



# 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)



江西铜业集团公司

# 2020

## Interim Report



## Important Notice

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- (I) The Board, the Supervisory Committee and the Directors, the Supervisors and senior management of Jiangxi Copper Company Limited warrant that they severally and jointly accept responsibility for the truthfulness, accuracy and completeness of the information contained in the interim report and that there are no false representations, misleading statements contained therein or material omissions therefrom.
- (II) Except for Mr. Liang Qing, a Director, who did not attend the meeting due to business engagement and appointed Mr. Long Ziping, the then Chairman, to exercise his Director voting right in writing, all Directors of the Company attended the Board meeting to approve, among others, the interim results for the six months ended 30 June 2020.
- (III) The interim financial report of the Company and its subsidiaries has not been audited, but the interim financial information prepared in accordance with IFRSs has been reviewed by Ernst & Young and considered and approved by the Audit Committee.
- (IV) The Company's then chairman, Mr. Long Ziping, the principal accounting responsible person, Mr. Yu Tong, and Head of Financial Department (accounting chief), Mr. Ai Fuhua, warrant the truthfulness, accuracy and completeness of the financial report set out in the interim report.
- (V) Proposal of profit distribution plan or transfer of capital reserve to share capital during the reporting period after consideration by the Board: The Company will not make any proposal of profit distribution plan or transfer capital reserve to share capital during the reporting period.
- (VI) Statement for the risks involved in the forward-looking statement: This interim report contains forward-looking statements that involve future plans and development strategies which do not constitute a substantive commitment by the Company to its investors. Investors should be aware of the investment risks.
- (VII) There is no misappropriation of funds by the controlling shareholders and their connected parties for non-operation purpose in the Group.
- (VIII) There are no external guarantees provided in violation of stipulated decision-making procedures in the Group.

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## Definitions

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

### Definitions to the frequently-used terms

Audit Committee	means	the independent audit committee of the Company
Board	means	the board of Directors
Company	means	Jiangxi Copper Company Limited
copper concentrate	means	the concentrate from low grade ore containing copper achieving certain quality indicators through processing procedures, which can be directly used for smeltery in smelting plants
copper contained in copper concentrate	means	the amount of copper in copper concentrate
CSRC	means	China Securities Regulatory Commission
Director(s)	means	the director(s) of the Company
Group	means	the Company and its subsidiaries
Heding Copper	means	Zhejiang Jiangtong Fuye Heding Copper Co., Ltd.
Humon Smelting	means	Shandong Humon Smelting Co., Ltd.
IFRSs	means	International Accounting Standards 34 “Interim Financial Reporting” and other relevant provisions
JCC	means	Jiangxi Copper Corporation Limited (formerly known as “ <b>Jiangxi Copper Corporation</b> ”)
JCC Group	means	JCC and its subsidiaries, but excluding the Group
LBMA	means	London Bullion Market Association
LME	means	London Metal Exchange
Ministry of Finance	means	The Ministry of Finance of the People’s Republic of China
PRC	means	The People’s Republic of China

## Definitions

PRC GAAP	means	the PRC Accounting Standards
reporting period	means	the six months ended 30 June 2020
SSE	means	Shanghai Stock Exchange
Stock Exchange	means	The Stock Exchange of Hong Kong Limited
Supervisor(s)	means	the supervisor(s) of the Company
Supervisory Committee	means	the supervisory committee of the Company

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

# Company Profile

## I. COMPANY INFORMATION

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

## II. CONTACT PERSONS AND CONTACT METHODS

	<b>Secretary to the Board</b>	<b>Securities Affairs Representative</b>
Name	(Chairman of the Board takes up the responsibilities of Secretary to the Board)	Lu Gaoming
Address	7666 Chang Dong Avenue, High-tech Development Zone, Nanchang, Jiangxi Province, the People's Republic of China	7666 Chang Dong Avenue, High-tech Development Zone, Nanchang, Jiangxi Province, the People's Republic of China
Telephone	0791-82710118	0791-82710112
Facsimile	0791-82710114	0791-82710114
E-mail	jccl@jxcc.com	jccl@jxcc.com

## III. CHANGES IN BASIC INFORMATION

Registered address of the Company	15 Yejin Avenue, Guixi City, Jiangxi Province, the People's Republic of China
Postal code of the registered address of the Company	335424
Office address of the Company	7666 Chang Dong Avenue, High-tech Development Zone, Nanchang, Jiangxi Province, the People's Republic of China
Postal code of the office address of the Company	330096
Website of the Company	<a href="http://www.jxcc.com">http://www.jxcc.com</a>
E-mail	jccl@jxcc.com
Query index for changes during the reporting period	Nil

# Company Profile

## IV. CHANGES IN INFORMATION DISCLOSURE AND PLACE OF INSPECTION

Newspapers selected by the Company for information disclosure	Shanghai Securities News
Website designated by CSRC for publishing the interim report	www.sse.com.cn
Place of inspection of the interim report	7666 Chang Dong Avenue, High-tech Development Zone, Nanchang, Jiangxi Province, the People's Republic of China
Query index for changes during the reporting period	Nil

## V. INFORMATION ON THE COMPANY'S SHARES

Class of shares	Stock Exchange of listed shares	Stock abbreviation	Stock code
A shares	Shanghai Stock Exchange	Jiangxi Copper	600362
H shares	The Stock Exchange of Hong Kong Limited	Jiangxi Copper	358

## VI. OTHER RELEVANT INFORMATION

Auditor appointed by the Company (Domestic)	Name	Ernst & Young Hua Ming LLP
	Office address	Level 16, EY Tower, Oriental Plaza, No. 1 East Chang An Avenue, Dong Cheng District, Beijing
Auditor appointed by the Company (Overseas)	Name of auditor as signatories	Yang Lei (楊磊), Lu Miao (陸苗)
	Name	Ernst & Young
	Office address	22/F, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong

# Summary of Accounting Data and Financial Indicators

## I. MAJOR ACCOUNTING DATA AND FINANCIAL INDICATORS OF THE COMPANY

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

	For the six months ended 30 June		Increase/ decrease (%)
	2020 (RMB'000) (Unaudited)	2019 (RMB'000) (Unaudited)	
Revenue	<b>146,625,045</b>	104,693,998	40.05
Profit before taxation	<b>1,208,860</b>	1,910,800	-36.74
Profit for the period attributable to shareholders of the parent	<b>786,989</b>	1,412,177	-44.27
Basic earnings per share (RMB)	<b>0.23</b>	0.41	-43.90

	As at 30 June 2020 (RMB'000) (Unaudited)	As at 31 December 2019 (RMB'000) (Audited)	Increase/ decrease (%)
	Total assets	<b>152,244,405</b>	
Total liabilities	<b>94,363,229</b>	75,881,314	24.36
Net assets attributable to shareholders of the parent	<b>51,543,521</b>	52,745,618	-2.28
Net assets per share attributable to shareholders of the parent (RMB)	<b>14.89</b>	15.23	-2.28



# Summary of Accounting Data and Financial Indicators

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

### (I) Major accounting data

Unit: Yuan Currency: RMB

Major accounting data	During the reporting period (January–June)	During the same period of last year	Increase/decrease for the reporting period as compared with the same period of last year (%)
Operating revenue	<b>146,985,402,360</b>	105,042,933,126	39.93
Net profit attributable to shareholders of the listed Company	<b>745,301,824</b>	1,300,277,340	-42.68
Net profit after non-recurring profit and loss items attributable to shareholders of the listed Company	<b>222,585,175</b>	1,122,403,419	-80.17
Net cash flows from operating activities	<b>4,089,547,413</b>	5,512,497,316	-25.81

	As at the end of the reporting period	As at the end of last year	Increase/decrease as at the end of the reporting period as compared with the end of last year (%)
Net assets attributable to shareholders of the listed Company	<b>51,543,521,532</b>	52,745,619,575	-2.28
Total assets	<b>152,244,405,337</b>	134,913,915,434	12.85

# Summary of Accounting Data and Financial Indicators

## (II) Major financial indicators

Unit: Yuan Currency: RMB

Major financial indicators	During the reporting period (January–June)	During the same period of last year	Increase/decrease for the reporting period as compared with the same period of last year (%)
Basic and diluted earnings per share (RMB/share)	<b>0.22</b>	0.38	-42.68
Basic earnings per share after non-recurring profit and loss items (RMB/share)	<b>0.06</b>	0.32	-80.17
Return on net assets (weighted average) (%)	<b>1.42</b>	2.57	Decreased by 1.15 percentage points
Return on net assets after non-recurring profit and loss items (weighted average) (%)	<b>0.43</b>	2.24	Decreased by 1.81 percentage points

### Explanation on major accounting data and financial indicators of the Company

Not applicable

# Summary of Accounting Data and Financial Indicators

## II. DIFFERENCES IN ACCOUNTING DATA UNDER DOMESTIC AND OVERSEAS ACCOUNTING STANDARDS

### (I) Differences in accounting data under domestic and overseas accounting standards

Differences in net profit and net assets attributable to shareholders of the Company in the financial report disclosed under the IFRSs and under the PRC GAAP

Unit: Yuan Currency: RMB

	Net profit attributable to shareholders of the listed Company		Net assets attributable to shareholders of the listed Company	
	Amount for the current period	Amount for the previous period	Closing amount	Opening amount
Prepared in accordance with the PRC GAAP	<b>745,301,824</b>	1,300,277,340	<b>51,543,521,532</b>	52,745,619,575
Adjustments to items and amounts under IFRSs:	<b>41,687,732</b>	111,899,839		
Prepared in accordance with the IFRSs	<b>786,989,556</b>	1,412,177,179	<b>51,543,521,532</b>	52,745,619,575

### (II) Differences in net profit and net assets attributable to shareholders of the Company in the financial report disclosed under overseas accounting standards and the PRC GAAP

Not applicable

# Summary of Accounting Data and Financial Indicators

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

The Group is required to make appropriations on work safety in accordance with CaiQi [2012] No. 16 “Measures on the Appropriation and Usage of Work Safety Funds of Enterprises” issued by the Ministry of Finance and the State Administration of Work Safety. The fund is designated for enhancement of improvement of work safety conditions. The appropriated work safety funds are included in related products’ costs or profit or loss for the current period, and are reflected separately in the “special reserve” under shareholders’ equity. In using the appropriated funds for work safety, the cost of expenditure is directly offset against the special reserve. When the use of appropriated work safety fund forms fixed assets, through the costs of accumulation of ongoing construction items, the related assets are confirmed to become fixed when they reach their intended usable conditions after the completion of the safety projects. Meanwhile, the costs of forming fixed assets are then offset against the specific reserve while the same amount is recognised in accumulated depreciation. Such fixed assets are not depreciated in subsequent periods. Under the IFRSs, the appropriation of work safety fund is individually reflected in the restricted reserve of shareholders’ equity in the form of profit distribution. When qualifying costs of expenditure are incurred, such expenses are recorded in the current consolidated income statement as incurred. When capital expenditures are incurred, an amount is transferred to property, plant and equipment and is depreciated in accordance with the depreciation policy of the Company. Meanwhile, the actual usage amounts of, among other things, work safety expenses of the current period, are carried over internally in shareholders’ equity, and are offset against restricted reserve and increase the undistributed profit, to the limit that restricted reserve is offset to zero.

## Summary of Accounting Data and Financial Indicators

### III. NON-RECURRING PROFIT AND LOSS ITEMS AND AMOUNTS (PREPARED UNDER THE PRC GAAP)

*Unit: Yuan Currency: RMB*

Non-recurring profit and loss items	Amount (Unaudited)	Note (If applicable)
Profit and loss from disposal of non-current assets	-3,587,057	
Government grant as included in profit and loss of the current period, other than those closely relating to the normal business of the Company and subject to a fixed amount or quantity under certain standard and in compliance with national policies	83,681,303	
Profit and loss from changes in the fair value of financial assets held-for-trading, derivative financial assets, financial liabilities held-for-trading, derivative financial liabilities, and investment gains from disposal of financial assets held-for-trading, derivative financial assets, financial liabilities held-for-trading, derivative financial liabilities and other debt investments, except for effective hedging businesses related to the ordinary operating business of the Company	491,395,445	
Reversion of provision for impairment of receivables and contract assets under independent impairment test	195,838,173	
Other non-operating income and expenses other than the above	16,296,902	
Impact from interests of minority shareholders	-79,861,931	
Impact from income tax	-181,046,186	
<b>Total</b>	<b>522,716,649</b>	

# Summary of Accounting Data and Financial Indicators

## IV. OTHER ITEMS (PREPARED UNDER THE PRC GAAP)

Unit: Yuan Currency: RMB

Item	Opening balance	Closing balance	Changes during the period	Impact on profit of the current period
1. Investment in held-for-trading equity instruments				
Equity investments	94,839,884	<b>168,722,588</b>	73,882,704	606,702
2. Investment in held-for-trading debt instruments				
Bond investment	115,697,198	-	-115,697,198	1,634,898
Investment in debt instruments	10,451,652,321	<b>21,840,294,106</b>	11,388,641,785	281,100,027
3. Held-for-trading financial liabilities	-588,278,540	<b>-279,400,320</b>	308,878,220	3,534,691
4. Other non-current financial assets	1,872,173,634	<b>1,739,072,249</b>	-133,101,385	-117,448,199
5. Investment in other equity instruments	8,774,154,936	<b>7,218,853,022</b>	-1,555,301,914	2,527,796
6. Derivative instruments not designated as hedging				
Forward foreign exchange contracts	-47,970,008	<b>25,099,934</b>	73,069,942	29,538,111
Interest rate swaps contracts	-360,866	<b>-15,454,398</b>	-15,093,532	-15,093,532
Commodity option contracts	-	<b>-27,379,490</b>	-27,379,490	-22,620,864
Commodity futures contracts	94,739,897	<b>-461,011,187</b>	-555,751,084	295,455,987
7. Hedging instruments				
(1) Provisional price arrangement		<b>-7,630,693</b>	-7,630,693	-7,630,693
(2) Effective hedging derivative instruments				
Commodity futures contracts	-1,392,887	<b>-145,909,363</b>	-144,516,476	-145,909,362
8. Item at fair value included in inventory	3,078,699,095	<b>4,274,012,802</b>	1,195,313,707	491,752,137
9. Provisional price arrangement	-117,478,025	<b>-453,479,295</b>	-336,001,270	-336,001,270
10. Accounts receivable financing	2,593,968,796	<b>2,825,892,317</b>	231,923,521	
<b>Total</b>	<b>26,320,445,435</b>	<b>36,701,682,272</b>	<b>10,381,236,837</b>	<b>461,446,429</b>

# Business Overview of the Company

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

### (I) Principal business and operation mode of the Company

The principal business of the Group covers copper and gold mining and dressing, smelting and processing; extraction and processing of scattered metals; sulphuric chemistry as well as finance and trading fields. It has established the complete industrial chain integrated with exploration, mining, ore dressing, smelting and processing in copper and related non-ferrous metal fields. It is the important production base of copper, gold, silver and sulphuric chemistry in the PRC. The main products of the Group 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 Group include:

1. A listed company: Humon Smelting is a company listed on the Shenzhen Stock Exchange (stock code: 002237). The Company holds 29.99% of the total share capital of Humon Smelting, and is the controlling shareholder of Humon Smelting. Humon Smelting is mainly engaged in the exploration, mining, dressing, smelting and chemical production of gold. It is a national key gold smelting enterprise and with the annual production capacity of 50 tonnes of gold and 700 tonnes of silver, and with the production capacity of 0.25 million tonnes of electrolytic copper and 1.3 million tonnes of sulphuric acid.
2. Three smelters: Guixi Smelter, Jiangxi Copper (Qingyuan) Company Limited and Zhejiang Jiangtong Fuye Hedong Copper Co., Ltd., among which Guixi Smelter is the blister and copper concentrate smelter and refiner in the PRC with the largest scale, most advanced technologies and best environmental protection.
3. Five 100% owned 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 and Yinshan Mining Company.
4. Eight modern copper products processing plants: Jiangxi Copper Products Company Limited, Jiangxi Copper (Guangzhou) Copper Production Company Limited, Jiangxi Copper – Yates Copper Foil Company Limited, Jiangxi Copper – Taiyi Special Electrical Materials Company Limited, Jiangxi Copper (Longchang) Precise Copper Pipe Company Limited, JCC Copper Products Company Limited, Jiangxi Copper North China (Tianjin) Copper Co., Ltd., JCC Huadong (Zhejiang Copper) Co., Ltd.

# Business Overview of the Company

## (II) Explanation of the industry

In the first half of the year, copper prices showed a V-shaped trend. The sudden outbreak of the COVID-19 pandemic in the first quarter of the year has brought a serious impact on most industries. Market panic has soared, and global major financial assets have plummeted.

Fundamentally, the domestic copper smelting downstream industry had been stagnated for about one month due to the impact of the COVID-19 pandemic, and surplus of copper was expected to become obvious. In anticipation of the pessimism to the macro economy and surplus in the copper market, copper prices fell sharply in the first quarter of 2020, and even fell below the cost line, reaching the lowest point of US\$4,371/tonne. In the second quarter of 2020, the domestic pandemic was under control, but the outbreak of the global pandemic in a large scale had led to the subsequent stagnation of economic activities. In order to avoid the recurrence of financial crisis in 2008, global central banks and governments promptly introduced easy fiscal and monetary policies on an unprecedented scale, market sentiment had been significantly restored, and since May 2020 global economic activities have been re-launched and the economy has rebounded. At the same time, the pandemic has led to a staged mismatch of supply and demand in the domestic copper industry, replenishment and rush orders have led to a significant improvement in demand, and the refined copper market has turned from surplus to a state of tightness. Affected by the pandemic, tension in the copper raw material market has intensified. With major copper producing countries such as Chile and Peru restricting mining productions, traffic disruptions and overseas quarantine policies, the supply of scrap copper has been severely affected.

According to the information disclosed by the Ministry of Industry and Information Technology of the PRC, from January to June, imports of copper concentrate (physical volume), blister copper, and copper material amounted to 10.84 million tonnes, 422,000 tonnes, and 240,000 tonnes respectively, representing a year-on-year increase of 3%, 15.3% and 4.6% respectively; affected by strong copper price domestically and weak copper price overseas, and the boost in domestic demand, the import volume of refined copper increased significantly, which amounted to 1.984 million tonnes from January to June, representing a year-on-year increase of 24%; the import of copper scrap amounted to 430,000 tonnes, representing a year-on-year decrease of 49.6%.

So far, the impact of the pandemic on the supply of raw materials still exists. Copper prices have continued to rise since the end of March due to favourable factors from both fundamentals and macro economy. At the end of June, copper prices recovered to the level before the pandemic. In the first half of 2020, the three-month average copper price on the LME was US\$5,525.5/tonne, representing a year-on-year decrease of 10.6%.



# Business Overview of the Company

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

Not applicable

## III. ANALYSIS OF CORE COMPETITIVENESS DURING THE REPORTING PERIOD

### (I) Securing an important strategic position as a leader of the domestic copper industry with national copper base

The Group is the largest production base of copper, associated gold and silver and an important base of sulphuric chemistry in the PRC:

1. the Group owns the copper mine of the largest scale currently in the PRC, namely Dexing Copper Mine and a number of copper mines under production. As at 31 December 2019, the Group had 100% ownership in the proven resource reserves of copper mines under production of approximately 9,154,000 tonnes of copper metal, 281.5 tonnes of gold, 8,347.7 tonnes of silver, and 198,000 tonnes of molybdenum. Among the resources jointly controlled by the Group and other groups, metal resource reserves attributable to the Company (based on its equity percentage) were approximately 4,435,000 tonnes of copper and 52 tonnes of gold. In addition, Humon Smelting, a controlled subsidiary of the Company, owned 16 gold mining rights, and approximately 112.01 tonnes of proven gold reserves;
2. Guixi Smelter is the copper smelter with the largest monomer smelting scale in the world;
3. the Group is also the largest domestic copper processor.

## Business Overview of the Company

### **(II) Complete business layout with comprehensive advantages of integrated industry chain**

The Group is the largest integrated producer of copper in the PRC. It has established its industry chain with core businesses such as mining, ore dressing, smelting and processing of copper and gold, as well as sulphuric chemistry and extraction and processing of rare metals. It also conducts business in various areas such as finance and trading. The annual production of copper contained in copper concentrates of the Company is over 200,000 tonnes. The production of copper cathode is over 1,400,000 tonnes per year. The production of processed copper products is over 1,000,000 tonnes per year; Humon Smelting, a controlled subsidiary of the Company, has an annual production capacity of 50 tonnes of gold and 700 tonnes of silver and has production capacity of 0.25 million tonnes of electrolytic copper and 1.3 million tonnes of sulphuric acid.

### **(III) Advantages of industry-leading professional technologies**

The Group possesses industry-leading copper smelting and mine development technologies. Guixi Smelter is the first to introduce the entire flash smelting technology in the PRC, the overall production technology and key techno-economic indicators have reached advanced international standards. Dexing Copper Mine is the first to introduce international mining software for design, planning and optimization and the global satellite positioning system for truck dispatching in the PRC. Humon Smelting has strong smelting technology and is the first professional factory to process high-lead complex gold concentrates by using oxygen bottom blowing smelting-reduction furnace pulverized coal bottom blowing direct reduction technology. It ranks first among the “PRC’s Top Ten Gold Smelting Enterprises”.

### **(IV) Management and talent advantage**

The management team of the Company has extensive experience, and has participated actively in corporate governance for a long time and has reached professional and leading management level in the industry. In addition, the Company also reserves a large number of mining and smelting talents, with the expansion ability and advantages to replicate and operate same types of mining or smelting enterprise.

## Business Overview of the Company

### **(V) Advantage of competitive cost**

The Dexing Copper Mine owned by the Group is the largest open-pit mine in the PRC, with unit cash costs lower than the industry average. At the same time, the advantages of mine resources further ensure the self-sufficiency rate of copper concentrates, which is conducive to the Group to smooth the risk of fluctuations of the costs of raw material. Also, the Guixi Smelter owned by the Group is the world's largest single smelter with leading technology and scale effect, giving the Company more cost advantage.

### **(VI) Advantage of an outstanding brand name**

The “Guiye” copper cathode owned by the Company was successfully registered with the LME back in 1996, and is the first world-class copper brand in the PRC. The Company is also the first enterprise which has its copper cathode, gold and silver products registered with the LME and the LBMA. The copper testing factory established based on the laboratory of Guiye Center of the Company is the only testing factory of copper cathode in the PRC recognized by the LME, which has completed a number of copper cathode tests for various domestic enterprises registered with the LME. The Company has maintained good and long-term relationship with world-class mining enterprises.

# Report of the Board

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

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

In 2020, faced with the sudden outbreak of COVID-19 and extreme market challenges, all staff of the Company did not lose sight of our goal, and fought hard to meet the annual production and operation target. By adopting a series of effective hardcore measures such as racing against time, ensuring working progress, strengthening management, reducing costs, and promoting development, we have made a concerted effort to promote pandemic prevention and control as well as production and operational activities, successfully maintained the baseline of “guarantees”, built a solid foundation for “stability”, and inspired the driving force for “progress”. With guarantees come stability, stability comes progress, in totality we have achieved hard-earned results.

### 1. Production continues to be stable and target-reaching

Production of the Company from January to June 2020			
Product	Production from January to June 2019	Production from January to June 2020	Year-on-year increase (%)
Copper cathodes (ten thousand tonnes)	74.93	<b>80.06</b>	6.85
Gold (tonne)	12.88	<b>38.5</b>	198.91
Silver (tonne)	169.01	<b>544.85</b>	222.38
Sulphuric acid (ten thousand tonnes)	207.86	<b>249.59</b>	20.08
Processed copper products (ten thousand tonnes)	53.04	<b>67.61</b>	27.47
<b>Including: copper rods</b>	46.46	<b>61.07</b>	31.45
Copper contained in self-produced copper concentrates (ten thousand tonnes)	10.2	<b>10.46</b>	2.55
Standard sulphuric concentrates (ten thousand tonnes)	129.96	<b>133.9</b>	3.03

# Report of the Board

## 2. Securing strategic investment with quick and steady moves

In 2020, our Group has introduced strategic investors for the Kazakhstan tungsten mine project to optimize the construction scheme. By advancing the implementation of the non-public issuance of shares of Humon Smelting, we strive to improve the economic indicators of Humon Smelting and accelerate the pace of its high-quality development. We continue to track market changes, advance the issuance of overseas US dollar bonds, so as to provide financing support for the Company's overseas strategic investment. With the principle of "good industrial coordination, high-quality asset value, fast results and strong development potential" on mergers and acquisitions, we are in the course of following up and selecting multiple target projects.

## 3. Expediting the advancement of construction of key projects

The Company has overcome numerous difficulties, focused on the progress of projects, minimized the impact of the pandemic to the greatest extent, and pushed the "fast forward button" in promoting key projects:

The Chengmenshan Copper Tailing Mine Project for producing green building materials products has achieved trial production; the Dexing Copper Mine 5 # Tailings Pond (Phase I) Project has been put into operation smoothly; the civil construction of the project of Jiangxi Copper Huabei (Tianjin) Copper Company Limited (江銅華北(天津)銅業有限公司) to produce 220,000 tonnes of copper rod line annually and the project of JCC Hongyuan Copper Industry Co., Ltd. (江銅宏源銅業有限公司) to produce 100,000 of tonnes electrolytic copper annually in Guixi have been completed, and the installation of pipelines and electrical equipment is being carried out in an orderly manner; the reconstruction and expansion of area A of the lithium-electric copper foil project that will have a capacity of 15,000 tonnes per year of Jiangxi JCC Yates Copper Foil Company Limited (江西省江銅耶茲銅箔有限公司) have achieved topping-out and the civil engineering work has been accelerated. Phase III of the Wuhan copper project (10,000 tonnes/day) has obtained the certificate for deep-mining right on 19 June, and the construction of the preliminary project is intensively accelerated; the preparatory work for the special enameled wire expansion project (8,000 tonnes/year) of Jiangxi Copper-Taiyi Special Electrical Materials Company Limited (江銅—台意特種電工材料有限公司) has been carried out in an orderly manner, and relevant supporting equipment is being customized; and the 180,000 tonnes copper cathode energy conservation and emission reduction project of JCC Guoxing (Yantai) Copper Company Limited (江銅國興(煙台)銅業有限公司) is currently preparing for the EPC tendering preparatory work.

## Report of the Board

### 4. Constant strengthening of comprehensive risk management and control

A comprehensive risk management and control system has been launched to carry out inspections and self-monitoring of key compliance areas. The construction of the comprehensive risk control system has been implemented effectively, and has continuously increased the three defense lines of risk control of the Company. The function of the operation and management department has begun to play, and has begun and operate the mechanism of the monitoring, assessment, early warning, reporting of key risks and the tracking and handling of risk matters of each operating unit; the audit department has fully carried out its audit supervision and service function, and audit work on engineering, economic and management have been carried out in an orderly manner.

## II. MAIN OPERATIONS DURING THE REPORTING PERIOD

### (I) Analysis of principal businesses

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

Unit: Yuan Currency: RMB

Items	For the period	For the same period last year	Changes (%)
Operating revenue	146,985,402,360	105,042,933,126	39.93
Operating cost	143,279,956,819	101,034,401,131	41.81
Selling expenses	400,041,883	299,530,003	33.56
Administrative expenses	871,222,146	831,683,381	4.75
Finance costs	727,379,216	552,632,756	31.62
Expenses on research and development	280,688,848	103,583,610	170.98
Net cash flow from operating activities	4,089,547,413	5,512,497,316	-25.81
Net cash flow from investment activities	-16,503,384,319	-15,027,258,001	9.82
Net cash flow from financing activities	12,711,686,903	11,057,640,732	14.96
Impairment (losses)/reversal on assets	-520,263,382	46,659,871	-1,215.01
Impairment (losses)/reversal on credit	17,577,886	-457,561,667	-103.84
Other revenue	83,681,303	55,941,206	49.59
Investment revenue	929,628,193	75,047,784	1,138.72
(Losses)/ gains on changes in fair value	-428,391,243	134,057,409	-419.56
Non-operating income	26,513,061	67,177,208	-60.53
Non-operating expenses	14,339,867	5,970,755	140.17

## Report of the Board

Explanation on changes in operating revenue: It was mainly due to the inclusion of Humon Smelting into the consolidated statement and the changes in sales volume;

Explanation on changes in operating cost: It was mainly due to the inclusion of Humon Smelting into the consolidated statement and the changes in sales volume;

Explanation on changes in selling expenses: It was mainly due to the inclusion of Humon Smelting into the consolidated statement and the year-on-year increase of freight and warehousing fees;

Explanation on changes in administrative expenses: There was no material change in the administrative expenses in the period as compared to the previous period;

Explanation on changes in finance costs: It was mainly due to the inclusion of Humon Smelting into the consolidated statement and the year-on-year increase in the financing scale;

Explanation on changes in expenses on research and development: It was mainly due to the increase in investment on research expenses by the Company;

Explanation on changes in net cash flow from operating activities: It was mainly due to the increase in trade receivables;

Explanation on changes in net cash flow from investment activities: It was mainly due to the increase in investment in debt instruments in the current period as compared with the same period of last year;

Explanation on changes in net cash flow from financing activities: It was mainly due to the expansion of scale of operational financing;

Explanation on changes in impairment (losses)/reversal on assets: It was mainly due to the inclusion of Humon Smelting into the consolidated statement, resulting in an increase in the impairment losses of inventories in the current period and the impairment losses from the closure and suspension of JCC Dongtong Mining Company Limited (江西銅業集團東同礦業有限責任公司);

Explanation on changes in impairment reversal/(losses) on credit: It was mainly due to the increase in the price of preserved assets (equity) under the accounts receivable and other receivables in the current period, and the increase in estimated recoverable amount of the corresponding amounts reversing the impairment losses on credit;

## Report of the Board

Explanation on changes in other revenue: It was mainly due to the increase in government subsidies;

Explanation on changes in investment revenue: It was mainly due to the settlement of commodity futures contracts;

Explanation on (losses)/gains on changes in fair value: It was mainly due to the change in fair value of the commodity futures contracts;

Explanation on changes in non-operating income: It was mainly due to the decrease in non-recurring revenue in the period;

Explanation on changes in non-operating expenses: It was mainly due to the increase in the disposal of scrapped fixed assets and donation expenses.

### 2. Others

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

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

### (II) Explanation on major changes on profit caused by non-principal businesses

Unit: Yuan Currency: RMB

Item	For the period	For the same period last year	Changes
Impairment losses on assets	-520,263,382	46,659,871	-566,923,253
Impairment losses on credit	17,577,886	-457,561,667	475,139,553
Gains on changes in fair value	-428,391,243	134,057,409	-562,448,652
Investment income	929,628,193	75,047,784	854,580,409



# Report of the Board

## (III) Analysis of operation by industry, product and geographical location

### 1. Principal businesses by industry

Unit: '000 Currency: RMB

Industry	Operating revenue for the six months ended 30 June 2020	Operating revenue for the six months ended 30 June 2019	Increase/decrease in the operating revenue over the same period last year (%)
Revenue recognised at a point in time	146,837,006	104,886,404	40.00
Industry and other non-trading revenue	67,420,614	42,977,199	56.88
Trading revenue	79,162,619	61,681,709	28.34
Others	253,773	227,496	11.55
Revenue recognised over a period of time	148,396	156,529	-5.20
Provision of services	148,396	156,529	-5.20
<b>Total</b>	<b>146,985,402</b>	<b>105,042,933</b>	<b>39.93</b>

Explanation on the principal businesses by industry:

#### 1) **Industry and other non-trading revenue**

During the reporting period, industry and other non-trading revenue increased by RMB24,443,414,508 or 56.88% as compared with last year.

#### 2) **Trading revenue**

During the reporting period, trading revenue increased by RMB17,480,909,890 or 28.34% as compared with last year.

#### 3) **Others**

During the reporting period, other operating revenue increased by RMB26,277,748 or 11.55% as compared with last year.

#### 4) **Provision of services**

During the reporting period, operating revenue from the provision of services decreased by RMB8,132,912 or 5.20% as compared with last year.

# Report of the Board

## 2. Principal businesses by product

Unit: '000 Currency: RMB

Product	Operating revenue for the six months ended 30 June 2020	Operating revenue for the six months ended 30 June 2019	Increase/decrease in the operating revenue over the same period last year (%)	Operating cost for the six months ended 30 June 2020	Operating cost for the six months ended 30 June 2019	Increase/decrease in the operating cost over the same period last year (%)
Copper cathodes	81,407,245	64,021,271	27.16	79,673,418	62,006,121	28.49
Copper rods	25,545,186	20,572,267	24.17	25,210,711	20,169,478	24.99
Gold	14,838,967	3,920,180	278.53	13,658,424	3,534,200	286.46
Processed copper products	1,493,858	2,012,054	-25.75	1,445,162	1,895,860	-23.77
Silver	6,404,674	1,385,805	362.16	6,201,986	1,289,513	380.96
Chemical products (sulphur and sulphuric concentrate)	358,699	697,160	-48.55	548,501	525,278	4.42
Copper concentrate, rare and other non-ferrous metals	13,849,166.57	8,589,156.12	61.24	13,578,709.45	8,052,764.32	68.62
Principal business – others	2,685,438	3,461,014	-22.41	2,631,715	3,234,714	-18.64
Other businesses	402,170	384,025	4.72	331,330	326,473	1.49
<b>Total</b>	<b>146,985,402</b>	<b>105,042,933</b>	<b>39.93</b>	<b>143,279,957</b>	<b>101,034,401</b>	<b>41.81</b>

Explanation on the principal businesses by product:

### (1) Copper cathodes

During the reporting period, the operating revenue and operating cost from copper cathodes increased by RMB17,385,973,384 or 27.16%, and increased by RMB17,667,296,867 or 28.49%, respectively as compared with last year.

### (2) Copper rods

During the reporting period, the operating revenue and operating cost from copper rods increased by RMB4,972,919,263 or 24.17%, and increased by RMB5,041,233,162 or 24.99%, respectively as compared with last year.

# Report of the Board

## **(3) Gold**

During the reporting period, the operating revenue and operating cost from gold increased by RMB10,918,786,227 or 278.53%, and increased by RMB10,124,223,772 or 286.46%, respectively as compared with last year.

## **(4) Processed copper products**

During the reporting period, the operating revenue and operating cost from processed copper products decreased by RMB518,195,827 or 25.75%, and decreased by RMB450,698,565 or 23.77%, respectively as compared with last year.

## **(5) Silver**

During the reporting period, the operating revenue and operating cost from silver increased by RMB5,018,868,685 or 362.16%, and increased by RMB4,912,473,750 or 380.96%, respectively as compared with last year.

## **(6) Chemical products (sulphur and sulphuric concentrate)**

During the reporting period, the operating revenue and operating cost from chemical products (sulphur and sulphuric concentrate) decreased by RMB338,461,505 or 48.55%, and increased by RMB23,223,722 or 4.42%, respectively as compared with last year.

## **(7) Copper concentrate, rare and other non-ferrous metals**

During the reporting period, the operating revenue and operating cost from copper concentrate, rare and other non-ferrous metals increased by RMB5,260,010,455.48 or 61.24%, and increased by RMB5,525,945,129.03 or 68.62%, respectively as compared with last year.

## **(8) Principal business – others**

During the reporting period, the operating revenue and operating cost from principal business – others decreased by RMB775,576,284 or 22.41%, and decreased by RMB602,999,247 or 18.64%, respectively as compared with last year.

## Report of the Board

### (9) Other business income

During the reporting period, the operating revenue and operating cost from other businesses increased by RMB18,144,836 or 4.72%, and increased by RMB4,857,098 or 1.49%, respectively as compared with last year.

### 3. Principal businesses by geographical location

Unit: '000 Currency: RMB

Geographical location	Operating revenue for the six months ended 30 June 2020	Operating revenue for the six months ended 30 June 2019	Increase/decrease in the operating revenue over the same period last year (%)
Mainland China	125,967,120	87,546,032	43.89
Hong Kong	13,063,433	10,050,156	29.98
U.S.	193,466	2,525	7,562.38
U.K.	769,668	1,012,228	-23.96
Others	6,991,715	6,431,993	8.70
Total	146,985,402	105,042,933	39.93

Explanation on the principal businesses by geographical location:

#### 1) Mainland China

During the reporting period, the operating revenue from mainland China business increased by RMB38,421,088,054 or 43.89% as compared with last year.

## Report of the Board

### **2) Hong Kong**

During the reporting period, the operating revenue from Hong Kong business increased by RMB3,013,277,417 or 29.98% as compared with last year.

### **3) U.S.**

During the reporting period, the operating revenue from the U.S. business increased by RMB190,941,259 or 7,562.38% as compared with last year.

### **4) U.K.**

During the reporting period, the operating revenue from the U.K. business decreased by RMB242,559,767 or 23.96% as compared with last year.

### **5) Others**

During the reporting period, the operating revenue from the businesses in other geographical locations increased by RMB559,722,270 or 8.70% as compared with last year.

# Report of the Board

## (IV) Analysis of assets and liabilities

### 1. Assets and liabilities

Unit: Yuan Currency: RMB

Item	As at the end of the period	Share of total assets as at the end of the period (%)	As at the end of the previous period	Share of total assets as at the end of the previous period (%)	Changes as at the end of the period over the previous period (%)	Explanation
Held-for-trading financial assets	22,009,016,694	14.46	10,662,189,403	7.90	106.42	Note 1
Notes receivable	39,585,390	0.03	14,450,800	0.01	173.93	Note 2
Other receivables	4,522,609,290	2.97	2,929,240,756	2.17	54.40	Note 3
Right-to-use assets	163,823,502	0.11	404,445,431	0.30	-59.49	Note 4
Intangible assets	5,458,438,314	3.59	4,152,655,144	3.08	31.44	Note 5
Other non-current assets	2,455,782,779	1.61	1,115,790,392	0.83	120.09	Note 6
Held-for-trading financial liabilities	279,400,320	0.18	588,278,540	0.44	-52.51	Note 7
Derivative financial liabilities	1,501,720,942	0.99	396,124,785	0.29	279.10	Note 8
Notes payable	5,525,822,066	3.63	4,176,838,516	3.10	32.30	Note 9
Contract liabilities	1,294,339,011	0.85	2,357,188,893	1.75	-45.09	Note 10
Non-current liabilities due within one year	470,196,884	0.31	3,619,984,095	2.68	-87.01	Note 11
Other current liabilities	5,498,224,056	3.61	1,934,853,645	1.43	184.17	Note 12
Long-term borrowings	9,837,201,773	6.46	5,257,859,073	3.90	87.10	Note 13
Lease liabilities	7,039,717	0.00	171,117,131	0.13	-95.89	Note 14
Long-term payable	931,886,683	0.61	391,390,846	0.29	138.10	Note 15
Other non-current liabilities	88,000,000	0.06	194,167	0.00	45,221.81	Note 16
Other comprehensive income	-292,467,721	-0.19	1,350,346,937	1.00	-121.66	Note 17

#### Explanation:

*Note 1* As at the end of the reporting period, the held-for-trading financial assets of the Group amounted to RMB22,009.02 million, representing an increase of RMB11,346.83 million (or 106.42%) as compared with the end of the period of last year, mainly attributable to an increase in debt instruments investment of the Group.

*Note 2* As at the end of the reporting period, the notes receivable of the Group amounted to RMB39.59 million, representing an increase of RMB25.13 million (or 173.93%) as compared with the end of the period of last year, mainly attributable to an increase in trade acceptance bills receivable of the Group.

*Note 3* As at the end of the reporting period, the other receivables of the Group amounted to RMB 4,522.61 million, representing an increase of RMB1,593.37 million (or 54.4%) as compared with the end of the period of last year, mainly attributable to the increase of the Group's futures deposits and deposits at the accounts of brokerage companies.

## Report of the Board

- Note 4* As at the end of the reporting period, the right-to-use assets of the Group amounted to RMB163.82 million, representing a decrease of RMB240.62 million (or -59.49%) as compared with the end of the period of last year, mainly attributable to the expiration of the leased assets of the subsidiaries of the Group.
- Note 5* As at the end of the reporting period, the intangible assets of the Group amounted to RMB5,458.44 million, representing an increase of RMB1,305.78 million (or 31.44%) as compared with the end of the period of last year, mainly attributable to the new mining right of Wushan Copper Mine of the Group.
- Note 6* As at the end of the reporting period, the other non-current assets of the Group amounted to RMB2,455.78 million, representing an increase of RMB1,339.99 million (or 120.09%) as compared with the end of the period of last year, mainly attributable to the time deposits held by the Group for more than one year.
- Note 7* As at the end of the reporting period, the held-for-trading financial liabilities of the Group amounted to RMB279.40 million, representing a decrease of 308.88 million (or -52.51%) as compared with the end of the period of last year, mainly attributable to the decrease in the gold leasing business of Humon Smelting, a subsidiary of the Group.
- Note 8* As at the end of the reporting period, the derivative financial liabilities of the Group amounted to RMB1,501.72 million, representing an increase of RMB1,105.60 million (or 279.1%) as compared with the end of the period of last year, mainly attributable to the fluctuating profit and loss of the futures business of the Group.
- Note 9* As at the end of the reporting period, the notes payable of the Group amounted to RMB5,525.82 million, representing an increase of RMB1,348.98 million (or 32.3%) as compared with the end of the period of last year, mainly attributable to the increase in the Group's procurement payments settled by notes.
- Note 10* As at the end of the reporting period, the contract liabilities of the Group amounted to 1,294.34 million, representing a decrease of RMB1,062.85 million (or -45.09%) as compared with the end of last year, mainly attributable to the decrease in the Group's advance sale receipts.
- Note 11* As at the end of the reporting period, the non-current liabilities of the Group due within one year amounted to RMB470.20 million, representing a decrease of RMB3,149.79 million (or -87.01%) as compared with the end of the period of last year, mainly attributable to the repayment of the Group's borrowings.
- Note 12* As at the end of the reporting period, the other current liabilities of the Group amounted to RMB5,498.22 million, representing an increase of RMB3,563.37 million (or 184.17%) as compared with the end of the period of last year, mainly attributable to the increase in the absorption of deposits of JCC and its subsidiaries by JCC Finance Company Limited ("**Finance Company**"), a subsidiary of the Group.
- Note 13* As at the end of the reporting period, the long-term borrowings of the Group amounted to RMB9,837.20 million, representing an increase of RMB 4,579.34 million (or 87.1%) as compared with the end of the period of last year, mainly attributable to the Group's new long-term borrowings.

# Report of the Board

*Note 14* As at the end of the reporting period, the lease liabilities of the Group amounted to RMB7.04 million, representing a decrease of RMB164.08 million (or -95.89%) as compared with the end of the period of last year, mainly attributable to the lease repayment of the leases due by the Group's subsidiaries.

*Note 15* As at the end of the reporting period, the long-term payable of the Group amounted to RMB 931.89 million, representing an increase of RMB540.50 million (or 138.1%) as compared with the end of the period of last year, mainly attributable to the long-term payable arising from the new mining rights of Wushan Copper Mine, a subsidiary of the Group.

*Note 16* As at the end of the reporting period, the other non-current liabilities of the Group amounted to RMB 88 million, representing an increase of RMB87.81 million (or 45,221.81%) as compared with the end of the period of last year, mainly attributable to the increase in the absorption of time deposits with a maturity date of more than one year from JCC Group by the Finance Company, a subsidiary of the Group.

*Note 17* As at the end of the reporting period, the other comprehensive income of the Group amounted to RMB-292.47 million, representing a decrease of 1,642.81 million (or -121.66%) as compared with the end of the period of last year, mainly attributable to the decrease in the fair value of the investment of equity instruments held by the Group.

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

*Unit: Yuan Currency: RMB*

Item	Book value at the end of the period	Reasons for the limitation
Cash and bank	<b>13,704,238,105</b>	They were the time deposits of the Group for the application of gold lease, issuance of letters of credit, bank guarantees and security deposits deposited by bank acceptance notes, the required statutory and excess reserve deposited with the People's Bank of China, environment rehabilitation deposits, and pledged to secure short-term borrowings and frozen bank deposits and interest receivables
Held-for-trading financial assets	<b>14,076,104,358</b>	Held-for-trading financial assets with book values of RMB13,834,622,341 were pledged as security deposits for letters of credit and issuance of bank acceptance notes; held-for-trading financial assets with book values of RMB241,332,817 were pledged to secure bank borrowings; held-for-trading financial assets with book values of RMB149,200 were pledged for security deposits of gold lease contracts



## Report of the Board

Item	Book value at the end of the period	Reasons for the limitation
Accounts receivable financing	<b>453,934,478</b>	Bank acceptance notes with book values of RMB297,934,478 were pledged to obtain the bank borrowings; bank acceptance notes with book values of RMB156,000,000 were pledged to issue bank acceptance notes
Other receivables	<b>3,029,871,857</b>	Placed as futures deposits and deposits at the accounts of brokerage companies
Inventories	<b>508,340,027</b>	Inventories with book values of RMB35,863,115 were pledged to secure short-term borrowings; inventories with book values of RMB463,020,120 were placed as futures deposits; inventories with a book value of RMB9,456,792 were held by the court due to litigation
Investment property	<b>161,362,382</b>	Held by court due to litigation
Fixed assets	<b>624,621,006</b>	Fixed assets with book values of RMB502,835,382 were pledged to secure short-term bank borrowings; fixed assets with book values of RMB8,154,627 were pledged to secure long-term bank borrowings; fixed assets with book values of RMB113,630,997 were held by the court due to litigation
Intangible assets	<b>139,282,016</b>	They were pledged to secure bank borrowings
Other non-current assets	<b>1,205,405,479</b>	Time deposits with maturity dates of more than one year with book values of RMB905,215,616 were pledged to issue bank deposit acceptance notes, time deposits with maturity dates of more than one year with book values of RMB300,189,863 were pledged to issue bank guarantees to secure long-term borrowings

### 3. Other explanations

Not applicable

# Report of the Board

## (V) Analysis of investment

### 1. General analysis of external investment in equity

Unit: 0'000 Currency: RMB

Investment during the reporting period	29,344.58
Investment during the same period last year	601,487.95
Extent of year-on-year increase/decrease (%)	-95.12

No.	Name of investee	Principal activity	Share of interests in the investee (%)	Investment amount
1	Jiangxi Wantong Environmental Protection Materials Co., Ltd. (江西萬銅環保材料有限公司)	Environmental protection building materials, comprehensive development and utilization of tailings resources (excluding hazardous goods and the restricted and prohibited operating projects)	40	2,400.00
2	JCC Hongyuan Copper Industry Co., Ltd. (江銅宏源銅業有限公司)	Pressing and processing of non-ferrous metals, production of metal materials, smelting of commonly used non-ferrous metals, and smelting of precious metals	43	5,375
3	Jiangxi Copper (Yingtian) Trade Company Limited (江西銅業(鷹潭)貿易有限公司)	Sales of non-ferrous metals, precious metals, metal products and chemical products (excluding hazardous chemicals), import and export of proprietary and agency goods and technologies and related technical consulting services, copper processing technology consulting and technical services, smelting technology consulting and technical services	100	10,000
4	Valuestone Global Resources Fund I LP	External investment	84	687.58
5	Vesco Holdings Limited	Investment holding	57.59	10,882

*Note:* The abovementioned statistical caliber is based on the actual amount of capital contributed by the Group during the reporting period, which includes capital contributions to non-wholly owned subsidiaries, associate companies, joint ventures or newly incorporated companies (including contributions by equity, debt etc.), excluding the capital increase by the Company to wholly-owned subsidiaries established in previous years.

## Report of the Board

**(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	Changes during the period	Impact on profit of the current period
Held-for-trading financial assets	10,662,189,403	<b>22,009,016,694</b>	11,346,827,291	283,341,627
Receivables financing	2,593,968,796	<b>2,825,892,317</b>	231,923,521	
Other debt investments				
Other non-current financial assets	1,872,173,634	<b>1,739,072,249</b>	-133,101,385	-117,448,199
Other equity instrument investments	8,774,154,936	<b>7,218,853,022</b>	-1,555,301,914	2,527,796
Held-for-trading financial liabilities	-588,278,540	<b>-279,400,320</b>	308,878,220	3,534,691
Derivative financial instruments (liability expressed in "-", and assets expressed in "+")	-72,461,889	<b>-1,085,764,492</b>	-1,013,302,603	-202,261,623
Fair value change of hedged items	3,078,699,095	<b>4,274,012,802</b>	1,195,313,707	491,752,137
<b>Total</b>	<b>26,320,445,435</b>	<b>36,701,682,272</b>	<b>10,381,236,837</b>	<b>461,446,429</b>

**(VI) Material disposal of assets and equity interests**

Not applicable

# Report of the Board

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

### (1) Production and operation of our principal controlled subsidiaries as of 30 June 2020

Unit: '000 Currency: RMB

Company name	Business nature	Registered capital	Shareholding percentage (%)	Total assets	Net assets	Operating revenue	Net profit
Humon Smelting (山東恒邦冶煉股份有限公司)	Exploration, mining, selection and smelting of gold and chemical production	910,400	29.99	18,542,790	5,847,419	16,445,824	72,767
Finance Company (江西銅業集團財務有限公司)	Provision of guarantee and deposits taking from and loans to member units	2,600,000	100	18,687,397	3,502,837	220,522	123,244
Jiangxi Copper Products Company Limited (江西銅業銅材有限公司)	Sale of processed copper materials	424,500	100	1,229,023	1,063,390	143,049	74,069
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	800,056	372,359	728,485	2,846
JCC Guixi Recycling Resources 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	100	20,277	10,264	32,253	106
Shenzhen Jiangxi Copper Marketing Company Limited (深圳江銅營銷有限公司)	Sale of copper products	2,260,000	100	914,452	-209,231	3,668	157,888
Jiangxi Copper Shanghai Trading Company Limited (上海江銅營銷有限公司)	Sale of copper products	750,000	100	2,674,879	-2,757,016	2,124,123	10,255
Jiangxi Copper Beijing Trading Company Limited (北京江銅營銷有限公司)	Sale of copper products	261,000	100	280,777	-407,536		-6,482
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 and precious metals and non-metals	230,000	100	2,946,988	1,210,249	388,805	11,082
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	1,253,600	98.15	1,379,638	1,308,524	497,544	50,643
Jiangxi Copper Longchang Precise Copper 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	1,449,394	563,314	997,291	-38,689
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, enameled wires and provision of aftersales repair and consulting services	USD16,800	70	766,704	116,915	410,836	-1,623

# Report of the Board

Unit: '000 Currency: RMB

Company name	Business nature	Registered capital	Shareholding percentage (%)	Total assets	Net assets	Operating revenue	Net profit
Thermonamic Electronics (Jiangxi) Company Limited (江西納米克熱電子股份有限公司)	Development and production of thermo-electronic semiconductors and appliances and provision of related services	70,000	95	77,950	71,952	10,408	1,108
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	35,081	100	160,185	73,914	143,209	2,367
JCC (Guixi) New Metallurgical and Chemical Technologies 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	69,132	56,345	15,319	2,511
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	215,437	157,333	87,742	264
JCC (Dexing) Casting 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	273,689	160,344	160,651	3,944
JCC (Dexing) Construction Company Limited (江西銅業集團(德興)建設有限公司)	Development and sale of building materials for various projects including mine projects	50,000	100	222,765	131,905	145,665	4,336
JCC Geology Exploration Company Limited (江西銅業集團地勘工程有限公司)	Geological investigation and survey and construction; engineering surveying	15,000	100	109,684	48,821	27,330	485
Jiangxi Jiangtong-Wengfu Chemical Engineering Company Limited (江西省江銅-慶福化工有限責任公司)	Sulphuric acid and its by-products	181,500	70	201,293	188,922	41,918	-8,643
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	20,296	100	83,100	31,601	51,045	-8
JCC (Ruichang) Casting Company Limited (江西銅業集團(瑞昌)鑄造有限公司)	Production and sale of cast iron grinding ball, machinery processing and manufacture and sale of wear resistant materials and products	2,602	100	12,971	5,355	17,122	171
JCC (Yanshan) Mineral Processing 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	34,335	29,415	10,555	692
Jiangxi Copper Construction Supervision Consulting Company Limited (江西銅業建設監理諮詢有限公司)	Construction	3,000	100	14,388	11,820	7,441	356

# Report of the Board

Unit: '000 Currency: RMB

Company name	Business nature	Registered capital	Shareholding percentage (%)	Total assets	Net assets	Operating revenue	Net profit
Jiangxi Copper (Guangzhou) Copper Production Company Limited (廣州江銅銅材有限公司)	Production of copper rods and wires and related products	800,000	100	12,971,925	907,506	12,185,174	-35,351
Jiangxi Copper International Trade Company Limited (江銅國際貿易有限公司)	Trading of metal products	1,016,091	59.05	9,490,992	986,933	35,123,117	106,403
Shanghai Jiangtong Investment Holdings Ltd. (上海江銅投資控股有限公司)	Construction	272,542	100	258,240	230,185	5,678	-1,654
Jiangxi Copper Dexing Chemical Company Limited (江西銅業(德興)化工有限公司)	Sulphuric acid and related by-products	375,821.50	100	466,312	438,770	75,518	-1,411
Jiangxi Copper (Yugan) Casting Company Limited (江西銅業集團(余干)鑄造有限公司)	Production and sale of cast iron grinding ball, machinery processing and manufacture and sale of wear-resistant materials and products	28,000	100	58,920	54,747	22,068	1,858
Jiangxi Copper (Qingyuan) Company Limited (江西銅業(清遠)有限公司)	Manufacturing, processing and sale of anode sheets of copper cathode and non-ferrous metals	890,000	100	8,671,743	713,180	2,938,309	42,296
Jiangxi Copper Hong Kong Company Limited (江西銅業香港有限公司)	Import-export business trade and settlement, offshore investment and financing, and cross-border RMB settlement	USD140,000	100	10,888,740	1,257,567	8,925,317	13,043
Jiangxi Copper Recycling Resources Company Limited (江西銅業再生資源有限公司)	Scrap of base metals and its products	250,000	100	305,003	231,015	342,225	-3,172
Jiangxi Copper International (Istanbul) Mining Investment Co., Ltd. (江銅國際(伊斯坦布爾)礦業投資股份有限公司)	Import and export trading of copper products	USD71,256	100	156,258	149,483		-27,293
Jiangxi Copper Technical Institution Co., Ltd. (江西銅業技術研究院有限公司)	Technology research and development etc.	45,000	100	47,931	45,012	9,708	-709
Jiangxi Copper North China (Tianjin) Copper Co., Ltd (江銅華北(天津)銅業有限公司)	Production of copper rods / wires and its related products	640,204	51	1,469,009	692,671	4,516,489	-20,339
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	7,825,912	2,015,456	7,771,887	159,989
Jiangxi Copper (Hong Kong) Investment Company Limited (江西銅業(香港)投資有限公司)	Project investment, fund investment, investment management, investment advisory and economic information advisory	USD1,040,412	100	12,369,454	7,378,122		13,580

# Report of the Board

Unit: '000 Currency: RMB

Company name	Business nature	Registered capital	Shareholding percentage (%)	Total assets	Net assets	Operating revenue	Net profit
Jiangxi Copper Xinrui Technology Co., Ltd. (江西銅業鑫瑞科技有限公司)	R&D, production and sale of semi-conductor materials and applied products, rare metals and their compounds, and copper-based alloys	70,000	100	57,664	57,208	89	1,591
JCC Guoxing (Yantai) Copper Company Limited (江銅國興(煙台)銅業有限公司)	Production of copper sulfate, electrolytic copper and non-ferrous metals	500,000	65	486,698	485,552		
JCC Hongyuan Copper Co., Ltd. (江銅宏源銅業有限公司)	Production and sale of electrolytic copper	250,000	43	237,419	236,765		-1,068
JCC (Shenzhen) International Investment Holdings Limited (江西銅業(深圳)國際投資控股有限公司)	Sale of copper cathodes, anode plates, and non-ferrous metals	1,662,000	100	8,675,393	1,569,720	33,112,257	20,208
Jiangxi Copper (Yingtian) Trade Company Limited (江西銅業(鷹潭)貿易有限公司)	Sale of non-ferrous metals, rare and precious metals, metal products and chemical products (excluding hazardous chemical)	100,000	100	100,227	100,098	96,823	-98
JCC Dongtong Mining Company Limited (江西銅業集團東銅礦業有限責任公司)	Manufacturing and sale of non-ferrous metal, rare and precious metals and non-metals	46,209	100	144,503	-510,611	64,906	-242,718

# Report of the Board

## (2) Production and operation of our associates and joint ventures as of 30 June 2020

Unit: '000 Currency: RMB

Name of investee	Business nature	Registered capital		Our shareholding (%)	Total assets at the end of the year ('000)	Total liabilities at the end of the year ('000)	Net assets in aggregate at the end of the year ('000)	Total operating income for the year ('000)	Net profits for the year ('000)
		Currency	'000						
I. Joint Venture									
Jiangxi JCC-BIOTEQ Environmental Technologies Company Limited (江銅百泰環保科技有限公司)	Industrial waste water recycling and product sales	RMB	28,200	50	61,186	8,816	52,370	14,934	2,542
Nesko Metal Sanayive Ticaret Anonim Şirketi	Exploration and sale of copper products	TRY	70,441	48	165,897	14,427	151,470	839	-96
Valuestone GP Ltd. (嘉石普通合夥有限公司)	Investment company	USD	1,950	51	14,278	102	14,176	-	-3,215
Jiaxin International Resources Investment Co., Ltd. (佳鑫國際資源投資有限公司)	Exploration and sale of tungsten ore and tungsten processing	HKD	10	49	1,380,413	150,184	1,230,229	1,724	-11,863
II. Associates									
Minmetals Jiangxi Copper Mining Investment Company Limited (五礦江銅礦業投資有限公司)	Investment company	RMB	5,363,000	40	4,909,060	851,093	4,057,967		-31,346
MCC-JCL Aynak Minerals Company Limited (中冶江銅艾娜克礦業有限公司)	Exploration and sale of copper products	USD	2,800	25	2,850,162	18,371	2,831,791		
BOCI Securities Co., Ltd. (中銀國際證券有限公司)	Securities brokerage and investment advisory	RMB	2,778,000	5.68	56,787,758	42,013,694	14,774,064	1,655,782	597,390
Jiangxi Tongrui Project Management Co., Ltd. (江西銅瑞項目管理有限公司)	Construction project	RMB	10,000	49	10,445	2,287	8,158	269	-710
Valuestone Global Resources Fund I LP	Fund company	USD	81,542	84	412,716	536	412,180		-41,702
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	5,255	1,395	3,860	15,071	300
Jiangxi JCC Petrochemical Co., Ltd. (江西江銅石化有限公司)	Sale of petroleum and petrochemical products	RMB	19,000	49	23,963	789	23,173	167,917	1,536
Ningbo Saimo Technology Co., Ltd. (寧波賽墨科技有限公司)	R&D of technology	RMB	11,580	38	17,264	7,080	10,184	4	-717
Jiangxi Wantong Environmental Protection Materials Co. Ltd. (江西萬銅環保材料有限公司)	Environmental protection building materials, comprehensive development and utilization of tailings resources	RMB	100,000	40	132,891	35,076	97,814	3,146	-402
Jiangxi Dongchen Machinery Manufacturing Co., Ltd. (江西東辰機械製造有限公司)	Manufacturing of precision metal products and electromechanical products	RMB	30,000	21	48,542	25,941	22,601	17,532	-1,380



# Report of the Board

## (VIII) Structured entities under control of the Company

Not Applicable

## III. EMPLOYEE INFORMATION OF THE COMPANY AND ITS MAJOR SUBSIDIARIES

### (I) Employee Information as of 30 June 2020

Number of in-service employees in the Company	24,247
Number of in-service employees in major subsidiaries	11,185

#### Specialty composition

Category	Headcount	Percentage
Production	17,259	71.18%
Sales	350	1.44%
Technician	3,212	13.25%
Finance	420	1.73%
Administration	3,006	12.40%
Total	24,247	

#### Education level

Category	Headcount	Percentage
Post-secondary and above	8,975	37.01%
Technical secondary and senior secondary	8,700	35.88%
Junior secondary and below	6,572	27.10%
Total	24,247	

## Report of the Board

### Age

Age	Headcount	Percentage
35 and below	6,141	25.33%
36 to 45	5,039	20.78%
46 to 55	9,605	39.61%
56 and above	3,462	14.28%
Total	24,247	

### (II) Remuneration Policy

During the reporting period, the total remuneration of employees of the Group amounted to RMB961,241,344.78. The Group continued to adopt a position-performance payroll mechanism and based on the principle of division of labour, made remuneration distribution according to value of position, work techniques and results. Staff remunerations, mainly including position salaries, performance salaries and other welfare, were released based on assessment with references to operating performance of the Group, management obligation, etc.

### (III) Training Plan

In 2020, the Group continued to follow a series of rules and regulations, such as the Employee Incentives on Self-improvement on Foreign Languages (Tentative), Proposal for Evaluation on the Effectiveness of Training Implementation (Tentative), and Proposal for Talent Self-nurturing and Evaluation Implementation. The Group set up a “one-on-one” connection service mechanism for leaders and senior-level talents of the Group, and took the lead in talent introduction and training mechanism. The Group encouraged self-development while recruiting talents from market, adhering to the concept “go with two-pronged approach to walk on two legs”. The Group accelerated the improvement of the system of talent selection, training and evaluation based on their quality, ability and performance. The Group continued to promote the construction of “three talent teams” and enhanced the ability to support talents for strategic development. As at 30 June 2020, the Group has held 18 sessions of training classes and meetings of various types with 664 training person-times, including 12 sessions of management training classes and meetings with over 433 training person-times, 3 sessions of skills training classes with 162 training person-times, and 3 sessions of seminars with 69 training person-times.

## IV. OTHER DISCLOSURE

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

Not applicable

**(II) Potential Risks**

**1. Production safety risks**

During mining and dressing of ore and copper smelting, potential safety hazards may occur due to natural or human factors. Failure to detect and eliminate such factors in time will lead to major accidents, causing major property losses and environmental impact.

In response to the risk of production safety, the Group will, as always, formulate and strictly implement a series of preventive measures suitable for the actual situation of the Company in accordance with national laws and regulations on production safety, strengthen production operation procedures and accident emergency rescue plans to avoid or eliminate losses caused to the Company by natural or human factors. At the same time, the main properties of the Company have been insured to reduce related risks and losses.

**2. Exchange rate fluctuation risks**

Imported copper raw materials purchased from international mining companies or sizable trading companies by the Group and overseas investments are generally settled in US dollars. With expansion of overseas business of the Group, the income and expenses of foreign currencies would be even more intense. Therefore, in case of more fluctuations in exchange rate or failure to effectively control the exchange rate fluctuation risks by the Group, it may result in exchange rate losses by the Group, which in turn bring certain negative impact on the profitability of the Group.

In response to the exchange rate fluctuation risks, the Company will closely monitor the changes in national foreign exchange policies and exchange rate information, enhance its ability to determine changes and trends of the international exchange rate market to make prudent decisions, flexible responses, and scientific grasp on the timing of raw material imports, the choice of the country or region where the products are exported, and the exchange rate hedging, so as to avoid the above-mentioned risks arising from exchange rate fluctuations.

# Report of the Board

### 3. Risk from product price fluctuations

The Group is the largest copper cathode producer in the PRC and one of the largest gold and silver producers in the PRC. The Group's product prices are mainly determined with reference to the prices of related products listed on the LME and the Shanghai Metal Exchange. Copper, gold and silver are important trading varieties in the international non-ferrous metal market and have their own pricing mechanisms in international market. Due to the scarcity of resources of copper, gold and silver metals, the prices of copper, gold and silver metals are highly volatile, as they are affected by various factors, including the global economy, the relationship between supply and demand, market expectations and speculations. Price fluctuations will affect the revenue and operating stability of the Company.

In order to minimize the impact of product price fluctuations on productions and operations, the Group intends to take the following measures to protect against risk from product price fluctuations: (1) closely monitor the trend of copper and gold prices in the international market, strengthen the analysis and research of various factors affecting the price trend of products, and take timely measures such as hedging to avoid risk from product price fluctuations; (2) the Group will take the world's leading copper mines and smelting companies as benchmark, actively adopt new processes and technologies while improving management and operation efficiency, further reducing costs and expenses to resist the risk from product price fluctuations; (3) strengthen financial management level, enhance fund management, and reasonably arrange the procurement of raw materials and product sales of the Company to reduce the risk of significant tie-up of working capital of the Company due to rising product prices; (4) strengthen the management of inventories and work-in-progress products, reduce inventories to the greatest extent to keep inventories at a reasonable level and reduce capital occupation.

# Report of the Board

## 4. Risk from changes in market environment

The risks to the Company from changes in the market environment come from three aspects: (1) the development and operation of the macro economy directly affects total consumer demand, and the demand for the products of the Company will also alter according to the changes in the macro economic cycle; (2) the demand from downstream market for products may change. For example, the market demand for copper products mainly comes from consumption in the power, electrical, light industry, electronics, machinery manufacturing, transportation and construction industries. The development level and growth rate during different periods are imbalanced, and the demand for copper is also different, which will have a cyclical impact on the future business development of the Company; (3) with the continuous improvement of research and production technology, the types and performance of relevant substitutes in the product application industry of the Company will continue to improve, which will have a direct impact on the product demand of the Company.

In response to the risk from changes in the market environment, the Company will closely grasp the trend of the macro economy, pay attention to changes in related downstream industries, and strengthen industry research in order to further improve product quality and reduce production costs following changes in the market environment and actively develop new products that are more tailored to market needs, and minimize as much as possible the adverse impact of changes in the market environment on the operations of the Company.

# Report of the Board

## 5. Environmental protection risk

The Group is mainly engaged in mining, smelting and processing of non-ferrous metals and rare metals. In compliance with a number of environmental protection laws and regulations concerning air, water quality, waste disposal, public health and safety, the Group shall obtain relevant environmental protection permits for its production and operation, and accept inspections by relevant national environmental protection departments. In recent years, the Group has invested a large amount of funding and technological efforts in the transformation of environmental protection equipment and production techniques, and worked on the treatment and discharge of pollutants in accordance with national environmental protection requirements. However, if the environmental protection department continues to raise the environmental protection standard in the future, adopt more extensive and strict pollution control measures, the Group's production and operation may be affected, leading to an increase in operating costs such as environmental protection expenses.

## 6. Risk from uncertainties

In 2020, the pandemic triggered by the novel coronavirus has spread globally. At present, the prevention and control of the domestic pandemic has entered into a normalization stage, while the overseas pandemic continues to spread. Mining in major copper-producing countries such as Chile and Peru has been affected by the pandemic to varying degrees, and there is uncertainty as to the stable supply of imported copper smelting raw materials domestically.

The Group will continue to pay close attention to the development of the pandemic, further improve the responsive measures, strengthen tracking forecast for the price of commodities and metals, ensure the stable development of production and operation, and minimise as much as possible the adverse impact caused by the pandemic on production and operation.

## (III) Other Disclosure

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

Since the publication of the 2019 annual report, there have been no material changes in the likely future business development of the Group, including the prospects of the Company for the current accounting year.

# Significant Events

## I. GENERAL MEETING OVERVIEW

Session of the meeting	Date of convening	Reference of the website specified for resolutions publication	Publication date of resolutions
2019 Annual General Meeting, 2020 First A Shares Class Meeting and 2020 First H Shares Class Meeting	10 June 2020	www.sse.com.cn	11 June 2020

### Explanation on general meeting

For details of the general meeting, please refer to the information set out in the relevant announcements disclosed by the Company.

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

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

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

# Significant Events

## III. PERFORMANCE OF UNDERTAKINGS

### (I) Undertakings given by parties including de facto controller of the Company, shareholders, connected parties, purchasers and parties related to the undertakings of the Company during or subsisting through 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	If not performing the undertaking timely, explain the reasons for not performing the undertakings	Specify the plan for next step if not performing the undertakings timely
Undertakings related to share restructuring								
Undertaking made in the takeover report or equity change report								
Undertakings related to material asset restructuring								
Undertakings 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
Undertakings 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
Undertakings in relation to share incentive								
Other undertakings made to the minority shareholders of the Company								
Other undertakings								



## Significant Events

### *Note 1:*

1. Under the Company Law of the PRC, the Company has full independent control over its production and operations. JCC has undertaken not to interfere with the daily operations and decisions of the Company, unless such actions are performed through the Board.
2. (I) During the period when JCC holds 30% or more voting rights in the share capital of the Company, JCC shall make 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 in accordance with the requirements of the London Stock Exchange.  
  
(II) During the period when JCC holds 30% or more voting rights in 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 when JCC holds 30% or more voting rights in 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 actions such as transfers and disposals of the land use rights of Dexing Copper Mine, Yongping Copper Mine and Guixi Smelter, the Company shall have the pre-emptive right.
6. JCC gives an option to the Company that the Company can purchase from JCC any mines, smelters or refineries that are or will be owned and/or operated or any rights of mining or exploration that are or will be held by JCC.

### *Note 2: Commitments to distribute dividends*

1. The Company can distribute dividend by way of cash, shares or the combination of cash and shares; 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 of Jiangxi Copper Company Limited, conditional upon the cumulative distributable profits being positive after making up of the losses, deduction of the statutory and optional 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 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 share dividend distribution. The proposal for share dividend distribution should be proposed by the Board and put forward to the general meeting for consideration.

## Significant Events

*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, the Company and its controlled 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 in 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 such interest into the Company within three years after Copper Strip Company fulfils the conditions for being injected into the Company.
3. JCC shall continue to fulfil the various obligations under the Option-to-Purchase Agreement and Undertaking given by Jiangxi Copper Corporation to Jiangxi Copper Company Limited.

### IV. APPOINTMENT AND REMOVAL OF ACCOUNTING FIRMS

#### 1. Explanation on appointment and removal of accounting firms

On 10 June 2020, the Company held an annual general meeting for the year 2019 and passed the “Resolution regarding the appointment of Ernst & Young Hua Ming LLP and Ernst & Young respectively as the Company’s 2020 domestic (including internal control audit) and overseas auditors.”

#### 2. Explanation on change of accounting firms during the audit period

Not applicable

#### 3. The Company’s explanation for “Non-standard Audit Report” given by accounting firms

Not applicable

#### 4. Explanation of the Company on the issuance of a “Non-Standard Audit Report” by the registered accountant in the financial statements of last year’s annual report by the Company

Not applicable

## Significant Events

### V. MATTERS RELATING TO BANKRUPTCY AND RESTRUCTURING

Not applicable

### VI. MATERIAL LITIGATION AND ARBITRATION

There was no major litigation or arbitration of the Company during the reporting period.

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

Not applicable

### VIII. EXPLANATION ON THE CREDIT CONDITIONS OF THE COMPANY, ITS CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER DURING THE REPORTING PERIOD

Not applicable

### IX. SHARE OPTION SCHEME, EMPLOYEE SHAREHOLDING PLAN OR OTHER EMPLOYEE INCENTIVES AND THEIR EFFECTS

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

Not applicable

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

##### Equity incentive

Not applicable

##### Others

Not applicable

##### Employee shareholding plan

Not applicable

##### Other employee incentives

Not applicable

# Significant Events

## X. MATERIAL CONNECTED TRANSACTIONS

### (I) Connected transactions in relation to daily operations

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

Not applicable

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

Not applicable

#### 3. Continuing connected transaction

Unit: Yuan Currency: RMB

Connected party	Relationships of connection	Category of connected transaction	Details of connected transaction	Pricing policy of connected transaction	Price of connected transaction	Amount of connected transaction	Percentage of the amount of the same category of transactions involved in (%)	Settlement method of connected transaction
JCC	Controlling shareholder	Sale of goods	Copper rods and wires	Market price	41,043	206,190,221	0.81	Payment upon acceptance
JCC	Controlling shareholder	Sale of goods	Copper cathodes	Market price	39,787	232,328,032	0.29	Payment upon acceptance
JCC	Controlling shareholder	Sale of goods	Ancillary industrial products	Market price		46,938,668	3.37	Payment upon acceptance
JCC	Controlling shareholder	Sale of goods	Lead materials	Market price		31,489,052	100	Payment upon acceptance
JCC	Controlling shareholder	Sale of goods	Ancillary industrial products	Market price		178,804	0.01	Payment upon acceptance
JCC	Controlling shareholder	Sale of goods	Sulfuric acid and steel balls	Market price		3,739,928	100	Payment upon acceptance
JCC	Controlling shareholder	Sale of goods	Zinc concentrate	Market price		23,187,501	100	Payment upon acceptance
JCC	Controlling shareholder	Purchase of goods	Ancillary industrial products	Market price		222,467,813	15.39	Payment upon acceptance
JCC	Controlling shareholder	Purchase of goods	Copper concentrates	Market price		4,193,686	0.03	Payment upon acceptance
JCC	Controlling shareholder	Purchase of goods	Sulfuric acid and steel balls	Market price		694,246	0.13	Payment upon acceptance
JCC	Controlling shareholder	Acceptance of services	Procurement of spare parts and processing parts	Market price		32,641,634	9.85	Payment upon acceptance

# Significant Events

Connected party	Relationships of connection	Category of connected transaction	Details of connected transaction	Pricing policy of connected transaction	Price of connected transaction	Amount of connected transaction	Percentage of the amount involved in transactions of the same category (%)	Settlement method of connected transaction
JCC	Controlling shareholder	Provision of Services	Construction services	Industry standards		68,923,079	45.23	Settlement by progress of works
JCC	Controlling shareholder	Provision of Services	Logistics services	Cargo price standard of Jiangxi Province		5,656,312	4.99	Monthly payment
JCC	Controlling shareholder	Provision of Services	Repair and maintenance services	Industry standards		444,105	0.3	Monthly payment
JCC	Controlling shareholder	Expenses (sale) of other utilities including water, electricity and gas	Electricity services	Costs plus tax		17,401,073	100	Monthly payment
JCC	Controlling shareholder	Rent and lease	Rental from public utilities	Apportioned in accordance with the proportion of costs and staff		4,255,336	37	Monthly payment
JCC	Controlling shareholder	Expenses (sale) of other utilities including water, electricity and gas	Water service	Costs plus tax		118,755	100	Monthly payment
JCC	Controlling shareholder	Borrowings	Cumulative provision of loans	Based on the benchmark interest rate promulgated by the People's Bank of China or not lower than the similar credit terms offered to JCC by other domestic financial institutions or credit cooperatives		911,650,000	100	Payment according to loan agreement
JCC	Controlling shareholder	Borrowings	Interest income from provision of loans	Based on the benchmark interest rate promulgated by the People's Bank of China or not lower than the similar credit terms offered to JCC by other domestic financial institutions or credit cooperatives		25,617,579	100	Monthly or quarterly payment
JCC	Controlling shareholder	Loans	Interest expenses from accepting deposits	Based on the benchmark interest rate promulgated by the People's Bank of China or not lower than the similar credit terms offered to JCC by other domestic financial institutions or credit cooperatives		6,109,462	100	Monthly or quarterly payment

## Significant Events

Connected party	Relationships of connection	Category of connected transaction	Details of connected transaction	Pricing policy of connected transaction	Price of connected transaction	Amount of connected transaction	Percentage of the amount involved in transactions of the same category (%)	Settlement method of connected transaction
JCC	Controlling shareholder	Fund borrowings	Acceptance of short-term borrowings	Based on the benchmark interest rate promulgated by the People's Bank of China or not lower than the similar credit terms offered to JCC by other domestic financial institutions or credit cooperatives		7,900,000,000	18.76	Monthly or quarterly payment
JCC	Controlling shareholder	Fund borrowings	Acceptance of loan interest expenses	Based on the benchmark interest rate promulgated by the People's Bank of China or not lower than the similar credit terms offered to JCC by other domestic financial institutions or credit cooperatives		63,067,222	100	Monthly or quarterly payment
JCC	Controlling shareholder	Rent and lease	Rentals for land use rights	Market price		-	100	Monthly payment
JCC	Controlling shareholder	Acceptance of services	Labour services	Market price		19,707,411	100	Monthly payment
JCC	Controlling shareholder	Acceptance of services	Rental from public utilities	Market price		5,169,492	100	Monthly payment
JCC	Controlling shareholder	Acceptance of services	Acceptance of environmental sanitation and greenery services	Market price		2,997,279	100	Monthly payment
JCC	Controlling shareholder	Acceptance of agency services	Brokerage agency services for commodity futures contracts	Market price		1,507,221	9.05	Payment upon completion of transaction
JCC	Controlling shareholder	Acceptance of services	Repair and maintenance services	Industry standards		18,790,780	12.56	Monthly payment
JCC	Controlling shareholder	Acceptance of services	Construction services	Industry standards		113,343	0.07	Settlement by progress of works
Total				/	/	9,855,835,691	/	

Details of substantial sales return

During the reporting period, the Company did not have substantial sales return

Explanation on connected transactions

During the reporting period, the main and frequent connected transactions between the Group and its connected parties amounted to RMB9,855 million, including purchase transactions of RMB308 million and selling transactions of RMB641 million. Inventory transactions and fund borrowings of Finance Company amounted to RMB943 million and RMB7,963 million, respectively.

## Significant Events

### (II) Connected transactions from asset acquisition or equity acquisition or sale

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

Not applicable

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

Not applicable

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

Not applicable

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

Not applicable

### (III) Material connected transactions of joint external investment

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

Not applicable

## Significant Events

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

Not applicable

### 3. Events not disclosed in extraordinary announcements

Unit: 0'000 Currency: RMB

Connected party	Relationships of connection	Funds provided to connected parties			Funds offered by connected parties to the Listed Company		
		Opening balance	Amount incurred	Closing balance	Opening balance	Amount incurred	Closing balance
JCC	Controlling shareholder	143,341	91,165	<b>143,101</b>	190,389	3,066,306	<b>546,877</b>
Total		143,341	91,165	<b>143,101</b>	190,389	3,066,306	<b>546,877</b>

Reasons for connected claim and debt On 31 December 2019, Finance Company, a wholly-owned subsidiary of the Company, and JCC, the largest shareholder of the Company, entered into the Financial Assistance Agreement, the period of which shall be from 1 January 2020 until 31 December 2022. According to the Financial Assistance Agreement, a proportion of deposits and loans of JCC which were deposited in financial institutions for the years of 2020, 2021 and 2022 would be transferred to Finance Company as deposits and loans in accordance with market principles, among which, the daily balance of the transferred loans (referring to comprehensive credit services provided to member companies of JCC Group, including the provision of loans, discounted bills, acceptance of commercial draft, provision of letters of guarantee, overdraft amount, account receivable factoring and finance lease) would not exceed RMB2 billion; and the daily balance of loans should not exceed the daily balance of transferred deposits in order to create "net deposit", and the transferred deposits shall serve as guarantee to the transferred loans.

Impacts of connected claim and debt on the operating results and financial position of the Company JCC transfers the net deposits, which forms actual financial assistance to Finance Company, supplements the available financial resources of Finance Company, enhances the profitability of Finance Company and hence enhances the profitability of the Company. Finance Company and the Company adopt adequate risk control measures to warrant that Finance Company and the Company would not record losses due to the connected transaction. The terms of the Financial Assistance Agreement are fair and reasonable, and in the interest of the Company and its shareholders as a whole.



## Significant Events

### (V) Other material connected transactions

Not applicable

### (VI) Others

Not applicable

## XI. MATERIAL CONTRACTS AND THEIR PERFORMANCE

### 1. Custody, contracts and leases

Not applicable

### 2. Guarantees

Unit: 0'000 Currency: RMB

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

Guarantor	Relationship between the guarantor and the Listed Company	Guaranteed party	Guarantee amount	Effective date of guarantee (date of agreement)	Commencement date of guarantee	Expiry date of guarantee	Guarantee type	Performance		Amount overdue	Availability of counter guarantee	Guarantee provided to connected party or not	Relationship of connection
								completed or not	Overdue or not				
Zhejiang Jiangong Fuye Hedong Copper Co., Ltd. (浙江銅富治和鼎銅業有限公司)	Controlled subsidiary	Zhejiang Fuye Group Co., Ltd. (浙江富冶集團有限公司)	132,210.89	30 December 2019	1 January 2020	31 December 2021	Joint and several liability guarantee	No	No	0	Yes	Yes	Participating Shareholders

Total amount of guarantees incurred during the reporting period (excluding those to subsidiaries) 132,210.89

Total balance of guarantee at the end of the reporting period (A) (excluding those to subsidiaries) 52,884.36

#### Guarantees provided by the Company to subsidiaries

Total amount of guarantees for subsidiaries incurred during the reporting period 4,165

Total balance of guarantee for subsidiaries at the end of the reporting period (B) 265

## Significant Events

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

Total amount of guarantees (A+B)	53,149.36
Total amount of guarantees over the net assets of the Company (%)	0.92
Including:	
Amount of guarantees provided to shareholders, de facto controllers and their related parties (C)	0
Amount of debt guarantees directly or indirectly provided to guaranteed parties with a debt to asset ratio exceeding 70% (D)	0
Amount of total guarantees exceeding 50% of net assets (E)	0
Total amount of the above three amount of guarantees (C+D+E)	0

Explanation on possible joint and several liability for liabilities settlement in case of undue guarantee

Explanation on guarantee

1. The above guarantees are all corporate credit guarantees, and do not involve mortgage guarantees, pledge guarantees, etc.
2. The total guarantee amount of the Company includes the balance of external guarantee of the Company and its subsidiaries at the end of the reporting period (excluding the guarantee to the subsidiaries) and the balance of the guarantee of the Company and its subsidiaries to subsidiaries, among which, the balance of guarantee of a subsidiary represents the total external guarantee of that subsidiary multiplied by the proportion of the Company's shareholding in that subsidiary.

## Significant Events

1. On 30 December 2019, the sixteenth meeting of the eighth session of the Board considered and approved the external guarantee of Heding Copper, a controlled subsidiary of the Company (40% shareholding). In order to satisfy the needs of the actual production and operation of Heding Copper and reduce the financing cost, Heding Copper and Zhejiang Fuye Group Co., Ltd. (“**Fuye Group**”) intended to further increase mutual financing support. With Heding Copper acting as Party A, Fuye Group acting as Party B, Jiangxi Jinhui Environmental Protection Technology Co., Ltd., Jiangxi Hefeng Environmental Protection Technology Co., Ltd. and Zhejiang Fuhe Real Estate Co., Ltd. acting as Party C, the parties entered into the Mutual Guarantee Agreement after negotiation, agreeing that during the period from 1 January 2020 to 31 December 2021, the accumulated balance of mutual guarantee (i.e., the daily balance limit) of Party A and Party B shall not exceed RMB1,600 million. For the avoidance of doubt, the guarantee balance of the guarantee contracts signed by both parties before 1 January 2020 but still valid during the above period are also included in the maximum limit for the year. The time limit for signing each bank loan contract is from 1 January 2020 to 31 December 2020, and the loan period for each loan business shall not exceed 12 months. Party C acted as the counter-guarantor of Fuye Group and undertook counter-guarantee with joint and several liabilities to Heding Copper with all of their own assets.
2. Within the scope of the Mutual Guarantee Agreement, Fuye Group provided credit guarantees of RMB1,600 million for Heding Copper, and an additional credit guarantee in the amount of RMB1,537.42 million. The total credit guarantee amount was RMB3,137.42 million.

### 3. Other material contracts

Not applicable

## XII. POVERTY ALLEVIATION OF THE COMPANY

Not applicable

## XIII. PARTICULARS OF CONVERTIBLE BOND OF THE COMPANY

Not applicable

# Significant Events

## XIV. PARTICULARS OF ENVIRONMENTAL INFORMATION

### (I) Statements on environmental protection of the Company and its major subsidiaries falling into the category of heavily polluting industries designated by national environmental authorities

#### 1. Information on discharge of pollutants

Names of the Companies	Names of major pollutants	Total		Emission concentration (mg/L) *	Pollutant emission standards implemented	Methods of emission	Number of outlets	Distribution of outlets
		emissions approved (t/a)	Total emissions (t/a)*					
Humon Smelting	SO <sub>2</sub>		42.04t	14.17mg/m <sup>3</sup>	*Emission Standard of Air Pollutants for Industrial Kiln and Furnace in Shandong Province" (DB/37 2375-2019); "Emission Standard for Odor Pollutants" (GB14554-1993) ; Integral Emission Standard for Regional Air Pollutants in Shandong Province" (DB/37 2376-2019)	Organized emissions after meeting standards	8	In the plant area
	NO <sub>x</sub>		66.90t	21.64mg/m <sup>3</sup>				
	Particulates		21.43t	6.78mg/m <sup>3</sup>				
	Arsenic		328.79kg	0.04mg/m <sup>3</sup>				
	Lead		296.38kg	0.035mg/m <sup>3</sup>				
	Cadmium		6.09kg	0.021mg/m <sup>3</sup>				
	Mercury		1.14kg	0.49 μg/m <sup>3</sup>				
Weihai Humon	SO <sub>2</sub>		1.92t	7mg/m <sup>3</sup>	*Emission Standard of Air Pollutants for Industrial Kiln and Furnace in Shandong Province" (DB/37 2375-2019); "Emission Standards for Odor Pollutants" (GB14554-1993); "Integral Emission Standard for Regional Air Pollutants in Shandong Province" (DB/37 2376-2019)	Organized emissions after meeting standards	4	In the plant area
	NO <sub>x</sub>		13.75t	45.82mg/m <sup>3</sup>				
	Particulates		1.43t	5.88mg/m <sup>3</sup>				
	Fluoride		0.17t	2.81mg/m <sup>3</sup>				
	Ammonia		46.11t	10.38kg/h				
	Lead		0.08kg	0.002mg/m <sup>3</sup>				
Qixia Gold Mine	Dust		93.32kg	8.8mg/m <sup>3</sup>	Standard in the table 2 of the "Comprehensive Emission Standards for Fixed Source Atmospheric Particulate Matters in Shandong Province" (DB 37/(1996-2011),		2	In the plant area
Chengmenshan Copper Mine	pH		/	7.69 (Dimensionless)	Standards in the table 2 of the "Emission Standard of Industrial Pollutants for Copper, Nickel, Cobalt" (GB25467-2010)	Organized emissions after meeting standards	1	Yong'an Levee of the Yangtze River
	COD	180	86.94	31.67				
	Ammonia nitrogen		3.19	1.16				
	Total copper	2.87	0.21	0.08				

# Significant Events

Names of the Companies	Names of major pollutants	Total emissions		Emission concentration (mg/L) *	Pollutant emission standards implemented	Methods of emission	Number of outlets	Distribution of outlets
		emissions approved (t/a)	Total emissions (t/a)*					
Dexing Copper Mine	pH		/	6.82 (Dimensionless)	Standards in the table 2 of the "Emission Standard of Industrial Pollutants for Copper, Nickel, Cobalt" (GB25467-2010)	Organized emissions after meeting standards	4	In the mining area
	COD	480	214.39	19.84				
	Ammonia nitrogen	108.11	41.81	3.87				
	Suspended matter		476.53	44.11				
	Total copper		0.035	0.0032				
	Total lead		0.055	0.005				
	Total zinc		0.135	0.0125				
	Total cadmium		0.018	0.0014				
Jiangxi Copper Dexing Chemical Company Limited	Sulfur dioxide	446.43	61.584	114.38mg/m <sup>3</sup>	Emission Standard of Pollutants for Sulfuric Acid Industry (GB26132-2010); B-level standards of the "Emission Standard of Air Pollutants for Industrial Kiln and Furnace" (GB9078-1996); "Integrated Wastewater Discharge Standard" (GB8978-1996)	Organized emissions after meeting standards	7	In the plant area
	Smoke dust	2.54	0.312	20.4mg/m <sup>3</sup>				
	COD	1.5	0.403	50.00				
Guixi Smelter	COD	600	67.13	22.36	"Emission Standard of Pollutants for Copper, Nickel, Cobalt Industry" (GB25467-2010)	Organized emissions after meeting standards	10	In the plant area
	Ammonia nitrogen	80	6.46	2.17				
	Arsenic	5	0.141	0.047				
	Lead	5	0.297	0.10				
	Cadmium	1	0.074	0.025				
	Mercury	0.5	0.0008	0.0003				
	Sulfur dioxide	6,600	505	81mg/m <sup>3</sup>				
	Smoke (powder) dust	880	81.4	13.1mg/m <sup>3</sup>				
Jiangxi Copper Yates Copper Foil Company Limited	pH		/	7.94 (Dimensionless)	Standards in the table 2 of the "Emission Standard of Waste Water of Electroplating" (GB21900-2008); "Integrated Emission Standard of Air Pollutants" (GB16297-1996); "Emission Standard of Air Pollutants for Boilers" (GB13271-2014)	Organized emissions after meeting standards	21	In the plant area
	COD		3.365	55				
	Ammonia nitrogen		0.236	3.86				
	Suspended matter		0.611	10				
	Total copper		0.01	0.162				
	Total zinc		0.012	0.199				
	Total chromium	0.094717	0.022	0.355				
	Hexavalent chromium		0.001	0.014				
	Sulfuric acid mist		7.4	7.05mg/m <sup>3</sup>				
	Chromic acid mist		0.034	0.019mg/m <sup>3</sup>				

## Significant Events

Names of the Companies	Names of major pollutants	Total		Emission concentration	Pollutant emission standards implemented	Methods of emission	Number of outlets	Distribution of outlets
		emissions approved	Total emissions					
		(t/a)	(t/a)*	(mg/L) *				
Jiangxi Copper Longchang Precise Pipe Company Limited	pH COD Ammonia nitrogen Suspended matter BOD <sub>5</sub> Animal and vegetable oil		/	6.47	Management standards of Qingshan Lake Sewage Treatment Plant (Nanchang city)	Organized emissions after meeting standards	1	In the plant area
Jiangtong – Wengfu Chemical Engineering Company Limited	Sulfur dioxide	752	59.2	99.08mg/m <sup>3</sup>	*Emission Standard of Pollutants for Sulfuric Acid Industry" (GB26132-2010)	Organized emissions after meeting standards	2	In the plant area
Wushan Copper Mine	pH COD Ammonia nitrogen Suspended matter Total copper Total zinc Total lead Total cadmium Total arsenic		/	7.26 (Dimensionless)	Standards in the table 2 of the "Emission Standard of Pollutants for Copper, Nickel, Cobalt Industry" (GB25467-2010)	Organized emissions after meeting standards	2	In the mining area
JCC Yinshan Mining Company Limited	pH COD Ammonia nitrogen Suspended matter Total copper Total lead Total zinc Total cadmium Total arsenic		/	7.008	Standards in the table 2 of the "Emission Standard of Pollutants for Copper, Nickel, Cobalt Industry" (GB25467-2010)	Organized emissions after meeting standards	1	In the mining area
Dongtong Mining	pH COD Suspended matter Total copper Total zinc		/	7.34 (Dimensionless)	Standards in the table 2 of the "Emission Standard of Pollutants for Copper, Nickel, Cobalt Industry" (GB25467-2010)	Organized emissions after meeting standards	1	In the mining area

## Significant Events

Names of the Companies	Names of major pollutants	Total		Emission concentration (mg/L) *	Pollutant emission standards implemented	Methods of emission	Number of outlets	Distribution of outlets
		emissions approved (t/a)	Total emissions (t/a)*					
Jiangxi Copper (Qingyuan) Company Limited	COD	0.528	0.22	9.4	*Emission Standard of Pollutants for Regenerated Copper, Aluminium, Lead and Zinc Industry" (GB31574-2015); "Emission Standard of Air Pollutants for Boilers" (GB13271-2014)	Organized emissions after meeting standards	5	In the mining area
	Ammonia nitrogen	0.132	0.035	1.5				
	Sulfur dioxide	65.283	5.122	54.72mg/m <sup>3</sup>				
	Smoke (powder) dust		1.338	14.3mg/m <sup>3</sup>				
	Nitrogen oxides		3.645	38.94mg/m <sup>3</sup>				
	Arsenic and its compounds	0.4	0.0072	0.0529mg/m <sup>3</sup>				
	Lead and its compounds	2	0.1052	0.773mg/m <sup>3</sup>				
	Cadmium and its compounds	0.05	0.0015	0.0112mg/m <sup>3</sup>				
	Sulfuric acid mist		0.014	0.33mg/m <sup>3</sup>				
Yongping Copper Mine	PH		/	7.14	Standards in the table 2 of the "Emission Standard of Pollutants for Copper, Nickel, Cobalt Industry" (GB25467-2010)	Organized emissions after meeting standards	3	In the mining area
	COD	396	183.52	18.41				
	Ammonia nitrogen	44	1.76	0.38				
	Total copper		0.21	0.04				
	Total lead		0.78	0.13				
	Total zinc		0.34	0.07				
	Total cadmium		0.13	0.03				
	Suspended matter		71.21	19.18				

*Explanation:* The pollutants with their corresponding approved emissions shown in the table are the targets specially controlled and managed by the state or local governments, while other unconfirmed pollutants are also subject to regulation by the state or local governments, and will be discharged by the company or its subsidiaries in an orderly manner after meeting standards.

\*: Unless otherwise stated.

## Significant Events

### 2. Construction and operation of pollution prevention facilities

The Company actively puts the concept of “Green Development, Environmental Priority” into practice, takes the initiative to adapt to the new situation and new requirements of safety and environmental protection work and solidly fulfills the responsibility of enterprise safety production. It has continuously increased its investment in environmental protection, carried out construction of pollution prevention and control capabilities, and implemented a number of ecological restoration and environmental governance projects.

During the reporting period, the Company continued to strengthen the operation and maintenance of environmental protection facilities and as a result, the environmental protection facilities operated well and no major pollution accidents occurred.

### 3. Environmental impact assessment and other environmental protection administrative licensing of construction projects

Key projects	Environmental impact assessment issued/acceptance status	Notes
Wushan Copper Mine Phase III extension project (Gan Huan Environmental Impact Assessment [2020] No. 38)	Approved	Department of Ecology and Environment of Jiangxi Province (Gan Huan Environmental Impact Assessment [2020] No. 38)/under construction
Sulphur reduction project of Chengmenshan Copper Mine tailings	Approved	Jiujiang Ecological Environment Bureau (Jiujiang Environmental Impact Assessment [2020] No. 48)/under construction
Dashan 220kV Substation Expansion Project of Dexing Copper Mine	Approved	Department of Ecology and Environment of Jiangxi Province (Gan Huan Radiation [2020] No. 37)/under construction



## Significant Events

### 4. Contingency plan for emergency environmental incidents

The Company and its subsidiaries have formulated the “Contingency Plan for Emergency Environmental Incidents” and submitted to environmental protection authorities for filing, in order to effectively prevent, control and eliminate the harm caused by emergency environmental pollution accidents, establish and improve the response mechanism for emergency environmental pollution accidents, improve the ability of the Company in responding to emergency environmental pollution accidents, prevent and minimize emergency environmental pollution accidents and their losses to the greatest extent, safeguard public safety, maintain social stability, and promote the comprehensive, coordinated and sustainable development of economy and society.

### 5. Self-monitoring environment programs

The Company and its subsidiaries conduct self-monitoring work and formulate self-monitoring programs in accordance with the regulations of the relevant authorities at all levels, and continuously improve the capacity of monitoring stations, update environmental monitoring equipment and improve the accuracy of monitoring. At the same time, the monitoring data and related information are released in a timely, complete, and accurate manner as required by regulatory authorities.

Each production unit of the Group has an environmental monitoring institution that regularly monitors the sources of pollution in accordance with national monitoring standards, such as daily monitoring of COD, ammonia nitrogen, heavy metal ions, exhaust gas sulfur dioxide, and smoke dust in wastewater. They have established a relatively complete environmental monitoring record, and various types of environmental monitoring data can be reflected back in time to guide production, so as to discover and handle problems in time to prevent the occurrence of pollution accidents.

In addition, the main production units of the Company have installed online monitoring devices at their outlets, and are connected to the government authorities. The daily average value of the online monitoring of state-controlled pollution sources of the Group is 100% in compliance with the standard.

## Significant Events

Compliance Statistics of Online Monitoring Data

Unit	Compliance of Online Monitoring(daily average)				
	Monitoring points	Monitoring days	Total number of monitoring	Total number of exceeding standard	Compliance rate %
Dexing Copper Mine	1	182	182	0	100%
Yongping Copper Mine	1	182	182	0	100%
Wushan Copper Mine	2	182	364	0	100%
Chengmenshan Copper Mine	1	182	182	0	100%
Yinshan Mining Company	1	182	182	0	100%
Dongxiang Copper Mine	1	182	182	0	100%
Guixi Smelter	6	182	1092	0	100%
Jiangxi Copper Yates Copper Foil Company Limited	1	182	182	0	100%
Humon Smelting	5	182	910	0	100%

# Significant Events

## 6. Other environmental information that should be disclosed

Environmental protection construction				
Environmental protection				
Company name	System establishment	Main measures	Environmental protection (including reclamation) investment (RMB'000)	Reuse rate of industrial water (%)
Guixi Smelter (貴溪冶煉廠)	"Wastewater Control Process of Guixi Smelter", "Waste Gas and Dust Control Process of Guixi Smelter", "Solid Waste Control Process of Guixi Smelter"	Reformation of a series of tail gas desulfurization, reformation of fluorine removal facility in sulfuric acid workshop, addition of electric demisting to the tail gas of second sulfuric acid series, etc.	2,159.9	98.58
Dexing Copper Mine (德興銅礦)	"Environmental Protection Management Measures of Dexing Copper Mine", "Administrative Measures for Dangerous Solid Waste in Dexing Copper Mine"	Three ecological restoration projects including newly-built acid water conditioning reservoir-Zhuja acid water conditioning reservoir, two-stage coal-fired boiler reconstruction project in metallurgy and chemical industry section of new technology plant, and 500 dump site of the west slope of Fujiauwu mining area	5,934	91.85
Wushan Copper Mine (武山銅礦)	"Environmental Protection Management System of Wushan Copper Mine", "Environmental Protection Facilities Management System of Wushan Copper Mine", "Environmental Protection Responsibility Target Assessment Method of Wushan Copper Mine"	Renovation of environmental protection facilities such as newly built tailings paste filling station, wastewater regulating pool, ecological restoration of waste rock site, etc.	234.27	95.81
Yongping Copper Mine (永平銅礦)	"Environmental Protection Administrative Measures of Yongping Copper Mine", "Environmental Protection Responsibility System of Yongping Copper Mine"	Upgrading of southern wastewater conveying system, environmental protection comprehensive treatment project, ecological reclamation of industrial sites such as dumping yards in west area, etc.	2,330.8	87.61

## Significant Events

Environmental protection construction				
Environmental protection				
Company name	System establishment	Main measures	Environmental protection (including reclamation) investment (RMB0'000)	Reuse rate of industrial water (%)
Chengmenshan Copper Mine (城門山銅礦)	"Environmental Monitoring Management System", "Environmental Protection Management System", "Environmental Factors Identification and Evaluation Management System"	Newly-built storage room for hazardous and waste materials, permanent ecological restoration of slope on the southeast side of the Nanbo dump site, ecological treatment of slope in northern lake area of the stope, etc.	87.0	93.24
Yinshan Mining (銀山礦業)	"Environmental Management System of JCC Yinshan Mining Company Limited", "Administrative Measures for the Operation of Environmental Protection Facilities of JCC Yinshan Mining Company Limited", "Environmental Monitoring Management System of JCC Yinshan Mining Company Limited"	The tailings storage closure project of Yinshan Mining Company, comprehensive wastewater treatment project of Yinshan Mining, new tailings reservoir, acidic water reservoir, reclamation of ore shaft, etc.	470.8	86.74
Humon Smelting (恆邦股份)	"Environmental Protection Management System Compilation" includes "Water Treatment and Discharge Management Measures", "Tailing and Solid Waste Control System", "Administrative Measures on Air Pollutant Discharge", "Hazardous Waste Management System", "Environmental Monitoring System" and "Environmental Protection Reward and Punishment System" etc.	Upgrading and renovation project of smelting ring gas collection and acid-making exhaust treatment facilities	12,792.88	98.25

## Significant Events

**(II) Explanation on the environmental protection of the companies other than key pollutant discharging units**

Not applicable

**(III) Explanation on the reasons for non-disclosure of environmental protection information by the companies other than the key pollutant discharging units**

Not applicable

**(IV) Explanation on the subsequent development or changes on the disclosure of environmental protection information during the reporting period**

Not applicable

### **XV. AUDIT COMMITTEE**

The Company has convened Audit Committee meeting at which the unaudited interim condensed consolidated financial statements and the interim results report for the six months ended 30 June 2020 were considered and approved.

### **XVI. CODE ON CORPORATE GOVERNANCE PRACTICES**

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

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

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

### **XVII. PURCHASE, DISPOSAL OR REPURCHASE OF THE COMPANY’S LISTED SECURITIES**

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

## Significant Events

### XVIII. MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

### XIX. CAPITAL STRUCTURE OF THE GROUP

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

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

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

### XX. PLEDGES ON GROUP ASSETS

As of 30 June 2020, assets of the Group amounting to the net book value of RMB4,025,641,000 were pledged for securing certain bank loans, including the pledged term deposits of RMB2,800,238,600 (31 December 2019: RMB2,231,057,000), held-for-trading financial assets of RMB241,332,800 (31 December 2019: nil), bank acceptance bills and letters of credit of RMB297,934,500 (31 December 2019: nil), pledged buildings of RMB207,539,600 (31 December 2019: RMB230,402,500), pledged machinery and equipment of RMB303,450,400 (31 December 2019: RMB333,376,300), pledged land use right of RMB139,282,000 (31 December 2019: RMB105,790,700) and pledged inventories of RMB35,863,100 (31 December 2019: RMB140,008,900). The Group had not pledged any Renminbi account receivables (31 December 2019: nil).

## Significant Events

### XXI. GEARING RATIO

The gearing ratio of the Company is 61.98%. Gearing ratio is calculated as the division of total liabilities by total equity attributable to owners of the Company in the condensed consolidated statement of financial position set out in this interim report.

### XXII. FOREIGN EXCHANGE RISK

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

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

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

### XXIII. CONTINGENT LIABILITIES

In 2019, Shenzhen Jiangxi Copper Marketing Company Limited ("**Shenzhen Marketing**"), a subsidiary of the Company, was a defendant in a lawsuit brought by Bangdi Auto Technology Company Limited ("**Bangdi Auto**") alleging that Shenzhen Marketing breached a sales contract to deliver certain goods to another party, Hengbaochang Company (Shanghai) Copper Co., Ltd. ("**Hengbaochang**") without receiving Bangdi Auto's delivery instructions during 2011 to 2015 (the "**Litigation**"). Compensation amounted to RMB1,081,872,419 was claimed by Bangdi Auto. As the actual controller of Hengbaochang was suspected of some economic crimes in the transactions involved and has been investigated by relevant judicial institutions, the Litigation have become extremely complicated. Moreover, the Litigation has not yet entered the trial stage at present. Therefore, based on the advice from the Company's PRC legal counsel, the management of the Company is of the view that it is not able to make a reliable estimate of the outcome of the Litigation as well as the possibility and amount of the loss or gain resulted from the Litigation.

# Significant Events

## XXIV. DESCRIPTION ON OTHER MATERIAL MATTERS

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

Not applicable

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

Not applicable

- (III) Others**

Not applicable



# Changes in Share Capital and Shareholders

## I. TABLE OF CHANGES IN SHARES

### (I) Table of changes in shares

#### 1. Table of changes in shares

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

#### 2. Explanation on changes in shares

Not Applicable

#### 3. Impact of changes in shares on earnings per share, net assets per share and other financial indicators, if any, subsequent to the reporting period and up to the date of disclosure of the interim report

Not applicable

#### 4. Other information to be disclosed as deemed necessary by the Company or as required by securities regulators

Not applicable

### (II) Changes in shares subject to lock-up

Not applicable

## II. THE NUMBER OF SHAREHOLDERS AND SHAREHOLDINGS

### (1) Total number of shareholders

Total number of ordinary shareholders at the end of the reporting period	129,546
Total number of preference shareholders with voting rights restored at the end of the reporting period	0

## Changes in Share Capital and Shareholders

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

#### Shareholdings of the top ten shareholders

Unit: Share

Name of shareholder (full name)	Increase/decrease during the reporting period	Number of shares held at the end of the reporting period	Percentage (%)	Number of shares held subject to lock-up	Situation of Share pledge or freeze status	Number	Nature of shareholder
JCC	44,302,000	1,495,141,110	43.18	0	Nil	0	State-owned legal person
HKSCC Nominees Limited ("HKSCC")	-44,211,620	1,092,861,822	31.56	0	Unknown	0	Unknown
China Securities Finance Corporation Limited	0	103,719,909	3.00	0	Nil	0	Unknown
Central Huijin Asset Management Limited	0	31,843,800	0.92	0	Nil	0	State-owned legal person
Hong Kong Securities Clearing Company Limited	-11,383,438	20,688,737	0.60	0	Nil	0	Unknown
Beijing Fengshan Investment Ltd.	0	6,784,000	0.20	0	Nil	0	Unknown
Wutongshu Investment Platform Co., Ltd.	0	5,993,953	0.17	0	Nil	0	Unknown
Chen Han (陳罕)	371,028	4,642,739	0.13	0	Nil	0	Unknown
Liu Ding (劉丁)	0	1,565,800	0.05	0	Nil	0	Unknown
National Social Security Fund 403	-5,076,605	3,124,001	0.09	0	Nil	0	Unknown

## Changes in Share Capital and Shareholders

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

Unit: Share

Name of shareholder	Number of tradable shares held not subject to lock-up	Class and number of shares	
		Class	Number
JCC	1,495,141,110	Ordinary shares denominated in RMB (A Shares)	1,205,479,110
		Overseas listed foreign shares (H Shares)	289,662,000
HKSCC	1,092,861,822	Overseas listed foreign shares (H Shares)	1,092,861,822
China Securities Finance Corporation Limited	103,719,909	Ordinary shares denominated in RMB (A Shares)	103,719,909
Central Huijin Asset Management Limited	31,843,800	Ordinary shares denominated in RMB (A Shares)	31,843,800
Hong Kong Securities Clearing Company Limited	20,688,737	Ordinary shares denominated in RMB (A Shares)	20,688,737
Beijing Fengshan Investment Ltd.	6,784,000	Ordinary shares denominated in RMB (A Shares)	6,784,000
Wutongshu Investment Platform Co., Ltd.	5,993,953	Ordinary shares denominated in RMB (A Shares)	5,993,953
Chen Han (陳罕)	4,642,739	Ordinary shares denominated in RMB (A Shares)	4,642,739
Liu Ding (劉丁)	1,565,800	Ordinary shares denominated in RMB (A Shares)	1,565,800
National Social Security Fund 403	3,124,001	Ordinary shares denominated in RMB (A Shares)	3,124,001
The explanation of the connected relationship or parties acting in concert among the aforesaid shareholders			
Preferred shareholders with restored voting rights and their shareholding		/	

#### Notes:

- HKSCC is a member of the Central Clearing and Settlement System, providing registration and custodial services for customers. HKSCC held a total of 1,092,861,822 H Shares of the Company in the capacity of nominee on behalf of a number of customers, representing approximately 31.56% of the issued share capital of the Company.
- The 289,662,000 H Shares held by JCC have been registered with HKSCC and were separately listed from the shares held by HKSCC when disclosed in the table above. Taking into account the H Shares held by JCC, HKSCC held 1,382,523,822 Shares as nominee, representing approximately 39.93% of the issued share capital of the Company.
- During the reporting period, JCC increased its holdings of 44,302,000 H Shares in the secondary market of Hong Kong, accounting for 1.28% of the total share capital of the Company. As at 30 June 2020, the shareholding ratio of JCC increased from 41.90% before the increase in shareholding to 43.18%.

## Changes in Share Capital and Shareholders

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

Not applicable

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

Not applicable

#### (4) Shareholders' interests and short positions

As at 30 June 2020, 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”) or otherwise notified to the company were as follows:

Name of shareholder	Class of shares	Capacity	Number of Shares <i>(Note 1)</i>	Approximate percentage of the total number of the relevant class of shares of the Company <i>(%)</i>	Approximate percentage of the issued share capital of the Company <i>(%)</i>
JCC	A Shares	Beneficial owner	1,205,479,110 (L)	58.09 (L)	34.81
JCC	H Shares	Beneficial owner	289,662,000 (L)	20.87 (L)	8.36
			<i>(Note 2)</i>		
BlackRock, Inc.	H Shares	Interests in a controlled corporation	71,526,303 (L)	5.16 (L)	2.06 (L)
			2,081,000 (S)	0.15 (S)	0.06 (S)
			<i>(Note 3)</i>		
Citigroup Inc.	H Shares	<i>(Note 4)</i>	84,176,119 (L)	6.06 (L)	2.43 (L)
			3,706,863 (S)	0.26 (S)	0.10 (S)
			69,503,360 (P)	5.00 (P)	2.00 (P)

## Changes in Share Capital and Shareholders

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

Note 2: The 289,662,000 H Shares held by JCC have been registered with HKSCC.

Note 3: According to the corporate substantial shareholder notice filed by BlackRock, Inc. on 18 June 2020, long position in 639,000 H Shares held through certain subsidiaries are cash settled unlisted derivatives.

Note 4: According to the corporate substantial shareholder notice filed by Citigroup Inc on 24 June 2020:

- (1) Its holdings of H Shares through certain subsidiaries were held under the following capacities:

Capacity	Number of H Shares
Persons having a security interest in shares	9,938,000 (L)
Interest of controlled corporation	4,734,759 (L)
	3,706,863 (S)
Approved lending agent	69,503,360 (L)

- (2) Its interests include long position in 2,685,600 H shares and short position in 2,471,200 H shares are physically settled unlisted derivatives; long position in 895,663 H shares and short position in 1,235,663 H shares are cash settled unlisted derivatives.

Save as disclosed above, as shown in the register required to be kept under Section 336 of SFO or otherwise as notified to the Company, the Company had not been notified of any interests or short positions in the shares and underlying shares of the Company as at 30 June 2020.

### (5) Changes in controlling shareholder and de facto controller

Not applicable

# Directors, Supervisors and Senior Management

## I. CHANGES IN SHAREHOLDING

### (I) Changes in shareholdings of existing and resigned Directors, Supervisors and senior management during the reporting period

Not applicable

### (II) Details of the equity incentives granted to Directors, Supervisors and senior management during the reporting period

Not applicable

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

Name	Position held	Change
Liu Fangyun	Executive Director	Elected
Dong Jiahui	Executive Director	Resigned
Hu Qingwen	Supervisor	Resigned
Liao Shengsen	Supervisor	Resigned
Wu Donghua	Supervisor	Elected
Guan Yongmin	Supervisor	Elected
Zhou Shaobing	Deputy General Manager	Resigned
Jiang Chunlin	Deputy General Manager	Resigned

# Directors, Supervisors and Senior Management

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## **Explanation on the changes in Directors, Supervisors and senior management of the Company**

Not applicable

### **III. SHAREHOLDING OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT**

As at 30 June 2020, none of the Directors, Supervisors or chief executive of the Company had any interests or short positions in any shares, underlying shares and debentures of the Company or any associated corporations as recorded in the register of the Company required to be kept under section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code set out in Appendix 10 to the Listing Rules.

### **IV. OTHER EXPLANATIONS**

Not applicable

# Corporate Bonds

## I. Basic Information of Corporate Bonds

Unit: Yuan Currency: RMB

Name of bonds	Abbreviation	Code	Issue date	Maturity date	Bonds balance	Interest rate (%)	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 current bonds for the period 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.	SSE

### Interest payment and repayment of corporate bonds

Not applicable

### 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 current bonds. The issuer will publish an announcement on whether to adjust the coupon rate of the current bonds and the adjustment rate on the 20th business day prior to the interest payment date of the third interest payment year of the current 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 by the issuer on whether to adjust the coupon rate of the current bond and the adjustment rate, investors are entitled to elect to register during the announced resale registration period for investors to resell all or part of the current bonds held by them at face value to the issuer. If bonds holders do not register, they will be deemed to continue to hold the current bonds and accept the aforementioned adjustment.



# Corporate Bonds

## II. Contact Person and Contact Information of Corporate Bonds Trustee Manager and Contact Information of Credit Rating Organization

Bonds trustee manager	Name	China International Capital Corporation Limited
	Office address	27th and 28th Floors, China World Tower 2, No. 1 Jianguomenwai Avenue, Beijing
	Contact persons	Shang Chen (尚晨), Rui Wendong (芮文東) and Lian Meng (廉盟)
	Telephone No.	010-65051166
Credit rating organization	Name	China Chengxin International Credit Rating Co., Ltd.
	Office address	14th Floor, Building C, Merchants International Financial Center, No. 156 Fuxingmen Outer Street, Xicheng District, Beijing

### Other explanation

Not applicable

## III. Utilization of Proceeds from Corporate Bonds

Not applicable

## IV. Rating of Corporate Bonds

On 7 May 2020, China Chengxin International Credit Rating Co., Ltd. (中誠信國際信用評級有限責任公司) issued the credit rating for “Public Issuance of 2017 Corporate Bonds (First Tranche) to Qualified Investors by Jiangxi Copper Company Limited”, pursuant to which, the credit rating of “17 JCC 01” remained at AAA, the corporate credit rating was AAA, and the forward-looking rating was stable. For details, please refer to the credit rating report, i.e. “Follow-up Credit Rating Report (2020) on Public Issuance of 2017 Corporate Bonds (First Tranche) to Qualified Investors by JCC”, published on the website of the SSE (www.sse.com.cn) on 8 May 2020.

## Corporate Bonds

### **V. Credit Enhancement Mechanism, Debt Repayment Scheme and Other Relevant Information of Corporate Bonds during the Reporting Period**

Not applicable

### **VI. Convening of Meetings of Bondholders**

Not applicable

### **VII. Performance of Corporate Bonds Trustee Manager**

During the subsistence of corporate bonds, the bond trustee manager has, in strict accordance with the requirements as stipulated in the Bond Trustee Management Agreement, continuously tracked the credit status, management and use of raised funds and repayment of principal and interests of corporate bonds, and has urged the Company to fulfil its obligations as agreed in the offering circular of corporate bonds, and has actively performed the duties and responsibilities as a bond trustee manager and protected the legitimate rights and interests of bond holders.

The trustee manager has disclosed the 'Annual Report on the Corporate Bond Trustee Management Affairs of Jiangxi Copper Company Limited (2019)' on 30 June 2020. Please visit the website of SSE ([www.sse.com.cn](http://www.sse.com.cn)) for the full text of the report.

## Corporate Bonds

### VIII. Accounting Data and Financial Indicators as at the End of the Reporting Period and the End of Last Year (or the Current Reporting Period and the Same Period of Last Year)

Unit: Yuan Currency: RMB

Major indicators	As at the end of the current reporting period	As at the end of last year	Increase/decrease from the end of last year (%)
Liquidity ratio	<b>1.23</b>	1.23	-
Quick ratio	<b>0.91</b>	0.84	8.33
Asset-liability ratio (%)	<b>61.98</b>	56.24	5.74
Loan repayment rate (%)	<b>100</b>	100	-

	As at the current reporting period (January to June)	As at the same period of last year	Increase/decrease from the same period of last year (%)
EBITDA interest coverage ratio	<b>3.39</b>	3.73	-9.12
Interest coverage (%)	<b>100</b>	100	-

### IX. Explanation on Indebtedness Falling Due

Not applicable

## Corporate Bonds

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### **X. Interest Payment of Other Bonds and Debt Financing Instruments of the Company**

Not applicable

### **XI. Banking Facilities during the Reporting Period**

During the reporting period, the Group had obtained banking facilities up to RMB147.925 billion, of which RMB63.423 billion had been utilized and the remaining RMB84.502 billion had not been utilized.

### **XII. Fulfillment of Stipulations or Commitment in the Company's Bond Prospectus during the Reporting Period**

Not applicable

### **XIII. Impact of Major Events on Operating Status and Solvency of the Company**

Not applicable

# Independent Review Report

**To the board of directors of Jiangxi Copper Company Limited**  
*(Incorporated in the People's Republic of China with limited liability)*

## Introduction

We have reviewed the interim financial information set out on pages 2 to 44, which comprises the condensed consolidated statement of financial position of Jiangxi Copper Company Limited (the "Company") and its subsidiaries (the "Group") as at 30 June 2020 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 Interim Financial Reporting ("IAS 34") issued by the International Accounting Standards Board (the "IASB"). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## Scope of Review

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

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with IAS 34.

**Ernst & Young**  
*Certified Public Accountants*

Hong Kong  
28 August 2020

# Interim Condensed Consolidated Statement of Profit or Loss

For the Six Months Ended 30 June 2020

	<i>Notes</i>	<b>2020 (Unaudited) RMB'000</b>	2019 (Unaudited) RMB'000
REVENUE	5	<b>146,625,045</b>	104,693,998
Cost of sales		<b>(143,433,199)</b>	(100,871,151)
Gross profit		<b>3,191,846</b>	3,822,847
Other income	5	<b>476,158</b>	650,778
Other gains and losses, net	6	<b>79,196</b>	151,308
Selling and distribution expenses		<b>(400,042)</b>	(299,530)
Administrative expenses		<b>(1,181,532)</b>	(952,843)
Reversal/(provision) of impairment losses on financial assets, net		<b>17,578</b>	(457,562)
Finance costs		<b>(1,014,135)</b>	(1,007,509)
Share of profits and losses of:			
Joint ventures		<b>(14,237)</b>	(15,377)
Associates		<b>54,028</b>	18,688
PROFIT BEFORE TAX	7	<b>1,208,860</b>	1,910,800
Income tax expense	8	<b>(403,002)</b>	(534,191)
PROFIT FOR THE PERIOD		<b>805,858</b>	1,376,609
Attributable to:			
Owners of the Company		<b>786,989</b>	1,412,177
Non-controlling interests		<b>18,869</b>	(35,568)
		<b>805,858</b>	1,376,609
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY:			
– Basic and diluted	10	<b>RMB0.23</b>	RMB0.41

# Interim Condensed Consolidated Statement of Comprehensive Income

For the Six Months Ended 30 June 2020

	2020 (Unaudited) RMB'000	2019 (Unaudited) RMB'000
<b>PROFIT FOR THE PERIOD</b>	<b>805,858</b>	1,376,609
<b>OTHER COMPREHENSIVE INCOME</b>		
Other comprehensive income to that will not be reclassified to profit or loss in subsequent periods:		
Equity investments at fair value through other comprehensive income:		
Changes in fair value	<b>(1,678,621)</b>	-
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods, net of tax	<b>(1,678,621)</b>	-
Other comprehensive income to that may be reclassified to profit or loss in subsequent periods:		
Cash flow hedges:		
Effective portion of changes in fair value of hedging instruments during the period	-	29,608
Reclassification adjustments for gains/(losses) included in the consolidated statement of profit or loss	<b>1,856</b>	(28,639)
Income tax effect	<b>(464)</b>	(220)
	<b>1,392</b>	749
Exchange differences on translation of foreign operations	<b>6,386</b>	6,770
Share of other comprehensive expenses of joint ventures	<b>(1,058)</b>	(495)
Share of other comprehensive income of associates	<b>32,428</b>	79,495
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods, net of tax	<b>39,148</b>	86,519
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>	<b>(1,639,473)</b>	86,519
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>	<b>(833,615)</b>	1,463,128
Attributable to:		
Owners of the Company	<b>(855,824)</b>	1,497,573
Non-controlling interests	<b>22,209</b>	(34,445)
	<b>(833,615)</b>	1,463,128

# Interim Condensed Consolidated Statement of Financial Position

30 June 2020

		<b>30 June 2020</b>	<b>December 2019</b>
	<i>Notes</i>	<b>(Unaudited)</b>	<b>(Audited)</b>
		<b>RMB'000</b>	<b>RMB'000</b>
<b>Non-current assets</b>			
Property, plant and equipment	11	<b>26,840,833</b>	26,867,591
Investment properties		<b>465,184</b>	473,569
Right-of-use assets		<b>2,318,765</b>	2,582,441
Goodwill		<b>1,266,036</b>	1,266,036
Other intangible assets		<b>3,303,497</b>	1,974,659
Exploration and evaluation assets		<b>764,316</b>	959,260
Investments in joint ventures		<b>677,924</b>	693,219
Investments in associates		<b>3,844,660</b>	3,799,882
Financial instruments other than derivatives	12	<b>8,957,925</b>	10,646,329
Deferred tax assets		<b>475,462</b>	490,116
Prepayments, other receivables and other assets		<b>665,586</b>	549,850
Deposits for prepaid lease payments		<b>584,792</b>	565,940
Restricted bank deposits	15	<b>1,205,405</b>	–
<b>Total non-current assets</b>		<b>51,370,385</b>	50,868,892
<b>Current assets</b>			
Inventories		<b>26,714,486</b>	26,923,307
Trade and bills receivables	14	<b>8,106,007</b>	7,538,866
Factoring receivables		<b>1,057,606</b>	1,130,056
Prepayments, other receivables and other assets		<b>7,801,078</b>	6,272,720
Loans to related parties	21	<b>1,924,541</b>	1,407,307
Derivative financial instruments	13	<b>415,956</b>	323,663
Financial instruments other than derivatives	12	<b>22,009,017</b>	10,662,189
Restricted bank deposits	15	<b>13,704,238</b>	11,020,052
Cash and cash equivalents	15	<b>19,104,566</b>	18,730,338
		<b>100,837,495</b>	84,008,498
Assets classified as held for sale		<b>36,525</b>	36,525
<b>Total current assets</b>		<b>100,874,020</b>	84,045,023



# Interim Condensed Consolidated Statement of Financial Position

30 June 2020

			<b>30 June 2020</b>	<b>31 December 2019</b>
		<i>Notes</i>	<b>(Unaudited)</b>	<b>(Audited)</b>
			<b>RMB'000</b>	<b>RMB'000</b>
<b>Current liabilities</b>				
Trade and bills payables		16	<b>13,561,956</b>	12,540,448
Financial instruments other than derivatives		12	<b>279,400</b>	588,279
Other payables and accruals			<b>5,873,396</b>	6,880,951
Deposits from holding company and fellow subsidiaries		21	<b>5,468,768</b>	1,903,889
Deferred revenue			<b>56,874</b>	59,463
Derivative financial instruments		13	<b>1,501,721</b>	396,125
Interest-bearing bank and other borrowings		17	<b>54,115,894</b>	45,133,623
Tax payable			<b>468,692</b>	606,637
Corporate bonds		18	<b>12,510</b>	108,272
Dividend payable			<b>346,273</b>	–
Lease liabilities			<b>86,383</b>	165,432
<b>Total current liabilities</b>			<b>81,771,867</b>	68,383,119
<b>Net current assets</b>			<b>19,102,153</b>	15,661,904
<b>Total assets less current liabilities</b>			<b>70,472,538</b>	66,530,796
<b>Non-current liabilities</b>				
Interest-bearing bank and other borrowings		17	<b>9,837,202</b>	5,257,859
Corporate bonds		18	<b>500,000</b>	500,000
Lease liabilities			<b>7,040</b>	171,117
Provision for rehabilitation			<b>257,462</b>	252,452
Employee benefit liabilities			<b>20,170</b>	19,159
Deferred revenue			<b>546,938</b>	577,630
Deposits from holding company and fellow subsidiaries		21	<b>88,000</b>	–
Other long-term payables			<b>931,887</b>	391,585
Deferred tax liabilities			<b>402,663</b>	328,393
<b>Total non-current liabilities</b>			<b>12,591,362</b>	7,498,195
<b>Net assets</b>			<b>57,881,176</b>	59,032,601

# Interim Condensed Consolidated Statement of Financial Position

30 June 2020

	<b>30 June 2020</b>	<b>31 December 2019</b>
<i>Notes</i>	<b>(Unaudited)</b> <b>RMB'000</b>	<b>(Audited)</b> <b>RMB'000</b>
<b>Equity</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	<b>3,462,729</b>	3,462,729
Reserves	<b>48,080,792</b>	49,282,889
	<b>51,543,521</b>	52,745,618
Non-controlling interests	<b>6,337,655</b>	6,286,983
<b>Total equity</b>	<b>57,881,176</b>	59,032,601

Approved on behalf of the board of directors:

\_\_\_\_\_  
**Mr. Long Ziping**  
*Director*

\_\_\_\_\_  
**Mr. Yu Tong**  
*Director*

# Interim Condensed Consolidated Statement of Changes in Equity

For the Six Months Ended 30 June 2020

## For the six months ended 30 June 2020

	Attributable to owners of the company											Non-controlling interests	Total
	Share capital	Share premium*	Capital reserve*	Other reserve	Statutory surplus reserve*	Discretionary surplus reserve*	Safety fund surplus reserve*	Hedging reserve*	Translation reserve*	Retained profits*	Sub-total		
	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000
At 31 December 2019 (audited)	3,462,729	12,647,502	(924,429)	789,948	4,816,743	9,647,574	359,742	(1,392)	469,289	21,477,912	52,745,618	6,286,983	59,032,601
Profit for the period	-	-	-	-	-	-	-	-	-	786,989	786,989	18,869	805,858
Other comprehensive income for the period													
Equity investments at fair value through other comprehensive income	-	-	-	(1,678,621)	-	-	-	-	-	-	(1,678,621)	-	(1,678,621)
Cash flow hedges: effective portion of changes in fair value of hedging instruments, net of tax	-	-	-	-	-	-	-	1,392	-	-	1,392	-	1,392
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	3,046	-	3,046	3,340	6,386
Share of other comprehensive expenses of joint ventures	-	-	-	-	-	-	-	-	(1,058)	-	(1,058)	-	(1,058)
Share of other comprehensive expenses of associates	-	-	-	-	-	-	-	-	32,428	-	32,428	-	32,428
Total comprehensive income for the period	-	-	-	(1,678,621)	-	-	-	1,392	34,416	786,989	(855,824)	22,209	(833,615)
Contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	61,258	61,258
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	130,326	130,326
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(163,121)	(163,121)
Final 2019 dividend declared	-	-	-	-	-	-	-	-	-	(346,273)	(346,273)	-	(346,273)
Transfer from retained profits	-	-	-	-	-	-	41,688	-	-	(41,688)	-	-	-
At 30 June 2020 (unaudited)	3,462,729	12,647,502	(924,429)	(888,673)	4,816,743	9,647,574	401,430	-	503,705	21,876,940	51,543,521	6,337,655	57,881,176

\* These reserve accounts comprise the consolidated reserves of RMB48,080,792,000 (31 December 2019: RMB49,282,889,000) in the consolidated statement of financial position.

# Interim Condensed Consolidated Statement of Changes in Equity

For the Six Months Ended 30 June 2020

## For the six months ended 30 June 2019

	Atributable to owners of the company													Non-controlling interests	Total
	Share capital	Share premium*	Capital reserve*	Other reserve*	Statutory surplus reserve*	Discretionary surplus reserve*	Safety fund surplus reserve*	Hedging reserve*	Translation reserve*	Retained profits*	Sub-total				
	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000
At 31 December 2018 (audited)	3,462,729	12,647,502	(924,429)	(92,470)	4,816,743	9,647,574	388,161	3,401	113,049	19,704,051	49,766,311	2,260,379	52,026,690		
Profit for the period	-	-	-	-	-	-	-	-	-	1,412,177	1,412,177	(35,568)	1,376,609		
Other comprehensive income for the period															
Cash flow hedges: effective portion of changes in fair value of hedging instruments, net of tax	-	-	-	-	-	-	-	749	-	-	749	-	749		
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	5,647	-	5,647	1,123	6,770		
Share of other comprehensive expenses of joint ventures	-	-	-	-	-	-	-	-	(495)	-	(495)	-	(495)		
Share of other comprehensive expenses of associates	-	-	-	-	-	-	-	-	79,495	-	79,495	-	79,495		
Total comprehensive income for the period	-	-	-	-	-	-	-	749	84,647	1,412,177	1,497,573	(34,445)	1,463,128		
Contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	64,680	64,680		
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	3,335,672	3,335,672		
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(14,396)	(14,396)		
Final 2018 dividend declared	-	-	-	-	-	-	-	-	-	(692,546)	(692,546)	-	(692,546)		
Transfer from retained profits	-	-	-	-	-	-	111,900	-	-	(111,900)	-	-	-		
At 30 June 2019 (unaudited)	3,462,729	12,647,502	(924,429)	(92,470)	4,816,743	9,647,574	500,061	4,150	197,696	20,311,782	50,571,338	5,611,890	56,183,228		

# Interim Condensed Consolidated Statement of Cash Flows

For the Six Months Ended 30 June 2020

	<i>Notes</i>	<b>2020</b> <b>(Unaudited)</b> <b>RMB'000</b>	2019 (Unaudited) RMB'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		<b>1,208,860</b>	1,910,800
Adjustments for:			
Finance costs		<b>1,014,135</b>	1,007,509
Foreign exchange losses, net	6	<b>31,407</b>	31,856
Share of profits of joint ventures and associates		<b>(39,791)</b>	(3,311)
Gains from listed debentures	6	<b>(2,845)</b>	(6,005)
Gains from listed equity investment	6	<b>(2,496)</b>	–
Gains from investments in financial products	6	<b>(159,341)</b>	(114,616)
Gains from unlisted equity investment	6	–	(32,337)
Loss from Held-for-trading financial liabilities	6	<b>95,327</b>	–
Dividend income from equity investments	5	<b>(18,181)</b>	(23,350)
Net loss/(gain) on disposal of items of property, plant and equipment	6	<b>3,587</b>	(3,353)
Net gain on disposal of items of assets classified as held for sale	6	–	(6,300)
Fair value (gains)/losses, net:			
– Derivative financial instruments		<b>557,067</b>	(98,877)
– Listed equity investments	6	<b>85,527</b>	214,705
– Unlisted equity investments	6	<b>43,328</b>	(47,597)
– Income right attached to a target equity interest	6	<b>4,246</b>	(7,818)
– Listed debentures	6	<b>1,889</b>	(7,121)
– Investments in financial products	6	<b>(120,550)</b>	(205,512)
– Held-for-trading financial liabilities	6	<b>(98,862)</b>	–
(Reversal)/provision for impairment of trade and bills receivables	7	<b>(48,634)</b>	149,812
Provision for impairment of factoring receivables	7	<b>49,037</b>	282,035
(Reversal)/provision for impairment of prepayment, other receivables and other assets	7	<b>(69,061)</b>	7,699
Provision for impairment of loans to related parties	7	<b>2,365</b>	18,016
Provision for impairment of inter-bank loans	7	<b>48,715</b>	–
Provision for/(reversal of) impairment of inventories to net realisable value	7	<b>202,126</b>	(57,293)

# Interim Condensed Consolidated Statement of Cash Flows

For the Six Months Ended 30 June 2020

	<i>Notes</i>	<b>2020</b> <b>(Unaudited)</b> <b>RMB'000</b>	2019 (Unaudited) RMB'000
Provision for impairment of property, plant and equipment	7	<b>229,848</b>	–
Provision for impairment of exploration and evaluation assets	7	<b>13,587</b>	–
Provision for impairment of other intangible assets	7	<b>74,703</b>	–
Depreciation of property, plant and equipment	7	<b>1,036,220</b>	797,900
Depreciation of right-of-use assets	7	<b>120,739</b>	105,111
Depreciation of investment properties	7	<b>6,251</b>	5,678
Amortisation of other intangible assets	7	<b>88,488</b>	38,898
Unwinding of an interest in rehabilitation provision		<b>4,857</b>	4,471
Deferred revenue released to the statement of profit or loss		<b>(52,925)</b>	(11,724)
		<b>4,309,623</b>	3,949,276
Decrease/(increase) in inventories		<b>498,447</b>	(194)
(Increase)/decrease in trade and bills receivables		<b>(64,573)</b>	1,206,210
Decrease in factoring receivables		<b>23,413</b>	324,547
(Increase)/decrease in prepayments, other receivables and other assets		<b>(1,023,971)</b>	2,290,226
(Increase)/decrease in derivative financial instruments		<b>(883,207)</b>	73,151
Decrease/(increase) in loans to related parties		<b>2,401</b>	(118,376)
Increase in restricted bank deposits except restricted deposits to secure bank borrowings		<b>(2,021,816)</b>	(192,351)
Increase in trade and bills payables		<b>755,035</b>	914,337
Decrease in other payables and accruals		<b>(642,044)</b>	(1,850,020)
Increase/(decrease) in deposits from related parties		<b>3,652,879</b>	(381,072)
Cash generated from operations		<b>4,606,187</b>	6,215,734
Income tax paid		<b>(516,643)</b>	(703,237)
Net cash flows from operating activities		<b>4,089,544</b>	5,512,497

# Interim Condensed Consolidated Statement of Cash Flows

For the Six Months Ended 30 June 2020

<i>Notes</i>	<b>2020</b> <b>(Unaudited)</b> <b>RMB'000</b>	2019 (Unaudited) RMB'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of financial investments	<b>9,735,537</b>	5,680,892
Proceeds from disposal of property, plant and equipment	<b>3,530</b>	65,784
Proceeds from disposal of items of assets classified as held for sale	–	66,653
Receipt of government grant	<b>19,644</b>	30,226
Proceeds from disposal of other intangible assets	–	139
Additional investments in associates	<b>(30,875)</b>	(74,328)
Additional investments in joint ventures	–	(9,614)
Dividend received from an associate	<b>72,553</b>	–
Acquisition of subsidiaries and business combination	<b>3,952</b>	(2,022,344)
Principal portion of lease payments	<b>(24,947)</b>	(104,254)
Purchases of financial investments	<b>(24,869,313)</b>	(17,679,383)
Purchases of property, plant and equipment	<b>(779,823)</b>	(918,088)
Purchase of exploration and evaluation assets	<b>(44,389)</b>	(60,251)
Purchase of other intangible assets	<b>(589,252)</b>	(2,690)
<b>Net cash used in investing activities</b>	<b>(16,503,383)</b>	(15,027,258)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
New bank and other borrowings	<b>68,239,676</b>	45,804,812
Collection of pledged time deposits to secure bank borrowings	<b>(6,705,088)</b>	(1,773,252)
Repayment of bank and other borrowings	<b>(47,407,233)</b>	(32,290,685)
Dividends paid to non-controlling interests	<b>(163,121)</b>	(14,396)
Interest paid	<b>(1,313,803)</b>	(733,518)
Contribution from non-controlling interests	<b>61,258</b>	64,680
<b>Net cash generated from financing activities</b>	<b>12,711,689</b>	11,057,641
Net increase in cash and cash equivalents	<b>297,850</b>	1,542,880
Cash and cash equivalents at beginning of period	<b>18,730,338</b>	10,647,443
Effect of foreign exchange rate changes, net	<b>76,378</b>	22,961
<b>Cash and cash equivalents at end of period</b>	<b>19,104,566</b>	12,213,284

# Notes to Interim Condensed Consolidated Financial Information

30 June 2020

## 1. CORPORATE INFORMATION

Jiangxi Copper Company Limited (“the Company”) was registered in the People’s Republic of China (the “PRC”) as a joint stock limited company. The Company was established on 24 January 1997 by Jiangxi Copper Corporation (“JCC”), Hong Kong International Copper Industry (China) Investment Limited, Shenzhen Baoheng (Group) Company Limited, Jiangxi Xinxin Company Limited and Hubei Sanxin Gold & Copper Company Limited, and approved by Jiangxi Province’s Administrative Bureau for Industry and Commerce. The Company’s H shares and A shares were listed on The Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange, respectively. The registered address of the Company is located at 15 Yejin Avenue, Guixi City, Jiangxi, the PRC. In the opinion of the directors, 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 principal business of the Group covers copper and gold mining and dressing, smelting and processing, extraction and processing of the precious metals and scattered metals, sulphuric chemistry as well as finance and trading fields. It has established the complete industrial chain integrated with exploration, mining, ore dressing, smelting and processing in copper and related non-ferrous metal fields. It is the important production base of copper, gold, silver and sulphuric chemistry in the PRC. The main products of the Group include more than 50 varieties, such as copper cathode, gold, silver, sulphuric acid, copper rod, copper tube, copper foil, selenium, tellurium, rhenium, bismuth, etc.

### 2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2020 has been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2019.



# Notes to Interim Condensed Consolidated Financial Information

30 June 2020

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2019, except for the adoption of the following new and revised International Financial Reporting Standards ("IFRSs") for the first time for the current period's financial information.

Amendments to IFRS 3	<i>Definition of a Business</i>
Amendments to IFRS 9, IAS 39 and IFRS 7	<i>Interest Rate Benchmark Reform</i>
Amendments to IFRS 16	<i>Covid-19-Related Rent Concessions (early adopted)</i>
Amendments to IAS 1 and IAS 8	<i>Definition of Material</i>

The adoption of the above new and revised standards has had no significant financial effect on these financial statements.

## 3 BUSINESS COMBINATION

### Acquisition of Vesco

On 31 January 2020, the Group subscribed 25,800,000 ordinary shares of Vesco Holding Limited ("Vesco") and holds 57.59% interest in Vesco thereafter.

The acquisition was made as part of the Group's strategy to expand its market share of metal products in overseas. The consideration of the subscription is USD25,800,000 in the form of cash with USD15,800,000 paid as at 30 June 2020.

# Notes to Interim Condensed Consolidated Financial Information

30 June 2020

## 3 BUSINESS COMBINATION (CONTINUED)

### Acquisition of Vesco (Continued)

The provisional fair values of identifiable assets acquired and liabilities assumed of Vesco as at the date of acquisition were:

	<b>31 January 2020</b> <b>Provisional</b> <b>fair value</b> <b>RMB'000</b>
Non-current assets	259,297
Current assets	143,056
<b>Total assets</b>	<b>402,353</b>
Non-current liabilities	(64,620)
Current liabilities	(29,708)
<b>Total liabilities</b>	<b>(94,328)</b>
Total identifiable net assets at fair value	308,025
Non-controlling interests	(130,325)
<b>Identifiable net assets at fair value attributable to the Group</b>	<b>177,700</b>
<b>Satisfied by cash</b>	<b>177,700</b>

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

Cash consideration paid in the period	(38,585)
Cash and bank balances acquired	42,538
<b>Net inflow of cash and cash equivalents included in cash flows from investing activities</b>	<b>3,953</b>

The fair values disclosed are provisional as at 30 June 2020. The finalisation of the valuation work required to determine the fair values of the assets and liabilities acquired will be completed within 12 months of the acquisition date, at the latest.

# Notes to Interim Condensed Consolidated Financial Information

30 June 2020

## 3 BUSINESS COMBINATION (CONTINUED)

### Acquisition of Vesco (Continued)

The Group incurred transaction costs of RMB1,029,000 for this acquisition. These transaction costs have been expensed and are included in other expenses in the interim condensed consolidated statement of profit or loss.

Since the acquisition, Vesco contributed RMB2,528,000 net loss to the consolidated profit for the six months period ended 30 June 2020.

Had the combination taken place at the beginning of the period, the loss of the Group for the period would have been RMB2,562,000.

## 4. OPERATING SEGMENT INFORMATION

Since the acquisition of Shandong Humon Smelting Company Limited ("Shandong Humon") on 26 June 2019, for management purpose, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

- (a) production and sale of copper and other related products and services ("Copper related business");
- (b) production and sale of gold and other related products and services ("Gold related business").

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit before tax in related periods.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

# Notes to Interim Condensed Consolidated Financial Information

30 June 2020

## 4. OPERATING SEGMENT INFORMATION (CONTINUED)

Six months ended 30 June 2020	Copper related business RMB'000	Gold related business RMB'000	Total RMB'000
<b>Segment revenue</b>			
Sales to external customers	130,539,906	16,085,139	146,625,045
Intersegment sales	1,291,910	344,856	1,636,766
<i>Reconciliation:</i>			
Elimination of intersegment sales	(1,291,910)	(344,856)	(1,636,766)
Revenue	130,539,906	16,085,139	146,625,045
<b>Segment results</b>	1,111,626	97,234	1,208,860
<i>Reconciliation:</i>			
Elimination of intersegment results	–	–	–
Profit before tax	1,111,626	97,234	1,208,860

### 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 is detailed below:

	Six months ended 30 June	
	2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
Mainland China	124,332,978	87,546,032
Hong Kong	12,929,948	10,050,156
Others	9,722,476	7,446,745
	146,985,402	105,042,933
Less: Sales related taxes	360,357	348,935
	146,625,045	104,693,998

# Notes to Interim Condensed Consolidated Financial Information

30 June 2020

## 4. OPERATING SEGMENT INFORMATION (CONTINUED)

### Information about major customers

No customer or a group of customers under common control accounted for 10% or more of the Group's revenue for periods ended 30 June 2020 and 2019. The State-Owned Entities are not identified as a group of customers under common control by the directors of the Company.

## 5. REVENUE AND OTHER INCOME

An analysis of revenue is as follows:

	Six months ended 30 June	
	2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
<b>Revenue from contracts with customers</b>		
Sale of industrial products		
– Copper cathodes	<b>81,407,245</b>	64,021,271
– Copper rods	<b>25,545,186</b>	20,572,267
– Copper processing products	<b>1,493,858</b>	2,012,054
– Gold	<b>14,838,967</b>	3,920,180
– Silver	<b>6,404,674</b>	1,385,805
– Sulphuric and sulphuric concentrate	<b>358,699</b>	697,160
– Copper concentrate, rare and other non-ferrous metals	<b>13,849,167</b>	8,589,156
– Others	<b>2,891,735</b>	3,688,511
Provision of services	<b>195,871</b>	156,529
	<b>146,985,402</b>	105,042,933
Less: Sales related taxes	<b>360,357</b>	348,935
	<b>146,625,045</b>	104,693,998

# Notes to Interim Condensed Consolidated Financial Information

30 June 2020

## 5. REVENUE AND OTHER INCOME (CONTINUED)

### Disaggregated revenue information for revenue from contracts with customers

	Six months ended 30 June	
	2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
<b>Types of goods or service</b>		
– Sale of industrial products	146,789,531	104,886,404
– Construction services	148,396	143,427
– Other services	47,475	13,102
	<b>146,985,402</b>	105,042,933
Less: Sales related taxes	<b>360,357</b>	348,935
<b>Total revenue from contracts with customers</b>	<b>146,625,045</b>	104,693,998
<b>Timing of revenue recognition</b>		
– Goods or services transferred at a point in time	146,837,006	104,886,404
– Services transferred over time	148,396	156,529
	<b>146,985,402</b>	105,042,933
Less: Sales related taxes	<b>360,357</b>	348,935
<b>Total revenue from contracts with customers</b>	<b>146,625,045</b>	104,693,998

An analysis of other income is as follows:

	Six months ended 30 June	
	2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
Interest income	347,783	504,309
Dividend income from equity investments	18,181	23,350
Government grants recognised	90,264	55,941
Compensation income and others	19,930	67,178
	<b>476,158</b>	650,778

# Notes to Interim Condensed Consolidated Financial Information

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## 6. OTHER GAINS AND LOSSES, NET

	Six months ended 30 June	
	2020 <i>RMB'000</i> (Unaudited)	2019 <i>RMB'000</i> (Unaudited)
Fair value gains from commodity derivative contracts and commodity option contracts:		
Transactions not qualifying as hedges	274,324	5,954
Ineffective portion of cash flow hedges	–	482
Fair value gains/(losses) from foreign currency forward contracts and interest rate swaps	14,444	(23,829)
Fair value gains/(losses) on other financial assets:		
Investments in financial products	120,550	205,512
Unlisted equity instruments	(43,328)	47,597
Listed equity instruments	(85,527)	(214,705)
Listed debentures	(1,889)	7,121
Income right attached to a target equity interest	(4,246)	7,818
Held-for-trading financial liabilities	98,862	–
Gains/(losses) on other financial assets:		
Listed equity investments	2,496	–
Bank financial products	159,341	98,681
Listed debentures	2,845	6,005
Assets management products	–	15,935
Unlisted equity investments	–	32,337
Held-for-trading financial liabilities	(95,327)	–
Impairment losses on:		
Property, plant and equipment	(229,848)	–
Other intangible assets	(74,703)	–
Exploration and evaluation assets	(13,587)	–
(Losses)/gains on disposal of property, plant and equipment	(3,587)	3,353
Gains on disposal of assets classified as held for sale	–	6,300
Foreign exchange losses, net	(31,407)	(31,856)
Others	(10,217)	(15,397)
	<b>79,196</b>	<b>151,308</b>

# Notes to Interim Condensed Consolidated Financial Information

30 June 2020

## 7. PROFIT BEFORE TAX

In addition to the items detailed elsewhere in the interim condensed consolidated financial information, the Group's profit before tax is arrived at after charging/(crediting):

	<b>Six months ended 30 June</b>	
	<b>2020</b>	2019
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
Cost of inventories sold and service provided	<b>140,167,607</b>	98,412,573
Depreciation of property, plant and equipment	<b>1,036,220</b>	797,900
Depreciation of right-of-use assets	<b>120,739</b>	105,111
Depreciation of investment properties	<b>6,251</b>	5,678
Amortisation of other intangible assets	<b>88,488</b>	38,898
Auditors' remuneration	<b>6,500</b>	4,736
Employee benefit expense (including directors' remuneration):		
– Wages and salaries	<b>1,694,303</b>	1,617,065
– Pension scheme contributions	<b>237,727</b>	293,729
Research and development costs	<b>280,689</b>	103,584
Provision/(reversal of) allowance for inventories included in cost of sales	<b>202,126</b>	(57,293)
(Reversal)/provision for impairment of trade and bills receivables	<b>(48,634)</b>	149,812
Provision for impairment of factoring receivables	<b>49,037</b>	282,035
(Reversal)/provision for impairment of prepayment, other receivables and other assets	<b>(69,061)</b>	7,699
Impairment of property, plant and equipment	<b>229,848</b>	–
Impairment of other intangible assets	<b>74,703</b>	–
Impairment of exploration and evaluation assets	<b>13,587</b>	–
Impairment of loans to related parties	<b>2,365</b>	18,016
Impairment of inter-bank loans	<b>48,715</b>	–



# Notes to Interim Condensed Consolidated Financial Information

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## 8. INCOME TAX

The major components of income tax expenses of the Group during the period are as follows:

	<b>Six months ended 30 June</b>	
	<b>2020</b>	2019
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
	<b>(Unaudited)</b>	(Unaudited)
Current income tax	<b>378,698</b>	357,809
Deferred income tax	<b>24,304</b>	176,382
	<hr/>	<hr/>
Income tax charge for the period	<b>403,002</b>	534,191

Hong Kong profits tax on six (2019: six) of the Group's subsidiaries has been provided at the rate of 16.5% (2019: 16.5%) on the estimated assessable profits arising in Hong Kong during the six months ended 30 June 2020.

The subsidiaries incorporated in Singapore, Turkey, United States, Peru, Zambia and Mexico are subject to corporate income tax at a rate of 17% (2019: 17%), 20% (2019: 20%), 28% (2019: 28%), 29.5% (2019: 29.5%), 35% (2019: 35%), and 30% (2019: n/a), respectively.

The provision for PRC income tax is based on a statutory rate of 25% (2019: 25%) of the assessable profits of the PRC companies as determined in accordance with the relevant income tax rules and regulations of the PRC Corporate Income Tax Law except for those recognised as New and Technology Enterprise entitled to a preferential PRC income tax rate of 15%, according to the PRC Corporate Income Tax Law.

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, and 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%. The Company is currently in the process to renew the qualification and application for the 15% preferential tax rate for the three years from 2020.

# Notes to Interim Condensed Consolidated Financial Information

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## 9. DIVIDENDS

	<b>Six months ended 30 June</b>	
	<b>2020</b>	2019
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
Dividends of ordinary shares declared during the six months:		
Final dividend of RMB0.10 per share for 2019 (2019: final dividend of RMB0.20 per share for 2018)	<b>346,273</b>	692,546

On 10 June 2020, a dividend of RMB0.10 per share (tax inclusive) on 3,462,729,405 shares, in aggregate approximately RMB346,273,000 was declared to the shareholders as the final dividend for year 2019.

## 10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 3,462,729,405 (2019: 3,462,729,405) in issue during the period.

The Group had no potentially dilutive ordinary shares in issue during the six months period ended 30 June 2020 and 2019.

The calculations of basic and diluted earnings per share are based on:

	<b>Six months ended 30 June</b>	
	<b>2020</b>	2019
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the Company, used in the basic and diluted earnings per share calculations	<b>786,989</b>	1,412,177
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted earnings per share calculations	<b>3,462,729,405</b>	3,462,729,405

# Notes to Interim Condensed Consolidated Financial Information

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## 11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2020, the Group acquired assets with a cost of RMB1,051,363,000 (six months ended 30 June 2019: RMB1,080,693,000), other than the property, plant and equipment acquired through a business combination disclosed in note 3 to the interim condensed consolidated financial information.

Assets (other than those classified as held for sale) with a net book value of RMB4,984,000 were disposed by the Group during the six months ended 30 June 2020 (30 June 2019: RMB62,430,000), resulting in a net loss on disposal of RMB3,587,000 (30 June 2019: net gain on disposal of RMB3,353,000).

As at 30 June 2020, certain of the Group's machinery and buildings with a net book value of approximately RMB303,450,000 (31 December 2019: RMB333,376,000) and RMB199,385,000 (31 December 2019: RMB230,402,000), respectively, were pledged to secure short-term bank borrowings (note 17).

As at 30 June 2020, certain of the Group's buildings with a net book value of approximately RMB8,155,000 (31 December 2019: RMB8,224,000) were pledged to secure long-term bank borrowings (note 17).

As at 30 June 2020, the Group was in the process of obtaining property ownership certificates for certain of the Group's buildings with a net book value of RMB1,168,364,000 (31 December 2019: RMB1,310,889,000).

As at 30 June 2020, certain of the Group's buildings and mining infrastructure with a net book value of approximately RMB113,631,000 (31 December 2019: RMB114,942,000) were restricted due to litigation.

# Notes to Interim Condensed Consolidated Financial Information

30 June 2020

## 12. FINANCIAL INSTRUMENTS OTHER THAN DERIVATIVES

	30 June 2020		31 December 2019	
	Categories	Carrying Amount RMB'000 (Unaudited)	Categories	Carrying Amount RMB'000 (Audited)
<b>Assets:</b>				
<b>Debt instruments (including hybrid contracts):</b>				
Listed debentures (a)	FVPL <sup>1</sup>	–	FVPL	115,697
Investments in financial products (b)	FVPL	21,840,294	FVPL	10,451,652
		<b>21,840,294</b>		<b>10,567,349</b>
<b>Equity instruments:</b>				
Listed equity investments (c)	FVPL	609,915	FVPL	621,559
Listed equity investments (c)	FVOCI <sup>2</sup>	7,182,734	FVOCI	8,738,036
Unlisted equity investments (d)	FVPL	755,230	FVPL	798,559
Unlisted equity investments (d)	FVOCI	36,119	FVOCI	36,119
Income right attached to a target equity interest (e)	FVPL	542,650	FVPL	546,896
		<b>9,126,648</b>		<b>10,741,169</b>
		<b>30,966,942</b>		<b>21,308,518</b>
FVPL		<b>23,748,089</b>		<b>12,534,363</b>
FVOCI		<b>7,218,853</b>		<b>8,774,155</b>
		<b>30,966,942</b>		<b>21,308,518</b>

# Notes to Interim Condensed Consolidated Financial Information

30 June 2020

## 12. FINANCIAL INSTRUMENTS OTHER THAN DERIVATIVES (CONTINUED)

	30 June 2020		31 December 2019	
	Categories	Carrying Amount RMB'000 (Unaudited)	Categories	Carrying Amount RMB'000 (Audited)
Non-current assets		8,957,925		10,646,329
Current assets		22,009,017		10,662,189
		<b>30,966,942</b>		<b>21,308,518</b>
<b>Liabilities:</b>				
Held-for-trading financial liabilities (f)	<b>FVPL</b>	<b>(279,400)</b>	<b>FVPL</b>	<b>(588,279)</b>
		<b>(279,400)</b>		<b>(588,279)</b>
Current liabilities		<b>(279,400)</b>		<b>(588,279)</b>

<sup>1</sup> FVPL: Financial assets or financial liabilities at fair value through profit or loss

<sup>2</sup> FVOCI: Financial assets at fair value through other comprehensive income

(a) As at 31 December 2019, the listed debentures are at variable interest rates ranging from 0.5% to 6% per annum.

# Notes to Interim Condensed Consolidated Financial Information

30 June 2020

## 12. FINANCIAL INSTRUMENTS OTHER THAN DERIVATIVES (CONTINUED)

- (b) The amount represents investments in financial products arranged by bank, trust institution and independent securities companies with high credit-rating and good reputation. The financial products held by the Group generate annual target return rates ranged from 3.35% to 8.00% (2019: 3.55% to 8.00%) per annum. The investments have maturity date from 31 July 2020 to 27 November 2021 (2019: from 10 January 2020 to 27 November 2021).

	<b>30 June 2020 RMB'000 (Unaudited)</b>	31 December 2019 RMB'000 (Audited)
Including:		
Bank financial products	<b>20,419,163</b>	9,127,315
Asset management products	<b>615,224</b>	643,015
Fund products	<b>503,382</b>	509,962
Trust products	<b>302,525</b>	171,360
	<b>21,840,294</b>	10,451,652

As at 30 June 2020, the bank financial products of RMB241,482,000 (31 December 2019: RMB143,534,000) was pledged to secure short-term bank borrowings.

As at 30 June 2020, the bank financial products of RMB13,834,622,000 (31 December 2019: RMB4,972,138,000) was pledged to issue bank accepted notes.

- (c) The listed equity securities represent stocks listed in the Shanghai Stock Exchange and Shenzhen Stock Exchange ("PRC"), the Hong Kong Stock Exchange ("HKEx") and the Toronto Stock Exchange ("TSX").
- (d) The unlisted equity investments represent the Group's equity interests in unlisted PRC companies. None of the shareholdings exceeds 20% of the issued capital of the respective investee and the Group did not have significant influence on these invested entities.
- (e) The investment represents a 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.
- (f) A subsidiary of the Group, Shandong Humon, entered into certain gold lease contracts with independent lessors. During the lease period, Shandong Humon might sell the leased gold to independent third parties. When the lease period expires, Shandong Humon shall return the gold with the same quantity and quality to the lessors. The obligation to return the gold is recognised as held-for-trading financial liabilities.

As at 30 June 2020, cash in the bank of RMB47,421,000 (31 December 2019: RMB51,700,000) was pledged to secure gold lease contracts.

# Notes to Interim Condensed Consolidated Financial Information

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## 13. DERIVATIVE FINANCIAL INSTRUMENTS

	30 June 2020		31 December 2019	
	Assets <i>RMB'000</i> (Unaudited)	Liabilities <i>RMB'000</i> (Unaudited)	Assets <i>RMB'000</i> (Audited)	Liabilities <i>RMB'000</i> (Audited)
Commodity derivative and forward contracts	363,047	(969,967)	304,929	(211,583)
Commodity option contracts	–	(27,379)	–	–
Provisional price arrangements	–	(461,110)	–	(117,478)
Foreign currency forward contracts and interest rate swaps	52,909	(43,265)	18,734	(67,064)
	<b>415,956</b>	<b>(1,501,721)</b>	323,663	(396,125)

	30 June 2020 <i>RMB'000</i> (Unaudited)	31 December 2019 <i>RMB'000</i> (Audited)
<b>Including:</b>		
Derivatives designated as hedging instruments (a):		
Cash flow hedges		
– Commodity derivative contracts	–	(1,393)
Fair value hedges		
– Commodity derivative and forward contracts	(145,909)	–
– Provisional price arrangements	(461,110)	(117,478)
	<b>(607,019)</b>	(118,871)
Derivatives not designated as hedging instruments (b):		
– Commodity derivative contracts	(461,011)	94,739
– Commodity option contracts	(27,379)	–
– Foreign currency forward contracts and interest rate swaps	9,644	(48,330)
	<b>(478,746)</b>	46,409
	<b>(1,085,765)</b>	(72,462)

# Notes to Interim Condensed Consolidated Financial Information

30 June 2020

## 13. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

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

During this period, the Group entered into AU(T+D) and AG(T+D) contracts, which are substantially forward commodity contracts, on Shanghai Gold Exchange (“SGE”) to hedge potential price fluctuations of gold and silver.

(a) Derivatives designated as hedging instruments:

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

– Cash flow hedge

Certain commodity derivative contracts were designated by the Group to hedge its exposure to variability in cash flows attributable to price fluctuation risk associated with highly probable forecast sales of copper related products. For the six months ended 30 June 2020, no commodity derivative contracts were designated as hedging instruments of cash flow hedge. As at 31 December 2019, the expected delivery period of the forecasted sales for copper related products was from January to March 2020.

– Fair value hedge

Certain provisional price arrangements were designated by the Group to hedge its exposure to variability in fair value changes attributable to price fluctuation risk associated with inventories.

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.

For the six months ended 30 June 2020, no effectiveness portion under cash flow hedge (for the six months ended 30 June 2019: RMB29,608,000) was included in the hedging reserve, and no ineffectiveness portion was included in income statement (for the six months ended 30 June 2019: net gain of RMB482,000). Further details are given in other comprehensive income and note 6, respectively.

For the six months ended 30 June 2020, the fair value gains of provisional price arrangements designated as fair value hedges of the Group are RMB344,354,000 (for the six months ended 30 June 2019: fair value are RMB74,338,000). The net fair value losses of the hedged item, inventories, attributable to the risk hedged is RMB336,001,000 (for the six months ended 30 June 2019: fair value are RMB80,802,000) in aggregate.

For the six months ended 30 June 2020, the fair value losses of Commodity derivative and forward contracts designated as fair value hedges of the Group are RMB145,909,000 (for the six months ended 30 June 2019: Nil). The net fair value gains of the hedged item, inventories, attributable to the risk hedged is RMB147,398,000 (for the six months ended 30 June 2019: Nil) in aggregate.



# Notes to Interim Condensed Consolidated Financial Information

30 June 2020

## 13. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

(b) Derivatives not designated as hedging instruments:

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, forecasted sales of copper wires and rods, and copper related products. 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 AU (T+D) and AG (T+D) contracts to manage the commodity price risk of forecasted sales of gold and silver and certain gold lease. These arrangements are designed to reduce significant fluctuations in the prices of gold and silver.

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

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

## 14. TRADE AND BILLS RECEIVABLES

	<b>30 June 2020 RMB'000 (Unaudited)</b>	31 December 2019 RMB'000 (Audited)
Trade receivables	<b>10,890,751</b>	10,629,408
Bills receivable	<b>2,865,478</b>	2,608,420
	<b>13,756,229</b>	13,237,828
Less: Impairment allowance	<b>(5,650,222)</b>	(5,698,962)
	<b>8,106,007</b>	7,538,866

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 one to 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 minimize credit risk. Overdue balances are reviewed regularly by senior managements. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

# Notes to Interim Condensed Consolidated Financial Information

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## 14. TRADE AND BILLS RECEIVABLES (CONTINUED)

Trade receivables due from the Group's related parties are repayable on similar credit terms to those offered to the major customers of the Group. Details as in note 21.

As at 30 June 2020, bills receivables of RMB297,934,000 (31 December 2019: Nil) was pledged to secure short-term bank borrowings, and bills receivables of RMB156,000,000 (31 December 2019: Nil) was pledged for the issuing bank accepted notes.

As at 30 June 2020, bills receivables of RMB24,511,010,000 (31 December 2019: RMB13,276,828,000) was discounted but not mature.

The ageing analysis of trade and bills receivables, net of impairment allowance, is presented based on the goods delivery dates at the end of the reporting period as follows:

	<b>30 June 2020 RMB'000 (Unaudited)</b>	31 December 2019 RMB'000 (Audited)
Within 1 year	<b>5,747,338</b>	5,237,612
1 to 2 years	<b>118,061</b>	533,258
2 to 3 years	<b>507,171</b>	399,481
Over 3 years	<b>1,733,437</b>	1,368,515
	<b>8,106,007</b>	7,538,866

The term of bills receivable are all less than 12 months. As at 30 June 2020, the bills receivables were neither past due nor impaired (31 December 2019: Nil).

Movements in the loss allowance for impairment of trade receivables are as follows:

	<b>For the Six months ended 30 June</b>	
	<b>2020 RMB'000 (Unaudited)</b>	2019 RMB'000 (Unaudited)
At beginning of the period	<b>5,698,962</b>	5,172,573
(Reversal)/provision for impairment losses, net	<b>(48,634)</b>	149,812
Effect of business combination not under common control	-	3,740
Amounts written off as uncollectible	<b>(106)</b>	(916)
At end of the period	<b>5,650,222</b>	5,325,209

# Notes to Interim Condensed Consolidated Financial Information

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## 15. CASH, CASH EQUIVALENTS AND RESTRICTED BANK DEPOSITS

	<b>30 June 2020 RMB'000 (Unaudited)</b>	31 December 2019 RMB'000 (Audited)
Cash and bank balances	<b>23,527,404</b>	27,634,777
Time deposits	<b>10,486,805</b>	2,115,613
	<b>34,014,209</b>	29,750,390
Less: Restricted bank deposits (a)		
Current	<b>13,704,238</b>	11,020,052
Non-current	<b>1,205,405</b>	–
	<b>14,909,643</b>	11,020,052
<b>Cash and cash equivalents</b>	<b>19,104,566</b>	18,730,338

a) As at 30 June 2020, the restricted bank deposits include the following:

- Deposits amounting to RMB2,800,239,000 (31 December 2019: RMB2,231,057,000) and cash in the bank amounting to RMB147,725,000 (31 December 2019: RMB91,500,000) were pledged to secure bank borrowings;
- Deposits amounting to RMB1,395,019,000 (31 December 2019: RMB1,867,410,000) was pledged for the issuing of letters of credit;
- Deposits amounting to RMB638,760,000 (31 December 2019: RMB301,606,000) was pledged for the issuing of letters of guarantee;
- Deposits amounting to RMB8,893,378,000 (31 December 2019: RMB5,595,796,000) was pledged for the issuing bank accepted notes;
- Deposits amounting to RMB79,329,000 (31 December 2019: RMB49,851,000) were placed as environmental recovery deposits whose usage is restricted;
- Cash in bank amounting to RMB85,413,000 is restricted due to litigation (31 December 2019: RMB82,505,000); and
- Required mandatory reserve deposits and other restricted deposits amounting to RMB790,786,000 (31 December 2019: RMB665,411,000) was placed by JCC Finance Company Limited, a subsidiary of the Group, in the People's Bank of China ("PBC"), which are not available for use in the Group's daily operations.
- Interests amounting to RMB78,994,000 (2019: RMB134,916,000) were accrued on deposits with banks.

# Notes to Interim Condensed Consolidated Financial Information

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## 15. CASH, CASH EQUIVALENTS AND RESTRICTED BANK DEPOSITS (CONTINUED)

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to RMB19,543,534,000 (31 December 2019: RMB17,860,611,000). 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 30 June 2020, bank balances and cash of RMB8,405,048,000 (31 December 2019: RMB5,883,926,000) were placed in banks outside of the PRC.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between seven day and one years depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates. The bank balances and restricted bank deposits are deposited with creditworthy banks with no recent history of default.

## 16. TRADE AND BILLS PAYABLES

	<b>30 June 2020 RMB'000 (Unaudited)</b>	31 December 2019 RMB'000 (Audited)
Trade payables	<b>8,036,134</b>	8,363,609
Bills payables	<b>5,525,822</b>	4,176,839
	<b>13,561,956</b>	12,540,448

The trade payables are non-interest-bearing and are normally settled on terms of 60 days.

As at 30 June 2020, the Group has no material balance of accounts payable aged over one year (31 December 2019: Nil).

Trade payables due to related parties included in trade and bills payables are disclosed in note 21.

# Notes to Interim Condensed Consolidated Financial Information

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## 17. INTEREST-BEARING BANK AND OTHER BORROWINGS

	<b>30 June 2020 RMB'000 (Unaudited)</b>	31 December 2019 RMB'000 (Audited)
Bank borrowings – secured	<b>29,550,527</b>	17,957,572
Bank borrowings – unsecured	<b>33,966,723</b>	31,997,546
Interest payable	<b>435,846</b>	436,364
	<b>63,953,096</b>	50,391,482
Analysed into:		
On demand or within one year	<b>54,115,894</b>	45,133,623
More than one year, but not exceeding two years	<b>9,837,202</b>	5,257,859
More than two years, but not exceeding five years	–	–
	<b>63,953,096</b>	50,391,482
Current	<b>54,115,894</b>	45,133,623
Non-current	<b>9,837,202</b>	5,257,859

As at 30 June 2020, the bank borrowings carry interest at rates ranging from 1.45% to 6.6% (2019: 2.27% to 6.00%) per annum.

Certain of the Group's bank loans are secured by:

- (a) Mortgaged borrowings amounting to RMB27,120,146,000 (31 December 2019: RMB15,108,431,000) which were secured by:
  - (i) deposits with a carrying value of RMB2,800,239,000 (31 December 2019: RMB2,231,057,000);
  - (ii) cash in the bank with a carrying value of RMB100,304,000 (31 December 2019: RMB39,800,000);
  - (iii) bills receivables with carrying value of RMB297,934,000 (31 December 2019: nil);
  - (iv) bank financial products with a carrying value of RMB241,482,000 (31 December 2019: RMB143,534,000);
  - (v) letters of guarantee with a carrying value of RMB638,760,000 (31 December 2019: RMB301,606,000).

# Notes to Interim Condensed Consolidated Financial Information

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## 17. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

- (b) Pledged borrowing amounting to RMB192,816,000 (31 December 2019: RMB292,561,000) which was secured by:
- (i) inventories with a carrying value of RMB35,863,000 (31 December 2019: RMB140,009,000);
  - (ii) buildings with a carrying value of RMB207,540,000 (31 December 2019: RMB238,626,000);
  - (iii) machineries with carrying value of RMB303,450,000 (31 December 2019: RMB333,376,000); and
  - (iv) land lease payments with a carrying value of RMB139,282,000 (31 December 2019: RMB105,791,000).
- (c) Guaranteed borrowing amounting to RMB2,237,565,000 (31 December 2019: RMB2,556,580,000) which was guaranteed by the shareholders of the Group's subsidiaries.

The directors estimate that the carrying amounts of the Group's current and non-current borrowings approximate to their fair values.

## 18. CORPORATE BONDS

	<b>30 June 2020 RMB'000 (Unaudited)</b>	31 December 2019 RMB'000 (Audited)
Corporate bonds	<b>500,000</b>	599,900
Interest payable	<b>12,510</b>	8,372
	<b>512,510</b>	608,272

The amounts are repayable as follows:

On demand or within one year	<b>12,510</b>	108,272
More than one year, but not exceeding five years	<b>500,000</b>	500,000
	<b>512,510</b>	608,272
Current portion (a)	<b>12,510</b>	108,272
Non-current portion (b)	<b>500,000</b>	500,000

# Notes to Interim Condensed Consolidated Financial Information

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## 18. CORPORATE BONDS (CONTINUED)

- (a) Pursuant to the approval of National Association of Financial Market Institutional Investors (No. [2018] PPN108), a subsidiary of the Group, Shandong Humon, issued 1,000,000 certificates of bonds at par with a nominal value of RMB100 each, in an aggregate amount of RMB100,000,000 on 26 April 2018. The bond has a life of two years from the date of issuance and bears interest at a rate of 6.98% per annum with repayment on maturity. The bond has been fully repaid as of 30 June 2020.
- (b) 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 Company has an option to adjust the interest rate and the investors are entitled to request the Company to repurchase the Corporate Bonds after the end of the third year from the date of the issuance. The Corporate Bonds are listed on the Shanghai Stock Exchange. The options of the Corporate Bonds entitled to the Company and the investors are regarded as embedded derivatives closely related to the host contract.

## 19. CONTINGENT LIABILITIES

A subsidiary of the Group, Shenzhen Jiangxi Copper Marketing Company Limited, is currently a defendant in a lawsuit brought by Bangdi Auto Technology Company Limited ("Bangdi Auto") alleging that the subsidiary breached a sale contract to deliver certain goods to another party, Hengbaochang Company (Shanghai) Copper Company Limited ("Hengbaochang") without receiving Bangdi Auto's delivery instructions during 2011 to 2015 (the "Litigation"). Compensation amounting to RMB1,081,872,000 is claimed by Bangdi Auto. As the actual controller of Hengbaochang was suspected of some economic crimes in the transactions involved and has been investigated by relevant judicial institutions, the facts of the case have become extremely complicated. Therefore, the Directors, based on the advice from the Group's legal counsel, are not yet able to make a reliable estimate of the outcome of the Litigation as well as the resulting loss or gain.

# Notes to Interim Condensed Consolidated Financial Information

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## 20. COMMITMENTS

At the balance sheet date, the Group had the following capital commitments:

	<b>30 June 2020 RMB'000 (Unaudited)</b>	31 December 2019 RMB'000 (Audited)
Contracted, but not provided for		
Acquisition of property, plant and equipment and exploration and evaluation rights	<b>468,792</b>	518,264
Investments in associates ( <i>i, ii</i> )	<b>1,853,387</b>	1,817,462
	<b>2,322,179</b>	2,335,726

- i. The Company and China Metallurgical Group Corporation ("CMCC") incorporated MCC-JCL Aynak Minerals Company Limited ("MCC-JCL"), an associate of the Group, in September 2008. Prior to the introduction of other independent investors, the initial shareholdings of the Company and CMCC in MCC-JCL were 25% and 75% respectively. The principal business of MCC-JCL is to explore and exploit 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 capital injection 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.

- ii. Jiangxi Copper (Hong Kong) Investment Company Limited, a wholly-owned subsidiary of the Group, and CCB International Asset Management Limited ("CCB") established Valuestone Global Resources Fund I ("Fund I"), in August 2016. Fund I was registered in Cayman Islands. Prior to the introduction of other independent investors, the initial proportion of voting power held by the Group in Fund I is 40%. The principal business of Fund I is to invest in natural resources.

Fund I shall initially raise USD150,000,000 of which the Group has undertaken to contribute USD100,000,000. The Group shall not be obliged to provide guarantees, indemnities or capital commitments for the project loan financing. As at 30 June 2020, the Group has invested USD65,301,000 (31 December 2019: USD65,301,000).



# Notes to Interim Condensed Consolidated Financial Information

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## 21. RELATED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere in this financial information, the Group had transactions with: (i) JCC and its affiliates, (ii) the associates of the Company; (iii) the jointly controlled entities of the Company, and (iv) the Group's non-controlling interests holder and its subsidiary. The details are summarized below:

(a) Related party transactions with JCC and its affiliates:

	<b>2020</b> <i>RMB'000</i> <b>(Unaudited)</b>	2019 <i>RMB'000</i> (Unaudited)
Sales to JCC:		
Sales of auxiliary industrial products	<b>258</b>	2,323
Sales to JCC's affiliates:		
Sales of copper cathodes	<b>232,328</b>	298,701
Sales of copper rods	<b>206,190</b>	263,709
Sales of auxiliary industrial products	<b>46,939</b>	61,968
Sales of lead material	<b>31,489</b>	35,002
Sales of zinc concentrate	<b>23,188</b>	21,276
Sales of sulphuric acid	<b>3,740</b>	2,287
Sales of auxiliary materials	<b>179</b>	2,467
	<b>544,053</b>	685,410
Disposal of assets to JCC's affiliates:		
Sales of an unlisted equity investment	–	75,111
Purchases from JCC's affiliates:		
Purchases of auxiliary industrial products	<b>270,152</b>	37,014
Purchases of copper concentrate	<b>4,194</b>	19,956
Purchases of sulfuric and sulfuric concentrate	<b>694</b>	7,610
	<b>275,040</b>	64,580

# Notes to Interim Condensed Consolidated Financial Information

30 June 2020

## 21. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Related party transactions with JCC and its affiliates: (Continued)

	<b>2020</b> <b>RMB'000</b> <b>(Unaudited)</b>	2019 <i>RMB'000</i> (Unaudited)
Service fees charged to JCC:		
Supply of electricity	<b>1,268</b>	3,933
Vehicle transportation services	<b>244</b>	251
Construction services	<b>75</b>	312
Supply of water	<b>72</b>	126
Other management services	<b>2,740</b>	1,928
	<b>4,399</b>	6,550
Service fees charged to JCC's affiliates:		
Construction services	<b>68,848</b>	70,977
Supply of electricity	<b>13,044</b>	14,469
Vehicle transportation services	<b>5,412</b>	136
Rentals for public facilities and other services	<b>4,255</b>	4,160
Repair and maintenance services	<b>444</b>	–
Supply of water	<b>46</b>	47
Other management income	<b>349</b>	480
	<b>92,398</b>	90,269
Service fees charged by JCC:		
Rental fee for public facilities	<b>5,169</b>	6,870
Sanitation and greening service	<b>2,997</b>	152
Labour service	<b>1,813</b>	93
Welfare and health care services	<b>–</b>	2,910
	<b>9,979</b>	10,025
Service fees charged by JCC's affiliates:		
Repair and maintenance services	<b>18,791</b>	16,625
Labour service	<b>17,894</b>	14,002
Brokerage agency services for commodity derivative contracts	<b>1,507</b>	540
Construction services	<b>113</b>	–
	<b>38,305</b>	31,167

# Notes to Interim Condensed Consolidated Financial Information

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## 21. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Related party transactions with JCC and its affiliates: (Continued)

	<b>2020</b> <b>RMB'000</b> <b>(Unaudited)</b>	2019 <i>RMB'000</i> (Unaudited)
Loans provided to JCC's affiliates	<b>911,650</b>	924,533
Financial services provided to JCC's affiliates:		
Interest received from loans provided	<b>25,618</b>	21,830
Financial services received from JCC:		
Interest paid for deposits made	<b>2,047</b>	3,025
Financial services received from JCC's affiliates:		
Interest paid for deposits made	<b>4,062</b>	1,127

In 2018, the Group entered into rental agreements to rent certain land use rights in Jiangxi Province from JCC at an annual rental fee of RMB157,522,000 with a lease period from 1 January 2018 to 31 December 2020. The total rental fee amounted to RMB78,761,000 for the Reporting Period (six months ended 30 June 2019: RMB79,636,000).

In 2018, the Group entered into a rental agreement to rent an office building in Jiangxi Province from JCC at an annual rental fee of RMB396,000 with a lease period from 1 April 2018 to 31 March 2019. In 2019 and 2020, the Group renewed the above rental agreement at an annual rental fee of RMB594,000 with a lease period from 1 April 2019 to 31 March 2021. The total rental fee amounted to RMB297,000 for the Reporting Period (six months ended 30 June 2019: RMB248,000).

The sales to and purchases from related parties are negotiated and agreed by both parties with reference to market prices.

The daily credit balance offered by the Finance Company, a subsidiary of the Group, to JCC and its affiliates will neither exceed the deposits from JCC and its affiliates nor exceed the total amount of credit facilities regulated by the financial service agreement entered by the two parties.

# Notes to Interim Condensed Consolidated Financial Information

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## 21. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Related party transactions with Company's jointly controlled entities:

	<b>2020</b> <b>RMB'000</b> <b>(Unaudited)</b>	2019 <i>RMB'000</i> (Unaudited)
Sales to a related party:		
Sales of auxiliary industrial products	<b>4,175</b>	10,996
Purchases from a related party:		
Purchases of copper concentrate	<b>14,934</b>	30,539
Service fees charged to a related party:		
Supply of electricity	<b>490</b>	653

The sales to and purchases from related parties are negotiated and agreed by both parties with reference to market prices.

(c) Related party transactions with Company's associates:

	<b>2020</b> <b>RMB'000</b> <b>(Unaudited)</b>	2019 <i>RMB'000</i> (Unaudited)
Loans provided to a related party:	<b>19,823</b>	2,915,159

# Notes to Interim Condensed Consolidated Financial Information

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## 21. RELATED PARTY TRANSACTIONS (CONTINUED)

- (d) Other related party transactions with Company's non-controlling interest holders and its subsidiaries:

	<b>2020</b>	2019
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
	<b>(Unaudited)</b>	(Unaudited)
Sales to related parties:		
Sales of copper concentrates	<b>666,888</b>	734,303
Sales of copper cathodes	<b>222,219</b>	571,871
Sales of auxiliary industrial products	<b>19,324</b>	13,314
	<b>908,431</b>	1,319,488
Purchases from related parties:		
Purchases of blister copper and copper concentrate	<b>3,083,957</b>	3,510,280
Purchases of copper cathodes	<b>344,612</b>	426,758
Purchases of auxiliary industrial products	<b>53,144</b>	–
	<b>3,481,713</b>	3,937,038
Loans provided to a related party:	<b>522,000</b>	–
Interest received from a related party:	<b>9,561</b>	–

The sales to and purchases from related parties are negotiated and agreed by both parties with reference to market prices.

# Notes to Interim Condensed Consolidated Financial Information

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## 21. RELATED PARTY TRANSACTIONS (CONTINUED)

(e) Outstanding balances with related parties:

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

	<b>30 June 2020 RMB'000 (Unaudited)</b>	31 December 2019 RMB'000 (Audited)
Bills receivables:		
JCC's affiliates	<b>139,232</b>	228,953
Trade receivables:		
JCC	<b>707</b>	2,411
JCC's affiliates	<b>473,343</b>	511,633
The jointly controlled entities	<b>166</b>	192
Non-controlling interest holder and its subsidiary	<b>674</b>	213
	<b>474,890</b>	514,449
Prepayments:		
JCC's affiliates	<b>8,362</b>	4,429
The jointly controlled entities	–	601
Non-controlling interest holder and its subsidiary	<b>44,305</b>	26,010
	<b>52,667</b>	31,040
Other receivables:		
JCC	<b>78</b>	117
JCC's affiliates	<b>1,551,238</b>	783,617
The jointly controlled entities	<b>41,061</b>	23,041
Non-controlling interest holder and its subsidiary	–	165,876
	<b>1,592,377</b>	972,651

# Notes to Interim Condensed Consolidated Financial Information

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## 21. RELATED PARTY TRANSACTIONS (CONTINUED)

(e) Outstanding balances with related parties: (Continued)

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

	<b>30 June 2020 RMB'000 (Unaudited)</b>	31 December 2019 RMB'000 (Audited)
Loans:		
JCC's affiliates	<b>1,402,541</b>	1,407,307
Non-controlling interest holder and its subsidiary	<b>522,000</b>	–
	<b>1,924,541</b>	1,407,307
Trade payable:		
JCC	<b>251</b>	25
JCC's affiliates	<b>36,011</b>	50,540
The jointly controlled entities	–	620
Non-controlling interest holder and its subsidiary	<b>1,224,752</b>	978,603
	<b>1,261,014</b>	1,029,788

# Notes to Interim Condensed Consolidated Financial Information

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## 21. RELATED PARTY TRANSACTIONS (CONTINUED)

(e) Outstanding balances with related parties: (continued)

	<b>2020</b> <i>RMB'000</i> <b>(Unaudited)</b>	2019 <i>RMB'000</i> (Audited)
Contract liabilities:		
JCC's affiliates	<b>11,043</b>	6,804
Non-controlling interest holder and its subsidiary	<b>1,548</b>	9,071
	<b>12,591</b>	15,875
Other payables:		
JCC	<b>273,907</b>	268,352
JCC's affiliates	<b>25,027</b>	33,575
Non-controlling interest holder and its subsidiary	<b>22,658</b>	22,196
The associates	<b>150,450</b>	186,245
	<b>472,042</b>	510,368
Deposits from customers:		
JCC	<b>4,407,672</b>	864,325
JCC's affiliates	<b>1,149,096</b>	1,039,564
	<b>5,556,768</b>	1,903,889
Lease liability:		
JCC	<b>77,000</b>	166,174
Other long-term payable:		
JCC	<b>7,980</b>	9,989
JCC's affiliates	<b>263,486</b>	250,177
	<b>271,466</b>	260,166
Loans from JCC	<b>5,787,719</b>	5,946,308



# Notes to Interim Condensed Consolidated Financial Information

30 June 2020

## 21. RELATED PARTY TRANSACTIONS (CONTINUED)

- (e) Outstanding balances with related parties: (continued)

The above balances arose from the aforementioned transactions, deposits and advances to/from related parties and payments made by the Group and related parties on behalf of each other. These balances were unsecured, interest-free and had no fixed repayment terms except for loans, deposits from customers, and other long-term payable, the terms of which have not changed from that disclosed in last year's annual financial statements.

- (f) Compensation of key management personnel of the Group:

	<b>2020</b>	2019
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
	<b>(Unaudited)</b>	(Unaudited)
Short-term employee benefits	<b>7,184</b>	6,315
Post-employment benefits	<b>175</b>	244
Performance related bonus	<b>28</b>	50
	<b>7,387</b>	6,609

- (g) 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.

# Notes to Interim Condensed Consolidated Financial Information

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## 22. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	30 June 2020		31 December 2019	
	Carrying amount <i>RMB'000</i>	Fair value <i>RMB'000</i>	Carrying amount <i>RMB'000</i>	Fair value <i>RMB'000</i>
<b>Financial assets:</b>				
Financial instruments other than derivatives (non-current)	8,957,925	8,957,925	10,646,329	10,646,329
Financial instruments other than derivatives (current)	22,009,017	22,009,017	10,662,189	10,662,189
Derivative financial instruments	415,956	415,956	323,663	323,663
Bills receivables	2,825,892	2,825,892	2,593,969	2,593,969
Inventories designated as hedged items	4,274,013	4,274,013	3,078,699	3,078,699
	<b>38,482,803</b>	<b>38,482,803</b>	27,304,849	27,304,849
<b>Financial liabilities:</b>				
Derivative financial instruments	1,501,721	1,501,721	396,125	396,125
Held for trading financial liabilities	279,400	279,400	588,279	588,279
	<b>1,781,121</b>	<b>1,781,121</b>	984,404	984,404

Management has assessed that the fair values of cash and cash equivalents, restricted bank deposits, trade receivable, trade and bill payables, financial assets included in prepayments, other receivables and other assets, loans to related parties, financial liabilities included in other payables and accruals, interest-bearing bank and other borrowings and deposits from related parties approximate to their carrying amounts largely due to the short-term maturities of these instruments.

# Notes to Interim Condensed Consolidated Financial Information

30 June 2020

## 22. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

The fair values of the non-current portion of deposits for prepaid lease payments, interest-bearing bank and other borrowings, corporate bonds, lease liability and other long-term payables have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The fair values have been assessed to be approximate to their carrying amounts. The Group's own non-performance risk for interest-bearing bank and other borrowings and corporate bonds as at 30 June 2020 was assessed to be insignificant.

The Group's management is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, Management analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by management. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

The fair values of listed debentures and listed equity securities are based on quoted market prices.

The fair values of investment in financial products have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The fair values have been assessed to be approximate to their carrying amounts.

The fair value of bonds investment has been estimated based on its expected cash flows discounted by quoted annual return rate of similar bonds investment. The fair values have been assessed to be approximate to their carrying amounts.

The fair values of unlisted equity investments and income right attached to a target equity interest have been estimated based on the comparable companies analysis in terms of a series key ratios. Management believes that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statements of financial position, and the related changes in fair values, which are recorded in profit or loss, are reasonable, and that they were the most appropriate values as at 30 June 2020.

# Notes to Interim Condensed Consolidated Financial Information

30 June 2020

## 22. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with good credit ratings. Derivatives financial instruments includes commodity derivative and forward contracts, provisional price arrangements, forward currency contracts and interest rate swaps:

- The fair value of the commodity derivative contracts represents the difference between the quoted market price of commodity derivative contracts at period end and the quoted price at inception of the contracts;
- The fair value of the provisional price arrangement is estimated by reference to the discounted cash flow method at period end of commodity derivative contracts with similar maturity as the provisional price arrangement compared to the quoted market prices of commodity derivative contracts on the dates of delivery of the purchased material;
- The fair values of forward currency contracts and interest rate swaps are measured using valuation techniques similar to the discounted cash flow model. The models incorporate various market observable inputs including foreign exchange spot, forward rates, risk-free interest rate curves and implied volatility of the foreign exchange rate. The carrying amounts of forward currency contracts and interest rate swaps are the same as their fair values.

The fair value of gold lease recognised as held for trading financial liabilities is estimated by reference to the discounted cash flow method at period end of commodity derivative contracts with similar maturity compared to the quoted market prices of commodity derivative contracts on the dates of return the gold.

The discount for lack of marketability represents the amounts of premiums and discounts determined by the Group that market participants would take into account when pricing the investments.

# Notes to Interim Condensed Consolidated Financial Information

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## 22. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

### Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's financial assets and financial liabilities as at 30 June 2020:

30 June 2020:

	Fair value measurement using			Total <i>RMB'000</i> (Unaudited)
	Quoted prices in active markets (Level 1) <i>RMB'000</i> (Unaudited)	Significant observable inputs (Level 2) <i>RMB'000</i> (Unaudited)	Significant unobservable inputs (Level 3) <i>RMB'000</i> (Unaudited)	
<b>Financial assets:</b>				
– Listed equity securities	7,792,649	–	–	7,792,649
– Investments in financial products	–	–	21,840,294	21,840,294
– Unlisted equity investments	–	–	791,350	791,350
– Income right attached to a target equity interest	–	–	542,650	542,650
Derivative financial instruments:				
– Commodity derivative and forward contracts	363,047	–	–	363,047
– Foreign currency forward contracts and interest rate swaps	–	52,908	–	52,908
Bills receivables	–	2,825,892	–	2,825,892
Inventories designated as hedged items	4,274,013	–	–	4,274,013
	<b>12,429,709</b>	<b>2,878,800</b>	<b>23,174,294</b>	<b>38,482,803</b>

# Notes to Interim Condensed Consolidated Financial Information

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## 22. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

### Fair value hierarchy (Continued)

The following table provides the fair value measurement hierarchy of the Group's financial assets and financial liabilities as at 30 June 2020: (Continued)

30 June 2020: (Continued)

	Fair value measurement using			Total RMB'000 (Unaudited)
	Quoted prices in active markets (Level 1) RMB'000 (Unaudited)	Significant observable inputs (Level 2) RMB'000 (Unaudited)	Significant unobservable inputs (Level 3) RMB'000 (Unaudited)	
<b>Financial liabilities:</b>				
Derivative financial instruments:				
– Commodity derivative and forward contracts	969,967	–	–	969,967
– Commodity option contracts	–	27,379	–	27,379
– Provisional price arrangements	–	461,110	–	461,110
– Foreign currency forward contracts and interest rate swaps	–	43,265	–	43,265
Held for trading financial liabilities	–	279,400	–	279,400
	<b>969,967</b>	<b>811,154</b>	<b>–</b>	<b>1,781,121</b>

# Notes to Interim Condensed Consolidated Financial Information

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## 22. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

### Fair value hierarchy (Continued)

31 December 2019:

	Quoted prices in active markets (Level 1) <i>RMB'000</i>	Fair value measurement using		Total <i>RMB'000</i>
		Significant observable inputs (Level 2) <i>RMB'000</i>	Significant unobservable inputs (Level 3) <i>RMB'000</i>	
<b>Financial assets:</b>				
– Listed debentures	115,697	–	–	115,697
– Listed equity securities	9,359,595	–	–	9,359,595
– Investments in financial products	300,000	–	10,151,652	10,451,652
– Unlisted equity investments	–	–	834,678	834,678
– Income right attached to a target equity interest	–	–	546,896	546,896
Derivative financial instruments:				
– Commodity derivative contracts	304,929	–	–	304,929
– Foreign currency forward contracts and interest rate swaps	–	18,734	–	18,734
Bills receivables	–	2,593,969	–	2,593,969
Inventories includes hedged items	3,043,632	–	–	3,043,632
	13,123,853	2,612,703	11,533,226	27,269,782

# Notes to Interim Condensed Consolidated Financial Information

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## 22. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

### Fair value hierarchy (Continued)

31 December 2019: (Continued)

	Quoted prices in active markets (Level 1) <i>RMB'000</i>	Fair value measurement using Significant observable inputs (Level 2) <i>RMB'000</i>	Significant unobservable inputs (Level 3) <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Financial liabilities:</b>				
Derivative financial instruments:				
– Commodity derivative contracts	211,583	–	–	211,583
– Provisional price arrangements	–	117,478	–	117,478
– Foreign currency forward contracts and interest rate swaps	–	67,064	–	67,064
Held for trading financial liabilities	–	588,279	–	588,279
	211,583	772,821	–	984,404



# Notes to Interim Condensed Consolidated Financial Information

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## 22. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

### Fair value hierarchy (Continued)

The movements in fair value measurements within Level 3 during the period are as follows:

	<b>30 June 2020 RMB'000 (Unaudited)</b>	31 December 2019 RMB'000 (Audited)
At 1 January	<b>11,533,226</b>	10,911,112
Purchase	<b>20,926,703</b>	26,223,234
Effect of business combination not under common control	–	35,625
Total gains recognised in the statement of profit or loss	<b>232,317</b>	688,294
Total gains recognised in other comprehensive income	–	494
Disposals	<b>(9,517,952)</b>	(26,325,533)
At period/year end	<b>23,174,294</b>	11,533,226

During the reporting period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial liabilities (2019: Nil).

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## 23. EVENTS AFTER THE REPORTING PERIOD

On 12 April 2020, the Company signed subscription agreement with Shandong Humon, the Company's wholly-owned subsidiary, and agreed to subscribe 237,614,400 additional shares issued by Shandong Humon through non-public offering at the issuance price of RMB10.57 per share with total consideration of RMB2,511,584,208 (the "Subscription"). On 26 May 2020, the issuance price was further adjusted to RMB10.54 per share with total consideration of RMB2,504,455,776. The subscription shares and subscription amount will be subject to the approval of China Securities Regulatory Commission ("CSRC"). Before the Subscription, the Company holds 29.99% shares of Shandong Humon and is expected to hold 43.15% of the shares of Shandong Humon upon the completion of the Subscription.

The transaction has been reviewed and approved by the Board of Directors of the Company on 12 April 2020 and will come into force when all of the following conditions are met: (1) the Subscription has been reviewed and approved by the Board of Directors and General Meeting of Shareholders of Shandong Humon; (2) this Subscription has been approved by relevant state-owned enterprises; (3) if necessary, the exemption of tender offer has been approved by the General Meeting of Shareholders of Shandong Humon; and (4) the Subscription has been approved by China Securities Regulatory Commission.

On 17 August 2020, the application of the non-public offering of Shandong Humon has been approved by CSRC, while the written approval document has not yet been received. Till the date of this report, the Subscription has not been completed.

## 24. APPROVAL OF THE FINANCIAL STATEMENTS

The interim condensed consolidated financial information was approved and authorised for issue by the board of directors on 28 August 2020.



**Jiangxi Copper Company Limited**