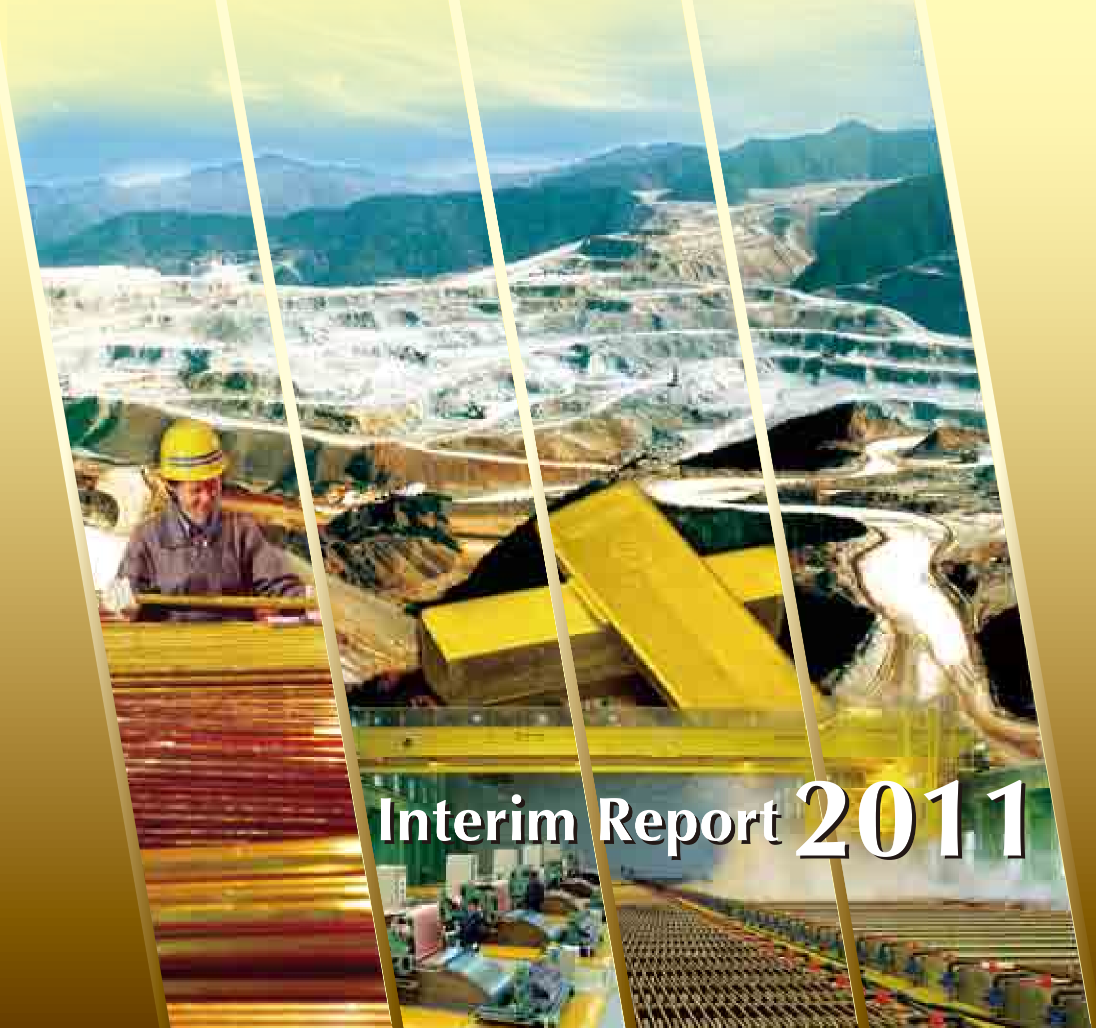
Jiangxi Copper Company Limited

(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 2011

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CORPORATE INFORMATION

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 severally and jointly accept full responsibility for the truthfulness, accuracy and completeness of the information herein contained.

(2) A Director, Mr. Gan Chengjiu was unable to attend the Board meeting, but has appointed the Chairman, Mr. Li Yihuang, to attend the Board meeting and to vote on his behalf. Save as disclosed, all other Directors attended the Board meeting.

(3) The interim financial report of the Company and its subsidiaries (the "Group") has not been audited, but the interim financial information prepared in accordance with International Accounting Standards 34 "Interim Financial Reporting" and other relevant provisions (collectively referred to as "IFRSs") 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 decision-making procedures.

(6) The Company's Chairman, Mr. Li Yihuang, the principal accounting responsible person, Mr. Gan Chengjiu, and Head of Financial Department (accounting chief), Mr. Jiang Liehui, warrant the truthfulness and completeness of the financial report set out in the interim report.

II. CORPORATE PROFILE

(I) Corporate information

Legal name of the Company in Chinese	江西銅業股份有限公司
Chinese abbreviation	江西銅業
Legal name of the Company in English	Jiangxi Copper Company Limited
English abbreviation	JCCL
Legal representative	Li Yihuang

(II) Contact persons and contact method

	Company Secretary to the Board	Securities Affairs Representative
Name	Pan Qifang	Pan Zhangfu
Address	15 Yejin Avenue, Guixi City, Jiangxi, the People's Republic of China	15 Yejin Avenue, Guixi City, Jiangxi, the People's Republic of China
Telephone	(86) 0701-3777736	(86) 0701-3777733
Facsmile	(86) 0701-3777013	(86) 0701-3777013
E-mail	jccl@jxcc.com	jccl@jxcc.com

(III) Basic information

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

(IV) Information disclosure and place of inspection

Newspapers selected by the Company for information disclosure	Shanghai Securities News
Website designated by China Securities Regulatory Commission ("CSRC") for publishing the interim report	http://www.sse.com.cn; http://www.hkex.com.hk
Place of inspection of the Company's interim report	Secretarial Office of the Board 15 Yejin Avenue, Guixi City, Jiangxi, the People's Republic of China

(V) Information on the Company's securities

Information on the Company's securities

Class of securities	Stock exchange of listing securities	Stock abbreviation	Stock code
A Shares	Shanghai Stock Exchange	Jiangxi Copper	600362
H Shares	The Stock Exchange of Hong Kong Limited (the "Stock Exchange")	Jiangxi Copper	0358

MAJOR FINANCIAL DATA AND INDICATORS

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

	For the six months ended 30 June		
	2011	2010	Increase/
	(Unaudited)	(Unaudited)	(decrease)
	(RMB'000)	*(RMB'000)*	*(%)*
Revenue	**59,062,247**	37,433,645	57.78
Profit before taxation	**5,161,931**	2,960,039	74.39
Profit for the period attributable to owners of the Company	**4,313,216**	2,199,213	96.13
Basic earnings per share *(RMB)*	**1.25**	0.73	71.23

	As at 30 June	As at 31 December	
	2011	2010	Increase/
	(Unaudited)	(Audited)	(decrease)
	(RMB'000)	*(RMB'000)*	*(%)*
Total assets	**66,516,853**	54,844,773	21.28
Total liabilities	**28,327,928**	20,307,367	39.50
Net assets attributable to owners of the Company	**37,774,948**	34,123,226	10.70
Net assets per share attributable to owners of the Company *(RMB/share)*	**10.91**	9.85	10.76

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

	As at 30 June 2011 (Unaudited) *(RMB'000)*	As at 31 December 2010 (Audited) *(RMB'000)*	Increase/ (decrease) *(%)*
Total assets	**66,516,856**	54,844,774	21.28
Net assets attributable to owners of the Company	**37,774,948**	34,123,226	10.70
Net assets per share attributable to owners of the Company *(RMB)*	**10.91**	9.85	10.76

	For the six months ended 30 June		
	2011 (Unaudited) *RMB'000*	2010 (Unaudited) *RMB'000*	Increase/ (decrease) *(%)*
Operating profit	**5,062,701**	2,818,999	79.59
Total profit	**5,076,434**	2,884,299	76.00
Net profit attributable to owners of the Company	**4,228,577**	2,124,210	99.07
Net profit after non-recurring profit and loss items attributable to owners of the Company	**3,780,273**	1,974,619	91.44
Basic earnings per share *(RMB)*	**1.22**	0.70	74.29
Basic earnings per share after non-recurring profit and loss items *(RMB)*	**1.09**	0.65	67.69
Diluted earnings per share *(RMB)*	**1.22**	0.65	87.69
Weighted average return on net assets *(%)*	**11.69**	8.87	Increased by 2.82 percentage points
Net cash inflow from operating activities	**3,952,253**	434,759	809.07
Net cash inflow from operating activities per share *(RMB)*	**1.14**	0.14	714.29

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

	For the six months ended 30 June 2011 (Unaudited) *RMB'000*
Net profit attributable to owners of the Company	**4,228,577**
Add: Non-recurring profit and loss items	
Net loss on disposal of non-current assets	**103**
Non-recurring gains from government grant	**(9,466)**
Net fair value gains from financial assets and financial liabilities held for trading, and net investment gains from disposal of financial assets and liabilities held for trading and available-for-sale financial assets, excluding effective portion of normal transactions qualified for hedge accounting	**(559,960)**
Other non-recurring items included in non-operating income and expenses	**(4,369)**
Impact of non-recurring profit and loss items on income tax	**116,202**
Net profit after non-recurring profit and loss items	**3,771,087**
Less: Impact of non-recurring profit and loss items on minority interests, net	**(9,186)**
Net profit attributable to owners of the Company after non-recurring profit and loss items	**3,780,273**

Note: The Company's recognition of non-recurring profit and loss items is in accordance with the regulations of No.1 Interpretation (CSRC [2008] No. 43) under Regulation on Information Disclosure of Companies with Public Offering of Securities issued by the CSRC.

3. RECONCILIATION BETWEEN IFRSs AND THE PRC GAAP

(1) Discrepancies between net profit and net assets in the financial report disclosed under IFRSs and PRC GAAP

	Consolidated net profit attributable to owners of the Company For the six months ended 30 June		Consolidated net assets attributable to owners of the Company	
			As at 30 June	As at 31 December
	2011 (Unaudited)	2010 (Unaudited)	**2011 (Unaudited)**	2010 (Audited)
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Financial statements prepared in accordance with PRC GAAP	**4,228,577**	2,124,210	**37,774,948**	34,123,226
Adjustments in accordance with IFRSs:				
Reversal of the safety fund expenses provided but not utilised under IFRSs during the period	**84,639**	75,003	**—**	—
Financial statements prepared in accordance with IFRSs	**4,313,216**	2,199,213	**37,774,948**	34,123,226

Note: *Difference between PRC GAAP and IFRSs refers to reversal of the safety fund expenses provided but not used under PRC GAAP in the consolidated income statement under IFRSs.*

CHANGES IN SHARE CAPITAL AND SHAREHOLDERS

(I) STATEMENT OF CHANGES IN SHARES

During the reporting period, there were no changes in total number of 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	214,477 shareholders in total, of which: 213,426 were holders of A shares and 1,051 were holders of H shares

Unit: share

Shareholdings of the top ten shareholders

Name of shareholder	Type of shareholder	Shareholding percentage (%)	Total number of shares held	Increase/(decrease) during the reporting period	Number of shares held subject to trading moratorium	Number of shares pledged or frozen
Jiangxi Copper Corporation ("JCC")	State-owned legal person	38.77	1,342,479,893	0	0	Nil
HKSCC Nominees Limited ("HKSCC")	Unknown	37.75	1,307,119,613	-4,357,000	0	Unknown
China Life Insurance Company Limited - Dividend - Individual Dividend - 005L - FH002 Shanghai (中國人壽保險股份有限公司－分紅－個人分紅－005L－FH002滬)	Unknown	0.39	13,463,690	-7,871,864	0	Unknown
Industrial and Commercial Bank of China - Guang Fa Large-cap Growth Mixed Securities Investment Fund (中國工商銀行－廣發大盤成長混合型證券投資基金)	Unknown	0.35	12,099,757	1,100,000	0	Unknown
DA ROSA JOSE AUGUSTO MARIA	Unknown	0.29	10,000,000	10,000,000	0	Unknown
Bank of Communications - E Fund 50 Index Securities Investment Fund (交通銀行－易方達50指數證券投資基金)	Unknown	0.24	8,162,781	0	0	Unknown
China Construction Bank - Yinhua-Dow Jones China 88 Select Equity Fund (中國建設銀行－銀華－道瓊斯88精選證券投資基金)	Unknown	0.22	7,509,283	7,509,283	0	Unknown
Industrial and Commercial Bank of China - SSE 50 Trading Index Securities Investment Open-ended Fund (中國工商銀行－上證50交易型開放式指數證券投資基金)	Unknown	0.21	7,411,828	930,099	0	Unknown
Agricultural Bank of China - Zhongyou Core Prime Stock Securities Investment Fund (中國農業銀行－中郵核心優選股票型證券投資基金)	Unknown	0.15	5,185,232	2,095,310	0	Unknown
Industrial and Commercial Bank of China - South Prime Stock Investment Fund (中國工商銀行－南方成份精選股票型證券投資基金)	Unknown	0.14	4,935,774	-5,190,156	0	Unknown

Shareholdings of the top ten shareholders not subject to trading moratorium

Name of shareholder	Number of shares held not subject to trading moratorium	Class of shares
JCC	1,342,479,893	Ordinary shares denominated in RMB (A Shares) 1,282,074,893 Overseas listed foreign shares (H Shares) 60,405,000
HKSCC	1,307,119,613	Overseas listed foreign shares (H Shares)
China Life Insurance Company Limited - Dividend - Individual Dividend - 005L - FH002 Shanghai (中國人壽保險股份有限公司 — 分紅 — 個人分紅 — 005L — FH002滬)	13,463,690	Ordinary shares denominated in RMB (A Shares)
Industrial and Commercial Bank of China - Guang Fa Large-cap Growth Mixed Securities Investment Fund (中國工商銀行 — 廣發大盤成長混合型證券投資基金)	12,099,757	Ordinary shares denominated in RMB (A Shares)
DA ROSA JOSE AUGUSTO MARIA	10,000,000	Overseas listed foreign shares (H Shares)
Bank of Communications - E Fund 50 Index Securities Investment Fund (交通銀行 — 易方達50指數證券投資基金)	8,162,781	Ordinary shares denominated in RMB (A Shares)
China Construction Bank - Yinhua-Dow Jones China 88 Select Equity Fund (中國建設銀行 — 銀華 — 道瓊斯88精選證券投資基金)	7,509,283	Ordinary shares denominated in RMB (A Shares)
Industrial and Commercial Bank of China - SSE 50 Trading Index Securities Investment Open-ended Fund (中國工商銀行 — 上證50交易型開放式指數證券投資基金)	7,411,828	Ordinary shares denominated in RMB (A Shares)
Agricultural Bank of China - Zhongyou Core Prime Stock Securities Investment Fund (中國農業銀行 — 中郵核心優選股票型證券投資基金)	5,185,232	Ordinary shares denominated in RMB (A Shares)
Industrial and Commercial Bank of China - South Prime Stock Investment Fund (中國工商銀行 — 南方成份精選股票型證券投資基金)	4,935,774	Ordinary shares denominated in RMB (A Shares)

The explanation of the connected relationship or parties 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 any parties acting in concert as defined in Administrative Measures on Acquisitions of Listed Companies.

(1) As 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 held 1,307,119,613 H Shares of the Company in the capacity of nominee on behalf of a number of customers, representing approximately 37.75% of the issued share capital of the Company. HKSCC is a member of Central Clearing and Settlement System, providing securities registration and custodial services for customers.

(3) At the end of the reporting period, JCC held 60,405,000 H shares of the Company, which have been registered with HKSCC and were separately listed from shares held by HKSCC as nominee when disclosed by the Company. Taking into account the H shares held by JCC, HKSCC held 1,367,524,613 shares as nominee, representing approximately 39.49% of the issued share capital of the Company.

Interests and short positions of shareholders

As at 30 June 2011, the interests and short positions of the shareholders, other than Directors, Supervisors and chief executives of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the Securities and Futures Ordinance of Hong Kong ("SFO") were as follows:

Name of shareholders	Class of shares	Capacity	Number of shares *(Note 1)*	Approximate percentage of total number of the relevant class of shares *(%)*	Approximate Percentage of total issued share capital *(%)*
JCC *(Note 2)*	Domestic shares	Beneficial owner	1,282,074,893 (L)	61.78%(L)	37.02%(L)

Note 1: *"L" means long positions in the shares;*

Note 2: *JCC also held 60,405,000 H shares, representing approximate 4.35% and 1.74% of the total number of H shares and total issued share capital of the Company, respectively, and such shares were registered with HKSCC.*

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 2011.

2. Changes in controlling shareholder and ultimate controller

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

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

On 29 March 2011, Mr. Wu Yuneng was appointed as deputy general manager of the Company at the tenth Board meeting of the fifth session of the Board held by the Company.

(III) SHAREHOLDING OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

As at 30 June 2011, 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 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 Group adhered to the development strategy and deepened its reformation by resorting to enhanced internal management and strengthened efforts in risk monitoring and prevention. The Group has overcome the adverse impact of restrictions on electricity output and floods, and all the production volume of principal products has been completed as planned, and the operating results are the best compared with same periods in history.

1. Industry Overview

In the first half of the year, the second round of quantitative monetary easing policy in the United States and the on-going depreciation of US Dollars kept pushing up the copper price. However, such momentum was curbed under the impact of the debt crisis and geopolitical crisis in Europe and America, the sluggish recovery of the global economy and the tightening macro-monetary policy in China. The boom and bust in prices of global commodities as a whole has ended, but the consolidated prices were still at its high.

During the reporting period, the average monthly closing price of three-month copper futures on London Metal Exchange ("LME") was US$9,408 per tonne, representing an increase of US$2,249 per tonne or 31.41% as compared with the same period last year. Weighted average price of three-month copper futures on the Shanghai Futures Exchange (inclusive of tax) was RMB70,125 per tonne, representing an increase of RMB12,418 per tonne or 21.52% as compared with the same period last year.

As to joint-products, gold and silver repeatedly recorded high prices during the same period; sulphuric acid, sulphuric concentrate and rare metals also recorded a substantial increase in prices as compared with the same period last year.

The copper smelting processing fee, though lingering around the lowest level in history, saw a rebound as compared with the same period last year.

Generally speaking, the enduring high commodity price is favorable to the operation of the Group, but it also brings a more severe challenge in aspects such as financing, sales and risk control for the down-stream processing enterprises of the Group.

2. **Business Review**

During the reporting period, operating results of the Group had increased substantially. According to the unaudited consolidated financial statements prepared under PRC GAAP, the operating revenue of the Group amounted to RMB59,318.43 million, representing an increase of RMB21,747.94 million or 57.89% over the same period last year. Operating profit amounted to RMB5,062.70 million, representing an increase of RMB2,243.70 million or 79.59% over the same period last year. Net profit attributable to shareholders of the Company amounted to RMB4,228.58 million, representing an increase of RMB2,104.37 million or 99.07% over the same period last year. Basic earnings per share was RMB1.22, representing an increase of RMB0.52 or 74.29% over the same period last year.

During the reporting period, the Group fulfilled the production volume as planned. The Group produced 485,000 tonnes of copper cathode (including processed copper cathode), representing a growth of 7.30% over the same period last year (2010 interim: 452,000 tonnes). Compared with the same period last year, the production of gold increased by 23.30% to 12,840 kg (2010 interim: 10,414 kg); while the production of silver increased by 25.74% to 298 tonnes (2010 interim: 237 tonnes). The production of copper rods and wires increased by 3.02% to 205,000 tonnes as compared with the same period last year (2010 interim: 199,000 tonnes). Sulphuric acid decreased by 1.64% to 1,200,000 tonnes as compared with the same period last year (2010 interim: 1,220,000 tonnes). The production of sulphuric concentrate reached 830,000 tonnes, representing an increase of 9.21% over the same period last year (2010 interim: 760,000 tonnes). Copper concentrates (containing copper) increased by 14.29% to 96,000 tonnes as compared with the same period last year (2010 interim: 84,000 tonnes). Production of molybdenum concentrate (45%) was 2,367 tonnes, representing an increase of 4.78% as compared with the same period last year (2010 interim: 2,259 tonnes). Production of copper processing products other than copper rods and wires increased by 6.45% to 33,000 tonnes over the same period last year (2010 interim: 31,000 tonnes).

(II) PRINCIPAL OPERATIONS AND PERFORMANCE

1. Principal operations by industry and products

Unit: '000 Currency: RMB

By industry and by products	Operating revenue	Operating cost	Operating profit margin (%)	Increase/(decrease) in operating revenue over the same period last year (%)	Increase/(decrease) in operating cost over the same period last year (%)	Increase/(decrease) in operating profit margin over the same period last year (%)
By industry						
Copper cathodes	34,946,581	32,772,370	6.22	75.14	76.78	Decreased by 0.87 percentage point
Copper rods and wires	13,136,119	12,035,649	8.38	23.08	22.17	Increased by 0.69 percentage point
Copper processing products	2,162,818	2,072,726	4.17	34.11	35.68	Decreased by 1.11 percentage points
Precious metals (gold and silver)	6,279,931	4,753,781	24.30	78.81	75.68	Increased by 1.34 percentage points
Chemical products	1,209,896	554,308	54.19	43.05	-0.48	Increased by 20.05 percentage points
Rare metals	404,438	302,892	25.11	32.27	104.27	Decreased by 26.39 percentage points
Other non-ferrous metals	798,316	784,073	1.78	158.96	157.34	Increased by 0.62 percentage point
Other products	263,700	89,526	66.05	-11.13	-53.47	Increased by 30.90 percentage points
Sub-total	59,201,799	53,365,325	9.86	57.84	57.76	Increased by 0.05 percentage point
Other operations	116,632	51,991	55.42	83.38	79.61	Increased by 0.94 percentage point
Total	59,318,431	53,417,316	9.95	57.89	57.78	Increased by 0.06 percentage point

1) *Copper cathodes*

During the reporting period, operating revenue from copper cathodes increased by RMB14,993.61 million or 75.14% over the same period last year, mainly resulting from the increase in the selling price and sales volume of copper cathodes as compared with the same period last year. Operating costs of copper cathodes increased by RMB14,233.68 million or 76.78% as compared with the same period last year due to the increase in purchase prices of outsourced materials as well as sales volume. The operating profit of copper cathodes for the first half of the year increased by RMB759.93 million or 53.73% as compared with the same period last year while operating profit margin for the current period decreased from 7.09% for the same period last year to 6.22%.

2) *Copper rods and wires*

During the reporting period, operating revenue from copper rods and wires increased by RMB2,463.56 million or 23.08% over the same period last year, mainly due to the increase in selling price of copper rods and wires as compared with the same period last year. Operating costs of copper rods and wires increased by RMB2,183.98 million or 22.17% as compared with the same period last years, mainly due to the increase in purchase price of outsourced materials. Operating profit of copper rods and wires increased by RMB279.58 million or 34.06% as compared with the same period last year while operating profit margin for the current period increased from 7.69% for the same period last year to 8.38%.

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

During the reporting period, following the expansion in the Group's processing capacity and the increase in selling price of copper processing products, operating revenue of copper processing products other than copper rods and wires increased by RMB550.05 million or 34.11% as compared with the same period last year. Operating costs increased by RMB545.04 million or 35.68% as compared with the same period last year due to the increase in both the quantity and price of outsourced materials. Operating profit increased by RMB5.02 million or 5.90% as compared with the same period last year while operating profit margin for the current period decreased from 5.28% for the same period last year to 4.17%.

4) *Precious metals (gold and silver)*

During the reporting period, operating revenue of precious metals increased by RMB2,767.85 million or 78.81% as compared with the same period last year due to the increase in sales volume and selling price. Operating costs of precious metal increased by RMB2,047.91 million or 75.68% as compared with the same period last year due to the increase in the price of outsourced materials of precious metals. Operating profit of precious metals increased by RMB719.94 million or 89.30% as compared with the same period last year while operating profit margin for the current period increased from 22.96% for the same period last year to 24.30%.

5) *Chemical products (sulphuric acid, sulphuric concentrate, etc.)*

During the reporting period, operating revenue from chemical products increased by RMB364.13 million or 43.05%, mainly due to the increase in the selling price as compared with the same period last year. Operating costs of chemical products decreased by RMB2.69 million or 0.48%. Operating profit of chemical products increased by RMB366.82 million or 127.03% as compared with the same period last year while operating profit margin for the current period increased from 34.14% for the same period last year to 54.19%.

6) *Rare metals*

During the reporting period, the surge in prices of rare metals resulted in an increase of RMB98.68 million or 32.27% in its operating revenue as compared with the same period last year. Operating costs of rare metals increased by RMB154.61 million or 104.27%. Operating profit of rare metals saw a decline of RMB55.93 million or 35.52% as compared with the same period last year while operating profit margin for the current period decreased from 51.50% for the same period last year to 25.11%.

7) *Other non-ferrous metals*

During the reporting period, increase in sales volume and selling price of non-ferrous metals led to an increase of RMB490.04 million or 158.96% in the operating revenue of other non-ferrous metals over the same period last year. Operating cost of other non-ferrous metals increased by RMB479.38 million or 157.34% while operating profit of other non-ferrous metals increased by RMB10.66 million or 296.91% as compared with the same period last year. Operating profit margin for the current period increased from 1.16% for the same period last year to 1.78%.

8) *Other products*

During the reporting period, operating revenue of other products decreased by RMB33.01 million or 11.13% as compared with the same period last year; operating costs decreased by RMB102.89 million or 53.47%; operating profit increased by RMB69.88 million or 67% as compared with the same period last year; and operating profit margin for the current period increased from 35.15% for the same period last year to 66.05%.

II. Principal operation by geographical areas

Unit: '000 Currency: RMB

Geographical areas	**Operating revenue**	**Increase/ (decrease) in operating revenue over the same period last year** *(%)*
Mainland China	54,176,945	55.48
Hong Kong	4,216,450	99.72
Others	808,404	232.11
Total	59,201,799	59.15

(III) INVESTMENT OF THE COMPANY

1. Use of raised proceeds

Unit: 0'000 Currency: RMB

Year of fund raising	Method of fund raising	Total proceeds	Total utilised proceeds during the reporting period	Accumulative total utilised proceeds	Total unutilised proceeds *(Note 1)*	Use and allocation of unutilised proceeds
2007	Non-public issuance	396,474	3,802	356,987	39,487	To be allocated to projects undertaken by the Group during the fund raising
2010	Warrants	674,360	43,469	495,593	178,767	To be allocated to projects undertaken by the Group during the fund raising
Total	/	1,070,834	47,271	852,580	218,254	/

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
1) Projects financed by proceeds from non-public issue of A Shares								
Expansion project of Phase II Chengmenshan Copper Mine	No	49,800	31,660	Yes	64%	Chengmenshan Copper Mine can increase its mining and milling capacity to 7,000 tonnes of ores per day, and can produce copper concentrates containing 14,816.93 tonnes of copper, 25,814.42 tonnes of sulfur, 232 kg of gold and 15,142kg of silver and 607,150 tonnes of sulfur concentrate (standard sulfur concentrate of 703,541.55 tonnes) per annum.	Under construction, no earnings realised yet	Yes
Technology renovation project for conversion of the open-pit mining to underground mining of Yongping Copper Mine	No	37,852	36,311	Yes	98%	As Yongping Copper Mine has proven reserve of 65.80 million tonnes of ores, average copper grade of 0.59%, and copper metal of 390,000 tonnes, the implementation of the project could fully recycle and utilise such resources.	Under construction, no earnings realised yet	Yes
Renovation project of open-pit mining technology for Fujiawu Copper Mine	No	30,056	22,753	Yes	84%	The service life of Dexing Copper Mine can be extended	Under construction, no earnings realised yet	Yes
Project for remaining heat re-cycling and comprehensive utilisation of Jiangxi Copper	No	27,261	25,133	Yes	100%	Steam load in engineering boiler utilisation plant will decrease and emissions of off-gas, dust and sulfur dioxide will also be reduced	Achieved expected goal	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
Expansion project of anode mud comprehensive utilisation of Jiangxi Copper	No	19,427	10,013	Yes	100%	Increase the production of gold and silver	Achieved expected production capacity	Yes
Stove mining project expansion of Jiangxi Copper	No	18,953	18,687	Yes	100%	Increase the rate of copper recovery by nearly 1% and approximately 2,000 tonnes of additional copper can be recovered from slag per annum	Achieved expected production capacity	Yes
Technology renovation project for expansion of the processing capacity of Wushan Copper Mine to 5,000 tonnes per day	No	12,024	11,329	Yes	100%	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	Achieved expected production capacity	Yes
Supplemental working capital *(Note 1)*	No	22,567	22,567	Yes	100%	Can be allocated flexibly with working capital	Reduce financial expenses	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
2) Projects financed by proceeds from exercise of warrants								
Technical renovation engineering of enlarging production scale of Dexing Copper Mine	No	258,000	186,314	Yes	72%	Upon completion of the expansion, Dexing Copper Mine can increase its mining and milling capacity of ores from 100,000 tonnes per day to 130,000 tonnes per day, and can increase the output of copper concentrates containing 41,000 tonnes of copper, 61kg of gold and 25.3 tonnes of silver, 1,614 tonnes of molybdenum and 87,597 tonnes of sulfur per annum, which will increase the self-sufficiency rate of raw materials of the Group and bode well for investment benefits.	Under construction, no earnings realised yet	Yes
Tender and development of the exploration rights of copper mine in Afghanistan	No	120,000	12,919	Yes	/	Upon completion of the project construction, the Company will strengthen its control and profitability over copper resources.	Under construction, no earnings realised yet	Yes
Acquisition of equity interests in Northern Peru Copper Corp.	No	130,000	130,000	Yes	/	Upon completion of the project construction, the Company will strengthen its control and profitability over copper resources.	Under construction, no earnings realised yet	Yes
Supplemental working capital *(Note 1)*	No	166,360	166,360	Yes	100%	Adjust the corporate liability structure, strengthen the capability against risks; reduce financial cash flow expenditure, and improve the corporate operating benefits.	Reduce financial costs with a decrease in the short-term liability structure and in turn a more reasonable liability structure	Yes
Total	/	1,070,834	852,580	/	/	/	/	/

Note 1: According to the Proposal on the Use of Part of the Idle Proceeds as Supplemental Working Capital (《關於使用部分閑置募集資金補充流動資金議案》) considered and passed at the 10th meeting of the fifth Board of the Company, to avoid leaving the raised proceeds idled and in order to increase the efficacy of the use of proceeds, the Company used RMB200 million out of the proceeds raised from non-public issue of A shares and RMB670 million out of the proceeds raised from the exercise of the warrant to replenish the working capital provisionally during the reporting period, on the premise of ensuring that the projects invested by raised proceeds and the use of proceeds will be not affected. The provisional use of idle proceeds of RMB870 million as supplemental working capital by the Company will be within a term of a maximum of 6 months. The Company also undertook that before the expiry of the period for the use of idle proceeds as supplemental working capital, in the event that the use of proceeds is required due to acceleration in the progress of any of the projects financed by the proceeds, the Company will return the part of proceeds used as working capital promptly to the designated account for the proceeds to ensure smooth implementation of the projects financed by the proceeds. The Company's provisional use of the idle proceeds as the supplemental working capital complied with the relevant requirements under the Administrative Regulations Governing Fund Raisings by Listed Companies on the Shanghai Stock Exchange* (《上海證券交易所上市公司募集資金管理規定》), the Articles of Association and the Administrative Regulations over the Use of Proceeds of the Company* (《公司募集資金使用管理辦法》) and is in compliance with approval procedures. The provisional use of part of the idle proceeds by the Company as supplemental working capital was in favour of increasing the efficacy of the use of proceeds and reducing the Company's financial expenses. The provisional use of raised proceeds by the Company as supplemental working capital did not constitute a change in use of proceeds and was in the interest of the Company and its Shareholders as a whole.*

1) Expansion project of Phase II of Chengmenshan Copper Mine

The Company intended to invest RMB498 million in the project, all of which will be raised through proceeds from non-public issue of A Shares. During the reporting period, the actual amount invested by raised proceeds in the project amounted to RMB25.83 million. As at the end of the reporting period, the actual accumulated amount invested by raised proceeds amounted to RMB316.60 million, representing 63.57% of the planned investment amount in the project.

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

The Company intended to invest a total of RMB387.54 million in the project, of which RMB378.52 million would be financed through proceeds from 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 RMB4.38 million. As at the end of the reporting period, the accumulated amount invested by proceeds from non-public issue of A Shares amounted to RMB363.11 million, completed total investment of RMB382.21 million, representing 98.62% of the planned investment amount in the project.

* *for identification purpose only*

3) Renovation project of open-pit mining technology for Fujiawu Copper Mine

The Company intended to invest a total of RMB1,052.54 million in the project, of which RMB300.56 million would be financed through proceeds from non-public issue of A shares and RMB751.98 million would be invested by internal resources. During the reporting period, RMB7.68 million financed by raised proceeds from non-public issue of A shares was used in the project. As at the end of the reporting period, the accumulated amount financed by the raised proceeds from non-public issue of A shares amounted to RMB227.53 million, the accumulated investment amount was RMB886.35 million, representing 84.21% of the planned investment amount in the project.

4) Project for remaining heat re-cycling and comprehensive utilisation of Jiangxi Copper

The Company intended to invest RMB272.61 million in the project, of which RMB251.33 million from proceeds from non-public issue of A Shares has been used. The project was completed in 2008.

5) Expansion project of anode mud comprehensive utilisation of Jiangxi Copper

The Company intended to invest a total of RMB195.74 million in the project, of which the accumulated amount of RMB100.13 million was financed through raised proceeds from non-public issue of A shares. The project completed construction during the period.

6) Stove mining project expansion of Jiangxi Copper

The Company intended to invest a total of RMB212.14 million in the project, of which the accumulated amount of RMB186.87 million was financed through raised proceeds from non-public issue of A shares. The project completed construction during the period.

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

The Company intended to invest a total of RMB257.32 million in the project. During the reporting period, RMB0.13 million financed by raised proceeds from non-public issue of A shares was used in the project. As at the end of the reporting period, the accumulated amount financed by the raised proceeds from non-public issue of A shares amounted to RMB113.29 million. The project completed construction during the period.

8) Technical Renovation Engineering of Enlarging Production Scale of Dexing Copper Mine

The Company intended to invest a total of approximately RMB2,580 million in the project. During the reporting period, the actual amount invested by raised proceeds in the project amounted to RMB123.64 million. As at the end of the reporting period, the accumulative investment recorded RMB1,863.14 million, accounting for 72.21% of the planned investment amount. Upon completion of the project, Dexing Copper Mine can increase its mining and milling capacity of ores from 100,000 tonnes per day to 130,000 tonnes per day, and increase the output of copper concentrates containing 41,000 tonnes of copper, 61kg of gold and 25.3 tonnes of silver, 1,614 tonnes of molybdenum and 87,597 tonnes of sulfur per annum, which will increase the self-sufficiency rate of raw materials of the Group and bode well for investment benefits.

9) Tender and development of the exploration 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 which the Company holds 25% equity interest. At present, the preparation work for the development of the copper mine is in progress. During the reporting period, the actual new investment of the project amounted to RMB71.06 million. As at the end of the reporting period, the accumulative investment in such project amounted to RMB129.19 million.

10) Acquisition of the equity interests in Northern Peru Copper Corp.

The Company had joined with China Minmetals Non-ferrous Metals Company Limited and invested RMB460 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. An addition of RMB600 million was invested in the project in 2010. During the reporting period, the actual investment amount was RMB240 million. As at the end of the reporting period, the accumulated investment in such project amounted to RMB1,300 million.

3. Progress of projects financed by non-raised proceeds

Unit: 0'000 Currency: RMB

Project name	Proceeds for project	Progress of project	Earnings from project
Expansion Project for Electrolyze	29,479	100%	Achieved expected production capacity
No.5 Mine Exploitation Project	13,000	66%	Under construction, no earnings realised yet
300,000-tonne Copper Smelting Project	309,953	88%	Under construction, no earnings realised yet
4,000-tonne Copper Foil Technology Renovation Project	26,800	100%	Achieved expected production capacity
5,000-tonne per Day Mining and Milling Technical Renovation at Jiuqu Copper-gold Mine	49,960	59%	Under construction, no earnings realised yet
Newly-established gangue reservoir for Wushan Copper Mine	32,778	44%	Under construction, no earnings realised yet
Liujiagou Gangue Reservoir for Chengmenshan Copper Mine	31,831	45%	Under construction, no earnings realised yet
Donggou Dump Pit Project for Chengmenshan Copper Mine	19,707	57%	Under construction, no earnings realised yet
Block D of Poly Plaza (保利廣場D樓)	60,058	98%	Under construction, no earnings realised yet
Total	573,566	/	/

1) *Expansion Project for Electrolyze*

The Company intended to invest a total of RMB294.79 million in the project. As at the end of the reporting period, the accumulated amount invested in the project was RMB268.03 million. The project completed construction during the period, upon which the average production volume of refined copper cathode can reach 160,000 tonnes per annum.

2) *No. 5 Mine Exploitation Project*

The Company intended to invest a total of RMB130 million in the project. During the reporting period, the actual investment in the project amounted to RMB11.03 million. As at the end of the reporting period, the accumulated amount invested in the project amounted to RMB86.43 million, representing 66% of the planned investment amount in the project.

3) *300,000-tonne Copper Smelting Project*

The Company intended to invest a total of RMB3,099.53 million in the project. During the reporting period, the actual investment in the project amounted to RMB64.24 million. As at the end of the reporting period, the accumulated amount invested in the project amounted to RMB2,713.98 million, representing 88% of the planned investment amount in the project.

4) *4,000-tonne Copper Foil Technology Renovation Project*

The Company intended to invest a total of RMB268 million in the project. As at the end of the reporting period, the accumulated amount invested in the project amounted to RMB248.05 million. The project completed construction during the period, upon which the annual production volume of copper foil will increase by 4,000 tonnes.

5) *5,000-tonne per Day Mining and Milling Technical Renovation at Yinshan Jiuqu Copper-gold Mine*

The Company intended to invest a total of RMB499.60 million in the project. During the reporting period, the actual investment in the project amounted to RMB104.26 million. As at the end of the reporting period, the accumulated amount invested in the project amounted to RMB297.02 million, representing 59% of the planned investment amount in the project. Upon completion, the project could produce copper concentrates containing 6,821 tonnes of copper, 359 kg of gold and 5,999 kg of silver per annum.

6) *Newly-established Gangue Reservoir for Wushan Copper Mine*

The Company intended to invest a total of RMB327.78 million in the project. During the reporting period, the actual investment in the project amounted to RMB42.31 million. As at the end of the reporting period, the accumulated amount invested in the project amounted to RMB144.73 million, representing 44% of the planned investment amount in the project.

7) *Liujiagou Gangue Reservoir for Chengmenshan Copper Mine*

The Company intended to invest a total of RMB318.31 million in the project. During the reporting period, the actual investment in the project amounted to RMB75.95 million. As at the end of the reporting period, the accumulated amount invested in the project amounted to RMB144.51 million, representing 45% of the planned investment amount in the project.

8) *Donggou Dump Pit Project for Chengmenshan Copper Mine*

The Company intended to invest a total of RMB197.07 million in the project. During the reporting period, the actual investment in the project amounted to RMB20.35 million. As at the end of the reporting period, the accumulated amount invested in the project amounted to RMB113.27 million, representing 57% of the planned investment amount in the project.

9) *Block D of Poly Plaza* (保利廣場D樓)

The Company intended to invest a total of RMB600.58 million in the project. During the reporting period, the actual amount invested in the project was RMB2.20 million. As at the end of the reporting period, the accumulated amount invested in the project amounted to RMB588.47 million, representing 98% of the planned investment amount in the project. Block D of Poly Plaza is a commercial property acquired by the Group in Shanghai and is undergoing refurbishment.

(IV) ANALYSIS ON FINANCIAL POSITION DURING THE REPORTING PERIOD

1. Financial Position

As at the end of the reporting period, the total assets of the Group amounted to RMB66,516.86 million, representing an increase of RMB11,672.08 million or 21.28% as compared with the beginning of the period, in which:

(1) the balance of cash and bank amounted to RMB16,720.26 million, representing an increase of RMB10,417.01 million or 165.26% as compared with the beginning of the period, primarily due to higher net profit and significant increase in bank borrowings;

(2) Held-for-trading financial assets increased by RMB294.08 million mainly due to increase in assets arising from the lease of gold measured at fair value;

(3) the balance of notes receivable amounted to RMB3,983.17 million, representing an increase of RMB1,169.46 million or 41.56% as compared with the beginning of the period, primarily due to the fact that the Group preferred to hold notes up to their expiry date in view of a higher discount rate of notes, as well as the increase in the proportion of settlement by notes by customers under a greater pressure on fund;

(4) the balance of available-for-sale financial assets (including current and non-current portions) amounted to RMB3,030.08 million, representing an increase of RMB1,800 million or 146.33% as compared with the beginning of the period, primarily due to the increase in investment in financial products of banks held by Jiangxi Copper Corporation Finance Company Limited ("Finance Company"), a subsidiary of the Group;

(5) the balance of interest receivables amounted to RMB68.10 million, representing an increase of RMB39.58 million or 138.78% as compared with the beginning of the period, primarily due to the notable increase in interest receivables arising from the increase in time deposits.

As at the end of the reporting period, the balance of the total liabilities of the Group amounted to RMB28,327.93 million, representing an increase of RMB8,020.56 million or 39.50% as compared with the beginning of the period, in which:

(1) the balance of short-term borrowings amounted to RMB10,964.83 million, representing an increase of RMB7,369.12 million or 204.94% as compared with the beginning of the period, primarily due to the increase in foreign currency borrowings;

(2) held-for-trading financial liabilities increased by RMB359.62 million, mainly due to the increase in financial liabilities arising from lease of gold measured at fair value;

(3) the balance of advances from customers amounted to RMB1,067.74 million, representing an increase of RMB594.83 million or 125.78% as compared with the beginning of the period, primarily due to the increase in production and sales volume, the surge of prices and the expansion of trading scale;

(4) the balance of employees benefits payable (including current and non-current portions) amounted to RMB632.63 million, representing an increase of RMB198.54 million or 45.74% as compared with the beginning of the period, primarily due to the increase in labour costs and unpaid provisions made for employee salaries;

(5) the balance of tax payable amounted to RMB1,217.48 million, representing an increase of RMB349.93 million or 40.34% as compared with the beginning of the period, primarily due to the significant increase in balance of value-added tax payable;

(6) the balance of interest payables amounted to RMB86.89 million, representing an increase of RMB49.50 million or 132.36% as compared with the beginning of the period, primarily due to the increase in provisions made for unpaid interest at the end of the reporting period arising from the increase in borrowings and the rise of interest rate;

(7) the balance of dividend payable amounted to RMB695.33 million, representing an increase of RMB695.33 million as compared with the beginning of the period, primarily due to that final cash dividend for year 2010 which has not been paid yet as at the end of the current period;

(8) the balance of other current liabilities amounted to RMB1,518.08 million, representing a decrease of RMB1,300.87 million or 46.15% as compared with the beginning of the period, primarily due to the decrease in fair value loss of RMB607.45 million and RMB534.45 million from commodity derivative contracts and provisional price arrangement, respectively, and a decrease of approximately RMB250 million from financial assets sold under repurchase agreement by Finance Company.

During the reporting period, the net profit of the Group attributable to owners of the Company amounted to RMB4,228.58 million, representing an increase of RMB2,104.37 million or 99.07% as compared with the same period last year, in which:

(1) the operating revenue amounted to RMB59,318.43 million, representing an increase of RMB21,747.94 million or 57.89% as compared with the same period last year. Please refer to the analysis in the sub-section headed "Principal Operations and Performance" under the section headed "Report of the Board" of this report for details;

(2) the operating costs amounted to RMB53,417.32 million, representing an increase of RMB19,562.07 million or 57.78% as compared with the same period last year, primarily due to the increase in sales volume as well as the market prices of raw materials during the first half of the year;

(3) Operating taxes and surcharges amounted to RMB256.18 million, representing an increase of RMB119.34 million or 87.21% as compared with the same period last year, primarily due to the increase in cities construction tax, education supplementary tax and resource tax as compared with the same period last year;

(4) general and administrative expenses amounted to RMB763.90 million, representing an increase of RMB295.71 million or 63.16% as compared with the same period last year, primarily due to the increase in employee benefits arising from the rise in labor costs;

(5) provision for impairment of assets amounted to RMB3.88 million, representing a decrease of RMB79.37 million or 95.34% as compared with the same period last year, primarily due to the increase in market price of products, leading to the decrease in loss of value of the inventories;

(6) gain from changes in fair value amounted to RMB334.30 million, representing an increase of RMB307.06 million or 1127.11% as compared with the same period last year, primarily due to reversal of unrealised losses from outstanding commodity derivative contracts which were not qualified for hedge accounting carried forward from the end of last year;

(7) investment income amounted to RMB275.10 million, representing an increase of RMB137 million or 99.20% as compared with the same period last year, primarily due to the increase in gains from settlement of commodity derivative contracts which are not qualified for hedge accounting and the increase in investment income arising from financial products of banks;

(8) non-operating income amounted to RMB20.54 million, representing a decrease of RMB57.90 million or 73.81% as compared with the same period last year, primarily due to the decrease in subsidy income of imported copper concentrates in the first half of the year;

(9) non-operating expenses amounted to RMB6.81 million, representing a decrease of RMB6.33 million or 48.17% as compared with the same period last year, primarily due to the decrease in losses on disposal of fixed assets in the first half of the year.

2. Capital structure

As at the end of the reporting period, the total assets of the Group increased to RMB66,516.86 million from RMB54,844.77 million as at the beginning of the period, the total liabilities increased to RMB28,327.93 million from RMB20,307.37 million as at the beginning of the period. Gearing ratio was 42.59%, representing an increase of 5.56 percentage points as compared with the beginning of the period. Capital-liabilities ratio (liabilities/shareholders' equity) was 74.18%, representing an increase of 15.38 percentage points as compared with the beginning of the period.

3. Cash flow

(1) The net cash inflow from operating activities amounted to RMB3,952.25 million, representing an increase of RMB3,517.49 million as compared with the same period last year, mainly due to: (1) an increase of RMB2,116.41 million in net profit as compared with the same period last year; (2) inventories decreased by RMB2,396.43 million as compared with the beginning of the period, while inventories increased by RMB145.74 million during the same period last year as compared with the beginning of the period. As a result, net cash inflow arising from the decrease in inventories increased by RMB2,542.17 million as compared with same period last year; (3) an increase of RMB3,567.32 million in operating receivables as compared with the beginning of the period, offset by an increase of RMB3,266.48 million as compared with the same period last year, led to a decrease of RMB300.83 million in net operating cash inflow; (4) an increase of RMB461.54 million in operating payables as compared with the beginning of the period, offset by an increase of RMB905.93 million as compared with the same period last year, led to a decrease of RMB444.39 million in net operating cash inflow.

(2) The net cash outflow from investing activities amounted to RMB3,097.90 million, representing an increase of RMB2,211.15 million as compared with the same period last year, of which the cash inflow from investing activities increased by RMB16,236.68 million, mainly due to an increase of RMB16,190.15 million from settlement of financial products held by Finance Company during the current period; the cash outflow from the investing activities increased by RMB18,447.83 million, mainly due to an increase of RMB18,158.36 million in investment in financial products held by Finance Company during the current period.

(3) The net cash flow from financing activities amounted to RMB6,536.92 million, representing an increase of RMB5,756.79 million as compared with the same period last year, primarily due to an increase in foreign currency bank borrowings.

(V) PROSPECT FOR THE SECOND HALF OF THE YEAR

Given the slowdown in the global economic recovery, in particular in developed regional economies such as Europe and the United States, as well as the debt crisis in the United States and Europe, the prospect of a sustained economic recovery is dim. In light of a consistently weak greenback and soaring commodity prices worldwide, the inflation environment will hardly be improved in the near term, and the macro-control so arises will continue as well. In China, the economy will see a steady but decelerating growth in the second half of the year. Under such circumstances, prices of the Group's products such as copper, gold, silver and rare metals are unlikely to experience any substantial fall. However, downstream copper enterprises will be subject to pressure on both sales and fund brought about by the macro-control, thus affecting the actual demand for copper.

Accordingly, in addition to pushing ahead its resource-oriented development strategy in the second half of the year, the Group will strengthen market research and internal control with specific focus on averting risks:

1. Complete construction of projects in progress

   At the heart of the plan is to press ahead the construction of 5,000 tonnes/day technical improvement of Yinshan Mine and No.5 mine exploitation project of Dongtong Mine to increase the production volume of the Group's self-produced mines, and to make use of existing facilities to build up smelting and copper processing capacity for enhancing economies of scale. The Group will work hard on development of projects such as the technological renovation project for additional capacity of 50,000 tonnes of copper cathode at Guixi Smelter and phase II precise pipe project at Jiangxi Copper Longchang. To further optimise its industry layout, the Group will set up the construction of 400,000-tonne copper rod project in Zengcheng, Guangzhou. It will also strive for early commissioning of Phase I 600,000-tonne pyrites project at Dexing, the expansion project on consolidated recycling of Guixi Smelter and other energy saving and integrated consolidated utilisation projects for the most efficient use of its resources. In addition, the Group endeavours to assist in the construction of the Aynak Copper Mine project in Afghanistan and the copper mine construction project of Northern Peru Copper Corp..

2. Enforce risk control and prevention

Risk control is to be strengthened and management over receivables is to be tightened to maintain a reasonable scale of receivables. A more stringent credit monitoring of major customers will be exercised, together with a stricter control over the size of inventories through a stronger management on the inventory levels of copper raw materials, products in progress and finished products. With these initiatives, the Group aims to prevent loss making due to price fluctuations and refrain from fund appropriation.

3. Shift to new business ideology and reinvent marketing modes

In recent years, the processing fees of copper concentrates have been sustainably low. Competitions over blister and scrap copper have thus become more intense and procurement of raw materials has become more difficult. The downstream copper processing products are, however, in a highly competitive market. In the second half of the year, the Group will conscientiously explore new marketing modes throughout its marketing practices, partly by enhancing cooperation between the marketing department and other business departments to seek a marketing mode that will align traditional trading practices with modern financial means, both virtually and in practice. Using commodity and leveraging the synergy among the trading flow, futures flow and capital flow so incurred, the Group aims to realise operation revenue. Second, on raw materials procurement, the Group will optimise its raw materials structure and selection of suppliers, so as to shift from the concept of safeguarding supply to the concept of maintaining both stable supply and higher profits.

4. Establish and refine the internal control system

The establishment of an internal control system is one of the main agendas of the Group this year. In compliance with the "Basic Rules of Enterprise Internal Control"(《企業內部控制制度》) and the "Guidance on Enterprise Internal Control"(《企業內部控制配套指引》), the Group has conformed to its actual conditions and established a new internal control framework which will be promoted and implemented within the Group in the second half of the year.

(VI) WARNING AND EXPLANATION IN THE FORECAST OF ANY POSSIBLE LOSS IN ACCUMULATED NET PROFIT FROM THE BEGINNING OF THE YEAR TO THE END OF NEXT REPORTING PERIOD OR ANY MATERIAL CHANGES COMPARED TO THE CORRESPONDING PERIOD LAST YEAR

Based on the Group's preliminary assessment, if there is no significant decrease in the selling price of products during the third quarter of 2011 as compared with the first half of 2011, the increase in accumulated profit for the nine months ended 30 September 2011 (prepared in accordance with PRC GAAP) will exceed 50% as compared with the same period last year.

SIGNIFICANT EVENTS

(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 standardised 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 duly performed their respective duties and operated in accordance with the laws. The Company implemented relevant procedures and timely disclosed information in respect of use of proceeds and significant investments according to relevant requirements.

During the reporting period, the Company formulated and revised the Investor Relations Management Systems《投資者關係管理制度》, Work Rules for the Secretary to the Board (《董事會秘書工作制度》), Rules of Procedures for the Board《董事會議事規則》, the Program on Specification and Implementation of Internal control (《內部控制規範和實施方案》) and other regimes and documents.

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

The Company's profit distribution plan for 2010 was to distribute a cash dividend of RMB2 (inclusive of tax) for every ten shares to all shareholders. The profit distribution plan was approved at the annual general meeting of the Company held on 9 June 2011. On 28 July 2011 and 25 July 2011, the Company distributed a cash dividend of RMB0.2 (inclusive of tax) per share to the holders of H shares whose names appeared on the register of H shares of the Company on 9 June 2011 and to holders of A shares whose names appeared on the register of A shares of the Company on 21 July 2011, respectively.

(III) PROPOSAL FOR PROFIT DISTRIBUTION AND CONVERSION OF SURPLUS RESERVES INTO SHARE CAPITAL FOR THE FIRST HALF OF THE YEAR

The articles of association of the Company specifies 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.

In the first half of 2011, the Company's dividend distribution plan is to distribute cash dividend of RMB2 (inclusive of tax) for every ten shares ("Distribution Plan"). The Distribution Plan will be subject to the shareholders' approval in the forthcoming special general meeting of the Company and the dates of the special general meeting as well as the relevant book closure for the Distribution Plan are yet to be determined. Further announcement will be made by the Company as soon as the dates of the special general meeting and the relevant book closure are known.

(IV) MATERIAL LITIGATIONS AND ARBITRATIONS

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

(V) MATTERS RELATING TO BANKRUPTCY AND RESTRUCTURING

The Company had no matters related to bankruptcy and restructuring during the reporting period.

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

1. Investment in securities

No.	Securities type	Securities code	Securities abbreviation	Initial investment Cost *(RMB)*	Number of securities held *(Share)*	Carrying amount as at the end of the period *(RMB)*	As a percentage of the investment in securities as at the end of the period *(%)*	Profit and loss occurred in the reporting period *(RMB)*
1	Stock	002405	NAVINFO	1,705,651	79,953	2,490,536	72.74	793,879
2	Stock	002393	LISHENGPHARMA	1,050,075	23,335	933,400	27.26	-97,774
Profit and loss on securities disposed during the reporting period						/		35,674
Total				2,755,726	/	3,423,936	100	731,779

2. Equity interests in non-listing financial enterprises

Name of company	Initial investment cost *(RMB)*	Number of shares held *(share)*	As a percentage of the company's equity *(%)*	Book value at the end of the 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
Bank of Nanchang	398,080	14,000	5.88	398,080	Not applicable	Not applicable	Financial assets available for sale	Acquired from the third party

(VII) THE COMPANY'S ACQUISITION AND DISPOSAL OF ASSETS AND MERGERS BY ABSORPTION DURING THE REPORTING PERIOD

The Company did not make any acquisition and disposal of assets and merger by absorption during the reporting period.

(VIII) IMPLEMENTATION OF EQUITY INCENTIVES AND ITS IMPACT

The Share Appreciation Rights Scheme for the Senior Management of Jiangxi Copper (《關於授予江西銅業高級管理人員股票增值權激勵計劃》) was considered and approved at the extraordinary general meeting convened on 19 February 2008, pursuant to which Mr. Li Yihuang, the Chairman of the Company, and Mr. Li Baomin, an executive Director, were granted 92,700 H shares appreciation rights respectively, while the executive Directors, Mr. Wang Chiwei, Mr. Long Ziping, and Mr. Wu Jinxing, and senior management members, Mr. Liu Yuewei and Liu Jianghao were granted 64,900 H shares appreciation rights respectively. At the 19th meeting of the 4th session of the Board held on 22 February 2008, it was resolved that the date of granting H-share appreciation rights was determined as 22 February 2008 with exercise price of HK$18.90.

Given that the Shares Appreciation Rights Scheme for the Senior Management of Jiangxi Copper has not realised the intended incentive results after its implementation, it was resolved at the general meeting convened on 9 June 2011 that the scheme was to be abolished and a long-term incentive pilot program of Jiangxi Copper Company Limited (《江西銅業股份有限公司長期激勵試點方案》) was to be formulated.

(IX) MATERIAL CONNECTED TRANSACTIONS OF THE COMPANY 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	As a percentage of similar types of transactions (%)	Settlement method of connected transactions
JCC	Controlling shareholder	Purchase of goods	Sulphuric acid	Market price	420	10,251	1.94	Payment upon acceptance
JCC	Controlling shareholder	Purchase of goods	Blister copper (tonne)	Market price	57,446	24,480	0.34	Payment upon acceptance
JCC	Controlling shareholder	Purchase of goods	Ancillary industrial products and other products	Market price or cost plus tax		96,416	22.03	Monthly settlement
JCC	Controlling shareholder	Expenses of other utilities including water, electricity and gas (purchase)	Staff welfare and medical costs	Based on 18% of staff salaries		28,430	100	Monthly settlement
JCC	Controlling shareholder	Expenses of other utilities including water, electricity and gas (purchase)	Pension contributions	Based on 20% of staff salaries		97,999	100	Monthly settlement
JCC	Controlling shareholder	Expenses of other utilities including water, electricity and gas (purchase)	Rentals for public facilities	Shared on the cost basis according to the proportion of staff number		5,258	100	Monthly settlement
JCC	Controlling shareholder	Acceptance of services	Construction service	Construction fixed rates of Jiangxi Province		4,069	6.75	Monthly settlement
JCC	Controlling shareholder	Acceptance of use of rights of patent and trademark	Land use rental	Valuation price		18,336	100	Payable at year-end
JCC	Controlling shareholder	Acceptance of services	Acceptance of processing service	Shared on the cost basis according to the proportion of staff number		3,974	0.18	Monthly settlement
JCC	Controlling shareholder	Acceptance of services	Futures agency fee	Market price		22,900	69.56	Payment upon conclusion of transaction

Related party	Connection	Class of connected transactions	Content of connected transactions	Pricing policy for connected transactions	Price of connected transactions	Amount of connected transactions	As a percentage of similar types of transactions (%)	Settlement method of connected transactions
JCC	Controlling shareholder	Loans	Interest charges for deposits	Based on the benchmark lending rate promulgated by the People's Bank of China or credit terms no less favourable than the similar terms offered to JCC by other domestic financial institutions or credit cooperatives		5,068	7.24	Monthly or quarterly payment
JCC	Controlling shareholder	Acceptance of services	Other management fee	Shared according to the proportion of assets		111	100	Monthly settlement
JCC	Controlling shareholder	Acceptance of services	Technical education services	Shared according to the proportion of staff number		2,698	100	Monthly settlement
JCC	Controlling shareholder	Acceptance of services	Acceptance of repair and maintenance services	Industry standards		17,371	8.45	Monthly settlement
JCC	Controlling shareholder	Expenses of other utilities including water, electricity and gas (purchase)	Environmental sanitation and greenery services	Shared according to the proportion of staff number		4,693	100	Monthly settlement
JCC	Controlling shareholder	Acceptance of services	Acceptance of labour services	Market price or cost plus tax		7,985	2.93	Monthly settlement
JCC	Controlling shareholder	Sale of goods	Copper rods and wires (tonne)	Market price	61,169	350,453	2.68	Payment upon acceptance
JCC	Controlling shareholder	Sale of goods	Brass wires (tonne)	Market price	64,121	24,788	2.09	Payment upon acceptance
JCC	Controlling shareholder	Sale of goods	Electrical cooper (tonne)	Market price	60,361	106,950	0.31	Payment upon acceptance
JCC	Controlling shareholder	Sale of goods	By-products	Market price		45,626	6.79	Monthly settlement
JCC	Controlling shareholder	Sale of goods	Lead concentrates (tonne)	Market price		52,504	100	Payment upon acceptance
JCC	Controlling shareholder	Sale of goods	Sale of ancillary industrial products	Market price		7,085	3.38	Monthly settlement
JCC	Controlling shareholder	Loans	Provisions of loans	Based on the benchmark lending rate promulgated by the People's Bank of China or credit terms no less favourable than the similar terms offered to JCC by other domestic financial institutions or credit cooperatives		877,000	100	Monthly or quarterly payment
JCC	Controlling shareholder	Loans	Provisions of loans	Based on the benchmark lending rate promulgated by the People's Bank of China or credit terms no less favourable than the similar terms offered to JCC by other domestic financial institutions or credit cooperatives		12,778	100	Monthly or quarterly payment
JCC	Controlling shareholder	Expenses of other utilities including water, electricity and gas (sales)	Electricity supply	Cost plus tax		13,924	2.47	Monthly settlement
JCC	Controlling shareholder	Provision of services	Provision of repair and maintenance services	Industry standards		931	1.10	Monthly settlement
JCC	Controlling shareholder	Provision of services	Provision of transportation services	Passenger and cargo rates of Jiangxi Province		1,280	1.35	Monthly settlement
JCC	Controlling shareholder	Provision of services	Provision of construction services	Market price		19,758	6.75	Monthly settlement
JCC	Controlling shareholder	Expenses of other utilities including water, electricity and gas (sales)	Water supply	Cost plus tax		362	2.09	Monthly settlement
JCC	Controlling shareholder	Expenses of other utilities including water, electricity and gas (sales)	Gas supply	Contract price		11	0.33	Monthly settlement
Total	/	/	/	/	/	1,863,489	/	/

In addition, (1) the Company accepted anode copper processing services in the amount of RMB28.13 million from Jiangxi Copper Ever Profit Qing Yuan Copper Company Limited, an associated company jointly established by the Company and an independent third party; (2) the Group sold auxiliary industrial products in the amount of RMB1.14 million, provided construction services in an amount of RMB1.91 million to and purchased copper sulphide in an amount of RMB18.18 million from Jiangxi JCC-BIOTEQ Environmental Technologies Co., Ltd., an entity jointly controlled by the Group and an independent third party; (3) sulphuric acid in an amount of RMB0.48 million was sold to Zhaojue Fengye Smelting Company Limited, an associated company.

(X) MATERIAL CONTRACTS AND THEIR PERFORMANCE

1. Custody, contracts and leases contributing more than 10% (including 10%) to the total profit of the Company for the reporting period

(1) Custody

The Company did not have custody during the reporting period.

(2) Contracts

The Company did not have contracts during the reporting period.

(3) Leases

The Company did not have leases during the reporting period.

2. Guarantees

The Company did not have guarantees during the reporting period.

3. Asset management on trust and entrusted loans

(1) Trust management

The Company was not involved in asset management on trust during the reporting period.

(2) Entrusted loans

The Company was not involved in any entrusted loans during the reporting period.

4. Other material contracts

The Company did not enter into other material contracts during the reporting period.

(XI) PERFORMANCE OF UNDERTAKINGS

1. Undertakings given by the Company or shareholders with 5% or more interests in the Company during or subsisted to the reporting period

Undertakings	Content of Undertaking	Performance
Undertakings made in issuance	1) On 22 May 1997, JCC, the controlling shareholder, undertook to the Company as follows: So far as JCC holds 30% or more of the voting rights of the Company, JCC and its subsidiaries and associated companies (except for those controlled through the Company) shall not engage in any business or activities which may directly or indirectly compete with the Company's business. Furthermore, JCC will devote utmost efforts to ensure the independency of the Board and will not impose any control thereto in accordance with the requirements of the Stock Exchange and the London Stock Exchange.	1) To the best of the belief of the Board, JCC has complied with the above undertakings.

(1) Are there any unfulfilled performance of undertakings as of the disclosure date of the interim report: No

(2) Are there any unfulfilled assets injection or integration commitments as of the disclosure date of the interim report: No

(XII) 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 Hua Ming
Remuneration for domestic auditors	398
Years of audit services provided by the domestic auditors	5
Name of overseas auditors	Ernst & Young Certified Public Accountants
Remuneration for overseas auditors	450
Years of audit services provided by the overseas auditors	5

(XIII) CODE ON CORPORATE GOVERNANCE PRACTICES

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 Practices as set out in Appendix 14 to the Listing Rules during the reporting period.

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

At any time during the six months ended 30 June 2011, 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 2011.

(XV) MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

During the reporting period, the Company adopted the Model Code as 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.

(XVI) PUNISHMENT ON THE COMPANY AND ITS DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, SHAREHOLDERS AND ULTIMATE CONTROLLER AND RECTIFICATION

Neither the Company nor its Directors, Supervisors, senior management, shareholders and ultimate controller was a subject of any investigation, administrative punishment or criticism by CSRC or any condemnation by any stock exchange during the reporting period.

(XVII) EXPLANATION ON OTHER SIGNIFICANT EVENTS

The Company had no other significant events during the reporting period.

(XVIII) 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 2011 were considered and approved.

(XIX) ASSETS PLEDGED OF THE GROUP

As at 30 June 2011, assets of the Group amounting to the net book value of RMB2,799.09 million were pledged for securing certain bank loans, including the restricted deposits for securing borrowings of RMB1,778.09 million (as of 31 December 2010: RMB1,285.95 million), the discounted but undue bank and commercial accepted notes of RMB483.92 million (as of 31 December 2010: RMB401.53 million), letter of credit of RMB 451.79 million (as of 31 December 2010: Nil), inventories with net value of RMB10.00 million (as of 31 December 2010: RMB 92.00 million), machineries and equipments with net carrying value of RMB35.70 million (as of 31 December 2010: RMB39.39 million) and buildings with net carrying value of RMB39.59 million (as of 31 December 2010: RMB40.88 million).

As at 30 June 2011, deposits of the Group amounting to the net book value of RMB14.43 million were pledged for issuing certain bank accepted notes (as of 31 December 2010: RMB132.34 million), amounting to the net book value of RMB6.42 million were pledged for leasing gold (as of 31 December 2010: Nil), amounting to the net book value of RMB1,170.38 million were pledged for issuing a letter of credit (as of 31 December 2010: RMB201.77 million).

(XX) 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, The Chinese 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.

(XXI) DETAILS OF EMPLOYEES

As at 30 June 2011, the Group had 22,110 employees in total, of whom 4,139 were management personnel, 1,479 were technicians, 14,980 were production personnel and 1,512 were supporting staff.

(XXII) CONTINGENT LIABILITIES

As at 30 June 2011, the Group did not have any material contingent liabilities.

(XXIII) INFORMATION DISCLOSURE INDEX

Items	Newspaper name for publication and page number	Date of publication	Website for publication and retrieve path
Announcement on Positive Profit Alert for Year 2010	Shanghai Securities News B26	31 January 2011	http://www.jxcc.com
Announcement of the Company's Recognition as New High-Tech Enterprises	Shanghai Securities News B23	25 February 2011	http://www.sse.com.cn
The Tenth Meeting of the Fifth Session of the Board	Shanghai Securities News B209	30 March 2011	
Notice of 2010 Annual General Meeting	Shanghai Securities News B135	21 April 2011	http://www.hkex.com.hk
First Quarterly Report	Shanghai Securities News B31	27 April 2011	
Announcement of Results of General Meeting and H Share Dividend Payment	Shanghai Securities News B145	10 June 2011	
Announcement on Positive Profit Alert for the First Half of 2011	Shanghai Securities News B24	13 July 2011	

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

ERNST & YOUNG
安 永

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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 condensed financial statements set out on pages 39 to 47 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 2011 and the related condensed consolidated income statements, statements of 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 statements 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 statements 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 statements 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
25 August 2011

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

For The Six Months Ended 30 June 2011
(PREPARED IN ACCORDANCE WITH IFRS)

	Notes	For the six months ended 30 June **2011** **(Unaudited)** ***RMB'000***	 2010 (Unaudited) *RMB'000*
REVENUE	3	**59,062,247**	37,433,645
Cost of sales		**(53,326,442)**	(33,808,858)
Gross profit		**5,735,805**	3,624,787
Other income and gains	4	**725,509**	246,651
Selling and distribution costs		**(194,012)**	(156,039)
Administrative expenses		**(815,787)**	(512,656)
Other expenses		**(9,947)**	(16,294)
Finance costs		**(310,879)**	(222,064)
Share of profits and losses of:			
A jointly-controlled entity		**4,046**	4,561
Associates		**27,196**	(8,907)
PROFIT BEFORE TAX		**5,161,931**	2,960,039
Income tax expense	5	**(813,597)**	(737,873)
PROFIT FOR THE PERIOD		**4,348,334**	2,222,166
Attributable to:			
Owners of the Company		**4,313,216**	2,199,213
Non-controlling interests		**35,118**	22,953
		4,348,334	2,222,166
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
— Basic	7	**RMB 1.25**	RMB 0.73
— Diluted	7	**RMB 1.25**	RMB 0.67

Details of the dividends payable and proposed for the six months ended 30 June 2011 and 2010 are disclosed in note 6 to the financial statement.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Six Months Ended 30 June 2011
(PREPARED IN ACCORDANCE WITH IFRS)

	For the six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
PROFIT FOR THE PERIOD	**4,348,334**	2,222,166
OTHER COMPREHENSIVE INCOME		
Cash flow hedges:		
Effective portion of changes in fair value of hedging instruments arising during the period	**13,351**	5,795
Reclassification adjustments for losses included in revenue in the consolidated profit and loss statement	**103,214**	41,928
Income tax effect	**(21,217)**	(7,907)
	95,348	39,816
Exchange differences on translation of foreign operations	**(64,296)**	10,254
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**31,052**	50,070
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**4,379,386**	2,272,236
Attributable to:		
Owners of the Company	**4,344,268**	2,249,567
Non-controlling interests	**35,118**	22,669
	4,379,386	2,272,236

Details of the dividends payable and proposed for the six months ended 30 June 2011 and 2010 are disclosed in note 6 to the financial statement.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For The Six Months Ended 30 June 2011
(PREPARED IN ACCORDANCE WITH IFRS)

	Notes	**30 June 2011 (Unaudited) *RMB'000***	31 December 2010 (Audited) *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment	8	**16,952,545**	16,703,570
Prepaid land lease payments		**329,634**	325,515
Intangible assets		**865,480**	874,757
Exploration and evaluation assets		**203,765**	203,233
Interest in a jointly-controlled entity		**28,942**	24,896
Interests in associates		**1,218,570**	943,470
Available-for-sale investments	9	**410,080**	710,080
Deferred tax assets	10	**137,370**	184,584
Total non-current assets		**20,146,386**	19,970,105
CURRENT ASSETS			
Inventories		**15,117,735**	18,269,953
Trade and bills receivables	11	**6,891,398**	5,169,177
Prepayments, deposits and other receivables		**3,737,410**	4,044,000
Loans to related parties		**908,473**	553,881
Available-for-sale investments	9	**2,620,000**	520,000
Equity investments at fair value through profit or loss		**3,424**	4,844
Held-for-trading financial assets	12	**295,503**	—
Derivative financial instruments	13	**76,265**	9,563
Pledged deposits	14	**5,465,766**	2,438,882
Cash and cash equivalents	14	**11,254,493**	3,864,368
Total current assets		**46,370,467**	34,874,668
Total assets		**66,516,853**	54,844,773

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For The Six Months Ended 30 June 2011
(PREPARED IN ACCORDANCE WITH IFRS)

	Notes	**30 June 2011 (Unaudited) *RMB'000***	31 December 2010 (Audited) *RMB'000*
CURRENT LIABILITIES			
Trade and bills payables	15	**4,588,613**	5,105,006
Other payables and accruals		**2,869,467**	1,909,424
Derivative financial instruments	13	**78,586**	1,220,580
Held-for-trading financial liabilities	12	**359,620**	—
Interest-bearing bank borrowings	16	**10,964,825**	3,595,708
Deposits from customers		**1,439,490**	1,348,365
Repurchase agreement		**—**	250,000
Dividend payable		**695,331**	—
Income tax payable		**690,115**	675,110
Total current liabilities		**21,686,047**	14,104,193
NET CURRENT ASSETS		**24,684,420**	20,770,475
TOTAL ASSETS LESS CURRENT LIABILITIES		**44,830,806**	40,740,580
TOTAL ASSETS LESS CURRENT LIABILITIES		**44,830,806**	40,740,580
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	16	**863,128**	712,728
Bonds payable		**5,300,218**	5,178,185
Deferred revenue - government grants		**169,590**	176,744
Deferred tax liabilities	10	**10,451**	2,785
Provision for rehabilitation		**121,007**	117,725
Employee benefit liability	17	**162,750**	—
Other long term payables		**14,737**	15,007
Total non-current liabilities		**6,641,881**	6,203,174
Net assets		**38,188,925**	34,537,406

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For The Six Months Ended 30 June 2011
(PREPARED IN ACCORDANCE WITH IFRS)

	Notes	**30 June 2011 (Unaudited) *RMB'000***	31 December 2010 (Audited) *RMB'000*
EQUITY			
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital	18	**3,462,729**	3,462,729
Reserves		**33,619,673**	29,967,951
Proposed interim or final dividend	6	**692,546**	692,546
		37,774,948	34,123,226
Non-controlling interests		**413,977**	414,180
Total equity		**38,188,925**	34,537,406

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Six Months Ended 30 June 2011
(PREPARED IN ACCORDANCE WITH IFRS)

	Attributable to owners of the Company													
	Share capital *RMB'000* *(note 18)*	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*	Hedging reserve *RMB'000*	Proposed interim or final dividends *RMB'000* *(note 6)*	Total *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
As at 1 January 2011 (audited)	3,462,729	12,647,502*	(934,681)*	(92,506)*	2,670,179*	6,099,320*	239,154*	9,576,695*	(135,745)*	(101,967)*	692,546	34,123,226	414,180	34,537,406
Total comprehensive income	–	–	–	–	–	–	–	4,313,216	(64,296)	95,348	–	4,344,268	35,118	4,379,386
Capital injection by a non-controlling interest	–	–	–	–	–	–	–	–	–	–	–	–	3,366	3,366
Acquisition of non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	–	(30,534)	(30,534)
Distribution to non-controlling shareholders	–	–	–	–	–	–	–	–	–	–	–	–	(8,153)	(8,153)
2010 final dividends declared	–	–	–	–	–	–	–	–	–	–	(692,546)	(692,546)	–	(692,546)
Proposed 2011 interim dividend	(692,546)	692,546												
Transfer	–	–	–	–	–	–	84,639	(84,639)	–	–	–	–	–	–
As at 30 June 2011 (unaudited)	3,462,729	12,647,502*	(934,681)*	(92,506)*	2,670,179*	6,099,320*	323,793*	13,112,726*	(200,041)*	(6,619)*	692,546	37,774,948	413,977	38,188,925

* *These reserve accounts comprise the consolidated reserves of RMB34,312,219,000 (2010: RMB29,967,951,000) in the condensed consolidated statement of financial position.*

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Six Months Ended 30 June 2010
(PREPARED IN ACCORDANCE WITH IFRS)

	Attributable to owners of the Company														
	Share capital *RMB'000* (note 18)	**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*	**Hedging reserve** *RMB'000*	**Proposed final dividends** *RMB'000* *(note 6)*	**Total** *RMB'000*	**Non-controlling interests** *RMB'000*	**Total equity** *RMB'000*
As at 1 January 2010 (audited)	3,022,834	2,008,917	4,340,514	(934,681)	(92,506)	2,216,165	4,737,279	158,720	7,179,406	(88,377)	(36,668)	302,283	22,813,886	361,219	23,175,105
Total comprehensive income	–	–	–	–	–	–	–	–	2,199,213	10,538	39,816	–	2,249,567	22,669	2,272,236
Capital injection by a non-controlling interest	–	–	–	–	–	–	–	–	–	–	–	–	–	1,000	1,000
Distribution to non-controlling shareholders	–	–	–	–	–	–	–	–	–	–	–	–	–	(5,772)	(5,772)
2009 final dividends declared	–	–	–	–	–	–	–	–	–	–	–	(302,283)	(302,283)	–	(302,283)
Transfer	–	–	–	–	–	–	–	75,003	(75,003)	–	–	–	–	–	–
As at 30 June 2010 (unaudited)	3,022,834	2,008,917	4,340,514	(934,681)	(92,506)	2,216,165	4,737,279	233,723	9,303,616	(77,839)	3,148	–	24,761,170	379,116	25,140,286

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For The Six Months Ended 30 June 2011
(PREPARED IN ACCORDANCE WITH IFRS)

	For the six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**5,161,931**	2,960,039
Adjustments for:		
Finance costs	**242,713**	185,502
Foreign exchange gains, net	**(85,831)**	(3,504)
Share of profits and losses of a jointly-controlled entity and associates	**(31,242)**	4,346
Income from available-for-sale investments	**(72,885)**	(11,505)
Losses/(gains) on disposal of items of property, plant and equipment	**103**	5,699
Fair value (gains)/losses, net:		
Derivative financial instruments - transactions not qualifying as hedges and ineffective portion of cash flow and fair value hedges		
— Commodity derivative contracts	**(330,680)**	4,144
— Provisional price arrangement	**(4,706)**	(31,019)
— Forward currency contracts and interest rate swaps	**(290)**	—
Net fair value losses/(gains) on an equity investment at fair value through profit or loss	**1,336**	(799)
Provision for impairment of trade and other receivables	**4,548**	22,875
(Revesal)/provision for write-down of inventories to net realizable value	**(670)**	60,371
Depreciation of property, plant and equipment	**538,661**	454,960
Amortization of prepaid land lease payments	**3,209**	3,205
Amortization of intangible assets	**18,481**	18,363
Unwinding of an interest for rehabilitation provision	**3,282**	3,151
Deferred revenue released to the income statement	**(7,154)**	(7,969)
	5,440,806	3,667,859
Decrease in inventories	**3,152,888**	532,142
Increase in trade and other receivables	**(347,882)**	(2,573,949)
Increase in loans to related parties	**(655,942)**	(391,199)
Increase in pledged deposits except pledged deposits to secure bank borrowings and gold lease	**(2,528,321)**	(182,245)
Increase in trade and other payables	**570,963**	6,533
Increase in deposits from customers	**91,125**	580,746
(Decrease)/increase in repurchase agreement	**(250,000)**	103,885
Decrease in effective portion of fair value hedge		
— Provisional price arrangement	**(529,743)**	(607,771)
— Commodity derivative contracts	**(226,712)**	(70,113)
Cash generated from operations	**4,717,182**	1,065,888
Income tax paid	**(764,929)**	(631,128)
Net cash flows from operating activities	**3,952,253**	434,760

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For The Six Months Ended 30 June 2011
(PREPARED IN ACCORDANCE WITH IFRS)

	For the six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Net cash flows generated from operating activities	**3,952,253**	434,760
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of items of property, plant and equipment	**(1,043,424)**	(758,081)
Addition to exploration and evaluation assets	**(532)**	(10,830)
Addition to prepaid land lease payments	**(7,357)**	(1,844)
Addition to intangible assets	**(9,204)**	(300)
Proceeds from disposal of equity investment at fair value through profit or loss	**84**	2,530
Proceeds from disposal of available-for-sale investments	**16,522,200**	330,000
Proceeds from disposal of items of property, plant and equipment	**702**	9,921
Receipt of government grants	**—**	5,237
Income received from available-for-sale investments	**72,885**	11,505
Purchases of available-for-sale investments	**(18,322,200)**	(30,000)
Purchases of equity investments at fair value through profit or loss	**—**	(4,886)
Addition of capital contribution to associates	**(311,050)**	(440,000)
Net cash flows used in investing activities	**(3,097,896)**	(886,748)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital injection by non-controlling shareholders	**3,366**	1,000
Increase of pledged RMB time deposits to secure USD bank borrowings and gold lease	**(498,563)**	(585,813)
New bank borrowings	**12,300,043**	4,028,773
Repayment of bank borrowings	**(5,160,841)**	(2,634,715)
Interest paid	**(71,185)**	(26,794)
Acquisition of non-controlling interest	**(30,534)**	—
Dividends paid to non-controlling shareholders	**(5,368)**	(2,322)
Net cash flows from financing activities	**6,536,918**	780,129
NET INCREASE IN CASH AND CASH EQUIVALENTS	**7,391,275**	328,141
Cash and cash equivalents at 1 January	**3,864,368**	1,702,626
Effect of foreign exchange rate changes, net	**(1,150)**	(284)
CASH AND CASH EQUIVALENTS AT 30 JUNE	**11,254,493**	2,030,483

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For The Six Months Ended 30 June 2011
(PREPARED IN ACCORDANCE WITH IFRS)

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. As approved by the board of directors on 29 October 2009, the Company's H share was delisted from the LSE from 27 November 2009. 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 Group is an integrated producer of copper in the PRC. Its operations consist of copper mining, milling, smelting and refining for the production of copper cathodes, copper rods and wires and other related products, including pyrite concentrates, sulphuric acid, and electrolytic gold and silver, and rare metals such as molybdenum, and trading of copper related products, etc.

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months ended 30 June 2011 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 2010.

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

2.2 CHANGES TO THE GROUP'S 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 2010, except for the adoption of new standards and interpretations effective for the period beginning on or after 1 January 2011, as set out below:

IFRS 1 Amendments	Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards -Limited Exception from Comparative IFRS 7 Disclosures for First-time Adopters*
IFRS 7 Amendments	Amendments to IFRS 7 *Financial Instruments: Disclosures - Transfers of Financial ASSETS*
IAS 24 (Revised)	*Related Party Disclosure*
IAS 32 Amendment	Amendment to IAS 32 *Financial Instruments: Presentation - Classification of Rights Issues*
IFRIC 14 Amendments	Amendments to IFRIC 14 *Prepayments of a Minimum Funding Requirement*
IFRIC 19	*Extinguishing Financial Liabilities with Equity Instruments*

Apart from the above, Improvements to IFRSs 2010 sets out amendments to a number of IFRSs primarily with a view to removing inconsistencies and clarifying wording. The amendments to IFRS 3 and IAS 27 are effective for annual periods beginning on or after 1 July 2010, whereas the amendments to IFRS 1, IFRS 7, IAS 1, IAS 34 and IFRIC 13 are effective for annual periods beginning on or after 1 January 2011 although there are separate transitional provisions for each standard or interpretation.

Further information about those changes that are expected to significantly affect the Group is as follows:

IAS 24 (Revised) clarifies and simplifies the definition of related parties. It also provides for a partial exemption of related party disclosure to government-related entities for transactions with the same government or entities that are controlled, jointly controlled or significantly influenced by the same government. The Group adopted IAS 24 (Revised) from 1 January 2011 and the comparative related party disclosures have been amended accordingly.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3. REVENUE AND SEGMENT INFORMATION

For management purpose, the Group 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 and 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; less sales tax, for the six months ended 30 June 2011 and 2010. All significant transactions within the Group have been eliminated.

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

	For the six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Sales of goods		
— copper cathodes	**34,760,386**	19,863,812
— copper rods	**13,066,130**	10,624,869
— copper processing products	**2,162,818**	1,612,765
— gold	**4,202,211**	2,604,629
— silver	**2,077,721**	907,450
— sulphuric and sulphuric concentrate	**1,209,896**	845,770
— rare metals	**404,438**	305,758
— other non-ferrous metals	**798,316**	308,277
— others	**380,331**	360,315
	59,062,247	37,433,645

3. REVENUE AND SEGMENT INFORMATION *(CONTINUED)*

Geographical information

(a) Revenue from external customers

	For the six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
— Mainland China	**54,037,394**	35,079,048
— Hong Kong, China	**4,216,450**	2,111,184
— Others	**808,403**	243,413
	59,062,247	37,433,645

The revenue information above is based on the location of the customers.

(b) Non-current assets

All of the non-current assets of the Group are located in Mainland China except for certain investments in Afghanistan, Peru and Japan of which the carrying amounts are not material. The non-current assets information is based on the location of assets and excludes financial instruments and deferred tax assets.

Information about a major customer

Revenue of approximately RMB8,012,982,000 (six months ended 30 June 2010: RMB1,180,334,000) was derived from sales of goods to a single customer, including sales to a group of entities which are known to be under common control with that customer. The State-Owned Entities are not identified as a group of customers under common control by the directors of the Company.

4. OTHER INCOME AND GAINS

	For the six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Fair value gains/(losses), net:		
Derivative financial instruments - commodity derivative contracts		
Transactions not qualifying as hedges*	**488,337**	115,440
— Unrealized gains/ (losses) of the outstanding contracts	**327,965**	(8,416)
— Realized gains from the settled contracts	**160,372**	123,856
Transactions qualifying as fair value hedges**	**7,638**	7,218
— Inventory hedged by commodity derivative contracts	**(33,649)**	(47,868)
— Fair value gains of commodity derivative contracts as hedging instrument	**41,287**	55,086
Ineffective portion of cash flow hedges**	**5,646**	3,709
Forward currency contracts and interest rate swaps	**290**	—
Equity investment at fair value through profit or loss	**(1,336)**	799
Income from VAT refund	**6,242**	7,094
Interest income	**45,673**	26,034
Subsidy income of imported copper concentrates	**—**	62,161
Income from available-for-sale investments	**72,885**	11,505
Deferred revenue released to income statement	**7,154**	7,969
Gain on disposal of items of property, plant and equipment	**255**	527
Foreign exchange gains/(losses), net	**85,831**	3,504
Others	**6,894**	691
	725,509	246,651

* *This item related to fair value changes of commodity derivative contracts which are not designated as hedging instruments and/or not qualified for hedge accounting (note 13).*

4. OTHER INCOME AND GAINS *(CONTINUED)*

** *This item related to fair value changes of commodity derivative contracts which are designated as hedging instruments (note 13). The net fair value changes of the commodity derivative contracts qualifying as fair value hedges and ineffective portion of cash flow hedges are as follows:*

	For the six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Transactions qualifying as fair value hedges:		
— Unrealized gains/(losses) of the outstanding contracts	(721)	2,462
— Realized gains from the settled contracts	8,359	4,756
	7,638	7,218

	For the six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Ineffective portion of cash flow hedges:		
— Unrealized gains of the outstanding contracts	3,436	1,810
— Realized gains from the settled contracts	2,210	1,899
	5,646	3,709

5. INCOME TAX EXPENSE

The major components of income tax expense for the six months ended 30 June 2011 and 2010 are:

	For the six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Current income tax payable:		
PRC income tax	769,169	720,965
HK income tax	10,764	14,489
	779,933	735,454
Deferred income tax movement	33,664	2,419
Income tax charge for the period	813,597	737,873

5. INCOME TAX EXPENSE *(CONTINUED)*

Hong Kong profits tax on two of the Group's subsidiaries has been provided at the rate of 16.5% (2010: 16.5%) on the estimated assessable profits arising in Hong Kong during the six months ended 30 June 2011.

The provision for PRC current income tax is based on a statutory rate of 25% (2010: 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, which came into effect on 1 January 2008, except for the following:

(i) According to the PRC Corporate Income Tax Law, high technology companies could be entitled to a lower PRC Corporate Income Tax rate of 15%. In January 2011, the Company obtained a High-Tech Enterprise Certificate jointly issued by Jiangxi Provincial Department of Science and Technology, Jiangxi Provincial Department of Finance, Jiangxi Provincial State Taxation Bureau and Jiangxi Provincial Local Taxation Bureau. Commencing from 2010, the Company is entitled to relevant preferential policies relating to High-Tech Enterprises for three consecutive years when qualified for certain criteria, with a corporate income tax rate of 15% (while the previous corporate income tax rate was 25%).

(ii) Certain subsidiaries in Mainland China enjoy preferential tax rates during a transitional period from 2008 to 2012.

6. DIVIDENDS

	For the six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Dividends on ordinary shares declared during the six-month period:		
Final dividend for 2010: RMB0.2 per share (2009: RMB0.1 per share)	**692,546**	302,283
Proposed (not recognized as a liability as at 30 June)		
Interim dividend for 2011: RMB0.2 per share (2010: nil)	**692,546**	—

On 17 June 2010, a dividend of RMB0.1 per share (tax inclusive) on 3,022,833,727 shares, in aggregate approximately RMB302,283,000 was declared to the shareholders as the final dividend for year 2009.

On 9 June 2011, a dividend of RMB0.2 per share (tax inclusive) on 3,462,729,405 shares, in aggregate approximately RMB692,546,000 was declared to the shareholders as the final dividend for year 2010.

The Board of Directors proposed an interim dividend of RMB0.2 per ordinary share (2010: nil). The proposed interim dividend for the period is subject to the approval at the special general meeting.

7. 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	
	2011	2010
	(Unaudited)	(Unaudited)
Profit attributable to ordinary equity holders of the Company *(RMB'000)*	**4,313,216**	2,199,213
Weighted average number of ordinary shares in issue	**3,462,729,405**	3,022,833,727
Effect of dilution-weighted average number of ordinary shares:		
Warrants attached to bonds	**—**	237,603,333
Diluted average number of ordinary shares in issue	**3,462,729,405**	3,260,437,060
— Basis	**RMB1.25**	RMB0.73
— Diluted	**RMB1.25**	RMB0.67

8. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2011, the Group acquired items of property, plant and equipment with a cost of RMB788,442,000 (six months ended 30 June 2010: RMB714,542,000). Depreciation for items of property, plant and equipment is RMB538,661,000 (six months ended 30 June 2010: RMB454,960,000) during the period.

Property, plant and equipment with a net book value of RMB806,000 (six months ended 30 June 2010: RMB15,620,000) was disposed of by the Group during the six months ended 30 June 2011, resulting in a net loss on disposal of RMB103,000 (a net loss in six months ended 30 June 2010: RMB5,699,000).

9. AVAILABLE-FOR-SALE INVESTMENTS

	30 June 2011 (Unaudited) *RMB'000*	31 December 2010 (Audited) *RMB'000*
Cost		
Balance at 1 January	**1,248,747**	730,541
Addition during the period	**18,322,200**	1,550,000
Deduction during the period	**(16,522,200)**	(1,031,794)
Balance at the end of period	**3,048,747**	1,248,747
Accumulated impairment loss		
Balance at 1 January	**(18,667)**	(20,461)
Addition during the period	**—**	—
Deduction during the period	**—**	1,794
Balance at the end of period	**(18,667)**	(18,667)
Carrying value		
At the end of period	**3,030,080**	1,230,080
Less: Current portion of available-for -sale investment	**(2,620,000)**	(520,000)
	410,080	710,080

As at 30 June 2011, the Group's available-for-sale investments included the unlisted equity investments and the portfolio fund investment.

The unlisted equity investments represent the Group's equity interests in unlisted PRC companies of RMB410,080,000 (31 December 2010: RMB 410,080,000). None of the shareholdings exceeds 20% of the issued capital of the respective.

The portfolio fund investment represents financial products of RMB2,620,000,000 (31 December 2010: RMB820,000,000) issued by PRC financial institutions. The due dates of the investment are from 11 July 2011 to 23 May 2012 and the target annual yield rate is 4.7% to 9.2%.

These available-for-sale 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.

10. DEFERRED TAX

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

	30 June 2011 (Unaudited) ***RMB'000***	31 December 2010 (Audited) *RMB'000*
Deferred tax assets:		
Impairment of assets	**23,550**	23,057
Accrued expenses	**85,897**	57,440
Unrealized profits	**9,666**	18,288
Fair value loss from commodity derivative contracts	**191**	67,677
Fair value loss from forward currency contracts	**1,338**	1,093
Fair value loss from provisional price arrangement	**2,363**	3,332
Deductible taxable loss	**1,629**	3,890
Others	**12,736**	9,807
	137,370	184,584

	30 June 2011 (Unaudited) ***RMB'000***	31 December 2010 (Audited) *RMB'000*
Deferred tax liabilities:		
Fair value gain from commodity derivative contracts	**8,953**	1,057
Fair value gain from forward currency contracts	**1,338**	1,238
Others	**160**	490
	10,451	2,785

At 30 June 2011, there was no significant unrecognised deferred tax liability (31 December 2010: 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 2011 (Unaudited) *RMB'000*	31 December 2010 (Audited) *RMB'000*
Trade receivables	**3,078,515**	2,521,223
Bills receivable	**3,983,172**	2,813,712
	7,061,687	5,334,935
Less: Provision for impairment of trade receivables	**(170,289)**	(165,758)
	6,891,398	5,169,177

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally three months. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to 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.

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.

11. TRADE AND BILLS RECEIVABLES *(CONTINUED)*

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

	30 June 2011 (Unaudited) ***RMB'000***	31 December 2010 (Audited) *RMB'000*
Within 1 year	**2,891,487**	2,349,180
1 to 2 years	**15,621**	3,683
2 to 3 years	**27,977**	38,448
Over 3 years	**143,430**	129,912
	3,078,515	2,521,223

The terms of bills receivable are all within six months. As at 30 June 2011, the bills receivable are neither past due nor impaired.

12. HELD-FOR-TRADING FINANCIAL ASSETS AND LIABILITIES

	30 June 2011 (Unaudited) ***RMB'000***	31 December 2010 (Audited) *RMB'000*
Held for trading financial assets:		
— Gold leasing contracts - assets	**295,503**	—
Held for trading financial liabilities:		
— Gold leasing contracts - liabilities	**359,620**	—

During the six months ended 30 June 2011, the Group entered into certain gold leasing contract with banks. Pursuant to the contract during the leasing term, the Group might sell the leased gold to third party customers, and upon expiration of the leasing term, the Group will return gold of the same quantity and quality to banks. Gold leased by the Group was recognized as held for trading financial assets, and the obligation to return the gold was recognized as held for trading financial liabilities.

13. DERIVATIVE FINANCIAL INSTRUMENTS

Assets/(liabilities)	30 June 2011 (Unaudited) *RMB'000*	31 December 2010 (Audited) *RMB'000*
Commodity derivative contracts	**60,354**	(613,603)
— Assets	**70,913**	4,405
— Liabilities	**(10,559)**	(618,008)
Forward currency contracts and interest rate swaps	**(22,943)**	(23,233)
— Assets	**5,352**	5,158
— Liabilities	**(28,295)**	(28,391)
Provisional price arrangement	**(39,732)**	(574,181)
	(2,321)	(1,211,017)
Including:		
Under hedge accounting		
Cash flow hedge		
— Commodity derivative contracts	**(8,633)**	(128,633)
Fair value hedge		
— Commodity derivative contracts	**(1,759)**	(227,751)
— Provisional price arrangement	**(24,059)**	(554,711)
Not under hedge accounting		
— Commodity derivative contracts	**70,746**	(257,219)
— Provisional price arrangement	**(15,673)**	(19,470)
— Forward currency contracts and interest rate swaps	**(22,943)**	(23,233)
	(2,321)	(1,211,017)

The Group uses commodity derivative contracts and provisional price arrangement to hedge its commodity price risk. Commodity derivative contracts utilised by the Group are mainly standardised copper cathode future contracts in SHFE and LME.

The fair value of the commodity derivative contracts represents the difference between the quoted market price of copper forward contract at period end and the quoted price at inception of the contract. The fair value of the provisional price arrangements are estimated by reference to the quoted market price at period end of copper forward contract with similar maturity as the provisional price contract compared to the quoted market price of copper forward contracts on the date of delivery of the purchased material.

13. DERIVATIVE FINANCIAL INSTRUMENTS *(CONTINUED)*

Under hedge accounting

For the purpose of hedge accounting, hedges of the Group are classified as:

— Cash flow hedge

The Group utilises commodity derivative contracts to hedge its exposure to variability in cash flows attributable to price fluctuation risk associated with highly probable forecast sales of copper related products. As at 30 June 2011, the expected delivery period of the forecasted sales for copper related products is from July to October 2011.

— Fair value hedge

The Group utilizes commodity derivative contracts and provisional price arrangements to hedge its exposure to variability in fair value changes attributable to price fluctuation risk associated with inventories.

At the inception of above hedging relationships, the Group formally designates and documents the hedge relationship, risk management objective and strategy for undertaking the hedge. The cash flow hedge and fair value hedge mentioned above were assessed to be highly effective.

Accordingly, for the six months ended 30 June 2011, a net gain of RMB13,351,000 (for the six months ended 30 June 2010: a net gain of RMB5,795,000) for effectiveness portion under cash flow hedge was included in the hedging reserve, and a net gain of RMB5,646,000 (for the six months ended 30 June 2010: a net gain of RMB3,709,000) for ineffectiveness portion was included in income statement. Further details are given in other comprehensive income and note 4, respectively.

For the six months ended 30 June 2011, the fair value gains of commodity forward contracts designated as fair value hedges of the Group are RMB41,287,000 (for the six months ended 30 June 2010: fair value gain of RMB55,086,000). The net fair value losses of the hedged item, inventories, attributable to the risk hedged is RMB33,649,000 (for the six months ended 30 June 2010: fair value losses of RMB47,868,000) in aggregate. Further details are given in note 4.

Not under hedge accounting

In the six months ended 30 June 2011 and twelve months ended 31 December 2010, the Group utilizes commodity derivative contracts to manage the commodity price risk of forecasted purchases of copper cathode as well as copper concentrate, and forecast sales of copper wires and rods. These arrangements are designed to address significant fluctuations in the price of copper concentrate, copper cathodes, copper wires and rods, and copper related products which move in line with the prevailing price of copper cathodes. However, these arrangements are not considered as an effective hedge and hence do not qualify for hedge accounting. Further details are given in note 4.

14. CASH, CASH EQUIVALENTS AND PLEDGED DEPOSITS

	30 June 2011 (Unaudited) ***RMB'000***	31 December 2010 (Audited) *RMB'000*
Cash and bank balances	**13,750,944**	4,815,533
Time deposits	**2,969,315**	1,487,717
	16,720,259	6,303,250
Less: Pledged deposits *(a)*	**(5,465,766)**	(2,438,882)
Cash and cash equivalents	**11,254,493**	3,864,368

(a) As at 30 June 2011, the pledged deposits include:

— Time deposits amounting to RMB1,778,090,000 (31 December 2010: RMB1,285,947,000) were pledged to secure bank borrowings amounting to USD274,772,000, which was equivalent to RMB1,778,213,000 (31 December 2010: RMB1,278,227,000); and

— Time deposit amounting to RMB14,428,000 which was security for issuing bank accepted notes issued (2010: RMB132,343,000); and

— Time deposit amounting to RMB1,170,377,000 which was security for the issue of letters of credit (2010: 201,770,000); and

— Time deposit amounting to RMB6,420,000 which was security for transaction of gold lease from banks (2010: nil); and

— Required mandatory reserve deposits and other restricted deposits amounting to RMB2,496,451,000 (31 December 2010: RMB818,822,000) placed by Finance Company, a subsidiary of the Group, with the People's Bank of China ("PBC"). 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 2011 (Unaudited) *RMB'000*	31 December 2010 (Audited) *RMB'000*
Trade payables	**2,920,536**	2,857,078
Bills payable	**1,668,077**	2,247,928
	4,588,613	5,105,006

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

	30 June 2011 (Unaudited) *RMB'000*	31 December 2010 (Audited) *RMB'000*
Within 1 year	**2,866,427**	2,802,072
1 to 2 years	**4,288**	6,158
2 to 3 years	**18,152**	17,644
Over 3 years	**31,669**	31,204
	2,920,536	2,857,078

The trade payables are non-interest-bearing and are normally settled on terms of 60 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 interim financial statements.

16. INTEREST-BEARING BANK BORROWINGS

	30 June 2011 (Unaudited) *RMB'000*	31 December 2010 (Audited) *RMB'000*
Current:		
Bank loans - secured	**2,317,919**	1,481,848
Bank loans - unsecured	**8,646,906**	2,113,860
	10,964,825	3,595,708
Non-current:		
Bank borrowings - secured	**453,091**	301,413
Bank borrowings - unsecured	**410,037**	411,315
	863,128	712,728
Less: Current portion due within one year	**—**	—
	863,128	712,728
	11,827,953	4,308,436

For the six months ended 30 June 2011, the bank borrowings carry interest at rates ranging from 0.36% to 7.57% (2010: 0.36% to 6.48%) per annum.

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

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

(i) Mortgaged borrowings amounting to RMB 483,918,000 (31 December 2010: RMB 401,534,000) were secured by the discounted unmatured bank accepted bills and commercial accepted bills with carrying value of RMB 483,918,000 (31 December 2010: RMB 401,534,000);

(ii) Pledged borrowing amounting to RMB 10,000,000 (31 December 2010: RMB 40,000,000) was secured by inventories with carrying value of RMB 10,000,000 (31 December 2010: RMB 92,000,000);

(iii) Pledged borrowings amounting to RMB 51,000,000 (31 December 2010: RMB 63,500,000) were secured by machineries and buildings with carrying value of RMB 75,295,000 (31 December 2010: RMB 80,269,000);

(iv) Pledged borrowings amounting to USD 69,207,000, equivalent to RMB 447,879,000 (31 December 2010: nil), were secured by letters of credit with carrying value of USD 69,812,000 (31 December 2010: nil);

(v) Time deposits amounting to RMB1,778,090,000 (2010: RMB1,285,947,000) which were pledged to secure bank borrowings amounting to USD274,772,000 (2010: USD193,007,000), equivalent to RMB1,778,213,000 (31 December 2010: RMB1,278,227,000).

The directors estimate that the carrying amounts of the Group's current and non-current borrowings approximate to their fair values.

17. EMPLOYEE BENEFIT LIABILITY

	30 June 2011 (Unaudited) ***RMB'000***	31 December 2010 (Audited) *RMB'000*
Employee benefit liability	**232,500**	—
Less: Current portion due within one year	**(69,750)**	—
Non Current portion	**162,750**	—

The balance represents the bonus payable to senior management and middle-level management under management incentive schemes. The non-current portion of employee benefit liability is payable from 2015 to 2017 and is indexed to the rate of growth of the Group's net assets.

18. SHARE CAPITAL

	30 June 2011 (Unaudited) Number of shares	Share capital *RMB'000*	31 December 2010 (Audited) Number of shares	Share capital *RMB'000*
— H shares	**1,387,482,000**	**1,387,482**	1,387,482,000	1,387,482
— A shares	**2,075,247,405**	**2,075,247**	2,075,247,405	2,075,247
	3,462,729,405	**3,462,729**	3,462,729,405	3,462,729

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

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"), Zhaojue Fengye Smelting Company Limited("Fengye") and Minmetals Jiangxi Copper Mining Investment Company Limited ("Jiangxi Copper Minmetals") which are the Company's associates, (iii) Jiangxi JCC-BIOTEQ Environmental Technologies Co., Ltd. ("Jiang Tong Bioteq") which is the Company's jointly controlled entity and compensation payable to management personnel as summarized below:

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

	For the six months ended 30 June 2011 (Unaudited) *RMB'000*	2010 (Unaudited) *RMB'000*
Sales to related parties:		
Sales of copper rods and wire and semi-finished products	**350,453**	278,488
Sales of copper cathode	**106,950**	597
Sales of plumbum concentrate	**52,504**	—
Sales of by-products	**45,626**	11,986
Sales of brass wires	**24,788**	2,639
Sales of auxiliary industrial products	**7,085**	6,993
Purchases from related parties:		
Purchases of auxiliary industrial products and other goods	**106,667**	92,018
Purchases of copper waste	**24,480**	402,586

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

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

	For the six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Services provided by the Group :		
Loans provided	**877,000**	1,104,000
Repair and maintenance services	**20,689**	14,614
Supply of electricity	**13,924**	3,152
Interest charge for financing services	**12,778**	11,113
Vehicle transportation services	**1,280**	704
Leasing services	**—**	630
Supply of water	**362**	78
Supply of gas	**11**	20
Processing services	**—**	291
Services provided to the Group:		
Pension contributions	**97,999**	78,127
Brokerage agency services for commodity derivative contracts	**22,900**	16,946
Rentals for land use rights	**18,336**	21,999
Repair and maintenance services	**17,371**	12,926
Labor services	**7,985**	2,224
Rentals for public facilities	**5,258**	10,465
Sanitation and greening services	**4,693**	2,334
Construction services	**4,069**	7,234
Processing charges	**3,974**	—
Other management fees	**111**	2,357
Interest charges for deposits from customers	**5,068**	1,154
Vehicle transportation services	**—**	147
Social welfare and support services provided to the Group:		
— welfare and medical services	**28,430**	33,671
— technical education services	**2,698**	1,876

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

The daily credit balance offered by the Finance Company, a subsidiary of the Group, to JCC and its affiliates will neither exceed the deposits from JCC and its affiliates nor exceed the total amount of credit facilities regulated by the financial service agreement entered by the two parties.

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

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

	For the six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Qing Yuan:		
Sales to related parties:		
Sales of auxiliary industrial products	**104**	—
Purchases of goods:		
Purchases of copper waste	**—**	132,210
Provide services to the Group:		
Processing charges	**28,131**	20,393
Jiangxi Copper Minmetals:		
Service provided by the Group:		
Interest charge for financing services	**—**	1,274
Fengye:		
Sales to a related party:		
Sales of sulphuric acid	**475**	—

(c) Transactions with Jiang Tong Bioteq, which is the Company's jointly controlled entity:

	For the six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Sales to a related party:		
Sales of auxiliary industrial products	**1,135**	—
Purchases from a related party:		
Purchases of copper sulfide	**18,178**	22,580
Services provided by the Group:		
Construction services	**1,911**	—

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

(d) Compensation 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	
	2011	2010
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Total compensation paid and payable to key management personnel	**41,381**	4,780

(e) Outstanding balances with related parties

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

	30 June 2011	31 December 2010
	(Unaudited)	(Audited)
	RMB'000	*RMB'000*
Amounts due from related parties:		
Trade and bills receivables:		
JCC	**2,940**	11,004
JCC's affiliates	**209,643**	214,488
Fengye	**1,300**	744
Jiang Tong Bioteq	**575**	—
	214,458	226,236
Prepayments and other receivables:		
JCC	**355**	135
JCC's affiliates	**556,798**	895,076
Fengye	**1,416**	1,416
Qing Yuan	**134,061**	93,986
	692,630	990,613
Loans to - short term loans:		
JCC	**300,000**	—
JCC's affiliates	**608,473**	553,881
	908,473	553,881

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

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

	30 June 2011 (Unaudited) *RMB'000*	31 December 2010 (Audited) *RMB'000*
Amounts due to related parties		
Trade and bills payables:		
JCC	**2,551**	7,622
JCC's affiliates	**16,302**	67,442
	18,853	75,064
Other payables and accruals:		
JCC	**127,901**	313,317
JCC's affiliates	**21,834**	36,899
	149,735	350,216
Deposits from customers:		
JCC	**470,015**	295,962
JCC's affiliates	**969,476**	1,052,403
	1,439,491	1,348,365
Dividend payable:		
JCC	**268,496**	—
Other long term payable:		
JCC	**14,737**	15,007

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, and other long term payable, the terms of which have not changed from that disclosed in last year's 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 2011 (Unaudited) ***RMB'000***	31 December 2010 (Audited) *RMB'000*
Within one year	**17,912**	21,707
In the second to fifth years, inclusive	**62,885**	78,475
After five years	**157,918**	165,558
	238,715	265,740

21. CAPITAL COMMITMENTS

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

	30 June 2011 (Unaudited) ***RMB'000***	31 December 2010 (Audited) *RMB'000*
Commitments for the acquisition of items of property, plant and equipment:		
— contracted for, but not provided in the financial statements	**450,289**	625,444
Investment in an associate		
— contracted for, but not provided in the financial statements *(i)*	**2,072,534**	2,192,677
	2,522,823	2,818,121

(i) The Company and China Metallurgical Group Corporation ("CMCC") incorporated MCC-JCL Aynak Minerals Company Limited ("MCC-JCL"), 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.

As agreed between the partners, 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 consistent with their shareholdings. The Company shall not be obliged to provide guarantees, indemnities or capital commitments for the project loan financing.

22. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The interim financial information was approved and authorised for issue by the board of directors on 25 August 2011.

CONSOLIDATED BALANCE SHEET

30 June 2011
(Expressed in Renminbi Yuan)
(Prepared in accordance with PRC GAAP and regulations)

ASSETS	*Note 5*	**30 June 2011 (Unaudited)**	31 December 2010 (Audited)
Current assets:			
Cash and bank	1	**16,720,259,193**	6,303,250,047
Held-for-trading financial assets	2	**298,927,236**	4,843,656
Notes receivable	3	**3,983,171,597**	2,813,712,129
Accounts receivable	4	**2,908,226,439**	2,355,465,054
Advances to suppliers	5	**2,244,865,466**	1,789,849,361
Interest receivables		**68,096,004**	28,519,938
Other receivables	6	**1,079,627,411**	1,373,298,799
Inventories	7	**15,117,735,212**	18,269,952,817
Available-for-sale financial assets	9	**2,620,000,000**	520,000,000
Other current assets	8	**1,321,257,758**	1,407,502,234
Total current assets		**46,362,166,316**	34,866,394,035
Non-current assets:			
Available-for-sale financial assets	9	**410,080,000**	710,080,000
Long-term equity investments	10	**1,247,512,226**	968,366,202
Fixed assets	11	**13,711,275,957**	14,165,886,555
Construction in progress	12	**3,241,269,094**	2,537,683,870
Intangible assets	13	**1,203,416,887**	1,208,545,233
Exploration cost	14	**203,765,460**	203,233,460
Deferred tax assets	15	**137,369,666**	184,584,288
Total non-current assets		**20,154,689,290**	19,978,379,608
TOTAL ASSETS		**66,516,855,606**	54,844,773,643

CONSOLIDATED BALANCE SHEET

30 June 2011
(Expressed in Renminbi Yuan)
(Prepared in accordance with PRC GAAP and regulations)

LIABILITIES AND OWNERS' EQUITY	*Note 5*	**30 June 2011 (Unaudited)**	31 December 2010 (Audited)
Current liabilities:			
Short-term borrowings	18	**10,964,825,290**	3,595,708,305
Held-for-trading financial liabilities	19	**359,620,300**	—
Notes payable	20	**1,668,077,677**	2,247,927,604
Accounts payable	21	**2,920,535,560**	2,857,078,517
Advances from customers	22	**1,067,737,761**	472,908,972
Employee benefits payable	23	**469,884,725**	434,094,247
Taxes payable	24	**1,217,476,997**	867,544,810
Interest payable		**86,890,572**	37,395,492
Dividend payable		**695,330,881**	—
Other payables	25	**715,583,636**	770,580,125
Non-current liabilities due within one year	26	**2,009,689**	2,009,689
Other current liabilities	27	**1,518,075,838**	2,818,945,748
Total current liabilities		**21,686,048,926**	14,104,193,509
Non-current liabilities:			
Long-term borrowings	28	**863,128,179**	712,728,248
Employee benefits payable	23	**162,750,000**	—
Bonds payable	29	**5,300,217,809**	5,178,185,211
Long-term payables	30	**14,737,357**	15,006,993
Provisions	31	**121,006,508**	117,724,831
Deferred tax liabilities	15	**10,451,236**	2,784,614
Other non-current liabilities	32	**169,590,254**	176,744,322
Total non-current liabilities		**6,641,881,343**	6,203,174,219
Total liabilities		**28,327,930,269**	20,307,367,728

CONSOLIDATED BALANCE SHEET

30 June 2011
(Expressed in Renminbi Yuan)
(Prepared in accordance with PRC GAAP and regulations)

LIABILITIES AND OWNERS' EQUITY	*Note 5*	**30 June 2011 (Unaudited)**	31 December 2010 (Audited)
Owners' equity:			
Share capital	33	**3,462,729,405**	3,462,729,405
Capital reserve	34	**11,646,707,610**	11,551,359,186
Special reserve	35	**323,793,494**	239,154,624
Surplus reserve	36	**8,769,497,778**	8,769,497,778
Retained earnings	37	**13,772,259,280**	10,236,227,824
Exchange fluctuation reserve		**(200,038,878)**	(135,742,768)
Equity attributable to owners of the Company		**37,774,948,689**	34,123,226,049
Minority interests	38	**413,976,648**	414,179,866
Total owners' equity		**38,188,925,337**	34,537,405,915
TOTAL LIABILITIES AND OWNERS' EQUITY		**66,516,855,606**	54,844,773,643

CONSOLIDATED INCOME STATEMENT

For The Six Months Ended 30 June 2011
(Expressed in Renminbi Yuan)
(Prepared in accordance with PRC GAAP and regulations)

	Note 5	**For the six months ended 30 June 2011 (Unaudited)**	For the six months ended 30 June 2010 (Unaudited)
Revenue	39	**59,318,431,018**	37,570,491,706
Less: Cost of sales	39	**53,417,315,594**	33,855,248,097
Taxes and surcharges	40	**256,184,145**	136,846,770
Distribution and selling costs	41	**194,011,929**	156,038,765
General and administrative expenses	42	**763,902,970**	468,190,767
Financial expenses	43	**229,844,209**	217,266,533
Provision for impairment of assets	44	**3,878,579**	83,246,064
Add: Gain from changes in fair value	45	**334,304,642**	27,243,351
Investment income	46	**275,103,261**	138,101,159
Include: Share of profit/ (loss) of the associates and a jointly controlled entity		**31,241,753**	(4,345,440)
Operating profit		**5,062,701,495**	2,818,999,220
Add: Non-operating income	47	**20,544,623**	78,442,284
Less: Non-operating expenses	48	**6,812,200**	13,142,508
Include: Loss on disposal of non-current assets		**358,149**	6,226,192
Total profit		**5,076,433,918**	2,884,298,996
Less: Income tax	49	**813,597,413**	737,872,990
Net profit		**4,262,836,505**	2,146,426,006
Attributable to owners of the Company		**4,228,577,337**	2,124,210,330
Minority interests		**34,259,168**	22,215,676
Earnings per share attributable to owners of the Company			
— Basic	50	**1.22**	0.70
— Diluted	50	**1.22**	0.65
Other comprehensive income	51	**31,052,314**	50,070,355
Total comprehensive income		**4,293,888,819**	2,196,496,361
— Attributable to owners of the Company		**4,259,629,651**	2,174,564,269
— Attributable to minority interest		**34,259,168**	21,932,092

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Six Months Ended 30 June 2011
(Expressed in Renminbi Yuan)
(Prepared in accordance with PRC GAAP and regulations)

	Attributable to owners of the Company								
	Share capital	Capital reserve	Special reserve	Surplus reserve	Retained earnings	Exchange fluctuation reserve	Subtotal	Minority interests	Total equity
Balance at 1 January 2011 (Audited)	3,462,729,405	11,551,359,186	239,154,624	8,769,497,778	10,236,227,824	(135,742,768)	34,123,226,049	414,179,866	34,537,405,915
Changes during the period									
1. Net profit	—	—	—	—	4,228,577,337	—	4,228,577,337	34,259,168	4,262,836,505
2. Other comprehensive income	—	95,348,424	—	—	—	(64,296,110)	31,052,314	—	31,052,314
Total comprehensive income	—	95,348,424	—	—	4,228,577,337	(64,296,110)	4,259,629,651	34,259,168	4,293,888,819
3. Owners capital contribution and reduction									
(1) Capital contribution	—	—	—	—	—	—	—	3,365,500	3,365,500
(2) Acquisition of minority interests	—	—	—	—	—	—	—	(30,534,187)	(30,534,187)
4. Profit appropriation									
(1) Distribution to owners	—	—	—	—	(692,545,881)	—	(692,545,881)	(8,153,024)	(700,698,905)
5. Special reserve									
(1) Accrued during the period	—	—	106,542,279	—	—	—	106,542,279	859,325	107,401,604
(2) Used during the period	—	—	(21,903,409)	—	—	—	(21,903,409)	—	(21,903,409)
Changes during the period	—	95,348,424	84,638,870	—	3,536,031,456	(64,296,110)	3,651,722,640	(203,218)	3,651,519,422
Balance at 30 June 2011 (Unaudited)	3,462,729,405	11,646,707,610	323,793,494	8,769,497,778	13,772,259,280	(200,038,878)	37,774,948,689	413,976,648	38,188,925,337

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Six Months Ended 30 June 2010
(Expressed in Renminbi Yuan)
(Prepared in accordance with PRC GAAP and regulations)

	Attributable to owners of the Company								
	Share capital	Capital reserve	Special reserve	Surplus reserve	Retained earnings	Exchange fluctuation reserve	Subtotal	Minority interests	Total equity
Balance at 1 January 2010 (Audited)	3,022,833,727	5,318,587,641	158,720,937	6,953,442,907	7,448,675,621	(88,375,266)	22,813,885,567	361,218,641	23,175,104,208
Changes during the period									
1. Net profit	—	—	—	—	2,124,210,330	—	2,124,210,330	22,215,676	2,146,426,006
2. Other comprehensive income	—	39,816,003	—	—	—	10,537,936	50,353,939	(283,584)	50,070,355
Total comprehensive income	—	39,816,003	—	—	2,124,210,330	10,537,936	2,174,564,269	21,932,092	2,196,496,361
3. Owners capital contribution and reduction									
(1) Capital contribution	—	—	—	—	—	—	—	1,000,000	1,000,000
4. Profit appropriation									
(1) Distribution to owners	—	—	—	—	(302,283,373)	—	(302,283,373)	(5,771,972)	(308,055,345)
5. Special reserves									
(1) Accrued during the period	—	—	85,723,913	—	—	—	85,723,913	754,922	86,478,835
(2) Used during the period	—	—	(10,720,757)	—	—	—	(10,720,757)	(17,298)	(10,738,055)
Changes during the period	—	39,816,003	75,003,156	—	1,821,926,957	10,537,936	1,947,284,052	17,897,744	1,965,181,796
Balance at 30 June 2010 (Unaudited)	3,022,833,727	5,358,403,644	233,724,093	6,953,442,907	9,270,602,578	(77,837,330)	24,761,169,619	379,116,385	25,140,286,004

CONSOLIDATED CASH FLOW STATEMENT

For The Six Months Ended 30 June 2011
(Expressed in Renminbi Yuan)
(Prepared in accordance with PRC GAAP and regulations)

	Note 5	**For the six months ended 30 June 2011 (Unaudited)**	For the six months ended 30 June 2010 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from sale of goods and rendering of services		**72,261,117,358**	46,349,158,122
Cash received from refunds of taxes		**6,241,956**	68,162,697
Cash received from other operating activities	52	**502,278,605**	195,718,640
Sub-total of cash inflows		**72,769,637,919**	46,613,039,459
Cash paid for goods and rendering of services		**65,589,794,820**	43,350,075,922
Cash paid to and on behalf of employees		**936,784,774**	729,338,094
Cash paid for all types of taxes		**1,967,544,038**	1,687,138,399
Cash paid for other operating activities	52	**323,260,962**	411,728,047
Sub-total of cash outflows		**68,817,384,594**	46,178,280,462
Net cash flows from operating activities	53(1)	**3,952,253,325**	434,758,997
CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash received from retrieve of investments		**16,522,248,400**	332,100,880
Cash received from investment income		**72,920,870**	11,935,096
Cash received from disposal of fixed assets, intangible assets and other long-term assets, net		**702,733**	9,920,992
Cash received from other investing activities		**—**	5,237,258
Sub-total of cash inflows		**16,595,872,003**	359,194,226
Cash paid for acquisition of fixed assets intangible assets and other long-term assets		**1,060,517,368**	771,054,601
Cash paid for acquisition of investments		**18,633,250,755**	474,886,126
Sub-total of cash outflows		**19,693,768,123**	1,245,940,727
Net cash flows used in investing activities		**(3,097,896,120)**	(886,746,501)

For The Six Months Ended 30 June 2011
(Expressed in Renminbi Yuan)
(Prepared in accordance with PRC GAAP and regulations)

	Note 5	**For the six months ended 30 June 2011 (Unaudited)**	For the six months ended 30 June 2010 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash received from capital contributions		**3,365,500**	1,000,000
Including: Cash received from investments of minority interests in subsidiaries		**3,365,500**	1,000,000
Cash received from borrowings		**12,300,043,214**	4,028,773,727
Cash received from other financing activities	52	**930,167,465**	—
Sub-total of cash inflows		**13,233,576,179**	4,029,773,727
Cash repayment of borrowings		**5,160,840,579**	2,634,715,663
Cash paid for distribution of dividends or profits and for payment of interest expenses		**76,553,464**	29,116,349
Including: Cash paid for distribution of dividends or profits to minority interests by subsidiaries		**5,368,024**	5,771,972
Repayment of capital to minority shareholders		**30,534,187**	—
Cash paid for other financing activities	52	**1,428,729,981**	585,813,192
Sub-total of cash outflows		**6,696,658,211**	3,249,645,204
Net cash flows from financing activities		**6,536,917,968**	780,128,523
EFFECT OF EXCHANGES RATE CHANGES		**(1,149,627)**	(283,751)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**7,390,125,546**	327,857,268
Add: Cash and cash equivalents balance at beginning of period		**3,864,367,814**	1,702,626,227
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	53(2)	**11,254,493,360**	2,030,483,495

THE COMPANY BALANCE SHEET

30 June 2011
(Expressed in Renminbi Yuan)
(Prepared in accordance with PRC GAAP and regulations)

ASSETS	*Note 6*	**30 June 2011 (Unaudited)**	31 December 2010 (Audited)
Current assets:			
Cash and bank		**15,402,484,835**	4,779,877,828
Notes receivable		**2,824,286,691**	2,392,394,368
Accounts receivable	1	**1,504,136,928**	1,423,599,897
Advances to suppliers		**1,693,437,849**	1,077,803,712
Interests receivable		**42,914,484**	—
Dividends receivable		**8,000,000**	—
Other receivables	2	**485,447,208**	471,182,659
Inventories		**10,906,707,498**	14,045,269,880
Other current assets		**422,237,958**	641,186,558
Total current assets		**33,289,653,451**	24,831,314,902
Non-current assets:			
Available-for-sale financial assets		**398,080,000**	398,080,000
Long-term equity investments	3	**6,788,915,941**	5,761,869,200
Fixed assets		**11,476,846,604**	11,849,255,387
Construction in progress		**2,024,511,630**	1,632,870,028
Intangible assets		**1,136,522,533**	1,153,091,695
Exploration costs		**203,765,460**	203,233,460
Deferred tax assets		**97,487,993**	92,869,615
Total non-current assets		**22,126,130,161**	21,091,269,385
TOTAL ASSETS		**55,415,783,612**	45,922,584,287

THE COMPANY BALANCE SHEET

30 June 2011
(Expressed in Renminbi Yuan)
(Prepared in accordance with PRC GAAP and regulations)

LIABILITIES AND OWNERS' EQUITY	*Note 6*	**30 June 2011 (Unaudited)**	31 December 2010 (Audited)
Current liabilities:			
Short-term borrowings		**5,824,427,560**	650,175,423
Held-for-trading financial liabilities		**64,117,000**	—
Notes payable		**24,940,850**	306,036,729
Accounts payable		**3,994,362,808**	2,719,028,472
Advances from customers		**249,211,379**	181,003,623
Employee benefits payable		**396,643,422**	335,021,349
Taxes payable		**830,781,022**	727,333,910
Interest payable		**63,595,013**	18,196,939
Dividend payable		**692,545,881**	—
Other payables		**441,203,825**	741,662,933
Non-current liabilities due within one year		**2,009,689**	2,009,689
Other current liabilities		**46,900,527**	875,158,508
Total current liabilities		**12,630,738,976**	6,555,627,575
Non-current liabilities:			
Long-term borrowings		**290,000,000**	290,000,000
Employee benefits payable		**162,750,000**	—
Bonds payable		**5,300,217,809**	5,178,185,211
Long-term payables		**14,737,357**	15,006,993
Provision		**108,672,081**	105,537,581
Deferred tax liabilities		**3,364,434**	—
Other non-current liabilities		**127,074,853**	132,928,613
Total non-current liabilities		**6,006,816,534**	5,721,658,398
Total liabilities		**18,637,555,510**	12,277,285,973
Owners' equity:			
Share capital		**3,462,729,405**	3,462,729,405
Capital reserve		**12,475,203,701**	12,497,857,494
Special reserve		**293,682,213**	217,210,378
Surplus reserve		**8,646,632,361**	8,646,632,361
Retained earnings		**11,899,980,422**	8,820,868,676
Total owners' equity		**36,778,228,102**	33,645,298,314
TOTAL LIABILITIES AND OWNERS' EQUITY		**55,415,783,612**	45,922,584,287

THE COMPANY INCOME STATEMENT

For The Six Months Ended 30 June 2011
(Expressed in Renminbi Yuan)
(Prepared in accordance with PRC GAAP and regulations)

	Note 6	**For the six months ended 30 June 2011 (Unaudited)**	For the six months ended 30 June 2010 (Unaudited)
Revenue	4	**37,782,592,725**	28,664,402,854
Less: Cost of sales	4	**32,585,919,651**	25,399,684,327
Taxes and surcharges		**225,828,062**	122,844,276
Distribution and selling costs		**113,347,242**	85,887,403
General and administrative expenses		**588,120,309**	377,281,652
Financial expenses		**66,125,709**	171,880,911
Provision for impairment of assets		**3,821,744**	42,798,587
Add: Gain from changes in fair value		**184,309,001**	8,329,496
Investment income	5	**46,483,592**	170,831,169
Include: Share of gain/(loss) of the associates and a jointly controlled entity		**31,241,753**	(3,449,068)
Operating profit		**4,430,222,601**	2,643,186,363
Add: Non-operating income		**6,481,446**	65,787,881
Less: Non-operating expenses		**5,104,016**	9,108,455
Include: Loss on disposal of non-current assets		**—**	5,799,348
Total profit		**4,431,600,031**	2,699,865,789
Less: Income tax		**659,942,404**	673,763,223
Net profit		**3,771,657,627**	2,026,102,566
Other comprehensive (loss)/income		**(30,746,355)**	11,179,741
Total comprehensive income		**3,740,911,272**	2,037,282,307

THE COMPANY STATEMENT OF CHANGES IN EQUITY

For The Six Months Ended 30 June 2011
(Expressed in Renminbi Yuan)
(Prepared in accordance with PRC GAAP and regulations)

	Share capital	Capital reserve	Special reserve	Surplus reserve	Retained earnings	Total equity
Balance at 1 January 2011 (Audited)	3,462,729,405	12,497,857,494	217,210,378	8,646,632,361	8,820,868,676	33,645,298,314
Changes during the period						
1. Net profit	—	—	—	—	3,771,657,627	3,771,657,627
2. Other comprehensive income	—	(30,746,355)	—	—	—	(30,746,355)
Total comprehensive income	—	(30,746,355)	—	—	3,771,657,627	3,740,911,272
3. Owners capital contribution and reduction						
(1) Capital reduction	—	8,092,562	—	—	—	8,092,562
4. Profit appropriation						
(1) Distribution to owners	—	—	—	—	(692,545,881)	(692,545,881)
5. Special reserve						
(1) Accrued during the period	—	—	94,080,059	—	—	94,080,059
(2) Used during the period	—	—	(17,608,224)	—	—	(17,608,224)
Changes during the period	—	(22,653,793)	76,471,835	—	3,079,111,746	3,132,929,788
Balance at 30 June 2011 (Unaudited)	3,462,729,405	12,475,203,701	293,682,213	8,646,632,361	11,899,980,422	36,778,228,102

THE COMPANY STATEMENT OF CHANGES IN EQUITY

For The Six Months Ended 30 June 2010
(Expressed in Renminbi Yuan)
(Prepared in accordance with PRC GAAP and regulations)

	Share capital	Capital reserve	Special reserve	Surplus reserve	Retained earnings	Total equity
Balance at 1 January 2010 (Audited)	3,022,833,727	6,278,394,352	147,793,254	6,830,577,490	6,399,069,744	22,678,668,567
Changes during the period						
1. Net profit	—	—	—	—	2,026,102,566	2,026,102,566
2. Other comprehensive loss	—	11,179,741	—	—	—	11,179,741
Total comprehensive (loss)/income	—	11,179,741	—	—	2,026,102,566	2,037,282,307
3. Owners capital contribution and reduction	—	—	—	—	—	—
4. Profit appropriation						
(1) Distribution to owners	—	—	—	—	(302,283,373)	(302,283,373)
5. Special reserve						
(1) Accrued during the period	—	—	77,955,491	—	—	77,955,491
(2) Used during the period	—	—	(7,898,551)	—	—	(7,898,551)
Changes during the period	—	11,179,741	70,056,940	—	1,723,819,193	1,805,055,874
Balance at 30 June 2010 (Unaudited)	3,022,833,727	6,289,574,093	217,850,194	6,830,577,490	8,122,888,937	24,483,724,441

THE COMPANY CASH FLOW STATEMENT

For The Six Months Ended 30 June 2011
(Expressed in Renminbi Yuan)
(Prepared in accordance with PRC GAAP and regulations)

	Note 6	**For the six months ended 30 June 2011 (Unaudited)**	For the six months ended 30 June 2010 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from sale of goods or rendering of services		**44,067,387,621**	35,045,656,735
Cash received from refunds of taxes		**—**	61,068,500
Cash received from other operating activities		**157,405,621**	86,603,429
Sub-total of cash inflows		**44,224,793,242**	35,193,328,664
Cash paid for goods and rendering of services		**34,083,415,234**	31,848,855,739
Cash paid to and on behalf of employees		**687,922,188**	537,207,795
Cash paid for all types of taxes		**1,674,514,210**	1,543,500,602
Cash paid for other operating activities		**89,554,723**	181,204,775
Sub-total of cash outflows		**36,535,406,355**	34,110,768,911
Net cash flows from operating activities	6	**7,689,386,887**	1,082,559,753
CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash received from retrieve of investments		**17,499,932**	—
Cash received from investment income		**18,700,245**	175,639,621
Cash received from disposal of fixed assets, intangible assets and other long-term assets, net		**588,902**	8,663,219
Cash received from other investing activities		**—**	1,250,000
Sub-total of cash inflows		**36,789,079**	185,552,840
Cash paid for acquiring of fixed assets, intangible assets and other long-term assets		**794,851,622**	740,547,756
Cash paid for acquisition of investments		**1,517,331,089**	469,500,000
Sub-total of cash outflows		**2,312,182,711**	1,210,047,756
Net cash flows used in investing activities		**(2,275,393,632)**	(1,024,494,916)

THE COMPANY CASH FLOW STATEMENT

For The Six Months Ended 30 June 2011
(Expressed in Renminbi Yuan)
(Prepared in accordance with PRC GAAP and regulations)

	Note 6	**For the six months ended 30 June 2011 (Unaudited)**	For the six months ended 30 June 2010 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITES			
Cash received from borrowings		**5,454,046,885**	585,918,135
Sub-total of cash inflows		**5,454,046,885**	585,918,135
Cash repayment of borrowings		**224,458,534**	—
Cash paid for distribution of dividends or profits and payment of interest expenses		**20,974,599**	286,000,000
Cash paid for other financing activities		**6,420,000**	—
Sub-total of cash outflows		**251,853,133**	286,000,000
Net cash flows from financing activities		**5,202,193,752**	299,918,135
EFFECT OF EXCHANGES RATE CHANGES		**—**	—
NET INCREASE IN CASH AND CASH EQUIVALENTS		**10,616,187,007**	357,982,972
Add: Cash and cash equivalents balance at beginning of period		**4,779,877,828**	1,487,675,350
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6	**15,396,064,835**	1,845,658,322

1. COMPANY INFORMATION

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

The Company has allotted 230,000,000 ordinary A shares of par value of RMB1.00 each on 21 December 2001 and was listed on Shanghai Stock Exchange ("SSE") on 11 January 2002. The Company's share capital increased to RMB 2,664,038,200 after the issue of A shares.

According to the approval of the Company's annual general meeting of 2004 and pursuant to the sanction document of ZhengJianGuoHeZi [2004] No.16 issued by the China Security and Regulatory Commission ("CSRC"), the Company places an aggregate of 231,000,000 H shares of par value of RMB1.00 each on 25 July 2005. After the placing, the share capital of the Company increases to RMB 2,895,038,200.

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

According to the approval of the Company's annual general meeting of 2007 and pursuant to the sanction document of ZhengJianGuoHeZi (2007)278 issued by the CSRC, the Company non-publicly issues an aggregate of 127,795,527 A shares of par value of RMB1.00 each on 27 September 2007. After the placing, the share capital of the Company increases to RMB 3,022,833,727.

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 issues 6,800,000,000 detachable convertible bonds of per value of RMB 100 each on 22 September 2008. The bonds and warrants were listed on Shanghai Stock Exchange. As of the end of exercise period, 8 October 2010, an aggregate of 1,759,615,512 warrants attached to bonds payable were successfully exercised, resulting in increase of tradable A shares by 439,895,678 shares with par value of RMB1.00 each. Accordingly, paid-in capital of the Company increased from RMB3,022,823,727 to RMB3,462,729,405. More details are given in Note 5 (29) and (33).

1. COMPANY INFORMATION *(CONTINUED)*

As approved by the board of directors on 29 October 2009, the Company's H share was delisted from the LSE from 27 November 2009.

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

The financial statement was approved by the board of directors on 25 August 2011.

2. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

(1) 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, interpretation and other related regulations issued after that. (Collectively, the "Accounting Standard for Business Enterprises").

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

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.

(2) Statement of compliance with the "Accounting Standards for Business Enterprises"

The financial statements for the six months end 30 June 2011 present truthfully and completely the financial position of the Group and the Company as at 30 June 2011, and of its financial performance and its cash flows for the six months ended 30 June 2011 in accordance with the Accounting Standards for Business Enterprises.

(3) Accounting period

The accounting period of the financial statements is from 1 January 2011 to 31 December 2011.

(4) Reporting currency

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

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

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

(5) 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 the capital stock premium is not sufficient to be offset, the retained earnings shall be adjusted.

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.

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.

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

(5) Business combinations *(continued)*

Where the sum of the fair value of combination cost paid (or the fair value of the equity securities issued) and the fair value of shareholding of the acquiree held by the acquirer before the combination date 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 sum of the fair value of combination cost paid (or the fair value of the equity securities issued) and the fair value of shareholding of the acquiree held by the acquirer before the combination date 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 sum of the fair value of combination cost paid (or the fair value of the equity securities issued) and the fair value of shareholding of the acquiree held by the acquirer before the combination date is still less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer shall recognize the remaining difference immediately in profit or loss for the current period.

(6) Consolidated financial statements

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2010. 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.

When the current period loss burdened by the minority interests exceeds the equity shared by the minority interests at the beginning of the period, the remaining balance still writes off the equity of the minority interests. A change in the ownership of a subsidiary, without a loss of control, is accounted for as an equity transaction.

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

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

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

(7) Cash and cash equivalents

Cash, represents the Group's cash on hand, and the deposits which are not restricted as to use. 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.

(8) Foreign currency translation

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

Foreign currency transactions are initially recorded 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 other comprehensive income or loss 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 other comprehensive income or loss 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 on the transaction dates. Income statement items in the year are translated at the average exchange rates for year. The resulting exchange differences are recognized as other comprehensive income or loss and included in a separate component of equity. On disposal of a foreign entity, the Group may calculate the differences arising from the translation of foreign currency statements of the part of disposal based on the disposal rate and shall shift them into the profits and losses of the current period.

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

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

(9) Inventories

Inventories include raw materials, work in progress and finished goods.

Inventories are initially stated at cost. The cost of inventories comprises all costs of purchase, costs of conversion and other costs. The cost of inventory also includes gains and losses on qualifying fair value hedge in respect of inventories designated as hedged items.

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 net realizable value at the point where those products become physically separated.

The Group adopts perpetual inventory method.

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

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs to completion and the estimated expenses and the related taxes necessary to make the sale. Provision for decline in value 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 combination basis.

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

(10) Long-term investments

Long-term investments include the investments in subsidiaries, joint ventures and associated companies. A Long-term investment also include the investment of the investing enterprise that does not do joint control or does not have significant influences on the invested enterprise, and the investment has no offer in the active market and its fair value cannot be reliably measured.

A long-term investment is initially recorded at its cost on acquisition. For business combinations under common control, long-term investments are initially recognized at the share of carrying amount of the acquiree's equity; and for business combinations not under common control, the investments are recorded at the combination costs (for business combinations not under common control via several transactions, the investments are recorded at the sum of book value of equity investments of the acquiree and new investment cost addition). Combination costs include the assets paid by acquirer, liability occurred or burdened and the fair value of issuing equity instruments. The costs of the investments acquired through ways other than business combinations are recognized as follows: i) if acquired through payment of cash, the cost is the actual consideration paid plus the expenses, taxes and other required expenditures directly attributable to the acquisition; ii) if acquired through issuing of equity securities, the cost is the fair value of issuing equity instruments; and iii) if acquired through investment by investors, the cost is the consideration pertaining to the investment contract or agreement unless the value is unfair.

When the Group does not hold jointly control, or exercises no significant influence on the invested enterprise, and the investment is not quoted in an active market and its fair value cannot be reliably measured, the cost method is applied. When the Group holds control on the invested enterprise, the cost method is applied in individual financial statements. The term "control" refers to the authority of an enterprise to decide on the financial and business policies of another enterprise and benefit from its business activities in accordance with the policies.

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

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

When the cost method is adopted, the investments are initially recognized at cost, and investment income is recognized in the income statement of the period to the extent that the Group's share of the profit or cash dividend declared to be distributed by the investee. Accordingly the investments are subject to impairment assessment in line with certain accounting policies of non-current asset impairment.

The equity method is adopted when the Group holds 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 do joint control together 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 losses is recognized. However, the share of net loss is only recognized to the extent that the carrying value of the investment is reduced to zero, except to the extent that the Group has incurred obligations to assume additional losses. The Group shall adjust the carrying amount of the long-term equity investment for other changes in owner's equity of the invested enterprise (other than net profits or losses), and include the corresponding adjustment in equity.

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

(Expressed in Renminbi Yuan)

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

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

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 adjusted, the retained earnings shall be adjusted.

Further details of the methods of impairment tests and provision are given in Note 2 (20). And the methods for other long-term investments which are not quoted in an active market and fair value of which cannot be reliably measured are given in Note 2 (15).

(11) Fixed assets

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 capitalized as an additional cost of that asset or as a replacement. Otherwise, such expenditure shall be recognized in income statement when they are incurred.

Fixed assets are initially measured at cost and the expected 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 bring the asset to its working condition 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	12–45 years	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%

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

The methods of impairment test and impairment provision of fixed assets are given in Note 2 (20).

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

(12) 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.

The methods of impairment test and provision of construction in progress are given in Note 2 (20).

(13) Intangible assets

Intangible assets is recognized and measured on initial recognition at cost only if the related economic benefits will probably flow into the Group and its cost can be measured reliably. However, the intangible assets acquired through business combination should be measured at fair value separately as intangible assets when its fair value could be reliably measured.

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 right	10–50 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 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 recognized as fixed assets.

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

(13) Intangible assets *(continued)*

The amortisation of a finite useful life intangible asset is calculated on the straight-line basis over the estimated useful life. The amortization period and the amortization 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 assets 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 are evidences to prove the intangible assets have limited service life, it shall be estimated of its service life, and be treated according to these Standards.

The Group classifies the expenditures of internal research and development projects into expenditures in research phase and those in development phase. All expenditures in research phase are charged to the income statement as incurred. The expenditures incurred in development phase are capitalised if and only if the following criteria are satisfied: (i) the completion of the intangible asset so as to be used or sold is technically feasible; (ii) the completion of the intangible asset to be used or sold is intended; (iii) the intangible asset will generate probable future economic benefits, illustrated by the facts that there are markets for the output of the intangible asset or the asset itself or the usability of the intangible asset if it is used internally; (iv) adequate technical, financial and other resources are available for completing the development, and the use and sales of the intangible asset is capable; and (v) expenditures attributable to the development phase of the intangible assets can be reliably measured. Development expenditures not meeting the above criteria are charged to the current income statement when incurred.

The methods of impairment test and impairment provision of intangible assets are given in Note 2 (20).

(14) Exploration costs

Exploration costs include the cost of acquiring exploration rights and other costs and expenses happened 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 to the income statement. Exploration costs are stated at cost less any impairment losses.

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

(15) 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 recognizes a financial asset or a financial liability on its balance sheet when the Group becomes a party to the contract of the financial instruments.

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

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

(ii) the Group has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group 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 derecognized 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 recognized in the income statement.

All regular way purchases and sales of financial assets are recognized on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Classification and measurement of financial assets

Financial assets of the Group are classified as financial assets at fair value through profit or loss, held-to-maturity investments, borrowings and receivables, and available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition. When financial assets are recognized initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

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

(15) Financial instruments *(continued)*

Classification and measurement of financial assets (continued)

The subsequent measurement of financial assets depends on their classification as follows:

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

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets may be classified as held for trading if one of the following conditions is met: (i) the financial assets is acquired or incurred principally for the purpose of selling it in the near term; (ii) the financial assets is part of a portfolio of identified financial instruments that are managed together and for which there is objective evidence of a recent pattern of short-term profit-taking; or (iii) derivatives, including separate embedded derivative instruments, are also classified as held for trading unless they are designated as effective hedging instruments or derivative instruments to financial guarantee contracts, 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.

These financial assets are subsequently measured at fair value with all realized and unrealized changes recognized in the profit or loss for the current period. Dividends or interest earned on financial assets at fair value through profit or loss 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 subsequently measured at amortized cost using the effective interest rate method less any allowance for impairment. Gains and losses arising from amortization, impairment or derecognition are recognized in the income statement.

(c) Borrowings and receivables

Borrowings and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortized cost using the effective interest rate method less any allowance for impairment. The effective interest rate amortization is included in the income statement. Gains and losses arising from impairment is recognized in the income statement.

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

(15) Financial instruments *(continued)*

Classification and measurement of financial assets (continued)

The subsequent measurement of financial assets depends on their classification as follows: *(continued)*

(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. Except that gains and losses arising from impairment and foreign exchange of currency financial assets are recognized to the income statement, unrealized gains or losses are recognized as other comprehensive income in the capital reserve until the investment is derecognized or determined to be impaired, at which time the cumulative gain or loss is recognized in the income statement. Gains or losses are recognized as a separate component of equity until the investment is derecognized or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity are included in the income statement. Interests and dividends earned on available-for-sale financial assets 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.

Financial liabilities are classified into one of the following categories when they are initially recognized: (i) financial liabilities at fair value through profit or loss; (ii) other financial liabilities; and (iii) derivatives designated as hedging instruments in an effective hedge. The Group determines the classification of its financial liabilities at initial recognition. For financial liabilities at fair value through profit or loss, the transaction expenses thereof are recorded in profit or loss for the current period; for others, the transaction expenses are included in the initial recognition costs.

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

(15) Financial instruments *(continued)*

Classification and measurement of financial assets (continued)

The measurement of financial liabilities depends on their classification as follows:

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

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

(b) Other financial liabilities

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

Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognized initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period; and (ii) the amount initially recognized less, when appropriate, cumulative amortization according to the revenue recognition.

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

(15) Financial instruments *(continued)*

Derivative financial instruments

The Group uses derivative financial instruments to hedge its commodity price risk. The Group's derivative financial instruments mainly include commodity derivative contracts (standardized copper cathode future contracts in Shanghai Futures Exchange ("SHFE") and London Metal Exchange ("LME") and provisional price arrangement.

Provisional price arrangement is embedded in concentrate purchase contracts with third parties. According to industrial practice, the purchase terms of metal in these contracts contain provisional pricing arrangements whereby the purchase price for metal in concentrate is based on prevailing spot prices at 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. Accordingly, for accounting purposes, the provisional price arrangement is required to be separated from the host contract for purchase of metals in concentrate once the significant risks and rewards of ownership has been transferred to the Group. The host contract is the purchase of metals in concentrate and the embedded derivative is the forward contract for which the provisional price is subsequently adjusted.

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 of derivatives are taken directly to the income statement, except for that portion relating to the effective portion of cash flow hedges, which are recognized in other comprehensive income. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

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 recognized 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 recognized and included in 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 recognized. The liability component is carried on an amortized cost basis until redemption. The carrying amount of the detachable share purchase warrants is not re-measured in subsequent years.

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

(15) Financial instruments *(continued)*

Fair value of financial instruments

The fair value of investments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business at the balance sheet date. At the balance sheet date, the fair value of commodity derivative contracts should be its market value; and the calculation of fair value change of the unsettled provisional price arrangement should refer to the market value of commodity derivative contracts with similar due 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 fair value of another instrument which is substantially the same; a discounted cash flow analysis; and option pricing model, etc.

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, and such impact can be reliably measured by the Group.

(1) 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 recognized in the income statement. The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (the effective interest rate when initially recognized), and the value of the relevant guaranty should also be taken into account. If a financial asset has a variable interest rate, the discount rate is taken into account the value of the relevant guaranty.

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

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

(15) Financial instruments *(continued)*

Impairment of financial assets (continued)

(1) Financial assets measured at amortized cost *(continued)*

If any financial asset, measured on the basis of amortized costs, 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, is reversed and included in profit or loss for the current period. However, the reversed carrying amount is not more than amortized costs of the financial asset on the day of reverse, under the assumption that no provision is made for the impairment.

(2) Available-for-sale financial assets

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

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

(3) 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 principle.

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

(15) Financial instruments *(continued)*

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.

(16) Hedge accounting

For the purpose of hedge accounting, hedges are classified as:

(i) fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment; or

(ii) cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, the risk management objective and its strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Group will assess the hedging instrument's effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges which meet the strict criteria for hedge accounting are accounted for as follows:

Fair value hedges

The change in the fair value of a hedging derivative is recognized in the income statement. The change in the fair value of the hedged item attributable to the risk hedged is recorded as a part of the carrying amount of the hedged item and is also recognized in the income statement.

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

(16) Hedge accounting *(continued)*

Fair value hedging (continued)

When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recognized in the income statement. The changes in the fair value of the hedging instrument are also recognized in the income statement.

The Group discontinues fair value hedge accounting if the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, the hedge no longer meets the criteria for hedge accounting or the Group revokes the designation.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognized directly in other comprehensive income in the hedging reserve, while any ineffective portion is recognized immediately in the income statement.

Amounts recognized in other comprehensive income are transferred to the income statement when the hedged transaction affects profit or loss, such as when a hedged forecast sale occurs.

If the forecast transaction is no longer expected to occur, the cumulative gain or loss previously recognized in equity are transferred to the income statement. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, the amounts previously recognized in other comprehensive income remain in other comprehensive income until the forecast transaction affects profit or loss.

(17) Receivables

(i) *individually significant and individually providing bad debt provision receivable balance*

The method of recording bad debt provision of individually significant receivable balance is to perform impairment test separately. If the occurrence of impairment is proved by objective evidence, such impairment loss should be recognized in income statement of the year. The balance with no bad debt needed according to the test is to record provision by aging analysis, taking aging as the credit characteristics.

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

(17) Receivables *(continued)*

(ii) receivable balance with provision provided by group

The Group determines the receivable group based on the aging as the credit risk characteristics. The bad debt for receivable and other receivable is recorded based on the aging analysis and the accrual percentage is stated as follows:

	Accounts receivable *(%)*	**Other receivables** *(%)*
Less than 1 year	—	—
1 to 2 year	20	20
2 to 3 year	50	50
More than 3 years	100	100

(iii) individually insignificant receivable balance but providing bad debt provision individually

If the occurrence of impairment is proved by objective evidence, such impairment loss should be recognized in income statement of the year.

(18) Assets transferred with repurchase conditions

Financial assets transferred with repurchase conditions should be derecognized according to the economic nature of the transaction. If the asset repurchased is the same (or same in nature) as the financial assets transferred, and the repurchasing price is fixed or is original purchase price plus reasonable return, the financial asset transferred shall not be derecognized. If after the transfer of the financial asset, the seller only kept a priority to repurchase at fair value (when the buyer sells such financial asset), the financial asset shall be derecognized.

(19) Borrowing costs

Borrowing costs refer to interests and other related costs incurred by the Group in connection with the borrowing of funds. Borrowing costs include interests, 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 (fixed assets, investment property and inventories, etc.) that necessarily take a substantial period of time for acquisition, construction or production to get ready for their intended use or sale.

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

(19) Borrowing costs *(continued)*

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

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

(20) Impairment of assets

Impairment of assets other than inventories, deferred income tax assets, financial assets and long-term equity investments measured by using 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. Impairment test of intangible assets should be done every year, even if they were not ready for use.

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 or asset group is less than its carrying amount, the carrying amount 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 those are expected to benefit from the synergies of the combination and is not larger than a segment in the Group's report.

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

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

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

(21) Contingencies

Except for the contingent consideration and contingent liability occurred in business combination, an obligation related to a contingency shall be recognized as a provision when all of the following conditions are satisfied:

— The obligation is a present obligation of the Group;

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

— The amount of the obligation can be measured reliably.

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

(22) Revenue

Revenue is recognized when it is probable that the economic benefits will flow into the group, the amount can be measured reliably and all of the following conditions are satisfied.

Revenue from sales of goods

Sales of goods are recognized 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. The amount of sale of goods is determined by the contract or agreed price received or receivable from the buyer, except that the received or receivable contract or agreed price is unfair.

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

(22) Revenue *(continued)*

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. The amount of rendering of services income is determined by the contract or agreed price received or receivable, except that the received or receivable contract or agreed price is unfair.

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, or charge to the income statement when the actual rental occurred.

(23) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the government grant may take the form of a transfer of a monetary asset, it is assessed as the amount received or will be received. When the government grant may take the form of a transfer of a non-monetary asset, it is usual to assess the fair value of the non-monetary asset and to account for both grant and asset at that fair value. An alternative course that is sometimes followed is to record both asset and grant at a nominal amount, when the fair value cannot be reliably obtained. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to a government grant account and is recognised in profit or loss on a systematic basis over the useful life of the asset. However, the grant assessed as the nominal amount is directly recognized in the income statement.

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

(24) 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.

As lessee under operating lease

Lease payments under an operating lease shall be charged to the income statement or the included in the cost of related asset on the straight-line basis over the lease terms, or charge to the income statement when the actual rental occurred.

(25) 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.

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

(26) Income tax

Income tax includes current and deferred tax. Current and deferred tax of the Group 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 liabilities or assets for the current and prior periods are measured at the amount expected to be paid or recovered according to the requirements of tax laws.

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

Deferred tax liabilities are recognized 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 recognized for all deductible temporary differences, carry forward 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 carry forward 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 recognized 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 utilized.

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

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

(26) Income tax *(continued)*

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. Conversely, previously unrecognized deferred tax assets are reassessed at each balance sheet date and are recognized to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(27) 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 Ministry of Finance("MOF") and Safety Production General Bureau, the Group is required to accrue a "Production Safety Fund" to improve the production safety.

According to CaiKuai [2009] No. 8 "Accounting Standards for Business Enterprises Interpretation No 3" ("Interpretation 3") issued by the MOF on 11 June 2009, the Safety Fund and other similar funds accrued by enterprises in accordance with relevant regulations should be charged to the production cost of related products or the income statement and stated as special reserves, a separate account under surplus reserve in owners' equity. For the utilization of the fund to pay for safety relevant 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 offset with the balance of special reserves and full depreciation is provided for the asset at the same amount. Hence, the asset is not depreciated in the following periods.

(28) Distribution of profits

Cash dividends of the company are recognized as liability after they are approved by the shareholders in a general meeting.

(29) Related party

When a party controls, jointly controls or exercises significant influence over another party, or when two or more parties are under the control, joint control or significant influence of the same party, the affiliated party relationships are constituted.

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

(30) Significant 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.

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 will be 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 recognized in the income statement.

Impairment of non-financial assets other than goodwill

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The calculation of the fair value less costs to sell is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

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 of similar assets and estimated changes in technologies. If the estimated useful lives changed significantly, adjustment of depreciation will be provided in the future period.

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

(30) Significant accounting estimates *(continued)*

Impairment of borrowings, trade and other receivables

Provision for impairment of borrowings, trade and other receivables is made based on an assessment of the recoverability of borrowings, 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.

Mineral reserves

Technical estimates of the Group's mining reserves are inherently imprecise and represent only approximate amounts because of the subjective judgments involved in developing such information. There are authoritative guidelines regarding the engineering criteria that have to be met before the estimated mining reserves can be designated as "proved" and "probable". Proved and probable mineral reserves 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 determine depreciation and amortisation rates for mines related assets and are used in assessing impairment loss.

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. Judgement 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.

(Expressed in Renminbi Yuan)

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

(30) Significant accounting estimates *(continued)*

Exploration cost

The application of the Group's accounting policy for exploration and evaluation cost requires judgment 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 capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the income statement in the period when the new information becomes available.

3. TAXATION

(i) Main tax items and rates are as follows:

Value Added Tax	According to the Provisional Regulations of PRC 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) and water-supply income (which is at 13% on revenue). The input VAT paid when purchasing 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.
Income Tax - parent company	The provision for PRC current income tax is based on a statutory rate 15% (15% for 2010) of the assessable profit of the Company.
Income Tax - subsidiaries	The income tax rate for the company's subsidiaries, except for Jiangxi Copper Shenzhen Trading Company Limited ("Shenzhen Trading"), Jiangxi Copper Shanghai Trading Company Limited ("Shanghai Trading"), Jiangxi Copper Corporation Xiamen Trading Company ("Xiamen Trading"), JCC Finance Company Limited ("Finance Company"), Jiangxi Copper Alloy Materials Company Limited ("JCAC"), Jiangxi Jiangtong-Wengfu Chemical Industry Company Limited ("Wengfu Chemical"), Jiangxi Copper Yates Copper Foil Company Limited ("Yates"), Jiangxi Copper (Longchang) Precise Pipe Company Limited ("Longchang Copper Pipe"), Jiangxi Copper Taiyi Special Electrical Materials Company Limited ("Taiyi"), Loyal Sky Industrial Company Limited ("Loyal Sky") and Sure Spread Company Limited ("Sure Spread") are 25%.
	Sure Spread pays profits tax at a rate of 16.5% in Hong Kong (16.5% for 2010).

3. TAXATION *(CONTINUED)*

(i) Main tax items and rates are as follows *(continued)*:

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 RMB 5 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 × compensation rate × the mining recovery co-efficiency rate Mining recovery co-efficiency 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% and 4%.
Cities construction tax	The Group paid city construction tax at a rate of 5% and 7% of the turnover tax paid.
Education supplementary tax	The Group paid education supplementary tax at a rate of 3% 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.

(Expressed in Renminbi Yuan)

3. TAXATION *(CONTINUED)*

(ii) Tax reduction and related approval

Income Tax - parent company	Based on the Gangaoqirenfa[2011] No.1 issued by Jiangxi Province high tech enterprise recognition management leader group on Jan 28th 2011, the company was recognized as high tech enterprise. The company received the High Tech Enterprise Certificate issued jointly by Jiangxi Province Science Department, Jiangxi Province Finance Department, Jiangxi Province State Tax Bureau and Jiangxi Province Local Tax Bureau in January 2011. Certificate No was GR201036000054 and the effective period was 3 years from 2010 to 2012. Based on the New Corporate Income Tax Law and related regulations, the applicable tax rate for the company as high tech enterprise supported by the government is 15% under the condition complying with the relevant requirements.
Income Tax - subsidiaries	*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 Shenzhen Trading, Shanghai Trading, Xiamen Trading and Finance Company which were entitled to lower corporate income tax rates before, their rates are gradually standardized to the new rate of 25% on a 5-year basis. 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 in effective from 1 January 2008 and the above notification, Kangtong, JCAC, Wengfu Chemical, Yates, Longchang Copper Pipe and Taiyi can continue to enjoy their tax holiday until the expire 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 new corporate tax law and regulations for their best interests. *Exemption from income taxation for Special Economic Zones* Shenzhen Trading, Shanghai Trading 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 24% for 2011 (22% for 2010).

3. TAXATION *(CONTINUED)*

(ii) Tax reduction and related approval *(continued)*

Income Tax - subsidiaries *(continued)*

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

Since Kangtong Copper is a set-up productive foreign-funded enterprise, Kangtong Copper shall be exempted from income tax in the first and second profit-making years and allowed a 50% reduction of income tax in the third, fourth and fifth years from 1 July 2006. Kangtong Copper was exempted from income tax in 2007 and the first half year of 2008. With a 50% reduction of income tax allowed, its effective income tax rate is 12.5% since 1 July 2008. And the effective income tax rate is 12.5% till 30 June 2011. The effective income tax rate is 25% from 1 July 2011 (12.5% for 2010).

Since JCAC is a set-up productive foreign-funded enterprise, JCAC shall be exempted from income tax in the first and second profit-making years and allowed a 50% reduction of income tax in the third, fourth and fifth years from 1 January 2007. Its 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 2011.

Since Wengfu Chemical is a set-up productive foreign-funded enterprise, Wengfu Chemical 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 Chemical was exempted from income taxation in 2008 and 2009. With a 50% reduction of income tax allowed, its applicable income tax rate is 12.5% for 2011.

Yates, Longchang Copper Pipe and Taiyi are foreign-funded enterprises in Jiangxi Nanchang National High and New Technology Industry Development Zones JXCC Industry Zones. According to the Law of PRC 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, Longchang Copper Pipe and Taiyi 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. With a 50% reduction of income tax allowed, their applicable income tax rates are 12.5% for 2011.

4. SCOPE OF CONSOLIDATION AND SUBSIDIARIES

(1) The Group main subsidiary companies are as follow:

Name of subsidiary	Place and date of incorporation	Principal activities and business scope	Registered capital		Group Investment	Attributable equity interest			Voting right percentage	Note
			Currency	'000	'000	Directly	Indirectly	Total		
Kangtong	Sichuan Xichang September 1996	Sales of copper materials, precious metal materials and sulphuric acid	RMB	140,000	80,000	57.14%	—	57.14%	57.14%	(a)
Finance Company	Jiangxi Guixi December 2006	Provision of deposit, borrowing, guarantee and financing consultation services to related parties	RMB	300,000	246,556	78.33%	1.67%	80%	80%	(b)
Jiangxi Copper Products Company Limited ("JCPC")	Jiangxi Guixi March 2002	Sale and processing of copper rods and wires	RMB	225,000	246,879	100%	—	100%	100%	(a)
JCAC	Jiangxi Guixi February 2005	Manufacturing and sale or copper rods and wires	RMB	199,500	229,509	100%	—	100%	100%	(a)
JCC Copper Products Company Limited ("Copper Products")	Jiangxi Guixi December 2003	Processing and sales of copper rods	RMB	186,391	217,712	98.89%	—	98.89%	98.89%	(b)
JCC Recycling Company Limited ("Copper Recycling")	Jiangxi Guixi November 2005	Collection and sale of metal scrap	RMB	6,800	6,800	55.88%	44.12%	99.51%	99.51%	(b)
Shenzhen Trading	Shenzhen June 2006	Sale of copper products	RMB	330,000	330,000	100%	—	100%	100%	(a)
Loyal Sky Industrial Company Limited ("Loyal Sky")	Hongkong September 2002	Trading of copper products and non-ferrous metals	USD	2,001.3	2,001.3	—	100%	100%	100%	(a)
Shanghai Trading	Shanghai Pudong June 2006	Sale of copper products	RMB	200,000	200,000	100%	—	100%	100%	(a)
Jiangxi Copper Beijing Trading Company Limited ("Beijing Trading")	Beijing July 2006	Sale of copper products	RMB	60,000	60,000	100%	—	100%	100%	(a), (d)
Sure spread	Hongkong January 2005	International trading and provision of related technical service	HKD	50,000	79,471	100%	—	100%	100%	(a)
JCC Yinshan Mining Company Limited ("Yinshan Mining")	Jiangxi Dexing July 2003	Manufacturing and sale of non-ferrous metal and rare materials	RMB	30,000	354,488	100%	—	100%	100%	(b)

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

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

Name of subsidiary	Place and date of incorporation	Principal activities and business scope	Registered capital		Group Investment	Attributable equity interest			Voting right percentage	Note
			Currency	'000	'000	Directly	Indirectly	Total		
JCC Dongtong Mining Company Limited ("Dongtong Mining")	Jiangxi Dexing July 2003	Manufacturing and sales of non-ferrous metal and rare materials	RMB	9,000	159,045	100%	—	100%	100%	(b)
JCC Dongxiang Alloy Materials Manufacturing Company Limited ("Dongxiang Alloy")	Jiangxi Fuzhou August 1998	Production and sale of grinding pebbles, casting pigs of machine tools, wear-resistant parts and cast steel processing; machine work and reclaiming waste steel	RMB	29,000	25,272	—	74.97%	74.97%	74.97%	(b)
JCC Corporation Dongxiang Recycling Company Limited ("Dongxiang Recycling")	Jiangxi Dongxiang July 2005	Recovery and sales of disused metal	RMB	500	311	—	100%	89.99%	89.99%	(b)
Yates	Jiangxi Nanchang June 2003	Production and sale of copper foil	RMB	453,600	392,767	89.77%	—	89.77%	89.77%	(b)
Longchang Copper Pipe	Jiangxi Nanchang August 2005	Production and sale of copper pipe and other copper pipe products	RMB	890,529	819,647	92.04%	—	92.04%	92.04%	(b), (e)
Taiyi	Jiangxi Nanchang May 2005	Production and sale of enameled wires and provision of repair and consulting services	USD	16,800	64,705	70%	—	70%	70%	(b)
Thermonamic Electronics (Jiangxi) Company Limited ("Redian")	Jiangxi Nanchang September 2008	Development and production of electronic semiconductors and provision of related services	RMB	70,000	66,500	95%	—	95%	95%	(a)
JCC (Guixi) Metallurgical and Chemical Engineering Company Limited ("Guixi Smelting Industry Engineering")	Jiangxi Guixi March 1993	Provision of repair and maintenance services for production facilities and machinery equipment	RMB	20,300	27,599	100%	—	100%	100%	(b)

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

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

Name of subsidiary	Place and date of incorporation	Principal activities and business scope	Registered capital		Group Investment	Attributable equity interest			Voting right percentage	Note
			Currency	'000	'000	Directly	Indirectly	Total		
JCC (Guixi) New Metallurgical and Chemical Company Limited ("Guixi Smelting Technology")	Jiangxi Guixi August 1999	Development of new chemical technologies and new products	RMB	2,000	20,894	100%	–	100%	100%	(b)
JCC Guixi Logistics Company Limited ("Guixi Logistics")	Jiangxi Guixi March 2002	Provision of transportation services	RMB	40,000	72,871	100%	–	100%	100%	(b)
JCC (Dexing) Alloy Materials Manufacturing Company Limited ("Dexing Alloy")	Jiangxi Dexing December 1997	Production and sale of alloy grinding pebbles and metal casting; maintenance of mechanical and electrical equipment; installation and debugging of equipment	RMB	66,380	92,684	100%	–	100%	100%	(b), (f)
JCC (Dexing) Construction Company Limited ("Dexing Construction")	Jiangxi Dexing July 2005	Provision of construction and installation services; development and sale of construction materials	RMB	20,000	45,751	100%	–	100%	100%	(b)
JCC Dexing Explosion Company Limited ("Dexing Explosion")	Jiangxi Dexing February 2003	Production and sale of engineering, blasting engineering, etc	RMB	1,000	3,414	–	100%	100%	100%	(b)
JCC Geology Exploration Company Limited ("Geology Exploration")	Jiangxi Dexing September 2004	Provision of services relating to mine exploration and development	RMB	15,000	18,145	100%	–	100%	100%	(b)
Jiangxi Copper Corporation Chemical Company Limited ("Jiangtong Chemical")	Jiangxi Dexing October 2004	Manufacture sales of sulphuric acid and lay product	RMB	42,630	47,485	100%	–	100%	100%	(b)
Wengfu Chemical	Jiangxi Shangrao May 2005	Manufacturing and sale of sulphuric acid and by-products	RMB	181,500	127,050	70%	–	70%	70%	(a)
Jiangxi Copper Corporation Drill Project Company Limited ("Drilling Project")	Jiangxi Ruichang September 2003	Providing mining services	RMB	20,296	31,790	100%	–	100%	100%	(b)
JCC (Ruichang) Alloy Materials Manufacturing Company Limited ("Ruichang Manufacturing")	Jiangxi Ruichang March 2003	Manufacture and sale of new type of ductile iron ball parameters, wear resistant material and products; machinery processing	RMB	2,602	3,223	100%	–	100%	100%	(b)

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

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

Name of subsidiary	Place and date of incorporation	Principal activities and business scope	Registered capital		Group Investment	Attributable equity interest			Voting right percentage	Note
			Currency	'000	'000	Directly	Indirectly	Total		
JCC Qianshan Copper Concentration Pharmaceuticals Company Limited ("Qianshan Concentration")	Jiangxi Qianshan October 2000	Sales of beneficiation drugs, fine chemicals and other products	RMB	10,200	14,456	100%	—	100%	100%	(b)
Xiamen Trading	Fujian Xiamen March 2004	Sale of products	RMB	1,080	3,127	100%	—	100%	100%	(b)
Hangzhou Tongxin Company Limited ("Hangzhou Trading")	Zhejiang Hangzhou July 2000	Sale of metal, ore and chemical products	RMB	2,000	25,453	100%	—	100%	100%	(b)
Jiangxi Copper Construction Supervision Co., Ltd. ("JCCS")	Jiangxi, Nanchang March, 2010	Project management, cost consultation, bidding agent project construction, technical advisory, project evaluation, information services	RMB	3,000	3,000	100%	—	100%	100%	(a)
Jiangxi Copper (Guangzhou) Copper Production Company Limited ("GZPC")	Guangdong Guangzhou July 2010	Production, processing and sale of copper products and wires	RMB	300,000	300,000	100%	—	100%	100%	(a)
Jiangxi Copper international trade Company Limited ("JCC international trade")	Shanghai Pudong August 2010	Sale of metals, chemicals, mining products, construction materials, and etc.	RMB	600,000	600,000	100%	—	100%	100%	(a)
Shanghai Shengyu Real Estate Company Limited ("Shanghai Shengyu")	Shanghai Pudong August 2008	Rental and management of properties	RMB	169,842	169,842	100%	—	100%	100%	(c)
Jiangxi Copper Shanghai International Logistics Company Limited ("International Logistics")	Shanghai Pudong June 2011	Logistic service	RMB	5,000	5,000	100%	—	100%	100%	(a)
Jiangxi Copper Dexing Chemical Company Limited ("Dexing Chemical")	Jiangxi Dexing April 2011	Chemical products	RMB	336,550	100,000	99%	—	99%	99%	(a)
Jiangxi Copper Yugan Forge & Alloy Company Limited ("Yugan Forge & Alloy")	Jiangxi Dexing January 2011	Production and sale of alloy grinding pebbles	RMB	28,000	28,000	100%	—	100%	100%	(a)

(Expressed in Renminbi Yuan)

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

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

(a) *The subsidiaries are acquired by establishment or investment.*

(b) *The subsidiaries are acquired by business consolidation under common control.*

(c) *The subsidiaries are acquired from the company not under common control. The acquisition does not comply with the business consolidation in Accounting Standards for Business Enterprises.*

(d) *The Company injected the capital of RMB 50,000,000 in the subsidiary on 14 February 2011, which raised the investment up to RMB 60,000,000 with 100% shareholding. The registered capital of the subsidiary changed from RMB 10,000,000 to RMB 60,000,000 after the capital injection.*

(e) *The Company injected the capital of RMB 607,000,000 in the subsidiary unilaterally on 1 April 2011, which raised the investment up to RMB 819,650,000. The registered capital increased from RMB 283,530,000 to RMB 890,530,000. The ultimate shareholding percentage of the Company increased from 75% to 92.04%.*

(f) *The Company injected the capital of RMB 20,000,000 in the subsidiary on 1 January 2011, which raised the investment up to RMB 92,680,000 with 100% shareholding. The registered capital of the subsidiary changed from RMB 46,380,000 to RMB 66,380,000 after the capital injection.*

(2) Changes in the scope of consolidation

The scope is consistent with previous year, except for the newly established subsidiaries International Logistics, Dexing Chemical, Yugan Forge & Alloy in current period.

(3) Translation rate used over the overseas subsidiaries:

	Average exchange rate		**Exchange rate at period end**	
	For the six months ended 30 June 2011	For the six months ended 30 June 2010	**30 June 2011**	31 December 2010
USD	**6.5472**	6.8096	**6.4716**	6.6227
HKD	**0.8413**	0.8764	**0.8316**	0.8509

(Expressed in Renminbi Yuan)

5. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) Cash and bank

	30 June 2011			31 December 2010		
	Original Currency	**Exchange Rate**	**RMB Equivalent**	Original Currency	Exchange Rate	RMB Equivalent
Cash on Hand						
— RMB			**193,940**			191,726
— JPY	**2,270**	**0.0802**	**182**	3,366	0.0813	274
— HKD	**9**	**0.8316**	**7**	99	0.8509	84
— GBP	**1**	**10.3986**	**10**	2	10.2182	20
			194,139			192,104
Cash in Bank						
— RMB			**10,691,858,703**			3,599,029,998
— USD	**86,346,744**	**6.4716**	**558,801,588**	35,999,023	6.6227	238,410,727
— HKD	**3,465,004**	**0.8316**	**2,881,497**	30,714,970	0.8509	26,135,368
— AUD	**112,804**	**6.7139**	**757,355**	89,301	6.7139	599,558
— JPY	**974**	**0.0802**	**78**	722	0.0813	59
— EUR			**—**			—
			11,254,299,221			3,864,175,710
Others						
— RMB			**5,465,765,833**			2,438,882,233
			16,720,259,193			6,303,250,047

(Expressed in Renminbi Yuan)

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

(1) Cash and bank *(continued)*

As at 30 June 2011, the amount of restricted cash is RMB 5,465,765,833 (31 December 2010:RMB 2,438,882,233), including:

— As at 30 June 2011, time deposits amounting to RMB 1,778,089,604 (31 December 2010: RMB 1,285,947,088) were pledged to secure current bank borrowings amounting to USD 274,771,770 with equivalent to RMB 1,778,212,985 (Note 5 (18), (28)).

— As at 30 June 2011, deposit amounting to RMB 14,428,506 was guaranteed for issuing bank accepted bills (31 December 2010: RMB 132,342,631).

— As at 30 June 2011, deposit amounting to RMB 1,170,376,995 which was security for a letter of credit issued (31 December 2010: RMB 201,770,000).

— As at 30 June 2011, required mandatory reserve deposits amounting to RMB 2,496,450,728 (31 December 2010: RMB 818,822,514) placed by Finance Company, a subsidiary of the Group, with the People's Bank of China ("PBOC").

— As at 30 June 2011, deposit amounting to RMB 6,420,000 which was security for leasing gold (31 December 2010: Nil).

As at 30 June 2011, the amount of cash deposit out of PRC equivalents to RMB 114,814,661 (31 December 2010: RMB 621,306,682).

Cash at banks earns interest at floating rates based on daily bank deposit rates or concerted rates. Short term time deposits are made for varying periods of between seven days and one year depending on the immediate c ash requirements of the Group, and earn interest at the respective short term time deposit rates.

(2) Held-for-trading financial assets

	30 June 2011	31 December 2010
Gold leasing contracts *(i)*	**295,503,300**	—
Equity instruments	**3,423,936**	4,843,656
	298,927,236	4,843,656

(i) During the six months ended 30 June 2011, the Group entered into certain gold leasing contract with banks. Pursuant to the contract during the leasing term, the Group might sell the leased gold to third party customers, and upon expiration of the leasing term, the Group will return gold of the same quantity and quality to banks. Gold leased by the Group was recognized as held for trading financial assets, and the obligation to return the gold was recognized as held for trading financial liabilities.

(Expressed in Renminbi Yuan)

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

(3) Notes Receivable

	30 June 2011	31 December 2010
Bank accepted notes	**3,770,544,402**	2,568,197,049
Commercial accepted notes	**212,627,195**	245,515,080
	3,983,171,597	2,813,712,129

The terms of notes receivable are all within six months.

As at 30 June 2011, no notes have been transfer to the accounts receivable due to uncollectablity (31 December 2010: nil).

As at 30 June 2011, the amount of RMB 313,918,480 bank accepted bills have been discounted to obtain short-term bank borrowings (31 December 2010: RMB 276,422,538) and the amount of RMB 170,000,000 commercial accepted bills have been discounted to obtain short-term bank borrowings (31 December 2010: RMB 125,111,904). More details are given in Note 5 (17) and (18).

As at 30 June 2011, the amount of USD 69,811,578 (equivalently RMB 451,792,608) was USD borrowings secured by credit letter (31 December 2010: Nil) More details are given in Note 5 (17) and (18).

(4) Accounts Receivable

The credit period is generally three months. Accounts receivables are non-interest-bearing.

The ageing analysis of accounts receivable is as below:

	30 June 2011	31 December 2010
Within 1 year	**2,891,487,621**	2,349,179,629
1–2 years	**15,620,677**	3,682,766
2–3 years	**27,976,980**	38,448,160
Over 3 years	**143,430,003**	129,912,576
	3,078,515,281	2,521,223,131
Less: Bad debt provision	**(170,288,842)**	(165,758,077)
	2,908,226,439	2,355,465,054

(Expressed in Renminbi Yuan)

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

(4) Accounts Receivable *(continued)*

	30 June 2011			
	Balance	**%**	**Bad debt provision**	**%**
Significant and individually accrued bad debt provision	**91,660,195**	**2.98%**	**63,616,791**	**69.41%**
Accrued bad debt provision by group				
Within 1 year	**2,863,444,217**	**93.01%**	**—**	
1–2 years	**15,620,677**	**0.51%**	**2,979,373**	**19.07%**
2–3 years	**8,195,029**	**0.27%**	**4,097,515**	**50.00%**
Over 3 years	**79,813,212**	**2.59%**	**79,813,212**	**100.00%**
	3,058,733,330	**99.36%**	**150,506,891**	**4.92%**
Insignificant but individually accrued bad debt provision	**19,781,951**	**0.64%**	**19,781,951**	**100.00%**
	3,078,515,281	**100.00%**	**170,288,842**	**5.53%**

	31 December 2010			
	Balance	%	Bad debt provision	%
Significant and individually accrued bad debt provision	92,591,450	3.67%	63,616,791	68.71%
Accrued bad debt provision by group				
Within 1 year	2,320,204,970	92.03%	—	—
1–2 years	2,926,918	0.12%	571,782	19.54%
2–3 years	7,860,579	0.31%	3,930,290	50.00%
Over 3 years	66,295,785	2.63%	66,295,785	100.00%
	2,489,879,702	98.76%	134,414,648	5.40%
Insignificant but individually accrued bad debt provision	31,343,429	1.24%	31,343,429	100.00%
	2,521,223,131	100.00%	165,758,077	6.57%

(Expressed in Renminbi Yuan)

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

(4) Accounts Receivable *(continued)*

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

	Beginning balance	Addition	Deduction Reversal	Deduction Written off	Ending balance
For the six Months ended 30 June 2011	165,758,077	4,570,599	(34,834)	(5,000)	170,288,842
2010	161,491,197	7,609,950	(3,157,647)	(185,423)	165,758,077

The amount of RMB 34,834 has been reversed due to the recovery of the account receivable in the six months ended 30 June 2011 (2010: RMB 3,157,647).

The amount of RMB 5,000 has been realized due to the write-offs of the account receivable in the six months ended 30 June 2011 (2010: RMB 185,423).

As at 30 June 2011, the Group's balance due from a shareholder who holds more than 5% of the voting power of the Company is RMB 2,940,269 (31 December 2010: RMB 11,004,093). More details are given in Note 7 (7) "Related Party Relationship and Transaction".

As at 30 June 2011, the balance of top five debtors is as below:

	Relationship	Balance	Aging	%
First	Third party	176,603,192	Within 1 year	5.74%
Second	Third party	151,833,782	Within 1 year	4.93%
Third	Third party	122,133,337	Within 1 year	3.97%
Fourth	Third party	91,660,195	Within 1 year and over 3 years	2.98%
Fifth	Third party	75,792,501	Within 1 year	2.46%
		618,023,007		20.08%

(Expressed in Renminbi Yuan)

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

(4) Accounts Receivable *(continued)*

As at 31 December 2010, the balance of top five debtors is as below:

	Relationship	Balance	Aging	%
First	Third party	168,149,901	Within 1 year	6.67%
Second	Third party	155,240,617	Within 1 year	6.16%
Third	Third party	142,454,802	Within 1 year	5.65%
Fourth	JCC's affiliate	140,765,427	Within 1 year and over 3 years	5.58%
Fifth	Third party	92,591,450	Within 1 year	3.67%
		699,202,197		27.73%

(5) Advances to suppliers

The ageing analysis of advances to suppliers is as below:

	30 June 2011		31 December 2010	
	Balance	**%**	Balance	%
Within 1 year	**2,000,809,892**	**89.13%**	1,667,616,877	93.17%
1–2 years	**188,833,770**	**8.41%**	73,715,780	4.12%
2–3 years	**32,027,880**	**1.43%**	25,522,273	1.43%
Over 3 years	**23,193,924**	**1.03%**	22,994,431	1.28%
	2,244,865,466	**100.00%**	1,789,849,361	100.00%

As at 30 June 2011, the balances aging over one year are mainly advances to suppliers for outstanding purchase of project and equipment.

As at 30 June 2011, the Group's balance due from a shareholder who holds more than 5% of the voting power of Company was RMB 335,335 (31 December 2010: RMB 135,265). More details are given in Note 7 (7) "Related Party Relationship and Transaction".

Management of the Group is of the opinion that no provision should be recorded at the balance sheet date.

(Expressed in Renminbi Yuan)

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

(5) Advances to suppliers

As at 30 June 2011, the balance of top five debtors is as below:

	Relationship	Balance	Aging	Outstanding reason
First	Third party	284,738,204	Within 1 year	Raw material not yet received
Second	Third party	134,060,671	Within 1 year	Raw material not yet received
Third	Third party	85,503,924	Within 1 year	Raw material not yet received
Fourth	Third party	68,717,345	Within 1 year	Raw material not yet received
Fifth	Third party	63,212,700	Within 2 year	Equipment purchase contract not yet finished
		636,232,844		

As at 31 December 2010, the balance of top five debtors is as below:

	Relationship	Balance	Aging	Outstanding reason
First	Third party	314,685,281	Within 1 year	Raw material not yet received
Second	Third party	193,873,188	Within 1 year	Raw material not yet received
Third	Third party	93,985,962	Within 1 year	Raw material not yet received
Fourth	Third party	47,673,048	Within 1 year	Raw material not yet received
Fifth	Third party	47,456,616	Within 2 year	Equipment purchase contract not yet finished
		697,674,095		

(Expressed in Renminbi Yuan)

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

(6) Other receivables

The ageing analysis of other receivables is as below:

	30 June 2011	31 December 2010
Within 1 year	**1,071,917,737**	1,364,981,036
1–2 years	**4,686,737**	5,429,671
2–3 years	**1,757,754**	2,096,160
Over 3 years	**32,494,488**	32,008,717
	1,110,856,716	1,404,515,584
Less: bad debt provision	**(31,229,305)**	(31,216,785)
	1,079,627,411	1,373,298,799

	30 June 2011			
	Balance	**%**	**Bad debt provision**	**%**
Accrued bad debt provision by group				
Within 1 year	**1,071,917,737**	**96.49%**	**—**	**—**
1–2 years	**4,686,737**	**0.42%**	**932,250**	**19.89%**
2–3 years	**1,757,754**	**0.16%**	**859,665**	**48.91%**
Over 3 years	**32,494,488**	**2.93%**	**29,437,390**	**90.59%**
	1,110,856,716	**100%**	**31,229,305**	**2.15%**

(Expressed in Renminbi Yuan)

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

(6) Other receivables

	31 December 2010			
	Balance	%	Bad debt provision	%
Accrued bad debt provision by group				
Within 1 year	1,364,981,036	97.18%	—	—
1–2 years	5,429,671	0.39%	1,035,336	19.07%
2–3 years	1,650,904	0.12%	800,367	48.48%
Over 3 years	32,008,717	2.28%	28,935,826	90.40%
	1,404,070,328	99.97%	30,771,529	2.19%
Insignificant but individually accrued bad debt provision	445,256	0.03%	445,256	100.00%
	1,404,515,584	100.00%	31,216,785	2.22%

As at 30 June 2011 and 31 December 2010, there was no significant amount and need to accrue bad debt provision individually.

As at 30 June 2011, the Group's balance of deposits for commodity forward contracts is RMB 781,165,563 (31 December 2010: RMB 1,099,513,300).

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

			Deduction		
	Beginning balance	**Addition**	**Reversal**	**Written off**	**Ending balance**
For the six months ended 30 June 2011	31,216,785	28,534	(16,014)	—	31,229,305
2010	28,900,190	2,473,992	(157,397)	—	31,216,785

(Expressed in Renminbi Yuan)

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

(6) Other receivables *(continued)*

The amount of RMB 16,014 has been reversed due to the recovery of the other account receivable in the six months ended 30 June 2011 (2010: RMB 157,397).

There was no bed debt provision has been realized due to the write-offs of the other account receivable in the six months ended 30 June 2011 (2010: Nil).

As at 30 June 2011 and 31 December 2010, there was no balance due from a shareholder who holds more than 5% of the voting power of the Company.

As at 30 June 2011, the balance of top five debtors is as below:

	Relationship	Balance	Aging	%
First	**JCC's affiliate *(Note 7 (7))***	**551,271,933**	**Within 1 year**	**49.63%**
Second	**Third party**	**55,313,690**	**Within 1 year**	**4.98%**
Third	**Third party**	**47,920,536**	**Within 1 year**	**4.31%**
Fourth	**Third party**	**31,000,000**	**Within 1 year**	**2.79%**
Fifth	**Third party**	**28,200,349**	**Within 1 year**	**2.54%**
		713,706,508		**64.25%**

As at 31 December 2010, the balance of top five debtors is as below:

	Relationship	Balance	Aging	%
First	JCC's affiliate *(Note 7 (7))*	892,144,398	Within 1 year	63.52%
Second	Third party	188,848,373	Within 1 year	13.45%
Third	Third party	43,722,006	Within 1 year	3.11%
Fourth	Third party	40,000,000	Within 1 year	2.85%
Fifth	Third party	20,103,369	Within 1 year	1.43%
		1,184,818,146		84.36%

(Expressed in Renminbi Yuan)

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

(7) Inventories

	30 June 2011	31 December 2010
Raw materials	**5,108,469,375**	7,385,169,505
Work in process	**7,266,200,652**	8,077,289,586
Finished goods	**2,794,934,905**	2,862,842,203
	15,169,604,932	18,325,301,294
Less: Provisions	**(51,869,720)**	(55,348,477)
	15,117,735,212	18,269,952,817

As at 30 June 2011, certain of the Group's inventories with a net book value of RMB 10,000,000 (2010: RMB 92,000,000) was pledged to secure short term bank borrowings of RMB 10,000,000 for a period of one year. More details are given in Note 5 (17) and (18).

As at 30 June 2011, no inventory (2010: RMB 64,684,780) was pledged as deposits for commodity derivative contract. More details are given in Note 5 (17).

As at 30 June 2011, inventories of the Group included fair value gains inventories designated as hedged items amounted to RMB 23,999,739 (As at 31 December 2010: RMB 780,456,113), among which, fair value gains of the hedges items amounted to RMB 1,776,412 (As at 31 December 2010: RMB 228,488,968) and RMB 22,223,327 (As at 31 December 2010: RMB 551,967,145) were hedged by commodity derivative contracts and provisional price arrangement, respectively.

The movement of inventories provision is as below:

For the six months ended 30 June 2011

			Deduction		
	Beginning balance	**Addition**	**Reversal**	**Written off**	**Ending balance**
Raw materials	2,073,140	—	(669,706)	—	1,403,434
Finished goods	53,275,337	—	—	(2,809,051)	50,466,286
	55,348,477	—	(669,706)	(2,809,051)	51,869,720

(Expressed in Renminbi Yuan)

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

(7) Inventories *(continued)*

2010

	Beginning balance	Addition	Deduction Reversal	Deduction Written off	Ending balance
Raw materials	662,235	1,410,905	—	—	2,073,140
Work in process	7,455,115	—	—	(7,455,115)	—
Finished goods	48,609,331	5,720,726	—	(1,054,720)	53,275,337
	56,726,681	7,131,631	—	(8,509,835)	55,348,477

The amount of RMB 669,706 has been reversed due to the rise of the market price in the six months ended 30 June 2011 (2010: Nil).

The amount of RMB 2,809,051 has been realized as the relevant raw materials were put into use and the finished goods were sold out in the six months ended 30 June 2011 (2010: RMB 8,509,835).

(8) Other current financial assets

		30 June 2011	31 December 2010
Short term borrowings to related parties	(i)	**908,473,320**	553,881,291
Capital lending	(ii)	**300,000,000**	—
Not qualified for hedge accounting	Note 5 (27)		
— Forward currency contracts		**5,352,400**	5,157,779
— commodity derivative contracts		**70,912,789**	4,405,250
Deductable input of VAT		**36,519,249**	844,057,914
		1,321,257,758	1,407,502,234

(i) As at 30 June 2011, borrowings to related parties are provided by Finance Company, a subsidiary of the Group. The short term borrowings' interest rates range from 2.53% to 6.31% per annum (31 December 2010: 2.67%-5.84%) among which the rate of the USD borrowings is 2.63% and the borrowings will be repaid from 12 July 2011 to 30 June 2012. All of the above borrowings were guaranteed by the Group and undue. More details are given in Note 7 (7) "Related Party Relationship and Transaction".

(ii) As at 30 June 2011, capital lending to ICBC Financial Leasing Company are provided by Finance Company, a subsidiary of the Group. The capital's interest rate is 4.7% per annum and the capital lending period is from 15 April 2011 to 15 July 2011(31 December 2010: Nil).

(Expressed in Renminbi Yuan)

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

(9) Available-for-sale investments

	Investment Cost	Opening balance	Addition	Reclassification	Ending balance
Available-for-sale investment:					
Nanchang Commercial Bank ("Nanchang Bank")	398,080,000	398,080,000	—	—	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
Financial Products	2,620,000,000	820,000,000	18,322,200,000	(16,522,200,000)	2,620,000,000
Subtotal		1,235,690,000	18,322,200,000	(16,522,200,000)	3,035,690,000
Less: Impairment provision		(5,610,000)	—	—	(5,610,000)
Total		1,230,080,000	18,322,200,000	(16,522,200,000)	3,030,080,000
Less: Current portion of available-for-sale investment		(520,000,000)	(2,000,000,000)	(100,000,000)	(2,620,000,000)
Total of non-current portion		710,080,000	16,322,200,000	(16,622,200,000)	410,080,000

As at 30 June 2011, the Group's unlisted equity investments represent the Group's 5.88% equity interest in Nanchang Bank, 6.67% equity interest in Liangshan Mining and 0.4% equity interest in Kebang Telecom and 11.13% equity interest in Gantian Wan Mining. These unlisted equity investments were stated at cost and subject to a test for impairment loss because there is no quoted market price in an active market and their fair values cannot be measured reliably.

As at 30 June 2011, Finance Company, a subsidiary of the Group, holds financial products amounting to RMB 2,620,000,000 with annual target return rate from 4.7% and 9.2%. The above financial products will expire during 11 July 2011 and 23 May 2012 (31 December 2010: from 4.3% to 8.8%).

(Expressed in Renminbi Yuan)

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

(10) Long-term equity investments

For the six months ended 30 June 2011

		Investment Cost				Share of net profit		Share of other change of equity rather than net profit		Impairment of long term Investment		
	Initial Investment	Opening balance	Addition	Disposal	Accumulated Addition	Opening balance	(Loss)/ profit	Opening balance	Increase/ (Decrease)	Opening balance	Increase/ (Decrease)	Ending balance
Equity method:												
Investment in associates												
Minerals Jiangxi Copper Mining Investment Company Limited ("Jiangxi Copper Minerals ")	1,300,000,000	1,060,000,000	240,000,000	–	1,300,000,000	(56,037,760)	26,927,639	(125,352,264)	(60,222.440)	–	–	1,085,315,175
MCC-JCL Avnak Minerals Company Limited ("MCC-JCL")	129,185,315	58,134,560	71,050,755	–	129,185,315	(1,272,703)	–	(1,845,366)	(2,796,327)	–	–	123,270,919
Jiangxi Copper Ever profit Qing Yuan Copper Company Limited("QingYuan")	56,000,000	56,000,000	–	–	56,000,000	(55,842,674)	268,315	–	–	–	–	425,641
Asia Development Sure Spread Company Limited ("Asia Sure Spread")	6,186,812	6,186,812	–	–	6,186,812	–	–	(564,581)	(127,717)	–	–	5,494,514
Zhaojue Fenye Smelting Company Limited("Fengye")	4,063,977	4,063,977	–	–	4,063,977	–	–	–	–	–	–	4,063,977
Investment in a jointly controlled entity												
Jiangxi JCC-BIOTEQ Environmental Technologies company Limited "Jiangtong Bioteq")	14,100,000	14,100,000	–	–	14,100,000	10,796,201	4,045,799	–	–	–	–	28,942,000
Cost Method:												
Shanxi Diaoquan Silver and Copper Mining Company Limited ("Diaoquan")	13,056,216	13,056,216	–	–	13,056,216	–	–	–	–	(13,056,216)	–	–
Total		1,211,541,565	311,050,755	–	1,522,592,320	(102,356,936)	31,241,753	(127,762,211)	(63,146,483)	(13,056,216)	–	1,247,512,226

(Expressed in Renminbi Yuan)

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

(10) Long-term equity investments

2010

		Investment Cost				Share of net profit			Share of other change of equity rather than net profit		Impairment of long term Investment		
	Initial Investment	Opening balance	Addition	Disposal	Accumulated Addition	Opening balance	(Loss)/ profit	Disposal	Opening balance	Increase/ (Decrease)	Opening balance	Increase/ (Decrease)	Ending balance
Equity method:													
Investment in associates													
Minerals Jiangxi Copper Mining Investment Company Limited ("Jiangxi Copper Minerals ")	1,060,000,000	460,000,000	600,000,000	–	1,060,000,000	(57,405,751)	1,367,991	–	(82,225,926)	(43,126,338)	–	–	878,609,976
MCC-JCL Avnak Minerals Company Limited ("MCC-JCL")	58,134,560	58,134,560	–	–	58,134,560	(1,272,703)	–	–	138,129	(1,983,495)	–	–	55,016,491
Jiangxi Copper Ever profit Qing Yuan Copper Company Limited("QingYuan")	56,000,000	36,000,000	20,000,000	–	56,000,000	(36,000,000)	(19,842,674)	–	–	–	–	–	157,326
Asia Development Sure Spread Company Limited ("Asia Sure Spread")	6,186,812	6,186,812	–	–	6,186,812	–	–	–	(369,339)	(195,242)	–	–	5,622,231
Zhaojue Fenye Smelting Company Limited("Fengye")	4,063,977	4,063,977	–	–	4,063,977	–	–	–	–	–	–	–	4,063,977
A jointly controlled entity													
Jiangxi JCC-BIOTEQ Environmental Technologies company Limited "Jiangtong Bioteq")	14,100,000	14,100,000	–	–	14,100,000	4,837,269	5,958,932	–	–	–	–	–	24,896,201
Cost Method:													
Shanxi Diaoquan Silver and Copper Mining Company Limited ("Diaoquan")	13,056,216	14,850,516	–	(1,794,300)	13,056,216	–	–	–	–	–	(14,850,516)	1,794,300	–
Total		593,335,865	620,000,000	(1,794,300)	1,211,541,565	(89,841,185)	(12,515,751)	–	(82,457,136)	(45,305,075)	(14,850,516)	1,794,300	968,366,202

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

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

The financial information in respect of the associates and a jointly controlled entity is as below:

	Equity investment and voting right percentage	Register place	Principal business	Registered capital	
				Currency	*'000*
Investment in associates					
Jiangxi Copper Minerals	40.00%	China	Investment company	RMB	3,250,000
MCC-JCL	25.00%	Afghanistan	Manufacture and sale of copper products	USD	77,308
Qing Yuan	40.00%	China	Manufacture and sale of copper products	RMB	140,000
Asia Sure Spread	49.00%	Japan	Import and export of copper products	JPY	200,000
Fengye	47.86%	China	Production and sale of copper cathode and related products	RMB	10,000
Investment in a jointly controlled entity					
Jiangtong Bioteq	50.00%	China	Recover the copper metals from industrial waste water	RMB	28,200

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

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

For the six months ended 30 June 2011

	Total Assets *RMB'000*	**Total Liabilities** *RMB'000*	**Net Assets** *RMB'000*	**Revenue** *RMB'000*	**Net (loss) / profit** *RMB'000*
Associates					
Jiangxi Copper Minerals	**5,488,415**	**2,775,127**	**2,713,288**	**—**	**67,319**
MCC-JCL	**1,686,073**	**1,190,587**	**495,486**	**—**	**—**
Qing Yuan	**145,355**	**144,291**	**1,064**	**28,021**	**671**
Asia Sure Spread	**11,213**	**—**	**11,213**	**—**	**—**
Fengye	**10,821**	**4,476**	**6,345**	**—**	**—**
A jointly controlled entity					
Jiangtong Bioteq	**62,177**	**4,293**	**57,884**	**18,178**	**8,851**

2010

	Total Assets *RMB'000*	Total Liabilities *RMB'000*	Net Assets *RMB'000*	Revenue *RMB'000*	Net (loss) / profit *RMB'000*
Associates					
Jiangxi Copper Minerals	5,077,590	2,881,065	2,196,525	—	3,420
MCC-JCL	1,250,250	1,029,112	221,138	—	—
Qing Yuan	95,548	95,155	393	298,736	987
Asia Sure Spread	11,474	—	11,474	—	—
Fengye	12,373	6,121	6,252	—	—
A jointly controlled entity					
Jiangtong Bioteq	51,216	1,423	49,793	34,379	11,919

As at 30 June 2011, the associates and a jointly controlled entity could transfer funds to the Group without restrictions.

(Expressed in Renminbi Yuan)

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

(11) Fixed Assets

For the six months ended 30 June 2011

	Buildings	Equipment and machinery	Vehicles	Office equipment	Total
Original cost					
1 January 2011	7,464,833,456	14,437,211,168	1,463,044,515	77,227,100	23,442,316,239
Additions	322,527	2,533,601	3,115,116	1,376,346	7,347,590
Transferred from construction in progress	36,016,896	34,256,301	7,172,690	62,906	77,508,793
Disposals	—	(1,158,774)	(746,475)	(196,859)	(2,102,108)
30 June 2011	7,501,172,879	14,472,842,296	1,472,585,846	78,469,493	23,525,070,514
Accumulated depreciation					
1 January 2011	(2,852,915,967)	(5,731,729,147)	(632,275,097)	(39,608,450)	(9,256,528,661)
Additions	(143,097,810)	(344,145,285)	(48,467,850)	(2,950,178)	(538,661,123)
Disposals	—	403,924	633,687	170,727	1,208,338
30 June 2011	(2,996,013,777)	(6,075,470,508)	(680,109,260)	(42,387,901)	(9,793,981,446)
Impairment provision					
1 January 2011	(939,497)	(18,859,210)	(50,295)	(52,021)	(19,901,023)
Additions	—	—	—	—	—
Realization	—	87,912	—	—	87,912
30 June 2011	(939,497)	(18,771,298)	(50,295)	(52,021)	(19,813,111)
Net book value					
30 June 2011	4,504,219,605	8,378,600,490	792,426,291	36,029,571	13,711,275,957
1 January 2011	4,610,977,992	8,686,622,811	830,719,123	37,566,629	14,165,886,555

(Expressed in Renminbi Yuan)

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

(11) Fixed Assets *(continued)*

	Buildings	Equipment and machinery	Vehicles	Office equipment	Total
Original cost					
1 January 2010	6,284,733,937	13,751,796,081	1,317,683,401	127,791,260	21,482,004,679
Additions	1,359,844	22,988,928	13,560,967	1,625,207	39,534,946
Transferred from construction in progress	680,710,262	1,738,771,594	367,867,916	4,146,373	2,791,496,145
Reclassification	664,908,983	(671,145,563)	55,939,979	(49,703,399)	—
Disposals	(166,879,570)	(405,199,872)	(292,007,748)	(6,632,341)	(870,719,531)
31 December 2010	7,464,833,456	14,437,211,168	1,463,044,515	77,227,100	23,442,316,239
Accumulated depreciation					
1 January 2010	(2,349,734,071)	(5,768,768,696)	(775,482,578)	(70,323,634)	(8,964,308,979)
Additions	(254,392,903)	(621,286,568)	(83,019,820)	(10,707,519)	(969,406,810)
Reclassification	(330,654,262)	328,075,957	(33,428,400)	36,006,705	—
Disposals	81,865,269	330,250,160	259,655,701	5,415,998	677,187,128
31 December 2010	(2,852,915,967)	(5,731,729,147)	(632,275,097)	(39,608,450)	(9,256,528,661)
Impairment provision					
1 January 2010	(2,190,481)	(109,928,751)	(50,295)	(58,600)	(112,228,127)
Additions	—	(416,173)	—	—	(416,173)
Reclassification	(16,536,092)	16,536,092	—	—	—
Realization(i)	17,787,076	74,949,622	—	6,579	92,743,277
31 December 2010	(939,497)	(18,859,210)	(50,295)	(52,021)	(19,901,023)
Net book value					
31 December 2010	4,610,977,992	8,686,622,811	830,719,123	37,566,629	14,165,886,555
1 January 2010	3,932,809,385	7,873,098,634	542,150,528	57,409,026	12,405,467,573

As at 30 June 2011, buildings with net book value of RMB 39,591,809 (31 December 2010: RMB 40,875,592) and equipment and machinery with net book value of RMB 35,702,763 (31 December 2010: RMB 39,393,005) were restricted for use. More details are given in Note 5 (17) and (18).

As at 30 June 2011, the Group is in the process of obtaining the property ownership certificate for certain of the Group's buildings with original cost of RMB 14,003,980 (31 December 2010: RMB 14,003,980) and net book value of RMB 13,531,346 (31 December 2010: RMB 13,688,890).

As at 30 June 2011, there were no fixed assets leased out under operating lease.

(Expressed in Renminbi Yuan)

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

(12) Construction in progress

For the six months ended 30 June 2011

	Budget	Opening balance	Addition	Transfer to fixed assets	Ending balance	% of budget	Source of funds
Expansion project of phase II of Chengmenshan Copper Mine	498,000,000	254,256,591	25,830,506	—	280,087,097	56%	Proceeds from issuance of shares ("Proceeds")
Extension of Open-pitting Mining project	387,540,000	846,220	4,378,520	—	5,224,740	98%	Self-funding and Proceeds
Fujiawu Mine Development and Construction Project	1,052,540,000	23,434,993	7,677, 677	(28,441,861)	2,670,809	84%	Self-funding and Proceeds
300K ton Copper Smelting Project	3,099,530,000	89,372,735	64,239,884	—	153,612,619	87%	Self-funding
Technical renovation engineering of enlarging production scale of Dexing Mining	2,537,870,000	580,241,480	123,640,824	—	703,882,304	66%	Self-funding and Proceeds
No.5 Mine exploitation Project	130,000,000	75,402,891	11,026,498	(10,870,359)	75,559,030	66%	Self-funding
Technical improvement of the ninth copper concentrate 5000t/d retreating project	499,600,000	173,615,895	104,255,782	—	277,871,677	59%	Self-funding
Tailings storehouse Project	327,780,000	102,415,499	42,314,699	(214,215)	144,515,983	44%	Self-funding
Facility coordination for Expansion project of phase II	73,440,000	55,713,951	11,000,000	—	66,713,951	91%	Self-funding
Liujia gou tailings storehouse in Chengmenshan Copper Mine	318,310,000	68,562,736	75,949,301	—	144,512,037	46%	Self-funding
East ditch waste-rock yards in Chengmenshan Copper Mine	197,070,000	92,916,920	20,351,092	—	113,268,012	57%	Self-funding
Poly Plaza D Building	600,576,865	586,276,865	2,195,242	—	588,472,107	98%	Self-funding
Underground expansion in Yongping Mine	43,560,000	25,481,666	10,714,142	—	36,195,808	83%	Self-funding
Detailed exploration project of Crossing Mu mineral in Yongping Mine	53,360,000	19,256,806	8,638,590	—	27,895,396	52%	Self-funding
Improvement of waste water recycle factory in Yongping Mine	36,070,000	5,249,220	10,185,652	—	15,434,872	43%	Self-funding
Additional geography exploration project in Wushan	33,219,000	15,694,454	2,557,777	—	18,252,231	55%	Self-funding
Underground geography exploration in No.9 district of north part of Yinshan	32,990,000	—	15,240,911	—	15,240,911	46%	Self-funding
Phase II of Longchang Copper Pipe	324,482,400	30,181,051	116,062,780	—	146,243,831	45%	Self-funding
Others	Not applicable	338,763,897	124,834,140	(37,982,358)	425,615,679		
Total		2,537,683,870	781,094,017	(77,508,793)	3,241,269,094		

(Expressed in Renminbi Yuan)

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

(12) Construction in progress *(continued)*

2010

	Budget	Opening balance	Addition	Transfer to fixed assets	Ending balance	% of budget	Source of funds
Expansion project of phase II of Chengmenshan Copper Mine	498,000,000	154,959,308	99,297,283	—	254,256,591	51%	Proceeds from issuance of shares ("Proceeds")
Extension of Open-pitting Mining project	387,540,000	319,955,926	57,873,289	(376,982,995)	846,220	97%	Self-funding and Proceeds
Fujiawu Mine Development and Construction Project	1,052,540,000	108,701,722	9,884,475	(95,151,204)	23,434,993	83%	Self-funding and Proceeds
300K ton Copper Smelting Project	3,099,530,000	53,468,736	35,903,999	—	89,372,735	85%	Self-funding
Technical renovation engineering of enlarging production scale of Dexing Mining	2,537,870,000	855,498,696	695,452,989	(970,710,205)	580,241,480	61%	Self-funding and Proceeds
Electromotor Update	355,200,000	243,883,785	1,477,393	(245,361,178)	—	100%	Self-funding
Expansion project for electrolyze	294,790,000	8,617,676	3,908,164	(12,525,840)	—	91%	Self-funding
Electric Shovel Update 2300XP	210,000,000	196,612,031	—	(196,612,031)	—	93%	Self-funding
No.5 Mine exploitation Project	130,000,000	49,331,821	26,071,070	—	75,402,891	58%	Self-funding
Utilization of Remaining Heat from Anode Store	54,240,000	48,784	—	(48,784)	—	94%	Self-funding
Concentrating millformed by reworking process	24,270,600	16,818,829	—	(16,818,829)	—	69%	Self-funding
Heat Re-cycling Project from Smoke Sulphicacid Series I, II	18,500,000	616,730	—	(616,730)	—	97%	Self-funding
4000T Copper Product improvement	268,000,000	216,440,217	31,614,885	(248,055,102)	—	93%	Self-funding
Technical improvement of the ninth copper concentrate 5000t/d retreating project	499,600,000	62,528,219	111,087,676	—	173,615,895	38%	Self-funding
Tailings storehouse Project	327,780,000	51,610,684	50,804,815	—	102,415,499	31%	Self-funding
Facility coordination for Expansion project of phase II	73,440,000	18,600,000	37,113,951	—	55,713,951	76%	Self-funding
Liujia gou tailings storehouse in Chengmenshan Copper Mine	318,310,000	32,415,659	36,147,077	—	68,562,736	22%	Self-funding
East ditch waste-rock yards in Chengmenshan Copper Mine	197,070,000	61,677,913	31,239,007	—	92,916,920	47%	Self-funding
Poly Plaza D Building	600,576,865	—	586,276,865	—	586,276,865	98%	Self-funding
Underground expansion in Yongping Mine	43,560,000	12,916,599	12,565,067	—	25,481,666	58%	Self-funding
Detailed exploration project of Crossing Mu mineral in Yongping Mine	53,360,000	188,321	19,068,485	—	19,256,806	36%	Self-funding
Improvement of waste water recycle factory in Yongping Mine	36,070,000	1,141,254	4,107,966	—	5,249,220	15%	Self-funding
Additional geography exploration project in Wushan	33,219,000	10,095,800	5,598,654	—	15,694,454	47%	Self-funding
Phase II of Longchang Copper Pipe	324,482,400	30,181,051	—	—	30,181,051	9%	Self-funding
Others	Not applicable	255,799,989	711,577,155	(628,613,247)	338,763,897		
Total		2,762,109,750	2,567,070,265	(2,791,496,145)	2,537,683,870		

(Expressed in Renminbi Yuan)

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

(13) Intangible asset

For the six months ended 30 June 2011

	Trademarks	Mining rights	Land use rights	Others	Total
Cost					
1 January 2011	52,626,656	945,331,851	365,207,774	22,283,361	1,385,449,642
Additions	—	—	7,357,101	9,205,651	16,562,752
30 June 2011	52,626,656	945,331,851	372,564,875	31,489,012	1,402,012,394
Accumulated amortization					
1 January 2011	(25,178,089)	(110,911,474)	(31,419,276)	(9,395,570)	(176,904,409)
Additions	(899,280)	(16,291,297)	(3,209,196)	(1,291,325)	(21,691,098)
30 June 2011	(26,077,369)	(127,202,771)	(34,628,472)	(10,686,895)	(198,595,507)
Impairment provision					
1 January 2011	—	—	—	—	—
Realization	—	—	—	—	—
30 June 2011	—	—	—	—	—
Net book value					
30 June 2011	26,549,287	818,129,080	337,936,403	20,802,117	1,203,416,887
1 January 2011	27,448,567	834,420,377	333,788,498	12,887,791	1,208,545,233

(Expressed in Renminbi Yuan)

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

(13) Intangible asset *(continued)*

2010

	Trademarks	Mining rights	Land use rights	Others (Software)	Total
Cost					
1 January 2010	52,586,056	945,331,851	218,441,429	21,303,425	1,237,662,761
Additions	40,600	—	146,766,345	1,007,336	147,814,281
Disposal	—	—	—	(27,400)	(27,400)
31 December 2010	52,626,656	945,331,851	365,207,774	22,283,361	1,385,449,642
Accumulated amortization					
1 January 2010	(23,382,506)	(78,328,880)	(25,091,782)	(7,092,219)	(133,895,387)
Additions	(1,795,583)	(32,582,594)	(6,327,494)	(2,306,276)	(43,011,947)
Disposal	—	—	—	2,925	2,925
31 December 2010	(25,178,089)	(110,911,474)	(31,419,276)	(9,395,570)	(176,904,409)
Impairment provision					
1 January 2010	—	—	—	—	—
Realization	—	—	—	—	—
31 December 2010	—	—	—	—	—
Net book value					
31 December 2010	27,448,567	834,420,377	333,788,498	12,887,791	1,208,545,233
1 January 2010	29,203,550	867,002,971	193,349,647	14,211,206	1,103,767,374

As at 30 June 2011, no intangible assets had no restriction in ownership (31 December 2010: Nil).

As at 30 June 2011, the Group is in the process of obtaining the property certificates for certain land use rights with net book value of RMB 158,646,960 (31 December 2010 : RMB 158,773,011).

(Expressed in Renminbi Yuan)

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

(14) Exploration costs

This represents the exploration costs for the Zhu shahong and Jinjiwo mines.

	For the six months ended 30 June 2011	2010
Beginning balance	**203,233,460**	187,187,500
Additions	**532,000**	16,045,960
Ending balance	**203,765,460**	203,233,460

(15) Deferred tax assets/liabilities

Deferred tax assets and liabilities are measured and recognized separately without net off.

Deferred tax assets affirmed during the six months ended 30 June 2011:

	Impairment of assets	Deductible taxable loss	Accrued expenses	Deferred revenue	Fair value loss arising from commodity derivative contracts	Unrealized profits	Fair value loss arising from provisional price arrangement	Fair value loss arising from forward currency contracts	Others	Total
Beginning balance	23,057,727	3,890,202	57,440,667	8,784,719	67,676,624	18,288,336	3,332,125	1,093,074	1,020,814	184,584,288
Charge to income statements	492,519	(2,261,646)	28,456,333	(341,094)	(46,052,260)	(8,622,786)	(968,911)	245,292	3,270,954	(25,781,599)
Charge to equity	—	—	—	—	(21,433,023)	—	—	—	—	(21,433,023)
Ending balance	23,550,246	1,628,556	85,897,000	8,443,625	191,341	9,665,550	2,363,214	1,338,366	4,291,768	137,369,666

(Expressed in Renminbi Yuan)

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

(15) Deferred tax assets/liabilities *(continued)*

Deferred tax assets affirmed at 31 December 2010:

	Impairment of assets	Deductible taxable loss	Accrued expenses	Deferred revenue	Fair value loss arising from commodity derivative contracts	Unrealized profits	Fair value loss arising from provisional price arrangement	Fair value loss arising from forward currency contracts	Others	Total
Beginning balance	48,283,414	7,902,090	66,633,798	9,328,698	28,584,746	9,083,346	—	—	3,014,970	172,831,062
Charge to income statements	(25,225,687)	(4,011,888)	(9,193,131)	(543,979)	22,924,617	9,204,990	3,332,125	1,093,074	(1,994,156)	(4,414,035)
Charge to equity	—	—	—	—	16,167,261	—	—	—	—	16,167,261
Ending balance	23,057,727	3,890,202	57,440,667	8,784,719	67,676,624	18,288,336	3,332,125	1,093,074	1,020,814	184,584,288

Deferred tax liabilities affirmed during six months ended 30 June 2011:

	Fair value gain arising from commodity derivative contracts	**Fair value gain from forward currency contracts**	**Others**	**Total**
Beginning balance	**1,057,260**	**1,237,867**	**489,487**	**2,784,614**
Charge to income statements	**8,111,738**	**100,233**	**(329,117)**	**7,882,854**
Charge to equity	**(216,232)**	**—**	**—**	**(216,232)**
Ending balance	**8,952,766**	**1,338,100**	**160,370**	**10,451,236**

Deferred tax liabilities affirmed as at 31 December 2010:

	Fair value gain arising from commodity derivative contracts	Fair value gain from forward currency contracts	Others	Total
Beginning balance	—	—	408,895	408,895
Charge to income statements	1,057,260	1,237,867	80,592	2,375,719
Ending balance	1,057,260	1,237,867	489,487	2,784,614

(Expressed in Renminbi Yuan)

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

(15) Deferred tax assets/liabilities *(continued)*

The details of temporary differences and the deductable tax loss not recognized as deferred tax assets are as following:

	30 June 2011	31 December 2010
Deductable temporary difference:		
Impairment of assets	**163,318,161**	166,544,953
Deferred Revenue	**113,299,420**	118,179,529
Accrued expenses	**32,910,272**	12,230,114
Deductable tax loss	**291,954,155**	399,290,660
	601,482,008	696,245,256

Deductable tax loss not recognized as deferred tax assets will be expired in the following years:

	30 June 2011	31 December 2010
2011	**—**	7,583,242
2012	**60,504,049**	68,627,347
2013	**59,237,445**	65,728,555
2014	**65,677,800**	80,630,289
2015	**11,148,218**	39,860,198
No time limit	**95,386,643**	136,861,029
	291,954,155	399,290,660

Loyal Sky, a subsidiary of the Group is registered in Hong Kong. Its deductable tax loss was RMB 95,386,634 as at 30 June 2011. According to Hong Kong Tax, the deductable tax loss could be used to net off profit in the future and has no fixed expire period.

(Expressed in Renminbi Yuan)

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

(15) Deferred tax assets/liabilities *(continued)*

Temporary differences and the deductable tax loss recognized as deferred tax assets are as follows:

	30 June 2011	31 December 2010
Deductable temporary difference:		
Impairment of assets	**128,549,033**	124,345,625
Accrued expenses	**508,048,287**	333,268,765
Deferred Revenue	**56,290,834**	58,564,793
Fair value loss arising from provisional price arrangement	**15,754,762**	22,214,167
Fair value loss arising from forward currency contracts	**8,922,438**	4,554,474
Fair value change arising from commodity forward contracts	**765,358**	291,960,995
Unrealized profits	**64,818,701**	98,170,920
Others	**16,978,807**	5,818,897
Deductable tax loss	**12,994,021**	30,880,603
	813,122,241	969,779,239

Temporary differences recognized as deferred tax liabilities are as follows:

	30 June 2011	31 December 2010
Taxable temporary difference:		
Fair value gain arising from forward currency contracts	**44,782,886**	4,405,250
Fair value gain arising from commodity derivative contracts	**5,352,400**	5,157,780
Others	**641,481**	1,957,952
	50,776,767	11,520,982

(Expressed in Renminbi Yuan)

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

(16) Provision for impairment of assets

For the six months ended 30 June 2011

			Reduction		
	Beginning	**Addition**	**Reverse**	**Realization**	**Ending**
Accounts receivable bad debt provision	**165,758,077**	**4,570,599**	**(34,834)**	**(5,000)**	**170,288,842**
Other receivable bad debt provision	**31,216,785**	**28,534**	**(16,014)**	**—**	**31,229,305**
Inventory provision	**55,348,477**	**—**	**(669,706)**	**(2,809,051)**	**51,869,720**
Impairments of available-for-sale investments	**5,610,000**	**—**	**—**	**—**	**5,610,000**
Impairments of fixed assets	**19,901,023**	**—**	**—**	**(87,912)**	**19,813,111**
Impairments of long-term investment	**13,056,216**	**—**	**—**	**—**	**13,056,216**
	290,890,578	**4,599,133**	**(720,554)**	**(2,901,963)**	**291,867,194**

2010

			Reduction		
	Beginning	Addition	Reverse	Realization	Ending
Accounts receivable bad debt provision	161,491,197	7,609,950	(3,157,647)	(185,423)	165,758,077
Other receivable bad debt provision	28,900,190	2,473,992	(157,397)	—	31,216,785
Inventory provision	56,726,681	7,131,631	—	(8,509,835)	55,348,477
Impairments of available-for-sale investments	5,610,000	—	—	—	5,610,000
Impairments of fixed assets	112,228,127	416,173	—	(92,743,277)	19,901,023
Impairments of long-term investment	14,850,516	—	—	(1,794,300)	13,056,216
	379,806,711	17,631,746	(3,315,044)	(103,232,835)	290,890,578

(Expressed in Renminbi Yuan)

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

(17) Restricted assets

For the six months ended 30 June 2011

	Beginning	Additions	Reductions	Ending	Note
Assets used for guarantees					
Cash and banks	**1,620,059,719**	**2,969,315,105**	**(1,620,059,719)**	**2,969,315,105**	**(1)**
Notes receivable	**401,534,442**	**935,711,088**	**(401,534,442)**	**935,711,088**	**(2)**
Inventories	**156,684,780**	**10,000,000**	**(156,684,780)**	**10,000,000**	**(3)**
Fixed assets	**80,268,597**	**—**	**(4,974,025)**	**75,294,572**	**(4)**
	2,258,547,538	**3,915,026,193**	**(2,183,252,966)**	**3,990,320,765**	
Restricted assets due to other reason					
Mandatory reserve deposits	**818,822,514**	**1,677,628,214**	**—**	**2,496,450,728**	**(5)**

2010

	Beginning	Additions	Reductions	Ending
Assets used for guarantees				
Cash and banks	1,897,392,549	1,620,059,719	(1,897,392,549)	1,620,059,719
Notes receivable	12,140,090	401,534,442	(12,140,090)	401,534,442
Inventories	225,493,530	156,684,780	(225,493,530)	156,684,780
Fixed assets	114,752,621	—	(34,484,024)	80,268,597
Intangible assets	2,728,917	—	(2,728,917)	—
	2,252,507,707	2,178,278,941	(2,172,239,110)	2,258,547,538
Restricted assets due to other reason Mandatory reserve deposits	233,424,339	585,398,175	—	818,822,514

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

(17) Restricted assets *(continued)*

Note 1:

— *As at 30 June 2011, time deposits amounting to RMB 1,778,089,604 were pledged to secure current bank borrowings amounting to USD 274,771,770 with equivalent to RMB 1,778,212,985 with a period from one to two years.*

— *As at 30 June 2011, deposit amounting to RMB 14,428,506 was guaranteed for issuing bank accepted bills.*

— *As at 30 June 2011, deposit amounting to RMB 1,170,376,995 which was security for issuing a letter of credit.*

— *As at 30 June 2011, deposit amounting to RMB 6,420,000 which was security for leasing gold.*

Note 2:

— *As at 30 June 2011, mortgaged borrowings amounted to RMB 483,918,480 were secured by the discounted unmatured commercial and bank notes with carrying value of RMB 483,918,480.*

— *As at 30 June 2011, mortgaged borrowings amounted to USD 69,206,759 (equivalently RMB 447,878,459) were secured by the letter of credit with carrying value of USD 69,811,578 (equivalently RMB 451,792,608).*

Note 3: As at 30 June 2011, certain of the Group's inventories with a net book value of RMB 10,000,000 were pledged to secure short term bank borrowings of RMB 10,000,000.

Note 4: Pledged borrowings amounting to RMB 51,000,000 were secured by machineries with carrying value of RMB 35,702,763, buildings with carrying value of RMB 39,591,809. The depreciation amount of machineries and buildings were RMB 57,022,184 and RMB 18,320,590, individually.

Note 5: As at 30 June 2011, required mandatory reserve deposits and other restricted deposits amounting to RMB 2,496,450,728 placed by Finance Company, a subsidiary of the Group, with PBOC.

(Expressed in Renminbi Yuan)

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

(18) Short-term borrowings

	30 June 2011	31 December 2010
Bank borrowing		
Including:		
Mortgaged borrowings *(i)*	**2,256,919,200**	1,378,348,263
Pledged borrowings *(ii)*	**61,000,000**	103,500,000
Credit borrowings	**8,646,906,090**	2,113,860,042
	10,964,825,290	3,595,708,305

As at 30 June 2011, the borrowings carry annual interest rates ranging from 1.05% to 7.57%. (2010: 1.20% to 6.37%).

(i) *Mortgaged borrowings including*

— *Mortgaged borrowings amounted to RMB 483,918,480 were secured by the discounted unmatured commercial and bank notes with carrying value of RMB 483,918,480 (31 December 2010: RMB 401,534,442).*

— *Mortgaged borrowings amounted to USD 69,811,578, equivalent to RMB 447,878,459 were secured by letter of credit amounted to USD 69,206,759, equivalent to RMB 447,878,459 (31 December 2010: Nil).*

— *Time deposits amounting to RMB 1,320,264,625 were pledged to secure current bank borrowings amounting to USD 204,759,605, equivalent to RMB 1,325,122,261 (31 December 2010: RMB 976,813,821).*

(ii) *Pledged borrowings including*

— *Pledged borrowings amounting to RMB51,000,000 was secured by machineries with original cost of RMB92,724,947 and carrying value of RMB35,702,763, buildings with original cost of RMB57,912,399 and carrying value of RMB39,591,809 (31 December 2010: RMB 63,500,000).*

— *Pledged borrowings amounting to RMB 10,000,000 was secured by inventories with carrying value of RMB10,000,000 (31 December 2010: RMB 40,000,000).*

As at 30 June 2011, no balance of unsettled matured short-term borrowings.

(Expressed in Renminbi Yuan)

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

(19) Held-for-trade financial liabilities

	30 June 2011	31 December 2010
Gold leasing contracts (*Note 5 (2)*)	**359,620,300**	—

(20) Notes payable

	30 June 2011	31 December 2010
Bank accepted notes payable	**1,668,077,677**	2,247,927,604

The above notes payable will be due from July to December 2011.

(21) Accounts payable

The balance of accounts payable mainly represents the amount regarding to the unsettled procurement of raw materials. It was free of interest and expected to be settled within 60 days.

As at 30 June 2011, the Group's balance due to shareholder who holds more than 5% shares of the Company is RMB2,551,286 (31 December 2010: RMB7,621,872). More details are given in Note 7 (7) "Related Party Relationship and Transaction".

As at 30 June 2011, the Group has no material balance of accounts payable aged over one year.

(Expressed in Renminbi Yuan)

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

(22) Advance from customers

The balance represents advances from customer for sales of goods.

As at 30 June 2011, the Group's balance due to shareholder who holds more than 5% shares of the Company is RMB 143,750 (31 December 2010: Nil). More details are given in Note 7 (7) "Related Party Relationship and Transaction".

As 30 June 2011, the Group has no material balance of advance from customers aged over one year.

(23) Employee benefit payable

For the six months ended 30 June 2011

	Beginning	Addition	Deduction	Ending
Payroll, bonus and allowance	345,498,879	678,247,046	(715,287,366)	308,458,559
Social insurance	70,354,302	120,934,538	(118,397,851)	72,890,989
Including:				
Medical insurance	(143,172)	26,580,615	(23,019,584)	3,417,859
Pension insurance	62,733,460	86,589,563	(87,177,600)	62,145,423
Unemployment insurance	6,483,242	4,864,074	(4,067,718)	7,279,598
Accident insurance	1,278,353	2,873,135	(4,106,323)	45,165
Maternity insurance	2,419	27,151	(26,626)	2,944
Housing fund	7,657,907	51,994,533	(51,358,329)	8,294,111
Labor union fee and employee education fee	10,424,974	14,832,526	(19,049,206)	6,208,294
Staff welfare	329,563	35,107,689	(30,945,175)	4,492,077
Others	(171,378)	1,708,920	(1,746,847)	(209,305)
Incentive scheme bonus	—	232,500,000	—	232,500,000
	434,094,247	1,135,325,252	(936,784,774)	632,634,725
Less: non-current portion - incentive scheme bonus	—	162,750,000	—	162,750,000
	434,094,247	972,575,252	(936,784,774)	469,884,725

(Expressed in Renminbi Yuan)

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

(23) Employee benefit payable *(continued)*

2010

	Beginning	Addition	Deduction	Ending
Payroll, bonus and allowance	280,966,953	1,181,504,427	(1,116,972,501)	345,498,879
Social insurance	48,087,941	238,902,904	(216,636,543)	70,354,302
Including:				
Medical insurance	(39,294)	20,691,269	(20,795,147)	(143,172)
Pension insurance	42,892,685	203,784,223	(183,943,448)	62,733,460
Unemployment insurance	5,231,122	7,368,468	(6,116,348)	6,483,242
Accident insurance	1,009	7,023,584	(5,746,240)	1,278,353
Maternity insurance	2,419	35,360	(35,360)	2,419
Housing fund	11,104,670	108,550,742	(111,997,505)	7,657,907
Labor union fee and employee education fee	17,399,058	31,598,577	(38,572,661)	10,424,974
Staff welfare	5,014,305	117,589,522	(122,274,264)	329,563
Others	162,879	1,044,898	(1,379,155)	(171,378)
	362,735,806	1,679,191,070	(1,607,832,629)	434,094,247

As at 30 June 2011, there was no balance with the nature of arrears.

There was no expenditure occurred in the six months ended 30 June 2011 and 2010 with the nature of monetary staff welfare or compensation for employment termination. All payrolls unpaid, except incentive scheme bonus of senior management and middle-level management, were expected to be settled in 2011.

Non-current portion of employee benefit payable represents the bonus payable to senior management and middle-level management under management incentive schemes. The non-current portion is payable from 2015 to 2017 and is indexed to the rate of growth of the Group's net assets.

(Expressed in Renminbi Yuan)

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

(24) Taxes payable

	30 June 2011	31 December 2010
Corporate income tax	**690,114,835**	675,109,625
VAT	**385,128,498**	35,757,008
Mineral resource compensation charge	**23,080,074**	49,343,223
Resource tax	**22,699,704**	31,490,346
Individual income tax	**6,661,776**	9,221,729
Business tax	**2,533,506**	2,874,728
Others	**87,258,604**	63,748,151
	1,217,476,997	867,544,810

(25) Other payables

	30 June 2011	31 December 2010
Other amount paid on behalf of the Group by JCC	**124,291,479**	310,667,313
Paid on behalf of the Group by Subsidiaries of JCC	**7,952,245**	25,676,622
Retention for contract	**98,017,391**	92,381,627
Miscellaneous construction fee	**345,496,802**	249,725,611
Miscellaneous maintenance fee	**6,028,242**	18,131,578
Service Charges	**1,680,263**	13,301,762
Others	**132,117,214**	60,695,612
	715,583,636	770,580,125

As at 30 June 2011, the Group's balance of other payables due to shareholder who holds more than 5% of the Company is RMB 124,291,479 (31 December 2010: RMB 310,667,313). More details are given in Note 7 (7) "Related Party Relationship and Transaction".

As at 30 June 2011, the Group has no material balance of other payables aged over one year.

(Expressed in Renminbi Yuan)

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

(26) Non-current liabilities due within one year

	30 June 2011	31 December 2010
Long term payables *(Note 5 (30))*	**2,009,689**	2,009,689

(27) Other current liabilities

	30 June 2011	31 December 2010
Short term deposit from related parties *(i)*	**1,439,490,479**	1,348,364,998
Liabilities due from financial assets sold for repurchase	**—**	250,000,000
Under hedge accounting *(ii)*		
Cash flow hedge *(a)*		
— Commodity derivative contracts	**8,632,548**	128,633,369
Fair value hedge *(a)*		
— Commodity derivative contracts	**1,759,362**	227,751,145
— Provisional price arrangement	**24,059,263**	554,710,792
Not under hedge accounting *(b)*		
— Commodity derivative contracts	**166,645**	261,623,859
— Provisional price arrangement	**15,672,452**	19,470,520
— Forward currency contracts	**15,702,946**	19,097,245
— Interest rate swaps	**12,592,143**	9,293,820
	1,518,075,838	2,818,945,748

(i) *The amount represents the related parties' demand deposit and saving deposit less than 6 month in the Finance Company, the range of the interest rate is 0.36% to 3.25% per annum (2010: 0.36% to 2.75%).*

(ii) *Under hedge accounting*

The Group uses commodity derivative contracts and provisional price arrangement separate from copper concentrate purchase agreement to hedge its commodity price risk. Commodity derivative contracts utilized by the Group are mainly standardized copper cathode future contracts in SHFE and LME.

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

(27) Other current liabilities *(continued)*

(a) Under hedge accounting

For the purpose of hedge accounting, hedges of the Group are classified as:

Cash flow hedge

The Group utilizes standardized copper cathode future contracts to hedge its exposure to variability in cash flows attributable to price fluctuation risk associated with highly probable forecast sales of copper cathode and etc. As at 30 June 2011, the expected delivery period of the forecasted sales for copper related products is from July to September 2011.

Fair value hedge

The Group utilizes standardized copper cathode future contracts and provisional price arrangement to hedge its exposure to variability in fair value changes attributable to price fluctuation risk associated with fair value changes in inventories.

At the inception of above hedge relationships, the Group formally designates and documents the hedge relationship, risk management objective and strategy for undertaking the hedge. According to the effectiveness test result of above mentioned cash flow hedge and fair value hedge, relevant standardized copper cathode future contracts and provisional price arrangement are expected to be highly effective hedge instruments. More details are given in Note 5 (45), (46) and (51).

(b) Not under hedge accounting

Furthermore, in six months ended 30 June 2011 and 2010, the Group utilizes standardized copper cathode future contracts to manage the risk of forecasted purchases of copper cathode and copper concentrate, and forecast sales of copper wires and rods. These arrangements are designated to address significant fluctuations in the price of copper concentrate, copper cathode, copper wires and rods, and copper related products which move in line with the prevailing price of copper cathode. However, this arrangement is not considered as an effective hedge and is not accounted for under hedge accounting. Further details are given in Note 5 (45) and (46).

(Expressed in Renminbi Yuan)

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

(28) Long-term borrowings

		30 June 2011	
		Original Currency	**Equivalent RMB**
Mortgaged borrowings *(i)*			
	USD	**70,012,165**	**453,090,724**
Credit borrowings			
	RMB		**309,250,000**
	JPY	**1,256,028,000**	**100,787,455**
Less: amount due within one year			**—**
			863,128,179

		31 December 2010	
		Original Currency	Equivalent RMB
Mortgaged borrowings *(i)*			
	USD	45,512,165	301,413,413
Credit borrowings			
	RMB		309,250,000
	JPY	1,256,028,000	102,064,835
Less: amount due within one year			—
			712,728,248

As at 30 June 2011, the bank borrowing carry interest rates were ranging from 0.36% to 4.51% per annum (2010: 0.36% to 3.76%).

(i) As at 31 December 2010, time deposits amounting to RMB 453,090,724 were pledged to secure long-term bank borrowings amounting to USD 70,012,165, equivalent to RMB 453,090,724 (31 December 2010: RMB 301,413,413).

As at 30 June 2011, there was no matured but unsettled long-term borrowing.

(Expressed in Renminbi Yuan)

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

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

As at 30 June 2011, the top five creditors are as below:

	Starting date	Ending date	Currency	Annual interest rate	As at 30 June 2011 Original Currency	As at 30 June 2011 RMB
First	Nov 2010	Nov 2012	RMB	3.76%	**Not applicable**	**290,000,000**
Second	Apr 2011	Apr 2013	USD	2.45%	**24,500,000**	**158,554,200**
Third	Dec 2010	Dec 2012	USD	0.79%	**17,250,000**	**111,635,100**
Fourth	Oct 2010	Oct 2012	USD	0.79%	**13,682,000**	**88,544,431**
Fifth	Nov 2011	Nov 2012	JPY	3.35%	**1,101,868,000**	**88,417,194**
						737,150,925

As at 31 December 2010, the top five creditors are as below:

	Starting date	Ending date	Currency	Annual interest rate	As at 30 June 2010 Original Currency	As at 30 June 2010 RMB
First	2010.11	2012.11	RMB	3.76%	Not applicable	290,000,000
Second	2010.12	2012.12	USD	0.86%	17,250,000	114,241,575
Third	2010.10	2012.10	USD	0.86%	13,682,000	90,611,781
Fourth	2009.11	2012.11	JPY	3.35%	1,101,868,000	89,537,794
Fifth	2010.10	2012.10	USD	0.86%	10,000,000	66,227,000
						650,618,150

(Expressed in Renminbi Yuan)

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

(29) Bond Payable

	1 January 2011	Addition	Deduction	30 June 2011
08JCC Bond (126018)	5,178,185,211	156,032,598	(34,000,000)	5,300,217,809

As at 30 June 2011, the balance of bond payable is as follows:

	Period	Issuance date	Nominal value of bonds with warrants issued during the year	Liability component at the issuance date	Beginning balance of interest adjustment	Interest adjustment	Interest paid and accrual	Ending balance
08JCC Bond (126018)	8 years	22 September 2008	6,800,000,000	(4,677,412,723)	500,722,488	156,032,598	(34,000,000)	5,300,217,809
Less: Bond Payable due in 1 year								–
								5,300,217,809

Pursuant to the approval of the China Securities Regulatory Commission (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. 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 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 is assigned as the equity component and is included in shareholders' equity. As at 8 October 2010, 1,759,615,512 certificates of bonds with warrants have been exercised and the other 1,584,488 certificates of bonds with warrants have been written off. The Company's listed shares without restricted trading conditions increased by 439,895,678 shares.

(Expressed in Renminbi Yuan)

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

(30) Long-term payables

	Term	**30 June 2011**	31 December 2010
Mining right payable			
— Dexing &Yongping Mining *(i)*	30 years	**16,747,046**	17,016,682
Less: Amount due within one year *(Note 5(26))*		**(2,009,689)**	(2,009,689)
		14,737,357	15,006,993

(i) The amount represents the balance due to JCC as the consideration for the transfer of the mining rights. The amount is repayable in 30 annual installments of RMB 1,870,000 each year and subject to payment of interest at a rate equal to the state-lending rate for a one-year fixed term borrowing up to a maximum of 15% on annual installment starting from 1 January 1998. The interest paid for the six months ended 30 June 2011 is RMB 59,388 (2010: RMB100,045) and interest rate announced by the state for the six months ended 30 June 2011 is 6.35% (2010: 5.35%).

As at the 30 June 2011, the top five creditors are as below:

	Duration	**Amount**	**Annual Rate *(%)***	**Balance**
First	1998.12-2027.12	56,191,000	One year borrowing rate	16,747,046

As at the 31 December 2010, the top five creditors are as below:

	Duration	Amount	Annual Rate *(%)*	Balance
First	1998.12-2027.12	56,191,000	One year borrowing rate	17,016,682

(Expressed in Renminbi Yuan)

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

(31) Provision

	For the six months ended 30 June 2011	2010
At beginning of the period/year	**117,724,831**	113,044,508
Discount rate amended	**—**	(1,692,772)
Interest accrued during the period/year	**3,281,677**	6,373,095
At end of the period/year	**121,006,508**	117,724,831

Provision represents the environment rehabilitation costs, as there is obligation for the Group in future for the environmental costs, and there is probable outflow of economic benefits as the results of its obligation. The amount recognized 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 grant received in respect of purchase and construction of property, plant and equipment. The movement is as follows:

	For the six months ended 30 June 2011	2010
At beginning of the period/year	**176,744,322**	165,180,616
Addition during the period/year	**—**	26,679,075
Recognized as income during the period/year	**(7,154,068)**	(15,115,369)
At end of the period/year	**169,590,254**	176,744,322

As at 30 June 2011, all the deferred revenue of the group are all asset related grants.

(Expressed in Renminbi Yuan)

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

(33) Share capital

The registered capital and paid in capital of the Company is RMB 3,462,729,405. The face value of the shares is RMB 1.00 each. The shares' type and configuration is as follow:

For the six months ended 30 June 2011

	Beginning		Increase/(Decrease)				Ending	
	No. of shares	%	Issue shares	Donate shares	Others	Subtotal	No. of shares	%
Listed shares with restricted trading condition								
(1) State owned	–	–	–	–	–	–	–	–
(2) State legal person owned	–	–	–	–	–	–	–	–
(3) Domestic other legal owned	–	–	–	–	–	–	–	–
Including:	–	–	–	–	–			
Domestic legal person owned	–	–	–	–	–	–	–	–
Domestic person owed	–	–	–	–	–	–	–	–
Listed shares with restricted trading Conditions	–	–	–	–	–	–	–	–
Listed shares without restricted trading conditions								
(1) A shares	2,075,247,405	59.93%	–	–	–	–	2,075,247,405	59.93%
(2) Domestic foreign shares	–	–	–	–	–	–	–	–
(3) H shares	1,387,482,000	40.07%	–	–	–	–	1,387,482,000	40.07%
Listed shares without restricted trading conditions	3,462,729,405	100.00%	–	–	–	–	3,462,729,405	100.00%
Total of share capital	3,462,729,405	100.00%	–	–	–	–	3,462,729,405	100.00%

(Expressed in Renminbi Yuan)

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

(33) Share capital *(continued)*

2010

	Beginning		Increase/(Decrease)			Ending	
	No. of shares	%	Unrestricted *(Note 1)*	Exercise of warrants *(Note 2)*	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)	—	(1,282,074,893)	—	—
(3) Domestic other legal owned	—	—	—	—	—	—	—
Including:							
Domestic legal person owned	—	—	—	—	—	—	—
Domestic person owed	—	—	—	—	—	—	—
Listed shares with restricted trading conditions	1,282,074,893	42.41%	(1,282,074,893)	—	(1,282,074,893)	—	—
Listed shares without restricted trading conditions							
(1) A shares	353,276,834	11.69%	1,282,074,893	439,895,678	1,721,970,571	2,075,247,405	59.93%
(2) Domestic foreign shares	—	—	—	—	—	—	—
(3) H shares	1,387,482,000	45.90%	—	—	—	1,387,482,000	40.07%
Listed shares without restricted trading conditions	1,740,758,834	57.59%	1,282,074,893	439,895,678	1,721,970,571	3,462,729,405	100.00%
Total of share capital	3,022,833,727	100.00%	—	439,895,678	439,895,678	3,462,729,405	100.00%

Note 1: 1,282,074,893 listed shares with restricted trading conditions began tradable in year 2010 which is all owned by JCC. 1,225,035,414 shares of them came from the non-tradable shares reform in 2006 and the rest of 57,039,479 shares came from the Company's non-public offering of shares in Shanghai Stock Exchange in 2007. All the listed shares with restricted trading condition began tradable since 27 September 2010.

Note 2: Pursuant to the approval of the China Securities Regulatory Commission (No. [2008] 1102), the Company issued 68,000,000 certificates of bonds with warrants at par with a nominal value of RMB100 each and one lot containing 10 bonds, in an amount of RMB6.8 billion (6,800,000 lots) on 22 September 2008. The subscribers of each lot have been entitled to receive 259 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. All the warrants mentioned above were listed on Shanghai Stock Exchange since 10 October 2008 and could be excised from 27 September to 30 September and on 8 October in 2010. As at the end of exercise period, 8 October 2010, an aggregate of 1,759,615,512 warrants attached to bonds payable were successfully exercised, resulting in increase of tradable A shares by 439,895,678 shares

(Expressed in Renminbi Yuan)

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

(34) Capital reserves

The change of capital reserves for the six months ended 30 June 2011 is as below:

	1 January 2011	Additions/ (Deduction)	30 June 2011
Share premium	**11,653,213,113**	**—**	**11,653,213,113**
Other capital reserves			
— Loss arisen from the derivative instrument under cash flow hedge	**(101,966,990)**	**95,348,424**	**(6,618,566)**
— Other Reserves	**113,063**	**—**	**113,063**
	(101,853,927)	**95,348,424**	**(6,505,503)**
	11,551,359,186	**95,348,424**	**11,646,707,610**

The change of capital reserves for the year 2010 is as below:

	1 January 2010	Additions/ (Deduction)	31 December 2010
Share premium	3,346,225,134	8,306,987,979	11,653,213,113
Other capital reserves			
— Transfer from the bonds with detachable warrants	2,008,917,277	(2,008,917,277)	—
— Change in fair value of commodity derivative contracts	(36,667,833)	(65,299,157)	(101,966,990)
— Other Reserves	113,063	—	113,063
	1,972,362,507	(2,074,216,434)	(101,853,927)
	5,318,587,641	6,232,771,545	11,551,359,186

(Expressed in Renminbi Yuan)

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

(35) Special surplus reserves

	For the six months ended 30 June 2011	2010
Beginning balance	**239,154,624**	158,720,937
Accrued for the period/year	**106,542,279**	167,906,520
Realized for the period/year	**(21,903,409)**	(87,472,833)
Ending balance	**323,793,494**	239,154,624

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 "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 in a progressive way monthly.

(36) Surplus reserve

The change of surplus reserves for the six months ended 30 June 2011 is as below:

	Statutory Surplus reserve	**Discretionary surplus reserve**	**Total**
1 January 2011	**2,670,177,952**	**6,099,319,826**	**8,769,497,778**
Additions	**—**	**—**	**—**
30 June 2011	**2,670,177,952**	**6,099,319,826**	**8,769,497,778**

The change of surplus reserves for the year 2010 ended is as below:

	Statutory Surplus reserve	Discretionary surplus reserve	Total
1 January 2010	2,216,164,234	4,737,278,673	6,953,442,907
Additions	454,013,718	1,362,041,153	1,816,054,871
31 December 2010	2,670,177,952	6,099,319,826	8,769,497,778

(Expressed in Renminbi Yuan)

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

(36) Surplus reserve *(continued)*

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.

The Company can appropriate discretionary surplus reserve after the appropriation of statutory surplus reserve which can be used to make up for losses or increase the equity after approval.

(37) Retained earnings

	For the six months ended 30 June 2011	2010
At beginning of the period/year	**10,236,227,824**	7,448,675,621
Add: Net profit	**4,228,577,337**	4,907,141,378
Profits available for appropriation	**14,464,805,161**	12,355,816,999
Less: Appropriations to the statutory surplus reserve	—	454,013,718
Appropriations to the discretionary surplus reserve	—	1,362,041,153
Appropriations to the employee bonus and welfare fund	—	1,250,931
Profits available for appropriation to shareholders	**14,464,805,161**	10,538,511,197
Less: Cash dividend approved by the Annual General Meeting of last year	**692,545,881**	302,283,373
Retained earnings at the end of the period/year	**13,772,259,280**	10,236,227,824
Including: Cash dividends proposed after the balance sheet date	**692,545,881**	692,545,881

On 9 June 2011, a dividend of RMB0.2 per share (tax inclusive) on 3,462,729,405 shares, in aggregate approximately RMB 692,545,881 was declared to the shareholders as the final dividend for year 2010. As at 30 June 2011, the Company did not pay the cash dividend.

The Board of Directors proposed an interim dividend of RMB0.2 per share (tax inclusive) on 3,462,729,405 shares of RMB 692,545,881 in aggregate (2010: nil). The proposed interim dividend for the period is subject to the approval at the special general meeting.

(Expressed in Renminbi Yuan)

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

(38) Minority interests

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

	30 June 2011	31 December 2010
Finance Company	**106,149,763**	90,442,722
Kangtong	**92,229,456**	92,152,213
Wengfu	**67,972,346**	61,052,279
Longchang Copper Pipe	**67,070,339**	66,708,699
Yates	**37,665,123**	37,651,848
Taiyi	**23,594,368**	20,079,872
Dongxiang Alloy	**9,853,947**	9,542,984
Redian	**3,413,985**	3,525,125
Dexing Chemical	**3,365,500**	—
Copper Products	**2,661,821**	2,489,937
Sure Spread	**—**	30,534,187
	413,976,648	414,179,866

(39) Revenue and costs of sales

Revenue:

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Revenue from principal operations	**59,201,798,685**	37,198,612,324
Other operating income	**116,632,333**	371,879,382
	59,318,431,018	37,570,491,706

(Expressed in Renminbi Yuan)

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

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

Cost of sales:

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Cost of principal operations	**53,365,324,928**	33,826,301,157
Cost of other operations	**51,990,666**	28,946,940
	53,417,315,594	33,855,248,097

Revenue from principal operations by product:

	For the six months ended 30 June 2011		For the six months ended 30 June 2010	
Products categories	**Revenue**	**Cost of sales**	Revenue	Cost of sales
Copper cathodes	**34,946,580,690**	**32,772,369,870**	19,952,969,082	18,538,684,967
Copper rods and wires	**13,136,118,958**	**12,035,649,158**	10,672,558,298	9,851,664,914
Copper processing products	**2,162,817,562**	**2,072,726,375**	1,612,764,662	1,527,691,221
Golds	**4,202,210,815**	**3,383,041,552**	2,604,628,942	1,934,338,059
Silvers	**2,077,720,503**	**1,370,739,857**	907,449,969	771,532,770
Chemical product	**1,209,896,182**	**554,307,865**	845,770,132	556,999,072
Rare metal	**404,437,641**	**302,892,183**	305,758,200	148,282,392
Other metal	**798,316,251**	**784,072,580**	308,277,048	304,688,420
Other	**263,700,083**	**89,525,488**	296,713,039	192,419,342
	59,201,798,685	**53,365,324,928**	37,506,889,372	33,826,301,157

(Expressed in Renminbi Yuan)

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

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

Revenue from principal operations by geographical locations:

	For the six months ended 30 June 2011		For the six months ended 30 June 2010	
Geographical areas	**Revenue**	**Cost of sales**	Revenue	Cost of sales
Mainland China	**54,176,945,427**	**48,405,744,213**	34,844,015,704	31,249,072,754
Hong Kong, China	**4,216,450,486**	**4,163,423,785**	2,111,183,903	2,053,354,728
Others	**808,402,772**	**796,156,930**	243,412,717	219,185,255
	59,201,798,685	**53,365,324,928**	37,198,612,324	33,521,612,737

Other operating income of the Group for the six months ended 30 June 2011 and 2010 came from Mainland China.

Revenues of the top five customers for the six months ended 30 June 2011 as follows:

	Amount	**%**
First	**8,012,982,033**	**13.51%**
Second	**2,167,124,187**	**3.65%**
Third	**1,595,343,467**	**2.69%**
Fourth	**1,557,095,437**	**2.62%**
Fifth	**1,346,350,300**	**2.27%**
	14,678,895,424	**24.75%**

Revenues of the top five customers for the six months ended 30 June 2010 as follows:

	Amount	%
First	1,180,333,750	3.14
Second	804,126,825	2.14
Third	701,423,819	1.87
Fourth	690,765,423	1.84
Fifth	594,663,961	1.58
	3,971,313,778	10.57

(Expressed in Renminbi Yuan)

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

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

Revenues as follows:

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Sale of goods	**59,156,973,845**	37,105,650,084
Rendering of service	**151,264,078**	456,944,544
Others	**10,193,095**	7,897,078
	59,318,431,018	37,570,491,706

(40) Taxes and surcharges

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Resources tax	**157,375,009**	126,962,844
Cities construction tax and education supplementary tax	**84,194,028**	1,139,548
Business tax	**14,494,011**	8,725,061
Others	**121,097**	19,317
	256,184,145	136,846,770

Standards refer to Note 3 “taxation”.

(Expressed in Renminbi Yuan)

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

(41) Distribution and selling costs

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Carriage and storage expenses	**138,448,751**	103,730,129
Commission for commodity derivative contracts	**28,097,306**	20,733,225
Agency fee	**7,640,392**	6,790,821
Payroll, bonus and allowance	**6,767,892**	7,434,121
Entertainment expenses	**4,081,789**	4,994,572
Products export fee	**2,884,058**	937,291
Others	**6,091,741**	11,418,606
	194,011,929	156,038,765

(42) General and administrative expenses

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Payroll, bonus and allowance	**349,085,665**	79,219,032
Mineral resource compensation charge	**84,185,575**	68,718,297
Maintenance expenses	**83,394,269**	79,000,296
Taxation	**47,409,839**	44,686,160
Fee for discharge of pollution	**24,083,948**	19,829,530
Entertaining expenses	**21,309,359**	17,542,150
Amortization of intangible assets	**19,271,544**	18,774,661
Fee for land use right	**18,363,933**	21,908,622
Depreciation of fixed assets	**13,739,580**	13,555,799
Professional service fee	**12,363,518**	5,757,587
Office expenses	**11,114,256**	6,848,441
Property insurance fee	**9,529,609**	13,582,911
Travel expenses	**9,348,838**	8,960,895
Meeting expenses	**7,509,202**	4,763,428
Charges for technology transfer	**4,389,768**	3,196,346
Compensation for land losses	**1,272,550**	2,360,943
Others	**47,531,517**	59,485,669
	763,902,970	468,190,767

(Expressed in Renminbi Yuan)

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

(43) Financial expenses

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Interest expense	**86,680,520**	36,406,057
Interest expense of Bond with Warrants *(Note 5 (29))*	**156,032,598**	149,096,280
Interest for discounting notes	**68,165,837**	36,561,261
Interest income	**(45,672,721)**	(26,034,132)
Foreign exchange gains	**(85,831,220)**	(3,503,679)
Interest expenses of provisions (*Note 5 (31)*)	**3,281,677**	3,151,217
Others	**47,187,518**	21,589,529
	229,844,209	217,266,533

(44) Provision for Impairment of assets

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Provision of bad debt	**4,548,285**	22,875,357
Inventory (reversal)/provision	**(669,706)**	60,370,707
	3,878,579	83,246,064

(Expressed in Renminbi Yuan)

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

(45) Gain from changes in fair value

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Fair value (loss)/gain arising from available-for-sale financial assets	**(1,371,320)**	369,237
Fair value gain arising from forward currency contracts	**3,588,920**	—
Fair value loss arising from interest rate swaps	**(3,298,323)**	—
Unsettled provisional price arrangement		
— Ineffective portion of fair value hedge*(i)*	**907,711**	10,704,686
— Not under hedge accounting	**3,798,068**	20,314,294
Unsettled commodity derivative contracts		
— Ineffective portion of cash flow hedge	**3,435,606**	1,809,614
— Ineffective portion of fair value hedge*(i)*	**(720,773)**	2,461,707
— Not under hedge accounting	**327,964,753**	(8,416,187)
	334,304,642	27,243,351

(i) Fair value hedge

	Gain from changes in fair value of hedge instruments	***Loss from changes in fair value of hedged items***	***Total***
— Unsettled provisional price arrangement	*530,651,529*	*(529,743,818)*	*907,711*
— Unsettled commodity derivative contracts	*225,991,783*	*(226,712,556)*	*(720,773)*

(Expressed in Renminbi Yuan)

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

(46) Investment income

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Gain from commodity derivative contracts not qualified for hedge accounting	**160,372,188**	123,856,298
Gain of ineffective portion of fair value hedge *(i)*	**8,358,617**	4,756,487
Gain of ineffective portion of cash flow hedge	**2,209,833**	1,898,718
Share of gain/(loss) of a jointly controlled entity and associates	**31,241,753**	(4,345,440)
Include: gain/(loss) of a jointly controlled entity	**27,195,954**	(8,906,507)
gain of associates	**4,045,799**	4,561,067
Dividends declared from the investee under the cost method	**13,500,000**	3,531,271
Investment income from bank finance products	**59,385,196**	7,974,269
Investment income from equity investment at fair value through profit or loss	**35,674**	429,556
	275,103,261	138,101,159

(i) Fair value hedge - settled commodity derivative contracts:

	Loss of changes in fair value of hedge instruments	***Gain of changes in fair value of hedged items***	***Total***
Type of hedged items:			
— Inventories	*(184,705,066)*	*193,063,683*	*8,358,617*

(Expressed in Renminbi Yuan)

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

(47) Non-operating gains

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Amortization of deferred revenue *(Note 5 (32))*	**7,154,068**	7,968,842
VAT refund	**6,241,956**	7,094,197
Net gain on disposal of fixed assets	**255,024**	527,001
Subsidy from import of copper concentrate	**—**	61,068,500
Others	**6,893,575**	1,783,744
	20,544,623	78,442,284

(48) Non-operating expenses

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Penalty	**4,847,250**	4,222,352
Donations	**615,990**	677,464
Net losses on disposal of fixed assets	**358,149**	6,226,192
Others	**990,811**	2,016,500
	6,812,200	13,142,508

(Expressed in Renminbi Yuan)

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

(49) Income tax

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Current income tax	**779,932,960**	735,453,946
Deferred income tax	**33,664,453**	2,419,044
	813,597,413	737,872,990

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

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Profit before tax	**5,076,433,918**	2,884,298,996
Tax at the statutory income tax rate (25%)	**1,269,108,480**	721,074,749
Reduction of income tax in respect of the tax benefit	**(428,073,082)**	—
Influence on different tax rates for the subsidiaries	**(12,409,100)**	(15,927,395)
Influence on tax rate change	**105,658**	(2,560,469)
Profits and losses attributable to a jointly controlled entity and associates	**(4,686,263)**	1,086,360
Tax loss not recognized as deferred tax	**1,480,972**	393,632
Utilization of tax losses from previous periods	**(12,538,935)**	(20,987,979)
Adjustment in respect of current tax of previous periods	**848,673**	40,165,759
Expenses not deductible for tax periods	**3,725,794**	13,041,986
Non-taxable revenue	**(2,761,678)**	(1,674,663)
Deferred tax assets not recognized in previous years	**(1,203,106)**	3,261,010
Income tax expense at the Group's effective rate	**813,597,413**	737,872,990

(Expressed in Renminbi Yuan)

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

(50) 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 period 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 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 are based on:

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Earnings:		
Profit attributable to ordinary shareholders of the parent	**4,228,577,337**	2,124,210,330
Shares:		
Weighted average number of ordinary shares	**3,462,729,405**	3,022,833,727
Effect of dilution - weighted average number of ordinary shares: warrants attached to bonds	**—**	237,603,333
Weighted average number of ordinary shares adjusted	**3,462,729,405**	3,260,437,060
Basic earnings per share	**1.22**	0.70
Diluted earnings per share	**1.22**	0.65

(Expressed in Renminbi Yuan)

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

(51) Other comprehensive income/ (loss)

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Gain from the cash flow hedge instruments	**13,350,749**	5,795,403
Add: Reclassification into the income statement	**103,214,466**	41,928,259
Income tax effect	**(21,216,791)**	(7,907,659)
	95,348,424	39,816,003
Exchange fluctuation reserve	**(64,296,110)**	10,254,352
	31,052,314	50,070,355

(52) Cash received from or paid for other operating activities and other financing activities

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Cashes received from other operating activities:		
Net profit from the settlement of commodity derivative contracts	**170,940,638**	130,511,503
Interest income	**6,096,655**	27,221,887
Collection of deposit for commodity derivative contracts	**318,347,737**	36,201,505
Others	**6,893,575**	1,783,745
	502,278,605	195,718,640

(Expressed in Renminbi Yuan)

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

(52) Cash received from or paid for other operating activities and other financing activities *(continued)*

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Cashes paid for other operating activities:		
Selling expenses and administrative expenses	**270,344,145**	383,967,172
Non-operating expense	**6,454,051**	6,916,316
Others	**46,462,766**	20,844,559
	323,260,962	411,728,047

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Cash received from other financing activities:		
Decrease of pledged RMB deposits to obtain USD bank borrowings	**930,167,465**	—

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Cash paid for other financing activities:		
Increase of pledged RMB deposits to obtain USD bank borrowings	**1,422,309,981**	585,813,192
Increase of pledged RMB deposits of gold leasing contracts	**6,420,000**	—
	1,428,729,981	585,813,192

(Expressed in Renminbi Yuan)

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

(53) Supplementary information on cash flow

(1) *Reconciliation of net profit to cash flow from operating activities*

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Net profit for the period	**4,262,836,505**	2,146,426,006
Add: Provision for impairment of assets	**3,878,579**	83,246,064
Increase of special surplus	**85,498,195**	75,740,780
Depreciation of fixed assets	**538,661,123**	454,960,242
Amortization of intangible assets	**21,691,098**	21,567,499
Loss on disposal of fixed assets, intangible assets, and other long term assets	**103,125**	5,699,191
Financial expense	**160,888,327**	185,894,845
Investment income	**(104,162,623)**	(7,589,656)
Loss on fair value change	**(334,304,642)**	(27,243,351)
Decrease in deferred tax assets	**25,781,599**	7,197,810
Increase in deferred tax liabilities	**7,882,854**	3,128,893
Deferred revenue released to income statement	**(7,154,068)**	(7,968,842)
Decrease/ (Increase) in inventories	**2,396,430,937**	(145,742,815)
Increase in operating receivables	**(3,567,315,920)**	(3,266,482,777)
Increase in operating payables	**461,538,236**	905,925,108
Net cash inflow from operating activities	**3,952,253,325**	434,758,997

(2) *Cash and cash equivalents*

	30 June 2011	31 December 2010
Cash and cash equivalents		
Including: Cash	**194,139**	177,699
Bank deposit	**11,254,299,221**	2,030,305,796
Cash and cash equivalents at end of the period/ year	**11,254,493,360**	2,030,483,495

(Expressed in Renminbi Yuan)

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

(54) Segment information

For management purpose, the Group 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 resource allocation and performance assessment.

More details of sales categorised by product, service and location are given in Note 5 (39). All of the non-current assets of the Group are located in Mainland China except for certain investments in Peru, Afghanistan and Japan of which the carrying amount is not material. The non-current assets information is based on the location of assets and excludes financial instruments and deferred tax assets.

Information about a major customer

Revenue of approximately RMB 8,012,982,000 (six months ended 30 June 2010: RMB 1,180,334,000) was derived from sales of goods to a single customer, including sales to a group of entities which are known to be under common control with that customer. The State-Owned Entities are not identified as a group of customers under common control by the directors of the Company.

6. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY

(1) Accounts receivable

The ageing analysis of accounts receivable is as follows:

	30 June 2011	31 December 2010
Within 1 year	**1,484,361,815**	1,423,158,786
1 to 2 years	**24,086,439**	289,521
2 to 3 years	**—**	76,998
Over 3 years	**121,872,771**	121,795,773
	1,630,321,025	1,545,321,078
Less: Bad debt provision	**(126,184,097)**	(121,721,181)
	1,504,136,928	1,423,599,897

(Expressed in Renminbi Yuan)

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

(1) Accounts receivable *(continued)*

	30 June 2011			
	Balance	**%**	**Bad debt provision**	**%**
Significant and individually accrued bad debt provision	**91,660,195**	**5.62%**	**63,616,791**	**69.41%**
Accrued bad debt provision by group				
Within 1 year	**1,456,318,411**	**89.33%**	**—**	**—**
1-2 years	**24,086,439**	**1.48%**	**4,515,820**	**18.75%**
Over 3 years	**58,255,980**	**3.57%**	**58,051,486**	**99.65%**
	1,630,321,025	**100.00%**	**126,184,097**	**7.74%**

	31 December 2010			
	Balance	%	Bad debt provision	%
Significant and individually accrued bad debt provision	92,591,450	5.99%	63,616,791	68.71%
Accrued bad debt provision by group				
Within 1 year	1,394,184,127	90.22%	—	—
1-2 years	289,521	0.02%	52,904	18.27%
2-3 years	76,998	0.01%	—	—
Over 3 years	58,178,982	3.76%	58,051,486	99.78%
	1,545,321,078	100.00%	121,721,181	7.88%

As at 30 June 2011 and 31 December 2010, there was no insignificant amount but need to individually accrue bad debt provision.

(Expressed in Renminbi Yuan)

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

(1) Accounts receivable *(continued)*

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

	Beginning balance	Addition	Deduction Reversal	Deduction Realized	Ending balance
For the six months ended 30 June 2011	121,721,181	4,480,616	(17,700)	—	126,184,097

The amount of RMB 17,700 has been reversed due to the recovery of the account receivable in six months ended 30 June 2011.

As at 30 June 2011, top five debtors of the Company are as bellows:

	Relationship	Balance	Aging	%
First	Third Party	91,660,195	Within 1 year 1 and over 3 years	5.62%
Second	Third Party	75,580,553	Within 1 year	4.64%
Third	Third Party	72,446,664	Within 1 year	4.44%
Fourth	Third Party	51,881,006	Within 1 year	3.18%
Fifth	JCC's subsidiaries	45,535,465	Within 1 year	2.79%
		337,103,883		20.68%

As at 30 June 2011, the Company's balance due from a shareholder who holds more than 5% of the voting power of the Company was RMB 805,647 (31 December 2010: 1,399,366).

(Expressed in Renminbi Yuan)

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

(2) Other receivables

The aging analysis of other receivables is as follows:

	30 June 2011	31 December 2010
Within 1 year	**484,530,240**	470,174,270
1 to 2 years	**491,712**	1,030,641
2 to 3 years	**497,409**	796,561
Over 3 years	**21,937,523**	21,162,329
	507,456,884	493,163,801
Less: Bad debt provision	**(22,009,676)**	(21,981,142)
	485,447,208	471,182,659

	30 June 2011			
	Balance	**%**	**Bad debt provision**	**%**
Accrued bad debt provision by group Within 1 year	**484,530,240**	**95.48%**	**—**	**—**
1-2 years	**491,712**	**0.10%**	**96,674**	**19.66%**
2-3 years	**497,409**	**0.10%**	**216,519**	**43.53%**
Over 3 years	**21,937,523**	**4.32%**	**21,696,483**	**98.90%**
	507,456,884	**100.00%**	**22,009,676**	**4.34%**

(Expressed in Renminbi Yuan)

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

(2) Other receivables *(continued)*

	31 December 2010			
	Balance	%	Bad debt provision	%
Accrued bad debt provision by group Within 1 year	470,174,270	95.34%	—	—
1-2 years	1,030,641	0.21%	199,761	19.38%
2-3 years	351,305	0.07%	173,796	49.47%
Over 3 years	21,162,329	4.29%	21,162,329	100.00%
	492,718,545	99.91%	21,535,886	4.37%
Insignificant but individually accrued bad debt provision	445,256	0.09%	445,256	100.00%
	493,163,801	100.00%	21,981,142	4.46%

As at 30 June 2011 and 31 December 2010, there was no significant amount and need to individually accrue bad debt provision.

(Expressed in Renminbi Yuan)

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

(2) Other receivables *(continued)*

The movement of bad debt provision on other receivables is as below:

	Beginning balance	Addition	Deduction Reversal	Deduction Realized	Ending balance
For the six months ended 30 June 2011	21,981,142	28,534	—	—	22,009,676

No amount of the other receivables has been reversed due to the recovery in six months ended 30 June 2011.

No amount of other receivables has been realized due to the write-offs in six months ended 30 June 2011.

As at 30 June 2011, top five of the amounts of other receivables of the Company are as below:

	Relationship	Balance	Aging	%
First	JCC's subsidiaries	171,624,050	Within 1 year	33.82%
Second	Third Party	22,973,683	Within 1 year	4.53%
Third	Third Party	21,705,474	Within 1 year	4.28%
Fourth	Third Party	14,999,189	Within 1 year	2.96%
Fifth	Third Party	10,629,625	Within 1 year	2.09%
		241,932,021		47.68%

As at 30 June 2011,the Company's balance of deposit for commodity derivative contracts was RMB 248,300,297 (31 December 2010: RMB 372,919,289).

As at 30 June 2011, no balance is due from a shareholder who holds more than 5% of the voting power of the Company. (31 December 2010: Nil).

(Expressed in Renminbi Yuan)

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

(3) Long-term equity investments

		Investment cost				Share of net profit		Share of other equity movement rather than the net profit		Impairment		
	Investment cost	Opening balance	Additions	Accumulated additions	Disposal and reclassifications	Opening balance	Profit/(losses)	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
JCPC	246,879,928	246,879,928	–	–	246,879,928	–	–	–	–	–	–	246,879,928
Diaoquan	13,056,216	13,056,216	–	–	13,056,216	–	–	–	–	(13,056,216)	–	–
Sure Spread *(Note 4)*	29,227,000	29,227,000	–	(29,227,000)	–	–	–	–	–	–	–	–
JCAC	229,509,299	229,509,299	–	–	229,509,299	–	–	–	–	–	–	229,509,299
Wengfu	127,050,000	127,050,000	–	–	127,050,000	–	–	–	–	–	–	127,050,000
SZJX	330,000,000	330,000,000	–	–	330,000,000	–	–	–	–	–	–	330,000,000
SHJX	200,000,000	200,000,000	–	–	200,000,000	–	–	–	–	–	–	200,000,000
BJJX *(Note 4)*	60,000,000	10,000,000	50,000,000	–	60,000,000	–	–	–	–	–	–	60,000,000
Jiangtong Chemical	47,484,598	47,484,598	–	–	47,484,598	–	–	–	–	–	–	47,484,598
Finance company	241,556,270	241,556,270	–	–	241,556,270	–	–	–	–	–	–	241,556,270
Dexing Construction	45,750,547	45,750,547	–	–	45,750,547	–	–	–	–	–	–	45,750,547
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
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
Dongtong Mining	159,044,526	159,044,526	–	–	159,044,526	–	–	–	–	–	–	159,044,526
Ruichang Manufacturing	3,223,379	3,223,379	–	–	3,223,379	–	–	–	–	–	–	3,223,379

(Expressed in Renminbi Yuan)

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

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

		Investment cost				Share of net profit		Share of other equity movement rather than the net profit		Impairment		
	Investment cost	Opening balance	Additions	Accumulated additions	Disposal and reclassifications	Opening balance	Profit/ (losses)	Opening balance	Increases/ (decreases)	Opening balance	Decreases/ reclassification	Ending balance
Cost method *(continued)*:												
Guixi Logistics	72,870,695	72,870,695	–	–	72,870,695	–	–	–	–	–	–	72,870,695
Taiyi	64,705,427	64,705,427	–	–	64,705,427	–	–	–	–	–	–	64,705,427
Longchang Copper Pipe *(Note 4)*	781,957,359	174,957,359	607,000,000	–	781,957,359	–	–	–	–	–	–	781,957,359
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
Copper Recycling	4,514,000	4,514,000	–	–	4,514,000	–	–	–	–	–	–	4,514,000
Qianshan Concentration	14,456,365	14,456,365	–	–	14,456,365	–	–	–	–	–	–	14,456,365
Dexing Alloy *(Note 4)*	92,683,954	72,683,954	20,000,000	–	92,683,954	–	–	–	–	–	–	92,683,954
Redian	66,500,000	66,500,000	–	–	66,500,000	–	–	–	–	–	–	66,500,000
JCCS	3,000,000	3,000,000	–	–	3,000,000	–	–	–	–	–	–	3,000,000
GZPC	300,000,000	300,000,000	–	–	300,000,000	–	–	–	–	–	–	300,000,000
JCC International Trade	600,000,000	600,000,000	–	–	600,000,000	–	–	–	–	–	–	600,000,000
Shanghai Shengyu	586,276,865	586,276,865	–	–	586,276,865	–	–	–	–	–	–	586,276,865
Dexing Chemical *(Note 4)*	100,000,000	–	100,000,000	–	100,000,000	–	–	–	–	–	–	100,000,000
Equity method:												
Jiangxi Copper Minmetals	1,060,000,000	1,060,000,000	240,000,000	–	1,300,000,000	(56,037,760)	26,927,639	(125,352,264)	(60,222,440)	–	–	1,085,315,175
MCC-JCL	58,134,560	58,134,560	71,050,755	–	129,185,315	(1,272,703)	–	(1,845,366)	(2,796,327)	–	–	123,270,919
Qing Yuan	56,000,000	56,000,000	–	–	56,000,000	(55,842,674)	268,315	–	–	–	–	425,641
Jiangtong Bioteq	14,100,000	14,100,000	–	–	14,100,000	10,796,201	4,045,799	–	–	–	–	28,942,000
Fengye	1,563,069	1,563,069	–	–	1,563,069	–	–	–	–	–	–	1,563,069
Total		6,004,479,982	1,088,050,755	(29,227,000)	7,063,303,737	(102,356,936)	31,241,753	(127,197,630)	(63,018,767)	(13,056,216)	–	6,788,915,941

(Expressed in Renminbi Yuan)

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

(4) Revenue and cost of sales

Revenue:

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Revenue from principal operations	**37,554,467,592**	28,473,427,780
Other operating income	**228,125,133**	190,975,074
	37,782,592,725	28,664,402,854

Cost of sales:

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Cost of principal operations	**32,401,729,021**	25,220,726,702
Cost of other operating	**184,190,630**	178,957,625
	32,585,919,651	25,399,684,327

Principal operations by product:

	For the six months ended 30 June 2011		For the six months ended 30 June 2010	
Products categories	**Revenue**	**Cost of sales**	Revenue	Cost of sales
Copper cathodes	**19,047,253,712**	**17,075,178,142**	15,432,705,544	14,094,996,254
Copper rods and wires	**10,712,231,253**	**9,769,396,569**	8,441,033,136	7,787,509,952
Gold	**4,202,210,815**	**3,383,041,552**	2,604,628,942	1,934,338,059
Silver	**1,891,459,452**	**1,185,425,094**	810,537,723	672,926,552
Chemical products	**1,195,014,522**	**618,207,437**	805,990,869	547,964,883
Rare metals	**403,145,273**	**302,256,195**	314,684,396	157,208,588
Other metal	**25,035,913**	**25,035,913**	11,281,949	7,597,229
Others	**78,116,652**	**43,188,119**	52,565,221	18,185,185
	37,554,467,592	**32,401,729,021**	28,473,427,780	25,220,726,702

(Expressed in Renminbi Yuan)

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

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

Principal operations by location:

	For the six months ended 30 June 2011		For the six months ended 30 June 2010	
Geographic areas	Revenue	Cost of sales	Revenue	Cost of sales
Mainland China	37,374,681,474	32,298,325,727	28,429,923,220	25,180,079,956
Hong Kong, China	176,748,367	101,992,579	41,315,023	39,326,746
Other	3,037,751	1,410,715	2,189,537	1,320,000
	37,554,467,592	32,401,729,021	28,473,427,780	25,220,726,702

Other operating income of the Company for the six months ended 30 June 2011 and 2010 came from Mainland China.

Top five customers for the six months ended 30 June 2011:

	Revenue	%
First	1,346,350,300	3.56%
Second	846,607,801	2.24%
Third	578,811,682	1.53%
Fourth	435,712,141	1.15%
Fifth	435,203,456	1.15%
	3,642,685,380	9.63%

(Expressed in Renminbi Yuan)

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

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

Top five customers for the six months ended 30 June 2010:

	Revenue	%
First	3,023,039,793	10.55%
Second	2,231,799,882	7.79%
Third	1,949,034,088	6.80%
Fourth	1,406,762,610	4.90%
Fifth	1,346,772,391	4.70%
	9,957,408,764	34.74%

Revenue is as follows:

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Sales of goods	**37,554,467,592**	28,473,427,780
Sales of services income	**217,932,038**	183,077,996
Others	**10,193,094**	7,897,078
	37,782,592,724	28,664,402,854

(5) Investment income

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Loss from commodity derivative contracts not qualified for hedge accounting	**(16,139,429)**	(348,879)
Gain from ineffective portion of commodity derivative contracts qualified for hedge accounting Ineffective portion of fair value hedge	**(721,077)**	4,756,487
Ineffective portion of cash flow hedge	**5,402,100**	—
Share of gain/(loss) of a jointly- controlled entity and associates	**31,241,753**	(3,449,068)
Dividends declared from the investee under cost method	**13,200,245**	169,872,629
Dividends declared from available-for-sales financial assets	**13,500,000**	—
	46,483,592	170,831,169

(Expressed in Renminbi Yuan)

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

(6) Supplementary information on cash flow

Reconciliation of net profit to cash flow from operating activities:

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Net profit	**3,771,657,627**	2,026,102,566
Add: Provision for impairment of assets	**3,821,744**	42,798,587
Increase of special reserve	**76,471,835**	70,056,940
Depreciation for fixed assets	**436,351,949**	356,821,952
Amortization of intangible assets	**20,560,764**	20,865,011
(Gain)/loss from disposal of fixed assets, intangible assets and other long-term assets	**(167,482)**	5,349,134
Financial expense	**130,575,221**	155,054,030
Investment income	**(57,941,998)**	(166,423,560)
Losses on fair value change	**(184,309,001)**	(8,329,496)
(Increase)/decrease in deferred tax assets	**(10,313,511)**	7,577,505
Decrease in deferred tax liabilities	**3,364,434**	3,537,788
Deferred revenue released to income statement	**(5,853,760)**	(3,721,277)
Increase in inventories	**3,139,232,088**	734,341,252
Increase in operating receivables	**(353,508,267)**	(1,288,415,373)
Increase/(decrease) in operating payable	**719,445,244**	(873,055,306)
Net cash inflow from operating activities	**7,689,386,887**	1,082,559,753

Cash and cash equivalents

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Cash		
Included: Cash	**21,472**	33,406
Bank deposits that can be readily used	**15,396,043,363**	1,845,624,916
Balance of cash and cash equivalents at end of period/year	**15,396,064,835**	1,845,658,322

(Expressed in Renminbi Yuan)

7. RELATED PARTY RELATIONSHIP AND TRANSACTION

(1) Parent company

Parent company	Type	Registration place	Principal business	Direct interest	Voting power	Registered capital
JCC	State-owned	Jiangxi Guixi	Non-ferrous metal mines, non-metal mining, smelting, mangle rolling and processing of non-ferrous metals	38.77%	38.77%	RMB2,656,150,000

The Company's holding company is JCC, and the ultimate controller is the State-owned Assets Supervision & Administration Commission ("SASAC") of Jiangxi province.

According to the approval of the National Development and Reform Commission, JCC could increase its H shares no more than 60,450,000 shares and 2% of the total share capital. JCC finished its first increase in shareholding on 13 May 2010. Until 1 September, JCC increased holding of an aggregate of 60,405,000 H shares or 1.998% of the total shares through the trading system of The Stock Exchange of Hong Kong Limited. With the accomplishment of the increase in shareholding on 1 September 2010, JCC owned 1,282,074,893 A shares and 60,405,000 H shares, the shareholding ratio was 44.41%.

As at 8 October 2010, with the successful exercise of the warrants, the shareholding ratio of JCC decreased from 44.41% to 38.77%.

(2) Subsidiaries

Subsidiaries of the Group are given in Note 4 "Scope of consolidation".

(3) A jointly-controlled entity and associates

A jointly-controlled entity and associates of the Group are given in Note 5 (10).

(4) Other related parties

Name	Relationship
JCC's Subsidiaries	Controlled by the same parent company

(Expressed in Renminbi Yuan)

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

(5) Significant transactions with related parties

The Group had the following significant transactions with related parties, except for guarantee for bank borrowings obtained from JCC mentioned above notes:

(i) Main transactions between JCC and JCC's subsidiaries:

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Sale of goods and by-products		
Sale of copper rods and wire	**350,452,616**	278,488,244
Sale of copper cathode	**106,949,809**	597,293
Sale of auxiliary industrial products	**7,085,160**	6,993,159
Sale of by-products	**45,625,785**	11,986,051
Sale of brass wires	**24,787,914**	2,639,293
Sale of lead concentrate	**52,504,138**	—
Purchase of materials and by-products		
Purchase of crude copper	**24,480,304**	402,585,740
Purchase of auxiliary industrial products and other goods	**106,667,470**	92,018,111

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Services provided by the Group:		
Loans provided *(a)*	**877,000,000**	1,104,000,000
Construction services	**19,757,695**	12,020,992
Supply of electricity	**13,923,711**	3,152,184
Interest charges for loans provided	**12,777,709**	11,113,235
Vehicle transportation services	**1,279,952**	703,555
Repair and maintenance services	**931,076**	2,593,358
Supply of water	**362,171**	77,577
Rentals for public facilities	**—**	630,324
Supply of gas	**10,500**	19,758
Processing services	**—**	291,253

(a) The daily credit balance offered by the Finance Company, a subsidiary of the Group, to JCC and its subsidiaries will neither exceed the deposits from JCC and its subsidiaries nor exceed the total amount of credit facilities regulated by the financial service agreement entered by the two parties.

(Expressed in Renminbi Yuan)

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

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

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

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Services provided to the Group:		
Pension contributions	**97,999,269**	78,126,605
Rental expense for land use rights	**18,335,778**	21,998,766
Repair and maintenance services	**17,370,658**	12,926,218
Construction services	**4,068,914**	7,234,325
Brokerage agency services for commodity derivative contracts	**22,899,900**	16,946,256
Sanitation and greening service	**4,692,533**	2,333,674
Interest paid for deposits from customers	**5,068,384**	1,154,189
Rentals for public facilities	**5,257,933**	10,464,893
Other management fee	**110,921**	2,356,923
Labour service	**7,985,084**	2,223,501
Processing charges	**3,973,629**	—
Vehicle transportation services	**—**	147,077
Social welfare and support services provided to the Group:		
— welfare and medical services	**28,429,860**	33,671,038
— use of representative offices	**—**	1,876,319
— technical training services	**2,698,144**	—

(ii) *Significant transactions with Qing Yuan:*

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Sale of goods and by-products:		
Sale of copper rods	**103,595**	—
Purchase of raw material:		
Purchase of crude copper	**—**	132,209,979
Services provided to the Group:		
Processing charges	**28,130,700**	20,393,367

(Expressed in Renminbi Yuan)

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

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

(iii) Significant transactions with Minmetals Jiangxi Copper:

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Related service provided by the Group:		
Interest charge for financing services	**—**	1,274,400

(iv) Significant transactions with Jiangtong Bioteq:

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Services provided by the Group:		
Sale of auxiliary industrial products	**1,135,488**	—
Services provided to the Group:		
Construction services	**1,911,061**	—
Purchase of materials and by-products		
Purchase of cupric sulfide	**18,178,134**	22,579,506

(v) Significant transactions with Fengye:

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Sale of goods and by-products		
Sale of sulfuric acid	**475,442**	—

(Expressed in Renminbi Yuan)

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

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

(vi) Other transactions with related parties:

	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Remuneration of key management		
Short term employee benefits	**4,980,000**	4,382,000
Performance related bonuses	**36,200,000**	295,000
Post-employment benefits	**201,000**	103,000
	41,381,000	4,780,000

For the six months ended 30 June 2011, the amount of sales and services provided to related parties accounts for 2.56% (For the six months ended 30 June 2010: 3.82%) of the total revenue of the Group. The amount of purchases of goods and services from related parties accounts for 0.74% (For the six months ended 30 June 2010: 2.48%) of the total purchase amount of the Group.

As at 30 June 2011, all of the irrevocable operating lease contracts were signed with JCC. Further details are given in Note 9.

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

(6) The related party transaction agreement between the Group and JCC Group and its subsidiaries

The related party transaction agreement between the Group and JCC group and its affiliates

(1) Pursuant to the Consolidated Supply and Service Agreement I and II entered into by the Group and JCC Group upon the approval at extraordinary general meeting dated 12 March 2009, the pricing policy of the related party transactions between the Group and JCC and its subsidiaries implements the following principles:

Pursuant to the agreements, the pricing policy of supply of products refers to:

— Market price prevails;

— If no market price is available, the price is determined by cost plus tax and other expenses.

And, pursuant to the agreements, the pricing policy of supply of service refers to:

— The price of government regulations (including any relevant local government pricing) prevail;

— If no price set by the government is available, industry price is used;

— And if industry price is not available, the price is determined by cost-plus method.

(2) Pursuant to the Financial Service Agreement entered into by the Group and JCC upon the approval at annual general meeting dated 26 June 2009, the pricing policy of the related party transactions between the Group and JCC and its subsidiaries implements the following principle:

— the interest rate of credit service refers to the benchmark interest rate issued by PBOC or rates are not less than the rate provided to JCC by other domestic financial institutions with similar credit terms.

The pricing of other transactions between the Group and the related parties except JCC and its subsidiaries is determined by the two parties according to the market price.

(Expressed in Renminbi Yuan)

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

(7) Significant balance due from/to related parties

		30 June 2011	31 December 2010
Accounts receivable	JCC	**2,940,269**	11,004,093
	JCC's subsidiaries	**191,956,082**	204,195,711
	Fengye	**1,299,936**	743,668
	Jiangtong Bioteq	**574,541**	—
		196,770,828	215,943,472
Notes receivable	JCC's subsidiaries	**17,686,660**	10,291,927
Other receivables	JCC's subsidiaries		
	—deposits for futures	**551,271,933**	892,144,398
	—others	**4,054,696**	1,853,347
	Fengye	**1,416,090**	1,416,090
		556,742,719	895,413,835
Interest receivables	JCC's subsidiaries	**—**	812,022
Advances to supplier	JCC	**355,335**	135,265
	JCC's subsidiaries	**1,471,633**	266,195
	Qing Yuan	**134,060,671**	93,985,962
		135,887,639	94,387,422
Other current assets	JCC	**300,000,000**	—
	JCC's subsidiaries	**608,473,320**	553,881,291
		908,473,320	553,881,291

(Expressed in Renminbi Yuan)

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

(7) Significant balance due from/to related parties *(continued)*

		30 June 2011	31 December 2010
Accounts payable	JCC	**2,551,286**	7,621,872
	JCC's subsidiaries	**16,301,729**	67,442,496
		18,853,015	75,064,368
Advances from customers	JCC	**143,750**	—
	JCC's subsidiaries	**13,550,034**	10,359,025
		13,693,784	10,359,025
Other payables	JCC	**124,291,479**	310,667,313
	JCC's subsidiaries	**7,952,245**	25,676,622
		132,243,724	336,343,935
Interest payable	JCC	**1,455,665**	640,113
	JCC's subsidiaries	**331,500**	863,179
		1,787,165	1,503,292
Other current liabilities	JCC	**470,014,873**	295,961,683
	JCC's subsidiaries	**969,475,606**	1,052,403,315
		1,439,490,479	1,348,364,998
Non-current liabilities due within one year	JCC	**2,009,689**	2,009,689
Dividend payables	JCC	**268,495,979**	—
Long-term payables	JCC	**14,737,357**	15,006,993

The amounts due from/to related parties are all arisen from the transactions mentioned above. These balances were unsecured, interest-free and have no fixed repayment terms except for i) other non-current assets arise from Finance Company's borrowings to related parties (Note 5 (8)); ii) other current liabilities arise from deposits from related parties to Finance Company (Note 5 (27)); and iii) non-current liabilities due within one year and long-term payables to JCC (Note 5 (26), (30)).

(Expressed in Renminbi Yuan)

8. CONTINGENCIES

As at 30 June 2011, the Group had no contingencies which should be disclosed.

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 2011	31 December 2010
Within 1 year, inclusive	**17,912,396**	21,707,358
1 to 2 years, inclusive	**16,458,796**	16,458,796
2 to 3 years, inclusive	**15,868,796**	16,458,796
Above 3 years	**188,475,786**	211,115,184
	238,715,774	265,740,134

(b) Capital commitments

	30 June 2011	31 December 2010
Contracted for but not provided		
Acquisition of property, plant and equipment and exploration rights	**450,289,416**	625,444,453
Investments in associates *(i)*	**2,072,534,366**	2,192,677,226
	2,522,823,782	2,818,121,679

(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 mineralized zones in Aynak Mine in Afghanistan.

The total investment of MCC-JCL shall initially be USD 4,390,835,000 and shall be funded by equity funding from shareholders and by project borrowing 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 borrowing financing.

(Expressed in Renminbi Yuan)

10. SUBSEQUENT EVENT

The Board of Directors proposed an interim dividend of RMB0.2 per share (tax inclusive) on 3,462,729,405 shares of RMB 692,545,881 in aggregate (2010: nil). The proposed interim dividend for the period is subject to the approval at the special general meeting.

11. FINANCIAL INSTRUMENT AND RISK

The Group's principal financial instruments, other than derivatives, comprise bank 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 notes receivables, other receivables, and trade and notes payables, which arise directly from its operations.

The main risks resulting from the financial instrument were credit risk, liquidity risk, and market risk.

(1) Financial instrument by category

The carrying amount of each of the categories of financial instruments as at the balance sheet date is as follows:

	30 June 2011			
Financial assets	**Financial assets at fair value through profit or loss**	**Loans and receivables**	**Available-for-sale Financial assets**	**Total**
Cash and bank	—	16,720,259,193	—	16,720,259,193
Equity investments at fair value through profit or loss	298,927,236	—	—	298,927,236
Notes receivables	—	3,983,171,597	—	3,983,171,597
Accounts receivables	—	2,908,226,439	—	2,908,226,439
Interest receivables	—	68,096,004	—	68,096,004
Other receivables	—	1,079,627,411	—	1,079,627,411
Financial assets included in other current assets	76,265,189	1,208,473,320	—	1,284,738,509
Available-for-sale financial assets	—	—	3,030,080,000	3,030,080,000
	375,192,425	25,967,853,964	3,030,080,000	29,373,126,389

(Expressed in Renminbi Yuan)

11. FINANCIAL INSTRUMENT AND RISK *(CONTINUED)*

(1) Finance instrument by category *(continued)*

	30 June 2011			
Financial liabilities	**Financial liabilities at fair value through profit or loss**	**Derivatives designated as hedge instruments in hedge relationship**	**Other financial liabilities**	**Total**
Short-term borrowings	—	—	10,964,825,290	10,964,825,290
Held-for-sale financial liabilities	359,620,300	—	—	359,620,300
Notes payable	—	—	1,668,077,677	1,668,077,677
Accounts payable	—	—	2,920,535,560	2,920,535,560
Interest payable	—	—	86,890,572	86,890,572
Dividend payable	—	—	695,330,881	695,330,881
Employee benefits payable	—	—	632,634,725	632,634,725
Other payables	—	—	715,583,636	715,583,636
Non-current liabilities due within one year	—	—	2,009,689	2,009,689
Other current liabilities	44,134,186	34,451,173	1,439,490,479	1,518,075,838
Long-term borrowings	—	—	863,128,179	863,128,179
Bonds payable	—	—	5,300,217,809	5,300,217,809
Long-term payables	—	—	14,737,357	14,737,357
	403,754,486	34,451,173	25,303,461,854	25,741,667,513

(Expressed in Renminbi Yuan)

11. FINANCIAL INSTRUMENT AND RISK *(CONTINUED)*

(1) Finance instrument by category *(continued)*

	31 December 2010			
Financial assets	Financial assets at fair value through profit or loss	Loans and receivables	Available-for-sale Financial assets	Total
Cash and bank	—	6,303,250,047	—	6,303,250,047
Equity investments at fair value through profit or loss	4,843,656	—	—	4,843,656
Notes receivables	—	2,813,712,129	—	2,813,712,129
Accounts receivables	—	2,355,465,054	—	2,355,465,054
Interest receivables	—	28,519,938	—	28,519,938
Other receivables	—	1,373,298,799	—	1,373,298,799
Financial assets included in other current assets	9,563,029	553,881,291	—	563,444,320
Available-for-sale financial assets	—	—	1,230,080,000	1,230,080,000
	14,406,685	13,428,127,258	1,230,080,000	14,672,613,943

(Expressed in Renminbi Yuan)

11. FINANCIAL INSTRUMENT AND RISK *(CONTINUED)*

(1) Finance instrument by category *(continued)*

	31 December 2010			
Financial liabilities	Financial liabilities at fair value through profit or loss	Derivatives designated as hedge instruments in hedge relationship	Other financial liabilities	Total
Short-term borrowings	—	—	3,595,708,305	3,595,708,305
Notes payable	—	—	2,247,927,604	2,247,927,604
Accounts payable	—	—	2,857,078,517	2,857,078,517
Interest payable	—	—	37,395,492	37,395,492
Employee benefits payable	—	—	434,094,247	434,094,247
Other payables	—	—	770,580,125	770,580,125
Non-current liabilities due within one year	—	—	2,009,689	2,009,689
Other current liabilities	309,485,444	911,095,306	1,598,364,998	2,818,945,748
Long-term borrowings	—	—	712,728,248	712,728,248
Bonds payable	—	—	5,178,185,211	5,178,185,211
Long-term payables	—	—	15,006,993	15,006,993
	309,485,444	911,095,306	17,449,079,429	18,669,660,179

(2) Credit risk

The Group only makes transaction with the third party with good reputation and recognized by the Group. According to the Group policy, the Group needs to make a credit approval for all clients. In addition, the Group reviews on regular basis the recoverable amount of each individual trade receivable to ensure that adequate impairment losses are made for irrecoverable amounts.

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

Since the Group trades only with recognized and creditworthy third parties, there is no requirement for collateral. There are no significant concentrations of credit risk within the Group. As at 30 June 2011, 20.08% of the Group's trade receivables were due from the Group's five largest customers (31 December 2010: 27.73%).

(Expressed in Renminbi Yuan)

11. FINANCIAL INSTRUMENT AND RISK *(CONTINUED)*

(2) Credit risk *(continued)*

Aging analysis of accounts receivable that are not considered to be impaired is as follows:

30 June 2011		**Accounts receivable**
Neither past due nor impaired		**1,907,618,046**
Past due but not impaired	Within 1 year	**955,826,171**
	1 to 2 years	**723,810**
	2 to 3 years	**—**
	Over 3 years	**—**
Total		**2,864,168,027**

31 December 2010		Accounts receivable
Neither past due nor impaired		1,841,474,803
Past due but not impaired	Within 1 year	478,730,167
	1 to 2 years	68,008
	2 to 3 years	—
	Over 3 years	—
Total		2,320,272,978

As at 30 June 2011, receivables that were past due but not impaired were related to large number of customers who had sound transaction records with the Group. According to previous experiences, there hasn't been significant changes in the credit quality and these accounts were still regarded to be recoverable in full, in the Group's opinion, no provision for impairment loss were needed for these accounts. The Group didn't hold any collaterals or other credit enhancement for these balances.

As at 30 June 2011, no past due but not impaired balance in notes receivables, interest receivables, other receivables, other current assets and available-for-sale financial assets.

(Expressed in Renminbi Yuan)

11. FINANCIAL INSTRUMENT AND RISK *(CONTINUED)*

(3) Liquidity risk

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

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

Financial assets

	30 June 2011		
	Within 1 year	**1-5 years**	**Total**
Cash and bank	**16,720,259,193**	**—**	**16,720,259,193**
Equity investments at fair value through profit or loss	**298,927,236**	**—**	**298,927,236**
Notes receivable	**3,983,171,597**	**—**	**3,983,171,597**
Accounts receivable	**3,078,515,281**	**—**	**3,078,515,281**
Interest receivables	**68,096,004**	**—**	**68,096,004**
Other receivables	**1,110,856,716**	**—**	**1,110,856,716**
Financial assets included in other current assets	**1,284,738,509**	**—**	**1,284,738,509**
Available-for-sale financial assets	**2,620,000,000**	**410,080,000**	**3,030,080,000**
	29,164,564,536	**410,080,000**	**29,574,644,536**

	31 December 2010		
	Within 1 year	1-5 years	Total
Cash and bank	6,303,250,047	—	6,303,250,047
Equity investments at fair value through profit or loss	4,843,656	—	4,843,656
Notes receivable	2,813,712,129	—	2,813,712,129
Accounts receivable	2,521,223,131	—	2,521,223,131
Other receivables	1,404,515,584	—	1,404,515,584
Interest receivables	28,519,938	—	28,519,938
Financial assets included in other current assets	563,444,320	—	563,444,320
Available-for-sale financial assets	520,000,000	710,080,000	1,230,080,000
Non-current assets due within one year			
	14,159,508,805	710,080,000	14,869,588,805

(Expressed in Renminbi Yuan)

11. FINANCIAL INSTRUMENT AND RISK *(CONTINUED)*

(3) Liquidity risk *(continued)*

Financial liabilities

	30 June 2011			
	Within 1 year	**1-5 years**	**Above 5 years**	**Total**
Long-term borrowings	**—**	**843,878,179**	**19,250,000**	**863,128,179**
Short term borrowings	**10,964,825,290**	**—**	**—**	**10,964,825,290**
Notes payable	**1,668,077,677**	**—**	**—**	**1,668,077,677**
Accounts payable	**2,920,535,560**	**—**	**—**	**2,920,535,560**
Employee benifits payables	**469,884,725**	**113,925,000**	**48,825,000**	**632,634,725**
Dividend payable	**695,330,881**	**—**	**—**	**695,330,881**
Interest payable	**275,420,942**	**278,655,881**	**68,450,450**	**622,527,273**
Other payables	**715,583,636**	**—**	**—**	**715,583,636**
Other current liabilities	**1,518,075,838**	**—**	**—**	**1,518,075,838**
Long term payables	**2,805,000**	**7,480,000**	**23,375,000**	**33,660,000**
Bond payables	**—**	**—**	**6,800,000,000**	**6,800,000,000**
	19,230,539,549	**1,243,939,060**	**6,959,900,450**	**27,434,379,059**

	31 December 2010			
	Within 1 year	1-5 years	Above 5 years	Total
Long-term borrowings	—	693,478,248	19,250,000	712,728,248
Short term borrowings	3,595,708,305	—	—	3,595,708,305
Notes payable	2,247,927,604	—	—	2,247,927,604
Accounts payable	2,857,078,517	—	—	2,857,078,517
Employee benifits payables	434,094,247	—	—	434,094,247
Interest payable	132,648,215	287,271,360	68,485,100	488,404,675
Other payables	770,580,125	—	—	770,580,125
Other current liabilities	2,818,945,748	—	—	2,818,945,748
Long term payables	1,870,000	7,480,000	24,310,000	33,660,000
Bond payables	—	—	6,800,000,000	6,800,000,000
	12,858,852,761	988,229,608	6,912,045,100	20,759,127,469

The disclosed derivative financial instruments in the above table are net undiscounted cash flow which is approximate to their carrying amount since almost all of the amounts will be settled in net amount.

11. FINANCIAL INSTRUMENT AND RISK *(CONTINUED)*

(4) Market risk

The market risk mainly includes interest rate risk, foreign currency risk and products price risk.

Interest rate risk

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

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

30 June 2011	**Increase/ (decrease) in basis points**	**Increase/ (decrease) in profit before tax** ***RMB'000***
RMB	**+100**	**(118,280)**
RMB	**-100**	**118,280**

31 December 2010	Increase/ (decrease) in basis points	Increase/ (decrease) in profit before tax *RMB'000*
RMB	+100	(43,084)
RMB	-100	43,084

11. FINANCIAL INSTRUMENT AND RISK *(CONTINUED)*

(4) Market risk *(continued)*

Foreign currency risk

The Group has transactional currency exposures. These exposures mainly arise from sales, purchase and borrowings in currencies other than the Group's functional currency.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonable and possible change in the RMB-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) in foreign exchange rate	Increase/ (decrease) in profit before tax *RMB'000*
For the six months ended 30 June 2011		
If RMB strengthens against USD	**(5%)**	**438,599**
If RMB weakens against USD	**5%**	**(438,599)**
Year ended 31 December 2010		
If RMB strengthens against USD	(5%)	229,427
If RMB weakens against USD	5%	(229,427)

11. FINANCIAL INSTRUMENT AND RISK *(CONTINUED)*

(4) Market risk *(continued)*

Commodity price risk

The Group's commodity price risk is mainly the exposure to 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 and provisional price arrangement to manage the Group's exposure in relation to forecasted sales of copper products, forecasted purchases of copper concentrate, inventories and firm commitments to sell copper rods and wires.

Financial assets and liabilities of the Group whose fair value change in line with the fluctuations in the prevailing market price of copper cathodes mainly comprise copper cathode derivative contracts and provisional price arrangements.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonable and possible change in prevailing market price of copper cathodes, with all other variables held constant, of the Group's profit before tax. (due to changes in the fair value of commodity derivative contracts and provisional price arrangement) after the impact of hedge accounting.

	Increase/ (decrease) in market price of copper cathodes	**Increase/ (decrease) in profit before tax** *RMB'000*	**Increase/ (decrease) in equity** *RMB'000*
As at 30 June 2011			
RMB	**30%**	**(1,494,243)**	**(1,227,867)**
RMB	**(30%)**	**1,454,688**	**1,214,514**

	Increase/(decrease) in market price of copper cathodes	Increase/(decrease) in profit before tax *RMB'000*	Increase/(decrease) in equity *RMB'000*
As at 31 December 2010			
RMB	30%	(1,076,774)	(1,026,738)
RMB	(30%)	1,032,468	1,006,541

11. FINANCIAL INSTRUMENT AND RISK *(CONTINUED)*

(5) Fair value

The fair value is the amount used to exchanging assets or settle liabilities willing parties, in a fair transaction. The following methods and assumptions were used to estimate the fair values:

The fair value of listed investments are based on quoted market prices.

The Group enters into derivative financial instruments with various counterparties, mainly of which are financial institutions with high credit ratings. Derivative financial instruments of the Group include commodity derivative contracts, provisional price arrangement, forward currency contracts and interest rate swaps.

For the financial assets and liabilities with active market, their fair values are measured using quoted market price. As at 30 June 2011, the fair value of commodity derivative contracts were measured using quoted market price of commodity future contracts. The fair value of the provisional price arrangement are measured using quoted market price of commodity future contracts with approximate prompt date.

For the financial assets and liabilities without active market, the Group uses valuation techniques to measure their fair values. Valuation techniques includes price used by willing parties who are familiar with the situation, present fair value of other financial instrument, present value of cash flow and option valuation model and etc. As at 30 June 2011, forward currency contracts and interest rate swaps are measured using valuation techniques similar to forward pricing and swap models, using present value calculations. The models incorporate various market in the latest transaction observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves. The carrying amounts of forward currency contracts and interest rate swaps are the same as their fair values.

The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationship and other financial instruments recognised at fair value.

There was no significant difference between the carrying amounts and the fair value of cash and bank, notes receivable, account receivables, other receivables, interest receivables, other financial assets include in other current assets, short-term borrowings, notes payable, accounts payable, interest payables, payroll payables, other payables, other current liabilities as the maturity period is short.

Except for bonds payable, the fair values of the non-current portion of long-term borrowing and long-term payables are calculated by discounting the expected future cash flows with rates available for instruments on similar terms, and credit risk.

As at 30 June 2011, the fair value of bonds payable was RMB 5,440,000,000, which was different from its carrying amount by RMB 139,782,191.

(Expressed in Renminbi Yuan)

11. FINANCIAL INSTRUMENT AND RISK *(CONTINUED)*

(5) Fair value *(continued)*

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: fair values measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2: fair values measured based on valuation techniques for which any inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; Level 3: fair values measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are not based on observable market data (unobservable inputs).

As at 30 June 2011

	Level 1	Level 2	Level 3	Total
Financial assets:				
Available-for-sale financial assets	**298,927,236**	**—**	**—**	**298,927,236**
Commodity derivative contracts	**70,912,789**	**—**	**—**	**70,912,789**
Forward currency contracts	**—**	**5,352,400**	**—**	**5,352,400**
	369,840,025	**5,352,400**	**—**	**375,192,425**

	Level 1	Level 2	Level 3	Total
Financial liability:				
Held-for-trade financial liabilities	**359,620,300**	**—**	**—**	**359,620,300**
Commodity derivative contracts	**10,558,555**	**—**	**—**	**10,558,555**
Provisional price arrangement	**39,731,715**	**—**	**—**	**39,731,715**
Forward currency contracts	**—**	**15,702,946**	**—**	**15,702,946**
Interest rate swaps	**—**	**12,592,143**	**—**	**12,592,143**
	409,910,570	**28,295,089**	**—**	**438,205,659**

(Expressed in Renminbi Yuan)

11. FINANCIAL INSTRUMENT AND RISK *(CONTINUED)*

(6) Assets and liabilities measured at fair value

As at 30 June 2011

	31 December 2010	Recognized in fair value change (loss)/ gain	Recognized in other comprehensive loss	30 June 2011
Cash flow hedge				
Commodity derivative contracts	(128,633,369)	3,435,606	116,565,215	**(8,632,548)**
Fair value hedge				
Commodity derivative contracts	(227,751,145)	225,991,783	—	**(1,759,362)**
Provisional price arrangement	(554,710,792)	530,651,529	—	**(24,059,263)**
Inventories	780,456,113	(756,456,374)	—	**23,999,739**
	(2,005,824)	186,938	—	**(1,818,886)**
Not under hedge accounting				
Commodity derivative contracts	(257,218,609)	327,964,753	—	**70,746,144**
Provisional price arrangement	(19,470,520)	3,798,068	—	**(15,672,452)**
Available-for-sale financial assets	4,843,656	358,248,980	—	**298,927,236**
Available-for-sale financial liabilities	—	(359,620,300)	—	**(359,620,300)**
Forward currency contracts	(13,939,466)	3,588,920	—	**(10,350,546)**
Interest rate swaps	(9,293,820)	(3,298,323)	—	**(12,592,143)**
	(295,078,759)	330,682,098	—	**(28,562,061)**
Total	(425,717,952)	334,304,642	—	**(39,013,495)**

(Expressed in Renminbi Yuan)

11. FINANCIAL INSTRUMENT AND RISK *(CONTINUED)*

(7) Financial Assets and liabilities in foreign currency

As at 30 June 2011

	31 December 2010	Recognized in fair value change (loss)/gain	Recognized in other comprehensive loss	**30 June 2011**
Financial assets/(liabilities)				
Commodity derivative contracts	(510,989,319)	439,464,228	116,861,613	**45,336,522**
Including: — Cash flow hedge	(120,914,168)	2,611,006	116,861,613	**(1,441,549)**
— Fair value hedge	(101,002,641)	101,002,641	—	**—**
— Not under hedge accounting	(289,072,510)	335,850,582	—	**46,778,072**
Provisional price arrangement	(574,181,312)	534,449,597	—	**(39,731,715)**
Interest rate swaps	(9,293,820)	(3,298,323)	—	**(12,592,143)**
Forward currency contracts	(13,939,466)	3,588,918	—	**(10,350,548)**
Loan and receivables	1,393,453,854	N/A	N/A	**1,508,214,086**
Total	285,049,937	N/A	N/A	**1,490,876,202**
Financial liabilities	4,873,589,925	N/A	N/A	**10,262,864,879**

SUPPLEMENTARY INFORMATION TO THE FINANCIAL STATEMENTS

For The Six Months Ended 30 June 2011
(Expressed in Renminbi Yuan)
(Prepared in accordance with PRC GAAP and regulations)

1. STATEMENT OF NON-RECURRING PROFIT AND LOSS ITEMS

Net profit attributable to shareholders of the Company after non-recurring profit and loss items:

	For the six months ended 30 June 2011
Net profit attributable to shareholders of the Company	4,228,577,337
Add: Non-recurring items	
Net losses on disposal of non-current assets	103,125
Government grant as included in profit and loss of current year, other than those closely relating to business of enterprises and subject to a fixed amount or quantity under uniform national standard	(9,466,687)
Net fair value losses from financial assets and financial liabilities held for trading, and net investment gains from disposal of financial assets and liabilities held for trading and available-for-sale financial assets except for effective portion of normal transactions qualified for hedge accounting	
— Fair value loss arising from available-for-sale financial assets	1,371,320
— Fair value gain arising from forward currency contracts	(3,588,920)
— Fair value loss arising from interest rate swaps	3,298,323
— Investment income from held-for-sale financial assets	(35,674)
— Investment income from bank finance product	(59,385,196)
— Ineffective part of cash flow hedge for unsettled commodity derivative contracts	(3,435,606)
— Ineffective part of fair value hedge for unsettled commodity derivative contracts	720,773
— Fair value gain from commodity derivative contracts not qualified for hedge accounting	(327,964,753)
— Gain of ineffective part of cash flow hedge	(2,209,833)
— Gain of ineffective part of fair value hedge	(8,358,617)
— Gain from commodity derivative contracts not qualified for hedge accounting	(160,372,188)
Other non-recurring items included in non-operating income and expenses	
— Other non-operating income and expenses except gain or loss from disposal of non-current assets and non-recurring government subsidy	(4,368,861)
Impact on income tax on non-recurring items	116,202,125
Net profit after non-recurring profit and loss items	3,771,086,668
Less: Impact on minority interests (after tax)	(9,186,731)
Net profit attributable to equity holders of the Company after non-recurring profit and loss items	3,780,273,399

The Group recognizes non -recurring profit and loss items according to "public offering of securities of the Company Disclosure interpretative bulletin No.1 - Non-recurring profit and loss" (Commission [2008] No.43).

(Expressed in Renminbi Yuan)

1. STATEMENT OF NON-RECURRING PROFIT AND LOSS ITEMS *(CONTINUED)*

For the six months ended 30 June 2011, non -recurring profit and loss items in non-operating income and expenses:

	For the six months ended 30 June 2011
Non-recurring profit in non-operating income	
VAT refund	**6,241,956**
Amortization of deferred revenue	**7,154,068**
Net gain on disposal of fixed assets	**255,024**
Others	**6,893,575**
Non-recurring loss in non-operating expenses	
Penalty	**4,847,250**
Donations	**615,990**
Net loss on disposal of fixed assets	**358,149**
Others	**990,811**

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

	Net profit	
	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Financial statements prepared under PRC GAAP	**4,262,836,505**	2,146,426,006
Adjustment in accordance with IFRSs:		
Reversal of the safety fund expenses provided but not used under the PRC GAAP during the period	**85,498,195**	75,740,780
Financial statements prepared in accordance with IFRS	**4,348,334,700**	2,222,166,786

As at 30 June 2011 and 31 December 2010, the owners' equity in the consolidated financial statements prepared under International Financial Reporting Standards ("IFRSs") and New Chinese Accounting Standard and Regulations ("PRC GAAP") shows no differences.

3. RETURN ON NET ASSETS AND EARNINGS PER SHARE

For the six months ended 30 June 2011

	Weighted Average Return on Net Assets	**Earnings Per Share*(RMB)***	
		Basic	**Diluted**
Net profit attributable to shareholders of the Company	11.69%	1.2212	1.2212
Net profit attributable to shareholders of the Company excluding non-recurring profit and loss items	10.45%	1.0917	1.0917

DOCUMENTS AVAILABLE FOR INSPECTION

1. The financial statements duly signed and sealed by the legal representative, principal accounting responsible person, and the Manager of Financial Department

2. The original copies of all documents and announcements disclosed in the newspapers designated by CSRC during the reporting period.

3. The Articles of Association of the Company

Jiangxi Copper Company Limited
Chairman: **Li Yihuang**

25 August 2011