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 Annual Report

Important Notice

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

II. All Directors attended the Board meeting in relation to, among others, the approval of results for the year ended 31 December 2017 (the "**Reporting Period**").

III. The consolidated financial statements of the Group for the Reporting Period prepared in accordance with PRC Accounting Standards for Business Enterprises ("**PRC GAAP**") and International Financial Reporting Standards ("**IFRSs**") have been audited by Deloitte Touche Tohmatsu Certified Public Accountants LLP (Special General Partnership) (domestic auditor) and Deloitte Touche Tohmatsu (overseas auditor) respectively with standard unqualified audit report issued.

IV. The person in charge of the Company, Long Ziping, the person in charge of accounting, Wu Jinxing, and Manager of Finance Department (accounting chief), Zhou Minhui, hereby warrant the truthfulness, accuracy and completeness of the financial report as set out in this annual report.

V. Proposal of profit distribution plan or transfer of capital reserve to share capital during the Reporting Period after consideration by the Board

The Board has recommended distributing to all shareholders a final dividend of RMB0.20 per share (inclusive of tax) for 2017. The Board did not recommend transfer of capital reserve to share capital or issue of bonus shares.

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

This annual report contains forward-looking statements that involve future plans and development strategies which do not constitute a commitment by the Company to its investors. Investors should be aware of the investment risks.

VII. There is no misappropriation of funds by the controlling shareholders and their connected parties for non-operation purpose.

VIII. There is no external guarantee made in violation of the required decision-making procedures.

IX. Notice of principal risks

The Company has described the industrial risks in details in the report. Please refer to the content of "Discussion and analysis on the future development of the Company – Potential risks" under the section headed "Management Discussion and Analysis" of this report.

X. Others

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

CONTENTS

Definitions and Notice of Principal Risks

I. Definitions

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

Definitions to the frequently-used terms:

Company or Jiangxi Copper	Jiangxi Copper Company Limited
copper concentrate(s)	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(s)	The amount of copper in copper concentrate
CSRC	China Securities Regulatory Commission
Group	The Company and its subsidiaries
JCC	Jiangxi Copper Corporation Limited (formerly known as Jiangxi Copper Corporation)
PRC	The People's Republic of China
SSE	Shanghai Stock Exchange

II. Notice of principal risks

The Company has disclosed herein the industrial risks in details. Please refer to the content of "Discussion and analysis on the future development of the Company – Potential risks" under the section headed "Management Discussion and Analysis" of this report.

Corporate Profile

I. Corporate information

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

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 Changdong Avenue, High-tech Development Zone, Nanchang, Jiangxi Province, the People's Republic of China	7666 Changdong Avenue, High-tech Development Zone, Nanchang, Jiangxi Province, the People's Republic of China
Telephone	(86)791-82710117	(86)791-82710111
Facsimile	(86)791-82710114	(86)791-82710114
E-mail	jccl@jxcc.com	jccl@jxcc.com

III. 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 Changdong 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

Corporate Profile

IV. Information disclosure and place of inspection

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

V. Information on the Company's shares

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

VI. Other relevant information

Auditor appointed by the Company (Domestic)	Name	Deloitte Touche Tohmatsu Certified Public Accountants LLP (Special General Partnership)
	Office address	30th Floor, Bund Center, 222 Yan'an Road (East), Shanghai, the 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, the PRC
	Name of sponsor representatives as signatories	Xu Lei (徐磊), Du Yiqing (杜禕清)
	Period of continuous performance	September 2008-December 2017

Summary of Accounting Data and Major Financial Indicators

I. Major accounting data and financial indicators for the last three years of the Company

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

Unit: Yuan Currency: RMB

Major accounting information	2017	2016 Restated	2016 Originally stated	Increase/decrease for the period over the same period last year (%)	2015 Restated	2015 Originally stated
Operating income	**205,046,854,771**	202,308,220,227	202,308,220,227	1.35	185,782,491,341	185,782,491,341
Net profit attributable to shareholders of the Company	**1,604,107,754**	784,149,893	787,538,113	104.57	636,841,393	637,218,130
Net profit after non-recurring profit and loss items attributable to shareholders of the Company	**2,385,607,672**	1,390,442,915	1,388,184,102	71.57	122,134,872	121,883,714
Net cash flows from operating activities	**3,259,243,125**	4,059,614,617	4,325,998,967	-19.72	1,901,306,683	1,902,023,306

	End of 2017	End of 2016 Restated	End of 2016 Originally stated	Increase/decrease at the end of the period over the end of the same period last year (%)	End of 2015 Restated	End of 2015 Originally stated
Net assets attributable to shareholders of the Company	**47,532,426,878**	46,834,108,258	46,597,873,215	1.49	45,973,203,318	45,906,380,055
Total assets	**97,468,655,222**	87,481,112,363	87,384,092,258	11.42	89,856,591,238	89,755,211,107

Summary of Accounting Data and Major Financial Indicators

(II) Major financial indicators (prepared in accordance with the PRC GAAP)

Currency: RMB

Major financial indicator	2017	2016 Restated	2016 Originally stated	Increase/decrease for the period over the same period last year *(%)*	2015 Restated	2015 Originally stated
Basic earnings per share *(RMB/share)*	**0.46**	0.23	0.23	100	0.18	0.18
Diluted earnings per share *(RMB/share)*	**N/A**	N/A	N/A	N/A	N/A	N/A
Basic earnings per share after non-recurring profit and loss items *(RMB/share)*	**0.69**	0.4	0.4	72.5	0.04	0.04
Rate of return on net assets (weighted average) *(%)*	**3.39**	1.7	1.7	Increased by 1.69 percentage points	1.39	1.39
Rate of return on net assets after non-recurring profit and loss items (weighted average) *(%)*	**5.05**	3	3	Increased by 2.05 percentage points	0.27	0.27

II. Differences in accounting data under domestic and foreign accounting standards

Differences in net profit and net assets attributable to shareholders of the Company in the financial reports prepared under IFRSs and those under PRC GAAP

Unit: Yuan Currency: RMB

	Net profit		Net assets attributable to shareholders of the Company	
	Amount for the period	Amount for the previous period (Restated)	**As at the end of the period**	As at the beginning of the period (Restated)
Under PRC GAAP	**1,604,107,754**	784,149,893	**47,532,426,878**	46,834,108,258
Adjustments to items and amounts under IFRSs:				
Production safety fund provided under the PRC GAAP but not used during the period	**45,590,875**	49,121,253	**–**	–
Income tax effect on production safety fund	**–**	4,134,898	**–**	–
Other 1	**(111,000)**	–	**–**	112,279
Other 2	**–**	–	**4,000**	–
Under IFRSs	**1,649,587,629**	837,406,044	**47,532,430,878**	46,834,220,537

III. Major quarterly financial data in 2017 (prepared in accordance with the PRC GAAP)

Unit: Yuan Currency: RMB

	First Quarter (January–March)	Second Quarter (April–June)	Third Quarter (July–September)	Fourth Quarter (October–December)
Operating income	44,684,133,049	53,601,674,521	57,069,593,368	49,691,453,833
Net profit attributable to shareholders of the Company	541,250,886	288,961,877	750,450,145	23,444,846
Net profit after non-recurring profit and loss items attributable to shareholders of the Company	583,031,472	38,588,459	1,288,432,052	475,555,689
Net cash flows from operating activities	982,124,500	-118,087,115	633,317,906	1,761,887,834

Summary of Accounting Data and Major Financial Indicators

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

Unit: Yuan Currency: RMB

Non-recurring profit and loss items	2017 amount	Notes (if applicable)	2016 amount (Restated)	2015 amount (Restated)
Profit and loss from disposal of non-current assets	**-57,926,166**		-56,767,605	-26,564,619
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	**89,668,111**		108,716,949	130,017,135
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 ventures obtained by the enterprise is less than the profit generated from the fair value of identifiable net assets of the invested unit enjoyed when investment is obtained				
Profit and loss from exchange of non-monetary assets				
Profit and loss from investment or asset management entrusted to others				
Provision for impairment reserves due to force majeure factor, such as natural disasters				
Profit and loss from debt restructuring				

Summary of Accounting Data and Major Financial Indicators

Unit: Yuan Currency: RMB

Non-recurring profit and loss items	2017 amount	Notes (if applicable)	2016 amount (Restated)	2015 amount (Restated)
Enterprise restructuring expense, such as employee placement expenditure, integration expenses and so on				
Profit and loss exceeding the fair value generated in transaction where the transaction price is obviously unfair				
Net profit or loss from the beginning of period to the combination date of the subsidiary company generated from consolidation of enterprises under the same control	**-5,246,320**		-5,647,033	-627,895
Profit and loss generated from contingencies unrelated with 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	**-744,055,340**		-928,113,160	514,659,035
Reversion of provision for impairment of the receivables under independent impairment test			89,755,067	246,914,831
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				

Summary of Accounting Data and Major Financial Indicators

Non-recurring profit and loss items	2017 amount	Notes (if applicable)	2016 amount (Restated)	2015 amount (Restated)
Influence of one-time adjustment on current profits and losses according to requirements in the laws and regulations of tax and accounting	**-163,881,961**			
Income from trustee fee obtained from entrusted operation				
Other non-operating income and expenses other than the above	**-29,251,066**			69,887,172
Other profit and loss items conforming to definition of non-recurring items			12,877,655	-88,233,512
Income from disposal of long-term equity investment			15,198,345	
Impact from interests of minority shareholders	**26,149,604**		-18,155,322	-120,319,110
Impact from income tax	**103,043,220**		175,842,082	-211,026,516
Total	**-781,499,918**		-606,293,022	514,706,521

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

Unit: Yuan Currency: RMB

Item	Opening balance	Closing balance	Change during the period	Impact on profit of the current period
1. Investment in held-for-trading equity instruments				
Equity investments	27,284,608	**56,861,137**	29,576,529	-3,409,816
2. Investment in held-for-trading debt instruments				
Bond investment	160,750,782	**152,873,898**	-7,876,884	-16,298,663
3. Derivatives not designated as a hedge				
Forward foreign exchange contracts	-53,486,962	**9,650,606**	63,137,568	62,838,622
Interest rate swap contracts	-12,841	**-42,562**	-29,721	-31,644
Commodity option contracts	-132,280,125	**-122,291,963**	9,988,162	28,276,066
Commodity futures contracts	-140,954,879	**-191,123,081**	-50,168,202	-55,035,766
Gold futures contracts	129,153,350	**-18,231,510**	-147,384,860	-147,384,860
Foreign exchange swap contracts	-3,664,397	**-14,051,364**	-10,386,967	-10,839,911
4. Liabilities arising from the gold lease contracts measured at fair value	-2,682,585,751	**-4,742,760,000**	-2,060,174,249	120,947,050
5. Hedging instruments				
(1) Non-effective hedging derivative instruments				
Commodity futures contracts	19,624,410	**-1,598,845**	-21,223,255	-20,690,487
Provisional pricing arrangement	-10,414,104	**-14,293,551**	-3,879,447	-3,879,446
(2) Effective hedging derivative instruments				
Commodity futures contracts	3,299,862	**-19,569,660**	-22,869,522	-17,211,717
Item measured at fair value included in inventory	2,693,886,370	**3,249,373,800**	555,487,430	134,231,785
Provisional pricing arrangement	-60,140,289	**-179,057,903**	-118,917,614	-118,917,615
6. Available-for-sale financial assets				
Available-for-sale equity instruments	430,000,000	**514,670,000**	84,670,000	–
Available-for-sale debt instruments	3,481,749,017	**2,911,426,352**	-570,322,665	–
Total	3,862,209,051	**1,591,835,354**	-2,270,373,697	-47,406,402

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 scattered metal, sulphuric chemistry as well as finance and trade 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 mines under production: Dexing Copper Mine (including copper factory mining area, Fujiawu mining area and Zhushahong mining area), Yongping Copper Mine, Chengmenshan Copper Mine (including Jinjiwo Silver-Copper Mine), Wushan Copper Mine, Dongxiang Copper Mine and Yinshan Lead-Zinc Mine.

2. Guixi Smelter, the largest blister and copper concentrate smelter and refiner with the largest scale, the most advanced technologies and being the most environmentally friendly in China.

3. Seven modern copper products processing plants: Jiangxi Copper Products Company Limited, Guangzhou Copper Products Company Limited, Jiangxi Copper Yates Copper Foil Company Limited, 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 Co., Ltd..

4. Two sulphuric acid plants with advanced technology: Jiangxi Jiangtong – Wengfu Chemical Company Limited and Jiangxi Copper (Dexing) Chemical Company Limited.

(II) Explanation of the industry

In 2017, the strong rebound of the manufacturing industry in developed countries and the stable economic growth in developing countries drove the continuous recovery of global economy and the rebound of international non-ferrous metal price stimulated the overall upturn of operating results in mining companies. Suffered from impact including international copper mine strikes and changes in policies on copper scrap import in China, in 2017, the international copper price recorded an eye-catching performance that the price of copper on the London Metal Exchange (LME) increased from USD5,516 per tonne at the beginning of the year to USD7,251.5 per tonne, representing a significant increase of 31.5%.

II. Analysis of core competitiveness during the Reporting Period

The Group has established an industry chain with core businesses such as mining, ore dressing, smelting and processing of copper, as well as sulphuric chemistry and extraction and processing of 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 control of more resources and raising the production volume of self-owned mines. As of the end of 2017, the Group maintained its major resources as follows:

   The Company had 100% ownership in the proven resource reserves of approximately 9,979,000 tonnes of copper metal, 296.5 tonnes of gold, 9,774 tonnes of silver, and 209,000 tonnes of molybdenum. 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 approximately 210,000 tonnes. The Group's current production capacity of copper cathode is over 1,300,000 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 1,000,000 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 is equipped with expansion ability and advantages for operating similar mines or smelting enterprises.

4. Advantage of brand. The Group operates with a complete industry chain of mining, ore dressing, smelting and processing. Being larger in scale and better in reputation, the Group has occupied a front position among top 500 Chinese enterprises and top 500 Chinese manufacturing enterprises for consecutive years. The Group has gained recognition, trust, support and help from various sectors of the society, and possesses a relatively stronger risk resistant capability.

Management Discussion and Analysis

(The data in this section is extracted from the consolidated financial statements prepared under the PRC GAAP)

I. Discussion and analysis of operation

During the Reporting Period, the global economic environment was recovering moderately and the domestic economy was stabilizing and improving. With the joint efforts of all employees of the Company, the Group has made steady progress and positive achievements. It has taken a series of effective measures and successfully completed various production and operation targets.

In respect of industrial production, the Group continued to implement benchmarking management, while the mining and smelting capacity remained efficient: Guixi Smelter overcame the difficulties of outsourcing complex raw materials processing, and maintained a stable and efficient dual system operation; 16 indicators including the running rate of semi-autogenous mill of Dexing Copper Mine, 6 indicators including the recovery rate of sulfur selection of Chengmenshan Copper Mine and the recovery rate of copper, gold and sliver of Yinshan Mining reached the highest levels in recent three years, thereby creating substantial economic benefits for the Group while strengthening its position in the industry. In 2017, through scientific organization and precision management, the Group was able to maintain stable performance of production capacity in different types of products. The Group smelted and produced 1,370,000 tonnes of copper cathode, while the self-owned copper mine produced 209,600 tonnes of copper contained in copper concentrates in total. The production quality of subsidiary copper processing enterprises continued to improve, whereas the grade A product rate of copper foil, level 1 and 2 product rate of copper rods and comprehensive yield rate of copper tube all reached a record high.

In respect of cost control, facing the increasingly fierce competition in the industry, the Group focused on improving quality and efficiency, forming a strong atmosphere of quality improvement, cost reduction and efficiency increase, thereby the production costs were effectively controlled. The Group optimized business systems such as material procurement, trade and sales business, and financial accounting, proactively explored the use of new financing instruments, optimized the financing structure, adopted an improved raw material procurement structure, and implemented measures such as interaction between the futures market and spot market and so on to enhance the results of the Company.

In respect of managing technological innovation, the Group established a goal orientation, strengthened the management of scientific research and innovation projects, accelerated the transformation of scientific research achievements, and accelerated the implementation of innovation-driven strategies. In 2017, a total of 42 patents were granted throughout the year, of which 13 were invention patents, among which, the "Key Technologies and Application of Comprehensive Utilization of Associated Pyrite Resources in Non-ferrous Metals" (「有色金屬共伴生硫鐵礦資源綜合利用關鍵技術及應用」) project won the National Science and Technology Progress Award (Second Prize), the "New Technology and Industrialization of Integrated Recycling of Sulphurized Copper Ores and Associated Metal Molybdenum And Rhenium" (「硫化銅礦伴生金屬鉬錸綜合回收新技術與產業化」) and "System Process and Equipment Development of Recycled Copper Smelting" (「再生銅冶煉系統工藝及裝備開發」) projects won the Science and Technology Progress Awards of Jiangxi Province (First Prize). The Group has stepped up its efforts to promote the construction of intelligent factories and digital mines, among which the construction of the intelligent factory of Guixi Smelter has been fully launched, and the relevant modules of Chengmenshan Copper Mine intelligent mining service platform have been built orderly.

In respect of risk control, the Group strengthened the concept of comprehensive risk management and control, strengthened the management before, during, and after any incident, and continued to increase the efforts on management and control of operational risks. The Group promulgated the "Customer Credit Management Measures" to initially realize the "four unifications" of customer and supplier management, credit management, guarantee management, and market management of the marketing system of the Company. The Group adhered to the principle of "focusing on prevention before incidents and control during incidents, while supplemented by remedies after incidents" to further strengthen the legal risk prevention mechanism, innovate legal affairs management, and enhance the awareness on rule of law of all employees.

In respect of safety and environmental protection, the Group adhered to the priority of environmental protection, continued to increase environmental protection investment, strengthened the operation, maintenance and management of environmental protection facilities, and steadily carried out the construction of pollution prevention, ecological restoration and environmental governance projects. In 2017, the Company was elected as the "Annual Green Development Leading Enterprise of China Nonferrous Metals Industry" (First Session).

II. Major business operations during the Reporting Period

During the Reporting Period, with the joint efforts of all employees, the Group successfully achieved the production target made at the beginning of the year. The Group produced 209,600 tonnes of copper contained in copper concentrates, basically the same as last year; produced 1,370,000 tonnes of copper cathode, which is 160,000 tonnes more than that produced last year; produced 25.58 tonnes of gold, basically the same as last year; produced 484 tonnes of silver, which is 23 tonnes less than that produced last year; produced 1,140,000 tonnes of various copper products, which is 190,000 tonnes more than those produced last year; produced 3,570,000 tonnes of sulphuric acids and 2,500,000 tonnes of sulphur concentrates, basically the same as last year; furthermore, produced 7,286 tonnes of standard molybdenum concentrates (average grade at 45%), 2,090 kilograms of ammonium perrhenate, 55 tonnes of refined tellurium and 556 tonnes of refined bismuth.

According to the audited 2017 consolidated financial statement prepared in accordance with the PRC GAAP, the consolidated operating income of the Group is RMB205,046,854,771 (2016: RMB202,308,220,227), representing an increase of RMB2,738,634,544 (or 1.35%) as compared with last year; achieving net profit attributable to shareholders of the Company of RMB1,604,107,754 (2016: RMB784,149,893), representing an increase of RMB819,957,861 (or 104.57%) as compared with last year; basic earning per share is RMB0.46 (2016: RMB0.23), representing an increase of RMB0.23 (or 100%) as compared with last year.

(I) Analysis of principal businesses (prepared in accordance with PRC GAAP)

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

Unit: Yuan Currency: RMB

Items	For the period	For the same period last year (Restated)	Changes (%)
Operating income	**205,046,854,771**	202,308,220,227	1.35
Operating cost	**195,837,045,341**	195,310,265,014	0.27
Selling and distribution expenses	**533,432,834**	569,016,272	-6.25
Administrative expenses	**1,673,942,919**	1,669,673,092	0.26
Finance costs	**461,339,624**	251,833,703	83.19
Net cash flow from operating activities	**3,259,243,125**	4,059,614,617	-19.72
Net cash flow from investing activities	**-2,141,076,026**	-2,777,259,695	22.91
Net cash flow from financing activities	**1,558,510,351**	-10,094,298,146	115.44
Expenses on research and development	**2,464,851,000**	2,327,990,000	5.88

1. **Analysis on income and cost**

The Company has combined the characteristics of the industry and its actual situation to explain the composition of the Company's operating income during the Reporting Period by industry, product and geographical location.

(1) Principal businesses by industry, by product and by geographical location

Unit: Yuan Currency: RMB

Principal businesses by industry						
By industry	Operating income	Operating cost	Gross profit margin *(%)*	Increase/ decrease in operating income over last year *(%)*	Increase/ decrease in operating cost over last year *(%)*	Increase/ decrease in gross profit margin over last year *(%)*
Manufacturing of non-ferrous metals	82,019,653,837	73,460,673,221	10.44	39.16	37.96	Increased by 0.78 percentage point
Trade	122,334,810,414	121,725,806,544	0.50	-14.23	-13.94	Decreased by 0.34 percentage point

Unit: Yuan Currency: RMB

Principal businesses by product						
By product	Operating income	Operating cost	Gross profit margin (%)	Increase/decrease in operating income over last year (%)	Increase/decrease in operating cost over last year (%)	Increase/decrease in gross profit margin over last year (%)
Copper cathode	121,462,701,411	115,669,790,380	4.77	-3.05	-5.93	Increased by 2.92 percentage points
Copper rods and wires	45,463,902,392	44,219,921,037	2.74	17.37	18.92	Decreased by 1.27 percentage points
Copper processing products	5,268,556,651	4,841,426,798	8.11	46.65	44.73	Increased by 1.22 percentage points
Gold	7,227,737,467	6,503,822,145	10.02	3.47	11.94	Decreased by 6.80 percentage points
Silver	2,954,147,585	2,760,330,866	6.56	-26.24	-27.59	Increased by 1.75 percentage points
Chemical products	1,185,914,444	1,326,722,133	-11.87	68.43	106.71	Decreased by 20.71 percentage points
Rare metals and other non-ferrous metals	17,756,830,832	17,164,135,305	3.34	-8.23	-6.72	Decreased by 1.57 percentage points
Other principal business	3,034,673,469	2,700,331,101	11.02	3.86	6.45	Decreased by 2.16 percentage points
Others	692,390,520	650,565,576	6.04	-5.23	5.16	Decreased by 9.29 percentage points

Unit: Yuan Currency: RMB

Principal businesses by geographical location						
By geographical location	Operating income	Operating cost	Gross profit margin *(%)*	Increase/ decrease in operating income over last year *(%)*	Increase/ decrease in operating cost over last year *(%)*	Increase/ decrease in gross profit margin over last year *(%)*
Mainland China	166,886,400,379	158,068,705,820	5.28	-1.61	-2.94	Increased by 1.29 percentage points
Hong Kong	20,634,351,594	20,465,505,543	0.82	-11.6	-11.68	Increased by 0.09 percentage point
Others	17,526,102,798	17,302,833,978	1.27	87.42	86.33	Increased by 0.57 percentage point
Total	205,046,854,771	195,837,045,341	4.49	1.35	0.27	Increased by 1.03 percentage points

Explanation on principal businesses by industry, by product and by geographical location

1) *Copper cathode*

During the Reporting Period, copper cathode trading volume decreased and copper price increased, leading to a decrease in the operating income from copper cathode amounting to RMB3,821.49 million (or -3.05%) as compared with last year; the operating cost decreased by RMB7,292.95 million (or -5.93%) as compared with last year; the gross profit increased by RMB3,471.46 million as compared with last year; and the gross profit margin increased from 1.85% last year to 4.77% for the year.

2) *Copper rods and wires*

During the Reporting Period, the year-on-year increase in copper price and the decrease in processing price of copper rods led to an increase in the operating income from copper rods and wires amounting to RMB6,728.71 million (or 17.37%) as compared with last year; the operating cost increased by RMB7,036.75 million (or 18.92%) as compared with last year; the gross profit decreased by RMB308.05 million as compared with last year; and the gross profit margin decreased from 4.01% last year to 2.74% for the year.

3) *Copper processed products apart from copper rods and wires*

During the Reporting Period, the average selling price of copper processed products represented a year-on-year increase, whereas sales volume recorded an overall increase as compared with last year. The operating income from copper processed products apart from copper rods and wires increased by RMB1,675.84 million (or 46.65%) as compared with last year; the operating costs increased by RMB1,496.34 million (or 44.73%) as compared with last year; the gross profit increased by RMB179.50 million as compared with last year; and the gross profit margin increased from 6.89% last year to 8.11% for the year.

4) *Gold*

During the Reporting Period, operating income from gold increased by RMB242.71 million (or 3.47%) as compared with last year due to the increase in gold price and the decreased proportion of mineral gold. Operating costs increased by RMB693.56 million (or 11.94%) as compared with last year, the gross profit of gold decreased by RMB450.84 million as compared with last year while the gross profit margin decreased from 16.82% last year to 10.02% for the year.

5) *Silver*

During the Reporting Period, due to the decrease in sales volume of silver and the increase in silver price, the operating income from silver decreased by RMB1,050.74 million (or -26.24%) as compared with last year while the operating cost decreased by RMB1,051.79 million (or -27.59%) as compared with last year; the gross profit increased by RMB1.06 million as compared with last year and the gross profit margin increased from 4.81% last year to 6.56% for the year.

(2) Analysis table for output and sales volume

Major products	Output	Sales volume	Inventory	Output Increased (reduced) as compared with last year (%)	Sales volume Increased (reduced) as compared with last year (%)	Inventory Increased (reduced) as compared with last year (%)
Copper cathode *(ten thousand tonnes)*	137.42	135.26	3.05	13.52	12.42	131.06
Gold *(tonne)*	25.58	26.25	0.23	-3.22	2.10	-4.17
Silver *(tonne)*	483.5	504.16	12.27	-4.70	-0.66	96.63
Sulfuric acids *(ten thousand tonnes)*	363.74	374.21	3.42	3.89	4.65	-91.08
Copper processed products *(ten thousand tonnes)*	113.57	92.55	1.03	19.21	-1.85	232.26

(3) Analysis on costs

Unit: Yuan Currency: RMB

By industry							
By industry	Cost constituent	For the period	Share of total costs for the period (%)	For the same period last year	Share of total costs for the same period last year (%)	Changes of the amount for the period compared to the same period last year (%)	Explanation
Manufacturing of non-ferrous metals	Raw materials	67,596,869,109	34.63	45,400,466,666	23.34	48.89	
	Energy power	2,066,086,128	1.06	1,864,082,436	0.96	10.84	
	Labour	1,256,280,022	0.64	1,044,751,824	0.54	20.25	
	Overheads	4,244,760,771	2.17	3,780,069,749	1.94	12.29	
	Sub-total	75,163,996,031	38.51	52,089,370,675	26.78	44.3	
Trading of non-ferrous metals and others	Trading of non-ferrous metals and others	120,022,483,734	61.49	142,407,972,391	73.22	-15.7	
	Total	195,186,479,765	100	194,497,343,066	100	0.35	

Unit: Yuan Currency: RMB

By product							
By product	Cost constituent	For the period	Share of total costs for the period (%)	For the same period last year	Share of total costs for the same period last year (%)	Changes of the amount for the period compared to the same period last year (%)	Explanation
Copper products	Raw materials	59,502,683,468	89.79	37,832,860,766	86.46	57.28	
	Energy power	1,878,872,531	2.84	1,683,064,428	3.85	11.63	
	Labour	1,070,509,138	1.62	887,643,698	2.03	20.60	
	Overheads	3,817,050,206	5.76	3,353,780,300	7.66	13.81	
	Sub-total	66,269,115,342	100.00	43,757,349,192	100.00	51.45	
By-products of precious metals	Raw materials	7,663,120,305	99.07	7,180,368,441	99.06	6.72	
	Energy power	3,849,798	0.05	4,720,630	0.07	-18.45	
	Labour	19,957,525	0.26	17,254,035	0.24	15.67	
	Overheads	48,456,415	0.63	45,842,832	0.63	5.70	
	Sub-total	7,735,384,044	100.00	7,248,185,938	100.00	6.72	
Chemical products	Raw materials	406,289,523	36.75	368,087,359	35.31	10.38	
	Energy power	179,867,614	16.27	172,992,612	16.60	3.97	
	Labour	155,261,826	14.04	132,846,046	12.74	16.87	
	Overheads	364,063,419	32.93	368,417,678	35.35	-1.18	
	Sub-total	1,105,482,382	100.00	1,042,343,695	100.00	6.06	
Rare metals	Raw materials	24,775,813	45.87	19,150,100	46.15	29.38	
	Energy power	3,496,185	6.47	3,304,766	7.96	5.79	
	Labour	10,551,533	19.53	7,008,045	16.89	50.56	
	Overheads	15,190,732	28.12	12,028,939	28.99	26.28	
	Sub-total	54,014,262	100.00	41,491,850	100.00	30.18	
Trading and others		120,022,483,734	61.49	142,407,972,391	73.22	-15.72	
	Total	195,186,479,765		194,497,343,066		0.35	

(4) Major customers and major suppliers

Sales amount of the top five customers was RMB20,954.76 million, making up 10.22% of the total sales amount for the year, among which sales amount of related parties among the top five customers was RMB0, making up 0% of the total sales amount.

Procurement amount of the top five suppliers was RMB22,307.69 million, making up 11.39% of the total procurement amount for the year, among which procurement amount of related parties among the top five suppliers was RMB0, making up 0% of the total procurement amount.

2. **Expenses**

Unit: Yuan Currency: RMB

Item	For the period ended	For the same period last year	Increase/ (decrease) over the same period last year (%)	Reasons for the changes
Selling expenses	**533,432,834**	569,016,272	-6.25	*Note 1*
Administrative expenses	**1,673,942,919**	1,669,673,092	0.26	*Note 2*
Finance costs	**461,339,624**	251,833,703	83.19	*Note 3*

Note 1: Decrease in selling expenses for the period was mainly attributable to decrease in transportation fees and storage fees.

Note 2: Increase in administrative expenses for the period was mainly attributable to increase in depreciation of fixed assets.

Note 3: Increase in finance costs for the period was mainly attributable to increase in interest expenditure arising from short-term borrowings and gold leasing.

3. Research and Development ("R&D") contribution

(1) R&D contribution table

Unit: Yuan Currency: RMB

Expenditure R&D contribution in current period	2,151,214,000
Capitalization R&D contribution in current period	313,637,000
Sum of R&D contribution	2,464,851,000
Percentage (%) of sum of R&D contribution in operating income	1.20
Number of R&D personnel in the company	2,924
Percentage (%) of number of R&D personnel in total amount of company staff	13.41
Proportion (%) of R&D investment capitalization	12.72

(2) ***Explanation***

In 2017, the Group continued to develop a series of targeted R&D projects around production process linked to the practical conditions of the Company. The projects mainly covered a complete industry chain of copper (exploration, mining and dressing, smelting and processing) and strengthened R&D investment in cost reduction, environmental protection, and the like.

During the Reporting Period, the "Key Technologies and Application of Comprehensive Utilization of Associated Pyrite Resources in Non-ferrous Metals" (「有色金屬共伴生硫鐵礦資源綜合利用關鍵技術及應用」) project submitted by the Group won the National Science and Technology Progress Award (Second Prize); the "New Technology and Industrialization of Integrated Recycling of Sulphurized Copper Ores and Associated Metal Molybdenum And Rhenium" (「硫化銅礦伴生金屬鉬錸綜合回收新技術與產業化」) and "System Process and Equipment Development of Recycled Copper Smelting" (「再生銅冶煉系統工藝及裝備開發」) projects won the Science and Technology Progress Award of Jiangxi Province (First Prize) and the "Disaster Prevention Technology Research on Tailings Reservoir of Metal Mines under Extreme Weather Conditions" (「極端氣象條件下金屬礦山尾礦庫防災技術研究」) won the Science and Technology Progress Award of Jiangxi Province (Second Prize). In addition, projects including the "Industrial Experimental Research of Utilizing Alumina Ceramic Balls As Grinding Media For Ball Mills" (「氧化鋁瓷球作為球磨機磨礦介質的工業試驗研究」) and the "Experimental Research on Integrated Recycling of Flotation Tailings in Guixi Smelter" (「貴冶浮選尾渣綜合回收試驗研究」) were promoted in full swing.

The Group believes that the continuous implementation of R&D projects would lay a solid foundation for the Company's positive development and the fostering of its new economic growth points.

4. **Cash Flow**

Unit: Yuan Currency: RMB

Item	For the year	For the same period last year (Restated)	Changes (%)	Reasons for the changes
Net cash flow from operating activities	**3,259,243,125**	4,059,614,617	-19.72	*Note 1*
Net cash flow from investing activities	**-2,141,076,026**	-2,777,259,695	22.91	*Note 2*
Net cash flow from financing activities	**1,558,510,351**	-10,094,298,146	115.44	*Note 3*

Note 1: The reason for change in cash flow generated in operating activities: mainly due to an increase in raw material price and increase in inventory.

Note 2: The reason for change in cash flow generated in investing activities: mainly due to a decrease in cash payment from investments.

Note 3: The reason for change in cash flow generated in financing activities: year-on-year increase in borrowings obtained and year-on-year decrease in repayment of debts.

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

Not applicable

(III) 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 (Restated)	Share of total assets as at the end of the previous period (%)	Changes as at the end of the period over the end of the previous period (%)	Explanation
Cash and bank	**19,003,038,079**	**19.50**	13,093,661,144	14.97	45.13	*Note 1*
Interest receivable	**169,985,118**	**0.17**	124,513,665	0.14	36.52	*Note 2*
Other receivables	**4,882,467,815**	**5.01**	2,975,082,258	3.40	64.11	*Note 3*
Held-for-sale assets	**23,308,163**	**0.02**	189,891,677	0.22	-87.73	*Note 4*
Other current assets	**1,879,824,856**	**1.93**	2,717,423,373	3.11	-30.82	*Note 5*
Other non-current assets	**593,612,328**	**0.61**	421,096,646	0.48	40.97	*Note 6*
Short-term borrowing	**23,623,884,388**	**24.24**	14,868,139,788	17.00	58.89	*Note 7*
Financial liabilities at fair value through profit or loss	**5,485,139,445**	**5.63**	3,229,152,199	3.69	69.86	*Note 8*
Notes payable	**1,033,843,222**	**1.06**	5,656,814,269	6.47	-81.72	*Note 9*
Interest payable	**165,774,548**	**0.17**	102,155,262	0.12	62.28	*Note 10*
Dividend payable	**0**	**0.00**	64,000,000	0.07	-100.00	*Note 11*
Non-current liabilities due within one year	**230,895,078**	**0.24**	137,614,544	0.16	67.78	*Note 12*
Other current liabilities	**3,178,510,772**	**3.26**	1,926,154,633	2.20	65.02	*Note 13*
Long-term borrowings	**8,750,000**	**0.01**	228,100,000	0.26	-96.16	*Note 14*
Bonds payable	**500,000,000**	**0.51**	0	0.00	100.00	*Note 15*
Long-term payroll payables	**63,880,275**	**0.07**	109,189,561	0.12	-41.50	*Note 16*
Long-term payables	**124,647,619**	**0.13**	10,979,054	0.01	1,035.32	*Note 17*
Other comprehensive income	**-114,215,007**	**-0.12**	81,499,591	0.09	-240.14	*Note 18*

Other explanations

Note 1: As at the end of the Reporting Period, the cash and bank of the Group amounted to RMB19,003.04 million, representing an increase of RMB5,909.38 million (or 45.13%) over the same period last year, mainly attributable to increase in fixed deposits and customer bank deposits of the Group.

Note 2: As at the end of the Reporting Period, the interest receivable of the Group amounted to RMB169.99 million, representing an increase of RMB45.47 million (or 36.52%) over the same period last year, mainly attributable to corresponding increase in interest arising from the new fixed deposits of the Group.

Note 3: As at the end of the Reporting Period, other receivables of the Group amounted to RMB4,882.47 million, representing an increase of RMB1,907.39 million (or 64.11%) over the same period last year, mainly attributable to considerations receivable arising from the disposal of accounts receivables arising from transactions of the subsidiaries of the Group and disposal of specific asset management plans.

Note 4: As at the end of the Reporting Period, the held-for-sale assets of the Group amounted to RMB23.31 million, representing a decrease of RMB166.58 million (or -87.73%) over the same period last year, mainly attributable to provision for impairment of immovable idle fixed asset of Sichuan Kangtong Copper Company Limited* (四川康西銅業有限責任公司), a subsidiary of the Group.

Note 5: As at the end of the Reporting Period, other current assets of the Group amounted to RMB1,879.82 million, representing a decrease of RMB837.60 million (or -30.82%) over the same period last year, mainly attributable to the maturity of the capital preservation financial products purchased by the subsidiaries of the Group at the end of last year.

Note 6: As at the end of the Reporting Period, other non-current assets of the Group amounted to RMB593.61 million, representing an increase of RMB172.52 million (or 40.97%) over the same period of last year, mainly attributable to the increase in prepayment to the Land and Resources Bureau in the current period for obtaining land use rights.

Note 7: As at the end of the Reporting Period, short-term borrowings of the Group amounted to RMB23,623.88 million, representing an increase of RMB8,755.74 million (or 58.89%) over the same period last year, mainly attributable to the increase in the amount of credit borrowings of the Group.

Note 8: As at the end of the Reporting Period, the financial liabilities measured at fair value and its changes being included in the profit or loss of the Group amounted to RMB5,485.14 million, representing an increase of RMB2,255.99 million (or 69.86%) over the same period last year, mainly attributable to the increase in the scale of tradable financing of the Group.

Note 9: As at the end of the Reporting Period, the notes payable of the Group amounted to RMB1,033.84 million, representing a decrease of RMB4,622.97 million (or -81.72%) over the same period last year, mainly attributable to the Group's reduction in the discounting of notes among subsidiaries within the Group.

Note 10: As at the end of the Reporting Period, the interest payable of the Group amounted to RMB165.77 million, representing an increase of RMB63.62 million (or 62.28%) over the same period last year, mainly attributable to the public issuance of 2017 corporate bonds (first tranche) to qualified investors by the Group in this year and the increase in bank borrowings.

Note 11: As at the end of the Reporting Period, the dividend payable of the Group amounted to RMB0, representing a decrease of RMB64 million (or –100%) over the same period last year, mainly attributable to dividends paid to minority shareholders by subsidiaries of the Group for this period.

Note 12: As at the end of the Reporting Period, the non-current liabilities due within one year of the Group amounted to RMB230.90 million, representing an increase of RMB93.28 million (or 67.78%) over the same period last year, mainly attributable to the charge of accounts payable for long-term sale-leaseback financial leasing equipment of the subsidiaries of the Group due within one year of the Group.

Note 13: As at the end of the Reporting Period, other current liabilities of the Group amounted to RMB3,178.51 million, representing an increase of RMB1,252.36 million (or 65.02%) over the same period last year, mainly attributable to the substantial increase in the amount of deposits received from JCC Group and its subsidiaries.

Note 14: As at the end of the Reporting Period, the long-term borrowings of the Group amounted to RMB8.75 million, representing a decrease of RMB219.35 million (or -96.16%) over same period last year, mainly attributable the fact that long-term borrowings of the Group are about to expire and the long-term borrowings due within one year will be changed to non-current liabilities due within one year for accounting.

Note 15: As at the end of the Reporting Period, the bonds payable of the Group amounted to RMB500.00 million, representing an increase of RMB500.00 million (or 100%) over the same period last year, mainly attributable to the issuance of 2017 corporate bonds (first tranche) to qualified investors by the Group.

Note 16: As at the end of the Reporting Period, the long-term payroll payable of the Group amounted to RMB63.88 million, representing a decrease of RMB45.31 million (or -41.50%) over the same period last year, mainly attributable to the change of long-term payroll payable due within one year to short-term payroll.

Note 17: As at the end of the Reporting Period, the long-term payables of the Group amounted to RMB124.65 million, representing an increase of RMB113.67 million (or 1,035.32%) over the same period last year, mainly attributable to the new accounts payable for long-term sale-leaseback and financial leasing equipment of the subsidiaries of the Group.

Note 18: As at the end of the Reporting Period, other comprehensive income of the Group amounted to RMB -114.22 million, representing a decrease of RMB195.71 million (or -240.14%) over the same period last year, mainly attributable to the difference in translation of foreign currency statements of overseas joint and associates enterprises resulting from the decrease in the exchange rate of the US dollars.

2. Limitation of assets as at the end of the Reporting Period

Not applicable

(IV) Information disclosure of industry operation

In 2018, as the previous round of international copper mine investment capacity has basically been released, the global copper concentrate production growth will slow down in the next 2 to 3 years. In addition, the steady growth of domestic grid investment, household appliances, and automobile industries, as well as the limitation on imports of scrap copper, will all promote the consumption of copper concentrate. However, the continuous decline in the growth rate of domestic real estate and infrastructure investment will become the most important constraint factor for economic growth, as well as continued tight monetary policy and gradual increase of copper inventory pressure, may lead to pressure on copper prices. It is expected that copper prices in 2018 will continue its previous trend of fluctuation in high position.

(V) Analysis of investment

1. General analysis of external investment in equity

Unit: 0'000 Currency: RMB

Investment during the Reporting Period	28,969
Increase/decrease in investment	15,232
Investment during the same period last year	13,737
Extent of increase/decrease in investment *(%)*	110.88%

Management Discussion and Analysis

Unit: 0'000 Currency: RMB

Name of investee	Principal activity	Share of interests in the investee *(%)*	Investment amount
JCC BioteQ Environmental Technologies Co., Ltd. (江銅百泰環保科技有限公司)	Industrial waste water recovery and product sales	50	0
Minmetals Jiangxi Copper Mining Investment Co., Ltd. (五礦江銅礦業投資有限公司)	Investment company	40	9,600
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	676
Asia Development Sure Spread Company Limited (興亞保弘株式会社)	Import and export of copper products	49	0
Zhaojue Fenye Smelting Company Limited (昭覺縣逢燁濕法冶煉有限公司)	Production and sales of electro deposited copper	47.86	0
BOCI Securities Limited	Security broker and investment advisor	6.31	0
Nesko Metal Sanayi ve Ticaret Anonim Şirketi	Exploration and sales of copper products	48	1,068
Jiangxi Jinbei JCC Electric Cable Co., Ltd. (江西金杯江銅電纜有限公司)	Manufacture and sales of copper products	20	0
Valuestone GP Ltd.(嘉石普通合夥人有限公司)	Management of funds	51	258
Valuestone Global Resources Fund I LP	Mining investment	66.67	17,367

(1) Significant equity interest investment

Not applicable

(2) Significant non-equity interest investment

Not applicable

(3) Financial assets measured at fair value

Unit: Yuan Currency: RMB

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	401,504,647	-84,221,216	-126,695,417
Financial liabilities at fair value through profit or loss	3,229,152,199	5,485,139,445	2,255,987,246	-54,942,770
Fair value change of profit or loss on hedged items	2,693,886,370	3,249,373,800	555,487,430	134,231,785
Available-for-sale financial assets – current	2,890,577,247	2,671,176,000	-219,401,247	
Available-for-sale financial assets – non-current	1,931,735,878	1,665,484,460	-266,251,418	
Total	11,231,077,557	13,472,678,352	2,241,600,795	-47,406,402

(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 31 December 2017

Unit: '000 Currency: RMB

Company name	Business nature	Registered capital	Shareholding percentage (%)	Total assets	Net assets	Operating income	Net profit/ (loss)
Sichuan Kangtong 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	394,715	-52,427	575,173	-234,520
JCC Finance Company Limited 江西銅業集團財務有限公司	Provision of guarantee and deposits taking from and loans to member units	1,000,000	85.68	16,056,668	2,763,230	337,675	230,409
Jiangxi Copper Products Company Limited 江西銅業銅材有限公司	Sale and processing of copper materials	424,500	100	916,429	811,527	279,302	89,338
JCC Copper Products Company Limited 江西銅業集團銅材有限公司	Processing and sale of hardware electric products	186,391	98.89	695,525	341,910	2,196,150	25,627
JCC 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	10,503	9,961	205,289	381
Shenzhen Jiangxi Copper Marketing Company Limited 深圳江銅營銷有限公司	Sale of copper products	1,760,000	100	12,490,818	-539,756	43,523,593	-684,646
Jiangxi Copper Shanghai Trading Company Limited 上海江銅營銷有限公司	Sale of copper products	200,000	100	5,443,328	-1,626,658	9,657,043	-1,313,109
Jiangxi Copper Beijing Trading Company Limited 北京江銅營銷有限公司	Sale of copper products	261,000	100	487,062	-234,504	10	-79,180
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	1,458,932	643,155	648,592	27,142

Unit: '000 Currency: RMB

Company name	Business nature	Registered capital	Shareholding percentage (%)	Total assets	Net assets	Operating income	Net profit/ (loss)
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	446,768	-44,079	109,540	-44,756
Jiangxi Copper Yates Copper Foil Company Limited 江西省江銅—耶茲銅箔有限公司	Production and sale of electrolytic copper foil products	453,600	93.84	911,190	482,171	1,038,093	205,022
Jiangxi Copper (Longchang) Precise Pipe Company Limited 江西江銅龍昌精密銅管有限公司	Production of spiral tubes, externally finned copper tubes and other copper pipe products	890,529	92.04	1,989,041	610,077	3,269,645	35,001
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 sale of various copper wires, enamelled wires and provision of after-sales repair and consulting services	USD16,800	70	687,243	110,026	1,001,842	18,632
Thermonamic Electronics (Jiangxi) Company Limited 江西納米克熱電電子股份有限公司	Development and production of thermo-electronic semiconductors and appliances and provision of related services	70,000	95	70,965	64,717	27,399	2,018
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 chemistry, equipment manufacturing and maintenance	35,080	100	160,860	60,843	423,581	6,699
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, development of new chemical technologies and new products	2,000	100	49,462	42,110	26,737	6,135
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	200,044	143,519	230,868	9,153

Unit: '000 Currency: RMB

Company name	Business nature	Registered capital	Shareholding percentage (%)	Total assets	Net assets	Operating income	Net profit/ (loss)
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	243,250	146,459	295,125	6,837
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	241,521	127,992	323,369	14,816
JCC Geology Exploration 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	84,415	40,544	52,831	3,592
Jiangxi Jiangtong-Wengfu Chemical Industry Company Limited 江西省江銅－甕福化工有限責任公司	Sulphuric acid and by-products	181,500	70	192,595	177,941	104,315	4,682
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	77,060	30,269	74,813	1,034
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	13,032	4,952	35,535	253
JCC Qianshan Copper Concentration Pharmaceuticals Company Limited 江西銅業集團(鉛山)選礦藥劑有限公司	Sale of mineral processing chemicals, fine chemicals and other industrial and domestic products	10,200	100	34,178	26,813	35,340	1,245

Unit: '000 Currency: RMB

Company name	Business nature	Registered capital	Shareholding percentage (%)	Total assets	Net assets	Operating income	Net profit/ (loss)
Jiangxi Copper Chengdu Trading Company Limited 成都江銅營銷有限公司	Sale of copper products	60,000	100	29,536	-90,539	1,789,915	-24,557
Jiangxi Copper Construction Supervision Company Limited 江西銅業建設監理諮詢有限公司	Construction	3,000	100	18,478	13,562	17,639	1,385
Jiangxi Copper (Guangzhou) Copper Production Company Limited 廣州江銅銅材有限公司	Production of copper products and wires and related products	800,000	100	6,880,466	915,033	17,317,640	18,009
Jiangxi Copper International Trade Company Limited 江銅國際貿易有限公司	Trading of metal products	1,000,000	60	8,572,775	986,759	44,904,372	17,456
Shanghai Jiangtong Investment Holdings Ltd. 上海江銅投資控股有限公司	Construction	19,254	100	462,300	167,898	1,083,459	-5,041
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	633,827	416,863	174,685	2,592
Jiangxi Copper Yugan Forge & Alloy Company Limited 江西銅業集團(餘幹)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	56,664	46,517	49,295	3,798
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	4,747,935	637,241	5,226,849	75,898

Management Discussion and Analysis

Unit: '000 Currency: RMB

Company name	Business nature	Registered capital	Shareholding percentage (%)	Total assets	Net assets	Operating income	Net profit/ (loss)
Jiangxi Copper Company Hong Kong 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	HKD 232,650	100	4,490,670	288,166	10,139,869	19,201
Jiangxi Copper Recycling Company Limited 江西銅業再生資源有限公司	Scrap of base metals and their articles	250,000	100	356,185	227,538	599,838	294
Shangri La Bisidaji Mining Company Limited 香格里拉市必司大吉礦業有限公司	Non-ferrous metal mining	5,000	51	79,659	-16,810	0	-5,140
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	USD63,400	100	253,327	243,496	0	-44,182
Jiangxi Copper Technical Institution Co., Ltd. 江西銅業技術研究院有限公司	Research and development etc.	45,000	100	45,664	44,852	5,280	57
Zhejiang Jiangtong Fuye Heding Copper Co., Ltd. 浙江江銅富冶和鼎銅業有限公司	Production and sale of copper cathodes	1,280,000	40	5,460,723	1,577,250	11,022,660	152,608
Jiangxi Copper North China (Tianjin) Copper Co., Ltd 江銅華北(天津)銅業有限公司	Production of copper rod and wire and the related products	510,204	51	923,478	552,835	9,285,457	21,484

(2) **Production and operation of our associates and joint ventures as of 31 December 2017**

Name of investee	Business nature	Registered capital Currency	'000	Our shareholding (%)	Total assets at the end of the year ('000)	Total liabilities at the end of the year ('000)	Net assets in aggregate at the end of the year ('000)	Total operating income for the year ('000)	Net profits for the year ('000)
I. Joint Venture									
Jiangxi JCC-BIOTEQ Environmental Technologies Company Limited	Industrial waste water recovery and product sales	RMB	28,200	50	58,574	8,130	50,444	53,772	14,726
Nesko Metal Sanayi ve Ticaret Anonim Şirketi	Exploration and sales of copper products	YTL	38,240	48	318,482	45,824	272,658	0	-54,635
Valuestone GP LTD. (嘉石普通合夥人有限公司)	Investment company	USD	3,000	51	6,861	0	6,861	0	0
II. Associates									
Minmetals Jiangxi Copper Mining Investment Company Limited (五礦江銅礦業投資有限公司)	Investment company	RMB	4,460,000	40	4,396,467	1,429,565	2,966,902	0	37,576
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	397,043	25	2,605,120	15,624	2,589,496	0	0
Asia Development Sure Spread Company Limited (興亞保弘株式會社)	Import and export of copper products	JPY	200,000	49	0	0	0	0	0

Name of investee	Business nature	Registered capital Currency	Registered capital '000	Our shareholding (%)	Total assets at the end of the year ('000)	Total liabilities at the end of the year ('000)	Net assets in aggregate at the end of the year ('000)	Total operating income for the year ('000)	Net profits for the year ('000)
Zhaojue Fengye Smelting Company Limited (昭覺縣逢燁濕法冶煉有限公司)	Production and sale of electro-deposited copper	RMB	10,000	47.86	7,440	1,143	6,297	0	0
BOCI Securities Limited	Security broker and investment advisor	RMB	2,500,000	6.31	45,823,611	34,245,089	11,578,522	3,128,042	1,066,484
Valuestone Global Resources Fund I LP	Fund company	USD	150,000	66.67	186,421	0	186,421	0	-7,138
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	5,843	1,664	4,179	30,465	-3,312

III. Discussion and analysis on the future development of the Company

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

In 2017, the global economy showed obvious signs of recovery. The manufacturing industries in China, the United States and Europe continued to expand. The market was of the view that the basic cycle of economic growth has been initiated. The tax reduction policy in the United States and burden reduction and decentralization policy in China will benefit future economic growth. Domestically, real estate investment from 2015 to 2016 drove a large increase in economy and copper consumption in 2017, while the supply-side reforms have pushed up the bulk commodity prices, promoted a comprehensive transformation and upgrading of the copper industry, and have optimized the allocation of resources, which will boost the Chinese economy over the long term and further boost copper prices. However, factors such as the current tightening international monetary policy, increased international trade friction and high financing costs will cause a certain degree of drag on economic development and copper prices in the short term.

From the perspective of the supply side, copper raw materials will turn to a shortage in the future as a whole. Copper prices have experienced a six-year decline since 2011, and the global copper mines have had insufficient incentives for new construction and expansion. After the global copper concentrate reached its peak in 2016, it began to shrink in 2017 and its future growth rate would slow down. According to certain research data, the global copper production in 2017 was only 19.8 million tonnes, representing a decrease of 1.7%. From the perspective of the demand side, the world is transitioning to a low-emission energy system, and the global investment in electric vehicles and renewable energy will continue to drive copper consumption. Taken together, the global economic recovery supports the increase of copper prices, and the supply of copper raw materials has been tightened for a long period of time. Under the waxing-and-waning of consumption, it is expected that the copper price will maintain its volatile and slumping pattern in the short term.

(II) The development strategy of the Company

Facing the new situation, the Company will implement the development strategy of “copper-based, strengthening non-ferrous, diversified development, global layout”, adhering to the development path of mainly focusing on extensive expansion, and combination of extensive expansion and connotation development, while adhering to the development principle of “quality first” and giving priority to efficiency, deepening reform in an all-round way, and speeding up transformation and upgrading to promote the transformation in terms of quality, efficiency, and driving force of enterprise development, striving to build the Company into a world-class mining company with a leading position in the copper industry, which engages in multi-metal mining and achieves deep integration of production, financing and trading, and unleashing global competitiveness.

(III) Business plan

The Group completed or outperformed a series of production plans set in early 2017. In 2018, the Company’s main production and operation plan is to produce: 1.42 million tonnes of copper cathode, 25 tonnes of gold, 354 tonnes of silver, 3.71 million tonnes of sulphuric acid, 206,800 tonnes of copper contained in copper concentrate, and 1.10 million tonnes of copper rods and wires and other copper processing products. The Group will timely adjust the plan based on the changes in market conditions.

To realize the above plan, in 2018, the Group will primarily exert efforts in the following aspects:

1. The Group will make an effort on merger and acquisition and speed up internationalized operation. The Group will set up a platform for internationalized operation, optimize the investment and merger and acquisition management mechanism, clarify the team, responsibilities and processes to improve efficiency and effectiveness. The Group will actively integrate into the strategy of "One Belt One Road", accelerate the pace of "going out", strengthen cooperation with international mining companies, implement overseas resources merger and acquisition for development and production capacity cooperation, and improve risk exploration efforts to increase resource reserves of the Company.

2. The Group will speed up the reform of systems and improve effectiveness of the reform. The Company will continue to steadily deepen the supply-side structural adjustment, enhance the vitality of enterprise development, and improve the development quality of the Company. The Group will speed up the optimization of capacity structure layout, intensify the transformation of backward production capacity, promote traditional industrial technology transformation of the Company by making use of policy support, and gradually achieve high-end, intelligent, green and personalized changes. The Group will optimize the market employment mechanism to open up channels for more socialized employment, and start the construction of an international talent team.

3. The Group will promote the innovation-driven strategy to enhance the risk management. Taking technological innovation as the main direction, the Group will enhance the ability of independent innovation and achievement transformation, continue to enhance innovation, while further promoting the innovation of all staff and enhancing the enthusiasm in innovation and efficiency of all staff. The Group will further deepen benchmarking management, focus on optimizing methods, quantifying results, and solidifying experience to promote continuous in-depth development of benchmarking. The Group strives to improve the "macro risk control" system of the Company and shall review the risk control mechanism of the Company from the perspectives of customers, credit, contracts and fund management.

4. The Group will excavate internal potential and enhance efficiency and effectiveness. By continuously improving the development quality, enhancing core competitiveness, and establishing a long-term mechanism, the Group will implement long-term measures in terms of process optimization, refined management, and optimization of labor organizations. The Group will take the interests of the Company as a whole, strive to tap into the market potential and efficiency space, and increase the operating performance of the Company.

5. The Group will promote the development of a safe, environmentally friendly, green and harmonious environment. The Group will adhere to the concept of green and co-shared development and steadily implement corporate social responsibility. The Group will promptly implement the increasingly stringent environmental protection policy requirements, implement the safety and environmental responsibility system, and establish a safety and environmental protection management mechanism in which all staff can participate and manage jointly. The Group will continue to increase investment in safety and environmental protection, and work hard on investigation of hidden problems and source governance. The Group will continue to optimize energy management and implement energy contract system. While completing the annual energy saving and emission reduction tasks, it will actively seek for policy support to reduce the energy costs of the Company.

(IV) Potential risks

1. The risk of decrease in copper price

In 2018, the Group plans to produce a total of 206,800 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 (EPS) before tax will decrease by approximately RMB0.06 per share. The Company has been pursuing a positive and prudent hedging policy for years. With an aim to ensure operating targets, the Company has provided hedging for self-produced raw materials according to their price ranges, and has 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 copper smelting processing fees. 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

Since the second half of 2016, the growth rate of the world's major economies has accelerated. Along with the rate hike and balance sheet reduction by the Federal Reserve, the central banks of Britain, Canada, and South Korea also followed suit. In the future, the European Central Bank will also consider gradually withdrawing from the quantitative easing monetary policy, and the global capital flow will change significantly in the future. In 2018, the structural adjustment of the economy in China will continue, and the operational benefits of traditional manufacturing industries will be further divided.

Report of the Board

I. Principal business

The principal business of the Company covers copper mining and dressing, smelting and processing, extraction and processing of the precious metal and scattered metal, sulphuric chemistry as well as finance and trade 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 cathodes, gold, silver, sulphuric acid, copper rod, copper tube, copper foil, selenium, tellurium, rhenium, bismuth, etc.

II. Changes in share capital

During the Reporting Period, there were no changes in the total number and capital structure of ordinary shares of the Company.

III. Issue and listing of securities

(I) Issue of securities as of the Reporting Period

Unit: Share Currency: RMB

Types of shares and other derivative instruments	Date of issue	Issue price (or interest rate)	Issue amount	Listing date	Transaction amount approved to be listed	Transaction termination date
Ordinary shares						
Nil	Nil	Nil	Nil	Nil	Nil	Nil
Convertible corporate bonds, warrant bonds and corporate bonds						
Public issuance of corporate bonds	18 September 2017	4.74%	500,000,000	20 September 2017	500,000,000	21 September 2022
Other derivative instrument						
Nil	Nil	Nil	Nil	Nil	Nil	Nil

Details for the issue of securities during the Reporting Period (details of bonds with different interest rates within the duration to be specified separately):

The public issuance of no more than RMB10 billion (RMB10 billion inclusive) of corporate bonds by the Company has been approved by the Zheng Jian Xu Ke [2016] No. 2745 issued by CSRC. The corporate bonds are issued by tranches, among which the issuance scale of the "2017 Corporate Bonds (First Tranche) publicly issued to qualified investors by Jiangxi Copper Company Limited" is RMB500 million. For details, please refer to the relevant announcements published by the Company on the website of the SSE (www.sse.com.cn).

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

During the Reporting Period, the Company had no relevant changes.

(III) Existing staff shares

During the Reporting Period, the Company had no existing staff shares.

IV. Business overview

(I) Business summary and analysis

Business and result analysis combining financial key performance indicators of the Group are set out in Summary of Accounting and Major Financial Indicators on pages 5 to 11, Business Overview of the Company on pages 12 to 13 and the Management Discussion and Analysis on pages 14 to 41 of this report.

(II) Environmental policies and performance

The Company proactively puts the concept of "Green Development with Environmental Protection as Priority" into practice, continues to make greater contribution in environmental protection during the "Thirteen Five-Year Period", carries out the construction of capabilities in pollution prevention and control, and launches various ecological restoration and environmental governance projects. During the Reporting Period, the Company strictly complied with the requirements of the national laws, regulations and regulatory documents on environmental protection and strived to properly perform environmental protection work, reinforce management, improve the recycling and utilisation of "three types of waste" (wastewater, exhaust gas and solid waste) and cut down the waste disposal.

The Company continuously enhanced the technique of water return for mining and smelting. The reuse rate of industrial water remained at the level of 93%–95%. There was no overflow in all acidic reservoirs, and there were effective treatments for all pollutants. Moreover, in order to reduce the impact on the environment by smoke and dust emission, the Company adopted various means to collect smoke and dust arising from smelting, such as dynamic wave washing, electrical dust collection and filter cloth bag dust collection. The collected dust will be collectively utilised, realizing "harmless" emission of flue gas.

Focusing on prevention and control of solid waste, the Company actively initiated integrated usage of such waste, retrieved its valuable elements and disposed of its residue in a safe and secure way, so as to achieve "harmless" prevention and control of solid waste. In compliance with the national standards, the Company has built many large-scale ore dumps and tailings ponds as secure places to store waste rock and tailings arising from ore selection process which act as a reserve of resources for further use at a later stage when opportunity arises. The smelting and processing enterprises under the Company produced hazardous solid waste of approximately 180,000 tonnes per year. Of which, approximately 160,000 tonnes were for integrated usage within the enterprise, while approximately 20,000 tonnes were transferred or sold to external parties, hence basically achieving approximately 100% utilisation of hazardous solid waste.

For further information including the environmental policies and social responsibilities of the Company, please refer to the Company's "Environmental, Social and Governance Report" for the year 2017 to be separately issued pursuant to the relevant requirements of the Listing Rules for details.

(III) Compliance with relevant laws and regulations

The Group understands the importance of compliance with the requirements of regulations. The risks of not complying with relevant requirements may lead to material adverse effects. During the Reporting Period, the Company would strictly comply with applicable laws and regulations in various countries and regions as before, and update various terms in a timely manner. Legal Affairs Department of the Company will regularly organize and arrange internal study to ensure that the Company is in compliance with laws and regulations in its ordinary operations. If potential legal risks are found, the Legal Affairs Department of the Company will cooperate with Risk Control Department and carry out rectification in a timely manner.

Saved as disclosed in this report, the Group is also in compliance with relevant requirements of the Companies Ordinance in Hong Kong and the Company Law in the PRC, listing rules of the applicable stock exchanges in Hong Kong and the PRC and the Securities and Futures Ordinance.

(IV) Significant relationship with stakeholders

Trust and support from stakeholders are closely related to the growth and success of the Company. Our stakeholders include employees, suppliers and customers:

(1) Employees

The Company adheres to implement "talent strategies" to provide employees with sound and safe working environment, and constantly optimize the remuneration and benefit system. Over the years, management teams and employees of the Company are stable.

(2) Suppliers

Over years of development, business scope of the Company can be found across the PRC and overseas. The Company maintained a long-term and closely cooperative relationship with suppliers in various countries. During the Reporting Period, the relationship between the Company and major suppliers was good and stable.

(3) Customers

Customers' satisfaction has always been the top priority of the Company. The Company regards quality of products as the backbone of the enterprise, and upholds the enterprise's values and beliefs of "joint creation and sharing". During the Reporting Period, the relationship between the Company and major customers was good and stable.

(V) Major risks and uncertainties

Description of the potential risks which may be encountered by the Group is set out on page 41 in the Management Discussion and Analysis of this report.

(VI) Significant matters after the Reporting Period

After the Reporting Period, there were no significant matters which had impact on the Company.

(VII) Future development

Future development of the business of the Group is set out on pages 38 to 41 in the Management Discussion and Analysis of this report.

V. Particulars of shareholders and de facto controller

(I) Number of shareholders

Total number of shareholders of ordinary shares as of the end of the Reporting Period	124,781
Total number of shareholders of ordinary shares at the end of previous month before disclosure of this annual report	144,014
The total number of shareholders of preference shares with voting rights restored as of the end of the Reporting Period	0
The total number of shareholders of preference shares with voting rights restored before disclosure of this annual report	0

(II) Particulars of shareholdings of the top ten shareholders and top ten holders of tradable shares (or holders of shares not subject to lock-up) as of the end of the Reporting Period

Unit: Share

Name of shareholder (full name)	Increase/ decrease in the Reporting Period	Number of shares held at the end of the Reporting Period	Shareholding percentage *(%)*	Number of shares held subject to lock-up	Pledged or frozen status		Nature of shareholder
					Share status	Number of shares	
JCC	0	1,403,614,110	40.53	0	Nil	0	State-owned legal person
HKSCC Nominees Limited ("**HKSCC**")	113,000	1,180,558,495	34.09	0	Unknown		Unknown
Central Huijin Asset Management Limited	0	31,843,800	0.92	0	Unknown		Unknown
Agricultural Bank of China Company Limited – China Post Core Growth Mixed Securities Investment Fund (中國農業銀行股份有限公司－中郵核心成長混合型證券投資基金)	0	11,000,000	0.32	0	Unknown		Unknown
National Social Security Fund No. 412 Portfolio (全國社保基金四一二組合)	1,990,798	9,490,600	0.27	0	Unknown		Unknown
Guo Youping	9,088,430	9,088,430	0.26	0	Unknown		Unknown

Unit: Share

Name of shareholder (full name)	Increase/ decrease in the Reporting Period	Number of shares held at the end of the Reporting Period	Shareholding percentage (%)	Number of shares held subject to lock-up	Pledged or frozen status		Nature of shareholder
					Share status	Number of shares	
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
Bank of Communications Co., Ltd. – Fuguo Tianyi Value Hybrid Securities Investment Fund (交通銀行股份有限公司－富國天益價值混合型證券投資基金)	7,964,281	7,964,281	0.23	0	Unknown		Unknown
ICBC – China Southern Component Selected Equity Securities Investment Fund (中國工商銀行－南方成份精選股票型證券投資基金)	7,500,000	7,500,000	0.22	0	Unknown		Unknown
National Social Security Fund No. 414 Portfolio (全國社保基金四一四組合)	7,499,802	7,499,802	0.22	0	Unknown		Unknown

Unit: Share

Name of shareholder	Number of tradable shares held not subject to lock-up	Class and number of shares: Class	Class and number of shares: Number
JCC	1,403,614,110	Ordinary shares denominated in RMB **(A Shares)**	1,205,479,110
		Overseas listed foreign shares **(H Shares)**	198,135,000
HKSCC	1,180,558,495	Overseas listed foreign shares **(H Shares)**	1,180,558,495
Central Huijin Asset Management Limited	31,843,800	Ordinary shares denominated in RMB **(A Shares)**	31,843,800
Agricultural Bank of China Company Limited – China Post Core Growth Mixed Securities Investment Fund (中國農業銀行股份有限公司－中郵核心成長混合型證券投資基金)	11,000,000	Ordinary shares denominated in RMB **(A Shares)**	11,000,000
National Social Security Fund No. 412 Portfolio (全國社保基金四一二組合)	9,490,600	Ordinary shares denominated in RMB **(A Shares)**	9,490,600
Guo Youping	9,088,430	Ordinary shares denominated in RMB **(A Shares)**	9,088,430
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)	8,049,449	Ordinary shares denominated in RMB **(A Shares)**	8,049,449
Bank of Communications Co., Ltd. – Fuguo Tianyi Value Hybrid Securities Investment Fund (交通銀行股份有限公司－富國天益價值混合型證券投資基金)	7,964,281	Ordinary shares denominated in RMB **(A Shares)**	7,964,281

Unit: Share

Name of shareholder	Number of tradable shares held not subject to lock-up	Class and number of shares	
		Class	Number
ICBC – China Southern Component Selected Equity Securities Investment Fund (中國工商銀行－南方成份精選股票型證券投資基金)	7,500,000	Ordinary shares denominated in RMB **(A Shares)**	7,500,000
National Social Security Fund No. 414 Portfolio (全國社保基金四一四組合)	7,499,802	Ordinary shares denominated in RMB **(A Shares)**	7,499,802

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 other 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.
Shareholders of preference shares with restored voting rights and their shareholding		/

Notes: 1. HKSCC held a total of 1,180,558,495 H Shares of the Company in the capacity of nominee on behalf of a number of customers, representing approximately 34.09% 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 1,378,693,495 shares as nominee, representing approximately 39.82% of the issued share capital of the Company.

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

Not applicable

Strategic investors or general legal persons who become the top ten shareholders due to the placement of new shares

Not applicable

(III) Interests and short positions of shareholders

As at 31 December 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 by the Company under Section 336 of the Securities and Futures Ordinance ("**SFO**") were as follows:

Name of shareholder	Class of shares	Capacity	Number of shares *(Note 1)*	Approximate percentage of the number of the relevant class of shares *(%)*	Approximate percentage of total issued share capital *(%)*
JCC	Domestic shares	Beneficial owner	1,205,479,110(L)	58.09(L)	34.81(L)
JCC *(Note 2)*	H shares	Beneficial owner	198,135,000(L)	14.28(L)	5.72(L)
Citigroup Inc.	H shares	*(Note 3)*	70,536,122(L)	5.08(L)	2.04(L)
			10,551,432(S)	0.76(S)	0.30(S)
			59,211,559(P)	4.26(P)	1.71(S)
Blackrock, Inc. *(Note 4)*	H shares	Interests in a controlled corporation	93,561,250(L)	6.74(L)	2.70(L)
			875,000(S)	0.06(S)	0.03(S)

Note 1: "L" means long positions in the shares; "S" means short positions in the shares; and "P" means shares available for lending in the shares.

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

Note 3: According to the corporate substantial shareholder notice filed by Citigroup Inc. on 2 January 2018, its holdings of H Shares are held under the following capacities:

Capacity	Number of H Shares
Interests in a controlled corporation	11,163,563(L)
	10,551,432(S)
Approved lending agents	59,211,559(L)
Persons having a security interest in shares	161,000(L)

According to the notice, long position in 4,529,040 H shares and short position in 4,955,783 H shares are physically settled unlisted derivative; and long position in 38,000 H shares and short position in 1,013,398 H shares are cash settled unlisted derivative.

Note 4: According to the corporate substantial shareholder notice issued by Blackrock, Inc. on 21 December 2017, long position in 271,000 H shares and short position in 875,000 H shares are cash settled unlisted derivative.

Save as disclosed above, the register required to be kept under Section 336 of SFO showed that the Company had not been notified of any interests or short positions in the shares and underlying shares of the Company as at 31 December 2017.

VI. Particulars of controlling shareholder and de facto controller

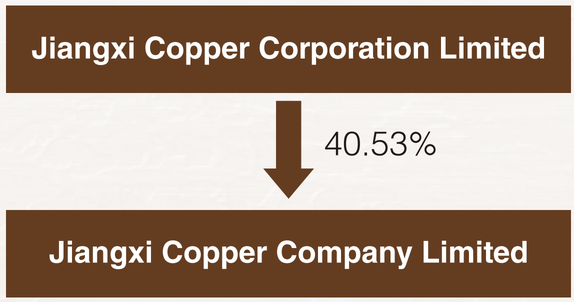
(I) Particulars of controlling shareholder

Name	Jiangxi Copper Corporation Limited
Person in charge or legal representative	Long Ziping
Establishment date	1 July 1979
Principal operations	Non-ferrous ores, non-metallic ores and products of non-ferrous metal refining and processing
Equity interests in other domestic and overseas listed companies controlled and held by the Company during the Reporting Period	Jiangxi Copper Group Qibaoshan Mining Co., Ltd., a controlling subsidiary of the parent, owned 555,000 A shares or 0.1% of the total share capital of ST Zhuye (ST株冶) (SH600961).
Other explanations	Nil

1. Index of change in controlling shareholder during the Reporting Period

During the Reported Period, there was no change in controlling shareholder.

2. **Chart of the equity and controlling relationship between the Company and its controlling shareholder**



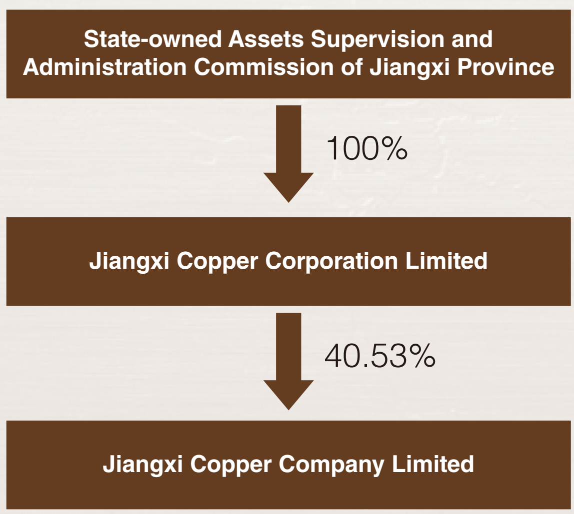
(II) Particulars of the de factor controller

Name	State-owned Assets Supervision and Administration Commission of Jiangxi Province

1. **Change in de facto controller during the Reporting Period**

During the Reporting Period, there was no change in de facto controller.

2. **Chart of the equity and controlling relationship between the Company and its de facto controller**



VII. Other legal person shareholders with over 10% shareholding

Saved as disclosed in this report, as at the end of the Reporting Period, the Company had no other legal person shareholders with over 10% of shareholding of the Company.

VIII. Public float

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

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

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

X. Pre-emptive rights

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

XI. Particulars of Directors, Supervisors, senior management and staff

(I) Changes in shareholdings and remunerations

(1) Changes in shareholdings of existing and resigned Directors, Supervisors and senior management during the Reporting Period

Unit: Share

Name	Position	Sex	Age	Commencement date of term of office	Termination date of term of office	Opening shares held	Closing shares held	Change in increase or decrease in shares during the year	Reasons for change	Total remuneration payable by the Company during the Reporting Period (before tax) *(RMB'000)*	Whether received remuneration from related parties of the Company
Long Ziping	Chairman	Male	57	11 September 2017		0	0	/	/	73.55	No
	Former vice-chairman			14 June 2013	11 September 2017						
	Executive Director/ General Manager			14 June 2013							
Li Baomin	Former Chairman/Former Executive Director	Male	60	4 March 2013	11 September 2017	0	0	/	/	55.16	No
Wu Yuneng	Executive Director	Male	55	18 July 2016		0	0	/	/	73.55	No
	Deputy General Manager			25 March 2011							
	Executive Deputy General Manager			23 October 2017							
Wu Jinxing	Executive Director/ Chief financial officer	Male	55	18 July 2016		0	0	/	/	73.55	No
Wang Bo	Executive Director	Male	54	18 July 2016		0	0	/	/	73.55	No
Gao Jianmin	Executive Director	Male	58	24 January 1997		0	0	/	/	20	No
Liang Qing	Executive Director	Male	64	12 June 2002		0	0	/	/	20	No
Sun Chuanyao	Independent non-executive Director *(Note)*	Male	73	18 July 2016	*(Note)*	0	0	/	/	10	No
Zhou Donghua	Independent non-executive Director	Male	35	7 June 2017		0	0	/	/	5	No
Zhang Weidong	Former independent non-executive Director	Male	54	19 June 2012	7 June 2017	0	0	/	/	5	No
Liu Erh Fei	Independent non-executive Director	Male	59	18 July 2016		0	0	/	/	10	No
Tu Shutian	Independent non-executive Director	Male	55	12 January 2015		0	0	/	/	10	No
Hu Qingwen	Chairman of the Supervisory Committee	Male	54	14 June 2013		0	0	/	/	52.81	No

Unit: Share

Name	Position	Sex	Age	Commencement date of term of office	Termination date of term of office	Opening shares held	Closing shares held	Change in increase or decrease in shares during the year	Reasons for change	Total remuneration payable by the Company during the Reporting Period (before tax) *(RMB0'000)*	Whether received remuneration from related parties of the Company
Zeng Min	Supervisor	Male	53	21 March 2016		0	0	/	/	52.81	No
Liao Shengsen	Supervisor	Male	57	18 July 2016		0	0	/	/	52.81	No
Zhang Jianhua	Supervisor	Male	53	18 July 2016		0	0	/	/	52.81	No
Zhang Kui	Supervisor	Male	55	29 March 2017		0	0	/	/	39.61	No
Xie Ming	Former Supervisor	Male	61	26 June 2009	29 March 2017	0	0	/	/	13.2	No
Huang Mingjin	Deputy General Manager	Male	55	3 October 2012		0	0	/	/	56.26	No
Jiang Chunlin	Deputy General Manager	Male	48	25 August 2010		0	0	/	/	56.26	No
Chen Yunian	Deputy General Manager	Male	53	23 October 2017		0	0	/	/	9.38	No
Zeng Qingjian	Deputy General Manager	Male	46	23 October 2017		0	0	/	/	9.38	No
Zhou Shaobing	Deputy General Manager	Male	47	23 October 2017		0	0	/	/	9.38	No
Lin Jinliang	Legal Director	Male	53	30 August 2010		0	0	/	/	56.26	No
Liu Jianghao	Former Deputy General Manager	Male	57	28 August 2013	23 October 2017	0	0	/	/	56.26	No
	Chief Engineer			23 October 2017				/	/		
Dong Jiahui	Former Deputy General Manager	Male	55	31 March 2009	23 October 2017	0	0	/	/	46.88	No
Wu Jimeng	Former Deputy General Manager	Male	59	25 February 2016	23 October 2017	0	0	/	/	46.88	No
Tung Tat Chiu Michael	Secretary to the Board	Male	55	24 January 1997		0	0	/	/	5	No
Total	/	/	/	/	/	/	/	/	/	1,045.35	/

Note: Mr. Sun Chuanyao has resigned as an independent non-executive Director of the Company on 6 March 2018.

Name	Major work experience
Long Ziping	A senior engineer, he is currently the chairman of the Company. Mr. Long graduated from Jiangxi Institute of Metallurgy majoring in smelting, and from Central South University of Technology as a postgraduate majoring in metallurgy engineering. Mr. Long had served at various operation and management positions including the deputy chief engineer and the head of Guixi Smelter Factory, the deputy manager of JCC and executive Director of the Company. He has extensive experience in operation and management.
Wu Yuneng	Graduated from Jiangxi Cadre's Institute of Economic Administrators (江西經濟管理幹部學院) majoring in industrial management engineering, Mr. Wu is an economist, and was the general manager of Baoxin Cable Company under Jiangtong Southern Company (江銅南方公司寶興電纜公司), the general manager of Jiangtong Southern Company (江銅集團南方總公司) and executive deputy general manager of the Company. Mr. Wu has extensive experience in business management and marketing.
Wu Jinxing	A senior accountant with a master degree. He had been the deputy head of the Production and Finance Division and the General Division of the Financial Department of JCC, the deputy head and head of the Financial Department of JCC Import and Export Company, deputy chief accountant and chief accountant of JCC Materials Equipment Company, the manager of the Financial Department of the Company, the Chief Accountant of Dexing Mine of the Company, the vice Chief Financial Officer, the assistant to general manager of the Company, a supervisor, an executive Director and Chief Financial Officer of the Company.
Wang Bo	A senior political analyst, with a master degree. He was the deputy secretary to the Party Committee of the Company, and has extensive experience in administrative management.

Name	Major work experience
Gao Jianmin	Mr. Gao graduated from Tsinghua University. He has been a Director of the Company since its incorporation. Mr. Gao is also a director and the general manager of International Copper Company Limited, a director of Qingling Motors Co., Ltd. and a director and general manager of Silver Grant International Industries Limited. He has extensive experience in finance, industrial investment and development.
Liang Qing	Appointed as a Director of the Company in June 2002, Mr. Liang is currently a director and general manager of China Minmetals H.K. (Holdings) Limited. He has abundant experience in international trading and investment.
Sun Chuanyao	Mr. Sun is currently a part-time professor and tutor of the PHD Programme in South Central University, the vice chairman of China Non-Ferrous Metals Industry Association Specialists Committee and the chairman of China Mining Association. Mr. Sun was a director, the vice head of institute, the head of institute and the chairman of key laboratory of mineral processing of mining of Beijing Mining and Metallurgy Research Institute.
Zhou Donghua	He graduated from Fudan University with a major in accounting in 2010 and obtained a Ph.D. in management. He currently serves as deputy head, associate professor in Accounting and master tutor of Jiangxi University of Finance and Economics (江西財經大學). He chaired and participated in a number of national natural science foundation projects. He has published more than 20 papers in key academic journals such as Accounting Research and Audit Research. He also served as a a councillor of the Finance Cost Branch of Accounting Society of China* (中國會計學會財務成本分會理事), a non-practicing member of The Chinese Institute of Certified Public Accountants. He was selected as the sixth session of national academic accounting leading (supporting) talent schemes for the Ministry of Finance of the PRC.

Name	Major work experience
Liu Erh Fei	Mr. Liu is currently the co-founder of Xintai Asset Management Co., Ltd. Mr. Liu was a senior management in various financial institutions such as Goldman Sachs, Morgan Stanley, Salomon Smith Barney and Bank of America Merrill Lynch.
Tu Shutian	Mr. Tu is a professor and a master tutor of the Department of Law, Nanchang University; graduated from Southwest University of Political Science & Law and majored in law in 1984; served as the representative of the 12th People's Congress of Jiangxi Province, a member of the Standing Committee of People's Congress of Jiangxi Province, a member of the Commission of Legislative Affairs of Jiangxi Province, a member of Legal Advisory Panel of Jiangxi Province, a standing director of China Law Society, the vice chairman of the Law Society of Jiangxi Province, an arbitrator of Nanchang Arbitration Committee; he has extensive expertise and experience in procedural law and civil and commercial law.
Hu Qingwen	Mr. Hu currently serves as the secretary of the Disciplinary Committee and the chairman of the Supervisory Committee of the Company. Mr. Hu is a university postgraduate and has served as chief of departments of the Company including General Planning, Human Resources, Organisation and Management Departments, as well as the secretary to the Party Committee of Guixi Smelter and chairman of the Labour Union of the Company. He has abundant experience in general management.
Zeng Min	With a bachelor's degree, Mr. Zeng is currently the vice chairman of the Labor Union of the Company. He was a director of the party's office of the Company and secretary of Party Committee of JCC Copper Materials Company Limited (江銅銅材公司).

Name	Major work experience
Liao Shengsen	A senior accountant, Mr. Liao is currently the general manager of risk control and internal audit department of the Company. He was the chief accountant in Guixi Smelter of the Company.
Zhang Jianhua	He is currently the general manager of Legal Department of the Company and was the deputy director of enterprise management department of JCC and the vice general manager of plan and development department of the Company, and has extensive experience in administrative and legal affairs.
Zhang Kui	Graduated from Jiangxi Shangrao Teachers College* (江西上饒師範專科學校). He served as a deputy secretary to the Party Committee, a secretary to the discipline committee and a secretary to the Party Committee of Yongping Copper Mine of Jiangxi Copper Company Limited. He currently serves as a deputy secretary to the discipline committee and a director of the supervisory office of the Company.
Huang Mingjin	Graduated from Jiangxi Metallurgy College (江西冶金學院) with a bachelor's degree in non-ferrous metallurgy, Mr. Huang is a professor-grade senior engineer and had been appointed as the head of Guixi Smelter of the Company. Mr. Huang currently serves as the deputy general manager of the Company.
Jiang Chunlin	A university graduate, Mr. Jiang is a senior engineer and registered safety engineer. Currently, he serves as a deputy general manager of the Company. He graduated from the mining department of Hunan Xiangtan Mining Institute (湖南湘潭礦業學院) and had worked at Hukeng Tin Mine, Mine Resources Development Company in Autonomous Prefecture of Kezilesukeerkezi, Xinjiang (新疆克孜勒蘇柯爾克孜自治州礦產資源開發公司), Jiangxi Rare Earth and Metals Tungsten Corporation (江西稀有稀土金屬鎢業集團公司) and Yichun Economic Development Zone. He had served as a technician, division head, deputy head of the production department and the director of the department of investment and development.

Name	Major work experience
Chen Yunian	Mr. Chen graduated from the Changsha School of Engineering in Smelting profession in July 1982 and graduated from the Central Party School (correspondence), majoring in economics management in December 2003. He is a senior engineer. He served as deputy director of the electrolysis workshop, director of smelting workshop of Guixi Smelter, deputy director of Guixi Smelter, assistant to general manager of the Company and director of Guixi Smelter of the Company.
Zeng Qingjian	A university graduate, Mr. Zeng graduated from the Central South University of Technology majoring in chemical engineering in July 1993, is a senior engineer. He served as workshop director of sulfuric acid workshop of Guixi Smelter of the Company, deputy secretary of the Party Committee and secretary of the disciplinary committee of Guixi Smelter of the Company, director of general manager office of the Company and president of trade division of the Company.
Zhou Shaobing	A university graduate, Mr. Zhou graduated from the Central South University of Technology majoring in mining engineering in July 1993, is a senior engineer. He served as chief engineer of Dexing Copper Mine and deputy head of Chengmenshan Copper Mine of the Company, head of Chengmenshan Copper Mine of the Company.
Lin Jinliang	A senior economist, Mr. Lin graduated from Central South University of Technology. He is currently in charge of the Legal Affairs of the Company. Mr. Lin served as the Head of the Youth League, Labour and Payroll division, Diversified Business and Administration Section (多元化經營管理處) and Corporate Management Division of JCC respectively. Mr. Lin has extensive experience in corporate management and legal practice.
Liu Jianghao	A professor-grade senior engineer, Mr. Liu graduated from Jiangxi Institute of Metallurgy (江西冶金學院) with a bachelor degree in ore dressing. He currently serves as the chief engineer of the Company and was appointed as the vice chairman and deputy general manager of Northern Peru project in Minerals Jiangxi Copper Mining Investment Company Limited.

Name	Major work experience
Tung Tat Chiu, Michael	The Hong Kong legal adviser of the Company, a senior partner of Tung & Co., Mr. Tung holds a B.A. degree in law and accounting from the University of Manchester, the United Kingdom. He has over 20 years of experience as a practicing lawyer in Hong Kong. Mr. Tung joined the Company in January 1997. Mr. Tung is also the company secretary of a number of companies listed in Hong Kong.

(2) Equity incentive of Directors or senior management during the Reporting Period

Not applicable

(II) Engagements of existing and resigned Directors, Supervisors and senior management during the Reporting Period

(1) Positions held in shareholders' entities

Name	Name of shareholder's entity	Position held at the shareholder's entity	Appointment date	End of term
Li Baomin	JCC	Chairman	4 March 2013	11 September 2017
Li Baomin	JCC	Secretary to the Party	29 September 2006	11 September 2017
Long Ziping	JCC	Chairman, Secretary to the Party	11 September 2017	
Long Ziping	JCC	Vice-chairman	June 2013	11 September 2017

Positions held in shareholders' entities	Nil

(2) **Positions held in other entities**

Name	Name of other entities	Position held at other entities
Gao Jianmin	Qingling Motors Co., Ltd.	Executive Director
	Silver Grant International Industries Limited	Director and general manager
Sun Chuanyao	Central South University	Professor
	Northeastern University	Professor and tutor of PhD Programme
	University of Science & Technology Beijing	Professor and tutor of PhD Programme
	China University of Mining and Technology	Professor
	Kunming University of Science and Technology	Professor
	Guizhou University	Professor
	Henan Polytechnic University	Professor
	China Non-Ferrous Metals Industry Association Specialists Committee (中國有色金屬工業協會專家委員會)	Vice chairman
	Non-ferrous Metals Society of China Mining Selection Academic Committee (中國有色金屬學會選礦學術委員)	Chairman
	China Mining Association Mining Selection Academic Committee (中國礦業聯合會選礦委員會)	Chairman
Liu Erh Fei	Xintai Asset Management Co., Ltd. (信泰資產管理有限公司)	Co-founder
	21 Vianet Group, Inc. (世紀互聯集團有限公司)	Independent Director
	Fortunet E-commerce Group Limited (鑫網易商集團有限公司)	Independent Director
	Qingling Motors Co., Ltd. (慶鈴汽車股份有限公司)	Independent Director

Name	Name of other entities	Position held at other entities
Zhou Donghua	Jiangxi University of Finance and Economics	Deputy Director of Department
	Jiangxi Hongdu Commercial Aircraft Corporation Limited (江西洪都商用飛機股份有限公司)	Independent Director
Tu Shutian	Department of Law, Nanchang University	Professor
	Renhe Pharmacy Co., Ltd. (仁和藥業股份有限公司)	Independent Director
Liao Shengsen	China Nerin Engineering Co. Ltd. (中國瑞林工程技術有限公司)	Supervisor
	Minmetals Non-ferrous Metals Co. Ltd. (五礦江銅礦業投資有限公司)	Chairman of Supervisory Committee
Huang Mingjin	China Nerin Engineering Co. Ltd. (中國瑞林工程技術有限公司)	Director
Zhang Jianhua	China Southern Rare Earth Group (中國南方稀土集團有限公司)	Director
	Jiangxi Hongdu Commercial Aircraft Corporation Limited (江西洪都商用飛機股份有限公司)	Director

Positions held in other entities — Nil

(III) Remunerations of Directors, Supervisors and senior management

Unit: RMB

Determination procedures for remunerations of Directors, Supervisors and senior management	The Remuneration Committee of the Company formulates proposals on remunerations of Directors, Supervisors and senior management to be submitted to the Board for approval by voting.
Determination basis for remunerations of Directors, Supervisors and senior management	Remunerations for the Directors, Supervisors and senior management of the Company consist of basic salaries and performance salaries, among which performance salaries are calculated based on basic salaries to be received by the Directors, Supervisors and senior management according to assessment of their annual operating results. Remunerations for the independent Directors are determined according to annual subsidies.
Particulars of remunerations payable to Directors, Supervisors and senior management	During the Reporting Period, remunerations of Directors, Supervisors and senior management were RMB10.4535 million.
Actual total payment of remunerations to Directors, Supervisors and senior management as at the end of the Reporting Period	During the Reporting Period, Directors, Supervisors and senior management received a total remuneration of RMB10.4535 million.

(IV) Change in Directors, Supervisors and senior management

Name	Position held	Change	Reasons for the changes
Li Baomin	Chairman	Resigned	Other work engagement
Zhang Weidong	Independent non-executive Director	Resigned	Other work engagement
Xie Ming	Supervisor	Resigned	Other work engagement
Dong Jiahui	Deputy General Manager	Dismissed	Other work engagement
Wu Jimeng	Deputy General Manager	Dismissed	Other work engagement
Liu Jianghao	Deputy General Manager	Dismissed	Other work engagement
Long Ziping	Chairman	Elected	Other work engagement
Zhou Donghua	Independent non-executive Director	Elected	Other work engagement
Zhang Kui	Supervisor	Elected	Other work engagement
Chen Yunian	Deputy General Manager	Appointed	Other work engagement
Zeng Qingjian	Deputy General Manager	Appointed	Other work engagement
Zhou Shaobing	Deputy General Manager	Appointed	Other work engagement
Liu Jianghao	Chief Engineer	Appointed	Other work engagement

(V) Explanation on punishments received from securities regulatory institutions in the recent three years

Not applicable

(VI) Directors' and Supervisors' service contracts and interests in contracts

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

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

(VII) Interests of Directors, Supervisors and Chief Executive in shares

As at 31 December 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 corporation as recorded in the register of the Company required to be kept under section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix 10 of the Listing Rules.

(VIII) Directors' and Supervisors' interests in competing business or other interests in material transactions, arrangement or contracts

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

As at 31 December 2017 or at any time during the reporting year, none of the Company or its holding company or its subsidiaries entered into any transactions, arrangements or contracts of significance in which any of the Directors or Supervisors or an entity connected with them was either directly or indirectly materially interested.

(IX) Employee information of the parent and its major subsidiaries

(1) Employee information

Number of in-service employees in the parent	17,116
Number of in-service employees in major subsidiaries	3,764
Total number of in-service employees	20,880
Number of employees retired for whom the parent and major subsidiaries have to pay pension	0

Specialty composition

Category	Headcount
Production	16,181
Sales	304
Technician	1,946
Financial	368
Administration	2,081
Total	20,880

Education level

Category	Headcount
Post-secondary and above	7,601
Technical secondary and senior secondary	7,741
Junior secondary and below	5,538
Total	20,880

(2) **Remuneration policies**

In 2017, the Company followed a position-performance payroll mechanism and based on the principle of division of labour, made remuneration distribution according to value of position, work techniques and results. Staff remunerations, mainly including position salaries, performance salaries and other welfare, were released based on assessment with reference to operating performance, management obligation, etc.

(3) **Training plan**

The Company formulated a practical training plan by integrating development strategies as well as production and operation mission 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 workforce. The Company has established a series of measures 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.

(4) **Outsourcing**

Not applicable

XII. Ordinary share profit distribution plan or plan to convert capital reserves into share capital

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

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

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

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

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

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

Pursuant to the requirements of the Company Law and the Notice in relation to Matters concerning Further Implementation of Cash Dividend Distribution of Listed Companies (《關於進一步落實上市公司現金分紅有關事項的通知》), Regulatory Guidelines for Listed Companies No. 3 – Cash Dividend Distribution of Listed Companies (《上市公司監管指引第3號–上市公司現金分紅》) issued by CSRC and the Notice regarding to the Re-issue of Notice in relation to Matters concerning Further Implementation of Cash Dividend Distribution of Listed Companies (《關於轉發〈關於進一步落實上市公司現金分紅相關事項的通知〉的通知》) and other documents issued by Jiangxi Securities Regulatory Bureau, the Company considered and approved the resolution of the Dividend Policy and 3-Year Plan of Shareholders' Return of Jiangxi Copper Company Limited (2016–2018) at the 2016 first extraordinary general meeting convened on 18 July 2016.

The 2017 Profit Distribution Plan of the Company will be implemented pursuant to the Dividend Distribution Policy and 3-Year Plan for Shareholders' Return of Jiangxi Copper Company Limited (2016–2018). The Board has recommended distribution of a final dividend of RMB0.20 per share (inclusive of tax) for 2017 to all the shareholders. The Board did not recommend transfer of capital reserve to share capital or issue of bonus shares. Independent Directors of the Company have expressed independent opinions on the profit distribution plan.

(II) Plans or proposals for ordinary share profit distribution or transfer of capital reserve to share capital of the Company in the last three years (including the Reporting Period)

Unit: Yuan Currency: RMB

Year	Number of bonus shares for every 10 shares *(share)*	Dividend for every 10 shares *(RMB)* (tax inclusive)	Number of shares transferred from capital reserve for every 10 shares *(share)*	Cash dividends (tax inclusive)	Net profit attributable to ordinary shareholders of the Company in the consolidated statement during the year of dividend distribution	Percentage in net profit attributable to ordinary shareholders of the Company in the consolidated statement *(%)*
2017	0	2.0	0	692,545,881	1,604,107,754	43.17
2016	0	1.5	0	519,409,411	784,149,893	66.24
2015	0	1.0	0	346,272,941	637,218,130	54.34

(III) Share buy-back by cash offer recognized in cash dividends

Nil

(IV) If the Company records profits and the distributable profit to ordinary shareholders is positive during the Reporting Period but there is no proposal for cash dividend, the Company to disclose the reasons, the usage and planned usage of the undistributed profits in detail

Not applicable

Withholding and Payment of Enterprise Income Tax for Non-resident Enterprise Shareholders

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

Withholding and Payment of Personal Income Tax for Individual H Shareholders

Pursuant to the State Administration of Taxation Notice on Matters Concerning the Levy and Administration of Individual Income Tax After the Repeal of Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348) (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)) dated 28 June 2011, and the letter entitled "Tax arrangements on dividends paid to Hong Kong residents by Mainland companies" dated 4 July 2011 issued by the Stock Exchange, the Company is required to withhold and pay the individual income tax in respect of the 2017 final dividends paid to the individual H Shareholders (the "**Individual H Shareholders**"), as a withholding agent on behalf of the same. However, the Individual H Shareholders may be entitled to certain tax preferential treatments pursuant to the tax treaties between the PRC and the countries (regions) in which the Individual H Shareholders are domiciled and the tax arrangements between Mainland China and Hong Kong (Macau).

Pursuant to the aforesaid tax regulations, when the 2017 final dividends is to be distributed to the holders of H Shares whose names appear on the register of members of the Company as at 26 June 2018, the Company will base on the tax rate of 10% to withhold 10% of the dividend to be distributed to the Individual H Shareholders as individual income tax. For non-resident enterprise holders of H Shares, the Company will withhold 10% of the dividend as enterprise income tax according to the relevant tax regulations in line with its previous practice.

If shareholders' names appear on the H Shares register of members, please refer to nominees or trust organization for details of the relevant arrangements. The Company has no obligation and shall not be responsible for confirming the identities of the shareholders. The Company will strictly comply with the laws, and withhold and pay the enterprise income tax and individual income tax on behalf of the relevant shareholders based on the H Shares register of members of the Company as of 26 June 2018. The Company will not accept any requests relating to any delay in confirming the identity of the shareholders or any uncertainties in the identity of the shareholders.

Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)), for dividends received by domestic individual investors from investing in H shares listed on the Stock Exchange through Shanghai-Hong Kong Stock Connect, the company of such H shares shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in H shares listed on the Stock Exchange through Shanghai-Hong Kong Stock Connect, the tax payable shall be the same as that for domestic individual investors. The company of such H shares will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

Pursuant to the Notice on the Tax Policies for Shenzhen-Hong Kong Stock Connect Pilot Program (Cai Shui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), for dividends received by domestic individual investors from investing in H shares listed on the Stock Exchange through Shenzhen-Hong Kong Stock Connect, the company of such H shares shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in H shares listed on the Stock Exchange through Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for domestic individual investors. The company of such H shares will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

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

XIII. Equity-linked agreement

Saved as the disclosed in this report, there was no equity-linked agreement entered into by the Company during the Reporting Period.

XIV. Donation

During the Reporting Period, the donation made by the Company amounted to RMB989,000.

I. Information on corporate governance

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

There is no material difference between the corporate governance of the Company and the requirements of the relevant regulations of CSRC.

II. Corporate Governance Code

The Company strives to maintain and establish high quality corporate governance.

To the knowledge of the Board, during the Reporting Period, the Company has been in full compliance with all the code provisions under the Corporate Governance Code (the "**Code**") as set out in Appendix 14 to the Listing Rules, with the exception as disclosed in this Corporate Governance Report and the following deviations:

During the Reporting Period, potential legal actions which the Directors may face were covered in the internal control and risk management of the Company. As the Company considered that it is unlikely to have additional risks, insurance arrangements in respect of legal action against the Directors have not been arranged as required under code provision A.1.8 of the Code.

The following are the corporate governance practices adopted by the Company.

(1) Shareholders and general meeting

The Company seeks to ensure that all shareholders, especially minority shareholders, are able to enjoy equal status and exercise their rights and the corresponding obligations effectively and fully. Meanwhile, it seeks to ensure shareholders' rights to know and participate in the Company's significant events as stipulated under relevant laws, regulations and the Articles of Association.

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

(2) Relationship between the controlling shareholder and the Company

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

(3) Directors, the Board and senior management

The Board is mainly responsible for devising the Company's overall strategies such as the development strategies, management structure, investment and financing, budget, financial control and human resources and overseeing the operations of the Company (including reviewing and monitoring the training and continuous professional development for the Directors and senior management personnel and formulating, reviewing and monitoring the code of conduct and compliance manual of employees and Directors). The Board is also responsible for reviewing and monitoring the policies and practices regarding the Company's compliance with laws and regulatory requirements and formulating the operations and disclosures of the Company in accordance with the listing rules or other rules and regulations of places where the shares of the Company are listed and reviewing the financial performance of the Company. In addition, the Board is also responsible for formulating and reviewing the Company's corporate governance policies and practices. The Board has reviewed the Company's compliance with the Code and the disclosure in the "Corporate Governance Report" during the Reporting Period.

Of which, the Chairman leads and supervises the operation of the Board and effectively plans Board meetings to ensure that the Board acts in the best interests of the Company. Under the leadership of the Chairman, the Board has adopted sound corporate governance and procedures and taken adequate measures for efficient communication with shareholders. The Chairman implements the Board's decisions and makes daily management decisions. The power and duties of the Board and Chairman of the Company are set out in the Articles of Association in details.

Senior management of the Company comprises the General Manager, the Deputy General Manager, the chief engineer, the chief financial officer, the chief legal officer, secretary to the Board of the Company and other management personnel as determined by the Board. The General Manager is responsible to the Board for exercising the following duties: presiding over the production, operation and management work of the Company; organizing the implementation of the Board's resolutions; organizing the implementation of business plan and investment plan for the year; organizing the formulation of fundamental management system of the Company; organizing and formulating the fundamental rules of the Company; proposing the appointment or removal of the Deputy General Manager and the chief financial officer of the Company; appointing or removing management personnel other than those who shall be appointed or removed by the Board; and other duties granted by the Articles of Association and the Board.

During the Reporting Period, Mr. Li Baomin and Mr. Long Ziping served as the Chairman and the General Manager of the Company, respectively, from 1 January 2017 to 10 September 2017. However, since the resignation of Mr. Li Baomin on 11 September 2017, Mr. Long Ziping concurrently served as the Chairman and the General Manager of the Company from 11 September 2017 to 31 December 2017. Mr. Wu Yuneng has served as the General Manager since 8 January 2018.

From 1 January 2017 to 10 September 2017, the Board of the Company comprised of 11 Directors, including 7 executive Directors and 4 independent non-executive Directors; as Mr. Li Baomin, an executive Director, has resigned on 11 September 2017, from 11 September 2017 to 31 December 2017, the Board of the Company comprised of 10 Directors, including 6 executive Directors and 4 independent non-executive Directors. 2 executive Directors have background of the controlling shareholder or the actual controller (i.e. Mr. Li Baomin and Mr. Long Ziping, respectively). Members of the Board have different industrial background and professional knowledge in corporate management, financial accounting, law, mining and metallurgy. For details of the composition of the Board and the biographies of the members of the Board, please refer to the section headed "Particulars of Directors, Supervisors, senior management and staff" in the chapter "Report of the Board" of this report.

To the best knowledge and belief of Directors, there is no relationship among members of the Board, including financial, business, family or other material or relevant relationships.

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

The Company had 4 independent non-executive Directors during the Reporting Period. Among them, Dr. Zhou Donghua obtained a bachelor's degree in Accounting and a master's degree in National Economy from University of Shanghai for Science and Technology (上海理工大學) and a Ph.D. in Accounting from Fudan University (復旦大學). Dr. Zhou is currently a deputy head, associate professor and a postgraduate supervisor in Accounting in the Jiangxi University of Finance and Economics (江西財經大學), and is successively a councillor of the Finance Cost Branch of Accounting Society of China* (中國會計學會財務成本分會理事), a non-practicing member of The Chinese Institute of Certified Public Accountants, and was selected as a member in the sixth session of national academic accounting leading (supporting) talent schemes for the Ministry of Finance of the PRC. The Board considers that, Dr. Zhou, with his educational background and experience, is in compliance with the requirement set out in Rule 3.10(2) of the Listing Rules which prescribes that at least one of the independent non-executive Directors shall have appropriate expertise in accounting or related financial management.

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

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

The responsibilities of the Independent Audit Committee principally covers reviewing and monitoring the performance and procedures of financial reporting as well as the accounting policies and affairs of the Company, making recommendations to the Board on the appointment, re-appointment and removal of external auditors, approving the remuneration and terms of engagement of external auditors and dealing with any issue related to the resignation or dismissal of such auditors, considering and approving the engagement of independent auditors and the related coordination, reviewing their related work efficiency and performance, serving as a major representative between the Company and the external auditors for monitoring the relationship between those two parties, reviewing the risk management and internal control system of the Company, discussing the risk management and internal control system with the management to ensure the management's fulfilment of responsibilities in setting up an effective system, and considering major investigation findings on risk management and internal control matters on its own initiative or as delegated by the Board and management's response to these findings.

The current session of the Independent Audit Committee comprises 4 independent non-executive Directors, namely, Dr. Zhou Donghua, Mr. Tu Shutian, Mr. Sun Chuanyao and Mr. Liu Erh Fei. Dr. Zhou Donghua was appointed on 7 June 2017 to replace Mr. Zhang Weidong. Dr. Zhou Donghua is the chairman of the Audit Committee. The Secretary to the Board is also the secretary to the Independent Audit Committee.

The establishment status and main particulars of the relevant duties of the Independent Audit Committee (the Audit Committee) and the summary report on its fulfilment of duties

1) The Company had formulated the Work System of the Independent Audit Committee (the Audit Committee) (《獨立審核委員會(審計委員會)工作規程》), in which the Independent Audit Committee (the Audit Committee) is responsible to the Board and assumes the duties to review the Company's financial reporting, financial control, internal control and risk management system and oversee the preparation procedures of the Company's financial statements and the completeness of their contents as well as the appointment and removal of the auditors.

2) Summary report on fulfilment of duties of the Independent Audit Committee:

(1) We convened two meetings in 2017, at which all members of the Independent Audit Committee presented. At one meeting, we reviewed and confirmed the audited 2016 annual report and issued written opinions on the connected transactions, fund appropriation and external guarantees of the Company and made recommendations for the appointment of auditors, whilst at the other meeting, we reviewed and confirmed the 2017 interim report reviewed by the accountants and listened to the report on 2017 annual audit work arrangements by the accountants;

(2) We have reviewed the annual financial statements for 2017 prepared by the Company, and issued written opinions that such financial statements were in compliance with the PRC GAAP, and agreed to submit such financial statements to Deloitte Touche Tohmatsu Certified Public Accountants LLP for auditing;

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

(4) Upon issue of initial auditing opinions by the auditors, we reviewed again such financial statements prepared by the Company and considered that they were appropriately prepared in accordance with requirements of the PRC GAAP, and truly and completely reflected the Company's financial position as at 31 December 2017, operating results and cash flow for 2017 in relevant material aspects;

(5) We submitted to the Board the summary report on the Company's auditing work for the previous year made by the auditors, considering that Deloitte Touche Tohmatsu Certified Public Accountants LLP executed the auditing work in strict accordance with provisions of China Standards on Independent Auditing for Certified Public Accountants. With sufficient time for auditing and reasonable allocation on auditing personnel, the auditors were competent in respect of execution ability. The audit conclusions issued fully reflected the financial position of the Company as at 31 December 2017 and its operating results for 2017 and were in line with actual situation of the Company;

(6) We recommended to appoint Deloitte Touche Tohmatsu Certified Public Accountants LLP (Special General Partnership) and Deloitte Touche Tohmatsu to be the domestic and overseas auditors of the Company for the year 2017.

Members of Independent Audit Committee: Zhou Donghua, Tu Shutian, Liu Erh Fei

23 March 2018

The responsibilities of the Remuneration Committee mainly include: to provide advice to the Board in respect of the remuneration policies and structure of the Company's Directors and senior management and formulation of remuneration policies through establishment of formal and transparent procedures; to review and approve proposals in respect of remuneration of the the management in response to the various enterprise principles and targets; to propose remuneration of all executive Directors and senior management which includes non-monetary benefits, pension rights and compensation to the Board; to provide advice to the Board in respect of the remuneration of non-executive Directors; to consider the remuneration paid by similar companies, time and duties devoted as well as employment conditions of other posts within the Group; to ensure that no Director or any of his/her associates determines his/her own remuneration; and to provide other duties specified in the terms of reference of the Remuneration Committee.

The current session of the Remuneration Committee comprises of 4 independent non-executive Directors of the Company, namely, Mr. Tu Shutian, Mr. Sun Chuanyao, Mr. Liu Erh Fei and Dr. Zhou Donghua. Dr. Zhou Donghua was appointed on 7 June 2017 to replace Mr. Zhang Weidong. Mr. Tu Shutian is the chairman of the Remuneration Committee. The secretary to the Board is also the secretary to the Remuneration Committee.

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

On 18 March 2017, the Company held the second meeting of the seventh Remuneration Committee, which was attended by all members of the Remuneration Committee at that period, at which the Proposal of Remuneration of Directors, Supervisors and Senior Management for the Year 2016 (《2016年度董事、監事、高級管理人員薪酬預案》) was approved, and recommendations were made to the Board in respect of the above matters.

Members of Remuneration Committee: Tu Shutian, Liu Erh Fei and Zhou Donghua

23 March 2018

The responsibilities of the Nomination Committee mainly include: to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships; to assess the independence of independent non-executive Directors; to make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the Chairman and the Chief Executive.

From 1 January 2017 to 10 September 2017, the current session of Nomination Committee comprised of two executive Directors, namely, Mr. Li Baomin (the then Chairman of the Nomination Committee) and Mr. Long Ziping, and 4 independent non-executive Directors. As an executive Director Mr. Li Baomin resigned on 11 September 2017, from 11 September 2017 to 31 December 2017, the current session of Nomination Committee comprised of one executive Director and four independent non-executive Directors. The four independent non-executive Directors were Mr. Sun Chuanyao, Mr. Tu Shutian, Mr. Liu Erh Fei and Dr. Zhou Donghua. Dr. Zhou Donghua was appointed on 17 June 2017 to replace Mr. Zhang Weidong. Mr. Long Ziping is the chairman of the Nomination Committee since 11 September 2017. The secretary to the Board is the secretary to the Nomination Committee.

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

The Company held two Nomination Committee meetings on 23 March and 20 October 2017, respectively. All members of the Nomination Committee at that period attended the meetings, at which the resolution on nomination of Dr. Zhou Donghua as a candidate of Director of the Company, and the resolution on nomination of Mr. Wu Yuneng as the standing deputy general manager of the Company, Mr. Chen Yunian, Mr. Zeng Qingjian, Mr. Zhou Shaobing as the deputy general managers of the Company, Mr. Liu Jianghao as the chief engineer of the Company were made to the Board in respect of the said matters.

Members of Nomination Committee: Long Ziping, Tu Shutian, Liu Erh Fei and Donghua

23 March 2018

(4) Supervisory Committee

The Supervisory Committee consists of 5 Supervisors, including 2 employees' representative supervisors. The Supervisors serve for a term of office of three years and are eligible for re-election. The current Supervisory Committee is the seventh Supervisory Committee since the incorporation of the Company.

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

(5) Directors' responsibilities on the financial statements

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

(6) Independence of the independent non-executive Directors

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

(7) Board diversity policy

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

The Company understands and believes that the diversity policy for the Board members can enhance the quality of its performance. With a view to achieving a sustainable and balanced development, the Company regards the increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition, the Company has considered a number of aspects for the Board diversity, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. All appointments of the Board are based on meritocracy, and candidates are selected objectively having taken full account of the benefits of diversity on the Board.

III. Peer competition and connected transactions

(1) Peer competition

During the Reporting Period, there was no substantive peer competition between the Company and its controlling shareholder, JCC.

(2) Connected transactions

The Company was established in 1997 through separation of part of the assets from the controlling shareholder, JCC. Hence, certain connected transactions are inevitable between the Company and JCC and its subsidiaries from time to time (except the Group). Such connected transactions are in compliance with the market and business principles and follow the approval procedures for connected transactions.

The Company has sought to reduce the connected transactions with JCC and its subsidiaries from time to time (except the Group) since its listing. The types of connected transactions between the Company and JCC and its subsidiaries from time to time (except the Group) have been substantially reduced due to the increasing acquisitions of assets of JCC and its subsidiaries from time to time (except the Group) by the Company and the socialization of part of assets of JCC.

For details of the connected transactions conducted between the Company and JCC and its subsidiaries from time to time (except the Group), please refer to the section headed "Material connected transactions" in the chapter of "Significant Events" in this report.

IV. 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	Website of the SSE: www.sse.com.cn	8 June 2017
2017 First Extraordinary General Meeting	28 December 2017	Website of the SSE: www.sse.com.cn	29 December 2017

Explanation on shareholders' meeting

In 2017, all proposals submitted to the annual general meeting and extraordinary general meeting of the Company were considered and approved.

V. Fulfilment of duties by Directors

(I) Attendance of Directors at the Board meetings and shareholders' meetings

		Participation in Board meetings						Participation in shareholders' meetings
Name of Director	Whether an independent Director	Required attendance in the year	Attendance in person	By telecommunication	Attendance by proxy	Absence	Whether not attend in person for two consecutive times	Attendance in shareholders' meetings
Li Baomin	No	7	5	2	0	0	No	1
Long Ziping	No	11	9	2	0	0	No	2
Gao Jianmin	No	11	9	2	0	0	No	0
Liang Qing	No	11	9	2	0	0	No	0
Zhang Weidong	Yes	5	4	1	0	0	No	0
Tu Shutian	Yes	11	9	2	0	0	No	1
Sun Chuanyao	Yes	11	9	2	0	0	No	1
Liu Erh Fei	Yes	11	9	2	0	0	No	0
Wu Jinxing	No	11	9	2	0	0	No	2
Wang Bo	No	11	9	2	0	0	No	2
Zhou Donghua	Yes	6	5	1	0	0	No	1
Wu Yuneng	No	11	9	2	0	0	No	2

Board meetings convened during the year	11
Of which: On-site meetings	2
By telecommunication	0
Meetings held on site and by telecommunications	9

(II) Objection of independent Directors on the Company's relevant events

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

(III) Model Code for Securities Transaction by Directors

During the Reporting Period, the Company adopted the Model Code for Securities Transactions by Directors of Listed issuers. Having made specific enquiries to all Directors and Supervisors, the Company confirms that all the Directors and Supervisors have complied with the requirements of the Model Code during the Reporting Period.

(IV) Directors' participation in continuous professional development

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

Each Director of the Company has read and earnestly studied the latest securities laws, regulations and rules of Hong Kong and the PRC.

VI. Major advice and recommendation proposed by the special committees under the Board in fulfilment of duties during the Reporting Period, and details in case of disagreements

The Company has established the Working System for Annual Report of the Independent Directors (《獨立董事年度報告工作制度》). Work Rules of the Independent Audit Committee (Audit Committee) (《獨立審核委員會(審計委員會)工作規程》) of the Company also requires that all members of the independent Audit Committee shall be independent Directors. During the Reporting Period, independent Directors of the Company duly performed their duties, carefully reviewed the connected transactions, appropriation of fund by substantial shareholders and preparation of annual report and issued independent opinions.

VII. Explanation on the risk in the company discovered by the Supervisory Committee

No disagreement was raised by Supervisory Committee in the supervision during the Reporting Period.

VIII. Particulars of the assessment mechanism for senior management and of the establishment and implementation of incentive mechanism during the Reporting Period

During the Reporting Period, the Board considered and approved the Proposal in relation to Remuneration of Directors, Supervisors and Senior Management for the year 2016 according to the authorisation obtained at the shareholders' meeting.

IX. Auditors' Remuneration

For the auditors' remuneration in 2017, please refer to content of "Appointment and removal of accounting firms" under section headed "Significant Events" in this report.

X. Company Secretary

For the year ended 31 December 2017, the company secretary of the Company had received relevant professional trainings of not less than 15 hours to update his skills and knowledge.

XI. Shareholders' rights

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

The Articles of Association of the Company also expressly provides that its shareholders are entitled to supervise and manage the business and operation of the Company, put forward recommendations or questions, inquire relevant information as well as the rights to know and participate in the Company's significant events. For details of the procedures and methods of inquiry, please refer to the Articles of Association of the Company. The Company values good communication with its shareholders. The main communication channels of the Company include general meetings, the Company's website and email address, the facsimile and telephone of the secretariat of the Board, which are available for its shareholders to express their opinions or exercise their rights.

XII. Investor relations

During the Reporting Period, the Company attached great importance to build a sound and harmonious investor relation. The Company intensified the communication and interaction with its shareholders through various channels such as the Company's website, emails, telephone and facsimile, greeted its shareholder's visits and replied to their letter and calls seriously, and addressed their concerns and inquiries, turning the investors' request and suggestions as an incentive for the Company to grow.

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

The Company has uploaded its Articles of Association on the websites of the Stock Exchange (http://www.hkexnews.hk/) and the Company (http://www.jxcc.com/). During the Reporting Period, the Company made amendments to its Articles to Association in order to to reflect the spirit of "Certain Opinions on Upholding the Party's Leadership and Strengthening the Party's Construction in Deepening the Reform of State-owned Enterprises*" issued by the Central Committee of the Communist Party of China (中共中央《關於在深化國有企業改革中堅持黨的領導加強黨的建設的若干意見》) and the requirements of the Company Law of the PRC (《中華人民共和國公司法》) and the Guidance for the Articles of Listed Company* (《上市公司章程指引》) issued by the CSRC, after taking into consideration the actual situation of the Company. Shareholders approved the amendments by special resolutions at the extraordinary general meeting held on 28 December 2017. For details, please refer to the circular of the Company dated 8 December 2017.

XIII. Risk management and internal control

The Audit Committee of the Company regularly (twice a year) reviews the risk management system for the year 2017 of the Group. During the Reporting Period, the Independent Audit Committee has conducted an evaluation for the Group's management system, and is of the view that the risk management system of the Group is effective and adequate.

The Board regularly (twice a year) reviews the internal control of the Group. During the Reporting Period, the Board has conducted an evaluation for the Group's internal control. Please refer to the report on Internal Control as set out in this report and the 2017 Assessment Report on Internal Control disclosed on 29 March 2018 at the website of the Shanghai Stock Exchange for details.

Internal Control

I. Statement on the responsibility of internal control and establishment of internal control system

It is the responsibility of the Board to establish a sound internal control implement if effectively, and evaluate its effectiveness and to truthfully disclose the assessment report on internal control in accordance with the requirements of the Standards System for Enterprise Internal Control. The Supervisory Committee supervises the establishment and implementation of internal control by the Board. The management of the Company is responsible for organizing and leading the daily operation of internal control of the Company.

The Board, Supervisory Committee and Directors, Supervisors and senior management officers of the Company warrant that there are no false representations, misleading statements or material omissions in this report, and are severally and jointly responsible for the truthfulness, accuracy and completeness of the content herein contained.

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

(I) Conclusions on the evaluation of internal control

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

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

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

(II) Evaluation of internal control

(I) Evaluation scope of internal control

The Company determined to incorporate major units, business and matters as well as high-risk fields into the evaluation scope pursuant to risk-oriented principle. The major units within the evaluation scope comprise of the headquarters of the Company, Dexing Copper Mine, Guixi Smelter, Chengmenshan Copper Mine, Wushan Copper Mine, JCC Dongtong Mining Company Limited, JCC Yinshan Mining Company Limited, Jiangxi Copper International Trade Company Limited, Jiangxi Copper (Guangzhou) Copper Production Company Limited, Jiangxi Copper (Qingyuan) Company Limited, Jiangxi Copper North China (Tianjin) Copper Co., Ltd. and JCC Finance Company Limited and other units.

Total asset of the units being incorporated in the evaluation scope accounted for 92% of the total asset in the consolidated financial statements of the Company, with the total operating income accounted for 93% of the operating income in the consolidated financial statements of the Company for the year. Principal business and items which were incorporated in the evaluation scope included: procurement management, sales management, production and inventory management, financial derivatives instrument management, asset management and fund management. High-risk fields that need special attention credit sales management, financial derivatives instrument management and inventory investment.

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

(II) Basis of internal control evaluation and standard of deficiency identification in internal control

The Company organized the work of internal control evaluation pursuant to "Internal Control Manual of Jiangxi Copper Company Limited" (江西銅業股份有限公司內部控制手冊) and "Internal Control Evaluation Implementation Scheme for the Year 2017 of Jiangxi Copper Company Limited" (江西銅業股份有限公司2017年度內部控制評價實施方案).

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

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

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

Material defects:	Misreported amount is greater than 10% of the audited net profit of the Company for the last accounting period.
Major defects:	Misreported amount is greater than 6% and smaller than 10% of the audited net profit of the Company for the last accounting period.
General defects:	Misreported amount is smaller than or equal to 6% of the audited net profit of the Company for the last accounting period.

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

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

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

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

Name of indicators	Quantitative criteria for material defects	Quantitative criteria for major defects	Quantitative criteria for general defects
Investment on time, personnel and costs	For material business failure, remarkable consideration (over 20% budget of investment on time, personnel and costs) shall be paid in order to control the situation, or the uncontrollable situation brought about material impact on survival of the enterprise	Ranging from major defects to general defects	Certain impact on the operation. The situation can be controlled by paying relatively fewer consideration (within 6% budget of investment on time, personnel and costs)
Key operating targets or results indicators	Risks resulted in failure of the overall Company to achieve its part of key operating targets or results targets. For any one of the unachieved targets with completion rates lower than 90%, or the departments/units failed to achieve its all key operating targets or results indicators		
General business/ discontinuous days of operation from departments/ units	General business/discontinuous operation from departments/ units reached 3 days or above influenced by risks due to factors such as equipment, personnel, system and natural disasters	Ranging from major defects to general defects	General business/discontinuous operation from departments/ units was four hours or below influenced by risks due to factors such as equipment, personnel, system and natural disasters may recover promptly
Loss of assets	Greater than or equal to over 8% of the audited net profit in the recent accounting year	Ranging from major defects to general defects	Lower than 6% but greater than or equal to 4% of the audited net profit in the recent accounting year

Name of indicators	Quantitative criteria for material defects	Quantitative criteria for major defects	Quantitative criteria for general defects
Net assets	1. Seriously breaching laws and regulations, resulting in investigation by the central government or regulatory institutions and causing punishment; 2. Significant commercial disputes, commercial disputes, civil litigations or arbitration; target amount reached 8% of the audited net assets in the recent accounting year of the Company;	Ranging from major defects to general defects	1. In breach of laws and regulations, resulting in investigation, litigation or punishment on prefecture-level government department may exist the problem of slight violation of regulations; mostly verbal warning; 2. normal commercial disputes, civil litigations or arbitration; target amount was lower than 6% but greater than or equal to 4% of the audited net assets in the recent accounting year of the Company;
Number of deaths	One incident resulting in more than three deaths	Ranging from major defects to general defects	One incident resulting in 3 persons below suffering from serious injuries (including acute industrial poisoning)

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

Material defects: (1) Negative information spreads across the nation, and the central government departments or regulators pay high attentions or start an investigation, or the information becomes a great concern of the official and mainstream media; (2) the enterprise needs more than 1 year to restore the reputation; (3) irreparable environmental damage that can be catastrophic or the environmental events as defined in Emergency Countermeasures for Environmental Incidents of the PRC (《國家突發環境事件應急預案》); (4) the situation is named by the national administrative department on environmental protection and is requested to suspend production for rectification; (5) seriously impair the interest of employees and influence their overall working efficiency; (6) individual or collective appeal of the staff to Beijing, which has bad influences; (7) more than 5% of the key technical staff and management run off (intermediate level including the intermediate level technician/managerial personnel at middle level above in the secondary units).

Major defects:	Between the material defects and general defects.
General defects:	(1) Negative information has little damage to the corporate reputation or not attracted the attention of the media; (2) the corporate can rapidly defuse the impact brought by the negative information; (3) administrative penalty by the environment authorities in the districts; (4) has certain or temporary impact on the environment or society, but not damage the ecosystem; (5) draws attention of the relevant authorities of the government/ or needs to inform the relevant authorities of the government, and does not need to take practical actions but need to pay close attention; (6) influences the working enthusiasm of the staff to some extent and lower their working efficiency; (7) individual or collective appeal of the staff to the parent company, which has adverse impact on the corporate culture, corporate cohesive force to some extent; (8) less than 1% of the key technical staff and management run off.

II. Explanations on relevant matters of internal control audit report

The Company disclosed a standard unqualified Internal Control Audit Report for 2017 issued by Deloitte Touche Tohmatsu Certified Public Accountants LLP (Special General Partnership), the auditor for internal control. For details, please refer to the websites of the SSE and the Company.

Whether to disclose internal control audit report: Yes

Corporate Bonds

I. Basic information of corporate bonds

Unit: Yuan Currency: RMB

Name of bonds	Abbreviation	Code	Issuing date	Maturity date	Bonds balance	Interest rate (%)	Method of repayment of principal and interest	Trading venue
2017 Corporate Bonds (First Tranche) publicly issued to qualified investors by Jiangxi Copper Company Limited	17 JCC 01	143304	20 September 2017	21 September 2022	500,000,000	4.74	The interest of the bonds is payable on a yearly basis and the principal is payable upon maturity. The interest is payable annually, and the final interest shall be paid together with the principal amount.	Shanghai Stock Exchange

Interest payment and repayment of corporate bonds

The Company will pay the first interest on 21 September 2018.

Other information on corporate bonds

(1) Options for the issuer to adjust the coupon rate: The issuer is entitled to determine to adjust the coupon rate for the 2 years following the end of the third year of the term of the bonds. The issuer will publish an announcement on whether to adjust the coupon rate of the bonds and the adjustment rate on the 20th business day prior to the interest payment date of the third interest payment year of the bonds. If the issuer does not exercise the option to adjust the coupon rate, the coupon rate for the remaining term will remain unchanged at the original coupon rate.

(2) Resale options of investors: Upon publication of the announcement on whether to adjust the coupon rate of the bonds and the adjustment rate, investors are entitled to elect to register during the announced resale registration period for investors so as to resell all or part of the bonds held by them at par value to the issuer. If bonds holders do not register, they will be deemed to continue to hold the bonds and accept the aforementioned adjustment.

II. Contact information of trustee of corporate bonds and credit rating agency

Trustee of bonds	Name	China International Capital Corporation Limited
	Business address	27–28th Floor, China World Office 2, 1 Jianguomenwai Avenue, Beijing, the PRC
	Contact	Shang Chen, Rui Wendong, Lian Meng
	Tel	010–65051166
Credit rating institution	Name	China Chengxin Securities Credit Rating Co., Ltd.*(中誠信證券評估有限公司)
	Business address	Floor 14, Tower C, Zhaoshang International Financial Center, No. 156, Fuxingmenwai Avenue, Xicheng District, Beijing, the PRC

Other explanation

Not Applicable

III. Reasons for issuance of corporate bonds

To supplement liquidity of the Company, satisfy the Company's working capital needs and optimize the financial structure of the Company.

IV. Use of proceeds from bonds issuance

Please refer to the "2017 Proceeds Raising Report of Jiangxi Copper Company Limited" disclosed at the Shanghai Stock Exchange on 29 March 2018.

V. Information on credit rating institution of corporate bonds

On 11 September 2017, China Chengxin Securities Credit Rating Co., Ltd.* (中誠信證券評估有限公司) conducted credit rating on the “2017 Corporate Bonds (First Tranche) publicly issued to qualified investors by Jiangxi Copper Company Limited” issued by the Company: Corporate credit rating was AAA, forward-looking rating was stable; credit rating of current bonds was AAA. For details, please refer to to the credit rating report of “Credit Rating Report of 2017 Corporate Bonds (First Tranche) publicly issued to qualified investors by Jiangxi Copper Company Limited” published on the website of the Shanghai Stock Exchange (www.sse.com.cn) on 18 September 2017.

VI. Credit improving mechanism, repayment plan and other related information for corporate bonds during the Reporting Period

Not Applicable

VII. Corporate bonds holders’ Meetings

During the Reporting Period, the Company did not convene corporate bonds holders’ meetings.

VIII. Duty performance of trustee of corporate bonds

During the duration of corporate bonds, the bond trustee, strictly complied with the stipulations in the "Bond Trustee Management Agreement" to continuously monitor the Company's credit status, management and use of proceeds, repayment of principal and interest of corporate bonds and supervise the Company to fulfill its obligations stipulated in the bond prospectus. The bond trustee has actively exercised its duties to safeguard the legal rights and interests of bonds holders.

The bond trustee is expected to disclose the "Trustee Management Services Report" for the Reporting Period two months after the Company's annual report is disclosed. For details of the report, please refer to the website of Shanghai Stock Exchange (http://www.sse.com.cn).

IX. Accounting data and financial indicators of the last two years as at the end of the Reporting Period (prepared in accordance with the PRC GAAP)

Unit: Yuan Currency: RMB

Major indicators	**2017**	2016	Increase/ decrease from last year *(%)*	**Reason for changes**
EBITDA	**5,516,993,925**	4,863,935,376	13.43	
Liquidity ratio	**1.43**	1.52	-0.09	
Quick ratio	**1.00**	0.97	0.03	
Asset-liability ratio (%)	**48.72%**	44.13%	0.05	
EBITDA total debt ratio	**8.61**	7.93	0.68	
Interest cover ratio	**4.34**	3.1	1.24	Increase in total profit for the period
Cash interest coverage ratio	**6.15**	6.59	-0.44	Decease in cash flow from operating activities for the period
EBITDA interest coverage ratio	**6.45**	5.02	1.43	
Loan repayment rate (%)	**100%**	100%	–	
Interest coverage (%)	**100%**	100%	–	

X. Interest payment for other bonds and debt financing instruments

Not Applicable

XI. Banking facilities during the Reporting Period

As of 31 December 2017, the Company (the headquarters of parent company) was granted with total credit line of RMB56.544 billion, RMB11.495 billion of which had been used and the balance was RMB45.049 billion.

XII. Performance of agreement or commitment provided in the bond prospectus during the Reporting Period

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

XIII. Effect of significant events of the Company on its operation and repayment

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

Significant Events

I. Performance of undertakings

(I) Undertakings given by de facto controller, shareholders, related party, purchaser, the Company and other relevant parties related to the undertaking during or subsisted to the Reporting Period

Background of undertakings	Types of Undertakings	Party of undertakings	Details of the undertakings	Time and term of the undertakings	Whether there is time limit of performance	Whether it was fulfilled strictly in a timely manner	Specify when not performing the undertaking timely and reasons for not performing the undertakings timely	Specify the plan if not performing the undertakings timely
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	JCC	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	JCC	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	Dividend	Jiangxi Copper Company Limited	Note 2	Date of the undertaking: 18 July 2016 Term: 3 years (2016–2018)	Yes	Yes	N/A	N/A
Other undertakings								

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 pursuant to the requirements set out by the London Stock Exchange and the 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;

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".

(II) Profit forecast were made for the assets or project of the Company and the Reporting Period fell in the forecast period of profit, the Company gave an explanation of its assets or projects meeting the original profit forecast and the reasons thereof

Not applicable

II. Embezzlement of funds and repayment of debt during the Reporting Period

Not applicable

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

Not applicable

IV. Analysis and explanation of the Company on the reasons and impact of the change in accounting policy, accounting estimation or correction to material accounting errors

(I) Analysis and explanation of the Company on the reasons and impact of the change in accounting policy, accounting estimation

Since 2017, the Ministry of Finance of the PRC has successively promulgated or revised eight Accounting Standards for Business Enterprises ("**ASBE**"): "ASBE No. 16 – Government Grants" ("**ASBE No. 16**"), "ASBE No. 42 – Non-current Assets Held for Sale, Disposal Groups and Discontinued Operations" ("**ASBE No. 42**"), "Notice on the Revision of the Format for Issuing General Enterprise Financial Statements" (Cai Kuai [2017] No. 30) ("**Cai Kuai Document No. 30**"), "ASBE No. 14 – Revenue", "ASBE No. 22 – Recognition and Measurement of Financial Instruments", "ASBE No. 23 – Transfer of Financial Assets", "ASBE No. 24 – Hedge Accounting" and "ASBE No. 37 – Presentation and Reporting of Financial Instruments".

According to the abovementioned requirements, the Company has implemented ASBE No. 16 since 1 January 2017; ASBE No. 42 since 28 May 2017; has prepared the financial statements for the year 2017 and subsequent periods in accordance with Cai Kuai Document No. 30 and has implemented all remaining newly-revised standards since 1 January 2018.

For details about the changes in accounting policies, please refer to the announcement of the Company dated 28 March 2018 in respect of changes in accounting policies disclosed on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Shanghai Stock Exchange (www.sse.com.cn).

(II) Analysis and explanation of the Company on the reasons and impact of the correction to material accounting errors

Not applicable

(III) Communication with the former accounting firm

Not applicable

V. Appointment and removal of accounting firms

Unit: 0'000 Currency: RMB

	Current auditors
Name of domestic auditor	Deloitte Touche Tohmatsu Certified Public Accountants LLP (Special General Partnership)
Remuneration for domestic auditor	1,082
Years of audit services provided by the domestic auditor	1 year
Name of overseas auditor	Deloitte Touche Tohmatsu
Remuneration for overseas auditor	64
Years of audit services provided by the overseas auditor	1 year

Note: The remuneration of the accounting firm includes the audit report of the Listed Company and its subsidiaries.

	Name	Remuneration
Auditor for internal control	Deloitte Touche Tohmatsu Certified Public Accountants LLP (Special General Partnership)	0

Explanation on change of the accounting firm during the audit period

The Company has not changed the accounting firms in the past three years.

VI. Risk of suspension of listing

(I) Reasons for suspension of listing

Not applicable

(II) Measures to be adopted by the Company

Not applicable

VII. Delisting and its reasons

Not applicable

VIII. Insolvency or restructuring

During the year, the Company did not have any insolvency or restructuring related matters.

IX. Material litigation and arbitration

The Company had no material litigation and arbitration for the Year.

X. Punishment on the Company and its Directors, Supervisors, senior management, controlling shareholder, de facto controller, and offeror and rectification

None of the Company, directors, supervisors, senior management, controlling shareholder, de facto controller and offeror was subject to punishment and rectification during the Year.

XI. Credit conditions of the Company and its controlling shareholders, de facto controllers during the Reporting Period

Not applicable

XII. Share option scheme, employee shareholding plan or other employee incentives and effects

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

Not applicable

(II) Equity incentive not disclosed in extraordinary announcements or with subsequent development

1. Share option scheme

Not applicable

2. Employee shareholding plan

Not applicable

3. Other employee incentives

Not applicable

XIII. 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. Connected transactions

During the Reporting Period, details of connected transactions carried out by the Company are as follows:

Unit: Yuan Currency: RMB

Connected Party	Nature of the Connection	Category of the connected transaction	details of the connected transaction	Pricing policy of the connected transaction	Price of the connected transaction	Amount of the connected transaction	Percentage of the amount involved in transactions of the same category (%)	Payment method 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 or cost plus tax		134,546,866	4.43	Payment upon acceptance		
JCC and its subsidiaries	Controlling shareholder	Acceptance of rights of use such as patent and trademark	Land use fee	Assessment price		166,664,514	100	Settlement at the end of year		
JCC and its subsidiaries	Controlling shareholder	Acceptance of services	Futures agency service fee	Market price		18,397,840	44.27	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 more favorable than the similar terms offered to JCC by other domestic financial institutions or credit cooperatives		25,965,998	100	Monthly or quarterly payment		
JCC and its subsidiaries	Controlling shareholder	Acceptance of services	Acceptance of repair and maintenance service	Industry standards		45,251,172	92.23	Monthly payment		
JCC and its subsidiaries	Controlling shareholder	Acceptance of services	Labour services, such as loading and logistics services of goods	Market price		144,607,507	100	Monthly payment		
JCC and its subsidiaries	Controlling shareholder	Acceptance of services	Environmental sanitation and greenery services	Shared according to the proportion of staff number		1,160,336	100	Monthly payment		
JCC and its subsidiaries	Controlling shareholder	Acceptance of services	Provision of logistics services	Market price		772,996	100	Monthly payment		
JCC and its subsidiaries	Controlling shareholder	Sale of goods	Copper rods and wires	Market price	42,850	664,270,226	1.46	Payment upon acceptance		

Significant Events

Unit: Yuan Currency: RMB

Connected Party	Nature of the Connection	Category of the connected transaction	details of the connected transaction	Pricing policy of the connected transaction	Price of the connected transaction	Amount of the connected transaction	Percentage of the amount involved in transactions of the same category (%)	Payment method of the connected transactions	Market price	Reason for the difference between trading price and market price
JCC and its subsidiaries	Controlling shareholder	Sale of goods	Copper cathode	Market price	42,049	528,926,235	0.44	Payment upon acceptance		
JCC and its subsidiaries	Controlling shareholder	Sale of goods	Lead materials	Market price		78,986,816	100	Payment upon acceptance		
JCC and its subsidiaries	Controlling shareholder	Sale of goods	Zinc concentrates	Market price		68,278,924	100	Payment upon acceptance		
JCC and its subsidiaries	Controlling shareholder	Sale of goods	Sale of ancillary industrial products	Market price		70,773,514	3.13	Monthly payment		
JCC and its subsidiaries	Controlling shareholder	Loans	Provision of loan	Finance company to charge 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		1,080,000,000	100	Payment on terms set out in the loan agreement		
JCC and its subsidiaries	Controlling shareholder	Loans	Provision of loan interests	Finance company to charge 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		35,020,675	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		32,955,625	100	Monthly payment		
JCC and its subsidiaries	Controlling shareholder	Provision of services	Construction services	Industry standards		122,961,904	39.52	Monthly payment		
JCC and its subsidiaries	Controlling shareholder	Provision of services	Provision of logistics services	Standard passenger and cargo rates of Jiangxi Province		9,789,957	4.34	Monthly payment		
JCC and its subsidiaries	Controlling shareholder	Provision of services	Provision of miscellaneous services	Industry standards		14,985,285	100	Payment according to agreement		

Unit: Yuan Currency: RMB

Connected Party	Nature of the Connection	Category of the connected transaction	details of the connected transaction	Pricing policy of the connected transaction	Price of the connected transaction	Amount of the connected transaction	Percentage of the amount involved in transactions of the same category *(%)*	Payment method of the connected transactions	Market price	Reason for the difference between trading price and market price
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		11,189,996	40.73	Monthly payment		
Total				/	/	3,255,506,386		/	/	/

Details of substantial sales return	During the Reporting Period, there was no substantial sales return.
Explanation on connected transactions	During the Reporting Period, the main connected transactions between the Company and its connected parties amounted to RMB3,256 million, including purchase transaction of RMB511 million and selling transaction of RMB1,603 million. Inventory transaction of finance companies amounted to RMB1,141 million.

(1) Consolidated Supply and Services Agreement

The Company and JCC entered into Consolidated Supply and Services Agreement I and Consolidated Supply and Services Agreement II on 27 August 2014, respectively, pursuant to which, JCC and its subsidiaries from time to time (other than the Group) supplied various materials and provided industrial and other services to the Group, while the Company supplied various materials and provided industrial and other services to JCC and its subsidiaries from time to time (other than the Group). Those contracts were amended and supplemented by the supplemental agreement dated 30 December 2014. Consolidated Supply and Services Agreement I and Consolidated Supply and Services Agreement II were valid until 31 December 2017.

The proposed caps of Consolidated Supply and Services Agreement I for each of the three financial years ending 31 December 2015, 31 December 2016 and 31 December 2017 were not to exceed RMB621,990,000, RMB664,172,000 and RMB712,562,000, respectively.

The proposed caps of Consolidated Supply and Services Agreement II for each of the three financial years ending 31 December 2015, 31 December 2016 and 31 December 2017 were not to exceed RMB2,682,804,000, RMB2,750,076,000 and RMB2,902,329,000, respectively.

The Company believes that by sharing production facilities and technologies of each other with JCC and its subsidiaries from time to time (other than the Group) and taking advantages in proximity, it is necessary for the Company and JCC and its subsidiaries from time to time (other than the Group) 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 the national price, industry price, market price to cost plus tax and etc. The Company's connected transactions were settled by cash in time after acceptance of goods or provision of services.

(2) Land Leasing Agreement

Due to historic factors, some of the office buildings and factories of the Group are built on land which are owned by JCC and its subsidiaries from time to time (other than the Group). The land leasing approach adopted by the Group to JCC and its subsidiaries from time to time (other than the Group) can help reduce the investment of the Group. On 27 August 2014, the Company, as the lessee, entered into the Land Leasing Agreement with JCC, as the lessor, for a term of three years, pursuant to which, JCC agreed to let the land use right of the lands covering an area of approximately 51,636,341.87 square meters to the Company, and the contract was valid until 31 December 2017.

The proposed caps of the Land Leasing Agreement for each of the three financial years ending 31 December 2015, 31 December 2016 and 31 December 2017 were not to exceed RMB166,686,000, RMB183,355,000 and RMB210,690,000, respectively.

(3) Financial Assistance Agreement

JCC Finance Company Limited ("**JCC Financial**"), a subsidiary of the Company, entered into the Financial Assistance Agreement with JCC on 13 February 2017, pursuant to which JCC and its subsidiaries from time to time (excluding the Group) agreed to provide financial assistance to JCC Financial by transferring part of its deposit and loan from other financial institutions to JCC Financial while JCC Financial agreed to provide financial services to JCC and its subsidiaries from time to time (excluding the Group) on an ongoing basis. Such services include: cash deposit services; settlement services; and credit services. The maximum daily balance of credit services to be provided by JCC Financial to JCC and its subsidiaries from time to time (excluding the Group) for the period from the date of Financial Assistance Agreement entered into by JCC and its subsidiaries from time to time (excluding the Group) (i.e. 13 February 2017) to 31 December 2017 and the two financial years ending 31 December 2019 will not exceed RMB2,000,000,000. According to the Financial Assistance Agreement, JCC and its subsidiaries from time to time (excluding the Group) will transfer net deposit (i.e. total daily deposit balance of JCC and its subsidiaries from time to time (excluding the Group) exceeds total daily loan balance to JCC and its subsidiaries from time to time (excluding the Group)) to JCC Financial, which forms actual financial assistance to JCC Financial, supplements the available financial resources of JCC Financial, enhances the profitability of JCC Financial and hence enhances the profitability of the Company.

(4) Finance Lease Framework Agreement

The Company entered into the Finance Lease Framework Agreement with Shenzhen Finance Leasing Company Limited* ("**Shenzhen Finance**"), a subsidiary of JCC on 13 February 2017, pursuant to which Shenzhen Finance and its subsidiaries from time to time ("**Shenzhen Finance Group**") shall at the request of the Group provide finance lease services, including direct lease service and sale and lease-back service, to the Group. The aggregate rent payable by the Group to Shenzhen Finance Group in respect of the finance lease services contemplated thereunder, shall not exceed RMB1,900,000,000 for each financial year from the date of the Finance Lease Framework Agreement (i.e. 13 February 2017) to 31 December 2019. The transactions contemplated under the Finance Lease Framework Agreement are beneficial to the Company in expanding leasing channel, lowering investment risks and reducing financial pressure. Through personalised finance lease services solution provided to the Group, it can effectively increase the mobility of the assets of the Company and optimize its asset structure.

(5) **Mutual Guarantees Agreement**

On 22 January 2017, Zhejiang Jiangtong Fuye Heding Copper Co., Ltd. ("**Heding Copper**"), a subsidiary of the Company, and Zhejiang Fuye Group Co., Ltd. (浙江富冶集團有限公司) ("**Fuye Group**") as well as Jiangxi Jinhui Environmental Technology Co., Ltd. (江西金匯環保科技有限公司) ("**Jiangxi Jinhui**") (formerly known as Jiangxi Jinhui Copper Co., Ltd.* (江西金匯銅業有限公司)) and Jiangxi Hefeng Environmental Technology Co., Ltd. (江西和豐環保科技有限公司) ("**Jiangxi Hefeng**") (formerly known as Shangrao Hefeng Copper Co., Ltd.* (上饒和豐銅業有限公司)) entered into the mutual guarantees agreement (the "**Original Mutual Guarantees Agreement**"), among which Heding Copper and Fuye Group agreed that the aggregated annual balance amount of guarantee for each other's obligations in respect of loan facilities which they may respectively obtain from financial institutions for the period from 1 January 2017 to 31 December 2018 shall not exceed RMB1,500,000,000 respectively (which shall include the amount of guarantees that were provided by Heding Copper and Fuye Group to each other prior to 1 January 2017 and were valid during the term of the Original Mutual Guarantees Agreement), provided that the execution of each loan facility shall take place within the period from 22 January 2017 to 31 December 2017 and the term of each loan facility shall not exceed 12 months. Jiangxi Jinhui and Jiangxi Hefeng agreed to act as the counter-guarantors of Fuye Group, of which, they shall counter-guarantee Fuye Group with all their assets for the liabilities of Fuye Group for guarantees provided by Heding Copper to Fuye Group under the loan facilities executed during the period from 22 January 2017 to 31 December 2017 pursuant to the Original Mutual Guarantees Agreement jointly and severally. The execution of the Original Mutual Guarantees Agreement enables Heding Copper to receive financing from lenders in order to support its ordinary and usual course of business.

In order to meet actual production and operation needs, Heding Copper and Fuye Group intend to increase the extent of their mutual financing support. On 26 October 2017, Heding Copper, Fuye Group, Jiangxi Jinhui, Jiangxi Hefeng and Zhejiang Fuhe Zhiye Co., Ltd.* (浙江富和置業有限公司) ("**Zhejiang Fuhe Zhiye**"), the beneficial owner of which is Fuye Group, entered into the new mutual guarantees agreement (the "**New Mutual Guarantees Agreement**"), among which (i) the Original Mutual Guarantees Agreement was terminated on 26 October 2017; (ii) the Proposed Cap was increased from RMB1,500,000,000 to RMB1,600,000,000; (iii) the term of the New Mutual Guarantees Agreement will be for a term ending on 31 December 2019; and (iv) Zhejiang Fuhe Zhiye will be an additional counter guarantor.

Heding Copper and Fuye Group agreed that the maximum aggregated annual balance amount (which is also the maximum daily balance) of guarantees for each other's obligations in respect of loan facilities which they may respectively obtain from financial institutions for the period from 26 October 2017 to 31 December 2019 shall not exceed RMB1,600,000,000 (which shall include the amount of guarantees that were provided by Heding Copper and Fuye Group to each other prior to 26 October 2017 and are valid during the term of the New Mutual Guarantees Agreement), provided that the execution of each loan facility shall take place within the period from 26 October 2017 to 31 December 2018 and the term of each loan facility shall not exceed 12 months.

Jiangxi Jinhui, Jiangxi Hefeng and Zhejiang Fuhe Zhiye agreed to act as the counter-guarantors of Fuye Group, of which, they shall jointly and severally provide counter-guarantee to Heding Copper with all their assets for all guarantees provided by Heding Copper to Fuye Group which are included in the maximum aggregated balance amount of guarantees under the New Mutual Guarantees Agreement.

The execution of the New Mutual Guarantees Agreement enables Heding Copper to receive financing from lenders in order to support its ordinary and usual course of business.

Details of guarantees are set out in page 113 in the report.

All of the abovementioned continuing connected transactions are reviewed by the independent non-executive Directors of the Company every year, confirming that: (i) the transactions were entered into in the ordinary and usual course of business of the Group; (ii) the transactions were entered into on normal commercial terms or on the terms same as (or favorable than) that from independent third parties; and (iii) the transactions are conducted in accordance with relevant transaction agreements, the terms of which were fair and reasonable, and were in the interests of the shareholders of the listed company as a whole.

The auditors of the Company were appointed to conduct reports for connected transactions of the Group in accordance with "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" conducted by Hong Kong Standard on Assurance Engagements 3000 and with reference to the Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. Auditors has issued a letter confirming that nothing has come to their attention causing them to believe that the abovementioned continuing connected transactions for the year ended 31 December 2017: (1) were not approved by the Board; (2) were not carried out in accordance with the pricing policies of the Company in all material aspects for the transactions that involved the provision of products and services by the Group; (3) were not entered into in accordance with the agreements governing such transactions in all material aspects; and (4) exceeded the annual caps as disclosed in the announcements dated 27 August 2014, 13 February 2017 and 26 October 2017 for the abovementioned continuing connected transactions by the Group in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange in accordance with Rule 14A.57 of the Listing Rules.

On 27 November 2017 the Company entered into the share transfer agreement (the "**Share Transfer Agreement**") with JCC, the controlling shareholder of the Company. Pursuant to which, the Company agreed to acquire 60% of the shareholding interests in Jiangxi Gold Company Limited ("**Jiangxi Gold**") held by JCC at a consideration of RMB236,256,000 by way of cash. Upon the completion of the underlying share transfer, Jiangxi Gold will become a non-wholly owned subsidiary of the Company. The Company's 60% shareholding interests in Jiangxi Gold will improve the competitiveness of the Company's gold business and the Company's sustainability.

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 (江西省江銅百泰環保科技有限公司) amounted to RMB833,000 and RMB66,966,000 respectively.

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

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

Summary of event	Index for details
Announcement of the Company in relation to the acquisition of 60% of the shares in Jiangxi Gold Company Limited held by controlling shareholders and the connected transaction	Disclosed in the relevant announcements on the website of SSE (www.sse.com.cn) on 29 April 2017 and website of Stock Exchange (www.hkexnews.hk) on 28 April 2017
Updated announcement of the Company in relation to the acquisition of 60% of the shares in Jiangxi Gold Company Limited held by controlling shareholders and the connected transaction	Disclosed in the relevant announcements on the website of SSE (www.sse.com.cn) on 28 November 2017 and website of Stock Exchange (www.hkexnews.hk) on 27 November 2017

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

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

XIV. Material Contracts and their performance

(I) Custody, contracts and leases

1. Custody

Not applicable

2. Contracts

Not applicable

3. Leases

Not applicable

(II) Guarantees

Unit: 00'000'000 Currency: RMB

External guarantees (excluding guarantees for subsidiaries)

Guarantor	Relation between the Guarantor and the Listed Company	Guarantee	Guarantee amount	Guarantee date (execution date of the contract)	Start date of guarantee	End date of guarantee	Type of guarantee	Guarantee fulfilled or not	Guarantee completed or not	Amount of overdue guarantee	Counter guarantee available or not	Related party guarantee or not	Nature of connection
Zhejiang Jiangtong Fuye Heding Copper Co., Ltd.	Controlling subsidiary	Zhejiang Fuye Group Co., Ltd	12.74	22 January 2017	1 January 2017	31 December 2017	General guarantee	Yes	No	0	Yes	Yes	Other connected person
Zhejiang Jiangtong Fuye Heding Copper Co., Ltd.	Controlling subsidiary	Zhejiang Fuye Group Co., Ltd	2.39	26 October 2017	26 October 2017	31 December 2018	General guarantee	Yes	No	0	Yes	Yes	Other connected person

Total guarantee amount during the Reporting Period (excluding guarantees for subsidiaries)	15.13
Total balance of guarantee at the end of the Reporting Period (A) (excluding guarantees for subsidiaries)	12.38

Guarantees of the Company and its subsidiaries for subsidiaries

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

Total guarantee amount (including guarantees for subsidiaries)

Total guarantee amount (A+B)	12.38
Proportion of total guarantee amount to net assets of the Company (%)	2.60
Including:	
Guarantee amount provided for the shareholders, de facto controller and related parties (C)	0
Guarantee amount for liabilities provided directly or indirectly for the guarantees with asset-liability ratio over 70% (D)	0
Total guarantee amount over 50% of net assets (E)	0
Total of the above guarantee amount (C+D+E)	0
Explanation on possible joint and several liability for liabilities settlement in case of outstanding guarantee	Nil
Explanation on guarantee	Nil

(III) Entrusted cash assets management

1. Trust investment

(1) Overall entrusted investment

Not applicable

Others

Not applicable

(2) Single entrusted wealth management investments

Not applicable

Others

Not applicable

(3) Provision for impairment of entrusted investment

Not applicable

(IV) Other material contracts

The Company has no other material contracts during the Reporting Period.

XV. Active performance of social responsibility

(I) Poverty alleviation of the listed company

Not applicable

(II) Social Responsibility efforts

Please refer to the 2017 Social Responsibility Report of Jiangxi Copper Company Limited published on www.sse.com.cn on 29 March 2018 for details.

(III) Environment

1. Statements on environmental protection of the Listed Company and its subsidiaries falling into the category of heavily polluting industries designated by national environmental authorities

Not applicable

2. **Companies other than those in industry with serious pollution**

Not applicable

3. **Others**

Not applicable

XVI. Particulars of convertible bond of the Company

(I) Issuance of convertible bonds

Not applicable

(II) Holders and guarantors of the convertible bonds during the Reporting Period

Not applicable

(III) Changes in convertible bonds during the Reporting Period

Not applicable

Accumulated conversion in convertible corporate bonds during the Reporting Period

Not applicable

(IV) Historical adjustments on the conversion price

Not applicable

(V) Liabilities, change in credit standing and cash arrangement of repayment in the future

Not applicable

(VI) Other information about convertible bonds

Not applicable

XVII. Charges on the Group Assets

As of 31 December 2017, assets of the Group amounting to the net book value of RMB2,942.50 million were pledged for securing bank loans, including the pledged deposits of RMB2,211.95 million (31 December 2016: RMB28.43 million), accepted bank notes and bank wealth management products of RMB41.88 million (31 December 2016: RMB738.46 million), no pledged buildings in RMB (31 December 2016: RMB168.28 million), pledged machinery and equipment of RMB436.61 million (31 December 2016: 427.56 million) and pledged land use right of RMB252.07 million (31 December 2016: RMB177.65 million). The Group had not pledged any account receivables (31 December 2016: nil), nor pledged deposits (31 December 2016: 65.34 million).

XVIII. Foreign Exchange Risk

The reporting currency of the Group is Renminbi. Where any transactions in foreign currencies of the Company are incurred, amounts in foreign currencies are translated into RMB at the middle market exchange rates at the beginning of the transaction month. Year-end balances in foreign currency account are retranslated at the market exchange rates at the year end.

Although currently RMB is not a currency that is freely convertible in the PRC, the Chinese government is taking initiatives for exchange reform and adjustments to exchange rate. Exchange rate fluctuations will have an impact on the Group's balance of foreign exchange revenue and spending or dividends payable denominated in Hong Kong dollars or other currencies. However, the Group believes that it is able to obtain sufficient foreign exchange to satisfy its foreign exchange revenue and spending.

The Group's operations are mainly in the PRC. Except for export sales, which are mainly transacted in US dollars, the Group currently receives its sales revenue mainly in Renminbi. The Group's exposure to exchange rate fluctuations results primarily from the sales of products and purchase of raw materials in foreign currencies.

XIX. Contingent Liabilities

As of 31 December 2017, the Group had no contingent liabilities.

Deloitte. 德勤

TO THE SHAREHOLDERS OF JIANGXI COPPER COMPANY LIMITED
江西銅業股份有限公司
(A joint stock company incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of Jiangxi Copper Company Limited (the "Company") and its subsidiaries (collectively referred to as "the Group") set out on pages 123 to 252, which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International According Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Allowance for inventories	
We identified the allowance for inventories as a key audit matter due to the significance of the balance to the consolidated financial statements and significant judgement involved by the management in the valuation process. The Group had inventories of approximately RMB20,232 million and an allowance for inventories of approximately RMB235 million as at 31 December 2017. As disclosed in note 4 to the consolidated financial statements, the management reviews the net realisable values of inventories at the end of the reporting period based on the estimated selling prices in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sales to determine the allowance for inventories. The management may take reference to the available price in the open market or the most recent/subsequent selling prices if the open market information is not available.	Our procedures in relation to assessing the appropriateness of allowance for inventories included: • Understanding and evaluating the key controls relating to the determination of allowance for inventories performed by the management; • Assessing, on a sample basis, the products with open market prices by benchmarking the estimated selling prices with the current market prices; • Assessing, on a sample basis, the products without open market prices by comparing the estimated selling prices to the selling prices of recent or subsequent sales; and • Assessing, on a sample basis, the reasonableness of the estimated costs of completion of the raw materials and work in progress by comparing the estimated costs of completion to the costs of the raw materials and work in progress with similar nature produced in the current year.

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Impairment of trade receivables We identified the impairment of trade receivables as a key audit matter due to the significance of the balance to the consolidated financial statements and significant judgement involved by the management in the valuation process. The Group had trade receivables of approximately RMB13,391 million and an allowance for doubtful debts of approximately RMB3,787 million as at 31 December 2017. As disclosed in note 4 to the consolidated financial statements, the management considers the recoverability of trade receivables in determining the allowance for doubtful debts with reference to the credit history of customers, collateral receivable and past settlement records.	Our procedures in relation to assessing the appropriateness of impairment of trade receivables included: • Understanding and evaluating the key controls relating to the determination of allowance for doubtful debts; • Assessing the reasonableness of allowance for doubtful debts made with reference to credit history of customers, collateral receivable, settlement records including default or delay in payments and actual collections after the end of the reporting period for trade receivables assessed individually; and • Assessing the reasonableness of allowance for doubtful debts made with reference to the aging analysis for trade receivables, assessed on a collective basis and testing the accuracy of the aging analysis of the trade receivables, on a sample basis, to the relevant documents.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Company.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditor's report is Kay Man Wo, Dick.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
28 March 2018

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2017
(PREPARED IN ACCORDANCE WITH IFRS)

	NOTE	**2017** ***RMB'000***	2016 *RMB'000* *(Restated)* *(Note 2)*
Revenue	6	**204,233,881**	201,728,151
Cost of sales		**(195,797,601)**	(195,164,342)
Gross profit		**8,436,280**	6,563,809
Other income	7	**694,115**	615,295
Other gains and losses	8	**(3,179,641)**	(1,827,110)
Selling and distribution expenses		**(533,434)**	(569,017)
Administrative expenses		**(1,691,423)**	(1,685,275)
Share of results of joint ventures		**(36,963)**	(42,259)
Share of results of associates		**70,056**	(8,557)
Finance costs	9	**(854,789)**	(968,920)
Profit before tax		**2,904,201**	2,077,966
Income tax expense	10	**(1,145,542)**	(1,088,551)
Profit for the year	11	**1,758,659**	989,415
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		**11,459**	10,907
Reclassification adjustments relating to transfer of cash flow hedges		**(5,806)**	(10,211)
Fair value change on available-for-sale investments		**(753)**	(9,997)
Share of exchange differences of associates		**(154,119)**	154,804
Share of exchange differences of joint ventures		**16,657**	3,499
Exchange differences arising on translation of foreign operations		**(51,962)**	52,244
Income tax relating to components of other comprehensive (expense) income		**(755)**	1,013
Other comprehensive (expense) income for the year (net of tax)		**(185,279)**	202,259
Total comprehensive income for the year		**1,573,380**	1,191,674

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2017
(PREPARED IN ACCORDANCE WITH IFRS)

	NOTE	2017 RMB'000	2016 RMB'000 (Restated) (Note 2)
Profit for the year attributable to:			
Owners of the Company		**1,649,588**	837,406
Non-controlling interests		**109,071**	152,009
		1,758,659	989,415
Total comprehensive income for the year attributable to:			
Owners of the Company		**1,453,875**	1,038,514
Non-controlling interests		**119,505**	153,160
		1,573,380	1,191,674
Earnings per share	14		
Basic		**RMB0.48**	RMB0.24

Consolidated Statement of Financial Position

AT 31 DECEMBER 2017
(PREPARED IN ACCORDANCE WITH IFRS)

	NOTE	**31/12/2017 *RMB'000***	31/12/2016 *RMB'000* *(Restated)* *(Note 2)*	01/01/2016 *RMB'000* *(Restated)* *(Note 2)*
Non-current assets				
Property, plant and equipment	15	**21,980,079**	20,935,582	21,447,447
Investment properties	16	**473,556**	484,297	352,526
Prepaid lease payments	17	**1,205,601**	1,197,908	1,221,393
Intangible assets	18	**1,182,094**	1,217,689	1,144,156
Exploration and evaluation assets	19	**603,719**	517,400	530,191
Interests in associates	20	**2,904,100**	2,722,937	2,564,586
Interests in joint ventures	21	**273,694**	283,468	338,027
Available-for-sale investments	22	**1,665,484**	1,931,736	835,249
Deferred tax assets	23	**716,044**	960,335	918,707
Deposit for prepaid lease payments		**460,610**	82,150	–
Deposits for property, plant and equipment		**133,007**	338,363	417,427
		31,597,988	30,671,865	29,769,709
Current assets				
Inventories	24	**19,997,187**	15,412,386	13,368,855
Trade and bills receivables	25	**15,032,330**	16,562,303	14,205,827
Prepayments, deposits and other receivables	27	**7,628,899**	6,373,929	6,930,282
Other investments	28	**70,375**	689,707	311,799
Loans to fellow subsidiaries	29	**1,014,165**	1,082,560	945,209
Prepaid lease payments	17	**28,689**	28,506	25,078
Available-for-sale investments	22	**2,671,176**	2,890,577	2,812,500
Held-for-trading financial assets	30	**209,735**	188,035	156,947
Derivative financial instruments	31	**191,770**	297,690	615,000
Restricted bank deposits	32	**8,639,835**	4,818,393	3,975,457
Bank balances and cash	32	**10,363,203**	8,275,268	16,735,746
		65,847,364	56,619,354	60,082,700
Assets classified as held for sale	33	**23,308**	189,892	–
		65,870,672	56,809,246	60,082,700

Consolidated Statement of Financial Position

AT 31 DECEMBER 2017
(PREPARED IN ACCORDANCE WITH IFRS)

	NOTE	**31/12/2017** **RMB'000**	31/12/2016 RMB'000 (Restated) (Note 2)	01/01/2016 RMB'000 (Restated) (Note 2)
Current liabilities				
Trade and bills payables	34	**7,881,408**	11,817,151	8,575,020
Other payables and accruals	35	**4,898,623**	4,517,550	4,687,635
Deposits from holding company and fellow subsidiaries	36	**3,102,720**	1,707,339	1,611,576
Deferred revenue	37	**50,915**	47,855	48,988
Derivative financial instruments	31	**742,380**	546,565	210,708
Held-for-trading financial liabilities	38	**4,742,760**	2,682,586	1,758,825
Tax payable		**772,880**	806,285	351,625
Bonds payable	40	**–**	–	6,554,733
Bank borrowings	39	**23,739,234**	14,955,890	16,704,886
		45,930,920	37,081,221	40,503,996
Net current assets		**19,939,752**	19,728,025	19,578,704
Total assets less current liabilities		**51,537,740**	50,399,890	49,348,413
Non-current liabilities				
Bank borrowings	39	**8,750**	228,100	347,600
Bonds payable	40	**500,000**	–	–
Provision for rehabilitation	41	**182,485**	173,509	165,695
Employee benefit liability	42	**63,880**	109,190	149,551
Deferred revenue	37	**568,905**	592,224	634,159
Other long-term payables	43	**124,648**	10,979	11,735
Deferred tax liabilities	23	**105,838**	108,114	109,000
		1,554,506	1,222,116	1,417,740
		49,983,234	49,177,774	47,930,673

Consolidated Statement of Financial Position

AT 31 DECEMBER 2017
(PREPARED IN ACCORDANCE WITH IFRS)

	NOTE	31/12/2017 RMB'000	31/12/2016 RMB'000 (Restated) (Note 2)	01/01/2016 RMB'000 (Restated) (Note 2)
Capital and reserves				
Share capital	44	**3,462,729**	3,462,729	3,462,729
Reserves		**44,069,702**	43,371,492	42,506,451
Equity attributable to owners of the Company		**47,532,431**	46,834,221	45,969,180
Non-controlling interests		**2,450,803**	2,343,553	1,961,493
		49,983,234	49,177,774	47,930,673

The consolidated financial statements on pages 123 to 252 were approved and authorised for issue by the Board of Directors on 28 March 2018 and are signed on its behalf by:

Mr. Long Ziping,
Director

Mr. Wu Jinxing,
Director

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2017
(PREPARED IN ACCORDANCE WITH IFRS)

	Attributable to owners of the Company													
	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000 (Note a)	Other reserves RMB'000 (Note b)	Statutory surplus reserve RMB'000 (Note c)	Discretionary surplus reserve RMB'000 (Note c)	Safety funds surplus reserve RMB'000 (Note d)	Hedging reserve RMB'000	Translation reserve RMB'000	Proposed dividends RMB'000	Retained profits RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 January 2016 *(As original stated)*	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
Effect of business combination under common control *(Note 2)*	–	–	67,200	–	–	–	–	–	–	–	(377)	66,823	34,549	101,372
At 1 January 2016 *(Restated)*	3,462,729	12,647,502	(834,913)	(88,642)	4,589,783	9,647,574	325,909	946	(124,416)	346,273	15,996,435	45,969,180	1,961,493	47,930,673
Profit for the year	–	–	–	–	–	–	–	–	–	–	837,406	837,406	152,009	989,415
Other comprehensive (expense) income for the year	–	–	–	(8,984)	–	–	–	696	209,396	–	–	201,108	1,151	202,259
Total comprehensive (expense) income for the year	–	–	–	(8,984)	–	–	–	696	209,396	–	837,406	1,038,514	153,160	1,191,674
Contribution from non-controlling interest	–	–	–	–	–	–	–	–	–	–	–	–	314,400	314,400
Effect of business combination under common control *(Note 2)*	–	–	172,800	–	–	–	–	–	–	–	–	172,800	–	172,800
Dividend paid to non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	–	(85,500)	(85,500)
Dividends declared	–	–	–	–	–	–	–	–	–	(346,273)	–	(346,273)	–	(346,273)
Dividends proposed	–	–	–	–	–	–	–	–	–	519,409	(519,409)	–	–	–
Transfer between categories	–	–	–	–	226,960	–	49,121	–	–	–	(276,081)	–	–	–
At 31 December 2016	3,462,729	12,647,502	(662,113)	(97,626)	4,816,743	9,647,574	375,030	1,642	84,980	519,409	16,038,351	46,834,221	2,343,553	49,177,774
At 1 January 2017 *(As original stated)*	**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**
Effect of business combination under common control *(Note 2)*	**–**	**–**	**240,000**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(3,765)**	**236,235**	**118,691**	**354,926**
At 1 January 2017 *(Restated)*	**3,462,729**	**12,647,502**	**(662,113)**	**(97,626)**	**4,816,743**	**9,647,574**	**375,030**	**1,642**	**84,980**	**519,409**	**16,038,351**	**46,834,221**	**2,343,553**	**49,177,774**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1,649,588**	**1,649,588**	**109,071**	**1,758,659**
Other comprehensive (expense) income for the year	**–**	**–**	**–**	**(565)**	**–**	**–**	**–**	**4,710**	**(199,858)**	**–**	**–**	**(195,713)**	**10,434**	**(185,279)**
Total comprehensive (expense) income for the year	**–**	**–**	**–**	**(565)**	**–**	**–**	**–**	**4,710**	**(199,858)**	**–**	**1,649,588**	**1,453,875**	**119,505**	**1,573,380**
Effect of business combination under common control *(Note 2)*	**–**	**–**	**(236,256)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(236,256)**	**–**	**(236,256)**
Dividend paid to non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(12,255)**	**(12,255)**
Dividends declared	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(519,409)**	**–**	**(519,409)**	**–**	**(519,409)**
Dividends proposed	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**692,546**	**(692,546)**	**–**	**–**	**–**
Transfer between categories	**–**	**–**	**–**	**–**	**–**	**–**	**45,590**	**–**	**–**	**–**	**(45,590)**	**–**	**–**	**–**
At 31 December 2017	**3,462,729**	**12,647,502**	**(898,369)**	**(98,191)**	**4,816,743**	**9,647,574**	**420,620**	**6,352**	**(114,878)**	**692,546**	**16,949,803**	**47,532,431**	**2,450,803**	**49,983,234**

Notes:

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

(b) Other reserves mainly represent the difference in value of certain assets and liabilities included in the net assets injected into the Company pursuant to group reorganisations calculated in accordance with International Financial Reporting Standards and the valuation of assets and liabilities performed by the PRC valuer in accordance with relevant PRC standards and regulations, which valuation was confirmed by the State Assets Administration Bureau. The current year movement represents loss on net fair value change arising from available-for-sale investments amounting to RMB565,000 (2016: loss on net fair value change of RMB8,984,000).

(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 the Ministry of Finance and the Safety Production General Bureau. The reserve is for future enhancement of safety production environment and improvement of facilities and is not available for distribution to shareholders.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2017
(PREPARED IN ACCORDANCE WITH IFRS)

	2017	2016
	RMB'000	*RMB'000*
		(Restated)
Operating activities		
Profit before taxation	**2,904,201**	2,077,966
Adjustments for:		
Finance costs	**854,789**	968,920
Depreciation of property, plant and equipment	**1,713,483**	1,780,442
Depreciation of investment properties	**10,741**	10,785
Amortisation of prepaid lease payments	**28,689**	28,326
Amortisation of intangible assets	**52,018**	42,074
Loss on disposal of property, plant and equipment	**57,926**	56,768
Share of results of associates	**(70,056)**	8,557
Share of results of joint ventures	**36,963**	42,259
Impairment loss on property, plant and equipment	**5,914**	3,787
Impairment loss on available-for-sale investments	**4,414**	–
Impairment loss on trade and bills receivables	**1,932,577**	1,295,987
Impairment (reversal of) loss on prepayment, deposits and other receivables	**226,190**	(66,597)
Impairment (reversal of) loss on loans to fellow subsidiaries	**(2,957)**	1,669
Impairment loss on assets classified as held for sale	**166,584**	–
Impairment loss on interest in a joint venture	**–**	34,917
Release of deferred income	**(53,477)**	(52,664)
Allowance for (reversal of) inventories	**3,379**	(116,308)
Net change in rehabilitation provision	**8,976**	7,814
Income from available-for-sale investments	**(260,239)**	(261,506)
Fair value change on commodity derivative contracts	**196,507**	669,774
Fair value change on provisional price arrangement	**4,105**	20,461
Fair value change on foreign currency forward contracts and interest rate swaps	**(51,967)**	53,647
Fair value change on held-for-trading financial liabilities	**(120,947)**	285,089
Fair value change on held-for-trading financial assets	**19,709**	7,762
Gain on disposal of interest in an associate	**–**	(15,198)

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2017
(PREPARED IN ACCORDANCE WITH IFRS)

	2017 *RMB'000*	2016 *RMB'000* (Restated)
Operating cash flows before movements in working capital	**7,667,522**	6,884,731
Increase in deposits from holding company and fellow subsidiaries	**1,395,381**	354,796
Increase in inventories	**(4,469,922)**	(1,927,223)
Increase in trade and bills receivables	**(3,020,239)**	(4,007,147)
Decrease in prepayments, deposits and other receivables	**453,534**	424,749
Increase in held-for-trading financial assets	**(41,409)**	(45,344)
Increase in trade and bills payables	**871,094**	2,983,098
Increase (decrease) in other payables and accruals	**574,042**	(246,773)
Cash generated from operations	**3,430,003**	4,420,887
Income tax paid	**(938,138)**	(675,392)
Net cash from operating activities	**2,491,865**	3,745,495
Investing activities		
Proceeds from disposal of available-for-sale investments	**2,879,046**	4,363,500
Proceeds from disposal of other investments	**689,707**	311,799
Receipt (payment) of available-for-sale investments	**260,239**	254,755
Proceeds from disposal of property, plant and equipment	**19,266**	5,509
Income from derivative financial instruments	**–**	23,906
Dividend received from available-for-sale investments	**40,006**	6,750
Dividend received from a joint venture	**2,730**	6,000
Dividend received from an associate	**11,199**	23,838
Purchases of available-for-sale investments	**(2,401,170)**	(5,095,577)
Purchases of property, plant and equipment	**(3,128,707)**	(1,534,874)
Increase in restricted bank deposits	**(3,821,442)**	(842,936)
Advance of loans to fellow subsidiaries	**(1,078,414)**	(1,563,066)
Repayment of loans from fellow subsidiaries	**1,082,560**	1,424,046
Additional investments in joint ventures	**(13,262)**	(21,119)
Purchase of other investments	**(70,375)**	(689,707)
Additional investments in associates	**(276,425)**	(116,247)
Purchase of exploration and evaluation assets	**(96,662)**	(84,847)

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2017
(PREPARED IN ACCORDANCE WITH IFRS)

	2017	2016
	RMB'000	*RMB'000*
		(Restated)
Purchases of prepaid lease payments	**(36,565)**	(406)
Purchase of intangible assets	**(6,080)**	(25,831)
Government grants received	**23,239**	–
Repayment of other long term payables	**–**	(756)
Net cash used in investing activities	**(5,921,110)**	(3,555,263)
Financing activities		
New bank and other borrowings raised	**25,422,914**	21,356,898
Proceeds from gold lease contracts	**7,020,040**	2,861,970
Proceeds from sale and leaseback arrangements	**200,000**	–
Payment of sale and leaseback	**(18,822)**	–
(Cash paid) contribution from shareholders in relation to business combination under common control	**(212,976)**	172,800
Repayment of bank and other borrowings	**(20,593,981)**	(30,415,422)
New bond borrowings raised	**500,000**	–
Repayment of gold lease contracts	**(4,838,919)**	(2,144,141)
Dividends paid	**(583,409)**	(346,273)
Interest paid	**(776,670)**	(790,503)
Government grants received	**–**	9,596
Capital contributions from non-controlling interests	**–**	314,400
Dividends paid to non-controlling interests	**(12,255)**	(21,500)
Net cash from (used in) financing activities	**6,105,922**	(9,002,175)
Net increase (decrease) in cash and cash equivalents	**2,676,677**	(8,811,943)
Cash and cash equivalents at the beginning of the year	**8,275,268**	16,735,746
Effect of foreign exchange rate changes	**(588,742)**	351,465
Cash and cash equivalents at the end of the year, represented by bank balances and cash	**10,363,203**	8,275,268

1. GENERAL

The Company was registered in the People's Republic of China (the "PRC") as a joint stock limited company. The registration number of the Company's business licence is Qi He Gan Zhong Zi 003556. The Company was established on 24 January 1997 by Jiangxi Copper Corporation ("JCC"), a company established in the PRC, Hong Kong International Copper Industry (China) Investment Limited, Shenzhen Baoheng (Group) Company Limited, Jiangxi Xinxin Company Limited and Hubei Sanxin Gold & Copper Company Limited, and approved by Jiangxi Province's Administrative Bureau for Industry and Commerce. The Company's H shares and A shares were listed on The Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange, respectively. The registered address of the Company is located at 15 Yejin Avenue, Guixi City, Jiangxi, the PRC. The Company's ultimate holding company is JCC, and the ultimate controlling party is the State-owned Assets Supervision & Administration Commission of the People's Government of Jiangxi Province.

The Group is an integrated producer of copper in the PRC. Its operations consist of copper mining, milling, smelting and refining for the production of copper cathodes, copper rods and wires and other related products, including pyrite concentrates, sulphuric acid, and electrolytic gold and silver, and rare metals such as molybdenum, and trading of copper related products, etc.

The activities of its principal subsidiaries, associates and joint ventures are set out in notes 51, 20 and 21 respectively.

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

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

For financial instruments which are transferred at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that the results of the valuation technique equals the transaction price.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

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

Combination of the equity interests in Jiangxi Gold Company Limited

In order to reinforce and expand the gold business sector, the Company entered into the Share Transfer Agreement with JCC on 27 November 2017, pursuant to which, the Company acquired 60% of the shareholding interests in Jiangxi Gold Company Limited ("Jiangxi Gold") held by JCC at a consideration of RMB236,256,000 by way of cash.

As Jiangxi Gold is the affiliate of the Company's parent company before and after the acquisition, both parties are under common and consistent control of JCC, the combination is defined as business combination under common control. The acquisition date is determined on 27 November 2017 in terms of the transfer of control power over the acquiree. As at 31 December 2017, the outstanding balance of the consideration to be paid is amounting to RMB23,280,000.

The consolidated financial statements for the year ended 31 December 2016 have been restated as a result of adoption of merger accounting for the above business combinations under common control. Details of relevant statements of adjustments for the common control combination on the Group's results for the year ended 31 December 2016 and the financial position as at 31 December 2016 and 1 January 2016 are set out below.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Combination of the equity interests in Jiangxi Gold Company Limited (Continued)

For the year ended 31 December 2016:

	As original stated *RMB'000*	Acquired subsidiary *RMB'000*	Eliminations *RMB'000*	As restated *RMB'000*
Revenue	201,728,284	(133)	–	201,728,151
Profit before tax	2,083,612	(5,646)	–	2,077,966
Income tax	(1,088,551)	–	–	(1,088,551)
Profit for the year	995,061	(5,646)	–	989,415

As at 31 December 2016:

	As original stated *RMB'000*	Acquired subsidiary *RMB'000*	Eliminations *RMB'000*	As restated *RMB'000*
Non-current assets	**30,590,455**	**81,410**	**–**	**30,671,865**
Current assets	**56,793,635**	**274,644**	**(259,033)**	**56,809,246**
Current liabilities	**37,339,126**	**1,128**	**(259,033)**	**37,081,221**
Net current assets	**19,454,509**	**273,516**	**–**	**19,728,025**
Total assets less current liabilities	**50,044,964**	**354,926**	**–**	**50,399,890**
Non-current liabilities	**1,222,116**	**–**	**–**	**1,222,116**
	48,822,848	**354,926**	**–**	**49,177,774**
Capital and reserves				
Share capital	**3,462,729**	**361,200**	**(361,200)**	**3,462,729**
Reserves	**43,135,257**	**(6,274)**	**242,509**	**43,371,492**
Equity attributable to owners of the Company	**46,597,986**	**354,926**	**(118,691)**	**46,834,221**
Non-controlling interests	**2,224,862**	**–**	**118,691**	**2,343,553**
	48,822,848	**354,926**	**–**	**49,177,774**

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Combination of the equity interests in Jiangxi Gold Company Limited (Continued)

As at 1 January 2016:

	As original stated *RMB'000*	Acquired subsidiary *RMB'000*	Eliminations *RMB'000*	As restated *RMB'000*
Non-current assets	29,699,103	70,606	–	29,769,709
Current assets	60,051,926	30,774	–	60,082,700
Current liabilities	40,503,988	8	–	40,503,996
Net current assets	19,547,938	30,766	–	19,578,704
Total assets less current liabilities	49,247,041	101,372	–	49,348,413
Non-current liabilities	1,417,740	–	–	1,417,740
	47,829,301	101,372	–	47,930,673
Capital and reserves				
Share capital	3,462,729	102,000	(102,000)	3,462,729
Reserves	42,439,628	(628)	67,451	42,506,451
Equity attributable to owners of the Company	45,902,357	101,372	(34,549)	45,969,180
Non-controlling interests	1,926,944	–	34,549	1,961,493
	47,829,301	101,372	–	47,930,673

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

Amendments to IFRSs that are mandatorily effective for the current year

The Group has applied the following amendments to IFRSs issued by the International Accounting Standards Board (the "IASB") for the first time in the current year.

Amendments to IAS 7	Disclosure Initiative
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to IFRS 12	As part of the Annual Improvements to IFRSs 2014–2016 Cycle

Except as described below, the application of the amendments to IFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Amendments to IAS 7 Disclosure Initiative

The Group has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. In addition, the amendments also require disclosures on changes in financial assets if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities.

Specifically, the amendments require the following to be disclosed: (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

A reconciliation between the opening and closing balances of these items is provided in note 50. Consistent with the transition provisions of the amendments, the Group has not disclosed comparative information for the prior year. Apart from the additional disclosure in note 50, the application of these amendments has had no impact on the Group's consolidated financial statements.

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

New and amendments to IFRSs in issue but not yet effective

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

IFRS 9	Financial Instruments[1]
IFRS 15	Revenue from Contracts with Customers and the related Amendments[1]
IFRS 16	Leases[2]
IFRS 17	Insurance Contracts[4]
IFRIC 22	Foreign Currency Transactions and Advance Considerations[1]
IFRIC 23	Uncertainty over Income Tax Treatment[2]
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions[1]
Amendments to IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts[1]
Amendments to IFRS 9	Prepayment Features with Negative Compensation[2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement[2]
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures[2]
Amendments to IAS 28	As part of the Annual Improvements to IFRS Standards 2014–2016 Cycle[1]
Amendments to IAS 40	Transfers of Investment Property[1]
Amendments to IFRSs	Annual Improvements to IFRS Standards 2015–2017 cycle[2]

[1] Effective for annual periods beginning on or after 1 January 2018.

[2] Effective for annual periods beginning on or after 1 January 2019.

[3] Effective for annual periods beginning on or after a date to be determined.

[4] Effective for annual periods beginning on or after 1 January 2021

Except for the new IFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to IFRSs and Interpretations will have no material impact on the consolidated financial statements in the foreseeable future.

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

IFRS 9 Financial instruments

IFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for financial assets.

Key requirements of IFRS 9 which are relevant to the Group are:

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

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

- the new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the retrospective quantitative effectiveness test has been removed. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

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

IFRS 9 Financial instruments (Continued)

Based on the Group's financial instruments and risk management policies as at 31 December 2017, the directors of the Company have assessed the potential impact on initial application of IFRS 9 as follows:

Classification and measurement:

- Loan and other receivables carried at amortised cost as disclosed in notes 27, 28, 29 and 32 respectively: these are held within a business model whose objective is to collect the contractual cash flows that are solely payments of principal and interest on the principal outstanding. Accordingly, these financial assets will continue to be subsequently measured at amortised cost upon the application of IFRS 9;

- Certain receivables disclosed in Note 25 are linked to commodity prices. Such features are embedded derivatives that have been considered non-closely related to and separated from the host receivables and accounted for as derivatives under IAS 39. Upon the application of IFRS 9, a hybrid contract contains a host that is an asset within the scope of IFRS 9 is accounted for as a whole. Accordingly, the Group would not further separate the embedded derivatives from the receivables linked to commodity prices. The contractual terms of such instruments give rise to cash flows that are not solely payments of principal and interest on the principal amount outstanding and therefore those receivables linked to commodity prices would be subsequently measured at fair value with fair value gains or losses to be recognized in profit or loss under IFRS 9.

- Debt instruments classified as available-for-sale investments carried at fair value as disclosed in note 22: these are held within a business model whose objective is achieved both by collecting contractual cash flows and selling in the open market, and the contractual terms give rise to cash flows on specified dates that are solely payments of principal and interest on the principal outstanding. Accordingly, the debt instruments will continue to be subsequently measured at FVTOCI upon the application of IFRS 9, and the fair value gains or losses accumulated in the investments revaluation reserve will continue to be subsequently reclassified to profit or loss when the debentures are derecognised;

- Unlisted equity investments classified as available-for-sale investments carried at cost less impairment as disclosed in note 22: these securities are qualified for designation as measured at FVTOCI under IFRS 9, however, the Group plans not to elect the option for designating these securities to be measured at FVTOCI and will measure these securities at fair value with subsequent fair value gains or losses to be recognised in profit or loss. Upon initial application of IFRS 9, the directors of the Company do not anticipate that the application of IFRS 9 will have a material impact on the fair value changes related to these securities, representing the differences between cost less impairment and fair value would be adjusted to retained profits as at 1 January 2018;

- All other financial assets and financial liabilities will continue to be measured on the same basis as are currently measured under IAS 39.

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

IFRS 9 Financial instruments (Continued)

Impairment

In general, the directors of the Company anticipate that the application of the expected credit loss model of IFRS 9 will result in earlier provision of credit losses which are not yet incurred in relation to the Group's financial assets measured at amortised costs and other items that subject to the impairment provisions upon application of IFRS 9 by the Group.

Based on the assessment by the directors of the Company, if the expected credit loss model were to be applied by the Group, the accumulated amount of impairment loss to be recognised by Group as at 1 January 2018 would be increased as compared to the accumulated amount recognised under IAS 39 mainly attributable to expected credit losses provision in respect of Trade and bills receivables, Other receivables, Loans to fellow subsidiaries, Other investments, Financial guarantees, cash and Debt Instruments. Such further impairment recognised under expected credit loss model would reduce the opening retained profits and increase the deferred tax assets at 1 January 2018.

Hedge accounting

As the new hedging accounting requirements will align more closely with the Group's risk management policies, with generally more qualifying hedging instruments and hedged items, an assessment of the Group's current hedging relationships indicates that they will qualify as continuing hedging relationships upon application of IFRS 9. Accordingly, the directors of the Company anticipate that the application of the new hedging requirements may not have a material impact on the Group's current hedge designation and hedge accounting.

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

IFRS 15 Revenue from contracts with customers

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

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

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

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

In 2016, the IASB issued clarifications to IFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

The directors of the Company anticipate that the application of IFRS 15 in the future may result in more disclosures, however, the directors of the Company do not anticipate that the application of IFRS 15 will have a material impact on the timing and amounts of revenue recognised in the respective Reporting Periods.

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

IFRS 16 Leases

IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. IFRS 16 will supersede IAS 17 "Leases" and the related interpretations when it becomes effective.

IFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as investing cashflows in relation to leasehold lands for owned use while other operating lease payments as operating cash flows. Upon application of the IFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion and be presented as financing cash flows by the Group.

Under IAS 17, the Group has already recognised prepaid lease payments for leasehold lands where the Group is a lessee. The application of IFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

In contrast to lessee accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by IFRS 16.

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

IFRS 16 Leases (Continued)

As at 31 December 2017, the Group has non-cancellable operating lease commitments of RMB496,493,000 as disclosed in note 45. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of IFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

In addition, the Group currently considers refundable rental deposits paid of RMB25,141,000 and refundable rental deposits received of RMB1,020,000 as rights and obligations under leases to which IAS 17 applies. Based on the definition of lease payments under IFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost and such adjustments are considered as additional lease payments. Adjustments to refundable rental deposits paid would be included in the carrying amount of right-of-use assets. Adjustments to refundable rental deposits received would be considered as advance lease payments.

Furthermore, the application of new requirements may result in changes in measurement, presentation and disclosure as indicated above.

4. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies are set out below.

Basis of consolidation

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation (Continued)

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

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

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation (Continued)

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations

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

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

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

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

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

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

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Merger accounting for common control combinations

The consolidated financial statements incorporate the financial statements items of the combining businesses in which the common control combination occurs as if they had been combined from the date when the combining businesses first came under the control of the controlling party.

The net assets of the combining businesses are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or bargain purchase gain at the time of common control combination.

The consolidated statement of profit or loss and other comprehensive income includes the results of each of the combining businesses from the earliest date presented or since the date when the combining businesses first came under the common control, where this is a shorter period.

The comparative amounts in the consolidated financial statements are presented as if the businesses had been combined at the end of the previous Reporting Period or when they first came under common control, whichever is shorter.

Investments in associates and joint ventures

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

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

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Appropriate adjustments have been made to conform the associate's and the joint venture's accounting policies of the Group. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Changes in net assets of the associate/joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate or joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments in associates and joint ventures (Continued)

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

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

When the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset within the scope of IAS 39, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/potential disposal of the relevant associate or joint venture.

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale from the time when the investment (or a portion of the investment) is classified as held for sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

Revenue recognition

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

Revenue is recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities as described below.

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Service income is recognised when services are provided.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the Reporting Period, measured based on the proportion that contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as amounts due to customers for contract work. Amounts received before the related work is performed are included in the consolidated statement of financial position, as a liability, as advances received. Amounts billed for work performed but not yet paid by the customer are included in the consolidated statement of financial position under trade and other receivables.

Leasing

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

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see the accounting policy below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leasing (Continued)

The Group as lessee (Continued)

Operating lease payments, including the cost of acquiring land held under operating leases, are recognised as an expense on a straight-line basis over the lease term. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset. Such costs are recognised as an expense on a straight-line basis over the lease term.

Leasehold land and building

When the Group makes payments for a property interest which includes both leasehold land and building elements, the Group assesses the classification of each element separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire property is accounted as an operating lease. Specifically, the entire consideration (including any lump-sum upfront payments) are allocated between the leasehold land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element at initial recognition.

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies

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

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

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

Borrowing costs

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government grants

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

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

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

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

Retirement benefit costs

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

Short-term and other long-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any changes in the liabilities' carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another IFRS requires or permits their inclusion on the cost of an asset.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation

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

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

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

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

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

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment

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

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

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

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

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

Investment properties

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives, or recognised using the units of production method. The estimated useful life and amortisation method are reviewed at the end of each Reporting Period, with the effect of any changes in estimate being accounted for on a prospective basis.

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

Exploration and evaluation assets

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of exploration and evaluation assets

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

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

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

Impairment on tangible and intangible assets other than goodwill

At the end of the Reporting Period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

When it is not possible to estimate the recoverable amount of an asset individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment on tangible and intangible assets other than goodwill (Continued)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss.

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

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Financial instruments

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets

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

Effective interest method

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

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

Financial assets at FVTPL

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

A financial asset is classified as held for trading if:

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

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

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Financial assets at FVTPL (Continued)

- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

- it forms part of a contract containing one or more embedded derivatives, and IAS 39 permits the entire combined contract to be designated as at FVTPL.

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

Loans and receivables

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

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

Available-for-sale financial assets

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

Equity and debt securities held by the Group that are classified as AFS financial assets and are traded in an active market are measured at fair value at the end of each Reporting Period except for unquoted equity investments whose fair value cannot be reliably measured. Changes in the carrying amount of AFS debt instruments relating to interest income calculated using the effective interest method, are recognised in profit or loss. Dividends on AFS equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established. Other changes in the carrying amount of AFS financial assets are recognised in other comprehensive income and accumulated under the heading of other reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the other reserve is reclassified to profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Available-for-sale financial assets (Continued)

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

Impairment of financial assets

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

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

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

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

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 90 days, observable changes in national or local economic conditions that correlate with default on receivables.

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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

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

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

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

In respect of AFS equity investments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of other reserve. In respect of AFS debt investments, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity instruments

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

Equity instruments

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

Effective interest method

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

Interest expense is recognised on an effective interest basis.

Financial liabilities at FVTPL

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

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities at FVTPL (Continued)

- it is a derivative that is not designated and effective as a hedging instrument.

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

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

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

Bonds with detachable warrants

The component of bonds with warrants that exhibits characteristics of a liability is recognised as a liability in the consolidated statement of financial position, net of transaction costs. On issuance of bonds with warrants, the fair value of the liability component is determined using a market rate for an equivalent bond without the detachable share purchase warrants; and this amount is carried as a long-term liability on an amortised cost basis until redemption.

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities at amortised cost

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

Derivative financial instruments

The Group uses derivative financial instruments to hedge its commodity price risk, interest rate risk and foreign currency risk. The Group's derivative financial instruments mainly include commodity derivative contracts (mainly standardised copper cathode future contracts in Shanghai Futures Exchange ("SHFE") and London Metal Exchange ("LME"), foreign currency forward contracts and interest rate swaps and provisional price arrangement.

Provisional price arrangement is embedded in metal purchase contracts with third parties. According to industry practice, the purchase terms of metal in these contracts contain provisional pricing arrangements pursuant to which the purchase prices for metal in concentrate are based on prevailing spot prices at a specified future period after shipment by suppliers (the "quotation period"). Adjustments to the purchase price occur based on movements in quoted market prices up to the date of final settlement. The period between provisional invoicing and final settlement is within one month. Accordingly, for accounting purposes, the provisional price arrangement is required to be separated from the host contract for purchase of metal in concentrate once the significant risks and rewards of ownership has been transferred to the Group. The host contract is the purchase of metal in concentrate and the embedded derivative is the forward contract for which the provisional price is subsequently adjusted.

The use of financial derivatives is governed by the Group's policies, which provide written principles on the use of financial derivatives consistent with the Group's risk management strategy. Certain derivative instruments of the Group are not designated as hedging instruments and/or qualified for hedge accounting.

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Derivative financial instruments (Continued)

Embedded derivatives

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL. Generally, multiple embedded derivatives in a single instrument are treated as a single compound embedded derivative unless those derivatives relate to different risk exposures and are readily separable and independent of each other.

Hedge accounting

The Group designates certain derivatives as hedging instruments for fair value hedges or cash flow hedges.

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

Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in profit or loss in the line item relating to the hedged item. The adjustment to the carrying amount of the hedged item for which the effective interest method is used is amortised to profit or loss when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. The adjustment is based on a recalculated effective interest rate at the date the amortisation begins.

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Hedge accounting (Continued)

Cash flow hedges

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

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

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

Derecognition

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Derecognition (Continued)

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

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

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the Reporting Period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

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

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Allowances for inventories

The management of the Group reviews the saleability of inventories at the end of Reporting Period and writes down inventories to their net realisable values if the carrying value is lower than the net realisable values. Net realisable value for inventories is primarily based on the estimated selling prices in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sales. The management considers the market prices for products with open market or sale prices of recent and subsequent sales for products without open market when assessing the estimated selling prices, and estimates the costs of completion and cost necessary to make the sales based on current cost incurred for production and selling of finished goods with similar nature. These estimates could change significantly as a result of change in market demand of products or technical innovation and impact the expectation of net realisable value and allowance for inventories required. At 31 December 2017, the carrying amount of inventories was RMB19,997,187,000 (2016: RMB15,412,386,000).

Impairment of trade receivables

Impairment of trade receivables is made based on an assessment of the recoverability of trade receivables. The identification of doubtful debts requires management's judgement and estimates. The management will consider the credit history of customers, collateral receivable and past settlement records including default or delay in payments and collection after the end of the Reporting Period. Provision is made when there is objective evidence that the Group will not be able to collect the debts. Where the actual outcome or further expectation is different from the original estimate, these differences will impact on the carrying value of the receivables, doubtful debt expenses and write-back in the period in which the estimate has been changed.

Impairment of other receivables

Impairment of other receivables is made based on an assessment of the recoverability of other receivables. The identification of doubtful debts requires management's judgement and estimates. Provision is made when there is objective evidence that the Group will not be able to collect the debts. Where the actual outcome or further expectation is different from the original estimate, these differences will impact on the carrying value of the receivables, doubtful debt expenses and write-back in the period in which the estimate has been changed.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Fair value measurements and valuation processes

In estimating the fair values of the Group's financial assets and financial liabilities, the Group uses market-observable data to the extent it is available. Where market-observable data are not available, the management of the Group will establish valuation model based on proper valuation techniques and inputs from prior experiences. Where there is a material change in the fair value of the assets, the causes of the fluctuations will be reported to the board of directors of the Company. Note 49 provides detailed information about the valuation techniques, inputs and key assumptions used in the determination of the fair values of the Group's financial assets and financial liabilities.

Environment rehabilitation obligations

Environment rehabilitation obligations are inherently imprecise and represent only approximate amounts because of the subjective judgements involved in the estimation of the costs. Environment rehabilitation obligations are subject to considerable uncertainty which affects the Group's ability to estimate the ultimate cost of remediation efforts. These uncertainties include: (i) the exact nature and extent of the contamination at various sites including, but not limited to, mines and land development areas, whether operating, closed or sold, (ii) the extent of required cleanup efforts, (iii) varying cost of alternative remediation strategies, (iv) changes in environmental remediation requirements, and (v) the identification of new remediation sites. In addition, as prices and cost levels changes from year to year, the estimates of environment liabilities also changes. Despite the inherent imprecision in these estimates, these estimates are used in assessing the provision for rehabilitation. As at 31 December 2017, the carrying amount of provision for rehabilitation was RMB182,485,000 (2016: RMB173,509,000).

Mineral reserves

Technical estimates of the Group's mineral reserves are inherently imprecise and represent only approximate amounts because of the subjective judgements involved in developing such information. There are authoritative guidelines regarding the engineering criteria that have to be met before estimated mineral reserves can be designated as "proved" and "probable". Proved and probable mineral reserves estimates are updated on a regular basis and take into account recent economic production and technical information about each mine. In addition, as production levels and technical standards change from year to year, the estimate of proved and probable mineral reserves also changes. Despite the inherent imprecision in these technical estimates, these estimates are used in assessing impairment losses. As at 31 December 2017, the carrying amount of mining rights was RMB1,125,383,000 (2016: RMB1,147,450,000).

5. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Exploration and evaluation assets

The application of the Group's accounting policy for exploration and evaluation assets requires judgement in determining whether it is likely that future economic benefits will result, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalised is written off in profit or loss in the period when the new information becomes available. As at 31 December 2017, the carrying amount of exploration and evaluation assets was RMB603,719,000 (2016: RMB517,400,000).

Deferred tax assets

Deferred tax assets are recognised for all temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Recognition primarily involves judgement regarding the future performance of the particular legal entity or tax group in which the deferred tax asset has been recognised.

The utilisation of deferred tax assets will subject to the future taxable profit and the prevailing tax rate when the temporary differences are reversed. The unfavourable condition incurs to the taxable income and prevailing tax rate may lead to direct reversal of deferred tax assets to the income statement. Due to the uncertainty in determining taxable income in the future, the deductible temporary differences and tax losses have not been recognised as deferred tax assets in full amount. As at 31 December 2017, the carrying amount of deferred tax assets was RMB716,044,000 (2016: RMB960,335,000).

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each Reporting Period. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell or its value in use. The calculation of the fair value less costs to sell is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are the undertaken, management must estimate the expected future cash flows from the asset or cash generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. As at 31 December 2017, the carrying amount of non-current assets (other than deferred tax assets, available-for-sale investments, deposits for prepaid lease payments and deposits for property, plant and equipment) was RMB28,622,843,000 (2016: RMB27,359,281,000).

6. REVENUE AND SEGMENT INFORMATION

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

	2017	2016
	RMB'000	*RMB'000*
Sales of goods		
– copper cathodes	**121,462,701**	125,284,190
– copper rods	**45,463,902**	38,735,196
– copper processing products	**5,268,557**	3,592,718
– gold	**7,227,737**	6,985,024
– silver	**2,954,148**	4,004,884
– sulphuric and sulphuric concentrate	**1,185,914**	704,088
– rare and other non-ferrous metals	**17,756,831**	19,349,579
– others	**3,727,065**	3,652,541
Revenue analysis prepared in accordance with ASBE	**205,046,855**	202,308,220
Less: sales related taxes	**(812,974)**	(580,069)
Revenue analysis prepared in accordance with IFRSs	**204,233,881**	201,728,151

6. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Geographical information

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

	2017	2016
	RMB'000	*RMB'000*
Mainland China	**166,886,400**	169,615,513
Hong Kong	**20,634,352**	23,341,250
Others	**17,526,103**	9,351,457
Revenue analysis prepared in accordance with ASBE	**205,046,855**	202,308,220
Less: sales related taxes	**(812,974)**	(580,069)
Revenue analysis prepared in accordance with IFRSs	**204,233,881**	201,728,151

All non-current assets of the Group (excluding deferred tax assets and financial instruments) are located in the PRC except for certain investments in Afghanistan, Turkey, Peru and Japan.

Information about major customers

During the year ended 31 December 2017, there is no revenue from customers contributing over 10% of the total revenue of the Group (2016: nil). The revenue from the largest customer amounted to approximately RMB7,074,078,000 (2016: RMB6,883,732,000), representing 3.46% (2016: 3.41%) of the total revenue of the Group.

7. OTHER INCOME

	2017	2016
	RMB'000	*RMB'000*
Interest income	**562,899**	496,390
Dividend income on available-for-sale investments	**40,006**	6,750
Government grants recognised *(note)*	**53,477**	52,664
Income from value-added tax refund	**36,192**	56,052
Others	**1,541**	3,439
	694,115	615,295

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.

8. OTHER GAINS AND LOSSES

	2017	2016
	RMB'000	*RMB'000*
Net (losses) gains on derivative financial instruments		
Transactions not qualifying for hedging accounting		
– Losses on commodity derivative contracts	**(940,771)**	(661,931)
– Gains (losses) on foreign currency forward contracts and interest rate swaps	**143,032**	(53,647)
Transactions qualifying as fair value hedges		
– Inventory hedged	**20,365**	(2,919)
– Fair value change on hedging instruments	**(18,785)**	3,009
Ineffective portion of cash flow hedges	**4,070**	(7,933)
Losses on held-for-trading financial assets	**(10,409)**	(7,762)
Losses on held-for-trading financial liabilities	**(63,972)**	(285,089)
Income from available-for-sale investments	**260,239**	254,755
Gain on disposal of interest in an associate	**–**	15,198
Loss on disposal of property, plant and equipment	**(57,926)**	(56,768)
Impairment loss on property, plant and equipment	**(5,914)**	(3,787)
Impairment loss on held-for-trading financial assets	**(166,584)**	–
Impairment loss on trade and bills receivables	**(1,932,577)**	(1,295,987)
Impairment (loss on) reversal of prepayment, deposits and other receivables	**(226,190)**	66,597
Impairment loss on available-for-sale investments	**(4,414)**	–
Impairment reversal of (loss on) loans to fellow subsidiaries	**2,957**	(1,669)
Impairment loss on interest in a joint venture	**–**	(34,917)
Donations	**(1,207)**	(818)
Exchange (losses) gains, net	**(151,969)**	236,300
Others	**(29,586)**	10,258
	(3,179,641)	(1,827,110)

9. FINANCE COSTS

	2017	2016
	RMB'000	*RMB'000*
Interests on:		
Bank borrowings	**684,127**	321,641
Bonds payable	**6,715**	296,267
Discounted notes	**163,947**	351,012
	854,789	968,920

10. TAXATION

	2017	2016
	RMB'000	*RMB'000*
The charge comprises:		
Current taxation		
– PRC Enterprise Income Tax	**904,281**	1,070,595
– Hong Kong Profits Tax	**3,050**	(3,584)
	907,331	1,067,011
(Over) under provision in prior years		
– PRC Enterprise Income Tax	**(2,598)**	70,075
– Hong Kong Profits Tax	**–**	(7,034)
	(2,598)	63,041
Deferred taxation *(note 23)*	**240,809**	(41,501)
	1,145,542	1,088,551

Hong Kong Profits Tax in five (2016: five) of the Group's subsidiaries has been provided at the rate of 16.5% (2016: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

The provision for PRC Enterprise Income Tax is based on a statutory rate of 25% (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 recognised as New and High Technology Enterprise entitled to a preferential 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.

10. TAXATION (CONTINUED)

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

	2017	2016
	RMB'000	*RMB'000*
Profit before taxation	**2,904,201**	2,077,996
Tax at the domestic income tax rate of 25% (2016: 25%)	**726,050**	519,499
Effect of tax exemption granted to the Company *(note)*	**(415,661)**	–
Tax effect of income not taxable for tax purposes	**(23,718)**	(9,250)
Tax effect of expenses not deductible for tax purposes	**27,261**	52,163
(Over) under provision in prior years	**(2,598)**	63,041
Tax effect of tax losses and deductible temporary differences not recognised	**771,728**	512,298
Utilisation of tax losses and deductible temporary differences previously not recognised	**(88,122)**	(47,729)
Effect of different tax rates of subsidiaries	**(13,280)**	(7,521)
Changes in opening deferred tax assets/liabilities resulting from a decrease in applicable tax rate	**163,882**	6,050
Tax charge for the year	**1,145,542**	1,088,551

Note: Pursuant to the "Notice of Recognition of the 2017 First Batch of New and High Technology Enterprises in Jiangxi Provinces" (Gan Gao Qi Ren Fa [2017] No. 10) dated 17 November 2017, jointly issued by the Science and Technology Department of Jiangxi Province, Finance Department of Jiangxi Province, State Tax Bureau of Jiangxi Province and Provincial Tax Bureau of Jiangxi Province, the Company has passed the examination for new and high technology enterprises, the certificate number is GR201736000335. According to the provisions of Article 28 "Enterprise Income Tax Law of the People's Republic of China", the applicable income tax rate of the Company during 1 January 2017 to 31 December 2019 is 15%.

11. PROFIT FOR THE YEAR

	2017	2016
	RMB'000	*RMB'000*
Profit for the year has been arrived at after charging (crediting):		
Employee benefit expense (including directors', chief executive's and supervisors' remuneration *(note 12)*):		
– Wages and salaries	**2,282,274**	2,069,424
– Performance related bonus	**45,309**	50,169
– Pension scheme contributions *(note)*	**509,984**	471,234
– Other staff costs, allowances and welfare	**618,796**	509,562
	3,456,363	3,100,389
Capitalised in inventories	**(2,825,453)**	(2,545,300)
	630,910	555,089
Auditor's remuneration	**11,460**	10,471
Cost of inventories recognised as an expense	**195,797,601**	195,164,342
Depreciation of property, plant and equipment	**1,713,483**	1,780,442
Depreciation of investment properties	**10,741**	10,785
Amortisation of prepaid lease payments	**28,689**	28,326
Amortisation of intangible assets included in administration expenses	**52,018**	42,074
Allowance for (reversal of) inventories included in cost of sales	**3,379**	(116,308)
Minimum lease payments under operating lease of land	**159,277**	160,345

Note: The Group participated in a pension scheme contribution plan organised by JCC and entrusted China Life Insurance Company Limited to manage the plan.

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

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

	2017 RMB'000	2016 RMB'000
Fees	**400**	342
Other emoluments		
– Salaries, allowances and welfare	**6,536**	5,777
– Performance related bonus	**–**	–
– Pension scheme contributions	**439**	385
	6,975	6,162
	7,375	6,504

12. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES (CONTINUED)

		Other emoluments			
	Fees	Salaries, allowances and welfare	Performance related bonus	Pension scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
For the year ended 31 December 2017					
Executive director:					
Li Baomin *(note a)*	–	552	–	34	586
Long Ziping (Chairman and chief executive) *(note a)*	–	736	–	45	781
Gao Jianmin	–	200	–	–	200
Liang Qing	–	200	–	–	200
Wu Jinxing	–	736	–	45	781
Wu Yuneng	–	736	–	45	781
Wang Bo	–	736	–	45	781
	–	3,896	–	214	4,110
Independent non-executive director:					
Zhang Weidong *(note b)*	50	–	–	–	50
Tu Shutian	100	–	–	–	100
Sun Chuangyao	100	–	–	–	100
Liu Erfei	100	–	–	–	100
Zhou Donghua *(note b)*	50	–	–	–	50
	400	–	–	–	400
Supervisor:					
Xie Ming *(note c)*	–	132	–	11	143
Hu Qingwen	–	528	–	45	573
Liao Shengsen	–	528	–	45	573
Zhang Jianhua	–	528	–	45	573
Zeng Min	–	528	–	45	573
Zhang Kui *(note c)*	–	396	–	34	430
	–	2,640	–	225	2,865
	400	6,536	–	439	7,375

12. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES (CONTINUED)

		Other emoluments			
	Fees *RMB'000*	Salaries, allowances and welfare *RMB'000*	Performance related bonus *RMB'000*	Pension scheme contributions *RMB'000*	Total *RMB'000*
For the year ended 31 December 2016					
Executive director:					
Li Baomin *(Chairman)*	–	736	–	41	777
Long Ziping *(Chief executive)*	–	736	–	41	777
Gan Chengjiu	–	429	–	24	453
Liu Fangyun	–	429	–	24	453
Gao Jianmin	–	200	–	–	200
Liang Qing	–	200	–	–	200
Shi Jialiang	–	29	–	–	29
Wu Jinxing	–	307	–	21	328
Wu Yuneng	–	307	–	21	328
Wang Bo	–	307	–	21	328
	–	3,680	–	193	3,873
Independent non-executive director:					
Qiu Guanzhou	58	–	–	–	58
Zhang Weidong	100	–	–	–	100
Deng Hui *(note d)*	–	–	–	–	–
Tu Shutian	100	–	–	–	100
Sun Chuangyao	42	–	–	–	42
Liu Erfei	42	–	–	–	42
	342	–	–	–	342
Supervisor:					
Lin Jinliang	–	88	–	10	98
Wu Jinxing	–	88	–	24	112
Xie Ming	–	528	–	41	569
Hu Qingwen	–	528	–	41	569
Wan Sujuan	–	29	–	–	29
Liao Shengsen	–	220	–	21	241
Zhang Jianhua	–	220	–	21	241
Zeng Min	–	396	–	34	430
	–	2,097	–	192	2,289
	342	5,777	–	385	6,504

12. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES (CONTINUED)

Notes:

(a) The former chairman Li Baomin retired on 11 September 2017 and the chief executive Long Ziping was appointed as the chairman thereafter.

(b) The independent non-executive director named Zhang Weidong resigned on 30 June 2017 and the independent non-executive director named Zhou Donghua was appointed on 1 July 2017.

(c) The supervisor named Xie Ming resigned on 31 March 2017 and the supervisor named Zhang Kui was appointed on 1 April 2017.

(d) An independent non-executive director named Deng Hui who resigned during the year 2016 had agreed to waive a remuneration amounting to RMB58,000.

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

The executive directors' emoluments shown above were for their services in connection with the management of affairs of the Company and the Group.

The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

The Supervisor' emoluments shown above were for their services by exercising its supervising power in accordance with laws, thereby safeguarding the legal interests of shareholders, the Company and its employees.

The five highest paid employees of the Group during the year included four directors (2016: two directors), details of whose remuneration are set out above. Details of the remuneration for the year of the remaining one (2016: three) highest paid who are neither a director, chief executive nor supervisor of the Company is as follows:

	Salaries, allowances and welfare *RMB'000*	Performance related bonus *RMB'000*	Pension scheme contributions *RMB'000*	Total *RMB'000*
For the year ended 31 December 2017				
Jiang Chunlin	**563**	**–**	**45**	**608**
	563	**–**	**45**	**608**

12. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES (CONTINUED)

	Salaries, allowances and welfare *RMB'000*	Performance related bonus *RMB'000*	Pension scheme contributions *RMB'000*	Total *RMB'000*
For the year ended 31 December 2016				
Jiang Chunlin	563	–	41	604
Huang Mingjin	563	–	41	604
Liu Jianghao	563	–	41	604
	1,689	–	123	1,812

The number of the highest paid employees who are not a director, chief executive or supervisor of the Company whose remuneration fell within the following bands is as follows:

	2017 Number of employees	2016 Number of employees
HK$500,001 to HK$1,000,000	**1**	3
	1	3

13. DIVIDENDS

	2017	2016
	RMB'000	*RMB'000*
Dividends recognised as distribution during the year:		
Final dividend of RMB0.15 for 2016 (2016: final dividend of RMB0.1 for 2015) per share	**519,409**	346,273

Subsequent to the end of the Reporting Period, a final dividend of RMB0.20 in respect of the year ended 31 December 2017 (2016: final dividend of RMB0.15 in respect of the year ended 31 December 2016) per share has been proposed by the directors and is subject to approval by the shareholders in the forthcoming general meeting. The total amount of RMB692,546,000 (2016: RMB519,409,000) of the proposed final dividend, calculated on the Company's number of shares issued at the date of annual report, is not recognised as a liability in the consolidated statement of financial position.

14. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit for the year attributable to owners of the Company of RMB1,649,588,000 (2016: RMB837,406,000) and on the number of 3,462,729,405 (2016: 3,462,729,405) ordinary shares in issue during the year.

15. PROPERTY, PLANT AND EQUIPMENT

	Buildings and mining infrastructure *RMB'000*	Machinery *RMB'000*	Motor vehicles *RMB'000*	Office equipment *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
COST						
At 1 January 2016 as original stated	13,535,635	17,913,934	1,445,501	223,364	2,631,851	35,750,285
Effect of business combination under common control	–	–	637	–	–	637
At 1 January 2016 as restated	13,535,635	17,913,934	1,446,138	223,364	2,631,851	35,750,922
Additions	14,755	71,468	7,445	13,759	1,641,812	1,749,239
Disposals	(83,948)	(281,058)	(92,952)	(6,608)	–	(464,566)
Transfer to investment properties	(142,556)	–	–	–	–	(142,556)
Transfer to deposit for prepaid lease payments	–	–	–	–	(82,150)	(82,150)
Transfers	520,876	617,310	86,977	4,394	(1,229,557)	–
Transfer to assets classified as held for sale *(note 33)*	(150,488)	(39,404)	–	–	–	(189,892)
At 31 December 2016 as restated	13,694,274	18,282,250	1,447,608	234,909	2,961,956	36,620,997
Additions	9,272	99,857	44,756	8,798	2,678,708	2,841,391
Disposals	(28,037)	(495,278)	(55,002)	(4,644)	–	(582,961)
Transfers	1,209,574	1,134,150	23,907	7,718	(2,375,349)	–
At 31 December 2017	**14,885,083**	**19,020,979**	**1,461,269**	**246,781**	**3,265,315**	**38,879,427**
ACCUMULATED DEPRECIATION						
At 1 January 2016 as original stated	4,775,668	8,374,067	1,055,371	84,163	–	14,289,269
Effect of business combination under common control	–	–	31	–	–	31
At 1 January 2016 as restated	4,775,668	8,374,067	1,055,402	84,163	–	14,289,300
Provided for the year	606,758	994,385	159,929	19,370	–	1,780,442
Eliminated on disposals	(64,034)	(248,016)	(83,340)	(5,905)	–	(401,295)
At 31 December 2016 as restated	5,318,392	9,120,436	1,131,991	97,628	–	15,668,447
Provided for the year	490,220	1,012,808	175,424	35,031	–	1,713,483
Eliminated on disposals	(14,875)	(425,615)	(48,822)	(4,583)	–	(493,895)
At 31 December 2017	**5,793,737**	**9,707,629**	**1,258,593**	**128,076**	**–**	**16,888,035**

15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Buildings and mining infrastructure RMB'000	Machinery RMB'000	Motor vehicles RMB'000	Office equipment RMB'000	Construction in progress RMB'000	Total RMB'000
ACCUMULATED IMPAIRMENT						
At 1 January 2016 as original stated	676	13,476	3	20	–	14,175
Effect of business combination under common control	–	–	–	–	–	–
At 1 January 2016 as restated	676	13,476	3	20	–	14,175
Provided for the year	3,116	78	590	3	–	3,787
Write-off for the year	(987)	(7)	–	–	–	(994)
At 31 December 2016 as restated	2,805	13,547	593	23	–	16,968
Provided for the year	5,914	–	–	–	–	5,914
Write-off for the year	–	(11,569)	–	–	–	(11,569)
At 31 December 2017	**8,719**	**1,978**	**593**	**23**	**–**	**11,313**
CARRYING VALUES						
At 31 December 2017	**9,082,627**	**9,311,372**	**202,083**	**118,682**	**3,265,315**	**21,980,079**
At 31 December 2016 as restated	8,373,077	9,148,267	315,024	137,258	2,961,956	20,935,582
At 1 January 2016 as restated	8,759,291	9,526,391	390,733	139,181	2,631,851	21,447,447

The net book value of machinery of RMB9,311,372,000 includes an amount of RMB185,924,000 (31 December 2016: nil) in respect of assets held under sales and leaseback.

As at 31 December 2017, certain of Group's machinery of RMB436,609,000 (2016: nil) and no buildings of Group (2016: RMB168,278,000) were pledged to secure short-term bank borrowings.

As at 31 December 2017, no machinery of Group (2016: RMB427,555,000) were pledged to secure long-term bank borrowings.

15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

As at 31 December 2017, the Group was in the process of obtaining property ownership certificates for certain of the Group's buildings with an aggregate carrying value of RMB1,540,129,000 (2016: RMB1,000,377,000).

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

	Useful lives	**Estimated residual values**
Building and mining infrastructure	12–45 years	3%–10%
Machinery	8–27 years	3%–10%
Motor vehicles	4–13 years	3%–10%
Office equipment	5–10 years	3%–10%

16. INVESTMENT PROPERTIES

	RMB'000
COST	
At 1 January 2016	371,000
Transfer from property, plant and equipment	142,556
At 31 December 2016	513,556
Transfer from property, plant and equipment	–
At 31 December 2017	**513,556**
ACCUMULATED DEPRECIATION	
At 1 January 2016	18,474
Provided for the year	10,785
At 31 December 2016	29,259
Provided for the year	10,741
At 31 December 2017	**40,000**
CARRYING VALUES	
At 31 December 2017	**473,556**
At 31 December 2016	484,297

16. INVESTMENT PROPERTIES (CONTINUED)

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

The directors of the Company anticipate that the fair value of the Group's investment properties are close to the carrying amount measured at cost method.

17. PREPAID LEASE PAYMENTS

	2017	2016
	RMB'000	*RMB'000*
Analysed for reporting purpose as:		
Non-current assets	**1,205,601**	1,197,908
Current assets	**28,689**	28,506
	1,234,290	1,226,414

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

As at 31 December 2017, certain of the Group's prepaid lease payments with a net book value of RMB173,819,000 (2016: RMB177,646,000) were pledged to secure long-term bank borrowings.

As at 31 December 2017, certain of the Group's prepaid lease payments with a net book value of RMB78,252,000 (2016: nil) were pledged to secure short-term bank borrowings.

As at 31 December 2017, the Group was in process of obtaining prepaid lease ownership certificates for certain of the Group's prepaid leases with an aggregating carrying value of RMB13,811,000 (2016: RMB6,197,000).

18. INTANGIBLE ASSETS

	Mining rights *RMB'000*	Trademarks *RMB'000*	Software *RMB'00*	Total *RMB'000*
COST				
At 1 January 2016 as original restated	1,351,260	52,627	76,533	1,480,420
Effect of business combination under common control	–	–	–	–
At 1 January 2016 as restated	1,351,260	52,627	76,533	1,480,420
Additions	3,620	–	14,349	17,969
Transfer from exploration and evaluation assets	97,638	–	–	97,638
At 31 December 2016 as restated	1,452,518	52,627	90,882	1,596,027
Additions	2,820	–	3,260	6,080
Transfer from exploration and evaluation assets	10,343	–	–	10,343
At 31 December 2017	**1,465,681**	**52,627**	**94,142**	**1,612,450**
ACCUMULATED AMORTISATION				
At 1 January 2016 as original restated	272,584	33,298	30,382	336,264
Effect of business combination under common control	–	–	–	–
At 1 January 2016 as restated	272,584	33,298	30,382	336,264
Provided for the year	32,484	1,913	7,677	42,074
At 31 December 2016 as restated	305,068	35,211	38,059	378,338
Provided for the year	35,230	1,913	14,875	52,018
At 31 December 2017	**340,298**	**37,124**	**52,934**	**430,356**

18. INTANGIBLE ASSETS (CONTINUED)

	Mining rights *RMB'000*	Trademarks *RMB'000*	Software *RMB'00*	Total *RMB'000*
CARRYING VALUES				
At 31 December 2017	**1,125,383**	**15,503**	**41,208**	**1,182,094**
At 31 December 2016 as restated	1,147,450	17,416	52,823	1,217,689
At 1 January 2016 as restated	1,078,676	19,329	46,151	1,144,156

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

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

19. EXPLORATION AND EVALUATION ASSETS

	RMB'000
CARRYING AMOUNT	
At 1 January 2016 as original stated	530,191
Effect of business combination under common control	–
At 1 January 2016 as restated	530,191
Additions	84,847
Transfer to mining rights	(97,638)
At 31 December 2016 as restated	517,400
Additions	96,662
Transfer to mining rights	(10,343)
At 31 December 2017	**603,719**

20. INTERESTS IN ASSOCIATES

	2017	2016
	RMB'000	*RMB'000*
Unlisted cost of investments	**3,217,285**	2,940,860
Share of post-acquisition losses and other comprehensive expense, net of dividends received	**(313,185)**	(217,923)
	2,904,100	2,722,937

Particulars of the associates are set out as follows:

Name of company	**Type**	**Place of establishment and operation**	**Registered capital**	**Proportion of equity held by the Group 2017**	Proportion of equity held by the Group 2016	**Proportion of voting power held by the Group 2017**	Proportion of voting power held by the Group 2016	**Principal activities**
Minmetals Jiangxi Copper Mining Investment Company Limited 五礦江銅礦業投資有限公司("Minmetals Jiangxi Copper")	Limited liability company ("LLC")	PRC	RMB4,460,000,000	**40%**	40%	**40%**	40%	Investment holding of a 100% equity interest in a mining company in Peru
Asia Development Sure Spread Company Limited 興業保弘株式会社	LLC	Japan	Japanese Yen ("JPY") 200,000,000	**49%**	49%	**49%**	49%	Import and export of copper products
MCC-JCL Aynak Minerals Company Limited 中冶江銅艾娜克礦業有限公司("MCC-JCL")#	LLC	Afghanistan	United States dollars ("USD") 397,043,300	**25%**	25%	**25%**	25%	Exploration and sale of copper products
Zhaojue Fengye Smelting Company Limited 昭覺縣逢燁濕法冶煉有限公司	LLC	PRC	RMB10,000,000	**47.86%**	47.86%	**47.86%**	47.86%	Production and sale of copper cathodes and related products; technology development and provision of services

20. INTERESTS IN ASSOCIATES

Name of company	Type	Place of establishment and operation	Registered capital	Proportion of equity held by the Group 2017	2016	Proportion of voting power held by the Group 2017	2016	Principal activities
BOC International (China) Limited 中銀國際證券股份有限責任公司#	LLC	PRC	RMB2,500,000,000	**6.31%**	6.31%	**6.31%**	6.31%	Securities broker and investment advisory
江西金杯江銅電纜有限公司#	LLC	PRC	RMB20,000,000	**20%**	20%	**20%**	20%	Manufacture and sales of wire cables
Valuestone Global Resources Fund I LP ("Fund I") 嘉石環球資源基金一期#	Limited liability partnership	Cayman Islands	USD150,000,000 (Fund commitment)	**67%**	67%	**40%**	40%	Investments in natural resources
Hengbang Property Insurance Company Limited 恒邦財產保險股份有限公司	LLC	PRC	RMB660,000,000	**4.75%**	4.75%	**4.75%**	4.75%	Provision of insurance services

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

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

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

20. INTERESTS IN ASSOCIATES (CONTINUED)

Minmetals Jiangxi Copper

	2017	2016
	RMB'000	*RMB'000*
Current assets	**67,474**	70,498
Non-current assets	**4,328,993**	4,596,437
Current liabilities	**(418,455)**	(336,313)
Non-current liabilities	**(1,011,110)**	(1,350,920)

	2017	2016
	RMB'000	*RMB'000*
Revenue	**–**	–
Profit (Loss) for the year	**37,576**	(154,496)
Other comprehensive (expense) income for the year	**(290,375)**	285,626
Total comprehensive (expense) income for the year	**(252,799)**	131,130

20. INTERESTS IN ASSOCIATES (CONTINUED)

Minmetals Jiangxi Copper (Continued)

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

	2017	2016
	RMB'000	*RMB'000*
Net assets of Minmetals Jiangxi Copper attributable to owners	**2,966,902**	2,979,702
Proportion of the Group's ownership interest in Minmetals Jiangxi Copper	**40%**	40%
Carrying amount of the Group's interest in Minmetals Jiangxi Copper	**1,186,761**	1,191,881

MCC-JCL

	2017	2016
	RMB'000	*RMB'000*
Current assets	**187,751**	186,327
Non-current assets	**2,417,369**	2,551,897
Current liabilities	**(15,624)**	(17,472)
Non-current liabilities	**–**	–

20. INTERESTS IN ASSOCIATES (CONTINUED)

MCC-JCL (Continued)

	2017 RMB'000	2016 RMB'000
Revenue	–	–
Results for the year	–	–
Other comprehensive (expense) income for the year	(158,281)	165,635
Total comprehensive (expense) income for the year	(158,281)	165,635

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

	2017 RMB'000	2016 RMB'000
Net assets of MCC-JCL attributable to owners	2,589,496	2,720,752
Proportion of the Group's ownership interest in MCC-JCL	25%	25%
Carrying amount of the Group's interest in MCC-JCL	647,374	680,188

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

	2017 RMB'000	2016 RMB'000
The Group's share of profit	55,026	53,241
The Group's share of other comprehensive income	1,601	1,442
The Group's share of total comprehensive income	56,627	54,683

21. INTERESTS IN JOINT VENTURES

	2017	2016
	RMB'000	*RMB'000*
Unlisted costs of investment	**441,579**	428,317
Share of post-acquisition losses and other comprehensive expense, net of dividends received	**(132,967)**	(109,931)
Impairment loss	**(34,918)**	(34,918)
	273,694	283,468

Particulars of the joint ventures are set out as follows:

Name of company	Type	Place of establishment and operation	Registered capital	Proportion of equity held by the Group 2017	Proportion of equity held by the Group 2016	Proportion of voting power held by the Group 2017	Proportion of voting power held by the Group 2016	Principal activities
Jiangxi JCC-BIOTEQ Environmental Technologies Company Limited 江銅百泰環保科技有限公司	LLC	PRC	RMB28,200,000	**50%**	50%	**50%**	50%	Recovery of industrial waste water and related sales
Nesko Metal Sanayi re Ticaret Anonim Sirketi	LLC	Istanbul	TRY4,520,000,000	**48%**	48%	**48%**	48%	Investment holding of a 99.95% equity interest in a mining company in Albabian
Valuestone GP Ltd 嘉石普通合夥人有限公司	General Partnership	Cayman Islands	USD3,000,000	**51%**	51%	**40%**	40%	Investments in natural resources

21. INTERESTS IN JOINT VENTURES (CONTINUED)

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

	2017	2016
	RMB'000	*RMB'000*
The Group's share of loss	**(36,963)**	(42,259)
The Group's share of other comprehensive income	**16,657**	3,499
The Group's share of total comprehensive expense	**(20,306)**	(38,760)

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

22. AVAILABLE-FOR-SALE INVESTMENTS

	2017	2016
	RMB'000	*RMB'000*
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)*	**54,664**	61,172
Loan investments, at fair value *(note d)*	**2,861,176**	3,420,577
Impairment loss recognised	**(4,414)**	–
	2,856,762	3,420,577
Investment in a partnership *(note e)*	**–**	400,000
Income right attached to a target equity interest *(note f)*	**514,670**	–
	4,336,660	4,822,313
Non-current assets	**1,665,484**	1,931,736
Current assets	**2,671,176**	2,890,577
	4,336,660	4,822,313

22. AVAILABLE-FOR-SALE INVESTMENTS (CONTINUED)

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%to 9%. The Group has redeemed all the financial products previously held as of 31 December 2017.

(c) As at 31 December 2017, the bonds investment held by the Group generate annual target return rate ranged from 7.17% to 7.50% (2016: 7.17% to 7.50%), which will due from 22 October 2019 to 31 October 2019 (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 seven independent securities companies (2016: ten independent securities company) with high credit-rating and good reputation. The loan investments have maturity dates which will due from 21 January 2018 to 15 January 2019 (2016: 15 February 2017 to 24 May 2018) and were unsecured and carried interest rates ranging from 4.20% to 8.00% (2016: 2.59% to 9.20%) per annum. The directors consider that the fair value of the loan investments approximate to their costs.

As at 31 December 2017, certain of the Group's loan investments, at fair value of RMB800,000,000 (2016: nil) were pledged to secure letters of credit. Certain of the Group's loan investments, at fair value of RMB278,440,000 (2016: nil) were pledged to secure short-term bank borrowings.

(e) The amount represents the Group's initial capital contribution for setting up a partnership in the PRC with two independent third parties and the group has redeemed all the portion in the partnership as of 31 December 2017.

(f) On 31 December 2017, the wholly owned subsidiaries of the Company, including Jiangxi Copper Shanghai Trading Company Limited (上海江銅營銷有限公司) and Shenzhen Jiangxi Copper Marketing Company Limited (深圳江銅營銷有限公司) (collectively as the "Sellers") entered into a debt interest acquisition agreement with independent third parties including Ping An Trust Co., Ltd. ("Ping An Trust") and China Cinda Asset Management Co., Ltd. ("China Cinda"), pursuant to which, the Group agreed to transfer the entrusted accounts receivables in the aggregate amount of RMB2,345,203,000 ("Entrusted Accounts Receivables"), being the underlying assets entrusted by the Sellers to Ping An Trust in the property rights trust, to China Cinda through Ping An Trust at the consideration which will be satisfied by (a) net cash payment of RMB1,511,000,000 by China Cinda excluding the retention money and (b) transfer of beneficial right attached to the 2.65% equity interest in a limited liability company established in the PRC held by China Cinda ("Beneficial Right"), including the right to all the incomes derived from this equity interest.

The Beneficial Right was transferred to the Group in December 2017, with a fair value of RMB514,670,000 valued by 萬隆(上海)資產評估有限公司, and the cash consideration of RMB1,511,000,000 was received by the Group through Ping An Trust on 4 January 2018. In December 2017, as substantially all the risks and rewards of ownership of the Entrusted Accounts Receivables were transferred, the Group derecognised the Entrusted Accounts Receivables, and wrote off the impairment provision on the Entrusted Accounts Receivables in the aggregate amount of RMB319,533,000 including the provision of RMB142,902,000 and RMB176,631,000 made in current year and in prior years respectively.

23. DEFERRED TAXATION

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

	2017	2016
	RMB'000	*RMB'000*
Deferred tax assets	**716,044**	960,335
Deferred tax liabilities	**(105,838)**	(108,114)
	610,206	852,221

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

	Fair value adjustments on property, plant and equipment, prepaid lease payments and exploration and evaluation assets	**Impairment of assets**	**Accrued expenses**	**Unrealised profits**	**Tax losses**	**Fair value change on derivative financial instruments**	**Fair value change on held-for-trading financial liabilities**	**Deferred revenue**	**Others**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2016	(104,897)	469,798	163,135	8,503	221,355	(50,906)	(19,895)	103,361	19,253	809,707
Credit to other comprehensive income	–	–	–	–	–	1,013	–	–	–	1,013
Charge (credit) to profit or loss	1,394	(75,290)	2,276	(3,871)	(2,755)	107,476	(11,368)	8,302	15,337	41,501
At 31 December 2016	(103,503)	394,508	165,411	4,632	218,600	57,583	(31,263)	111,663	34,590	852,221
Credit to other comprehensive expense	–	–	–	–	–	(755)	–	–	–	(755)
Change (credit) to profit or loss	590	(79,147)	(24,979)	(2,797)	(88,658)	(7,830)	14,142	(47,537)	(5,044)	(241,260)
At 31 December 2017	**(102,913)**	**315,361**	**140,432**	**1,835**	**129,942**	**48,998**	**(17,121)**	**64,126**	**29,546**	**610,206**

23. DEFERRED TAXATION (CONTINUED)

As at 31 December 2017, the Group has RMB2,874,016,000 (2016: RMB2,533,606,000) of unused tax losses available for offsetting against future profits in respect of certain subsidiaries. A deferred tax asset has been recognised in respect of RMB578,938,000 (2016: RMB921,782,000) of such losses. No deferred tax asset has been recognised in respect of the remaining RMB2,295,078,000 (2016: RMB1,611,824,000) due to the unpredictability of future available taxable profit of the subsidiaries to set off against the unused tax losses. The available utilisation period of the unused tax losses to the extent of RMB2,171,697,000 is from year 2018 to year 2022. The remaining unused tax losses of RMB123,381,000 has no expiring date.

As at 31 December 2017, the Group also has deductible temporary differences of RMB3,561,576,000 (2016: RMB1,683,784,000). No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary difference can be utilised.

24. INVENTORIES

	2017	2016
	RMB'000	*RMB'000*
Raw materials	**8,789,820**	8,490,333
Work in progress	**5,487,874**	4,035,254
Finished goods	**5,954,286**	3,144,937
	20,231,980	15,670,524
Less: Allowance for inventories	**(234,793)**	(258,138)
	19,997,187	15,412,386

As at 31 December 2017, the Group's inventories classified as hedged items under hedging instrument of both standardised commodity derivative contracts and provisional price arrangement. The fair value of the hedged items amounted to RMB3,233,834,000 (2016: RMB2,693,886,000), which are estimated by reference to quoted bid prices of similar standardised commodity derivative contracts at the end of the Reporting Period. Their fair value measurements are categorised under Level 1.

24. INVENTORIES (CONTINUED)

As at 31 December 2017, certain of the Group's inventories of RMB543,636,000 (2016: RMB238,848,000) were placed as futures margin deposits.

As at 31 December 2017, no inventories of the Group (2016: RMB65,335,000) were pledged to secure bank's acceptance bills.

As at 31 December 2017, certain of the Group's inventories of RMB144,456,000 (2016: nil) were pledged to secure short-term bank borrowings.

25. TRADE AND BILLS RECEIVABLES

	2017	2016
	RMB'000	*RMB'000*
Trade receivables	**13,391,108**	13,792,028
Bills receivables	**3,200,367**	3,019,515
Factoring receivables	**2,306,494**	2,003,582
	18,897,969	18,815,125
Less: allowance for doubtful debts (note)	**(3,865,639)**	(2,252,822)
	15,032,330	16,562,303

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally three months. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances.

As at 31 December 2017, certain of the Group's trade and bill receivables of RMB2,306,494,000 (2016: RMB2,003,582,000) were factoring receivables with recourse, which were repayable within one year and carried interests ranging from 6.00% to 11.50% per annum (2016: 8.02% to 11.11% per annum).

As at 31 December 2017, certain of the Group's trade receivables of RMB1,149,248,000 (2016: RMB972,232,000) and certain of the Group's bills receivables of RMB41,875,000 (2016: RMB448,750,000) were pledged to secure short-term bank borrowings.

Note: As at 31 December 2017. the closing balance of allowance for doubtful debts includes the allowance provided for factoring receivables amounting to RMB78,784,000 (2016: nil).

25. TRADE AND BILLS RECEIVABLES (CONTINUED)

The aging analysis of trade and bills receivables, net of allowance for doubtful debts, is presented based on the goods delivery dates at the end of the Reporting Period as follows:

	2017	2016
	RMB'000	*RMB'000*
Within 1 year	**11,741,857**	13,748,041
1 – 2 years	**1,893,785**	2,216,724
2 – 3 years	**813,269**	594,124
Over 3 years	**583,419**	3,414
	15,032,330	16,562,303

Movement in the allowance for doubtful debts:

	2017	2016
	RMB'000	*RMB'000*
Balance at 1 January	**2,252,822**	957,185
Impairment losses recognised	**1,940,389**	1,371,956
Impairment losses reversed	**(7,812)**	(75,969)
Amounts written off as uncollectible	**(319,760)**	(350)
Balance at 31 December	**3,865,639**	2,252,822

Aging of trade receivables which are past due but not impaired:

	2017	2016
	RMB'000	*RMB'000*
Within 1 year	**497,417**	1,084,707
1 – 2 years	**1,302,216**	322,063
2 – 3 years	**117,102**	1,716,192
Over 3 years	**1,492,358**	752,314
	3,409,093	3,875,276

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

25. TRADE AND BILLS RECEIVABLES (CONTINUED)

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

Trade receivables due from related parties included above are disclosed in note 47.

26. TRANSFERS OF FINANCIAL ASSETS

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

As at 31 December 2017

	Bills receivables discounted to banks with full recourse
	RMB'000
Carrying amount of transferred assets	**41,875**
Carrying amount of associated liabilities	**(41,875)**
	–

26. TRANSFERS OF FINANCIAL ASSETS (CONTINUED)

As at 31 December 2016

	Bills receivables discounted to banks with full recourse *RMB'000*
Carrying amount of transferred assets	448,750
Carrying amount of associated liabilities	(448,750)
	–

As at 31 December 2017, the Group's maximum exposure to loss and cash outflow, which is same as the amount payable by the Group to banks in respect of the discounted bills should the issuing banks fail to settle the bills on maturity date, amounted to RMB41,875,000 (2016: RMB448,750,000).

All the bills receivables discounted to banks have a maturity date of less than six months from the end of the Reporting Period.

27. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2017	2016
	RMB'000	*RMB'000*
Prepayments	**1,781,162**	2,328,593
Deposits and other receivables, net of allowance for doubtful debts	**4,949,624**	2,975,666
Prepaid value-added tax	**728,128**	945,156
Interest receivables	**169,985**	124,514
	7,628,899	6,373,929

Movement in the allowance for doubtful debts:

	2017	2016
	RMB'000	*RMB'000*
Balance at 1 January	**584,020**	650,617
Impairment losses recognised	**228,590**	24,857
Impairment losses reversed	**(2,400)**	(91,454)
Amounts written off as uncollectible	**(4,703)**	–
Balance at 31 December	**805,507**	584,020

Included in deposits and other receivables as at 31 December 2017 are futures margin deposits of RMB1,467,039,000 (2016: RMB1,531,706,000).

Prepayments, deposits and other receivables due from related parties included above are disclosed in note 47.

28. OTHER INVESTMENTS

	2017	2016
	RMB'000	*RMB'000*
Loan investments	**70,375**	689,707

As at 31 December 2017, no amount of loan receivables was pledged to secure short-term borrowings (2016: RMB49,707,000) or back acceptance bills (2016: RMB640,000,000).

29. LOANS TO FELLOW SUBSIDIARIES

The amounts were guaranteed by JCC, interest bearing at 3.92% per annum (2016: 4.35% per annum) and were repayable within one year.

30. HELD-FOR-TRADING FINANCIAL ASSETS

Held-for-trading financial assets include:

	2017	2016
	RMB'000	*RMB'000*
Listed equity securities in the PRC	**56,861**	27,285
Listed debentures with variable interest rate ranging from 0.5% to 6% (2015: 0.2% to 6%) per annum and maturity date not more than two years from the end of the Reporting Period	**152,874**	160,750
	209,735	188,035

The fair value of the above investments were determined based on the quoted market bid prices at the close of business at the end of Reporting Period.

31. DERIVATIVE FINANCIAL INSTRUMENTS

	2017		2016	
	Fair value		Fair value	
	Assets	**Liabilities**	Assets	Liabilities
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
Net settlement:				
Commodity derivative contracts	**99,410**	**(452,224)**	297,690	(418,847)
Provisional price arrangement	**–**	**(193,352)**	–	(70,554)
Foreign currency forward contracts and interest rate and currency swaps	**92,360**	**(96,804)**	–	(57,164)
	191,770	**(742,380)**	297,690	(546,565)

31. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

	2017	2016
	RMB'000	*RMB'000*
Derivatives qualifying for hedge accounting:		
Cash flow hedges		
– Commodity derivative contracts	**(4,093)**	3,300
Fair value hedges		
– Commodity derivative contracts	**(15,476)**	–
– Provisional price arrangement	**(179,058)**	(60,140)
	(198,627)	(56,840)
Derivatives not qualifying for hedge accounting:		
– Commodity derivative contracts	**(1,599)**	19,624
– Provisional price arrangement	**(14,294)**	(10,414)
	(15,893)	9,210
Derivatives not under hedge accounting:		
– Commodity derivative contracts	**(331,646)**	(144,081)
– Foreign currency forward contracts and interest rate swaps	**(4,444)**	(57,164)
	(336,090)	(201,245)
	(550,610)	(248,875)

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

31. 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 31 December 2017, the expected delivery period of the forecasted sales for copper related products was from January to March 2018 (2016: from January to March 2017).

– **Fair value hedge**

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

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

31. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

(b) Derivatives not under hedge accounting:

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

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

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

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

32. BANK BALANCES AND CASH/RESTRICTED BANK DEPOSITS

Restricted bank deposits included (i) time deposits of RMB7,810,955,000 (2016: RMB4,223,573,000) which were pledged to secure bank borrowings, letters of credit, guarantees and acceptances issued, gold lease deposits and environment protection deposits; and (ii) required reserve deposits of RMB828,880,000 (2016: RMB594,820,000) which were placed with the People's Bank of China, for a subsidiary of the Group providing deposit, loan and financing consultation services. The required reserve deposits with the central bank and the other pledged deposits are not available for use in the Group's daily operation.

As at 31 December 2017, bank balances and cash and restricted bank deposits denominated in currencies other than RMB amounted to RMB9,511,189,000 (2016: RMB8,085,888,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

As at 31 December 2017, bank balances and cash of RMB1,915,323,000 (2016: RMB3,134,873,000) were placed in banks outside of the PRC.

33. 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. 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.

As at 31 December 2017, the Group accrued an impairment loss amounting to RMB166,584,000 in view of the residual value of related assets.

34. TRADE AND BILLS PAYABLES

	2017	2016
	RMB'000	*RMB'000*
Trade payables	**6,847,564**	6,160,337
Bills payables	**1,033,844**	5,656,814
	7,881,408	11,817,151

The aging analysis of trade and bills payables is presented based on the invoice date at the end of the Reporting Period as follows:

	2017	2016
	RMB'000	*RMB'000*
Within 1 year	**7,812,787**	11,769,680
1 – 2 years	**30,830**	7,551
2 – 3 years	**5,823**	22,637
Over 3 years	**31,968**	17,283
	7,881,408	11,817,151

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

Trade payables due to related parties included in trade and bills payables are disclosed in note 47.

35. OTHER PAYABLES AND ACCRUALS

	2017	2016
	RMB'000	*RMB'000*
Payroll and welfare	**904,127**	795,926
Current portion of employee benefit liability *(note 42)*	**24,311**	1,977
Interest payables	**165,775**	102,155
Other tax payables	**408,519**	188,797
Dividend payable to non-controlling interests of a subsidiary	**–**	64,000
Other payables	**1,787,655**	2,012,610
Advance from customers	**1,543,606**	1,350,075
Other long-term payables due within one year *(note 43)*	**64,630**	2,010
	4,898,623	4,517,550

Other payables and accruals due to related parties included in other payables and accruals are disclosed in note 47.

36. DEPOSITS FROM HOLDING COMPANY AND FELLOW SUBSIDIARIES

Deposits from holding company and fellow subsidiaries represented the deposits placed by related parties of the Group. The deposits carry interest at rates ranging from 0.05% to 2.75% (2016: 0.35% to 2.75%) per annum and will be repaid upon demand of holding company and fellow subsidiaries.

37. DEFERRED REVENUE

	Government Grants *(note)* *RMB'000*	Others *RMB'000*	Total *RMB'000*
Balance at 1 January 2016	683,147	–	683,147
Addition	9,596	–	9,596
Recognised in profit or loss *(note 7)*	(52,664)	–	(52,664)
Balance at 31 December 2016	640,079	–	640,079
Addition	**23,239**	**10,413**	**33,652**
Recognised in profit or loss *(note 7)*	**(53,477)**	**(434)**	**(53,911)**
Balance at 31 December 2017	**609,841**	**9,979**	**619,820**
Less: Amount due within one year included in other payables and accruals shown under current liabilities	**49,955**	**960**	**50,915**
Amount due after one year shown as non-current liabilities	**559,886**	**9,019**	**568,905**
	609,841	**9,979**	**619,820**

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

38. HELD-FOR-TRADING FINANCIAL LIABILITIES

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

39. BANK BORROWINGS

	2017	2016
	RMB'000	*RMB'000*
Bank borrowings – secured	**3,936,313**	1,969,635
Bank borrowings – unsecured	**19,811,671**	13,214,355
	23,747,984	15,183,990
Carrying amount repayable:		
On demand or within one year	**23,739,234**	14,955,890
More than one year, but not exceeding two years	**1,750**	217,600
More than two years, but not exceeding five years	**1,750**	–
More than five years	**5,250**	10,500
	23,747,984	15,183,990
Less: Amount due after one year shown under non-current liabilities	**8,750**	228,100
Amount due within one year shown under current liabilities	**23,739,234**	14,955,890
	23,747,984	15,183,990

The effective annual interest rates on the Group's bank borrowings range from 0.32% to 4.04% (2016: 0.98% to 4.90%) per annum.

Restricted assets of Group pledged to secure bank borrowings are disclosed in notes 15, 17, 22(d), 24, 25 and 32.

40. BONDS PAYABLE

Pursuant to the approval of the China Securities Regulatory Commission (No. [2016] 2745), the Company issued 5,000,000 certificates of bonds at par with a nominal value of RMB100 each, in an aggregate amount of RMB500,000,000 on 20 September 2017. The bonds have a life of five years from the date of issuance and bear interest at a rate of 4.74% per annum which is payable in arrears on 21 September of each year, and with principal repaid on maturity.

The subscribers of each bond are entitled to a buyback option upon three years after the date of issuance while the issuer is also entitled to an option which give rise to adjustment on interest rate with reference to the prevailing market condition in the meantime.

41. PROVISION FOR REHABILITATION

	2017	2016
	RMB'000	*RMB'000*
Balance at 1 January	**173,509**	165,695
Unwinding of discount	**8,976**	7,814
Balance at 31 December	**182,485**	173,509

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

42. EMPLOYEE BENEFIT LIABILITY

	2017	2016
	RMB'000	*RMB'000*
Employee benefit liability	**88,191**	111,167
Less: Amount due within one year included in other payables and accruals shown under current liabilities *(note 35)*	**(24,311)**	(1,977)
Amount due after one year shown as non-current liabilities	**63,880**	109,190

The balance represents the bonus payable to senior management and middle-level management under management incentive schemes. The non-current portion of employee benefit liability is payable from 2019 to 2020 (2016: 2018 to 2020) and is indexed to the rate of growth of the Group's net assets.

43. OTHER LONG-TERM PAYABLES

	2017	2016
	RMB'000	*RMB'000*
The Group's other long-term payables are repayable as follows:		
Within one year	**64,630**	2,010
More than one year, but not exceeding two years	**66,606**	2,010
More than two years, but not exceeding five years	**55,976**	6,029
More than five years	**2,066**	2,940
	189,278	12,989
Less: Amount due within one year included in other payables and accruals shown under current liabilities *(note 35)*	**(64,630)**	(2,010)
Amount due after one year shown as non-current liabilities	**124,648**	10,979

The amount represents:

(1) As at 31 December 2017, the balance amounting to RMB12,114,000 due to JCC as the consideration for the transfer of mining rights from JCC to the Company which is repayable in 30 annual instalments of RMB2,010,000 each and subject to payment of interest at a rate equal to the lending rate for a one-year fixed term loan up to a maximum of 15% on each annual instalment starting from 1 January 1998;

(2) And the balance amounting to RMB177,164,000 due to a financing lease company resulting from sale and leaseback in terms of a group of assets held by the Group with a 12 quarterly instalment starting from 15 October 2017.

44. SHARE CAPITAL

	Number of shares	Amount
		RMB'000
Balance at 1 January 2016, 31 December 2016, 1 January 2017 and 31 December 2017		
H shares	1,387,482	1,387,482
A shares	2,075,247	2,075,247
	3,462,729	3,462,729

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

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

45. OPERATING LEASES

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

	2017	2016
	RMB'000	*RMB'000*
Within one year	**165,697**	170,044
In the second to fifth years inclusive	**330,796**	1,084
	496,493	171,128

Operating lease payments represent rentals payable by the Group for certain of its office premises and land use rights. Leases are negotiated for an average term of three years (2016: three years) and rentals are fixed for an average of three years (2016: three years).

46. COMMITMENTS

	2017	2016
	RMB'000	*RMB'000*
Capital expenditure contracted for but not provided in the Group's consolidated financial statements in respect of:		
Acquisition of property, plant and equipment and exploration and evaluation rights	**1,084,877**	1,728,193
Investments in associates *(note)*	**1,855,883**	2,079,799
	2,940,760	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-JCL shall initially be USD4,390,835,000 and shall be funded by equity funding from shareholders and by project loan financing in the proportions of 30% and 70%, respectively. The capital injection shall be contributed by the Company and CMCC on a pro rata basis. The Company shall not be obliged to provide guarantees, indemnities or capital commitments for the project loan financing.

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.

As at 31 December 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 RMB1,238,083,000 (2016: RMB1,193,139,000).

47. RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

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

	2017	2016
	RMB'000	*RMB'000*
Sales to holding company		
Sales of auxiliary industrial products	**539**	1,825
Sales to fellow subsidiaries		
Sales of copper rods and wire	**664,270**	475,735
Sales of copper cathode	**528,926**	547,387
Sales of lead material	**78,987**	426,921
Sales of zinc concentrate	**68,279**	375,707
Sales of auxiliary industrial products	**52,176**	98,308
Sales of sulphuric acid	**2,193**	1,439
Sales of auxiliary materials	**15,865**	6,560
	1,410,696	1,932,057
Sales to an associate		
Sales of sulphuric acid	**833**	738
Sales to a joint venture		
Sales of auxiliary industrial products	**11,497**	8,281

47. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions with related parties (Continued)

	2017 RMB'000	2016 RMB'000
Sales to non-controlling interests and its subsidiaries		
Sales of copper cathode	**3,057,946**	4,263,879
Sales of copper rods and wire	**1,222,617**	1,330,689
Sales of auxiliary products	**1,112,362**	1,256,481
	5,392,925	6,851,049
Purchases from holding company		
Purchases of auxiliary industrial products	**–**	13,209
Purchases from fellow subsidiaries		
Purchases of auxiliary industrial products	**107,413**	57,819
Purchases of copper concentrate	**14,263**	15,485
Purchases of sulphuric acid	**12,871**	–
	134,547	73,304
Purchases from a joint venture		
Purchases of cupric sulphide	**–**	43,204
Purchases from non-controlling interests and its subsidiaries		
Purchases of copper cathode	**1,903,315**	3,264,745
Purchases of copper waste	**132,500**	–
Purchases of auxiliary industrial products	**35,368**	126,355
Purchases of copper concentrate	**4,002,210**	–
	6,073,393	3,391,100
Financial service received from fellow subsidiaries		
Interest received from loans provided	**35,021**	36,923

47. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions with related parties (Continued)

	2017	2016
	RMB'000	*RMB'000*
Financial services received from holding company		
Interest paid for deposits made	**10,492**	5,443
Financial services received from fellow subsidiaries		
Interest paid for deposits made	**15,474**	15,090
Service fees paid to holding company		
Land lease expenses	**166,665**	166,665
Labour services	**7,518**	–
Rental fee for public facilities	**180**	–
Pension insurance	**5,070**	–
Sanitation and greening service	**174**	–
	179,607	166,665
Service fees paid to fellow subsidiaries		
Repair and maintenance services	**114,485**	63,049
Brokerage agency services for commodity derivative contracts	**18,398**	4,626
Labour services	**45,625**	34,209
Construction services	**16,926**	62,153
Vehicle transportation fee	**773**	1,106
Supply of water	**16**	–
Sanitation and greening service	**807**	–
Processing services	**188**	–
Social welfare and support services	**31**	–
	197,249	165,143
Service fees paid to a joint venture		
Labour services	**53,388**	–
	53,388	–

47. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions with related parties (Continued)

	2017 RMB'000	2016 RMB'000
Service fees received from holding company		
Construction services	**2,782**	3,939
Supply of electricity	**3,093**	3,649
Vehicle transportation services	**96**	133
Supply of water	**278**	7,756
Repair and maintenance services	**610**	–
Others	**885**	1,325
	7,744	16,802
Service fees received from fellow subsidiaries		
Construction services	**120,180**	118,087
Supply of electricity	**29,863**	1,415
Vehicle transportation services	**9,693**	21,785
Rentals for public facilities and other services	**11,190**	7,974
Supply of water	**117**	30
Repair and maintenance services	**6,469**	–
Others	**6,626**	5,646
	184,138	154,937
Service fees received from a joint venture		
Others services	**2,082**	–
Credit services provided to fellow subsidiaries	**1,080,000**	1,533,000

47. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions with related parties (Continued)

During the years ended 31 December 2017 and 2016, the Group's investment properties were leased to fellow subsidiaries of the Group free of charge.

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

Having due regard to the substance of the relationships, the directors are of the opinion that meaningful information relating to related party disclosures has been adequately disclosed, and it has complied with the disclosure requirements in Chapter 14A of the Listing Rules.

(b) Compensation of key management personnel of the Group

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

	2017	2016
	RMB'000	*RMB'000*
Short-term employees benefits	**10,403**	10,442
Post-employment benefits	**724**	655
Performance related bonus	**50**	50
	11,177	11,147

47. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Balances with related parties

At the end of the Reporting Period, the Group have the following balances with related parties:

	2017	2016
	RMB'000	*RMB'000*
Trade and bills receivables due from holding company	**1,360**	726
Trade and bills receivables due from fellow subsidiaries	**640,364**	721,792
Trade and bills receivables due from an associate	**711**	535
Trade and bills receivables due from a joint venture	**2,515**	1,079
Prepayments and other receivables due from holding company	**74**	1,933
Prepayments and other receivables due from fellow subsidiaries	**1,028,549**	1,003,590
Prepayments and other receivables due from non-controlling interests and its subsidiaries	**2,065**	2
Prepayments and other receivable due from a joint venture	**105**	2,034
Loans to fellow subsidiaries	**1,014,165**	1,082,560
Trade and bills payables due to holding company	**2,137**	1,624
Trade and bills payables due to fellow subsidiaries	**64,749**	55,772
Trade and bills payables due to an associate	**–**	884
Trade and bills payables due to non-controlling interests and its subsidiaries	**412,232**	288,627
Other payables and accruals due to holding company	**330,036**	10,813
Other payables and accruals due to fellow subsidiaries	**36,257**	217,031
Other payables and accruals due to non-controlling interests and its subsidiaries	**383,058**	21,853
Deposits from holding company	**1,685,966**	464,288
Deposits from fellow subsidiaries	**1,416,753**	1,243,051
Other long-term payables due to holding company	**12,114**	12,989

47. RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Transactions/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 pre-dominated by entities controlled, jointly controlled or significantly influenced by the PRC government.

Apart from the transactions with the parent company and its subsidiaries which have been disclosed in other notes to the consolidated financial statements, the Group also conducts business with entities directly or indirectly controlled, jointly controlled or significantly 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.

48. CAPITAL RISK MANAGEMENT

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

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

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

49. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2017 RMB'000	2016 RMB'000
Financial assets		
Loans and receivables (including cash and cash equivalents)		
– Trade and bills receivables	**15,032,330**	16,562,303
– Other receivables	**7,761,902**	3,099,596
– Other investments	**70,375**	689,707
– Loans to fellow subsidiaries	**1,014,165**	1,082,560
– Restricted bank deposits	**8,639,835**	4,818,393
– Bank balances and cash	**10,363,203**	8,275,268
	42,881,810	34,527,827
Financial assets at FVTPL		
Held-for-trading financial assets	**209,735**	188,035
Derivative financial instruments	**191,770**	297,690
	401,505	485,725
Derivative financial instruments in designated hedge accounting relationships	**–**	3,300
Available-for-sale investments	**4,336,660**	4,822,313

49. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (Continued)

	2017	2016
	RMB'000	*RMB'000*
Financial liabilities		
Amortised cost		
– Trade and bills payables	**7,881,408**	11,817,151
– Other payables	**1,877,639**	1,897,081
– Deposits from holding company and fellow subsidiaries	**3,102,720**	1,707,339
– Deposits from third parties	**–**	161,395
– Bank borrowings	**23,747,984**	15,183,990
– Bonds payable	**500,000**	–
– Other long-term payables	**189,278**	12,989
	37,299,029	30,779,945
Financial liabilities at FVTPL		
Held-for-trading financial liabilities	**4,742,760**	2,682,586
Derivative financial instruments	**742,380**	546,565
	5,485,140	3,229,151
Derivative financial instruments in designated hedge accounting relationships	**198,628**	60,140

(b) Financial risk management objectives and policies

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

49. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Interest rate risk

The Group's exposure to interest rate risk for changes in interest rates relates primarily to the Group's bank balances and bank borrowings with floating interest rates. The management continuously monitors interest rate fluctuation and will consider further hedging interest rate risk should the need arise.

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

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

If interest rates had been 100 basis points (2016: 100 basis points) higher/lower and all other variables were held constant, the Group's profit before taxation would have decreased/increased by RMB32,981,000 (2016: decrease/increase by RMB2,350,000).

Foreign currency risk

The carrying amounts of the Group's monetary assets and monetary liabilities denominated in foreign currencies, i.e. currency other than the functional currency of the respective group entities, which are mainly trade and other receivables, restricted bank deposits, bank balances and cash, trade and other payables, bank borrowings and derivative financial instruments, at the end of the Reporting Period are as follows:

	Assets		Liabilities		Net assets/liabilities	
	2017	2016	**2017**	2016	**2017**	2016
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
USD	**8,729,872**	3,376,436	**7,658,342**	2,019,688	**1,071,530**	1,356,748
RMB	**128,187**	520,838	**532,552**	1,588,560	**(404,365)**	(1,067,722)
HKD	**–**	262	**–**	–	**–**	262
Australian dollars ("AUS")	**675**	662	**294,197**	–	**(293,522)**	662
European dollars ("EUR")	**433,634**	189,748	**196,540**	2,371	**237,094**	187,377
Singapore dollars ("SGD")	**2,314**	–	**–**	27,996	**2,314**	(27,996)
Swiss Francs ("CHF")	**542,594**	79,988	**–**	–	**542,594**	79,988
Canadian dollar ("CAD")	**–**	–	**545,752**	–	**(545,752)**	–

49. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Foreign currency risk (Continued)

The Group currently does not have a foreign exchange hedging policy. Currency protection measures may be needed in specific commercial circumstances and are subject to strict limits laid down by the board of directors.

The Group is mainly exposed to foreign currency risk in USD, CHF, EUR and SGD against RMB. In addition, overseas subsidiaries exposed to RMB currency risk. The following table details the Group's sensitivity to a 5% change in the respective foreign currencies against RMB. The 5% is the rate used when reporting foreign currency risk internally to key management personnel and represents directors' assessment of the possible change in foreign exchange rates. The sensitivity analysis of the Group's exposure to foreign currency risk at the reporting date has been determined based on the change taking place at the end of the Reporting Periods and held constant throughout the Reporting Period.

	(Decrease) increase in profit before taxation	
	2017	2016
	RMB'000	*RMB'000*
If USD strengthens against RMB by 5%	**53,576**	67,837
If USD weakens against RMB by 5%	**(53,576)**	(67,837)
If AUS strengthens against RMB by 5%	**(14,676)**	–
If AUS weakens against RMB by 5%	**14,676**	–
If EUR strengthens against RMB by 5%	**11,855**	9,369
If EUR weakens against RMB by 5%	**(11,855)**	(9,369)
If SGD strengthens against RMB by 5%	**116**	(1,414)
If SGD weakens against RMB by 5%	**(116)**	1,414
If CHF strengthens against RMB by 5%	**27,130**	3,999
If CHF weakens against RMB by 5%	**(27,130)**	(3,999)
If CAD strengthens against RMB by 5%	**(27,288)**	–
If CAD weakens against RMB by 5%	**27,288**	–
If RMB strengthens against HKD by 5%	**(20,135)**	(53,386)
If RMB weakens against HKD by 5%	**20,135**	53,386

In directors' opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

49. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Commodity price risk

The Group's commodity price risk is mainly the exposure to fluctuations in the prevailing market price of copper cathodes which are the major commodities produced and sold by the Group. To minimise this risk, the Group enters into commodity derivative contracts and provisional price arrangements to manage the Group's exposure in relation to forecasted sales of copper products, forecasted purchases of copper concentrate, inventories and firm commitments to sell copper rods and wires.

The following table demonstrates the sensitivity at the end of the Reporting Period to a reasonably possible change in prevailing market price of copper cathodes, with all other variables held constant, of the Group's profit before taxation and equity (due to changes in the fair values of commodity derivative contracts and the provisional price arrangement) after the impact of hedge accounting.

	(Decrease) increase in profit before taxation	
	2017	2016
	RMB'000	*RMB'000*
If market price of cooper increased by 5%	**(300,525)**	(237,023)
If market price of copper decreased by 5%	**300,525**	237,023

Credit risk

The Group trades only with recognised and creditworthy customers. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, available-for-sale investments, other receivables, other investments, loans to fellow subsidiaries and certain derivative instruments and discounted and endorsed bills arrangement with full recourse, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

There is no requirement for collateral and no significant concentrations of credit risk within the Group. As at 31 December 2017, 21.90% (2016: 27.79%) of the Group's trade receivables were due from the Group's five largest customers.

There is concentration of credit risk on restricted bank deposits and bank balances for the Group at the end of Reporting Period. The credit risk on liquid funds is limited because majority of counterparties are banks with high credit-ratings assigned by international credit-rating agencies and state owned banks with good reputation.

49. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk

The Group's treasury department monitors the Group's cash flow positions on a regular basis to ensure the cash flows of the Group are positive and closely controlled. The Group aims to maintain flexibility in funding by keeping committed credit lines available, and borrowing loans from banks.

The table below summarises the maturity profile of the Group's financial liabilities at the end of the Reporting Period based on the contractual undiscounted payments on the earliest date on which the Group can be required to pay.

	Weighted average effective interest rate	On demand and within one year *RMB'000*	Over 1 year but not more than 5 years *RMB'000*	Over 5 years *RMB'000*	Total undiscounted cash flows *RMB'000*	Carrying amount *RMB'000*
At 31 December 2017						
Non-derivative financial liabilities						
Trade and bills payables	–	7,881,408	–	–	7,881,408	7,881,408
Other payables	–	1,877,639	–	–	1,877,639	1,877,639
Deposits from holding company and fellow subsidiaries	1.93%	3,114,081	–	–	3,114,081	3,102,720
Deposits from third parties						
Bank borrowings	2.94%	23,976,436	10,348	–	23,986,784	23,747,984
Bond payable	4.74%	23,700	588,177	–	611,877	500,000
Held-for-trading financial liabilities	–	4,742,760			4,742,760	4,742,760
Other long-term payables	6.16%	76,453	130,466	10,426	217,345	189,278
		41,692,477	728,991	10,426	42,431,894	42,041,789
Derivatives – gross settlement						
– Inflow		5,888,668	–	–	5,888,668	5,888,668
– Outflow		5,962,258	–	–	5,962,258	5,962,258
		(73,590)	–	–	(73,590)	(73,590)
Derivatives – net settlement						
– Net inflow		99,410	–	–	99,410	99,410
– Net outflow		445,150	–	–	445,150	445,150
		(345,740)	–	–	(345,740)	(345,740)

49. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

	Weighted average effective interest rate	On demand and within one year *RMB'000*	Over 1 year but not more than 5 years *RMB'000*	Over 5 years *RMB'000*	Total undiscounted cash flows *RMB'000*	Carrying amount *RMB'000*
At 31 December 2016						
Non-derivative financial liabilities						
Trade and bills payables	–	11,817,151	–	–	11,817,151	11,817,151
Other payables	–	1,897,081	–	–	1,897,081	1,897,081
Deposits from holding company and fellow subsidiaries	1.55%	1,733,803	–	–	1,733,803	1,707,339
Deposits from third parties	1.55%	161,814	–	–	161,814	161,395
Bank borrowings	3.48%	15,476,355	225,172	10,866	15,712,393	15,183,990
Held-for-trading financial liabilities	–	2,682,586	–	–	2,682,586	2,682,586
Other long-term payables	6.00%	2,131	9,306	3,116	14,553	12,989
		33,770,921	234,478	13,982	34,019,381	33,462,531
Derivatives – gross settlement						
– Inflow		1,578,663	–	–	1,578,663	1,578,663
– Outflow		1,632,150	–	–	1,632,150	1,632,150
		(53,487)	–	–	(53,487)	(53,487)
Derivatives – net settlement						
– Net inflow		274,766	–	–	274,766	274,766
– Net outflow		422,525	–	–	422,525	422,525
		(147,759)	–	–	(147,759)	(147,759)

Bank borrowings with a repayment on demand clause is included in the "on demand and within 1 year" time band in the above maturity analysis. As at 31 December 2017, the aggregate undiscounted principal amounts of this bank borrowing amounted to RMB1,991,620 (2016: RMB4,035,149,000). Taking into account the Group's financial position, the directors do not believe that it is probable that the bank will exercise its discretionary rights to demand immediate repayment. The directors believe that such bank borrowing will be repaid two years after the end of the Reporting Period in accordance with the scheduled repayment dates set out in the loan agreements. At that time, the aggregate principal and interest cash outflows will amount to RMB2,010,803 (2016: RMB4,140,063,000).

49. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value measurements of financial instruments

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

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.

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, 2 and 3) based on the degree to which the inputs to the fair value measurements is observable.

49. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value measurements of financial instruments (Continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

Financial assets/financial liabilities	Fair value as at 31 December 2017	Fair value as at 31 December 2016	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
1. Listed equity securities classified as held-for-trading financial assets	**Assets - RMB56,861,000**	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 - RMB152,874,000**	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 - RMB89,162,000 Liabilities - RMB290,789,000**	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 - RMB4,742,760,000**	Liabilities - RMB2,682,586,000	Level 2	Quoted bid prices in active markets.	N/A	N/A
5. Non-standardised commodity derivative contracts classified as derivative financial instruments	**Assets - RMB10,248,000 Liabilities - RMB161,436,000**	Assets - RMB154,468,000 Liabilities - RMB132,279,000	Level 2	Discounted cash flow by 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

49. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value measurements of financial instruments (Continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

Financial assets/financial liabilities	Fair value as at 31 December 2017	Fair value as at 31 December 2016	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
6. Foreign currency forward contracts classified as derivative financial instruments	**Assets - RMB92,360,000 Liabilities - RMB96,760,000**	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 swap contracts classified as derivative financial instruments	**Liabilities - RMB43,000**	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 arrangement classified as derivative financial instruments	**Liabilities - RMB193,352,000**	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
9. Bonds investment classified as available-for-sale investments	**Assets - RMB54,664,000**	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

49. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value measurements of financial instruments (Continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

Financial assets/financial liabilities	Fair value as at 31 December 2017	Fair value as at 31 December 2016	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
10. Financial products classified as available-for-sale investments	**N/A**	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 - RMB2,856,762,000**	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	**N/A**	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 investment provided by counterparties.	The higher the unquoted annual return rate, the lower the fair value.
13. Income right attached to a target equity interest	**Assets - RMB514,670,000**	N/A	Level 3	Comparable companies analysis. Fair value are estimated based on the comparable companies analysis in terms of a series of key ratios.	Discount for lack of marketability	The higher the discount for lack of marketability, the lower the fair value.

49. FINANCIAL INSTRUMENTS (CONTINUED)

(c) 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 during both years.

	2017			
	Level 1 *RMB'000*	Level 2 *RMB'000*	Level 3 *RMB'000*	Total *RMB'000*
Fair value hierarchy				
Financial assets at FVTPL				
Held-for-trading financial assets	**209,735**	**–**	**–**	**209,735**
Derivative financial instruments	**89,162**	**102,608**	**–**	**191,770**
Available-for-sale investments	**–**	**54,664**	**3,371,432**	**3,426,096**
Total	**298,897**	**157,272**	**3,371,432**	**3,827,601**
Financial liabilities at FVTPL				
Held-for-trading financial liabilities	**–**	**4,742,760**	**–**	**4,742,760**
Derivative financial instruments	**290,789**	**451,591**	**–**	**742,380**
Total	**290,789**	**5,194,351**	**–**	**5,485,140**

	2016			
	Level 1 *RMB'000*	Level 2 *RMB'000*	Level 3 *RMB'000*	Total *RMB'000*
Fair value hierarchy				
Financial assets at FVTPL				
Held-for-trading financial assets	188,035	–	–	188,035
Derivative financial instruments	143,222	154,468	–	297,690
Available-for-sale investments	–	61,172	3,850,577	3,911,749
Total	331,257	215,640	3,850,577	4,397,474
Financial liabilities at FVTPL				
Held-for-trading financial liabilities	2,682,586	–	–	2,682,586
Derivative financial instruments	286,568	259,997	–	546,565
Total	2,969,154	259,997	–	3,229,151

49. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value measurements of financial instruments (Continued)

Reconciliation of Level 3 fair value measurements

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

	2017	2016
	RMB'000	*RMB'000*
Balance at 1 January	**3,850,577**	3,118,445
Total gain recognised in profit or loss	**254,804**	240,773
Purchases	**3,375,846**	5,095,577
Settlements	**(4,109,795)**	(4,604,218)
Balance at 31 December	**3,371,432**	3,850,577

Included in other comprehensive income is an loss of RMB753,000 (2016: gain of RMB9,997,000) relates to available-for sale investments held at the end of the current Reporting Period

50. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's assets and liabilities arising from financing activities, including both cash and non-cash changes. Assets and liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Bonds payable	Bank borrowings	Other borrowings	Dividend payables	Interest payables	Gold lease contracts	Sale and Leaseback	Total
	Note 40	*Note 39*	*Note 35*	*Note 35*	*Note 35*	*Note 38*		
	RMB'000	*RMB'000* *(Note)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2017	–	15,183,990	57,420	64,000	102,155	2,682,586	–	18,090,151
Financing cash flows	500,000	9,549,975	(57,420)	(595,664)	(776,670)	2,181,121	181,178	10,982,520
Non-cash changes:								
Fair value adjustments	–	–	–	–	–	(120,947)	–	(120,947)
Interests on bank and other-borrowings	–	–	–	–	840,290	–	6,399	846,689
Dividend declared	–	–	–	531,664	–	–	–	531,664
Foreign exchange translation	–	(537,231)	–	–	–	–	–	(537,231)
Net settlement of Bills receivables	–	(448,750)	–	–	–	–	–	(448,750)
At 31 December 2017	500,000	23,747,984	–	–	165,775	4,742,760	187,577	29,344,096

Note: During the Reporting Period, the Group has discounted bills receivable to banks for short term financing. At the end of the Reporting Period, the associated borrowings amounted to RMB4,663,622,000. The related cash flow of these borrowings are presented as operating cash flows in the consolidated statement of cash flows as the management considers the cash flows are in substance, the receipts from trade customers.

51. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Particulars of principal subsidiaries are as follows:

Name of company	Type	Place of incorporation/ establishment and operations	Paid-up capital/ registered capital	Proportion of equity held by the Company 2017 Directly	2017 Indirectly	2016 Directly	2016 Indirectly	Proportion of voting power held by the Company 2017	2016	Principal activities
JCC Finance Company Limited 江西銅業集團財務有限公司	LLC	PRC	RMB1,000,000,000	**85.68%**	**1.67%**	85.68%	1.67%	**87.35%**	87.35%	Provision of deposit, loan, guarantee and financing consultation services to related parties
JCC Copper Products Company Limited 江西銅業集團銅材有限公司	LLC	PRC	RMB186,391,000	**98.89%**	**–**	98.89%	–	**98.89%**	98.89%	Processing and sale of copper rods
JCC Recycling Company Limited 江西銅業集團(貴溪)再生資源有限公司	LLC	PRC	RMB6,800,000	**55.88%**	**44.12%**	55.88%	44.12%	**100%**	100%	Collection and sale of metal scrap
Sure Spread Company Limited 保弘有限公司	LLC	Hong Kong	HKD50,000,000	**–**	**100%**	–	100%	**100%**	100%	International trading and provision of related technical service
JCC Yinshan Mining Company Limited 江西銅業集團銀山礦業有限責任公司	LLC	PRC	RMB30,000,000	**100%**	**–**	100%	–	**100%**	100%	Manufacture and sale of non-ferrous metal and rare materials
JCC Dongtong Mining Company Limited 江西銅業集團東同礦業有限責任公司	LLC	PRC	RMB46,209,100	**100%**	**–**	100%	–	**100%**	100%	Manufacture and sale of non-ferrous metal and rare materials
JCC Dongxiang Alloy Materials Manufacturing Company Limited 江西銅業集團(東鄉)鑄造有限公司	LLC	PRC	RMB29,000,000	**–**	**74.97%**	–	74.97%	**74.97%**	74.97%	Production and sale of grinding pebbles, casting of machine tools and wear-resistant parts, cast steel processing, machine work and reclaiming waste steel

51. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Name of company	Type	Place of incorporation/ establishment and operations	Paid-up capital/ registered capital	Proportion of equity held by the Company				Proportion of voting power held by the Company		Principal activities
				2017		2016		2017	2016	
				Directly	Indirectly	Directly	Indirectly			
Jiangxi Copper Yates Copper Company Limited 江西省江銅－耶兹銅箔有限公司	LLC	PRC	RMB753,600,000	**93.84%**	**–**	89.77%	–	**93.84%**	89.77%	Production and sale of copper foil
Jiangxi Copper (Longchang) Precise Pipe Company Limited 江西江銅龍昌精密銅管有限公司	LLC	PRC	RMB890,529,000	**92.04%**	**–**	92.04%	–	**92.04%**	92.04%	Production and sale of copper pipes and other copper pipe products
Jiangxi Copper Taiyi Special Electrical Materials Company Limited 江西省江銅－台意特種電工材料有限公司	LLC	PRC	USD16,800,000	**70%**	**–**	70%	–	**70%**	70%	Production and sale of enamelled wires and provision of repair and consulting services
JCC (Guixi) Metallurgical and Chemical Engineering Company Limited 江西銅業集團(貴溪)冶金化工工程有限公司	LLC	PRC	RMB35,080,000	**100%**	**–**	100%	–	**100%**	100%	Provision of repair and maintenance services for production facilities and machinery equipment
JCC (Guixi) New Metallurgical and Chemical Company Limited 江西銅業集團(貴溪)冶化新技術有限公司	LLC	PRC	RMB2,000,000	**100%**	**–**	100%	–	**100%**	100%	Development of new chemical technologies and new products
JCC Guixi Logistics Company Limited 江西銅業集團(貴溪)物流有限公司	LLC	PRC	RMB40,000,000	**100%**	**–**	100%	–	**100%**	100%	Provision of transportation services

51. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Name of company	Type	Place of incorporation/ establishment and operations	Paid-up capital/ registered capital	Proportion of equity held by the Company				Proportion of voting power held by the Company		Principal activities
				2017		2016		2017	2016	
				Directly	Indirectly	Directly	Indirectly			
JCC (Dexing) Alloy Materials Manufacturing Company 江西銅業集團(德興)鑄造有限公司	LLC	PRC	RMB66,380,000	**100%**	**–**	100%	–	**100%**	100%	Production and sale of alloy grinding pebbles and metal Limited casting; maintenance of mechanical and electrical equipment; installation and debugging of equipment
JCC (Dexing) Construction Company Limited 江西銅業集團(德興)建設有限公司	LLC	PRC	RMB50,000,000	**100%**	**–**	100%	–	**100%**	100%	Provision of construction and installation services; development and sale of construction materials
JCC Dexing Explosion Company Limited 江西銅業集團(德興)爆破有限公司	LLC	PRC	RMB10,000,000	**–**	**100%**	–	100%	**100%**	100%	Production and sale of engineering, including blasting engineering
JCC Geology Exploration Company Limited 江西銅業集團地勘工程有限公司	LLC	PRC	RMB15,000,000	**100%**	**–**	100%	–	**100%**	100%	Provision of services relating to mine exploration and development processing
Jiangxi Copper Corporation Drill Project Company Limited 江西銅業集團井巷工程有限公司	LLC	PRC	RMB20,290,000	**100%**	**–**	100%	–	**100%**	100%	Providing mining services
JCC (Ruichang) Alloy Materials Manufacturing Company Limited 江西銅業集團(瑞昌)鑄造有限公司	LLC	PRC	RMB2,602,000	**100%**	**–**	100%	–	**100%**	100%	Manufacture and sale of new type of ductile iron ball parameters, wear resistant material and products; machinery

51. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Name of company	Type	Place of incorporation/ establishment and operations	Paid-up capital/ registered capital	Proportion of equity held by the Company				Proportion of voting power held by the Company		Principal activities
				2017		2016		2017	2016	
				Directly	Indirectly	Directly	Indirectly			
JCC Qianshan Copper Concentration Pharmaceuticals Company Limited 江西銅業集團(鉛山)選礦藥劑有限公司	LLC	PRC	RMB10,200,000	100%	–	100%	–	100%	100%	Sale of beneficiation drugs, fine chemicals and other products
Hangzhou Tongxin Company Limited 杭州銅鑫物資有限公司	LLC	PRC	RMB2,000,000	100%	–	100%	–	100%	100%	Sale of metal, ore and chemical products
江西銅業技術研究院有限公司	LLC	PRC	RMB45,000,000	100%	–	100%	–	100%	100%	Research and development
Sichuan Kangtong Copper Company Limited 四川康西銅業有限責任公司	LLC	PRC	RMB286,880,000	57.14%	–	57.14%	–	57.14%	57.14%	Sale of copper materials, precious metal materials and sulphuric acid
Jiangxi Copper Products Company Limited 江西銅業銅材有限公司	LLC	PRC	RMB424,500,000	100%	–	100%	–	100%	100%	Sale and processing of copper rods and wires
浙江江銅富冶和鼎銅業有限公司	LLC	PRC	RMB1,280,000,000	40%		40%	–	40%	40%	Manufacturing and sale
Shenzhen Jiangxi Copper Marketing Company Limited 深圳江銅營銷有限公司	LLC	PRC	RMB1,760,000,000	100%	–	100%	–	100%	100%	Sale of copper products
Jiangxi Copper Shanghai Trading Company Limited 上海江銅營銷有限公司	LLC	PRC	RMB200,000,000	100%	–	100%	–	100%	100%	Sale of copper products
Jiangxi Copper Beijing Trading Company Limited 北京江銅營銷有限公司	LLC	PRC	RMB261,000,000	100%	–	100%	–	100%	100%	Sale of copper products

51. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Name of company	Type	Place of incorporation/ establishment and operations	Paid-up capital/ registered capital	Proportion of equity held by the Company				Proportion of voting power held by the Company		Principal activities
				2017		2016		**2017**	2016	
				Directly	**Indirectly**	Directly	Indirectly			
Thermonamic Electronics (Jiangxi) Company Limited 江西納米克熱電電子股份有限公司	LLC	PRC	RMB70,000,000	**95%**	**–**	95%	–	**95%**	95%	Development and production of electronic semiconductors and provision of related services
Jiangxi Jiangtong-Wengfu Chemical Industry Company Limited 江西省江銅－甕福化工有限責任公司	LLC	PRC	RMB181,500,000	**70%**	**–**	70%	–	**70%**	70%	Manufacture and sale of sulphuric acid and by-products
Jiangxi Copper Construction Supervision Company Limited 江西銅業建設監理諮詢有限公司	LLC	PRC	RMB3,000,000	**100%**	**–**	100%	–	**100%**	100%	Construction supervision, construction cost consulting, bidding and project agency, technical consultation, project evaluation and information service
Jiangxi Copper (Guangzhou) Copper Production Company Limited 廣州江銅銅材有限公司	LLC	PRC	RMB800,000,000	**100%**	**–**	100%	–	**100%**	100%	Production, processing and sale of copper products and wires
Jiangxi Copper International Trade Company Limited 江銅國際貿易有限公司	LLC	PRC	RMB1,016,091,000	**60%**	**–**	60%	–	**60%**	60%	Sale of metals, chemicals, mining products, construction materials, and etc.
Jiangxi Copper Dexing Chemical Company Limited 江西銅業(德興)化工有限公司	LLC	PRC	RMB378,552,000	**100%**	**–**	100%	–	**100%**	100%	Manufacture and sale of chemical products

51. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Name of company	Type	Place of incorporation/ establishment and operations	Paid-up capital/ registered capital	Proportion of equity held by the Company 2017 Directly	2017 Indirectly	2016 Directly	2016 Indirectly	Proportion of voting power held by the Company 2017	2016	Principal activities
Jiangxi Copper Recycling Company Limited 江西銅業再生資源有限公司	LLC	PRC	RMB250,000,000	**100%**	**–**	100%	–	**100%**	100%	Collection and sale of metal scrap
Loyal Sky Industrial Company Limited 鴻天實業有限公司	LLC	Hong Kong	USD10,000,000	**–**	**100%**	–	100%	**100%**	100%	Trading of copper products and non-ferrous metals
Jiangxi Copper Company Hong Kong Limited 江西銅業香港有限公司	LLC	Hong Kong	HKD232,650,000	**–**	**100%**	100%	–	**100%**	100%	Trading of copper products and non-ferrous metals
Jiangxi Copper Shanghai Company Limited 上海江銅國際物流有限公司	LLC	PRC	RMB5,000,000	**–**	**100%**	–	100%	**100%**	100%	Provision of logistics International Logistics service
Jiangxi Copper Yugan Forge & Alloy Company Limited 江西銅業集團(餘幹)鍛鑄有限公司	LLC	PRC	RMB28,000,000	**–**	**100%**	–	100%	**100%**	100%	Production and sale of alloy grinding pebbles
江銅供應鏈管理有限公司	LLC	PRC	RMB200,000,000	**–**	**100%**	–	100%	**100%**	100%	Warehouse, storage and logistics
Jiangxi Copper Chengdu Trading Company Limited 成都江銅營銷有限公司	LLC	PRC	RMB60,000,000	**100%**	**–**	100%	–	**100%**	100%	Sale of metals, chemicals, mining products
江銅國際商業保理有限責任公司	LLC	PRC	RMB400,000,000	**–**	**100%**	–	100%	**100%**	100%	Treasury and provision of financial services
江銅國際(新加坡)有限公司	LLC	Singapore	USD35,000,000	**–**	**100%**	–	100%	**100%**	100%	Trading of copper products and non-ferrous metals

51. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Name of company	Type	Place of incorporation/ establishment and operations	Paid-up capital/ registered capital	Proportion of equity held by the Company				Proportion of voting power held by the Company		Principal activities
				2017		2016		2017	2016	
				Directly	Indirectly	Directly	Indirectly			
江銅國際礦業投資(伊斯坦布爾)股份有限公司	LLC	Turkey	USD62,400,000	**100%**	**–**	100%	–	**100%**	100%	Holding company
江銅華北(天津)銅業有限公司	LLC	PRC	RMB510,204,000	**51%**	**–**	51%	–	**51%**	51%	Provision of auxiliary services
Jiangxi Copper (Qingyuan) Company Limited 江西銅業(清遠)有限公司	LLC	PRC	RMB890,000,000	**100%**	**–**	100%	–	**100%**	100%	Manufacturing and sale
上海江銅投資控股有限公司	LLC	PRC	RMB169,542,000	**100%**	**–**	100%	–	**100%**	100%	Property holding and interior Design
Shangri La Bisidaji Mining Company Limited 香格里拉市必司大吉礦有限公司	LLC	PRC	RMB5,000,000	**51%**	**–**	51%	–	**51%**	51%	Exploration of copper mining
江西銅業(香港)投資有限公司	LLC	Hong Kong	USD105,000,000	**100%**	**–**	100%	–	**100%**	100%	Photovoltaic power generation
江西銅業酒店管理有限公司	LLC	PRC	RMB15,000,000	**100%**	**–**	100%	–	**100%**	100%	Accommodation services
深圳前海科珀實業有限公司	LLC	PRC	USD10,000,000	**–**	**100%**	–	100%	**100%**	100%	Import and export processing
江西銅業(鉛山)光伏發電有限公司	LLC	PRC	RMB51,000,000	**100%**	**–**	100%	–	**100%**	100%	Photovoltaic power generation
江西銅業(開曼)礦業投資有限公司	LLC	Cayman Islands	RMB150,000	**–**	**100%**	–	100%	**100%**	100%	Providing mining investment

51. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Name of company	Type	Place of incorporation/ establishment and operations	Paid-up capital/ registered capital	Proportion of equity held by the Company				Proportion of voting power held by the Company		Principal activities
				2017		2016		2017	2016	
				Directly	Indirectly	Directly	Indirectly			
江西銅業鑫瑞科技有限公司	LLC	PRC	RMB100,000,000	**100%**	**–**	–	–	**100%**	–	Computer, communications and other electronic equipment manufacturing
Jiangxi Gold Company Limited 江西黃金股份有限公司	LLC	PRC	RMB400,000,000	**60%**	**–**	60%	–	**60%**	60%	The exploration, selection, smelting, processing and sale of gold

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results or assets and liabilities of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

None of the subsidiaries had any debt securities outstanding as at 31 December 2017 and 2016 or at any time during both years.

The directors of the Company are of the opinion that none of the Group's subsidiaries that has non-controlling interests are material to the consolidated financial statements as a whole and therefore, the financial information in respect of those subsidiaries that has non-controlling interests are not presented.

52. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2017 RMB'000	2016 RMB'000
Non-current assets		
Property, plant and equipment	**14,268,837**	14,282,079
Unlisted investments in subsidiaries	**12,136,545**	9,996,442
Unlisted investments in a joint venture	**25,370**	15,161
Unlisted investments in associates	**2,579,875**	2,823,454
Available-for-sale investments	**495,880**	495,880
Investment properties	**171,896**	175,553
Intangible assets	**789,251**	1,319,401
Prepaid lease payments	**474,662**	–
Exploration and evaluation assets	**559,271**	514,761
Deferred tax assets	**285,042**	409,705
Other non-current assets	**522,801**	200,692
	32,309,430	30,233,128
Current assets		
Inventories	**11,997,383**	10,133,959
Pledged bank deposits	**23,670**	–
Bank balances and cash	**8,503,908**	6,779,369
Trade and bills receivables	**9,466,895**	7,805,826
Prepayments, deposit and other receivables	**2,473,269**	2,093,083
Other current assets	**14,449**	710,675
	32,479,574	27,522,912

52. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

	2017 RMB'000	2016 RMB'000
Current liabilities		
Trade and bills payables	**1,988,444**	2,186,387
Other payables and accruals	**2,128,515**	2,323,331
Derivative financial instruments	**464,082**	1,666,493
Held-for-trading financial liabilities	**2,184,000**	–
Bank borrowings	**5,877,211**	4,151,900
Other current liabilities	**660,908**	39,689
	13,303,160	10,367,800
Net current assets	**19,176,414**	17,155,112
Total assets less current liabilities	**51,485,844**	47,388,240
Non-current liabilities		
Bonds payable	**500,000**	–
Provision for rehabilitation	**164,429**	156,329
Employee benefit liability	**36,248**	71,146
Other long-term payables	**10,104**	10,979
Deferred revenue – government grants	**329,495**	363,978
	1,040,276	602,432
Net assets	**50,445,568**	46,785,808
Capital and reserves		
Share capital	**3,462,729**	3,462,729
Reserves	**46,982,839**	43,323,079
Total equity	**50,445,568**	46,785,808

52. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Movement in reserves:

	Other reserves	Statutory surplus reserve	Discretionary surplus reserve	Safety funds surplus reserve	Proposed dividends	Retained profits	Total
	RMB'000 (*Note*)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2016	12,870,564	4,473,024	9,644,881	234,605	346,273	14,943,254	42,512,601
Profit and total comprehensive income for the year	–	–	–	–	–	1,156,751	1,156,751
Dividends declared	–	–	–	–	(346,273)	–	(346,273)
Dividends proposed	–	–	–	–	519,409	(519,409)	–
Transfer between categories	–	226,960	–	28,550	–	(255,510)	–
At 31 December 2016	12,870,564	4,699,984	9,644,881	263,155	519,409	15,325,086	43,323,079
Profit and total comprehensive income for the year	**–**	**–**	**–**	**–**	**–**	**3,348,750**	**3,348,750**
Effect of business combination under common control	**(3,169)**	**–**	**–**	**–**	**–**	**–**	**(3,169)**
Dividends declared	**–**	**–**	**–**	**–**	**(519,409)**	**–**	**(519,409)**
Dividends proposed	**–**	**–**	**–**	**–**	**692,546**	**(692,546)**	**–**
Transfer between categories	**–**	**338,509**	**–**	**30,089**	**–**	**(368,598)**	**–**
At 31 December 2017	**12,867,395**	**5,038,493**	**9,644,881**	**293,244**	**692,546**	**17,612,692**	**46,149,251**

Note: Other reserves comprise of share premium, capital reserve and other reserves of the Company.

Financial Summary

	For the year ended 31 December				
	2017	2016	2015	2014	2013
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
		(Restated)	*(Restated)*		
CONSOLIDATED RESULTS					
Revenue	**204,233,881**	201,728,151	185,228,170	198,264,175	175,291,753
Cost of sales	**(195,797,601)**	(195,164,342)	(181,453,624)	(192,542,742)	(168,758,963)
Gross profit	**8,436,280**	6,563,809	3,774,546	5,721,433	6,532,790
Other income, gains and losses	**(2,485,526)**	(1,211,815)	1,203,435	1,567,714	1,339,041
Selling and distribution expenses	**(533,434)**	(569,017)	(515,356)	(547,007)	(545,284)
Administrative expenses	**(1,691,423)**	(1,685,275)	(2,041,256)	(1,876,310)	(1,760,855)
Finance costs	**(854,789)**	(968,920)	(923,327)	(977,405)	(843,343)
Share of results of joint ventures	**(36,963)**	(42,259)	(39,266)	(22,248)	3,761
Share of results of associates	**70,056**	(8,557)	(243,012)	46,195	5,524
Profit before taxation	**2,904,201**	2,077,966	1,215,764	3,912,372	4,731,634
Taxation	**(1,145,542)**	(1,088,551)	(477,741)	(1,013,108)	(1,100,305)
Profit for the year	**1,758,659**	989,415	738,023	2,899,264	3,631,329
Attributable to:					
Owners of the Company	**1,649,588**	837,406	689,179	2,899,091	3,555,692
Non-controlling interests	**109,071**	152,009	48,844	173	75,637
	1,758,659	989,415	738,023	2,899,264	3,631,329

	As at 31 December				
	2017	2016	2015	2014	2013
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
		(Restated)	*(Restated)*		
CONSOLIDATED STATEMENT OF FINANCIAL POSITION					
Total assets	**97,468,660**	87,481,111	89,852,409	95,316,269	88,759,398
Total liabilities	**(47,485,426)**	(38,303,337)	(41,921,736)	(48,296,105)	(43,126,976)
Non-controlling interests	**(2,450,803)**	(2,343,553)	(1,961,493)	(1,292,214)	(1,116,707)
Equity attributable to owners of the Company	**47,532,431**	46,834,221	45,969,180	45,727,950	44,515,715

Jiangxi Copper Company Limited