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)

2014 Annual Report

UNIFICATION · INNOVATION · PROGRESSION

Important Notice

1. The board of directors ("Board") and the supervisory committee of the Company and its directors, supervisors and senior management warrant the truthfulness, accuracy and completeness of the information contained in this annual report that there are no false representations, misleading statements contained herein or material omissions, and jointly and severally accept full responsibility.

2. All directors of the Company were present at the Board meeting.

3. Deloitte Touche Tohmatsu Certified Public Accountants LLP issued a standard unqualified audit report to the Company.

4. The person in charge of the Company, Li Baomin, the person in Charge of accounting, Gan Chengjiu, and Manager of Finance Department (accounting chief), Jiang Liehui, hereby warrant the truthfulness, accuracy and completeness of the financial report as set out in this annual report.

5. Proposal of profit distribution plan or transfer of capital reserve to share capital during the reporting period after consideration by the Board: The Board has recommended distributing to all shareholders a final dividend of RMB0.20 per share (inclusive of tax) for 2014. The Board of the Company did not recommend transfer of capital reserve to share capital or issue of bonus shares.

6. Statement for the risks involved in the forward-looking statement

   This annual 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. Is there any misappropriation of funds by the controlling shareholders and their connected parties for non-operation purpose?

   No

8. Is there any external guarantee made in violation of the required decision-making procedures?

   No

9. Others

   Unless otherwise specified, financial data involved in this report was extracted from audited consolidated financial statements of the Company and its subsidiaries (the Group) prepared in accordance with the PRC GAAP.

CONTENTS

Definitions and Notice of Principal Risks

I. Definitions

Terms used herein, unless otherwise specified, shall have the same meanings ascribed to them in the report:

Definitions to the frequently-used terms:

CSRC	China Securities Regulatory Commission
SSE	Shanghai Stock Exchange
Company or Jiangxi Copper	Jiangxi Copper Company Limited
Group	The Company and its subsidiaries
JCC Group	Jiangxi Copper Group Limited and its subsidiaries, exclusive of the Group
Copper concentrate	Copper concentrate is the concentrate from low grade ore containing copper after going through the processing procedures and has reached a certain quality standard, which can be directly used for smeltery in smelting plants
Copper in copper concentrate	The amount of copper in copper concentrate

II. Notice of principal risks:

The Company has described the industrial risks in details in the report. Please refer to the discussion and analysis on the future development of the Company in the Report of the Board for the possible risk factors and strategies.

Corporate Profile

I. Corporate information

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

II. Contact persons and contact methods

	Secretary to the Board	Securities Affairs Representative
Name	Huang Dongfeng	Xiao Huadong
Address	7666 Changdong Avenue, High and New Technology Development Zone, Nanchang, Jiangxi Province, the People's Republic of China	7666 Changdong Avenue, High and New Technology Development Zone, Nanchang, Jiangxi Province, the People's Republic of China
Telephone	0791-82710016	0791-82710111
Facsimile	0791-82710114	0791-82710114
E-mail	jccl@jxcc.com	jccl@jxcc.com

III. Basic information

Registered address of the Company	15 Yejin Avenue, Guixi City, Jiangxi, the People's Republic of China
Postal code of the registered address of the Company	335424
Office address of the Company	7666 Changdong Avenue, High and New Technology Development Zone, Nanchang, Jiangxi Province, the People's Republic of China
Postal code of the office address of the Company	330096
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 CSRC for publishing the annual report	www.sse.com.cn
Place of inspection of annual report	7666 Changdong Avenue, High and New Technology Development Zone, Nanchang, Jiangxi Province, the People's Republic of China

V. Information on the Company's shares

	Securities' information of the Company		
Class of shares	Stock Exchange of listing shares	Stock abbreviation	Stock code
A Shares	Shanghai Stock Exchange	Jiangxi Copper	600362
H Shares	The Stock Exchange of Hong Kong Limited	Jiangxi Copper	0358

VI. Change of registration of the Company during the reporting period

(I) Basic information

Date of registration	11 July 2014
Institution for registration	Administration for Industry and Commerce of Jiangxi Province
Business license registration number	360000521000033
Taxation registration number	360681625912173
Organization code	62591217-3

(II) Relevant index of first registration of the Company

For details of first registration of the Company, please refer to the basic information of the Company as in the 1997 annual report on the Stock Exchange.

(III) Change in principle businesses since the listing of the Company

The Company's principle businesses include: mining, milling, smelting, processing of nonferrous metal and rare metals and relevant technology; smelting, rolling processing and further processing of non-ferrous metal ores, rare metal, nonmetallic ores, non-ferrous metal and related by-products; overseas futures business and related enquiry services businesses; import and export agency business.

(IV) Change in previous controlling shareholder since the listing of the Company

The controlling shareholder of the Company, namely Jiangxi Copper Corporation, has not been changed since its listing.

VII. Other relevant information

Auditor appointed by the Company (Domestic)	Name	Deloitte Touche Tohmatsu Certified Public Accountants LLP
	Office address	30th Floor Bund Center 222 Yan An Road (East) Shanghai the People's Republic of China
	Name of auditor as signatories	Yang Haijiao (楊海蛟) Hu Ke (胡科)
Auditor appointed by the Company (Overseas)	Name	Deloitte Touche Tohmatsu
	Office address	35th Floor One Pacific Place 88 Queensway Hong Kong
Sponsor engaged by the Company to continuously perform its supervisory function during the reporting period	Name	China International Capital Corporation Limited
	Office address	27th and 28th Floors China World Tower 2 No. 1 Jianguomenwai Avenue Beijing
	Name of sponsor representatives as signatories	Xu Kang (徐康), Du Yiqing (杜褘清)
	Period of continuously performing supervisory function	September 2008-December 2014

Corporate Profile

Other basic corporate information

The Company is a sino-foreign joint stock limited company incorporated in the People's Republic of China ("the PRC") on 24 January 1997. The major assets owned and controlled by the Group mainly include:

— Six mines under production: Dexing Copper Mine (including copper factory mining area, Fujiawu mining area and Zhushahong mining area), Yongping Copper Mine, Chengmenshan Copper Mine (including Jinjiwo Silver-Copper Mine), Wushan Copper Mine, Dongxiang Copper Mine and Yinshan Lead-Zinc Mine.

— Guixi Smelter, the largest blister and copper concentrate smelter and refiner in the PRC with the largest scale, most advanced technologies and best environment protection.

— Eight modern copper products processing plants: Jiangxi Copper Products Company Limited, Jiangxi Copper Alloy Materials Company Limited, Guangzhou Copper Production Company Limited (廣州銅材有限公司), Jiangxi Copper Yates Copper Foil Company Limited, Jiangxi Copper Taiyi Special Electrical Materials Company Limited, Jiangxi Copper (Longchang) Precise Pipe Company Limited, Jiangxi Copper Corporation Copper Products Company Limited and JCC North China Copper Co., Ltd. (江銅華北天津銅業有限公司).

— Two sulphuric acid plants with advanced technology: JCC — Wengfu Chemical Company Limited and Jiangxi Copper (Dexing) Chemical Company Limited.

Corporate Profile

Since its establishment, the Group has been adhering to the strategy "to develop mines, consolidate smelting, improve refining and diversify into related sectors", which enables the Group to become one of the largest and most advanced copper enterprises in the world:

1) The Group owns abundant mineral resource reserve. As at the end of 2014, the Company had 100% ownership in the proven resource reserve of approximately 10,360,000 tonnes of copper metal, 331 tonnes of gold, 9,352 tonnes of silver, 237,000 tonnes of molybdenum, 100,680,000 tonnes accompanying sulphur and symbiotic sulphur. Among the resources jointly controlled by the Company and other companies, metal resource reserves attributable to the Company (based on its equity percentage) were approximately 4,790,000 tonnes of copper and 42.4 tonnes of gold. In 2014, 210,000 tonnes of copper concentrates (containing copper) were produced from the mines of the Group.

2) The Group's annual production capacity of copper cathode exceeded one million tonnes, which enables the Group to become a globally leading large-scale copper manufacturer. In 2014, the Group produced 1,200,000 tonnes of copper cathode.

3 The Group is one of the largest gold and silver manufacturers in the PRC. In 2014, the Group produced 26 tonnes of gold and 567 tonnes of silver in total.

4) The Group's current processing capacity of copper products is 1,140,000 tonnes. In 2014, the Group produced 860,000 tonnes of various copper products.

5) The Group is one of the largest sulphur chemical industry bases in the PRC. In 2014, the Group produced 3,010,000 tonnes of sulphuric acid and 2,520,000 tonnes of sulphuric concentrate.

6) The Group is one of the largest rare metal manufacturers in the PRC. In 2014, the Group produced 6,356 tonnes of standard molybdenum concentrates (average grade: 45%), 3,379 kg of ammonium rhenate, 55 tonnes of tellurium concentrate and 641 tonnes of bismuth concentrate.

Summary of Accounting and Financial Indicators

I. Major accounting data and financial indicators for the last three years of the Company at the end of the reporting period

(I) Major accounting data (Prepared in accordance with the PRC GAAP)

Unit: Yuan Currency: RMB

Major accounting data	**2014**	2013	**Increase/decrease for the period over the same period last year** *(%)*	2012
Operating revenue	**198,833,486,017**	175,890,190,968	**13.04**	158,556,206,525
Net profit attributable to shareholders of the Company	**2,850,649,245**	3,565,009,194	**–20.04**	5,215,874,606
Net profit after non-recurring profit and loss items attributable to shareholders of the Company	**1,733,560,208**	3,122,198,232	**–44.48**	4,394,548,553
Net cash flows from operating activities	**1,735,447,985**	5,232,520,379	**–66.83**	6,334,192,911

	End of 2014	End of 2013	**Increase/decrease at the end of the period over the end of the same period last year** *(%)*	End of 2012
Net assets attributable to shareholders of the Company	**45,733,876,161**	44,522,786,074	**2.72**	42,819,959,840
Total assets	**95,322,374,877**	88,766,654,061	**7.39**	78,133,484,407

(II) Major financial data (Prepared in accordance with the PRC GAAP)

Unit: Yuan Currency: RMB

Major financial indicator	**2014**	2013	**Increase/decrease for the period over the same period last year** *(%)*	2012
Basic earnings per share *(RMB/share)*	0.82	1.03	–20.39	1.51
Diluted earnings per share *(RMB/share)*	0.82	1.03	–20.39	1.51
Basic earnings per share after non-recurring profit and loss items *(RMB/share)*	0.50	0.90	–44.44	1.27
Return on net assets (weighted average) *(%)*	6.32	8.16	Decreased by 1.84 percentage points	12.70
Return on net assets after non-recurring profit and loss items (weighted average) *(%)*	3.84	7.15	Decreased by 3.31 percentage points	10.70

II. Differences in accounting data between IASs and PRC GAAP

(I) Differences in net profit and equity attributable to shareholders of the Company in the financial report prepared under IASs and those under PRC GAAP

Unit: '000 Currency: RMB

	Net profit attributable to shareholders of the Company		**Net assets attributable to shareholders of the Company**	
	Amount for the period	Amount for the pervious period	**As at the end of the period**	As at the beginning of the period
Under PRC GAAP	**2,850,649**	3,565,009	**45,733,876**	44,522,786
Adjustments to items and amounts under IASs:				
Production safety fund provided under the PRC GAAP but not used during the period	**47,301**	–47,370		
Income tax effect on production safety fund	**1,145**	38,053	**–5,926**	–7,071
Under IASs	**2,899,095**	3,555,692	**45,727,950**	44,515,715

III. Non-recurring profit and loss items and amount (Prepared in accordance with the PRC GAAP)

Unit: Yuan Currency: RMB

Non-recurring profit and loss items	**2014 amount**	2013 amount	2012 amount
Gains/losses from disposal of non-current assets	**–39,649,118**	–53,849,052	–37,670,553
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	**109,049,458**	125,810,017	114,917,569
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 except for effective portion of normal transactions qualified for hedge accounting	**1,482,905,169**	493,475,946	689,071,621
Non-operating income and expenses except the abovementioned items	**–254,130**	13,102,414	12,917,293
Reversal long and medium term incentive schemes *(Note)*	**—**	—	351,294,891
Gains from disposal of certain equity of the invested entities calculated under the cost method	**—**	—	—
Impact from minority interests	**–86,639,118**	–140,599,525	–81,798,766
Impact from the changes of the income tax rate of the Company	**—**	171,445,285	
Impact from income tax	**–348,323,224**	–166,574,123	–227,406,002
Total	**1,117,089,037**	442,810,962	821,326,053

Note: In 2012, after approval from related government authorities, the Group and its middle- and high-grade management personnel have compromised to reduce the incentive of the middle- and high-grade management personnel by RMB351,294,891.

IV. Items measured at fair value (prepared in accordance with PRC GAAP)

Unit: Yuan Currency: RMB

Item	Opening balance	Closing balance	Change during the period	Impact on profit of the current period
1. Investment in held-for-trading equity instruments				
Equity investments	919,399	747,420	–171,979	–171,979
2. Investment in held-for-trading debt instruments				
Bond investment	47,960,959	47,411,459	–549,500	–549,500
3. Derivatives not designated as a hedge				
Forward foreign exchange contracts	–109,007,724	–95,254,585	13,753,139	13,753,139
Interest rate swap contracts	—	–374,880	–374,880	–374,880
Option contracts	–12,614,486	–4,338,400	8,276,086	18,310,534
Commodity derivative contracts	–97,372,131	189,172,559	286,544,690	286,544,690
Gold forward contracts	–349,944,786	–121,210,566	228,734,220	228,734,220
Currency swap contracts	—	–6,158,278	–6,158,278	–6,158,278
4. Liabilities arising from the lease of gold measured at fair value	–2,802,265,402	–2,416,716,699	385,548,703	–270,590,115
5. Hedging instruments				
(1) Non-effective hedging derivative instruments				
Commodity derivative contracts	407,396	1,726,897	1,319,501	1,319,500
Provisional price arrangement	–632,059	11,607,899	12,239,958	12,239,958
(2) Effective hedging derivative instruments				
Cash flow hedges				
Commodity derivative contracts	–2,306,784	42,753,110	45,059,894	696,452
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
Commodity derivative contracts				
Balance of fair value change in inventory of a hedged item	4,367,844,950	1,832,738,458	–2,535,106,492	–151,183,526
Provisional price arrangement	–84,533,995	59,014,655	143,548,650	143,548,650
6. Available-for-sale financial assets				
Wealth management product	1,371,500,000	963,000,000	–408,500,000	—
Bond investment	259,650,000	80,080,840	–179,569,160	—
Asset management plan	—	880,000,000	880,000,000	—
Total	2,589,755,343	1,464,199,889	–1,125,555,454	275,968,859

Management Discussion and Analysis

(The following data is extracted from the consolidated financial statements prepared under the PRC GAAP)

I. Discussion and analysis on the Company's operation during the reporting period by the Board

During the reporting period, due to the overall downturn of the world economy and the intensifying downward pressure on the Chinese economy, the global mining industry has been experiencing a "severe winter". Confronted with the austere situation of structural overcapacity and fierce market competition as well as the slumping of product prices, the enterprises in the non-ferrous metal industry suffered more and more severe operating risks. Under the leadership of the Board of the Company and the endeavor made by all staff, the Group consistently adhered to the development principle of "advancing with stable improvement and transforming with continuous innovation". As such, we overcame various difficulties and accomplished the annual production and operation plan smoothly through cost reduction, risk control and reform intensification as well as other measures.

In respect of industrial production, thanks to the enhancement of benchmark management and strengthening of performance assessment, part of copper smelting indicators of Guixi Smelter of the Group achieved a new progress. In addition, some of the core indicators reached the advanced standard in the world, which not only consolidated its position in the industry, but also brought about considerable economic benefits for the Company. In 2014, the total output of copper cathode of the Group increased stably, amounting to 1.2 million tonnes. The Group gave full play to the productivity of mines, through scientific arrangement and streamlined management, with the total annual output of copper contained in copper concentrates amounting to 210,000 tonnes, basically the same level as the previous year. Each copper processing enterprise's production stage of the Group remained stable, with the productivity reaching over 1 million tonnes.

In respect of cost control, after twenty measures regarding "increase income and reduce expenditure, increase output and improve effectiveness" were launched in last year, the Group continued to optimize all-round budget management and information system, which reinforced the supervision and implementation of strategic planning and annual operation plans. Moreover, we were determined in adhering to the hardworking and thrifty principle to strictly control daily expenses. Accordingly, controllable expenses such as business entertainment fees and travel expenses. decreased by 10% on a year-on-year basis. Through scientific management measures, the Group effectively lowered the production and operation cost in order to cope with the unfavorable situation of price reduction in international bulk commodities in a practical manner.

In respect of innovative management, the Group continued to promote the marketing system reform and completed the adjustment on structure and operating mechanism of the Trading and Business Department. As a result, we preliminarily achieved a unified management on market, business, price, risk control and assessment, and injected new vitality to the copper processing segment via the reorganization of the Copper Processing Department. The Group studied the reform scheme of JCC International Trading Company Limited, a subsidiary of the Group, in a bid to promote the pilot project regarding the shareholding of the management in subsidiaries. By means of integration of internal scientific and research resources and strengths through the organization and establishment of JCC Technology Intuition (江銅技術研究院), we constructed a unified technical innovation and R&D platform. In 2014, the Group became the ever first as well as the only one enterprise with more than 1,000 patents in Jiangxi Province.

In respect of risk control, facing severe market situation of the previous year, the Group paid great attention to the establishment of internal control system to enhance the overall risk management. Furthermore, we revised and optimized the Hedging Management Measures and the operating rules thereof and reinforced the risk control and business guidance on futures hedging by operating units. Moreover, we formulated supplemental provisions on receivables management measures and the customer credit management system to elevate financial risk prevention capacity.

In respect of safety and environmental protection, the Company looked into basic problems to strengthen safe production management and hidden danger checking. As such, the safe production remained at a stable level. Due to the enhancement of operation management on environmental protection facilities, the effluent treatment capacity of the Group promoted steadily, with the reuse rate of industrial water of more than 93% of the Company. In 2014, Dexing Copper Mine became the ever first national green mine which passed the examination, and Yinshan Mining became the national test unit for green mining.

Based on the audited consolidated financial statements for the year of 2014 prepared in accordance with the PRC GAAP, the consolidated revenue of the Group amounted to RMB198,833,486,017 (2013: RMB175,890,190,968), representing an increase of RMB22,943,295,049 or 13.04% from last year. Net profit attributable to owners of the Company amounted to RMB2,850,649,245 (2013: RMB3,565,009,194), representing a decrease of RMB714,359,949 or 20.04% from last year. Basic earnings per share was RMB0.82 (2013: RMB1.03), representing a decrease of RMB0.21 or 20.39% from last year.

(I) Analysis of principal businesses

1. Table of movement analysis for the related items in income statement and cash flow statement

Unit: Yuan Currency: RMB

Items	For the period	For the same period last year	Changes (%)
Operating income	198,833,486,017	175,890,190,968	13.04%
Operating cost	192,224,685,633	168,422,914,887	14.13%
Selling and distribution expenses	547,006,816	545,284,265	0.32%
Administrative expenses	1,846,404,988	1,703,154,348	8.41%
Finance costs	–5,571,471	157,329,002	–103.54%
Net Cash Flow from operating activities	1,735,447,985	5,232,520,379	–66.83%
Net Cash Flow from investment activities	–2,999,813,269	–3,479,150,233	13.78%
Net Cash Flow from financing activities	973,885,835	1,317,477,700	–26.08%
Expenses on research and development	2,326,130,110	2,327,580,100	–0.06%

2. Income

(1) Analysis of the factors driving the changes in business

During the reporting period, operating income of the Group was RMB198,833,490,000, representing an increase of RMB22,943.3 million comparing to the corresponding period last year, mainly due to the expansion of our business scale, the rise in product sales and the increase in trading income.

(2) Analysis of the factors affecting income from physical sale of the Company's products

During the reporting period, major products of the Group were copper cathode, copper processing products, gold, silver, sulphuric acid and sulphuric concentrate:

1. During the reporting period, the Company produced copper cathode of 1.2 million tonnes, representing an increase of 71,800 tonnes or 6.36% compared to the corresponding period last year.

2. During the reporting period, the Company produced copper processing products of 860,000 tonnes, representing an increase of 28,800 tonnes or 3.46% compared to the corresponding period last year. Copper processing products of 858,100 tonnes were sold, representing an increase of 29,300 tonnes or 3.54% compared to the corresponding period last year.

3. During the reporting period, the Company produced gold of 26 tonnes, representing an increase of 0.6 tonne or 2.36% compared to the corresponding period last year. Gold of 26.36 tonnes was sold, representing a decrease of 0.07 tonne or 0.26% compared to the corresponding period last year.

4. During the reporting period, the Company produced silver of 567 tonnes, representing a decrease of 151.02 tonnes or 21.03% compared to the corresponding period last year. Silver of 566.1 tonnes was sold, representing a decrease of 153.53 tonnes or 21.33% compared to the corresponding period last year.

5. During the reporting period, the Company produced sulphuric acid of 3,010,000 tonnes, representing an increase of 29,400 tonnes or 0.99% compared to the corresponding period last year. Sulphuric acid of 2,979,800 tonnes was sold, representing a decrease of 50,400 tonnes or 1.66% compared to the corresponding period last year.

6. During the reporting period, the Company produced sulphuric concentrate of 2,520,000 tonnes, representing an increase of 406,400 tonnes or 19.23% compared to the corresponding period last year.

(3) Sales to major customers

During the reporting period, sales contributed by top five customers of the Group amounted to RMB26,511,059,432, accounting for 13.33% to the total operating revenue of the Company.

3. Costs

(1) Analysis on costs

Unit: Yuan Currency: RMB

By industry	Cost constituent	For the period	Share of total costs for the period *(%)*	For the same period last year	Share of total costs for the same period last year *(%)*	Changes of the amount for the period compared to the same period last year *(%)*
Manufacturing of non-ferrous metals	Raw materials	53,361,988,015	27.91%	65,106,869,809	38.75%	–18.04%
	Energy power	2,114,200,134	1.11%	2,079,763,885	1.24%	1.66%
	Labour	990,551,178	0.52%	1,022,473,166	0.61%	–3.12%
	Overheads	4,139,322,171	2.16%	3,482,818,609	2.07%	18.85%
	Sub-total	60,606,061,498	31.70%	71,691,925,469	42.67%	–15.46%
	Trading of non-ferrous metals and others	130,606,102,666	68.30%	96,311,092,494	57.33%	35.61%
	Total	191,212,164,164	100.00%	168,003,017,963	100.00%	13.81%

Unit: Yuan Currency: RMB

By product	Cost constituent	For the period	Share of total costs for the period (%)	For the same period last year	Share of total costs for the same period last year (%)	Changes of the amount for the period compared to the same period last year (%)
Copper products	Raw materials	44,985,597,179	87.34%	54,717,996,821	90.34%	–17.79%
	Energy power	1,936,798,306	3.76%	1,887,365,743	3.12%	2.62%
	Labour	859,192,625	1.67%	908,032,712	1.50%	–5.38%
	Overheads	3,721,877,652	7.23%	3,054,629,441	5.04%	21.84%
	Sub-total	51,503,465,762	100.00%	60,568,024,717	100.00%	–14.97%
By-products of precious metals	Raw materials	7,860,927,843	99.22%	9,789,214,589	99.38%	–19.70%
	Energy power	4,602,471	0.06%	7,181,722	0.07%	–35.91%
	Labour	14,161,460	0.18%	12,673,504	0.13%	11.74%
	Overheads	43,119,748	0.54%	41,314,181	0.42%	4.37%
	Sub-total	7,922,811,522	100.00%	9,850,383,996	100.00%	–19.57%
Chemical products	Raw materials	427,674,333	41.88%	461,526,519	44.54%	–7.33%
	Energy power	164,801,152	16.14%	170,185,120	16.42%	–3.16%
	Labour	101,103,299	9.90%	82,363,265	7.95%	22.75%
	Overheads	327,684,693	32.09%	322,094,919	31.09%	1.74%
	Sub-total	1,021,263,477	100.00%	1,036,169,823	100.00%	–1.44%
Rare metals	Raw materials	87,788,660	55.38%	138,131,880	58.20%	–36.45%
	Energy power	7,998,205	5.05%	15,031,299	6.33%	–46.79%
	Labour	16,093,794	10.15%	19,403,685	8.18%	–17.06%
	Overheads	46,640,078	29.42%	64,780,069	27.29%	–28.00%
	Sub-total	158,520,737	100.00%	237,346,933	100.00%	–33.21%
Trading and others		130,606,102,666		96,311,092,494		35.61%
	Total	191,212,164,164		168,003,017,963		13.81%

(2) *Major Suppliers*

During the reporting period, the aggregate procurement amount, excluding trading business, from our five largest suppliers was RMB8,134,381,657, representing 14.66% of the total procurement amount of the Company.

4. Expense

Unit: Yuan Currency: RMB

Item	For the period ended	For the same period last year	Increase/ (decrease) over the same period last year (%)	Reasons for the changes
Selling and distribution expenses	547,006,816	545,284,265	0.32%	The sales volume of main products produced by the Company had no material changes compared to that of last year, with the sales and distribution expenses basically equal to that of last year.
Administrative expenses	1,846,404,988	1,703,154,348	8.41%	Mainly attributable to the increase in taxation and the repair expenses.
Finance costs	−5,571,471	157,329,002	−103.54%	During the production and operation process, the Company made full use of the interest difference in markets to raise the efficiency on capital utilization.

5. Research and development expenditure

(1) *Expenses on research and development*

Unit: 0'000 Currency: RMB

Expenses on research and development expensed for the period	188,952
Expenses on research and development capitalised for the period	43,661
Total expenses on research and development	232,613
Percentage of total expenses on research and development over net asset (%)	4.95
Percentage of total expenses on research and development over operating revenue (%)	1.17

(2) *Explanation*

During the reporting period, in order to enhance the sustainable development and self-creation capacities of the Company, the Group stipulated a series of research and development projects.

The research and development projects of the Group covered the whole industrial chain of "exploration, selection, smelting and processing" and contributed research and development resources into environmental protection and resources regeneration, including the industrial experimental study on recycling iron from the copper smelting slag, the study on measures and techniques of cutoff grade dynamic measurement of multi-metal copper ore deposit; the study on recovery process of liquid tellurium after replacement of platinum and palladium, the study on preparation technology of high-purity silver nitrate, study on recovery techniques of complicated tellurium-containing materials and other comprehensive recovery and deep processing projects of rare metals; the study and application of unleaded and halogen-free copper foil, study and development of high-accuracy solar-using photovoltaic copper strip and other research projects to promote the copper processing capacity and level.

The abovementioned research and development projects were well under progress, missions and indicators of research in some of the projects have been delivered. Meanwhile, the Group applied patent certificates for some scientific research projects. The Group believes that the continuous implementation of research and development projects will underpin positive development and the fostering of new growth engine.

6. Cash Flow

Unit: 0'000 Currency: RMB

Item	For the year	For the same period last year	Changes (%)
Net cash flow from operating activities	173,545	523,252	–66.83%
Net cash flow from investing activities	–299,981	–347,915	–13.78%
Net cash flow from financing activities	97,389	131,748	–26.08%

(1) Reasons for change in cash flow from operating activities: a decrease of RMB3,497,000,000 as compared to previous year; mainly due to the increase in operating receivable items and decrease in operating payable items.

(2) Reasons for change in cash flow from investing activities: an increase of RMB479,000,000 as compared to previous year, mainly due to the decrease in acquisition and construction of fixed assets expenses and decrease in the net expenses of wealth management products payment for the year.

(3) Reasons for change in cash flow from financing activities: a decrease of RMB344,000,000 as compared to previous year; mainly due to the increase in the cash repayments of borrowings.

7. Others

Explanation on development strategy and operating plan progress

In 2014, our major plans for production and operation of the Group were: copper cathodes of 1.12 million tonnes, gold of 25.4 tonnes, silver of 560 tonnes, sulphuric acid of 2.95 million tonnes, copper contained in copper concentrate of 209,000 tonnes and copper rods and wires and other copper processing products of 920,000 tonnes.

During the reporting period, except copper copper rods and wires as well as other copper processing products of 860,000 tonnes in aggregate which is slightly fewer than the plan set at the beginning of the period, the Group has completed or over fulfilled the other plans for production and operation above.

(II) Analysis of industry, products or regional operation (Prepared in accordance with the PRC GAAP)

1. Principal businesses by industry and by product

Unit: Yuan Currency: RMB

By products	Operating revenue	Operating cost	Profit margin (%)	Increase/ decrease in operating revenue over last year (%)	Increase/ decrease in operating cost over last year (%)	Increase/ decrease in profit margin over last year (%)
		Principal businesses by industry				
Copper cathodes	117,265,741,921	114,922,610,221	2.00%	10.10%	11.02%	–0.81%
Copper rods and wires	46,079,830,707	43,269,273,822	6.10%	11.25%	12.63%	–1.14%
Copper processing products	5,186,903,162	5,144,643,813	0.81%	4.92%	4.60%	0.31%
Gold	7,343,047,706	7,005,412,111	4.60%	–0.91%	2.00%	–2.72%
Silver	2,641,269,367	2,536,115,339	3.98%	–22.62%	–24.07%	1.83%
Chemical products	1,382,685,603	1,063,025,522	23.12%	3.06%	2.52%	0.40%
Rare metals and other non-ferrous metals	15,548,505,818	15,078,471,216	3.02%	72.97%	72.55%	0.24%
Others	2,293,691,093	2,192,612,120	4.41%	69.40%	87.47%	–9.22%

1) *Copper cathode*

During the reporting period, the operating revenue from copper cathodes increased by RMB10,759,450,000 or 10.10% compared with last year resulting from the increase in sales volume of copper cathodes, and operating costs of copper cathodes increased by RMB11,409,930,000 or 11.02% as compared with last year. Due to the decrease in product price, the gross profit of copper cathodes decreased by RMB650,480,000 or 21.73% as compared with last year. Gross profit margin decreased from 2.81% last year to 2% for the year.

2) *Copper rods and wires*

During the reporting period, operating revenue from copper rods and wires for the year increased by RMB4,660.93 million or 11.25% over last year and operating costs of copper rods and wires increased by RMB4,850.82 million or 12.63% as compared with last year, due to the increase in sales volume of copper rods and wires. Gross profit of copper rods and wires decreased by RMB189.89 million or 6.33% as compared with last year. Due to the price decrease, gross profit margin decreased from 7.24% last year to 6.1% for the year.

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

During the reporting period, following the increase in sales of copper processing products, operating revenue of copper processing products other than copper rods and wires increased by RMB243.41 million or 4.92% for the year as compared with last year. Operating costs increased by RMB226.14 million or 4.6% as compared with last year. Gross profit increased by RMB17.27 million as compared with last year. The increase rate of operating costs is smaller than that of operating revenue, accordingly, gross profit margin for the year increased from 0.51% last year to 0.81% for the year.

4) *Gold*

During the reporting period, operating revenue of gold decreased by RMB67.42 million or 0.91% as compared with last year due to the decrease in selling price. Operating costs increased by RMB137.16 million or 2% as compared with last year due to the decrease in price of products. Gross profit of gold decreased by RMB204.58 million or 37.73% as compared with last year while gross profit margin decreased from 7.32% last year to 4.60% for the year due to the decrease in price of products.

5) *Silver*

During the reporting period, operating revenue of silver decreased by RMB772.13 million or 22.62% compared to last year, owing to a drop in the selling price. As a results of the decrease in the cost of raw materials, the operating costs decreased by RMB803.99 million or 24.07% compared to last year. While the decrease rate of operating costs is larger than that of operation revenue, accordingly, the gross profit of silver increased by RMB31.86 million or 43.47% compared to last year. The gross profit margin of silver increased from 2.19% last year to 3.98% for the year.

6) *Chemical products*

During the reporting period, operating revenue from chemical products increased by RMB41.05 million or 3.06%, due to the increase in the selling price as compared with last year. Operating costs of chemical products for the year increased by RMB26.15 million or 2.52% as compared with last year. Gross profit of chemical products increased by RMB14.89 million or 4.89% as compared with last year while gross profit margin increased from 22.72% last year to 23.12% for the year.

7) *Rare and other non-ferrous metals*

During the reporting period, operating revenue from rare and other non-ferrous metals increased by RMB6,559.45 million or 72.97%, due to the increase in sales as compared with last year. Operating costs of rare and other non-ferrous metals increased by RMB6,339.88 million or 72.55%. Gross profit of rare and other non-ferrous metals increased by RMB219.57 million or 87.66% as compared with last year while gross profit margin increased from 2.79% last year to 3.02% for the year.

8) *Other products*

During the reporting period, the Group's operating revenue of other products increased by RMB939.69 million or 69.4% as compared with last year; operating costs increased by RMB1,023.05 million or 87.47% as compared with last year. Gross profit decreased by RMB83.36 million or 45.2% as compared with last year; and gross profit margin decreased from 13.62% last year to 4.41% for the year.

2. Principal businesses by geographical location

Unit: Yuan Currency: RMB

Geographical location	Revenue of principal business	Increase/decrease in revenue of principal business compared over last year *(%)*
Mainland China	173,181,424,936	11.12%
Hong Kong	9,728,743,948	11.50%
Others	14,831,506,493	37.35%
Total	197,741,675,377	12.75%

Management Discussion and Analysis

(III) Analysis of asset and liability (Prepared in accordance with PRC GAAP)

1. Analysis on assets and liabilities

Unit: Yuan Currency: RMB

Item	As at the end of the period	Share of total assets (or liabilities) as at the end of the period *(%)*	As at the end of the previous period	Share of total assets (or liabilities) as at the end of the previous period *(%)*	Changes as at the end of the period over the end of the previous period *(%)*
Current Assets					
Cash and bank	**25,338,863,649**	**26.58%**	23,992,113,234	27.03%	5.61%
Financial assets at fair value through profit or loss	**399,043,432**	**0.42%**	87,378,117	0.10%	356.69%
Notes receivable	**6,939,014,175**	**7.28%**	5,966,761,594	6.72%	16.29%
Accounts receivable	**9,520,750,628**	**9.99%**	8,253,842,633	9.30%	15.35%
Factoring business receivables	**884,839,337**	**0.93%**	—		
Prepayments	**1,647,515,113**	**1.73%**	3,529,026,378	3.98%	–53.32%
Interest receivable	**261,666,696**	**0.27%**	248,049,865	0.28%	5.49%
Other receivables	**3,006,555,603**	**3.15%**	1,253,546,810	1.41%	139.84%
Inventories	**14,190,219,045**	**14.89%**	14,683,971,325	16.54%	–3.36%
Available-for-sale financial assets	**1,263,000,000**	**1.32%**	1,501,500,000	1.69%	–15.88%
Non-current assets due within one year	**1,000,000,000**	**1.05%**	—		
Other current assets	**2,240,637,098**	**2.35%**	1,239,092,965	1.40%	80.83%
Total Current Assets	**66,692,104,776**	**69.96%**	60,755,282,921	68.44%	9.77%

Item	As at the end of the period	Share of total assets (or liabilities) as at the end of the period (%)	As at the end of the previous period	Share of total assets (or liabilities) as at the end of the previous period (%)	Changes as at the end of the period over the end of the previous period (%)
Non-current Assets:					
Available-for-sale financial assets	**1,068,529,427**	**1.12%**	539,730,000	0.61%	97.97%
Long-term stock investments	**3,299,455,543**	**3.46%**	2,677,755,711	3.02%	23.22%
Investment properties	**357,873,604**	**0.38%**	174,840,826	0.20%	104.69%
Fixed assets	**18,511,580,485**	**19.42%**	18,266,288,059	20.58%	1.34%
Construction in progress	**1,992,241,548**	**2.09%**	1,736,373,038	1.96%	14.74%
Intangible assets	**1,763,800,213**	**1.85%**	1,357,135,222	1.53%	29.96%
Exploration costs	**771,889,871**	**0.81%**	665,245,409	0.75%	16.03%
Deferred tax assets	**690,058,974**	**0.72%**	483,853,438	0.55%	42.62%
Other non-current assets	**174,840,436**	**0.18%**	2,110,149,437	2.38%	–91.71%
Total Non-current Assets	**28,630,270,101**	**30.04%**	28,011,371,140	31.56%	2.21%
TOTAL ASSETS	**95,322,374,877**	**100.00%**	88,766,654,061	100.00%	7.39%
Short-term borrowings	**20,929,923,138**	**21.96%**	15,245,862,473	17.18%	37.28%
Financial liabilities at fair value through profit or loss	**2,690,662,841**	**2.82%**	3,496,617,724	3.94%	–23.05%
Notes payable	**599,614,882**	**0.63%**	545,560,000	0.61%	9.91%
Accounts payable	**10,348,876,786**	**10.86%**	10,745,431,245	12.11%	–3.69%
Receipts in advance	**1,619,622,447**	**1.70%**	1,763,818,646	1.99%	–8.18%
Employee benefit liability	**693,438,217**	**0.73%**	818,113,291	0.92%	–15.24%
Tax payable	**1,002,018,191**	**1.05%**	1,098,392,711	1.24%	–8.77%
Interest payable	**168,803,904**	**0.18%**	140,174,905	0.16%	20.42%
Divident payable	**10,800,000**	**0.01%**	—		
Other payables	**1,327,632,468**	**1.39%**	1,123,243,818	1.27%	18.20%
Non-current liabilities due within one year	**37,732,896**	**0.04%**	539,633,955	0.61%	–93.01%
Othe non-current liabilities	**1,051,170,677**	**1.10%**	781,956,498	0.88%	34.43%
Total Current Liabilities	**40,480,296,447**	**42.47%**	36,298,805,266	40.89%	11.52%

Item	As at the end of the period	Share of total assets (or liabilities) as at the end of the period (%)	As at the end of the previous period	Share of total assets (or liabilities) as at the end of the previous period (%)	Changes as at the end of the period over the end of the previous period (%)
Non-current Liabilities:					
Long-term borrowings	**680,454,179**	**0.71%**	90,061,994	0.10%	655.54%
Employee benefit liability	**187,480,264**	**0.20%**	151,889,120	0.17%	23.43%
Bonds payable	**6,246,297,174**	**6.55%**	5,955,393,258	6.71%	4.88%
Long-term payables	**12,490,926**	**0.01%**	13,192,296	0.01%	–5.32%
Provisional debts	**122,465,354**	**0.13%**	148,622,873	0.17%	–17.60%
Deferred tax liabilities	**93,646,453**	**0.10%**	96,752,142	0.11%	–3.21%
Deferred income	**472,977,494**	**0.50%**	372,260,199	0.42%	27.06%
Total Non-current Liabilities	**7,815,811,844**	**8.20%**	6,828,171,882	7.69%	14.46%
TOTAL LIABILITIES	**48,296,108,291**	**50.67%**	43,126,977,148	48.58%	11.99%
SHAREHOLDERS' EQUITY:					
Share capital	**3,462,729,405**	**3.63%**	3,462,729,405	3.90%	0.00%
Capital reserve	**11,685,894,665**	**12.26%**	11,685,894,665	13.16%	0.00%
Other comprehensive revenue	**–297,731,000**	**–0.31%**	–342,235,854	–0.39%	–13.00%
Special reserve	**275,472,747**	**0.29%**	228,172,056	0.26%	20.73%
Surplus reserve	**14,103,925,798**	**14.80%**	13,715,000,748	15.45%	2.84%
Retained earnings	**16,503,584,546**	**17.31%**	15,773,225,054	17.77%	4.63%
Total equity attributable to owners of the Company	**45,733,876,161**	**47.98%**	44,522,786,074	50.16%	2.72%
Non-controlling interests	**1,292,390,425**	**1.36%**	1,116,890,839	1.26%	15.71%
TOTAL SHAREHOLDERS' EQUITY	**47,026,266,586**	**49.33%**	45,639,676,913	51.42%	3.04%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**95,322,374,877**	**100.00%**	88,766,654,061	100.00%	7.39%

Analysis on reasons of changes:

As at the end of the reporting period, analysis on the Group's major assets and liabilities (items in the consolidated balance sheets) which constitute significant changes or significant variation from the same period last year is as follows:

Held-for-trading financial assets: As at the end of the reporting period, the balance of held-for-trading financial assets of the Group amounted to RMB399.04 million, representing an increase of RMB311.67 million or 356.69% from the end of last year, which was mainly attributable to the increase in changes in fair value of commodity futures and increase in hedging financial assets of the Group as at the end of the year as compared to those of last year.

Factoring receivables: As at the end of the reporting period, the balance of factoring receivables of the Group amounted to RMB884.84 million, representing an increase of RMB884.84 million from the end of last year, mainly due to the increase in the items of factoring receivables of the Group in the period.

Prepayments: As at the end of the reporting period, the balance of prepayments of the Group amounted to RMB1,647.51 million, representing a decrease of RMB1,881.51 million or –53.32% from the end of last year, mainly attributable to that the market supply was sufficient and the open credit decreased.

Other receivables: As at the end of the reporting period, the balance of other receivables of the Group amounted to RMB3,006.55 million, representing an increase of RMB1,753 million or 139.84% from the end of last year, mainly attributable to the increase in the open credit and future deposits.

Non-current assets due within one year: As at the end of the reporting period, the balance of the Group's non-current assets due within one year was RMB1,000 million, representing an increase of RMB1,000 million from the end of last year, mainly due to that some of the wealth management plans of the Group would be due within one year.

Other current assets: As at the end of the reporting period, the balance of other current assets of the Group amounted to RMB2,240.64 million, representing an increase of RMB1,001.54 or 80.83% from the end of last year, mainly attributable to the increase in the balances of loans by the JCC Financial Co., Ltd. to the related parties.

Investment properties: As at the end of the reporting period, the balance of investment properties of the Group amounted to RMB357.87 million, representing an increase of RMB183.03 million or 104.69% from the end of last year, mainly attributable to that a subsidiary of the Group rented its office buildings, fixed assets be transferred into investment properties.

Deferred income tax assets: As at the end of the reporting period, the balance of deferred income tax assets of the Group amounted to RMB690.06 million, representing an increase of RMB206.21 million or 42.62%, mainly attributable to the relatively large increase in provision for assets impairment as compared to that of last period. The main reason was the relatively more provision for bad debts of accounts receivable in the single item on account of the returnability during the period, which lead to the significant increase in balances of provisions for bad debts of accounts receivables. In addition, due to the continuous downward trend of copper price in the period, the balances of allowance for inventories provided increased as compared to that at the beginning of the period.

Other non-current assets: As at the end of the reporting period, the balance of other non-current assets of the Group amounted to RMB174.84 million, representing a decrease of RMB1,935.31 million or -91.71% from the end of last year, mainly attributable to the non-current assets due within one year transferred from certain assets management projects and the return of certain assets projects due to acceleration of maturity.

Short-term borrowings: As at the end of the reporting period, the balance of short-term borrowings of the Group amounted to RMB20,929.92 million, representing an increase of RMB5,684.06 million or 37.28%, mainly attributable to the increase in discount and negotiated payment of bills and letter of credit.

Dividend payable: As at the end of the reporting period, the Group's balance of dividend payable was RMB10.80 million, representing an increase of RMB10.80 million from the end of last year, mainly due to that the subsidiary of the Group should pay the dividend for the minority shareholders.

Non-current liabilities due within one year: As at the end of the reporting period, the Group's balance of non-current liabilities due within one year was RMB37.73 million, representing a decrease of RMB501.90 million or -93.01% from the end of last year, mainly attributable to the expiry of long-term borrowings within one year during the period and the absence of other additions.

Other current liabilities: As at the end of the reporting period, the balance of other current liabilities of the Group amounted to RMB1,051.17 million, representing an increase of RMB269.21 million or 34.43% from the end of last year, mainly attributable to the increase in current deposits and fixed deposits due within one year deposited by the related party companies with the JCC Financial Co., Ltd., a subsidiary of the Group.

Long-term borrowings: As at the end of the reporting period, the balance of long-term borrowings was RMB680.45 million, representing an increase of RMB590.39 million or 655.54% from the end of last year, mainly due to the new additional long-term borrowings in the parent company in the period.

(IV) Analysis of core competitiveness

During the reporting period, there was no material change in the core competitiveness of the Company.

The Group has established its industry chain with core businesses such as mining, milling, smelting and processing of copper, as well as extraction and processing of sulphur chemicals, precious and rare metals after thirty years of development. The Group also conducts business in various areas such as finance and trading at the same time.

1. Advantages on mines. The Group places first priority to develop mines amongst its development strategy, dedicated to seeking and controlling more resources and rasing the production volume of self-owned mines. As at the end of 2014 the Group maintained its major resources as follows:

   The Company had 100% ownership in the proven resource reserve of approximately 10,360,000 tonnes of copper metal, 331 tonnes of gold, 9,352 tonnes of silver, 237,000 tonnes of molybdenum, 100,680,000 tonnes of sulphur. Among the resources jointly controlled by the Company and other companies, metal resource reserves attributable to the Company (based on its equity percentage) were approximately 4,790,000 tonnes of copper and 42.4 tonnes of gold.

2. Scale benefits in the industry. Recently, the production capacity of copper smelting of the Group has continued to expand. As at the end of 2014, the existing production capacity of copper cathode exceeded 1,200,000 tonnes, of which, Guixi Smelter is the copper smelter with the largest monomer smelting scale in the whole world.

3. Advantages on technology and talents. The Group possessed industry-leading copper smelting and mine development technologies. After years of accumulation, the Group has reserved abundant mines and talents specialized in smelting and equipped with ability and advantages for reproducing and operating similar mines or for expanding the smelting enterprises.

4. Advantages on brand. The Group operates with a complete industry chain of mining, milling, smelting and processing. Being larger in scale and better in reputation, the Company's consolidated strength and profitability have enabled it to be positioned in a leading position in the non-ferrous metal industry for consecutive years. The Company could gain recognition, trust, support and aid from various sectors of the society, with relatively strong capability to resist risks.

(V) Analysis of investment

1. General analysis of external investment in equity

Unit: 0'000 Currency: RMB

Investment during the reporting period	103,201
Increase/decrease in investment	31,746
Investment during the same period last year	71,455
Extent of increase/decrease in investment *(%)*	44.43

Name of investee	Principal activity	Share of interests in the investee *(%)*	Investment amount
JCC BioteQ Environmental Technologies Co., Ltd	Industrial waste water recovery and product sales	50	1,410
Minerals Jiangxi Copper Mining Investment Company Limited	Investment company	40	149,200
MCC-JCC Aynak Minerals Company Limited (中冶江銅艾娜克礦業有限公司)	Exploration and sale of copper products	25	62,984
Asia Development Sure Spread Company Limited (興亞保弘株式會社)	Import and export of copper products	49	619
Zhaojue Fenye Smelting Company Limited (昭覺縣逢燁濕法冶煉有限公司)	Production and sale of electro deposited copper	47.86	406
Zhejiang Heding Copper Co., Ltd	Production and sale of copper cathode	40	36,000
BOCI Securities Limited	Security broker and investment advisor	6.31	60,000
Nesko Metal Sanayi ve Ticaret Anonim Sirketi	Exploration and sale of copper products	48	38,413
Hengbang Property Insurance Company Limited	Property insurance	14.82	9,780

(1) *Investment in securities*

No.	Securities type	Securities code	Securities abbreviation	Initial investment Cost *(RMB)*	Number of securities held *(share)*	Book value at the end of the period *(RMB)*	As a percentage of the total investment in securities as at the end of the period *(%)*	Profit and loss occurred in the reporting period *(RMB)*
1	Stock	002392	LISHENG PHARMA	1,050,075	23,335	747,420	2.06	–157,978
2	Bond	112194	13 NORTHEAST 01	50,000,000	500,000	47,411,459	97.94	938,171
		Total		51,050,075	/	48,158,879	100	780,193

(2) *Equity interests in non-listed financial enterprises*

Name of company	Initial investment cost *(RMB'000)*	Number of shares held *(0'000 share)*	As a percentage of the Company's equity *(%)*	Book value at the end of the period *(RMB'000)*	Profit and loss occurred in the reporting period *(RMB'000)*	Changes in the owner's equity during the reporting period *(RMB'000)*	Accounting items	Ways of acquisition
Bank of Nanchang	398,080	14,000	5.03	398,080	Not applicable	Not applicable	Financial assets available for sale	Acquired from a third party
BOCI Securities Limited	600,000	12,500	6.31	659,806	59,806	0	Long term equity investment	Subscription

2. Trust investment in non-financial entity and investment in derivatives

(1) *Trust investment*

The Company did not entrust any entities to make investment during the year.

(2) *Trust loan*

The Company did not entrust any entities to make loan during the year.

3. Use of proceeds raised

(1) Overall use of raised proceeds

Unit: 0'000 Currency: RMB

Year	Method	Total proceeds	Total utilised proceeds during the year	Accumulative total utilised proceeds	Total unutilised proceeds	Use and allocation of unutilised proceeds
2007	Non-public issuance	396,474 (including cash of 217,940)	1,768	217,432	508	Allocate to projects undertaken by the Group during the fund raising. The balance of proceeds after the completion of projects are used to be permanently allocated to supplement the working capital after the general meeting on 19 June 2012
	Bonds with warrants	674,360	8,742	574,309	100,051	Allocate to projects undertaken by the Group during the fund raising
Total	/	1,070,834	10,510	791,741	100,559	/

(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	Amount of proceeds applied during the year	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	46,799	1,768	46,291	Yes	98.91%	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 15,142 kg of silver and 607,150 tonnes of sulfur concentrate (standard sulfur concentrate of 703,541.55 tonnes) per annum.	Target met as expected	Yes
2) Projects financed by proceeds from exercise of warrants									
Technical renovation engineering of enlarging production scale of Dexing Copper Mine	No	258,000	5,325	214,964	Yes	83.32%	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. There will be additional 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. The completion of the project can increase the self-sufficiency rate of raw materials of the Group and bode well for investment benefits.	Target met as expected	Yes
Tender and development of the exploration rights of copper mine in Afghanistan	No	120,000	3,417	62,985	No	N/A	Upon completion of the project construction, the Company's control and profitability over copper resources will be strengthened.	Under construction without revenue	Not applicable
Acquisition of equity interests in Northern Peru Copper Corp. in Canada	No	130,000		130,000	No	N/A	Upon completion of the project construction, the Company's control and profitability over copper resources will be strengthened.	Under construction without revenue	Not applicable

1) Expansion project of Phase II of Chengmenshan Copper Mine

The Company intended to invest RMB467.99 million in the project, all of which will be financed 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 RMB17.68 million. As at the end of the reporting period, the actual accumulated amount invested by raised proceeds amounted to RMB462.91 million, representing 98.91% of the planned investment amount in the project.

2) Technical renovation project of expansion of production scale of Dexing Copper Mine

The Company intended to invest a total of approximately RMB2,580.00 million in the project completely by proceeds from exercise of warrants. During the reporting period, the actual amount invested by raised proceeds in the project amounted to RMB53.25 million. As at the end of the reporting period, the accumulated investment of the project amounted to RMB2,149.64 million, accounting for 83.32% of the planned investment amount. Upon completion of the construction, Dexing Copper Mine can increase its mining and milling capacity of ores from 100,000 tonnes per day to 130,000 tonnes per day. There will be additional 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. The completion of the project can increase the self-sufficiency rate of raw materials of the Group and bode well for investment benefits.

3) 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, proceeds of RMB34.17 million from exercise of warrants were actually invested into the project. As at the end of the reporting period, accrued investment of such proceeds under the project was RMB629.85 million. However, due to reasons including relocation of historical relics, there was extension from the expected commissioning date for the project.

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

The Company had joined hands 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. As at the end of the reporting period, the accumulated amount invested by proceeds from the exercise of warrants in such project amounted to RMB1,300 million. Due to reasons such as environmental assessment and land procurement, there was extension in the expected commissioning date.

Other projects related to the proceeds were completed in the previous reporting periods. Please refer to the website of Shanghai Stock Exchange and the website of the Company for the details of Special Report Relating to Deposit and Actual Use of Previous Raised Fund of Jiangxi Copper Company Limited.

4. Analysis of principal subsidiaries and joint stock companies

(1). Production and operation of our main controlling subsidiaries as at 31 December 2014

Unit: '000 Currency: RMB

Company name	Business nature	Registered capital	Shareholding percentage (%)	Total assets	Net assets	Operating revenue	Net profit/ (losses)
Kang Xi Copper Company Limited	Sales of copper materials, precious metal materials and sulphuric acid	286,880	57.14	1,045,880	289,905	2,196,755	–37,836
JCC Finance Company Limited	Provision of guarantee, deposit and loan to members of JCC	1,000,000	85.68	13,114,914	2,210,719	454,228	289,540
Jiangxi Copper Products Company Limited	Processing and sales of copper products	225,000	100	399,224	333,458	164,376	27,496
Jiangxi Copper Alloy Materials Company Limited	Production and sales of copper and copper alloy rods and wires	199,500	100	436,990	391,698	192,353	56,678
JCC Copper Products Company Limited	Processing and sales of hardware products	186,391	98.89	723,657	287,111	1,872,650	9,175
JCC Recycling Company Limited	Purchase and sales of scrap metals	6,800	99.51	18,145	10,019	316,042	2,451
Jiangxi Copper Shenzhen Trading Company Limited	Sale of copper products	660,000	100	12,216,191	509,323	51,085,312	–156,768
Jiangxi Copper Shanghai Trading Company Limited	Sale of copper products	200,000	100	5,285,997	141,262	17,069,876	–93,809
Jiangxi Copper Beijing Trading Company Limited	Sale of copper products	261,000	100	1,102,907	84,723	13,594,324	–180,000

Unit: '000 Currency: RMB

Company name	Business nature	Registered capital	Shareholding percentage (%)	Total assets	Net assets	Operating revenue	Net profit/ (losses)
JCC Yinshan Mining Company Limited	Production and sales of non-ferrous metals, precious metal and non-metals	30,000	100	1,304,282	745,150	613,103	5,109
JCC Dongtong Mining Company Limited	Production and sales of non-ferrous metals, precious metal and non-metals	46,209	100	376,357	120,411	98,588	–27,772
Jiangxi Copper Yates Copper Foil Company Limited	Production and sales of copper foil products	453,600	89.77	1,186,624	16,750	619,906	–132,450
Jiangxi Copper (Longchang) Precise Pipe Company Limited	Production and manufacture of screwed conduit, externally finned copper pipe and other copper pipes	890,529	92.04	1,924,243	591,358	2,006,604	–64,857
Jiangxi Copper Taiyi Special Electrical Materials Company Limited	Design, production and sales of all kinds of copper wires and enamelled wires, provision of after-sale maintenance and consultancy service	US$16,800	70	642,317	76,753	742,239	6,847
Thermoelectric Electronic (Jiangxi) Company Limited	Research and development and production of thermoelectric semiconductors and appliances and provision of related services	70,000	95	69,369	65,463	18,269	716
JCC (Guixi) Metallurgical and Chemical Engineering Company Limited	Metallurgy and chemical, manufacture and maintenance of equipments	35,081	100	130,902	45,401	428,168	6,237

Unit: '000 Currency: RMB

Company name	Business nature	Registered capital	Shareholding percentage (%)	Total assets	Net assets	Operating revenue	Net profit/ (losses)
JCC (Guixi) Logistics Company Limited	Provision of transportation services	40,000	100	183,899	127,379	233,384	10,425
JCC Dexing Alloy Materials Manufacturing Company Limited	Production and sales of casting products, maintenance of mechanical and electrical equipment, installation and debugging of equipments	66,380	100	234,442	139,150	299,425	1,985
JCC (Dexing) Construction Company Limited	Development and sales of building materials for various projects including mine projects	50,000	100	211,087	100,650	362,916	6,220
JCC Exploration Company Limited	Geographical investigation and survey and construction, engineering measurement	15,000	100	63,431	29,172	86,236	2,245
Jiangxi Jiangtong-Wengfu Chemical Industry Company Limited	Sulphuric acid and related by-products	181,500	70	230,339	219,148	169,614	3,947
JCC Jingxiang Engineering Company Limited	Contract for mining project	20,296	100	107,742	26,325	131,924	439
JCC Qianshan Copper Concentration Pharmaceuticals Company Limited	Sales of beneficiation pharmacy and fine chemical products and other industrial and civilian products	10,200	100	28,934	22,355	41,284	2,045
JCC Guangzhou Copper Products Company Limited	Production of copper rods/ wires and relevant products	600,000	100	1,735,079	858,015	14,023,418	13,248

Unit: '000 Currency: RMB

Company name	Business nature	Registered capital	Shareholding percentage (%)	Total assets	Net assets	Operating revenue	Net profit/ (losses)
JCC International Trading Company Limited	Trading of metal products	1,000,000	60	7,483,600	988,038	68,489,105	–10,138
Shanghai Jiangtong Investment Holdings Ltd. (上海江銅投資控股有限公司)	Construction industry	169,842	100	183,105	157,546	11,533	–1,657
Jiangxi Copper Corporation (Dexing) Chemical Company Limited	Sulphuric acid and related by-products	336,550	100	715,906	437,185	229,893	24,852
JCC (Yugan) Alloy Materials Manufacturing Company Limited	Production and sales of cast iron grinding ball, machinery processing and manufacture and sales of wear resistant materials and products	28,000	100	42,639	32,689	47,959	3,687
Jiangxi Copper (Qingyuan) Co., Ltd	Manufacturing, processing and sale of anode sheets of copper cathode and non-ferrous metals	890,000	100	1,472,356	613,659	4,961,674	–22,659
Jiangxi Copper Hong Kong Company Limited	Import-export business trade and settlement, offshore investment and financing and cross-border RMB settlement	US$3,000	100	6,055,672	277,234	10,327,715	45,044
Jiangxi Copper Renewable Resources Company Limited (江西銅業再生資源有限公司)	Metal scrap and waste metal	250,000	100	379,426	235,121	793,466	–4,886
Xiang Ge Lila Bisi Daji Mining Company Limited (香格里拉縣必司大吉礦業有限公司)	Mining and processing of non-ferrous metals	5,000	51	73,266	1,898	0	–5,390

Unit: '000 Currency: RMB

Company name	Business nature	Registered capital	Shareholding percentage (%)	Total assets	Net assets	Operating revenue	Net profit/ (losses)
Chengdu Jiangtong Sales Co., Ltd. (成都江銅營銷有限公司)	Sales of copper products	60,000	100	239,847	44,391	1,834,158	–16,152
Jiangxi Copper Construction Supervision Company (江西銅業建設監理公司)	Construction	3,000	100	10,238	6,831	8,624	1,828
Jiangxi Copper International (Istanbul) Mining Investment Co., Ltd. (江銅國際(伊斯坦布爾)礦業投資股份公司)	Import and export trading of copper products	US$62,400	100	352,866	346,994	0	–33,263
Jiangxi Copper Technical Institution Co., Ltd. (江西銅業技術研究院有限公司)	Technical research, etc.	45,000	100	47,374	44,784	783	–216
Jiangxi Copper Northwest (Tianjin) Copper Co., Ltd. (江銅華北(天津)銅業有限公司)	Production of copper rod and wire and the relevant products	510,204	51	509,051	509,051	0	–1,153
JCC (Guixi) New Metallurgical and Chemical Company Limited (江西銅業集團(貴溪)冶化新技術公司)	Copper smelting, chemical new technique and research and development of new products	2,000	100	34,597	25,551	44,468	5,424
JCC (Ruichang) Alloy Materials Manufacturing Company Limited (江西銅業集團(瑞昌)鑄造有限公司)	Production and sales of cast iron grinding ball, machinery processing and manufacture and sales of wear resistant materials and products	2,602	100	15,856	4,635	36,491	181

(2) Production and operation of our associates and joint ventures as at 31 December 2014

Unit: '000 Currency: RMB

Name of investee	Business nature	Registered capital Currency	Registered capital '000	Our shareholding (%)	Total assets at the end of the year ('000)	Total liabilities at the end of the year ('000)	Net assets in aggregate at the end of the year ('000)	Total operating revenue for the year ('000)	Net profits for the year ('000)
I. Joint Venture									
Jiangxi JCC-BIOTEQ Environmental Technologies Company Limited ("Jiangtong Bioteq")	Industrial waste water recovery and product sales	RMB	28,200	50	58,776	9,132	49,644	40,518	9,224
Nesko Metal Sanayi ve Ticaret Anonim Sirketi	Exploration and sale of copper products	YTL	4,520,000	48	370,147	68,170	301,977	128,626	−27,119
II. Associates									
Minmetals Jiangxi Copper Mining Investment Company Limited (五礦江銅礦業投資有限公司) ("Jiangxi Copper Minmetals")	Investment company	RMB	3,250,000	40	4,810,783	1,858,959	2,951,824	0	−82,051
MCC-JCC Aynak Minerals Company Limited (中冶江銅艾娜克礦業有限公司) ("MCC- JCC")	Exploration and sale of copper products	US$	363,648	25	2,417,873	17,948	2,399,925	–	–
Asia Development Sure Spread Company Limited (興亞保弘株式會社) ("Asia Sure Spread")	Import and export of copper products	JPY	200,000	49	200,000	0	200,000	–	–
Zhaojue Fengye Smelting Company Limited (昭覺縣逢燁濕法冶煉有限公司) ("Zhaojue Fengye")	Production and sale of electro deposited copper	RMB	10,000	47.86	8,066	1,209	6,857	0	0
Zhejiang Heding Copper Co., Ltd ("Zhejiang Heding")	Production and sale of copper cathode	RMB	900,000	40	4,228,449	3,292,394	936,055	7,010,142	35,451
BOCI Securities Limited ("BOCI")	Security broker and investment advisor	RMB	1,979,167	6.31	36,671,503	28,690,658	7,980,845	2,573,716	947,807

5. Projects financed by non-raised funds

During the reporting period, the Company did not have any projects financed by non-raised funds that were discloseable.

II. Discussion and analysis by the Directors concerning the future development of the Company

(I) Competition within the industry and the trend of development

At present, the world economy lacks in growth impetus. Except for the strong recovery of US economy, the economic situations of European Union, Japan and majority of developed countries have not got rid of recession yet. In addition, the growth of new economies generally slows down and the global economy is difficult to bottom out in the short run. However, along with the optimization and transformation of economic structure of the PRC, the growth rate of the domestic economy intends to maintain at the potential level, the rise in inflation remains moderate, the new additional employment keep stable under the "new normal". The GDP growth of the PRC in 2014 was 7.4% which was the lowest in 24 years. The economic growth target of the PRC in 2015 has been lowered to approximately 7.0%.

As for the industry, emerging economies, especially urbanization and industrialization of the PRC, have been pushed forward rapid growth of copper consumption globally in the past ten years. Excess liquidity brought about by the quantitative easing around the world, market expectation of inflation, mining and smelting of copper mines and increase in labor costs, copper price vibrated and tended to move upwards. Copper price continued to remain at high level, leading to new construction and expansion of copper mines in the world since 2006 and oversupply of copper concentrates in the world since 2013. With the release of new production capacity in the coming years, the oversupply of copper concentrates will further be intensified. The prospect of non-ferrous metal industry is far from optimism. It is expected that the continuous downturn in the industry in the future will accelerate to promote the merger and reorganization among enterprises, and the "going out" of the domestic enterprises with advantages will further expedite.

As for copper price, the copper price kept vibrating in a wide range in 2014. The copper price of the Shanghai Metal Exchange rebounded from RMB43,000 per tonne in March to RMB51,000 per tonne, the highest point in the year, and it dropped to RMB44,000 per tonne with continuous fluctuations in the second half of the year. As at the end of December, the price of 3-month copper future of the London Metal Exchange decreased by 14.78%, and the decrease in the price of 3-month copper future of the Shanghai Metal Exchange was 13.38%. In the first quarter of 2015, under the background of the end of QE of US, sluggish China's economy, expectation of oversupply of copper concentrates and strong US dollar, crude oil price continued to decline sharply and the speculation of selling short in bulk commodity increased, leading to copper price of the Shanghai Metal Exchange below RMB40,000 per tonne in January 2015. As the Federal Reserve stepped into the interest-rate rise cycle, the copper price will continue to be depressed by the appreciation of US dollar.

As for supply and demand relations, in respect of the supply end, the capacity of blister copper and refined copper increased by 750,000 tonnes per year and 800,000 tonnes per year to 5.60 million tonnes per year and 9.76 million tonnes per year respectively in 2014, and will increase to 6.25 million tonnes per year and 10.56 million tonnes per year with slower growth rate significantly. In respect of the consumption end, as the largest consumption market, with the national directional easing policies, reduction in interest rate a series of policies to stabilize growth, micro-stimulate and ease the economy including directional investments, manufacturing industry in China has stabilized. Copper price is expected to keep vibrating and tend to rebound in the future, together with economic reform of India and more efforts in infrastructure construction, suggesting copper price in 2015 will still increase generally.

Influenced by the sufficient supply of copper mines, the smelting and processing cost of copper increased to some extent in 2014, with the recovery of operation in smelting enterprises. However, affected by the macro economy, slack demand, structural surplus and intensifying competition will become the "new normal" in the development of the non-ferrous metal industry. Accordingly, the future development course of the Company will be adventurous.

(II) The development strategy of the Company

Adhering to the strategy of "to develop mines, to consolidate smelting, to improve refining and to diversify into related sectors", targeting at strategic objectives and being guided by the global and international standard for resources and operation, the Company will continue to carry out a comprehensive reform, remove the "roadblocks" to development, increase operation and management level and strengthen inventory assets in terms of internal measures. For external measures, it will reinforce investment development mainly by M&A and partly by new establishments, continue to expand its scale, adjust its structure, optimize its layout and enrich its assets. Through the said internal and external measures, the Company will make breakthroughs in development and turn a new page for the Company's development.

(III) Business plan

In 2015, the plan for major production and operation of the Group is: to produce 1,220,000 tonnes of copper cathode; 25.4 tonnes of gold; 560 tonnes of silver; 2,900,000 tonnes of sulphuric acid; 209,500 tonnes of copper contained in copper concentrate; and 1,020,000 tonnes of copper rods and wires and other copper processing products. The Group may, as and when appropriate, revise such plan in response to changes in market conditions.

To realize the above plan, in 2015, the Group will primarily exert efforts in the following aspects:

1. Forging ahead with the construction of key projects: The Company will continue the work for projects such as No.5 gangue reservoir and Zhushahong mining area of Dexing Copper Mine, phase III project of Chengmenshan Copper Mine, renovation project for the deep mining expansion of 5,000 tonnes per day of Wushan Copper Mine, Yinshan Mining's deep mining expansion project of 8,000 tonnes per day and conduct further prospecting operations in Yongping Copper Mine.

2. Engaging in mergers, acquisitions and restructuring and expediting globalization: placing strong emphasis on the globalization of its capital, market and personnel, the Company will keep looking for ways to merge and acquire domestic and overseas resources, seize precious opportunities and speed up the mergers and acquisitions of multinational corporations in the mining industry. Further, the Company will continue to strengthen its cooperation with domestic and overseas financial institutions and mining companies and actively unveil potential opportunities of new projects.

3. Further implementing benchmarking and enhancing production efficiency: by further implementing benchmarking, the Company will unearth the potential from within, rigorously control the quality of the products, exert efforts to optimize product structure and improve production efficiency in all areas in a bid to ensure stable and even increasing production volume.

4. Stimulating innovations in the business and improving the profitability: the Company will strengthen its budget management in all aspects and further minimize the costs. The Company will also formulate innovations, enhance market management, take the initiative to move in line with the changes in the market and adopt various effective measures, bringing about a higher level of efficiency to every single area of the Company.

5. Deepening reforms and stimulating development: the management model of the Group will be improved and the functions and powers of the management will be optimized. The Company will, by delegating powers, strengthen the management in all areas and take it to the next level; by taking a market-oriented approach, the Company will optimize the performance of all departments within it and the management system of all personnel in that regard. This move is aimed at improving the assessment of results and enhancing the performance management capability of the Company.

6. Implementing innovative business strategies and allocating more resources to research and development (R&D): through finding solutions to problems associated the production and improving product quality as the focus, the Company aims to enhance its efficiency. The Company will strive to engage in various research projects, including recovering smelting residue of copper from the Dexing Copper Mine, improving the quality of sulphur concentrates from Chengmenshan Copper Mine, optimizing the design of arsenic filters, adopting vacuum induction melting processes for lead-bismuth materials with high levels of silver and development and application of double-sided flexible electrodeposited copper foil.

7. Enhancing safety and environmental protection, energy conservation and emission reduction: the Company will strive to fulfill its social responsibilities through stepping up the input in safety and environmental protection. By adopting and meeting the production safety standards, optimizing the management and operations of new green facilities, targeting the key areas that require attention in terms of safety and environmental protection, monitoring key facilities and addressing the problems in this regard, the Company will eradicate the issues at the root and from every single area. To endeavour the efforts, the Company will keep facilitating the examination of key projects in terms of their safety and environmental protection standards. The Company will strive for green development, enhance inspection and ensure that the emission level does not exceed the standards.

(IV) Capital needed by the Company to maintain current operations and complete investment projects under construction

The major businesses have been advancing in general with a positive prospect and have built up cordial cooperation with a number of financial institutions. With reference to the conditions of its own assets, the Company will also actively and aggressively revivify its idling assets by raising their assets operation efficiency so as to provide financial support and security to the development of its major businesses. In the future, while the scales of production and sale of the Company are expanding, its demand for working capital will rise accordingly. According to its basic need as well as the actual requirements of project investment in line with the development target of the Company in future, it will maintain a solid financial policy, study for the possibility of financing through various channels, reduce its financing cost, optimize its financial structure and ensure its sound and steady growth.

(V) Potential risks

1. The risk of downward prices of copper

In 2015, the Group planned to produce 210,000 tonnes of copper contained in copper concentrate in total. For every decrease of RMB1,000 in the copper prices, the profits from the self-produced mines of the Company will be decreased by RMB210 million (before tax) and the equivalent EPS before tax will decrease by approximately RMB0.06 per share.

The Company has been pursuing a positive and prudent hedging policy for years. With an aim to delivering the operating target, the Company provided hedging for the self-produced raw materials according to the prices range, and outsourced raw materials with an aim to locking the processing fee, so as to shelter from the risk generated from fluctuations in the copper prices.

2. Risk from economic transformation

In 2015, the Chinese economy is still under structural adjustment and economic benefit of traditional manufacturing industry is further differentiated, resulting apparent differences of solvency of downstream enterprises and further increase in credit risks of enterprises.

III. The Board's explanation for "non-standard auditing report" given by the auditors

(1) The Board and the Board of Supervisors' Explanation for "Non-standard Auditing Report" Given by the Auditors

✓ N/A

(2) Analysis and Explanation of the Board on the Reasons and Impact of the Change in Accounting Policy, Accounting Estimation or Verification Method

For details, please see Item 12 "Impact of adopting new accounting policies on financial statement", under section headed "Significant Events" in this report.

(3) Analysis on and Explanation of the Board on the Reasons and Impact of the Correction to Material Errors for Last Period

✓ N/A

I. Statement of changes in share capital

(I) Statement of changes in share capital

Unit: Share

	Before the change		Increase/decrease (+, –)					After the change	
	Number	Percentage (%)	New issue of shares	Bonus shares	Transfer of capital reserve to share capital	Others	Sub-total	Number	Percentage (%)
Shares not subject to trading moratorium	3,462,729,405	100.00	/	/	/	/	/	3,462,729,405	100.00
1. Ordinary shares denominated in RMB	2,075,247,405	59.93	/	/	/	/	/	2,075,247,405	59.93
2. Domestic listed foreign shares	/	/	/	/	/	/	/	/	/
3. Overseas listed foreign shares	1,387,482,000	40.07	/	/	/	/	/	1,387,482,000	40.07
4. Others	/	/	/	/	/	/	/	/	/
Total number of shares	3,462,729,405	100.00	/	/	/	/	/	3,462,729,405	100.00

(2) Changes in shares subject to trading moratorium

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

II. Issue and listing of shares

(1) Issue of shares during recent three years as at the reporting period

As at the end of the reporting period, the Company did not issue any securities during recent three years.

(2) The total number of shares, changes in the shareholding structure and changes in assets and liabilities structure of the Company

During the reporting period, JCC, the largest shareholder of the Company, has decreased its shareholding in A shares in the A share market between 8 December 2014 and 10 December 2014, by an aggregate of 961,284 A shares of the Company by way of centralized bidding in the period from 8 December to 10 December 2014. Before the shareholding decrease, JCC originally owned 1,399,249,325 shares or 40.41% of the total share capital of the Company. After the shareholding decrease, as at 31 December 2014, JCC owned 1,398,288,041 shares or 40.38% of the total share capital of the Company.

(3) Existing staff shares

The Company had no staff shares as at the end of the reporting period.

III. PARTICULARS OF SHAREHOLDERS AND ULTIMATE CONTROLLER

(1) The number of shareholders and shareholdings

Unit: Share

The number of shareholders as at the end of the reporting period	175,149	The number of shareholders at the end of the fifth trading day prior to the date of this annual report	163,874

Shareholdings of the top ten shareholders

Name of shareholder	Type of shareholders	Shareholding percentage *(%)*	Total number of shares held	Increase/ decrease during the reporting period	Number of shares subject to trading moratorium held	Number of shares pledged or frozen
Jiangxi Copper Corporation ("JCC")	State-owned legal person	40.00%	1,385,148,041	–14,101,284	0	Nil
HKSCC Nominees Limited ("HKSCC")	Unkown	36.03%	1,247,452,495	–694,630	0	Unkonwn
Bank of China-Easy Positive Growth Securities Investment Fund	Unkown	0.25%	8,799,843	8,799,843	0	Unkonwn
Bosera Value Growth Securities Investment Fund	Unkown	0.23%	8,099,819	8,099,819	0	Unkonwn
CITIC Securities Company Limited	Unkown	0.22%	7,638,843	7,638,843	0	Unkonwn
Industrial and Commercial Bank of China — BOC Continuous Growth Equity Securities Investment Fund (中國工商銀行 — 中銀持續增長股票型證券投資基金)	Unkown	0.20%	6,895,741	6,895,741	0	Unkonwn
Shanghai Feike Investment Company Limited (上海飛科投資有限公司)	Unkown	0.19%	6,731,317	6,731,317	0	Unkonwn
Guotai Junan Securities Co., Ltd. (國泰君安證券股份有限公司)	Unkown	0.13%	4,612,330	4,612,330	0	Unkonwn
Bank of China Limited — Harvest Shanghai Shenzhen 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)	Unkown	0.13%	4,531,539	65,116	0	Unkonwn
Zhu Jianbo (朱劍波)	Unkown	0.13%	4,381,587	–136,875	0	Unkonwn

The shareholding of top ten holders of shares not subject to trading moratorium

Name of Shareholder	Number of shares held not subject to trading moratorium	Class and number of shares	
JCC	1,385,148,041	Ordinary shares denominated in RMB (A Share)	1,255,493,041
		Overseas listed foreign shares (H Share)	129,655,000
HKSCC	1,247,452,495	Overseas listed foreign shares (H Share)	1,247,452,495
Bank of China — E Fund Aggressive Growth Securities Investment Fund (中國銀行 — 易方達積極成長證券投資基金)	8,799,843	Ordinary shares denominated in RMB (A Share)	8,799,843
Boshi Value Growth Securities Investment Fund (博時價值增長證券投資基金)	8,099,819	Ordinary shares denominated in RMB (A Share)	8,099,819
CITIC Securities Company Limited (中信證券股份有限公司)	7,638,843	Ordinary shares denominated in RMB (A Share)	7,638,843
Industrial and Commercial Bank of China — BOC Continuous Growth Equity Securities Investment Fund (中國工商銀行 — 中銀持續增長股票型證券投資基金)	6,895,741	Ordinary shares denominated in RMB (A Share)	6,895,741
Shanghai Feike Investment Company Limited (上海飛科投資有限公司)	6,731,317	Ordinary shares denominated in RMB (A Share)	6,731,317
Guotai Junan Securities Co., Ltd. (國泰君安證券股份有限公司)	4,612,330	Ordinary shares denominated in RMB (A Share)	4,612,330
Bank of China Limited — Harvest Shanghai Shenzhen 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)	4,531,539	Ordinary shares denominated in RMB (A Share)	4,531,539
Zhu Jianbo (朱劍波)	4,381,587	Ordinary shares denominated in RMB	4,381,587

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" issued by 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" issued by CSRC.

(1) HKSCC held a total of 1,247,452,495 H Shares of the Company in the capacity of nominee on behalf of a number of customers, representing approximately 36.03% of the total issued share capital of the Company. HKSCC is a member of Central Clearing and Settlement System, providing registration and custodial services for customers.

(2) The 129,655,000 H Shares held by JCC have been registered with HKSCC and were separately listed from the other shares held by HKSCC when disclosed in this report. Taking into account the H shares held by JCC, HKSCC held 1,377,107,495 shares as nominee, representing approximately 40.00% of the issued share capital of the Company.

(3) The register of members as at the end of the Reporting Period showed that: JCC held 1,255,493,041 A shares and 129,655,000 H shares of the Company, a total of 1,385,148,041 shares, representing 40.00% of issued share capital of the Company. However, given that JCC had engaged in margin trading of A Shares, the actual number of A shares and H shares held by JCC was 1,268,633,041 and 129,655,000 respectively, 1,398,288,041 shares in total, representing 40.38% of the total share capital of the Company.

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

Unit: Share

Names of shareholders	Number of shares held at the beginning of the reporting period	Percentage of shareholding *(%)*	Number of shares hled at the end of the reporting period	Percentage of shareholding *(%)*	Increase/ decrease in the reporting period	Number of shares pledged or frozen
Shanghai Feike Investment Co., Ltd. (上海飛科投資有限公司)	0	0	6,731,317	0.19	8,591,830	Unknown
Zhu Jianbo (朱劍波)	4,518,462	0.13	4,381,587	0.13	–136,875	Unknown
JCC	1,399,249,325	40.41	1,385,148,041	40.00	–14,101,284	Nill

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS

As at 31 December 2014, the interests or short positions of the shareholders, other than Directors, Supervisors and chief executive 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 ("SFO") were as follows:

Name of shareholder	Class of shares	Capacity	Number of shares *(Note 1)*	Approximate percentage of the number of the relevant class of shares *(%)*	Approximate percentage of total issued share capital *(%)*
JCC	Domestic shares	Beneficial owner	1,268,633,041(L)	61.13(L)	36.64(L)
JCC *(note 2)*	H shares	Beneficial owner	129,655,000(L)	9.34(L)	3.74(L)
Blackrock, Inc.	H shares	*(note 3)*	85,473,555(L)	6.16(L)	2.47(L)
			2,185,000(S)	0.16(S)	0.06(S)

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

Note 2: 129,655,000 H shares held by JCC were registered with HKSCC Nominees Limited.

Note 3: According to the corporate substantial shareholder notice filed by Blackrock, Inc. on 29 December 2014, the H Shares were held in the following capacities:

Capacity	Number of H Shares
Interest of controlled corporation	85,473,555(L)
	2,185,000(S)

Pursuant to the said notice, such interests include 74,000 H shares in long position and 421,000 H shares in short positions, both of which were held in cash settled unlisted derivatives.

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 31 December 2014.

IV. Particulars of Controlling Shareholder and Ultimate Controller

(I) Particulars of Controlling Shareholder

Unit: 0'000 Currency: RMB

Name	Jiangxi Copper Corporation
Person in charge or legal representative	Li Baomin
Establishment date	1 July 1979
Organisation code	15826406-5
Registered capital	265,615
Principal operations	Non-ferrous ores, non-metallic ores and products of non-ferrous metal refining and processing
Operating results and financial position *(Currency: RMB)*	As at 31 December 2014, JCC's (unaudited) operating revenue was RMB209.3 billion. Total profit was RMB0.81 billion. Assets were RMB114.6 billion.
Cash flow and future development strategy	JCC's development strategy: leading the development of copper industry in China, becoming the most competitive mining enterprise around the globe and ranking among the top five mining companies in the world.
Equity interests in other domestic and overseas listed companies controlled and held by the Company during the reporting period	Jiangxi Copper Group Qibaoshan Mining Co., Ltd., a controlling subsidiary of the parent, owned 3,092,400 A shares or 1.2% of the total share capital of ST Zhuye (ST 株冶) (SH600061).

(II) Particulars of the ultimate controller

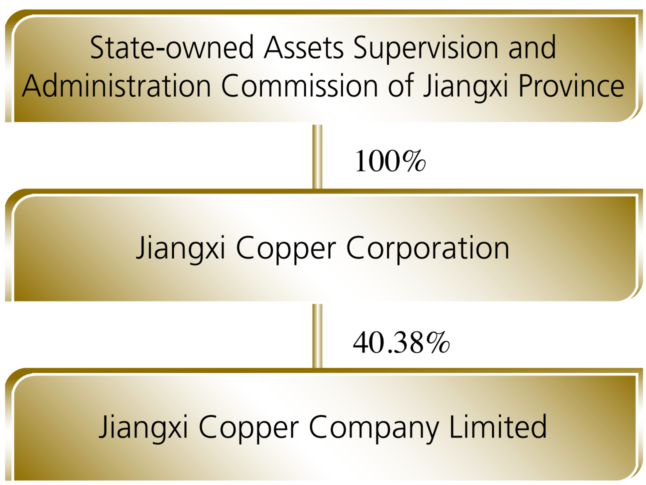
Unit: Yuan Currency: RMB

Name	State-owned Assets Supervision and Administration Commission of Jiangxi Province
Person in charge or legal representative	Chen Deqin

(1) Changes in Controlling Shareholder and the Ultimate Controller

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

(2) Chart of the Equity and Controlling Relationship between the Company and its Ultimate Controller



Note: Since JCC, the controlling shareholder of the Company, commenced the margin trading business, the register of members as at 31 December 2014 showed that: JCC held 40% of shares of Jiangxi Copper Company Limited, while its actual shareholding was 40.38%.

V. Other legal person shareholders with over 10% shareholding

As at the end of the reporting period, the Company had no other legal person shareholders with over 10% of shareholding of the Company.

VI. Public float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this report, there is sufficient public float of more than 25% of the Company's issued shares as required under the Rules Governing the Listing of Securities (the"Listing Rules") on the Stock Exchange.

VII. Purchase, sale or redemption of the Company's listed securities

During the reporting period, the Company has not redeemed any of its listed securities. Neither the Company nor any of its subsidiaries had purchased or sold any of the Company's listed securities during the reporting period.

VIII. Pre-emptive Rights

There is no provision for pre-emptive rights under the Company's Articles of Association and the relevant PRC law which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

PARTICULARS OF DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND STAFF

I. Changes in Shareholdings and Remunerations

(1) Changes in Shareholdings of Existing Directors, Supervisors and Senior Management and those who resigned during the reporting period

Unit: Share

Name	Position	Gender	Age	Commencement date of term of office	Termination date of term of office	Shares held at the beginning of the year	Shares held at the end of the year	Increase/ decrease of shares during the year	Reason for increase/ decrease	Total remuneration payable by the Company during the reporting period *(RMB'000)* (before tax)	Total remuneration payable by shareholder during the reporting period *(RMB'000)*
Li Baomin	Chairman/ Executive Director	Male	57	4 March 2013		0	0	/	/	106.56	0
Long Ziping	Vice Chairman Executive Director	Male	54	14 June 2013		0	0	/	/	106.56	0
Gan Chengjiu	Executive Director/ Chief financial officer	Male	52	26 June 2009		0	0	/	/	106.56	0
Liu Fangyun	Executive Director	Male	49	14 June 2013		0	0	/	/	106.56	0
Shi Jialiang	Executive Director	Male	68	26 June 2009		0	0	/	/	5	0
Gao Jianmin	Executive Director	Male	55	24 January 1997		0	0	/	/	20	0
Liang Qing	Executive Director	Male	61	12 June 2002		0	0	/	/	20	0
Qiu Guanzhou	Independent Non-executive Director	Male	66	11 June 2014						5	
Wu Jianchang	Independent Non-executive Director	Male	76	6 June 2008	11 June 2014	0	0	/	/	5	0
Gao Dezhu	Independent Non-executive Director	Male	74	26 June 2009		0	0	/	/	10	0
Zhang Weidong	Independent Non-executive Director	Male	52	19 June 2012		0	0	/	/	10	0
Deng Hui	Independent Non-executive Director	Male	43	19 June 2012		0	0	/	/	10	0
Hu Qingwen	Chairman of the Board of Supervisors	Male	51	14 June 2013		0	0	/	/	76.53	
Wu Jinxing	Supervisor	Male	52	26 June 2009		0	0	/	/	76.53	0
Lin Jinliang	Supervisor	Male	50	26 June 2009		0	0	/	/	76.53	0
Xie Ming	Supervisor	Male	58	26 June 2009		0	0	/	/	76.53	0
Wan Sujuan	Supervisor	Female	61	26 June 2009		0	0	/	/	5	0

Name	Position	Gender	Age	Commencement date of term of office	Termination date of term of office	Shares held at the beginning of the year	Shares held at the end of the year	Increase/ decrease of shares during the year	Reason for increase/ decrease	Total remuneration payable by the Company during the reporting period (RMB0'000) (before tax)	Total remuneration payable by shareholder during the reporting period (RMB0'000)
Dong Jiahui	Deputy General Manager	Male	52	31 March 2009		0	0	/	/	81.54	0
Jiang Chunlin	Deputy General Manager	Male	46	25 August 2010		0	0	/	/	81.54	0
Fan Xiaoxiong	Chief Engineer	Male	52	27 October 2010		0	0	/	/	81.54	0
Wu Yuneng	Deputy General Manager	Male	52	25 March 2011		0	0	/	/	81.54	0
Huang Mingjin	Deputy General Manager	Male	53	3 October 2012		0	0	/	/	81.54	0
Liu Jianghao	Deputy General Manager	Male	53	28 August 2013		0	0	/	/	81.54	0
Huang Dongfeng	Secretary to the Board	Male	56	28 August 2013		0	0	/	/	81.54	0
Tung Tat Chiu, Michael	Secretary to the Board	Male	52	24 January 1997		0	0	/	/	5	0

Li Baomin: a senior economist, is the secretary to the Party Committee and Chairman of the Company and a representative of the 12th National People's Congress. He had held various management positions in JCC. Mr. Li has extensive management experience. He graduated from the Faculty of History of Jiangxi Normal University, the Corporate Management College of Fudan University and postgraduate programme of economics of Jiangxi Provincial Party Committee College. Mr. Li was elected as the Chairman of the Company on 4 March 2013.

Long Ziping: a senior engineer, is currently the general manager of the Company. Mr. Long graduated from Jiangxi Institute of Metallurgy majoring in smelting, and from Central South University of Technology as a postgraduate majoring in metallurgy engineering. Mr. Long had served at various operation and management positions including the deputy chief engineer and the Head of Guixi Smelter Factory, the deputy manager of JCC and executive Director of the Company. He has extensive experience in operation and management.

Gan Chengjiu: a senior accountant, is currently an executive Director and Chief Financial Officer of the Company. Mr. Gan graduated from Zhejiang Metallurgical and Economics Technical School majoring in accounting and from Jiangxi University of Finance and Economics. He had been the Head of Financial Department of the Company and the Chief Accountant of JCC. Mr. Gan has extensive experience in finance, accounting and assets management.

Liu Fangyun: a senior accountant, graduated from Mining Machinery of Kunming Industry University with a bachelor's degree. He is currently the Chairman of the Labour Union and manager of Chengmenshan Copper Mine and Dexing Copper Mine. He has abundant experience in mine management.

Shi Jialiang: a professor-grade senior engineer, is currently an executive Director of the Company. He is a university graduate and graduated from Beijing Iron and Steel Institute with a major in industrial automation. He has served as the vice chairman, general manager, chairman and secretary to the Party Committee of Xinyu Iron & Steel Co., Ltd.

Gao Jianmin: graduated from Tsinghua University. He has been a Director of the Company since its incorporation. Mr. Gao is also a director and general manager of International Copper Company Limited, a director of Qingling Motors Co. Ltd. and a director and general manager of Silver Grant International Industries Limited. He has extensive experience in finance, industrial investment and development.

Liang Qing: appointed as a Director of the Company in June 2002, is currently a director and general manager of China Minmetals H.K. (Holdings) Limited. He has abundant experience in international trading and investment.

Gao Dezhu: appointed as an independent non-executive Director of the Company since June 2009, is a senior economist. He had served as the deputy general manager of Bank of China and the vice minister of the State Nonferrous Metals Industry Administration (國家有色金屬工業局). He is currently the executive vice chairman of the China Non-ferrous Metals Industry Association and a part-time professor of China Renmin University, the Graduate School of the People's Bank of China, Liaoning University, Central South University and Kunming University of Science and Technology. Mr. Gao has extensive experience in finance and management of non-ferrous metals industry. Mr. Gao has resigned from the position of independent director in January 2015.

Qiu Guanzhou: is currently a professor at Central South University (中南大學), with a master degree. He acted as the Head of Metallurgy Department of Guangdong Dabaoshan Copper Metallurgy Factory, the assistant professor and professor of the Department of Mining Engineering of the Central South University of Technology.

Deng Hui: currently serves as a Dean, professor and a tutor of PhD Programme of School of Law in Jiangxi University of Finance and Economics, and a representative of the 12th National People's Congress. Mr. Deng graduated from East China University of Political Science and Law in 1993 with a bachelor of laws degree; Jiangxi University of Finance and Economics in 1999 with Master of Economics degree and China University of Political Science and Law in 2003 with PhD in Civil Law. Mr. Deng has served as a committee member of the Jiangxi Provincial People's Congress Standing Committee; the member of Commission of Provincial Legislative Affairs; one of the Young and Middle-aged Academic Leaders in Colleges of Jiangxi Province (江西省高校中青年學科帶頭人), a member of All-China Youth Federation, vice chairman of the Provincial Legislative Committee; an executive director of China Securities Law Research Institute as well as vice director of Nanchang Arbitration Committee.

Zhang Weidong: currently serves as a professor and tutor of the PhD Programme of School of Accounting in Jiangxi University of Finance and Economics. Mr. Zhang achieved Doctor of Management in the Huazhong University of Science and Technology and Postdoctoral of Business Administration in the Economics and Management School of Wuhan University. Mr. Zhang has been selected as a candidate of "Hundred Talents Program of the Chinese Academy of Sciences" in Jiangxi Province, one of the Young and Middle-aged Academic Leaders in Colleges of Jiangxi Province (江西省高校中青年學科帶頭人) and an executive director of the Jiangxi Province Institute of Certified Public Accountants.

Hu Qingwen: currently serves as the secretary of the Disciplinary Committee and the chairman of the Supervisory Committee of the Company. Mr. Hu is a university postgraduate and has served as chief of departments of the Company including General Planning, Human Resources, Organization and Management Departments, as well as the secretary to the Party Committee of Guixi Smelter and chairman of the Labour Union of the Company. He has abundant experience in general management.

Wu Jinxing: a senior accountant with a master degree, is currently the Assistant to general manager of JCC and Supervisor of the Company. He had been the deputy head of the Production and Finance Division and the General Division of the Financial Department of JCC, the deputy head and head of the Financial Department of JCC Import and Export Company, deputy chief accountant and chief accountant of JCC Materials Equipment Company, the manager of the Financial Department of the Company, the Chief Accountant of Dexing Mine of the Company, and the Vice Chief Financial Officer, an executive Director and Chief Financial Officer of the Company.

Lin Jinliang: a senior economist, graduated from Central South University of Technology. He is currently in charge of the Legal Affairs of the Company. Mr. Lin served as the Head of the Youth League, Labor and Payroll division, Diversified Business and Administration Section (多元化經營管理處) and Corporate Management Division of JCC respectively. Mr. Lin has extensive experience in corporate management and legal practice.

Xie Ming: a senior economist, currently acts as the deputy secretary to the Discipline Committee and the director of the Supervisory Office of the Company. Mr. Xie has served the Company for over 20 years, where he held the positions such as deputy director and secretary to the Party Committee of Selection Plant of Dexing Copper Mine; secretary to the Discipline Committee and deputy director of Dexing Copper Mine and secretary to the Party Committee of Yinshan Mining Co., Ltd. He has extensive experience in mining, organization management and efficacy supervision.

Wan Sujuan: a senior accountant, is currently a Supervisor of the Company. Ms. Wan served as chief accountant of Jiangzhong Pharmaceutical Factory (江中製藥廠), deputy general manager and chief accountant of Jiangxi Jiangzhong Pharmaceutical (Group) Co, Ltd. (江西江中製藥(集團)有限責任公司), and director of Jiangxi Zhongjiang Real Estate Co., Ltd. and Jiangzhong Pharmaceutical Co., Ltd.

Dong Jiahui: a professor-grade senior engineer, is currently a deputy general manager of the Company. He graduated from Central South University of Technology. Mr. Dong had served as deputy head of Dexing Copper Mine and head of Yongping Copper Mine of the Company. He has abundant experience in production and management.

Jiang Chunlin: a university graduate, is a senior engineer and registered safety engineer. Currently he serves as deputy general manager of the Company. He graduated from the mining department of Hunan Xiangtan Mining Institute (湖南湘潭礦業學院) and had worked at Hukeng Tin Mine, Mine Resources Development Company in Autonomous Prefecture of Kezilesukeerkezi, Xinjiang, Jiangxi Rare Earth and Metals Tungsten Corporation (江西稀有稀土金屬鎢業集團公司) and Yichun Economic Development Zone. He had served as technician, division head, deputy head of production department and director of the department of investment and development.

Fan Xiaoxiong: a professor-grade senior engineer, graduated from Central South University of Technology majoring in mining. He had served as vice production director of the mining field of Dexing Copper Mine of the Company as well as deputy head and head of Chengmenshan Copper Mine of the Company. He had extensive experience in mining and management. Currently he serves as the chief engineer of the Company.

Wu Yuneng: graduated from Jiangxi Cadre's Institute of Economic Administrators (江西經濟管理幹部學院) majoring in industrial management engineering. Mr. Wu is an economist, and was the general manager of Baoxin Cable Company under Jiangtong Southern Company (江銅南方公司寶興電纜公司), the general manager of Jiangtong Southern Company (江銅集團南方總公司) and the general manager of Jiangxi Copper Trading Company Limited (江銅營銷有限公司), a subsidiary of Jiangxi Copper Company Limited. Mr. Wu has extensive experience in business management and marketing.

Huang Mingjin: graduated from Jiangxi Metallurgy College (江西冶金學院) with a bachelor's degree in non-ferrous metallurgy. He is a professor-grade senior engineer and had been appointed as the head of Guixi Smelter of Jiangxi Copper Company Limited. Mr. Huang currently serves as the deputy general manager of the Company.

Liu Jianghao: a professor-grade senior engineer, was graduated from Jiangxi Institute of Metallurgy (江西冶金學院) with a bachelor degree in ore dressing. He served as the chief engineer of the Company and was appointed as the vice chairman and deputy general manager of Northern Peru project in Minerals Jiangxi Copper Mining Investment Company Limited.

Huang Dongfeng: a senior economist, was graduated from the faculty of management engineering in Central South University of Technology (中南工業大學). He obtained a certificate in Accounting & Finance issued by Association of Chartered Certified Accountants (ACCA) and was named as a "Gold Medal Board Secretary" by New Fortune Magazine (新財富雜誌). He served as the secretary to the Board and the assistant to general manager of the Company.

Tung Tat Chiu Michael: is the Hong Kong legal adviser of the Company, director of Tung & Co. He holds a B.A. degree in law and accounting from the University of Manchester, the United Kingdom. He has over 10 years of experience as a practising lawyer in Hong Kong. Mr. Tung joined the Company in January 1997. Mr. Tung is also the company secretary of a number of companies listed in Hong Kong, and the independent non-executive director of a company listed in Hong Kong.

Wu Jianchang: was appointed as an independent non-executive Director of the Company since June 2008, is a professor-grade senior engineer. He holds a bachelor's degree. He had held a number of positions, including deputy general manager and general manager of Non-Ferrous Metals Industrial Corporation (有色金屬工業總公司), Deputy Director of Metallurgical Department (冶金部), vice director of Metallurgical Bureau (冶金局), Communist Party secretary and deputy chairman of the China Iron and Steel Association. Mr. Wu resigned from the position of independent director of the Company on 11 June 2014.

II. Engagements of Existing Directors, Supervisors and Senior Management and those who resigned during the reporting period

(I) Positions Held in Shareholders' Entities

Name	Name of shareholder's entity	Position held	Appointment date	End of term
Li Baomin	JCC	Chairman	4 March 2013	
	JCC	Secretary to the Party	29 September 2006	
Wu Jinxing	JCC	Assistant to General Manager	3 February 2009	

(II) Positions held in other entities

None of the Directors, Supervisors or senior management of the Company held a position in other entity as at the end of the reporting period.

III. Remunerations of Directors, Supervisors and Senior Management

Determination procedures for remunerations of Directors, Supervisors and senior management	The Remuneration Committee of the Company formulates proposals for remunerations of Directors, Supervisors and senior management to be submitted to the Board of the Company for approval by voting.
Determination basis for remunerations of Directors, Supervisors and senior management	Remunerations for the Directors, Supervisors and senior management of the Company consist of basic salaries and performance salaries, among which performance salaries are calculated based on basic salaries to be received by the Directors, Supervisors and senior management according to assessment of their annual operating results. Remunerations for the Independent Directors are determined according to annual subsidies.
Particulars of remunerations payable to Directors, Supervisors and senior management	During the reporting period, the remuneration payable to Directors, Supervisors and senior management was RMB13,981,400.
Actual total payment of remunerations to Directors, Supervisors and senior management during the reporting period	During the reporting period, Directors, Supervisors and senior management received a total remuneration of RMB13,981,400.

IV. Change in Directors, Supervisors and Senior Management

Name	Position held	Change	Reasons for the changes
Qiu Guanzhou	Independent Non-executive Director	Appointed	Re-elected of the Board
Wu Jianchung	Former Independent Non-executive Director	Resigned	Re-elected of the Board

V. Particulars of Core Technical Team or Key Technical Personnel

Not applicable

VI. Directors' and Supervisors' Service Contracts and Interests in Contracts

All Directors and Supervisors have entered into service contracts with the Company from their respective date of appointment up to the date of the 2014 annual general meeting of the Company to be held in the year 2015.

Pursuant to relevant provisions in the Articles of Association of the Company, the term of office of the Chairman and other Directors (including non-executive Directors) is three years commencing from the date of their appointment or re-election and they are eligible for re-election and reappointment. Under Company Law of the PRC, the term of office of Supervisors is also three years and they are eligible for re-election and re-appointment.

None of the Directors or Supervisors has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

VII. Interests of Directors, Supervisors and Chief Executive in Shares

As at 31 December 2014, none of the Directors, Supervisors or chief executive of the Company had any interests or short positions in any shares, underlying shares and debentures of the Company or any associated corporation as recorded in the register of the Company required to be kept 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") set out in Appendix 10 of the Listing Rules.

VIII. Directors' and Supervisors' Interests in Competitive Business or Other Interests in Contracts

During the year and as at the date of this report, none of the Directors or Supervisors had any interest in any business which competes or may compete with the business of the Company as required by the Listing Rules.

As at 31 December 2014 or at any time during the reporting year, none of the Company or its holding company or its subsidiaries entered into any contracts of significance in which the Directors or Supervisors was either directly or indirectly materially interested.

IX. Employee Information of the Parent and its Major Subsidiaries

(I) Employee Information

Number of in-service employees in the parent	15,658
Number of in-service employees in major subsidiaries	5,708
Total number of in-service employees	21,366
Number of employees retired for whom the parent and major subsidiaries have to pay pension	0

Specialty composition

Category	**Headcount**
Production	15,628
Sales	427
Technician	1,503
Financial	358
Administration	3,450
Total	21,366

Education level

Category	**Headcount**
Post-secondary and above	6,973
Technical secondary and senior secondary	9,289
Junior secondary and below	5,104
Total	21,366

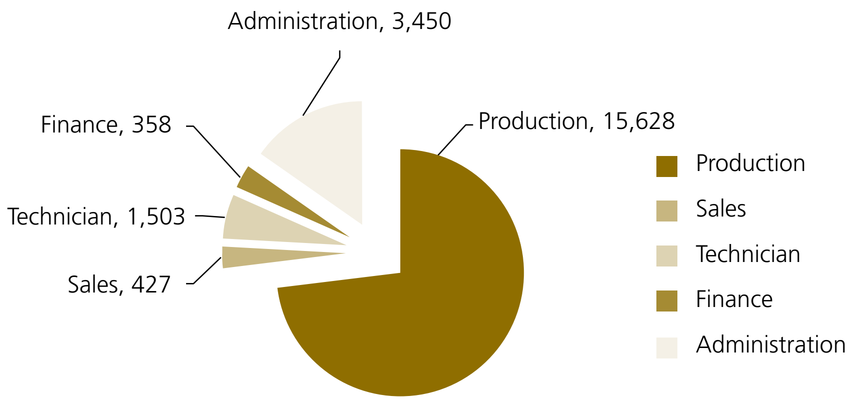
(II) Remuneration Policy

In 2014, the Company continued to adopt a position-performance payroll mechanism and based on the principle of division of labour, made remuneration distribution according to value of position, work techniques and results. Staff remunerations, mainly including position salaries, performance salaries and other welfare, were released based on assessment with reference to operating performance, management obligation, etc..

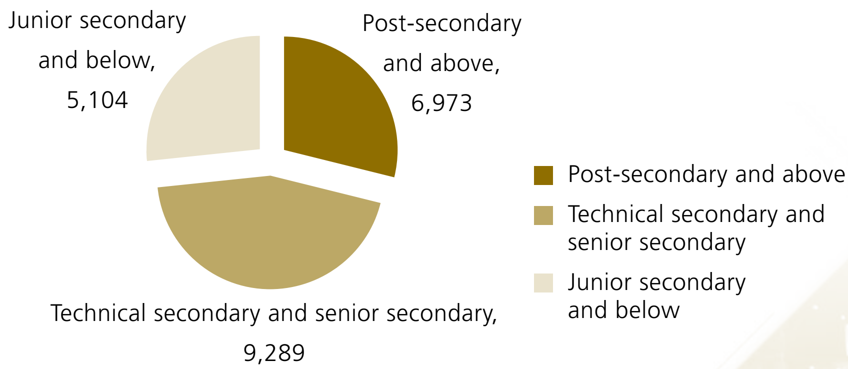
(III) Training Plan

In 2015, the Company will formulate a training plan in line with the new normality of the Company taking into consideration of the development strategies and production and operation mission of the Company. The continuous improvement of the overall quality of the staff of the Company will provide talent support and guarantee for the realization of new strategic target of the Company to facilitate the overall development of the Company.

(IV) Chart of Specialty Composition



(V) Chart of Education Level



X. Profit distribution plan or plan to convert capital reserves into share capital

(1) The formulation, implementation or adjustment of the cash dividend policy

1. Profit Distribution Principle: the Company distributes dividend annually. It may distribute interim or special dividend provided that it is in compliance with the Articles of Association. The dividend distribution policy of the Company should maintain certain continuity and steadiness, and be in compliance with relevant regulatory requirements which amend from time to time.

2. Profit Distribution Method: the Company distributes dividend by ways of cash, shares or a combination of cash and shares, in which cash dividend will be a priority.

3. Profit Distribution Plan: Under the conditions that the Company's accumulated distributable profit is a positive figure, there is profit of the year, the cash can satisfy normal production and operation of the Company, earnings per share of the year is above RMB0.01, and the cash dividend per share is above RMB0.01 if no less than 10% of the distributable profit of the year is distributed, then the distributed profit in cash shall not be less than 10% of the distributable profit of the year. For the last three years, the accumulated distributed profit in cash shall be no less than 30% of the average annual distributable profit in the last three years.

4. The profit distribution plan proposed by the Board should obtain agreement from over half of all the independent Directors, and shall submit to the general meeting of the Company for approval after the consideration and approval of the Board. The general meeting of the Company should communicate with the minority and obtain adequate opinions from them while considering the cash dividend plan.

5. Should the Company have profit but the Board have not made any cash dividend proposal, then such reasons should be disclosed in the periodic reports and the usage of the undistributed fund in the Company. Independent Directors should issue their independent opinions to such matter.

The 2014 Profit Distribution Plan of the Company will be implemented pursuant to the Dividend Policy and 3-Year Plan of Shareholders' Return of Jiangxi Copper Company Limited considered and approved in 2012. The Board has recommended distribution of a final dividend of RMB0.2 per share (inclusive of tax) for 2014 to all the shareholders. The Board did not recommend transfer of capital reserve to share capital or issue of bonus shares. Independent Directors of the Company have expressed independent opinions on the profit distribution plan.

Pursuant to the requirements of the Company Law and the Notice in relation to Matters concerning Further Implementation of Cash Dividend Distribution of Listed Companies (《關於進一步落實上市公司現金分紅有關事項的通知》), Regulatory Guidelines for Listed Companies No. 3 — Cash Dividend Distribution of Listed Companies (《上市公司監管指引第3號—上市公司現金分紅》) issued by CSRC and the Notice regarding to the Re-issue of Notice in relation to Matters concerning Further Implementation of Cash Dividend Distribution of Listed Companies (《關於轉發〈關於進一步落實上市公司現金分紅相關事項的通知〉的通知》) and other documents issued by Jiangxi Securities Regulatory Bureau, the Company considered and approved the resolution of the Dividend Policy and 3-Year Plan of Shareholders' Return of Jiangxi Copper Company Limited (2015–2017). The resolution will be submitted to the general meeting for 2014, which will be convened in 2015, for consideration.

(2) If the Company records profits and the undistributed profits is positive during the reporting period but there is no proposal for cash dividend, the Company shall disclose the reasons, the usage and planned use of the undistributed profits in detail

✓ N/A

(3) Plans or proposals for profit distribution or transfer of capital reserve to share capital of the Company in the last three years (including the reporting period)

Unit: Yuan Currency:RMB

Year	Number of bonus shares issued for every 10 shares *(Share)*	dividend for every 10 shares (RMB) (Tax inclusive) *(Yuan)*	Number of shares transferred to capital reserve for every 10 shares *(Share)*	Cash dividends *(tax inclusive)*	Net profit attributable to shareholders of the Company in the consolidated financial statements for the dividend year	As a percentage of net profit attributable to shareholders of the Company in the consolidated financial statements *(%)*
2014	0	2	0	692,545,881	2,850,649,245	24.29
2013	0	5	0	1,731,364,703	3,565,009,194	48.57
2012	0	5	0	1,731,364,703	5,215,874,606	33.19

Withholding of Enterprise Income Tax for Non-resident Enterprise Shareholders

Pursuant to the "Enterprise Income Tax Law of the PRC"《中華人民共和國企業所得稅法》 and the relevant implementing rules which came into effect on 1 January 2008 and the "Notice of the Issues concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H Share Holders Which are Overseas non-resident Enterprises"《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》issued by the State Administration of Taxation on 6 November 2008, the Company is required to withhold and pay corporate income tax at the rate of 10% before distributing the final dividend to non-resident enterprise shareholders as appearing on the H share register of members of the Company. Any shares registered in the names of non-individual registered shareholders (including HKSCC Nominees Limited, other corporate nominees, trustees or other entities and organisations) will be treated as being held by non-resident enterprise shareholder and will therefore be subject to the withholding of the enterprise income tax.

Withholding of Personal Income Tax for Individual H Shareholders

Pursuant to the State Administration of Taxation Notice on Matters Concerning the Levy and Administration of Individual Income Tax After the Repeal of Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348) (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》)(國稅函[2011]348號) dated 28 June 2011, and the letter entitled "Tax arrangements on dividends paid to Hong Kong residents by Mainland companies" dated 4 July 2011 issued by the Stock Exchange, the Company is required to withhold and pay the individual income tax in respect of the 2014 final dividends paid to the individual H Shareholders (the "Individual H Shareholders"), as a withholding agent on behalf of the same. However, the Individual H Shareholders may be entitled to certain tax preferential treatments pursuant to the tax treaties between the PRC and the countries (regions) in which the Individual H Shareholders are domiciled and the tax arrangements between Mainland China and Hong Kong (Macau).

Pursuant to the aforesaid changes in the tax regulations, when the 2014 final dividends is to be distributed to the holders of H Shares whose names appear on the register of members of the Company as at 20 June 2015, the Company will base on the tax rate of 10% to withhold 10% of the dividend to be distributed to the Individual H Shareholders as individual income tax.

For non-resident enterprise holders of H Shares, the Company will withhold 10% of the dividend as enterprise income tax according to the relevant tax regulations in line with its previous practice.

If Shareholders' names appear on the H Shares register of members, please refer to nominees or trust organization for details of the relevant arrangements. The Company has no obligation and shall not be responsible for confirming the identities of the Shareholders. The Company will strictly comply with the laws, and withhold and pay the enterprise income tax and individual income tax on behalf of the relevant Shareholders based on the H Shares register of members of the Company as of 20 June 2015. The Company will not accept any requests relating to any delay in confirming the identity of the Shareholders or any uncertainties in the identity of the Shareholders.

Should the holders of H Shares of the Company have any doubts in relation to the aforesaid arrangements, they are recommended to consult their tax advisors regarding the relevant tax impacts in mainland China, Hong Kong and other countries (regions) on the possession and disposal of H Shares of the Company.

XI. Continued Fulfillment of Social Responsibilities

(1) Fulfillment of Social Responsibilities

Please refer to the disclosure on the website of Shanghai Stock Exchange and the website of the Company.

I. Information on Corporate Governance and Management on the Registration of Holders of Insider Information

During the reporting period, the Company strictly complied with the Disclosure of Inside Information and Procedures of Internal Control, and standardised its operation in strict compliance with provisions of laws and regulations including the Company Law, the Securities Law and Listing Rules. The general meeting, the Board, Supervisory Committee, and special committees under the Board duly performed their duties and operated in accordance with law. The Company implemented relevant procedures and disclosure in respect of matters including use of proceeds, significant investments and connected transaction according to relevant rules.

II. Code on Corporate Governance Practices

The Company strives to maintain and establish quality corporate governance. To the knowledge of the Board, during the reporting period, 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 Listing Rules, with the exception of the following deviations:

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.

During the reporting period, due to business engagement, the Chairman did not attend the annual general meeting of the Company held on 11 June 2014 ("2013 AGM") as required under code provision E.1.2 of the Code. Instead, Mr. Long Ziping, the Vice Chairman of the Company, was delegated by the Chairman and was elected at the 2013 AGM to act as the chairman of the AGM. In addition, the chairmen of audit committee, remuneration committee and nomination committee did not attend or appoint delegates to attend the 2013 AGM pursuant to code provision E.1.2 of the Code. Instead, the chairmen of the audit committee, remuneration committee and nomination committee were well informed by the Company in advance of the date and time of the 2013 AGM and were made available to answer questions raised at the 2013 AGM by telephone.

The following text sets out the corporate governance practices adopted by the Company.

(1) Shareholders and General Meeting

The Company is committed to ensuring that all shareholders, especially minority shareholders, are ranked pari passu with each other and they could effectively and fully exercise their rights and relative obligations, meanwhile ensures shareholders' rights to know and participate in the Company's significant events of the Company as required under relevant laws, regulations and the Articles of Association.

The convening, holding, resolutions and voting procedures of the Company's shareholders' meetings were in strict compliance with relevant regulatory provisions of the places where the Company's shares are listed as well as the requirements of the Articles of Association of the Company. All shareholders' meetings were witnessed by the PRC lawyers with the representative from auditors as the scrutineer.

(2) Relationship between the Controlling Shareholder and the Company

JCC, being the controlling shareholder of the Company, performs its rights and obligations under the laws. The economic business between the Company and its controlling shareholder is carried out in strict accordance with market and commercial principles and follows the approval procedures for connected transactions. The controlling shareholder does not override the power of the general meeting to interfere directly or indirectly the operating activities of the Company. The Company is independent from its controlling shareholder in terms of operations, assets, organisation, finance and staff. The Board, the Supervisory Committee and the internal functions of the Company operate independently.

(3) Directors and the Board

The Board is mainly responsible for devising the Company's overall strategies including the development strategies, management structure, investment and financing, budget, financial control and human resources and overseeing the operations of the Company. The Board is also responsible for formulating the operations and disclosures of the Company in accordance with the listing rules or other rules and regulations of places where the shares of the Company are listed and reviewing the financial performance of the Company. During the reporting period, Mr. Li Baomin served as Chairman of the Company. The Chairman leads and supervises the operation of the Board and effectively plans Board meetings to ensure that the Board acts in the best interests of the Company. Under the leadership of the Chairman, the Board has adopted sound corporate governance and procedures and taken adequate measures for efficient communication with shareholders. The Chairman implements the Board's decisions and make daily management decisions. The power and duties of the Board and Chairman of the Company are set out in the Articles of Association in details.

The Board of the Company comprises 11 Directors, including 2 external executive Directors, 4 independent non-executive Directors and 5 executive Directors who are related to the controlling shareholder or the ultimate controller. Members of the Board have different industrial background and professional knowledge in corporate management, financial accounting, law, mining and metallurgy. For details of the composition of the Board and the biographies of the members of the Board, please refer to the section headed "Directors, Supervisors and Senior Management" of this annual report.

Pursuant to relevant provisions in the Articles of Association of the Company, the term of office of the Chairman and other Directors (including non-executive Directors) is three years commencing from the date of their appointment or re-election and they are eligible for reelection and reappointment.

Currently, the Company has 4 independent non-executive Directors. Among them, Mr. Zhang Weidong is a professor of Accounting in the School of Accounting in Jiangxi University of Finance and Economics, and tutor of the PhD Programme in Accounting Studies and an executive director of the Jiangxi Province Institute of Certified Public Accountants. The Board considers that, Mr. Zhang, with his educational background and experience, is in compliance with the requirement set out in Rule 3.10(2) of the Listing Rules which prescribes that at least one of the independent non-executive Directors shall have appropriate expertise in accounting or related financial management.

The Company nominated the Director candidates in accordance with the Articles of Association and relevant regulatory requirements. Candidates for independent directorship may be nominated by the Board, the Supervisory Committee or by shareholders individually or collectively holding 1% or more of the issued shares of the Company carrying voting rights. Candidates for non-independent directorship may be nominated by the Board or the controlling shareholder of the Company.

The Board established the Independent Audit Committee (the Audit Committee) and the Remuneration Committee:

The responsibilities of the Independent Audit Committee principally covers reviewing and monitoring the performance and procedures of financial reporting, reviewing the soundness and effectiveness of internal control system of the Company, considering and approving the engagement of independent auditors and the related coordination, and reviewing the related working efficiency and performance. The current Independent Audit Committee comprises 4 independent non-executive Directors of the Company, namely, Mr. Zhang Weidong, Mr. Wu Jianchang, Mr. Gao Dezhu and Mr. Deng Hui with Mr. Zhang Weidong as chairman of the Audit committee. As Mr. Wu Jianchang and Mr. Gao Dezhu ceased to be the Directors of the Company upon the conclusion of the shareholders' general meetings held on 11 June 2014 and 12 January 2015 respectively, the newly appointed independent non-executive Directors, namely Mr. Qiu Guanzhou and Mr. Tu Shutian were appointed as the members of the Independent Audit Committee to fill the vacancies. The Secretary to the Board is also the secretary to the Independent Audit Committee.

The Establishment, Improvement and Main Contents of the Relevant Work Rules of the Audit Committee and the Summary Report on Fulfilment of Duties of the Audit Committee of the Board

1) The Company had formulated the Work System of the Independent Audit Committee (the Audit Committee) which is responsible to the Board and assumes the duties to review the Company's financial reporting, financial control, internal control and risk management system and oversee the preparation procedures of the Company's financial statements and the completeness of their contents as well as the appointment and removal of the auditors.

2) Summary report on fulfilment of duties of the Audit Committee is as follows:

(1) On 18 March and 21 August 2014, we convened two meetings, each of which was attended by all members of the Audit Committee. At one meeting, we reviewed and confirmed the audited 2013 annual report which was reviewed by the accountants, issued written opinions on the connected transactions, fund appropriation and external guarantees of the Company and made recommendations for the appointment of auditors, whilst at the other meeting, we reviewed and confirmed the 2014 interim report prepared in accordance with the International Financial Reporting Standards which was reviewed by the accountants and listened to the report on 2014 annual audit work arrangements by the accountants;

(2) Before the auditors conducted auditing, we have reviewed the annual financial statements for 2014 prepared by the Company, and issued written opinions that such financial statements were in compliance with the PRC GAAP, and agreed to submit such financial statements to Deloitte Touche Tohmatsu Certified Public Accountants LLP for auditing;

(3) We reviewed matters including the auditing process, auditing findings and auditing adjustments of Deloitte Touche Tohmatsu Certified Public Accountants LLP and believed that the auditing work was executed in strict accordance with provisions of China Standards on Auditing for Certified Public Accountants;

(4) Upon issue of initial auditing opinions by the auditor, we reviewed again such financial statements prepared by the Company and considered that they were appropriately prepared in accordance with requirements of the PRC GAAP, and truly and completely reflected the Company's financial position as at 31 December 2014, operating results and cash flow for 2014 in relevant material aspects;

(5) We submitted to the Board the summary report on the Company's auditing work for the previous year made by the auditors, considering that Deloitte Touche Tohmatsu Certified Public Accountants LLP executed the auditing work in strict accordance with provisions of China Standards on Auditing for Certified Public Accountants. With sufficient time for auditing and reasonable allocation on auditing personnel, the auditors were competent in respect of execution ability. The audit conclusions issued fully reflected the financial position of the Company as at 31 December 2014 and its operating results for 2014 and were in line with actual situation of the Company.

Members of Independent Audit Committee: **Qiu Guanzhou, Tu Shutian, Zhang Weidong, Deng Hui**
25 March 2015

The responsibilities of the Remuneration Committee mainly include: to provide advices to the Board in respect of the remuneration system and policies of the Company's Directors and senior management; to provide advices to the Board in respect of the remuneration of non-executive Directors; to determine specific remuneration of all executive Directors and senior management which includes non-monetary benefits, pension rights and compensation; to ensure that no Director or any of his/her associates determines his/her own remuneration; and to provide other recommendations to duties specified in other codes. The current Remuneration Committee comprises 4 independent non-executive Directors of the Company, namely, Mr. Deng Hui, Mr. Wu Jianchang, Mr. Gao Dezhu and Mr. Zhang Weidong, with Mr. Deng Hui as chairman of the Remuneration Committee. As Mr. Wu Jianchang and Mr. Gao Dezhu ceased to be the Directors of the Company upon the conclusion of the shareholders' general meetings held on 11 June 2014 and 12 January 2015 respectively, the newly appointed independent non-executive Directors, namely Mr. Qiu Guanzhou and Mr. Tu Shutian were appointed as the members of the Remuneration Committee to fill the vacancies. The Secretary to the Board is also the secretary to the Remuneration Committee.

Summary report on fulfilment of duties of the Remuneration Committee of the Board:

On 21 March 2014, the Company held the second meeting of the sixth Remuneration Committee, which was attended by all members of the Remuneration Committee at which the remuneration and bonus proposal for Directors, Supervisors and senior management for the year of 2013, and recommendations were made to the Board in respect of the above matters.

Members of Remuneration Committee: **Deng Hui, Qiu Guanzhou, Tu Shutian, Zhang Weidong**
25 March 2015

The responsibilities of the Nomination Committee mainly include: to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships; to assess the independence of independent nonexecutive directors; to make recommendations to the Board on the appointment or reappointment of directors and succession planning for directors, in particular the chairman and the chief executive. This session of Nomination Committee is comprised of two executive directors, namely, Mr. Li Baomin and Mr. Long Ziping, and 4 independent nonexecutive directors, namely Mr. Wu Jianchang, Mr. Gao Dezhu, Mr. Zhang Weidong and Mr. Deng Hui. The Chairman of the Nomination Committee is Mr. Li Baomin. As Mr. Wu Jianchang and Mr. Gao Dezhu ceased to be the Directors of the Company upon the conclusion of the shareholders' general meetings held on 11 June 2014 and 12 January 2015 respectively, the newly appointed independent non-executive Directors, namely Mr. Qiu Guanzhou and Mr. Tu Shutian were appointed as the members of the Nomination Committee to fill the vacancies.The secretary to the Board is the secretary to the Nomination Committee.

Summary report on fulfilment of duties of the Nomination Committee of the Board:

On 20 Mar 2014, the Company held the first meeting of the Nomination Committee, which was attended by all members of the Nomination Committee at which the proposal in relation to the nomination of Mr. Qiu Guanzhou as director of the Company was approved, and recommendations were made to the Board in respect of the said matter.

Members of the Nomination Committee: **Li Baomin, Long Ziping, Wu Jianchang, Gao Dezhu, Zhang Weidong and Deng Hui**

On 22 September 2014, the Company held the second meeting of Nomination Committee. All members of the Nomination Committee were present. The meeting approved the proposal of the nomination of Mr. Tu Shutian as director of the Company, and made recommendations to the Board concerning the above matters.

Members of the Nomination Committee: **Li Baomin, Long Ziping, Qiu Guanzhou, Gao Dezhu, Zhang Weidong, Deng Hui**

Members of Nomination Committee: **Li Baomin, Long Ziping, Qiu Guanzhou, Tu Shutian, Zhang Weidong, Deng Hui**
25 March 2015

(4) Supervisory Committee

The Supervisory Committee of the Company consists of 5 Supervisors, including 2 employees' representative supervisors. The Supervisors serve for a term of office of three years and are eligible for re-election. The current Supervisory Committee is the sixth Supervisory Committee since the incorporation of the Company, with a term of office commencing from 19 June 2012 and ending upon the convening of the 2014 annual general meeting.

During the reporting period, the Supervisors of the Company exercised its supervising power in accordance with laws, thereby safeguarding the legal interests of shareholders, the Company and its employees.

(5) Directors' responsibilities on the financial report

With the assistance of the accounting department, the Directors are responsible for preparing the financial statements of the Company for each financial year and ensuring that, in preparing such financial statements, appropriate accounting policies are adopted and applied under the PRC GAAP and IFRSs, to give a true and impartial view of the financial position and operating results of the Company.

(6) The independence of independent non-executive Directors

The Board has received a confirmation letter from each of the independent non-executive Directors in respect of their independence in accordance with the requirements provided under Rule 3.13 of the Listing Rules of the Stock Exchange. The Company considers independent non-executive Directors of the current session of the Board to be independent.

(7) Board diversity policy

The Board has adopted a Board diversity policy, and the Nomination Committee of the Company is responsible for supervising the effectiveness of the measurable targets of the policy.

The Company recognizes and embraces that Board diversity can enhance the quality of its performance. With a view to achieving a sustainable and balanced development, the Company regards the increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition, the Company has considered a number of aspects for the Board diversity, including but not limited to gender, age, culture, educational background, professional experience, skills and knowledge. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

3. Business Competition and Connected Transactions

(1) Business Competition

There is no substantial business competition between the Company and its controlling shareholder JCC.

(2) Connected Transactions

The Company was established in 1997 on part of the assets separated from the controlling shareholder JCC, hence certain connected transactions are inevitable between the Company and JCC. Such connected transactions were in compliance with the market and business principles and followed the approval procedures for connected transactions.

The Company has been committed to reducing the connected transactions with JCC since its listing. The types of connected transactions between the Company and JCC have been substantially reduced due to the increasing acquisitions of JCC's assets and the socialization of part of JCC's assets.

II. Fulfilment of Duties by Directors

(I) Attendance of Directors at the Board meetings and general meetings

		Participation in Board meetings						Participation in general meetings
Name of Director	Whether an independent Director	Required attendance in the year	Attendance in person	By telecom communication	Attendance by proxy	Absence	Whether attend not in person proxy for two consecutive times	Attendance in general meetings
Li Baomin	No	5	4	0	1	0	No	0
Long Ziping	No	5	5	0	0	0	No	1
Gan Chengjiu	No	5	5	0	0	0	No	1
Liu Fangyun	No	5	5	0	0	0	No	0
Shi Jialiang	No	5	2	3	0	0	No	0
Gao Jianmin	No	5	2	3	0	0	No	0
Liang Qing	No	5	2	3	0	0	No	0
Wu Jianchang	Yes	2	1	1	0	0	No	0
Qiu Guanzhou	Yes	3	0	3	0	0	No	0
Gao Dezhu	Yes	5	1	1	0	3	No	0
Zhang Weidong	Yes	5	4	1	0	0	No	0
Deng Hui	Yes	5	4	1	0	0	No	0

Board meetings convened during the year	5
Of which: on-site meetings	1
By telecommunication	0
Meetings held on site and by telecommunications	4

(II) Objection of Independent Directors on the Company's Relevant Events

During the reporting period, no objection was made by the Company's independent Directors to resolutions of Board meetings or other resolutions made by parties other than the Board during the year.

(III) Model Code for Securities Transaction by Directors

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

(IV) Directors' Participation in Continuous Professional Development

During the reporting period, according to the requirement of CSRC and the two stock exchanges, all the Directors of the Company attended the training classes of professional knowledge, participated in the continuous professional development and updated their knowledge and skills, so as to ensure that they can contribute to the Board with the comprehensive information catering to their needs.

Particulars of trainings are set as below:

Directors	Trainings on directors' qualification	Trainings on corporate governance and global business
Li Baomin	✓	✓
Long Ziping	✓	✓
Gao Jianmin	✓	
Liang Qing	✓	
Gan Chengjiu	✓	✓
Liu Fangyun	✓	
Shi Jialiang	✓	
Wu Jianchang	✓	
Qiu Guanzhou	✓	
Gao Dezhu	✓	
Zhang Weidong	✓	
Deng Hui	✓	

III. Major Advice and Recommendation Proposed by the Special Committees under the Board in Their Fulfilment of Duties During the Reporting Period

The Company has established the Working System for Annual Report of the Independent Directors. Work Rules of the Independent Audit Committee (Audit Committee) also require that all members of the Audit Committee shall be independent Directors. During the reporting period, independent Directors of the Company duly performed their duties, carefully reviewed the connected transactions, appropriation of fund by substantial shareholders and preparation of annual report and issued independent opinions.

IV. Explanation on The Risk in the Company Discovered by the Supervisory Committee

No disagreement was raised by the Supervisory Committee in the supervision during the reporting period.

V. Particulars of the Assessment Mechanism for Senior Management and of the Establishment and Implementation of Incentive Mechanism During the Reporting Period

During the reporting period, the Company submitted Proposal in relation to the Incentive Fund Reserve for Senior Management for 2014 to the Board pursuant to Jiangxi Copper Company Limited Long-term Incentive Pilot Scheme considered and approved on the 2010 general meeting. The proposal will be submitted to 2014 general meeting for consideration and approval.

VI. Auditors' remuneration

For the auditors' remuneration in 2014, please refer to item 9 under section headed "Significant Events" in this report.

VII. Company secretary

For the year ended 31 December 2014, the two company secretaries of the Company had received relevant professional trainings of not less than 15 hours to update their skills and knowledge.

VIII. Shareholders' rights

The Company guarantees that all the Shareholders enjoy equal rights and they can fully exercise their rights based on their shareholdings. The Articles of Association of the Company specifies that Shareholder(s) holding more than 10% (including 10%) of the issued shares with voting rights of the Company may request the Board to convene an extraordinary general meeting. The convening, holding, voting and relevant procedures are in strict compliance with relevant laws and the Articles of Association of the Company.

The Articles of Association of the Company also specifies that Shareholders are entitled to supervise and manage the business and operation of the Company, put forward recommendations or questions, inquire relevant information as well as the rights to know and participate in the Company's significant events. For details of the procedures and methods of inquiry, please refer to the Articles of Association of the Company.

The Company values a good communication with Shareholders, the main communication channels include the general meetings, the Company's website and email address, the telephone and facsimile of the Secretariat of the Board, which are set for shareholders to express their opinions or exercise their rights.

IX. Investor Relations

During the reporting period, the Company attached great importance to build a sound and harmonious investor relation. It intensified the communication and interaction with Shareholders through various channels such as the Company's website, emails, telephone and facsimile. It also received the Shareholder's visits and replied their letter and calls seriously. It also addressed their concerns and inquiries, turning the investors' request and suggestions as an incentive for the Company's to grow.

In addition, the websites of the Company and the Stock Exchange contain the information of the Company, the annual reports, interim reports, quarterly reports and announcements and circulars published by the Company. The latest information of the Company is available to the Shareholders and investors.

Internal Control

I. Statement on the Responsibility of Internal Control and Establishment of Internal Control System

The Board and all Directors of the Company warrant that there are no false representations, misleading statements contained in or material omissions from this report, and jointly and severally accept the responsibility for the truthfulness, accuracy and completeness of the information herein contained. It is the responsibility of the Board of the Company to establish a sound internal control and implement it effectively. The Supervisory Committee is responsible for supervising the establishment and implementation of internal control by the Board while the management is responsible for organising and guiding the daily operations of the Company's internal control.

Jiangxi Copper Company Limited had established, and effectively put into practice, a more comprehensive and systematic internal control system that catered to the operational features of the Company in 2011. Through the design, operation, evaluation and continuous improvement of the internal control system, the Company continuously optimised the administrative duties of internal control as well as corresponding specifications. By so doing, it standardised its countermeasures against risks, enhanced the management of internal control of the Company and continuously improved the operational efficiency and outcome so as to facilitate the implementation of its development strategy.

The objectives of the Company's internal control are reasonable assurance of operation and management in compliance with laws and regulations, asset safety, truthfulness and completeness of financial report and relevant information, improvement of operation efficiency and results, as well as promotion of development strategy. Due to inherent limitations of internal control, it can only provide reasonable assurance for achievement of above objectives. In addition, changes in circumstances may lead inadequacy of internal control or reduction of the adherence of control policies and procedures, thus it has certain risks in effectiveness of future internal control inferred with the evaluation results of internal control.

(I) Conclusions on the evaluation of internal control

According to the identification criteria of material deficiency of internal control in the financial reporting of the Company, as at the basis date of internal control evaluation report, material deficiency of internal control in the financial reporting did not exist. The Board is of the view that the Company has maintained efficient internal control in the financial report in all material respects in accordance with requirements of corporate internal control standard system and relevant regulations.

According to the identification of material deficiency of internal control in the non-financial reporting of the Company, as at the basis date of internal control evaluation report, material deficiency of internal control in non-financial reporting did not exist.

There was no factor affecting conclusion to the evaluation of efficiency of internal control from the basis date of internal control evaluation report to its issue date.

(II) Evaluation of internal control

(I) Evaluation scope of internal control

The Company determined to incorporate major units, business and matters as well as high-risk fields into the evaluation scope pursuant to risk-oriented principle. The major units within the evaluation scope comprise 8 units, including the headquarters of the Company, Dexing Copper Mine, Guixi Smelter, Chengmenshan Copper Mine, processing business segment of JCC and Shenzhen Jiangxi Copper and Marketing Company Limited.

Total asset of the units being incorporated in the evaluation scope accounted for 87% of the consolidated total asset of the Company at the end of the year, with the total operating revenue accounted for 83% of the consolidated operating revenue of the Company for the year. Principal business and items which were incorporated in the evaluation scope included: examination, acceptance, storage and access of parts materials; review the total amount of copper concentrate and sulphuric concentrate in-coming and out-going inventory; engineering projects and equipment procurement consolidation; deal with all of the ownership certificates upon completion and acceptance of projects; sampling, examination and measurement of raw materials and information transmission; Control of ORACLE system access rights and application; procurement business suppliers' access rights, credit rating, payment for goods, pricing and deposit for pricing; access rights, credit rating, execution of sales agreements and external reconciliation of customers from sales operation; forward pricing and risk exposure for hedging; gold leasing; and forward foreign exchange, etc. Mainly focus on sales operations and hedging business.

The above-mentioned units, business and items, which were incorporated in the evaluation scope, comprised the Company's major aspects of operation and management. There is no significant material omission.

(II) Basis of Internal Control Evaluation and Standard of Deficiency Identification in Internal Control

The Company organized the work of internal control evaluation pursuant to "Internal Control Manual of Jiangxi Copper Company Limited Corporate" (江西銅業股份有限公司內部控制手冊) and "Internal Control Evaluation Implementation Scheme for the Year 2014 of Jiangxi Copper Company Limited" (江西銅業股份有限公司2014年度內部控制評價實施方案).

Internal Control

In accordance with the requirements of the Corporate Internal Control Standard System on identification of material defects, major defects and general defects and combined with the Company's size, industry characteristics, risk appetite, risk tolerance and other factors, the Board of the Company made a distinction between internal control over financial reporting and internal control over non-financial reporting, studied and established a specific defect identification standard which was applicable to internal control of the Company and consistent with those in the previous years. The internal control defect identification standard identified by the Company is as follows:

1. Standard of identification for internal control defects in the financial statements

Identification quantitative standard for internal control defect in the financial statements of the Company is as follows:

Material defects:	Misreported amount is greater than 5% of the total profit.
Major defects:	Misreported amount is greater than 1% and smaller than 5% of the total profit.
General defects:	Misreported amount is smaller than or equal to 1% of the total profit.

Identification qualitative standard for internal control defect in the financial statements of the Company is as follows:

Material defects:	(1) The directors, supervisors and senior management are found to have fraud behavior; (2) Ineffective internal control environment; (3) The Company corrects the published financial reports; (4) The certified public accountant identifies material misstatement in the current financial report which has not been identified during the operation of the internal control; (5) The supervision of the Company's Audit Committee and Department of Audit over the internal control is proved to be ineffective;
Major defects:	(1) correction of the misstatement in the financial report, which does not reach or exceed the level of importance but is still worth the attention of the Board and the management; (2) internal control defects which have occurred and reported to the management are not corrected on time.
General defects:	Other internal control defects that do not constitute material or major defects.

2. Identification criteria for defects in internal control over non-financial reporting matter

Quantitative criteria for identifying defects in internal control over non-financial reporting:

Material defects:	(1) material business errors which incurs a great cost (more than 20% of the time, personnel and cost over the budget) to control the situation, or the situation is out of control and greatly influences the survival of the enterprise; (2) the Company fails to achieve its certain key operation targets or performance indicators, the completion rate of any indicator not reaching the targets is lower than 90% or the department/unit under the risk cannot achieve all of its key operation targets or performance indicators due to the risk; (3) factors such as equipment, personnel, system, natural disaster interrupt the business/operation of the department/unit under the risk for 3 days and above; (4) the asset loss of RMB20 million or above; (5) serious violation of laws and regulations which is investigated by the central government or the regulators and penalized; (6) material commercial disputes, civil actions or arbitration, and the value of subject matter reaches RMB50 million and above; (7) the accident resulting in 3 or more deaths.
Major defects:	between the material defects and general defects.
General defects:	(1) influence the operation to a certain extent and the situation is controllable with a relatively small cost (within 6% of the time, personnel and cost over the budget); (2) factors such as equipment, personnel, system, natural disaster interrupt the business/operation of the department/unit under the risk for less than 4 hours or can be recovered promptly; (3) the assets loss of less than RMB3 million; (4) violation of laws and regulations which is investigated, sued or punished by the municipal and local government, or slight violations of regulations and receives verbal warnings; (5) ordinary commercial disputes, civil actions or arbitration, and the value of subject matter is less than RMB10 million; (6) the accident results in less than 3 serious injuries (including acute industrial poisoning).

Qualitative criteria for identifying defects in internal control over non-financial reporting:

Material defects:	(1) negative information spreads across the nation, and the central government departments or regulators pay high attentions or start an investigation, or the information becomes a great concern of the official and mainstream media; (2) the enterprise needs more than 1 year to restore the reputation; (3) irreparable environmental damage that can be catastrophic or the environmental events as defined in Emergency Countermeasures for Environmental Incidents of the PRC; (4) the situation is named by the national administrative department on environmental protection and is requested to suspend production for rectification; (5) seriously impair the interest of employees and influence their overall working efficiency; (6) individual or collective appeal of the staff to Beijing, which has bad influences; (7) more than 5% of the key technical staff and management run off (intermediate level including the intermediate level technician/managerial personnel at middle level above in the secondary units).
Major defects:	between the material defects and general defects.
General defects:	(1) Negative information has little damage to the corporate reputation or not attracted the attention of the media; (2) the corporate can rapidly defuse the impact brought by the negative information; (3) administrative penalty by the environment authorities in the districts; (4) has certain or temporary impact on the environment or society, but not damage the ecosystem; (5) draws attention of the relevant authorities of the government/or needs to inform the relevant authorities of the government, and does not need to take practical actions but need to pay close attention; (6) influences the working enthusiasm of the staff to some extent and lower their working efficiency; (7) individual or collective appeal of the staff to the parent company, which has adverse impact on the corporate culture, corporate cohesive force to some extent; (8) less than 1% of the key technical staff and management run off.

(III) Internal control defect identification and rectification

1. *Defect identification in internal control over financial reporting and rectification.*

   In accordance with the above-mentioned criteria of identifying defects in internal control over financial reporting, there were no material or major defects in internal control over financial reporting during the report period.

2. *Defect identification in internal control over non-financial reporting and rectification.*

   In accordance with the above-mentioned criteria of identifying defects in internal control over non-financial reporting, there were no material or major defects in internal control over non-financial reporting during the reporting period.

II. Explanations on Relevant Matters of Internal Control Audit Report

The Company disclosed a standard unqualified Internal Control Audit Report for 2014 issued by Deloitte Touche Tohmatsu Certified Public Accountants LLP (Special General Partnership), the auditor for internal control. For details, please refer to the websites of Shanghai Stock Exchange and the Company.

III. Accountability System for Major Errors in Annual Reports and Its Implementation

The Company launched the evaluation for internal control pursuant with the system of the corporate internal control and standardisation, Guidebook on Internal Control of Jiangxi Copper Company Limited (《江西銅業股份有限公司內部控制手冊》) and the Implementation Plan of Internal Control Evaluation of Jiangxi Copper Company Limited for 2014 (《江西銅業股份有限公司2014年度內部控制評價實施方案》). The Company had prescribed rules for the modes and substance in respect of the liabilities verification and accountability in case of any errors in information disclosure of annual reports. Through continuous increase in the degree of accountability of the person in charge of information disclosure of annual reports, the Company enhanced the quality and transparency of information disclosure in annual reports. The Company will strictly execute relevant requirements of the system and eliminate major errors in the information disclosure of annual reports to ensure the truthfulness, accuracy and completeness of the information set out in annual reports.

During the reporting period, no major errors were found in the information disclosure of the annual report of the Company, nor were there any correction of material accounting mistakes, supplement of material omissions or modifications of advanced results announcement. Supplement and correction of advanced results announcement.

Brief Introduction to the General Meeting

Session of the meeting	Date of convening	Resolutions in the meeting	Status of the resolutions	Reference of the website specified for information disclosure	Publication date of resolutions
2013 Annual General Meeting	11 June 2014	See note 1	10 resolutions were all passed in the meeting	Website of the SSE: www.sse.com.cn	12 June 2014

Note 1: The following resolutions were considered at the 2013 Annual General Meeting

1. To consider and approve the 2013 Report of the Board of the Company.

2. To consider and approve the 2013 Report of the Supervisory Committee.

3. To consider and approve the audited 2013 Financial Statements, Auditor's Reports and Audit Reports prepared in accordance with the IFRSs and PRC GAAP.

4. To consider and approve 2013 profit distribution plan.

5. To consider and approve the proposal in relation to the Incentive Fund Reserve for Senior Management for the year 2013.

6. To consider and approve the proposal in relation to the appointment of auditors for the year 2014.

7. To accept the proposal in relation to the resignation of Mr. Wu Jianchang as a director of the Company.

8. To consider and approve the proposal in relation to the appointment of Mr. Qiu Guanzhou as a director of the Company.

9. To consider and approve a general mandate to issue new H shares not more than 20% of the total foreign shares (H shares) in issue, that is, to grant authorisation to the Board to place and issue new H shares not more than 20% of the total H shares in issue as at the date convening the general meeting.

10. To consider and approve the proposal in relation to the amendments to the Articles of Association of the Company.

I. Material litigation, arbitration and matters commonly questioned by the media

The Company was not involved in any material litigation, arbitration and matters commonly questioned by media during the year.

II. Embezzlement of funds and repayment of debt during the reporting period

✓ N/A

III. Bankruptcy and restructuring

The Company was not subject to bankruptcy and restructuring during the year.

IV. Assets exchanges and mergers

(I) Events not disclosed in provisional announcements or with further progress

1. Corporate mergers

Jiangxi Copper Dexing Chemical Company Limited ("Dexing Chemical"), a wholly-owned subsidiary of the Company entering into the Company Absorption and Merger Agreement with JCC Group Chemical Co., Ltd. ("JCC Chemical") (江銅集團化工有限公司), another wholly-owned subsidiary of the Company in April 2014, pursuant to which, the parties conducted absorption and merger. Dexing Chemical will absorb and merger with JCC Chemical. Upon merger, Dexing Chemical will continue to exist, while JCC Chemical will log out according to the low. Upon completion of merger, the registered capital of Dexing Chemical will become RMB375,821,500, and the absorption and merger has been completed during the reporting period. Dexing Chemical and JCC Chemical once both mainly engaged in production of sulfuric acid and its by-products, therefore, the merger will benefit the comprehensive management of the Company as well as the benign development of the sulfuric acid segment of the Company.

V. Equity incentives and its effects

(i) Details for the equity incentives of the Company during the reporting period

N/A

VI. Material Connected Transactions

(i) Connected transactions in relation to daily operations

Unit: Yuan Currency: RMB

Connected Party	Nature of the Connection	Category of the connected transaction	Details of the connected transaction	Pricing policy of the connected transaction	Price of the connected transaction	Amount of the connected transaction	As a percentage of the amount involved in transactions of the same category (%)	Payment Terms of the connected transactions
JCC Group and its Subsidiaries	Controlling shareholder	Purchase of goods	Copper concentrates (tonne)	Market price	37,355.3	20,938,200	0.22	Payment upon acceptance
JCC Group and its Subsidiaries	Controlling shareholder	Purchase of goods	Sulphuric acid	Market price	174.55	10,783,925	100.00	Payment upon acceptance
JCC Group and its Subsidiaries	Controlling shareholder	Purchase of goods	Ancillary industrial products and other products	Market price or cost plus tax		130,848,920	4.83	Monthly payment
JCC Group and its Subsidiaries	Controlling shareholder	Expenses of other utilities including water, electricity and gas (purchase)	Rentals for public facilities	Shared on a cost basis in accordance with the proportion of staff		1,597,816	100	Monthly payment
JCC Group and its Subsidiaries	Controlling shareholder	Acceptance of services	Construction service	Fixed rates of Jiangxi Province		9,782,906	0.50	Monthly payment
JCC Group and its Subsidiaries	Controlling shareholder	Acceptance of rights of use such as patent and trademark	Land use charges	Valuation price		166,664,514	100	Settlement at the end of the year
JCC Group and its Subsidiaries	Controlling shareholder	Acceptance of services	Futures agency fee	Market price		20,466,834	48.23	Payment upon completion of the transaction
JCC Group and its Subsidiaries	Controlling shareholder	Deposits	Interest charges for deposits	Based on the benchmark lending rate promulgated by the People's Bank of China or deposit terms no less favorable than the similar terms offered to JCC by other domestic financial institutions or credit cooperatives		7,362,435	100	Monthly or quarterly payment
JCC Group and its Subsidiaries	Controlling shareholder	Acceptance of services	Acceptance of repair and maintenance services	Industry standards		127,935,372	73.47	Monthly payment
JCC Group and its Subsidiaries	Controlling shareholder	Acceptance of services	Labor services, such as loading and logistics services of goods	Market price		11,136,114	100	Monthly payment
JCC Group and its Subsidiaries	Controlling shareholder	Acceptance of services	Provision of logistics services	Market price		1,626,289	0.36	Monthly payment
JCC Group and its Subsidiaries	Controlling shareholder	Expenses of other utilities including water, electricity and gas (purchase)	Acceptance of environmental sanitation and greenery services	Shared in accordance with the proportion of staff		1,225,629	100	Monthly payment
JCC Group and its Subsidiaries	Controlling shareholder	Sale of goods	Copper rods and wires *(tonne)*	Market price	42,492	714,595,378	1.89	Payment upon acceptance
JCC Group and its Subsidiaries	Controlling shareholder	Sale of goods	Copper cathode *(tonne)*	Market price	41,433	269,655,232	0.81	Payment upon acceptance
JCC Group and its Subsidiaries	Controlling shareholder	Sale of goods	Lead materials *(tonne)*	Market price		56,697,802	100	Payment upon acceptance
JCC Group and its Subsidiaries	Controlling shareholder	Sale of goods	By-products	Market price		143,454,762	9.52	Monthly payment
JCC Group and its Subsidiaries	Controlling shareholder	Sale of goods	Sales of Ancillary industrial product	Market price		61,892,650	4.57	Monthly payment

Connected Party	Nature of the Connection	Category of the connected transaction	Details of the connected transaction	Pricing policy of the connected transaction	Price of the connected transaction	Amount of the connected transaction	As a percentage of the amount involved in transactions of the same category (%)	Payment Terms of the connected transactions
JCC Group and its Subsidiaries	Controlling shareholder	Loans	Provision of loans	Based on the benchmark lending rate promulgated by the People's Bank of China or deposit terms no less favorable than the similar terms offered to JCC by other domestic financial institutions or credit cooperatives		913,000,000	100.00	Payments terms set out in the loan agreement
JCC Group and its Subsidiaries	Controlling shareholder	Loans	Provision of loan interests	Based on the benchmark lending rate promulgated by the People's Bank of China or deposit terms no less favorable than the similar terms offered to JCC by other domestic financial institutions or credit cooperatives		20,059,650	100	Monthly or quarterly payment
JCC Group and its Subsidiaries	Controlling shareholder	Expenses of other utilities including water, electricity and gas (purchase)	Electricity supply	Cost plus tax		42,194,336	75.48	Monthly payment
JCC Group and its Subsidiaries	Controlling shareholder	Provision of services	Construction service	Industry standards		91,507,793	27.51	Monthly payment
JCC Group and its Subsidiaries	Controlling shareholder	Provision of services	Provision of equipment, design and installation services	Industry standards		15,661,007	100	Monthly payment
JCC Group and its Subsidiaries	Controlling shareholder	Provision of services	Provision of repair and maintenance services	Industry standards		8,012,833	13.29	Monthly payment
JCC Group and its Subsidiaries	Controlling shareholder	Provision of services	Provision of logistics services	Standard passenger and cargo rates of Jiangxi Province		20,323,306	9.28	Monthly payment
JCC Group and its Subsidiaries	Controlling shareholder	Expenses of other utilities including water, electricity and gas (purchase)	Water supply	Cost plus tax		311,310	12.78	Monthly payment
JCC Group and its Subsidiaries	Controlling shareholder	Expenses of other utilities including water, electricity and gas (purchase)	Rental from provision of public utilities	Shared on a cost basis in accordance with the proportion of staff		8,174,836	100	Monthly payment
Total	/	/	/	/	/	2,875,909,849		/

The aforementioned connected transactions have been reviewed by independent non-executive Directors of the Company: (i) the transactions have been entered into by the Company in the ordinary and usual course of the Company's business; (ii) the transactions have been entered into on normal commercial terms or on terms same as or no less favorable than terms available to or from independent third parties; and (iii) the transactions have been entered into on fair and reasonable terms so far as the shareholders of the Company are concerned.

The Company believes that by sharing production facilities and technologies of each other with JCC and taking advantages in proximity, it is necessary for the Company and JCC to provide or accept supply or sales of industrial goods from each other on an ongoing basis. The agreements governing connected transactions were entered into with a view to satisfy the Company's actual needs from its production and operation. The pricing policies for the connected transactions between the Company and JCC were determined based on the priority from State price, industry price, market price to cost plus tax. The Company's connected transactions were settled by cash in time after acceptance of goods or provision of services.

The auditor of the Company was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing his findings and conclusions in respect of the continuing connected transactions disclosed above by the Group in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditors' letter has been provided by the Company to the Stock Exchange.

Besides, the Company has transactions with Zhaojue Fengye Smelting Company Limited and Zhejiang Heding Copper Company Limited, which are its associates, as well as Jiangxi JCC-BIOTEQ Environmental Technologies Company Limited (江西省江銅百泰環保科技有限公司), its joint venture, respectively, with the amounts of RMB1,917,000, RMB158,434,000 and RMB43,943,000, respectively.

VII. Material Contracts and their performance

(i) Custody, contracts and leases

✓ N/A

(ii) Guarantees

✓ N/A

(iii) Other Material contracts

The company did not enter into any other material contracts.

VIII. Performance of undertakings

(I) Undertakings given by the Company, shareholders holding more than 5% of shares, controlling shareholder and de facto controller during or subsisted to the reporting period

(i)

Types of Undertakings	**Undertakings to distribute dividends**
Party of undertakings	Jiangxi Copper Company Limited
Details of the undertakings	1. The Company can distribute dividend by way of cash, scrip or the combination of cash and scrip; and can distribute interim dividend according to the actual profitability and the capital requirement of the Company; 2. According to the provisions of the laws, regulations and the Articles of Association, conditional upon the cumulative distributable profits being positive after making up of the losses, deduction of the statutory reserve fund and provident fund in full amount, and having sufficient profits and cash to support the normal production and operation of the Company, in each year, the profit distribution by way of cash shall be not less than 10% of the distributable profits realized for the year, and the accumulated distributable profit distributed by way of cash in the last three years shall be not less than 30% of the average annual distributable profits realized in the last three years; 3. In addition to satisfying the minimum cash dividend distribution, the Company can implement distribution by way of scrip dividend. The proposal for distribution by way of scrip dividend should be proposed by the Board and put forward to the shareholders' meeting for approval.
The time and term of the undertakings	The undertaking was made on: 3 August 2012 Term: 3 years (2012-2014)
Whether there is time limit of performance	Yes
Whether it was fulfilled strictly in a timely manner	Yes
Specify when not performing the undertakings timely and reasons for not performing the undertakings timely	N/A
Specify the plan if not performing the undertakings timely	N/A

(ii)

Types of Undertakings	**Undertaking of listing**
Party of undertakings	Jiangxi Copper Corporation
Details of the undertakings	1. Under the Company Law of the PRC, the Company has fully independent control over its production and operations. JCC has undertaken not to interfere with the daily operations and decisions of the Company, unless such actions are performed through the Board of the Company. 2. (I) During the period where JCC held 30% or more voting rights of the share capital of the Company, JCC shall use its best endeavors to ensure the independence of the Board of the Company pursuant to the requirements set out by the London Stock Exchange and Hong Kong Stock Exchange. Further, JCC shall ensure that independent directors (namely those independent of JCC and China National Nonferrous Metals Industry Corporation) shall constitute a majority of the Board of the Company. (II) During the period where JCC held 30% or more voting rights of the share capital of the Company, JCC shall exercise its voting rights to ensure that no amendment to the Articles of Association of the Company that may impact the independence thereof shall be made.

3. During the period where JCC held 30% or more voting rights of the share capital of the Company, JCC, its subsidiaries and connected companies (including the companies, enterprises and businesses controlled by it, except those controlled through the Company) shall not engage in any activities or businesses that are or may be in direct or indirect competition with the Company.

4. JCC has undertaken to assist the Company in obtaining approvals from government agencies with respect to the businesses thereof.

5. In the event that JCC carries out such actions as transfers and disposal regarding the land use rights of Dexing Copper Mine, Yongping Copper Mine and Guixi Smelter, the Company shall have the preemptive right.

The time and term of the undertakings	Date of the undertaking: 22 May 1997 Term of the undertaking: Long-term
Whether there is time limit of performance	Yes
Whether it was fulfilled strictly in a timely manner	Yes
Specify when not performing the undertakings timely and reasons for not performing the undertakings timely	N/A
Specify the plan if not performing the undertakings timely	N/A

IX. Appointment and removal of the auditors

Unit: 0'000 Currency: RMB

Whether changed the auditor:	No	
	Original Auditors	Current Auditors
Name of domestic auditor	Deloitte Touche Tohmatsu Certified Public Accountants LLP (Special General Partnership)	Deloitte Touche Tohmatsu Certified Public Accountants LLP (Special General Partnership)
Remuneration for domestic auditor	847	1,002
Years of audit services provided by the domestic auditor	1 year	1 year
Name of overseas auditor	Deloitte Touche Tohmatsu	Deloitte Touche Tohmatsu
Remuneration for overseas auditor	HK$800,000	HK$800,000
Years of audit services provided by the overseas auditor	1 year	1 year

	Name
The auditor for auditing the internal control	Deloitte Touche Tohmatsu Certified Public Accountants LLP (Special General Partnership)
Remuneration of the auditor for auditing the internal control	Consolidated with that of domestic auditor

X. Punishment on the Company and its Directors, Supervisors, senior management, shareholders holding more than 5% of shares, de facto controller and buyer and rectification

Neither the Company nor its Directors, Supervisors, senior management, shareholders holding more than 5% of shares, de facto controller and buyer was a subject of any investigation, administrative punishment or criticism by CSRC or any condemnation by any stock exchange during the year.

XI. Convertible corporate bonds

☐ Applicable ☑ Not Applicable

XII. THE IMPACT ON THE CONSOLIDATED FINANCIAL STATEMENTS FROM APPLICATION OF NEW ACCOUNTING POLICIES

In 2014, the Ministry of Finance amended and newly issued eight accounting standards, three of which were newly added, including Accounting Standards for Business Enterprises No.39 — Measurement of Fair Value, Accounting Standards for Business Enterprises No.40 — Joint Venture Arrangement, and Accounting Standards for Business Enterprises No.41 — Disclosure of Interests in Other Entities; five of which were amended, including Accounting Standards for Business Enterprises No.2 — Long-term Equity Investment, Accounting Standards for Business Enterprises No.9 — Remuneration of Employees, Accounting Standards for Business Enterprises No.30 — Presentation of Financial Statements, Accounting Standards for Business Enterprises No.33 — Consolidated Financial Statements and Accounting Standards for Business Enterprises No.37 — Presentation of Financial Instruments.

As a company whose A shares and H shares were listed, in preparing the financial statements for the year 2013, the Company applied Accounting Standards for Business Enterprises No.39 — Measurement of Fair Value, Accounting Standards for Business Enterprises No.40 — Joint Venture Arrangement, Accounting Standards for Business Enterprises No.2 — Long-term Equity Investment (Revised), Accounting Standards for Business Enterprises No.9 — Remuneration of Employees (Revised), Accounting Standards for Business Enterprises No.30 — Presentation of Financial Statements (Revised) and Accounting Standards for Business Enterprises No.33 — Consolidated Financial Statements (Revised). The application of the above standards has no impact on financial statements of the Company. The financial statements of the Company have been presented and disclosed according to the above standards.

Pursuant to the revised Accounting Standards for Business Enterprises No.37 — Presentation of Financial Instruments, provisions in relation to offsetting and the disclosure requirements thereof as well as the disclosure requirements in relation to financial asset transfer, were newly added, the disclosure requirements in relation to maturity analysis of financial assets and financial liabilities were amended. The Company's annual report for the year 2014 was presented according to the standard and disclosure of the notes to comparable financial statements was adjusted.

The new Accounting Standards for Business Enterprises No.41 — Disclosure of Interests in Other Entities is applicable to disclosure relevant to an enterprise's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The application of Accounting Standards for Business Enterprises No.41 — Disclosure of Interests in Other Entities will result a wider disclosure made in notes to financial statements of the Company. The Company's annual report for the year 2014 was presented according to the standard and disclosure of the notes to comparable financial statements was adjusted.

Save as the above, the Company has no material changes in accounting policies and accounting estimates.

1 Impact from other changes in the standards (prepared in accordance with PRC CAAP)

31 December 2014	Before application	Application of accounting standards	After application
Capital reserve	11,722,843,789	–36,949,124	11,685,894,665
Other comprehensive income	–334,680,124	36,949,124	–297,731,000
Other non-current liabilities	472,977,494	–472,977,494	—
Deferred income	—	472,977,494	472,977,494

31 December 2013	Before application	Application of accounting standards	After application
Capital reserve	11,683,873,118	2,021,547	11,685,894,665
Other comprehensive income	–340,214,307	–2,021,547	–342,235,854
Other non-current liabilities	372,260,199	–372,260,199	—

XIII. DESCRIPTION ON OTHER MATERIAL MATTERS

Affected by the substantial decrease in the copper price of LME and SHFE in January and February 2015, if the prevailing price in copper price remains the same or continues to drop in the remaining period for the first quarter in 2015, the Company estimated that the accumulated net profits for the first quarter in 2015 (January to March) will record a decrease of over 50% as compared with the corresponding period of last year.

XIV. ASSETS SECURED OF THE GROUP

As at 31 December 2014, assets of the Group amounting to the net book value of RMB5,757.30 million were pledged for securing certain bank loans, including the deposits pledged for securing borrowings of RMB3,455.52 million (as of 31 December 2013: RMB2,474.14 million), the deposits pledged for letter of credit of RMB557.00 million (as of 31 December 2013: RMB1,593.64 million), the discounted but undue bank and commercial accepted notes of RMB1,182.99 million (as of 31 December 2013: RMB402.27 million), inventories pledged with net value of RMB533.34 million (as of 31 December 2013: inventories secured RMB147.61 million), buildings secured with net carrying value of RMB19.45 million (as of 31 December 2013: RMB21.73 million), land use right secured with net carrying value of RMB9.00 million (as of 31 December 2013: land use right secured with net carrying value of RMB9.24 million).

XV. 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 not a currency that is freely convertible 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 revenue and 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.

XVI. CONTINGENT LIABILITIES

As at 31 December 2014, the Group did not have any material contingent liabilities.

Deloitte.
德勤

TO THE SHAREHOLDERS OF JIANGXI COPPER COMPANY LIMITED
(A joint stock company incorporated in the People's Republic of China with limited liability)

We have audited the consolidated financial statements of Jiangxi Copper Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 100 to 198, which comprise the consolidated statement of financial position as at 31 December 2014, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion 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. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 December 2014 and of its profit and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
25 March 2015

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2014
(PREPARED IN ACCORDANCE WITH IFRS)

	NOTES	**2014** **RMB'000**	2013 RMB'000
Revenue	5	**198,264,175**	175,291,753
Cost of sales		**(192,542,742)**	(168,758,963)
Gross profit		**5,721,433**	6,532,790
Other income	6	**1,085,688**	839,536
Other gains and losses	7	**482,026**	499,505
Selling and distribution expenses		**(547,007)**	(545,284)
Administrative expenses		**(1,876,310)**	(1,760,855)
Finance costs	8	**(977,405)**	(843,343)
Share of results of joint ventures		**(22,248)**	3,761
Share of results of associates		**46,195**	5,524
Profit before taxation		**3,912,372**	4,731,634
Taxation	9	**(1,013,108)**	(1,100,305)
Profit for the year	10	**2,899,264**	3,631,329
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		**111,190**	118,251
Reclassification adjustments relating to transfer of cash flow hedges		**(66,826)**	(121,070)
Fair value change on available-for-sale investments		**81**	—
Share of exchange differences of associates		**8,743**	(72,205)
Share of exchange differences of joint ventures		**(9,833)**	—
Exchange differences arising on translation		**6,732**	(10,993)
Income tax relating to components of other comprehensive income		**(5,473)**	393
Other comprehensive income (expense) for the year (net of tax)		**44,614**	(85,624)
Total comprehensive income for the year		**2,943,878**	3,545,705

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2014
(PREPARED IN ACCORDANCE WITH IFRS)

	NOTE	**2014** **RMB'000**	2013 RMB'000
Profit for the year attributable to:			
Owners of the Company		**2,899,091**	3,555,692
Non-controlling interests		**173**	75,637
		2,899,264	3,631,329
Total comprehensive income attributable to:			
Owners of the Company		**2,943,600**	3,472,244
Non-controlling interests		**278**	73,461
		2,943,878	3,545,705
Earnings per share	13		
Basic and diluted		**RMB0.84**	RMB1.03

Consolidated Statement of Financial Position

AT 31 DECEMBER 2014
(PREPARED IN ACCORDANCE WITH IFRS)

	NOTES	2014 RMB'000	2013 RMB'000
Non-current assets			
Property, plant and equipment	14	**20,503,823**	20,002,661
Investment properties	15	**357,874**	174,841
Prepaid lease payments	16	**924,763**	489,516
Intangible assets	17	**830,475**	864,398
Exploration and evaluation assets	18	**771,890**	665,245
Interests in associates	19	**2,927,302**	2,652,398
Interests in joint ventures	20	**372,153**	25,358
Other investments	27	**100,000**	1,880,000
Available-for-sale investments	21	**1,068,529**	539,730
Deferred tax assets	22	**683,956**	476,599
Deposits for prepaid lease payments		**—**	116,600
Deposits for property, plant and equipment		**65,031**	105,611
		28,605,796	27,992,957
Current assets			
Inventories	23	**14,190,219**	14,683,971
Trade and bills receivables	24	**17,344,604**	14,220,603
Prepayments, deposits and other receivables	26	**6,137,786**	6,269,716
Other investments	27	**1,140,000**	—
Loans to fellow subsidiaries	28	**878,585**	—
Prepaid lease payments	16	**18,371**	11,159
Available-for-sale investments	21	**1,263,000**	1,501,500
Held-for-trading financial assets		**48,159**	48,880
Derivative financial instruments	29	**350,885**	38,498
Restricted bank deposits	30	**5,944,645**	4,325,952
Bank balances and cash	30	**19,394,219**	19,666,162
		66,710,473	60,766,441
Current liabilities			
Trade and bills payables	31	**10,948,492**	11,290,992
Other payables and accruals	32	**4,192,693**	4,231,388
Deposits from holding company and fellow subsidiaries	33	**879,792**	607,530
Deferred revenue – government grants	34	**35,723**	37,624
Derivative financial instruments	29	**273,946**	694,352
Held-for-trading financial liabilities	35	**2,416,717**	2,802,265
Tax payable		**803,008**	888,792
Bank borrowings	36	**20,929,923**	15,745,862
		40,480,294	36,298,805
Net current assets		**26,230,179**	24,467,636
Total assets less current liabilities		**54,835,975**	52,460,593

Consolidated Statement of Financial Position

AT 31 DECEMBER 2014
(PREPARED IN ACCORDANCE WITH IFRS)

	NOTES	**2014** **RMB'000**	2013 RMB'000
Non-current liabilities			
Bonds payable	37	**6,246,297**	5,955,393
Bank borrowings	36	**680,454**	90,062
Provision for rehabilitation	38	**122,465**	148,623
Employee benefit liability	39	**187,480**	151,889
Deferred revenue – government grants	34	**472,978**	372,260
Other long term payables	40	**12,491**	13,192
Deferred tax liabilities	22	**93,646**	96,752
		7,815,811	6,828,171
		47,020,164	45,632,422
Capital and reserves			
Share capital	41	**3,462,729**	3,462,729
Reserves		**42,265,221**	41,052,986
Equity attributable to owners of the Company		**45,727,950**	44,515,715
Non-controlling interests		**1,292,214**	1,116,707
		47,020,164	45,632,422

The consolidated financial statements on pages 100 to 198 were approved and authorised for issue by the Board of Directors on 25 March 2015 and are signed on its behalf by:

Director	Director

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2014
(PREPARED IN ACCORDANCE WITH IFRS)

	Attributable to owners of the Company													
	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000 (Note a)	Other reserve RMB'000 (Note b)	Statutory surplus reserve RMB'000 (Note c)	Discretionary surplus reserve RMB'000 (Note c)	Safety funds surplus reserve RMB'000 (Note d)	Hedging reserve RMB'000	Translation reserve RMB'000	Proposed dividends RMB'000	Retained profits RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 January 2013	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 year	—	—	—	—	—	—	—	—	—	—	3,555,692	3,555,692	75,637	3,631,329
Other comprehensive expense for the year	—	—	—	—	—	—	—	(2,426)	(81,022)	—	—	(83,448)	(2,176)	(85,624)
Total comprehensive (expense) income for the year	—	—	—	—	—	—	—	(2,426)	(81,022)	—	3,555,692	3,472,244	73,461	3,545,705
Acquisition of additional interest in a subsidiary	—	—	—	—	—	—	—	—	—	—	—	—	(3,366)	(3,366)
Dividend paid to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	—	(40,947)	(40,947)
Dividends declared	—	—	—	—	—	—	—	—	—	(1,731,365)	—	(1,731,365)	—	(1,731,365)
Dividends proposed	—	—	—	—	—	—	—	—	—	1,731,365	(1,731,365)	—	—	—
Transfer between categories	—	—	—	—	321,747	321,747	(47,370)	—	—	—	(596,124)	—	—	—
At 31 December 2013	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 year	—	—	—	—	—	—	—	—	—	—	2,899,091	2,899,091	173	2,899,264
Other comprehensive income for the year	—	—	—	61	—	—	—	38,911	5,537	—	—	44,509	105	44,614
Total comprehensive income for the year	—	—	—	61	—	—	—	38,911	5,537	—	2,899,091	2,943,600	278	2,943,878
Acquisition of a subsidiary	—	—	—	—	—	—	—	—	—	—	—	—	250,000	250,000
Dividend paid to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	—	(74,771)	(74,771)
Dividends declared	—	—	—	—	—	—	—	—	—	(1,731,365)	—	(1,731,365)	—	(1,731,365)
Dividends proposed	—	—	—	—	—	—	—	—	—	692,546	(692,546)	—	—	—
Transfer between categories	—	—	—	—	388,925	—	47,301	—	—	—	(436,226)	—	—	—
At 31 December 2014	3,462,729	12,647,502	(902,113)	(92,445)	4,456,354	9,647,574	275,474	36,888	(334,679)	692,546	15,838,120	45,727,950	1,292,214	47,020,164

Notes:

(a) Capital reserve arises 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 valuer in the People's Republic of China (the "PRC") 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 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 the 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.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2014
(PREPARED IN ACCORDANCE WITH IFRS)

	2014	2013
	RMB'000	*RMB'000*
Operating activities		
Profit before taxation	**3,912,372**	4,731,634
Adjustments for:		
Interest expenses	**977,405**	843,343
Depreciation for property, plant and equipment	**1,462,052**	1,395,880
Impairment loss on property, plant and equipment	**30,088**	—
Depreciation of investment properties	**4,077**	4,077
Amortisation of prepaid lease payments	**18,731**	11,159
Amortisation of intangible assets	**41,017**	33,629
Loss on disposal of property, plant and equipment	**39,649**	53,849
Share of results of associates	**(46,195)**	(5,524)
Share of results of joint ventures	**22,248**	(3,761)
Impairment loss on available-for-sale investments	**1,631**	—
Impairment loss on trade and other receivables	**981,988**	3,621
Impairment loss on loans to fellow subsidiaries	**4,415**	—
Release of deferred income	**(38,035)**	(37,141)
Allowance for inventories	**371,233**	294,520
Unwinding of an interest and reversal of rehabilitation provision made	**(26,158)**	9,564
Income from available-for-sale investments	**(203,523)**	(216,081)
Income from other investments	**(123,470)**	(128,800)
Fair value change on commodity derivative contracts	**(1,237,269)**	319,488
Fair value change on provisional price arrangement	**(4,616)**	(6,972)
Fair value change on foreign currency forward contracts and interest rate swaps	**(7,220)**	19,747
Fair value change on held-for-trading financial liabilities	**71,995**	(508,869)
Fair value change on held-for-trading financial assets	**707**	629
Operating cash flows before movements in working capital	**6,253,122**	6,813,992
Increase (decrease) in deposits from holding company and fellow subsidiaries	**272,262**	(47,680)
Purchase of held-for-trading financial assets	**—**	(48,294)
Decrease in inventories	**122,519**	957,949
Increase in trade and other receivables	**(3,872,650)**	(6,349,903)
Increase in trade and other payables	**279,438**	4,563,770
Cash generated from operations	**3,054,691**	5,889,834
Income tax paid	**(1,314,828)**	(1,077,882)
Net cash from operating activities	**1,739,863**	4,811,952

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2014
(PREPARED IN ACCORDANCE WITH IFRS)

	NOTE	**2014** **RMB'000**	2013 RMB'000
Investing activities			
Proceeds from disposal of available-for-sale investments		**12,034,468**	11,694,751
Proceeds from disposal of other investments		**750,000**	1,230,133
Income from available-for-sale investments		**153,222**	—
Government grants received		**136,852**	87,060
Income from other investments		**133,743**	—
Proceeds from disposal of property, plant and equipment		**103,524**	51,107
Income (loss) from derivative financial instruments		**102,258**	(136,862)
Dividend received from available-for-sale investments		**20,250**	20,410
Dividend received from joint ventures		**—**	10,750
Acquisition of a subsidiary	42	**2,374**	—
Income from held-for-trading assets		**14**	—
Purchase of available-for-sale investments		**(12,326,399)**	(11,601,500)
Purchases of property, plant and equipment		**(2,259,201)**	(1,839,620)
Increase in restricted bank deposits to secure bank borrowings		**(1,618,693)**	(694,655)
Provision of loans to fellow subsidiaries		**(883,000)**	—
Investments in a joint venture		**(383,876)**	—
Purchase of other investments		**(140,000)**	(1,880,000)
Investments in associates		**(219,966)**	(714,548)
Purchase of exploration and evaluation assets		**(106,645)**	(90,773)
Purchases of prepaid lease payments		**(74,568)**	(19,258)
Deposits paid for property, plant and equipment		**(65,031)**	(105,611)
Purchase of intangible assets		**(7,094)**	(20,296)
Purchase of investment properties		**(5,267)**	—
Deposits paid for prepaid lease payments		**—**	(116,600)
Net cash used in investing activities		**(4,653,035)**	(4,125,512)
Financing activities			
New bank borrowings raised		**33,419,665**	29,230,704
Proceeds from held-for-trading financial liabilities		**2,363,698**	3,187,176
Repayment of bank borrowings		**(27,676,825)**	(26,219,833)
Repayment of held-for-trading financial liabilities		**(3,101,961)**	(1,494,895)
Dividends paid		**(1,731,365)**	(1,731,365)
Interest paid		**(575,748)**	(546,431)
Dividends paid to non-controlling interests		**(74,771)**	(40,947)
Net cash from financing activities		**2,622,693**	2,384,409
Net (decrease) increase in cash and cash equivalents		**(290,479)**	3,070,849
Cash and cash equivalents at the beginning of the year		**19,666,162**	16,678,343
Effect of foreign exchange rate changes		**18,536**	(83,030)
Cash and cash equivalents at the end of the year, representing bank balances and cash		**19,394,219**	19,666,162

1. GENERAL

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 Gan 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 and A shares were listed on The Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange, respectively. The head office of the Company is located at No. 7666, Changdong Road, Nanchang City, Jiangxi Province, the PRC. The Company's holding company is JCC, and the ultimate controlling party is the State-owned Assets Supervision and Administration Commission of the 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.

The activities of its principal subsidiaries, associates and joint ventures are set out in notes 47, 19 and 20 respectively.

The consolidated financial statements are presented in Renminbi ("RMB") which is the functional currency of the Company.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

The Group has applied the following new and revised International Accounting Standards ("IASs"), IFRSs and amendments (hereinafter collectively referred to as the "new and revised IFRSs") issued by International Accounting Standards Board (the "IASB") and IFRS Interpretation Committee of the IASB for the first time in the current year.

Amendments to IFRS 10 IFRS 12 and IAS 27	Investment entities
Amendments to IAS 32	Offsetting financial assets and financial liabilities
Amendments to IAS 36	Recoverable amount disclosures for non-financial assets
Amendments to IAS 39	Novation of derivatives and continuation of hedge accounting
IFRIC — INT 21	Levies

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") *(Continued)*

The application of the new and revised IFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or the disclosures set out in these consolidated financial statements.

The Group has not early applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 9	Financial instruments[1]
IFRS 14	Regulatory deferral accounts[2]
IFRS 15	Revenue from contracts with customers[3]
Amendments to IFRS 11	Accounting for acquisitions of interests in joint operations[5]
Amendments to IAS 1	Disclosure initiative[5]
Amendments to IAS 16 and IAS 38	Clarification of acceptable methods of depreciation and amortisation[5]
Amendments to IAS 16 and IAS 41	Agriculture: Bearer plants[5]
Amendments to IAS 19	Defined benefit plans: Employee contributions[4]
Amendments to IAS 27	Equity method in separate financial statements[5]
Amendments to IFRS 10 and IAS 28	Sale and contribution of assets between an investor and its associate or joint venture[5]
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment entities: Applying the consolidated exception[5]
Amendments to IFRSs	Annual improvements to IFRSs 2010 – 2012 cycle[6]
Amendments to IFRSs	Annual improvements to IFRSs 2011 – 2013 cycle[4]
Amendments to IFRSs	Annual improvements to IFRSs 2012 – 2014 cycle[5]

1 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

2 Effective for first annual IFRS financial statements beginning on or after 1 January 2016, with earlier application permitted.

3 Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.

4 Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.

5 Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

6 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions. Earlier application is permitted.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") *(Continued)*

IFRS 9 "Financial instruments"

IFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income" ("FVTOCI") measurement category for certain simple debt instruments.

Key requirements of IFRS 9 are described below:

- All recognised financial assets that are within the scope of IAS 39 "Financial instruments: Recognition and measurement" are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") *(Continued)*

IFRS 9 "Financial instruments" *(Continued)*

- The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an "economic relationship". Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The directors of the Company anticipate that the application of IFRS 9 in the future may have a material impact on amounts reported in respect of the Group's financial assets in respect of available-for-sale investments. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

IFRS 15 "Revenue from contracts with customers"

In July 2014, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 "Revenue", IAS 11 "Construction contracts" and the related interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") *(Continued)*

IFRS 15 "Revenue from contracts with customers" *(Continued)*

The directors of the Company anticipate that the application of IFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 15 until the Group performs a detailed review.

The directors of the Company anticipate that the application of the other new and revised IFRSs will have no material impact on the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with IFRSs. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance (Cap. 32).

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, that are measured at fair value, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 "Share-based payment", leasing transactions that are within the scope of IAS 17 "Leases", and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 "Inventories" or value in use in IAS 36 "Impairment of assets".

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Basis of consolidation *(Continued)*

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 "Income taxes" and IAS 19 "Employee benefits" respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 "Share-based payment" at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations" are measured in accordance with that standard.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Business combinations *(Continued)*

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation is initially measure at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. Other types of non-controlling interests are measured at their fair value or, when applicable, on the basis specified in another standard.

Interests in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or joint venture exceeds the Group's interest in that associate or joint venture (which includes any long term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Interests in associates and joint ventures *(Continued)*

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 "Impairment of assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold in the normal course of business, net of sales related taxes.

Sales of goods are recognised when the goods are delivered and title has passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Revenue recognition *(Continued)*

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably).

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences arising on monetary items are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before taxation" as reported in the consolidated statement of profit or loss and other comprehensive income because of term income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interest in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Taxation *(Continued)*

Current and deferred tax for the year

Current and deferred tax is recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress) are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment other than construction in progress less their residual values over their estimated useful lives and after taking into account their estimated residual values, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Construction in progress includes property, plant and equipment in the course of construction for production or for own use purposes. Construction in progress is carried at cost less any recognised impairment loss. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

Leasehold land and building

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lumpsum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "prepaid lease payments" in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses, being their fair value at the date of the revaluation less subsequent accumulated amortisation and any accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Exploration and evaluation assets

Exploration and evaluation assets are recognised at cost on initial recognition. Subsequent to initial recognition, exploration and evaluation assets are stated at cost less any accumulated impairment losses. Exploration and evaluation assets include the cost of exploration rights and the expenditures incurred in the search for mineral resources as well as the determination of the technical feasibility and commercial viability of extracting those resources. When the technical feasibility and commercial viability of extracting mineral resources become demonstrable or relevant mining rights certificate is obtained, previously recognised exploration and evaluation assets are reclassified as mining rights or property, plant and equipment. These assets are assessed for impairment before reclassifications.

Impairment of exploration and evaluation assets

The carrying amount of the exploration and evaluation assets is reviewed annually and adjusted for impairment whenever one of the following events or changes in circumstances indicate that the carrying amount may not be recoverable (the list is not exhaustive).

- The period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed.
- Substantive expenditure on future exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned.
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the Exploration and evaluation assets is unlikely to be recovered in full from successful development or by sale.

An impairment loss is recognised in the profit or loss whenever the carrying amount of the exploration and evaluation assets exceeds its recoverable amount.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculates using the weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Impairment of tangible and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Group's financial assets are classified into one of the following categories including financial assets as at fair value through profit or loss ("FVTPL"), loans and receivables, and available-for-sale financial assets. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of asset within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial assets, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL on initial recognition.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Financial assets at FVTPL (Continued)

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 permits the entire combined contract to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial assets and is included in the other gains and losses line item in the consolidated statement of profit or loss and other comprehensive income.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and bills receivables, other receivables, other investments, loans to fellow subsidiaries, restricted bank deposits, and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or are not classified as (a) financial assets at FVTPL or (b) loans and receivables.

Dividends on available-for-sale equity instruments are recognised in profit and loss when the Group's right to receive the dividends is established.

Available-for-sale equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments are measured at cost less any identified impairment losses at the end of each reporting period.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For available-for-sale equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial assets, such as trade and other receivables, assets are assessed for impairment on a collective basis even if they were assessed to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 90 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables, where the carrying amount is reduced through the use of an allowance account. When a trade and other receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts considered previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets (Continued)

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in according with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liabilities are either held for trading or it is designated as at FVTPL on initial recognition.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity instruments *(Continued)*

Financial liabilities at FVTPL (Continued)

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss is recognised in profit or loss incorporates any interest paid on the financial liability and is included in the other gains and losses line item in the consolidated statement of profit or loss and other comprehensive income.

Bonds with detachable warrants

The component of bonds with warrants that exhibits characteristics of a liability is recognised as a liability in the consolidated statement of financial position, 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 this amount is carried as a long term liability on an amortised cost basis until redemption.

The remainder of the proceeds is allocated to the detachable share purchase warrants that are recognised and included in shareholders' equity, net of transaction costs. The carrying amount of the detachable share purchase warrants is not remeasured in subsequent years. Transaction costs are apportioned between the liability and equity components of the bonds with warrants based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

Other financial liabilities

Other financial liabilities including trade and bills payables, other payables, deposits from holding company and fellow subsidiaries, bank borrowings, bonds payable and other long term payables are subsequently measured at amortised cost using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity instruments *(Continued)*

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, (where appropriate), a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

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 (mainly standardised copper cathode future contracts in Shanghai Futures Exchange ("SHFE") and London Metal Exchange ("LME")) and provisional price arrangement.

Provisional price arrangement is embedded in metal purchase contracts with third parties. According to industry practice, the purchase terms of metal in these contracts contain provisional pricing arrangements pursuant to which the purchase prices for metal in concentrate are 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 is within one month. Accordingly, for accounting purposes, the provisional price arrangement is required to be separated from the host contract for purchase of metal in concentrate once the significant risks and rewards of ownership has been transferred to the Group. The host contract is the purchase of metal 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. Certain derivative instruments of the Group are not designated as hedging instruments and/or qualified for hedge accounting.

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which case the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Derivative financial instruments *(Continued)*

Embedded derivatives

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Hedge accounting

The Group uses derivative financial instruments (i.e. commodity derivative contracts and provisional price arrangement) to hedge its commodity price risk.

At the inception of the hedging relationship, the Group documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedge risk.

Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in profit or loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the Group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

Any adjustment to the carrying amount of the hedged item for the designated risk for interest-bearing financial instruments is amortised to profit or loss, with amortisation commencing no later than when the hedged item ceases to be adjusted. The amortisation is based on a recalculated effective interest rate at the date amortisation commences such that the adjustment is fully amortised by maturity.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Hedge accounting *(Continued)*

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the other gains and losses line item in the consolidated statement of profit or loss and other comprehensive income.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognised in profit or loss, in the same line of the consolidated statement of profit or loss and other comprehensive income as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the Group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Derecognition *(Continued)*

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Provision

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Provisions for the Group's obligations for environment rehabilitation are based on estimates of required expenditure at the mines in accordance with PRC rules and regulations. The Group estimates its provisions for environment rehabilitation cost at closure of mine based upon detailed calculations of the amount and timing of the future cash expenditure to perform the required work. Spending estimates are escalated for inflation, then discounted at a discount rate that reflects current market assessments of the time value of money and the risks specific to the liability such that the amount of provision reflects the present value of the expenditures expected to be required to settle the obligation. The Group records a corresponding asset in the period in which the liability is incurred. The asset is depreciated using the straight-line method over its expected life and the liability is accreted to the projected expenditure date. As changes in estimates occur (such as mine plan revisions, changes in estimated costs, or changes in timing of the performance of reclamation activities), the revisions to the obligation and asset are recognised at the appropriate discount rate.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Retirement benefit costs

Payments to defined contribution retirement benefit plans/state-managed retirement benefit schemes/the Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

The key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below.

Environment rehabilitation obligations

Environment rehabilitation obligations are inherently imprecise and represent only approximate amounts because of the subjective judgements involved in the estimation of the costs. Environment rehabilitation obligations are subject to considerable uncertainty 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. As at 31 December 2014, the carrying amount of provision for rehabilitation is RMB122,465,000 (2013: RMB148,623,000).

Estimation of useful lives and resident values of property, plant and equipment

Useful lives and resident values are determined based on management's past experience with similar assets, estimated changes in technologies and in the case of mining related property, plant and equipment, estimated mine lives. If the estimated useful lives and resident value change significantly, adjustment of depreciation will be provided in the future year. As at 31 December 2014, the carrying amount of property, plant and equipment RMB20,503,823,000 (2013: RMB20,002,661,000).

4. KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Mineral reserves

Technical estimates of the Group's mineral reserves are inherently imprecise and represent only approximate amounts because of the subjective judgements involved in developing such information. There are authoritative guidelines regarding the engineering criteria that have to be met before estimated mineral reserves can be designated as "proved" and "probable". Proved and probable mineral reserves estimates are updated on a regular basis and take into account recent economic production and technical information about each mine. In addition, as production levels and technical standards change from year to year, the estimate of proved and probable mineral reserves also changes. Despite the inherent imprecision in these technical estimates, these estimates are used in assessing impairment losses. As at 31 December 2014, the carrying amount of mining rights is RMB770,769,000 (2013: RMB800,511,000).

Exploration and evaluation assets

The application of the Group's accounting policy for exploration and evaluation assets requires judgement in determining whether it is likely that future economic benefits will result, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalised is written off in profit or loss in the period when the new information becomes available. As at 31 December 2014, the carrying amount of exploration and evaluation assets is RMB771,890,000 (2013: RMB665,245,000).

Deferred tax assets

Deferred tax assets are recognised for all temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Recognition primarily involves judgement regarding the future performance of the particular legal entity or tax group in which the deferred tax asset has been recognised. A variety of other factors are also evaluated in considering whether there is convincing evidence that it is probable that some portion or all of the deferred tax assets will ultimately be realised, such as the amounts of the future taxable profit and tax planning strategies. As at 31 December 2014, the carrying amount of deferred tax assets is RMB683,956,000 (2013: RMB476,599,000).

4. KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. 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. As at 31 December 2014, the carrying amount of non-current assets (other than other investments, deferred tax assets and available-for-sale investments) is RMB26,753,311,000 (2013: RMB25,096,628,000).

Impairment of loans, trade and other receivables

Provision for impairment of loans, trade and other receivables is made based on an assessment of the recoverability of loans, trade receivables and other receivables. The identification of doubtful debts requires management's judgement 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, these differences will impact on the carrying value of the receivables, doubtful debt expenses and write-back in the period in which the estimate has been changed. As at 31 December 2014, the carrying amount of loans, trade and other receivables is RMB22,731,408,000 (2013: RMB17,602,200,000).

Impairment of available-for-sale financial assets

The Group classifies certain assets as available-for-sale financial assets at cost. These unlisted equity investments were stated at cost and subject to a test for impairment losses because the directors of the Company are of the opinion that their fair values cannot be measured reliably. A provision for impairment is made for available-for-sale equity investments when objective evidence of impairment exists. As at 31 December 2014, the carrying amount of available-for-sale financial assets is RMB408,449,000 (2013: RMB410,080,000).

4. KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Fair value measurements and valuation processes

In estimating the fair value of the Group's financial assets and financial liabilities, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the management of the Group will assess the valuation of financial instruments based on discounted cash flow or quoted bid prices of the trading day in the over-the-counter markets at the end of each reporting period. At the end of the reporting period, the management of the Group will exercise their judgements based on their experience to establish and determine the appropriate valuation techniques and inputs to the valuation model. Where there is a material change in the fair value of the assets, the causes of the fluctuations will be reported to the board of directors of the Company. Note 46 provides detailed information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of the Group's financial assets and financial liabilities.

Allowances for inventories

The management of the Group reviews the physical conditions and saleability of inventories at the end of the reporting period, and makes allowance for obsolete and slow-moving inventory items identified that are no longer suitable for use in production. The management estimates the net realisable value for inventories primarily based on the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. As at 31 December 2014, the carrying amount of inventories is RMB14,190,219,000 (2013: RMB14,683,971,000).

5. 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.

5. REVENUE AND SEGMENT INFORMATION *(Continued)*

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

	2014	2013
	RMB'000	*RMB'000*
Sales of goods		
— copper cathodes	**117,265,741**	106,506,289
— copper rods	**46,079,831**	41,418,904
— copper processing products	**5,186,903**	4,943,495
— gold	**7,343,048**	7,410,471
— silver	**2,641,269**	3,413,396
— sulphuric and sulphuric concentrate	**1,382,686**	1,341,640
— rare and other non-ferrous metals	**15,548,506**	8,989,055
— others	**3,385,502**	1,866,941
Revenue analysis prepared in accordance with ASBE	**198,833,486**	175,890,191
Less: sales related taxes	**(569,311)**	(598,438)
Revenue analysis prepared in accordance with IFRSs	**198,264,175**	175,291,753

Geographical information

The Group's operation is mainly located in the PRC and Hong Kong. The Group's revenue by geographical location of customers are detailed below:

	2014	2013
	RMB'000	*RMB'000*
Mainland China	**174,273,236**	156,366,939
Hong Kong	**9,728,744**	8,725,268
Others	**14,831,506**	10,797,984
Revenue analysis prepared in accordance with ASBE	**198,833,486**	175,890,191
Less: sales related taxes	**(569,311)**	(598,438)
Revenue analysis prepared in accordance with IFRSs	**198,264,175**	175,291,753

All non-current assets of the Group (excluding deferred tax assets and financial instruments) are located in the PRC except for certain investments in Afghanistan, Turkey, Peru and Japan of which carrying amounts are not material.

5. REVENUE AND SEGMENT INFORMATION *(Continued)*

Information about major customers

During the year ended 31 December 2014, there is no revenue from customers contributing over 10% of the total revenue of the Group (2013: nil). The revenue from the largest customer amounted to approximately RMB9,194,422,000 (2013: RMB8,815,483,000), representing 4.62% (2013: 5.01%) of the total revenue of the Group.

6. OTHER INCOME

	2014	2013
	RMB'000	*RMB'000*
Interest income	**940,799**	663,585
Dividend income on available-for-sale investments	**20,490**	20,410
Government grants recognised *(note)*	**38,035**	37,141
Income from value-added tax refund	**57,514**	58,669
Central financial incentive fund	**13,500**	—
Subsidy income of imported copper concentrate	**—**	30,000
Others	**15,350**	29,731
	1,085,688	839,536

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 government subsidies granted to the Group in relation to its production facilities.

7. OTHER GAINS AND LOSSES

	2014 RMB'000	2013 RMB'000
Fair value change on derivative financial instruments		
Transactions not qualifying for hedging accounting		
— Fair value change on commodity derivative contracts	**1,236,705**	(314,629)
— Fair value change on foreign currency forward contracts and interest rate swaps	**7,220**	(19,747)
Transactions qualifying as fair value hedges		
— Inventory hedged	**3,394**	(25,595)
— Fair value change on hedging instruments	**(2,196)**	20,794
Ineffective portion of cash flow hedges	**(634)**	(58)
Fair value change on held-for-trading financial assets	**(707)**	(629)
Fair value change on held-for-trading financial liabilities	**(71,995)**	508,869
Income from available-for-sale investments	**183,033**	195,671
Income from other investments	**123,470**	128,800
Loss on disposal of property, plant and equipment	**(39,649)**	(53,849)
Impairment loss on property, plant and equipment	**(30,088)**	—
Impairment loss on trade and other receivables	**(981,988)**	(3,621)
Impairment loss on available-for-sale investments	**(1,631)**	—
Impairment loss on loans to fellow subsidiaries	**(4,415)**	—
Donations	**(1,203)**	(8,707)
Exchange gains	**72,082**	80,131
Others	**(9,372)**	(7,925)
	482,026	499,505

8. FINANCE COSTS

	2014 RMB'000	2013 RMB'000
Interest on:		
Bank borrowings		
— wholly repayable within five years	**542,612**	407,711
— not wholly repayable within five years	**—**	548
Interest on bonds payable	**358,904**	342,369
Interests on discounted notes	**75,889**	92,715
	977,405	843,343

9. TAXATION

	2014 RMB'000	2013 RMB'000
The charge comprises:		
Current taxation		
— PRC Enterprise Income Tax	**1,220,349**	1,212,116
— Hong Kong Profits Tax	**10,625**	10,578
	1,230,974	1,222,694
(Over) underprovision in prior years		
— PRC Enterprise Income Tax	**(1,854)**	8,983
— Hong Kong Profits Tax	**(76)**	638
	(1,930)	9,621
Deferred taxation *(note 22)*		
Current year	**(215,936)**	16,227
Attributable to a change in tax rate	**—**	(148,237)
	(215,936)	(132,010)
	1,013,108	1,100,305

Hong Kong Profits Tax of the Group's subsidiaries in Hong Kong has been provided at the rate of 16.5% (2013: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

The provision for PRC Enterprise Income Tax is based on a statutory rate of 25% (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 except for a high technology company may be entitled to a lower PRC Enterprise Income Tax rate of 15%, which is according to the PRC Enterprise Income Tax Law. In November 2010, the Company obtained a High-Tech Enterprise Certificate jointly issued by the Jiangxi Provincial Department of Science and Technology, the Jiangxi Provincial Department of Finance, the Jiangxi Provincial State Taxation Bureau and the Jiangxi Provincial Local Taxation Bureau. The Company was entitled to relevant preferential policies relating to High-Tech Enterprises for three consecutive years from 2010 to 2013 with a PRC Enterprise Income Tax rate of 15%. During the year ended 31 December 2013, as the expiry of High-Tech Enterprise Certificate, the Company's PRC Enterprise Income Tax rate was increased from 15% to 25%.

Taxation in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

9. TAXATION *(Continued)*

Tax charge for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	2014	2013
	RMB'000	*RMB'000*
Profit before taxation	**3,912,372**	4,731,634
Tax at the domestic income tax rate of 25% (2013: 25%)	**978,093**	1,182,909
Tax effect of income not taxable for tax purposes	**(25,326)**	(18,803)
Tax effect of expenses not deductible for tax purposes	**21,373**	7,692
(Over) underprovision in prior years	**(1,930)**	9,621
Tax effect of tax losses and deductible temporary differences not recognised	**64,298**	96,286
Increase in opening deferred tax assets and liabilities resulting in an increase in applicable tax rate	**—**	(148,237)
Utilisation of tax losses and deductible temporary differences previously not recognised	**(17,503)**	(29,609)
Effect of different tax rates of subsidiaries	**(5,897)**	446
Tax charge for the year	**1,013,108**	1,100,305

10. PROFIT FOR THE YEAR

	2014 RMB'000	2013 RMB'000
Profit for the year has been arrived at after charging:		
Employee benefit expense (including directors', chief executive's and supervisors' remuneration *(Note 11)*):		
— Wages and salaries	**1,576,995**	1,723,941
— Performance related bonus	**35,819**	78,341
— Pension scheme contributions	**110,719**	284,415
— Other staff costs, allowances and welfare	**348,039**	451,082
	2,071,572	2,537,779
Auditor's remuneration	**10,652**	9,100
Cost of inventories recognised as an expense	**192,542,742**	168,758,963
Depreciation of property, plant and equipment	**1,462,052**	1,395,880
Depreciation of investment properties	**4,077**	4,077
Amortisation of prepaid lease payments	**18,731**	11,159
Amortisation of intangible assets	**41,017**	33,629
Allowance for inventories, included in cost of sales	**371,233**	294,520
Minimum lease payments under operating lease of land use rights	**163,562**	166,550

11. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES

The emoluments paid or payable to the directors, chief executive and supervisors were as follows:

	2014 RMB'000	2013 RMB'000
Fees	**400**	400
Other emoluments		
— Salaries, allowances and welfare	**7,824**	8,225
— Performance related bonus	**3,036**	3,680
— Pension scheme contributions	**288**	306
	11,148	12,211
	11,548	12,611

11. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES *(Continued)*

		Other emoluments			
	Fees *RMB'000*	Salaries, allowances and welfare *RMB'000*	Performance related bonus *RMB'000*	Pension scheme contributions *RMB'000*	Total *RMB'000*
For the year ended 31 December 2014					
Executive director:					
Li Baomin	—	1,066	890	36	1,992
Long Ziping	—	1,066	841	36	1,943
Gan Chengjiu	—	1,066	669	36	1,771
Liu Fangyun	—	1,066	636	36	1,738
Gao Jianmin	—	200	—	—	200
Liang Qing	—	200	—	—	200
Shi Jialiang	—	50	—	—	50
	—	4,714	3,036	144	7,894
Independent non-executive director:					
Qiu Guanzhou *(Note a)*	50	—	—	—	50
Zhang Weidong	100	—	—	—	100
Deng Hui	100	—	—	—	100
Wu Jianchang *(Note b)*	50	—	—	—	50
Gao Dezhu	100	—	—	—	100
	400	—	—	—	400
Supervisor:					
Lin Jinliang	—	765	—	36	801
Wu Jinxing	—	765	—	36	801
Xie Ming	—	765	—	36	801
Hu Qingwen	—	765	—	36	801
Wan Sujuan	—	50	—	—	50
	—	3,110	—	144	3,254
	400	7,824	3,036	288	11,548

Notes:

(a) The director was appointed on 11 June 2014.

(b) The director resigned on 11 June 2014.

11. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES *(Continued)*

		Other emoluments			
	Fees	Salaries, allowances and welfare	Performance related bonus	Pension scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
For the year ended 31 December 2013					
Executive director:					
Li Baomin	—	1,166	900	36	2,102
Gan Chengjiu	—	1,166	630	36	1,832
Li Yihuang *(Note a)*	—	583	900	18	1,501
Long Ziping *(Note b)*	—	583	—	36	619
Hu Qingwen *(Note c)*	—	583	616	36	1,235
Liu Fangyun *(Note b)*	—	583	—	18	601
Gao Jianmin	—	200	—	—	200
Liang Qing	—	200	—	—	200
Shi Jialiang	—	50	—	—	50
	—	5,114	3,046	180	8,340
Independent non-executive director:					
Wu Jianchang	100	—	—	—	100
Gao Dezhu	100	—	—	—	100
Zhang Weidong	100	—	—	—	100
Deng Hui	100	—	—	—	100
	400	—	—	—	400
Supervisor:					
Lin Jinliang	—	765	—	36	801
Wu Jinxing	—	765	—	36	801
Xie Ming	—	765	—	36	801
Hu Faliang *(Note d)*	—	383	634	18	1,035
Hu Qingwen *(Note c)*	—	383	—	—	383
Wan Sujuan	—	50	—	—	50
	—	3,111	634	126	3,871
	400	8,225	3,680	306	12,611

11. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES *(Continued)*

Notes:

(a) The director resigned on 14 June 2013.

(b) The directors were appointed on 14 June 2013.

(c) The director resigned as an executive director on 14 June 2013 and was appointed as a supervisor on 14 June 2013.

(d) The supervisor resigned on 14 June 2013.

Mr. Li Yihuang was also the Chief Executive of the Group during the year ended 31 December 2012 and up to 4 March 2013. On 4 March 2013, Mr. Li Baomin is appointed as the Chief Executive of the Group. Their emoluments disclosed above included those for services rendered by them as the Chief Executive.

Details of the remuneration of the five highest paid individuals are as below:

	Salaries, allowances and welfare *RMB'000*	Performance related bonus *RMB'000*	Pension scheme contributions *RMB'000*	Total *RMB'000*
For the year ended 31 December 2014				
Li Baomin	**1,066**	**890**	**36**	**1,992**
Long Ziping	**1,066**	**841**	**36**	**1,943**
Gan Chengjiu	**1,066**	**669**	**36**	**1,771**
Liu Fangyun	**1,066**	**636**	**36**	**1,738**
Wu Yuneng	**815**	**669**	**36**	**1,520**
	5,079	**3,705**	**180**	**8,964**

11. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES *(Continued)*

	Salaries, allowances and welfare *RMB'000*	Performance related bonus *RMB'000*	Pension scheme contributions *RMB'000*	Total *RMB'000*
For the year ended 31 December 2013				
Li Baomin	1,166	900	36	2,102
Gan Chengjiu	1,166	630	36	1,832
Hu Qingwen	966	616	36	1,618
Li Yihuang	583	900	18	1,501
Dong Jiahui	815	661	36	1,512
	4,696	3,707	162	8,565

Their emoluments were within the following bands:

	2014 Number of employees	2013 Number of employees
HKD1,500,001 to HKD2,000,000	**1**	2
HKD2,000,001 to HKD2,500,000	**3**	2
HKD2,500,001 to HKD3,000,000	**1**	1
	5	5

The five highest paid employees have acted as executive directors, a supervisor and a deputy general manager during both years.

There was no other arrangement under which a director or supervisor waived or agreed to waive any remuneration during both years.

12. DIVIDENDS

	2014	2013
	RMB'000	*RMB'000*
Dividends recognised as distribution during the year:		
Final dividend of RMB0.5 for 2013 (2013: final dividend of RMB0.5 for 2012) per share	**1,731,365**	1,731,365

Subsequent to the end of the reporting period, a final dividend of RMB0.2 in respect of the year ended 31 December 2014 (2013: final dividend of RMB0.5 in respect of the year ended 31 December 2013) per share has been proposed by the directors and is subject to approval by the shareholders in the forthcoming general meeting. The total amount of RMB692,546,000 (2013: RMB1,731,365,000) of the proposed final dividend, calculated on the Company's number of shares issued at the date of annual report, is not recognised as a liability in the consolidated statement of financial position.

13. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit for the year attributable to owners of the Company of RMB2,899,091,000 (2013: RMB3,555,692,000) and on the number of 3,462,729,405 (2013: 3,462,729,405) ordinary shares in issue during the year.

Diluted earnings per share presented is the same as basic earnings per share because there is no outstanding potential dilutive ordinary shares as at 31 December 2014 and 2013 and during both years.

14. PROPERTY, PLANT AND EQUIPMENT

	Buildings and mining infrastructure	Machinery	Motor vehicles	Office equipment	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
COST						
At 1 January 2013	9,607,437	16,040,424	1,368,549	128,185	3,370,027	30,514,622
Additions	4,386	24,545	16,892	14,832	1,514,363	1,575,018
Disposals	(62,783)	(286,246)	(17,512)	(2,917)	—	(369,458)
Transfers	2,155,597	947,164	37,189	8,061	(3,148,011)	—
At 31 December 2013	11,704,637	16,725,887	1,405,118	148,161	1,736,379	31,720,182
Additions	276,916	80,965	11,919	17,308	1,964,010	2,351,118
Acquisition of a subsidiary *(Note 42)*	63,032	126,424	1,105	—	—	190,561
Disposals	(49,803)	(219,785)	(101,907)	(3,552)	—	(375,047)
Transfer to investment properties	(186,187)	—	—	—	—	(186,187)
Transfer to prepaid lease payments	—	—	—	—	(234,637)	(234,637)
Transfers	924,658	400,241	137,886	10,719	(1,473,504)	—
At 31 December 2014	12,733,253	17,113,732	1,454,121	172,636	1,992,248	33,465,990
ACCUMULATED DEPRECIATION						
At 1 January 2013	3,375,350	6,469,944	662,141	49,918	—	10,557,353
Provided for the year	399,099	834,208	142,734	19,839	—	1,395,880
Eliminated on disposals	(19,212)	(219,914)	(15,118)	(2,718)	—	(256,962)
At 31 December 2013	3,755,237	7,084,238	789,757	67,039	—	11,696,271
Provided for the year	667,110	598,873	185,525	10,544	—	1,462,052
Transfer to investment properties	(4,344)	—	—	—	—	(4,344)
Eliminated on disposals	(4,991)	(148,509)	(75,152)	(3,224)	—	(231,876)
At 31 December 2014	4,413,012	7,534,602	900,130	74,359	—	12,922,103
ACCUMULATED IMPAIRMENT						
At 1 January 2013	719	22,562	3	52	—	23,336
Write-off for the year	—	(2,054)	—	(32)	—	(2,086)
At 31 December 2013	719	20,508	3	20	—	21,250
Provided for the year	—	29,887	201	—	—	30,088
Write-off for the year	(13)	(11,060)	(201)	—	—	(11,274)
At 31 December 2014	706	39,335	3	20	—	40,064
CARRYING VALUES						
At 31 December 2014	8,319,535	9,539,795	553,988	98,257	1,992,248	20,503,823
At 31 December 2013	7,948,681	9,621,141	615,358	81,102	1,736,379	20,002,661

14. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

As at 31 December 2014, certain of the Group's buildings and mining infrastructure with a net book value of RMB19,448,000 (2013: RMB21,728,000) were pledged to secure short-term bank borrowings.

As at 31 December 2014, the Group was in the process of obtaining property ownership certificates for certain of the Group's buildings with an aggregate carrying value of RMB506,235,000 (2013: RMB319,337,000).

The above item of property, plant and equipment, other than construction in progress, are depreciated over their estimated useful lives and after taking into account their estimated residual values, using straight-line method, as follows:

Building and mining infrastructure	12–45 years
Machinery	8–27 years
Motor vehicles	9–13 years
Office equipment	5–10 years

The Group's buildings are held under medium-term lease and are situated in the PRC.

15. INVESTMENT PROPERTIES

	RMB'000
COST	
At 1 January 2013 and at 31 December 2013	181,954
Additions	5,267
Transfer from property, plant and equipment	181,843
At 31 December 2014	369,064
ACCUMULATED AMORTISATION	
At 1 January 2013	3,036
Provided for the year	4,077
At 31 December 2013	7,113
Provided for the year	4,077
At 31 December 2014	11,190
CARRYING VALUES	
At 31 December 2014	357,874
At 31 December 2013	174,841

15. INVESTMENT PROPERTIES *(Continued)*

All of the Group's property interests held under operating lease to earn rentals or for capital appreciation purposes are measured using cost model and are classified and accounted for as investment properties. Depreciation is provided to write off the cost of investment properties using straight-line method over the remaining terms of the lease.

All of the Group's investment properties are situated in the PRC with medium-terms of lease.

16. PREPAID LEASE PAYMENTS

	2014	2013
	RMB'000	*RMB'000*
Analysed for reporting purpose as:		
Non-current assets	**924,763**	489,516
Current assets	**18,371**	11,159
	943,134	500,675

The Group's leasehold interest in land is held under medium-term lease and is situated in the PRC.

As at 31 December 2014, certain of the Group's prepaid lease payments with a net book value of RMB9,002,000 (2013: RMB9,242,000) were pledged to secure short-term bank borrowings.

17. INTANGIBLE ASSETS

	Mining rights *RMB'000*	Trademarks *RMB'000*	Others *RMB'00*	Total *RMB'000*
COST				
At 1 January 2013	945,331	52,627	36,588	1,034,546
Additions	—	—	20,296	20,296
Transfer from exploration and evaluation assets	60,645	—	—	60,645
At 31 December 2013	1,005,976	52,627	56,884	1,115,487
Additions	2,821	—	4,273	7,094
At 31 December 2014	1,008,797	52,627	61,157	1,122,581
ACCUMULATED AMORTISATION				
At 1 January 2013	175,470	28,175	13,815	217,460
Provided for the year	29,995	1,407	2,227	33,629
At 31 December 2013	205,465	29,582	16,042	251,089
Provided for the year	32,563	1,853	6,601	41,017
At 31 December 2014	238,028	31,435	22,643	292,106
CARRYING VALUES				
At 31 December 2014	770,769	21,192	38,514	830,475
At 31 December 2013	800,511	23,045	40,842	864,398

The above item of intangible assets are amortised over the estimated useful lives, using straight-line method, as follows:

Mining rights	10–50 years
Trademarks	20 years
Others	5–20 years

18. EXPLORATION AND EVALUATION ASSETS

	RMB'000
CARRYING AMOUNT	
At 1 January 2013	635,117
Additions	90,773
Transfer to mining rights	(60,645)
At 31 December 2013	665,245
Additions	106,645
At 31 December 2014	771,890

19. INTERESTS IN ASSOCIATES

	2014	2013
	RMB'000	*RMB'000*
Unlisted cost of investments	**3,189,894**	2,969,928
Share of post-acquisition losses and other comprehensive income	**(262,592)**	(317,530)
	2,927,302	2,652,398

19. INTERESTS IN ASSOCIATES *(Continued)*

Particulars of the principal associates are set out as follows:

Name of company	Type	Place of establishment and operation	Registered capital	Proportion of equity held by the Group 2014	2013	Proportion of voting power held by the Group 2014	2013	Principal activities
Minmetals Jiangxi Copper Mining Investment Company Limited 五礦江銅礦業投資有限公司 ("Minmetals Jiangxi Copper ")	Limited liability company ("LLC")	PRC	RMB3,510,000,000	**40%**	40%	**40%**	40%	Investment holding of a 100% equity interest in a mining company in Peru
Asia Development Sure Spread Company Limited 興亞保弘株式會社	LLC	Japan	Japanese Yen ("JPY") 200,000,000	**49%**	49%	**49%**	49%	Import and export of copper products
MCC-JCL Aynak Minerals Company Limited 中冶江銅艾娜克礦業有限公司 ("MCC- JCL")#	LLC	Afghanistan	United States dollars ("USD") 370,518,000	**25%**	25%	**25%**	25%	Exploration and sale of copper products
Zhaojue Fengye Smelting Company Limited 昭覺縣逢燁濕法冶煉有限公司	LLC	PRC	RMB10,000,000	**47.86%**	47.86%	**47.86%**	47.86%	Production and sale of copper cathodes and related products; technology development and provision of services
Zhengjiang Heding Copper Company Limited 浙江和鼎銅業有限公司	LLC	PRC	RMB900,000,000	**40%**	40%	**40%**	40%	Production and sale of copper products
BOC International (China) Limited 中銀國際證券有限責任公司#	LLC	PRC	RMB1,979,167,000	**6.31%**	6.31%	**6.31%**	6.31%	Securities broker and investment advisory
Hengbang Property Insurance Company Limited 恒邦財產保險股份有限公司#	LLC	PRC	RMB660,000,000	**14.82%**	—	**14,82%**	—	Provision of insurance services

\# The Group is able to exercise significant influence over these companies with the power to participate in the financial and operating policy decisions, but is not control or joint control over those policies. Accordingly, these companies are regarded as associates of the Group.

Summarised financial information of material associates

Summarised financial information in respect of the Group's material associate is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with IFRSs.

Minmetals Jiangxi Copper and MCC-JCL are material associates to the Group and they are accounted for using the equity method in these consolidated financial statements.

19. INTERESTS IN ASSOCIATES *(Continued)*

Summarised financial information of material associates *(Continued)*

Minmetals Jiangxi Copper

	2014	2013
	RMB'000	*RMB'000*
Current assets	**204,563**	197,002
Non-current assets	**4,606,220**	4,540,225
Current liabilities	**363,037**	294,353
Non-current liabilities	**1,495,922**	1,645,261

	2014	2013
	RMB'000	*RMB'000*
(Loss) profit for the year	**(82,051)**	13,809
Other comprehensive income (expense) for the year	**16,260**	(137,559)
Total comprehensive income for the year	**(65,791)**	(123,750)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate in respect of Minmetals Jiangxi Copper recognised in the consolidated financial statements:

	2014	2013
	RMB'000	*RMB'000*
Net assets of Minmetals Jiangxi Copper attributable to owners	**2,951,824**	2,797,613
Proportion of the Group's ownership interest in Minmetals Jiangxi Copper	**40%**	40%
Carrying amount of the Group's interest in Minmetals Jiangxi Copper	**1,180,730**	1,119,045

19. INTERESTS IN ASSOCIATES *(Continued)*

Summarised financial information of material associates *(Continued)*

MCC-JCL

	2014	2013
	RMB'000	*RMB'000*
Current assets	**197,266**	77,651
Non-current assets	**2,220,607**	2,194,252
Current liabilities	**17,948**	17,430
Non-current liabilities	**—**	—

	2014	2013
	RMB'000	*RMB'000*
Profit for the year	**—**	—
Other comprehensive income for the year	**8,956**	—
Total comprehensive income for the year	**8,956**	—

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate in respect of MCC-JCL recognised in the consolidated financial statements:

	2014	2013
	RMB'000	*RMB'000*
Net assets of MCC-JCL attributable to owners	**2,399,925**	2,254,473
Proportion of the Group's ownership interest in MCC-JCL	**25%**	25%
Carrying amount of the Group's interest in Minmetals Jiangxi Copper	**599,981**	563,618

19. INTERESTS IN ASSOCIATES *(Continued)*

Summarised financial information of material associates *(Continued)*

MCC-JCL *(Continued)*

Aggregate information of associates that are not individually material is set out below:

	2014 **RMB'000**	2013 *RMB'000*
The Group's share of profit	**79,015**	—
The Group's share of other comprehensive income	**—**	—
The Group's share of total comprehensive income	**79,015**	—

20. INTERESTS IN JOINT VENTURES

	2014 **RMB'000**	2013 *RMB'000*
Unlisted cost of investments	**397,976**	14,100
Share of post-acquisition profits and other comprehensive income, net of dividend received	**(25,823)**	11,258
	372,153	25,358

Particulars of the joint ventures are set out as follows:

Name of company	Type	Place of establishment and operation	Registered capital	Proportion of equity held by the Group 2014	2013	Proportion of voting power held by the Group 2014	2013	Principal activities
Jiangxi JCC-BIOTEQ Environmental Technologies Company Limited 江銅百泰環保科技有限公司	LLC	PRC	RMB28,200,000	**50%**	50%	**50%**	50%	Recovery of industrial waste water and related sales
Nesko Metal Sanayi re Ticaret Anonim Sirketi	LLC	Istanbul	Turksih Lira 4,520,000	**48%**	—	**48%**	—	Investment holding of a 99.95% equity interest in a mining company in Albanian

20. INTERESTS IN JOINT VENTURES *(Continued)*

Aggregate information of joint ventures that are not individually material is set out below:

	2014	2013
	RMB'000	*RMB'000*
The Group's share of (loss) profit	**(22,248)**	3,761
The Group's share of other comprehensive expense	**(9,833)**	—
The Group's share of profit and total comprehensive (expense) income	**(32,081)**	3,761

The directors of the Company are of the opinion that the Group's joint ventures are not material to the consolidated financial statement as a whole, and therefore, except for above, other financial information in respect of these joint ventures are not presented.

21. AVAILABLE-FOR-SALE INVESTMENTS

	2014	2013
	RMB'000	*RMB'000*
Unlisted equity investments, at cost *(Note a)*	**428,746**	428,746
Impairment loss recognised	**(20,297)**	(18,666)
	408,449	410,080
Financial products, at fair value *(Note b)*	**963,000**	1,371,500
Bonds investment, at fair value *(Note c)*	**80,080**	259,650
Loan investments *(Note d)*	**880,000**	—
	2,331,529	2,041,230
Non-current assets	**1,068,529**	539,730
Current assets	**1,263,000**	1,501,500
	2,331,529	2,041,230

21. AVAILABLE-FOR-SALE INVESTMENTS *(Continued)*

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 31 December 2014, financial products of RMB963,000,000 (2013: RMB1,371,500,000) held by the Group generate annual target return rate ranged from 5.25% to 9.50% (2013: 5.0% to 10.5%), which will due from 8 January 2015 to 16 October 2015 (2013: 10 January 2014 to 26 November 2016). As at 31 December 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 (2014: nil). The directors consider that the fair value of the financial products approximate to their costs.

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

(d) The amount represents loan investments arranged via a bank to one independent securities company with high credit-rating and good reputation. The loan investments have maturity date of 19 May 2015, 31 January 2016, 9 June 2016 and 30 June 2016 and were unsecured and carried particular interest rate.

22. DEFERRED TAXATION

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balance for financial reporting purposes:

	2014	2013
	RMB'000	*RMB'000*
Deferred tax assets	**683,956**	476,599
Deferred tax liabilities	**(93,646)**	(96,752)
	590,310	379,847

22. DEFERRED TAXATION *(Continued)*

The followings are the major deferred tax assets (liabilities) recognised and movements thereon during current and prior years:

	Fair value adjustments on property, plant and equipment, prepaid lease payments and exploration and evaluation assets	Impairment of assets	Accrued expenses	Unrealised profits	Tax losses	Fair value change on derivative financial instruments	Fair value change on held-for -trading financial liabilities	Deferred revenue	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2013	(93,901)	72,504	141,262	29,062	32,408	12,813	(1,633)	40,588	14,341	247,444
Effect of change in tax rate	—	41,519	67,886	—	—	6,433	—	27,058	5,341	148,237
Charge to other comprehensive income	—	—	—	—	—	393	—	—	—	393
Credit (charge) to profit or loss	975	(25,172)	11,614	(828)	(5,695)	92,756	(94,594)	11,457	(6,740)	(16,227)
At 31 December 2013	(92,926)	88,851	220,762	28,234	26,713	112,395	(96,227)	79,103	12,942	379,847
Charge to other comprehensive income	—	—	—	—	—	(5,453)	—	—	(20)	(5,473)
Credit (charge) to profit or loss	975	282,376	(24,255)	(22,881)	3,663	(99,122)	67,647	17,736	(10,203)	215,936
At 31 December 2014	(91,951)	371,227	196,507	5,353	30,376	7,820	(28,580)	96,839	2,719	590,310

As at 31 December 2014, the Group has RMB892,438,000 (2013: RMB926,879,,000) of unused tax losses available for offsetting against future profits in respect of certain subsidiaries. A deferred tax asset has been recognised in respect of RMB127,285,000 (2013: RMB134,023,000) of such losses. No deferred tax asset has been recognised in respect of the remaining RMB765,153,000 (2013: RMB792,856,000) due to the unpredictability of future available taxable profit of the subsidiaries to set against the unused tax losses. The available utilisation period of the unused tax losses is from year 2016 to year 2019 (2013: from year 2014 to year 2018).

As at 31 December 2014, the Group also has deductible temporary differences of RMB309,464,000 (2013: RMB289,582,000). No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary difference can be utilised.

23. INVENTORIES

	2014 *RMB'000*	2013 *RMB'000*
Raw materials	**7,728,952**	6,075,285
Work in progress	**3,707,850**	5,530,507
Finished goods	**3,193,259**	3,348,566
	14,630,061	14,954,358
Less: Allowance for inventories	**(439,842)**	(270,387)
	14,190,219	14,683,971

As at 31 December 2014, certain of the Group's inventories of RMB533,344,000 (2013: RMB147,610,000) were pledged to secure short-term bank borrowings.

As at 31 December 2014, the Group's inventories classified as hedged items under hedging instrument of both standardised commodity derivative contracts and provisional price arrangement. The fair value of the hedged items amounted to RMB1,832,738,000 (2013: RMB4,367,845,000), which are estimated by reference to quoted bid prices in active markets at the end of the reporting period. Their fair value measurements are categorised under Level 1.

24. TRADE AND BILLS RECEIVABLES

	2014 *RMB'000*	2013 *RMB'000*
Trade receivables	**10,357,283**	8,403,660
Bills receivables	**6,939,014**	5,966,761
Factoring receivables	**884,839**	—
	18,181,136	14,370,421
Less: Allowance for doubtful debts	**(836,532)**	(149,818)
	17,344,604	14,220,603

24. TRADE AND BILLS RECEIVABLES *(Continued)*

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 minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances.

As at 31 December 2014, certain of the Group's trade and bills receivables of RMB884,839,000 were factoring receivables with recourse, which were repayable within one year and carried interests ranging from 9.82% to 12.10% per annum (2013: nil).

As at 31 December 2014, certain of the Group's trade and bills receivables of RMB1,739,991,000 (2013: RMB1,995,911,000) were pledged to secure short-term bank borrowings.

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:

	2014	2013
	RMB'000	*RMB'000*
Within 1 year	**15,619,516**	14,204,111
1–2 years	**1,723,837**	13,427
2–3 years	**1,251**	3,065
	17,344,604	14,220,603

Movement in the allowance for doubtful debts:

	2014	2013
	RMB'000	*RMB'000*
Balance at 1 January	**149,818**	145,562
Impairment losses recognised	**701,444**	8,216
Impairment losses reversed	**—**	(3,916)
Amounts written off as uncollectible	**(14,730)**	(44)
Balance at 31 December	**836,532**	149,818

24. TRADE AND BILLS RECEIVABLES *(Continued)*

Included in the above provision for impairment of trade receivables is a full provision for individually impaired trade receivables of RMB153,253,000 (2013: RMB143,670,000). The individually impaired trade receivables are due from customers that are in financial difficulties and from whom none of the receivables is expected to be recovered.

Ageing of trade receivables which are past due but not impaired

	2014	2013
	RMB'000	*RMB'000*
Within 1 year	**1,474,619**	1,043,171
1–2 years	**284**	587
	1,474,903	1,043,758

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

Trade receivables due from related parties included above are disclosed in note 45.

25. TRANSFER OF FINANCIAL ASSETS

The followings were the Group's financial assets that were transferred to banks or suppliers by discounting those receivables on a full recourse basis. As the Group has not transferred the significant risks and rewards relating to these receivables, it continues to recognise the full carrying amount of the receivables and has recognised the cash received on the transfer as a secured borrowing. These financial assets are carried at amortised cost in the Group's consolidated statement of financial position.

As at 31 December 2014

	Bills receivables discounted to banks with full recourse *RMB'000*	**Bills receivables endorsed to suppliers with full recourse** *RMB'000*	**Total** *RMB'000*
Carrying amount of transferred assets	**1,182,999**	**482,860**	**1,665,859**
Carrying amount of associated liabilities	**(1,182,999)**	**(482,860)**	**(1,665,859)**
	—	**—**	**—**

As at 31 December 2013

	Bills receivables discounted to banks with full recourse *RMB'000*	Bills receivables endorsed to suppliers with full recourse *RMB'000*	Total *RMB'000*
Carrying amount of transferred assets	402,271	414,742	817,013
Carrying amount of associated liabilities	(402,271)	(414,742)	(817,013)
	—	—	—

In addition, the Group has derecognised certain bills receivables and the payables to suppliers in their entirety as in the opinion of the directors of the Company, the Group has transferred substantially all the risks and rewards of ownership of these bills and has discharged its obligation of the payables to its suppliers under the relevant PRC practice, rule and regulations.

25. TRANSFER OF FINANCIAL ASSETS *(Continued)*

As at 31 December 2014, the Group's maximum exposure to loss and cash outflow, which is same as the amount payable by the Group to banks or the suppliers in respect of the discounted bills and endorsed bills, should the issuing banks fail to settle the bills on maturity date, amounted to RMB2,690,817,000 and RMB907,991,000 (2013: RMB1,381,244,000 and RMB1,052,549,000), respectively.

All the bills receivables discounted to banks or endorsed to suppliers of the Group have a maturity date of less than six months from the end of the reporting period.

26. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2014	2013
	RMB'000	*RMB'000*
Prepayments	**1,647,515**	3,529,026
Deposits and other receivables, net of allowance for doubtful debts	**3,006,552**	1,253,547
Prepaid value-added tax	**1,222,052**	1,239,093
Interest receivables	**261,667**	248,050
	6,137,786	6,269,716

Movement in the allowance for doubtful debts:

	2014	2013
	RMB'000	*RMB'000*
Balance at 1 January	**52,730**	53,628
Impairment losses recognised	**283,815**	956
Impairment losses reversed	**(3,271)**	(1,635)
Amounts written off as uncollectible	**—**	(219)
Balance at 31 December	**333,274**	52,730

Included in deposits and other receivables as at 31 December 2014 are futures margin deposits of RMB1,484,718,000 (2013: RMB1,007,973,000).

Prepayments, deposits and other receivables due from related parties included above are disclosed in note 45.

27. OTHER INVESTMENTS

	2014	2013
	RMB'000	*RMB'000*
Loan investments *(Note a)*	**1,100,000**	1,880,000
Structured deposits *(Note b)*	**140,000**	—
	1,240,000	1,880,000
Non-current assets	**100,000**	1,880,000
Current assets	**1,140,000**	—
	1,240,000	1,880,000

Notes:

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

(b) The amount represents structured deposits arranged via a bank with high credit-ratings and good reputation. The investment has a maturity in 2015 and carried interest rates from 0.35% to 4.90% per annum.

28. LOANS TO FELLOW SUBSIDIARIES

The amounts were guaranteed by JCC, interest bearing at 5.4% per annum and were repayable within one year (2013: nil).

29. DERIVATIVE FINANCIAL INSTRUMENTS

	2014 Fair value		2013 Fair value	
	Assets	**Liabilities**	Assets	Liabilities
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
Net settlement:				
Commodity derivative contracts	**278,660**	**(170,557)**	37,795	(499,475)
Provisional price arrangement	**70,623**	**—**	—	(85,167)
Foreign currency forward contracts and interest rate swaps	**1,602**	**(103,389)**	703	(109,710)
	350,885	**(273,946)**	38,498	(694,352)

	2014	2013
	RMB'000	*RMB'000*
Derivatives qualifying for hedge accounting:		
Cash flow hedges		
— Commodity derivative contracts	**42,753**	(2,305)
Fair value hedges		
— Commodity derivative contracts	**—**	151
— Provisional price arrangement	**59,015**	(84,535)
	101,768	(86,689)
Derivatives not qualifying for hedge accounting:		
— Commodity derivative contracts	**1,727**	407
— Provisional price arrangement	**11,608**	(632)
	13,335	(225)
Derivatives not under hedge accounting		
— Commodity derivative contracts	**63,623**	(459,933)
— Foreign currency forward contracts and interest rate swaps	**(101,787)**	(109,007)
	(38,164)	(568,940)
	76,939	(655,854)

29. DERIVATIVE FINANCIAL INSTRUMENTS *(Continued)*

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.

(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 31 December 2014, the expected delivery period of the forecasted sales for copper related products was from January to March 2015 (2013: from January to March 2014).

— Fair value hedge

The Group utilises commodity derivative contracts and provisional price arrangement 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.

(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 reduce 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 risk 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.

29. DERIVATIVE FINANCIAL INSTRUMENTS *(Continued)*

(b) Derivatives not under hedge accounting: *(Continued)*

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.

30. BANK BALANCES AND CASH/RESTRICTED BANK DEPOSITS

Restricted bank deposits included (i) time deposits of RMB4,251,899,000 (2013: RMB2,706,876,000) which were pledged to secure bank borrowings, letters of credit, guarantees and acceptances issued, and environment protection deposits; and (ii) required reserve deposits of RMB1,692,746,000 (2013: RMB1,619,076,000) which were placed with the People's Bank of China, for a subsidiary of the Group providing deposit, loan, financing consultation services. The required reserve deposits with the central bank and the other pledged deposits are not available for use in the Group's daily operation.

As at 31 December 2014, bank balances and cash denominated in currencies other than RMB amounted to RMB2,804,305,000 (2013: RMB7,477,517,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

31. TRADE AND BILLS PAYABLES

	2014 ***RMB'000***	2013 *RMB'000*
Trade payables	**10,348,877**	10,745,432
Bills payables	**599,615**	545,560
	10,948,492	11,290,992

31. TRADE AND BILLS PAYABLES *(Continued)*

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

	2014	2013
	RMB'000	*RMB'000*
Within 1 year	**10,865,337**	11,245,958
1–2 years	**48,963**	20,163
2–3 years	**26,666**	11,665
Over 3 years	**7,526**	13,206
	10,948,492	11,290,992

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

Trade payables due to related parties included in trade and bills payables are disclosed in note 45.

32. OTHER PAYABLES AND ACCRUALS

	2014	2013
	RMB'000	*RMB'000*
Payroll and welfare	**647,699**	772,304
Current portion of employee benefit liability *(Note 39)*	**45,739**	45,809
Interest payable	**168,804**	140,175
Other tax payables	**199,010**	209,600
Dividend payable to non-controlling interests of a subsidiary	**10,800**	—
Other payables	**1,499,009**	1,297,671
Advance from customers	**1,619,622**	1,763,819
Other long term payables due within one year *(Note 40)*	**2,010**	2,010
	4,192,693	4,231,388

Other payables and accruals due to related parties included in other payables and accruals are disclosed in note 45.

33. DEPOSITS FROM HOLDING COMPANY AND FELLOW SUBSIDIARIES

Deposits from holding company and fellow subsidiaries represented the deposits placed by related parties in a subsidiary of the Group. The deposits carry interest at rates ranging from 0.35% to 4.13% (2013: 0.35% to 3.00%) per annum and will be repaid upon demand of holding company and fellow subsidiaries.

34. DEFERRED REVENUE — GOVERNMENT GRANTS

	2014	2013
	RMB'000	*RMB'000*
Balance at 1 January	**409,884**	359,965
Received during the year	**136,852**	87,060
Recognised in profit or loss *(Note 6)*	**(38,035)**	(37,141)
Balance at 31 December	**508,701**	409,884
Analysed for reporting purpose as:		
Non-current liabilities	**472,978**	372,260
Current liabilities	**35,723**	37,624
	508,701	409,884

The deferred revenue represents government subsidies granted to the Group in relation to its production facilities. It is recognised as deferred income and recognised in profit or loss over the expected useful lives of the facilities.

35. HELD-FOR-TRADING FINANCIAL LIABILITIES

The Group entered into certain gold lease contracts 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.

36. BANK BORROWINGS

	2014	2013
	RMB'000	*RMB'000*
Bank borrowings – secured	**5,399,722**	4,552,332
Bank borrowings – unsecured	**16,210,655**	11,283,592
	21,610,377	15,835,924
Carrying amount repayable:		
On demand or within one year	**20,929,923**	15,565,206
More than one year, but not exceeding two years	**664,704**	180,656
More than two years, but not exceeding five years	**15,750**	72,562
More than five years	**—**	17,500
	21,610,377	15,835,924
Less: Carrying amount of bank borrowings that is repayable within one year (2013: more than one year but not exceeding two years) from the end of reporting period but contained a repayable on demand clause (shown under current liabilities)	**(180,656)**	(180,656)
Amount due within one year shown under current liabilities	**(20,749,267)**	(15,565,206)
	(20,929,923)	(15,745,862)
Amount due after one year shown as non-current liabilities	**680,454**	90,062

The effective annual interest rates on the Group's bank borrowings range from 0.52% to 7.00% (2013: 0.71% to 6.60%) per annum.

37. BONDS PAYABLE

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 aggregate amount of RMB6.8 billion on 22 September 2008. The bonds with warrants have a life of eight years from the date of issuance and bear interest at a rate of 1.0% per annum which is payable in arrears on 22 September of each year, and with principal repaid on maturity. The bonds carry effective interest rate of 6% per annum. The subscribers of each bond were entitled to receive 25.9 warrants at nil consideration and in aggregate 1,761,200,000 warrants were issued. The warrants had a life of 24 months from the date of listing, that is, from 10 October 2008 to 9 October 2010. At initial recognition, the fair value of the liability component was estimated at the issue date using an equivalent market interest rate for a similar bond without the attached purchase warrants. The residual amount was assigned as the equity component and included in shareholders' equity. All warrants were successfully exercised during the year ended 31 December 2010.

The bonds are listed on the Shanghai Stock Exchange. The fair value of the bonds as at 31 December 2014 is approximately RMB6,411,040,000 (2013: RMB5,926,200,000), which was determined based on the closing market price at the end of the reporting period.

38. PROVISION FOR REHABILITATION

	2014	2013
	RMB'000	*RMB'000*
Balance at 1 January	**148,623**	139,059
Addition	**9,202**	9,564
Reversal of provision made	**(35,360)**	—
Balance at 31 December	**122,465**	148,623

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

39. EMPLOYEE BENEFIT LIABILITY

	2014 RMB'000	2013 RMB'000
Employee benefit liability	**233,219**	197,698
Less: Amount due within one year included in other payables and accruals shown under current liabilities *(Note 32)*	**(45,739)**	(45,809)
Amount due after one year shown as non-current liabilities	**187,480**	151,889

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 2016 to 2020 (2013: 2015 to 2019) and is indexed to the rate of growth of the Group's net assets.

40. OTHER LONG TERM PAYABLES

	2014 RMB'000	2013 RMB'000
The Group's other long term payables are repayable as follows:		
Within one year	**2,010**	2,010
More than one year, but not exceeding two years	**1,254**	1,254
More than two years, but not exceeding five years	**3,390**	3,390
After five years	**7,847**	8,548
	14,501	15,202
Less: Amount due within one year included in other payables and accruals shown under current liabilities *(Note 32)*	**(2,010)**	(2,010)
Amount due after one year shown as non-current liabilities	**12,491**	13,192

The amount represents the balance due to JCC as the consideration for the transfer of mining rights from JCC to the Company. The amount is repayable in 30 annual instalments of RMB1,870,000 each and subject to payment of interest at a rate equal to the lending rate for a one-year fixed term loan up to a maximum of 15% on each annual instalment starting from 1 January 1998. The interest paid during the year amounted to RMB112,000 (2013: RMB112,000). The interest rate is at 5.60% (2013: 6.00%) per annum.

41. SHARE CAPITAL

	Number of shares	Amount *RMB'000*
Balance at 1 January 2013, 31 December 2013, 1 January 2014 and 31 December 2014		
H shares	1,387,482,000	1,387,482
A shares	2,075,247,405	2,075,247
	3,462,729,405	3,462,729

There were no changes in the Company's authorised, issued and fully paid share capital in both years.

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

42. ACQUISITION OF A SUBSIDIARY

In December 2014, the Group acquired 51% equity interest in 江銅華北(天津)銅業有限公司(「江銅華北」), which is principally engaged in manufacturing and sale of copper products, at a cash consideration of RMB260,204,000. Upon the completion of the acquisition, 江銅華北 became a non-wholly owned subsidiary of the Company. 江銅華北 was acquired so as to continue the expansion of the Group's business of manufacturing and sale of copper products and acquire the production line of copper wire.

Consideration

	RMB'000
Cash consideration paid	260,204

Assets acquired at the date of acquisition

	RMB'000
Property, plant and equipment	190,561
Prepaid lease payments	35,385
Other receivables	21,680
Bank balances and cash	262,578
	510,204

42. ACQUISITION OF A SUBSIDIARY *(Continued)*

Result arising on acquisition

	RMB'000
Consideration	260,204
Plus: Non-controlling interests	250,000
Less: Net assets acquired	(510,204)
	—

Net cash inflow on acquisition

	RMB'000
Cash consideration paid	(260,204)
Less: Cash and cash equivalents acquired	262,578
	2,374

Impact of acquisition on the results of the Group

江銅華北 did not have any turnover and the Group's share of loss in 江銅華北 amounted to approximately RMB1,153,000 for the period between the date of acquisition and the end of the reporting period.

Had the acquisition been completed on 1 January 2014, total group turnover and profit for the year would have been approximately RMB198,264,175,000 and RMB2,899,264,000, respectively. The pro forma information is for illustrative purpose only and is not necessarily an indication of the turnover and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2014, nor is intended to be a projection of future results.

43. OPERATING LEASE

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating lease which fall due as follows:

	2014	2013
	RMB'000	*RMB'000*
Within one year	**170,318**	168,446
In the second to fifth years inclusive	**335,187**	1,035
	505,505	169,481

Operating lease payments represent rentals payable by the Group for certain of its office premises and land use rights. Leases are negotiated for an average term of three years (2013: three years) and rentals are fixed for an average term of three years (2013: three years).

44. COMMITMENTS

	2014	2013
	RMB'000	*RMB'000*
Capital expenditure contracted for but not provided in the Group's consolidated financial statements in respect of:		
Acquisition of property, plant and equipment and exploration and evaluation rights	**825,300**	864,383
Investment in an associate – MCC-JCL *(Note)*	**1,413,944**	1,443,033
	2,239,244	2,307,416
Capital expenditure authorised but not contracted for in respect of:		
Acquisition of property, plant and equipment and exploration rights	**1,223,823**	28,000

Note: The Company and China Metallurgical Group Corporation ("CMCC") incorporated 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 the MCC-JCL shall be 25% and 75%, respectively. The principal business of MCC-JCL is the exploration and exploitation of minerals in the Central and Western mineralised zones in Aynak Mine in Afghanistan.

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

45. RELATED PARTY TRANSACTIONS AND BALANCES

(a) Transactions with related parties

In addition to the related party transactions set out in the respective notes to the consolidated financial statements, the Group entered into the following significant transactions with related parties during the year:

	2014 RMB'000	2013 RMB'000
Sales to holding company and fellow subsidiaries		
Sales of copper rods and wire	**714,595**	965,948
Sales of copper cathode	**269,655**	414,627
Sales of by-products	**111,828**	109,407
Sales of lead material	**56,698**	55,042
Sales of zinc concentrate	**31,627**	26,829
Sales of auxiliary industrial products	**61,893**	17,184
	1,246,296	1,589,037
Sales to an associate		
Sales of sulphur and auxiliary industrial products	**750**	—
Sales to a joint venture		
Sales of auxiliary industrial products	**2,156**	1,722
Sales to non-controlling interests of a subsidiary		
Sales of copper cathode	**9,194,422**	8,815,484
Sales of copper rod	**424,599**	—
	9,619,021	8,815,484
Purchases from holding company and fellow subsidiaries		
Purchases of auxiliary industrial products	**130,849**	205,466
Purchases of sulphuric acid	**10,784**	14,242
Purchases of crude copper	**20,938**	10,666
	162,571	230,374

45. RELATED PARTY TRANSACTIONS AND BALANCES *(Continued)*

(a) Transactions with related parties *(Continued)*

	2014	2013
	RMB'000	*RMB'000*
Purchases from associates		
Purchases of copper waste	**155,166**	11,222
Purchases from a joint venture		
Purchases of cupric sulphide	**40,506**	32,008
Purchases from non-controlling interests of a subsidiary		
Purchases of copper cathode	**1,283,589**	740,835
Financial service received from holding company and fellow subsidiaries		
Interest received from loans provided	**20,060**	—
Financial service paid to holding company and fellow subsidiaries		
Interest paid for deposits made	**7,362**	6,910
Service fees paid to holding company and fellow subsidiaries		
Land lease expense	**166,665**	166,686
Repair and maintenance services	**127,935**	113,486
Brokerage agency services for commodity derivative contracts	**20,467**	34,944
Processing charges	**—**	32,140
Labour service	**12,362**	14,785
Construction services	**9,783**	10,040
Vehicle transportation fee	**1,626**	—
Rentals for public facilities	**1,598**	4,271
Social welfare and support services:		
— off-site communication services	**—**	1,825
	340,436	378,177

45. RELATED PARTY TRANSACTIONS AND BALANCES *(Continued)*

(a) Transactions with related parties *(Continued)*

	2014	2013
	RMB'000	*RMB'000*
Service fees received from holding company and fellow subsidiaries		
Construction services	**91,508**	87,886
Supply of electricity	**42,194**	41,104
Vehicle transportation services	**20,323**	21,577
Supply of equipment with design and installation service	**15,661**	15,005
Rentals for public facilities and other services	**8,175**	2,896
Supply of water	**311**	341
Supply of gas	**—**	8
Repair and maintenance services	**8,013**	348
	186,185	169,165
Service fees received from associates		
Construction services	**4,436**	12,066
Service fees received from a joint venture		
Construction services	**1,281**	2,067
Service fees received from non-controlling interests of a subsidiary		
Interest received from trade receivables	**4,131**	—
Loans to fellow subsidiaries	**913,000**	—
Repayment from loans to fellow subsidiaries	**30,000**	—

During the years ended 31 December 2014 and 2013, certain of the Group's investment properties were leased to certain fellow subsidiaries of the Group free of charge.

The related party transactions except for transactions with associates, joint ventures and non-controlling interests of a subsidiary above constitute connected transactions or continuing connected transactions as defined on Chapter 14A of the Listing Rules.

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

45. RELATED PARTY TRANSACTIONS AND BALANCES *(Continued)*

(b) Compensation of key management personnel of the Group

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

	2014	2013
	RMB'000	*RMB'000*
Short-term employees benefits	**13,931**	14,857
Post-employment benefits	**504**	563
Performance related bonus	**6,323**	10,603
	20,758	26,023

(c) Balances with related parties

At the end of the reporting period, the Group have the following balances with related parties:

	2014	2013
	RMB'000	*RMB'000*
Trade and bills receivables due from holding company	**377**	504
Trade and bills receivables due from fellow subsidiaries	**589,106**	435,952
Trade and bills receivables due from associates	**3,102**	8,143
Trade and bills receivables due from a joint venture	**—**	600
Trade and bills receivables due from non-controlling interests of a subsidiary	**56,888**	69,338
Prepayments and other receivables due from holding company	**5,792**	531
Prepayments and other receivables due from fellow subsidiaries	**839,731**	736,200
Prepayment and other receivables due from non-controlling interests of a subsidiary	**15,521**	15,468
Prepayments and other receivables due from associates	**1,479**	2,494
Prepayments and other receivables due from jointly controlled entity	**900**	—
Loans to fellow subsidiaries	**878,585**	—
Trade and bills payables due to holding company	**1,934**	1,180
Trade and bills payables due to fellow subsidiaries	**51,915**	44,893
Trade and bills payables due to a joint venture	**3,198**	1,001

45. RELATED PARTY TRANSACTIONS AND BALANCES *(Continued)*

(c) Balances with related parties *(Continued)*

	2014	2013
	RMB'000	*RMB'000*
Trade and bills payables due to non-controlling interests of a subsidiary	**163,203**	13,831
Other payables and accruals due to holding company	**38,293**	136,680
Other payables and accruals due to fellow subsidiaries	**32,947**	38,080
Other payables and accruals due to non-controlling interests of a subsidiary	**17,046**	—
Deposits from holding company	**255,404**	202,139
Deposits from fellow subsidiaries	**624,388**	405,391
Other long term payables due to holding company	**14,501**	15,202

(d) Transactions/balances with other state-controlled entities

The Group itself is part of a larger group of companies under State-owned Assets Supervision and Administration Commission of the People's Government of Jiangxi Province which is controlled by the PRC government and the Group operates in an economic environment currently predominated by entities controlled, jointly controlled or significantly influenced by the PRC government.

Apart from the transactions with the parent company and its subsidiaries which have been disclosed in other notes to the consolidated financial statements, the Group also conducts business with entities directly or indirectly controlled, jointly controlled or significant influence by the PRC government in the ordinary course of business, including majority of its bank deposits and the corresponding interest income, certain bank borrowings and the corresponding finance costs, and significant purchases and sales of copper and other related products.

46. FINANCIAL INSTRUMENTS

(a) Capital risk management

The primary objective of the Group's capital management is to ensure that it has sufficient capital in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or obtain additional capital from shareholders. No changes were made in the objectives, policies or processes for managing capital during both years.

The Group monitors capital using a gearing ratio, which is net debt divided by the adjusted capital plus net debt. The Group's policy is to maintain the gearing ratio between 10% and 50%. Net debt includes interest-bearing bank borrowings, trade and bills payables, financial liabilities included in the other payables and accruals less cash and cash equivalents. Adjusted capital includes equity attributable to owners of the Company less the hedging reverses.

(b) Categories of financial instruments

	2014	2013
	RMB'000	*RMB'000*
Financial assets		
Loans and receivables		
(including cash and cash equivalents)		
— Trade and bills receivables	**17,344,604**	14,220,603
— Other receivables	**3,268,219**	1,501,597
— Other investments	**1,240,000**	1,880,000
— Loans to fellow subsidiaries	**878,585**	—
— Restricted bank deposits	**5,944,645**	4,325,952
— Bank balances and cash	**19,394,219**	19,666,162
	48,070,272	41,594,314
Financial assets at FVTPL		
Held-for-trading financial assets	**48,159**	48,880
Derivative financial instruments	**308,132**	38,234
	356,291	87,114
Derivative financial instruments in designated hedge accounting relationships	**42,753**	264
Available-for-sale investments	**2,331,529**	2,041,230

46. FINANCIAL INSTRUMENTS *(Continued)*

(b) Categories of financial instruments *(Continued)*

	2014	2013
	RMB'000	*RMB'000*
Financial liabilities		
Amortised cost		
— Trade and bills payables	**10,948,492**	11,290,992
— Other payables	**1,499,011**	1,437,846
— Deposits from holding company and fellow subsidiaries	**879,792**	607,530
— Bank borrowings	**21,610,377**	15,835,924
— Bonds payable	**6,246,297**	5,955,393
— Other long term payables	**14,501**	15,202
	41,198,470	35,142,887
Financial liabilities at FVTPL		
Held-for-trading financial liabilities	**2,416,717**	2,802,265
Derivative financial instruments	**273,946**	605,313
	2,690,663	3,407,578
Derivative financial instruments in designated hedge accounting relationships	**—**	89,039

(c) Financial risk management objectives and policies

The Group's major financial instruments include available-for-sale investments, trade and bills receivables, other receivables, other investments, loans to fellow subsidiaries, restricted bank deposits, bank balances and cash, held-for-trading financial assets, trade and bills payables, other payables, deposits from holding company and fellow subsidiaries, bank borrowings, bonds payable, other long term payables, held-for-trading financial liabilities and derivative financial instruments. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

46. FINANCIAL INSTRUMENTS *(Continued)*

(c) Financial risk management objectives and policies *(Continued)*

Interest rate risk

The Group's exposure to interest rate risk for changes in interest rates relates primarily to the Group's cash at bank, short term and long term interest-bearing bank borrowings with floating interest rates. The management continuously monitors interest rate fluctuation and will consider further hedging interest rate risk should the need arise.

The Group's bank balances have exposure to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank balances. The management considers the Group's exposure of the short-term bank deposits to interest rate risk is not significant as interest bearing bank balances are within short maturity period.

The sensitivity analysis below has been determined based on the exposure to interest rates for floating interest bearing bank borrowings at the end of reporting period assuming the stipulated changes taking place at the beginning of the reporting period and held constant throughout the reporting period.

If interest rates had been 100 basis points (2013: 100 basis points) higher/lower and all other variables were held constant, the Group's profit before taxation would decrease/increase by approximately RMB10,020,000 (2013: decrease/increase by approximately RMB19,865,000).

Foreign currency risk

The carrying amounts of the Group's monetary assets and monetary liabilities denominated in foreign currencies, i.e. currency other than the functional currency of the respective group entities, which are mainly trade and other receivables, restricted bank deposits, bank balances and cash, trade and other payables, bank borrowings and derivative financial instruments, at the end of the reporting period are as follows:

	Assets		Liabilities	
	2014	2013	**2014**	2013
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
USD	**5,612,406**	8,668,538	**14,178,172**	17,995,881
RMB	**1,081,672**	—	**1,307**	—
New Zealand dollars ("NZD")	**—**	—	**731,688**	—
Australian dollars ("AUS")	**557**	—	**155,866**	—
JPY	**—**	—	**64,704**	—

46. FINANCIAL INSTRUMENTS *(Continued)*

(c) Financial risk management objectives and policies *(Continued)*

Foreign currency risk *(Continued)*

The Group does not carry out active currency hedging. Currency protection measures may be needed in specific commercial circumstances and are subject to strict limits laid down by the board of directors.

The Group is mainly exposed to foreign currency risk in USD, NZD, AUS and JPY against RMB. In addition, overseas subsidiaries exposed to RMB currency risk. The following table details the Group's sensitivity to a 5% change in the respective foreign currencies against RMB. The 5% is the rate used when reporting foreign currency risk internally to key management personnel and represents directors' assessment of the possible change in foreign exchange rates. The sensitivity analysis of the Group's exposure to foreign currency risk at the reporting date has been determined based on the change taking place at the end of the reporting periods and held constant throughout the reporting period.

	(Decrease) increase in profit before taxation	
	2014	2013
	RMB'000	*RMB'000*
If USD strengthens against RMB by 5%	**(428,288)**	(466,367)
If USD weakens against RMB by 5%	**428,288**	466,367
If NZD strengthens against RMB by 5%	**(36,584)**	—
If NZD weakens against RMB by 5%	**36,584**	—
If AUS strengthens against RMB by 5%	**(7,765)**	—
If AUS weakens against RMB by 5%	**7,765**	—
If JPY strengthens against RMB by 5%	**(3,235)**	—
If JPY weakens against RMB by 5%	**3,235**	—
If RMB strengthens against Hong Kong Dollar by 5%	**47,764**	—
If RMB weakens against Hong Kong Dollar by 5%	**(47,764)**	—
If RMB strengthens against Singapore Dollar by 5%	**6,148**	—
If RMB weakens against Singapore Dollar by 5%	**(6,148)**	—
If RMB strengthens against Turkish Lira by 5%	**106**	—
If RMB weakens against Turkish Lira by 5%	**(106)**	—

In directors' opinion, the sensitivity analysis is unpresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

46. FINANCIAL INSTRUMENTS *(Continued)*

(c) Financial risk management objectives and policies *(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 minimise this risk, the Group enters into commodity derivative contracts and provisional price arrangements 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.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in prevailing market price of copper cathodes, with all other variables held constant, of the Group's profit before taxation and equity (due to changes in the fair values of commodity derivative contracts and the provisional price arrangement) after the impact of hedge accounting.

	(Decrease) increase in profit before taxation	
	2014	2013
	RMB'000	*RMB'000*
If market price of copper increased by 5%	**(159,484)**	(155,877)
If market price of copper decreased by 5%	**159,484**	155,877

Credit risk

The Group trades only with recognised and creditworthy customers. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, available-for-sale investments, other receivables, other investments, loans to fellow subsidiaries and certain derivative instruments and discounted and endorsed bills arrangement with full recourse, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

There is no requirement for collateral and no significant concentrations of credit risk within the Group. As at 31 December 2014, 28.56% (2013: 27.17%) of the Group's trade receivables were due from the Group's five largest customers.

There is concentration of credit risk on restricted bank deposits and bank balances for the Group at the end of reporting period. The credit risk on liquid funds is limited because majority of counterparties are banks with high credit-ratings assigned by international credit-rating agencies and state owned banks with good reputation.

46. FINANCIAL INSTRUMENTS *(Continued)*

(c) Financial risk management objectives and policies *(Continued)*

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, and borrowing loans from banks.

Other than discounted and endorsed bills with full recourse which were derecognised by the Group (see note 25 for details) and discussed elsewhere in these consolidated financial statements, the table below summarises the maturity profile of the Group's financial liabilities at the end of the reporting period based on the contractual undiscounted payments.

	Weighted average effective interest rate	On demand and within one year *RMB'000*	Over 1 year but not more than 5 years *RMB'000*	Over 5 years *RMB'000*	Total undiscounted cash flows *RMB'000*	Carrying amount *RMB'000*
At 31 December 2014						
Non-derivative financial liabilities						
Trade and bills payables	—	10,948,492	—	—	10,948,492	10,948,492
Other payables	—	1,327,632	—	—	1,327,632	1,327,632
Deposits from holding company and fellow subsidiaries	2.24%	899,499	—	—	899,499	879,792
Deposits from third parties	2.24%	175,388	—	—	175,388	171,379
Bank borrowings	3.04%	21,429,349	691,515	17,249	22,138,113	21,610,377
Bonds payable	1.00%	68,000	6,851,000	—	6,919,000	6,246,297
Held-for-trading financial liabilities	—	2,416,717	—	—	2,416,717	2,416,717
Other long term payables	6.00%	2,010	8,039	16,078	26,127	14,501
		37,267,087	7,550,554	33,327	44,850,968	43,615,187
Derivative — net settlement						
— net inflow		(350,885)	—	—	(350,885)	(350,885)
— net outflow		273,946	—	—	273,946	273,946
		(76,939)	—	—	(76,939)	(76,939)

46. FINANCIAL INSTRUMENTS *(Continued)*

(c) Financial risk management objectives and policies *(Continued)*

Liquidity risk *(Continued)*

	Weighted average effective interest rate	On demand and within one year	Over 1 year but not more than 5 years	Over 5 years	Total undiscounted cash flows	Carrying amount
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2013						
Non-derivative financial liabilities						
Trade and bills payables	—	11,290,992	—	—	11,290,992	11,290,992
Other payables	—	1,437,846	—	—	1,437,846	1,437,846
Deposits from holding company and fellow subsidiaries	1.68%	614,098	—	—	614,098	607,530
Bank borrowings	2.26%	15,904,788	79,453	18,057	16,002,298	15,835,924
Bonds payable	1.00%	68,000	6,919,000	—	6,987,000	5,955,393
Held-for-trading financial liabilities	—	2,802,265	—	—	2,802,265	2,802,265
Other long term payables	6.00%	2,010	8,039	18,185	28,234	15,202
		32,119,999	7,006,492	36,242	39,162,733	37,945,152
Derivative – net settlement						
— net inflow	—	(38,498)	—	—	(38,498)	(38,498)
— net outflow	—	694,352	—	—	694,352	694,352
		655,854	—	—	655,854	655,854

Bank borrowings with a repayment on demand clause is included in the "on demand and within one year" time band in the above maturity analysis. As at 31 December 2014, the aggregate undiscounted principal amounts of this bank borrowing amounted to RMB180,656,000 (2013: RMB180,656,000). Taking into account the Group's financial position, the directors do not believe that it is probable that the bank will exercise its discretionary rights to demand immediate repayment. The directors believe that such bank borrowing will be repaid two years after the end of the reporting period in accordance with the scheduled repayment dates set out in the loan agreements. At that time, the aggregate principal and interest cash outflows will amount to RMB185,887,000 (2013: RMB186,435,000).

46. FINANCIAL INSTRUMENTS *(Continued)*

(d) Fair value measurements of financial instruments

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets/ financial liabilities	Fair value as at 31 December 2014	Fair value as at 31 December 2013	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
1. Listed equity securities classified as held-for-trading financial assets	**Assets — RMB747,000**	Assets — RMB919,000	Level 1	Quoted bid prices in active markets.	N/A	N/A
2. Listed debenture investments classified as held-for-trading financial assets	**Assets — RMB47,412,000**	Assets — RMB47,961,000	Level 1	Quoted bid prices in active markets.	N/A	N/A
3. Standardised commodity derivative contracts classified as derivative financial instruments	**Assets — RMB244,302,000 Liabilities — RMB23,919,000**	Assets — RMB37,795,000 Liabilities — RMB485,512,000	Level 1	Quoted bid prices in active markets.	N/A	N/A
4. Gold lease contracts classified as held-for-trading financial liabilities	**Liabilities — RMB2,416,717,000**	Liabilities — RMB2,802,265,000	Level 1	Quoted bid prices in active markets.	N/A	N/A
5. Non-standardised commodity derivative contracts classified as derivative financial instruments	**Assets — RMB34,358,000 Liabilities — RMB146,638,000**	Liabilities — RMB13,963,000	Level 2	Discounted cash flow or Option pricing models. The fair value of the commodity derivative contracts is estimated by reference to the quoted bid prices of similar standardised commodity derivative contracts at the end of the reporting period or based on the volatility of the option and the maturity of option.	N/A	N/A

46. FINANCIAL INSTRUMENTS *(Continued)*

(d) Fair value measurements of financial instruments *(Continued)*

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis *(Continued)*

Financial assets/ financial liabilities	Fair value as at 31 December 2014	Fair value as at 31 December 2013	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
6. Foreign currency forward contracts classified as derivative financial instruments	**Assets — RMB1,602,000** **Liabilities — RMB103,014,000**	Assets — RMB703,000 Liabilities — RMB109,710,000	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.	N/A	N/A
7. Interest rate swap contracts classified as derivative financial instruments	**Liabilities — RMB375,000**	N/A	Level 2	Discounted cash flow. Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.	N/A	N/A
8. Provisional price arrangement classified as derivative financial instruments	**Assets — RMB70,623,000**	Liabilities — RMB85,167,000	Level 2	Discounted cash flow. The fair value of the provisional price arrangement is estimated by reference to the quoted bid prices of similar standardised commodity derivative contracts at the end of the reporting period and the inception price of the contracts.	N/A	N/A
9. Bonds investment classified as available-for-sale investments	**Assets — RMB80,080,000**	Assets — RMB259,650,000	Level 2	Discounted cash flow. Fair value are estimated based on its expected cash flows discounted by quoted annual return rate of similar bonds investments.	N/A	N/A
10. Financial products classified as available-for-sale investments	**Assets — RMB963,000,000**	Assets — RMB1,371,500,000	Level 3	Discounted cash flow. Fair value are estimated based on its expected cash flows discounted by unquoted annual return rate of similar financial products.	Unquoted annual return rate of similar financial products provided by counterparties.	The higher the unquoted annual return rate, the lower the fair value.
11. Loan investments classified as available-for-sale investments	**Assets — RMB880,000,000**	N/A	Level 3	Discounted cash flow. Fair value are estimated based on its expected cash flows discounted by unquoted annual return rate of similar financial products.	Unquoted annual return rate of similar financial products provided by counterparties.	The higher the unquoted annual return rate, the lower the fair value.

There were no transfers between Level 1, 2 and 3 during the year.

46. FINANCIAL INSTRUMENTS *(Continued)*

(d) Fair value measurements of financial instruments *(Continued)*

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis *(Continued)*

	2014			
	Level 1 *RMB'000*	**Level 2** *RMB'000*	**Level 3** *RMB'000*	**Total** *RMB'000*
Fair value hierarchy				
Financial assets at FVTPL				
Held-for-trading financial assets	**48,159**	**—**	**—**	**48,159**
Derivative financial instruments	**244,303**	**106,582**	**—**	**350,885**
Available-for-sale investments	**—**	**80,080**	**1,843,000**	**1,923,080**
Total	**292,462**	**186,662**	**1,843,000**	**2,322,124**
Financial liabilities at FVTPL				
Held-for-trading financial liabilities	**2,416,717**	**—**	**—**	**2,416,717**
Derivative financial instruments	**23,919**	**250,027**	**—**	**273,946**
Total	**2,440,636**	**250,027**	**—**	**2,690,663**

	2013			
	Level 1 *RMB'000*	Level 2 *RMB'000*	Level 3 *RMB'000*	Total *RMB'000*
Fair value hierarchy				
Financial assets at FVTPL				
Held-for-trading financial assets	48,880	—	—	48,880
Derivative financial instruments	37,795	703	—	38,498
Available-for-sale investments	—	259,650	1,371,500	1,631,150
Total	86,675	260,353	1,371,500	1,718,528
Financial liabilities at FVTPL				
Held-for-trading financial liabilities	2,802,265	—	—	2,802,265
Derivative financial instruments	485,512	208,840	—	694,352
Total	3,287,777	208,840	—	3,496,617

46. FINANCIAL INSTRUMENTS *(Continued)*

(d) Fair value measurements of financial instruments *(Continued)*

Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

Except as detailed in the following table, the directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values:

	2014		2013	
	Carrying amount	**Fair value**	Carrying amount	Fair value
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
Fair value hierarchy				
Bonds payable	**6,246,297**	**6,411,040**	5,955,393	5,926,200

Reconciliation of Level 3 fair value measurements

Reconciliation of Level 3 fair value measurement of available-for-sale investments:

	2014	2013
	RMB'000	*RMB'000*
Balance at 1 January	**1,371,500**	1,302,000
Total gain recognised in profit or loss	**131,273**	174,041
Purchases	**4,108,900**	1,576,500
Settlements	**(3,768,673)**	(1,681,041)
Balance at 31 December	**1,843,000**	1,371,500

Of the total gains or losses for the period included in profit or loss, RMB183,033,000 (2013: RMB195,671,000) relates to available-for-sale investments held at the end of the current reporting period. Fair value gains or losses on available-for-sale investments are included in "other gains and losses".

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Particulars of principal subsidiaries are as follows:

Name of company	Type	Place of incorporation/ establishment and operations	Paid-up capital/ registered capital	Proportion of equity held by the Company				Proportion of voting power held by the Company		Principal activities
				2014		2013		**2014**	2013	
				Directly	**Indirectly**	Directly	Indirectly			
Jiangxi Copper Products Company Limited 江西銅業銅材有限公司	LLC	PRC	RMB225,000,000	**100%**	**–**	100%	–	**100%**	100%	Sale and processing of copper rods and wires
Sichuan Kangtong Copper Company Limited 四川康西銅業有限責任公司	LLC	PRC	RMB286,880,000	**57.14%**	**–**	57.14%	–	**57.14%**	57.14%	Sale of copper materials, precious metal materials and sulphuric acid
Sure Spread Company Limited 保弘有限公司	LLC	Hong Kong	HKD50,000,000	**–**	**100%**	–	100%	**100%**	100%	International trading and provision of related technical service
Jiangxi Copper Alloy Materials Company Limited 江西銅業銅合金材料有限公司	LLC	PRC	RMB199,500,000	**100%**	**–**	100%	–	**100%**	100%	Manufacture and sale of copper rods and wires
Jiangxi Jiangtong-Wengfu Chemical Industry Company Limited 江西省江銅–甕福化工有限責任公司	LLC	PRC	RMB181,500,000	**70%**	**–**	70%	–	**70%**	70%	Manufacture and sale of sulphuric acid and by-products
Shenzhen Jiangxi Copper Marketing Company Limited 深圳江銅營銷有限公司	LLC	PRC	RMB660,000,000	**100%**	**–**	100%	–	**100%**	100%	Sale of copper products
Jiangxi Copper Shanghai Trading Company Limited 上海江銅營銷有限公司	LLC	PRC	RMB200,000,000	**100%**	**–**	100%	–	**100%**	100%	Sale of copper products
Jiangxi Copper Beijing Trading Company Limited 北京江銅營銷有限公司	LLC	PRC	RMB261,000,000	**100%**	**–**	100%	–	**100%**	100%	Sale of copper products
Jiangxi Copper Corporation Chemical Company Limited 江西銅業集團化工有限公司	LLC	PRC	RMB42,637,000	**100%**	**–**	100%	–	**100%**	100%	Manufacture and sale of sulphuric acid and by-products
JCC Yinshan Mining Company Limited 江西銅業集團銀山礦業有限責任公司	LLC	PRC	RMB30,000,000	**100%**	**–**	100%	–	**100%**	100%	Manufacture and sale of non-ferrous metal and rare materials
JCC (Dexing) Construction Company Limited 江西銅業集團(德興)建設有限公司	LLC	PRC	RMB50,000,000	**100%**	**–**	100%	–	**100%**	100%	Provision of construction and installation services; development and sale of construction materials

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES *(Continued)*

Name of company	Type	Place of incorporation/ establishment and operations	Paid-up capital/ registered capital	Proportion of equity held by the Company 2014 Directly	2014 Indirectly	2013 Directly	2013 Indirectly	Proportion of voting power held by the Company 2014	2013	Principal activities
JCC Dexing Explosion Company Limited 江西銅業集團(德興)爆破有限公司	LLC	PRC	RMB1,000,000	**—**	**100%**	—	100%	**100%**	100%	Production and sale of engineering, including blasting engineering
JCC Dongtong Mining Company Limited 江西銅業集團東同礦業有限公司	LLC	PRC	RMB46,209,000	**100%**	**—**	100%	—	**100%**	100%	Manufacture and sale of non-ferrous metal and rare materials
JCC Guixi Logistics Company Limited 江西銅業集團(貴溪)物流有限公司	LLC	PRC	RMB40,000,000	**100%**	**—**	100%	—	**100%**	100%	Provision of transportation services
JCC Qianshan Copper Concentration Pharmaceuticals Company Limited 江西銅業集團(鉛山)選礦藥劑有限公司	LLC	PRC	RMB10,200,000	**100%**	**—**	100%	—	**100%**	100%	Sale of beneficiation drugs, fine chemicals and other products
JCC Dongxiang Alloy Materials Manufacturing Company Limited 江西銅業集團(東鄉)鑄造有限公司	LLC	PRC	RMB29,000,000	**—**	**74.97%**	—	74.97%	**74.97%**	74.97%	Production and sale of grinding pebbles, casting of machine tools and wear-resistant parts, cast steel processing, machine work and reclaiming waste steel
Jiangxi Copper Yates Copper Foil Company Limited 江西省江銅—耶兹銅箔有限公司	LLC	PRC	RMB453,600,000	**89.77%**	**—**	89.77%	—	**89.77%**	89.77%	Production and sale of copper foil
Jiangxi Copper (Longchang) Precise Pipe Company Limited 江西江銅龍昌精密銅管有限公司	LLC	PRC	RMB890,529,000	**92.04%**	**—**	92.04%	—	**92.04%**	92.04%	Production and sale of copper pipes and other copper pipe products
Jiangxi Copper Taiyi Special Electrical Materials Company Limited 江西省江銅-台意特種電工材料有限公司	LLC	PRC	USD16,800,000	**70%**	**—**	70%	—	**70%**	70%	Production and sale of enamelled wires and provision of repair and consulting services

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES *(Continued)*

Name of company	Type	Place of incorporation/ establishment and operations	Paid-up capital/ registered capital	Proportion of equity held by the Company				Proportion of voting power held by the Company		Principal activities
				2014		2013		**2014**	2013	
				Directly	**Indirectly**	Directly	Indirectly			
Loyal Sky Industrial Company Limited 鴻天實業有限公司	LLC	Hong Kong	USD2,001,300	**–**	**100%**	–	100%	**100%**	100%	Trading of copper products and non-ferrous metals
JCC (Dexing) Alloy Materials Manufacturing Company Limited 江西銅業集團(德興)鑄造有限公司	LLC	PRC	RMB66,380,000	**100%**	**–**	100%	–	**100%**	100%	Production and sale of alloy grinding pebbles and metal casting; maintenance of mechanical and electrical equipment; installation and debugging of equipment
JCC (Ruichang) Alloy Materials Manufacturing Company Limited 江西銅業集團(瑞昌)鑄造有限公司	LLC	PRC	RMB2,602,000	**100%**	**–**	100%	–	**100%**	100%	Manufacture and sale of new type of ductile iron ball parameters, wear resistant material and products; machinery processing
JCC Corporation Dongxiang Recycling Company Limited 江西銅業集團(東鄉)廢舊金屬有限公司	LLC	PRC	RMB500,000	**–**	**100%**	–	100%	**100%**	100%	Recovery and sale of disused metals
JCC Geology Exploration Company Limited 江西銅業集團地勘工程有限公司	LLC	PRC	RMB15,000,000	**100%**	**–**	100%	–	**100%**	100%	Provision of services relating to mine exploration and development
Jiangxi Copper Corporation Drill Project Company Limited 江西銅業集團井巷工程有限公司	LLC	PRC	RMB20,296,000	**100%**	**–**	100%	–	**100%**	100%	Provision of mining services
Hangzhou Tongxin Company Limited 杭州銅鑫物資有限公司	LLC	PRC	RMB2,000,000	**100%**	**–**	100%	–	**100%**	100%	Sale of metal, ore and chemical products
JCC (Guixi) New Metallurgical and Chemical Company Limited 江西銅業集團(貴溪)冶化新技術有限公司	LLC	PRC	RMB2,000,000	**100%**	**–**	100%	–	**100%**	100%	Development of new chemical technologies and new products

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES *(Continued)*

Name of company	Type	Place of incorporation/ establishment and operations	Paid-up capital/ registered capital	Proportion of equity held by the Company 2014 Directly	2014 Indirectly	2013 Directly	2013 Indirectly	Proportion of voting power held by the Company 2014	2013	Principal activities
JCC Copper Products Company Limited 江西銅業集團銅材有限公司	LLC	PRC	RMB186,391,000	**98.89%**	**–**	98.89%	–	**98.89%**	98.89%	Processing and sale of copper rods
JCC Recycling Company Limited 江西銅業集團再生資源有限公司	LLC	PRC	RMB6,800,000	**55.88%**	**44.12%**	55.88%	44.12%	**100%**	100%	Collection and sale of metal scrap
JCC (Guixi) Metallurgical and Chemical Engineering Company Limited 江西銅業集團(貴溪)冶金化工工程有限公司	LLC	PRC	RMB35,080,000	**100%**	**–**	100%	–	**100%**	100%	Provision of repair and maintenance services for production facilities and machinery equipment
JCC Finance Company Limited 江西銅業集團財務有限公司	LLC	PRC	RMB1,000,000,000	**85.68%**	**1.67%**	85.68%	1.67%	**87.35%**	87.35%	Provision of deposit, loan, guarantee and financing consultation services to related parties
Thermonamic Electronics (Jiangxi) Company Limited 江西納米克熱電電子股份有限公司	LLC	PRC	RMB70,000,000	**95%**	**–**	95%	–	**95%**	95%	Development and production of electronic semiconductors and provision of related services
Jiangxi Copper Construction Supervision Company Limited 江西銅業建設監理咨詢有限公司	LLC	PRC	RMB3,000,000	**100%**	**–**	100%	–	**100%**	100%	Construction supervision, construction cost consulting, bidding and project agency, technical consultation, project evaluation and information service
Jiangxi Copper (Guangzhou) Copper Production Company Limited 廣州江銅銅材有限公司	LLC	PRC	RMB800,000,000	**100%**	**–**	100%	–	**100%**	100%	Production, processing and sale of copper products and wires
Shanghai Shengyu Investment Company Limited 上海盛昱投資有限公司	LLC	PRC	RMB169,842,000	**100%**	**–**	100%	–	**100%**	100%	Rental and management of properties
Jiangxi Copper International Trade Company Limited 江銅國際貿易有限公司	LLC	PRC	RMB1,000,000,000	**60%**	**–**	60%	–	**60%**	60%	Sale of metals, chemicals, mining products, construction materials, and etc.

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES *(Continued)*

Name of company	Type	Place of incorporation/ establishment and operations	Paid-up capital/ registered capital	Proportion of equity held by the Company 2014 Directly	2014 Indirectly	2013 Directly	2013 Indirectly	Proportion of voting power held by the Company 2014	2013	Principal activities
Jiangxi Copper Shanghai International Logistics Company Limited 上海江銅國際物流有限公司	LLC	PRC	RMB5,000,000	**–**	**100%**	–	100%	**100%**	100%	Provision of logistics service
Jiangxi Copper Dexing Chemical Company Limited 江西銅業(德興)化工有限公司	LLC	PRC	RMB333,184,500	**100%**	**–**	100%	–	**100%**	100%	Manufacture and sale of chemical products
Jiangxi Copper Yugan Forge & Alloy Company Limited 江西銅業集團(余幹)鍛鑄有限公司	LLC	PRC	RMB28,000,000	**–**	**100%**	–	100%	**100%**	100%	Production and sale of alloy grinding pebbles
Jiangxi Copper (Qingyuan) Company Limited 江西銅業(清遠)有限公司	LLC	PRC	RMB890,000,000	**100%**	**–**	100%	–	**100%**	100%	Manufacturing and sale of copper products
Jiangxi Copper Company Hong Kong Limited 江西銅業香港有限公司	LLC	Hong Kong	US$10,000,000	**100%**	**–**	100%	–	**100%**	100%	Trading of copper products and non-ferrous metals
Jiangxi Copper Recycling Company Limited 江西銅業再生資源有限公司	LLC	PRC	RMB250,000,000	**100%**	**–**	100%	–	**100%**	100%	Collection and sale of metal scrap
Shangri La Bisidaji Mining Company Limited 香格里拉縣必司大吉礦業有限公司	LLC	PRC	RMB5,000,000	**51%**	**–**	51%	–	**51%**	51%	Exploration of copper mining
Jiangxi Copper Shanghai Supply Chain Management Company Limited 上海江銅供應鏈管理有限公司	LLC	PRC	RMB100,000,000	**–**	**100%**	–	100%	**100%**	100%	Provision of supply chain service

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results or assets and liabilities of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

None of the subsidiaries had any debt securities outstanding as at 31 December 2014 and 2013 or at any time during both years.

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES *(Continued)*

The directors of the Company are of the opinion that none of the Group's subsidiaries that has non-controlling interests are material to the consolidated financial statements as a whole and therefore, the financial information in respect of those subsidiaries that has non-controlling interests are not presented.

48. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period includes:

	2014 ***RMB'000***	2013 *RMB'000*
Property, plant and equipment	**14,699,505**	14,156,174
Unlisted investments in subsidiaries	**9,627,219**	8,815,173
Unlisted investment in a joint venture	**14,100**	14,100
Unlisted investments in associates	**3,081,208**	2,861,240
Available-for-sale investments	**398,080**	398,080
Other non-current assets	**2,110,783**	1,955,760
Inventories	**10,232,721**	10,664,431
Bank balances and cash	**19,625,468**	20,121,202
Other current assets	**10,036,442**	7,890,010
Total assets	**69,825,526**	66,876,170
Bank and other borrowings	**7,957,528**	6,370,209
Bonds payable	**6,246,297**	5,955,393
Other liabilities	**10,592,668**	11,680,268
Total liabilities	**24,796,493**	24,005,870
Net assets	**45,029,033**	42,870,300
Share capital	**3,462,729**	3,462,729
Reserves	**41,566,304**	39,407,571
Total equity	**45,029,033**	42,870,300

48. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(Continued)*

Movement in reserves:

	Other reserves *RMB'000* *(Note)*	Statutory surplus reserve *RMB'000*	Discretionary surplus reserve *RMB'000*	Safety funds surplus reserve *RMB'000*	Proposed dividends *RMB'000*	Retained profits *RMB'000*	Total *RMB'000*
At 1 January 2013	12,870,564	3,625,509	9,323,134	232,082	1,731,365	10,165,465	37,948,119
Profit and total comprehensive income for the year	—	—	—	—	—	3,190,817	3,190,817
Dividends declared	—	—	—	—	(1,731,365)	—	(1,731,365)
Dividends proposed	—	—	—	—	1,731,365	(1,731,365)	—
Transfer between categories	—	321,747	321,747	(53,314)	—	(590,180)	—
At 31 December 2013	12,870,564	3,947,256	9,644,881	178,768	1,731,365	11,034,737	39,407,571
Profit and total comprehensive income for the year	—	—	—	—	—	3,890,098	3,890,098
Dividends declared	—	—	—	—	(1,731,365)	—	(1,731,365)
Dividends proposed	—	—	—	—	692,546	(692,546)	—
Transfer between categories	—	388,925	—	27,186	—	(416,111)	—
At 31 December 2014	12,870,564	4,336,181	9,644,881	205,954	692,546	13,816,178	41,566,304

Note: Other reserves comprise of share premium, capital reserve and other reserve of the Company.

	For the year ended 31 December				
	2014	2013	2012	2011	2010
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
CONSOLIDATED RESULTS					
Revenue	**198,264,175**	175,291,753	158,005,958	117,119,197	76,138,869
Cost of sales	**(192,542,742)**	(168,758,963)	(150,570,459)	(107,347,896)	(68,092,329)
Gross profit	**5,721,433**	6,532,790	7,435,499	9,771,301	8,046,540
Other income, gains and losses	**1,567,714**	1,339,041	1,462,030	919,000	47,469
Selling and distribution expenses	**(547,007)**	(545,284)	(453,162)	(437,011)	(345,648)
Administrative expenses	**(1,876,310)**	(1,760,855)	(1,348,824)	(1,869,162)	(1,230,378)
Finance costs	**(977,405)**	(843,343)	(831,711)	(731,227)	(444,043)
Share of results of joint ventures	**(22,248)**	3,761	5,615	6,636	(18,475)
Share of results of associates	**46,195**	5,524	3,826	49,046	5,959
Profit before taxation	**3,912,372**	4,731,634	6,273,273	7,708,583	6,061,424
Taxation	**(1,013,108)**	(1,100,305)	(1,025,766)	(1,060,392)	(1,015,027)
Profit for the year	**2,899,264**	3,631,329	5,247,507	6,648,191	5,046,397
Attributable to:					
Owners of the Company	**2,899,091**	3,555,692	5,169,668	6,586,921	4,987,575
Non-controlling interests	**173**	75,637	77,839	61,270	58,822
	2,899,264	3,631,329	5,247,507	6,648,191	5,046,397

	As at 31 December				
	2014	2013	2012	2011	2010
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
CONSOLIDATED STATEMENT OF FINANCIAL POSITION					
Total assets	**95,316,269**	88,759,398	78,088,106	68,149,629	54,844,773
Total liabilities	**(48,296,105)**	(43,126,976)	(34,225,711)	(28,343,634)	(20,307,367)
Non-controlling interests	**(1,292,214)**	(1,116,707)	(1,087,559)	(503,074)	(414,180)
Equity attributable to owners of the Company	**45,727,950**	44,515,715	42,774,836	39,302,921	34,123,226

Documents Available for Inspection

1. The financial statements duly signed and sealed by the legal representative, chief financial officer and accounting chief.

2. The original copies of the auditors' reports sealed by the accounting firms and duly signed and sealed by the certified public accountants.

3. The original copies of all documents and announcements of the Company disclosed in the newspapers designated by CSRC during the reporting period.

4. Jiangxi Copper (HK.0358) 2014 Annual Report published on the Hong Kong Stock Exchange.

Chairman:
Jiangxi Copper Company Limited
25 March 2015

Jiangxi Copper Company Limited