/year	**6,242,872,933**	5,865,559,622
Add: Net profit	**1,201,903,064**	2,188,773,019
Profits available for appropriation	**7,444,775,997**	8,054,332,641
Less: Appropriations to the statutory surplus reserve	—	196,099,227
Appropriations to the discretionary surplus reserve	—	588,297,681
Appropriations to the employee bonus and welfare fund	—	1,249,180
Profits available for appropriation to shareholders	**7,444,775,997**	7,268,686,553
Less: Cash dividend approved by the general meeting of last year	**241,826,698**	906,850,118
Dividends paid by acquirees in business combination under common control before the acquisition date	—	118,963,502
Retained earnings at the end of the period/year	**7,202,949,299**	6,242,872,933
Including: Cash dividends proposed after the balance sheet date	—	241,826,698

On 16 June 2009, the Company declared a final dividend of RMB0.08 per share (tax inclusive for A shares) on 3,022,833,727 shares, in aggregate approximately RMB241,826,698, for the year 2008 and paid to the shareholders on 20 July 2009.

On 11 July 2008, a dividend of RMB0.30 per share (tax inclusive for A shares) on 3,022,833,727 shares, in aggregate approximately RMB906,850,118, was paid to the shareholders as the final dividend for the year 2007.

The Board does not recommend the payment of interim dividends for the six months ended 30 June 2009. No interim dividends were distributed in the corresponding period of last year.

(Expressed in Renminbi Yuan)

6. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(38) Minority interests

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

	30 June 2009	31 December 2008
Kangtong	**81,025,187**	81,738,158
Xiaoshan Tongda	**—**	826,507
Sure Spread	**27,566,787**	28,152,602
Wengfu	**49,096,271**	57,938,211
Dongxiang Alloy	**8,580,317**	8,438,397
Taiyi	**17,102,781**	37,004,675
Longchang Copper Pipe	**54,837,519**	50,217,054
Yates	**37,182,861**	28,094,606
Finance Company	**70,902,798**	68,725,074
Copper Products	**3,237,456**	2,317,326
Fengye	**2,188,295**	2,188,295
Guixi Material	**—**	990,746
Redian	**2,469,970**	—
	354,190,242	366,631,651

(Expressed in Renminbi Yuan)

6. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(39) Revenue and costs of sales

	For the six months ended 30 June 2009	For the year ended 30 June 008 (Restated (Note11))
Revenue from principal operations	**21,122,087,674**	27,720,338,613
Other operating income	**230,505,176**	217,280,931
	21,352,592,850	27,937,619,544

Revenue from principal operations by product:

Products categories	**For the six months ended 30 June 2009**	For the year ended 30 June 2008 (Restated (Note11))
Copper cathodes	**10,420,629,557**	12,225,611,964
Copper rods and wires	**6,232,677,508**	9,510,507,920
Copper processing products	**1,097,192,280**	1,441,435,836
Gold	**1,960,959,312**	1,403,018,674
Silver	**538,747,293**	642,414,498
Chemical products	**285,198,287**	1,657,408,151
Rare metal	**335,873,898**	524,842,701
Others	**250,809,539**	315,098,869
	21,122,087,674	27,720,338,613

Revenue from principal operations by location:

Geographical areas	**For the six months ended 30 June 2009**	For the year ended 30 June 2008 (Restated (Note11))
Mainland China	**20,700,783,855**	26,983,086,435
Hong Kong	**330,709,986**	535,929,514
Taiwan	**—**	114,717,134
Australia	**—**	39,052,511
USA	**75,860,592**	22,690,283
Others	**14,733,241**	24,862,736
	21,122,087,674	27,720,338,613

(Expressed in Renminbi Yuan)

6. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(39) Revenue and costs of sales *(continued)*

Cost of sales:

	For the six months ended 30 June 2009	For the year ended 30 June 2008 (Restated (Note11))
Cost of domestic sales	**18,526,834,117**	22,631,490,546
Cost of export sales	**399,700,724**	633,053,409
	18,926,534,841	23,264,543,955
Total revenue of the five largest customers	**3,603,219,714**	4,424,730,446
Percentage in the total revenue	**17.06%**	15.96%

(40) Taxes and surcharges

	For the six months ended 30 June 2009	For the year ended 30 June 2008 (Restated (Note11))
Resources tax	**124,528,671**	121,068,746
Business tax	**7,062,350**	9,516,227
Cities construction tax and education supplementary Tax	**8,306,122**	6,773,324
Others	**463,289**	1,024,140
	140,360,432	138,382,437

(Expressed in Renminbi Yuan)

6. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(41) Financial expenses

	For the six months ended 30 June 2009	For the year ended 30 June 2008 (Restated (Note11))
Interest expense	**30,468,405**	242,212,988
Interest on bonds with warrants *(note 6 (29))*	**142,554,220**	—
Interest on discounted notes	**27,005,898**	52,034,711
Interest income	**(18,100,061)**	(26,320,813)
Foreign exchange loss/(gain)	**1,739,139**	(132,110,246)
Interest increment for provision *(note 6 (31))*	**1,456,335**	3,003,369
Others	**5,722,114**	18,605,065
	190,846,050	157,425,074

(42) (Reversal)/provision for impairment of assets

	For the six months ended 30 June 2009	For the year ended 30 June 2008 (Restated (Note11))
(Reversal)/ provision for impairment of doubtful debts	**(16,075,334)**	995,354
Provision/(reversal) of inventory provision	**3,721,055**	(256,879)
	(12,354,279)	738,475

(43) Gain/(loss) from changes in fair value

	For the six months ended 30 June 2009	For the year ended 30 June 2008 (Restated (Note11))
Commodity derivative contracts	**340,510,415**	(8,594,489)
Provisional price terms	**(279,733,289)**	—
	60,777,126	(8,594,489)

(Expressed in Renminbi Yuan)

6. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(44) Investment (loss)/income

	For the six months ended 30 June 2009	For the year ended 30 June 2008 (Restated (Note11))
Gain from commodity derivative contracts not qualified for hedge accounting	**(120,183,757)**	259,218,296
Share of loss of a jointly-controlled entity and associates	**(10,736,321)**	(15,704,515)
Dividends declared from invested entities under the cost method	**5,880,000**	5,259,418
Gain from sale/disposal of a subsidiary	**10,738,491**	84,448
	(114,301,587)	248,857,647

(45) Non-operating income

	For the six months ended 30 June 2009	For the year ended 30 June 2008 (Restated (Note11))
Gains on disposal of fixed assets	**726,919**	1,778,550
Tax return	**10,464,892**	2,344,208
Government subsidies	**27,973,608**	1,759,356
Deferred income	**3,316,862**	3,266,862
Others	**5,092,420**	1,937,821
	47,574,701	11,086,797

(46) Non-operating expenses

	For the six months ended 30 June 2009	For the year ended 30 June 2008 (Restated (Note11))
Donations	**60,945**	13,262,044
Losses on disposal of fixed assets	**55,868**	7,129,818
Fines	**844,527**	305,494
Others	**2,333,343**	4,966,082
	3,294,683	25,663,438

(Expressed in Renminbi Yuan)

6. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(47) Income tax

	For the six months ended 30 June 2009	For the year ended 30 June 2008 (Restated (Note11))
Current income tax	**353,048,934**	1,015,510,219
Deferred income tax	**41,894,911**	(26,606,651)
	394,943,845	988,903,568

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

	For the six months ended 30 June 2009	For the year ended 30 June 2008 (Restated (Note11))
Profit before tax	**1,585,637,436**	4,068,364,047
Tax at the statutory income tax rate (25%)	**396,409,359**	1,017,091,012
Influence on different tax rates for the subsidiaries	**(13,636,395)**	(32,384,422)
Reduction of income tax in respect of purchases of state-produced fixed assets	**(1,136,900)**	(974,273)
Profits and losses attributable to a jointly- controlled entity and associates	**2,684,080**	3,926,129
Impact of tax ratio change	**(5,042,580)**	—
Previously unrecognised defered tax assets	**13,194,817**	—
Non-deductible expenses	**2,471,464**	1,245,122
Income tax expense at the Group's effective rate	**394,943,845**	988,903,568

(Expressed in Renminbi Yuan)

6. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(48) Earnings per share

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares.

The calculation of diluted earnings per share amounts is based on the profit for the year attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	For the six months ended 30 June 2009	For the year ended 30 June 2008 (Restated (Note11))
Earnings:		
Profit attributable to ordinary shareholders of the parent	**1,201,903,064**	3,081,184,410
Shares:		
Weighted average number of ordinary shares	**3,022,833,727**	3,022,833,727
Effect of dilution — weighted average number of ordinary shares:		
Warrants attached to bonds *(note 6(29))*	**132,409,058**	—
Weighted average number of ordinary shares adjusted	**3,155,242,785**	3,022,833,727
Basic earnings per share	**0.40**	1.02
Diluted earnings per share	**0.38**	1.02

(Expressed in Renminbi Yuan)

6. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

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

Cash received or paid relating to other operating activities is stated as below:

	For the six months ended 30 June 2009	For the year ended 30 June 2008 (Restated (Note11))
Cash received relating to other operating activities:		
Interest income	**9,796,643**	27,607,653
Subsidy income for import purchases	**24,706,746**	—
Others	**8,359,282**	3,522,176
	42,862,671	31,129,829

	For the six months ended 30 June 2009	For the year ended 30 June 2008 (Restated (Note 11))
Cash paid relating to other operating activities:		
Distribution and selling costs, and general and administrative expenses	**291,665,447**	311,418,041
Deposits for commodity derivative contracts	**230,769,171**	148,909,064
Non-operating expenses	**3,238,814**	18,533,620
Others	**5,511,131**	23,352,020
	531,184,563	502,212,745

(50) Cash and cash equivalents

	30 June 2009	31 December 2008
Cash and cash equivalents		
Including: Cash on hand	**336,825**	260,262
Cash in bank	**4,417,747,907**	3,707,008,687
Cash and cash equivalents at end of the period	**4,418,084,732**	3,707,268,949

(Expressed in Renminbi Yuan)

6. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(51) Cash flows from operating activities

	For the six months ended 30 June 2009	For the year ended 30 June 2008 *(Restated (Note11))*
Reconciliation of net profit to cash inflow from operating activities		
Net profit	**1,190,693,591**	3,079,460,479
Reconciliation of net profit		
Add: (Reversal)/provision for impairment of assets	**(12,354,279)**	738,475
Depreciation of fixed assets	**434,212,177**	342,779,060
Amortization of intangible assets	**27,696,223**	35,968,352
(Gain)/loss on disposal of fixed assets, intangible assets and other long term assets	**(671,051)**	5,351,268
Financial expenses	**176,429,083**	108,359,156
Investment income	**(5,882,170)**	(248,857,647)
Safety fund	**68,764,826**	1,760,167
Decrease/(increase) in deferred tax assets	**114,878,163**	(34,123,196)
(Decrease)/increase in deferred tax liabilities	**(72,983,252)**	7,516,545
Deferred revenue released to income statement	**(3,316,862)**	(3,266,862)
Decrease/(increase) in inventories	**83,385,547**	(126,505,390)
Increase in operating receivables	**(958,918,342)**	(3,210,874,767)
Increase in operating payables	**1,298,994,157**	2,295,057,289
Net cash inflow from operating activities	**2,340,927,811**	2,253,362,929

(52) Business combinations

Business combination under common control

In the year 2008, the Company utilized proceeds of RMB1.585 billion from the issuing of bonds with warrants to acquire relevant copper, gold and molybdenum businesses, as well as the financial operation of Finance Company, accessorial production businesses, copper processing and selling businesses (the "Target") from JCC. Since the Company and the Target were and are all ultimately controlled by JCC both before and after the business combination, and that control is not transitory, the acquisition is dealt with as a business combination under common control. The detailed list for the combined businesses can be found in note 5. The Company and JCC jointly agreed to treat 1 October 2008 as the date of transactions for assets and businesses (the "Transaction Date").

6. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(53) 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 to provide incentives 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 units of the Rights were granted to seven directors and senior management members by the offer price of 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 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 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 as at the end of their respective terms of service subject to their final performance assessment results at the end of their terms 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 2009, no Rights granted were exercised or expired (2008: Nil). As at 30 June 2009, the expiry periods of the outstanding Rights were between 8 and 9 years.

For the period ended 30 June 2009 and as of 30 June 2009, the Group did not recognize share compensation cost and the liability related to the Rights as the directors believe the related compensation cost was not material to the consolidated financial statements for the period ended 30 June 2009.

(54) Segment information

For management purpose, the Group is organized into business units based on their products and services, and has one reportable operating segment: production and sales of copper and other related products. Management monitors the operation results of its business unit as a whole for the purpose of making decisions about resource allocation and performance assessment.

More details of sales categorised by product, service and location are given in note 6(39). The Group has no significant non-current assets outside Mainland China. No significant sale to a single client, which contributes more than 10% of the consolidated revenue of the Group, was noted.

(Expressed in Renminbi Yuan)

7. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY

(1) Accounts receivable

The ageing analysis of accounts receivable is as follows:

	30 June 2009	31 December 2008
Within 1 year	**1,174,120,960**	962,499,118
1 to 2 years	**2,408,427**	3,232,173
2 to 3 years	**9,158**	150,311
Over 3 years	**125,400,100**	127,218,536
Less: Bad debt provision	**(125,513,468)**	(145,964,202)
	1,176,425,177	947,135,936

	30 June 2009			
	Balance	**%**	**Bad debt provision**	**%**
Individually significant	**1,029,323,200**	**79.06%**	**63,616,796**	**6.18%**
Others	**272,615,445**	**20.94%**	**61,896,672**	**22.70%**
	1,301,938,645	**100.00%**	**125,513,468**	**9.64%**

	30 December 2008			
	Balance	%	Bad debt provision	%
Individually significant	872,583,020	79.83%	83,454,112	9.56%
Others	220,517,118	20.17%	62,510,090	28.35%
	1,093,100,138	100.00%	145,964,202	13.35%

	30 June 2009	31 December 2008
Total amount of five largest debtors	**242,711,277**	319,951,179
Percentage in total accounts receivable	**18.64%**	29.27%

As at 30 June 2009, the Company's balance due from a shareholder who holds more than 5% of the voting power of the Company was Nil (31 December 2008: Nil).

(Expressed in Renminbi Yuan)

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

(2) Other receivables

The ageing analysis of other receivables is as follows:

	30 June 2009	31 December 2008
Within 1 year	**397,036,316**	1,155,764,755
1 to 2 years	**3,888,362**	9,852,888
2 to 3 years	**251,877**	582,797
Over 3 years	**21,410,870**	22,247,703
Less: Bad debt provision	**(22,435,681)**	(22,414,752)
	400,151,744	1,166,033,391

	30 June 2009			
	Balance	**%**	**Bad debt provision**	**%**
Individually significant	**379,077,252**	**89.70%**	**—**	**—**
Others	**43,510,173**	**10.30%**	**22,435,681**	**51.56%**
	422,587,425	**100.00%**	**22,435,681**	**5.31%**

	30 December 2008			
	Balance	%	Bad debt provision	%
Individually significant	1,060,040,001	89.20%	—	—
Others	128,408,142	10.80%	22,414,752	17.46%
	1,188,448,143	100.00%	22,414,752	1.89%

	30 June 2009	31 December 2008
Total amount of five largest debtors	**250,928,871**	1,118,541,426
Percentage in total other receivables	**59.38%**	94.12%

As at 30 June 2009, the Company's balance of deposit for commodity derivative contracts was RMB269,393,400 (31 December 2008: RMB 266,468,818).

As at 30 June 2009, the Company's balance due from a shareholder who holds more than 5% of the voting power of the Company was Nil (31 December 2008: Nil).

(Expressed in Renminbi Yuan)

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

(3) Long-term equity investments

		Investment cost				Share of net profit		Other equity movement from associates		Impairment		
	Investment cost	Opening balance	Additions	Accumulated additions	Disposal and reclassifications	Opening balance	Increases/ (decreases)	Opening balance	Increases/ (decreases)	Opening balance	Decreases/ reclassification	Ending balance
Cost method:												
Kangtong	80,000,000	80,000,000	–	80,000,000	–	–	–	–	–	–	–	80,000,000
Xiaoshan Tongda *(note 5)*	600,000	600,000	–	600,000	(600,000)	–	–	–	–	–	–	–
JCPC	135,000,000	246,879,928	–	246,879,928	–	–	–	–	–	–	–	246,879,928
Diaoquan *(note 5)*	35,000,000	35,000,000	–	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
SZJX	30,000,000	330,000,000	–	330,000,000	–	–	–	–	–	–	–	330,000,000
SHJX	20,000,000	20,000,000	180,000,000	200,000,000	–	–	–	–	–	–	–	200,000,000
BJJX	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
Finance company	100,000,000	241,556,270	–	241,556,270	–	–	–	–	–	–	–	241,556,270
Dexing Construction	45,750,547	45,750,547	–	45,750,547	–	–	–	–	–	–	–	45,750,547
Dexing Material Recycling	17,396,482	17,396,482	–	17,396,482	–	–	–	–	–	–	–	17,396,482
Geology Exploration	18,144,614	18,144,614	–	18,144,614	–	–	–	–	–	–	–	18,144,614
Yinshan Mining	354,488,447	354,488,447	–	354,488,447	–	–	–	–	–	–	–	354,488,447
Drilling Project	31,789,846	31,789,846	–	31,789,846	–	–	–	–	–	–	–	31,789,846
Ruichang Transportation *(note5)*	3,589,877	3,589,877	–	3,589,877	(3,589,877)	–	–	–	–	–	–	–
Qianshan Trading *(note5)*	20,141,795	20,141,795	–	20,141,795	(20,141,795)	–	–	–	–	–	–	–
Qianshan Mining Project *(note5)*	13,199,716	13,199,716	–	13,199,716	(13,199,716)	–	–	–	–	–	–	–
Guixi Smelting Industry	27,558,990	27,558,990	–	27,558,990	–	–	–	–	–	–	–	27,558,990
Guixi Smelter	20,894,421	20,894,421	–	20,894,421	–	–	–	–	–	–	–	20,894,421
Mechanical Manufacturing *(note5)*	117,023,358	117,023,358	–	117,023,358	(117,023,358)	–	–	–	–	–	–	–
Dexing Mining	156,171,856	156,171,856	–	156,171,856	–	–	–	–	–	–	–	156,171,856
Dexing Recycling	19,000,296	19,000,296	–	19,000,296	–	–	–	–	–	–	–	19,000,296
Dongtong Mining	125,025,474	125,025,474	–	125,025,474	–	–	–	–	–	–	–	125,025,474
Ruichang Manufacturing	3,223,379	–	3,223,379	3,223,379	–	–	–	–	–	–	–	3,223,379

(Expressed in Renminbi Yuan)

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

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

			Investment cost			Share of net profit		Other equity movement from associates		Impairment		
	Investment cost	Opening balance	Additions	Accumulated additions	Disposal and reclassifications	Opening balance	Increases/ (decreases)	Opening balance	Increases/ (decreases)	Opening balance	Decreases/ reclassification	Ending balance
Cost method *(continued)*:												
Guixi Material	276,683,694	276,683,694	—	276,683,694	—	—	—	—	—	—	—	276,683,694
Guixi Logistics	72,870,695	72,870,695	—	72,870,695	—	—	—	—	—	—	—	72,870,695
Shanghai Agency	14,896,275	14,896,275	—	14,896,275	—	—	—	—	—	—	—	14,896,275
Taiyi	64,705,427	64,705,427	—	64,705,427	—	—	—	—	—	—	—	64,705,427
Longchang Copper Pipe	174,957,359	174,957,359	—	174,957,359	—	—	—	—	—	—	—	174,957,359
Yates	392,766,945	392,766,945	—	392,766,945	—	—	—	—	—	—	—	392,766,945
Xiamen Trading	3,126,998	3,126,998	—	3,126,998	—	—	—	—	—	—	—	3,126,998
Hangzhou Trading	25,453,395	25,453,395	—	25,453,395	—	—	—	—	—	—	—	25,453,395
Copper Products	217,712,269	217,712,269	—	217,712,269	—	—	—	—	—	—	—	217,712,269
Qianshan Concentration	14,456,365	—	14,456,365	14,456,365	—	—	—	—	—	—	—	14,456,365
Fengye	1,563,068	—	1,563,068	1,563,068	—	—	—	—	—	—	—	1,563,068
Dexing Alloy	60,404,274	—	60,404,274	60,404,274	—	—	—	—	—	—	—	60,404,274
Equity method:												
Minmetals Jiangxi Copper	460,000,000	460,000,000	—	460,000,000	—	(5,079,722)	(12,827,582)	(39,761,078)	—	—	—	402,331,618
MCC-JCL	58,134,560	58,134,560	—	58,134,560	—	(1,272,703)	—	191,556	(41)	—	—	57,053,372
Qing Yuan	36,000,000	36,000,000	—	36,000,000	—	(6,595,577)	321,451	—	—	—	—	29,725,874
Jiangtong Bioteq	14,100,000	14,100,000	—	14,100,000	—	2,686,237	1,769,810	—	(1,000,000)	—	—	17,556,047
Jiangxi Fortune	701,989	701,989	—	701,989	(701,989)	192,402	—	—	(192,402)	—	—	—
Copper Recycling	1,000,000	—	1,000,000	1,000,000	—	—	(1,000,000)	—	—	—	—	—
Total	3,596,994,009	4,179,592,420	260,647,086	4,440,239,506	(190,256,735)	(10,069,363)	(11,736,321)	(39,569,522)	(1,192,443)	(35,000,000)	35,000,000	4,187,415,122

(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 2009	For the year ended 30 June 2008 (Restated (Note11))
Revenue from principal operations	**15,593,965,727**	25,251,039,742
Other operating income	**155,082,804**	200,408,021
	15,749,048,531	25,451,447,763

Revenue from principal operations by product:

Products categories	**For the six months ended 30 June 2009**	For the year ended 30 June 2008 (Restated (Note11))
Copper cathodes	**7,035,573,196**	11,685,872,941
Copper rods and wires	**5,613,316,069**	9,683,996,269
Gold	**1,960,959,312**	1,403,018,674
Silver	**531,073,108**	642,105,868
Chemical products	**249,805,809**	1,635,423,837
Others	**203,238,233**	200,622,153
	15,593,965,727	25,251,039,742

Revenue from principal operations by location:

Geographical areas	**For the six months ended 30 June 2009**	For the year ended 30 June 2008 (Restated (Note11))
Mainland China	**15,270,857,561**	24,700,012,930
Hong Kong	**320,111,625**	548,463,398
New Zealand	**2,104,190**	2,115,702
Other	**892,351**	447,712
	15,593,965,727	25,251,039,742

(Expressed in Renminbi Yuan)

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

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

Cost of sales:

	For the six months ended 30 June 2009	For the year ended 30 June 2008 (Restated (Note11))
Cost of domestic sales	**13,468,839,792**	21,133,078,330
Cost of export sales	**308,673,462**	469,556,993
	13,777,513,254	21,602,635,323
Total revenue of five largest customers	**2,567,255,963**	6,269,479,739
Percentage in total revenue	**16.46%**	24.83%

(5) Investment income

	For the six months ended 30 June 2009	For the year ended 30 June 2008 (Restated (Note11))
Gain from commodity derivative contracts not qualified for hedge accounting	**(140,682,795)**	156,103,996
Share of loss of a jointly-controlled entity and associates	**(11,736,321)**	(9,968,621)
Dividends declared from invested entities under cost method	**336,234,331**	18,505,492
Gains from sale/disposal of a subsidiary	**10,738,491**	84,448
Dividends declared from invested available-for-sales financial assets	**5,880,000**	—
	200,433,706	164,725,315

8. RELATED PARTY RELATIONSHIP AND TRANSACTION

(1) Definition of a 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 parent of the Company;

2) The subsidiaries of the Company;

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

4) Investors who have joint control over the Company;

5) Investors who can exercise significant influence over the Company;

6) Joint ventures in which the Group is an investor;

7) The associates of the Group;

8) Principal individual investors of the Company, and close family members 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 jointly controlled or significantly influenced by the Company'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.

(Expressed in Renminbi Yuan)

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

(2) Parent company and subsidiaries

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

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

(3) Other related parties

Name	Relationship
JCC's Affiliates	Controlled by parent company
Qing Yuan	Associate
Minmetals Jiangxi Copper	Associate

(4) Significant transactions with related parties

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

Main transactions between JCC and JCC's affiliates:

	For the six months ended 30 June 2009	For the year ended 30 June 2008 (Restated (Note11))
Sale of goods and by-products		
Sale of brass wires	**150,760,671**	287,743,966
Sale of copper rods and wire and semi-finished products	**108,462,651**	39,643,345
Sale of by-products	**2,328,947**	2,447,512
Sale of auxiliary industrial products	**2,380,378**	2,444,237
Sale of sulphuric acid	**134,787**	4,164,625
Purchase of materials and by-products		
Purchase of crude copper	**404,621,176**	70,851,784
Purchase of auxiliary industrial products	**105,515,576**	52,184,183
Purchase of brass wires	**3,717,495**	1,144,320
Purchase of semi-finished products	**4,122,321**	543,967

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

FOR THE SIX MONTHS ENDED 30 JUNE 2009
(Expressed in Renminbi Yuan)
(Prepared in accordance with PRC GAAP)

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

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

Main transactions between JCC and JCC's affiliates: *(continued)*

	For the six months ended 30 June 2009	For the year ended 30 June 2008 (Restated (Note11))
Services provided by the Group:		
Loans provided	**290,500,000**	577,744,020
Interest charge for financing services	**8,689,703**	13,837,855
Processing services	**731,454**	8,455,192
Repair and maintenance services	**3,263,415**	1,274,507
Supply of electricity	**2,748,204**	1,675,475
Transportation services	**154,373**	2,294,964
Services provided to the Group:		
Pension contributions	**64,601,298**	45,870,663
Construction services	**3,797,284**	26,612,929
Repair and maintenance services	**9,298,349**	8,597,948
Brokerage agency services for commodity derivative contracts	**7,725,740**	5,284,442
Rental for land use rights	**7,872,921**	5,805,000
Compensation of key management personnel	**3,500,000**	4,459,500
Rentals for public facilities	**7,503,307**	6,407,171
Interest charges for deposits from related parties	**6,900,233**	861,712
Transportation services	**353,761**	8,015
Environment services	**990,000**	—
Other management fee	**1,000,055**	1,306,652
Social welfare and support services	**32,989,045**	39,538,986
Including:		
— welfare and medical services	**29,749,045**	36,298,986
— use of representative offices	**1,800,000**	1,800,000
— technical training services	**1,440,000**	1,440,000

(Expressed in Renminbi Yuan)

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

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

Significant transactions with Qing Yuan:

	For the six months ended 30 June 2009	For the year ended 30 June 2008 (Restated (Note11))
Purchase of goods:		
Purchase of crude copper	**95,437,737**	926,171,054

Significant transactions with Minmetals Jiangxi Copper:

	For the six months ended 30 June 2009	For the year ended 30 June 2008 (Restated (Note11))
Loans provided	**240,000,000**	—
Interest charge for financing services	**3,115,200**	—

The amount of sales and services provided to related parties accounts for 3.81% (For the six months ended 30 June 2008: 3.39%) of the total revenue of the Group. The amount of purchases and services provided from related parties accounts for 2.50% (For the six months ended 30 June 2008: 3.25%) of the total purchase amount of the Group.

(Expressed in Renminbi Yuan)

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

(5) Amounts due from/to related parties

		30 June 2009	31 December 2008
		RMB	*RMB*
Accounts receivable	JCC	**2,757,344**	1,345,359
	JCC's affiliates	**106,611,873**	62,020,052
		109,369,217	63,365,411
Advances to supplier	JCC	**33,375,525**	615,712
	JCC's affiliates	**66,730,962**	2,625,053
	Qing Yuan	**96,000,000**	9,500,000
		196,106,487	12,740,765
Other receivables	JCC	**794,179**	—
	JCC's affiliates	**313,005,234**	440,293,141
	— deposits of futures	**310,789,260**	439,090,081
	— others	**2,215,974**	1,203,060
		313,799,413	440,293,141
Interest receivables	JCC	—	6,848
	JCC's affiliates	—	542,230
		—	549,078
Other current assets	JCC's affiliates	**257,531,900**	262,557,135
	Minmetals Jiangxi Copper	**240,000,000**	—
		497,531,900	262,557,135
Non-current assets due within one year	JCC's affiliates	—	3,000,000
Other non-current assets	JCC's affiliates	—	1,000,000

(Expressed in Renminbi Yuan)

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

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

		30 June 2009 *RMB*	31 December 2008 *RMB*
Accounts payable	JCC	**3,895,215**	3,916,005
	JCC's affiliates	**13,208,554**	35,246,019
		17,103,769	39,162,024
Advances from customers	JCC's affiliates	**18,015,442**	3,652,264
Other payables	JCC	**9,195,610**	541,421,052
	JCC's affiliates	**115,630,716**	64,378,783
		124,826,326	605,799,835
Interest payable	JCC	—	643,004
	JCC's affiliates	—	93,454
		—	736,458
Dividend payable	JCC	**102,565,991**	—
Other current liabilities — short-term loans	JCC	**864,846,732**	842,621,458
	JCC's affiliates	**448,746,569**	127,715,878
		1,313,593,301	970,337,336
Non-current liabilities due within one year	JCC	**1,870,000**	1,870,000
Long-term payables	JCC	**15,828,915**	16,109,052

The amounts due from/to related parties are all arising from the transaction mentioned above. These balances were unsecured, interest-free and have no fixed repayment terms except for 1) other current liabilities caused by Finance Company's loans to related parties and non-current liabilities due within one year and beyond one year (note 6 (7), (15)); 2) other current liabilities representing deposits from related parties to Finance Company (note 6 (27)), 3) long-term payables to JCC (note 6 (30)).

(Expressed in Renminbi Yuan)

9. COMMITMENTS

(a) Operating commitments

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

	30 June 2009	31 December 2008
Within 1 year, inclusive	**22,909,793**	22,909,793
1 to 2 years, inclusive	**18,529,043**	18,529,043
2 to 3 years, inclusive	**18,199,266**	18,199,266
Above 3 years	**304,343,188**	315,798,084
	363,981,290	375,436,186

(b) Capital commitments

	30 June 2009	31 December 2008
Contracted for but not provided		
Acquisition of property, plant and equipment and exploration rights	**254,593,422**	178,594,962
Investments in associates *(i)*	**2,192,677,226**	2,192,677,226
Investments in available for sale financial assets	**—**	82,600,000
	2,447,270,648	2,453,872,188

(i) The Company and China Metallurgical Group Corporation ("CMCC") incorporated MCC-JCL, an associate of the Group in Afghanistan, in September 2008. Prior to the introduction of other independent investors, the initial shareholding of the Company and CMCC in MCC-JCL shall be 25% and 75% respectively. The principal business of MCC-JCL is the exploration and exploitation of minerals in the central and western mineralised zones in Aynak Mine in Afghanistan.

The total investment of MCC-JCL shall initially be USD4,390,835,000 and shall be funded by equity funding from shareholders and by project loan 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 loan financing.

(Expressed in Renminbi Yuan)

10. FINANCIAL INSTRUMENTS AND RISK

The Group's principal financial instruments, other than derivatives, comprise loans and borrowings, cash and cash equivalents, bonds with warrants and deposits from customers. The main purpose of these financial instruments is to finance 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 derivative contracts. The purpose is to manage the Group's exposure to commodity price risk.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk, and market risk.

(1) Financial instruments by category

The carrying amounts of each of the categories of financial instruments as at the balance sheet date are as follows:

	30 June 2009			
Financial assets	**Financial assets at fair value through profit or loss**	**Loans and accounts receivable**	**Available -for-sale financial assets**	**Total**
Cash	—	**6,959,934,605**	—	**6,959,934,605**
Notes receivable	—	**2,833,403,772**	—	**2,833,403,772**
Accounts receivable	—	**1,966,119,381**	—	**1,966,119,381**
Interest receivable	—	**9,689,596**	—	**9,689,596**
Other receivables	—	**679,858,786**	—	**679,858,786**
Other current assets	**23,338,179**	**497,531,900**	—	**520,870,079**
Available-for-sale financial assets	—	—	**410,080,000**	**410,080,000**
	23,338,179	**12,946,538,040**	**410,080,000**	**13,379,956,219**

(Expressed in Renminbi Yuan)

10. FINANCIAL INSTRUMENTS AND RISK *(CONTINUED)*

(1) Financial instruments by category *(continued)*

	30 June 2009		
Financial liabilities	**Financial liabilities at fair value through profit or loss**	**Other financial liabilities**	**Total**
Short-term loans	—	**4,914,315,882**	**4,914,315,882**
Notes payable	—	**619,584,911**	**619,584,911**
Accounts payable	—	**1,494,792,521**	**1,494,792,521**
Interest payable	—	**2,196,896**	**2,196,896**
Employee benefits payable	—	**235,260,090**	**235,260,090**
Other payables	—	**700,079,838**	**700,079,838**
Non-current liabilities due within one year	—	**114,485,057**	**114,485,057**
Other current liabilities	**321,771,186**	**1,313,593,301**	**1,635,364,487**
Long-term borrowings	—	**79,250,000**	**79,250,000**
Bonds payable	—	**4,890,438,433**	**4,890,438,433**
Long-term payables	—	**15,828,915**	**15,828,915**
	321,771,186	**14,379,825,844**	**14,701,597,030**

	31 December 2008			
Financial assets	Financial assets at fair value through profit or loss	Loans and accounts receivable	Available -for-sale financial assets	Total
Cash	—	4,140,323,761	—	4,140,323,761
Notes receivable	—	2,620,065,831	—	2,620,065,831
Accounts receivable	—	1,356,339,486	—	1,356,339,486
Interest receivable	—	1,386,178	—	1,386,178
Other receivables	—	1,386,254,229	—	1,386,254,229
Other current assets	312,455,294	262,557,135	—	575,012,429
Available-for-sale financial assets	—	—	327,400,000	327,400,000
Non-current assets due within one year	—	3,000,000	—	3,000,000
Other current assets	—	1,000,000	—	1,000,000
	312,455,294	9,770,926,620	327,400,000	10,410,781,914

(Expressed in Renminbi Yuan)

10. FINANCIAL INSTRUMENTS AND RISK *(CONTINUED)*

(1) Financial instruments by category *(continued)*

	31 December 2008		
Financial liabilities	Financial liabilities at fair value through profit or loss	Other financial liabilities	Total
Short-term loans	—	2,962,621,173	2,962,621,173
Notes payable	—	86,217,573	86,217,573
Accounts payable	—	1,328,422,011	1,328,422,011
Interest payable	—	8,058,286	8,058,286
Employee benefits payable	—	236,128,931	236,128,931
Other payables	—	1,051,825,680	1,051,825,680
Non-current liabilities due within one year	—	385,226,056	385,226,056
Other current liabilities	359,309,133	970,337,336	1,329,646,469
Long-term borrowings	—	147,250,000	147,250,000
Bonds payable	—	4,747,884,213	4,747,884,213
Long-term payables	—	16,109,052	16,109,052
	359,309,133	11,940,080,311	12,299,389,444

(Expressed in Renminbi Yuan)

10. FINANCIAL INSTRUMENTS AND RISK *(CONTINUED)*

(2) Credit risk

The credit risk is the risk caused by the event that one party cannot fulfil his obligation causing the other party suffers a loss.

The Group only makes transactions with third parties who have a good reputation and are recognized by the Group. According to the Group policy, all clients are subject to credit vertification procedures. 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.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, available-for-sale financial investments, other receivables and certain derivative instruments, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Since the Group only has 22.82% of accounts receivable from the five largest customers at 30 June 2009, there was no significant concentration of credit risk within the Group.

An aged analysis of the accounts receivable that are not considered to be impaired is as follows:

Accounts receivable		**30 June 2009**
Neither past due nor impaired		**1,433,009,008**
Past due but not impaired	Within 1 year	**435,221,364**
	1 to 2 years	**38,404,195**
	2 to 3 years	**196,954**
	Over 3 years	**—**
Total		**1,906,831,521**

Accounts receivable		31 December 2008
Neither past due nor impaired		812,321,882
Past due but not impaired	Within 1 year	483,173,463
	1 to 2 years	36,974,200
	2 to 3 years	183,318
	Over 3 years	—
Total		1,332,652,863

(Expressed in Renminbi Yuan)

10. FINANCIAL INSTRUMENTS AND RISK *(CONTINUED)*

(3) Liquidity risk

The liquidity risk is the risk that the Company faces a lack of capital when fulfilling the obligation of financial liabilities.

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 institutions and borrowing loans from banks.

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

Financial assets		**30 June 2009**	
	Within 1 year	**1 to 5 years**	**Total**
Cash	**6,959,934,605**	**—**	**6,959,934,605**
Notes receivable	**2,833,403,772**	**—**	**2,833,403,772**
Accounts receivable	**2,103,106,457**	**—**	**2,103,106,457**
Other receivables	**706,135,946**	**—**	**706,135,946**
Interest receivables	**9,689,596**	**—**	**9,689,596**
Other current assets	**520,870,079**	**—**	**520,870,079**
Available-for-sale financial assets	**—**	**430,540,516**	**430,540,516**
	13,133,140,455	**430,540,516**	**13,563,680,971**

		31 December 2008	
	Within 1 year	1 to 5 years	Total
Cash	4,140,323,761	—	4,140,323,761
Notes receivable	2,620,065,831	—	2,620,065,831
Accounts receivable	1,533,138,438	—	1,533,138,438
Other receivables	1,412,410,273	—	1,412,410,273
Interest receivables	1,386,178	—	1,386,178
Other current assets	575,012,429	—	575,012,429
Non-current assets due within one year	3,000,000	—	3,000,000
Available-for-sale financial assets	—	333,010,000	333,010,000
Other non-current financial assets	—	1,000,000	1,000,000
	10,285,336,910	334,010,000	10,619,346,910

(Expressed in Renminbi Yuan)

10. FINANCIAL INSTRUMENTS AND RISK *(CONTINUED)*

(3) Liquidity risk *(continued)*

Financial liabilities	**30 June 2009**			
	Within 1 year	**1 to 5 years**	**Above 5 years**	**Total**
Long-term borrowings	**82,826,800**	**60,000,000**	**19,250,000**	**162,076,800**
Short-term loans	**5,214,315,882**	**—**	**—**	**5,214,315,882**
Notes payable	**319,584,911**	**—**	**—**	**319,584,911**
Accounts payable	**1,494,792,521**	**—**	**—**	**1,494,792,521**
Employee benefits payable	**235,260,090**	**—**	**—**	**235,260,090**
Interest payable	**70,196,896**	**272,000,000**	**204,000,000**	**546,196,896**
Other payables	**700,079,837**	**—**	**—**	**700,079,837**
Other current liabilities	**1,635,364,487**	**—**	**—**	**1,635,364,487**
Long-term payables	**31,870,000**	**7,480,000**	**26,271,000**	**65,621,000**
Bonds payable	**—**	**—**	**6,800,000,000**	**6,800,000,000**
	9,784,291,424	**339,480,000**	**7,049,521,000**	**17,173,292,424**

	31 December 2008			
	Within 1 year	1 to 5 years	Above 5 years	Total
Long-term borrowings	354,058,920	128,000,000	19,250,000	501,308,920
Short-term loans	2,962,621,173	—	—	2,962,621,173
Notes payable	86,217,573	—	—	86,217,573
Accounts payable	1,328,422,011	—	—	1,328,422,011
Employee benefits payable	236,128,931	—	—	236,128,931
Interest payable	76,058,286	272,000,000	204,000,000	552,058,286
Other payables	1,051,825,680	—	—	1,051,825,680
Other current liabilities	1,329,646,469	—	—	1,329,646,469
Long-term payables	31,870,000	7,480,000	26,271,000	65,621,000
Bonds payable	—	—	6,800,000,000	6,800,000,000
	7,456,849,043	407,480,000	7,049,521,000	14,913,850,043

10. FINANCIAL INSTRUMENTS AND RISK *(CONTINUED)*

(4) Market risk

The market risk is the risk that the fair value or the future cash flow of a financial instrument fluctuates due to the change of the market price. The market risk mainly includes interest rate risk, exchange rate risk and other price risk such as commodity price risk.

Interest rate risk

The interest rate risk is the risk of the fair value or cash flow fluctuation due to the change of market interest rates. The Group's exposure to interest rate risk for changes in interest rates relates primarily to the Group's long-term interest-bearing bank loans and other borrowings with floating interest rates. The Group manages the interest cost by keep a proper percentage of fixed interest rate liabilities and floating interest rate liabilities.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constantly, of the Group's profit before tax through the impact on floating rate borrowings.

30 June 2009	**Increase/ (decrease) in basis points**	**Increase/(decrease) in profit before tax** *RMB'000*
RMB	**+50**	**(396)**
RMB	**-200**	**1,585**

31 December 2008	Increase/ (decrease) in basis points	Increase/(decrease) in profit before tax *RMB'000*
RMB	+50	(17,320)
RMB	-200	69,279

Foreign currency risk

The exchange rate risk is the risk of the fair value or cash flow fluctuation due to changes in exchange rates. The Group's exposure to foreign currency risk mainly arises from loans in currencies other than the Group's functional currency.

10. FINANCIAL INSTRUMENTS AND RISK *(CONTINUED)*

(4) Market risk *(continued)*

Foreign currency risk (continued)

The following table demonstrates the sensitivity at the balance sheet date to a reasonably possible change in USD exchange rate, with all other variables held constant, of the Group's profit before tax due to changes in the carrying value of monetary assets and liabilities.

	Increase/(decrease) of USD exchange rate	Increase/(decrease) of total profit before tax *RMB'000*
For the six months ended 30 June 2009		
If RMB weakens against USD	(5%)	(2,261)
If RMB strengthens against USD	5%	2,261
Year ended 31 December 2008		
If RMB weakens against USD	(5%)	14,137
If RMB strengthens against USD	5%	(14,137)

Commodity price risk

The Group is exposed to risk arising from fluctuations in the prevailing market price of copper cathodes which are the major commodities produced and sold by the Group. To minimize this risk, the Group enters into commodity derivative contracts to manage the Group's exposure in relation to the forecasted sales of copper cathodes, forecasted purchases of copper cathodes and firm commitments to sell copper rods and wires.

The table below summarizes the impact on profit before tax for changes in commodity prices on the fair values of commodity derivative contracts and embedded derivatives.

10. FINANCIAL INSTRUMENTS AND RISK *(CONTINUED)*

(4) Market risk *(continued)*

Commodity price risk (continued)

	Increase/(decrease) in copper market price	**Increase/(decrease) in profit before tax** *RMB'000*
For the six months ended 30 June 2009		
RMB	30%	(133,590)
RMB	(30%)	148,857

	Increase/(decrease) in copper market price	Increase/(decrease) in profit before tax *RMB'000*
Year 2008		
RMB	30%	(81,911)
RMB	(30%)	81,911

(5) Fair values

The fair values of the Group's long-term loans and bonds payable are calculated according to similar terms and time frames and prevailing market borrowing interest rates, and there is no material difference between their fair values and carrying amounts.

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

11. COMPARATIVE FIGURES

Comparative figures have been retrospectively adjusted to apply change in accounting policy for Safety Fund (note 3 (24)) and to apply merger accounting for business combination under common control (note 6 (52)).

12. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorized for issue by the board of directors on 24 August 2009.

SUPPLEMENTARY INFORMATION TO FINANCIAL STATEMENTS

For the Six Months ended 30 June 2009
(Expressed in Renminbi Yuan)

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

	For the six months ended 30 June 2009 Net profits	and 30 June 2009 Net assets
Financial statements prepared under PRC GAAP	1,190,693,591	22,135,333,183
Adjustment in accordance with IFRSs:		
Provision of safety fund not qualified as expenses under IFRSs	68,764,826	—
Financial statements prepared in accordance with IFRSs	1,259,458,417	22,135,333,183

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

For the six months ended 30 June 2009

	Return on net assets *(%)*		Earnings per share *(RMB)*	
	Fully diluted	Weighted average	Basic	Diluted
Net profit attributable to shareholders of the Company	5.53%	5.66%	0.3976	0.3809
Net profit attributable to shareholders of the parent excluding extraordinary gains/losses	4.54%	4.65%	0.3266	0.3129

(Expressed in Renminbi Yuan)

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

For the six months ended 30 June 2008

	Return on net assets *(%)*		Earnings per share *(RMB)*	
	Fully diluted	**Weighted average**	**Basic**	**Diluted**
Net profit attributable to shareholders of the Company	14.27%	15.32%	1.0193	1.0193
Net profit attributable to shareholders of the Company excluding extraordinary gains/losses	11.99%	12.87%	0.8561	0.8561

Dilutive impact on earning per share has been taken into consideration, since during the period from the issuance of the bonds with warrants (note 6 (29)) to the balance sheet date, the average quoted market price of ordinary shares was higher than the exercise price of the warrants. No diluted earnings per share amount are presented for the year 2008 as no other dilutive events occurred during the year 2008.

(Expressed in Renminbi Yuan)

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

After non-recurring profit and loss items:

	For the six months ended 30 June 2009	For the six months ended 30 June 2008 (Restated note 11)
Net profit attributable to shareholders of the Company	**1,201,903,064**	3,081,184,410
Add: Non-recurring items		
(Gain)/loss on disposal of non-current assets	**(671,051)**	5,351,268
Loss in non-operating expense other than the disposals (gain)/loss of non-recurring assets	**(43,608,967)**	9,225,373
Gain/(loss) from disposal of a subsidiary	**(10,738,491)**	(84,448)
Effect of business combination under common control	**—**	(310,830,930)
(Gain)/loss on changes in fair value from commodity derivative contracts not qualified for hedge accounting	**(340,510,415)**	8,594,489.00
Loss/(gain) on investment from commodity derivative contracts not qualified for hedge accounting	**120,183,757**	(259,218,296)
Impact of income tax on non-recurring items	**58,676,960**	53,378,141
Net profit before non-recurring items	**985,234,857**	2,587,600,007
Less: Impact of non-recurring items attributable to minority interests	**(1,888,193)**	(102,624)
Net profit attributable to shareholders of the Company before non-recurring items	**987,123,050**	2,587,702,631

The Company's recognition of non-recurring items is in accordance with the regulations of "No.1 Interpretation on Disclosure of Companies with Public Offering of Securities issued by CSRC".