

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**江西銅業股份有限公司**  
**JIANGXI COPPER COMPANY LIMITED**

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

(Stock Code: 0358)

**2014 INTERIM RESULTS ANNOUNCEMENT**

**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 they severally and jointly accept responsibility for the truthfulness, accuracy and completeness of the information contained in this interim report and that there are no false representations, misleading statements contained therein or material omissions therefrom.

This announcement is extracted from the full text of the interim results report, which will be published on the websites of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (<http://www.hkex.com.hk>) and the Company (<http://www.jxcc.com>). Investors should read the full text of the interim results report for details.

- (2) The Chairman, Mr. Li Baomin was unable to attend the Board meeting due to another engagement, but has appointed the Vice Chairman, Mr. Long Ziping, to attend the Board meeting and to vote on his behalf. In addition, the Director, Mr. Gao Dezhu was unable to attend the Board meeting due to another engagement. Except Mr. Li Baomin and Mr. Gao Dezhu, 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 “IFRS”) has been reviewed by Deloitte Touche Tohmatsu and considered and approved by the independent audit committee (the “Audit Committee”) of the Company.
- (4) The Company’s Chairman, Mr. Li Baomin, the principal accounting responsible person, Mr. Gan Chengjiu, and Head of Financial Department (accounting chief), Mr. Jiang Liehui, warrant the truthfulness, accuracy and completeness of the financial report set out in the interim report.
- (5) Proposal of profit distribution plan or transfer of capital reserve to share capital during the reporting period after consideration by the Board: Proposal of profit distribution plan of the Company for the year of 2013 by the Board: The Board has recommended distributing a cash dividend of RMB5 per 10 shares (inclusive of tax). No bonus issue and conversion of capital would be included in this distribution proposal. The proposal of the above-mentioned distribution was approved at the 2013 annual general meeting of the Company, and the distribution was completed on 31 July 2014.

The Company will not distribute interim profit or transfer capital reserve to share capital.

- (6) Statement for the risks involved in the forward-looking statement: This interim report contains forward-looking statements that involve future plans and development strategies which do not constitute a commitment by the Company to its investors. Investors should be aware of the investment risks.

- (7) No misappropriation of funds by the controlling shareholders and their connected parties for non-operation purpose was found in the Group.
- (8) The Group did not provide third-party guarantees in violation of stipulated decision-making procedures.

## II. SUMMARY OF ACCOUNTING DATA AND FINANCIAL INDICATORS

### 1. Consolidated Accounting Data and Financial Indicators Prepared in accordance with the International Financial Reporting Standards (“IFRS”)

	For the six months ended 30 June		
	2014 (Unaudited) (RMB'000)	2013 (Unaudited) (RMB'000)	Increase/ (decrease) (%)
Revenue	92,667,135	87,673,633	5.70
Profit before taxation	1,831,145	1,527,346	19.89
Profit for the period attributable to owners of the Company	1,276,709	1,275,023	0.13
Basic earnings per share (RMB)	0.37	0.37	—
	As at 30 June 2014 (Unaudited) (RMB'000)	As at 31 December 2013 (Audited) (RMB'000)	Increase/ (decrease) (%)
Total assets	96,322,368	88,759,398	8.52
Total liabilities	51,130,609	43,126,976	18.56
Net assets attributable to owners of the Company	44,104,717	44,515,715	-0.92
Net assets per share attributable to owners of the Company (RMB)	12.74	12.86	-0.93

## 2. Consolidated Accounting Data and Financial Indicators Prepared in accordance with the PRC Accounting Standards (“PRC GAAP”)

### (1) Major accounting data

Unit: Yuan Currency: RMB

Major accounting data	During the reporting period (January-June)	During the same period last year	Increase/decrease for the reporting period as compared with the same period last year (%)
Operating revenue	92,936,268,295	87,974,896,220	5.64
Net profit attributable to shareholders of the Company	1,196,342,826	1,240,409,414	-3.55
Net profit after non-recurring profit and loss items attributable to shareholders of the Company	483,229,582	1,141,330,394	-57.66
Net cash flows from operating activities	4,060,581,042	2,202,638,437	84.35

	As at the end of the reporting period	As at the end of last year	Increase/ decrease as at the end of the reporting period as compared with the end of last year (%)
Net assets attributable to shareholders of the Company	44,111,390,725	44,522,786,074	-0.92
Total assets	96,329,224,365	88,766,654,061	8.52

(2) *Major financial indicators*

*Unit: Yuan Currency: RMB*

Major financial indicators	During the reporting period (January-June)	During the same period last year	Increase/ decrease for the reporting period as compared with the same period last year (%)
Basic earnings per share (RMB/share)	0.35	0.36	-2.78
Diluted earnings per share (RMB/share)	N/A	N/A	N/A
Basic earnings per share after non-recurring profit and loss items (RMB/share)	0.14	0.33	-57.66
Return on net assets (weighted average) (%)	2.70	2.90	Decreased by 0.2 percentage point
Return on net assets after non-recurring profit and loss items (weighted average) (%)	1.09	2.66	Decreased by 1.57 percentage points

### 3. Reconciliation Between IFRs and PRC GAAP

Discrepancies between net profit attributable to the Company and net assets attributable to shareholders of the Company in the financial report disclosed under IFRS and under PRC GAAP.

*Unit: '000 Currency: RMB*

	Net profit attributable to the Company		Net assets attributable to shareholders of the Company	
	For the six months ended 30 June			
	2014	2013	As at 30 June 2014	As at 31 December 2013
Prepared in accordance with PRC GAAP	1,196,343	1,240,409	44,111,391	44,522,786
Adjustments to items and amounts under IFRS:				
Safety fund expenses provided but not used under the PRC GAAP during the period	79,968	51,269	—	—
Income tax effect on safety fund	398	-16,654	-6,674	-7,071
Prepared in accordance with IFRS	1,276,709	1,275,024	44,104,717	44,515,715

#### 4. Non-Recurring Profit and Loss Items and Amounts

*Unit: Yuan    Currency: RMB*

<b>Non-recurring profit and loss items</b>	<b>Amount</b>
Profit and loss on disposal of non-current assets	(402,588)
Government grant as included in profit and loss of the current period, other than those closely relating to the normal business of enterprises and subject to a fixed amount or quantity under certain standard required by national policies	37,169,402
Fair value profit and loss from financial assets and financial liabilities held for trading, and investment gains from disposal of financial assets and liabilities held for trading and available-for-sale financial assets, excluding effective hedging activities associated with normal business operations of the Company	791,765,349
Other non-operating income and expenses other than the above items	42,590,865
Impact on minority interests	(40,816,755)
Impact on income tax	<u>(117,193,029)</u>
Total	<u><u>713,113,244</u></u>

## 5. Items Measured at Fair Value

Unit: Yuan Currency: RMB

Item	Opening balance	Closing balance	Changes during the period	Impact on profit of the current period
1. Investment in held-for-trading equity instruments				
Equity investments	919,399	681,149	-238,250	-238,250
2. Investment in held-for-trading debt instruments				
Bond investment	47,960,959	53,887,130	5,926,171	5,926,171
3. Derivatives not designated as a hedge				
Forward foreign exchange contracts	-109,007,724	43,435,612	152,443,336	152,443,336
Option contracts	-12,614,486	-29,759,690	-17,145,204	-461,848
Commodity derivative contracts	-97,372,131	-60,610,213	36,761,918	36,761,918
Gold derivative contracts	-349,944,786	-5,788,749	344,156,037	344,156,037
4. Liabilities arising from the lease of gold measured at fair value	-2,802,265,402	-3,034,680,450	-232,415,048	-392,459,859
5. Hedging instruments				
(1). Non-effective hedging derivative instruments				
Commodity derivative contracts	407,396	3,638,377	3,230,981	3,230,981
Provisional price arrangement	-632,059	-24,754,097	-24,122,038	-24,122,038
(2). Effective hedging derivative instruments				
a. Cash flow hedges				
Commodity derivative contracts	-2,306,784	-6,643,681	-4,336,897	1,681,141
b. Fair value hedges				
Commodity derivative contracts	2,073,300	—	-2,073,300	-2,073,300
Confirmed sales commitments	-1,923,294	—	1,923,294	1,923,294
Balance of fair value change in inventory of a hedged item	4,367,844,950	2,650,242,456	-1,717,602,494	-54,029,431
Provisional price arrangement	-84,533,995	-33,522,555	51,011,440	51,011,440
6. Available-for-sale financial assets				
Wealth management product	1,371,500,000	1,277,500,000	-94,000,000	—
Bond investment	259,650,000	210,000,000	-49,650,000	—
Total	<u>2,589,755,343</u>	<u>1,043,625,289</u>	<u>-1,546,130,054</u>	<u>123,749,592</u>

## III. CHANGES IN SHARE CAPITAL AND SHAREHOLDERS

### (I) CHANGES IN SHARE

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



## (II) CHANGES IN SHARES SUBJECT TO TRADING MORATORIUM

During the reporting period, there is no change in the Company's shares subject to trading moratorium.

## (III) THE NUMBER OF SHAREHOLDERS AND SHAREHOLDINGS

*Unit: Share*

The number of shareholders at the end of the reporting period 190,367

### Shareholdings of the top ten shareholders

Name of shareholder	Nature 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	40.41%	1,399,249,325	0	0	Nil
HKSCC Nominees Limited ("HKSCC")	Unknown	36.02%	1,247,432,605	-714,520	0	Unknown
Shanghai Pudong Development Bank — Changxin Jinli Trend Equity Securities Investment Fund (上海浦東發展銀行 — 長信金利趨勢股票型證券投資基金)	Unknown	0.38%	13,086,362	13,086,362	0	Unknown
CITIC Securities Company Limited Detailed Account of Refinancing Warrant Securities (中信證券股份有限公司轉融通擔保證券明細帳戶)	Unknown	0.25%	8,591,830	0	0	Unknown
Bank of China Limited — Harvest CSI 300 Trading Index Securities Investment Open-ended Fund (中國銀行股份有限公司 — 嘉實滬深300交易型開放式指數證券投資基金)	Unknown	0.13%	4,389,311	-77,112	0	Unknown
Shou Zhigang (壽稚崗)	Unknown	0.09%	3,240,024	3,240,024	0	Unknown
Industrial and Commercial Bank of China Limited — China AMC CSI 300 Trading Index Securities Investment Open-ended Fund (中國工商銀行股份有限公司 — 華夏滬深300交易型開放式指數證券投資基金)	Unknown	0.09%	3,181,869	3,181,869	0	Unknown
Industrial and Commercial Bank of China Limited — Fullgoal CSI 300 Enhanced Index Securities Investment Fund (中國工商銀行股份有限公司 — 富國滬深300增強證券投資基金)	Unknown	0.09%	3,179,545	-129,300	0	Unknown
Industrial and Commercial Bank of China Limited — Huatai Bairui CSI 300 Trading Index Securities Investment Open-ended Fund (中國工商銀行股份有限公司 — 華泰柏瑞滬深300交易型開放式指數證券投資基金)	Unknown	0.09%	2,945,660	2,945,660	0	Unknown
Wendeng Taiyu Leather Company Limited (文登泰宇皮件有限公司)	Unknown	0.08%	2,925,000	2,925,000	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 and number of shares	
JCC	1,399,249,325	Ordinary shares denominated in RMB (A Shares)	1,269,594,325
		Overseas listed foreign shares (H Shares)	129,655,000
HKSCC Nominees Limited	1,247,432,605	Overseas listed foreign shares (H Shares)	1,247,432,605
Shanghai Pudong Development Bank — Changxin Jinli Trend Equity Securities Investment Fund (上海 浦東發展銀行 — 長信金利趨勢 股票型證券投資基金)	13,086,362	Ordinary shares denominated in RMB (A Shares)	13,086,362
CITIC Securities Company Limited Detailed Account of Refinancing Warrant Securities (中信證券 股份有限公司轉融通擔保 證券明細帳戶)	8,591,830	Ordinary shares denominated in RMB (A Shares)	8,591,830
Bank of China Limited — Harvest CSI 300 Trading Index Securities Investment Open-ended Fund (中國銀行股份有限公司 — 嘉實 滬深300交易型開放式指數證券 投資基金)	4,389,311	Ordinary shares denominated in RMB (A Shares)	4,389,311
Shou Zhigang (壽稚崗)	3,240,024	Ordinary shares denominated in RMB (A Shares)	3,240,024
Industrial and Commercial Bank of China Limited — China AMC CSI 300 Trading Index Securities Investment Open-ended Fund (中國工商銀行股份有限公司 — 華夏滬深300交易型開放式指數 證券投資基金)	3,181,869	Ordinary shares denominated in RMB (A Shares)	3,181,869
Industrial and Commercial Bank of China Limited — Fullgoal CSI 300 Enhanced Index Securities Investment Fund (中國工商銀行股份有限公司 —富國滬深300增強證券投資基金)	3,179,545	Ordinary shares denominated in RMB (A Shares)	3,179,545
Industrial and Commercial Bank of China Limited — Huatai Bai rui CSI 300 Trading Index Securities Investment Open-ended Fund (中國 工商銀行股份有限公司 — 華泰柏瑞滬深300交易型開放式 指數證券投資基金)	2,945,660	Ordinary shares denominated in RMB (A Shares)	2,945,660
Wendeng Taiyu Leather Company Limited (文登泰宇皮件有限公司)	2,925,000	Ordinary shares denominated in RMB (A Shares)	2,925,000

The explanation of the connected relationship or parties acting in concert among the aforesaid shareholders:

- (1) JCC, the controlling shareholder of the Company, and the other holders of shares not subject to trading moratorium are neither connected persons nor parties acting in concert as defined in “Management Method of the Information Disclosure in relation to the Changes in Shareholdings of Shareholders of Listed Companies”(《上市公司股東持股變動信息披露管理辦法》) issued by China Securities Regulatory Commission (“CSRC”).
- (2) The Company is not aware of any connected relationship among the holders of shares not subject to trading moratorium, nor aware of any parties acting in concert as defined in “Management Method of the Information Disclosure in relation to the Changes in Shareholdings of Shareholders of Listed Companies”(《上市公司股東持股變動信息披露管理辦法》) issued by CSRC.
- (1) HKSCC held 1,247,432,605 H shares of the Company in the capacity of nominee on behalf of a number of customers, representing approximately 36.03% 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.

- (2) JCC held 129,655,000 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 1,377,087,605 shares as nominee, representing approximately 39.77% of the issued share capital of the Company.

**Changes of shareholding of the top ten shareholders involved in financing, securities lending and refinancing businesses**

Names of shareholders	Number of shares held at the beginning of the reporting period		Number of shares held at the end of the reporting period		Increase/decrease in the reporting period	Number of shares pledged or frozen
	Percentage of shareholding (%)	Percentage of shareholding (%)				
China Securities Finance Corporation Limited — Guaranty Securities Account for Refinancing (中國證券金融股份有限公司轉融通擔保證券帳戶)	8,591,830	0.25%	8,591,830	0.25	0	unknown

**(IV) CHANGES IN CONTROLLING SHAREHOLDER AND ULTIMATE CONTROLLER**

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

## IV. REPORT OF THE BOARD

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

### **Discussion and analysis of the Company's Operation During the Reporting Period by the Board**

During the Reporting Period, the economy of developed countries experienced a slow recovery, the growth of new-emerging economies slowed down. As the geopolitics was continuously under tension, China's economy had relatively significant downturn pressure, resulting in the influence of macro-economy on the non-ferrous industry. On one hand, the product price reduced significantly in the first quarter. Although it picked up a little in the second quarter, it still remained relatively low. On the other hand, the market risks became obviously serious due to the rapid increase of costs, the low demand in downstream as well as the limited space of productivity. In the first half of this year, the copper price in London Metal Exchange was USD 7,460/tonne the highest, and USD6,321/tonne the lowest. At the end of June, the copper price was USD7,014/tonne, and the average price was USD6,912/tonne, representing a decrease of 8.3%.

Under the complex and intricate economic circumstances, all of the staff of the Company endeavored to overcome the difficulties and make a difference. Through adopting proactive and effective measures, the staff fought against various challenges in a calm manner to ensure the overall stability of the production and operation of the Company. In the first half of the year, the production volume of the major products of the Company completed the progress plan and recorded a slight increase in the sales revenue. However, affected by the drop in the product price, the operating results of the Company had a little decrease. As at 30 June 2014, the consolidated operating revenue of the Group amounted to RMB92,936,268,295 (for the same period of 2013: RMB87,974,896,220), representing an increase of RMB4,961,372,075 or 5.64% as compared to the same period of last year. The Company recorded the net profits attributable to the shareholders of the parent company of RMB1,196,342,826 (for the same period of 2013: RMB1,240,409,414), representing a decrease of RMB44,066,588 or 3.55% as compared to the same period of last year. The basic earnings per share amounted to RMB0.35 (for the same period of 2013: RMB0.36), representing a decrease of RMB0.01 or 2.78% as compared to the same period of last year.

(I) Analysis of principal businesses

1. Table of movement analysis for the related items in financial statements

Unit: Yuan Currency: RMB

Items	For the same		Changes (%)
	For the period	period last year	
Operating income	92,936,268,295	87,974,896,220	5.64%
Operating cost	90,393,434,774	84,488,395,723	6.99%
Selling and distribution expenses	245,149,346	217,566,718	12.68%
Administrative expenses	711,849,485	736,436,019	-3.34%
Finance costs	396,738,459	162,725,534	143.81%
Net Cash Flow from operating activities	4,060,581,042	2,202,638,437	84.35%
Net Cash Flow from investment activities	-2,566,486,140	-1,181,394,919	117.24%
Net Cash Flow from financing activities	-428,819,921	241,662,927	-277.45%
Expenses on research and development	1,022,439,477	1,016,637,642	0.57%

As at the end of the reporting period, the total assets of the Group amounted to RMB96,329.22 million, representing an increase of RMB7,562.57 million or 8.52% as compared with the beginning of the period, in which:

- (1) the balance of held-for-trading financial assets amounted to RMB237.87 million, representing an increase of RMB150.49 million or 172.23% as compared with the beginning of the period, mainly due to the change in fair value of derivative instruments as a result of fluctuation of copper prices;

- (2) the factoring receivables amounted to RMB480.58 million, representing an increase of RMB480.58 million or 100% as compared with the beginning of the period, mainly due to the newly-established factoring company which provided new factoring business for the third party in the last year;
- (3) the balance of advances to suppliers amounted to RMB4,287.53 million, representing an increase of RMB758.50 million or 21.49 % as compared with the beginning of the period, primarily attributable to the increase of suppliers by the Group and subsidiaries in order to fight for stable resources;
- (4) the balance of interest receivable amounted to RMB180.80 million, representing a decrease of RMB67.25 million or 27.11% as compared with the beginning of the period, primarily due to the decrease in deposit interest rates as compared with the same period last year;
- (5) the balance of other current assets amounted to RMB2,009.36 million, representing an increase of RMB770.26 million or 62.16% as compared with the end of last year, mainly due to the provision of loans by the Finance Company to the connected units of the controlling parent company;
- (6) the balance of investment property amounted to RMB356.51 million, representing an increase of RMB181.67 million or 103.90% as compared with the end of last year, primarily attributable to the fact that the self-used buildings were changed to rental buildings and transformed from fixed assets into investment property;
- (7) the balance of construction in progress amounted to RMB2,442.60 million, representing an increase of RMB706.22 million or 40.67% as compared with the end of last year, primarily due to the new purchase and construction of offices;

As at the end of the reporting period, the balance of the total liabilities of the Group amounted to RMB51,130.61 million, representing an increase of RMB 8,003.63 million or 18.56% as compared with the beginning of the period, in which:

- (1) the balance of account payables amounted to RMB14,552.68 million, representing an increase of RMB3,807.25 million or 35.43% as compared with the beginning of the period, primarily due to the increase in payment for raw materials resulting from the increase of sales revenue of this period.
- (2) the balance of advances from customers amounted to RMB2,465.36 million, representing an increase of RMB701.55 million or 39.77% as compared with the beginning of the period, primarily due to the increase in sales income;
- (3) the balance of interest payables amounted to RMB187.69 million, representing an increase of RMB47.51 million or 33.90% as compared with the beginning of the period, primarily due to the increase in accrued and unpaid interest at the end of the period arising from the increase in borrowings;
- (4) the balance of dividend payable amounted to RMB1,731.36 million, representing an increase of RMB1,731.36 million as compared with the beginning of the period, primarily due to the declared but unpaid cash dividend for year 2013;
- (5) the balance of tax payable amounted to RMB462.02 million, representing a decrease of RMB636.37 million or 57.94% as compared with the beginning of the period, primarily due to the payment of income tax for last year settled in the first half of the year;



During the reporting period, the net profit of the Group attributable to owners of the Company amounted to RMB1,196.34 million, representing a decrease of RMB44.07 million or 3.55% as compared with the same period last year, in which:

- (1) the operating revenue amounted to RMB92,936.27 million, representing an increase of RMB4,961.37 million or 5.64% as compared with the same period last year. Please refer to the analysis in the sub-section headed “Analysis of operation by industry, products or geographical locations” in this report;
- (2) the operating costs amounted to RMB90,393.43 million, representing an increase of RMB5,905.04 million or 6.99% as compared with the same period last year, primarily due to the increase in sales volume during the first half of the year;
- (3) the financial costs amounted to RMB396.74 million, representing an increase of RMB234.01 million or 143.81% as compared with the same period last year, primarily due to 1) increase in bank borrowings resulting from the expansion of business volume of each of the trade companies of the Company, 2) increase in the interest expenditure resulting from the increase of bank financing costs, and 3) the exchange loss attributable to the devaluation of RMB, which was represented to be exchange revenue in the same period last year;
- (4) losses from impairment of assets amounted to RMB60.70 million, representing a decrease of RMB510.20 million or 89.37% as compared with the same period last year, primarily due to the fact that the increase in market prices of products hedged certain losses in drop of value of the inventories;
- (5) gain from changes in fair value amounted to RMB123.75 million, representing an increase of RMB233.19 million or 213.07% as compared with the same period last year, primarily due to the increase in losses and profits from outstanding commodity futures contracts which were not qualified for hedge accounting resulting from the increase of the prices of financial tools;

- (6) investment income amounted to RMB688.15 million, representing an increase of RMB640.52 million or 1,344.64% as compared with the same period last year, primarily due to the increase in profits from settlement of commodity futures contracts which were not qualified for hedge accounting;
- (7) Non-operating revenue amounted to RMB84.67 million, representing an increase of RMB38.29 million or 82.56% as compared to the same period last year, primarily due to the increase in tax returns and penalty revenue;
- (8) Non-operating expenses amounted to RMB5.31 million, representing a decrease of RMB2.43 million or 31.40% as compared to the same period last year, primarily due to the decrease of amercement outlay as compared to the same period last year;
- (9) Income tax amounted to RMB560.73 million, representing an increase of RMB271.08 million or 93.59% as compared to the same period last year, primarily due to the fact that the Company was no longer entitled to the favorable tax interest rate of 15% for the high-tech enterprises, as well as the increase in deferred income tax resulting from the adjustment on deferred income tax assets by the differences in tax rates in the first half of 2013.

## 2. Capital structure

As at the end of the reporting period, the total assets of the Group increased to RMB96,329.22 million from RMB88,766.65 million as at the beginning of the period, while the total liabilities increased to RMB51,130.61 million from RMB43,126.98 million as at the beginning of the period. Gearing ratio was 53.08%, representing an increase of 4.49 percentage points as compared to the beginning of the period. Capital-liabilities ratio (liabilities/shareholders' equity) was 113.12%, representing an increase of 18.63 percentage points as compared to the beginning of the period.

### 3. Cash flow

- (1) The net cash flow from operating activities amounted to RMB4.061 billion, representing an increase of RMB1.858 billion as compared to the same period last year, primarily due to the increase in revenue and the decrease in operating receivables and the increase in operating payables.
- (2) The net cash flow from investing activities amounted to RMB-2,566 million, representing an increase of RMB1,385 million in the net cash outflow as compared to the same period last year, of which the cash inflows from investing activities decreased by RMB6,075 million, mainly due to the decrease of RMB5,980 million in the short-term investments recovered by the Finance Company for the period; the cash outflows from investing activities decreased by RMB4,690 million, mainly due to the decrease of RMB5,000 million in short-term investment expenses of the Finance Company for the period and the increase of RMB433 million in fixed assets investment as compared with the same period last year.
- (3) The net cash flow from financing activities amounted to RMB-429 million, representing a decrease of RMB670 million as compared to the same period last year, primarily due to an increase of RMB502 million in cash inflow from borrowings and an increase of RMB1,178 million in other cash received from financing-related activities during the reporting period as compared to the same period last year; an increase of RMB349 million in debt repayment as compared to the same period last year, an increase of RMB172 million in cash paid for dividend distribution and interest payment as compared to the same period last year and an increase of RMB1,829 million in other cash paid for financing-related activities as compared to the same period last year.

#### 4. Others

- (1) Detailed explanation of major changes in the structure or sources of Company's profit

During the reporting period, there was no change in the structure or sources of Company's profit.

- (2) Analysis and explanation of the implementation progress of the Company's financing and major assets reorganisation matters in the previous period

Not applicable

- (3) Progress of operation plan

During the Reporting Period, the production volume of the Company completed the plan smoothly, and produced: cathode copper of 569,000 tonnes, representing a year-on-year increase of 1.83% (for the same period of last year: 558,800 tonnes); gold of 13,183 kilogram, representing a year-on-year increase of 3.80% (for the same period of last year: 12,700 kilogram); silver of 301 tonnes, representing a year-on-year increase of 5.61% (for the same period of last year: 285 tonnes); copper rod of 362,000 tonnes, representing a year-on-year increase of 2.55% (for the same period of last year: 353,000 tonnes); sulfuric acid of 1,480,000 tonnes, representing a year-on-year increase of 4.96% (for the same period of last year: 1,410,000 tonnes); sulfur concentrate of 1,180,000 tonnes, representing a year-on-year increase of 11.32% (for the same period of last year: 1,060,000 tonnes); copper concentrate contained copper of 102,000, molybdenum concentrate converted into (45%) 3,448 tonnes, all of which were basically on a par with those of the same period last year; other copper processing products except for copper rods and wires of 35,500 tonnes, representing a year-on-year increase of 12.70% (for the same period of last year 31,500 tonnes).

(4) Outlook for the second half of the year

Along with a series of measures of “stabilisation of growth” and “mild stimuli” introduced by the PRC, the liquidity improved to a certain extent and the price of bulk commodity ceased to drop and rebounded at the end of the second quarter. However, the resumption of export of copper concentrate of Indonesia and the further release of additional capacity of the global copper mines in the recent period will definitely suppressed the copper price in the future.

In the second half of the year, the Group will continue to optimize internal management, improve cost control and protect operating risks to increase operating efficiency and safeguard the operating performance of the Company.

- 1) Reinforce production management and pay attention to the benchmark management and align the major technical and economic indicators with advanced standards in the world or in the industry to increase the Company’s competitiveness.
- 2) Strengthen cost control, streamline management and tighten control for saving of resources, whilst stepping up capital management to reduce capital costs.
- 3) Reinforce risk management and control, especially prevent future risks and foreign investment risks, whilst reinforcing contract management and client management to strictly control default risks of clients.
- 4) Strengthen the capability of innovation, reform business philosophy and deepen internal reforms; research on system adjustment plan in a proactive manner, vitalise and optimise inventory assets of the Company so as to stimulate internal vitality.

## (II) Analysis of operation by industry, products or geographical locations

### 1. Principal businesses by industry and by product

Unit: Yuan Currency: RMB

#### Principal businesses by industry

By products	Operating revenue	Operating cost	Gross 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 gross profit margin over the same period last year (%)
Copper cathodes	54,235,079,377	53,476,732,756	1.40	2.21	3.24	-0.99
Copper rods and wires	24,053,891,364	22,950,110,172	4.59	4.02	5.09	-0.97
Copper processing products	1,612,951,540	1,632,140,553	-1.19	-1.26	-1.61	0.36
Gold	3,652,497,263	3,444,157,625	5.70	-5.28	-2.58	-2.61
Silver	1,268,326,977	1,175,702,890	7.30	-12.87	-22.14	11.04
Chemical products	608,895,888	493,844,506	18.90	-40.43	-30.61	-11.47
Rare metals and other non-ferrous metals	6,313,030,699	6,215,699,903	1.54	116.93	119.25	-1.04
Others	987,179,157	823,794,015	16.55	45.10	98.09	-22.32

#### 1) Copper cathodes

During the reporting period, operating revenue from copper cathodes increased by RMB1,170.23 million or 2.21% compared with the same period last year resulting from the increase in sales volume of copper cathodes, and operating costs of copper cathodes increased by RMB1,679.56 million or 3.24% as compared with the same period last year. Due to the decrease in product price, the operating profit of copper cathodes decreased by RMB509.33

million or 40.18% as compared with the same period last year. As a result of the increase in outsourced raw materials and the decrease in product price, gross profit margin of copper cathodes decreased from 2.39% for the same period last year to 1.40% for the period.

2) Copper rods and wires

During the reporting period, operating revenue from copper rods and wires for the period increased by RMB928.88 million or 4.02% over the same period last year, due to the increase in sales of copper rods and wires. Operating costs of copper rods and wires increased by RMB1,110.64 million or 5.09% as compared with the same period last year, due to the increase in sales. Operating profit of copper rods and wires decreased by RMB181.77 million or 14.14% as compared with the same period last year. As a result of the drop in market price, gross profit margin of copper rods and wires for the period decreased to 4.59% from 5.56% for the same period last year.

3) Other copper processing products other than copper rods and wires

During the reporting period, following the decrease in selling price of copper processing products, operating revenue of other copper processing products other than copper rods and wires decreased by RMB20.61 million or 1.26% for the period as compared with the same period last year. Operating costs decreased by RMB26.78 million or 1.61% as compared with the same period last year due to the decrease in the price of copper cathode materials. Operating profit increased by RMB6.17 million or 24.34% as compared with the same period last year. Due to a drop in market prices, the decrease rate of operating costs is smaller than that of operating revenue, accordingly, gross profit margin for the period increased from -1.55% for the same period last year to -1.19% for the period.

4) Gold

During the reporting period, operating revenue of gold decreased by RMB203.69 million or 5.28% as compared with the same period last year due to the drop in selling price. Operating costs decreased by RMB91.36 million or 2.58% as compared with the same period last year due to the decrease in the price of outsourced raw materials. Operating profit of gold decreased by RMB112.33 million or 35.03% as compared with the same period last year due to the decrease in the price while gross profit margin decreased from 8.32% for the same period last year to 5.70% for the period.

5) Silver

During the reporting period, operating revenue of silver decreased by RMB187.36 million or 12.87% as compared to the same period last year, owing to a drop in the selling price as compared with the same period last year. The operating costs decreased by RMB334.35 million or 22.14% as compared to the same period last year, while the operating profit of silver increased by RMB146.98 million or 270.40% as compared to the same period last year due to the increase in sales volume. The gross profit margin of silver increased from -3.73% for the same period last year to 7.30% for the period, because of a fall in the price of outsourced raw materials.

6) Chemical products

During the reporting period, operating revenue from chemical products decreased by RMB413.22 million or 40.43%. Operating costs of chemical products for the period decreased by RMB217.88 million or 30.61% as compared with the same period last year. Operating profit of chemical products decreased by RMB195.34 million or 62.93% as compared with the same period last year due to a drop in selling prices while gross profit margin for the period decreased from 30.37% for the same period last year to 18.90% for the period.



7) Rare and other non-ferrous metals

During the reporting period, operating revenue from rare and other nonferrous metals increased by RMB3,402.80 million or 116.93%, due to the increase in sales as compared with the same period last year. Operating costs of rare and other non-ferrous metals increased by RMB3,380.67 million or 119.25%. Operating profit of rare and other non-ferrous metals increased by RMB22.13 million or 29.43% as compared with the same period last year while gross profit margin for the period decreased to 1.54% from 2.58% for the same period last year owing to an increase in sales volume.

8) Other products

During the reporting period, the Group's operating revenue of other products increased by RMB306.85 million or 45.10% as compared with the same period last year; operating costs increased by RMB407.92 million or 98.09% as compared with the same period last year. Operating profit decreased by RMB101.08 million or 38.22% as compared with the same period last year; and gross profit margin for the period decreased to 16.55% from 38.87% for the same period last year owing to a decrease in selling price.

3. Principal businesses by geographical locations

*Unit: Yuan Currency: RMB*

<b>Geographical locations</b>	<b>Operating revenue</b>	<b>Increase/ decrease in operating revenue over the same period last year (%)</b>
Mainland China	81,920,511,964	3.99
Hong Kong	3,842,667,717	4.89
Others	<u>6,968,672,584</u>	<u>31.36</u>
Total	<u><u>92,731,852,265</u></u>	<u><u>5.68</u></u>

#### 4. Analysis of core competitiveness

During the Reporting Period, the core competitiveness of the Company did not have material changes. For details, please refer to the 2013 annual results report.

### V. SIGNIFICANT EVENTS

#### **(I) Profit Distribution Plan or plan to convert surplus reserves into share capital**

#### **(I) Implementation or adjustment of Profit Distribution Plan During the Reporting Period**

The payment of final dividend of RMB0.50 per share (inclusive of tax) for the year of 2013 to all the shareholders of the Company was considered and approved at the annual general meeting of the Company held on 11 June 2014. The Company completed the payment of such dividend on 31 July 2014.

#### **(II) Other disclosures**

#### **(I) Warning and explanation about predicted negative accumulated net profit for the period from the beginning of the year to the end of the next reporting period or significant change as compared with the same period last year.**

√ Not applicable

#### **(II) The Board's and the Supervisory Committee's Explanation for Non-standard Auditing Report Given by the Auditors**

√ Not applicable

**(III) Material litigation, arbitration and matters commonly questioned by media**

The Company does not have material litigation, arbitration and matters commonly questioned by media during the Reporting Period.

**(IV) Matters relating to bankruptcy and restructuring**

The Company had no matters related to bankruptcy and restructuring during the Reporting Period.

**(V) Exchange of assets and merger of companies matter**

√ Not applicable

**(VI) Equity incentives and its effect**

√ Not applicable

**(VII) Audit Committee**

The Company has convened Audit Committee meeting at which the unaudited interim condensed consolidated financial statements and the interim results report for the six months ended 30 June 2014 were considered and approved.

**(VIII) Code on Corporate Governance Practices**

The Company is committed to maintaining and establishing high level of corporate governance.

To the knowledge of the Board, the Company has been in full compliance with all the code provisions under the Corporate Governance Code (the “Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”) during the reporting period, with the exception of the following:

During the reporting period, the legal action which the Directors of the Company may face is covered in the internal control and risk management of the Company. As the Company considers that no additional risk is likely to exist, insurance arrangements in respect of legal action against Directors have not been made as required under code provision A.1.8 of the Code.

**(IX) Purchase, disposal and repurchase of the Company's listed securities**

At any time during the six months ended 30 June 2014, 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 2014.

**(X) Model Code for Securities Transactions by Directors**

During the reporting period, the Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers (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 standards required in of the Model Code during the reporting period.

**(XI) Detailed results announcement**

The interim report for 2014 containing all relevant information required by Appendix 16 to the Listing Rules will be despatched to shareholders and be published on the websites of the Stock Exchange (<http://www.hkex.com.hk>) and the Company (<http://www.jxcc.com>) in due course.

## VI. UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH IFRSs

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*FOR THE SIX MONTHS ENDED 30 JUNE 2014*

*(PREPARED IN ACCORDANCE WITH IFRS)*

		<b>Six months ended 30 June</b>	
		<b>2014</b>	<b>2013</b>
<i>NOTES</i>		<i>RMB'000</i>	<i>RMB'000</i>
		<b>(unaudited)</b>	<b>(unaudited)</b>
Revenue	3	<b>92,667,135</b>	87,673,633
Cost of sales		<b>(90,373,325)</b>	<b>(85,012,545)</b>
		<b>2,293,810</b>	2,661,088
Gross profit			
Other income	4	<b>482,988</b>	327,342
Other gains and losses	5	<b>721,089</b>	10,085
Selling and distribution expenses		<b>(245,149)</b>	(217,567)
Administrative expenses		<b>(782,981)</b>	(761,690)
Finance costs		<b>(638,502)</b>	(495,943)
Share of results of associates		<b>(1,933)</b>	(252)
Share of results of joint ventures		<b>1,823</b>	4,283
		<b>1,831,145</b>	1,527,346
Profit before taxation			
Taxation	6	<b>(560,327)</b>	(306,068)
		<b>1,270,818</b>	1,221,278
Profit for the period	7		

**Other comprehensive income  
(expense)**

Items that may be subsequently  
reclassified to profit or loss:

Fair value change on hedging instruments designated in cash flow hedges	<b>30,490</b>	(89,233)
Reclassification adjustments relating to transfer of cash flow hedges	<b>(36,508)</b>	115,463
Share of exchange differences of associates	<b>47,406</b>	(27,897)
Share of fair value change on available-for-sale investments of associates	<b>1,895</b>	—
Exchange differences arising on translation	<b>(2,716)</b>	(5,326)
Income tax relating to components of other comprehensive income	<b>3,517</b>	(625)
	<hr/>	<hr/>
Other comprehensive income (expense) for the period (net of tax)	<b>44,084</b>	(7,618)
	<hr/>	<hr/>

Total comprehensive income for the period	<b>1,314,902</b>	1,213,660
	<hr/> <hr/>	<hr/> <hr/>

Profit (loss) for the period attributable to:		
Owners of the Company	<b>1,276,709</b>	1,275,023
Non-controlling interests	<b>(5,891)</b>	(53,745)
	<hr/>	<hr/>
	<b>1,270,818</b>	1,221,278
	<hr/> <hr/>	<hr/> <hr/>

Total comprehensive income (expenses) attributable to:		
Owners of the Company	<b>1,320,367</b>	1,268,512
Non-controlling interests	<b>(5,465)</b>	(54,852)
	<hr/>	<hr/>
	<b>1,314,902</b>	1,213,660
	<hr/> <hr/>	<hr/> <hr/>

Earnings per share		
Basic and diluted	9	
	<b>RMB0.37</b>	RMB0.37
	<hr/> <hr/>	<hr/> <hr/>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2014

(PREPARED IN ACCORDANCE WITH IFRS)

		At 30 June 2014	At 31 December 2013
	<i>NOTES</i>	<i>RMB'000</i> (unaudited)	<i>RMB'000</i> (audited)
Non-current assets			
Property, plant and equipment	10	<b>20,041,724</b>	20,002,661
Investment properties		<b>356,507</b>	174,841
Prepaid lease payments		<b>667,970</b>	489,516
Intangible assets		<b>846,148</b>	864,398
Exploration and evaluation assets		<b>709,365</b>	665,245
Interests in joint ventures		<b>406,057</b>	25,358
Interests in associates		<b>2,718,274</b>	2,652,398
Other investments	11	<b>2,150,000</b>	1,880,000
Available-for-sale investments	12	<b>553,080</b>	539,730
Deferred tax assets		<b>440,179</b>	476,599
Deposits for property, plant and equipment	10	<b>136,504</b>	105,611
Deposit for an investment in an associate		<b>100,000</b>	—
Deposits for prepaid lease payments		<b>—</b>	116,600
		<b>29,125,808</b>	27,992,957

Current assets			
Inventories		<b>14,241,024</b>	14,683,971
Trade and bills receivables	13	<b>16,755,912</b>	14,220,603
Prepayments, deposits and other receivables		<b>7,591,214</b>	6,269,716
Prepaid lease payments		<b>7,517</b>	11,159
Other investments	11	<b>330,000</b>	—
Available-for-sale investments	12	<b>1,344,500</b>	1,501,500
Held-for-trading financial assets		<b>54,568</b>	48,880
Derivative financial instruments	14	<b>183,304</b>	38,498
Restricted bank deposits		<b>5,870,833</b>	4,325,952
Bank balances and cash		<b>20,817,688</b>	19,666,162
		<b>67,196,560</b>	60,766,441
Current liabilities			
Trade and bills payables	15	<b>15,105,119</b>	11,290,992
Other payables and accruals		<b>5,051,776</b>	4,231,388
Deposits from holding company and fellow subsidiaries		<b>800,226</b>	607,530
Deferred revenue - government grants		<b>36,327</b>	37,624
Derivative financial instruments	14	<b>297,309</b>	694,352
Dividend payable		<b>1,731,365</b>	—
Held-for-trading financial liabilities	16	<b>3,034,681</b>	2,802,265
Tax payable		<b>288,319</b>	888,792
Bank borrowings		<b>17,808,980</b>	15,745,862
		<b>44,154,102</b>	36,298,805
Net current assets		<b>23,042,458</b>	24,467,636
Total assets less current liabilities		<b>52,168,266</b>	52,460,593



Non-current liabilities		
Bonds payable	<b>6,100,845</b>	5,955,393
Bank borrowings	<b>93,885</b>	90,062
Provision for rehabilitation	<b>152,673</b>	148,623
Employee benefit liability	<b>153,666</b>	151,889
Deferred revenue -		
government grants	<b>355,722</b>	372,260
Other long term payables	<b>13,192</b>	13,192
Deferred tax liabilities	<b>106,524</b>	96,752
	<u><b>6,976,507</b></u>	<u>6,828,171</u>
	<u><b>45,191,759</b></u>	<u>45,632,422</u>
Capital and reserves		
Share capital	<b>3,462,729</b>	3,462,729
Reserves	<b>40,641,988</b>	41,052,986
Equity attributable to owners		
of the Company	<b>44,104,717</b>	44,515,715
Non-controlling interests	<b>1,087,042</b>	1,116,707
	<u><b>45,191,759</b></u>	<u>45,632,422</u>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2014**  
**(PREPARED IN ACCORDANCE WITH IFRS)**

	Attributable to owners of the Company													
	Share capital	Share premium	Capital reserves	Other reserve	Statutory surplus reserve	Discretionary surplus reserve	Safety funds			Proposed dividends	Retained profits	Sub-total	Non-controlling interests	Total
							Surplus	Reserves	Hedging reserve					
							reserve	reserves	reserve					
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
			<i>(Note a)</i>	<i>(Note b)</i>	<i>(Note c)</i>	<i>(Note c)</i>	<i>(Note d)</i>							
At 1 January 2014 (audited)	3,462,729	12,647,502	(902,113)	(92,506)	4,067,429	9,647,574	228,173	(2,023)	(340,216)	1,731,365	14,067,801	44,515,715	1,116,707	45,632,422
Profit for the period	—	—	—	—	—	—	—	—	—	—	1,276,709	1,276,709	(5,891)	1,270,818
Other comprehensive income (expense) for the period	—	—	—	1,895	—	—	—	(2,501)	44,264	—	—	43,658	426	44,084
Total comprehensive income (expense) for the period	—	—	—	1,895	—	—	—	(2,501)	44,264	—	1,276,709	1,320,367	(5,465)	1,314,902
Dividends paid to non-controlling shareholders	—	—	—	—	—	—	—	—	—	—	—	—	(24,200)	(24,200)
Dividends declared	—	—	—	—	—	—	—	—	—	(1,731,365)	—	(1,731,365)	—	(1,731,365)
Transfer between categories	—	—	—	—	—	—	79,968	—	—	—	(79,968)	—	—	—
At 30 June 2014 (unaudited)	<u>3,462,729</u>	<u>12,647,502</u>	<u>(902,113)</u>	<u>(90,611)</u>	<u>4,067,429</u>	<u>9,647,574</u>	<u>308,141</u>	<u>(4,524)</u>	<u>(295,952)</u>	<u>—</u>	<u>15,264,542</u>	<u>44,104,717</u>	<u>1,087,042</u>	<u>45,191,759</u>

Attributable to owners of the Company

	Share capital RMB'000	Share premium RMB'000	Capital reserves RMB'000	Other reserve RMB'000	Statutory Discretionary			Hedging reserve RMB'000	Translation reserve RMB'000	Proposed dividends RMB'000	Retained profits RMB'000	Non- controlling interests RMB'000	Total RMB'000	
					surplus reserve RMB'000	surplus reserve RMB'000	Safety funds surplus reserves RMB'000							
			(Note a)	(Note b)	(Note c)	(Note c)	(Note d)							
At 1 January 2013 (audited)	3,462,729	12,647,502	(902,113)	(92,506)	3,745,682	9,325,827	275,543	403	(259,194)	1,731,365	12,839,598	42,774,836	1,087,559	43,862,395
Profit for the period	—	—	—	—	—	—	—	—	—	—	1,275,023	1,275,023	(53,745)	1,221,278
Other comprehensive income (expenses) for the period	—	—	—	—	—	—	—	25,605	(32,116)	—	—	(6,511)	(1,107)	(7,618)
Total comprehensive income (expenses) for the period	—	—	—	—	—	—	—	25,605	(32,116)	—	1,275,023	1,268,512	(54,852)	1,213,660
Dividends paid to non- controlling shareholders	—	—	—	—	—	—	—	—	—	—	—	—	(7,500)	(7,500)
Dividends declared	—	—	—	—	—	—	—	—	—	(1,731,365)	—	(1,731,365)	—	(1,731,365)
Transfer between categories	—	—	—	—	—	—	51,268	—	—	—	(51,268)	—	—	—
At 30 June 2013 (unaudited)	3,462,729	12,647,502	(902,113)	(92,506)	3,745,682	9,325,827	326,811	26,008	(291,310)	—	14,063,353	42,311,983	1,025,207	43,337,190

*Notes:*

- (a) Capital reserves arise from (i) the difference between the amount by which the non-controlling interests are adjusted and the consideration paid and received for the acquisition of additional interest in a subsidiary and the partial disposal of a subsidiary without losing control; (ii) the difference between the cash consideration paid, shares issued by the Company and the amount of the registered capital of the combined entities under group reorganisations; and (iii) the excess of the value of the net assets immediately before the establishment of the Company injected into the Company by Jiangxi Copper Corporation, a holding company of the Company, as part of group reorganisations which was determined by the People's Republic of China ("PRC") valuer and was approved by the State Assets Administration Bureau over the nominal value of the shares issued upon establishment of the Company.

- (b) Other reserve represents the difference in value of certain assets and liabilities included in the net assets injected into the Company pursuant to group reorganisations calculated in accordance with International Financial Reporting Standards (“IFRSs”) and the valuation of assets and liabilities performed by the PRC valuer in accordance with relevant PRC standards and regulations, which valuation was confirmed by the State Assets Administration Bureau.
  
- (c) The Company shall appropriate to the statutory surplus reserve at 10% of its profit after taxation calculated in accordance with the PRC accounting standards and regulations and the articles of association of the Company. The appropriation may cease to apply if the balance of the statutory surplus reserve has reached 50% of the Company’s registered capital. In addition, the Company’s articles of association also allow the Company to transfer a certain amount of profit after taxation and after appropriations to the statutory surplus reserve, subject to shareholders’ approval, to the discretionary surplus reserve. Accordingly to the Company’s articles of association, the statutory surplus reserve and discretionary surplus reserve can be used to make up prior year losses, to expand production operation or to increase share capital. The Company may capitalise the statutory surplus reserve and discretionary surplus reserve by way of bonus issues provided that the amount of the statutory surplus reserve remaining after such an appropriation shall not be less than 25% of the original registered capital of the Company.
  
- (d) The Group is required to make appropriations in accordance with CaiQi [2006] No 478 “Tentative measures for the financial management of the production safety fund for the high risk enterprises” that is issued by Ministry of Finance and Safety Production General Bureau. The reserve is for future enhancement of safety production environment and improvement of facilities and is not available for distribution to shareholders.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2014**  
**(PREPARED IN ACCORDANCE WITH IFRS)**

	<b>Six months ended 30 June</b>	
	<b>2014</b>	<b>2013</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Net cash from operating activities	<b>3,884,192</b>	<b>3,546,127</b>
Investing activities		
Proceeds on disposal of available-for-sale investments	<b>5,855,080</b>	11,147,364
Proceeds on disposal of property, plant and equipment	<b>2,285</b>	47,259
Purchase of available-for-sale investments	<b>(5,633,000)</b>	(11,972,000)
Increase in restricted bank deposits to secure bank borrowings	<b>(1,544,881)</b>	(2,947,463)
Purchase of property, plant and equipment	<b>(837,301)</b>	(805,158)
Purchase of other investments	<b>(600,000)</b>	—
Advance to fellow subsidiaries	<b>(498,000)</b>	—
Investment in a joint venture	<b>(383,876)</b>	—
Deposits paid for property, plant and equipment	<b>(136,504)</b>	(187,164)
Loss from derivative financial instruments	<b>(124,450)</b>	(155,468)
Deposit for investment in an associate	<b>(100,000)</b>	—
Addition of prepaid lease payments	<b>(65,209)</b>	(12,681)
Investment in an associate	<b>(24,545)</b>	—
Repayment of other investments	—	730,133
Other investing cash flows (net)	<b>(20,966)</b>	27,064
Net cash used in investing activities	<b>(4,111,367)</b>	<b>(4,128,114)</b>

Financing activities		
New bank borrowings raised	<b>15,302,558</b>	14,800,701
Proceeds from held-for-trading financial liabilities	<b>1,068,486</b>	827,661
Repayment of bank borrowings	<b>(13,474,583)</b>	(13,125,194)
Repayment of held-for-trading financial liabilities	<b>(1,134,276)</b>	(360,417)
Interest paid	<b>(445,535)</b>	(290,357)
Dividends paid to non-controlling shareholders	<b>(24,200)</b>	(7,500)
	<hr/>	<hr/>
Net cash from financing activities	<b>1,292,450</b>	1,844,894
	<hr/>	<hr/>
Net increase in cash and cash equivalents	<b>1,065,275</b>	1,262,907
Cash and cash equivalents at the beginning of the period	<b>19,666,162</b>	16,678,343
Effect of foreign exchange rate changes	<b>86,251</b>	(5,326)
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period, representing bank balances and cash	<b>20,817,688</b>	17,935,924
	<hr/> <hr/>	<hr/> <hr/>

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
*FOR THE SIX MONTHS ENDED 30 JUNE 2014*  
*(PREPARED IN ACCORDANCE WITH IFRS)*

**1. BASIS OF PREPARATION**

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 “Interim financial reporting” (“IAS 34”) issued by the International Accounting Standards Board (the “IASB”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

**2. PRINCIPAL ACCOUNTING POLICIES**

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair value, as appropriate.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2014 are the same as those followed in the preparation of the Group’s consolidated financial statements for the year ended 31 December 2013.

In the current interim period, the Group has applied, for the first time, a new interpretation and certain amendments to IFRSs issued by the IASB that are mandatorily effective for the current interim period.

The application of those interpretation and amendments to IFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

### **3. REVENUE AND SEGMENT INFORMATION**

The Group's operating activities are attributable to a single operating segment focusing on production and sale of copper and other related products. This operating segment has been identified on the basis of internal management reports prepared in accordance with accounting policies conform to Accounting Standards for Business Enterprises ("ASBE") issued by the Ministry of Finance of the PRC, that is regularly reviewed by the General Manager of the Group. The General Manager of the Group regularly reviews revenue analysis by products. However, other than revenue analysis, no operating results and other discrete financial information is available for the assessment of performance of the respective products. The General Manager of the Group reviews the revenue and the operating results of the Group as a whole to make decision about resources allocation. No analysis of segment assets or segment liabilities is presented as they are not regularly provided to the General Manager of the Group. Accordingly, no analysis of this single operating segment is presented.



### 3. REVENUE AND SEGMENT INFORMATION *(continued)*

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

	<b>Six months ended 30 June</b>	
	<b>2014</b>	<b>2013</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Sales of goods		
— copper cathodes	<b>54,235,079</b>	53,064,845
— copper rods	<b>24,053,891</b>	23,125,014
— copper processing products	<b>1,612,952</b>	1,633,560
— crude copper and anode plate	<b>1,155,572</b>	180,106
— gold	<b>3,652,497</b>	3,856,189
— silver	<b>1,268,327</b>	1,455,691
— sulphuric and sulphuric concentrate	<b>608,896</b>	1,022,115
— zinc ingot	<b>3,106,695</b>	1,083,787
— rare and other non-ferrous metals	<b>2,050,764</b>	1,646,335
— others	<b>1,191,595</b>	907,254
	<hr/>	<hr/>
Revenue analysis prepared in accordance with ASBE	<b>92,936,268</b>	87,974,896
Less: sales related taxes	<b>(269,133)</b>	(301,263)
	<hr/>	<hr/>
Revenue analysis prepared in accordance with IFRSs	<b><u>92,667,135</u></b>	<b><u>87,673,633</u></b>

#### 4. OTHER INCOME

	Six months ended 30 June	
	2014	2013
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Interest income	391,026	291,044
Compensation income	34,542	—
Dividend income on		
available-for-sale investments	20,250	20,250
Government grants recognised ( <i>note</i> )	18,232	14,718
Income from value-added tax refund	18,938	1,330
	<u>482,988</u>	<u>327,342</u>

*Note:* Government grants recognised represents compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs and release of government subsidies granted to the Group in relation to its production facilities.

## 5. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2014	2013
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Fair value change on derivative financial instruments		
Transactions not qualifying for hedge accounting		
— Fair value change on commodity derivative contracts	<b>810,093</b>	(820,333)
— Fair value change on foreign currency forward contracts	<b>152,443</b>	42,573
Transactions qualifying as fair value hedges		
— Inventory hedged	<b>6,411</b>	(11,264)
— Fair value change on hedging instruments	<b>(5,111)</b>	7,919
Ineffective portion of cash flow hedges	<b>1,442</b>	582
Fair value change on held-for-trading financial assets	<b>5,702</b>	465
Fair value change on held-for-trading financial liabilities	<b>(240,787)</b>	582,824
Income from other investments	<b>9,963</b>	—
Income from available-for-sale investments	<b>78,737</b>	115,364
(Loss) gain on disposal of property, plant and equipment	<b>(403)</b>	23,220
Exchange (loss) gain, net	<b>(78,138)</b>	67,408
(Impairment loss) reversal of impairment loss on trade and other receivables	<b>(27,318)</b>	1,942
Others	<b>8,055</b>	(615)
	<b>721,089</b>	10,085

## 6. TAXATION

	Six months ended 30 June	
	2014	2013
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
The charge (credit) comprises:		
Current taxation		
— PRC Enterprise Income Tax	<b>496,046</b>	572,842
— Hong Kong Profits Tax	<b>1,033</b>	5,227
	<b>497,079</b>	578,069
Underprovision in prior years		
— PRC Enterprise Income Tax	<b>13,568</b>	21,572
Deferred taxation		
— current period	<b>49,680</b>	(145,336)
— attributable to a change in tax rate	<b>—</b>	(148,237)
	<b>49,680</b>	(293,573)
	<b>560,327</b>	306,068

Hong Kong Profits Tax on three (six months ended 30 June 2013: three) of the Group's subsidiaries has been provided at the rate of 16.5% (six months ended 30 June 2013: 16.5%) on the estimated assessable profits arising in Hong Kong during the period.

The provision for PRC Enterprise Income Tax is based on a statutory rate of 25% (six months ended 30 June 2013: 25%) of the assessable profits of the Group as determined in accordance with the relevant income tax rules and regulations of the PRC Enterprise Income Tax Law.

## 7. PROFIT FOR THE PERIOD

### Six months ended 30 June

	2014	2013
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)

Profit for the period has been arrived  
at after charging:

Depreciation of property, plant and equipment	717,457	662,310
Depreciation of investment properties	2,039	2,038
Amortisation of prepaid lease payments	6,997	5,791
Amortisation of intangible assets	20,775	17,193
Allowance for inventories, included in cost of sales	33,384	572,840

## 8. DIVIDENDS

### Six months ended 30 June

	2014	2013
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)

Dividends recognised as distribution  
during the period:

Final dividend of RMB0.5 per share for 2013

(six months ended 30 June 2013: final

dividend of RMB0.5 per share for 2012)

1,731,365	1,731,365
-----------	-----------

No dividends were paid or proposed during the six months ended 30 June 2014 and 2013.

## 9. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit for the period attributable to owners of the Company of RMB1,276,709,000 (six months ended 30 June 2013: RMB1,275,023,000) and on the number of 3,462,729,405 (six months ended 30 June 2013: 3,462,729,405) ordinary shares in issue during the period.

Diluted earnings per share is the same as basic earnings per share because there is no outstanding potential dilutive ordinary shares as at 30 June 2014 and 2013 and during the periods.

## 10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2014, the Group spent approximately RMB868,592,000 (six months ended 30 June 2013: RMB557,920,000) on construction in progress and RMB74,320,000 (six months ended 30 June 2013: RMB17,961,000) on other property, plant and equipment. Property, plant and equipment with carrying values of approximately RMB2,688,000 and RMB183,705,000 (six months ended 30 June 2013: RMB24,039,000 and nil) were disposed of by the Group and transferred to investment properties, respectively. The Group also paid deposits for acquisition of property, plant and equipment of RMB136,504,000 (six months ended 30 June 2013: RMB187,164,000).

## 11. OTHER INVESTMENTS

	At 30 June 2014 <i>RMB'000</i> (unaudited)	At 31 December 2013 <i>RMB'000</i> (audited)
Loan investments ( <i>Note</i> )	<u>2,480,000</u>	<u>1,880,000</u>
Non-current assets	2,150,000	1,880,000
Current assets	<u>330,000</u>	—
	<u>2,480,000</u>	<u>1,880,000</u>

*Note:* The amount represented loan investments arranged via a bank to five (31 December 2013: two) independent securities companies with high credit-ratings and good reputation. The loan receivables have maturity dates from 24 October 2014 to 8 October 2016 (31 December 2013: 27 September 2015 and 8 October 2016) and were unsecured and carried particular interest rates.

## 12. AVAILABLE-FOR-SALE INVESTMENTS

	At 30 June 2014 RMB'000 (unaudited)	At 31 December 2013 RMB'000 (audited)
Unlisted equity investments, at cost ( <i>Note a</i> )	428,746	428,746
Impairment loss recognised	<u>(18,666)</u>	<u>(18,666)</u>
	410,080	410,080
Financial products, at fair value ( <i>Note b</i> )	1,277,500	1,371,500
Bonds investment, at fair value ( <i>Note c</i> )	<u>210,000</u>	<u>259,650</u>
	<u>1,897,580</u>	<u>2,041,230</u>
Non-current assets	553,080	539,730
Current assets	<u>1,344,500</u>	<u>1,501,500</u>
	<u><u>1,897,580</u></u>	<u><u>2,041,230</u></u>

*Notes:*

- (a) The unlisted equity investments represent the Group's equity interests in unlisted PRC companies. None of the shareholdings exceeds 20% of the issued capital of the respective investee.
- (b) As at 30 June 2014, financial products of RMB1,277,500,000 (31 December 2013: RMB1,371,500,000) held by the Group generate annual target return rate ranged from 5.4% to 9.5% (31 December 2013: 5.0% to 10.5%), which will due from 23 September 2014 to 26 November 2016 (31 December 2013: 10 January 2014 to 26 November 2016). As at 30 June 2013, certain of the Group's financial products of RMB100,000,000 generated annual target return rate of 2.7%, which did not have fixed maturity date (30 June 2014: nil). The directors consider that the fair value of the financial products approximate to their costs.

- (c) As at 30 June 2014, the bonds investment held by the Group generate annual target return rate ranged from 6.18% to 7.50% (31 December 2013: 6.18% to 7.17%), which will due from 19 December 2014 to 22 October 2019 (31 December 2013: 19 December 2014 to 22 October 2019). The directors consider that the fair value of the bonds investment approximate to their costs.

### 13. TRADE AND BILLS RECEIVABLES

The Group normally allows credit period of three months to its trade customers. The aged analysis of trade and bills receivables, net of allowance for doubtful debts, is presented based on the invoice date at the end of the reporting period as follows:

	<b>At 30 June 2014</b>	At 31 December 2013
	<i>RMB'000</i>	<i>RMB'000</i>
	<b>(unaudited)</b>	(audited)
Within 1 year	<b>16,726,636</b>	14,204,111
1 to 2 years	<b>25,148</b>	13,427
2 to 3 years	<b>4,128</b>	3,065
	<b>16,755,912</b>	14,220,603



## 14. DERIVATIVE FINANCIAL INSTRUMENTS

	At 30 June 2014		At 31 December 2013	
	Fair value		Fair value	
	Assets	Liabilities	Assets	Liabilities
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)	(audited)	(audited)
Net settlement:				
Commodity derivative contracts	139,868	(239,032)	37,795	(499,475)
Foreign currency forward contracts and interest rate swap contracts	43,436	—	703	(109,710)
Provisional price arrangements	—	(58,277)	—	(85,167)
	<u>183,304</u>	<u>(297,309)</u>	<u>38,498</u>	<u>(694,352)</u>

The above derivative financial instruments are further analysed as follows:

	At 30	At 31
	June 2014	December 2013
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(audited)
Derivatives under hedge accounting:		
Cash flow hedges		
— Commodity derivative contracts	(6,644)	(2,305)
Fair value hedges		
— Commodity derivative contracts	—	151
— Provisional price arrangements	(33,523)	(84,535)
	<u>(40,167)</u>	<u>(86,689)</u>

Derivatives not qualifying for hedge accounting:		
— Commodity derivative contracts	<b>3,638</b>	407
— Provisional pricing arrangements	<b>(24,754)</b>	(632)
	<u><b>(21,116)</b></u>	<u>(225)</u>
Derivatives not under hedge accounting:		
— Commodity derivative contracts	<b>(96,158)</b>	(459,933)
— Foreign currency forward contracts and interest rate swap contracts	<b>43,436</b>	(109,007)
	<u><b>(52,722)</b></u>	<u>(568,940)</u>
	<u><b>(114,005)</b></u>	<u>(655,854)</u>

The Group uses commodity derivative contracts and provisional price arrangements to hedge its commodity price risk. Commodity derivative contracts utilised by the Group are mainly standardised copper cathode future contracts in Shanghai Futures Exchange and London Metal Exchange.

## 14. DERIVATIVE FINANCIAL INSTRUMENTS *(continued)*

### (a) Derivatives 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 2014, the expected delivery period of the forecasted sales for copper related products was from July to September 2014 (31 December 2013: from January to March 2014).

#### — Fair value hedge

The Group utilises 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. In addition, the Group utilises commodity derivative contracts to hedge its exposure to variability in fair value changes attributable to price fluctuation risk associated with unrecognised firm commitment to sell copper rods.

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.

## 14. DERIVATIVE FINANCIAL INSTRUMENTS *(continued)*

### (b) Derivatives not under hedge accounting:

The Group utilises commodity derivative contracts to manage the commodity price risk of forecasted purchases of copper cathode as well as copper component within copper concentrate, and forecasted sales of copper wires and rods. These arrangements are designed to address significant fluctuations in the prices of copper concentrate, copper cathodes, copper wires and rods, and copper related products which move in line with the prevailing price of copper cathode.

The Group utilises gold commodity derivative contracts to manage the fair value change of the obligation to return gold with same quantity and quality to banks under gold lease contracts. These arrangements are designed to address significant fluctuation in the fair value of the obligation which move in line with the prevailing price of gold.

In addition, the Group has entered into various foreign currency forward contracts and interest rate swaps to manage its exposures on exchange rate and interest rate.

However, these commodity derivative contracts, foreign currency forward contracts and interest rate swaps are not designated as hedging instruments or not qualified for hedging accounting.

## 15. TRADE AND BILLS PAYABLES

The ageing analysis of trade and bills payables is presented based on the invoice date at the end of the reporting period as follows:

	At 30 June 2014 RMB'000 (unaudited)	At 31 December 2013 RMB'000 (audited)
Within 1 year	15,038,282	11,245,958
1 to 2 years	45,699	20,163
2 to 3 years	4,524	11,665
Over 3 years	16,614	13,206
	<u>15,105,119</u>	<u>11,290,992</u>

The trade payables are normally settled on 60-day to one-year terms.

## 16. HELD-FOR-TRADING FINANCIAL LIABILITIES

The Group entered into certain gold lease contract with banks. During the lease period, the Group might sell the leased gold to independent third parties. When the lease period expires, the Group shall return the gold with the same quantity and quality to the banks. The obligation to return the gold is recognised as held-for-trading financial liabilities.

By Order of the Board  
**JIANGXI COPPER COMPANY LIMITED**  
**Li Baomin**  
*Chairman*

Jiangxi, the People's Republic of China, 27 August 2014

*As at the date of this announcement, the executive Directors are Mr. Li Baomin, Mr. Long Ziping, Mr. Gao Jianmin, Mr. Liang Qing, Mr. Gan Chengjiu, Mr. Liu Fangyun and Mr. Shi Jialiang; the independent non-executive Directors are Mr. Qiu Guanzhou, Mr. Gao Dezhu, Mr. Zhang Weidong, and Mr. Deng Hui.*