

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)

2016 Interim Report



Important Notice

- (1) The board of directors (the "Board") and the supervisory committee (the Supervisory Committee") of Jiangxi Copper Company Limited (the "Company") and its directors (the "Directors"), supervisors (the "Supervisors") and senior management warrant that they severally and jointly accept responsibility for the truthfulness, accuracy and completeness of the information contained in the interim report and that there are no false representations, misleading statements contained therein or material omissions therefrom.
- (2) All Directors of the Company attended the Board's meeting to approve, among others, the interim results for the six months ended 30 June 2016.
- (3) The interim financial report of the Company and its subsidiaries (the "Group") has not been audited, but the interim financial information prepared in accordance with International Accounting Standards 34 "Interim Financial Reporting" and other relevant provisions (collectively referred to as "IFRSs") has been reviewed by Deloitte Touche Tohmatsu and considered and approved by the independent audit committee (the "Audit Committee") of the Company.
- (4) The Company's Chairman, Mr. Li Baomin, the principal accounting responsible person, Mr. Wu Jinxing, and Head of Financial Department (accounting chief), Mr. Zhou Minhui, warrant the truthfulness, accuracy and completeness of the financial report set out in the interim report.
- (5) Proposal of profit distribution plan or transfer of capital reserve to share capital during the six months ended 30 June 2016 (the "reporting period") after consideration by the Board: The Company will not make any interim profit distribution or transfer capital reserve to share capital.
- (6) Statement for the risks involved in the forward-looking statement: The interim report contains forward-looking statements that involve future plans and development strategies which do not constitute a commitment by the Company to its investors. Investors should be aware of the investment risks.
- (7) No misappropriation of funds by the controlling shareholders and their connected parties for non-operation purpose was found in the Group.
- (8) The Group did not provide external guarantees in violation of stipulated decision-making procedures.



CONTENTS

Definitions	2
Company Profile	3
Summary of Accounting Data and Financial Indicators	5
Report of the Board	11
Significant Events	32
Changes in Shares and Shareholders	43
Directors, Supervisors and Senior Management	48
Corporate Bonds	49
Financial Reports	53
Documents Available for Inspection	84

Definitions

In this report, unless the context otherwise requires, the following expressions have the meanings as follows:

Definitions to the frequently-used terms

CSRC	means	China Securities Regulatory Commission
SSE	means	Shanghai Stock Exchange
Company or Jiangxi Copper	means	Jiangxi Copper Company Limited
Group	means	The Company and its subsidiaries
JCC	means	Jiangxi Copper Corporation
Group copper concentrate	means	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	means	The amount of copper in copper concentrate

Company Profile

I. COMPANY 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 of the Company	Li Baomin

II. CONTACT PERSONS AND CONTACT METHODS

	Company Secretary to the Board	Securities Affairs Representative
Name	Huang Dongfeng	Xiao Huadong
Address	7666 Changdong Avenue, Hi-tech Development Zone, Nanchang, Jiangxi Province, the People's Republic of China	7666 Changdong Avenue, Hi-tech Development Zone, Nanchang, Jiangxi Province, the People's Republic of China
Telephone	0791-82710117	0791-82710111
Facsimile	0791-82710114	0791-82710114
E-mail	jccl@jxcc.com	jccl@jxcc.com

III. CHANGES IN 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, Hi-tech 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

Company Profile

IV. CHANGES IN INFORMATION DISCLOSURE AND PLACE OF INSPECTION

Newspapers selected by the Company for information disclosure	Shanghai Securities News
Website designated by CSRC for publishing the interim report	www.sse.com.cn
Place of inspection of the interim report	7666 Changdong Avenue, Hi-tech Development Zone, Nanchang, Jiangxi Province, the People's Republic of China

V. INFORMATION ON THE COMPANY'S SHARES

Class of shares	Stock Exchange of listing shares	Stock abbreviation	Stock code
A shares	SSE	Jiangxi Copper	600362
H shares	The Stock Exchange of Hong Kong Limited ("Stock Exchange")	Jiangxi Copper	0358

VI. CHANGES IN THE COMPANY'S REGISTRATION DURING THE REPORTING PERIOD

Date of Registration	10 May 2016
Place of Registration	Jiangxi Industry and Commerce Administrative Bureau
Business License Registration Number of the Corporation Legal Person	91360000625912173B
Tax Registration Number	91360000625912173B
Organization Code	91360000625912173B

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, PRC
	Name of auditor as signatories	Yang Haijiao (楊海蛟) Ma Renjie (馬仁傑)
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 (杜禕清)
	Period of continuously performing supervisory function	September 2008 ~ December 2015

Summary of Accounting Data and Financial Indicators

I. SUMMARY OF ACCOUNTING DATA AND FINANCIAL INDICATORS

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

	For the six months ended		Increase/ (decrease) (%)
	30 June 2016 (RMB'000) (Unaudited)	2015 (RMB'000) (Unaudited)	
Revenue	89,972,986	75,276,882	19.52
Profit before taxation	1,024,811	1,445,384	-29.10
Profit for the period attributable to shareholders of parent company	643,006	1,034,581	-37.85
Basic earnings per share (RMB)	0.19	0.30	-36.67

	As at 30	As at 31	Increase/ (decrease) (%)
	June 2016 (RMB'000) (Unaudited)	December 2015 (RMB'000) (Audited)	
Total assets	93,196,007	89,751,029	3.84
Total liabilities	44,671,909	41,921,728	6.56
Net assets attributable to shareholders of parent company	46,275,611	45,902,357	0.81
Net assets per share attributable to shareholders of parent company (RMB)	13.36	13.26	0.75

Summary of Accounting Data and Financial Indicators

II. CONSOLIDATED ACCOUNTING DATA AND FINANCIAL INDICATORS PREPARED IN ACCORDANCE WITH THE PRC ACCOUNTING STANDARDS (“PRC GAAP”)

(I) Major accounting data

Unit: Yuan Currency: RMB

Major accounting data	During the reporting period (January–June)	During the same period of last year	Increase/ decrease for the reporting period as compared with the same period of last year (%)
Operating revenue	90,204,434,410	75,545,525,385	19.40
Net profit attributable to shareholders of the Company	473,376,745	896,362,928	-47.19
Net profit after non-recurring profit and loss items attributable to shareholders of the Company	355,011,220	460,402,475	-22.89
Net cash flows from operating activities	660,798,287	4,989,628,922	-86.76

	As at the end of the reporting period	As at the end of last year	Increase/ decrease as at the end of the reporting period as compared with the end of last year (%)
Net assets attributable to shareholders of the Company	46,279,551,673	45,906,380,055	0.81
Total assets	93,200,106,019	89,755,211,107	3.84

Summary of Accounting Data and Financial Indicators

(II) Major financial indicators

Unit: Yuan Currency: RMB

Major financial indicators	During the reporting period (January–June)	During the same period of last year	Increase/ decrease for the reporting period as compared with the same period of last year (%)
Basic earnings per share (RMB/share)	0.14	0.26	-46.15
Diluted earnings per share (RMB/share)	Not applicable	Not applicable	Not applicable
Basic earnings per share after non-recurring profit and loss items (RMB/share)	0.10	0.13	-23.08
Return on net assets (weighted average) (%)	1.03	1.95	Decreased by 0.92 percentage point
Return on net assets after non-recurring profit and loss items (weighted average) (%)	0.77	1.00	Decreased by 0.23 percentage point

Summary of Accounting Data and Financial Indicators

III. DEFERENCES IN ACCOUNTING DATA BETWEEN IASS AND PRC GAAP

(I) Discrepancies between net profit and net assets attributable to shareholders of the Company in the financial report disclosed under the IASs and under the PRC GAAP

Unit: Yuan Currency: RMB

	Net profit		Net assets attributable to shareholders of the Company	
	Amount for the current period	Amount for the previous period	Closing amount	Opening amount
Prepared in accordance with the PRC GAAP	473,376,745	896,362,928	46,279,551,673	45,906,380,055
Adjustments to items and amounts under IASs:				
Safety fund expenses provided but not used under the PRC GAAP during the period	169,546,656	137,990,494	-	-
Income tax effect on safety fund	81,648	230,410	-4,099,187	-4,180,835
Prepared in accordance with the IFRSs	643,005,049	1,034,583,832	46,275,452,486	45,902,199,220

(II) Differences in net profit and net assets attributable to equity shareholders of the Company prepared under foreign accounting standards and PRC GAAP

Not applicable

(III) Explanation on difference in accounting data under domestic and overseas accounting standards

Not applicable

Summary of Accounting Data and Financial Indicators

IV. NON-RECURRING PROFIT AND LOSS ITEMS AND AMOUNTS (IN FINANCIAL STATEMENTS PREPARED UNDER THE PRC GAAP)

Unit: Yuan Currency: RMB

Non-recurring profit and loss items	Amount
Profit and loss from disposal of non-current assets	4,389
Ultra vires approval, or no formal approval document, or incidental tax return and reduction	-
Government grant as included in profit and loss of the current period, other than those closely relating to the normal business of the Company and subject to a fixed amount or quantity under certain standard required by national policies	54,712,833
Fund occupation expense collected from the non-financial enterprises calculated into the current profits and losses	-
The investment cost of the subsidiaries, associates and joint enterprise obtained by the enterprise is less than the profit generated from the fair value of identifiable net assets of the invested unit enjoyed when investment is obtained	-
Profit and loss from exchange of non-monetary assets	-
Profit and loss from investment or asset management entrusted to others	-
Provision for impairment reserves due to force majeure factor, such as natural disasters	-
Profit and loss from debt restructuring	-
Enterprise restructuring expenses, such as employee placement expenditure, integration expenses, etc.	-
Profit and loss exceeding the fair value generated in the fair transaction at transaction price	-
Current net profit or loss from the beginning of period to the combination date of the subsidiary generated from enterprise combination under the same control	-
Profit and loss generated from contingencies unrelated with normal transactions of the Company	-
Profit and loss from changes in the fair value of 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 of the Company	37,019,764
Reversed for impairment of the receivables for independent impairment test	103,721,190
Profit and loss from foreign entrusted loan	-
Profit and loss from changes in the fair value of the investment real estate subject to subsequent measurement in the mode of fair value	-
Influence of one-time adjustment on current profits and losses according to requirements in the laws and regulations of tax and accounting	-
Income from trustee fee obtained from entrusted operation	-
Other non-operating income and expenses other than the above	-6,579,382
Other profit and loss items conforming to definition of non-recurring items	-
Impact from non-controlling interests	-23,997,292
Impact from income tax	-46,515,977
Total	118,365,525

Summary of Accounting Data and Financial Indicators

V. OTHER ITEMS (IN FINANCIAL STATEMENTS PREPARED UNDER THE PRC GAAP)

Unit: Yuan Currency: RMB

Item	Opening balance	Closing balance	Changes during the current period	Impact on profit of the current period
1. Investment in held-for-trading equity instruments				
Equity investments	27,931,358	29,723,697	1,792,339	1,388,382
2. Investment in held-for-trading debt instruments				
Bond investment	129,015,162	157,441,707	28,426,545	-16,463,479
3. Derivatives not designated as a hedge				
Forward foreign exchange contracts	25,412,025	-18,133,650	-43,545,675	-43,545,675
Interest rate swaps contracts	-636,234		636,234	636,234
Option contracts			0	0
Commodity derivative contracts and forward commodity contracts	332,410,844	-73,001,961	-405,412,805	-405,412,805
Gold forward contracts	-118,694,210	436,884,882	555,579,092	555,579,092
Exchange rate swaps	-5,400,702	-4,360,343	1,040,359	1,040,359
Commodity option contracts	-39,703,764	-51,818,525	-12,114,761	3,737,661
4. Gold lease contracts measured at fair value	-1,758,825,082	-3,008,881,934	-1,250,056,852	-551,884,746
5. Hedging instruments				
(1) Non-effective hedging derivative instruments			0	0
Commodity derivative contracts	2,474,154	-957,796	-3,431,950	-3,431,950
Provisional pricing arrangement	8,607,217	0	-8,607,217	-8,607,217
(2) Effective hedging derivative instruments			0	0
Cash flow hedges			0	0
Commodity derivative contracts	1,129,367	-4,031,755	-5,161,122	-170,559
Fair value hedges			0	0
Commodity derivative contracts			0	0
Confirmed sales commitments			0	0
Balance of fair value change in inventory of a hedged item			0	0
Provisional pricing arrangement	198,693,155	-66,594,223	-265,287,378	-839,343
6. Available-for-sale financial assets				
Available-for-sale equity instruments	1,338,444,714	1,349,491,281	11,046,567	
Available-for-sale debt instruments	1,851,224,562	2,939,606,302	1,088,381,740	
Total	1,992,082,566	1,685,367,682	-306,714,884	-467,974,046

Report of the Board

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

I. DISCUSSION AND ANALYSIS OF THE COMPANY'S OPERATION DURING THE REPORTING PERIOD BY THE BOARD

In the first half of 2016, given the complex and ever-changing international economy with economic recovery falling below expectation, the domestic economy was generally stable yet was lack of growth momentum and the bulk commodity market remained sluggish. Despite the lesser drop in prices of products in nonferrous industry as compared to the same period last year, it remained fluctuating at low level, causing a great pressure on the Company's operation.

As such, adhering to "reformation and innovation with quality improvement and efficiency enhancement", the Company organized and formulated a series of measures regarding "production assurance, operation stabilization, cost reduction, efficiency enhancement, reformation implementation, innovation facilitation and risk control". Under the joint effort of the entire staff, the production volume of major products of the Company met the scheduled progress and its production and operation were generally satisfying in the first half of the year.

As of 30 June 2016, the consolidated operating revenue of the Group amounted to RMB90,204,434,410 (for the same period of 2015: RMB75,545,525,385) representing an increase of RMB14,658,909,025 (or 19.40%) as compared to last year. The Group recorded the net profits attributable to shareholders of the Company of RMB473,376,745 (for the same period of 2015: RMB896,362,928), representing a decrease of RMB422,986,183 (or -47.19%), as compared to the same period of last year. The basic earnings per share amounted to RMB0.14 (for the same period of 2015: RMB0.26), representing a decrease of RMB0.12 (or -46.15%) as compared to the same period of last year. Under the International Accounting Standards, the net profits attributable to shareholders of the Company were RMB643,005,049 (for the same period of 2015: RMB1,034,583,832, representing a decrease of RMB391,578,783 (or -37.85%)), as compared to the same period of last year.

Report of the Board

(I) Analysis of principal businesses

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

Unit: Yuan Currency: RMB

Items	For the period	For the same period last year	Changes (%)
Operating revenue	90,204,434,410	75,545,525,385	19.40
Operating cost	87,832,762,535	73,303,540,636	19.82
Selling and distribution expenses	264,672,706	226,601,752	16.8
Administrative expenses	832,266,273	791,284,966	5.18
Financial expenses	123,980,753	254,570,474	-51.30
Net cash flow from operating activities	660,798,287	4,989,628,922	-86.76
Net cash flow from investment activities	-1,935,597,685	-907,005,484	-113.41
Net cash flow from financing activities	-2,136,187,556	-5,317,912,758	59.83
Expenses on research and development	294,464,000	901,007,679	-67.32
Prepayments	3,997,308,293	1,732,389,912	130.74
Available-for-sale financial assets	3,408,276,713	2,812,500,000	21.18
Financial liabilities at fair value through profit or loss	3,280,127,881	1,969,533,221	66.54
Receipt in advance	2,245,913,538	1,616,660,475	38.92
Dividends payable	346,272,941	0	100.00
Other comprehensive revenue	-43,085,986	-119,607,144	63.98
Special reserve	495,454,452	325,907,796	52.02
Losses from impairment of assets	209,136,257	136,163,658	53.59
Gain from change in fair value	-467,974,046	-86,351,609	-441.94
Non-operating expenses	7,918,175	3,486,431	127.11

1. Explanation on changes in operating revenue: it was due to a significant increase in the price of precious metals and the trading revenue of the Company as compared with the same period.
2. Explanation on changes in operating cost: it was due to the corresponding increment in cost as a result of an increase in trading revenue of the Company.
3. Explanation on changes in selling and distribution expenses: it was due to an increase in agency fees, transportation fees and storage fees of freight logistics companies for the period as a result of an increase in total sale volume for the period.
4. Explanation on changes in administrative expenses: mainly due to the new supplementary pension of the enterprise.

Report of the Board

5. Explanation on changes in financial expenses: it was mainly due to an increase in trading amount for the period, leading to an increase in financing by way of bills discount, gold leasing, etc. and a year-on-year decrease in exchange loss.
6. Explanation on changes in net cash flow from operating activities: it was mainly due to an increase in cost of capital for inventory as compared with the same period of last year.
7. Explanation on changes in net cash flow from investment activities: it was mainly due to an increase in investment and a decrease in the recovery of returns on investment.
8. Explanation on changes in net cash flow from financing activities: it was mainly due to a decrease in the repayment of loans during the period.
9. Explanation on changes in expenses on research and development: a year-on-year decrease in development of scientific research project of the Company during the reporting period.
10. Explanation on changes in prepayments: it was due to an increase in prepayments for raw materials of copper concentrates for production-use and the loan for trading copper cathode.
11. Explanation on changes in available-for-sale financial assets: it was due to an increase in debt investment projects and other equity investment projects through finance company for enhancing the return on assets.
12. Explanation on changes in financial liabilities at fair value through profit or loss: it was due to an increase in gold leasing business of the Company.
13. Explanation on changes in receipt in advance: the Company has raised the requirement of pre-paid cash for the third-party customers by reducing the settlement of bills in order to reduce risks.
14. Explanation on changes in dividends payable: the 2015 cash dividends were provided and have not been paid for the first half of the year tentatively.
15. Explanation on changes in other comprehensive income: the foreign exchange difference arising on translation of overseas operating entities such as joint ventures and associates.
16. Explanation on changes in special reserve: the production safety fund withdrawn by the Company has not been utilized tentatively as of the first half of the year.
17. Explanation on changes in impairment loss on assets: the increase in provision for bad debts by the Company.
18. Explanation on changes in gain on changes in fair value: it was resulted from the fluctuation in the price of financial instruments.
19. Explanation on changes in non-operating expenses: the increase in repayments during the reporting period.

Report of the Board

2. Others

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

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

(2) Analysis and explanation of the implementation progress of the Company's financing and significant asset restructuring matters in the previous period

Not Applicable

(3) Progress of operation plan

During the Reporting Period, the Group completed the plan of the production volume smoothly, and produced: copper cathodes of 599,800 tonnes, representing a year-on-year increase of 3.11% (for the same period of last year: 581,700 tonnes); copper in copper concentrate of 105,900 tonnes, representing a year-on-year increase of 2.92% (for the same period of last year: 102,900 tonnes); gold of 13,303 kilogram, representing a year-on-year decrease of 3.19% (for the same period of last year: 13,471 kilogram); silver of 269 tonnes, representing a year-on-year decrease of 4.27% (for the same period of last year: 281 tonnes); molybdenum concentrate (45%) of 3,829 tonnes, representing a year-on-year increase of 14.26% (for the same period of last year: 3,351 tonnes); sulfuric acid of 1,860,000 tonnes, representing a year-on-year increase of 20% (for the same period of last year: 1,550,000 tonnes); sulfur concentrate of 1,310,000 tonnes, representing a year-on-year increase of 11.02% (for the same period of last year: 1,180,000 tonnes); copper rod of 391,000 tonnes, representing a year-on-year increase of 0.77% (for the same period of last year: 388,000 tonnes); other copper processing products except for copper rods of 65,900 tonnes, representing a year-on-year increase of 4.11% (for the same period of last year: 63,300 tonnes).

Report of the Board

(4) Outlook for the second half of the year:

Currently, the complex and ever-changing domestic and international economy, such as Brexit, the expected increase of interest rates by US Federal Reserve and the economy easing policies of Japan, will have an uncertain influence on the trend of prices of bulk commodity, including copper. As copper price is currently standing at a relatively low level in the recent decade and loosening monetary policies implemented in various countries stimulated economic growth, it is expected that copper price will obtain support or bottom out soon.

In the second half of the year, the Company will continue to tighten the cost control, prevent operational risks, enhance reformation and innovation, strengthen the safety and environment awareness and enhance merger and acquisition in order to ensure the stable development of the Company.

1. Tightening the cost control, the Company will continue to implement comprehensive budget management and benchmarking management and unearth the potential of cost reduction; adequately utilize the support form policies while strengthening the study in policies; endeavor to improve the efficiency of capital utilization to reduce financial expenses.
2. Preventing operational risks, the Company will enhance risk precaution for futures and exchange rates while enhancing contract management and customer management and strictly controlling the default risks of customers with a strengthened approach to recover receivables.
3. Enhancing reformation and innovation, the Company will facilitate the structural reformation of the supply side and proactively study and promote the innovation of management model with a strengthened innovation of business model in order to release the dynamism of the corporate development.
4. Strengthening the safety and environment awareness and keeping up the works on the establishment of the “potential-danger checking and solving system”, the Company will strengthen its capability in environmental monitoring, strictly conduct data monitoring and pay our greatest efforts in environment protection.

Report of the Board

5. Capturing the opportunities of mining investment and mergers and acquisitions arising from the low price of resources, the Company will facilitate the progress of internationalization of the Company. During the first half of the year, the Company, through its wholly-owned subsidiaries, had undertaken to make a contribution of US\$0.1 billion to establish Valuestone Global Resources Fund I in the Cayman Islands with CCB International Asset Management Limited (as the promoters). The target scale of the fund amounted to US\$0.3 billion and the fund was mainly engaged in the investment of various resources (eg. mining) projects worldwide. The fund was operated under a market-oriented model that sought for high return for financial investments. On 4 August 2016, the initial settlement of US\$0.15 billion for the fund was completed and fund operation and project investment were commenced. Within 18 months upon the date of initial settlement, the fund will make an open offer to qualified domestic and foreign institutional investors.

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

1. Principal businesses by industry and industrial product

Unit: Yuan Currency: RMB

Principal businesses by industry

By industry	Operating revenue	Operating cost	Gross profit margin (%)	Increase/decrease in the operating revenue over the same period last year (%)	Increase/decrease in the operating cost over the same period last year (%)	Increase/decrease in the gross profit margin over the same period last year (%)
Industry and other non-trading revenue	36,444,868,945	34,190,951,619	6.18%	11.04%	11.75%	-0.60%
Trading revenue	53,364,585,812	53,349,493,669	0.03%	29.94%	29.61%	0.25%
Other business revenue	394,979,653	292,317,247	25.99%	-76.13%	-81.10%	19.48%
Total	90,204,434,410	87,832,762,535	2.63%	19.40%	19.82%	-0.34%

Report of the Board

Unit: Yuan Currency: RMB

Principal businesses by product

By product	Operating revenue	Operating cost	Gross profit margin (%)	Increase/decrease in operating revenue over the same period last year (%)	Increase/decrease in operating cost over the same period last year (%)	Increase/decrease in gross profit margin over the same period last year (%)
Copper cathodes	54,975,862,930	54,249,389,509	1.32%	32.39%	32.54%	-0.11%
Copper rods and wires	17,233,666,680	16,512,866,234	4.18%	0.99%	1.48%	-0.47%
Copper processing products	1,671,831,785	1,614,895,346	3.41%	-41.76%	-42.15%	0.66%
Gold	3,392,906,078	2,975,069,698	12.31%	-10.25%	-16.50%	6.56%
Silver	1,775,515,206	1,600,426,531	9.86%	42.63%	38.93%	2.40%
Chemical products	550,339,998	503,885,381	8.44%	-16.61%	-5.75%	-10.55%
Rare and other non-ferrous metals	9,270,697,388	9,210,287,717	0.65%	55.04%	56.71%	-1.06%
Others	938,634,692	873,624,872	6.93%	22.63%	37.11%	-9.83%
Total	89,809,454,757	87,540,445,288	2.53%	21.54%	22.00%	-0.36%

Explanation on the principal businesses by industry and product:

1) Copper cathode

During the reporting period, due to the significant increase in the trading amount, the operating revenue from copper cathodes increased by RMB13,450.46 million or 32.39% as compared with last year; the operating cost from copper cathodes increased by RMB13,320.26 million or 32.54% as compared with last year; the gross profit increased by RMB130.20 million as compared with last year; and the gross profit margin decreased to 1.32% of the year from 1.44% of last year.

Report of the Board

2) *Copper rods and wires*

During the reporting period, due to an increase in the trading amount of copper rods and wires, the operating revenue from copper rods and wires for the year increased by RMB168.96 million or 0.99% as compared with last year; the operating cost from copper rods and wires increased by RMB241.31 million or 1.48% as compared with last year; the gross profit decreased by RMB72.35 million as compared with last year; and the gross profit margin decreased to 4.18% of the year from 4.65% of last year.

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

During the reporting period, due to the decrease in the price of processed copper products, the operating revenue from processed copper products other than copper rods and wires for the year decreased by RMB1,198.52 million or -41.76% as compared with last year while the operating cost decreased by RMB1,176.69 million or -42.15% as compared with last year; the gross profit decreased by RMB21.83 million as compared with last year while the gross profit margin increased to 3.41% of the year from 2.74% of last year.

4) *Chemical products*

During the reporting period, due to the significant decrease in selling price, the revenue from chemical products decreased by RMB109.63 million or -16.61% as compared with last year; the operating cost decreased by RMB30.72 million or -5.75% as compared with last year; the gross profit from chemical products decreased by RMB78.90 million as compared with last year; and the gross profit margin decreased to 8.44% of the year from 18.99% of last year.

2. Principal businesses by geographical locations

Unit: Yuan Currency: RMB

Geographical locations	Operating revenue	Increase/ decrease in operating revenue over the same period last year (%)
Mainland China	79,041,526,562	18.92%
Hong Kong	6,323,848,209	21.74%
Others	4,444,079,986	99.45%
Total	89,809,454,757	21.54%

Report of the Board

Explanation on the principal business by geographical locations:

During the reporting period, the Company has expanded the trading area for nonferrous metals, particularly the trading in regions other than the Mainland China, leading to a year-on-year increase in the total trading amount.

(III) Analysis of core competitiveness

During the reporting period, the core competitiveness of the Company did not have material changes. For details, please refer to the 2015 annual results report.

(IV) Analysis of investment

1. General analysis of external investment in equity

Unit: 0'000 Currency: RMB

Investment amount during the reporting period	0
Investment amount during the same period last year	5,000
Extent of increase/decrease in investment (%)	-100

Name of investee	Principal activity	Share of interests in the investee (%)	Investment amount
JCC BioteQ Environmental Technologies Co., Ltd (江銅百泰環保科技有限公司)	Industrial waste water recovery and product sales	50	1,410
Minmetals Jiangxi Copper Mining Investment Company Limited (五礦江銅礦業投資有限公司)	Investment company	40	158,400
MCC-JCL 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
BOCI Securities Limited (中銀國際證券有限公司)	Security broker and investment advisor	6.31	60,000
Nesko Metal Sanayi Ve Ticaret Anonims Sirketi	Exploration and sale of copper products	48	39,335
Hengbang Property Insurance Company Limited (恒邦財產保險有限公司)	Property insurance	14.82	9,780

Report of the Board

(1) Investment in securities

During the reporting period, the Company had no investment in securities.

(2) Equity interests in other listed companies

During the reporting period, the Company did not hold equity interests in other listed companies.

(3) Equity interests in financial enterprises

Name of company	Initial investment cost (RMB)	Shareholding at the beginning of the period (%)	Shareholding at the end of the period (%)	Book value at the end of the period (RMB)	Profit or loss during the reporting period (RMB)	Changes in the owner's equity during the reporting period (RMB)	Accounting items	Ways of acquisition
Jiangxi Bank Co., Ltd. (江西銀行股份有限公司)	398,080,000	5.03	2.99	398,080,000	N/A	N/A	Financial assets available for sale	Acquired from a third party
BOCI Securities Limited (中銀國際證券有限公司)	600,000,000	6.31	6.31	804,292,620	23,838,092	0	Long-term equity investment	
Hengbang Property Insurance Company Limited (恒邦財產保險有限公司)	97,800,000	14.82	14.82	83,472,967	-5,137,297	0	Long-term equity investment	
Total	1,095,880,000	/	/	1,285,845,587	N/A	N/A	/	/

Report of the Board

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

(1) Trust investment

During the reporting period, the Company did not entrust any entities to make investment.

(2) Trust loan

During the reporting period, the Company did not entrust any entities to make loan.

(3) Other wealth management and investment in derivatives

During the reporting period, the Company did not have other wealth management and investment in derivatives.

3. Use of proceeds

(1) Overall use of proceeds

Unit: 0'000 Currency: RMB

Year	Method	Total proceeds	Total utilised		Total unutilised proceeds	Use and allocation of unutilised proceeds
			proceeds during the year	Accumulative total utilised proceeds		
2007	Non-public issuance	396,474	0	217,562	378	Allocated 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 shareholders' meeting on 19 June 2012
2010	Bonds with warrants	674,360	3,346	579,839	94,521	Allocated to projects undertaken by the Group during the fund raising
Total	/	1,070,834	3,346	797,401	94,899	/

Overall use of proceeds

Please refer to the latest disclosure of the Special Report Relating to Deposit and Actual Use of Previous Raised Fund of Jiangxi Copper Company Limited in the first half of 2016 for the disclosure of overall use of proceeds.

Report of the Board

(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		On schedule or not	Progress of project	Estimated earnings	Earnings generated	Achieved estimated earnings or not
			Actual utilised proceeds						
1) Projects financed by proceeds from non-public issuance of A shares									
Expansion project of Phase II Chengmenshan Copper Mine	No	46,799		46,421	Yes	99.20%		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	3,346	220,494	Yes	85.46%		Target met as expected	Yes
Tender and development of the exploration rights of copper mine in Afghanistan	No	120,000	0	62,985	No	N/A		Under construction without revenue	Yes
Acquisition of equity interests in Northern Peru Copper Corp. in Canada	No	130,000	0	130,000	No	N/A		Under construction without revenue	Yes
Total	/	554,799	3,346	459,900	/	/	/	/	/

Explanation on use of proceeds in projects undertaken

- 1) Expansion project of Phase II 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. As at the end of the reporting period, the actual accumulated amount invested by raised proceeds was RMB464.21 million, representing 99.20% of the planned investment amount in the project.

Report of the Board

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

The Company intended to invest a total of approximately RMB2,580 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 RMB33.46 million. As of the end of the reporting period, the accumulated investment of the project amounted to RMB2,204.94 million, accounting for 85.46% 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 41,000 tonnes of copper, 61kg of gold, 25.3 tonnes of silver, 1,614 tonnes of molybdenum and 87,597 tonnes of sulfur in copper concentrates 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 successfully bidden the exploration rights of Aynak Copper Mine in Afghanistan with China Metallurgical Group Corporation, and invested RMB58.13 million to establish MCCJCC Aynak Minerals Company Limited (中冶江銅艾娜克礦業有限公司) in which the Company held 25% equity interest. At present, the preparation work for the development of the copper mine is in progress. As of 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.

Report of the Board

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

The Company 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 of the end of the reporting period, the accumulated amount invested by proceeds from the exercise of warrants in such project was 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 announcing periods. Please refer to the website of SSE 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.

(3) Change in use of proceeds in projects

During the reporting period, there were no changes in the use of proceeds in projects of the Company.

Report of the Board

4. Analysis of principal subsidiaries and joint stock companies

1) Production and operation of our main controlling subsidiaries as at 30 June 2016

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 ("Kang Xi Copper")	Sales of copper materials, precious metal materials and sulphuric acid	286,880	57.14	1,020,569	202,402	745,620	-13,087
JCC Finance Company Limited ("Finance Company")	Provision of guarantee, deposit and loan to members of JCC	1,000,000	85.68	13,929,949	2,548,728	175,825	130,808
Jiangxi Copper Products Company Limited ("Copper Products")	Processing and sales of copper products	424,500	100	805,073	663,924	125,495	18,208
JCC Copper Products Company Limited ("JCC Copper Products")	Processing and sales of hardware products	186,391	98.89	607,844	305,499	744,826	6,296
Jiangxi Copper Shenzhen Trading Company Limited ("Shenzhen Trading")	Sale of copper products	660,000	100	11,670,486	-313,533	14,458,833	-450,786
Loyal Sky Industrial Company Limited ("Loyal Sky Industrial")	Trade of Non-ferrous metals	63,106	100	3,574,303	113,733	3,814,357	-25,898
Jiangxi Copper Shanghai Trading Company Limited ("Shanghai Trading")	Sale of copper products	200,000	100	5,968,010	167,138	4,877,821	21,402
Jiangxi Copper Beijing Trading Company ("Beijing Trading")	Sale of copper products	261,000	100	970,022	-83,558	0	-11,031
JCC Yinshan Mining Company Limited ("Yinshan Mining")	Production and sales of non-ferrous metals, precious metal and non-metals	30,000	100	1,431,112	607,910	238,130	-60,962
JCC Dongtong Mining Company Limited ("Dongtong Mining")	Production and sales of non-ferrous metals, precious metal and non-metals	46,209	100	410,240	36,411	41,511	-27,690
Jiangxi Copper Yates Copper Foil Company Limited ("Jiangxi Copper Yates")	Production and sales of copper foil products	453,600	93.84	948,178	223,804	348,595	5,456
Jiangxi Copper (Longchang) Precise Pipe Company Limited ("Longchang Precise")	Production and manufacture of screwed conduit, externally finned copper pipe and other copper pipes	890,529	92.04	1,469,217	551,568	942,307	3,707

Report of the Board

Company name	Business nature	Registered capital	Shareholding percentage (%)	Total assets	Net assets	Operating revenue	Net profit/(losses)
Jiangxi Copper Taiyi Special Electrical Materials Company Limited ("Taiyi Electrical")	Design, production and sales of all kinds of copper wires and enameled wires, provision of after-sale maintenance and consultancy service	US\$16,800	70	568,174	79,259	391,997	6,253
Thermoelectric Electronic (Jiangxi) Company Limited ("Jiangxi Thermoelectric")	Research and development and production of thermoelectric semiconductors and appliances and provision of related services	70,000	95	67,240	60,872	8,469	-1,006
JCC (Guixi) Metallurgical and Chemical Engineering Company Limited ("Metallurgical and Chemical Engineering")	Metallurgy and chemical, manufacture and maintenance of equipments	35,080	100	126,480	51,546	158,628	-2,015
JCC (Dexing) Alloy Materials Manufacturing Company Limited ("Dexing Alloy Materials")	Production and sales of casting products, maintenance of mechanical and electrical equipment, installation and debugging of equipments	66,380	100	197,096	139,599	114,655	-2,191
JCC (Dexing) Construction Company Limited ("Dexing Construction")	Development and sales of building materials for various projects including mine projects	50,000	100	209,102	113,582	137,400	-1,456
Jiangxi Jiangtong-Wengfu Chemical Industry Company Limited ("Wengfu Chemical Industry")	Sulphuric acid and related by-products	181,500	70	213,481	190,732	43,008	-19,618
JCC Guangzhou Copper Products Company Limited ("Guangzhou Copper Products")	Production of copper rods/wires and relevant products	800,000	100	4,451,943	883,756	3,921,159	7,357
JCC International Trading Company Limited ("International Trading")	Trading of metal products	1,000,000	60	8,093,303	1,010,146	29,959,444	34,869
Shanghai Jiangtong Investment Holdings Ltd. ("Jiangtong Holdings")	Construction industry (by qualification), interior architecture and decoration, self-owned houses leasing, property management, etc.	169,842	100	706,813	149,111	519,579	-6,308
Jiangxi Copper Corporation (Dexing) Chemical Company Limited ("Dexing Chemical")	Sulphuric acid and related by-products	379,187	100	663,254	444,492	60,431	-7,941
Jiangxi Copper (Qingyuan) Co., Ltd ("Jiangxi Copper Qingyuan")	Manufacturing, processing and sales of anode sheets of copper cathode and nonferrous metals	890,000	100	1,249,018	483,684	2,337,561	16,479

Report of the Board

Company name	Business nature	Registered capital	Shareholding percentage (%)	Total assets	Net assets	Operating revenue	Net profit/(losses)
Jiangxi Copper Hong Kong Company Limited ("Jiangxi Copper Hong Kong")	Import-export business trade and settlement, offshore investment and financing, cross-border RMB settlement, and other business permitted by overseas laws	US\$10,000	100	3,257,312	311,406	4,420,414	12,054
Jiangxi Copper Renewable Resources Company Limited ("Renewable Resources")	Metal scrap and waste metal, recycling, import and export of various hardware scrap, motor, electrical products, motor scrap, electric wire scrap, cable, hardware and electrical scrap, and demolition, processing, utilization and sales	250,000	99.51	274,092	232,536	244,676	-1,604
Xiang Ge Lila Bisi Daji Mining Company Limited ("Daji Mining")	Exploration of copper, polymetallic mine resources, sale and purchase of non-ferrous metals	5,000	51	80,001	-8,277	0	-3,538
Chengdu Jiangtong Sales Co., Ltd. ("Chengdu Sales")	Sales of ore products, metal materials, metal products and chemical products, etc.	60,000	100	179,008	9,332	568,075	-5,325
JCC (Guixi) Logistics Company Limited ("Guixi Logistics")	Provision of transportation services	40,000	100	170,678	135,500	97,953	8,527
JCC Geology Exploration Company Limited ("Geology Exploration")	Geographical investigation and survey and construction, engineering measurement	15,000	100	77,584	34,087	51,362	1,429
JCC Jingxiang Engineering Company Limited ("Jingxiang Engineering")	General Contract for mining project	20,296	100	87,029	27,778	23,363	425
JCC (Ruichang) Alloy Materials Manufacturing Company Limited ("Ruichang Alloy Materials Manufacturing")	Production and sales of cast iron grinding ball, machinery processing and manufacture and sales of wear resistant materials and products	2,602	100	11,383	5,067	17,654	-252
JCC (Qianshan) Copper Concentration Pharmaceuticals Company Limited ("Qianshan Copper Concentration Pharmaceuticals")	Sale of beneficiation drugs, fine chemicals and other products	10,200	100	27,083	24,300	14,008	-119
Hangzhou Tongxin Company Limited ("Hangzhou Tongxin")	Wholesale and retail of metal, ore and chemical products	2,000	100	10,221	3,455	188	84

Report of the Board

Company name	Business nature	Registered capital	Shareholding percentage (%)	Total assets	Net assets	Operating revenue	Net profit/(losses)
Jiangxi Copper Shanghai International Logistics Company Limited ("International Logistics")	Transportation services	100,000	100	936,046	123,067	1,066,891	23,475
Jiangxi Copper Construction Supervision Company Limited ("Construction Supervision")	Construction engineering management and provision of relevant technical consultation service	3,000	100	11,985	10,571	4,639	-926
JCC (Yugan) Alloy Materials Manufacturing Company Limited ("Yugan Alloy Materials Manufacturing")	Production and sales of cast iron grinding ball, machinery processing and manufacture and sales of wear resistant materials and products	28,000	100	47,313	38,973	20,136	1,482
Jiangxi Copper Shanghai Supply Chain Management Company Limited ("Jiangxi Copper Supply Chain Management")	Warehouse logistics	200,000	100	385,747	199,355	0	-2,962
JCC International Commercial Factoring Co., Ltd. ("JCC Factoring")	Export factoring, domestic factoring, the consultation service related with the commercial factoring, the platform development of credit risk management	400,000	100	2,562,245	573,466	94,909	29,897
JCC International (Singapore) Co., Ltd. ("JCC Singapore")	Commodity trade	215,111	100	535,070	260,201	3,894,361	8,854
Jiangxi Copper International (Istanbul) Mining Investment Co., Ltd. ("JCC Turkey") (Note 5)	Investment holding	387,773	100	301,816	294,617	0	-23,211
Jiangxi Copper Technical Institution Co., Ltd. ("Technical Institution")	Technical research, etc.	45,000	100	46,666	44,667	850	-84
Jiangxi Copper Northwest (Tianjin) Copper Co., Ltd. ("Tianjin Jiangxi Copper")	Sale and processing of copper materials	510,204	51	710,160	518,320	2,415,745	2,948
JCC (Guixi) New Metallurgical and Chemical Company Limited ("New Metallurgical and Chemical")	Chemical metallurgical steel, development of new chemical technologies and new products	2,000	100	39,077	33,221	10,224	2,305
JCC Dexing Explosion Company Limited ("Dexing Explosion")	Production and sale of engineering, including blasting engineering	10,000	100	23,315	19,340	3,339	239
JCC Dongxiang Alloy Materials Manufacturing Company Limited ("Dongxiang Alloy Materials Manufacturing")	Production and sale of grinding pebbles, casting of machine tools and wear-resistant parts, cast steel processing, machine work and reclaiming waste steel	29,000	74.91	72,031	-32,870	-36,951	-1,638
JCC Recycling Company Limited ("JCC Recycling")	Collection and sale of metal scrap	6,800	100	274,092	232,536	244,676	-1,604
Zhejiang Jiangtong Fuye Heding Copper Co., Ltd. ("Heding Copper")	Production and sales of copper cathode	900,000	40	3,672,738	1,410,657	2,835,640	56,517

Report of the Board

(2) Production and operation of our associates and joint ventures as at 30 June 2016

Currency: RMB Unit: '000

Name of investee	Business nature	Currency	Registered capital		Total assets at the end of the period (<i>'000</i>)	Total liabilities at the end of the period (<i>'000</i>)	Net assets in aggregate at the end of the period (<i>'000</i>)	Total operating revenue for the period (<i>'000</i>)	Net profits for the period (<i>'000</i>)
			'000	Our shareholding (%)					
I. Joint Venture									
Jiangxi JCC-BIOTEQ Environmental Technologies Company Limited ("JCC-BIOTEQ")	Industrial waste water recovery and product sales	RMB	28,200	50.00	55,615	11,010	44,605	25,525	4,979
Nesko Metal Sanayi Ve Ticaret Anonim Sirketi ("Nesko")	Import and export of copper products	TRY	4,520,000	48.00	323,497	63,540	259,957	0	-24,410
II. Associates									
Minmetals Jiangxi Copper Mining Investment Company Limited ("Minmetals Jiangxi Copper")	Investment company	RMB	3,250,000	40.00	4,440,473	1,793,694	2,646,779	0	-46,946
MCC-JCC Aynak Minerals Company Limited ("MCC-JCC")	Exploration and sale of copper products	US\$	363,648	25.00	2,616,631	15,817	2,600,814	0	0
Asia Development Sure Spread Company Limited ("Asia Sure Spread")	Import and export of copper products	JPY	200,000	49.00	11,872	0	11,872	0	0
BOCI Securities Limited ("BOCI")	Security broker and investment advisor	RMB	1,979,167	6.31	44,463,406	34,279,798	10,183,608	1,281,782	571,628
Hengbang Property Insurance Company Limited ("Hengbang Insurance")	Property insurance	RMB	660,000	14.82	2,439,855	1,891,322	548,533	190,219	-31,728

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.

Report of the Board

II. PROFIT DISTRIBUTION PLAN OR TRANSFER OF CAPITAL RESERVE TO SHARE CAPITAL

(I) Implementation of or adjustment to the profit distribution plan during the reporting period

At the annual general meeting of the Company convened on 29 June 2016, the distribution of 2015 final dividend of RMB0.1 per share (tax inclusive) to all the shareholders of the Company was considered and approved. The Company completed the distribution of dividend for A shares and H shares on 12 August 2016 and 22 August 2016, respectively.

(II) Proposal of profit distribution plan and transfer of capital reserve to share capital for the interim reporting period

During the reporting period, there was no profit distribution plan or plan for transfer of capital reserve to share capital.

III. EMPLOYEE INFORMATION OF THE PARENT AND ITS MAJOR SUBSIDIARIES

(I) Employee Information

Number of in-service employees in the parent	14,548
Number of in-service employees in major subsidiaries	6,325
Total number of in-service employees	20,873
Number of employees retired for whom the parent and major subsidiaries have to pay pension	0

Specialty composition

Category	Headcount
Production	15,996
Sales	231
Technician	1,443
Financial	341
Administration	2,862
Total	20,873

Report of the Board

Education level

Category	Headcount
Post-secondary and above	6,985
Technical secondary and senior secondary	9,043
Junior secondary and below	4,845
Total	20,873

(II) Remuneration Policy

During the reporting period, 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

During the reporting period, 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. OTHER DISCLOSURE MATTERS

(I) Warning and explanation on the expected potential loss in accumulated net profit from the beginning of the year to the end of the next reporting period or the significant changes therein as compared with the same period of last year

Not applicable

(II) Explanation of the Board and Supervisory Committee on the “non-standard auditing report” issued by the auditors

Not applicable

Significant Events

I. MATERIAL LITIGATION, ARBITRATION AND MATTERS COMMONLY QUESTIONED BY THE MEDIA

(I) Litigation, arbitration and matters commonly concerned by media that has been disclosed in temporary announcement with no further progresses

Summary and type of events	Index for details
Announcement by Jiangxi Copper Co., Ltd. Concerning Its Wholly-owned Subsidiary Implicated in Litigation	Disclosed on the website of SSE (www.sse.com.cn) on 23 March 2016

As of 30 June 2016, there was no update on such case.

(II) Litigation and arbitration that has not been disclosed in temporary announcement or with further progresses

Not applicable

(III) Matters commonly concerned by media that has not been disclosed in temporary announcement or with further progresses

Not applicable

II. MATTERS RELATING TO BANKRUPTCY AND RESTRUCTURING

Not applicable

Significant Events

III. TRANSACTIONS OF ASSETS AND MERGER OF COMPANIES MATTER

Not applicable

IV. EQUITY INCENTIVES AND ITS EFFECT

Not applicable

V. MATERIAL CONNECTED TRANSACTIONS

Not applicable

(I) Connected transactions relating 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 transaction of the same category (%)	Payment terms of the connected transactions
JCC and its Subsidiaries	Controlling shareholder	Purchase of goods	Copper concentrates (tonne)	Market price	18,545.6	11,286,227	0.21	Payment upon acceptance
JCC and its Subsidiaries	Controlling shareholder	Purchase of goods	Ancillary industrial products and other products	Market price or cost plus tax		14,595,936	1.14	Payment upon acceptance
JCC and its Subsidiaries	Controlling shareholder	Acceptance of services	Bonus and medical services	Standard ratios		4,640,154	100.00	Monthly payment
JCC and its Subsidiaries	Controlling shareholder	Acceptance of rights of use such as patent and trademark	Land use charges	Valuation price		78,000,529	100.00	Settlement at the end of the year
JCC and its Subsidiaries	Controlling shareholder	Acceptance of services	Futures agency fee	Market price		3,611,393	17.85	Payment upon completion of the transaction
JCC and its Subsidiaries	Controlling shareholder	Other inflows	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		9,741,405	100	Monthly or quarterly payment
JCC and its Subsidiaries	Controlling shareholder	Acceptance of services	Acceptance of repair and maintenance services	Industry standards		8,164,669	5.54	Monthly payment
JCC and its Subsidiaries	Controlling shareholder	Acceptance of services	Labor services, such as loading and logistics services of goods	Market price		7,127,726	4.01	Monthly payment

Significant Events

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 transaction of the same category (%)	Payment terms of the connected transactions
JCC and its Subsidiaries	Controlling shareholder	Acceptance of services	Provision of logistics services	Market price		477,474	0.25	Monthly payment
JCC and its Subsidiaries	Controlling shareholder	Sale of goods	Copper rods and wires (tonne)	Market price	36,386	231,503,032	1.34	Payment upon acceptance
JCC and its Subsidiaries	Controlling shareholder	Sale of goods	Electrolytic copper (tonne)	Market price	35,908	306,136,358	0.56	Payment upon acceptance
JCC and its Subsidiaries	Controlling shareholder	Sale of goods	By-products	Market price		185,374,423	7.83	Payment upon acceptance
JCC and its Subsidiaries	Controlling shareholder	Sale of goods	Lead materials (tonne)	Market price	7,998	331,909,995	65.04	Payment upon acceptance
JCC and its Subsidiaries	Controlling shareholder	Sale of goods	Copper concentrates (tonne)	Market price	27,367	5,270,617	0.25	Payment upon acceptance
JCC and its Subsidiaries	Controlling shareholder	Sale of goods	Sales of Ancillary industrial product	Market price		43,477,628	15.09	Monthly payment
JCC 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		923,000,000	100.00	Payments terms set out in the loan agreement
JCC and its Subsidiaries	Controlling shareholder	Loans	Interest from 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		18,693,456	100.00	Monthly or quarterly payment
JCC and its Subsidiaries	Controlling shareholder	Expenses of other utilities including water, electricity and gas (sale)	Electricity supply	Cost plus tax		1,980,993	100.00	Monthly payment

Significant Events

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 transaction of the same category (%)	Payment terms of the connected transactions
JCC and its Subsidiaries	Controlling shareholder	Expenses of other utilities including water, electricity and gas (sale)	Water supply	Cost plus tax		110,393	100.00	Monthly payment
JCC and its Subsidiaries	Controlling shareholder	Provision of services	Construction service	Industry standards		64,551,688	48.45	Monthly payment
JCC and its Subsidiaries	Controlling shareholder	Provision of services	Provision of repair and maintenance services	Industry standards		229,939	0.15	Monthly payment
JCC and its Subsidiaries	Controlling shareholder	Provision of services	Provision of logistics services	Standard passenger and cargo rates of Jiangxi Province		14,684,872	16.65	Monthly payment
JCC and its Subsidiaries	Controlling shareholder	Provision of services	Provision of miscellaneous services	Industry standards		8,304,868	100.00	Payments terms set out in the agreement
JCC and its Subsidiaries	Controlling shareholder	Expenses of other utilities including water, electricity and gas (sale)	Rental revenue from provision of public utilities	Shared on a cost basis in accordance with the proportion of staff		3,987,644	49.35	Monthly payment
Total				/	/	2,276,861,419	/	

Details of substantial sales return

N/A

Necessity and continuity of connected transactions and reasons for choosing to conduct transactions with the related party (rather than other parties in the market)

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.

Effect of the connected transaction on the independence of the listed company

The aforementioned connected transactions have been reviewed by independent non-executive Directors: (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.

Significant Events

(II) Connected transactions relating to assets acquired or disposed

1. Matters not disclosed in the temporary announcements

Not applicable

(III) Material connected transaction of joint overseas investment

1. Matters not disclosed in the temporary announcements

Not applicable

(IV) Amounts due to or from connected parties

1. Matters not disclosed in the temporary announcements

Not applicable

VI. MATERIAL CONTRACTS AND THEIR PERFORMANCE

(I) Custody, contracts and leases

Not applicable

Significant Events

(II) Guarantees

Unit: Hundred million Yuan Currency: RMB

External guarantees provided by the Company (excluding those to subsidiaries)													
Guarantor	Relationship between the guarantor and the Company	Guaranteed party	Guarantee amount	Effective date of guarantee	Commence-ment date	Expiry date of the guarantee	Guarantee type	Performance completed or not	Over due or not	Amount over due	Availability of counter guarantee	Guarantee provided to connected party	Connected relationship
				(date of agreement)	of the guarantee	date of the guarantee							
Zhejiang Jiangtong Fuye Heding Copper Co., Ltd. (浙江江銅富冶和鼎銅業有限公司)	Controlling subsidiary	Zhejiang Fuye Group Co., Ltd. (浙江富冶集團有限公司)	10.33	15 September 2015	1 October 2015	31 December 2016	General guarantee	No	No	0	No	No	Other connected person

Total amount of guarantees incurred during the Reporting Period (excluding those to subsidiaries)	10.33
Total balance of guarantee at the end of the Reporting Period (A) (excluding those to subsidiaries)	10.33

Guarantees provided by the Company to subsidiaries

Total amount of guarantees for subsidiaries incurred during the Reporting Period	0
Total balance of guarantee for subsidiaries at the end of the Reporting Period (B)	0

Total amount of guarantees provided by the Company (including those to subsidiaries)

Total amount of guarantees (A+B)	10.33
Total amount of guarantees over the net assets of the Company (%)	2.13
Including:	
Amount of guarantees provided to shareholders, de facto controllers and their connected parties (C)	0
Amount of debt guarantees directly or indirectly provided to guaranteed parties with a gearing ratio exceeding 70% (D)	0
Amount of the total amount of guarantees exceeding 50% of net assets (E)	0
Total amount of the above three amount of guarantees (C+D+E)	0

(III) Other material contracts or transactions

Nil

Significant Events

VII. PERFORMANCE OF UNDERTAKINGS

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

Background of undertakings	Types of undertakings	Party of undertakings	Details of undertakings	The time and term of the undertakings	Whether there is time limit of performance	Whether it was fulfilled strictly in a timely manner	Specify reasons for not performing the undertakings when not performing the undertakings timely	Specify the plan if not performing the undertakings timely
Undertakings related to shares restructuring Undertaking made in takeover report or report of changes in equity Undertakings related to significant asset restructuring	Others	Jiangxi Copper Corporation	See Note 1	Term of undertaking: 22 May 1997; Term: valid in a long-term	Yes	Yes	N/A	N/A
Undertakings related to refinancing Undertakings related to share incentive	Dividends distribution	Jiangxi Copper Company Limited	See Note 2	Term of undertaking: 27 February 2016; Term: three year (2016-2018)	Yes	Yes	N/A	N/A

Note 1:

1. Under the Company Law of the PRC, the Company has full independent control over its production and operations in its production and operation activities. 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 in accordance with the provision of the London Stock Exchange.
- (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 on the independence thereof shall be made.

Significant Events

3. During the period where JCC held 30% or more voting rights of the share capital of the Company, JCC and its subsidiaries and relevant companies (including the companies, enterprises and businesses controlled by JCC, 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 the government with respect to the businesses thereof.
5. In the event that JCC carries out any actions such as transfer and disposal, regarding the land use rights of Dexing Copper Mine, Yongping Copper Mine and Guixi Smelter, the Company shall have the preemptive right.

Note 2: Details of undertakings to dividends distribution

1. The Company can distribute dividend by way of cash, share or the combination of cash and share; 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, the accumulated distributable profits will become positive after making up of the losses, allocation of the statutory surplus reserve and discretionary reserve in full amount. Under the premise of having sufficient profits and cash to satisfy the normal production and operation of the Company for the year, the profit distribution by way of cash every year 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 carry out distribution by way of share dividend. The proposal for distribution by way of share dividend should be proposed by the Board and put forward to the shareholders' meeting for approval.

VIII. APPOINTMENT AND REMOVAL OF THE AUDITORS

Not applicable

IX. PUNISHMENT ON AND RECTIFICATION OF THE COMPANY AND ITS DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, SHAREHOLDERS HOLDING MORE THAN 5% OF SHARES, DE FACTO CONTROLLER AND BUYER

Not applicable

X. CONVERTIBLE CORPORATE BONDS

Not applicable

Significant Events

XI. CORPORATE GOVERNANCE

During the reporting period, the Company strictly complied with laws and regulations such as Company Law, Securities Law and Rules Governing the Listing of Stocks and relevant requirements related to corporate governance by CSRC and SSE, to continue to carry forward with standardised management in the Company and enhance corporate governance through improving internal control system. Obligation in relation to information disclosure was duly performed pursuant to laws while management on investor relations was strengthened, in a bid to facilitate the sustainable development of the Company.

XII. AUDIT COMMITTEE

The Company has convened Audit Committee meeting at which the unaudited interim condensed consolidated financial statements and the interim results report for the six months ended 30 June 2015 were considered and approved.

XIII. CODE ON CORPORATE GOVERNANCE PRACTICES

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

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

During the reporting period, the legal proceedings 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.

XIV. PURCHASE, DISPOSAL AND REPURCHASE OF THE COMPANY’S LISTED SECURITIES

At any time during the six months ended 30 June 2015, the Company did not repurchase any of its shares. Neither the Company nor any of its subsidiaries purchased or disposed of any shares of the Company during the six months ended 30 June 2015.

Significant Events

XV. MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

During the reporting period, the Company adopted the Model Code (the “Model Code”) for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules. Having made specific enquiries to all Directors and Supervisors, the Company confirms that all the Directors and Supervisors have complied with the standards required in the Model Code during the reporting period.

XVI. ASSETS PLEDGED OF THE GROUP

As of 30 June 2016, the Group’s assets with net book value of RMB5,516.40 million were mortgaged and pledged to secure bank loans, including mortgaged bank deposits of RMB330.66 million (31 December 2015: RMB850.24 million) for bank borrowings, the mortgaged amount of RMB3,521.17 million (31 December 2015: nil) for letter of credit, discounted but undue bank and commercial acceptance of RMB768.57 million (31 December 2015: RMB302.00 million), pledged buildings with net book value of RMB170.22 million (31 December 2015: RMB172.21 million), mortgaged land use rights with net book value of RMB257.88 million (31 December 2015: RMB263.34 million) and pledged machinery and equipment with net book value of RMB467.90 million (31 December 2015: RMB493.88 million).

As of 30 June 2016, the Group’s other current assets with net book value of RMB640.00 million were used as deposits for issuing bank acceptance bills (31 December 2015: RMB222.00 million).

As of 30 June 2016, the Group’s inventories with net book value of RMB180.68 million used as future deposits (31 December 2015: RMB72.20 million).

XVII. FOREIGN EXCHANGE RISK

The reporting currency of the Group is Renminbi. Where any transactions in foreign currencies of the Company occurred, amounts in foreign currencies are translated into RMB at the median price of the exchange rates announced by the State Administration of Foreign Exchange on the date of transaction. Year-end balance in foreign currency account are translated in Renminbi based on the enquiries of the State Administration of Foreign Exchange at the year end.

Although currently RMB is not a freely convertible currency in the PRC, the PRC government is taking initiatives for exchange reform and to adjust exchange rates. Therefore, exchange rate fluctuations in RMB 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 loans mainly in Renminbi. The Group’s exposure to exchange rate fluctuations results primarily from the sales business and purchase of foreign raw materials denominated in foreign currencies.

Significant Events

XVIII. DETAILS OF EMPLOYEES

From 31 December 2015 to 30 June 2016, there was no significant change in the profile of the Group's employees.

XIX. CONTINGENT LIABILITIES

As of 30 June 2016, the Group did not have any material contingent liabilities.

XX. DESCRIPTION ON OTHER MATERIAL MATTERS

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

Not applicable

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

Not applicable

(III) Others

Nil

Changes in Shares and Shareholders

I. CHANGES IN SHARE CAPITAL

(I) Changes in Shares

1. Changes in Shares

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

2. Description on the Movements of Shares

Not applicable

3. Impacts on financial indicators including earnings per share, net assets per share, etc. from changes in shares during the period from the end of the reporting period to the disclosure of interim report (if any)

Nil

4. Other discloseable information considered as necessary by the Company or required by securities regulatory authorities

Nil

(II) Changes in Shares subject to Trading Moratorium

Not applicable

Changes in Shares and Shareholders

II. CHANGES IN SHAREHOLDERS

(I) The Total Number of Shareholders:

The total number of shareholders at the end of the reporting period	125,105
The total number of preference shareholders with voting rights restored at the end of the reporting period	0

(II) Particulars of shareholdings of the top ten shareholders and top ten holders of tradable shares (or holders of shares not subject to trading moratorium) as at the end of the reporting period

Unit: Share

Name of shareholders (full name)	Increase/decrease in the reporting period	Number of shares held at the end of the reporting period	Shareholding percentage (%)	Pledged or frozen status			
				Number of shares held subject to trading moratorium	Status of shares	Number of shares	Nature of shareholder
JCC	0	1,403,614,110	40.53%	0	Nil	0	State-owned legal person
HKSCC Nominees Limited ("HKSCC")	-299,000	1,179,931,495	34.08%	0	Unknown		Unknown
China Securities Finance Corporation Limited	4,587,690	89,469,898	2.58%	0	Unknown		Unknown
Central Huijin Asset Management Ltd.	0	31,843,800	0.92%	0	Unknown		Unknown
National Social Security Fund No. 103 Portfolio	1,999,795	13,999,570	0.40%	0	Unknown		Unknown
Agricultural Bank of China Ltd. – Fullgoal CSI the Reform of State-owned Enterprises Index Classification Securities Investment Fund	-766,000	9,723,863	0.28%	0	Unknown		Unknown
Bank of China Limited – Hua An New Silk Road Theme Equity Securities Investment Fund	-1,410,000	8,700,000	0.25%	0	Unknown		Unknown
Bosera Funds – Agricultural Bank – Bosera China Securities and Financial Assets Management Program	0	8,480,000	0.24%	0	Unknown		Unknown
ICBC Credit Suisse Fund – Agricultural Bank – ICBC Credit Suisse China Securities and Financial Assets Management Program	0	8,480,000	0.24%	0	Unknown		Unknown
Harvest Fund – Agricultural Bank – Harvest China Securities and Financial Assets Management Program	8,480,000	8,480,000	0.24%	0	Unknown		Unknown

Changes in Shares and Shareholders

Shareholdings of the top ten shareholders not subject to trading moratorium			
Name of shareholder	Number of tradable shares held not subject to trading moratorium	Class and number of shares	
		Class	Number
JCC	1,403,614,110	Ordinary shares denominated in RMB (A shares)	1,205,479,110
		Overseas listed foreign shares (H shares)	198,135,000
HKSCC	1,179,931,495	Overseas listed foreign shares (H shares)	1,179,931,495
China Securities Finance Corporation Limited	89,469,898	Ordinary shares denominated in RMB (A shares)	89,469,898
Central Huijin Asset Management Ltd.	31,843,800	Ordinary shares denominated in RMB (A shares)	31,843,800
National Social Security Fund No. 103 Portfolio	13,999,570	Ordinary shares denominated in RMB (A shares)	13,999,570
Agricultural Bank of China Ltd. – Fullgoal CSI the Reform of State-owned Enterprises Index Classification Securities Investment Fund	9,723,863	Ordinary shares denominated in RMB (A shares)	9,723,863
Bank of China Limited – Hua An New Silk Road Theme Equity Securities Investment Fund	8,700,000	Ordinary shares denominated in RMB (A shares)	8,700,000
Bosera Funds – Agricultural Bank – Bosera China Securities and Financial Assets Management Program	8,480,000	Ordinary shares denominated in RMB (A shares)	8,480,000
ICBC Credit Suisse Fund – Agricultural Bank – ICBC Credit Suisse China Securities and Financial Assets Management Program	8,480,000	Ordinary shares denominated in RMB (A shares)	8,480,000
Harvest Fund – Agricultural Bank – Harvest China Securities and Financial Assets Management Program	8,480,000	Ordinary shares denominated in RMB (A shares)	8,480,000

Changes in Shares and Shareholders

- The explanation of the connected relationship or parties acting in concert among the aforesaid shareholders:
- (1) JCC, the controlling shareholder of the Company, and the other holders of shares not subject to trading moratorium are neither connected persons nor parties acting in concert as defined in “Management Method of the Information Disclosure in relation to the Changes in Shareholdings of Shareholders of Listed Companies” (《上市公司股東持股變動信息披露管理辦法》) issued by China Securities Regulatory Commission (the “CSRC”);
 - (2) The Company is not aware of any connected relationship among the holders of shares not subject to trading moratorium, nor aware of any parties acting in concert as defined in “Management Method of the Information Disclosure in relation to the Changes in Shareholdings of Shareholders of Listed Companies” (《上市公司股東持股變動信息披露管理辦法》) issued by the CSRC.

Explanations on preference shareholders with voting rights restored and the number of shares held

Not applicable

- Notes:*
- (1) HKSCC held a total of 1,179,931,495 H shares of the Company in the capacity of nominee on behalf of a number of customers, representing approximately 34.08% of the issued share capital of the Company. HKSCC is a member of Central Clearing and Settlement System, providing registration and custodial services for customers.
 - (2) JCC held 198,135,000 H shares of the Company, which have been registered with HKSCC and were separately listed from shares held by HKSCC as nominee when disclosed by the Company. Taking into account the H shares held by JCC, HKSCC held 1,378,066,495 shares as nominee, representing approximately 39.80% of the issued share capital of the Company.
 - (3) As of the end of the reporting period, as shown in the registrar of shareholders: JCC held 1,205,479,110 A shares and 198,135,000 H shares of the Company, totaling to 1,403,614,110 shares, representing 40.53% of the total issued share capital of the Company.

(III) Strategic Investors or General Legal Persons Becoming the Top Ten Shareholders as a Result of the Placing of the New Shares

Not applicable

Changes in Shares and Shareholders

(IV) Shareholders' Interests and Short Positions

As at 30 June 2016, 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 total number of the relevant class of share (%)	Approximate Percentage of total issued shares (%)
JCC	A shares	Beneficial owner	1,205,479,110	58.09%	34.81%
JCC(Note 2)	H shares	Beneficial owner	198,135,000 (L)	14.28%(L)	5.72%(L)

Note 1: "L" means long position in the shares.

Note 2: 198,135,000 H shares held by JCC were registered with HKSCC.

Note 3: Pursuant to the subscription agreements entered into between the Company and JCC on 25 February 2016, the Company has conditionally agreed to allot and issue and JCC has conditionally agreed to subscribe (or designate its wholly-owned subsidiary to subscribe) for not more than 298,380,221 new A Shares (subject to adjustment) and not more than 527,318,932 new H Shares (subject to adjustment). As such, as at 30 June 2016, JCC is also deemed to be interested in 298,380,221 new A Shares (subject to adjustment) and 527,318,932 new H Shares (subject to adjustment) to be allotted and issued by the Company pursuant to the above-mentioned subscription agreements subject to the terms and conditions set out therein.

Save as disclosed above, the register required to be kept under Section 336 of SFO showed that the Company had not been notified of any interests or short positions in the shares and underlying shares of the Company as at 30 June 2016.

III. CHANGES IN CONTROLLING SHAREHOLDER AND THE ULTIMATE CONTROLLER

Not applicable

Directors, Supervisors and Senior Management

I. CHANGES IN SHAREHOLDING

(I) Changes in Shareholdings of Existing and Resigned Directors, Supervisors and Senior Management During the Reporting Period of the Company

Not applicable

(II) Details for the Equity Incentives Granted to Directors, Supervisors and Senior Management During the Reporting Period

Not applicable

II. CHANGES IN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Not applicable

III. SHAREHOLDING OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

As at 30 June 2016, 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 corporations 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 set out in Appendix 10 of the Listing Rules.

IV. OTHER EXPLANATIONS

Nil

Corporate Bonds

I. BASIC INFORMATION OF CORPORATE BONDS

Unit: Yuan Currency: RMB

Name of bonds	Abbreviation	Code	Date of issuance	Maturity date	Balance of bonds	Interest rate	Method to repay principal and pay interest	Venue of trading
08 JCC Bonds	08 JCC Bonds	126018	22 September 2008	26 September 2016	6.8 billion	1.00%	The current bonds will be fully repaid at once upon expiration, interests are distributed annually before the maturity of the bond and the last payment of interest will be distributed together with the principal.	Shanghai Stock Exchange

Other details of the corporate bonds

08 JCC Bonds will expire on 22 September 2016, please refer to the announcement for details regarding the plan for repayment of principal and interests.

II. CONTACT PERSON AND CONTACT METHOD OF ENTRUSTED CORPORATE BONDS AND CONTACT METHOD OF CREDIT RATING AGENCY

Trustee of the bonds	Name	China International Capital Corporation Limited
	Office address	27th and 28th Floor, China World Tower 2, No. 1 Jianguomenwai Avenue, Beijing
	Contact person	Xu Kang, Du Yixing
Credit rating agency	Tel:	010-65051166
	Name	China Chengxin Credit Rating Co., Ltd. * (中誠信證券評估有限公司)
	Office address	14th, Tower C, Beijing Merchants International Finance Centre, 156 Fuxingmenwai Avenue, Xicheng District, Beijing

Other explanations:

There has been no changes to the appointed trustee of the bonds of the Company and the credit rating agency during the reporting period.

Corporate Bonds

III. USE OF THE PROCEEDS FROM THE CORPORATE BONDS

Please refer to the Special Report of the Deposit and Actual Use of Proceeds Raised by Jiangxi Copper Company Limited for the period ended 30 June 2016 disclosed on the website of the Shanghai Stock Exchange on 24 August 2016 for details.

IV. INFORMATION ON THE CREDIT RATING AGENCY OF THE CORPORATE BONDS

On 19 April 2016, the Company appointed China Chengxin Credit Rating Co., Ltd. to engage in the credit rating of the Company and the “2008 Convertible Bonds with Warrants of Jiangxi Copper Company Limited” issued by the Company” the rating of the main body was AAA, and the prosperous rating is expected to be stable; maintained the current rating of the bonds as AAA. Please refer to the Follow-up Rating Report of the 2008 Convertible Bonds with Warrants of Jiangxi Copper Company Limited (2016) published on the website of SSE (www.sse.com.cn) on 22 April 2016 for details.

V. THE CREDIT INCREASE MECHANISM, REPAYMENT OF DEBTS AND OTHER RELEVANT INFORMATION OF THE CORPORATE BONDS DURING THE REPORTING PERIOD

During the reporting period, China Chengxin Credit Rating Co., Ltd. did not make any adjustment to the rating and main body of the bonds. Meanwhile, the regular follow-up rating report will be issued on an annual basis.

VI. MEETINGS OF HOLDERS OF CORPORATE BONDS

During the reporting period, the Company did not hold any meeting of the holders of the corporate bonds.

VII. PERFORMANCE OF TRUSTEE OF THE CORPORATE BONDS

During the reporting period, China International Capital Corporation Limited, the trustee of the “08 JCC Bonds”, has strictly performed its duties as a trustee of the bonds in line with the laws and regulations as required in the Administrative Measures for the Issuance and Trading of Corporate Bonds (《公司債券發行與交易管理辦法》) and the Code of Ethics of Trustees of Corporate Bonds (《公司債券受託管理人執業行為準則》).

Corporate Bonds

VIII. THE ACCOUNTING INFORMATION AND FINANCIAL INDICATORS AS AT THE END OF THE REPORTING PERIOD AND THE END OF LAST YEAR (OR THE REPORTING PERIOD AND THE SAME PERIOD LAST YEAR) ARE AS BELOW

Unit: Yuan Currency: RMB

Major indicators	As at the end of the reporting period	As at the end of last year	Increase/decrease between the end of the reporting period and that of the end of last year (%)	Reasons for the changes
Current ratio	1.45%	1.48%	-0.03	Decrease in current assets
Quick ratio	1.11%	1.01%	0.1	Increase in quick assets
Gearing ratio	47.93%	46.71%	1.22	Increase in total liabilities
Loan repayment ratio	100%	100%	0	Nil

	The reporting period (January – June)	Same period last year	Increase/decrease between the current reporting period and that of the same period last year (%)	Reasons for the changes
EBITDA interest coverage ratio	4.18%	4.23%	-0.05	
Interest repayment ratio	100%	100%	0	Nil

Corporate Bonds

IX. ASSETS OF THE COMPANY AT THE END OF THE REPORTING PERIOD

Assets with restricted ownership rights or rights in use

Unit: Yuan Currency: RMB

Item	Book value at the end of the period	Reason for restriction
Bank balances and cash	5,488,570,233	Security deposit/ collateralised borrowing
Bills receivables	768,571,233	Pledged borrowing
Inventories	180,675,024	Security deposit
Fixed assets	638,125,990	Collateralised borrowing
Intangible assets	257,878,649	Collateralised borrowing
Other current assets	640,000,000	Pledged borrowing with bank's wealth management products
Total	7,973,821,129	/

X. INTEREST PAYMENT FOR OTHER BONDS AND DEBT FINANCING INSTRUMENTS

The bonds "08 Jiangxi Copper Bonds" issued by the Company will be due on 22 September 2016. For the details of plan of repayment for principal and payment of interests, the relevant announcements shall prevail.

XI. BANKING FACILITIES DURING THE REPORTING PERIOD

As of 30 June 2016, the Company (parent company of shares, the headquarters) was granted with total credit line from banks of RMB51.315 billion, RMB11.472 billion of which had been used and the balance was RMB39.843 billion.

XII. PERFORMANCE OF AGREEMENT OR COMMITMENT PROVIDED IN THE BOND PROSPECTUS DURING THE REPORTING PERIOD

During the reporting period, the Company implemented the bond prospectus strictly and paid the interest of bonds on time without any prejudice to the interests of bond investors.

XIII. EFFECT OF SIGNIFICANT EVENTS OF THE COMPANY ON ITS OPERATION AND REPAYMENT

During the reporting period, no significant events of the Company occurred in accordance with the Article 45 of the Administrative Measures for the Issuance and Trading of Corporate Bonds.

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Deloitte.

德勤

TO THE BOARD OF DIRECTORS OF 江西銅業股份有限公司

JIANGXI COPPER COMPANY LIMITED

(A joint stock company incorporated in the People's Republic of China with limited liability)

Introduction

We have reviewed the condensed consolidated financial statements of Jiangxi Copper Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 54 to 83, which comprise the condensed consolidated statement of financial position as of 30 June 2016 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong
23 August 2016

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2016
(PREPARED IN ACCORDANCE WITH IFRS)

	NOTE	Six months ended 30 June	
		2016 RMB'000 (unaudited)	2015 RMB'000 (unaudited)
Revenue	3	89,972,986	75,276,882
Cost of sales		(87,546,265)	(73,168,393)
Gross profit		2,426,721	2,108,489
Other income	4	436,557	388,060
Other gains and losses	5	(181,766)	361,198
Selling and distribution expenses		(264,673)	(226,602)
Administrative expenses		(845,571)	(804,629)
Finance costs		(538,346)	(458,496)
Share of results of associates		12,621	77,469
Share of results of joint ventures		(20,732)	(105)
Profit before taxation		1,024,811	1,445,384
Taxation	6	(286,762)	(389,495)
Profit for the period	7	738,049	1,055,889
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		37,218	(58,502)
Reclassification adjustments relating to transfer of cash flow hedges		(42,208)	15,774
Share of exchange differences of associates		53,193	36,829
Share of exchange differences of a joint venture		–	(5,396)
Fair value change on available-for-sale investments		7,795	1,035
Exchange differences arising on translation		17,605	(373)
Income tax relating to components of other comprehensive income		2,918	5,150
Other comprehensive income (expense) for the period (net of tax)		76,521	(5,483)
Total comprehensive income for the period		814,570	1,050,406

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2016
(PREPARED IN ACCORDANCE WITH IFRS)

	NOTE	Six months ended 30 June	
		2016 RMB'000 (unaudited)	2015 RMB'000 (unaudited)
Profit for the period attributable to:			
Owners of the Company		643,006	1,034,581
Non-controlling interests		95,043	21,308
		738,049	1,055,889
Total comprehensive income attributable to:			
Owners of the Company		719,527	1,029,140
Non-controlling interests		95,043	21,266
		814,570	1,050,406
Earnings per share			
Basic and diluted	9	RMB0.19	RMB0.30

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2016
(PREPARED IN ACCORDANCE WITH IFRS)

	NOTES	At 30 June 2016 RMB'000 (unaudited)	At 31 December 2015 RMB'000 (audited)
Non-current assets			
Property, plant and equipment	10	21,192,627	21,446,841
Investment properties		354,260	352,526
Prepaid lease payments		1,206,932	1,221,393
Intangible assets		1,126,278	1,144,156
Exploration and evaluation assets		576,080	530,191
Interests in associates		2,606,562	2,564,586
Interests in joint ventures		317,295	338,027
Available-for-sale investments	12	1,338,901	835,249
Deferred tax assets		1,141,032	918,707
Deposits for property, plant and equipment	10	279,312	347,427
		30,139,279	29,699,103
Current assets			
Inventories		14,809,807	13,368,855
Trade and bills receivables	13	14,338,076	14,205,827
Prepayments, deposits and other receivables		8,758,363	6,930,203
Other investments	11	990,000	311,799
Loans to fellow subsidiaries		1,107,435	945,209
Prepaid lease payments		26,612	25,078
Available-for-sale investments	12	3,408,277	2,812,500
Held-for-trading financial assets		187,165	156,947
Derivative financial instruments	14	489,233	615,000
Restricted bank deposits		5,488,570	3,975,457
Bank balances and cash		13,453,190	16,705,051
		63,056,728	60,051,926

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2016
(PREPARED IN ACCORDANCE WITH IFRS)

	NOTES	At 30 June 2016 RMB'000 (unaudited)	At 31 December 2015 RMB'000 (audited)
Current liabilities			
Trade and bills payables	15	9,244,964	8,575,020
Other payables and accruals		5,580,433	4,687,627
Deposits from holding company and fellow subsidiaries		1,466,558	1,611,576
Deferred revenue – government grants		49,213	48,988
Derivative financial instruments	14	271,246	210,708
Held-for-trading financial liabilities	16	3,008,882	1,758,825
Dividend payable		346,273	–
Tax payable		298,242	351,625
Bonds payable	18	6,718,244	6,554,733
Bank borrowings	17	16,426,171	16,704,886
		43,410,226	40,503,988
Net current assets		19,646,502	19,547,938
Total assets less current liabilities		49,785,781	49,247,041
Non-current liabilities			
Bank borrowings	17	232,600	347,600
Provision for rehabilitation		154,018	165,695
Employee benefit liability		141,464	149,551
Deferred revenue – government grants		613,550	634,159
Other long term payables		11,735	11,735
Deferred tax liabilities		108,316	109,000
		1,261,683	1,417,740
		48,524,098	47,829,301
Capital and reserves			
Share capital	19	3,462,729	3,462,729
Reserves		42,812,882	42,439,628
Equity attributable to owners of the Company		46,275,611	45,902,357
Non-controlling interests		2,248,487	1,926,944
		48,524,098	47,829,301

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2016
(PREPARED IN ACCORDANCE WITH IFRS)

	Attributable to owners of the Company													Non-controlling interests	Total
	Share capital	Share premium	Capital reserve	Other reserve	Statutory surplus reserve	Discretionary surplus reserve	Safety funds surplus reserve	Hedging reserve	Translation reserve	Proposed dividends	Retained profits	Sub-total			
	RMB'000	RMB'000	RMB'000 (Note a)	RMB'000 (Note b)	RMB'000 (Note c)	RMB'000 (Note c)	RMB'000 (Note d)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2016 (audited)	3,462,729	12,647,502	(902,113)	(88,642)	4,589,783	9,647,574	325,909	946	(124,416)	346,273	15,996,812	45,902,357	1,926,944	47,829,301	
Profit for the period	-	-	-	-	-	-	-	-	-	-	643,006	643,006	95,043	738,049	
Other comprehensive income (expense) for the period	-	-	-	9,744	-	-	-	(4,021)	70,798	-	-	76,521	-	76,521	
Total comprehensive income (expense) for the period	-	-	-	9,744	-	-	-	(4,021)	70,798	-	643,006	719,527	95,043	814,570	
Contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	228,000	228,000	
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(1,500)	(1,500)	
Dividend declared	-	-	-	-	-	-	-	-	-	(346,273)	-	(346,273)	-	(346,273)	
Transfer between categories	-	-	-	-	-	-	169,547	-	-	-	(169,547)	-	-	-	
At 30 June 2016 (unaudited)	3,462,729	12,647,502	(902,113)	(78,898)	4,589,783	9,647,574	495,456	(3,075)	(53,618)	-	16,470,271	46,275,611	2,248,487	48,524,098	
At 1 January 2015 (audited)	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	
Profit for the period	-	-	-	-	-	-	-	-	-	-	1,034,581	1,034,581	21,308	1,055,889	
Other comprehensive income (expense) for the period	-	-	-	1,035	-	-	-	(37,578)	31,102	-	-	(5,441)	(42)	(5,483)	
Total comprehensive income (expense) for the period	-	-	-	1,035	-	-	-	(37,578)	31,102	-	1,034,581	1,029,140	21,266	1,050,406	
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(2,400)	(2,400)	
Dividends declared	-	-	-	-	-	-	-	-	-	(692,546)	-	(692,546)	-	(692,546)	
Transfer between categories	-	-	-	-	-	-	137,990	-	-	-	(137,990)	-	-	-	
At 30 June 2015 (unaudited)	3,462,729	12,647,502	(902,113)	(91,410)	4,456,354	9,647,574	413,464	(690)	(303,577)	-	16,734,711	46,064,544	1,311,080	47,375,624	

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2016
(PREPARED IN ACCORDANCE WITH IFRS)

Notes:

- (a) Capital reserves arise from (i) the difference between the amount by which the non-controlling interests are adjusted and the consideration paid and received for the acquisition of additional interest in a subsidiary and the partial disposal of a subsidiary without losing control; (ii) the difference between the cash consideration paid, shares issued by the Company and the amount of the registered capital of the combined entities under group reorganisations; and (iii) the excess of the value of the net assets immediately before the establishment of the Company injected into the Company by Jiangxi Copper Corporation, a holding company of the Company, as part of group reorganisations which was determined by the People's Republic of China (the "PRC") valuer and was approved by the State Assets Administration Bureau over the nominal value of the shares issued upon establishment of the Company.
- (b) Other reserve mainly represents the difference in value of certain assets and liabilities included in the net assets injected into the Company pursuant to group reorganisations calculated in accordance with International Financial Reporting Standards ("IFRSs") and the valuation of assets and liabilities performed by the PRC valuer in accordance with relevant PRC standards and regulations, which valuation was confirmed by the State Assets Administration Bureau.
- (c) According to the PRC laws and regulations, the Company and its PRC subsidiaries shall appropriate to the statutory surplus reserve at 10% of their profit after taxation calculated in accordance with the PRC accounting standards. The appropriation may cease to apply if the balance of the statutory surplus reserve has reached 50% of the registered capital of respective company. In addition, each company is allowed 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. 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. Each 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 respective company.
- (d) The Group is required to make appropriations in accordance with Cai Qi [2006] No. 478 "Tentative measures for the financial management of the production safety fund for the high risk enterprises" that was issued by Ministry of Finance and Safety Production General Bureau. The reserve is for future enhancement of safety production environment and improvement of facilities and is not available for distribution to shareholders.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2016
(PREPARED IN ACCORDANCE WITH IFRS)

	Six months ended 30 June	
	2016 RMB'000 (unaudited)	2015 <i>RMB'000</i> (unaudited)
Net cash from operating activities	436,950	4,096,144
Investing activities		
Proceeds from disposal of available-for-sale investments	1,106,750	8,053,040
Repayment of loans to fellow subsidiaries	760,104	623,000
Proceeds from disposal of other investments	101,979	247,673
Gain (loss) from derivative financial instruments	11,276	(34,756)
Dividend received from an associate	27,838	–
Proceeds from disposal of property, plant and equipment	416	15,029
Purchase of available-for-sale investments	(2,116,785)	(8,401,400)
(Increase) decrease in restricted bank deposits	(1,931,113)	665,813
Loans to fellow subsidiaries	(923,000)	(868,000)
Purchase of other investments	(350,000)	(46,000)
Deposits paid for property, plant and equipment	(279,312)	(281,227)
Purchase of property, plant and equipment	(182,489)	(631,295)
Purchase of exploration and evaluation assets	(49,465)	(64,111)
Other investing cash flows (net)	1,934	14,024
Net cash used in investing activities	(3,821,867)	(708,210)
Financing activities		
New bank borrowings raised	16,074,187	20,021,187
Proceeds from held-for-trading financial liabilities	1,799,631	1,040,982
Contribution from non-controlling interests	228,000	–
Repayment of bank borrowings	(16,616,858)	(24,186,734)
Repayment of held-for-trading financial liabilities	(1,135,626)	(1,158,734)
Interest paid	(381,084)	(268,464)
Dividends paid to non-controlling interests	(1,500)	(2,400)
Net cash used in financing activities	(33,250)	(4,554,163)
Net decrease in cash and cash equivalents	(3,418,167)	(1,166,229)
Cash and cash equivalents at the beginning of the period	16,705,051	19,394,219
Effect of foreign exchange rate changes	166,306	(4,613)
Cash and cash equivalents at the end of the period, representing bank balances and cash	13,453,190	18,223,377

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016
(PREPARED IN ACCORDANCE WITH IFRS)

1. BASIS OF PREPARATION

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

2. PRINCIPAL ACCOUNTING POLICIES

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

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2016 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2015.

In the current interim period, the Group has applied, for the first time, the following amendments to IFRSs issued by the IASB that are relevant for the preparation of the Group’s condensed consolidated financial statements:.

Amendments to IFRS 11	Accounting for acquisitions of interests in joint operations
Amendments to IAS 1	Disclosure initiative
Amendments to IAS 16 and IAS 38	Clarification of acceptable methods of depreciation and amortisation
Amendments to IAS 16 and IAS 41	Agriculture: Bearer plants
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment entities: Applying the consolidation exception
Amendments to IFRSs	Annual improvements to IFRSs 2012–2014 cycle

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016
(PREPARED IN ACCORDANCE WITH IFRS)

3. REVENUE AND SEGMENT INFORMATION

The Group's operating activities are attributable to a single operating segment focusing on production and sale of copper and other related products. This operating segment has been identified on the basis of internal management reports prepared in accordance with accounting policies conform to Accounting Standards for Business Enterprises ("ASBE") issued by the Ministry of Finance of the People's Republic of China (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.

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

	Six months ended 30 June	
	2016	2015
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Sales of goods		
– copper cathodes	54,975,863	41,525,400
– copper rods and wires	17,233,667	17,064,711
– copper processing products	1,671,832	2,870,350
– gold	3,392,906	3,780,496
– silver	1,775,515	1,244,802
– sulphuric and sulphuric concentrate	550,340	659,966
– rare and other non-ferrous metals	9,270,697	5,979,646
– others	1,333,615	2,420,155
Revenue analysis prepared in accordance with ASBE	90,204,435	75,545,526
Less: sales related taxes	(231,449)	(268,644)
Revenue analysis prepared in accordance with IFRSs	89,972,986	75,276,882

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016
(PREPARED IN ACCORDANCE WITH IFRS)

4. OTHER INCOME

	Six months ended 30 June	
	2016	2015
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Interest income	381,817	329,438
Compensation income	27	4,063
Government grants recognised (<i>Note</i>)	22,552	23,916
Income from value-added tax refund	32,161	30,643
	436,557	388,060

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.

5. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2016	2015
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Fair value change on derivative financial instruments		
Transactions not qualifying for hedge accounting		
– Fair value change on commodity derivative contracts	651,259	422,049
– Fair value change on foreign currency forward contracts and interest rate swap contracts	(32,308)	40,296
Transactions qualifying as fair value hedges		
– Inventory hedged	(817)	(845)
– Fair value change on hedging instruments	919	(956)
Ineffective portion of cash flow hedges	1,285	(1,704)
Fair value change on held-for-trading financial assets	(14,869)	28,760
Fair value change on held-for-trading financial liabilities	(586,052)	(4,800)
Income from other investments	12,180	47,673
Income from available-for-sale investments	82,426	82,418
Gain on disposal of property, plant and equipment	4	10,605
Exchange gain (loss), net	45,953	(113,794)
Impairment loss on trade and other receivables	(334,470)	(148,919)
Impairment loss on loans to fellow subsidiaries	(670)	(1,115)
Others	(6,606)	1,530
	(181,766)	361,198

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016
(PREPARED IN ACCORDANCE WITH IFRS)

6. TAXATION

	Six months ended 30 June	
	2016	2015
	RMB'000	RMB'000
	(unaudited)	(unaudited)
The charge (credit) comprises:		
Current taxation		
– PRC Enterprise Income Tax	503,753	444,259
– Hong Kong Profits Tax	–	–
	503,753	444,259
Underprovision in prior years		
– PRC Enterprise Income Tax	4,694	714
– Hong Kong Profits Tax	–	72
	4,694	786
Deferred taxation		
– current period	(221,685)	(55,550)
	286,762	389,495

Hong Kong Profits Tax on three (six months ended 30 June 2015: three) of the Group's subsidiaries has been provided at the rate of 16.5% (six months ended 30 June 2015: 16.5%) on the estimated assessable profits arising in Hong Kong during the period.

The provision for PRC Enterprise Income Tax is based on a statutory rate of 25% (six months ended 30 June 2015: 25%) of the assessable profits of the PRC companies as determined in accordance with the relevant income tax rules and regulations of the PRC Enterprise Income Tax Law except certain high technology companies which are entitled to a preferential tax rate of 15%.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016
(PREPARED IN ACCORDANCE WITH IFRS)

7. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2016	2015
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Profit for the period has been arrived at after charging (crediting):		
Depreciation of property, plant and equipment	820,249	767,114
Depreciation of investment properties	3,168	1,862
Amortisation of prepaid lease payments	14,570	10,448
Amortisation of intangible assets	21,527	20,577
Reversal of allowance for inventories, included in cost of sales, net	(126,003)	(15,496)

8. DIVIDENDS

	Six months ended 30 June	
	2016	2015
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Dividends recognised as distribution during the period:		
Final dividend of RMB0.1 per share for 2015 (six months ended 30 June 2015: final dividend of RMB0.2 per share for 2014)	346,273	692,546

No dividends were paid or proposed during the six months ended 30 June 2016 and 2015.

9. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit for the period attributable to owners of the Company of RMB643,006,000 (six months ended 30 June 2015: RMB1,034,581,000) and on the number of 3,462,729,405 (six months ended 30 June 2015: 3,462,729,405) ordinary shares in issue during the period.

Diluted earnings per share is the same as basic earnings per share because there is no outstanding potential dilutive ordinary shares as at 30 June 2016 and 2015 and during the periods.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016
(PREPARED IN ACCORDANCE WITH IFRS)

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2016, the Group spent approximately RMB570,633,000 (six months ended 30 June 2015: RMB657,947,000) on construction in progress and RMB15,412,000 (six months ended 30 June 2015: RMB38,379,000) on other property, plant and equipment. Property, plant and equipment with carrying values of approximately RMB16,305,000 (six months ended 30 June 2015: RMB4,424,000) were disposed of by the Group, of which RMB15,893,000 has been offset by the provision for rehabilitation. Besides, RMB3,705,000 and nil (six months ended 30 June 2015: RMB156,000 and RMB118,264,000) were transferred to investment properties and prepaid lease payment, respectively. The Group also paid deposits for acquisition of property, plant and equipment of RMB279,312,000 during the period (six months ended 30 June 2015: RMB281,227,000).

11. OTHER INVESTMENTS

	At 30 June 2016 RMB'000 (unaudited)	At 31 December 2015 RMB'000 (audited)
Loan investments (<i>Note</i>)	990,000	311,799

Note: The amount represents loan investments arranged via a bank to an independent securities company (31 December 2015: one independent securities company) with high credit-ratings and good reputation. The loan receivables have maturity dates which will due from 22 September 2016 to 28 March 2017 (31 December 2015: 8 October 2016) and were unsecured and carried interest rates ranging from 4.00% to 6.50% (31 December 2015: 6.00%) per annum. The other floating rates products as at 31 December 2015 had been fully disposed of during the period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016
(PREPARED IN ACCORDANCE WITH IFRS)

12. AVAILABLE-FOR-SALE INVESTMENTS

	At 30 June 2016 RMB'000 (unaudited)	At 31 December 2015 RMB'000 (audited)
Unlisted equity investments, at cost <i>(Note a)</i>	478,746	478,746
Impairment loss recognised	(20,666)	(20,666)
	458,080	458,080
Financial products, at fair value <i>(Note b)</i>	949,491	1,338,445
Bonds investment, at fair value <i>(Note c)</i>	70,821	71,224
Loan investments <i>(Note d)</i>	2,868,786	1,780,000
Investment in a partnership <i>(Note e)</i>	400,000	–
	4,747,178	3,647,749
Non-current assets	1,338,901	835,249
Current assets	3,408,277	2,812,500
	4,747,178	3,647,749

Notes:

- (a) The unlisted equity investments represent the Group's equity interests in unlisted PRC companies. None of the shareholdings exceeds 20% of the issued capital of the respective investee.
- (b) As at 30 June 2016, the financial products held by the Group generate annual target return rate ranging from 5.00% to 9.50% (31 December 2015: 2.20% to 9.00%), which will due from 31 August 2016 to 26 October 2016 (31 December 2015: 12 January 2016 to 26 October 2016).
- (c) As at 30 June 2016, the bonds investment held by the Group generate annual target return rate ranging from 7.17% to 7.50% (31 December 2015: 7.17% to 7.50%), which will due from 22 October 2019 to 31 October 2019 (31 December 2015: 22 October 2019 to 31 October 2019).
- (d) The amount represents loan investments arranged via a bank to ten independent securities companies (31 December 2015: one independent securities company) with high credit rating and good reputation. The loan investments have maturity dates which will due from 1 July 2016 to 24 May 2018 (31 December 2015: from 31 January 2016 to 19 November 2016) and were unsecured and carried interest rates ranging from 2.59% to 9.20% (31 December 2015: 5.10% to 9.00%) per annum.
- (e) The amount represents the Group's initial capital contribution for setting up a partnership in the PRC with two independent third parties. The principal business of the partnership is for investment management.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016
(PREPARED IN ACCORDANCE WITH IFRS)

13. TRADE AND BILLS RECEIVABLES

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

	At 30 June 2016 RMB'000 (unaudited)	At 31 December 2015 RMB'000 (audited)
Within 1 year	11,088,426	14,149,375
1 to 2 years	2,637,285	33,015
2 to 3 years	601,620	23,437
Over 3 years	10,745	–
	14,338,076	14,205,827

14. DERIVATIVE FINANCIAL INSTRUMENTS

	At 30 June 2016		At 31 December 2015	
	Fair value		Fair value	
	Assets RMB'000 (unaudited)	Liabilities RMB'000 (unaudited)	Assets RMB'000 (audited)	Liabilities RMB'000 (audited)
Net settlement:				
Commodity derivative contracts	484,274	(177,199)	347,580	(169,963)
Provisional price arrangements	–	(66,594)	207,300	–
Foreign currency forward contracts and interest rate swap contracts	4,959	(27,453)	60,120	(40,745)
	489,233	(271,246)	615,000	(210,708)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016
(PREPARED IN ACCORDANCE WITH IFRS)

14. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

The above derivative financial instruments are further analysed as follows:

	At 30 June 2016 RMB'000 (unaudited)	At 31 December 2015 RMB'000 (audited)
Derivatives under hedge accounting:		
Cash flow hedges		
– Commodity derivative contracts	(4,032)	1,130
Fair value hedges		
– Provisional price arrangements	(66,594)	198,693
	(70,626)	199,823
Derivatives not qualifying for hedge accounting:		
– Commodity derivative contracts	(958)	2,474
– Provisional price arrangements	–	8,607
	(958)	11,081
Derivatives not under hedge accounting:		
– Commodity derivative contracts	312,065	174,013
– Foreign currency forward contracts and interest rate swap contracts	(22,494)	19,375
	289,571	193,388
	217,987	404,292

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016
(PREPARED IN ACCORDANCE WITH IFRS)

14. DERIVATIVE FINANCIAL INSTRUMENTS *(Continued)*

(a) Derivatives under hedge accounting:

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

– Cash flow hedge

The Group utilises commodity derivative contracts to hedge its exposure to variability in cash flows attributable to price fluctuation risk associated with highly probable forecast sales of copper related products. As at 30 June 2016, the expected delivery period of the forecasted sales for copper related products was from July to September 2016 (31 December 2015: from January to March 2016).

– Fair value hedge

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

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

(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 rods and wires. These arrangements are designed to address significant fluctuations in the prices of copper concentrate, copper cathodes, copper rods and wires, and copper related products which move in line with the prevailing price of copper cathode.

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

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016
(PREPARED IN ACCORDANCE WITH IFRS)

15. TRADE AND BILLS PAYABLES

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

	At 30 June 2016 RMB'000 (unaudited)	At 31 December 2015 RMB'000 (audited)
Within 1 year	9,188,366	8,519,959
1 to 2 years	36,772	35,570
2 to 3 years	2,871	10,733
Over 3 years	16,955	8,758
	9,244,964	8,575,020

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

16. HELD-FOR-TRADING FINANCIAL LIABILITIES

The Group entered into certain gold lease 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016
(PREPARED IN ACCORDANCE WITH IFRS)

17. BANK BORROWINGS

	At 30 June 2016 RMB'000 (unaudited)	At 31 December 2015 RMB'000 (audited)
Bank borrowings, secured	5,454,666	1,928,827
Bank borrowings, unsecured	11,204,105	15,123,659
	16,658,771	17,052,486
Carrying amount repayable		
On demand or within one year	16,426,171	16,704,886
More than one year, but not exceeding two years	218,600	86,000
More than two years, but not exceeding five years	-	247,600
More than five years	14,000	14,000
	16,658,771	17,052,486
Less: Carrying amount of bank borrowing that was repayable within one year from the end of the reporting period and contained a repayable on demand clause (shown under current liabilities)	-	(3,267,355)
Amount due within one year shown under current liabilities	(16,426,171)	(13,437,531)
	(16,426,171)	(16,704,886)
Amount due after one year shown as non-current liabilities	232,600	347,600

The effective annual interest rates on the Group's bank borrowings range from 0.83% to 6.00% (31 December 2015: 0.57% to 7.00%) per annum.

18. BONDS PAYABLE

The bonds are listed on the Shanghai Stock Exchange. The fair value of the bonds as at 30 June 2016 was approximately RMB6,771,440,000 (31 December 2015: RMB6,720,440,000), which was determined based on the closing market price at the end of the reporting period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016
(PREPARED IN ACCORDANCE WITH IFRS)

19. SHARE CAPITAL

	Number of shares	Amount RMB'000
Balance at 1 January 2015, 30 June 2015, 1 January 2016 and 30 June 2016		
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 periods.

20. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

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).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016
(PREPARED IN ACCORDANCE WITH IFRS)

20. 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		Fair value Hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	30 June 2016 (unaudited)	31 December 2015 (audited)				
1. Listed equity securities classified as held-for-trading financial assets	Assets - RMB29,723,000	Assets - RMB27,931,000	Level 1	Quoted bid prices in active markets.	N/A	N/A
2. Listed debenture investments classified as held-for-trading financial assets	Assets - RMB157,442,000	Assets - RMB129,016,000	Level 1	Quoted bid prices in active markets.	N/A	N/A
3. Standardised commodity derivative contracts classified as derivative financial instruments	Assets - RMB47,389,000 Liabilities - RMB114,954,000	Assets - RMB187,595,000 Liabilities - RMB8,583,000	Level 1	Quoted bid prices in active markets.	N/A	N/A
4. Gold lease contracts classified as held-for-trading financial liabilities	Liabilities - RMB3,008,882,000	Liabilities - RMB1,758,825,000	Level 1	Quoted bid prices in active markets.	N/A	N/A
5. Non-standardised commodity derivative contracts classified as derivative financial instruments	Assets - RMB436,885,000 Liabilities - RMB62,245,000	Assets - RMB159,985,000 Liabilities - RMB161,380,000	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
6. Foreign currency forward contracts classified as derivative financial instruments	Assets - RMB4,959,000 Liabilities - RMB27,453,000	Assets - RMB60,120,000 Liabilities - RMB40,109,000	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	Nil	Liabilities - RMB636,000	Level 2	Discounted cash flow. Future cash flows are estimated based on forward interest rates, (from observable yield curves rates 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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016
(PREPARED IN ACCORDANCE WITH IFRS)

20. 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		Fair value Hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	30 June 2016 (unaudited)	31 December 2015 (audited)				
8. Provisional price arrangements classified as derivative financial instruments	Liabilities - RMB66,594,000	Assets - RMB207,300,000	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 - RMB70,821,000	Assets - RMB71,224,000	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 - RMB949,491,000	Assets - RMB1,338,445,000	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 - RMB2,668,786,000	Assets - RMB1,780,000,000	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.
12. Investment in a partnership classified as available-for-sale investments	Assets - RMB400,000,000	Nil	Level 3	Discounted cash flow. Fair value are estimated based on its expected cash flows discounted by unquoted annual return rate of similar investment.	Unquoted annual return rate of similar investment 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 in the current and prior periods.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016
(PREPARED IN ACCORDANCE WITH IFRS)

20. 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 were 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 condensed consolidated financial statements approximate their fair values:

	At 30 June 2016	
	Carrying amount RMB'000 (unaudited)	Fair value RMB'000 (unaudited)
Financial liabilities		
Bonds payable	6,718,244	6,771,440
	At 31 December 2015	
	Carrying amount RMB'000 (audited)	Fair value RMB'000 (audited)
Financial liabilities		
Bonds payable	6,554,733	6,720,440

The fair value measurement of bonds payable is categorised under Level 1, which is based on quoted bid price in an active market.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016
(PREPARED IN ACCORDANCE WITH IFRS)

20. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS *(Continued)*

Reconciliation of Level 3 fair value measurement

Reconciliation of Level 3 fair value measurement of available-for-sale investments:

	Six months ended 30 June	
	2016 RMB'000 (unaudited)	2015 RMB'000 (unaudited)
At beginning of the period	3,118,445	1,843,000
Total gain recognised		
– in profit or loss	79,750	68,040
– in other comprehensive income	10,047	–
Purchases	2,116,785	8,351,400
Settlements	(1,106,750)	(8,053,040)
At end of the period	4,218,277	2,209,400

Included in other comprehensive income is an amount of RMB10,047,000 (six months ended 30 June 2015: nil) 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 comprehensive income”.

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. 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 are disclosed above.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016
(PREPARED IN ACCORDANCE WITH IFRS)

21. RELATED PARTY TRANSACTIONS

(a) Transaction with related parties

During the six months ended 30 June 2016 and 2015, the Group entered into the following transactions with related parties:

	Six months ended 30 June	
	2016 RMB'000 (unaudited)	2015 RMB'000 (unaudited)
Sales to holding company		
Sales of auxiliary industrial products	198	612
Sales of by-products	-	278
	198	890
Sales to fellow subsidiaries		
Sales of copper rods and wires	231,503	206,043
Sales of copper cathode	306,136	152,122
Sales of auxiliary industrial products	43,280	58,449
Sales of lead concentrate	331,910	20,583
Sales of by-products	185,374	15,724
Sales of rare and other non-ferrous metals	5,271	-
	1,103,474	452,921
Sales to an associate		
Sales of sulfuric and sulfuric concentrate	265	-
Sales to a joint venture		
Sales of auxiliary industrial products	-	1,051
Sales to non-controlling interests of a subsidiary		
Sales of copper cathode	1,725,843	1,158,311
Sales of copper rods and wire	524,543	-
Sales of rare and other non-ferrous metals	588,882	-
	2,839,268	1,158,311
Purchases from fellow subsidiaries		
Purchases of auxiliary industrial products	12,190	32,445
Purchases of rare and other non-ferrous metals	11,286	27,848
	23,476	60,293

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016
(PREPARED IN ACCORDANCE WITH IFRS)

21. RELATED PARTY TRANSACTIONS (Continued)

(a) Transaction with related parties (Continued)

	Six months ended 30 June	
	2016 RMB'000 (unaudited)	2015 RMB'000 (unaudited)
Purchase from a joint venture		
Purchases of auxiliary industrial products	26,220	22,061
Purchases from non-controlling interests of a subsidiary		
Purchases of copper cathode	1,550,871	338,138
Purchases of copper concentrate	220,950	–
Purchases of crude copper	135,286	–
	1,907,107	338,138
Financial services received from fellow subsidiaries		
Interest received from loan provided	18,693	19,404
Financial services paid to holding company		
Interest paid for deposits made	1,870	1,180
Financial services paid to fellow subsidiaries		
Interest paid for deposits made	7,871	2,526
Service fees paid to holding company		
Land lease expense	78,001	79,263
Rentals for public facilities	–	3,082
Labour service	3,102	4,479
Welfare and health care services	4,575	–
	85,678	86,824
Service fees paid to fellow subsidiaries		
Labour service	4,026	24,291
Repair and maintenance services	10,571	11,969
Brokerage agency services for commodity derivative contracts	3,611	5,241
Vehicle transportation fee	477	739
Construction services	–	98
Welfare and health care services	65	–
	18,750	42,338

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016
(PREPARED IN ACCORDANCE WITH IFRS)

21. RELATED PARTY TRANSACTIONS (Continued)

(a) Transaction with related parties (Continued)

	Six months ended 30 June	
	2016 RMB'000 (unaudited)	2015 RMB'000 (unaudited)
Service fees received from holding company		
Construction services	886	887
Supply of electricity	1,514	3,843
Vehicle transportation services	41	374
Rentals for public facilities and other services	–	345
Supply of water	95	18
Other management income	1,569	985
	4,105	6,452
Service fees received from fellow subsidiaries		
Construction services	63,666	87,976
Supply of electricity	467	772
Vehicle transportation services	14,644	7,143
Repair and maintenance services	230	3,527
Other management income	6,736	97
Rentals for public facilities and other services	3,988	–
Supply of water	15	41
	89,746	99,556
Service fees received from a joint venture		
Construction services	–	–
Supply of electricity	–	656
Other management fee income	–	155
Vehicle transportation services	–	11
	–	822
Loans to fellow subsidiaries	923,000	868,000
Repayment of loans to fellow subsidiaries	760,104	623,000

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016
(PREPARED IN ACCORDANCE WITH IFRS)

21. RELATED PARTY TRANSACTIONS *(Continued)*

(b) Compensation of key management personnel of the Group

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

	Six months ended 30 June	
	2016 <i>RMB'000</i> (unaudited)	2015 <i>RMB'000</i> (unaudited)
Short-term benefits	3,845	9,991
Post-employment benefits	70	226
	3,915	10,217

(c) Balances with related parties

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

	At 30 June 2016 <i>RMB'000</i> (unaudited)	At 31 December 2015 <i>RMB'000</i> (audited)
Trade and bills receivables due from holding company	713	2,835
Trade and bills receivables due from fellow subsidiaries	638,847	338,612
Trade and bills receivables due from an associate	535	535
Trade and bills receivables due from a joint venture	-	1,789
Trade and bills receivables due from non-controlling interests of a subsidiary	-	18,463
Prepayments and other receivables due from holding company	8,534	8,731
Prepayments and other receivables due from fellow subsidiaries	720,504	995,789
Prepayments and other receivables due from non-controlling interests of a subsidiary	70,051	119,099
Prepayments and other receivables due from an associate	-	3,398
Prepayments and other receivables due from a joint venture	1,867	6,917
Loans to fellow subsidiaries	1,107,435	945,209
Trade and bills payables due to holding company	2,870	2,815
Trade and bills payables due to fellow subsidiaries	32,313	42,770

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016
(PREPARED IN ACCORDANCE WITH IFRS)

21. RELATED PARTY TRANSACTIONS (Continued)

(c) Balances with related parties (Continued)

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

	At 30 June 2016 RMB'000 (unaudited)	At 31 December 2015 RMB'000 (audited)
Trade and bills payables due to an associate	884	–
Trade and bills payables due to a joint venture	5,080	1,435
Trade and bills payables due to non-controlling interests of a subsidiary	16,754	39,584
Other payables and accruals due to holding company	206,226	173,615
Other payables and accruals due to fellow subsidiaries	32,006	53,460
Other payables and accruals due to non-controlling interests of a subsidiary	31,206	2,478
Deposits from holding company	500,620	268,229
Deposits from fellow subsidiaries	965,937	1,343,347
Other long term payables due to holding company	13,745	13,745

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

The Group itself is part of a larger group of companies under the State-owned Assets Supervision & 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 condensed consolidated financial statements, the Group also conducts business with entities directly or indirectly controlled, jointly controlled or significant influenced 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016
(PREPARED IN ACCORDANCE WITH IFRS)

22. COMMITMENTS

	At 30 June 2016 RMB'000 (unaudited)	At 31 December 2015 RMB'000 (audited)
Capital expenditure contracted for but not provided in the Group's condensed consolidated financial statements in respect of:		
Acquisition of property, plant and equipment and exploration and evaluation rights	1,073,077	1,087,896
Investments in an associate – MCC-JCL (<i>Note a</i>)	1,500,504	1,500,504
Investment in a partnership (<i>Note b</i>)	700,000	–
	3,273,581	2,588,400
Capital expenditure authorised but not contracted for in respect of:		
Acquisition of property, plant and equipment and exploration rights	641,460	1,021,260

Note a: The Company and China Metallurgical Group Corporation (“CMCC”) incorporated MCC-JCL 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 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.

Note b: The Group and two independent third parties set up a partnership in 2016. The initial shareholding of the Group and two independent third parties shall be 68.70% and 31.30%, respectively. The total investment of the partnership shall be RMB1,601,000,000. The principal business of the partnership is for investment management.

23. SUBSEQUENT EVENT

On 4 August 2016, the Group through its wholly-owned subsidiary, Jiangxi Copper (Hong Kong) Investment Company Limited and an independent third party, CCB International Asset Management Limited (as the promoters), established a Fund, “Valuestone Global Resources Fund I” (“Fund I”). Fund I will initially raise US\$150 million of which the Group has undertaken to contribute US\$100 million.

Documents Available for Inspection

Documents available for inspection

The 2016 interim report duly signed and sealed by the legal representative of the Company

The 2016 interim report published on the Stock Exchange

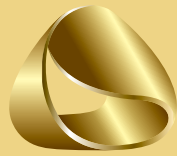
The financial statements duly signed and sealed by the legal representative, chief financial officer and accounting chief of the Company

The original copies of all documents and announcements of the Company disclosed in the newspapers designated by CSRC during the reporting period

The Special Report Relating to Deposit and Actual Use of Proceeds of Jiangxi Copper Company Limited in the first half of 2016

Chairman: **Li Baomin**

Board approval date: 23 August 2016



Jiangxi Copper Company Limited