



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)



2021

Interim Report

Important Notice

- (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) All Directors of the Company attended the Board meeting to approve, among others, the interim results for the six months ended 30 June 2021.
- (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 chairman, Zheng Gaoqing, the principal accounting responsible person, Yu Tong, and Head of Financial Department (accounting chief), 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 six months ended 30 June 2021.
- (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
cathode copper and refined copper	means	prefabricate thick plate with crude copper as anode and sheet with fine copper as cathode, and take the mixed solution of sulphuric acid and copper sulphate as electrolyte. After electrification, the copper is dissolved on the anode as copper ions, which then move from the anode to the cathode, pick up electrons and are deposited on the cathode
Chengmenshan Copper Mine	means	one of the five mines under production located in Jiangxi Province owned by the Company, located in Jiujiang City, Jiangxi Province, and also refers to Chengmenshan Copper Mine of the Company
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
copper rod wire	means	rods and wires made of cathode copper by melting, casting and rolling
crude copper	means	the raw copper materials including blister copper and impure copper
CSRC	means	China Securities Regulatory Commission
Dexing Copper Mine	means	one of the five mines under production located in Jiangxi Province owned by the Company, located in Dexing City, Shangrao City, Jiangxi Province, and also refers to Dexing Copper Mine of the Company
Director(s)	means	the director(s) of the Company

Definitions

Group	means	the Company and its subsidiaries
Guixi Smelter	means	a copper smelter factory owned by the Company, located in Guixi City, Jiangxi province, and also refers to Guixi Smelter of the Company
Heding Copper	means	Zhejiang Jiangtong Fuye Heding Copper Co., Ltd.
Humon Smelting	means	Shandong Humon Smelting Co., Ltd., a company listed on the Shenzhen Stock Exchange (stock code: 002237)
IFRSs	means	International Accounting Standards 34 “Interim Financial Reporting” and other relevant provisions
JCC	means	Jiangxi Copper Corporation Limited (formerly known as “ Jiangxi Copper Corporation ”)
JCC Group	means	JCC and its subsidiaries, but excluding the Group
LBMA	means	London Bullion Market Association
LME	means	London Metal Exchange
matte	means	copper produced by smelting of copper concentrate in a reverberatory furnace, electric furnace or flash furnace, with copper content of approximately 60%
Ministry of Finance	means	the Ministry of Finance of the People’s Republic of China
PRC	means	the People’s Republic of China
PRC GAAP	means	the PRC Accounting Standards
refined smelting	means	production and processing of crude copper to cathode copper
reporting period	means	the six months ended 30 June 2021
rough smelting	means	production and processing of copper concentrate to crude copper
SSE	means	Shanghai Stock Exchange
Stock Exchange	means	The Stock Exchange of Hong Kong Limited

Definitions

sulphuric acid	means	one of the important products in the chemical industry, with molecular formula H_2SO_4 , which is a colorless, tasteless oil-like liquid, a strong acid with high boiling point, difficult to volatilize, easily soluble in water and miscible with water in any ratio
sulphur concentrate	means	the sulphur product made from copper ores through mining, crushing, grinding-flotation, washing and other process as an important material for sulphuric acid production
Supervisor(s)	means	the supervisor(s) of the Company
Supervisory Committee	means	the supervisory committee of the Company
Wushan Copper Mine	means	one of the five mines under production located in Jiangxi Province owned by the Company, located in Ruichang City, Jiujiang City, Jiangxi Province, and also refers to Wushan Copper Mine of the Company
Yinshan Mining	means	one of the five mines under production located in Jiangxi Province owned by the Company, located in Dexing City, Shangrao City, Jiangxi Province, and also refers to JCC Yinshan Mining Company Limited
Yongping Copper Mine	means	one of the five mines under production located in Jiangxi Province owned by the Company, located in Qianshan County, Shangrao City, Jiangxi Province, and also refers to Yongping Copper Mine 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	Zheng Gaoqing

II. CONTACT PERSONS AND CONTACT METHODS

	Secretary to the Board	Securities Affairs Representative
Name	Tu Dongyang	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
Office address of the Company	7666 Chang Dong Avenue, High-tech Development Zone, Nanchang, Jiangxi Province, the People's Republic of China
Postal code of the office address of the Company	330096
Website of the Company	http://www.jxcc.com
E-mail	jccl@jxcc.com
Query index for changes during the reporting period	Nil

Company Profile

IV. CHANGES IN INFORMATION DISCLOSURE AND PLACE OF INSPECTION

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

V. INFORMATION ON THE COMPANY'S SHARES

Class of shares	Stock Exchange of listed shares	Stock abbreviation	Stock code
A shares	Shanghai Stock Exchange	Jiangxi Copper	600362
H shares	The Stock Exchange of Hong Kong Limited	Jiangxi Copper	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	27/F, One Taikoo Place, 979 King's Road, Quarry Bay, 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 (%)
	2021 (RMB'000) (Unaudited)	2020 (RMB'000) (Unaudited)	
Revenue	226,236,738	146,625,045	54.30
Profit before taxation	4,067,703	1,208,860	236.49
Profit for the period attributable to shareholders of the parent	3,153,039	786,989	300.65
Basic earnings per share (RMB)	0.91	0.23	295.65

	As at 30 June 2021 (RMB'000) (Unaudited)	As at 31 December 2020 (RMB'000) (Audited)	Increase/ decrease (%)
	Total assets	167,244,064	
Total liabilities	93,220,641	74,022,249	25.94
Net assets attributable to shareholders of the parent	66,789,107	59,910,393	11.48
Net assets per share attributable to shareholders of the parent (RMB)	19.29	17.30	11.48

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 to June)	During the corresponding period of last year	Increase/decrease for the reporting period as compared with the corresponding period of last year (%)
Operating revenue	226,794,311,017	146,985,402,360	54.30
Net profit attributable to shareholders of the Company	3,043,066,457	745,301,824	308.30
Net profit after non-recurring profit and loss attributable to shareholders of the Company	5,209,514,632	222,585,175	2,240.46
Net cash flows from operating activities	1,767,430,662	4,089,547,413	-56.78

	As at the end of the reporting period	As at the end of last year	Increase/decrease as at the end of the reporting period as compared with the end of last year (%)
Net assets attributable to shareholders of the Company	66,789,107,662	59,910,393,466	11.48
Total assets	167,244,064,960	140,881,552,897	18.71

Summary of Accounting Data and Financial Indicators

(II) Major financial indicators

Unit: Yuan Currency: RMB

Major Financial Indicators	During the reporting period (January to June)	During the corresponding period of last year	Increase/decrease for the reporting period as compared with the corresponding period of last year (%)
Basic earnings per share (RMB/share)	0.88	0.22	308.30
Diluted earnings per share (RMB/share)	N/A	N/A	-
Basic earnings per share after non-recurring profit and loss items (RMB/share)	1.50	0.06	2,240.46
Return on net assets (weighted average) (%)	4.80	1.42	Increased by 3.38 percentage points
Return on net assets after non-recurring profit and loss items (weighted average) (%)	8.22	0.43	7.79

Explanation on major accounting data and financial indicators of the Company

Not applicable

Summary of Accounting Data and Financial Indicators

II. RECONCILIATION BETWEEN THE IFRSs AND THE PRC GAAP

(I) Reconciliation Between the IFRSs and the PRC GAAP

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

Unit: Yuan Currency: RMB

	Net profit attributable to shareholders of the Company		Net assets attributable to shareholders of the Company	
	Amount for the current period	Amount for the previous period	Amount at the end of the period	Amount at the beginning of the period
Under PRC GAAP	3,043,066,457	745,301,824	66,789,107,662	59,910,393,466
Adjustments to items and amounts under IFRSs	109,972,142	41,687,732		
Under IFRSs	3,153,038,599	786,989,556	66,789,107,662	59,910,393,466

Summary of Accounting Data and Financial Indicators

(II) Explanation on difference between the IFRSs and the PRC GAAP

The Group is required to make appropriations on work safety in accordance with Cai Qi [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 or 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 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	-15,898,609	
Government grants 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	66,995,522	
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	-2,756,929,848	
Reversion of provision for impairment of the receivables and contract assets under independent impairment test	6,513,139	
Other non-operating income and expenses other than the above	-61,801,195	
Impact from income tax	106,245,076	
Impact from interests of minority shareholders	488,427,740	
Total	-2,166,448,175	

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	153,533,258	238,301,604	84,768,346	5,661,870
2. Investment in held-for-trading debt instruments				
Bond investment	0	1,153,172,346	1,153,172,346	0
Investment in debt instruments	4,300,400,672	5,116,987,548	816,586,876	11,560,213
3. Held-for-trading financial liabilities	0	-272,713,200	-272,713,200	-3,935,244
4. Other non-current financial assets	1,652,738,682	1,440,474,569	-212,264,113	-150,161,393
5. Investment in other equity instruments	14,864,404,752	18,916,144,175	4,051,739,423	2,430,183
6. Derivative instruments not designated as hedging				
Forward foreign exchange contracts	17,051,349	35,662,066	18,610,717	88,514,188
Interest rate swaps contracts	-16,768,274	0	16,768,274	16,768,274
Commodity option contracts	-369,190	3,461,967	3,831,157	16,072,141
Commodity futures contracts	-135,565,424	144,632,064	280,197,488	-2,717,652,642
7. Hedging instruments				
(1) Non-effective hedging derivative instruments				
Commodity futures contracts				
Provisional price arrangement				
(2) Effective hedging derivative instruments				
Commodity futures contracts	-17,254,789	65,901,508	83,156,297	89,719,534
Provisional price arrangement	-426,978,829	297,691,842	724,670,671	723,662,430
8. Items included in inventories that are measured at fair value	6,159,716,148	7,238,586,033	1,078,869,885	-790,182,414
9. Accounts receivable financing	2,595,046,355	2,949,454,201	354,407,846	
Total	29,145,954,710	37,327,756,723	8,181,802,013	-2,707,542,860

Management Discussion and Analysis

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

(I) Principal business and operation model 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 products include more than 50 varieties, such as copper cathode, gold, silver, sulphuric acid, copper rod, copper tube, copper foil, selenium, tellurium, rhenium, bismuth, etc., of which copper cathode of “Guiye”, “JCC” and “HUMON-D” (owned by Humon Smelting) are registered products in the LME, and “JCC” gold and silver are registered products in the LBMA.

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. The Company holds 44.48% of the total share capital of Humon Smelting, and is a 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 with the annual production capacity of 50 tonnes of gold and 1,000 tonnes of silver, and with the production capacity of 0.25 million tonnes of electrolytic copper and 1.3 million tonnes of sulphuric acid as by-products.
2. Four smelters under production: Guixi Smelter, Jiangxi Copper (Qingyuan) Company Limited, JCC Hongyuan Copper Industry Co., Ltd. and Heding Copper, among which Guixi Smelter is the largest scale and the technology advanced blister and copper concentrate smelter and refiner in the PRC.

Management Discussion and Analysis

- 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.
- 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, JCC Huabei (Tianjin) Copper Co., Ltd. and JCC Huadong (Zhejiang Copper) Co., Ltd.

1. Applications of main products of the Company are as follows:

Product	Use
Copper cathode	It is a basic raw material for industries such as electrical, electronics, light industry, machinery manufacturing, construction, transportation and national defense
Copper rods and wires	For the production of copper cables and enamelled wires
Gold	It is a hard currency, which can also be used as raw material for electrical appliances, machinery, military industry and decorative crafts
Silver	It is a raw material for silver solder, electroplating, silver contacts and decorative crafts
Sulphuric acid	It is a raw material for chemical and fertilizers, and can be used in industries such as metallurgy, food, medicine, fertilizer and rubber

Management Discussion and Analysis

2. Business model

(1) Procurement model

The Company's procurement of the main raw materials, copper concentrates, and equipment for production are as follows:

Product	Procurement channel	Procurement method	Pricing method
Copper concentrates	Domestic and foreign procurement	Purchased uniformly by the trading business department of the Company	For foreign procurement, the procurement price was determined by making reference to the LME copper price, the LBMA gold and silver price and by deducting the TC/RC from the above-mentioned metal prices, where the TC/RC was determined through negotiations between both parties of the transactions. For domestic procurement, the procurement price was determined by making reference to the copper price on the Shanghai Futures Exchange and by either deducting the corresponding processing fees from or multiplying the corresponding pricing factor by the average price or the spot price of the Shanghai Futures Exchange.
Thick copper, coarse copper	Domestic and foreign procurement		
Production equipment	Domestic and foreign procurement	Purchased uniformly by the material and equipment department of the Company	Compared to the market price

Management Discussion and Analysis

(2) Sales model

Product	Method of sales	Major sales market
Copper cathode	The main consumer groups are users such as copper processing enterprises, including spot and futures trading, of which: direct sales are used for spot, and futures are traded through the centralised quotation system of Shanghai Futures Exchange	Mainly in Eastern China and Southern China, some products are exported to South Korea, Japan and Southeast Asia
Copper rods and wires	Long-term contracts are entered into with relatively stable major customers	Mainly in Eastern China, Southern China, Northern China and Southwest China
Gold	National unified acquisition or direct trading	on the Shanghai Gold Exchange
Silver	Export and domestic sales; for domestic sales, products are mainly sold to domestic industrial enterprises of electronics, electroplating, electrical alloys, silver nitrate, machinery, military, jewellery and other industries by direct sales	Mainly exported to Hong Kong and domestically to Eastern and Southern China
Sulphuric acid	Long-term contracts are entered into with relatively stable major customers, and supply and sell in installments	Mainly in Eastern China, Central China, Southern China, Southwest China and other regions

(3) Production model

At present, there are two main smelting methods of copper in the world: pyrometallurgical smelting and wet smelting. Pyrometallurgical smelting is to produce copper cathode by melting smelting and electrolytic refining, which is generally suitable for high-grade copper sulphide ore; whereas wet smelting is generally suitable for low-grade copper oxide, which is lower in cost, but has great restrictions on the grade and type of ores, and has a higher impurity content. The Company mainly uses pyrometallurgical smelting for copper, and adopts wet smelting for gold.

Management Discussion and Analysis

(II) Explanation of the industry

In the first half of 2021, the macro-economic performance was positive as a whole. Driven by stimulus policies of the global central bank and the accelerated COVID-19 vaccine rollout, the global economy recovered in line with forecasts and inflation expectations rose along with the implementation of both monetary easing policy and fiscal easing policy in the United States. From a fundamental point of view, the supply of raw materials has been disturbed by the pandemic; the consumption increased significantly as compared with that in 2019 and 2020, thus the supply and demand in the copper market will remain tightly balanced. Boosted by both the macro-economy and fundamentals, copper prices kept rising unilaterally from January to May. However, as the Standing Committee of the State Council has, in response to the significant rise in commodity prices, commented for three successive times since May, copper prices began to fall back. In the first half of the year, copper prices experienced a shock rise as a whole, and the copper price in Changjiang Spot Market amounted to RMB66,786/tonne, representing a year-on-year increase of 50.1% as compared with last year. Although global liquidity was adequate in the first half of the year, gold and silver prices fluctuated in a certain range as stimulus policies of the United States were mainly reflected on fiscal stimulus, and monetary tightening was picking up in line with forecast as a result of inflationary pressures. In the first half of the year, the average spot price of gold was RMB376.79/gram, representing an increase of 1.92% as compared with last year; the average spot price of silver was RMB5,432/kilogram, representing an increase of 35.19% as compared with last year; and the average price of sulphuric acid was RMB501/tonne, representing an increase of 297.62% as compared with last year. (The above product price data is sourced from Wind)

Under the background of low inventories in the copper market and optimistic attitudes towards consumption prospects for photovoltaic and new energy sectors established under the theme of carbon neutralization, it is anticipated that the demand and supply in the copper market may remain tightly balanced and copper prices may gradually return to fundamentals in the second half of the year. The prices of precious metals are expected to diverge and gold prices are expected to remain volatile due to the double impact of rising inflation and the negative impact of the monetary tightening policy in the United States. Driven by the economic recovery and vigorous development of photovoltaic power, consumption of silver will be brought about and its industrial attributes will be strengthened. Silver is expected to perform better than gold.

Management Discussion and Analysis

II. ANALYSIS OF CORE COMPETITIVENESS DURING THE REPORTING PERIOD

After years of development, the Group has grown into the largest supplier of copper cathodes in China. It has established the complete industrial chain integrated with exploration, mining, ore dressing, smelting and processing, with the following core competitive advantages:

1. Scale advantage

The Group has the largest production base of copper, associated gold and silver and owns an important base of sulphuric chemistry in the PRC. The Company 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 2020, the Company had 100% ownership in the resource reserves of approximately 8,744,000 tonnes of copper metal, 270.3 tonnes of gold, 8,326 tonnes of silver, and 201,000 tonnes of molybdenum. Among the resources jointly controlled by the Company and other companies, metal resource reserves attributable to the Company (based on its equity percentage) were approximately 4,435,000 tonnes of copper and 52 tonnes of gold. Humon Smelting, a controlled subsidiary of the Company and its subsidiaries have 156.57 tonnes of proven gold reserves which have completed reserve registration.

2. Advantage of having a complete integrated industrial chain

- (1) The Group is the largest integrated copper production enterprise in the PRC and has established its industrial chain with core businesses in mining, ore dressing, smelting and processing of gold and copper, as well as sulphuric chemistry and extraction and processing of precious and rare metals. The annual production of copper contained in copper concentrates of the Company is over 200,000 tonnes. Humon Smelting, a controlled subsidiary of the Company, has an annual production capacity of 50 tonnes of gold and 1,000 tonnes of silver and has production capacity of 0.25 million tonnes of electrolytic copper and 1.3 million tonnes of sulphuric acid as by-products.
- (2) The Group is currently the largest copper processing manufacturer in the PRC, with over 1,400,000 tonnes of copper products processed per year.
- (3) The production capacity of copper cathode of the Group is over 1,600,000 tonnes/year, and the Guixi Smelter of the Company is the copper smelter with the largest single smelting scale in the world.

Management Discussion and Analysis

3. Advantage of technologies

The Group possesses industry-leading copper smelting and mine development technologies. Guixi Smelter is the first entity to introduce the entire flash smelting technology production line in the PRC and its overall production technology and key techno-economic indicators have reached advanced international standards. Dexing Copper Mine is the largest modernised copper mine with advanced technological level in the PRC, and is the first to introduce international software for the design, planning and optimization of mining and the global satellite positioning system for truck dispatching. 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”.

4. Advantage of competitive cost

Dexing Copper Mine owned by the Company is the largest copper open-pit mine in the PRC. The unit cash cost is below 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 Company in smoothening the risk of fluctuations in the costs of raw materials. Guixi Smelter owned by the Company is the world’s largest single smelter, with leading technology and scale effect, giving the Company more cost advantage.

5. Advantage of brand

The “Guiye” copper cathode owned by the Company was successfully one-off registered with the LME in 1996 and is the first world-class brand of copper in the PRC. The Company is also the first enterprise in the copper industry of the PRC which has its three main products – 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 established good and long-term relationship with world-class mining enterprises.

6. Management and talent advantage

The management team of the Company has extensive experience and has actively participated in the corporate governance of the Company for a long period and has 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.

Management Discussion and Analysis

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

III. DISCUSSION AND ANALYSIS OF THE COMPANY'S OPERATION

Since 2021, the Group has endeavored to overcome the adverse effects brought by the pandemic, and has actively responded to pressures and challenges faced, such as the ongoing tensions in the supply of raw materials, the difficulties in selling copper processed products and the increased risks of customer performance. In addition, we have seized the opportunity of rising copper prices and have strived to improve technical and economic indicators to maximize the benefits of self-produced mines.

From January to June 2021, the Company recorded an operating income of RMB226.794 billion, representing a year-on-year increase of 54.30% (the same period last year: RMB146.985 billion); and a net profit attributable to shareholders of the Company of RMB3.043 billion, representing a year-on-year increase of 308.30% (the same period last year: RMB0.745 billion). As at the end of June 2021, the Company's total assets amounted to RMB167.244 billion, representing an increase of 18.71% over that in the beginning of the year (at the beginning of the year: RMB140.881 billion), of which net assets attributable to shareholders of the Company amounted to RMB66.789 billion, representing an increase of 11.48% over that in the beginning of the year (at the beginning of the year: RMB59.910 billion).

(I) Keeping the momentum of stable growth through steadily improving the quantity and quality of main products

Product	Production from January to June 2021	Production from January to June 2020	Year-on-year increase (%)
Copper cathode (ten thousand tonnes)	90.13	80.06	12.58
Gold (tonnes)	38.87	38.50	0.96
Silver (tonnes)	614.37	544.85	12.76
Sulphuric acid (ten thousand tonnes)	263.44	249.59	5.55
Processed copper products (ten thousand tonnes)	75.01	67.61	10.95
Including: copper rods	67.42	61.07	10.40
Copper contained in self-produced copper concentrates (ten thousand tonnes)	10.30	10.46	-1.53
Standard sulphuric concentrates (ten thousand tonnes)	122.56	133.90	-8.47
Conversion of molybdenum concentrates (45%) (tonnes)	4,288.00	4,220.00	1.61

Management Discussion and Analysis

(II) Accelerating project construction with an emphasis on high-quality and efficient development

During the reporting period, TPCO Copper Industry Cop., Ltd. acquired by the Company and the 8,000 tonnes/year special enamelled wires production expansion project and other projects were successively put into production. The copper foil phase III 15,000 tonnes/year lithium battery copper foil project has been put into trial production, and the share in the market of high-end copper processing products has been steadily improved. Jiangxi Cable has successfully developed 64/110KV 1*630 high-voltage cables and has become the only enterprise in Jiangxi Province which can produce such ultra-high-voltage cables. We have successfully introduced strategic investors into the Baku Tower Tungsten mine project in Kazakhstan and the construction of the project is proceeding in an orderly manner. Wushan Copper Mine Phase III extension project has been officially reviewed and approved by the National Mine Safety Supervision Bureau and is now under full construction. The Renovation and Expansion Project for Qingyuan Smelting has completed all the preparatory work before bidding. The 180,000 tonnes/year copper smelting project of JCC Yantai Guoxing is progressing smoothly.

(III) Accelerating innovation-driven development through integration of production and research that complement each other

In order to further improve efficiency, the Company focused on overcoming difficulties in production, eliminating pain points and controlling key points. In the first half of the year, we completed 20 research projects on production technology, turned 15 scientific achievements into products, and obtained a total of 73 patent authorizations, including 8 invention patents. We have accelerated the incubation of high-end products, and high-performance heat pipes used in the 5G field have been supplied in batches for downstream enterprises. We have achieved preliminary results in the development of a variety of new products such as enamelled wires for digital motors and precision small enamelled flat wires for new energy vehicles, which have been trialed in a number of leading enterprises and reached their standards. This offers a broad prospect for cooperation.

(IV) Taking multiple measures to improve management and implementing them in a coordinated way

The Company continued to promote the establishment of a comprehensive system of risk management, coordination and employee position, so as to promote comprehensive budget control and to ensure the implementation of various management measures. For investment, finance, trade, overseas project management and other fields, the Company built a comprehensive risk management system for the assessment, early warning, reporting and disposition of risks in hedging management and contract performance management. Comprehensive budget control was implemented in data sources and front-end business, thus its guidance functions and leading roles were maximized, and cost control was optimized. The Company have established an internal human resources market, and spared no effort to comprehensively build a channel of talent recruitment and training, which included elite training, differential remuneration and promotion and use, so as to reserve talents for the Company's high-quality leapfrog development.

Management Discussion and Analysis

IV. MAJOR OPERATING RESULTS DURING THE REPORTING PERIOD

(I) Analysis of principal businesses

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

Unit: Yuan Currency: RMB

Items	For the period	For the same period last year	Changes (%)
Operating revenue	226,794,311,017	146,985,402,360	54.30
Operating cost	215,635,299,323	143,279,956,819	50.50
Taxes and surcharges	557,572,581	360,357,302	54.73
Selling expenses	162,260,512	400,041,883	-59.44
Administrative expenses	1,267,904,459	871,222,146	45.53
Finance costs	498,709,780	727,379,216	-31.44
Expenses on research and development	373,729,527	280,688,848	33.15
Net cash flow from operating activities	1,767,430,662	4,089,547,413	-56.78
Net cash flow from investment activities	-3,059,084,633	-16,503,384,319	-81.46
Net cash flow from financing activities	4,704,345,418	12,711,686,903	-62.99
Impairment losses on assets	1,469,290,758	520,263,382	182.41
Impairment losses on credit	125,392,075	-17,577,886	813.35
Gains on disposal of assets	47,562,005	536,650	8,762.76
Returns on investments	-2,903,185,922	929,628,193	-412.30
Changes in fair value	113,004,856	-428,391,243	126.38
Non-operating income	14,819,056	26,513,061	-44.11
Non-operating expenses	86,450,163	14,339,867	502.87

Explanation on changes in operating revenue: It was mainly due to the changes in the price of main products;

Management Discussion and Analysis

Explanation on changes in operating cost: It was mainly due to the changes in the price of raw materials;

Explanation on changes in taxes and surcharges: It was mainly due to the increase in resource tax as a result of the changes in the price of main products;

Explanation on changes in selling expenses: It was mainly due to the reclassification of transportation costs to the cost of principal business;

Explanation on changes in administrative expenses: It was mainly due to the increase in amortisation of intangible assets and staff costs;

Explanation on changes in finance costs: It was mainly due to the increase in interest income and foreign exchange gains;

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

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

Explanation on changes in net cash flow from investment activities: It was mainly due to the decrease in investments;

Explanation on changes in net cash flow from financing activities: It was mainly due to the decrease in borrowings obtained;

Explanation on changes in impairment losses on assets: It was mainly due to the decrease in value of inventories and the increase in the impairment of assets;

Explanation on changes in impairment losses on credit: It was mainly due to the increase in the loss provision for impairment losses on credit;

Explanation on changes in gains on disposal of assets: It was mainly due to the disposal of assets of JCC Dongtong Mining Company Limited;

Explanation on changes in returns on investments: It was mainly due to the significant increase in copper price this year, which resulted in corresponding losses in closing positions in commodity futures contracts while spot sales of the Company reflected gains;

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Explanation on changes in fair value: It was mainly due to the changes in fair value of commodity futures contracts;

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

Explanation on changes in non-operating expenses: It was mainly due to the increase in the losses from retirement of fixed assets.

2. Others

Detailed explanation of major changes in business types, the composition or source of profits of the Company during the reporting period.

Not applicable

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

Unit: Yuan Currency: RMB

Item	For the period	For the same period last year	Changes
Impairment losses on assets	1,469,290,758	520,263,382	949,027,376
Impairment losses on credit	125,392,075	-17,577,886	142,969,961
Gains on changes in fair value	113,004,856	-428,391,243	541,396,099
Returns on investment	-2,903,185,922	929,628,193	-3,832,814,115

Management Discussion and Analysis

(III) Analysis of assets and liabilities

1. Assets and liabilities

Unit: 0'000 Yuan Currency: RMB

Item	As at the end of the period	Share of total assets as at the end of the period (%)	As at the end of the previous period	Share of total assets as at the end of the previous period (%)	Changes as at the end of the period over the previous period (%)	Explanation
Cash and bank balances	3,486,674	20.85	2,502,587	17.76	39.32	Note 1
Held-for-trading financial assets	650,846	3.89	445,393	3.16	46.13	Note 2
Derivative financial assets	95,732	0.57	45,151	0.32	112.03	Note 3
Prepayments	252,974	1.51	120,153	0.85	110.54	Note 4
Deferred income tax assets	65,043	0.39	48,571	0.34	33.91	Note 5
Held-for-trading financial liabilities	27,271	0.16	-	0.00	100.00	Note 6
Derivative financial liabilities	40,997	0.25	103,140	0.73	-60.25	Note 7
Contract liabilities	274,647	1.64	148,450	1.05	85.01	Note 8
Taxes payable	202,028	1.21	122,378	0.87	65.09	Note 9
Non-current liabilities						
due within one year	205,085	1.23	69,730	0.49	194.11	Note 10
Other current liabilities	453,741	2.71	305,856	2.17	48.35	Note 11
Other comprehensive income	1,122,071	6.71	717,149	5.09	56.46	Note 12
Special reserve	37,702	0.23	26,705	0.19	41.18	Note 13

Other explanations

Note 1. As at the end of the reporting period, the cash and bank balances of the Group amounted to RMB34,866.74 million, representing an increase of RMB9,840.87 million (or 39.32%) as compared with the end of the period of last year, mainly attributable to the increase in the Group's time deposits and large-value certificates of deposit.

Note 2. As at the end of the reporting period, the held-for-trading financial assets of the Group amounted to RMB6,508.46 million, representing an increase of RMB2,054.53 million (or 46.13%) as compared with the end of the period of last year, mainly attributable to the increase in investments in debt instruments of the Group.

Note 3. As at the end of the reporting period, the derivative financial assets of the Group amounted to RMB957.32 million, representing an increase of RMB505.81 million (or 112.03%) as compared with the end of the period of last year, mainly attributable to the changes in fair value of embedded derivatives of the Group.

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- Note 4.* As at the end of the reporting period, the prepayments of the Group amounted to RMB2,529.74 million, representing an increase of RMB1,328.21 million (or 110.54%) as compared with the end of the period of last year, mainly attributable to the increase in prepayments of raw materials and commodity trade procurement of the Group.
- Note 5.* As at the end of the reporting period, the deferred income tax assets of the Group amounted to RMB650.43 million, representing an increase of RMB164.72 million (or 33.91%) as compared with the end of the period of last year, mainly attributable to the increase in deductible temporary differences of the Group.
- Note 6.* As at the end of the reporting period, the held-for-trading financial liabilities of the Group amounted to RMB272.71 million, representing an increase of RMB272.71 million (or 100.00%) as compared with the end of the period of last year, mainly attributable to the increase in the gold leasing business of a subsidiary of the Group.
- Note 7.* As at the end of the reporting period, the derivative financial liabilities of the Group amounted to RMB409.97 million, representing a decrease of RMB621.43 million (or -60.25%) as compared with the end of the period of last year, mainly attributable to the fluctuating profit or loss of the futures business of the Group.
- Note 8.* As at the end of the reporting period, the contract liabilities of the Group amounted to RMB2,746.47 million, representing an increase of RMB1,261.97 million (or 85.01%) as compared with the end of the period of last year, mainly attributable to the increase in trade receivables in advance of the Group.
- Note 9.* As at the end of the reporting period, the taxes payable of the Group amounted to RMB2,020.28 million, representing an increase of RMB796.50 million (or 65.09%) as compared with the end of the period of last year, mainly attributable to the increase in accumulated taxes payable of the Group in this year.
- Note 10.* As at the end of the reporting period, the non-current liabilities due within one year of the Group amounted to RMB2,050.85 million, representing an increase of RMB1,353.55 million (or 194.11%) as compared with the end of the period of last year, mainly attributable to the new borrowings of the Group.
- Note 11.* As at the end of the reporting period, other current liabilities of the Group amounted to RMB4,537.41 million, representing an increase of RMB1,478.85 million (or 48.35%) as compared with the end of the period of last year, mainly attributable to the increase in the absorption of deposits of JCC Group by JCC Finance Company Limited ("**JCC Finance**"), a subsidiary of the Group.
- Note 12.* As at the end of the reporting period, other comprehensive income of the Group amounted to RMB11,220.71 million, representing an increase of RMB4,049.22 million (or 56.46%) as compared with the end of the period of last year, mainly attributable to the increase in fair value of the investment in equity instruments held by the Group.
- Note 13.* As at the end of the reporting period, the special reserve of the Group amounted to RMB377.02 million, representing an increase of RMB109.97 million (or 41.18%) as compared with the end of the period of last year, mainly attributable to the increase in expenses for safe production of the Group.

Management Discussion and Analysis

2. Overseas assets

(1) Asset size

Where: Overseas assets 3,181,061 (Unit: 0'000 Yuan Currency: RMB); share of total assets is 19.02%.

(2) Information of overseas assets

The statistical calibre of overseas assets is the total assets of overseas subsidiaries (calculated according to shareholding ratio), including Jiangxi Copper Loyal Sky Industrial Company Limited, Sure Spread Company Limited, Jiangxi Copper Company Hong Kong Limited, Jiangxi Copper International Trading North America. Inc., Jiangtong International (Singapore) PTE. LTD., Jiangxi Copper (Hong Kong) Investment Company Limited, Jiangxi Copper International (Istanbul) Mining Investment Co., Ltd., Shandong Humon (Latin America) Company Limited and Hong Kong Humon International Logistics Limited.

3. 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 balances	17,033,961,641	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 reserves 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	3,793,847,602	Financial management products with book values of RMB3,262,057,753 were pledged as security deposits for issuance of letters of credit and bank acceptance notes; financial management products with book values of RMB50,000,000 were pledged to secure bank borrowings; the government bonds with book values of RMB481,789,849 were pledged to secure short-term borrowings

Management Discussion and Analysis

Item	Book value at the end of the period	Reasons for the limitation
Accounts receivable financing	1,047,826,115	Bank acceptance notes with book values of RMB771,150,000 were pledged to obtain the gold leasing; bank acceptance notes with book values of RMB276,676,115 were pledged to issue bank acceptance notes
Other receivables	1,198,508,212	Futures deposits
Inventories	1,794,300,960	Inventories with book values of RMB1,403,821,205 were pledged to secure short-term borrowings; inventories with book values of RMB380,971,824 were placed as futures deposits; inventories with book values of RMB9,507,931 were held by the court due to litigations
Investment properties	157,638,634	Held by court due to litigations
Fixed assets	793,443,401	Fixed assets with book values of RMB486,969,900 were pledged to secure short-term bank borrowings; fixed assets with book values of RMB195,464,758 were pledged to secure long-term bank borrowings; fixed assets with book values of RMB111,008,743 were held by court due to litigations
Intangible assets	135,527,928	Intangible assets with book values of RMB102,053,205 were pledged to secure bank borrowings; land use rights with book values of RMB33,474,723 were pledged to secure long-term bank borrowings
Other non-current assets	4,222,872,765	Time deposits with maturity dates of more than one year with book values of RMB210,000,000 were pledged to issue bank guarantees to secure short-term bank borrowings of RMB200,000,000; time deposits with maturity dates of more than one year with book values of RMB2,227,272,615 were pledged to secure long-term borrowings of RMB2,117,253,358; time deposits with maturity dates of more than one year with book values of RMB1,762,000,150 were pledged to issue bank acceptance notes; time deposits with maturity dates of more than one year with book values of RMB23,600,000 were pledged to issue letters of guarantee

4. Other explanations

Not applicable

Management Discussion and Analysis

(IV) Analysis of investment

1. General analysis of external investment in equity

Unit: 0'000 Yuan Currency: RMB

Investment during the reporting period	63,116.90
Investment during the same period last year	29,344.58
Extent of year-on-year increase/decrease (%)	115.09

No.	Name of investee	Principal activity	Share of interests in the investee (%)	Investment amount
1	Jiangxi Cable Co., Ltd. (江西電纜有限責任公司)	Manufacture and sales of wires and cables; manufacture, processing and sales of machinery equipment; processing of materials of wires and cables; repairing of electrical equipment; general freight transport (which must be operated within the validity period of the road transport business permit); technical consultation, design and services of wires and cables (projects which require approvals in accordance with the laws may only commence business activities upon approvals from relevant authorities).	51	20,840.39
2	Jiangxi Copper (Hong Kong) Investment Company Limited (江西銅業(香港)投資有限公司)	Investment businesses	100	7,545.97

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No.	Name of investee	Principal activity	Share of interests in the investee (%)	Investment amount
3	Jiangxi JCC Environmental Resources Technology Co., Ltd. (江西江銅環境資源科技有限公司)	General projects: Recycling of renewable resources (except for productive old and scrap metals), solid waste treatment, renewable resources processing, sales of non-metallic mines and products, metal waste and scrap processing, non-metallic waste and scrap processing, treatment and regeneration of sewage, soil treatment and restoration service, technical services, technical development, technical consultation, technology exchange, technology transfer, technology promotion, landscape construction works (in addition to licensed businesses, projects which are not restricted nor prohibited by laws and regulations can be independently operated in accordance with the laws)	100	2,000.00
4	MCC-JCL Aynak Minerals Company Limited (中冶江銅艾娜克礦業有限公司)	Mining investment	25	1,263.13
5	Wanguo International Mining Group Limited (萬國國際礦業集團有限公司)	Mining, ore dressing, sales of concentrate products and other business	20.87	31,467.41

Note: The above-mentioned 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 established companies (including contributions by equity, debt, etc.).

(1) Significant equity interest investment

During the reporting period, the Company did not make any significant equity interest investment.

(2) Significant non-equity interest investment

Not applicable

Management Discussion and Analysis

(3) Financial assets measured at fair value

Unit: Yuan Currency: RMB

Item	Opening balance	Closing balance	Change during the period	Impact on the profit for the period
Held-for-trading financial assets	4,453,933,930	6,508,461,498	2,054,527,568	17,222,083
Receivables financing	2,595,046,355	2,949,454,201	354,407,846	0
Other non-current financial assets	1,652,738,682	1,440,474,569	-212,264,113	-150,161,393
Other equity instrument investments	14,864,404,752	18,916,144,175	4,051,739,423	2,430,183
Held-for-trading financial liabilities	0	-272,713,200	-272,713,200	-3,935,244
Derivative financial instruments ("-" represents liabilities and "+" represents assets)	-579,885,157	547,349,447	1,127,234,604	-1,782,916,075
Change in fair value of hedged items	6,159,716,148	7,238,586,033	1,078,869,885	-790,182,414
Total	29,145,954,710	37,327,756,723	8,181,802,013	-2,707,542,860

(V) Material disposal of assets and equity interests

Not applicable

Management Discussion and Analysis

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

(1) Production and operation of our principal controlled subsidiaries as of 30 June 2021

Unit: 0'000 Yuan Currency: RMB

Company name	Business nature	Registered capital	Shareholding percentage (%)	Total assets	Net assets	Operating revenue	Net profit
Humon Smelting	Exploration, mining, selection and smelting of gold and chemical production	114,801	44.48	2,030,292	760,028	2,133,832	21,752
JCC Finance	Provision of guarantee and deposits taking from and loans to member units	260,000	100	2,745,171	383,388	25,100	13,973
Heding Copper	Production and sale of copper cathodes	128,000	40	919,749	259,224	1,322,294	33,643
Jiangxi Copper Products Company Limited (江西銅業銅材有限公司)	Sale of processed copper materials	42,450	100	125,586	115,471	12,771	2,655
JCC Copper Products Company Limited (江西銅業集團銅材有限公司)	Processing and sale of hardware electric product	18,639	98.89	107,360	38,922	125,389	344
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	680	100	2,310	1,092	11,830	28
Shenzhen Jiangxi Copper Marketing Company Limited (深圳江銅營銷有限公司)	Sale of copper products	226,000	100	88,089	-19,333	367	-789
Jiangxi Copper Shanghai Trading Company Limited (上海江銅營銷有限公司)	Sale of copper products	75,000	100	227,066	-344,338	139,284	467
Jiangxi Copper Beijing Trading Company Limited (北京江銅營銷有限公司)	Sale of copper products	26,100	100	23,832	-46,091	0	-110
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	23,000	100	353,829	131,681	65,164	3,966
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	125,360	98.15	162,922	148,105	72,995	10,061

Management Discussion and Analysis

Unit: 0'000 Yuan Currency: RMB

Company name	Business nature	Registered capital	Shareholding percentage (%)	Total assets	Net assets	Operating revenue	Net profit
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	89,053	92.04	171,700	50,622	179,744	699
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	USD1,680	70	85,975	12,865	76,948	633
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	7,000	95	8,407	7,745	1,523	137
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	3,508	100	16,241	8,070	18,613	246
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	200	100	7,153	6,098	3,332	279
JCC (Guixi) Logistics Company Limited (江西銅業集團(貴溪)物流有限公司)	Provision of transportation services	4,000	100	20,796	16,103	9,927	-92
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	6,638	100	32,042	17,498	16,070	1,075
JCC (Dexing) Construction Company Limited (江西銅業集團(德興)建設有限公司)	Development and sales of building materials for various projects including mine projects	5,000	100	26,612	13,885	17,172	395
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	1,500	100	9,687	6,060	1,780	-32
Jiangxi Jiangtong-Wengfu Chemical Engineering Company Limited (江西省江銅-翁福化工有限責任公司)	Sulphuric acid and its by-products	18,150	70	27,855	25,904	13,954	6,044
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	2,029	100	7,757	3,212	4,248	1

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Unit: 0'000 Yuan Currency: RMB

Company name	Business nature	Registered capital	Shareholding percentage (%)	Total assets	Net assets	Operating revenue	Net profit
JCC (Ruichang) Casting Company Limited (江西銅業集團(瑞昌)鑄造有限公司)	Production and sales of cast iron grinding ball, machinery processing and manufacture and sales of wear resistant materials and products	260	100	1,482	587	2,037	9
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	1,020	100	3,588	3,069	1,476	53
Jiangxi Copper Construction Supervision Consulting Company Limited (江西銅業建設監理諮詢有限公司)	Construction	300	100	1,493	1,197	744	-230
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	80,000	100	1,155,281	98,722	1,827,618	1,418
Jiangxi Copper International Trade Company Limited (江銅國際貿易有限公司)	Trading of metal products	101,609	59.05	772,326	43,140	4,311,573	-15,804
Shanghai Jiangtong Investment Holdings Ltd. (上海江銅投資控股有限公司)	Industrial investment, investment management, domestic trade, corporate asset management, corporate operation management and exhibition services, etc.	27,254	100	25,417	22,576	568	-213
Jiangxi Copper Dexing Chemical Company Limited (江西銅業(德興)化工有限公司)	Sulphuric acid and related by-products	37,582	100	61,597	54,562	21,541	9,140
Jiangxi Copper (Yugan) Casting Company Limited (江西銅業集團(餘干)鑄造有限公司)	Production and sales of cast iron grinding ball, machinery processing and manufacture and sales of wear-resistant materials and products	2,800	100	5,647	4,948	2,561	154
Jiangxi Copper (Qingyuan) Company Limited (江西銅業(清遠)有限公司)	Manufacturing, processing and sales of anode sheets of copper cathode and non-ferrous metals	89,000	100	785,606	78,656	461,811	1,789
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	USD14,000	100	441,085	128,091	1,580,920	7,033
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	25,000	100	45,804	21,387	130,926	1,276
Jiangxi Copper International (Istanbul) Mining Investment Co., Ltd. (江銅國際(伊斯坦布爾)礦業投資股份公司)	Import and export trading of copper products	USD7,126	100	13,185	12,506	0	-1,198
Jiangxi Copper Technical Institution Co., Ltd. (江西銅業技術研究院有限公司)	Technology research and development etc.	4,500	100	5,374	4,527	1,470	-58

Management Discussion and Analysis

Unit: 0'000 Yuan Currency: RMB

Company name	Business nature	Registered capital	Shareholding percentage (%)	Total assets	Net assets	Operating revenue	Net profit
Jiangxi Copper North China (Tianjin) Copper Co., Ltd (江銅華北(天津)銅業有限公司)	Production of copper rods and wires and the related products	64,020	51	240,018	58,247	770,989	-9,035
JCC Guoxing (Yantai) Copper Company Limited (江銅國興(煙台)銅業有限公司)	Production of copper sulphate, electrolytic copper and non-ferrous metals	50,000	65	160,309	48,080	168	-253
JCC Hongyuan Copper Industry Co., Ltd. (江銅宏源銅業有限公司)	Production and sale of electrolytic copper	25,000	43	147,855	29,344	247,859	4,502
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	USD104,041	100	1,142,202	753,292	0	-3,192
Jiangxi Copper (Shenzhen) International Investment Holding Co., Ltd. (江西銅業(深圳)國際投資控股有限公司)	Sales of cathode copper, anode plates and non-ferrous metals	166,200	100	1,367,274	165,955	6,469,900	3,217
PIM CUPRIC HOLDINGS LIMITED (“PIM Cupric”) (Note)	Investment	799,982	100	1,888,819	1,885,583	0	127
JCC (Yingtian) Trading Co., Ltd. (江西銅業(贛潭)貿易有限公司)	Sale of non-ferrous metals, rare and precious metals and metal products	10,000	100	14,418	10,162	442,017	138

Note: On 9 December 2019, as considered and approved at the Company's 15th meeting of the eighth session of the Board, Jiangxi Copper (Hong Kong) Investment Company Limited, a wholly-owned subsidiary of the Company, acquired from Pangaea Investment Management Ltd., a company in which the Company is indirectly interested in (“PIM”), 100% equity interest in PIM Cupric, which was wholly-owned by PIM, at a consideration of USD1.1159 billion. After the acquisition, PIM Cupric became an indirect wholly-owned subsidiary of the Company. PIM Cupric held 124,198,371 shares of First Quantum Minerals Ltd. (“FQM”), a company listed on the Toronto Stock Exchange of Canada (accounting for 18.015% of the then issued shares of FQM).

As at 30 June 2021, the Company indirectly held 126,842,671 shares of FQM, accounting for 18.372% of the total issued shares of FQM. The fair value of this investment amounted to RMB18,879 million, representing 11.29% of the Company's total assets.

FQM is a global mining company that operates mines in several countries. FQM primarily produces copper, with secondary production in gold, nickel, zinc, cobalt, etc. According to the interim report 2021 of FQM, its total revenue for the six months ended 30 June 2021 was US\$3,525 million and its gross profit was US\$1,165 million. During the reporting period, the Company has received a total dividend of C\$634,213.36.

FQM has abundant copper reserves under its control and is expected to generate strong cash flow in the future. The Company will enjoy the corresponding interests in FQM's copper resources through its shareholding and the expected future cash dividends, which is in line with the Company's strategy of internationalising resources. In addition, FQM has an excellent management team with extensive experience in mine project construction and operation. The Company can explore asset level cooperation with FQM on expansion and development of copper mine projects in their respective portfolios so as to enhance project profitability.

Management Discussion and Analysis

(2) Production and operation of our associates and joint ventures as of 30 June 2021

Unit: 0'000 Yuan Currency: RMB

Name of investee	Business nature	Registered capital		Our shareholding (%)	Total assets at the end of the period	Total liabilities at the end of the period	Net assets in aggregate at the end of the period	Total operating income for the reporting period	Net profits for the reporting period
		Currency	0'000						
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	2,820	50	8,083	1,436	6,647	2,852	1,323
Nesko Metal Sanayi ve Ticaret Anonim Şirketi	Exploration and sales of copper products	USD	814	48	2,405	487	1,918	661	-251
Valuestone GP Ltd. (嘉石普通合夥人有限公司)	Investment company	USD	300	51	311	0	311	0	11
Jiaxin International Resources Investment Co., Ltd. (佳鑫國際資源投資有限公司)	Exploration and sales of tungsten ore and tungsten processing	HKD	1,1765	41.65	191,840	22,566	169,274	777	-1,426
II. Associates									
Minmetals Jiangxi Copper Mining Investment Company Limited (五礦江銅礦業投資有限公司)	Investment company	RMB	566,550	40	443,377	54,829	388,548	0	-8,086
MCC-JCL Aynak Minerals Company Limited (中冶江銅艾姆克礦業有限公司)	Exploration and sales of copper products	USD	280	25	40,829	282	40,547	0	0
BOC International (China) Co., Ltd. (中銀國際證券股份有限公司)	Securities brokerage and investment advisory	RMB	277,800	5.68	5,987,699	4,453,183	1,534,516	160,727	64,114
Jiangxi Tongrui Project Management Co., Ltd. (江西銅瑞項目管理有限公司)	Construction project	RMB	1,000	49	963	43	920	1	-156
Valuestone Global Resources Fund I LP	Fund company	USD	12,668	83.52	8,314	28	8,286	0	-227
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	2,000	18.52	512	100	412	2,481	33
Jiangxi JCC Petrochemical Co., Ltd. (江西江銅石化有限公司)	Sale of petroleum and petrochemical products	RMB	1,900	49	3,094	159	2,935	16,037	613
Ningbo Saimo Technology Co., Ltd. (寧波賽墨科技有限公司)	R&D of technology	RMB	1,158	38	1,535	704	831	0	-102
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	30,000	44.7	29,421	651	28,770	793	-458
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	3,000	21	6,000	3,437	2,563	3,517	165

(VII) Structured entities under control of the Company

Not Applicable

Management Discussion and Analysis

V. OTHER DISCLOSURES

(I) 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, a portion of the properties of the Company has 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 may 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.

3. Risks 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

Management Discussion and Analysis

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; and (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.

4. Risks 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 consumption 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 are mainly 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 adaptable to market needs, and minimize as much as possible the adverse impact from changes in the market environment on the operations of the Company.

Management Discussion and Analysis

5. Environmental protection risks

The Group is mainly engaged in the mining, smelting and processing of non-ferrous metals and precious 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 and adopts 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 2021, the global pandemic has been alleviated and controlled to a certain extent. However, with the continuous spread of the Delta variant, the pandemic shows some resurgence at aboard. In addition, a relatively large-scale outbreak has also occurred in China. Thus, risks from uncertainties still exist.

The Group conscientiously implements the work arrangements of the Central Committee of the Chinese Communist Party, the State Council of the PRC and Jiangxi Provincial Government on winning the prevention and control battle against the COVID-19 pandemic. We resolutely take the pandemic prevention and control as the most important task at current stage, and launch a series of anti-pandemic actions. At the same time, the Group will continue to pay close attention to the development of the pandemic and actively respond to the potential impact on the financial position, operating results and other aspects of the Company.

(II) Other Disclosures

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 2020 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.

Corporate Governance

I. GENERAL MEETING OVERVIEW

Session of the meeting	Date of convening	Reference of the website specified for resolutions publication	Publication date of resolutions	Resolutions of the meeting
2020 Annual General Meeting	8 June 2021	www.sse.com.cn	9 June 2021	Announcement on the Resolution of 2020 Annual General Meeting of Jiangxi Copper Company Limited

Request from preference shareholders with voting rights restored to convene an extraordinary general meeting

Not applicable

Explanation on general meeting

Not applicable

Corporate Governance

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

Name	Position held	Change
Zheng Gaoqing	Director, Chairman	Elected
Wang Bo	Director	Elected
Liu Fangyun	Director	Elected
Yu Tong	Director	Elected
Gao Jian-min	Director	Elected
Liang Qing	Director	Elected
Wang Feng	Independent Director	Elected
Liu Erh Fei	Independent Director	Elected
Zhu Xingwen	Independent Director	Elected
Liu Xike	Independent Director	Elected
Guan Yongmin	Supervisor, Chairman of Supervisory Committee	Elected
Zhang Jianhua	Supervisor	Elected
Wu Donghua	Supervisor	Elected
Zhang Kui	Supervisor	Elected
Zeng Min	Supervisor	Elected
Tu Dongyang	Secretary to the Board, Deputy General Manager	Appointed
Jiang Wenbo	Deputy General Manager	Appointed
Peng Xihong	Chief Legal Officer	Appointed
Tu Shutian	Independent Director	Resigned
Lin Jinliang	Chief Legal Officer	Resigned

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

The Company convened an annual general meeting for the year 2020 on 8 June 2021 where the members of the ninth session of the Board and Supervisory Committee were elected. On 9 June 2021, the Company convened the first meeting of the ninth session of the Board, where Zheng Gaoqing was elected as chairman of the ninth session of the Board, convened the first meeting of the ninth session of the Supervisory Committee, where Guan Yongmin was elected as chairman of the ninth session of the Supervisory Committee.

Corporate Governance

III. 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.

IV. 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 incentives

Not applicable

Environmental and Social Responsibility

I. 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 ₂		56.993t	14.17mg/m ³	*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 _x		108.115t	21.64mg/m ³			8	
	Particulates		16.587t	6.78mg/m ³			6	
	Arsenic		70.2kg	0.04mg/m ³			10	
	Lead		202kg	0.035mg/m ³			10	
	Mercury		0	Undetected			9	
Weihai Humon	SO ₂		0.065t	3.55mg/m ³	*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	4	In the plant area
	NO _x		11.94t	26.12mg/m ³			4	
	Particulates		2.47t	3.93mg/m ³			4	
	Fluoride		0.48t	2.08mg/m ³			2	
	Ammonia		46.11t	10.38kg/h			3	
Chengmenshan Copper Mine	pH		/	7.7 (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	168.3	80.71	24.46				
	Ammonia nitrogen	7.293	4.56	1.38				
Dexing Copper Mine	Total copper	2.87	0.2530	0.077	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
	pH		/	7.39 (Dimensionless)				
	COD	480	178.426	13.96				
	Ammonia nitrogen	108.11	15.096	1.18				
	Suspended matter		127.361	9.97				
	Total copper		0.256	0.020				
	Total lead		0.639	0.050				
Total zinc		0.064	0.0050					
Total cadmium		0.347	0.0269					

Environmental and Social Responsibility

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 Dexing Chemical Company Limited	Sulphur dioxide	446.43	84.27	139.04mg/m ³	"Emission Standard of Pollutants for Sulphuric 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	6	In the plant area
	Smoke dust	2.54	0.536	21.8mg/m ³				
	COD	1.5	1.09	50.50				
Guixi Smelter	COD	600	46	18.57	"Emission Standard of Industrial Pollutants for Copper, Nickel, Cobalt" (GB25467-2010)	Organized emissions after meeting standards	10	In the plant area
	Ammonia nitrogen	80	6	2.39				
	Arsenic	5	0.153	0.066				
	Lead	5	0.244	0.1				
	Cadmium	1	0.061	0.025				
	Sulphur dioxide	6,467.62	395	60mg/m ³				
	Smoke (powder) dust	847	115	17mg/m ³				
Jiangxi Copper Yates Copper Foil Company Limited	pH		/ 7.367 (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		0.483	32.167				
	Ammonia nitrogen		0.083	6.633				
	Suspended matter		0.069	5.000				
	Total copper		0.0009	0.063				
	Total zinc		0.0007	0.052				
	Total chromium	0.094717	0.0008	0.056				
	Hexavalent chromium		0.0007	0.050				
	Sulphuric acid mist		0.3236	0.2704mg/m ³				
	Chromic acid mist		0.0012	0.028667mg/m ³				
	Nitrogen oxides	11.2	0.039	14mg/m ³				

Environmental and Social Responsibility

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
		approved (t/a)	Total emissions (t/a)*					
Jiangxi Copper (Longchang) Precise Pipe Company Limited	pH		/	7.11 (Dimensionless)	Management standards of Qingshan Lake Sewage Treatment Plant (Nanchang city)	Organized emissions after meeting standards	1	In the plant area
	COD	0.2502		34.000				
	Ammonia nitrogen	0.0861		11.700				
	Suspended matter	0.2355		32.000				
	BOD ₅	0.0809		11.000				
Jiangtong-Wengfu Chemical Engineering Company Limited	Animal and vegetable oil	0.0097		1.320	"Emission Standard of Pollutants for Sulphuric Acid Industry" (GB26132-2010)	Organized emissions after meeting standards	2	In the plant area
	Petroleum	0.0026		0.350				
	Sulphur dioxide	752	53.77	93.62mg/m ³				
Wushan Copper Mine	pH		/	7.27 (Dimensionless)	Standards in the table 2 of the "Emission Standard of Industrial Pollutants for Copper, Nickel, Cobalt" (GB25467-2010)	Organized emissions after meeting standards	2	In the mining area
	COD	361.5	27.985	9.03				
	Ammonia nitrogen	17.17	1.012	0.3264				
	Suspended matter		66.718	21.52				
	Total copper		0.1518	0.049				
	Total zinc		0.1256	0.041				
	Total lead	0.0957	0.003543	0.00114				
Total cadmium	0.02393	0.002997	0.000967					
Total Arsenic	0.11388	0.001168	0.000377					

Environmental and Social Responsibility

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)*					
JCC Yinshan Mining Company Limited	pH	86.60	52.33	34.89	Standards in the table 2 of the "Emission Standard of Industrial Pollutants for Copper, Nickel, Cobalt" (GB25467-2010)	Organized emissions after meeting standards	1	In the mining area
	COD	9.70	3.04	2.03				
	Ammonia nitrogen		49.33	32.89				
	Suspended matter		0.075	0.05				
	Total copper	0.6461	0.034	0.02				
	Total lead		0.9	0.6				
	Total zinc	0.00232	0.001	0.0008				
	Total cadmium	0.2584	0.033	0.02				
	Total Arsenic		0.021	0.017				
Jiangxi Copper (Qingyuan) Company Limited	COD	0.528	0.0687	6.5	"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	0.001275	0.105				
	Sulphur dioxide	65.283	6.569	31.26mg/m ³				
	Smoke (powder) dust	12.5	1.864	8.87mg/m ³				
	Nitrogen oxides	35.5	5.887	28.01mg/m ³				
	Arsenic and its compounds	0.4	0.0003	0.0022mg/m ³				
	Lead and its compounds	2	0.0149	0.0976mg/m ³				
	Cadmium and its compounds	0.05	0.0031	0.0205mg/m ³				
	Sulphuric acid mist		0.1137	2.86mg/m ³				
Yongping Copper Mine	pH		/	7.46 (Dimensionless)	Standards in the table 2 of the "Emission Standard of Industrial Pollutants for Copper, Nickel, Cobalt" (GB25467-2010)	Organized emissions after meeting standards	3	In the mining area
	COD	160.627	83.36	22.15				
	Ammonia nitrogen	27.15	5.22	1.25				
	Total copper		0.158	0.0267				
	Total lead		0.162	0.0294				
	Total zinc		0.1447	0.025				
	Total cadmium		0.301	0.05				
		Suspended matter		92.9				

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 and local governments, and will be discharged by the Company or its subsidiaries in an orderly manner after meeting the standards.

*: Unless otherwise specified.

Environmental and Social Responsibility

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. In the first half of the year, the Company approved more than twenty environmental improvement and environmental enhancement 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.

I. Wastewater treatment

Guixi Smelter: A set of industrial water treatment system with a designed treatment capacity of 6,800 tonnes/day, and the treatment technology is lime neutralization method + electrochemical method, and the wastewater generated in the plant is discharged after treatment. During the reporting period, the discharge index of each pollutant meets the requirements of national discharge standards.

Dexing Copper Mine: Two sets of comprehensive industrial wastewater treatment systems based on HDS high-density bottom slag reflux technology with a total designed treatment capacity of 100,000 tonnes/day, and two tailings ponds. The acidic wastewater from the mine is transported to the comprehensive wastewater treatment system for treatment and then discharged, while the beneficiation wastewater is mostly reused after natural oxidation and purification in the tailings pond and a small portion is discharged through the overflow outlet. During the reporting period, the discharge index of each pollutant meets the requirements of national discharge standards.

Wushan Copper Mine: Two sets of comprehensive industrial wastewater treatment systems based on HDS high-density bottom slag reflux technology with a total designed treatment capacity of 16,000 tonnes/day with one tailings pond in use. The acidic wastewater from the mine is transported to the wastewater treatment system for treatment and then discharged, while the beneficiation wastewater is mostly reused after natural oxidation and purification in the tailings pond but a small portion is transported to the wastewater treatment system for treatment and then discharged. During the reporting period, the discharge index of each pollutant meets the requirements of national discharge standards.

Environmental and Social Responsibility

Yongping Copper Mine: One set of comprehensive industrial wastewater treatment system based on HDS high-density bottom slag reflux technology with a total designed treatment capacity of 40,000 tonnes/day with one tailings pond in use. The acidic wastewater from the mine is transported to the wastewater treatment system for treatment and then discharged, while the beneficiation wastewater is mostly reused after natural oxidation and purification in the tailings pond and a small portion is discharged through the overflow outlet. During the reporting period, the discharge index of each pollutant meets the requirements of national discharge standards. The mine is currently undergoing an expansion of its wastewater treatment system.

Chengmenshan Copper Mine: A wastewater treatment station, which adopts the acid-alkali neutralization process technology with a designed treatment capacity of 6,000 tonnes/day and one tailings pond. The main wastewater generated from the mine is tailings wastewater, which is discharged after being neutralized with acid in the wastewater treatment station. During the reporting period, the discharge index of each pollutant meets the requirements of national discharge standards.

Yinshan Mining: One comprehensive industrial wastewater treatment system based on HDS high-density bottom slag reflux technology with a total designed treatment capacity of 30,000 tonnes/day and one tailings pond. The acidic wastewater from the mine is transported to the wastewater treatment system for treatment and then discharged, while the beneficiation wastewater is mostly reused after natural oxidation and purification in the tailings pond but a small portion is discharged through the overflow outlet. During the reporting period, the discharge index of each pollutant meets the requirements of national discharge standards.

Copper Foil Company: An industrial wastewater treatment station, which adopts chemical precipitation process technology. Industrial wastewater used in the plant is discharged into the town pipe network after treatment. During the reporting period, the discharge index of each pollutant meets the requirements of national discharge standards.

Environmental and Social Responsibility

Humon Smelting: The acidic wastewater generated in the smelting production process is treated by sulphuration method + neutralization method + electrochemical method process. The wastewater is treated and reused for production without external discharge. The mine gushing water generated during gold mining is treated and reused for production or partially discharged. The mine gushing water generated from Lazigou Gold Mine is treated by two-stage RO reverse osmosis process to replace a portion of the clear water as production water, and the mine gushing water generated from Fuludi, Dongdaokou and other gold mines is treated by neutralization method to meet the standard and then discharged. The domestic sewage produced is treated by the domestic sewage treatment station and used for greening or road dust reduction, without external discharge. The Company has a system of rain and sewage diversion, through which the initial rain in the first half hour of the rainfall process is collected by the sewage pipeline to the rainwater collection pond, treated by the water treatment workshop and then returned to the production system for recycling.

II. Exhaust gas treatment

The main exhaust gas produced by the Guixi Smelter is smelting flue gas. After the flue gas is subjected to the dedusting and acid-making process, the tail gas is finally desulphurized. The desulphurization treatment technology mainly uses ionic liquid desulphurization, that is, the sulphur in the tail gas is absorbed by the ionic liquid and then discharged through a high chimney, and emission concentration meets emission standards.

The Copper Foil Company has 15 sets of acid exhaust gas purification facilities, which adopt the acid-base neutralization process. The acid gas generated in the workshop enters the purification tower through the ventilation, and then is neutralized and absorbed before being discharged through the exhaust.

The exhaust gas of mining enterprises is mainly dust generated in the process of mining with disorganized emissions, which is reduced mainly through ventilation and dust removal facilities and wet spraying. Each unit regularly sprays the work site to reduce dust through strengthening the management of the operation process.

Environmental and Social Responsibility

III. Solid waste treatment

The waste produced in the smelting process of Guixi Smelter includes white smoke and dust, mineral oil from waste machinery and so on. All can be used and disposed safely in accordance with the requirements, so as to strictly implement the requirements for reduction, resource utilization, and harmlessness of hazardous waste, and meet the requirements for standardized management of solid waste.

The solid waste generated by the mining units is mainly mining waste rock and beneficiation tailings, of which mining waste rock is piled up in the waste dump; tailings are piled up in the tailings ponds. The solid waste of underground mines are partly used for underground filling, and part of the tailings of Chengmenshan Copper Mine is used comprehensively.

The hazardous waste generated during the smelting and production process of Humon Smelting includes electric dust ash, sulphide slag, waste vanadium catalyst, waste packaging, etc. All can be used and disposed safely in accordance with the requirements so as to strictly implement the requirements for reduction, resource utilization, and harmlessness of hazardous waste, and meet the requirements for standardized management of hazardous waste. The general solid waste generated mainly includes smelting slag, water quenching slag, calcium sulphate, etc., among which smelting slag and water quenching slag are sold to building materials enterprises, and calcium sulphate is sent to the smelting system for ore blending. The solid waste produced by gold concentrate mining mainly includes waste rock and tailings. Waste rock is mainly used for underground filling whereas the tailings, after grading, are partly sold to the building materials factories, and partly discharged to the tailings ponds for storage.

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

The existing construction projects of the Company are in accordance with laws, regulations and regulatory documents, and have obtained the corresponding administrative license in accordance with the laws. In the first half of the year, the Company did not apply for or seek approval for new administrative license.

Environmental and Social Responsibility

4. Contingency plan for emergency environmental incidents

The subsidiaries of the Company have formulated the “Contingency Plan for Emergency Environmental Incidents” and submitted to local ecological and 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

According to the requirements of the Measures for Self-monitoring and Information Disclosure by the Enterprises Subject to Intensive Monitoring and Control of the State (《國家重點監控企業自行監測及信息公開辦法》) and the Technical Guidelines for Self-monitoring of Pollutant Discharging Organizations (《排污單位自行監測技術指南》) and other requirements, the Company’s subordinate production units have formulated self-monitoring programs, and publishes the monitoring program and monitoring data on the environmental quality information release platform stipulated by the government, with the monitoring data meeting all the emission standards. The key state-controlled monitored units shall install online monitoring devices and upload the monitoring data to the monitoring platform. During the reporting period, the online monitoring data compliance rate was 100%.

Compliance Statistics of Online Monitoring Data

Unit	Monitoring points	Monitoring days	Compliance of Online Monitoring (daily average)		
			Total number of monitoring	Total number of exceeding standard	Compliance rate (%)
Dexing Copper Mine	1	181	181	0	100%
Yongping Copper Mine	1	181	181	0	100%
Wushan Copper Mine	2	181	362	0	100%
Chengmenshan Copper Mine	1	181	181	0	100%
Yinshan Mining	1	181	181	0	100%
Guixi Smelter	6	181	1086	0	100%
Jiangxi Copper Yates Copper Foil	1	181	181	0	100%

Environmental and Social Responsibility

6. Administrative penalties imposed for environmental issues during the reporting period

Not applicable

7. Other environmental information that should be disclosed

Company name	System establishment	Main measures	Environmental protection construction	
			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 sulphuric acid tail gas desulphurization, reformation on buffer zone of sulphuric acid waste water emergency treatment station, and reformation on electric demisting of three sulphuric acid series, etc.	1,508.4	99.15
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"	Four ecological restoration projects including newly-built acid water conditioning reservoir-Zhuji acid water conditioning reservoir, southeast of Yangtaowu reclamation base and ecological rehabilitation projects including the upper excavation slope of Zhuji acid water reservoir, the north slope of Fujawu acid water reservoir, etc.	11,876.2	92.28
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 wastewater regulating pool, extension of north waste rock retaining wall and reformation of impervious pool for acid water reservoir	498.56	95.92

Environmental and Social Responsibility

Environmental protection construction				
Environmental protection				
Company name	System establishment	Main measures	Environmental protection (including reclamation) investment (RMB'000)	Reuse rate of industrial water (%)
Yongping Copper Mine (永平銅礦)	"Environmental Protection Administrative Measures of Yongping Copper Mine", "Environmental Protection Responsibility System of Yongping Copper Mine"	Ecological restoration in the northwest of west dump site, restoration of surrounding polluted cultivated land and improvement of acid water treatment capacity for ecological environment	10,225.60	89.58
Chengmenshan Copper Mine (城門山銅礦)	"Environmental Monitoring Management System", "Environmental Protection Management System", "Environmental Factors Identification and Evaluation Management System"	Ecological rehabilitation of surroundings of dump site and mining area and improvement of highway leading from the intersection to the inside of mine in mining section	400.5	98.57
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"	Comprehensive wastewater treatment project of Yinshan Mining, ecological treatment engineering of east and south slope of open-pit mine, regional environmental improvement of ore mixing wells and filling station	400.3	86.90

Environmental and Social Responsibility

Environmental protection construction				
Environmental protection				
Company name	System establishment	Main measures	Environmental protection (including reclamation) investment (RMB'000)	Reuse rate of industrial water (%)
Humon Smelting	“Ecological and Environmental Protection Management System” includes “Ecological and Environmental Protection Accountability System”, “Environmental Protection Education and Training Management System”, “Ecological and Environmental Protection Management System for Construction Projects”, “Pollution Prevention and Control Management System”, “Environmental Monitoring Management System”, “Environmental Protection Facilities Operation and Management System”, etc.	Tail gas desulphurization retrofitting project of smelting trisulphuric acid system, unorganized material yard in-depth treatment project, dam slope environmental protection and treatment project of tailings pond of concentrator in Lazigou, etc.	7,243.02	98.34

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

Not applicable

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

Not applicable

Environmental and Social Responsibility

(IV) Information that is beneficial to ecological protection, prevention and control of pollution and environmental responsibility fulfillment

The Group fully implements the green and low-carbon strategy, from the perspective of “creating a beautiful environment”, and is committed to “creating eternal green”, which is specifically reflected in the following aspects:

- I. Environmental management mechanism: The Company fully implements the green and low-carbon strategy, pays attention to the impact of the operation and production process on the environment, strictly abides by the relevant laws and regulations, including the Environmental Protection Law of the PRC《中華人民共和國環境保護法》, and established a sound environmental management system in compliance with the relevant requirements including the ISO 14000 environmental management system.
- II. Pollutant and waste discharge management: For the wastewater and sewage created in the production process, the Company has carried out all-round and standardized water management from the production link, discharge link and treatment link; for the waste gas produced in the production process, the Company also made clear stipulations in the production link, emission link and treatment link. The solid waste produced by mining enterprises in the production process is mainly divided into general solid waste and hazardous waste. The Company regulates the prevention and control of such pollution from the aspects of storage, collection and utilization. Furthermore, in the preliminary design of equipment for the project, the production and business operation units of the Company are prohibited from selecting the equipment issued by the relevant departments of the State Council to eliminate material environmental noise pollution within a certain period. In addition, the production and business operation units should increase the maintenance of machinery and equipment, adopt effective noise absorption and noise reduction measures, and reduce the impact of noise on the surrounding environment. The production and business operation units of the Company shall adopt effective measures to prevent the leakage, loss and spreading of toxic and hazardous substances and to avoid soil contamination during all production and business operations. In addition, the key soil pollution monitoring authorities shall formulate and implement soil self-monitoring plans and report the monitoring data to the competent department of ecological environment.

Environmental and Social Responsibility

- III. Energy Management: The Company always adheres to the energy management objective of “improving energy utilization efficiency, achieving energy saving and emission reduction, environmental protection, cost reduction and efficiency enhancement”, and is committed to building a resource-efficient enterprise. In accordance with the Energy Conservation Law of the People’s Republic of China and relevant laws and regulations, the Company formulated the Energy Management Measures of Jiangxi Copper Company Limited, which explicitly supported energy-conservation technological transformation projects, encouraged all units to optimize energy structure, actively adopted clean energy and new technologies, processes and equipment with high efficiency to achieve the goal of energy conservation and emission reduction, established and improved the energy consumption ledger of the Company. In addition, the Company has also established an energy assessment mechanism to assess the achievement of energy saving targets by each unit on an annual basis.
- IV. Circular economy: In order to further promote the development of circular economy, improve the utilization efficiency of resources, protect and improve the environment, the Company carried out production and operation activities and actively conducted research and development and practice of technologies related to resource recycling in accordance with the Circular Economy Promotion Law of the PRC. In order to promote circular economy, the Company actively took actions to recycle industrial packaging waste as a renewable resource for reprocessing into materials.
- V. Bio-diversity: The Company has long insisted on ecological restoration of mines. In mine ecological restoration, the Company selected damaged ecosystems specifically, including open-pit mines, subsidence areas, gangue or slag storage yards, tailing storage yards, ore dressing yards and other mining activity sites and identified the damaged ecological and environmental elements, such as land and soil, forests and wetlands, surface water and groundwater, the atmosphere, animal habitats and microbial communities. The Company not only repaired the ecological environment of closed or abandoned mines, but also repaired the ecological environment of the areas in production mines that were no longer affected by mining activities, such as, closed pit section (mining area), platform in open-pit mining mountains, tailing storage yard with closed pit and storage yard, namely, the “mining and repairing at the same time”.

Environmental and Social Responsibility

(V) Measures adopted for the reduction of carbon emissions and effects during the reporting period

- I. Improve energy utilisation efficiency and establish long-term mechanism of energy-saving. We are vigorously promoting energy-saving techniques, equipment, materials and technology reformation. The smelting workshop of Guixi Smelter made a breakthrough in anode blister copper endpoint determination method, contributing to a shorter redox reaction time and a decrease in heavy oil consumption of 283.58 tonnes compared to that of the same period of last year, representing a year-on-year decrease of 8.25%, which means an approximate reduction in carbon dioxide emission of 899.08 tonnes.
- II. Focus on the implementation, operation and planning of energy management system. We implemented the process control from the whole process of energy management system, and achieved an increase in energy utilisation efficiency and a decrease in energy consumption by means of technology innovation, technology upgrading and improvement of energy-saving assessment and evaluation mechanism. Units of Guixi Smelter made a significant breakthrough in steam, resulting in the overall smooth operation of three sets of MVR of electrolysis workshop and a decrease in outsourced steam capacity of 69,499.94 tonnes compared to that of the same period of last year, representing a year-on-year decrease of 48.29%, which means an approximate reduction in carbon dioxide emission of 7,644.99 tonnes.
- III. Continue to focus on the fulfillment of and development of benchmarks. Units of the Company push forward breakthroughs of the fulfillment of benchmarks further in various aspects based on fulfillment of key benchmarks index. The economic and technical indexes of copper smelting continue to be top level among the world, the technical and economic indexes of mines represent a significant increase and yield of copper processed products is steady and rising. Continuous improvement of fulfillment of benchmarks contributed to an increase in the Company's technical and economic indexes and a decrease in the energy consumption strength index.
- IV. Increase investment in scientific research and undertake studies in green and low-carbon technologies. We strived to build green mines, green factories, and had a new green mine in 2021. As of 30 June 2021, 4 mines of the Company were selected as national green mines and 6 factories of the Company were selected as national green factories.

Environmental and Social Responsibility

- V. In accordance with the national and provincial government's goals, targets and requirements for energy-saving and emission-reduction, we further refined the assessment of energy indicators, with a focus on the assessment of total energy consumption and intensity, to implement the major decisions of the Central Committee of the Chinese Communist Party and the State Council on carbon peak and carbon neutrality. On 22 April 2021, the Company's controlling shareholder JCC successfully issued the 2021 Green Medium Term Notes (Carbon Neutrality Bond) (Phase I) with a scale of RMB100 million. The raised funds were used as a financial assistance to the two projects of "Guiye No. 1 System Flash Furnace Direct Discharge Slow Cooling Reconstruction Project" and "Guiye Expansion and Renewal of Oxygen Generator Project" at cost prices. As for Guixi Smelter No. 1 System Flash Furnace Direct Discharge Slow Cooling Reconstruction Project, we reduced energy consumption in the industry through renovating the flash furnace charging device, furnace body and cooling system, depleting electric furnace and removing related auxiliary equipment. In view of this, we saved electricity by 13.11 million kilowatt-hours per year, and reduced carbon dioxide emissions by 9,933.01 tonnes per year. As for Guixi Smelter Expansion and Renewal of Oxygen Generator Project, we saved electricity consumption in the production process through replacing the original energy-intensive 1-4# oxygen generator with a new high-efficiency and energy-saving oxygen generator. After its implementation, it is estimated that we can save 2,318.12 kilowatt-hours of electricity per year, and reduce carbon dioxide emission by 16,502.70 tonnes per year.
- VI. We established the Environmental, Social and Governance (ESG) Development Committee of the Board. In order to further improve the environmental, social and governance management system, promote the sustainable development, and enhance the overall value of the Company, the Company established the ESG Development Committee of the Board and the ESG Working Group of the ESG Development Committee, to form an organisational design and organisational operation which is beneficial to ESG development, so as to better implement the concept of sustainable development within the Company.

(VI) Consolidating and expanding the achievements in poverty alleviation, rural revitalization and other specific work

In order to actively respond to the arrangement and deployment of Jiangxi Provincial Government on rural revitalization and fulfill corporate social responsibility, the Company will be resident in Yaoqian Village, Dongshang Township, Jinggangshan City for poverty alleviation from 2021 to 2023. On 19 July, the Company's rural revitalization team officially arrived at Yaoqian Village, Dongshang Township, Jinggangshan City, to carry out poverty alleviation work.

Significant Events

I. 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 fulfilled strictly in a timely manner	If not performing the undertaking timely, explain the reasons for not performing the undertakings timely	Specify the plan for next step if not performing the undertakings timely
Undertakings related to material asset restructuring	Others	JCC	Note 1	Date of the undertaking: 22 May 1997 Term: Long term	Yes	Yes	N/A	N/A
Undertakings related to initial public offering	Resolving industry competition	JCC	Note 2	Date of the undertaking: 21 December 2016 Term: Long term	Yes	Yes	N/A	N/A

Note 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.
- 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.
 - 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.
- 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 businesses of the Company.

Significant Events

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:

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) ("JCC Copper Strip"), 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.

I. MISAPPROPRIATION OF FUNDS BY CONTROLLING SHAREHOLDERS AND OTHER CONNECTED PARTIES FOR NON-OPERATION PURPOSE DURING THE REPORTING PERIOD

Not applicable

II. ILLEGAL GUARANTEE

Not applicable

III. AUDIT OF INTERIM REPORT

Not applicable

Significant Events

II. APPOINTMENT AND REMOVAL OF ACCOUNTING FIRMS

1. Explanation on appointment and removal of accounting firms

On 8 June 2021, the Company held the regular annual general meeting for the year 2020 and passed the “Resolution regarding the appointment of Ernst & Young Hua Ming LLP and Ernst & Young respectively as the Company’s 2021 domestic (including internal control audit) and overseas auditors”.

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

Not applicable

3. 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

III. MATTERS RELATING TO BANKRUPTCY AND RESTRUCTURING

Not applicable

IV. MATERIAL LITIGATION AND ARBITRATION

(I) Litigation and arbitration disclosed in announcements and without subsequent development

Brief description and type of the litigation and arbitration	Reference for inspection
Litigation filed by Bangdi Auto Technology Company Limited (幫的汽車科技有限公司) against Shenzhen Jiangxi Copper Marketing Company Limited (深圳江銅營銷有限公司), a wholly-owned subsidiary of the Company (contract dispute)	Disclosure website: www.sse.com.cn ; Announcement No.: Lin 2019-030; Disclosure date: 13 June 2019
Litigation filed by Jiangxi Copper International Trade Co., Ltd. (江銅國際貿易有限公司), a subsidiary held as to 59.05% by the Company, against Shanghai Eagle Investment Group Co., Ltd. (上海鷹悅投資集團有限公司) and its guarantors (contract dispute)	Disclosure website: www.sse.com.cn ; Announcement No.: Lin 2019-031; Disclosure date: 21 June 2019

Significant Events

(II) Litigation and arbitration not disclosed in announcements or with subsequent development

Unit: Yuan Currency: RMB

During the reporting period:

Plaintiff (applicant)	Defendant (respondent)	Parties with several and joint liability	Types of litigation and arbitration	Basic information of litigation (arbitration)	Amount involved in litigation (arbitration)	Whether estimated liability arose from the litigation (arbitration) and amount	Current status of the litigation (arbitration)	Results of trial of litigation (arbitration) and effects thereof	Enforcement of litigation (arbitration) judgments
Shanghai Jiangxi Copper Trading Company Limited (上海江銅貿易有限公司) ("Shanghai JCT")	Shandong Xinhui Copper Materials Co., Ltd. (山東鑫匯銅材有限公司) ("Xinhui Copper Materials")	Yantai Jiaheng New Materials Co., Ltd. (煙台佳恒新材料有限公司) ("Jiaheng New Materials"), Shandong Zhongjia Electronic Technology Co., Ltd. (山東中佳電子科技有限公司) ("Zhongjia Electronic"), Zhaoyuan Jinshan Trading Co., Ltd. (招遠金山商貿有限公司) ("Jinshan Trading"), Zhaoyuan Golden Seed Education Consulting Co., Ltd. (招遠市金種子教育諮詢有限公司) ("Golden Seed Education"), Zhaoyuan Jiaheng Culture & Media Co., Ltd. (招遠佳恒文化傳媒有限公司) ("Jiaheng Culture"), Li Jialing (李家寧), Sun Shuhui (孫淑惠), Yantai Shanshangli Gold Mine Co., Ltd. (煙台山上寨金礦有限公司) ("Shanshangli Gold Mine"), Yantai Jiaheng Copper Co., Ltd. (煙台佳恒銅業有限公司) ("Jiaheng Copper")	First hearing	For details, please refer to the Announcement on Litigation of a Subsidiary of Jiangxi Copper Co., Ltd. (Announcement No.: Lin 2019-037) disclosed in Shanghai Securities News and the website of Shanghai Stock Exchange at www.sse.com.cn on 31 July 2019	RMB1,179,061,729.71	No	The first hearing was completed	Shanghai JCT received the civil judgment from Shanghai No. 1 Intermediate People's Court ((2019) Hu 01 Min Chu No. 206) ((民事判決書)((2019)滬01民初206號)). The details of the judgement are as follows: (1) It was confirmed that Shanghai JCT, the plaintiff, had a right to the goods of RMB999,381,633.58, default payment of RMB179,330,086.13 and legal fees of RMB350,000 against defendant Xinhui Copper Materials; If Shanghai JCT, the plaintiff, has not received the settlement for the right held in the judgement mentioned in (1) above, Shanghai JCT, the plaintiff, may (2) agree with defendant Xinhui Copper Materials to receive a prioritised compensation of the discounted amount of its mortgaged machinery and equipment or the proceeds through auctioning or disposal of such collaterals, within the scope of the maximum claim amount of RMB365,936,525.04; (3) agree with defendant Jiaheng New Materials to receive a prioritised compensation of the discounted amount of its mortgaged machinery and equipment or the proceeds through auctioning or disposal of such collaterals, within the scope of the maximum claim amount of RMB109,272,827.28; (4) agree with defendant Zhongjia Electronic to receive a prioritised compensation of the discounted amount of its mortgaged machinery and equipment or the proceeds through auctioning or disposal of such collaterals, within the scope of the maximum claim amount of RMB70 million;	The first hearing was completed but enforcement has not begun

Significant Events

Plaintiff (applicant)	Defendant (respondent)	Parties with several and joint liability	Types of litigation and arbitration	Basic information of litigation (arbitration)	Amount involved in litigation (arbitration)	Whether estimated liability arose from the litigation (arbitration) and amount	Current status of the litigation (arbitration)	Results of trial of litigation (arbitration) and effects thereof	Enforcement of litigation (arbitration) judgments
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Please refer to the Announcement on the Follow-up Progress of the Litigation of a Subsidiary of Jiangxi Copper Co., Ltd. (Announcement No. Lin 2021-025) disclosed in Shanghai Securities News and the website of Shanghai Stock Exchange at www.sse.com.cn on 3 July 2021

(5) agree with defendant Zhongjia Electronic to receive a prioritised compensation of the discounted mortgaged property ownership and the corresponding land use rights or the proceeds through auctioning or disposal of such mortgaged properties, within the scope of the maximum claim amount of RMB270 million; (6) agree with defendant Jinshan Trading to receive a prioritised compensation of the discounted mortgaged property or the proceeds through auctioning or disposal of such mortgaged properties, within the scope of the maximum claim amount of RMB314,380,000; (7) agree with defendant Golden Seed Education to receive a prioritised compensation of the discounted mortgaged property or the proceeds through auctioning or disposal of such mortgaged properties, within the scope of the maximum claim amount of RMB100 million; (8) agree with defendant Jiaheng Culture to receive a prioritised compensation of the discounted mortgaged property or the proceeds through auctioning or disposal of such mortgaged properties, within the scope of the maximum claim amount of RMB150 million; (9) defendants Jiaheng New Materials, Li Jiating, Sun Shuhui, Shanshangli Gold Mine and Jiaheng Copper shall bear the joint liability guarantee in respect of obligations of the judgement mentioned in (1) above against defendant Xinhui Copper Materials within the scope of the maximum claim amount of RMB1.5 billion; (10) the claim for the property preservation and insurance fees of RMB664,202.48 initiated by Shanghai JCT, the plaintiff, was rejected.

Significant Events

Plaintiff (applicant)	Defendant (respondent)	Parties with several and joint liability	Types of litigation and arbitration	Basic information of litigation (arbitration)	Amount involved in litigation (arbitration)	Whether estimated liability arose from the litigation (arbitration) and amount	Current status of the litigation (arbitration)	Enforcement of litigation (arbitration) judgments
Shanghai JCT	Shanghai Zhimaiyuanhe Industrial Co., Ltd. (上海智脈源和實業有限公司) ('Zhimai Company')	Qi Jianping, Jin Lei, Shi Huixia, Zhejiang Honglei Southeast Real Estate Development Co., Ltd. (浙江宏磊東南房地產開發有限公司) ('Zhejiang Honglei Company'), Yingtan City Luzhou Real Estate Co., Ltd. (贛州綠洲置業有限公司) ('Luzhou Company'), Zunyi Honglei Real Estate Development Co., Ltd. (遵義宏磊房地產開發有限公司) ('Zunyi Honglei Company')	First hearing	Please refer to the Announcement on the Follow-up Progress of the Litigation of a Subsidiary of Jiangxi Copper Co., Ltd. (Announcement No.: Lin 2021-027) disclosed in Shanghai Securities News and the website of Shanghai Stock Exchange at www.sse.com.cn on 10 July 2021	The total principal amount of goods and legal fees amounted to RMB78,058,474.74; the total amount of interest payable on the default payment for late payment of goods for the period from May 2014 to 30 June 2017 amounted to RMB103,845,524.25; using RMB77,983,474.74 as the base amount, from 1 July 2017 to 19 August 2018, the interest shall be calculated at 1.2 times of the benchmark interest rate for bank loans during the same period ('LPR'), and calculated at 1.2 times of the LPR from 20 August 2018 to the date of actual payment	No	The first hearing was completed	Shanghai JCT received the civil judgement from Shanghai No. 1 Intermediate People's Court ((2019)沪01民申296號) (《民事判決書》((2019)滬01民申296號)). The details of the judgement are as follows: (1) The defendant Zhimai Company shall pay Shanghai JCT, the plaintiff, the total amount of goods of RMB77,983,474.74 within 10 days from the effective date of the judgement; (2) the defendant Zhimai Company shall pay default payment for late payment to Shanghai JCT, the plaintiff, within 10 days from the effective date of the judgement, among which, the total interest payable on the amount of goods from May 2014 to 30 June 2017 shall be RMB103,845,524.25; using RMB77,983,474.74 as the base amount, from 1 July 2017 to 19 August 2018, interest shall be calculated at 1.2 times of the LPR, and calculated at 1.2 times of the LPR from 20 August 2018 to the date of actual payment; (3) the defendant Zhimai Company shall pay RMB75,000 legal fees to Shanghai JCT, the plaintiff, within 10 days from the effective date of the judgement; if Zhimai Company fails to perform the payment obligations and pay the litigation costs confirmed in judgements 1 to 3 above, Shanghai JCT, the plaintiff, may: (4) agree with the defendant Qi Jianping to receive a prioritised compensation of the discounted mortgaged properties of her housing ownerships and corresponding land use rights or the proceeds through auctioning and disposal of such mortgaged properties, within the scope of the maximum claim amount of RMB226,720,000;

Significant Events

Plaintiff (applicant)	Defendant (respondent)	Parties with several and joint liability	Types of litigation and arbitration	Basic information of litigation (arbitration)	Amount involved in litigation (arbitration)	Whether estimated liability arose from the litigation (arbitration) and amount	Current status of the litigation (arbitration)	Enforcement of litigation (arbitration) judgments
							Results of trial of litigation (arbitration) and effects thereof	

(5) agree with the defendant Jin Lei to receive a prioritised compensation of the discounted mortgaged properties of his housing ownerships and corresponding land use rights or the proceeds through auctioning or disposal of such mortgaged properties, within the scope of the maximum claim amount of RMB56,170,000; (6) agree with the defendant Shi Huixia to receive a prioritised compensation of the discounted mortgaged properties of her housing ownerships and corresponding land use rights or the proceeds through auctioning or disposal of such mortgaged properties, within the scope of the maximum claim amount of RMB23,250,000; (7) agree with the defendant Zhejiang Honglei Company to receive a prioritised compensation of the discounted relevant equity interests or the proceeds through auctioning or disposal of such pledged interests, within the scope of the maximum claim amount of RMB45,000,000; (8) the remaining claims initiated by Shanghai JCT, the plaintiff, were rejected.

Significant Events

Plaintiff (applicant)	Defendant (respondent)	Parties with several and joint liability	Types of litigation and arbitration	Basic information of litigation (arbitration)	Amount involved in litigation (arbitration)	Whether estimated liability arose from the litigation (arbitration) and amount	Current status of the litigation (arbitration)	Results of trial of litigation (arbitration) and effects thereof	Enforcement of litigation (arbitration) judgments
Shanghai JCT	Zhimai Company	Qi Jianping, Jin Lei, Shi Huixia, Zhejiang Honglei, Luzhou Company, Zunyi Honglei Company, Zhejiang Hongtian Copper Company Limited (浙江宏天铜业有限公司) (' Hongtian Company ')	First hearing	Please refer to the Announcement on the Follow-up Progress of the Litigation of a Subsidiary of Jiangxi Copper Co., Ltd. (Announcement No.: Lin 2021-028) disclosed in Shanghai Securities News and the website of Shanghai Stock Exchange at www.sse.com.cn on 10 July 2021	The total principal amount of goods and legal fees amounted to RMB191,194,357.93; the total amount of interest payable on the default payment for late payment of goods for the period from 1 November 2016 to 30 June 2017 amounted to RMB9,160,568.88	No	The first hearing was completed	Shanghai JCT received the civil judgement from Shanghai No. 1 Intermediate People's Court ((2019) Hu 01 Min Chu No. 295) (《民事判决书》((2019)沪01民初295号)). The details of the judgement are as follows: (1) the defendant Zhimai Company shall pay Shanghai JCT, the plaintiff, the total amount of goods of RMB191,119,357.93 within 10 days from the effective date of the judgement; (2) the defendant Zhimai Company shall pay default payment for late payment to Shanghai JCT, the plaintiff, within 10 days from the effective date of the judgement, among which, the total interest payable on the amount of goods from 1 November 2016 to 30 June 2017 shall be RMB9,160,568.88; using RMB196,449,444.86 as the base amount, from 1 July 2017 to 19 August 2018, the interest shall be calculated at 1.2 times of the LPR, and calculated at 1.2 times of the LPR from 20 August 2018 to the date of actual payment; using RMB4,669,913.07 as the base amount, from 11 September 2017 to 19 August 2018, the interest shall be calculated at 1.2 times of the LPR, and calculated at 1.2 times of the LPR from 20 August 2018 to the date of actual payment;	

Significant Events

Plaintiff (applicant)	Defendant (respondent)	Parties with several and joint liability	Types of litigation and arbitration	Basic information of litigation (arbitration)	Amount involved in litigation (arbitration) and amount	Whether estimated liability arose from the litigation (arbitration) of the litigation	Current status of the litigation (arbitration)	Results of trial of litigation (arbitration) and effects thereof	Enforcement of litigation (arbitration) judgments
					using RMB166,449,444.86 as the base amount, from 1 July 2017 to 19 August 2018, the interest rate shall be calculated at 1.2 times of the LPR, and calculated at 1.2 times of the LPR from 20 August 2018 to the date of actual payment; using RMB4,669,913.07 as the base amount, from 11 September 2017 to 19 August 2018, the interest rate shall be calculated at 1.2 times of the LPR, and calculated at 1.2 times of the LPR from 20 August 2018 to the date of actual payment			(3) the defendant Zhimai Company shall pay RMB75,000 legal fees to Shanghai JCT, the plaintiff, within 10 days from the effective date of the judgement; if the defendant Zhimai Company fails to perform the payment obligations and pay the litigation costs confirmed in judgements 1 to 3 above, Shanghai JCT, the plaintiff, may; (4) agree with the defendant Qi Jianping to receive a prioritised compensation of the discounted mortgaged properties of her housing ownerships and corresponding land use rights or the proceeds through auctioning and disposal of such mortgaged properties, within the scope of the maximum claim amount of RMB226,720,000; (5) agree with the defendant Jin Lei to receive a prioritised compensation of the discounted mortgaged properties of his housing ownerships and corresponding land use rights or the proceeds through auctioning or disposal of such mortgaged properties, within the scope of the maximum claim amount of RMB56,170,000; (6) agree with the defendant Shi Huixia to receive a prioritised compensation of the discounted mortgaged properties of her housing ownerships and corresponding land use rights or the proceeds through auctioning or disposal of such mortgaged properties, within the scope of the maximum claim amount of RMB23,250,000; (7) agree with the defendant Zhejiang Honglei Company to receive a prioritised compensation of the discounted relevant equity interests or the proceeds through auctioning or disposal of such pledged interests, within the scope of the maximum claim amount of RMB45,000,000; (8) agree with the defendant Hongtian Company to receive a prioritised compensation of the discounted relevant equity interests or the proceeds through auctioning or disposal of such pledged interests, within the scope of the maximum claim amount of RMB67,000,000; (9) the remaining claims initiated by Shanghai JCT, the plaintiff, were rejected.	

Significant Events

V. SUSPECTED VIOLATION OF LAWS AND REGULATIONS BY, PUNISHMENT ON AND RECTIFICATION OF THE COMPANY AND ITS DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLERS

Not applicable

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

Not applicable

VII. MATERIAL CONNECTED TRANSACTIONS

(I) Connected transactions in relation to daily operations

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

Brief description	Reference for inspection
Announcement of the Company on the Connected Transaction in relation to the Financial Services Agreement entered into by JCC Finance (a wholly-owned subsidiary of the Company) and JCC (the controlling shareholder of the Company)	Disclosure website: www.sse.com.cn ; Announcement No.: Lin 2021-020; Disclosure date: 29 May 2019

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

Not applicable

Significant Events

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 involved in transactions of the same category (%)	Settlement method of connected transaction	Market Price	Reasons for the larger difference between transaction price and market price
JCC	Controlling shareholder	Sales of goods	Copper rods and wires	Market price	59,600.96	388,791,278	0.81	Payment upon acceptance		
JCC	Controlling shareholder	Sales of goods	Copper cathodes	Market price	58,413.50	419,954,164	0.34	Payment upon acceptance		
JCC	Controlling shareholder	Sales of goods	Ancillary industrial products	Market price		41,444,122	1.81	Payment upon acceptance		
JCC	Controlling shareholder	Sales of goods	Lead materials	Market price		27,749,818	100	Payment upon acceptance		
JCC	Controlling shareholder	Sales of goods	Ancillary materials	Market price		4,652,714	0.14	Payment upon acceptance		
JCC	Controlling shareholder	Sales of goods	Sulphuric acid and steel balls	Market price		416,126	100	Payment upon acceptance		
JCC	Controlling shareholder	Sales of goods	Zinc concentrates	Market price		22,991,120	100	Payment upon acceptance		
JCC	Controlling shareholder	Purchase of goods	Ancillary industrial products	Market price		681,781,466	30.89	Payment upon acceptance		
JCC	Controlling shareholder	Purchase of goods	Copper concentrates	Market price		9,365,182	0.04	Payment upon acceptance		
JCC	Controlling shareholder	Purchase of goods	Sulphuric acid and steel balls	Market price		14,308,791	1.96	Payment upon acceptance		
JCC	Controlling shareholder	Provision of services	Construction service	Industry standards		88,590,019	64.73	Settlement according to project progress		
JCC	Controlling shareholder	Provision of services	Logistics services	Cargo price standard of Jiangxi Province		9,831,397	10.39	Monthly payment		
JCC	Controlling shareholder	Provision of services	Repair and maintenance service	Industry standards		14,519,586	7.95	Monthly payment		
JCC	Controlling shareholder	Expenses (sale) of other utilities including water, electricity and gas	Electricity service	Cost plus tax		15,640,883	100	Monthly payment		
JCC	Controlling shareholder	Rent and lease	Rental from public utilities	Apportioned in accordance with the proportion of costs and staff		1,650,542	17.65	Monthly 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	Market Price	Reasons for the larger difference between transaction price and market price
JCC	Controlling shareholder	Expenses (sale) of other utilities including water, electricity and gas	Water service	Cost plus tax		101,791	100	Monthly payment		
JCC	Controlling shareholder	Borrowing of funds	Interest paid for acceptance of borrowing	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		53,294,444	100	Monthly or quarterly payment		
JCC	Controlling shareholder	Finance leasing	Repayment of finance leasing	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		44,645,041	100	Monthly or quarterly payment		
JCC	Controlling shareholder	Acceptance of labour services	Labour service	Market price		12,960,336	100	Monthly payment		
JCC	Controlling shareholder	Rent and lease	Rentals for land use rights	Market price		78,909,500	100	Monthly payment		
JCC	Controlling shareholder	Acceptance of agency services	Brokerage agency services for commodity derivative contracts	Market price		7,512,455	27.83	Payment upon completion of transaction		
JCC	Controlling shareholder	Acceptance of labour services	Repair and maintenance service	Industry standards		20,903,227	11.45	Monthly payment		
JCC	Controlling shareholder	Acceptance of labour services	Procurement of spare parts and processed parts	Market price		54,139,699	10.63	Payment upon acceptance		
JCC	Controlling shareholder	Acceptance of labour services	Construction services	Industry standards		9,561,696	6.99	Settlement according to project progress		
Total				/	/	2,023,715,397	/	/	/	/

Details of substantial sales return

During the reporting period, there was no substantial sales return.

Explanation of connected transactions

During the reporting period, the main and frequent connected transactions between the Group and its connected parties amounted to RMB2,024 million, including purchase transactions of RMB869 million, selling transactions of RMB1,036 million, finance lease of RMB45 million and borrowing of funds amounted to RMB53 million.

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

Significant Events

(IV) Connected claim and debt

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

Unit: 0'000 Yuan Currency: RMB

Connected party	Relationship	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	187,807	70,100	164,110	275,099	3,248,381	367,634
Total		187,807	70,100	164,110	275,099	3,248,381	367,634

Significant Events

Reasons for connected claim and debt	<p>On 30 December 2019, JCC Finance, 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 JCC Finance 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.</p> <p>In order to further improve the reasonable allocation of assets and fully realise the sharing of resources and the supplement of advantages between all parties, so as to enhance the overall efficacy of the Company, JCC Finance and JCC have re-entered into the new Financial Services Agreement with effect from 1 June 2021 to 31 December 2023, and the original Financial Assistance Agreement was terminated on the effective date of the new Financial Services Agreement. According to the Financial Services Agreement, a proportion of deposits and loans of JCC which were deposited in financial institutions from 1 June 2021 to 31 December 2023 would be transferred to JCC Finance 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 RMB2.9 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.</p>
Impacts of connected claim and debt on the operating results and financial position of the Company	<p>JCC transferring the net deposit into JCC Finance, constituted actual financial assistance to JCC Finance, supplemented financial resources available to JCC Finance, improved the profitability of JCC Finance, and thus further improved the profitability of the Company. The risk management measures taken by JCC Finance and the Company are sufficient to ensure that the assets of JCC Finance and the Company will not suffer any loss as a result of the connected party transactions. The terms of the Financial Services Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.</p>

Significant Events

(V) Financial business between JCC Finance and the controlling shareholder and its subsidiaries (excluding the Group), a connected party

1. Deposit business

Unit: 0'000 Yuan Currency: RMB

Connected party	Relationship of connection	Daily maximum deposit limit	Deposit interest rate range	Opening balance	Amount for the current period	Closing balance
JCC	Controlling shareholder		0.35%-2.75%	275,099	3,248,381	367,634
Total	/	/	/	275,099	3,248,381	367,634

2. Loan business

Unit: 0'000 Yuan Currency: RMB

Connected party	Relationship of connection	Loan Limit	Loan interest rate range	Opening balance	Amount for the current period	Closing balance
JCC	Controlling shareholder	RMB2,900 million and not exceeding the deposit balance	3.5%-4.35%	187,807	70,100	164,110
Total	/	/	/	187,807	70,100	164,110

Note: From 1 January 2021 to 31 May 2021, in accordance with the Financial Assistance Agreement signed on 30 December 2019, the daily balance of loans provided by JCC Finance to JCC did not exceed RMB2.0 billion and the loan amount did not exceed the deposit balance of JCC which were deposited in JCC Finance.

From 1 June 2021 to 30 June 2021, in accordance with the Financial Services Agreement signed on 28 May 2021, the daily balance of loans provided by JCC Finance to JCC did not exceed RMB2.9 billion and the loan amount did not exceed the deposit balance of JCC which were deposited in JCC Finance.

Significant Events

3. Credit business or other financial business

Not applicable

4. Other explanations

Not applicable

(VI) Other material connected transactions

Not applicable

(VII) Others

Not applicable

VIII. MATERIAL CONTRACTS AND THEIR PERFORMANCE

1. Custody, contract and leases

Not applicable

Significant Events

2. Major guarantees performed and outstanding during the reporting period

Unit: 0'000 Yuan Currency: RMB

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

Guarantor	Relationship between the guarantor and the		Effective date of				Guarantee type	Collateral Principal debt (if any)	Guarantee		Amount Counter guarantee	Guarantee provided		
	Listed Company	Guaranteed party	Guarantee amount	guarantee (date of executing agreement)	Commencement date of guarantee	Expiry date of guarantee			Completed or not	Overdue or not overdue		to connected party or not	Relationship of connection	
Heding Copper	Controlled subsidiary	Zhejiang Fuye Group Co., Ltd. (浙江富冶集团有限公司) (Fuye Group)	153,443.2	29 December 2020	1 January 2021	31 December 2022	Joint and several liability guarantee	No	No	No	-	Jiangxi Jinhui Environmental Technology Co., Ltd. ("Jinhui Environmental"), Jiangxi Hefeng Environmental Technology Co., Ltd. ("Hefeng Environmental") and Zhejiang Fuhe Zhiye Co., Ltd. ("Fuhe Zhiye") to act as the counter-guarantor of Fuye Group and undertake counter-guarantee with joint and several liabilities to Heding Copper with all of their own assets.	Yes	Participating Shareholders

Total amount of guarantees incurred during the reporting period (excluding those to subsidiaries)	153,443.20
Total balance of guarantee at the end of the reporting period (A) (excluding those to subsidiaries)	61,377.28

Guarantees provided by the Company to subsidiaries

Total amount of guarantees for subsidiaries incurred during the reporting period	0
Total balance of guarantees for subsidiaries at the end of the reporting period (B)	0

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

Total amount of guarantees (A+B)	61,377.28
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 connected 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

Significant Events

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 a guarantee of a subsidiary represents the total external guarantee of that subsidiary multiplied by the proportion of the Company's shareholding in that subsidiary.

1. On 29 December 2020, the Company's 26th meeting of the eighth session of the Board reviewed and approved the external guarantee of Heding Copper, a controlled subsidiary of the Company (holding 40% of the shares). In order to meet the needs of the actual production and operation of Heding Copper and reduce the financing cost, Heding Copper and Fuye Group intended to further increase mutual financing support. With Heding Copper acting as Party A, Fuye Group acting as Party B, Jinhui Environmental, Hefeng Environmental and Fuhe Zhiye acting as Party C, the parties entered into the Mutual Guarantee Agreement after negotiation, agreeing that during the period from 1 January 2021 to 31 December 2022, the annual 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 2021 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 2021 to 31 December 2021, 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 RMB2,928.55 million. The total credit guarantee amount was RMB4,528.55 million.

3. Other material contracts

Not applicable

Significant Events

IX. 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 2021 were considered and approved.

X. 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.

Under code provision A.2.1 of the Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Since the cessation of Mr. Long Ziping as the chairman of the Company on 9 September 2020, the role of the chairman has been taken up by Mr. Zheng Gaoqing, the general manager of the Company and the responsibilities of the general manager were shared by each of the deputy general managers of the Company within the scope of their authorities (if necessary).

XI. 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.

XII. 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.

Significant Events

XIII. 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.

XIV. PLEDGES ON GROUP ASSETS

Details in relation to pledges on the Group's assets are set out on pages 28 to 29 of this report.

XV. GEARING RATIO

The gearing ratio of the Company is 48%. 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.

Significant Events

XVI. FOREIGN EXCHANGE RISK

The reporting currency of the Group is Renminbi (RMB). 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 RMB based on the enquiries of the State Administration of Foreign Exchange at the year end.

Although currently RMB is not a freely convertible currency, 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 RMB. The Group's exposure to foreign exchange risk results primarily from the sales business and purchase of foreign raw materials denominated in foreign currencies.

XVII. CONTINGENT LIABILITIES

Not applicable

XVIII. 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

Changes in Share Capital and Shareholders

II. THE NUMBER OF SHAREHOLDERS AND SHAREHOLDINGS

(I) Total number of shareholders

Total number of ordinary shareholders at the end of the reporting period	176,300
Total number of preference shareholders with voting rights restored at the end of the reporting period	0

(II) 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	Pledge, marking or freeze Share status	Number	Nature of shareholder
JCC	2,400,800	1,471,304,910	42.49	0	Nil		State-owned legal person
HKSCC Nominees Limited ("HKSCC")	-1,331,908	1,073,313,014	31.00	0	Unknown		Unknown
China Securities Finance Corporation Limited	0	103,719,909	3.00	0	Nil	0	Unknown
Hong Kong Securities Clearing Company Limited	708,109	34,690,452	1.00	0	Nil	0	Unknown
Qi Shichuan	10,926,984	10,926,984	0.32	0	Nil	0	Unknown
Yang Weiyu	3,157,424	6,384,851	0.18	0	Nil	0	Unknown
Industrial and Commercial Bank of China Limited-Southern China Securities Shenwan Non-ferrous Metal Exchange Traded Open-ended Index Fund	-638,758	4,830,594	0.14	0	Nil		Unknown
Hong Wenhui	-1,119,900	4,204,730	0.12	0	Nil	0	Unknown
Liu Ding	0	4,170,451	0.12	0	Nil	0	Unknown
Xiong Yinhe	2,500,000	4,000,000	0.12	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	1,471,304,910	Ordinary shares denominated in RMB (A Shares)	1,162,847,910
		Overseas listed foreign shares (H Shares)	308,457,000
HKSCC	1,073,313,014	Overseas listed foreign shares (H Shares)	1,073,313,014
China Securities Finance Corporation Limited	103,719,909	Ordinary shares denominated in RMB (A Shares)	103,719,909
Hong Kong Securities Clearing Company Limited	34,690,452	Ordinary shares denominated in RMB (A Shares)	34,690,452
Qi Shichuan	10,926,984	Ordinary shares denominated in RMB (A Shares)	10,926,984
Yang Weiyu	6,384,851	Ordinary shares denominated in RMB (A Shares)	6,384,851
Industrial and Commercial Bank of China Limited-Southern China Securities Shenwan Non-ferrous Metal Exchange Traded Open-ended Index Fund	4,830,594	Ordinary shares denominated in RMB (A Shares)	4,830,594
Hong Wenhui	4,204,730	Ordinary shares denominated in RMB (A Shares)	4,204,730
Liu Ding	4,170,451	Ordinary shares denominated in RMB (A Shares)	4,170,451
Xiong Yinhe	4,000,000	Ordinary shares denominated in RMB (A Shares)	4,000,000
The explanation on special repurchase accounts of top ten shareholders	Nil		
The explanation on entrusting/being entrusted voting rights or waiving voting rights of the aforesaid shareholders	Nil		
The explanation of the connected relationship or parties acting in concert among the aforesaid shareholders	Nil		
The explanation of the preferred shareholders with restored voting rights and their shareholding	Nil		

Changes in Share Capital and Shareholders

Notes:

1. HKSCC held a total of 1,073,313,014 H Shares of the Company in the capacity of nominee on behalf of a number of customers, representing approximately 31.00% of the issued share capital of the Company. HKSCC is a member of the Central Clearing and Settlement System, providing registration and custodial services for customers.
2. The 308,457,000 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 1,381,770,014 Shares as nominee, representing approximately 39.90% of the issued share capital of the Company.
3. During the reporting period, JCC, the controlling shareholder, commenced the business of securities lending. The increase in the number of shares held by JCC as shown in the above table during the reporting period is in fact the number of shares returned from the securities lending.
4. As at 30 June 2021, the net securities lending from JCC was 42,631,200 A shares. If the number of securities lending is included, the actual holding of JCC is 1,513,936,110 shares, representing approximately 43.72% of the issued share capital.

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

Not applicable

(III) Strategic investors or general corporate investors who become the top ten shareholders due to the placement of new shares

Not applicable

Changes in Share Capital and Shareholders

(IV) Shareholders' interests and short positions

As at 30 June 2021, 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 (Note 1)	Approximate percentage of the number of the relevant class of shares (%)	Approximate percentage of total issued shares (%)
JCC (Note 2)	A Shares	Beneficial owner	1,205,479,110(L)	58.09(L)	34.81(L)
	H Shares	Beneficial owner	308,457,000(L)	22.23(L)	8.90(L)
Brown Brothers Harriman & Co.	H Shares	Approved lending agents	83,483,577(L)	6.02(L)	2.41(L)
			83,483,577(P)	6.02(P)	2.41(P)
Citigroup Inc.	H Shares	(Note 3)	73,319,767(L)	5.28(L)	2.12(L)
			13,904,787(S)	1.00(S)	0.40(S)
			49,266,789(P)	3.55(P)	1.42(P)

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

Note 2: The 308,457,000 H shares held by JCC were registered with HKSCC. During the reporting period, JCC engaged in the business of securities lending, and 42,631,200 A shares lent were included in the above table.

Note 3: According to the corporate substantial shareholder notice filed by Citigroup Inc. on 23 June 2021,

- (i) its interests and short position in H shares are held through various subsidiaries under the following capacities:

Capacity	Number of H Shares
Persons having a security interest in shares	4,627,058(L)
Interests in a controlled corporation	19,425,920(L)
	13,904,787(S)
Approved lending agents	49,266,789(L)

Changes in Share Capital and Shareholders

- (ii) According to the notice, among these interests, long positions in 4,269,369 H shares and short positions in 1,629,739 H shares are physically settled unlisted derivatives; and long positions in 10,142,001 H shares and short positions in 5,041,542 H shares are cash settled unlisted derivatives.

Save as disclosed above, pursuant to 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 2021.

(V) Directors, Supervisors and senior management

1. Changes in shareholdings of existing and resigned Directors, Supervisors and senior management during the reporting period

Not applicable

Other explanations

Not applicable

2. Details of the equity incentives granted to Directors, Supervisors and senior management during the reporting period

Not applicable

3. Other explanations

Not applicable

(VI) Changes in controlling shareholder and de facto controller

Not applicable

Directors, Supervisors, Senior Management and Employees

I. SHAREHOLDINGS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

As at 30 June 2021, 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.

II. EMPLOYEES OF THE COMPANY AND ITS MAJOR SUBSIDIARIES

(I) Employee Information as of 30 June 2021

Number of in-service employees in the Company	25,685
Number of in-service employees in major subsidiaries	18,469
Total number of in-service employees	25,685
Number of retired employees whose expenses shall be borne by the Company and major subsidiaries	494

Specialty composition

Category	Headcount	Percentage
Production	12,495	48.65%
Sales	255	0.99%
Technician	9,424	36.69%
Finance	380	1.48%
Administration	3,131	12.19%
Total	25,685	100%

Education level

Category	Headcount	Percentage
Post-secondary and above	12,929	50.34%
Technical secondary and senior secondary	5,527	21.52%
Junior secondary and below	7,229	28.14%
Total	25,685	100%

Directors, Supervisors, Senior Management and Employees

Age

Age	Headcount	Percentage
35 and below	6,814	26.53%
36 to 45	5,142	20.02%
46 to 55	9,994	38.91%
56 and above	3,735	14.54%
Total	25,685	100%

(II) Remuneration Policy

During the reporting period, the total remuneration of employees of the Company amounted to RMB1,080,969,393.32. The Company continued to adopt a position-performance payroll mechanism and based on the principle of division of labour, made remuneration distribution according to value of position, work techniques and results. Staff remunerations, mainly including position salaries, performance salaries and other welfare, were released based on assessment with references to operating performance of the Company, management obligation, etc.

(III) Training Plan

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

Corporate Bonds

I. ENTERPRISE BONDS, CORPORATE BONDS AND NON-FINANCIAL ENTERPRISE DEBT FINANCING INSTRUMENTS

(I) Enterprise bonds

Not applicable

(II) Corporate bonds

1. Basic Information of Corporate Bonds

Unit: hundred million Yuan Currency: RMB

Name of bonds	Abbreviation	Code	Issue date	Value date	Maturity date	Bonds balance	Interest rate (%)	Repayment of principal and interest	Trading venue	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Whether there is any risk of termination of listing and trading of the shares
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	5	4.74	The interest of the bonds on Shanghai Stock Exchange 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.	Shanghai Stock Exchange	Qualified investors only	Auction trading	No

The Company's response to the risk of the termination of listing and trading of the bonds

Not applicable

Overdue bonds

Not applicable

Explanation on overdue debts

Not applicable

Corporate Bonds

2. The trigger and operation of issuer or investor option terms and investor protection terms

- (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 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 bonds 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.
- (3) In 2020, according to the actual situation and the market environment at that time, the Company decided not to adjust the coupon rate for the following 2 years of the current bonds, (meaning the coupon rate of the current bonds for the period from 21 September 2020 to 20 September 2022 remains at 4.74%) (the current bonds bear interest at a single interest per year, excluding compound interest).
- (4) In 2020, according to the resale options of investors set out in the Prospectus of Public Issuance of 2017 Corporate Bonds (First Tranche) to Qualified Investors by Jiangxi Copper Company Limited, investors were entitled to elect to register during the resale registration period for investors to resell all or part of the 17 JCC 01 bonds held by them at face value to the Company, or choose to continue to hold the current bonds. As at the expiration of the resale registration in 2020, no investor has resold all or part of the 17 JCC 01 bonds held to the Company at face value.

3. Adjustment to credit rating results

Not applicable

4. Implementation and changes in guarantees, debt repayment plan and other debt repayment protection measures during the reporting period and their impact

Not applicable

Corporate Bonds

5. Other information on corporate bonds

On 21 April 2021, 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” was AAA, the corporate credit rating remained at AAA, and the forward-looking rating was stable. For details, please refer to the credit rating report, i.e. “Follow-up Credit Rating Report (2021) 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 21 April 2021.

(III) Inter-bank bond market non-financial enterprise debt financing instruments

Not applicable

(IV) The Company’s loss within the scope of consolidated statements during the reporting period exceeded 10% of the net assets as at the end of last year

Not applicable

Corporate Bonds

(V) 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	1.39	1.39	0.00
Quick ratio	0.84	0.81	3.70
Asset-liability ratio (%)	55.74	52.54	3.20

	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 (%)
Net profit after the non-recurring profit and loss	5,209,514,632	222,585,175	2,240.46
EBITDA total debt ratio	14.44	29.89	-51.69
Interest coverage ratio	4.87	2.56	90.23
Cash interest coverage ratio	2.71	6.00	-54.83
EBITDA interest coverage ratio	6.32	3.39	86.43
Loan repayment rate (%)	100	100	0
Interest repayment rate (%)	100	100	0

Note: The above net profit after the non-recurring profit and loss is the net profit attributable to shareholders of the Company after the non-recurring profit and loss

II. PARTICULARS OF CONVERTIBLE BOND 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 95 to 148 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 2021 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
27 August 2021

Interim Condensed Consolidated Statement of Profit or Loss

For the Six Months Ended 30 June 2021

	<i>Notes</i>	2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000
REVENUE	5	226,236,738	146,625,045
Cost of sales		(215,904,604)	(143,433,199)
<hr/>			
Gross profit		10,332,134	3,191,846
Other income	5	653,117	476,158
Other gains and losses, net	6	(3,793,167)	79,196
Selling and distribution expenses		(162,261)	(400,042)
Administrative expenses		(1,718,656)	(1,181,532)
(Provision for)/reversal of impairment losses on financial assets, net		(125,392)	17,578
Finance costs		(1,035,434)	(1,014,135)
Share of profits and losses of:			
Joint ventures		(18,868)	(14,237)
Associates		(63,770)	54,028
<hr/>			
PROFIT BEFORE TAX	7	4,067,703	1,208,860
Income tax expense	8	(776,746)	(403,002)
<hr/>			
PROFIT FOR THE PERIOD		3,290,957	805,858
<hr/>			
Attributable to:			
Owners of the Company		3,153,039	786,989
Non-controlling interests		137,918	18,869
<hr/>			
		3,290,957	805,858
<hr/>			
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY:			
– Basic and diluted	10	RMB0.91	RMB0.23
<hr/>			

Interim Condensed Consolidated Statement of Comprehensive Income

For the Six Months Ended 30 June 2021

	2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000
PROFIT FOR THE PERIOD	3,290,957	805,858
OTHER COMPREHENSIVE INCOME		
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	4,051,740	(1,678,621)
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods, net of tax	4,051,740	(1,678,621)
Other comprehensive income to that may be reclassified to profit or loss in subsequent periods:		
Cash flow hedges:		
Reclassification adjustments for gains included in the consolidated statement of profit or loss	–	1,856
Income tax effect	–	(464)
	–	1,392
Exchange differences on translation of foreign operations	(8,285)	6,386
Share of other comprehensive expenses of joint ventures	(5,663)	(1,058)
Share of other comprehensive income of associates	5,778	32,428
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods, net of tax	(8,170)	39,148
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	4,043,570	(1,639,473)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	7,334,527	(833,615)
Attributable to:		
Owners of the Company	7,202,257	(855,824)
Non-controlling interests	132,270	22,209
	7,334,527	(833,615)

Interim Condensed Consolidated Statement of Financial Position

30 June 2021

		30 June 2021 (Unaudited) RMB'000	31 December 2020 (Audited) RMB'000
	<i>Notes</i>		
Non-current assets			
Property, plant and equipment	11	24,876,470	25,560,182
Investment properties		453,949	470,507
Right-of-use assets		4,177,278	4,268,125
Goodwill		1,351,481	1,266,036
Other intangible assets		3,927,484	4,362,866
Exploration and evaluation assets		593,637	636,111
Investments in joint ventures		678,190	655,923
Investments in associates		4,266,213	3,952,216
Financial instruments other than derivatives	12	20,356,619	16,517,143
Deferred tax assets		650,431	485,715
Prepayments, other receivables and other assets		618,700	904,337
Deposits for prepaid lease payments		595,939	598,791
Time deposits	15	–	100,113
Restricted bank deposits	15	4,222,873	2,997,591
Total non-current assets		66,769,264	62,775,656
Current assets			
Inventories		40,179,502	32,687,522
Trade and bills receivables	14	8,454,077	7,001,401
Factoring receivables		701,715	716,574
Prepayments, other receivables and other assets		7,262,233	6,033,980
Loans to related parties	21	1,512,707	1,703,063
Derivative financial instruments	13	957,321	451,513
Financial instruments other than derivatives	12	6,508,461	4,453,934
Restricted bank deposits	15	17,033,962	10,574,092
Cash and cash equivalents	15	17,832,780	14,451,776
		100,442,758	78,073,855
Assets classified as held for sale		32,042	32,042
Total current assets		100,474,800	78,105,897

Interim Condensed Consolidated Statement of Financial Position

30 June 2021

		30 June 2021 (Unaudited) RMB'000	31 December 2020 (Audited) RMB'000
	<i>Notes</i>		
Current liabilities			
Trade and bills payables	16	11,476,739	10,115,091
Financial instruments other than derivatives	12	272,713	–
Other payables and accruals		9,666,412	7,210,743
Deposits from holding company and fellow subsidiaries	21	3,741,793	3,021,693
Deferred revenue		51,793	56,954
Derivative financial instruments	13	409,972	1,031,399
Interest-bearing bank and other borrowings	17	44,329,792	33,839,234
Tax payable		1,324,719	825,071
Corporate bonds	18	318,131	5,991
Dividend payable		346,273	–
Lease liabilities		167,086	167,175
Total current liabilities		72,105,423	56,273,351
Net current assets		28,369,377	21,832,546
Total assets less current liabilities		95,138,641	84,608,202
Non-current liabilities			
Interest-bearing bank and other borrowings	17	17,578,254	14,076,717
Corporate bonds	18	500,000	500,000
Lease liabilities		287,676	369,560
Provision for rehabilitation		269,971	264,287
Employee benefit liabilities		18,063	19,654
Deferred revenue		508,557	525,443
Deposits from holding company and fellow subsidiaries	21	91,844	88,000
Other long-term payables		1,534,900	1,532,960
Deferred tax liabilities		325,953	372,277
Total non-current liabilities		21,115,218	17,748,898
Net assets		74,023,423	66,859,304

Interim Condensed Consolidated Statement of Financial Position

30 June 2021

<i>Notes</i>	30 June 2021 (Unaudited) RMB'000	31 December 2020 (Audited) RMB'000
Equity		
Equity attributable to owners of the parent		
Share capital	3,462,729	3,462,729
Reserves	63,326,378	56,447,664
	66,789,107	59,910,393
Non-controlling interests	7,234,316	6,948,911
Total equity	74,023,423	66,859,304

Approved on behalf of the board of directors:

Mr. Zheng Gaoqing
Director

Mr. Yu Tong
Director

Interim Condensed Consolidated Statement of Changes in Equity

For the Six Months Ended 30 June 2021

For the six months ended 30 June 2021

Share capital	Attributable to owners of the company											Total	RMB'000
	Share premium*	Capital reserve*	Other reserve	Statutory surplus reserve*	Discretionary surplus reserve*	Safety fund surplus reserve*	Hedging reserve*	Translation reserve*	Retained profits*	Sub-total	Non-controlling interests		
	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 2020 (audited)	3,462,729	12,647,502	(1,462,233)	6,832,650	4,816,743	9,647,574	267,052	-	246,343	23,452,033	59,910,393	6,948,911	66,859,304
Profit for the period	-	-	-	-	-	-	-	-	-	3,153,039	3,153,039	137,918	3,290,957
Other comprehensive income for the period													
Equity investments at fair value through other comprehensive income	-	-	-	4,051,404	-	-	-	-	-	-	4,051,404	336	4,051,740
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	(2,301)	-	(2,301)	(5,984)	(8,285)
Share of other comprehensive expenses of joint ventures	-	-	-	-	-	-	-	-	(5,663)	-	(5,663)	-	(5,663)
Share of other comprehensive expenses of associates	-	-	-	-	-	-	-	-	5,778	-	5,778	-	5,778
Total comprehensive income for the period	-	-	-	4,051,404	-	-	-	-	(2,186)	3,153,039	7,202,257	132,270	7,334,527
Acquisition of subsidiaries (note 3)	-	-	-	-	-	-	-	-	-	-	-	200,938	200,938
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(47,803)	(47,803)
Final 2020 dividend declared	-	-	-	-	-	-	-	-	-	(346,273)	(346,273)	-	(346,273)
Transfer from retained profits	-	-	-	-	-	-	109,972	-	-	(109,972)	-	-	-
Others	-	-	22,730	-	-	-	-	-	-	-	22,730	-	22,730
At 30 June 2021 (unaudited)	3,462,729	12,647,502	(1,439,503)	10,884,054	4,816,743	9,647,574	377,024	-	244,157	26,148,827	66,789,107	7,234,316	74,023,423

* These reserve accounts comprise the consolidated reserves of RMB63,326,378,000 (31 December 2020: RMB56,447,664,000) in the consolidated statement of financial position.

Interim Condensed Consolidated Statement of Changes in Equity

For the Six Months Ended 30 June 2021

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

Interim Condensed Consolidated Statement of Cash Flows

For the Six Months Ended 30 June 2021

	Notes	2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		4,067,703	1,208,860
Adjustments for:			
Finance costs		1,035,434	1,014,135
Foreign exchange (gains)/losses, net	6	(56,978)	31,407
Share of profits of joint ventures and associates		82,638	(39,791)
Gains from listed debentures	6	–	(2,845)
Gains from listed equity investment	6	(498)	(2,496)
Gains from investments in financial products	6	(79,504)	(159,341)
Loss from held-for-trading financial liabilities	6	8,764	95,327
Dividend income from equity investments	5	(14,533)	(18,181)
Net loss on disposal of items of property, plant and equipment	6	29,484	3,587
Net gains on disposal of other intangible assets	6	(13,585)	–
Fair value (gains)/losses, net:	6		
– Derivative financial instruments		(386,487)	557,067
– Listed equity investments	6	78,413	87,416
– Unlisted equity investments	6	121,304	43,328
– Income right attached to a target equity interest	6	(42,680)	4,246
– Investments in financial products	6	68,008	(120,550)
– Held-for-trading financial liabilities	6	(4,829)	(98,862)
Provision for/(reversal of) impairment of trade and bills receivables	7	6,168	(48,634)
Provision for impairment of factoring receivables	7	11,604	49,037
Provision for/(reversal of) impairment of prepayment, other receivables and other assets	7	120,114	(69,061)
(Reversal of)/provision for impairment of loans to related parties	7	(12,494)	2,365
Provision for impairment of inter-bank loans	7	–	48,715
Provision for impairment of inventories to net realisable value	7	403,309	202,126

Interim Condensed Consolidated Statement of Cash Flows

For the Six Months Ended 30 June 2021

	<i>Notes</i>	2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000
Provision for impairment of property, plant and equipment	7	676,646	229,848
Provision for impairment of exploration and evaluation assets	7	48,228	13,587
Provision for impairment of other intangible assets	7	336,605	74,703
Provision for impairment of right-of-use assets	7	4,503	–
Depreciation of property, plant and equipment	7	1,171,119	1,036,220
Depreciation of right-of-use assets	7	142,668	120,739
Depreciation of investment properties	7	6,118	6,251
Amortisation of other intangible assets	7	157,098	88,488
Unwinding of an interest in rehabilitation provision		5,684	4,857
Deferred revenue released to the statement of profit or loss		(37,017)	(52,925)
		7,933,007	4,309,623
(Increase)/decrease in inventories		(7,266,933)	498,447
Increase in trade and bills receivables		(888,630)	(64,573)
Decrease in factoring receivables		3,255	23,413
Increase in prepayments, other receivables and other assets		(1,534,345)	(1,023,971)
Decrease/(increase) in derivative financial instruments		3,021,021	(883,207)
Decrease in loans to related parties		202,850	2,401
Increase in restricted bank deposits except restricted deposits to secure bank borrowings		(619,739)	(2,021,816)
Increase in trade and bills payables		1,303,761	755,035
Decrease in other payables and accruals		(603,633)	(642,044)
Increase in deposits from related parties		723,944	3,652,879
Cash generated from operations		2,274,558	4,606,187
Income tax paid		(507,127)	(516,643)
Net cash flows from operating activities		1,767,431	4,089,544

Interim Condensed Consolidated Statement of Cash Flows

For the Six Months Ended 30 June 2021

	2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000
<i>Notes</i>		
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of financial investments	8,855,258	9,735,537
Proceeds from disposal of property, plant and equipment	42,308	3,530
Receipt of government grant	14,969	19,644
Proceeds from disposal of right of use assets	243	–
Proceeds from disposal of other intangible assets	20,166	–
Additional investments in associates	(417,046)	(30,875)
Additional investments in joint ventures	(24,529)	–
Dividend received from an associate	57,763	72,553
Dividend received from a joint venture	462	–
Acquisition of subsidiaries and business combination	(214,776)	3,952
Additions to right of use assets	(26,830)	(24,947)
Purchases of financial investments	(10,534,831)	(24,869,313)
Purchases of property, plant and equipment	(762,712)	(779,823)
Purchase of exploration and evaluation assets	(5,754)	(44,389)
Purchase of other intangible assets	(63,776)	(589,252)
Net cash used in investing activities	(3,059,085)	(16,503,383)
CASH FLOWS FROM FINANCING ACTIVITIES		
New bank and other borrowings	56,816,362	68,239,676
Collection of pledged time deposits to secure bank borrowings	(10,953,369)	(6,705,088)
Principal portion of lease payments	(96,964)	–
Repayment of bank and other borrowings	(40,330,868)	(47,407,233)
Dividends paid to non-controlling interests	(47,803)	(163,121)
Interest paid	(683,012)	(1,313,803)
Contribution from non-controlling interests	–	61,258
Net cash generated from financing activities	4,704,346	12,711,689
Net increase in cash and cash equivalents	3,412,692	297,850
Cash and cash equivalents at beginning of period	14,451,776	18,730,338
Effect of foreign exchange rate changes, net	(31,688)	76,378
Cash and cash equivalents at end of period	17,832,780	19,104,566

Notes to Interim Condensed Consolidated Financial Information

30 June 2021

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 from a third party. 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 2021 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 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 2020, 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 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	<i>Interest Rate Benchmark Reform – Phase 2</i>
Amendments to IFRS 16	<i>Covid-19-Related Rent Concessions beyond 30 June 2021 (early adopted)</i>

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

Notes to Interim Condensed Consolidated Financial Information

30 June 2021

3. BUSINESS COMBINATION

Acquisition of Tpcu Copper

On 5 January 2021, the Group acquired a 91.59% interest in Tpcu Copper Holding Limited ("Tpcu Copper") from a third party. The acquisition was made as part of the Group's strategy to expand and strengthen the copper processing business. The purchase consideration for the acquisition was RMB300,000,000 in the form of cash with RMB225,000,000 paid as at 30 June 2021.

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

	5 January 2021 Provisional fair value RMB'000
Non-current assets	150,489
Including: Property, plant and equipment	135,759
Right-of-use assets	1,002
Current assets	240,796
Including: Inventories	153,903
Total assets	391,285
Non-current liabilities	(30,356)
Including: Deferred tax liabilities	–
Current liabilities	(102,808)
Total liabilities	(133,164)
Total identifiable net assets at fair value	258,121
Non-controlling interests	(21,708)
Identifiable net assets at fair value attributable to the Group	236,413
Goodwill on acquisition (provisional)	63,587
Satisfied by cash	300,000

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

	RMB'000
Cash consideration paid in the period	(225,000)
Cash and bank balances acquired	10,258
Net outflow of cash and cash equivalents included in cash flows from investing activities	(214,742)
Transaction costs of the acquisition included in cash flows from operating activities	(400)
Total	(215,142)

Notes to Interim Condensed Consolidated Financial Information

30 June 2021

3. BUSINESS COMBINATION (CONTINUED)

Acquisition of Tpcu Copper (Continued)

The fair values disclosed are provisional as at 30 June 2021. 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.

The fair values of the trade receivables and other receivables as at the date of acquisition amounted to RMB58,864,000 and RMB15,845,000, respectively. The gross contractual amounts of trade receivables and other receivables were RMB638,963,000 and RMB595,088,000, respectively, of which RMB580,099,000 and RMB579,243,000 impairment provision provided, respectively.

The Group incurred transaction costs of RMB400,000 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, Tpcu Copper contributed RMB2,555,599,000 to the Group's revenue and RMB3,744,000 to the consolidated profit for the six months period ended 30 June 2021.

Had the combination taken place at the beginning of the year, the revenue and the profit of Tpcu Copper included in the statement of profit or loss of the Group for the year would have been RMB2,555,599,000 and RMB3,744,000, respectively.

Notes to Interim Condensed Consolidated Financial Information

30 June 2021

3. BUSINESS COMBINATION (CONTINUED)

Acquisition of Jiangxi Cable

On 6 January 2021, the Group acquired a 51.00% interest in Jiangxi Cable Holding Limited (“Jiangxi Cable”) from a third party. The acquisition was made as part of the Group’s strategy to expand and strengthen the copper processing business. The purchase consideration for the acquisition was RMB208,404,000 in the form of cash.

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

	6 January 2021 Provisional fair value RMB’000
Non-current assets	158,716
Including: Property, plant and equipment	130,721
Right-of-use assets	27,575
Current assets	224,832
Including: Inventories	9,168
Total assets	383,548
Non-current liabilities	(9,156)
Including: Deferred tax liabilities	(9,156)
Current liabilities	(8,616)
Total liabilities	(17,772)
Total identifiable net assets at fair value	365,776
Non-controlling interests	(179,230)
Identifiable net assets at fair value attributable to the Group	186,546
Goodwill on acquisition (provisional)	21,858
Satisfied by cash	208,404

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

	RMB’000
Cash consideration paid in the period	(208,404)
Cash and bank balances acquired	208,826
Net inflow of cash and cash equivalents included in cash flows from investing activities	422
Transaction costs of the acquisition included in cash flows from operating activities	(56)
Total	366

Notes to Interim Condensed Consolidated Financial Information

30 June 2021

3. BUSINESS COMBINATION (CONTINUED)

Acquisition of Jiangxi Cable (continued)

The fair values disclosed are provisional as at 30 June 2021. 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.

The fair values and the gross contractual amounts of the trade receivables and other receivables as at the date of acquisition amounted to RMB6,744,000 and RMB23,000, respectively.

The Group incurred transaction costs of RMB56,000 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, Jiangxi Cable contributed RMB33,001,000 to the Group's revenue and RMB12,414,000 net loss to the consolidated profit for the six months period ended 30 June 2021.

Had the combination taken place at the beginning of the year, the revenue and the profit of Jiangxi Cable included in the statement of profit or loss of the Group for the year would have been RMB33,001,000 and RMB12,414,000 net loss, respectively.

Reconciliation of goodwill

Reconciliation of the carrying amount of the Group's goodwill at the beginning and end of the reporting period is presented below:

	RMB'000 (Unaudited)
Gross carrying amount	
At 1 January 2021	1,266,036
Acquisition of subsidiaries	85,445
<hr/>	
At 30 June 2021	1,351,481
<hr/>	
Accumulated impairment losses	
At 1 January 2021 and 30 June 2021	–
<hr/>	
Net book value	
At 1 January 2021	1,266,036
<hr/>	
At 30 June 2021	1,351,481
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Notes to Interim Condensed Consolidated Financial Information

30 June 2021

4. OPERATING SEGMENT INFORMATION

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.

Six months ended 30 June 2021	Copper related business RMB’000	Gold related business RMB’000	Total RMB’000
Segment revenue			
Sales to external customers	205,591,260	20,645,478	226,236,738
Intersegment sales	179,714	631,142	810,856
	205,770,974	21,276,620	227,047,594
<i>Reconciliation:</i>			
Elimination of intersegment sales			(810,856)
Revenue			226,236,738
Segment results	3,852,932	214,771	4,067,703
<i>Reconciliation:</i>			
Elimination of intersegment results			-
Profit before tax			4,067,703

Notes to Interim Condensed Consolidated Financial Information

30 June 2021

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Six months ended 30 June 2020	Copper related business RMB'000	Gold related business RMB'000	Total RMB'000
Segment revenue			
Sales to external customers	130,539,906	16,085,139	146,625,045
Intersegment sales	1,291,910	344,856	1,636,766
	131,831,816	16,429,995	148,261,811
<i>Reconciliation:</i>			
Elimination of intersegment sales			(1,636,766)
Revenue			146,625,045
Segment results	1,111,626	97,234	1,208,860
<i>Reconciliation:</i>			
Elimination of intersegment results			–
Profit before tax			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	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Mainland China	195,028,008	124,332,978
Hong Kong	21,952,303	12,929,948
Others	9,814,000	9,722,476
	226,794,311	146,985,402
Less: Sales related taxes	557,573	360,357
	226,236,738	146,625,045

Notes to Interim Condensed Consolidated Financial Information

30 June 2021

4. OPERATING SEGMENT INFORMATION (CONTINUED) (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 2021 and 2020. 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	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Revenue from contracts with customers		
Sale of industrial products		
– Copper cathodes	122,217,460	81,407,245
– Copper rods	48,041,466	25,545,186
– Copper processing products	2,291,336	1,493,858
– Gold	15,667,096	14,838,967
– Silver	8,057,420	6,404,674
– Sulphuric and sulphuric concentrate	1,233,779	358,699
– Copper concentrate, rare and other non-ferrous metals	25,327,405	13,849,167
– Others	3,779,402	2,891,735
Provision of services	178,947	195,871
	226,794,311	146,985,402
Less: Sales related taxes	557,573	360,357
	226,236,738	146,625,045

Notes to Interim Condensed Consolidated Financial Information

30 June 2021

5. REVENUE AND OTHER INCOME (CONTINUED)

Disaggregated revenue information for revenue from contracts with customers

	Six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Types of goods or service		
– Sale of industrial products	226,615,364	146,789,531
– Construction services	136,851	148,396
– Other services	42,096	47,475
	226,794,311	146,985,402
Less: Sales related taxes	557,573	360,357
Total revenue from contracts with customers	226,236,738	146,625,045
Timing of revenue recognition		
– Goods or services transferred at a point in time	226,657,460	146,837,006
– Services transferred over time	136,851	148,396
	226,794,311	146,985,402
Less: Sales related taxes	557,573	360,357
Total revenue from contracts with customers	226,236,738	146,625,045

An analysis of other income is as follows:

	Six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Interest income	556,768	347,783
Dividend income from equity investments	14,533	18,181
Government grants recognised	66,996	90,264
Compensation income and others	14,820	19,930
	653,117	476,158

Notes to Interim Condensed Consolidated Financial Information

30 June 2021

6. OTHER GAINS AND LOSSES, NET

	Six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Fair value gains/(losses) from commodity derivative contracts and commodity option contracts: Transactions not qualifying as hedges	281,205	(571,511)
(Losses)/gains on commodity derivative contracts and commodity option contracts: Transactions not qualifying as hedges	(2,982,786)	845,835
Fair value gains from foreign currency forward contracts and interest rate swaps	35,379	57,976
Gains/(losses) on foreign currency forward contracts, foreign currency swap and interest rate swaps	69,903	(43,532)
Fair value gains/(losses) on other financial assets:		
Unlisted equity instruments	(121,304)	(43,328)
Listed equity instruments	(78,413)	(87,416)
Financial products	(68,008)	120,550
Income right attached to a target equity interest	42,680	(4,246)
Held-for-trading financial liabilities	4,829	98,862
Gains/(losses) on other financial assets:		
Listed equity investments	498	2,496
Financial products	79,504	159,341
Listed debentures	–	2,845
Held-for-trading financial liabilities	(8,764)	(95,327)
Impairment losses on:		
Property, plant and equipment	(676,646)	(229,848)
Other intangible assets	(336,605)	(74,703)
Exploration and evaluation assets	(48,228)	(13,587)
Right-of-use assets	(4,503)	–
Losses on disposal of property, plant and equipment	(29,484)	(3,587)
Gains on disposal of other intangible assets	13,585	–
Foreign exchange gains/(losses), net	56,978	(31,407)
Others	(22,987)	(10,217)
	(3,793,167)	79,196

Notes to Interim Condensed Consolidated Financial Information

30 June 2021

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):

	Six months ended 30 June	
	2021 <i>RMB'000</i> (Unaudited)	2020 <i>RMB'000</i> (Unaudited)
Cost of inventories sold and service provided	211,797,894	140,167,607
Depreciation of property, plant and equipment	1,171,119	1,101,760
Depreciation of right-of-use assets	142,668	120,739
Depreciation of investment properties	6,118	6,251
Amortisation of other intangible assets	157,098	88,488
Auditors' remuneration	7,000	6,500
Employee benefit expense (including directors' remuneration):		
– Wages and salaries	2,304,020	1,767,879
– Pension scheme contributions	247,329	237,727
Research and development costs	173,511	141,573
Provision allowance for inventories included in cost of sales	403,309	202,126
Provision for/(reversal of) impairment of trade and bills receivables	6,168	(48,634)
Provision for impairment of factoring receivables	11,604	49,037
Provision for/(reversal of) for impairment of prepayment, other receivables and other assets	120,114	(69,061)
(Reversal of)/provision for impairment of loans to related parties	(12,494)	2,365
Provision for impairment of inter-bank loans	–	48,715
Provision for impairment of property, plant and equipment	676,646	229,848
Provision for impairment of other intangible assets	336,605	74,703
Provision for impairment of exploration and evaluation assets	48,228	13,587
Provision for impairment of right-of-use assets	4,503	–

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:

	Six months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Current income tax	997,032	378,698
Deferred income tax	(220,286)	24,304
Income tax charge for the period	776,746	403,002

Hong Kong profits tax on seven (2020: seven) of the Group's subsidiaries has been provided at the rate of 16.5% (2020: 16.5%) on the estimated assessable profits arising in Hong Kong during the six months ended 30 June 2021.

The subsidiaries incorporated in Singapore, Turkey, United States, Peru, Zambia and Mexico are subject to corporate income tax at a rate of 17% (2020: 17%), 20% (2020: 20%), 28% (2020: 28%), 29.5% (2020: 29.5%), 35% (2020: 35%), and 30% (2020: 30%), respectively.

The provision for PRC income tax is based on a statutory rate of 25% (2020: 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.

The Company has passed the examination for new and high technology enterprises, and the certificate number is GR202036000206. 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 2020 to 31 December 2022 is 15%. Certain subsidiaries of the Group also enjoy the beneficial income tax rate as New and Technology Enterprise during the reporting period.

Notes to Interim Condensed Consolidated Financial Information

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9. DIVIDENDS

	Six months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Dividends of ordinary shares declared during the six months:		
Final dividend of RMB0.10 per share for 2020 (2020: final dividend of RMB0.10 per share for 2019)	346,273	346,273

On 8 June 2021, 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 2020.

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 (2020: 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 2021 and 2020.

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

	Six months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the Company, used in the basic and diluted earnings per share calculations	3,153,039	786,989
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted earnings per share calculations	3,462,729,405	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 2021, other than the property, plant and equipment acquired through a business combination disclosed in note 3 to the interim condensed consolidated financial information, the Group acquired assets with a cost of RMB959,630,000 (six months ended 30 June 2020: RMB1,051,363,000).

Assets (other than those classified as held for sale) with a net book value of RMB61,352,000 were disposed by the Group during the six months ended 30 June 2021 (30 June 2020: RMB4,984,000), resulting in a net loss on disposal of RMB29,484,000 (30 June 2020: net loss on disposal of RMB3,587,000).

During the six months ended 30 June 2021, an impairment loss of RMB676,646,000 (30 June 2020: RMB229,848,000) was recognised for certain property, plant and equipment, as a result of a series of future expenditures on environment protection of one of the Group's mines have been forecasted. The recoverable amount was RMB444,390,000 which has been determined at the level of the cash-generating unit based on a value-in-use calculation using cash flow projections. The cash-generating unit mainly consisted of property, plant and equipment held by the mine. The discount rate applied to the cash flow projections is 13%.

As at 30 June 2021, certain of the Group's machinery and buildings with a net book value of approximately RMB268,482,000 and RMB218,488,000 (31 December 2020: RMB290,113,000 and RMB221,582,000), respectively, were pledged to secure short-term bank borrowings (note 17).

As at 30 June 2021, certain of the Group's machinery and buildings with a net book value of approximately RMB96,060,000 and RMB99,404,000 (31 December 2020: RMB99,595,000 and RMB102,820,000) were pledged to secure long-term bank borrowings (note 17).

As at 30 June 2021, the Group was in the process of obtaining property ownership certificates for certain of the Group's buildings with a net book value of RMB392,987,000 (31 December 2020: RMB437,013,000).

As at 30 June 2021, certain of the Group's buildings with a net book value of approximately RMB111,009,000 (31 December 2020: RMB112,320,000) were restricted due to litigation.

Notes to Interim Condensed Consolidated Financial Information

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12. FINANCIAL INSTRUMENTS OTHER THAN DERIVATIVES

	30 June 2021		31 December 2020	
	Categories	Carrying Amount RMB'000 (Unaudited)	Categories	Carrying Amount RMB'000 (Audited)
Assets:				
Debt instruments (including hybrid contracts):				
Investments in financial products (a)	FVPL ¹	6,270,159	FVPL	4,350,462
Equity instruments:				
Listed equity investments (b)	FVPL	554,169	FVPL	552,978
Listed equity investments (b)	FVOCI ²	18,879,415	FVOCI	14,828,286
Unlisted equity investments (c)	FVPL	557,530	FVPL	678,834
Unlisted equity investments (c)	FVOCI	36,729	FVOCI	36,119
Income right attached to a target equity interest (d)	FVPL	567,078	FVPL	524,398
		20,594,921		16,620,615
		26,865,080		20,971,077
FVPL		7,948,936		6,106,672
FVOCI		18,916,144		14,864,405
		26,865,080		20,971,077

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12. FINANCIAL INSTRUMENTS OTHER THAN DERIVATIVES (CONTINUED)

	30 June 2021		31 December 2020	
Categories	Carrying Amount RMB'000 (Unaudited)		Categories	Carrying Amount RMB'000 (Audited)
Non-current assets	20,356,619			16,517,143
Current assets	6,508,461			4,453,934
	26,865,080			20,971,077
Liabilities:				
Held-for-trading financial liabilities (e)	FVPL (272,713)		FVPL	–
	(272,713)			–
Current liabilities	(272,713)			–

¹ FVPL: Financial assets or financial liabilities at fair value through profit or loss

² FVOCI: Financial assets at fair value through other comprehensive income

Notes to Interim Condensed Consolidated Financial Information

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12. FINANCIAL INSTRUMENTS OTHER THAN DERIVATIVES (CONTINUED)

- (a) 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 3.20% to 7.80% (2020: 3.35% to 8.00%) per annum.

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Including:		
Bank financial products	3,560,623	3,369,705
Asset management products	124,512	179,390
Fund products	1,065,429	357,344
Trust products	366,423	444,023
Treasury Bonds	1,153,172	–
	6,270,159	4,350,462

As at 30 June 2021, the bank financial products of RMB50,000,000 (31 December 2020: RMB206,274,000) was pledged to secure short-term bank borrowings.

As at 30 June 2021, the bank financial products of RMB3,262,058,000 (31 December 2020: RMB2,913,434,000) was pledged to issue bank accepted notes.

As at 30 June 2021, the treasury bonds of RMB481,790,000 (31 December 2020: Nil) was pledged for sell-repo transactions.

- (b) 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").
- (c) 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.
- (d) 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.
- (e) A subsidiary of the Group, Shandong Humon Smelting Co., Ltd ("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.

Notes to Interim Condensed Consolidated Financial Information

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13. DERIVATIVE FINANCIAL INSTRUMENTS

	30 June 2021		31 December 2020	
	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	577,481	(366,948)	401,120	(553,941)
Commodity option contracts	3,462	–	–	(369)
Provisional price arrangements	297,692	–	–	(426,979)
Foreign currency forward contracts and interest rate swaps	78,686	(43,024)	50,393	(50,110)
	957,321	(409,972)	451,513	(1,031,399)

	30 June 2021 <i>RMB'000</i> (Unaudited)	31 December 2020 <i>RMB'000</i> (Audited)
Including:		
Derivatives designated as hedging instruments (a):		
Fair value hedges		
– Commodity derivative contracts and forward contracts	65,901	(17,255)
– Provisional price arrangements	297,692	(426,979)
	363,593	(444,234)
Derivatives not designated as hedging instruments (b):		
– Commodity derivative contracts and forward contracts	144,632	(135,566)
– Commodity option contracts	3,462	(369)
– Foreign currency forward contracts and interest rate swaps	35,662	283
	183,756	(135,652)
	547,349	(579,886)

Notes to Interim Condensed Consolidated Financial Information

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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 on Shanghai Futures Exchange (“SHFE”) and London Metal Exchange (“LME”), and AU (T+D) and AG (T+D) contracts on Shanghai Gold Exchange (“SGE”).

(a) Derivatives designated as hedging instruments:

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

– Fair value hedge

Certain commodity derivative or forward contracts and 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 fair value hedge mentioned above was assessed to be highly effective.

As at 30 June 2021, the fair value gains of provisional price arrangements designated as fair value hedges of the Group are RMB723,662,000 (for the six months ended 30 June 2020: fair value losses are RMB336,001,000). The net fair value losses of the hedged item, inventories, attributable to the risk hedged is RMB700,409,000 (for the six months ended 30 June 2020: fair value gains are RMB344,354,000) in aggregate.

As at 30 June 2021, the fair value gains of commodity derivative and forward contracts designated as fair value hedges of the Group are RMB83,156,000 (for the six months ended 30 June 2020: fair value losses are RMB145,909,000). The net fair value losses of the hedged item, inventories, attributable to the risk hedged is RMB89,774,000 (for the six months ended 30 June 2020: fair value gains are RMB147,398,000) in aggregate.

(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.

Notes to Interim Condensed Consolidated Financial Information

30 June 2021

14. TRADE AND BILLS RECEIVABLES

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Trade receivables	11,375,538	10,328,264
Bills receivable	2,980,687	2,628,496
	14,356,225	12,956,760
Less: Impairment allowance	5,902,148	5,955,359
	8,454,077	7,001,401

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

30 June 2021

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 2021, bills receivables of RMB771,150,000 (31 December 2020: RMB271,150,000) was pledged to secure short-term bank borrowings, and bills receivables of RMB276,676,000 (31 December 2020: RMB373,985,000) was pledged for the issuing bank accepted notes.

As at 30 June 2021, bills receivables of RMB16,170,055,000 (31 December 2020: RMB13,276,828,000) was discounted but not mature.

The ageing analysis of trade and bills receivables, net of impairment allowance, is as follows:

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Within 1 year	6,865,872	5,365,351
1 to 2 years	26,454	67,511
2 to 3 years	36,259	273,408
Over 3 years	1,525,492	1,295,131
	8,454,077	7,001,401

The term of bills receivable are all less than 12 months. As at 30 June 2021, the bills receivables were neither past due nor impaired (31 December 2020: Nil).

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

	For the six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
At beginning of the period	5,955,359	5,698,962
Provision for/(reversal of) impairment losses, net	6,168	(48,634)
Amounts written off as uncollectible	(59,379)	(106)
At end of the period	5,902,148	5,650,222

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15. CASH, CASH EQUIVALENTS AND RESTRICTED BANK DEPOSITS

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Cash and bank balances	30,945,696	19,405,424
Time deposits	8,143,919	8,718,148
	39,089,615	28,123,572
Less: Restricted bank deposits (a)	21,256,835	13,571,683
– Current portion	17,033,962	10,574,092
– Non-current portion	4,222,873	2,997,591
Time deposits – non-current portion	–	100,113
	21,256,835	13,671,796
Cash and cash equivalents	17,832,780	14,451,776

(a) As at 30 June 2021, the restricted bank deposits include the following:

- Deposits amounting to RMB3,773,120,000 (31 December 2020: RMB2,610,637,000) and cash in the bank amounting to RMB124,510,000 (31 December 2020: RMB50,028,000) were pledged to secure bank borrowings;
- Deposits amounting to RMB3,220,330,000 (31 December 2020: RMB2,207,837,000) was pledged for the issuing of letters of credit;
- Deposits amounting to RMB29,450,000 (31 December 2020: RMB449,135,000) was pledged for the issuing of letters of guarantee;
- Deposits amounting to RMB12,457,998,000 (31 December 2020: RMB7,127,296,000) was pledged for the issuing bank accepted notes;
- Deposits amounting to RMB228,366,000 (31 December 2020: RMB166,892,000) were placed as environmental recovery deposits whose usage is restricted;
- Cash in bank amounting to RMB82,259,000 is restricted due to litigation (31 December 2020: RMB117,763,000);
- Required mandatory reserve deposits and other restricted deposits amounting to RMB1,230,272,000 (31 December 2020: RMB738,792,000) 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; and
- Interests amounting to RMB110,530,000 (31 December 2020: RMB103,588,000) were accrued on bank deposits.

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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 RMB30,178,089,000 (31 December 2020: RMB19,342,618,000). 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 2021, bank balances and cash of RMB1,791,556,000 (31 December 2020: RMB3,610,240,000) were placed in banks outside of Mainland China.

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

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Trade payables	7,368,538	6,283,727
Bills payables	4,108,201	3,831,364
	11,476,739	10,115,091

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

As at 30 June 2021, the Group has no material balance of accounts payable aged over one year (31 December 2020: 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

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Bank borrowings – secured	28,263,138	19,546,890
Bank borrowings – unsecured	33,382,131	28,146,725
Interest payable	262,777	222,336
	61,908,046	47,915,951
Analysed into:		
On demand or within one year	44,329,792	33,839,234
More than one year, but not exceeding five years	17,578,254	14,076,717
	61,908,046	47,915,951
Current	44,329,792	33,839,234
Non-current	17,578,254	14,076,717

As at 30 June 2021, the bank borrowings carry interest at rates ranging from 1.03% to 5.58% (31 December 2020: 1.45% to 5.30%) per annum.

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

- (a) Pledged borrowings amounting to RMB22,646,708,000 (31 December 2020: RMB16,336,019,000) which were secured by:
 - (i) deposits with a carrying value of RMB3,773,120,000 (31 December 2020: RMB2,610,637,000);
 - (ii) cash in the bank with a carrying value of RMB124,510,000 (31 December 2020: RMB50,028,000);
 - (iii) bills receivables with carrying value of RMB771,150,000 (31 December 2020: RMB271,150,000);
 - (iv) bank financial products with a carrying value of RMB50,000,000 (31 December 2020: RMB206,274,000);
 - (v) letters of guarantee with a carrying value of RMB29,450,000 (31 December 2020: RMB448,850,000);
 - (vi) Discounted bill receivables between inter-companies amounting to RMB13,412,492,000 (31 December 2020: RMB8,663,012,000).

Notes to Interim Condensed Consolidated Financial Information

30 June 2021

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

- (b) Mortgaged borrowing amounting to RMB1,683,408,000 (31 December 2020: RMB384,612,000) which was secured by:
- (i) inventories with a carrying value of RMB1,403,821,000 (31 December 2020: RMB148,354,000);
 - (ii) buildings with a carrying value of RMB317,892,000 (31 December 2020: RMB228,055,000);
 - (iii) machineries with carrying value of RMB364,542,000 (31 December 2020: RMB290,113,000); and
 - (iv) land lease payments with a carrying value of RMB135,528,000 (31 December 2020: RMB103,299,000).
- (c) Guaranteed borrowing amounting to RMB3,933,022,000 (31 December 2020: RMB2,826,259,000) which was guaranteed by the shareholders of the Group's subsidiaries.

18. CORPORATE BONDS

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Corporate bonds	800,172	500,000
Interest payable	17,959	5,991
	818,131	505,991

The amounts are repayable as follows:

On demand or within one year	318,131	5,991
More than one year, but not exceeding five years	500,000	500,000
	818,131	505,991
Current portion (a)	318,131	5,991
Non-current portion (b)	500,000	500,000

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18. CORPORATE BONDS (CONTINUED)

- (a) Pursuant to the approval of National Association of Financial Market Institutional Investors (No. [2021] SCP35), a subsidiary of the Group, Shandong Humon, was approved to issue ultra-short-term financing bonds with the amount no more than RMB1,000,000,000. On 23 June 2021, Shandong Humon completed the issuance of the first tranche of the corporate bonds at par with a nominal value of RMB100 each, in an aggregate nominal value of RMB300,000,000. The bond has a life of 90 days from the date of issuance and bears interest at a rate of 3.44% per annum with repayment on maturity.
- (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.

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30 June 2021

20. COMMITMENTS

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

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Contracted, but not provided for		
Acquisition of property, plant and equipment and exploration and evaluation rights	506,160	681,113
Investments in associates (<i>i, ii</i>)	1,461,771	1,557,718
	1,967,931	2,238,831

- 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 2021, the Group has invested USD103,351,000 (31 December 2020: USD89,517,000).

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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:

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Sales to JCC:		
Sales of auxiliary industrial products	70	258
Sales to JCC's affiliates:		
Sales of copper cathodes	419,954	232,328
Sales of copper rods	388,791	206,190
Sales of auxiliary industrial products	41,374	46,939
Sales of lead material	27,750	31,489
Sales of zinc concentrate	22,991	23,188
Sales of auxiliary materials	4,653	179
Sales of sulphuric acid	416	3,740
	905,929	544,053
Purchases from JCC's affiliates:		
Purchases of auxiliary industrial products	681,781	237,510
Purchases of sulfuric and sulfuric concentrate	14,309	694
Purchases of copper concentrate	9,365	4,194
	705,455	242,398

Notes to Interim Condensed Consolidated Financial Information

30 June 2021

21. RELATED PARTY TRANSACTIONS (CONTINUED)

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

	Six months ended 30 June	
	2021 <i>RMB'000</i> (Unaudited)	2020 <i>RMB'000</i> (Unaudited)
Service fees charged to JCC:		
Supply of electricity	152	1,268
Repair and maintenance services	22	–
Vehicle transportation services	–	244
Construction services	–	75
Supply of water	–	72
Other management services	5,666	2,740
	5,840	4,399
Service fees charged to JCC's affiliates:		
Construction services	88,590	68,848
Supply of electricity	15,488	13,044
Vehicle transportation services	9,831	5,412
Rentals for public facilities and other services	1,651	4,255
Repair and maintenance services	853	444
Supply of water	102	46
Other management income	7,978	349
	124,493	92,398
Service fees charged by JCC:		
Labour service	850	1,813
Rental fee for public facilities	–	5,169
Sanitation and greening service	–	2,997
	850	9,979

Notes to Interim Condensed Consolidated Financial Information

30 June 2021

21. RELATED PARTY TRANSACTIONS (CONTINUED)

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

	Six months ended 30 June	
	2021 <i>RMB'000</i> (Unaudited)	2020 <i>RMB'000</i> (Unaudited)
Service fees charged by JCC's affiliates:		
Repair and maintenance services and purchases of spare parts	75,043	51,433
Labour service	12,111	17,894
Construction services	9,562	113
Brokerage agency services for commodity derivative contracts	7,512	1,507
	104,228	70,947
Loans provided to JCC's affiliates	701,000	911,650
Interest received from JCC's affiliates:		
Interest received for loans provided	38,280	25,618
Loans provided by JCC	–	7,900,000
Repayment of finance leasing provided by JCC's affiliates	44,645	–
Interest paid to JCC:		
Interest paid for loans provided	53,294	63,067
Interest paid to JCC:		
Interest paid for deposits made	17,266	2,047
Interest paid to JCC's affiliates:		
Interest paid for deposits made	5,479	4,062

Notes to Interim Condensed Consolidated Financial Information

30 June 2021

21. RELATED PARTY TRANSACTIONS (CONTINUED)

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

In 2021, the Group renewed 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 2021 to 31 December 2023. The total rental fee amounted to RMB78,761,000 for the Reporting Period (six months ended 30 June 2020: RMB78,761,000).

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 RMB148,500 for the Reporting Period (six months ended 30 June 2020: RMB297,000).

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

Pursuant to the financial services agreement signed between the Group and JCC, 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

30 June 2021

21. RELATED PARTY TRANSACTIONS (CONTINUED)

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

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Sales to a related party:		
Sales of auxiliary industrial products	–	4,175
Purchases from a related party:		
Purchases of copper concentrate	28,521	14,934
Service fees charged to a related party:		
Supply of electricity	352	490

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:

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loans provided to a related party:	22,998	19,823
Interest received from a related party:		
Interest received for loans provided	137,536	–

Notes to Interim Condensed Consolidated Financial Information

30 June 2021

21. RELATED PARTY TRANSACTIONS (CONTINUED)

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

	Six months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Sales to related parties:		
Sales of copper cathodes	1,740,185	222,219
Sales of copper rods	699,303	455,147
Sales of auxiliary industrial products	388,837	686,212
	2,828,325	1,363,578
Purchases from related parties:		
Purchases of blister copper and copper concentrate	2,768,920	3,083,957
Purchases of copper cathodes	1,562,705	344,612
Purchases of auxiliary industrial products	46,743	53,144
	4,378,368	3,481,713
Loans provided to a related party:	–	522,000
Interest received from a related party:	–	9,561

The Group's subsidiaries provide guarantees for the bank loans of its non-controlling interest holder, and the Group's non-controlling interest holder provides guarantees for the bank loans of the Group's subsidiaries (note 17).

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

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30 June 2021

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:

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Bills receivables:		
JCC's affiliates	12,789	15,583
Trade receivables:		
JCC's affiliates	542,586	488,398
JCC	–	143
The jointly controlled entities	–	412
	542,586	488,953
Prepayments:		
Non-controlling interest holder and its subsidiary	18,728	4,003
JCC's affiliates	6,067	13,040
	24,795	17,043
Other receivables:		
JCC's affiliates	1,308,971	966,138
JCC	8,500	78
Non-controlling interest holder and its subsidiary	–	7,893
	1,317,471	974,109

Notes to Interim Condensed Consolidated Financial Information

30 June 2021

21. RELATED PARTY TRANSACTIONS (CONTINUED)

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

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Loans to related parties:		
JCC's affiliates	1,507,807	1,698,063
Associates	4,900	5,000
	1,512,707	1,703,063
Trade and bills payables:		
Non-controlling interest holder and its subsidiary	47,234	194,307
JCC's affiliates	28,227	91,089
JCC	251	–
	75,712	285,396
Contract liabilities:		
JCC's affiliates	7,324	215
Other payables:		
JCC	699,387	479,210
Non-controlling interest holder and its subsidiary	198,195	73,988
Associates	30,455	138,664
JCC's affiliates	–	75,036
	928,037	766,898

Notes to Interim Condensed Consolidated Financial Information

30 June 2021

21. RELATED PARTY TRANSACTIONS (CONTINUED)

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

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Deposits from customers:		
JCC	2,326,956	1,593,250
JCC's affiliates	1,506,681	1,516,443
	3,833,637	3,109,693
Lease liability:		
JCC's affiliates	448,902	515,142
Other long-term payable:		
JCC	7,980	7,980
JCC's affiliates	73,959	120,810
	81,939	128,790
Loans from JCC	2,985,518	2,932,224

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.

Notes to Interim Condensed Consolidated Financial Information

30 June 2021

21. RELATED PARTY TRANSACTIONS (CONTINUED)

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

	Six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Short-term employee benefits	6,226	7,184
Post-employment benefits	242	175
Performance related bonus	25	28
	6,493	7,387

- (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.

22. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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.

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 2021 was assessed to be insignificant.

Notes to Interim Condensed Consolidated Financial Information

30 June 2021

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

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 2021.

For the fair value of the unlisted equity investments at fair value through other comprehensive income, management has estimated the potential effect of using reasonably possible alternatives as inputs to the valuation model.

Notes to Interim Condensed Consolidated Financial Information

30 June 2021

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.

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 2021:

30 June 2021:

	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)	
Financial assets:				
– Listed equity securities	19,117,717	315,867	–	19,433,584
– Investments in financial products	2,153,172	–	4,116,987	6,270,159
– Unlisted equity investments	–	–	594,259	594,259
– Income right attached to a target equity interest	–	–	567,078	567,078
Derivative financial instruments:				
– Commodity derivative and forward contracts	577,481	–	–	577,481
– Commodity option contracts	–	3,462	–	3,462
– Provisional price arrangements	–	297,692	–	297,692
– Foreign currency forward contracts and interest rate swaps	–	78,686	–	78,686
Bills receivables	–	2,949,454	–	2,949,454
Inventories designated as hedged items	7,238,586	–	–	7,238,586
	29,086,956	3,645,161	5,278,324	38,010,441

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

Fair value hierarchy (Continued)

	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)	
Financial liabilities:				
Derivative financial instruments:				
– Commodity derivative and forward contracts	366,948	–	–	366,948
– Foreign currency forward contracts and interest rate swaps	–	43,024	–	43,024
Held for trading financial liabilities	–	272,713	–	272,713
	366,948	315,737	–	682,685

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 2020: (Continued)

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Financial assets:				
– Listed equity securities	14,981,820	399,444	–	15,381,264
– Investments in financial products	289,609	–	4,060,853	4,350,462
– Unlisted equity investments	–	–	714,953	714,953
– Income right attached to a target equity interest	–	–	524,398	524,398
Derivative financial instruments:				
– Commodity derivative contracts	401,120	–	–	401,120
– Foreign currency forward contracts and interest rate swaps	–	50,393	–	50,393
Bills receivables	–	2,595,046	–	2,595,046
Inventories designated as hedged items	6,159,716	–	–	6,159,716
	21,832,265	3,044,883	5,300,204	30,177,352

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30 June 2021

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

Fair value hierarchy (Continued)

31 December 2020: (Continued)

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Financial liabilities:				
Derivative financial instruments:				
– Commodity derivative contracts	553,941	–	–	553,941
– Commodity option contracts	–	369	–	369
– Provisional price arrangements	–	426,979	–	426,979
– Foreign currency forward contracts and interest rate swaps	–	50,110	–	50,110
	553,941	477,458	–	1,031,399

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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:

	Six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
At 1 January	5,300,204	11,533,226
Purchase	9,577,865	20,926,703
Total gains recognised in the statement of profit or loss	230,734	232,317
Total gains recognised in other comprehensive income	610	–
Disposals	(9,831,089)	(9,517,952)
At period end	5,278,324	23,174,294

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 (2020: Nil).

23. EVENTS AFTER THE REPORTING PERIOD

There are no material events after the reporting period that may have a material impact on the Group's reported financial position at 30 June 2021.

24. APPROVAL OF THE FINANCIAL STATEMENTS

The interim condensed consolidated financial information was approved and authorised for issue by the board of directors on 27 August 2021.



Jiangxi Copper Company Limited