



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)



2017
Interim
Report

Important Notice

- (I) 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.
- (II) All Directors attended the Board meeting to approve, among others, the interim results for the six months ended 30 June 2017.
- (III) 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.
- (IV) The then 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.
- (V) Proposal of profit distribution plan or transfer of capital reserve to share capital after consideration by the Board: The Company will not make any proposal of profit distribution plan or transfer capital reserve to share capital during the six months ended 30 June 2017 (the "reporting period").
- (VI) 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.
- (VII) There is no misappropriation of funds by the controlling shareholders and their connected parties for non-operation purpose in the Group.
- (VIII) There are no external guarantees provided in violation of stipulated decision-making procedures in the Group.

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Definitions

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

Definitions to the frequently-used terms

Company or Jiangxi Copper	means	Jiangxi Copper Company Limited
copper concentrate	means	Copper concentrate is the concentrate from low grade ore containing copper associated with certain quality indicators through processing procedures, which can be directly used for smeltery in smelting plants
copper contained in copper concentrate	means	The amount of copper in copper concentrate
CSRC	means	China Securities Regulatory Commission
Group	means	The Company and its subsidiaries
JCC	means	Jiangxi Copper Corporation and its subsidiaries, excluding the Group
Ministry of Finance	means	The Ministry of Finance of the People's Republic of China
SSE	means	Shanghai Stock Exchange

In this interim report, the English names of certain PRC entities are translations of their Chinese versions, and are included herein for identification purposes only. In the event of any inconsistency, the Chinese versions shall prevail.

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 (resigned on 11 September 2017)

II. CONTACT PERSONS AND CONTACT METHODS

	Secretary to the Board	Securities Affairs Representative
Name	(Chairman of the Board takes up the responsibilities of Secretary to the Board)	Xiao Huadong
Address	7666 Chang Dong Avenue, High-tech Development Zone, Nanchang, Jiangxi Province, the People's Republic of China	7666 Chang Dong Avenue, High-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 Province, the People's Republic of China
Postal code of the registered address of the Company	335424
Office address of the Company	7666 Chang Dong Avenue, High-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
Query index for changes during the reporting period	nil

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 Chang Dong Avenue, High-tech Development Zone, Nanchang, Jiangxi Province, the People's Republic of China
Query index for changes during the reporting period	nil

V. INFORMATION ON THE COMPANY'S SHARES

Class of shares	Stock Exchange of listed shares	Stock abbreviation	Stock code
A shares	Shanghai Stock Exchange	Jiangxi Copper	600362
H shares	The Stock Exchange of Hong Kong Limited	Jiangxi Copper	0358

VI. 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	Hu Ke (胡科), 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 2017

Summary of Accounting Data and Financial Indicators

I. MAJOR ACCOUNTING DATA AND FINANCIAL INDICATORS OF THE COMPANY

(I) Consolidated Accounting Data and Financial Indicators Prepared in accordance with the IFRSs

	For the six months ended 30 June		Increase/ (decrease) (%)
	2017 (RMB'000) (Unaudited)	2016 (RMB'000) (Unaudited)	
Revenue	97,759,550	89,972,986	8.65%
Profit before taxation	1,660,960	1,024,811	62.07%
Profit for the period attributable to owners of the Company	973,559	643,006	51.41%
Basic earnings per share (RMB)	0.28	0.19	47.37%

	As at 30 June 2017 (RMB'000) (Unaudited)	As at 31 December 2016 (RMB'000) (Audited)	Increase/ (decrease) (%)
	Total assets	94,193,779	
Total liabilities	44,999,166	38,561,242	16.70%
Net assets attributable to owners of the Company	46,986,268	46,597,986	0.83%
Net assets per share attributable to owners of the Company (RMB)	13.57	13.46	0.82%

Summary of Accounting Data and Financial Indicators

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

(1) Major accounting data

Unit: Yuan Currency: RMB

Major accounting data	During the reporting period (January–June)	During the same period of last year	Increase/decrease for the reporting period as compared with the same period of last year (%)
Operating revenue	98,285,807,570	90,204,434,410	8.96
Net profit attributable to shareholders of the Company	830,212,763	473,376,745	75.38
Net profit after non-recurring profit and loss items attributable to shareholders of the Company	621,619,931	355,011,220	75.10
Net cash flows from operating activities	864,037,385	660,798,287	30.76

	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	46,986,154,275	46,597,873,215	0.83
Total assets	94,193,780,728	87,384,092,258	7.79

Summary of Accounting Data and Financial Indicators

(2) 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)	0.24	0.14	71.43
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)	0.18	0.10	80.00
Return on net assets (weighted average) (%)	1.77	1.03	increased by 0.74 percentage point
Return on net assets after non-recurring profit and loss items (weighted average) (%)	1.33	0.77	increased by 0.56 percentage point

Explanation on major accounting data and financial indicators of the Company

Not applicable

Summary of Accounting Data and Financial Indicators

II. DIFFERENCES IN ACCOUNTING DATA BETWEEN IFRSs AND PRC GAAP

(I) Reconciliation Between the IFRSs and the PRC GAAP

Discrepancies between net profit and net assets attributable to shareholders of the Company in the financial report disclosed under the IFRSs 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	830,212,763	473,376,745	46,986,154,275	46,597,873,215
Adjustments to items and amounts under the IFRSs:				
Safety fund expenses provided but not used under the PRC GAAP during the period	143,344,899	169,546,656		
Income tax effect on safety fund		81,648		
Prepared in accordance with the IFRSs	973,557,662	643,005,049	46,986,154,275	46,597,873,215

(II) Differences in net profit and net assets attributable to shareholders of the listed 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

III. 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	9,666,497
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 enterprises and subject to a fixed amount or quantity under certain standard and in compliance with national policies	37,474,907
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 enterprises 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 asset impairment reserves due to force majeure factors, such as natural disasters	
Profit and loss from debt restructuring	
Enterprise restructuring expense, such as employee placement expenditure, integration expenses, etc.	
Profit and loss exceeding the fair value generated in transactions where the transaction price is obviously unfair	
Current net profit or loss from the beginning of period to the combination date of the subsidiary company generated from enterprise combination under the same control	
Profit and loss generated from contingencies unrelated to normal operation 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 hedging business related to normal operation of the Company	197,150,378
Reversed provision for impairment of the receivables under independent impairment test	
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 profit and loss 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	601,362
Other profit and loss items conforming to definition of non-recurring items	
Impact from interests of non-controlling shareholders	21,189,957
Impact from income tax	-57,490,269
Total	208,592,832

Summary of Accounting Data and Financial Indicators

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

Unit: Yuan Currency: RMB

Item	Opening balance	Closing balance	Changes during the period	Impact on profit of the current period
1. Investment in held-for-trading equity instruments				
Equity investments	27,284,608	53,496,671	26,212,063	-220,142
2. Investment in held-for-trading debt instruments				
Debenture investment	160,750,782	160,577,063	-173,719	-8,595,499
3. Derivatives not designated as a hedge				
Forward foreign exchange contracts	-53,486,962	-11,030,269	42,456,693	41,788,376
Interest rate swaps contracts	-12,841	2,916,347	2,929,188	2,979,088
Commodity option contracts	-132,280,125	-128,634,399	3,645,726	36,754,154
Commodity futures contracts	-140,954,879	-72,460,539	68,494,340	63,695,818
Gold futures contracts	129,153,350	-41,786,220	-170,939,570	-170,939,570
Foreign exchange swap contracts	-3,664,397		3,664,397	3,664,397
4. Liabilities incurred in gold lease contracts measured at fair value	-2,682,585,751	-5,112,599,100	-2,430,013,349	190,335,001
5. Hedging instruments				
(1) Non-effective hedging derivative instruments				
commodity futures contracts	19,624,410	-319,532	-19,943,942	-21,905,255
Provisional price arrangement	-10,414,104	-8,960,632	1,453,472	1,453,472
(2) Effective hedging derivative instruments				
Commodity futures contracts	3,299,862	-6,074,615	-9,374,477	-5,865,204
Item at fair value included in inventory	2,693,886,370	2,584,478,356	-109,408,014	69,945,772
Provisional price arrangement	-60,140,289	-133,494,413	-73,354,124	-73,354,124
6. Available-for-sale financial assets				
Available-for-sale equity instruments	430,000,000	400,000,000	-30,000,000	
Available-for-sale debt instruments	3,481,749,017	4,553,491,888	1,071,742,871	
Total	3,862,209,051	2,239,600,606	-1,622,608,445	129,736,284

Business Overview of the Company

I. PRINCIPAL BUSINESS, OPERATION MODE AND INDUSTRY SITUATION OF THE COMPANY DURING THE REPORTING PERIOD

(I) Principal business and operation mode of the Company

The principal business of the Company covers copper mining and dressing, smelting and processing, extraction and processing of the precious metal and rare metal, sulphuric chemistry as well as finance and trading fields. It has established the complete industrial chain integrated with exploration, mining, ore dressing, smelting and processing in copper and related non-ferrous metal fields. It is the important production base of copper, gold, silver and sulphuric chemistry. The main products of the Company include more than 50 varieties, such as copper cathode, gold, silver, sulphuric acid, copper rod, copper tube, copper foil, selenium, tellurium, rhenium, bismuth, etc.

The main assets owned and controlled by the Company include:

1. Six major mines: Dexing Copper Mine (including copper factory mining area, Fujjawu mining area and Zhushahong mining area), Yongping Copper Mine, Chengmenshan Copper Mine (including Jinjiwo Silver-Copper Mine), Wushan Copper Mine, Dongxiang Copper Mine and Yinshan Lead-Zinc Mine.
2. Guixi Smelter, the largest blister and copper concentrate smelter and refiner in China with the largest scale, most advanced technologies and best environmental protection.
3. Seven modern copper products processing plants: Jiangxi Copper Products Company Limited, Guangzhou Copper Production Company Limited, Jiangxi JCC-Yates Copper Foil Inc., Jiangxi Copper Taiyi Special Electrical Materials Company Limited, Jiangxi Copper (Longchang) Precise Pipe Company Limited, JCC Copper Products Company Limited and JCC Huabei (Tianjin) Copper Company Limited.
4. Two sulphuric acid plants with advanced technology: Jiangxi Jiangtong – Wengfu Chemical Industry Company Limited and Jiangxi Copper (Dexing) Chemical Company Limited.

(II) Explanation of the industry

Since 2017, stable recovery has been witnessed in the global economy. The economy of China has been making progress while maintaining stability and a rebound was recorded for the overall performance in investment, industry and manufacturing industry. As the macro-economy gradually moved back onto the right track, the non-ferrous metal industry showed an upward trend in its development. In addition, the successive strikes faced by certain major copper mine manufacturers worldwide in the first half of 2017 had a significant impact on the supply of copper concentrates in the global market, resulting in an increase in copper price as compared with the same period of last year. As of 30 June 2017, the closing price of copper on the London Metal Exchange (LME) was USD5,959 per tonne, representing an increase of approximately 23% as compared with last year.

Business Overview of the Company

II. SIGNIFICANT CHANGES IN THE COMPANY'S MAJOR ASSETS DURING THE REPORTING PERIOD

Not applicable

III. ANALYSIS OF CORE COMPETITIVENESS DURING THE REPORTING PERIOD

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

1. Advantage of mines. The Group places first priority to development of mines amongst its strategies, and has been dedicated to seeking and controlling more resources and raising the production volume of self-owned mines. As of the end of 2016, the Company had 100% ownership in the proven resource reserves of approximately 9,830,000 tonnes of copper metal, 318 tonnes of gold, 9,067 tonnes of silver, 225,000 tonnes of molybdenum, 97,480,000 tonnes of sulphur. Among the resources jointly controlled by the Company and other companies, metal resource reserves attributable to the Company (based on its equity percentage) were approximately 4,430,000 tonnes of copper and 52 tonnes of gold.
2. Advantage of scale in the industry. The Group owns the current largest size of domestic copper mine, namely Dexing Copper Mine, and a number of copper mines under production with annual production of copper contained in copper concentrates of 210,000 tonnes. The Group's current production capacity of copper cathode is over 1,200,000 tonnes per year, and Guixi Smelter is the copper smelter with the largest monomer smelting scale in the world. The Group is also the largest copper processor with over 900,000 tonnes of copper products processed annually.
3. Advantages of technology and talents. The Group possesses industry-leading copper smelting and mine development technologies. With years of legacy, the Group has reserved abundant mines and talents specialized in smelting and equipped with ability and advantages for operating similar mines or for expanding the smelting enterprises.
4. Advantage of brand. The Group operates with a complete industry chain of dressing, milling, smelting and processing. Being larger in scale and better in reputation, the Group has occupied a position among top 500 Chinese enterprises and top 500 Chinese manufacturing enterprises for consecutive years. The Group has gained recognition, trust, support and aid from various sectors of the society, and possesses a relatively stronger risk resistant capability.

Report of the Board

Unless otherwise specified, the following figures are extracted from the unaudited consolidated accounting statements prepared in accordance with PRC GAAP.

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

In the first half of 2017, the global economy was experiencing a favorable trend of recovery with eye-catching economic performance of the United States and Europe, while the Japanese economy was recovering in a moderate manner. The domestic economy demonstrated a promising layout with steady growth, low unemployment rate, stable commodity prices and optimised structure, as well as improvement in stability, coordination and sustainability for economic development. However, due to factors such as, among others, intensified trade protectionism and the faster-than-expected interest rate hike made by the Federal Reserve, global economies will face pressure on growth in the second half of the year.

In the first half of the year, the Company continued to adhere to the theme of “reformation and innovation with quality improvement and efficiency enhancement” and systematically implemented 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 all 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 while the operating performance rebounded steadily.

During the reporting period, the Company basically achieved the production plan for all products and produced: 644,900 tonnes of copper cathode, representing a year-on-year increase of 7.47% (599,800 tonnes for the same period of last year); 104,700 tonnes of copper concentrates (105,900 tonnes for the same period of last year); 12,532 kilograms of gold (13,303 kilograms for the same period of last year); 247 tonnes of sliver (269 tonnes for the same period of last year); 3,676 tonnes of molybdenum concentrates (45%)(3,829 tonnes for the same period of last year); 1,700,000 tonnes of sulphuric acids (1,860,000 tonnes for the same period of last year); 1,240,000 tonnes of sulphur concentrates (1,310,000 tonnes for the same period of last year); 462,200 tonnes of copper rods, representing a year-on-year increase of 18.21% (391,000 tonnes for the same period of last year); 74,500 tonnes of other copper processing products (excluding copper rods), representing a year-on-year increase of 13.05% (65,900 tonnes for the same period of last year).

As of 30 June 2017, the consolidated operating revenue of the Group amounted to RMB98,285,807,570 (for the same period of 2016: RMB90,204,434,410), representing an increase of RMB8,081,373,160 (or 8.96%) from last year. The Group recorded the net profits attributable to shareholders of the Company of RMB830,212,763 (for the same period of 2016: RMB473,376,745), representing an increase of RMB356,836,018 (or 75.38%), as compared to the same period of last year. The basic earnings per share amounted to RMB0.24 (for the same period of 2016: RMB0.14), representing an increase of RMB0.10 (or 71.43%) as compared to the same period of last year. Under the International Accounting Standard, the net profits attributable to shareholders of the Company were RMB973,557,662 (for the same period of 2016: RMB643,005,049, representing an increase of RMB330,052,613 (or 51.41%), 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	98,285,807,570	90,204,434,410	8.96
Operating cost	94,779,622,041	87,832,762,535	7.91
Selling and distribution expenses	298,253,431	264,672,706	12.69
Administrative expenses	787,465,452	832,266,273	-5.38
Finance costs	159,275,955	123,980,753	28.47
Net cash flow from operating activities	864,037,385	660,798,287	30.76
Net cash flow from investment activities	-1,699,996,554	-1,935,597,685	12.17
Net cash flow from financing activities	585,841,185	-2,136,187,556	127.42
Expenses on research and development	882,221,000	294,464,000	199.60
Taxes and levies	526,257,843	231,448,619	127.38
Impairment losses on assets	567,521,358	209,136,257	171.36
Gains on changes in fair value	129,736,284	-467,974,046	127.72
Returns on investment	172,218,570	564,440,135	-69.49
Other income	37,474,907	–	100.00
Non-operating income	14,194,888	56,056,015	-74.68
Non-operating expenses	3,927,029	7,918,175	-50.40
Income tax expenses	698,560,754	286,843,404	143.53

(1) Explanation on changes in operating revenue:

It was due to an increase in sale unit price and volume of copper cathode and copper rods and wires.

(2) Explanation on changes in operating cost:

A corresponding increase in costs as a result of the increase in sales volume of copper cathode and copper rods and wires.

Report of the Board

(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 sales volume for the current period.

(4) Explanation on changes in administrative expenses:

It was due to changes in review of items after the value-added tax reform.

(5) Explanation on changes in finance costs:

It was due to a decrease in interest income over the same period of last year.

(6) Explanation on changes in net cash flow from operating activities:

It was mainly due to an increase in operating revenue.

(7) Explanation on changes in net cash flow from investment activities:

It was due to an increase in available-for-sale financial assets which mature.

(8) Explanation on changes in net cash flow from financing activities:

It was mainly due to an increase in the financing scale.

(9) Explanation on changes in expenses on research and development:

It was due to a year-on-year increase in development of scientific research project of the Company during the reporting period.

(10) Explanation on changes in taxes and levies:

It was due to changes in review of items after the value-added tax reform.

Report of the Board

(11) Explanation on changes in impairment losses on assets:

It was due to an increase in provision for bad debts for the current period.

(12) Explanation on changes in gains on changes in fair value:

It was due to the reversal of floating loss last year.

(13) Explanation on changes in returns on investment:

It was due to a decrease in gains on closed position of commodity futures and forward contracts not designated as a hedge as compared with the same period of last year resulting from fluctuation of copper price.

(14) Explanation on changes in other income:

The Group has included government grants in relation to its ordinary business for the current period into other income, as required by the Accounting Standards for Enterprises No. 16 – Government Grants stipulated by the Ministry of Finance.

(15) Explanation on changes in non-operating income:

It was due to changes in review of items on the basis of new principles prescribed by the Ministry of Finance.

(16) Explanation on changes in non-operating expenses:

A decrease in compensation expenses for the current period as compared with the same period of last year.

(17) Explanation on changes in income tax expenses:

It was due to an increase in profits arising from increasing copper price.

Report of the Board

2. Others

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

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

(II) Explanation on major changes caused by non-principle business

Not applicable

(III) Analysis of operation by nature and product

1. Principal business by nature

Unit: '000 Currency: RMB

	Revenue for the six months ended 30 June 2017 (unaudited)	Revenue for the six months ended 30 June 2016 (unaudited)	Increase/ decrease in the revenue over the same period last year (%)
Trading revenue (<i>note</i>)	64,043,436	53,364,586	20.01
Other non-trading revenue	33,841,411	36,444,869	-7.14
Other revenue	400,961	394,980	1.51
Total	98,285,808	90,204,435	8.96

Note: Trading revenue represents revenue generated from trade of copper cathodes, copper rods and wires and other metal products. Such trading revenue does not include the direct sales revenue of the products generated from the Group's manufacturing business, and the products involved in the trades are sourced from external suppliers and sold to external customers.

Explanation on the principal businesses by nature:

1) **Trading revenue**

During the reporting period, trading revenue increased by RMB10,678.850 million or 20.01% as compared with last year.

Report of the Board

2) *Other non-trading revenue*

During the reporting period, other non-trading revenue decreased by RMB2,603.458 million or 7.14% as compared with last year.

3) *Other revenue*

During the reporting period, other revenue increased by RMB5.981 million or 1.51% as compared with last year.

2. Principal business by product

Unit: '000 Currency: RMB

	Revenue for the six months ended 30 June 2017 (unaudited)	Revenue for the six months ended 30 June 2016 (unaudited)	Increase/ decrease in the revenue over the same period last year (%)
Copper cathodes	59,559,595	54,975,863	8.34
Copper rods	20,249,663	17,233,667	17.50
Copper processing products	2,501,660	1,671,832	49.64
Gold	3,337,091	3,392,906	-1.65
Silver	1,672,253	1,775,515	-5.82
Sulphur and sulphuric concentrate	392,646	550,340	-28.65
Rare and other non-ferrous metals	8,846,789	9,270,697	-4.57
Others	1,726,111	1,333,615	29.43
Total	98,285,808	90,204,435	8.96

Explanation on the principal businesses by product:

1) *Copper cathodes*

During the reporting period, the revenue from copper cathodes increased by RMB4,583.732 million or 8.34% as compared with last year.

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2) Copper rods

During the reporting period, the revenue from copper rods increased by RMB3,015.996 million or 17.50% as compared with last year.

3) Copper processing products

During the reporting period, the revenue from copper processing products increased by RMB829.828 million or 49.64% as compared with last year.

4) Gold

During the reporting period, the revenue from gold decreased by RMB55.815 million or 1.65% as compared with last year.

5) Silver

During the reporting period, the revenue from silver decreased by RMB103.262 million or 5.82% as compared with last year.

6) Sulphur and sulphuric concentrate

During the reporting period, the revenue from sulphur and sulphuric concentrate decreased by RMB157.694 million or 28.65% as compared with last year.

7) Rare and other non-ferrous metals

During the reporting period, the revenue from rare and other non-ferrous metals decreased by RMB423.908 million or 4.57% as compared with last year.

8) Others

During the reporting period, the revenue from other products increased by RMB392.496 million or 29.43% as compared with last year.

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(IV) Analysis of assets and liabilities

1. Assets and liabilities

Unit: Yuan Currency: RMB

Item	As at the end of the period	Share of total assets as at the end of the period (%)	As at the end of the previous period	Share of total assets as at the end of the previous period (%)	Changes as at the end of the period over the previous period (%)	Explanation
Cash and bank	17,375,005,505	18.45	13,078,661,138	14.97	32.85	Note 1
Financial assets at fair value through profit or loss	244,733,803	0.26	485,725,863	0.56	-49.61	Note 2
Other current assets	1,661,868,051	1.76	2,717,042,190	3.11	-38.84	Note 3
Construction in progress	3,972,430,592	4.22	2,961,956,154	3.39	34.11	Note 4
Short-term borrowings	20,553,909,697	21.82	14,868,139,788	17.01	38.24	Note 5
Financial liabilities at fair value through profit or loss	5,543,103,441	5.88	3,229,152,199	3.70	71.66	Note 6
Notes payable	3,079,402,683	3.27	5,656,814,269	6.47	-45.56	Note 7
Dividend payable	533,809,411	0.57	64,000,000	0.07	734.08	Note 8
Non-current liabilities due within one year	287,214,544	0.30	137,614,544	0.16	108.71	Note 9
Long-term borrowings	10,500,000	0.01	228,100,000	0.26	-95.40	Note 10
Other comprehensive income	15,632,400	0.02	81,499,591	0.09	-80.82	Note 11
Surplus reserve	518,373,948	0.55	375,029,049	0.43	38.22	Note 12

Other explanations

Note 1: As at the end of the reporting period, the cash and bank of the Group amounted to RMB17,375.01 million, representing an increase of RMB4,296.35 million (or 32.85%) as compared to the end of last year, mainly attributable to the increased financing by way of time deposits as security by the Group, leading to an increase in time deposits as security as compared to the end of last year.

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- Note 2:* As at the end of the reporting period, the financial assets at fair value through profit or loss of the Group amounted to RMB244.73 million, representing a decrease of RMB241.00 million (or -49.61%) as compared to the end of last year, mainly attributable to the fluctuation of copper price, leading to the floating loss of commodity futures contracts and forward commodity contracts.
- Note 3:* As at the end of the reporting period, the change in other current assets of the Group amounted to RMB1,661.87 million, representing a decrease of RMB1,055.17 million (or -38.84%) as compared to the end of last year, mainly attributable to the decrease in bank wealth management products and loans to related parties.
- Note 4:* As at the end of the reporting period, the change in construction in progress amounted to RMB3,972.43 million, representing an increase of RMB1,010.47 million (or 34.11%) as compared to the end of last year, mainly attributable to the increase of engineering payments for the projects of main construction of Zhejiang Hedong Phase II and Chengmenshan Phase II.
- Note 5:* As at the end of the reporting period, the short-term borrowings of the Group amounted to RMB20,553.91 million, representing an increase of RMB5,685.77 million (or 38.24%) as compared to the end of last year, mainly attributable to the increase in short-term borrowings pledged by time deposits by the Company.
- Note 6:* As at the end of the reporting period, the change in financial liabilities at fair value through profit or loss of the Group amounted to RMB5,543.10 million, representing an increase of RMB2,313.95 million (or 71.66%) as compared to the end of last year, mainly attributable to the increase in the scale of financing business by making use of financial instruments by the Company.
- Note 7:* As at the end of the reporting period, the change in notes payable of the Group amounted to RMB3,079.40 million, representing a decrease of RMB2,577.41 million (or -45.56%) as compared to the end of last year, mainly attributable to the increase in procurement in response to the rise in copper price and settlement made in the current period.
- Note 8:* As at the end of the reporting period, the dividend payable of the Group amounted to RMB533.81 million, representing an increase of RMB469.81 million (or 734.08%) as compared to the end of last year, mainly attributable to the provision of cash dividends for the year 2016, which was not paid in the first half of 2017.

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Note 9: As at the end of the reporting period, the non-current liabilities due within one year of the Group amounted to RMB287.21 million, representing an increase of RMB149.60 million (or 108.71%) as compared to the end of last year, mainly attributable to the increase of long-term borrowings due within one year.

Note 10: As at the end of the reporting period, the long-term borrowings of the Group amounted to RMB10.50 million, representing a decrease of RMB217.60 million (or -95.40%) as compared to the end of last year, mainly attributable to the transfer of long-term borrowings due within one year.

Note 11: As at the end of the reporting period, the other comprehensive income of the Group amounted to RMB15.63 million, representing a decrease of RMB65.87 million (or -80.82%) as compared to the end of last year, mainly due to the impact of translation differences between foreign currencies in overseas operating entities such as associates and joint ventures.

Note 12: As at the end of the reporting period, the surplus reserve of the Group amounted to RMB518.37 million, representing an increase of RMB143.34 million (or 38.22%), mainly attributable to the fact that the safety production expenses withdrawn by the Company has not been utilized as of the first half of the year.

2. Limitation of assets as at the end of the reporting period

Not applicable

(V) Analysis of investment

1. General analysis of external investment in equity

Unit: 0'000 Currency: RMB

Investment during the reporting period	11,982
Increase/decrease in investment	11,982
Investment during the same period last year	0
Extent of increase/decrease in investment (%)	100%

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Name of investee	Principle activity	Share of interests in the investee (%)	Investment amount
Jiangxi JCC-BIOTEQ Environmental Technologies Company Limited (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 Co., Ltd. (五礦江銅礦業投資有限公司)	Investment company	40	168,800
MCC-JCL Aynak Minerals Company Limited (中冶江銅艾娜克礦業有限公司)	Exploration and sales 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 Fengye Smelting Company Limited (昭覺逢輝濕法冶煉有限公司)	Production and sales of electro deposited copper	47.86	406
BOCI Securities Limited	Security broker and investment advisor	6.31	60,000
Nesko Metal Sanayi Ve Ticaret Anonim Şirketi	Exploration and sales of copper products	48	41,570
Jiangxi Jinbei JCC Electric Cable Co., Ltd. (江西金杯江銅電纜有限公司)	Production and sales of copper products	20	200
Valuestone GP LTD. (嘉石普通合夥人有限公司)	Management of funds	51	365
Valuestone Global Resources Fund I LP	Mining investment	66.67	12,338

(1) Significant equity interest investment

Not applicable

(2) Significant non-equity interest investment

Not applicable

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(3) Financial assets measured at fair value

Unit: Yuan

Item	Opening balance	Closing balance	Change during the period	Impact on the profit for the period
Financial assets at fair value through profit or loss	485,725,863	244,733,803	-240,992,960	-211,324,033
Financial liabilities at fair value through profit or loss	3,229,152,199	5,543,103,441	2,313,951,242	341,060,317
Profit or loss on changes in hedged instruments at fair value	2,693,886,370	2,584,478,356	-109,408,014	69,945,772
Available-for-sale financial assets – current	2,890,577,247	4,099,440,000	1,208,862,753	
Available-for-sale financial assets – non-current	1,931,735,878	1,764,615,996	-167,119,882	
Total	11,231,077,557	14,236,371,596	3,005,294,039	199,682,056

(VI) Material disposal of assets and equity interests

Not applicable

(VII) Analysis of principal controlling subsidiaries and other companies with shareholding

(1) Production and operation of our principal controlling subsidiaries as of 30 June 2017

Unit: '000 Currency: RMB

Company name	Business nature	Registered capital	Shareholding percentage (%)	Total assets	Net assets	Operating revenue	Net profit/(loss)
Sichuan Kangxi Copper Company Limited 四川康西銅業有限責任公司	Sale of copper products, rare metal products and sulphuric acid	286,880	57.14	824,641	158,207	308,490	-23,663
JCC Finance Company Limited 江西銅業集團財務有限公司	Provision of guarantee and loans to and deposits taking from members of JCC	1,000,000	85.68	12,430,049	2,719,582	146,178	124,931
Jiangxi Copper Products Company Limited 江西銅業銅材有限公司	Sale and processing of copper materials	424,500	100	860,312	761,918	135,671	40,829

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Company name	Business nature	Registered capital	Shareholding percentage (%)	Total assets	Net assets	Operating revenue	Net profit/(loss)
JCC Copper Products Company Limited 江西銅業集團銅材有限公司	Processing and sale of hardware products	186,391	98.89	730,424	328,425	1,027,152	13,085
JCC (Guixi) Recycling Company Limited 江西銅業集團(貴溪)再生資源有限公司	Collection and sale of metal scrap	6,800	99.51	17,851	9,862	107,043	281
Jiangxi Copper Shenzhen Marketing Company Limited 深圳江銅營銷有限公司	Sale of copper products	1,260,000	100	13,512,153	-852,521	18,569,348	-498,307
Jiangxi Copper Shanghai Marketing Company Limited 上海江銅營銷有限公司	Sale of copper products	200,000	100	7,180,742	-403,711	4,509,713	-90,162
Jiangxi Copper Beijing Marketing Company Limited 北京江銅營銷有限公司	Sale of copper products	261,000	100	495,641	-330,785	10	-175,461
JCC Yinshan Mining Company Limited 江西銅業集團銀山礦業有限責任公司	Manufacture and sale of non-ferrous metals, rare metals and non-metals	30,000	100	1,434,578	617,090	344,617	414
JCC Dongtong Mining Company Limited 江西銅業集團東同礦業有限責任公司	Manufacture and sale of non-ferrous metals, rare metals and non-metals	46,209	100	418,649	-24,259	50,531	-24,193
Jiangxi JCC-Yates Copper Foil Inc. 江西省江銅-耶茲銅箔有限公司	Production and sale of copper foil	453,600	93.84	871,798	342,765	486,723	66,702
Jiangxi Copper (Longchang) Precise Pipe Company Limited 江西江銅龍昌精密銅管有限公司	Production and manufacture of screwed conduit, externally finned copper pipe and other copper pipe products	890,529	92.04	2,322,480	582,029	1,553,299	7,622
Jiangxi Copper Taiyi Special Electrical Materials Company Limited 江西省江銅-台意特種電工材料有限公司	Design, production and sales of all kinds of copper wires and enamelled wires, provision of aftersale maintenance and consultancy service	USD16,800	70	615,825	95,999	470,879	5,424

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Company name	Business nature	Registered capital	Shareholding percentage (%)	Total assets	Net assets	Operating revenue	Net profit/(loss)
Thermonamic Electronics (Jiangxi) Company Limited 江西納米克熱電子股份有限公司	Development and production of electronic semiconductors and provision of related services	70,000	95	69,744	63,359	12,279	660
JCC (Guixi) Metallurgical and Chemical Engineering Company Limited 江西銅業集團(貴溪)冶金化工工程有限公司	Metallurgical and chemical industry, manufacture and maintenance of equipment	35,081	100	138,980	57,117	164,523	2,973
JCC (Guixi) New Metallurgical and Chemical Company Limited 江西銅業集團(貴溪)冶化新技術有限公司	Copper smelting, new chemical technologies and new products development	2,000	100	45,097	38,340	10,380	2,365
JCC (Guixi) Logistics Company Limited 江西銅業集團(貴溪)物流有限公司	Provision of transportation services	40,000	100	186,012	143,879	106,331	9,020
JCC (Dexing) Alloy Materials Manufacturing Company Limited 江西銅業集團(德興)鑄造有限公司	Production and sale of casting products; maintenance of mechanical and electrical equipment; installation and debugging of equipment	66,380	100	213,114	142,041	126,044	2,382
JCC (Dexing) Construction Company Limited 江西銅業集團(德興)建設有限公司	Development and sales of building materials for various projects including mine projects	50,000	100	251,487	124,481	154,994	5,376
JCC Geological Exploration Engineering Company Limited 江西銅業集團地勘工程有限公司	Geographical investigation and survey and construction; engineering measurement	15,000	100	64,545	37,156	11,624	497
Jiangxi Jiangtong-Wengfu Chemical Industry Company Limited 江西省江銅-翁福化工有限責任公司	Sulphuric acid and its by-products	181,500	70	193,209	182,603	63,492	9,143
Jiangxi Copper Corporation Drill Project Company Limited 江西銅業集團井巷工程有限公司	General contracting for mining constructions	20,290	100	83,588	29,138	31,629	202

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Company name	Business nature	Registered capital	Shareholding percentage (%)	Total assets	Net assets	Operating revenue	Net profit/(loss)
JCC (Ruichang) Alloy Materials Manufacturing Company Limited 江西銅業集團(瑞昌)鑄造有限公司	Production and sales of cast iron grinding ball, machinery processing and manufacture and sales of wear resistant materials and products	2,602	100	12,159	5,624	17,405	110
JCC (Qianshan) Copper Concentration Pharmaceuticals Company Limited 江西銅業集團(鉛山)選礦藥劑有限公司	Sales of reagent for beneficiation and fine chemical products and other industrial and civilian products	10,200	100	32,090	25,940	12,796	642
Jiangxi Copper Chengdu Marketing Company Limited 成都江銅營銷有限公司	Sale of copper products	60,000	100	50,963	-98,657	799,849	-32,675
Jiangxi Copper Construction Supervision & Consultation Company Limited 江西銅業建設監理諮詢有限公司	Construction	3,000	100	11,330	9,824	3,786	-2,352
JCC Guangzhou Copper Products Company Limited 廣州江銅銅材有限公司	Production of copper rod and wire and the relevant products	800,000	100	6,974,880	903,050	6,846,944	6,560
Jiangxi Copper International Trade Company Limited 江銅國際貿易有限公司	Trading of metal products	1,000,000	60	8,622,596	806,671	26,565,870	-162,632
Shanghai Jiangtong Investment Holdings Ltd. 上海江銅投資控股有限公司	Construction	169,842	100	930,864	173,609	851,222	671
Jiangxi Copper (Dexing) Chemical Company Limited 江西銅業(德興)化工有限公司	Sulphuric acid and related by-products	375,821.5	100	663,744	428,597	100,980	15,829
Jiangxi Copper (Yugan) Forge & Alloy Company Limited 江西銅業集團(餘干)鑄造有限公司	Production and sales of cast iron grinding ball, machinery processing and manufacture and sales of wear resistant materials and products	28,000	100	55,269	44,475	25,131	1,682

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Company name	Business nature	Registered capital	Shareholding percentage (%)	Total assets	Net assets	Operating revenue	Net profit/(loss)
Jiangxi Copper (Qingyuan) Company Limited 江西銅業(清遠)有限公司	Manufacturing, processing and sales of anode sheets of copper cathode and non-ferrous metals	890,000	100	3,770,682	588,630	2,424,935	26,428
Jiangxi Copper Hong Kong Company Limited 江西銅業香港有限公司	Import-export business trade and settlement, offshore investment and financing, and cross-border RMB settlement	USD3,000	100	3,874,009	285,033	4,019,849	5,177
Jiangxi Copper Recycling Company Limited 江西銅業再生資源有限公司	Collection and sale of metal scrap	250,000	100	358,561	226,422	246,361	-822
Shangri-La Bisidaji Mining Company Limited 香格里拉市必司大吉礦業有限公司	Exploration of non-ferrous metals	5,000	51	79,734	-14,665	0	-2,995
Jiangxi Copper International (Istanbul) Mining Investment Co., Ltd. 江銅國際(伊斯坦布爾)礦業投資股份公司	Import and export trading of copper products	USD62,400	100	262,737	253,086	0	-15,592
Jiangxi Copper Technical Institution Co., Ltd. 江西銅業技術研究院有限公司	Research and development	45,000	100	48,103	44,608	1,630	-171
Zhejiang Jiangtong Fuyue Heding Copper Co., Ltd. 浙江江銅富冶和鼎銅業有限公司	Production and sale of copper cathode products	1,280,000	40	4,040,661	1,467,175	3,922,270	42,630
JCC Huabei (Tianjin) Copper Company Limited 江銅華北(天津)銅業有限公司	Production of copper rod and wire and the relevant products	510,204	51	817,823	535,954	4,098,588	5,192

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(2) Production and operation of our associates and joint ventures as of 30 June 2017

Unit: '000 Currency: RMB

Name of investee	Business nature	Registered capital		Our shareholding (%)	Total assets at the end of the year ('000)	Total liabilities at the end of the year ('000)	Net assets		Net profits for the year ('000)
		Currency	'000				aggregate at the end of the year ('000)	Total operating revenue for the year ('000)	
I. Joint Venture									
Jiangxi JCC-BIOTEQ Environmental Technologies Company Limited (江銅百泰環保科技有 限公司)	Industrial waste water recovery and product sales	RMB	28,200	50	57,275	7,464	49,811	25,977	8,632
Nesko Metal Sanayi ve Ticaret Anonim Sirketi	Exploration and sales of copper products	YTL	4,520,000	48	351,630	38,575	313,055		-14,195
Valuestone GP LTD. (嘉石普通合夥人有限 公司)	Investment company	USD	3,000	51	5,996	0	5,996		0
II. Associates									
Minmetals Jiangxi Copper Mining Investment Co., Ltd. (五礦江銅礦業投資有 限公司)	Investment company	RMB	3,960,000	40	4,580,882	1,649,996	2,930,886		19,127
MCC-JCL Aynak Minerals Company Limited (中冶江銅艾娜克礦業 有限公司)	Exploration and sales of copper products	USD	363,648	25	2,673,333	16,354	2,656,979		
Asia Development Sure Spread Company Limited (興亞保弘株式會社)	Import and export of copper products	JPY	200,000	49					
Zhaojue Fengye Smelting Company Limited (昭覺達輝濕法治煉有 限公司)	Production and sale of electro deposited copper	RMB	10,000	47.86	7,440	1,143	6,297		

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Name of investee	Business nature	Registered capital		Our shareholding	Total assets at the end of the year	Total liabilities at the end of the year	Net assets		Net profits for the year
		Currency	'000				(%)	in aggregate at the end of the year	
BOCI Securities Limited	Security broker and investment advisor	RMB	1,979,167	6.31	43,575,380	32,493,849	11,081,531	1,370,091	562,452
Valuestone Global Resources Fund I LP	Fund company	USD	1,765	66.67	120,275	199	120,076	0	-515
Jiangxi Jinbei JCC Electric Cable Co., Ltd. (江西金杯江銅電纜有限公司)	Production and sale of copper products	RMB	20,000	20	7,648	1,011	6,637	16,066	-853

(VIII) Structured entities under control of the Company

Not Applicable

II. EMPLOYEE INFORMATION OF THE PARENT AND ITS MAJOR SUBSIDIARIES

(I) Employee Information

Number of in-service employees in the parent	14,205
Number of in-service employees in major subsidiaries	6,862
Total number of in-service employees	21,067
Number of employees retired for whom the parent and major subsidiaries have to pay pension	0

Specialty composition

Category	Headcount
Production	16,276
Sales	261
Technician	1,897
Finance	383
Administration	2,250
Total	21,067

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Education level

Category	Headcount
Post-secondary and above	7,438
Technical secondary and senior secondary	8,800
Junior secondary and below	4,829
Total	21,067

(II) Remuneration Policy

During the reporting period, the total remuneration of employees of the Company amounted to RMB1,604 million. 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 of the Company, management obligation, etc.

(III) Training Plan

The Company will formulate a practical training plan by integrating development strategies as well as production and operation mission of the Company, so as to provide talent support and guarantee for realization of new strategic target of the Company. The Company has established three career paths for talents in management, professional techniques and skills for employees to continuously improve the overall quality of the Company's employees. The Company has established a series of regulatory system on training such as the Administrative Measures of Jiangxi Copper Company Limited on Staff Education and Training (《江西銅業股份有限公司員工教育培訓管理辦法》) and the Administrative Measures on Training Fund (《培訓經費管理辦法》), striving to build an all-round, multi-angle and multi-functional staff education and training system based on "learning, evaluation and practice" for the purpose of creating a promotion and career development platform, on which employees are assigned to positions based on their strengths in fair competition.

III. OTHER DISCLOSURE

(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

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(II) Potential Risks

1. The risk of decrease in copper price

In 2017, the Group planned to produce a total of 208,900 tonnes of copper contained in copper concentrates. For every decrease of RMB1,000 in copper price, the profits from the self-produced mines of the Company will decrease by RMB200 million (before tax) and the equivalent earnings per share before tax will decrease by approximately RMB0.06 per share. The Company has been pursuing a positive and prudent hedging policy for years. With an aim to ensure operating targets, the Company has provided hedging for self-produced raw materials according to their price ranges, and aimed to lock the processing fee in respect of outsourced raw materials, so as to shelter from the risk generated from fluctuations in copper price.

2. The risk of decrease in smelting processing fees

With the gradual operation of domestic new smelting capacity, the relative smelting capacity of copper concentrate will experience a slight shortage with an expanding trend. As of current, there has been a certain degree of decline in processing fees of copper smelting spot goods. The future uncertainty in the global macroeconomic development will also limit the growth of copper consumption, and the risk in copper smelting industry will be further increased.

3. Changes in domestic and overseas economic environment

Currently, although the growth of the global economy is positive, there are still uncertainties on whether the infrastructure of the United States will be implemented, the rise of trade protectionism, geopolitics and the internal risks in the euro zone. The PRC economy will continue to make progress, demonstrate an upward trend and improve quality while maintaining stability. However, the pressure of economic downturn still exists while financial reform and adjustments to monetary policies will have a profound influence on the Company's development.

4. The risk of safety and environmental protection

With the increasingly strict supervision of safety and environmental protection in the PRC, if there are safety and environmental protection incidents, not only will it bring significant economic losses to the Company, but it will also lead to tremendously negative impact on the market image of the Company. For this purpose, the Company will strengthen the management of subordinate with regard to highly hazardous production industries such as mining and smelting as well as the training of relevant staff.

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(III) Others Disclosure

There was no occurrence of events having a material impact on the Group subsequent to the end of the accounting period.

Since the publication of the 2016 annual report, there have been no material changes in the likely future business development of the Group, including the prospects of the Company for the current accounting year.

Significant Events

I. GENERAL MEETING OVERVIEW

Session of the meeting	Date of convening	Reference of the website specified for information disclosure	Publication date of resolutions
2016 Annual General Meeting	7 June 2017	www.sse.com.cn	8 June 2017

Explanation on shareholders' meeting

For details of the shareholders' meeting, please see the information set out in the relevant announcement disclosed by the Company.

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

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

During the reporting period, the Company had no proposal of profit distribution plan or plan for conversion of capital reserve to share capital.

Significant Events

III. PERFORMANCE OF UNDERTAKINGS

(I) Undertakings given by relevant parties related to the undertaking including de facto controller of the Company, shareholders, related parties, purchasers and the Company during or subsisted until the reporting period

Background of undertakings	Types of Undertakings	Party of undertakings	Details of the undertakings	The time and term of the undertakings	Whether there is time limit of performance	Whether it was fulfilled strictly in a timely manner	State the specific reason for failing to perform the undertaking in a timely manner	Specify the further plan if it fails to perform the undertaking in a timely manner
Undertaking related to share restructuring								
Undertaking made in the takeover report or report of changes in equity								
Undertaking related to significant asset restructuring								
Undertaking related to initial public offering	Others	Jiangxi Copper Corporation	See note 1	Date of the undertaking: 22 May 1997 Term: Long term	Yes	Yes	N/A	N/A
Undertaking related to refinancing	Resolving industry competition	Jiangxi Copper Corporation	See note 3	Date of the undertaking: 21 December 2016 Term: Long term	Yes	Yes	N/A	N/A
Undertaking in relation to share incentive								
Other undertakings made to the minority shareholders	Dividend	Jiangxi Copper Company Limited	See note 2	Date of the undertaking: 18 July 2016 Term: 3 years (2016-2018)	Yes	Yes	N/A	N/A
Other undertakings								

Significant Events

Note 1:

1. Under the Company Law of the PRC, the Company has full independent control over its production and operations. JCC has undertaken not to interfere with the daily operations and decisions of the Company, unless such actions are performed through the Board of the Company.
2. (I) During the period where JCC holds 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 Non-ferrous Metals Industry Corporation) shall constitute a majority of the Board of the Company in accordance with the requirements of the London Stock Exchange.

(II) During the period where JCC holds 30% or more voting rights of the share capital of the Company, JCC shall exercise its voting rights to ensure that no amendment to the Articles of Association of the Company that may impact the independence thereof shall be made.
3. During the period where JCC holds 30% or more voting rights of the share capital of the Company, JCC, its subsidiaries and connected companies (including the companies, enterprises and businesses controlled by 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 government agencies with respect to the businesses thereof.
5. In the event that JCC carries out such actions as transfers and disposal regarding the land use rights of Dexing Copper Mine, Yongping Copper Mine and Guixi Smelter, the Company shall have the preemptive right.
6. JCC gives an option to the Company that the Company can purchase from JCC any mines, smelters or refineries that are currently or will be owned and/or operated in the future or any rights of mining or exploration that are currently or will be held in the future by JCC.

Note 2: Details of dividend undertakings

1. The Company can distribute dividend by way of cash, scrip or the combination of cash and scrip; and can distribute interim dividend according to the actual profitability and the capital requirement of the Company;
2. According to the provisions of the laws, regulations and the Articles of Association, conditional upon the cumulative distributable profits being positive after making up of the losses, deduction of the statutory reserve fund and provident fund in full amount, and having sufficient profits and cash to support the normal production and operation of the Company, in each year, the profit distribution by way of cash shall be not less than 10% of the distributable profits realized for the year, and the accumulated distributable profit distributed by way of cash in the last three years shall be not less than 30% of the average annual distributable profits realized in the last three years;

Significant Events

3. In addition to satisfying the minimum cash dividend distribution, the Company can implement distribution by way of scrip dividend. The proposal for distribution by way of scrip dividend should be proposed by the Board and put forward to the shareholders' meeting for approval.

Note 3: As of 21 December 2016, the copper processing business conducted by JCC Copper Strip Company Limited (江西銅業集團銅板帶有限公司) ("Copper Strip Company"), a subsidiary of JCC and the Company and its holding subsidiaries are identical or similar to a certain extent but there is no actual competition between them. JCC undertakes as follows:

1. From 21 December 2016, JCC shall actively transfer its controlling interest or all interest in Copper Strip Company to other independent third parties in compliance with laws before the operating situation of Copper Strip Company turns better and fulfils the condition for being injected into the Company.
2. At the time when the operating situation of Copper Strip Company turns better and fulfils the condition for being injected into the Company, and in the event that JCC has not yet transferred the controlling interest or all interest of Copper Strip Company to independent third parties, JCC undertakes that, provided that the interests of investors of the Company are protected, it shall commence the relevant work to inject Copper Strip Company into the Company within three years after Copper Strip Company fulfils the conditions for being injected into the Company.
3. JCC shall continue to fulfil the various obligations under the "Option-to-Purchase Agreement" and "Undertaking given by Jiangxi Copper Corporation to Jiangxi Copper Company Limited".

IV. APPOINTMENT AND REMOVAL OF ACCOUNTING FIRMS

1. Explanation on appointment and removal of accounting firms

Not applicable

2. Explanation on change of the accounting firm during the audit period

Not applicable

3. The Company's explanation for "Non-standard Auditing Report" given by the accounting firms

Not applicable

Significant Events

- 4. Explanation of the Company on the issuance of a “Non-Standard Auditing Report” by the registered accountant in relation to the financial statements set out in the annual report of last year**

Not applicable

V. INSOLVENCY OR RESTRUCTURING

Not applicable

VI. MATERIAL LITIGATION AND ARBITRATION

During the reporting period, the Company had no material litigation and arbitration.

VII. PUNISHMENT ON AND RECTIFICATION OF THE COMPANY AND ITS DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, CONTROLLING SHAREHOLDER, DE FACTO CONTROLLER, AND OFFEROR

Not applicable

VIII. CREDIT CONDITIONS OF THE COMPANY AND ITS CONTROLLING SHAREHOLDERS, DE FACTO CONTROLLERS DURING THE REPORTING PERIOD

Not applicable

IX. SHARE OPTION SCHEME, EMPLOYEE SHAREHOLDING PLAN OR OTHER EMPLOYEE INCENTIVES OF THE COMPANY AND EFFECTS

- (I) Relevant share option scheme disclosed in extraordinary announcements and without subsequent development or changes during implementation**

Not applicable

- (II) Incentive not disclosed in extraordinary announcements or with subsequent development**

Equity incentive

Not applicable

Significant Events

Others

Not applicable

Employee shareholding plan

Not applicable

Other employee incentives

Not applicable

X. MATERIAL CONNECTED TRANSACTIONS

(I) Connected transactions in relation to daily operations

1. Events disclosed in extraordinary announcements and without subsequent development or changes during implementation

Not applicable

2. Events disclosed in extraordinary announcements with subsequent development or changes during implementation

Not applicable

3. Continuing connected transactions

Unit: Yuan Currency: RMB

Connected Party	Relationship 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	Percentage of the amount involved in transactions of the same category (%)	Payment terms of the connected transactions	Market price	Reason for the difference between trading price and market price
JCC and its subsidiaries	Controlling shareholder	Purchase of goods	Ancillary industrial products and other products	Market price		52,128,915	4.14	Payment upon acceptance		
JCC and its subsidiaries	Controlling shareholder	Acceptance of rights of use such as patent and trademark	Land use fee	Market price or cost plus tax		78,000,529	100	Settlement at the end of year		

Significant Events

Connected Party	Relationship 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	Percentage of the amount involved in transactions of the same category (%)	Payment terms of the connected transactions	Market price	Reason for the difference between trading price and market price
JCC and its subsidiaries	Controlling shareholder	Acceptance of services	Futures agent service fee	Market price		4,297,318	23.22	Payment upon completion of transaction		
JCC and its subsidiaries	Controlling shareholder	Other inflow	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		11,233,250	100	Monthly or quarterly payment		
JCC and its subsidiaries	Controlling shareholder	Acceptance of services	Acceptance of repair and maintenance service	Industry standards		12,519,282	15.93	Monthly payment		
JCC and its subsidiaries	Controlling shareholder	Acceptance of services	Labour services, such as loading and logistics services of goods	Market price		69,207,925	100	Monthly payment		
JCC and its subsidiaries	Controlling shareholder	Acceptance of services	Welfare and healthcare services			2,859,514	100	Monthly payment		
JCC and its subsidiaries	Controlling shareholder	Acceptance of services	Construction services	Market price		274,757	21.43	Payment upon acceptance		
JCC and its subsidiaries	Controlling shareholder	Sale of goods	Copper rods and wires (tonne)	Market price	40,862	303,428,052	1.50	Payment upon acceptance		
JCC and its subsidiaries	Controlling shareholder	Sale of goods	Electrolytic copper (tonne)	Market price	39,660	255,563,432	0.43	Payment upon acceptance		
JCC and its subsidiaries	Controlling shareholder	Sale of goods	Lead materials (tonne)	Market price		31,505,236	100	Payment upon acceptance		
JCC and its subsidiaries	Controlling shareholder	Sale of goods	Zinc concentrates (tonne)	Market price		37,847,156	100	Payment upon acceptance		
JCC and its subsidiaries	Controlling shareholder	Sale of goods	Sale of ancillary industrial products	Market price		27,079,662		Monthly payment		

Significant Events

Connected Party	Relationship 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	Percentage of the amount involved in transactions of the same category (%)	Payment terms of the connected transactions	Market price	Reason for the difference between trading price and market price
JCC and its subsidiaries	Controlling shareholder	Loans	Provision of loan	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		608,000,000	100	Payment on terms set out in the loan agreement		
JCC and its subsidiaries	Controlling shareholder	Loans	Provision of loan interests	Based on the benchmark lending rate promulgated by the People's Bank of China or deposit terms no less favorable than the similar terms offered to JCC by other domestic financial institutions or credit cooperatives		15,844,486	100	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		14,378,538	100	Monthly payment		
JCC and its subsidiaries	Controlling shareholder	Expenses of other utilities including water, electricity and gas (sale)	Water supply			194,992	100	Monthly payment		
JCC and its subsidiaries	Controlling shareholder	Provision of services	Construction services	Industry standards		74,113,963	46.99	Monthly payment		
JCC and its subsidiaries	Controlling shareholder	Provision of services	Provision of transportation services	Standard passenger and cargo rates of Jiangxi Province		6,404,163	7.05	Monthly payment		

Significant Events

Connected Party	Relationship 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	Percentage of the amount involved in transactions of the same category (%)	Payment terms of the connected transactions	Market price	Reason for the difference between trading price and market price
JCC and its subsidiaries	Controlling shareholder	Provision of services	Provision of miscellaneous services	Industry standards		3,570,151	100	Payment on terms set out in the agreement		
JCC and its subsidiaries	Controlling shareholder	Expenses of other utilities including water, electricity and gas (sale)	Rental from provision of public utilities	Shared on a cost basis in accordance with the proportion of staff		2,760,785	88.16	Monthly payment		
Total				/	/	1,611,212,106	/	/	/	/

Details of substantial sales return	During the reporting period, there was no substantial sales return.
Explanation on connected transactions	During the report period, the main and recurring connected transactions between the Group and its connected parties amounted to a total of RMB1,611 million, including purchase transaction of RMB219 million and selling transaction of RMB757 million. Inventory transaction of financial companies amounted to RMB635 million.

Note: 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 and are in the interests of the shareholders of the Company as a whole.

Significant Events

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.

Besides, the transactions between the Company and its associate, Zhaojue Fengye Smelting Company Limited (昭覺逢燁濕法冶煉有限公司), as well as its joint venture, Jiangxi JCC-BIOTEQ Environmental Technologies Company Limited (江銅百泰環保科技有限公司) amounted to RMB321,000 and RMB28,867,000 respectively.

(II) Connected transaction from asset acquisition or equity acquisition or sale

1. Events disclosed in extraordinary announcements and without subsequent development or changes during implementation

Not applicable

2. Events disclosed in extraordinary announcements with subsequent development or changes during implementation

Not applicable

3. Events not disclosed in extraordinary announcements

Not applicable

4. Where agreed results are involved, the results in the reporting period shall be disclosed

Not applicable

(III) Material connected transactions of joint overseas investment

1. Events disclosed in extraordinary announcements and without subsequent development or changes during implementation

Not applicable

Significant Events

2. **Events disclosed in extraordinary announcements with subsequent development or changes during implementation**

Not applicable

3. **Events not disclosed in extraordinary announcements**

Not applicable

(IV) Connected claim and debt

1. **Events disclosed in extraordinary announcements and without subsequent development or changes during implementation**

Not applicable

2. **Events disclosed in extraordinary announcements with subsequent development or changes during implementation**

Not applicable

3. **Events not disclosed in extraordinary announcements**

Not applicable

(V) Other material connected transactions

Not applicable

(VI) Others

Not applicable

Significant Events

XI. MATERIAL CONTRACTS AND THEIR PERFORMANCE

1. Custody, contracts and leases

Not applicable

2. Guarantees

Unit: 0'000 Currency: RMB

External guarantees provided by the Company (excluding those to subsidiaries)

Guarantor	Relationship between the guarantor and the listed company	Guaranteed party	Guarantee amount	Effective date of guarantee			Performance	Availability	Guarantee provided	Connected party or not	Connected relationship		
				(date of executing the agreement)	Commencement date of the guarantee	Expiry date of the guarantee							
Zhejiang Jiangtong Fuye Heding Copper Co., Ltd. (浙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)	50,091	22 January 2017	22 January 2017	31 December 2017	General guarantee	No	No	0	Yes	Yes	Other connected persons

Total amount of guarantees incurred during the reporting period (excluding those to subsidiaries) 50,091

Total balance of guarantee at the end of the reporting period (A) (excluding those to subsidiaries) 50,063

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

Significant Events

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

Total amount of guarantees (A+B)	50,063
Total amount of guarantees over the net assets of the Company (%)	1.07
Including:	
Amount of guarantees provided to shareholders, de facto controllers and their related parties (C)	0
Amount of debt guarantees directly or indirectly provided to guaranteed parties with a debt to asset ratio exceeding 70% (D)	0
Amount of total guarantees exceeding 50% of net assets (E)	0
Total amount of the above three amount of guarantees (C+D+E)	0
Explanation on possible joint and several liability for liabilities settlement in case of outstanding guarantee	No

Explanation on guarantee

For the above guarantees, please refer to the Announcement on the Provision of External Guarantees by Jiangxi Copper Company Limited to its Subsidiaries Zhejiang Jiangtong Fuye Heding Copper Co., Ltd. (浙江江銅富冶和鼎銅業有限公司) (《江西銅業關於子公司浙江江銅富冶和鼎銅業有限公司對外擔保的公告》) dated 24 January 2017 disclosed by the Company on The Shanghai Stock Exchange's website (www.sse.com.cn); the Announcement on Continuing Connected Transaction Relating to the New Mutual Guarantees Agreement dated 24 January 2017 disclosed on the Stock Exchange's website (<http://www.hkexnews.hk/index.htm>) and the Company's website.

3. Other material contracts

Not applicable

XII. POVERTY ALLEVIATION OF THE LISTED COMPANY

Not applicable

XIII. PARTICULARS OF CONVERTIBLE BOND OF THE COMPANY

Not applicable

Significant Events

XIV. STATEMENTS ON ENVIRONMENTAL PROTECTION OF THE COMPANY AND ITS SUBSIDIARIES FALLING INTO THE CATEGORY OF HEAVILY POLLUTING INDUSTRIES DESIGNATED BY NATIONAL ENVIRONMENTAL AUTHORITIES

Not applicable

XV. 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 2017 were considered and approved.

XVI. 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.

XVII. PURCHASE, DISPOSAL AND REPURCHASE OF THE COMPANY'S LISTED SECURITIES

During the reporting period, the Company did not repurchase any of its listed securities. Neither the Company nor any of its subsidiaries purchased or disposed of any listed securities of the Company during the reporting period.

XVIII. 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.

Significant Events

XIX. CAPITAL STRUCTURE OF THE GROUP

The existing loans and cash and cash equivalents of the Group are denominated in RMB, USD and HKD which are the currencies used for respective businesses. The main sources of the fund of the Company are cash inflows generated from normal operating activities such as sale of products and the liquidity loans borrowed from banks, which are mainly used as funds required for the purchase of raw materials, other materials and spare parts for products and the repayment of bank borrowings upon maturity.

To strengthen financial control, the Company formulated a series of rules and policies, including the Administrative Measures for the Use of Large Amount of Fund (《大額資金使用管理辦法》), the Administrative Measures for the Fund of Jiangxi Copper Company Limited (《江西銅業股份有限公司資金管理辦法》), the Administrative System for the Fund of Jiangxi Copper Company Limited (《江西銅業股份有限公司資金管理制度》) and the Interim Measures for the Accounting of Hedging of Copper Futures of the Company (《公司銅期貨套期保值會計核算暫行辦法》).

The Company mainly locks in forward exchange rates to prevent adverse effects from the fluctuation of exchange rates by using foreign exchange derivatives, including the lock-in of the exchange rate of future financial liabilities upon maturity under forward and swap contracts.

XX. PLEDGES ON GROUP ASSETS

As of 30 June 2017, assets of the Group amounting to the net book value of RMB3,743.06 million were pledged for securing certain bank loans, including the pledged deposits of RMB2,398.97 million (31 December 2016: RMB28.43 million), accepted bank notes and bank wealth management products of RMB107.83 million (31 December 2016: RMB738.46 million), pledged buildings of RMB166.29 million (31 December 2016: RMB168.28 million), pledged machinery and equipment of RMB352.67 million (31 December 2016: 427.56 million), pledged land use right of RMB254.89 million (31 December 2016: RMB177.65 million), pledged inventory of RMB362.41 million (31 December 2016: nil) and pledged available-for-sale financial assets of RMB100.00 million (31 December 2016: nil). The Group had not pledged any Renminbi account receivables (31 December 2016: nil).

XXI. GEARING RATIO

The gearing ratio of the Company is 95.77%. Gearing ratio is calculated as the division of total liabilities by total equity attributable to owners of the Company in the condensed consolidated statement of financial position set out in the 2017 interim report.

Significant Events

XXII. 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.

XXIII. CONTINGENT LIABILITIES

As at 30 June 2017, the Group has issued financial guarantees to banks in respect of banking facilities granted to non-controlling interests of a subsidiary to the extent of approximately RMB1,272,265,000 (31 December 2016: RMB1,193,139,000). In the opinion of the directors of the Company, the fair value of the financial guarantee contract is insignificant at initial recognition and the directors consider that the possibility of the default of the non-controlling interests of a subsidiary involved is remote, accordingly, no value has been recognised in the condensed consolidation statement of financial position as at the end of reporting period.

Significant Events

XXIV. DESCRIPTION ON OTHER MATERIAL MATTERS

- (I) **Description of, reasons for and impact of the change in accounting policy, accounting estimation and audit method as compared to the previous accounting period**

Not applicable

- (II) **Retrospective restatement to be made to correct major accounting errors during the reporting period, the corrected amounts, reasons, and impacts**

Not applicable

- (III) **Others**

Not applicable

Changes in Share Capital and Shareholders

I. CHANGES IN SHARES

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

II. CHANGES IN SHARES SUBJECT TO LOCK-UP

Not applicable

III. THE NUMBER OF SHAREHOLDERS AND SHAREHOLDINGS

(1) Total number of Shareholders

Total number of ordinary shareholders at the end of the reporting period	143,554
Total number of preference shareholders with voting rights restored at the end of the reporting period	0

Changes in Share Capital and Shareholders

(2) **Table of shareholdings of the top ten shareholders and the top ten shareholders holding tradable shares (or shareholders not subject to lock-up) at the end of the reporting period**

Shareholdings of the top ten shareholders

Unit: Share

Name of shareholder (full name)	Increase/ decrease during the reporting period	Number of shares held at the end of the reporting period	Percentage (%)	Number of shares held subject to lock-up	Situation of pledge or freeze		Nature of shareholder
					Share status	Number	
JCC	0	1,403,614,110	40.53	0	Nil	0	State-owned legal person
HKSCC Nominees Limited ("HKSCC")	-7,086,786	1,179,982,495	34.08	0	Unknown		Unknown
Central Huijin Asset Management Limited	0	31,843,800	0.92	0	Unknown		Unknown
China Securities Finance Corporation Limited	19,356,158	19,356,158	0.56	0	Unknown		Unknown
Taiping Life Insurance Company Limited – Bonus – Team Bonus (太平人壽保險有限公司 —分紅—團險分紅)	0	8,241,022	0.24	0	Unknown		Unknown
New China Life Insurance Company Limited – Bonus – Individual Bonus – 018L – FH002 SH (新華人壽保險股份有限 公司—分紅—個人分紅— 018L—FH002滬)	0	8,049,449	0.23	0	Unknown		Unknown

Changes in Share Capital and Shareholders

Name of shareholder (full name)	Increase/ decrease during the reporting period	Number of shares held at the end of the reporting period	Percentage (%)	Number of shares held subject to lock-up	Situation of pledge or freeze		Nature of shareholder
					Share status	Number	
China Life Insurance Company Limited – Bonus – Individual Bonus – 005L – FH002 SH (中國人壽保險股份有限 公司 – 分紅 – 個人分紅 – 005L – FH002 滬)	-740,156	7,309,293	0.21	0	Unknown		Unknown
Taiping Life Insurance Company Limited – Bonus – Individual Bonus (太平人壽保險有限公 司 – 分紅 – 個險分紅)	6,999,872	6,999,872	0.20	0	Unknown		Unknown
Beijing Fengshan Investment Ltd. (北京鳳山投資有限責任 公司)	0	6,784,000	0.20	0	Unknown		Unknown
Bank of China Limited – Hua An New Silk Road Theme Equity Securities Investment Fund (中國銀行股份有限公 司 – 華安新絲路主題股票 型證券投資基金)	6,300,000	6,300,000	0.18	0	Unknown		Unknown

Changes in Share Capital and Shareholders

Shareholdings of the top ten shareholders not subject to lock-up

Name of shareholder	Number of tradable shares held not subject to lock-up	Class and number of shares	
		Class	Number
JCC	1,403,614,110	Ordinary shares denominated in RMB (A share)	1,205,479,110
		Overseas listed foreign shares (H share)	198,135,000
HKSCC	1,179,982,495	Overseas listed foreign shares (H share)	1,179,982,495
Central Huijin Asset Management Limited	31,843,800	Ordinary shares denominated in RMB (A share)	31,843,800
China Securities Finance Corporation Limited	19,356,158	Ordinary shares denominated in RMB (A share)	19,356,158
Taiping Life Insurance Company Limited – Bonus – Team Bonus (太平人壽保險有限公司一分紅一團險分紅)	8,241,022	Ordinary shares denominated in RMB (A share)	8,241,022
New China Life Insurance Company Limited – Bonus – Individual Bonus – 018L – FH002 SH (新華人壽保險股份有限公司一分紅一個人分紅一018L-FH002滬)	8,049,449	Ordinary shares denominated in RMB (A share)	8,049,449
China Life Insurance Company Limited – Bonus – Individual Bonus – 005L – FH002 SH (中國人壽保險股份有限公司一分紅一個人分紅一005L-FH002滬)	7,309,293	Ordinary shares denominated in RMB (A share)	7,309,293
Taiping Life Insurance Company Limited – Bonus – Individual Bonus (太平人壽保險有限公司一分紅一個險分紅)	6,999,872	Ordinary shares denominated in RMB (A share)	6,999,872
Beijing Fengshan Investment Ltd. (北京鳳山投資有限責任公司)	6,784,000	Ordinary shares denominated in RMB (A share)	6,784,000
Bank of China Limited – Hua An New Silk Road Theme Equity Securities Investment Fund (中國銀行股份有限公司–華安新絲路主題股票證券投資基金)	6,300,000	Ordinary shares denominated in RMB (A share)	6,300,000

- The explanation of the connected relationship or parties acting in concert among the aforesaid shareholders:
- (1) JCC, the controlling shareholder of the Company, and the other holders of shares not subject to lock-up are neither connected persons nor parties acting in concert as defined in "the Measures for the Administration of the Takeover of Listed Companies" (《上市公司收購管理辦法》) issued by CSRC.
 - (2) The Company is not aware of any connected relationship among the holders of shares not subject to lock-up, nor aware of any parties acting in concert as defined in "the Measures for the Administration of the Takeover of Listed Companies" (《上市公司收購管理辦法》) issued by CSRC.

Preferred shareholders with restored voting / rights and their shareholding

- Notes:
1. HKSCC held a total of 1,179,876,495 H Shares of the Company in the capacity of nominee on behalf of a number of customers, representing approximately 34.08% of the total issued share capital of the Company. HKSCC is a member of the Central Clearing and Settlement System, providing registration and custodial services for customers.
 2. The 198,135,000 H Shares held by JCC have been registered with HKSCC and were separately listed from the other shares held by HKSCC when disclosed in the table above. Taking into account the H shares held by JCC, HKSCC held 1,378,117,495 shares as nominee, representing approximately 39.80% of the issued share capital of the Company.

Changes in Share Capital and Shareholders

Shareholdings of the top ten shareholders subject to lock-up and the trading restrictions

Not applicable

(3) Strategic investors or general legal person who become the top ten shareholders due to the placement of new shares

Not applicable

(4) Shareholders' Interests and Short Positions

As at 30 June 2017, 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 under Section 336 of the Securities and Futures Ordinance ("SFO") were as follows:

Name of shareholder	Class of shares	Capacity	Number of shares (Note 1)	Approximate percentage of the relevant class of share (%)	Approximate Percentage of total issued shares (%)
JCC (Note 2)	A shares	Beneficial owner	1,205,479,110 (L)	58.09	34.81
JCC (Note 3)	H shares	Beneficial owner	198,135,000 (L)	14.28	5.72

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

Note 2: In addition to the abovementioned 1,205,479,110 A shares beneficially owned by JCC, on 25 February 2016, the Company entered into the A share subscription agreement with JCC (as supplemented and amended by the A Share Supplemental Agreement entered into between the Company and JCC on 26 May 2017) (the "A Share Subscription Agreement"), pursuant to which, the Company has conditionally agreed to allot and issue and JCC has conditionally agreed to subscribe for not less than 10% of new A shares to be issued pursuant to the A Share Subscription Agreement (the "A Share Issue"). Accordingly, JCC was deemed to be interested in such number of shares to be issued to JCC pursuant to the A Share Issue. The A Share Issue was, however, terminated by the Company on 7 July 2017.

Changes in Share Capital and Shareholders

Note 3: 198,135,000 H shares held by JCC were registered with HKSCC. In addition to the abovementioned 198,135,000 H shares beneficially owned by JCC, on 25 February 2016, the Company entered into the H share subscription agreement (the "H Share Subscription Agreement") with JCC, pursuant to which, the Company has conditionally agreed to allot and issue and JCC has conditionally agreed to subscribe for or its designated wholly-owned subsidiary to subscribe for new H shares amounting to not more than HK\$4,150 million in aggregate (the "H Share Issue"). Accordingly, JCC was deemed to be interested in such number of shares to be issued to JCC pursuant to the H Share Issue. The H Share Issue was, however, terminated by the Company on 7 July 2017.

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 2017.

(5) Changes in Controlling Shareholder and De Facto 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

Not applicable

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

Not applicable

II. CHANGES IN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY

Name	Position held	Change
Zhou Donghua	Independent non-executive Director	Appointed
Zhang Weidong	Independent non-executive Director	Resigned
Zhang Kui	Supervisor	Elected
Xie Ming	Supervisor	Resigned

Explanation on the changes in directors, supervisors and senior management of the Company

Not applicable

III. SHAREHOLDING OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

As at 30 June 2017, 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 set out in Appendix 10 to the Listing Rules.

IV. OTHER EXPLANATIONS

Not applicable

Corporate Bonds

Not applicable

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 60 to 91, which comprise the condensed consolidated statement of financial position as of 30 June 2017 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
29 August 2017

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For The Six Months Ended 30 June 2017
(Prepared In Accordance With IFRS)

	NOTES	Six months ended 30 June	
		2017 RMB'000 (unaudited)	2016 RMB'000 (unaudited)
Revenue	3	97,759,550	89,972,986
Cost of sales		(94,579,484)	(87,546,265)
Gross profit		3,180,066	2,426,721
Other income	4	319,984	436,557
Other gains and losses	5	(405,648)	(181,766)
Selling and distribution expenses		(298,253)	(264,673)
Administrative expenses		(803,671)	(845,571)
Finance costs		(362,986)	(538,346)
Share of results of joint ventures		(11,548)	(20,732)
Share of results of associates		43,016	12,621
Profit before taxation		1,660,960	1,024,811
Taxation	6	(698,561)	(286,762)
Profit for the period	7	962,399	738,049
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		21,633	37,218
Reclassification adjustments relating to transfer of cash flow hedges		(18,661)	(42,208)
Fair value change on available-for-sale investments		230	7,795
Share of exchange differences of associates and joint ventures		(38,850)	53,193
Exchange differences arising on translation		(34,802)	17,605
Income tax relating to components of other comprehensive income		(775)	2,918
Other comprehensive (expense) income for the period (net of tax)		(71,225)	76,521
Total comprehensive income for the period		891,174	814,570

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For The Six Months Ended 30 June 2017
(Prepared In Accordance With IFRS)

	NOTES	Six months ended 30 June	
		2017 RMB'000 (unaudited)	2016 RMB'000 (unaudited)
Profit (loss) for the period attributable to:			
Owners of the Company		973,559	643,006
Non-controlling interests		(11,160)	95,043
		962,399	738,049
Total comprehensive income (expense) attributable to:			
Owners of the Company		907,691	719,527
Non-controlling interests		(16,517)	95,043
		891,174	814,570
Earnings per share			
Basic and diluted	9	RMB0.28	RMB0.19

Condensed Consolidated Statement of Financial Position

At 30 June 2017

(Prepared In Accordance With IFRS)

	NOTES	At 30 June 2017 RMB'000 (unaudited)	At 31 December 2016 RMB'000 (audited)
Non-current assets			
Property, plant and equipment	10	21,434,064	20,934,508
Investment properties		477,743	484,297
Prepaid lease payments		1,176,293	1,190,259
Intangible assets		1,194,458	1,217,641
Exploration and evaluation assets		534,929	514,761
Interests in associates		2,823,847	2,722,937
Interests in joint ventures		283,793	283,468
Available-for-sale investments	12	1,764,616	1,931,736
Deferred tax assets		818,556	960,335
Deposits for prepaid lease payments		82,150	82,150
Deposits for property, plant and equipment	10	311,649	268,363
		30,902,098	30,590,455
Current assets			
Inventories		16,566,286	15,412,386
Trade and bills receivables	13	17,655,844	16,562,303
Prepayments, deposits and other receivables		6,368,305	6,373,515
Other investments	11	49,707	689,707
Loans to fellow subsidiaries		714,285	1,082,560
Prepaid lease payments		28,183	28,309
Available-for-sale investments	12	4,099,440	2,890,577
Held-for-trading financial assets		214,074	188,035
Derivative financial instruments	14	30,660	297,690
Restricted bank deposits		9,466,452	4,818,393
Bank balances and cash		7,908,553	8,260,268
		63,101,789	56,603,743
Assets classified as held for sale	15	189,892	189,892
		63,291,681	56,793,635

Condensed Consolidated Statement of Financial Position

At 30 June 2017
(Prepared In Accordance With IFRS)

	NOTES	At 30 June 2017 RMB'000 (unaudited)	At 31 December 2016 RMB'000 (audited)
Current liabilities			
Trade and bills payables	16	9,533,078	11,817,151
Other payables and accruals		4,867,081	4,516,422
Deposits from holding company and fellow subsidiaries		2,251,472	1,966,372
Deferred revenue – government grants		47,855	47,855
Derivative financial instruments	14	430,504	546,565
Held-for-trading financial liabilities	17	5,112,599	2,682,586
Dividend payable		533,809	–
Tax payable		472,538	806,285
Bank borrowings	18	20,791,259	14,955,890
		44,040,195	37,339,126
Net current assets		19,251,486	19,454,509
Total assets less current liabilities		50,153,584	50,044,964
Non-current liabilities			
Bank borrowings	18	10,500	228,100
Provision for rehabilitation		177,724	173,509
Employee benefit liability		83,433	109,190
Deferred revenue – government grants		571,231	592,224
Other long term payables		8,969	10,979
Deferred tax liabilities		107,114	108,114
		958,971	1,222,116
		49,194,613	48,822,848
Capital and reserves			
Share capital	19	3,462,729	3,462,729
Reserves		43,523,539	43,135,257
Equity attributable to owners of the Company		46,986,268	46,597,986
Non-controlling interests		2,208,345	2,224,862
		49,194,613	48,822,848

Condensed Consolidated Statement of Changes in Equity

For the Six Months Ended 30 June 2017
(Prepared in Accordance with IFRS)

	Attributable to owners of the Company													Non-controlling interests	Total
	Share capital	Share premium	Capital reserve	Other reserves	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	
At 1 January 2017 (audited)	3,462,729	12,647,502	(902,113)	(97,626)	4,816,743	9,647,574	375,030	1,642	84,980	519,409	16,042,116	46,597,986	2,224,862	48,822,848	
Profit (loss) for the period	-	-	-	-	-	-	-	-	-	-	973,559	973,559	(11,160)	962,399	
Other comprehensive income (expense) for the period	-	-	-	173	-	-	-	2,254	(68,295)	-	-	(65,868)	(5,357)	(71,225)	
Total comprehensive income (expense) for the period	-	-	-	173	-	-	-	2,254	(68,295)	-	973,559	907,691	(16,517)	891,174	
Dividend declared	-	-	-	-	-	-	-	-	-	(519,409)	-	(519,409)	-	(519,409)	
Transfer between categories	-	-	-	-	-	-	143,345	-	-	-	(143,345)	-	-	-	
At 30 June 2017 (unaudited)	3,462,729	12,647,502	(902,113)	(97,453)	4,816,743	9,647,574	518,375	3,896	16,685	-	16,872,330	46,986,268	2,208,345	49,194,613	
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	

Condensed Consolidated Statement of Changes in Equity

For the Six Months Ended 30 June 2017
(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 reserves 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. The current period movement represents net fair value change arising from available-for-sale investments amounting to RMB173,000 (six months ended 30 June 2016: gain on net fair value change of RMB9,744,000).
- (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 CaiQi [2006] No 478 "Tentative measures for the financial management of the production safety fund for the high risk enterprises" that is issued by Ministry of Finance and Safety Production General Bureau. The reserve is for future enhancement of safety production environment and improvement of facilities and is not available for distribution to shareholders.

Condensed Consolidated Statement of Cash Flows

For the Six Months Ended 30 June 2017
(Prepared in Accordance with IFRS)

	Six months ended 30 June	
	2017 RMB'000 (unaudited)	2016 RMB'000 (unaudited)
Net cash from operating activities	665,781	448,226
Investing activities		
Proceeds from disposal of available-for-sale investments	3,957,718	1,106,750
Repayment of loans to fellow subsidiaries	973,000	760,104
Proceeds from disposal of other investments	640,000	101,979
Dividend received from available-for-sale investments	13,500	–
Dividend received from an associate	11,199	27,838
Proceeds from disposal of property, plant and equipment	24,297	416
Additional investment in an associate	(113,133)	–
Additional investment in a joint venture	(6,683)	–
Purchase of available-for-sale investments	(4,899,440)	(2,116,785)
Increase in restricted bank deposits	(4,742,260)	(1,931,113)
Advance of loans to fellow subsidiaries	(608,000)	(923,000)
Purchase of other investments	–	(350,000)
Deposits paid for acquisition of property, plant and equipment	(311,649)	(279,312)
Purchase of property, plant and equipment	(1,204,129)	(182,489)
Purchase of exploration and evaluation assets	(20,168)	(49,465)
Other investing cash flows, net	(23)	1,934
Net cash used in investing activities	(6,285,771)	(3,833,143)
Financing activities		
New bank and other borrowings raised	11,459,303	16,074,187
Proceeds from held-for-trading financial liabilities	5,027,466	1,799,631
Contribution from non-controlling interests	–	228,000
Repayment of bank and other borrowings	(8,302,769)	(16,616,858)
Repayment of held-for-trading financial liabilities	(2,407,118)	(1,135,626)
Interest paid	(357,410)	(381,084)
Dividends paid to non-controlling interests	(49,600)	(1,500)
Net cash from (used in) financing activities	5,369,872	(33,250)
Net decrease in cash and cash equivalents	(250,118)	(3,418,167)
Cash and cash equivalents at the beginning of the period	8,260,268	16,705,051
Effect of foreign exchange rate changes	(101,597)	166,306
Cash and cash equivalents at the end of the period, representing bank balances and cash	7,908,553	13,453,190

Notes to the Condensed Consolidated Financial Statements

For The Six Months Ended 30 June 2017
(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 2017 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2016.

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 IAS 7	Disclosure initiatives
Amendments to IAS 12	Recognition of deferred tax assets for unrealised losses
Amendments to IFRSs	Annual improvements to IFRSs 2014 – 2016 cycle relating to amendments of IFRS 12

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 2017
(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 are 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	
	2017 <i>RMB'000</i> (unaudited)	2016 <i>RMB'000</i> (unaudited)
Sales of goods		
– copper cathodes	59,559,595	54,975,863
– copper rods	20,249,663	17,233,667
– copper processing products	2,501,660	1,671,832
– gold	3,337,091	3,392,906
– silver	1,672,253	1,775,515
– sulphuric and sulphuric concentrate	392,646	550,340
– rare and other non-ferrous metals	8,846,789	9,270,697
– others	1,726,111	1,333,615
Revenue analysis prepared in accordance with ASBE	98,285,808	90,204,435
Less: sales related taxes	(526,258)	(231,449)
Revenue analysis prepared in accordance with IFRSs	97,759,550	89,972,986

Notes to the Condensed Consolidated Financial Statements

For The Six Months Ended 30 June 2017
(Prepared In Accordance With IFRS)

3. REVENUE AND SEGMENT INFORMATION (Continued)

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

	Six months ended 30 June	
	2017 RMB'000 (unaudited)	2016 RMB'000 (unaudited)
Trading revenue (<i>note</i>)	64,043,436	53,364,586
Other non-trading revenue	33,841,411	36,444,869
Other revenue	400,961	394,980
Revenue analysis prepared in accordance with ASBE	98,285,808	90,204,435
Less: sales related taxes	(526,258)	(231,449)
Revenue analysis prepared in accordance with IFRSs	97,759,550	89,972,986

Note: Trading revenue represents revenue generated from trade of copper cathodes, copper rods and other products purchased from external parties and sale to external parties, excluding those produced by the Group.

4. OTHER INCOME

	Six months ended 30 June	
	2017 RMB'000 (unaudited)	2016 RMB'000 (unaudited)
Interest income	268,907	381,817
Dividend income on available-for-sale investments	13,500	–
Government grants recognised (<i>note</i>)	21,791	22,552
Income from value-added tax refund	15,683	32,161
Compensation income	103	27
	319,984	436,557

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.

Notes to the Condensed Consolidated Financial Statements

For The Six Months Ended 30 June 2017
(Prepared In Accordance With IFRS)

5. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2017 <i>RMB'000</i> (unaudited)	2016 <i>RMB'000</i> (unaudited)
Fair value change on derivative financial instruments		
Transactions not qualifying for hedge accounting		
– Fair value change on commodity derivative contracts	(39,784)	651,259
– Fair value change on foreign currency forward contracts and interest rate swaps	45,017	(32,308)
Transactions qualifying as fair value hedges		
– Inventory hedged	(90)	(817)
– Fair value change on hedging instruments	511	919
Ineffective portion of cash flow hedges	(9,655)	1,285
Fair value change on held-for-trading financial assets	(573)	(14,869)
Fair value change on held-for-trading financial liabilities	142,818	(586,052)
Income from other investments	–	12,180
Income from available-for-sale investments	120,698	82,426
Gain on disposal of property, plant and equipment	9,666	4
Exchange (loss) gain, net	(48,990)	45,953
Impairment loss on trade and other receivables	(613,185)	(334,470)
Impairment loss on loans to fellow subsidiaries	(3,275)	(670)
Impairment loss on available-for-sale investments	(7,350)	–
Others	(1,456)	(6,606)
	(405,648)	(181,766)

Notes to the Condensed Consolidated Financial Statements

For The Six Months Ended 30 June 2017
(Prepared In Accordance With IFRS)

6. TAXATION

	Six months ended 30 June	
	2017	2016
	RMB'000	RMB'000
	(unaudited)	(unaudited)
The charge comprises:		
Current taxation		
– PRC Enterprise Income Tax	559,269	503,753
– Hong Kong Profits Tax	717	–
	559,986	503,753
(Over) underprovision in prior years		
– PRC Enterprise Income Tax	(11,320)	4,694
Deferred taxation	149,895	(221,685)
	698,561	286,762

Hong Kong Profits Tax has been provided at the rate of 16.5% (six months ended 30 June 2016: 16.5%) on the estimated assessable profits arising in Hong Kong for five of the Group's subsidiaries (six months ended 30 June 2016: three) during the period.

The provision for PRC Enterprise Income Tax is based on a statutory rate of 25% (six months ended 30 June 2016: 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 for those high technology companies entitled to a lower PRC Enterprise Income Tax rate of 15% according to the PRC Enterprise Income Tax Law.

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

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7. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2017 <i>RMB'000</i> (unaudited)	2016 <i>RMB'000</i> (unaudited)
Profit for the period has been arrived at after charging (crediting):		
Depreciation of property, plant and equipment	819,717	820,249
Depreciation of investment properties	6,554	3,168
Amortisation of prepaid lease payments	14,092	14,570
Amortisation of intangible assets, included in administrative expense	24,004	21,527
Reversal of allowance for inventories, included in cost of sales	(56,289)	(126,003)

8. DIVIDENDS

	Six months ended 30 June	
	2017 <i>RMB'000</i> (unaudited)	2016 <i>RMB'000</i> (unaudited)
Dividends recognised as distribution during the period:		
Final dividend of RMB0.15 per share for 2016 (six months ended 30 June 2016: final dividend of RMB0.1 per share for 2015)	519,409	346,273

No dividends were paid during the six months ended 30 June 2017 and 2016. The directors do not recommend the payment of a dividend and propose that the profit for the period be retained.

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 RMB973,559,000 (six months ended 30 June 2016: RMB643,006,000) and on the number of 3,462,729,405 (six months ended 30 June 2016: 3,462,729,405) ordinary shares in issue during the period.

Diluted earnings per share presented is the same as basic earnings per share because there is no outstanding potential dilutive ordinary shares as at 30 June 2017 and 2016 and during the periods.

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10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2017, the Group spent approximately RMB1,310,560,000 (six months ended 30 June 2016: RMB570,633,000) on construction in progress and RMB22,871,000 (six months ended 30 June 2016: RMB15,412,000) on other property, plant and equipment. Property, plant and equipment with carrying values of approximately RMB14,631,000 (six months ended 30 June 2016: RMB16,305,000) were disposed of by the Group, none (six months ended 30 June 2016: RMB15,893,000) of which has been offset by the provision for rehabilitation. No property, plant and equipment was transferred to investment properties and prepaid lease payment (six months ended 30 June 2016: RMB3,750,000 and nil, respectively). The Group also paid deposits for acquisition of property, plant and equipment of RMB311,649,000 during the period (six months ended 30 June 2016: RMB279,312,000).

11. OTHER INVESTMENTS

	At 30 June 2017 RMB'000 (unaudited)	At 31 December 2016 RMB'000 (audited)
Loan investments (<i>Note a</i>)	49,707	689,707

Note:

- (a) As at 30 June 2017, the amount represents a loan investment arranged via a bank to an independent securities company (31 December 2016: one independent securities company) with high credit-ratings and good reputation. The loan receivable has maturity date due on 27 September 2017 and was unsecured and carried particular interest rates.

As at 30 June 2017, the loan receivable was pledged to secure short-term borrowings. (31 December 2016: RMB49,707,000 was pledged to secure short term borrowings and RMB640,000,000 was pledged to secure the bank acceptance bills).

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12. AVAILABLE-FOR-SALE INVESTMENTS

	At 30 June 2017 RMB'000 (unaudited)	At 31 December 2016 RMB'000 (audited)
Unlisted equity investments, at cost (note a)	931,230	931,230
Impairment loss recognised	(20,666)	(20,666)
	910,564	910,564
Financial products, at fair value (note b)	–	30,000
Bonds investment, at fair value (note c)	61,402	61,172
Loan investments, at fair value (note d)	4,492,090	3,420,577
Investment in a partnership, at fair value (note e)	400,000	400,000
	5,864,056	4,822,313
Non-current assets	1,764,616	1,931,736
Current assets	4,099,440	2,890,577
	5,864,056	4,822,313

Notes:

- (a) The unlisted equity investments represent the Group's equity interests in unlisted PRC companies. They are measured at cost less impairment at the end of the reporting period because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that their fair values cannot be measured reliably. None of the shareholdings exceeds 20% of the issued capital of the respective investee.
- (b) As at 31 December 2016, the financial products held by the Group generate annual target return rate ranged from 8.00% to 9.00%, which does not have fixed maturity dates. The directors consider that the fair value of the financial products approximate to their costs.
- (c) As at 30 June 2017, the bonds investment held by the Group generate annual target return rate ranged from 7.17% to 7.50% (31 December 2016: 7.17% to 7.50%), which will due from 22 October 2019 to 31 October 2019 (31 December 2016: 22 October 2019 to 31 October 2019). The directors consider that the fair value of the bonds investment approximate to their costs.
- (d) The amount represents loan investments arranged via a bank to fifteen independent securities companies (31 December 2016: ten independent securities companies) with high credit rating and good reputation. The loan investments have maturity date from 1 July 2017 to 20 October 2018 (31 December 2016: 15 February 2017 to 24 May 2018) and were unsecured and carried particular interest rates from 3.51% to 8.80% (31 December 2016: 2.59% to 9.20%) per annum. The directors consider that the fair value of the loan investments approximate to their costs.
- (e) The amount represents the Group's initial capital contribution for setting up a partnership in the PRC with two independent third parties. The principle business of the partnership is for investment management. The directors consider that the fair value of the investment approximates to its cost.

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13. TRADE AND BILLS RECEIVABLES

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

	At 30 June 2017 RMB'000 (unaudited)	At 31 December 2016 RMB'000 (audited)
Within 1 year	13,852,803	13,748,041
1 to 2 years	1,450,057	2,216,724
2 to 3 years	1,780,449	594,124
Over 3 years	572,535	3,414
	17,655,844	16,562,303

14. DERIVATIVE FINANCIAL INSTRUMENTS

	At 30 June 2017 Fair value		At 31 December 2016 Fair value	
	Assets RMB'000 (unaudited)	Liabilities RMB'000 (unaudited)	Assets RMB'000 (audited)	Liabilities RMB'000 (audited)
Net settlement:				
Commodity derivative contracts	27,645	(276,920)	297,690	(418,847)
Provisional price arrangements	99	(142,554)	–	(70,554)
Foreign currency forward contracts and interest rate swaps	2,916	(11,030)	–	(57,164)
	30,660	(430,504)	297,690	(546,565)

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14. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

The above derivative financial instruments are further analysed as follows:

	At 30 June 2017 RMB'000 (unaudited)	At 31 December 2016 RMB'000 (audited)
Derivatives qualifying for hedge accounting:		
Cash flow hedges		
– Commodity derivative contracts	(6,075)	3,300
Fair value hedges		
– Provisional price arrangements	(133,494)	(60,140)
	(139,569)	(56,840)
Derivatives not qualifying for hedge accounting:		
– Commodity derivative contracts	(319)	19,624
– Provisional price arrangements	(8,961)	(10,414)
	(9,280)	9,210
Derivatives not under hedge accounting:		
– Commodity derivative contracts	(242,881)	(144,081)
– Foreign currency forward contracts and interest rate swaps	(8,114)	(57,164)
	(250,995)	(201,245)
	(399,844)	(248,875)

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.

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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 2017, the expected delivery period of the forecasted sales for copper related products was from July to September 2017 (31 December 2016: from January to March 2017).

– 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.

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15. ASSETS CLASSIFIED AS HELD FOR SALE

On 6 December 2016, the Group's subsidiary, Sichuan Kangxi Copper Company Limited ("Kangxi Copper"), received local government official's decision to cease production and relocate to another location due to environment protection policies.

As at 30 June 2017 and 31 December 2016, Kangxi Copper's immovable building infrastructure amounting to RMB150,488,000 and immovable machinery amounting to RMB39,404,000 were transferred to assets classified as held for sale.

16. 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 2017 RMB'000 (unaudited)	At 31 December 2016 RMB'000 (audited)
Within 1 year	9,456,471	11,769,680
1 to 2 years	47,506	7,551
2 to 3 years	2,278	22,637
Over 3 years	26,823	17,283
	9,533,078	11,817,151

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

17. HELD-FOR-TRADING FINANCIAL LIABILITIES

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

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18. BANK BORROWINGS

	At 30 June 2017 RMB'000 (unaudited)	At 31 December 2016 RMB'000 (audited)
Bank borrowings, secured	4,538,445	1,969,635
Bank borrowings, unsecured	16,263,314	13,214,355
	20,801,759	15,183,990
Carrying amount repayable		
On demand or within one year	20,791,259	14,955,890
More than one year, but not exceeding two years	–	217,600
More than two years, but not exceeding five years	–	–
More than five years	10,500	10,500
	20,801,759	15,183,990
Less: Amount due after one year shown as non-current liabilities	10,500	228,100
Amount due within one year shown as current liabilities	20,791,259	14,955,890
	20,801,759	15,183,990

The effective annual interest rates on the Group's bank borrowings range from 0.32% to 6.00% (31 December 2016: 0.98% to 4.90%) per annum.

19. SHARE CAPITAL

	Number of shares	Amount RMB'000
Balance at 1 January 2016, 30 June 2016, 1 January 2017 and 30 June 2017		
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.

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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 those derived from 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).

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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 2017 (unaudited)	31 December 2016 (audited)				
1. Listed equity securities classified as held-for-trading financial assets	Assets – RMB53,497,000	Assets – RMB27,285,000	Level 1	Quoted bid prices in active markets.	N/A	N/A
2. Listed debenture investments classified as held-for-trading financial assets	Assets – RMB160,577,000	Assets – RMB160,750,000	Level 1	Quoted bid prices in active markets.	N/A	N/A
3. Standardised commodity derivative contracts classified as derivative financial instruments	Assets – RMB6,750,000 Liabilities – RMB148,286,000	Assets – RMB143,222,000 Liabilities – RMB286,568,000	Level 1	Quoted bid prices in active markets.	N/A	N/A
4. Gold lease contracts classified as held-for-trading financial liabilities	Liabilities – RMB5,112,599,000	Liabilities – RMB2,682,586,000	Level 2	Discounted cash flow. The fair value of the gold lease contracts is estimated by reference to the quoted bid prices of similar standardised gold contracts at the end of the reporting period.	N/A	N/A
5. Non-standardised commodity derivative contracts classified as derivative financial instruments	Assets – RMB20,895,000 Liabilities – RMB128,634,000	Assets – RMB154,468,000 Liabilities – RMB132,279,000	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.	N/A	N/A

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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 2017 (unaudited)	31 December 2016 (audited)				
6. Foreign currency forward contracts classified as derivative financial instruments	Liabilities – RMB11,030,000	Liabilities – RMB53,487,000	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 swaps contracts classified as derivative financial instruments	Assets – RMB2,916,000	Liabilities – RMB3,677,000	Level 2	Discounted cash flow. Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.	N/A	N/A
8. Provisional price arrangements classified as derivative financial instruments	Assets – RMB99,000 Liabilities – RMB142,554,000	Liabilities – RMB70,554,000	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

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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 2017 (unaudited)	31 December 2016 (audited)				
9. Bonds investment classified as available-for-sale investments	Assets – RMB61,402,000	Assets – RMB61,172,000	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	Nil	Assets – RMB30,000,000	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.
11. Loan investments classified as available-for-sale investments	Assets – RMB4,492,090,000	Assets – RMB3,420,577,000	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	Assets – RMB400,000,000	Level 3	Discounted cash flow. Fair value are estimated based on its expected cash flows discounted by unquoted annual return rate of similar investments.	Unquoted annual return rate of similar financial products provided by counterparties.	The higher the unquoted annual return rate, the lower the fair value.

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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)

There were no transfers between Level 1, 2 and 3 in the current and prior periods.

Reconciliation of Level 3 fair value measurement

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

	Six months ended 30 June	
	2017	2016
	RMB'000	RMB'000
	(unaudited)	(unaudited)
At beginning of the period	3,850,577	3,118,445
Total gain recognised in profit or loss	111,960	89,797
Purchases	4,899,440	2,116,785
Settlements	(3,969,887)	(1,106,750)
	<hr/>	<hr/>
At end of the period	4,892,090	4,218,277

Included in other comprehensive income is an income of RMB230,000 (six months ended 30 June 2016: RMB7,795,000) relates to available-for sale investments held at the end of the current reporting period.

Fair value of the Group's financial assets and liabilities that are not measured at a fair value on a recurring basis (but fair value disclosures are required)

The directors of the Group 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.

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.

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21. RELATED PARTY TRANSACTIONS

During the six months ended 30 June 2017 and 2016, other than as disclosed elsewhere in the condensed consolidated financial statements, the Group had the following transactions with related parties.

(a) Transaction with related parties

	Six months ended 30 June	
	2017 RMB'000 (unaudited)	2016 RMB'000 (unaudited)
Sales to holding company		
Sales of auxiliary industrial products	98	198
Sales to fellow subsidiaries		
Sales of copper cathodes	255,563	311,406
Sales of copper rods	303,428	231,503
Sales of auxiliary industrial products	26,017	43,853
Sales of lead concentrate	31,505	331,910
Sales of zinc concentrate	37,847	184,802
Sales of sulfuric and sulfuric concentrate	965	–
	655,325	1,103,474
Sales to an associate		
Sales of auxiliary industrial products	321	–
Sales of sulfuric acid	–	265
	321	265
Sales to a joint venture		
Sales of auxiliary industrial products	3,005	–
Sales to non-controlling interests and its subsidiaries		
Sales of copper cathodes	1,705,989	1,725,843
Sales of copper rods	787,089	524,543
Sales of auxiliary industrial products	–	588,882
	2,493,078	2,839,268

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21. RELATED PARTY TRANSACTIONS (Continued)

(a) Transaction with related parties (Continued)

	Six months ended 30 June	
	2017 RMB'000 (unaudited)	2016 RMB'000 (unaudited)
Purchases from fellow subsidiaries		
Purchases of auxiliary industrial products	13,731	15,292
Purchases of by-products	6,299	–
Purchases of rare and other non-ferrous metals	32,099	11,286
	52,129	26,578
Purchase from a joint venture		
Purchases of cupric sulphide	–	26,220
Purchases from non-controlling interests and its subsidiaries		
Purchases of copper cathodes	1,290,505	1,907,107
Purchases of copper waste	–	220,950
Purchases of by products	128,469	–
Purchases of rare and other non-ferrous metals	14,405	–
	1,433,379	2,128,057
Financial services received by fellow subsidiaries		
Interest received from loan provided	15,844	18,693
Financial services received from holding company		
Interest paid for deposits made	2,644	1,870
Financial services received from fellow subsidiaries		
Interest paid for deposits made	8,589	7,871

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21. RELATED PARTY TRANSACTIONS (Continued)

(a) Transaction with related parties (Continued)

	Six months ended 30 June	
	2017 RMB'000 (unaudited)	2016 RMB'000 (unaudited)
Service fees charged by holding company		
Land lease expense	78,001	78,001
Repair and maintenance services	157	–
Labour service	160	=
Welfare and health care services	2,860	4,575
	81,178	82,576
Service fees charged by fellow subsidiaries		
Labour service	69,048	4,091
Repair and maintenance services	12,363	10,571
Brokerage agency services for commodity derivative contracts	4,297	3,611
Vehicle transportation fee	–	477
Construction services	275	–
	85,983	18,750
Service fees charged to holding company		
Construction services	1,128	1,288
Supply of electricity	1,257	1,514
Vehicle transportation services	443	41
Supply of water	133	95
Other management income	215	1,167
	3,176	4,105

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21. RELATED PARTY TRANSACTIONS (Continued)

(a) Transaction with related parties (Continued)

	Six months ended 30 June	
	2017 RMB'000 (unaudited)	2016 RMB'000 (unaudited)
Service fees charged to fellow subsidiaries		
Construction services	72,986	63,666
Supply of electricity	13,121	467
Supply of equipment with design and installation service	591	–
Vehicle transportation services	5,961	14,644
Repair and maintenance services	2,765	–
Rentals for public facilities and other services	2,761	5,951
Supply of water	62	15
Other management income	–	5,003
	98,247	89,746
Service fees charged to a joint venture		
Construction services	268	–
Loans provided to fellow subsidiaries	608,000	923,000

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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	
	2017 <i>RMB'000</i> (unaudited)	2016 <i>RMB'000</i> (unaudited)
Short-term employees benefits	4,218	3,795
Post-employment benefits	257	70
Performance related bonus	50	50
	4,525	3,915

(c) Balances with related parties

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

	At 30 June 2017 <i>RMB'000</i> (unaudited)	At 31 December 2016 <i>RMB'000</i> (unaudited)
	Trade and bills receivables due from holding company	1,321
Trade and bills receivables due from fellow subsidiaries	904,403	721,792
Trade and bills receivables due from an associate	1,067	535
Trade and bills receivables due from a joint venture	276	1,079
Prepayments and other receivables due from holding company	1,571	1,933
Prepayments and other receivables due from fellow subsidiaries	1,022,956	1,003,590
Prepayments and other receivables due from non-controlling interests and its subsidiaries	6,469	2

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended 30 June 2017
(Prepared in Accordance with IFRS)

21. RELATED PARTY TRANSACTIONS (Continued)

(c) Balances with related parties (Continued)

	At 30 June 2017 RMB'000 (unaudited)	At 31 December 2016 RMB'000 (unaudited)
Prepayments and other receivables due from a joint venture	410	2,034
Loans to fellow subsidiaries	714,285	1,082,560
Trade and bills payables due to holding company	1,490	1,624
Trade and bills payables due to fellow subsidiaries	47,582	55,772
Trade and bills payables due to an associate	–	884
Trade and bills payables due to a joint venture	1,755	–
Trade and bills payables due to non-controlling interests and its subsidiaries	73,200	288,627
Other payables and accruals due to holding company	240,899	10,813
Other payables and accruals due to fellow subsidiaries	78,297	217,031
Other payables and accruals due to non-controlling interests and its subsidiaries	19,343	21,853
Deposits from holding company	1,193,232	464,288
Deposits from fellow subsidiaries	1,058,240	1,502,084
Other long term payables due to holding company	8,969	12,989

(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 2017
(Prepared in Accordance with IFRS)

22. COMMITMENTS AND CONTINGENCIES

(1) COMMITMENTS

	At 30 June 2017 RMB'000 (unaudited)	At 31 December 2016 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	791,809	1,728,193
Investments in associates (<i>note</i>)	2,136,375	2,079,799
	2,928,184	3,807,992

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

The total investment of MCC-JCJ 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.

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 USD150 million of which the Group has undertaken to contribute USD100 million.

(2) CONTINGENCIES

As at 30 June 2017, the Group has issued financial guarantees to banks in respect of banking facilities granted to non-controlling interests of a subsidiary to the extent of approximately RMB1,272,265,000 (31 December 2016: RMB1,193,139,000). In the opinion of the directors of the Company, the fair value of the financial guarantee contract is insignificant at initial recognition and the directors consider that the possibility of the default of the non-controlling interests of a subsidiary involved is remote, accordingly, no value has been recognised in the condensed consolidation statement of financial position as at the end of reporting period.

Documents Available for Inspection

The 2017 interim report duly signed and sealed by the legal representative of the Company

The 2017 interim report published on the Hong Kong Stock Exchange

The financial statements duly signed and sealed by the legal representative, the principal accounting responsible person 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 2017

Chairman: **Li Baomin**

Board approval date: 29 August 2017

Updated Information

Not applicable

Jiangxi Copper Company Limited

