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)

2023
Annual Report

Important Notice

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

II. All Directors attended the Board meeting in relation to, among others, the approval of the results for the year ended 31 December 2023.

III. The consolidated financial statements of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2023 (the "**Reporting Period**") prepared in accordance with PRC Accounting Standards for Enterprises ("**PRC GAAP**") and International Financial Reporting Standards ("**IFRSs**") have been audited by Ernst & Young Hua Ming LLP (domestic auditor) and Ernst & Young (overseas auditor) respectively with standard unqualified audit report issued.

IV. The person in charge of the Company, Mr. Zheng Gaoqing, the person in charge of accounting, Mr. Yu Tong, and the person in charge of accounting department (accounting chief), Mr. Bao Xiaoming, warrant the truthfulness, accuracy and completeness of the financial report as set out in the annual report.

V. Proposal of profit distribution plan or conversion of capital reserve to share capital during the Reporting Period resolved and approved by the Board

The Board has recommended distributing to all shareholders a final dividend of RMB0.60 per share (inclusive of tax) for 2023. The Board did not recommend conversion of capital reserve to share capital or issuance of bonus shares.

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

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

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

VIII. There are no external guarantees made in violation of the required decision-making procedures.

IX. There is no more than half of the Directors that could not guarantee the truthfulness, accuracy and completeness of the annual report disclosed by the Group.

X. Notice of major risks

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

XI. Others

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

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Definitions

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

Definitions to the frequently-used terms:

Articles	means	the Articles of Association of Jiangxi Copper Company Limited
Board	means	the board of Directors
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 or Jiangxi Copper	means	Jiangxi Copper Company Limited
copper cathode 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
copper concentrates	means	the concentrates from low grade ores containing copper achieving certain quality indicators through processing and dressing processes, which can be directly used for copper smelting in smelters
copper contained in copper concentrates	means	the amount of copper in copper concentrates
copper rods and wires	means	rods and wires made of copper cathode by melting, casting and rolling
crude copper	means	the raw copper materials including impure copper and blister 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
Fuye Group	means	Zhejiang Fuye Group Co., Ltd.* (浙江富冶集團有限公司)
Group	means	the Company and its subsidiaries
Guangdong Taolin	means	an ecological restoration and protection services company owned by the Company, located in Shaoguan City, Guangdong Province, and also refers to Guangdong JCC Taolin Ecological Environment Co., Ltd.
Guixi Smelter	means	a copper smelter 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.* (浙江江銅富冶和鼎銅業有限公司)
Huadong Electric	means	a copper processing enterprise owned by the Company, located in Yingtan City, Jiangxi Province, and also refers to Jiangxi JCC Huadong Electric New Materials Technology Co., Ltd.
Humon Smelting	means	a gold smelting company owned by the Company, located in Yantai City, Shandong Province, and also refers to Shandong Humon Smelting Co., Ltd.
IFRSs	means	International Financial Reporting Standards
JCC	means	Jiangxi Copper Corporation Limited (formerly known as Jiangxi Copper Corporation) and its subsidiaries, but excluding the Group
JCC Environmental	means	an environmental protection treatment company owned by the Company, located in Shangrao City, Jiangxi Province, and also refers to Jiangxi JCC Environmental Resources Technology Co., Ltd.
JCC Hongyuan	means	a copper smelter owned by the Company, located in Guixi City, Jiangxi Province, and also refers to JCC Hongyuan Copper Industry Co., Ltd.

Definitions

JCC Guoxing	means	a copper smelter owned by the Company, located in Yantai City, Shandong Province, and also refers to JCC Guoxing (Yantai) Copper Company Limited
JCC Longchang	means	a copper processing enterprise owned by the Company, located in Nanchang City, Jiangxi Province, and also refers to Jiangxi Copper Longchang Precise Copper Pipe Company Limited
JCC Taiyi	means	a copper processing enterprise owned by the Company, located in Nanchang City, Jiangxi Province, and also refers to Jiangxi Copper Taiyi Special Electrical Materials Company Limited
Jiangxi Cable	means	a cable company owned by the Company, located in Ji'an City, Jiangxi Province, and also refers to Jiangxi Cable Co., Ltd.
Listing Rules	means	the Rules Governing the Listing of Securities on the Stock Exchange
LME	means	London Metal Exchange
matte	means	copper produced by smelting of copper concentrates 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 PRC
PRC	means	The People's Republic of China
PRC GAAP	means	the PRC Accounting Standards for Enterprises
refined smelting	means	production and processing of crude copper to copper cathode
Reporting Period	means	twelve months ended 31 December 2023

rough smelting	means	production and processing of copper concentrates to crude copper
SHFE	means	Shanghai Futures Exchange
SSE	means	Shanghai Stock Exchange
Stock Exchange	means	The Stock Exchange of Hong Kong Limited
sulphur concentrates	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
sulphuric acid	means	one of the important products in the chemical industry, with molecular formula H_2SO_4, which is a colourless, tasteless oil-like liquid, a strong acid with high boiling point, difficult to volatilise, easily soluble in water and miscible with water in any ratio
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, 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 annual 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.

Corporate Profile

I. CORPORATE INFORMATION

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

II. CONTACT PERSONS AND CONTACT METHODS

	Secretary to the Board	Securities affairs representative
Name	Tu Dongyang	Lu Gaoming
Address	7666 Changdong Avenue, High-tech Development Zone, Nanchang, Jiangxi Province, the People's Republic of China	7666 Changdong Avenue, High-tech Development Zone, Nanchang, Jiangxi Province, the People's Republic of China
Telephone	(86)791-82710117	(86)791-82710112
E-mail	jccl@jxcc.com	jccl@jxcc.com

III. BASIC INFORMATION

Registered address of the Company	15 Yejin Avenue, Guixi City, Jiangxi Province, the People's Republic of China
Historical changes in the registered address of the Company	Nil
Office address of the Company	7666 Changdong Avenue, High-tech Development Zone, Nanchang, Jiangxi Province, the People's Republic of China
Postal code of the office address of the Company	330096
Website of the Company	http://www.jxcc.com
E-mail	jccl@jxcc.com

IV. INFORMATION DISCLOSURE AND PLACE OF INSPECTION

Media and website for disclosure of the Company's annual report	Shanghai Securities News (www.cnstock.com)
Website of the stock exchange for disclosure of the Company's annual report	www.sse.com.cn
Place for inspection of the Company's annual report	7666 Changdong Avenue, High-tech Development Zone, Nanchang, Jiangxi Province, the People's Republic of China

V. INFORMATION ON THE COMPANY'S SHARES

Information on the Company's shares			
Class of shares	Stock exchange on which shares are listed	Stock abbreviation	Stock code
A shares	SSE	Jiangxi Copper	600362
H shares	the Stock Exchange	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
	Name of signing auditor(s)	Song Congyue (宋從越), Wang Yangyisu (汪洋一粟)
Auditor appointed by the Company (Overseas)	Name	Ernst & Young
	Office address	27/F, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong
	Name of signing auditor(s)	Siu Fung Terence Ho (何兆烽)

Summary of Accounting Data and Financial Indicators

I. SUMMARY OF ACCOUNTING DATA AND FINANCIAL INDICATORS IN THE LAST THREE YEARS

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

Unit: Yuan Currency: RMB

Major accounting information	2023	2022	Increase/decrease for the period as compared with the corresponding period of last year (%)	2021
Operating revenue	**521,892,512,166**	479,938,045,193	8.74	442,767,670,161
Net profit attributable to shareholders of the Company	**6,505,109,122**	5,993,964,274	8.53	5,635,567,528
Net profit after non-recurring profit and loss items attributable to shareholders of the Company	**5,373,810,735**	5,417,038,713	(0.80)	7,094,451,239
Net cash flows from operating activities	**10,931,174,473**	10,641,320,122	2.72	9,031,634,346

	End of 2023	End of 2022	Increase/decrease at the end of the period as compared with the end of the corresponding period of last year (%)	End of 2021
Net assets attributable to shareholders of the Company	**67,422,048,424**	73,518,652,248	(8.29)	69,798,852,884
Total assets	**168,150,905,428**	167,330,538,537	0.49	161,034,644,301

(II) Major accounting data (prepared in accordance with IFRSs)

Unit: '000 Yuan Currency: RMB

	2023	2022	Increase/ (decrease) *(%)*
Operating revenue	**520,338,500**	478,392,849	8.77
Profit before tax	**8,632,470**	7,498,558	15.12
Income tax	**1,404,318**	1,403,004	0.09
Profit attributable to non-controlling interests	**482,313**	94,078	412.67
Profit attributable to shareholders of the Company	**6,745,839**	6,001,476	12.40
Basic and diluted earnings per ordinary share attributable to shareholders of the Company *(RMB Yuan)*	**1.95**	1.73	12.72

	As at 31 December 2023	As at 31 December 2022	Increase/ (decrease) *(%)*
Total assets	**168,150,906**	167,330,540	0.49
Total liabilities	**91,402,241**	85,380,383	7.05
Equity attributable to shareholders of the Company	**67,422,048**	73,518,650	(8.29)
Equity per share attributable to shareholders of the Company *(RMB Yuan)*	**19.47**	21.23	(8.29)

(III) Major financial indicators (prepared in accordance with PRC GAAP)

Unit: Yuan Currency: RMB

Major financial indicator	2023	2022	Increase/decrease for the period as compared with the corresponding period of last year *(%)*	2021
Basic earnings per share *(RMB/share)*	**1.88**	1.73	8.53	1.63
Diluted earnings per share *(RMB/share)*	**N/A**	N/A	N/A	N/A
Basic earnings per share after non-recurring profit and loss items *(RMB/share)*	**1.55**	1.56	(0.80)	2.05
Rate of return on net assets (weighted average) *(%)*	**9.23**	8.36	0.87	8.69
Rate of return on net assets after non-recurring profit and loss items (weighted average) *(%)*	**7.63**	7.56	0.07	10.94

II. DIFFERENCES IN ACCOUNTING DATA BETWEEN IFRSs AND PRC GAAP

Differences in net profit and net assets attributable to shareholders of the Company in the consolidated financial report prepared under IFRSs and those under 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 period	Amount for the previous period	**As at the end of the period**	As at the beginning of the period
Under PRC GAAP	**6,505,109,122**	5,993,964,274	**67,422,048,424**	73,518,652,248
Adjustments to items and amounts under IFRSs:				
Safety fund expenses provided but not used under PRC GAAP during the period	**240,730,298**	7,512,046		
Under IFRSs	**6,745,839,420**	6,001,476,320	**67,422,048,424**	73,518,652,248

Explanation on the differences between domestic and overseas accounting standards:

Pursuant to the provisions of the Ministry of Finance and the Ministry of Emergency Management, the safety fees are collected in accordance with the requirements of the Administrative Measures on the Collection and Use of Production Safety Fees of Enterprises ((2022) No.136). The safety fees are used exclusively for the improvement and enhancement of enterprises to provide safe production conditions. The safety fees to be drawn down are included in the cost or profit and loss for the period of the underlying products, and are separately reflected in "special reserves" of the equity interests of shareholders. When the withdrew safety production fees are being used, if the expenditure is being expensed, the special reserve shall be directly written off. For fixed assets which have been generated using the withdrawn safety production fees, the expenses incurred in the collection of the construction-in-progress items shall be recognised as fixed assets when the safety project is completed and ready for its intended use; at the same time, the special reserve shall be offset by the cost of forming the fixed assets, and recognise the same amount of accumulated depreciation. Such fixed assets are no longer depreciated in subsequent periods. According to IFRSs, the expenditure on safe production is separately reflected in the form of profit distribution in restricted reserve of ownership of equity at the time of withdrawal. Expenditures which are expensed in the prescribed scope of use are included in the statement of comprehensive income for the period in which they are incurred; for capital expenditure, they are transferred to property, plant and equipment upon completion and depreciated in accordance with the depreciation policies of the Company. At the same time, in accordance with the actual amount use of the safety production fees for the period, such amount shall be carried forward within the owner's equity to write off the restrictive reserve items and increase the undistributed profit, and shall limit the reduction of the remaining restricted reserve to zero.

III. MAJOR QUARTERLY FINANCIAL DATA IN 2023 (PREPARED IN ACCORDANCE WITH PRC GAAP)

Unit: Yuan Currency: RMB

	First quarter (January–March)	Second quarter (April–June)	Third quarter (July–September)	Fourth quarter (October–December)
Operating revenue	127,733,316,672	139,793,018,995	132,029,155,091	122,337,021,408
Net profit attributable to shareholders of the Company	1,755,051,995	1,604,410,887	1,583,486,809	1,562,159,431
Net profit after non-recurring profit and loss items attributable to shareholders of the Company	1,696,506,948	1,007,735,255	1,436,183,077	1,233,385,455
Net cash flows from operating activities	(4,004,466,987)	10,469,435,473	1,763,851,187	2,702,354,800

IV. NON-RECURRING PROFIT AND LOSS ITEMS AND AMOUNT (PREPARED IN ACCORDANCE WITH PRC GAAP)

Unit: Yuan Currency: RMB

Non-recurring profit and loss items	2023 amount	2022 amount	2021 amount
Profit and loss from disposal of non-current assets, including the reversal of provision for impairment on assets	**38,569,449**	58,022,750	(117,634,636)
Government grants as included in profit and loss for the period, other than those that are closely related to the ordinary business of the Company, in compliance with national policies, subject to fixed standards and having continuous effects on the Company's profit and loss	**461,965,791**	294,680,838	158,982,823
Profit and loss from changes in the fair value of financial assets and financial liabilities held by non-financial enterprises and profit and loss from the disposal of financial assets and financial liabilities except for effective hedging businesses related to the ordinary business of the Company	**674,792,250**	161,795,843	(1,970,504,423)
Reversal of provision for impairment on accounts receivable individually tested for impairment	**141,570,684**	174,857,236	200,121,859
Income from enterprises' investment costs in acquiring subsidiaries, associates and joint ventures being less than the fair value of the investees' identifiable net assets at time of acquisition	**1,113,479**	0	0
Net profit and loss for the period of subsidiaries from the beginning of the period to the date of consolidation arising from a business merger under common control	**2,356,636**	0	0
Other non-operating income and expenses other than the above	**27,082,259**	(53,193,618)	29,262,806
Less: Impact from income tax	**155,341,488**	67,372,770	(95,185,568)
Impact from interests of non-controlling shareholders (after tax)	**60,810,673**	(8,135,282)	(145,702,292)
Total	**1,131,298,387**	576,925,561	(1,458,883,711)

Note: The Group has formulated a strict hedging plan and internal control system. Hedging transactions are only for the purpose of hedging the risk of changes in commodity prices and any speculative transactions are prohibited to safeguard the Group's long-term stable development. For hedging transactions to which the Group has not applied the hedging accounting standards in the ordinary course of business, profit or losses from changes in the fair value of derivative financial instruments involved are recognised at the end of each period and transferred to investment profit/losses when the positions are closed, which is implemented in strict accordance with the requirements of the Explanatory Notice on Information Disclosure of Companies with Public Offering No. 1 – Non-recurring Profit and Loss, where the profits and losses arising from the above hedging transactions that are not accounted for by applying the hedging accounting standards in the normal course of business are included in non-recurring profits and losses.

V. ITEMS MEASURED AT FAIR VALUE (PREPARED IN ACCORDANCE WITH PRC GAAP)

Unit: Yuan Currency: RMB

Item	Opening balance	Closing balance	Changes during the period	Impact on profit of the period
1. Investments in held-for-trading equity instruments				
Stock investments	12,020,713	**160,284,019**	148,263,306	8,472,019
2. Investments in held-for-trading debt instruments				
Bond investments	2,298,998,908	**3,909,899,948**	1,610,901,040	123,476,178
Investments in debt instruments	2,236,993,848	**3,503,240,872**	1,266,247,024	191,724,257
3. Other non-current financial assets	1,229,629,359	**1,406,386,291**	176,756,932	110,951,012
4. Investments in other equity instruments	18,498,826,276	**7,526,703,787**	(10,972,122,489)	107,383,006
5. Derivatives not designated as a hedging relationship				
Foreign currency forward contracts	(78,797,439)	**(50,334,963)**	28,462,476	(287,329,389)
Commodity option contracts	(45,832,723)	**(18,515,547)**	27,317,176	122,756,737
Commodity futures contracts	(426,247,521)	**(111,365,390)**	314,882,131	209,719,700
6. Hedging instruments				
Effective hedging derivative instruments				
Commodity futures contracts	(93,458,731)	**(27,625,296)**	65,833,435	(209,976,922)
Provisional price arrangements	(313,841,842)	**(279,085,733)**	34,756,109	34,756,109
7. Items measured at fair value included in inventory	7,495,770,557	**10,339,932,275**	2,844,161,718	133,236,450
8. Financing of accounts receivable	1,903,238,251	**1,781,688,042**	(121,550,209)	0
9. Liabilities from financial guarantee contracts	(38,353,000)	**(32,546,477)**	5,806,523	5,806,523
Total	32,678,946,656	**28,108,661,828**	(4,570,284,828)	550,975,681

Management Discussion and Analysis

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

I. DISCUSSION AND ANALYSIS OF OPERATION

In 2023, faced with complicated market environment and business targets that allowed no slacking, the Group persisted in a pragmatic attitude of unremitting efforts and overcoming difficulties, and withstood the impacts and challenges of global economic slowdown and complex and changing external environment. Responding to changes with stability and consolidating stability with progress, the Company promoted high-quality development to achieve new results and reached a new level.

In 2023, the Company recorded operating revenue of RMB521,893,000,000, representing a year-on-year increase of 8.74% (the corresponding period of last year: RMB479,938,000,000); net profit attributable to shareholders of the Company of RMB6,505,000,000, representing a year-on-year increase of 8.53% (the corresponding period of last year: RMB5,994,000,000). As at 31 December 2023, the Company's total assets amounted to RMB168,151,000,000, representing an increase of 0.49% as compared with the beginning of the year (beginning of the year: RMB167,331,000,000), of which net assets attributable to shareholders of the Company amounted to RMB67,422,000,000, representing a decrease of 8.29% as compared with the beginning of the year (beginning of the year: RMB73,519,000,000).

(1) Steady production and operation with improvements

Product	2023 production volume	2022 production volume	Year-on-year growth *(%)*
Copper cathode *(ten thousand tonnes)*	209.73	183.94	14.02
Gold *(tonnes)*	112.64	88.80	26.85
Silver *(tonnes)*	1,351.54	1,232.72	9.64
Sulphuric acid *(ten thousand tonnes)*	595.79	541.64	10.00
Copper processed products *(ten thousand tonnes)*	181.79	176.74	2.86
Including: copper rods	166.57	163.40	1.94
Self-produced copper contained in copper concentrates *(ten thousand tonnes)*	20.20	20.44	-1.17
Standard sulphur concentrates *(ten thousand tonnes)*	265.85	265.45	0.15
Molybdenum concentrates folding (45%) *(tonnes)*	10,006.00	8,108.00	23.41

(2) Upgraded project construction

1. Completed projects released production capacity quickly. In 2023, a number of new projects released production capacity quickly. The 180,000 tonnes/year copper cathode energy conservation and emission reduction project of JCC Guoxing was put into production successfully, further consolidating the Company's leading position in the field of modern smelting. The 100,000 tonnes/year new energy electromagnetic wire project (phase I) of Huadong Electric was put into production ahead of schedule in just 158 days. The phase I 35,000-tonne north-line transformation project of JCC Longchang and the 4,000-tonne enamelled flat wire expansion project of JCC Taiyi were put into production successfully, with more than 400 products developed and expanded.

2. Projects under construction were accelerated. A number of new projects with strong enabler and solid support were being advanced continuously. The Company accelerated several key projects, including the environment protection equipment manufacturing project and the 50,000-tonne comprehensive resource recycling project of JCC Environmental, the comprehensive multi-element recovery from complex gold concentrates project of Humon Smelting and the 220kV ultra high voltage production line project of Jiangxi Cable Co., Ltd.. The phase III expansion project of Wushan Copper Mine realised the connection of principal and auxiliary mines 15 days in advance, and the construction plan of the surface and underground main works were all completed ahead of schedule, laying foundation for early commissioning of the project. The construction of the 5,000 tonnes/day open-pit mining-to-underground mining project of Yinshan Mining was commenced in November.

(3) Innovation-driven with all-round efforts

1. The innovation system was further improved. The Company accelerated integration into the national strategic technology demand and supply system, deepened cooperation with universities and research institutions in aspects including copper-based new materials, unmanned mining vehicles, safe mining in underground mines and talent cultivation, and further promoted the localisation of industry-education integration. It also introduced management measures for the technological innovation expert database for the first time, explored and implemented the pilot product trial sales reward mechanism and the division mechanism for rights and interests in results, and adjusted and optimised the promotion channels for research and development personnel, to arouse the innovation enthusiasm of all staff with more scientific and reasonable systems and mechanisms.

2. Continuous breakthroughs were made in technological innovation, and all employees had achieved outstanding innovation results. The Company's high-speed dispersion technology for beneficiation reagents was put into industrial application. It made milestone breakthroughs in exploring the application of photoelectric intelligent sorting technology, accumulating experience for the resource recovery of copper-containing waste rocks and low-grade ores. The project "key technology for coordinated optimisation and intelligent monitoring of material flow in copper smelting and its application" led by the Company and the joint project "research and development and industrial application of key technology sets for manufacturing high-strength low-profile electronic copper foil for 5G" won the first prize of Jiangxi Province Science and Technology Progress Award. In 2023, the Company was granted 209 patents, including 35 invention patents.

(4) Accurate and effective implementation of digital intelligence empowerment

The Company promoted deep integration of the internet, big data, cloud computing and artificial intelligence with the actual economy, upgrading its industrial chain. It built a digital standard system, in which ten national non-ferrous metal intelligent manufacturing standards passed evaluation, and it received 31 awards for its digital achievements, among which Chengtong 5G+ intelligent mining project won the first prize at the first Digital Scenario Innovation Professional Competition for State-owned Enterprises.

Led by the digital mine of Dexing Copper Mine and the lighthouse plant of Guixi Smelter, the Company advanced industrial digitisation with high quality, which made its operation and management more intelligent, its production efficiency optimised, and its operation coordination smoother, forming digital intelligence competitiveness at a faster pace. It also promoted digital industrialisation with high standards, got certifications for information security and technical service management system of industrial internet platform, and continued to expand the results of its digital intelligence construction.

(5) Close and unremitting attention to risk prevention

1. Strengthening and consolidating production safety. The Company made solid, down-to-earth and refined efforts to improve production safety work. Further establishing a prevention-first concept, it carried out in-depth special screening and correction actions for hidden dangers of serious accidents, deepen the tackling of symptoms and root causes and resolve risks and hidden dangers. The Company launched mechanised, intellectualised and unmanned construction by introducing various underground prying trolleys, rock drilling jumbos, remote-controlled scrapers and other new-type equipment, to promote intrinsic safety and consolidate the foundation for development.

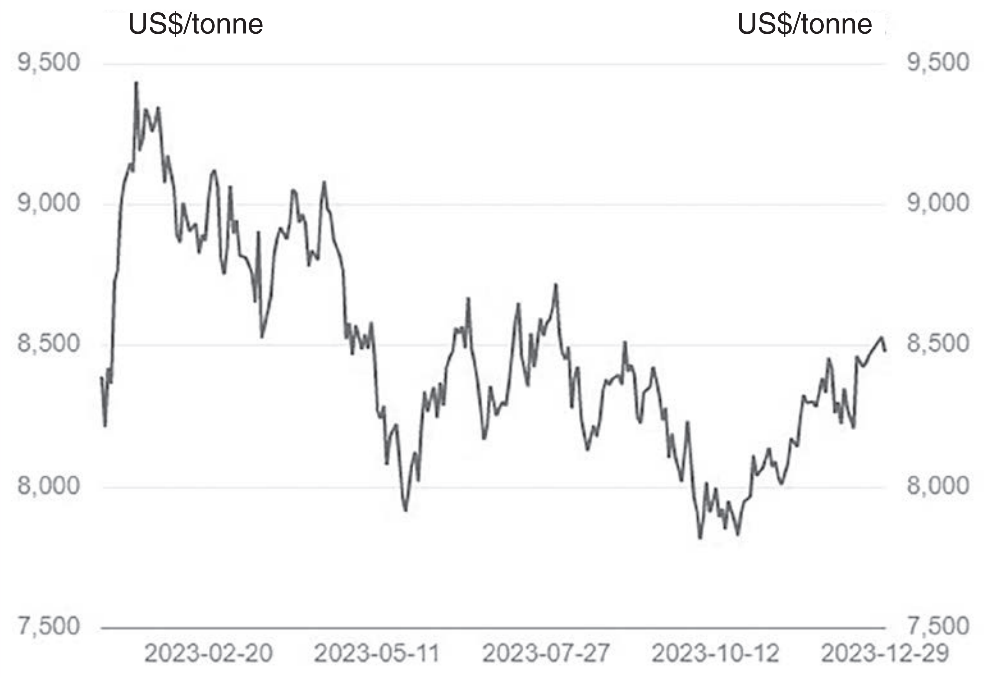
2. Holding fast to the bottom line and strictly controlling risks. The Company fully leveraged the protection of risk control and audit. It established and perfected the lateral collaboration mechanism for various supervision resources including audit, discipline inspection, risk control, organisation, inspection and the Supervisory Committee.

(6) Green development taken to a new level

Promoting energy conservation and carbon emission reduction ecological and environmental protection at the same time. The Company implemented in-depth projects such as motor efficiency improvement and photovoltaic power generation, increased the procurement and utilisation of clean energy and promoted continuous reduction of the unit energy consumption and carbon emission of its products. Guixi Smelter saved 23.5 million kWh of electricity in 2023 and more than 100 million kWh in the past three years. Equipment such as new energy electric heavy-duty dumpers, passenger vehicles and forklifts were put in use at Dexing Copper Mine and Chengmenshan Copper Mine in mining, transportation, auxiliary production and other scenarios. JCC Environmental's advanced oxidation treatment process with active molecules significantly lowered manganese and COD content in mining sewage, reducing cost by more than 30% on the basis of achieving emission standards. The project of "key technology for enhanced synergy of natural restoration of heavy metal contaminated soils with carbon fixation and emission reduction and its application" of Guangdong Taolin won the first prize of China Industry-Academia-Research Cooperation Innovation Achievement Award, and was recognised among China's Top Ten Scientific and Technological Developments in Ecological Environment.

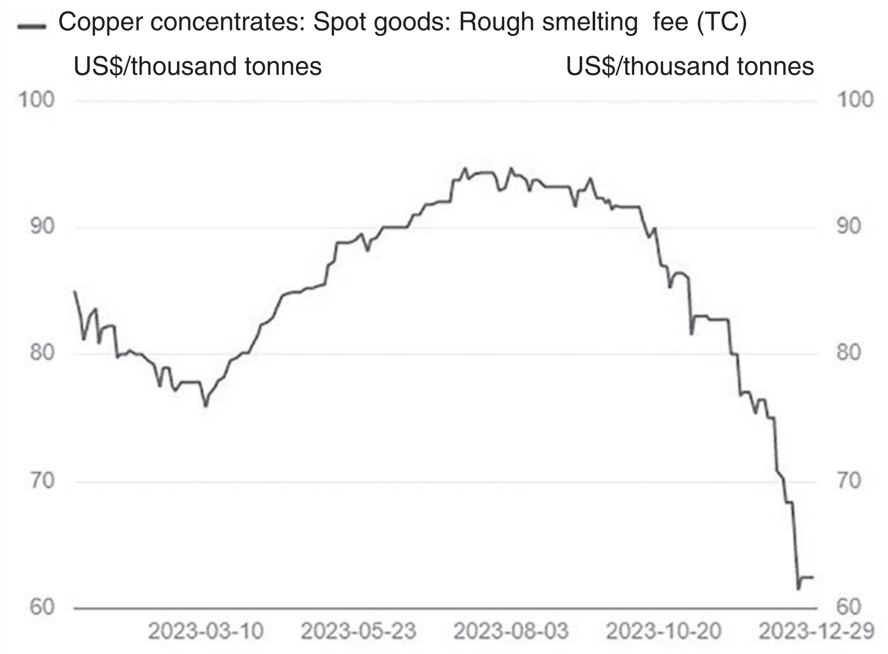
II. INDUSTRY OF THE COMPANY DURING THE REPORTING PERIOD

Copper price in 2023 was primarily led by both the macro factors and the fundamentals. In terms of the macro factors, in the first half of the year, the domestic economy recovered steadily with improvements, the US manufacturing industry rebounded, and end-use industries saw an improvement in vitality. However, the four interest rate hikes by the US Federal Reserve together with the liquidity crisis in the banking industry and the debt ceiling crisis suppressed copper price. The US dollar index rose due to high interest rates. Copper price showed a volatile downward trend in an overall range between US$7,900/tonne and US$9,200/tonne in the first half of the year. In the second half of 2023, the Palestinian-Israeli conflict escalated, the high interest-rate environment continued in Europe and the US, but with more domestic policies to stabilise economic growth, the economy continued to pick up. With the US inflation falling at a faster pace in the fourth quarter, the market started betting on the timing of interest cuts. Copper price was thus less suppressed by the macro environment.



In terms of the fundamentals, for copper concentrates, factors of supply disturbances appeared frequently, such as frequent occurrences of extreme weathers, the rise of resource protectionism and increased community and policy risks. Copper supply stayed below expectations in 2023. Many copper mine enterprises lowered their production guidance for the year, which increased uncertainty. As for inventories, copper stocks hit historic lows in 2023. Despite a recovery in inventories since September, copper stocks were still low. On the demand side, the sluggish real estate market and the slow growth of traditional consumption led to a fall in demand for copper, but in the context of carbon peaking and neutrality (雙碳), photovoltaic and wind power generation and new energy became the driving force of promoting copper consumption. The fundamentals were generally in tight balance. In the second half of the year, copper price rebounded and stayed in the range between US$7,900/tonne and US$8,700/tonne overall. As at 29 December 2023, the LME three-month copper price closed at US$8,562/tonne, increasing by 2.2%, whereas the average LME three-month copper price for 2023 was US$8,525/tonne, decreasing by 3.0%.

With regard to copper smelting, smelters in the PRC and Freeport settled the 2023 copper concentrates long-term order processing fee benchmark at US$88/tonne, which was the highest level in recent years. In September and October, copper supply disturbances resulted in a decline in expected copper concentrates production, which, coupled with active expansion of smelters in the PRC in production, led to a continued downturn in copper concentrates spot processing fees, which were already far lower than the long-term order processing fees. The profits of smelters were squeezed.



As for copper processing, in 2023, the output of copper processed materials of the PRC increased as compared with the corresponding period of last year, but the downstream demands were obviously differentiated. Real estate related demands were insufficient, while demands from digital home appliances gradually recovered and demands from power grids and new energy resources grew notably. As impacted by the market environment factors and others, the processing fees of copper rods and copper tubes fell. The expansion of electrolytic copper foils grew much faster than the demand growth rate. As industry competition intensified, the processing fees plunged, the overall profits of the copper processing industry fell. The industry was further segmented with disparities shown.

III. MAJOR BUSINESS OPERATIONS DURING THE REPORTING PERIOD

According to the audited 2023 consolidated financial statement prepared in accordance with PRC GAAP, the consolidated operating revenue of the Group is RMB521,892,512,166 (2022: RMB479,938,045,193), representing an increase of RMB41,954,466,973 (or 8.74%) as compared with last year; recording net profit attributable to shareholders of the Company of RMB6,505,109,122 (2022: RMB5,993,964,274), representing an increase of RMB511,144,848 (or 8.53%) as compared with last year; basic earning per share is RMB1.88 (2022: RMB1.73).

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

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

Unit: Yuan Currency: RMB

Items	For the period	For the corresponding period of last year	Changes (%)
Operating revenue	**521,892,512,166**	479,938,045,193	8.74
Operating cost	**507,899,464,795**	465,609,468,267	9.08
Tax expenses and surcharge	**1,554,012,043**	1,545,196,166	0.57
Selling expenses	**358,092,070**	439,245,670	(18.48)
Administrative expenses	**2,558,698,737**	2,637,606,992	(2.99)
Financial expenses	**384,112,805**	641,145,897	(40.09)
Expenses on research and development	**1,020,173,129**	903,061,561	12.97
Net cash flow from operating activities	**10,931,174,473**	10,641,320,122	2.72
Net cash flow from investing activities	**(8,228,217,645)**	(7,718,982,585)	6.60
Net cash flow from financing activities	**1,932,729,185**	(9,753,801,867)	(119.82)
Assets impairment losses	**881,400,671**	905,516,956	(2.66)
Credit impairment losses	**10,209,491**	284,586,395	(96.41)
Other income	**461,965,791**	294,680,838	56.77
Gains on disposal of assets	**15,383,251**	8,251,749	86.42
Investment gains	**315,059,548**	1,167,632,003	(73.02)
Gains/(losses) arising from changes in fair value	**400,189,970**	(796,606,072)	(150.24)
Non-operating revenue	**64,844,152**	89,245,205	(27.34)
Non-operating expenses	**103,974,174**	243,582,378	(57.31)
Income tax expenses	**1,404,317,520**	1,403,004,445	0.09

Explanation on changes in operating revenue: mainly due to changes in prices and sales volume of main products;

Explanation on changes in operating cost: mainly due to changes in cost prices of raw materials and sales volumes;

Explanation on changes in selling expenses: mainly due to the decrease in customs declaration agency fees, export product fees and sales commissions;

Explanation on changes in administrative expenses: mainly due to the decrease in various items of administrative expenses, including repair fess, consultation service fees and office expenses, etc.;

Explanation on changes in financial expenses: mainly due to the increase in interest income;

Explanation on changes in expenses on research and developments: mainly due to changes in research and development investments;

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

Explanation on changes in net cash flow from investing activities: mainly due to the increase in purchase and construction of assets such as fixed assets;

Explanation on changes in net cash flow from financing activities: mainly due to the increase in the scale of borrowings;

Explanation on changes in operating tax expenses and surcharge: mainly due to the increase in taxes such as resource taxes and stamp duty;

Explanation on changes in assets impairment losses: mainly due to decrease in losses from write-off of inventories for the year;

Explanation on changes in credit impairment losses: mainly due to partial recovery of overdue amounts during the year reversing the corresponding credit impairment losses;

Explanation on changes in other income: mainly due to the increase in tax refunds received during the year;

Explanation on changes in gains on disposal of assets: mainly due to the decrease in losses on disposal of fixed assets;

Explanation on changes in investment gains: the Company has hedged its major products, and when the price of products fluctuates, the spot side and the futures side move in opposite directions, and the decrease in investment gains during the year was mainly due to the decrease in gains from the closing of commodity futures contracts;

Explanation on changes in the changes in fair value: the Company has hedged its major products, and when the price of products fluctuates, the spot side and the futures side move in opposite directions, and losses arising from changes in fair value during the year was mainly due to the changes in fair value of commodity futures contracts;

Explanation on changes in non-operating revenue: mainly due to the decrease in the income from default payment;

Explanation on changes in non-operating expenses: mainly due to the decrease in losses from write-off of fixed assets;

Explanation on changes in income tax expenses: mainly due to changes in profit.

Details of material changes in business type, profit composition or profit source of the Company during the period

Not applicable

2. Analysis on income and cost

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

Unit: Yuan Currency: RMB

Principal businesses by industry						
By industry	Operating revenue	Operating cost	Gross profit margin *(%)*	Increase/decrease in operating revenue as compared with last year *(%)*	Increase/decrease in operating cost as compared with last year *(%)*	Increase/decrease in gross profit margin as compared with last year *(%)*
Industry and other non-trading revenue	277,109,514,349	263,951,276,352	4.75	14.41	12.50	1.62
Trading revenue	242,561,154,782	242,246,571,658	0.13	2.73	5.46	(2.59)
Others	2,221,843,035	1,701,616,785	23.41	38.03	34.44	2.04

Unit: Yuan Currency: RMB

Principal businesses by product						
By product	Operating revenue	Operating cost	Gross profit margin (%)	Increase/decrease in operating revenue as compared with last year (%)	Increase/decrease in operating cost as compared with last year (%)	Increase/decrease in gross profit margin as compared with last year (%)
Copper cathode	309,923,785,180	301,223,000,364	2.81	23.08	23.49	(0.32)
Copper rods and wires	88,052,382,708	87,578,278,287	0.54	(18.67)	(18.46)	(0.26)
Copper processed products	6,856,059,110	6,590,623,522	3.87	12.04	14.79	(2.30)
Gold	51,544,642,238	50,383,750,677	2.25	45.06	45.47	(0.27)
Silver	20,438,006,154	19,685,472,369	3.68	22.60	21.65	0.75
Chemical products (sulphuric acid and sulphur concentrates)	1,675,960,137	1,498,022,079	10.62	(52.84)	1.05	(47.67)
Scattered metals	2,237,387,220	2,094,263,420	6.40	(28.20)	(21.02)	(8.52)
Copper concentrates, coarse copper and anode plates	11,134,546,658	11,216,906,880	(0.74)	(44.29)	(43.41)	0.26
Other non-ferrous metals	19,435,462,138	19,289,107,284	0.75	(27.86)	(28.04)	(1.58)
Other principal businesses	8,372,437,588	6,638,423,128	20.71	31.94	16.57	10.46
Other business revenue	2,221,843,035	1,701,616,785	23.41	38.03	34.44	(0.33)

Unit: Yuan Currency: RMB

Principal businesses by geographical location						
By geographical location	Operating revenue	Operating cost	Gross profit margin *(%)*	Increase/decrease in operating revenue as compared with last year *(%)*	Increase/decrease in operating cost as compared with last year *(%)*	Increase/decrease in gross profit margin as compared with last year *(%)*
Mainland China	463,319,720,551	449,719,272,454	2.94	10.49	11.48	(0.86)
Hong Kong	25,781,103,397	25,737,322,852	0.17	(27.32)	(29.05)	2.44
Other regions	32,791,688,218	32,442,869,489	1.06	30.47	25.13	4.22
Total	521,892,512,166	507,899,464,795	2.68	8.74	9.08	(0.30)

Unit: Yuan Currency: RMB

Principal businesses by sales model						
Sales model	Operating revenue	Operating cost	Gross profit margin *(%)*	Increase/decrease in operating revenue as compared with last year *(%)*	Increase/decrease in operating cost as compared with last year *(%)*	Increase/decrease in gross profit margin as compared with last year *(%)*
Offline sales	521,892,512,166	507,899,464,795	2.68	8.74	9.08	(0.30)

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

The scope of statistics of the above analyses includes trading.

(2) Analysis table for output and sales

Major product	Unit	Output	Sales	Stock	Increase/decrease in output as compared with last year (%)	Increase/decrease in sales as compared with last year (%)	Increase/decrease in stock as compared with last year (%)
Copper cathode	Ten thousand tonnes	209.73	209.61	1.61	14.02	14.26	8.05
Gold	Tonne	112.64	112.72	0.85	26.85	27.17	(8.60)
Silver	Tonne	1,351.54	1,305.36	93.93	9.64	6.76	96.71
Sulphuric acid	Ten thousand tonnes	595.79	596.31	9.56	10.00	10.71	(5.16)
Copper processed products	Ten thousand tonnes	181.79	181.97	2.44	2.86	2.96	(6.87)

Explanation on output and sales volume

The scope of statistics of the "Analysis table for output and sales" mentioned above excludes trading.

(3) Performance of material purchase contracts and material sales contracts

Not applicable

(4) Analysis table for costs

Unit: Yuan Currency: RMB

By industry						
By industry	Cost constituent	For the period	Share of total costs for the period (%)	For the corresponding period of last year	Share of total costs for the corresponding period of last year (%)	Changes of the amount for the period as compared with the corresponding period of last year (%)
Manufacturing of non-ferrous metals	Raw materials	**250,258,076,439**	**49.44**	222,534,150,809	47.93	12.46
	Energy power	**3,652,111,973**	**0.72**	3,410,263,470	0.73	7.09
	Labour	**2,276,723,897**	**0.45**	2,165,315,926	0.47	5.15
	Overheads	**7,764,364,043**	**1.53**	6,520,661,675	1.40	19.07
	Sub-total	**263,951,276,352**	**52.14**	234,630,391,880	50.53	12.50
Trading of non-ferrous metals		**242,246,571,658**	**47.86**	229,713,408,514	49.47	5.46
	Total	**506,197,848,010**	**100.00**	464,343,800,394	100.00	9.01

Unit: Yuan Currency: RMB

By product	Cost constituent	For the period	Share of total costs for the period (%)	For the corresponding period of last year	Share of total costs for the corresponding period of last year (%)	Changes of the amount for the period as compared with the corresponding period of last year (%)
Copper products	Raw materials	**192,187,733,763**	**37.96**	183,573,321,414	39.53	4.69
	Energy power	**2,758,428,023**	**0.54**	2,543,900,217	0.55	8.43
	Labour	**1,645,374,697**	**0.33**	1,601,453,903	0.34	2.74
	Overheads	**5,575,794,610**	**1.10**	4,689,873,962	1.01	18.89
	Sub-total	**202,167,331,093**	**39.93**	192,408,549,496	41.43	5.07
By-products of precious metals	Raw materials	**57,962,751,593**	**11.46**	38,718,982,615	8.35	49.70
	Energy power	**366,648,068**	**0.07**	339,187,029	0.07	8.10
	Labour	**351,433,756**	**0.07**	300,712,973	0.06	16.87
	Overheads	**1,136,423,442**	**0.22**	928,978,926	0.20	22.33
	Sub-total	**59,817,256,859**	**11.82**	40,287,861,543	8.68	48.47
Chemical products	Raw materials	**53,192,774**	**0.02**	173,279,282	0.04	(69.30)
	Energy power	**398,803,382**	**0.08**	405,336,149	0.09	(1.61)
	Labour	**220,099,864**	**0.04**	207,837,336	0.04	5.90
	Overheads	**825,926,059**	**0.16**	696,016,234	0.15	18.66
	Sub-total	**1,498,022,079**	**0.30**	1,482,469,001	0.32	1.05
Scattered metals	Raw materials	**54,398,309**	**0.01**	68,567,497	0.01	(20.66)
	Energy power	**128,232,500**	**0.03**	121,840,075	0.03	5.25
	Labour	**59,815,580**	**0.01**	55,311,714	0.01	8.14
	Overheads	**226,219,932**	**0.04**	205,792,554	0.05	9.93
	Sub-total	**468,666,321**	**0.09**	451,511,840	0.10	3.80
Trading		**242,246,571,658**	**47.86**	229,713,408,514	49.47	5.46
	Total	**506,197,848,010**	**100.00**	464,343,800,394	100.00	9.01

Other explanation on analysis on costs

Note: The scope of statistics of the “Principal businesses by product” stated above includes trading and excludes other business costs.

(5) Changes in the scope of consolidation due to changes in shareholding of major subsidiaries during the Reporting Period

In December 2022, the Company entered into an equity transfer agreement with Jiangxi Wannianqing Cement Co., Ltd. (江西萬年青水泥股份有限公司) ("**Jiangxi Wannianqing**") and Jiangxi Building Materials Research and Design Institute Company Limited (江西省建材科研設計院有限公司) ("**Jiangxi Building Materials**"), pursuant to which the Company acquired 55.3% equity interest in Jiangxi Wantong Environmental Protection Materials Co., Ltd. (江西萬銅環保材料有限公司) ("**Wantong Environmental**") held by Jiangxi Wannianqing and Jiangxi Building Materials in aggregate at a consideration of RMB166,020,500. Prior to this acquisition, the Company held 44.7% equity interest in Wantong Environmental, which was an associate of the Company. Upon completion of the above acquisition, the Company's shareholding percentage in Wantong Environmental increased to 100%. The equity transaction was completed on 1 March 2023 and the Company included Wantong Environmental into its scope of consolidation.

On 22 December 2022, JCC Environmental, a subsidiary of the Company, entered into a capital increase and share expansion agreement with Jiangxi Longding Enterprise Management Company Limited (江西省龍鼎企業管理有限公司), pursuant to which JCC Environmental made a capital increase in Dingsheng Environmental Technology Company Limited (鼎晟環境科技有限公司) ("**Dingsheng Technology**") at a consideration of RMB10,408,200. Upon completion of the capital increase, JCC Environmental holds 51% equity interest in Dingsheng Technology. The equity transaction was completed on 29 December 2023 and the Group included Dingsheng Technology into its scope of consolidation.

In October 2023, Jiangxi JCC Tongxin Environmental Technology Company Limited (江西江銅同鑫環保科技有限公司), a subsidiary of the Company, acquired 100% equity interest in JCC (Guixi) Metallurgical Machinery Company Limited (江西銅業集團(貴溪)冶金機械有限公司) ("**Metallurgical Machinery**") for RMB6,421,900 in cash. As both parties to the merger before and after the merger were under the control of JCC and such control was not temporary, the merger was a merger under the same control and the merger date was determined as 31 October 2023.

The Company entered into an equity transfer agreement with Liangshan State-owned Industrial Investment Development Group Company Limited (涼山州國有工業投資發展集團有限責任公司) ("**Liangshan Investment**") on 23 February 2023 to dispose of 57.14% equity interest in Sichuan Kangxi Copper Co., Ltd. (四川康西銅業有限責任公司) ("**Kangxi Copper**") at RMB nil, with the disposal date on 23 February 2023; at the same time, it was agreed that the Company's claim on Kangxi Copper of RMB62,843,504 would be transferred to Liangshan Investment. Such claim was lent by the Company to Kangxi Copper in previous years and has not been recovered for a long time due to its operating difficulties, which constituted in substance a net investment in Kangxi Copper. Therefore, from 23 February 2023, the Company no longer included Kangxi Copper into its scope of consolidation.

On 1 January 2023, Jiangxi Copper Xinrui Technology Co., Ltd. (江西銅業鑫瑞科技有限公司) and Jiangxi Copper Technical Institution Co., Ltd. (江西銅業技術研究院有限公司), wholly-owned subsidiaries of the Group, contributed RMB13,150,000 and RMB1,360,000 respectively to set up a subsidiary, Jiangxi JCC Zhixin Technology Company Limited (江西江銅智信科技有限公司) ("**Zhixin Technology**"). The registered capital of Zhixin Technology is RMB16,550,000 and the Group's total shareholding percentage is 87.67%. The principal businesses of Zhixin Technology are technical services, technical development, manufacturing and sales of mining machinery and manufacturing of specialised chemical products, etc. During the year, this newly-established subsidiary was included in the scope of consolidation.

On 18 January 2023, JCC Copper Products Company Limited, a wholly-owned subsidiary of the Group, contributed RMB80 million to establish a wholly-owned subsidiary, JCC (Suzhou) Superconductor Technology Company Limited (江銅(蘇州)超導科技有限公司) ("**Superconductor Technology**"). The principal businesses of Superconductor Technology are manufacturing of superconducting materials, sales of superconducting materials and the pressing and processing of non-ferrous metals. During the year, this newly-established subsidiary was included in the scope of consolidation.

On 6 January 2023, the Company contributed RMB280 million to establish a non-wholly owned subsidiary, Huadong Electric, with a registered capital of RMB400 million and a shareholding percentage of 70% by the Company. The principal businesses of Huadong Electric are manufacturing of electrical equipment, sales of electrical equipment, manufacturing of specialised equipment for electrical machinery, technical services and technical development, etc. During the year, this newly-established subsidiary was included in the scope of consolidation.

(6) Significant changes or adjustments in the business, products or services of the Company during the Reporting Period

Not applicable

(7) Situations of major sales customers and major suppliers

The sales amount of the top five customers was RMB41,633,203,700, accounted for 7.98% of the total annual sales amount; among the sales amount of the top five customers, the sales amount of related parties was RMB0, accounted for 0% of the total annual sales amount.

The proportion of sales to a single customer exceeding 50% of the total amount, the existence of new customers among the top five customers, or heavy reliance on minority customers during the Reporting Period

Not applicable

The purchase amount of the top five suppliers was RMB59,445,742,800, accounted for 11.70% of the total annual purchase amount; among the purchase amount of the top five suppliers, the purchase amount of related parties was RMB0, accounted for 0% of the total annual purchase amount.

The proportion of purchase from a single supplier exceeding 50% of the total amount, the existence of new suppliers among the top five suppliers, or heavy reliance on minority suppliers during the Reporting Period

Not applicable

Other descriptions

Nil

(8) Gearing Ratio

As at 31 December 2023, the gearing ratio of the Group was 54.36%. The gearing ratio was calculated based on the difference between total assets and total liabilities.

3. Expenses

Unit: Yuan Currency: RMB

Item	For the period	For the corresponding period of last year	Increase/ (decrease) as compared with the corresponding period of last year *(%)*
Selling expenses	**358,092,070**	439,245,670	(18.48)
Administrative expenses	**2,558,698,737**	2,637,606,992	(2.99)
Financial expenses	**384,112,805**	641,145,897	(40.09)

4. Research and development ("R&D") investment

(1) *Situations of R&D investment*

Unit: 100 million Yuan Currency: RMB

Expensed R&D investment for the period	51.56
Capitalised R&D investment for the period	2.86
Total R&D investment	54.42
Percentage of the total R&D investment in operating revenue *(%)*	1.04
Proportion of capitalisation of R&D investment *(%)*	5.25

(2) *Situations of R&D personnel*

Number of R&D personnel in the Company	2,708
Percentage of R&D personnel in the total number of employees of the Company *(%)*	10.39

Education level of R&D personnel	
Education level	Number of staff
Doctorate	185
Postgraduate	416
Undergraduate	1,577
Junior college	530
High school and below	0

Age group of R&D personnel	
Age group	Number of staff
Under 30 years old (excluding 30 years old)	920
30–40 years old (including 30 years old and excluding 40 years old)	873
40–50 years old (including 40 years old and excluding 50 years old)	447
50–60 years old (including 50 years old and excluding 60 years old)	455
60 years old and above	13

(3) *Explanation*

Not applicable

(4) ***Reasons for major changes in the composition of R&D personnel and the impact on the future development of the Company***

Not applicable

5. cash Flow

Unit: Yuan Currency: RMB

Item	For the year	For the corresponding period of last year	Changes *(%)*
Net cash flow from operating activities	**10,931,174,473**	10,641,320,122	2.72
Net cash flow from investing activities	**(8,228,217,645)**	(7,718,982,585)	6.60
Net cash flow from financing activities	**1,932,729,185**	(9,753,801,867)	(119.82)

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

Not applicable

(III) Analysis of assets and liabilities

1. Assets and liabilities

Unit: Yuan Currency: RMB

Item	**As at the end of the period**	**Share of total assets as at the end of the period (%)**	As at the end of the previous period	Share of total assets as at the end of the previous period (%)	Changes as at the end of the period over the end of the previous period (%)	Explanation
Held-for-trading financial assets	**7,573,424,839**	**4.50**	4,548,013,469	2.72	66.52	*Note 1*
Derivative financial assets	**200,583,645**	**0.12**	503,626,263	0.30	(60.17)	*Note 2*
Bills receivables	**438,775,886**	**0.26**	223,500,000	0.13	96.32	*Note 3*
Assets held for sale	**0**	**0.00**	20,991,507	0.01	(100.00)	*Note 4*
Other current assets	**3,022,849,613**	**1.80**	5,899,541,075	3.53	(48.76)	*Note 5*
Other equity instrument investments	**7,526,703,787**	**4.48**	18,498,826,276	11.06	(59.31)	*Note 6*
Construction in progress	**7,042,651,925**	**4.19**	4,659,060,140	2.78	51.16	*Note 7*
Right-of-use assets	**604,328,287**	**0.36**	264,786,499	0.16	128.23	*Note 8*
Derivative financial liabilities	**687,510,574**	**0.41**	1,461,804,519	0.87	(52.97)	*Note 9*
Other payables	**4,570,757,159**	**2.72**	3,171,135,695	1.90	44.14	*Note 10*
Non-current liabilities due within one year	**2,200,956,948**	**1.31**	7,327,849,206	4.38	(69.96)	*Note 11*
Long-term borrowings	**13,589,186,121**	**8.08**	6,256,716,059	3.74	117.19	*Note 12*
Bonds payable	**5,049,838,236**	**3.00**	3,500,000,000	2.09	44.28	*Note 13*
Lease liabilities	**368,758,629**	**0.22**	19,790,657	0.01	1,763.30	*Note 14*
Other non-current liabilities	**104,547,637**	**0.06**	31,267,076	0.02	234.37	*Note 15*
Other comprehensive income	**(51,221,361)**	**(0.03)**	11,050,859,332	6.60	(100.46)	*Note 16*
Special reserves	**652,251,307**	**0.39**	411,521,009	0.25	58.50	*Note 17*

Note 1. As at the end of the Reporting Period, the held-for-trading financial assets of the Group amounted to RMB7,573.42 million, representing an increase of RMB3,025.41 million (or 66.52%) as compared with the end of the period of last year, mainly attributable to the increase in the banking wealth management products of the Group;

Note 2. As at the end of the Reporting Period, the derivative financial assets of the Group amounted to RMB200.58 million, representing a decrease of RMB303.04 million (or -60.17%) as compared with the end of the period of last year, mainly attributable to the floating profit and loss of the futures business of the Group;

Note 3. As at the end of the Reporting Period, the bills receivables of the Group amounted to RMB438.78 million, representing an increase of RMB215.28 million (or 96.32%) as compared with the end of the period of last year, mainly attributable to the increase in bills received by the Group;

Note 4. As at the end of the Reporting Period, the assets held for sale of the Group amounted to RMB0 million, representing a decrease of RMB20.99 million (or -100%) as compared with the end of the period of last year, mainly attributable to the disposal of the assets held for sale of the Group during the year;

Note 5. As at the end of the Reporting Period, the other current assets of the Group amounted to RMB3,022.85 million, representing a decrease of RMB2,876.69 million (or -48.76%) as compared with the end of the period last year, mainly attributable to the disposal of treasury products by subsidiaries;

Note 6. As at the end of the Reporting Period, the investments in other equity instrument of the Group amounted to RMB7,526.70 million, representing a decrease of RMB10,972.12 million (or -59.31%) as compared with the end of the period last year, mainly attributable to the decrease in the share prices of equity investments held by the Group;

Note 7. As at the end of the Reporting Period, the construction in progress of the Group amounted to RMB7,042.65 million, representing an increase of RMB2,383.59 million (or 51.16%) as compared with the end of the period last year, mainly attributable to the increase in investment in the construction in progress of the Group;

Note 8. As at the end of the Reporting Period, the right-of-use assets of the Group amounted to RMB604.33 million, representing an increase of RMB339.54 million (or 128.23%) as compared with the end of the period last year, mainly attributable to the increase in the recognised right-of-use assets resulting from leasing of land by the Group;

Note 9. As at the end of the Reporting Period, the derivative financial liabilities of the Group amounted to RMB687.51 million, representing a decrease of RMB774.29 million (or -52.97%) as compared with the end of the period of last year, mainly attributable to the floating profit and loss of the futures business of the Group;

Note 10. As at the end of the Reporting Period, the other payables of the Group amounted to RMB4,570.76 million, representing an increase of RMB1,399.62 million (or 44.14%) as compared with the end of the period of last year, mainly attributable to the increase in payables for construction, equipment and materials of the Group;

Note 11. As at the end of the Reporting Period, the non-current liabilities due within one year of the Group amounted to RMB2,200.96 million, representing a decrease of RMB5,126.89 million (or -69.96%) as compared with the end of the period of last year, mainly attributable to the decrease in the long-term borrowings due within one year of the Group;

Note 12. As at the end of the Reporting Period, the long-term borrowings of the Group amounted to RMB13,589.19 million, representing an increase of RMB7,332.47 million (or 117.19%) as compared with the end of the period of last year, mainly attributable to the increase in the long-term borrowings of the Group;

Note 13. As at the end of the Reporting Period, the bonds payables of the Group amounted to RMB5,049.84 million, representing an increase of RMB1,549.84 million (or 44.28%) as compared with the end of the period of last year, mainly attributable to increase in bonds issued by subsidiaries;

Note 14. As at the end of the Reporting Period, the lease liabilities of the Group amounted to RMB368.76 million, representing an increase of RMB348.97 million (or 1,763.30%) as compared with the end of the period of last year, mainly attributable to the increase in the recognised lease liabilities resulting from leasing of land by the Group;

Note 15. As at the end of the Reporting Period, the other non-current liabilities of the Group amounted to RMB104.55 million, representing an increase of RMB73.28 million (or 234.37%) as compared with the end of the period of last year, mainly attributable to the increase in absorption of time deposits with maturity dates of more than one year of the related parties by JCC Finance Company Limited, a subsidiary of the Group;

Note 16. As at the end of the Reporting Period, the other comprehensive income of the Group amounted to RMB-51.22 million, representing a decrease of RMB11,102.08 million (or -100.46%) as compared with the end of the period of last year, mainly attributable to the decrease in the share prices of equity investments held by the Group;

Note 17. As at the end of the Reporting Period, the special reserves of the Group amounted to RMB652.25 million, representing an increase of RMB240.73 million (or 58.50%) as compared with the end of the period of last year, mainly attributable to the increase in the balance of the safety production fees of the Group at the end of the period.

2. Overseas assets

(i) Asset scale

Including: overseas assets of 30,058,711,972.05 (Unit: Yuan, Currency: RMB) accounting for 17.88% of the total assets.

(ii) Explanation on higher proportion of overseas assets

Not applicable

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	16,135,252,244	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 reserve deposited with the People's Bank of China, environment rehabilitation deposits, and pledged to secure short-term and long-term borrowings and frozen bank deposits and interest receivables.
Held-for-trading financial assets	2,207,642,055	The Group used wealth management products to issue letters of credit and as security for bank acceptance notes.
Financing of accounts receivable	34,668,852	The Group used bank acceptance notes as collateral for the issuance of bank acceptance notes.
Other receivables	1,718,914,360	Futures deposits.
Inventories	1,119,081,076	The Group used inventories as collateral for the issuance of letters of credit, as futures deposits; and some of the inventories are subject to ownership restrictions due to litigation factors.
Time deposits due within one year	1,359,727,491	The Group pledged deposits to apply for gold leases, issuance of bank acceptance notes and letters of credit, obtain short-term borrowings and interest corresponding to ownership-restricted deposits.
Investment properties	149,651,880	Subject to compulsory preservation by the court due to litigations.
Fixed assets	662,002,353	The Group obtained short-term bank borrowings and long-term borrowings using buildings, machinery and equipment as collateral; and some of the buildings and office equipment were subject to compulsory preservation by the court due to litigations.
Intangible assets	180,604,181	The Group obtained short-term bank borrowings and long-term borrowings using land use rights as collateral.
Other non-current assets	4,458,747,783	The Group obtained gold leases, short-term bank borrowings and long-term borrowings by pledging time deposits due more than one year, and for the issuance of bank acceptance notes and letters of credit.

4. Other explanations

Not applicable

(IV) Analysis of industry business information

Please refer to "Industry of the Company during the Reporting Period" section in "Management Discussion and Analysis" for further details.

Analysis on business information of non-ferrous metal industry

1. *Cost of ore raw materials*

Unit: 0'000 Yuan Currency: RMB

Type and source of ore raw materials	Total cost of raw materials	Percentage (%)	Increase or decrease of the total cost of raw materials compared with last year (%)
Self-owned mines	584,506.01	21.74	14.39
Domestic procurement	320,627.21	11.93	34.63
Overseas procurement	1,783,094.10	66.33	20.66
Total	2,688,227.32	100	20.71

2. *Basic information of self-owned mines (if any)*

Name of mine	Major products	Resources	Reserves	Grade	Annual production volume	Remaining years for mining of the resources	Validity period of permits/ mining rights
Dexing Copper Mine	Main mineral copper (industrial copper ore) metal volume/ ore volume	134.259 (ten thousand t)/28,441.4 (ten thousand t), of which: measured resources 50.41 (ten thousand t)/10,331.8 (ten thousand t)	99.78 (ten thousand t)/20,874.4 (ten thousand t) of which: proved reserves 48.9 (ten thousand t)/10,021.9 (ten thousand t)	0.478%	Copper: 15.5208 ten thousand t; Gold: 3,576 kg; Silver: 31,406 kg; Molybdenum: 10,006 t	22 years	29 July 2000 to 29 July 2027
	Main mineral copper (low grade copper ore)	147.95 (ten thousand t)/58,507.3 (ten thousand t)		0.253%			
	Associated gold (industrial copper ore)	45.275 (t)/27,529.4 (ten thousand t) of which: measured resources 0 (kg)/0 (kt)	–	0.164g/t			
	Associated silver (industrial copper ore)	365 (t)/27,868.3 (ten thousand t) of which: measured resources 0 (t)/0 (kt)	–	1.131g/t			
	Associated molybdenum (industrial copper ore)	25,871 (t)/21,720.3 (ten thousand t) of which: measured resources 0 (t)/0 (kt)	–	0.0120%			

Name of mine	Major products	Resources	Reserves	Grade	Annual production volume	Remaining years for mining of the resources	Validity period of permits/ mining rights
Fujiawu mining area of Dexing Copper Mine	Main mineral copper (industrial copper ore)	155.89 (ten thousand t)/33,152.7 (ten thousand t) of which: measured resources 0 (t)/0 (kt)	134.43 (ten thousand t)/30,368.0 (ten thousand t) of which: proved reserves 0 (ten thousand t)/0 (ten thousand t)	0.497%		22 years	10 October 2020 to 10 October 2050
	Associated silver (industrial copper ore)	947.15 (t)/33,152.8 (ten thousand t) of which: measured resources 0 (t)/0 (kt)	–	2.857g/t			
	Associated molybdenum (industrial copper ore)	105,675 (t)/33,152.7 (ten thousand t) of which: measured resources 0 (t)/0 (kt)	–	0.032%			
Yongping Copper Mine	Main mineral copper metal volume/ore volume	39.12 (ten thousand t)/6,656.16 (ten thousand t) of which: measured resources 6.825 (ten thousand t)/1,006.93 (ten thousand t)	27.68 (ten thousand t)/4,653.5 (ten thousand t) of which: proved reserves 5.212 (ten thousand t)/835.76 (ten thousand t)	0.595%	Copper: 8,321 t; Gold: 19.8 kg; Silver: 1,225.4 kg.	32 years	21 December 2018 to 21 November 2024
	Associated gold	7.671 (t)/6,534.2 (ten thousand t) of which: measured resources 0 (t)/0 (ten thousand t)	–	0.117g/t			
	Associated silver	877.48 (t)/6,534.2 (ten thousand t) of which: measured resources 0 (t)/0 (ten thousand t)	–	13.43g/t			

Name of mine	Major products	Resources	Reserves	Grade	Annual production volume	Remaining years for mining of the resources	Validity period of permits/ mining rights
Yinshan Mining	Main mineral copper metal volume/ore volume	92.434 (ten thousand t)/15,462.4 (ten thousand t) of which: measured resources 19.34 (ten thousand t)/2,820.3 (ten thousand t)	64.81 (ten thousand t)/9,653.6 (ten thousand t) of which: proved reserves 17.34 (ten thousand t)/2,512.7 (ten thousand t)	0.598%	Copper: 13,426 t; Gold: 1,178.4 kg; Silver: 25,264 kg; Lead: 2,287.5 t; Zinc: 2,738.7 t.	46 years	16 June 2020 to 31 December 2026
	Associated gold	110.74 (t)/16,497.7 (ten thousand t) of which: measured resources 21.89 (t)/3,004.3 (ten thousand t)	73.6 (t)/10,397.8 (ten thousand t) of which: proved reserves 19.54 (t)/2,669.1 (ten thousand t)	0.671g/t			
	Associated silver	1,463 (t)/16,497.7 (ten thousand t) of which: measured resources 297.7 (t)/3,004.3 (ten thousand t)	1,057.03 (t)/10,397.8 (ten thousand t) of which: proved reserves 259.93 (t)/2,669.1 (ten thousand t)	8.686g/t			
Wushan Copper Mine	Copper ore main mineral copper metal volume/ ore volume	127.27 (ten thousand t)/11,603.0 (ten thousand t) of which: measured resources 26.40 (ten thousand t)/2,139.4 (ten thousand t)	99.02 (ten thousand t)/8,895.18 (ten thousand t) of which: proved reserves 23.23 (ten thousand t)/1,882.6 (ten thousand t)	1.097%	Copper: 12,526 t; Gold: 140.29 kg; Silver: 7,096.2 kg	32 years	16 June 2020 to 31 December 2026
	Associated gold	198.91 (t)/10,781.4 (ten thousand t) of which: measured resources 0 (t)/0 (ten thousand t)	–	0.175g/t			
	Associated silver	1,171 (t)/10,834.2 (ten thousand t) of which: measured resources 0 (t)/0 (ten thousand t)	–	10.808 g/t			

Name of mine	Major products	Resources	Reserves	Grade	Annual production volume	Remaining years for mining of the resources	Validity period of permits/ mining rights
Chengmenshan Copper Mine	Main mineral copper metal volume/ore volume	177.31 (ten thousand t)/25,098.8 (ten thousand t) of which: measured resources 11.96 (ten thousand t)/1,511.3 (ten thousand t)	135.76 (ten thousand t)/17,243.8 (ten thousand t) of which: proved reserves 10.79 (ten thousand t)/1,224.1 (ten thousand t)	0.706%	Copper: 11,502 t; Gold: 105 kg; Silver: 7,716 kg.	19 years	22 November 2017 to 22 November 2034
	Associated gold	63.65 (t)/20,406.8 (ten thousand t) of which: measured resources 0 (t)/0 (ten thousand t)	–	0.263g/t			
	Associated silver	2,571 (t)/21,449.4 (ten thousand t) of which: measured resources 0 (t)/0 (ten thousand t)	–	11.99g/t			

3 Production capacity

Company type	Product	Company name	Production capacity by design	Actual production capacity	Capacity under construction	Production volume	Capacity utilisation rate (%)	Comprehensive utilisation rate of mineral resources (%)
Mines	Copper contained in copper concentrates (ten thousand t)	Dexing Copper Mine	14.24			15.52	108.99	64.30
		Yongping Copper Mine	1.85			0.83	44.86	61.65
		Wushan Copper Mine	1.21			1.25	103.31	72.31
		Chengmenshan Copper Mine	1.62			1.25	77.16	70.14
		JCC Yinshan Mining Company Limited	1.98			1.34	67.68	80.3
Smelting	Copper cathode (ten thousand t)	Guixi Smelter	93			102.67	110.40	–
		Jiangxi Copper (Qingyuan) Company Limited	20			19.15	95.75	–
		Zhejiang Jiangtong Fuye Heding Copper Co., Ltd.	47			48.74	103.70	–
		Shandong Humon Smelting Co., Ltd.	25			20.41	81.64	–
		JCC Hongyuan Copper Industry Co., Ltd.	10			8.17	81.70	
		JCC Guoxing (Yantai) Copper Company Limited	18			10.59	58.83	
	Gold (t)	Guixi Smelter	26			38.23	147.04	–
		Shandong Humon Smelting Co., Ltd.	50			73.88	147.76	–
		JCC Guoxing (Yantai) Copper Company Limited				0.53		
	Silver (t)	Guixi Smelter	392			385.41	98.32	–
		Shandong Humon Smelting Co., Ltd.	1,000			952.63	95.26	–
		JCC Guoxing (Yantai) Copper Company Limited				13.49		
	Sulphuric acid (ten thousand t)	Guixi Smelter	185			198.57	107.34	–
		Jiangxi Copper Dexing Chemical Company Limited	50			53.21	106.42	–
		Jiangxi Jiangtong-Wengfu Chemical Engineering Company Limited	40			41.94	104.85	–
		Shandong Humon Smelting Co., Ltd.	110			129	117.27	–
		Zhejiang Jiangtong Fuye Heding Copper Co., Ltd.	98			128.44	131.06	–
		JCC Guoxing (Yantai) Copper Company Limited				44.63		
Processing	Copper processing (ten thousand t)	Jiangxi JCC Copper Foil Technology Company Limited	3			3.19	106.33	–
		Jiangxi Copper Products Company Limited	37			33.16	89.62	–
		JCC Copper Products Company Limited	4.2			4.76	113.33	–
		Jiangxi Copper (Guangzhou) Copper Production Company Limited	75			58.54	78.05	–
		Jiangxi Copper-Taiyi Special Electrical Materials Company Limited	3			2.49	83.00	–
		Jiangxi Copper Longchang Precise Copper Pipe Company Limited	5.5			4.77	86.73	–
		Jiangxi Copper North China (Tianjin) Copper Co., Ltd.	44			44.47	101.07	–
		TPCO Copper Industry Corp., Ltd.	24			14.05	58.54	
		Jiangxi Copper Huadong Copper Materials Co., Ltd.	22			16.34	74.27	–

(V) Analysis of investment

General analysis of external investment in equity

Unit: 0'000 Yuan Currency: RMB

Investment during the Reporting Period	82,498.00
Investment during the same period last year	100,611.01
Year-on-year increase/decrease *(%)*	-18.00

Unit: 0'000 Yuan Currency: RMB

SN	Name of investee	Principal operating activity	Share of interests in the investee *(%)*	Investment amount
1	Jiangxi JCC Environmental Resources Technology Co., Ltd. (江西江銅環境資源科技有限公司)	General items: recycling of renewable resources (except for productive scrap metals), solid waste treatment, renewable resource processing, sales of non-metallic mines and products, processing and treatment of metal wastes and scraps, processing and treatment of non-metallic wastes and scraps, treatment and recycling of sewage, soil pollution treatment and restoration services, technical services, technical development, technical consultation, technology exchange, technology transfer, technology promotion, landscaping construction works (except for permitted businesses, projects which are not restricted nor prohibited by laws and regulations can be carried out independently according to laws)	100	36,806
2	Jiangxi Tongxin Inspection and Testing Co., Ltd.(江西銅信檢驗檢測有限公司)	Permitted items: inspection and testing services, occupational health technical services (for projects subject to approval according to laws, business activities can only be carried out upon approval from relevant authorities, specific business projects shall be subject to the approval documents or licences from relevant authorities) General items: environmental protection monitoring, environmental protection consulting services, information consulting services (excluding permitted information consulting services) (except for permitted businesses, projects which are not prohibited nor restricted by laws and regulations can be carried out independently according to laws)	100	852

SN	Name of investee	Principal operating activity	Share of interests in the investee (%)	Investment amount
3	MCC-JCL Aynak Minerals Company Limited (中冶江銅艾娜克礦業有限公司)	Mining investment	25	3,760
4	Jiangxi Copper Xinrui Technology Co., Ltd. (江西銅業鑫瑞科技有限公司)	General items: technical services, technical development, technical consultation, technology exchange, technology transfer, technology promotion, new material technology research and development, non-ferrous metal alloy manufacturing, non-ferrous metal alloy sales, metal material manufacturing, high-performance non-ferrous metal and alloy material sales, chemical product sales (excluding licensed chemical products), special chemical product sales (excluding dangerous chemicals), labour services (excluding labour despatch) (except for projects subject to approval according to laws, business activities can be carried out independently with business licence according to laws)	100	1,840
5	JCC Yinshan Mining Company Limited (江西銅業集團銀山礦業有限公司)	Production and sales of non-ferrous metals, precious metals, non-metallic mineral products and extended products (excluding products prohibited from foreign investment); production and sales of building materials; production and sales of relevant process equipment and spare parts; contracting of construction projects; trade in copper, lead, zinc, sulphur mineral products and related ancillary mineral products (the import and export of the above commodities do not involve the commodities subject to the special regulations of state-owned trade, import and export quota licence, export quota bidding, export licence, etc.); road ordinary freight transportation; mining technology development, consultation, exchange, transfer and promotion services; leasing of houses, machinery and equipment; sales of mining materials (for projects subject to approval according to laws, business activities may only be carried out upon approval from relevant authorities.)	100	12,600

SN	Name of investee	Principal operating activity	Share of interests in the investee (%)	Investment amount
6	Jiangxi Cable Co., Ltd. (江西電纜有限責任公司)	Permitted items: wire and cable manufacturing, road freight transportation (excluding dangerous goods) (for projects subject to approval according to laws, business activities may only be carried out upon approval from relevant authorities) General items: wire and cable business, mechanical and electrical equipment manufacturing, mechanical and electrical equipment sales, road freight transportation with ordinary freight vehicles with a total mass of 4.5 tonnes or less (except network freight and dangerous goods transportation), technical services, technology development, technical consultation, technology exchange, technology transfer, technology promotion, goods import and export (except for permitted businesses, projects which are not restricted nor prohibited by laws and regulations can be carried out independently according to laws)	51	16,140
7	Jiangxi JCC Huadong Electric New Materials Technology Co., Ltd. (江西江銅華東電工新材料科技有限公司)	Permitted items: road freight transportation (excluding dangerous goods) (for projects subject to approval according to laws, business activities can only be carried out upon approval from relevant authorities, specific business projects shall be subject to the approval documents or licences from relevant authorities) General items: pressing and processing of non-ferrous metals, sales of metal materials, manufacturing of metal materials, import and export of goods, technical services, technical development, technical consultation, technical exchanges, technology transfer and technology promotion (except for projects subject to approval according to laws, business activities can be carried out independently with business licence according to laws)	70	10,500

Note: The description of statistics above is based on the actual amount of capital contributions by the Group during the Reporting Period, which includes capital contributions to non-wholly owned subsidiaries or newly established companies (including contributions by equity and debt, etc.).

(1) *Significant equity interest investments*

Not applicable

(2) *Significant non-equity interest investments*

Not applicable

(3) *Financial assets measured at fair value*

Not applicable

Securities Investments

Not applicable

Investments in Private Equity

Not applicable

Derivative investments

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. Major raw materials and products, including copper, gold and silver, are important trading varieties in the international non-ferrous metal market and have their own pricing mechanisms in the 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 global economy, the relationship between supply and demand, market expectations and speculations. Further, the purchase and sales pricing have mismatch in supply-demand structure, cycle, pricing methods and pricing period, and the metal and mineral products market may experience significant fluctuations in a short period of time; therefore, the Group is subject to commodity price risks.

The Group hedges against the price fluctuation risks by matching the purchase and sales pricing, and adopts commodity futures contracts, T+D contracts, option contracts, provisional pricing arrangements and other derivative instruments based on the purchase and sales pricing to mitigate the exposure to the commodity price risks, fully leveraging the high correlation of the spot market and the futures market and reducing the impact of commodity price fluctuations on the Group's production and operation. The Group develops a strict hedging plan and internal control system, under which hedging activities only aim to mitigate the commodity price fluctuation risks and prohibit any speculation, so as to ensure long-term and robust development of the Group.

For the said derivative investments including commodity futures contracts, T+D contracts, option contracts and provisional pricing arrangements that comply with the accounting requirements of Accounting Standards for Business Enterprises No. 24 – Hedging, the Group adopts the corresponding accounting treatment in accordance with the relevant hedging accounting requirements and provides disclosure in Note 26 of the consolidated financial statements. For other hedging transactions for which the Group has not applied the hedging accounting standards, gains or losses from changes in the fair value of derivatives involved are recognised at the end of each period and transferred to investment profit/losses when the positions are closed. The amount of the said profit/losses from changes in the fair value or investment profit/losses is affected by the quantity of relevant commodities, the quantity of derivative contracts and the relevant price fluctuations. The Group discloses the hedging transactions for which the hedging accounting standards have not been applied and their financial effects in Notes 8 and 26 of the Group's consolidated financial statements.

(4) Specific progress of significant asset restructuring and integration during the Reporting Period

Not applicable

(VI) Material disposal of assets and equity interests

Not applicable

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

(1) Production and operation of the principal controlled subsidiaries of the Company as of 31 December 2023

Unit: 0'000 Yuan Currency: RMB

Company name	Business nature	Registered capital	Shareholding percentage (%)	Total assets	Net assets	Operating revenue	Net profits
Shandong Humon Smelting Co., Ltd. (山東恒邦冶煉股份有限公司)	Exploration, mining, dressing, smelting and chemical production of gold	114,801	44.48	2,190,100	917,754	6,557,704	48,744
JCC Finance Company Limited (江西銅業集團財務有限公司)	Provision of guarantee, deposit taking from and provision of loans to member units	260,000	100.00	3,009,079	456,421	57,890	40,581
Jiangxi Copper International Trade Company Limited (江銅國際貿易有限公司)	Trading of metal products	101,609	59.05	673,676	27,454	8,877,544	-40,052
Zhejiang Jiangtong Fuye Heding Copper Co., Ltd. (浙江江銅富冶和鼎銅業有限公司)	Production and sales of copper cathode	128,000	40.00	1,023,647	340,150	3,457,355	59,801
Jiangxi Copper North China (Tianjin) Copper Co., Ltd. (江銅華北(天津)銅業有限公司)	Production of copper rods/wires and the related products	64,020	51.00	332,867	70,447	2,851,223	6,409
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	724,442	100.00	1,125,946	703,664	0	-9,183
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 copper cathode, anode plates and non-ferrous metals	166,200	100.00	1,331,041	204,059	11,761,251	6,726

(2) Production and operation of the associates and joint ventures of the Company as of 31 December 2023

Name of investee	Business nature	Registered capital		Our shareholding	Total assets	Total liabilities	Net assets	Operating revenue	Net profits
		Currency	*(0'000)*	*(%)*	*(0'000)*	*(0'000)*	*(0'000)*	*(0'000)*	*(0'000)*
I. Associates									
Minmetals Jiangxi Copper Mining Investment Company Limited (五礦江銅礦業投資有限公司)	Investment company	RMB	606,550	40	468,253.62	12,210.24	456,043.38	0.00	-1,237.56

(VIII) Structured entities under the control of the Company

Not applicable

IV. DISCUSSION AND ANALYSIS OF THE COMPANY CONCERNING THE FUTURE DEVELOPMENT OF THE COMPANY

(I) Landscape and trend of industry

1. On the macro front

In 2024, under the support of a series of pro-growth measures aimed to boost investment, expand consumption and stabilise the real estate market, China's economy is expected to be under a continuous recovery. Currently, the US Federal Reserve maintains high interest rates, but inflation in the US has been on the downward path. When the inflation falls to approximately the target level, the US monetary policy will gradually move away from austerity, while market confidence will pick up quickly. As the US Federal Reserve will maintain the current high interest rate level for most part of the first half of the year, the macro environment in the latter half of the year is expected to outperform that of the first half.

2. On the supply front

In 2024, scrap copper will generally be in steady supply, but the supply of copper concentrates is subject to more disturbances. On one hand, in 2024, the TC processing fees specified in the long-term orders signed between major smelters in the PRC and foreign mines is US$80 per tonne, decreasing by 9.1% as compared with last year. On the other hand, due to factors such as tightening environmental protection laws and worsening financial conditions of enterprises, in 2024, the production and operation of several large copper mines in Latin America will be affected, while global supply of copper concentrates, which was previously relatively loose, will be tightened rapidly. The weekly TC of copper concentrates has been sliding from above US$90 per tonne in the fourth quarter of last year to below US$20 per tonne at present. In recent years, insufficient investment in copper mines worldwide have led to limited output of raw materials, while the increasingly stringent environmental protection regulations of the copper-producing countries, strikes and natural disasters have intensified the tighting of the supply, resulting in certain impact on the production of the smelters that have not signed any long-term orders, while some smelters may enter the stage of overhaul or production cut earlier than expected.

3. **On the consumption front**

The consumption of copper in the traditional sectors will be generally flat or increase slightly, with the increase in consumption mainly contributed by the new energy sector. The consumption momentum will remain strong. It is expected that the copper market will begin to destock in the peak season of this year and will maintain a tight balance throughout the year. Looking forward to the future, as the main carrier of the PRC's carbon peaking and carbon neutrality campaign (雙碳行動), copper consumption will continue to maintain rapid growth in fields such as photovoltaic, wind power and new energy electric vehicles. It is estimated that the copper consumption in the PRC's photovoltaic, wind power and new energy electric vehicles fields will expand from 1.09 million tonnes in 2022 to 2.09 million tonnes and 3.98 million tonnes by 2025 and 2030, respectively. Currently, as many parts of the country has been increasing the construction of sizable projects in the new energy field, the actual consumption of copper in the new energy field may maintain a relatively rapid growth even though the consumption base in the new energy field is already at a high level.

Overall speaking, the macro environment will be generally steady in 2024, with fundamental supply tightened amid stability and consumption steadily expanding. It is expected that copper prices will fluctuate within a narrow range in the first half of the year, and show a volatile upward trend after the macro environment improves in the second half of the year.

(II) Development strategy of the Company

The Group adheres to the development strategy of "copper-based, transformation and upgrading, diversified development and mutual promotion", upholds the new development concept of innovation, coordination, green, openness and sharing, focuses on the main business and high-quality development, persists in innovation-led and talent-driven development, and through the joint efforts of all cadres and employees of the Company and through continuous efforts over a period of time comprehensively builds a world-class enterprise with global core competitiveness, and become a modern, beautiful and brand new JCC.

(III) Business plan

On the basis of analysing current international and domestic macro-economic situations and the production, operation and development environment of enterprises, and taking into account the actual completion of production and operation in 2023, the key project construction progress, mergers and acquisitions and other factors, after in-depth investigation and studies, and repeated discussions, and following the principle of seeking the truth from the facts and being proactive, the Company's production and operation plan for the year of 2024 is set as follows: production of 200,000 tonnes of copper concentrates, 2.32 million tonnes of copper cathode, 128 tonnes of gold, 1,286 tonnes of silver, 5.97 million tonnes of sulphuric acid and 1.97 million tonnes of copper processed materials, with the capital expenditure (fixed asset investment) of RMB13,510 million. (The business target does not represent the Company's forecast of production for the year of 2024, and whether it can be achieved depends on various factors such as macro-economic environment and market demand conditions, which are subject to great uncertainties. The Group will adjust its plan in due course according to market changes).

Specific business strategies for 2024:

1. Accelerating the current industrial transformation and upgrading. Insisting on benchmarking against first-class practice in the industry, the Company will keep introducing new technologies, processes, equipment, materials and models, carry out technical renovation and management upgrade with greater efforts, at higher levels and with more fruitful results, and drive the high-end, intelligent and green development of the industry. Focusing on critical aspects including the optimisation of mining and dressing processes, systematic reduction of energy and material consumption, comprehensive recycling of resources and lowering of production costs, mining units shall introduce innovation in the modes of underground mining, utilisation of low-grade ores, achieve breakthroughs in respect of hard-to-grind ores, popularisation of new energy-efficient equipment, and reform the existing green and safe management. Smelting units shall continue to improve smelting processes, speed up the construction of intelligent factories, work to enhance the capability to process complex raw materials and the overall recycling level, and further reinforce the new path to energy conservation and carbon emission reduction. Processing units shall be market-oriented, take all the effective means to ensure subsistence and seek development, dare to exercise control, and use good approaches to achieve desirable results.

2. Achieving new breakthroughs in high-quality development through scientific and technological innovation. The Company will comprehensively advance the industrialisation of scientific and technological innovation, further clarify the management and service functions of scientific and technological innovation centering on its primary responsibilities, main businesses and key industries, clearly define the functional positioning of various parties in the establishment, technical and process control and implementation of scientific research projects, and keep improving the marketisation mechanism for scientific and technological outcomes from laboratories to workshops and from core technologies to industrial application. The Company will make good use of its high-quality and professional talent team, lead scientific innovation talents to step out of laboratories and explore research projects at the production frontline, and encourage young researchers to take up a pivotal role in key projects and fundamentally tackle the actual production needs and the issues of market shortage. The Company will complete the assessment and assignment mechanism, highlight the innovation value orientation, further refine the mechanisms of, among others, collaboration and achieving breakthroughs, income distribution incentives, sharing of intellectual property and performance assessment, and further unlock the innovation vitality of researchers.

3. Driving high-quality development and transition through green transition. The Company will closely combine green transition with energy conservation and carbon reduction, and vigorously implement the zero carbon campaign to optimise the energy structure. Given economic benefits, the Company will accelerate the promotion of new technologies such as distributed photovoltaic energy, distributed wind power, diversely sourced energy storage, efficient heat pumps, utilisation of residue heat and pressure and intelligent energy management, to achieve efficient and complementary utilisation of diverse types of energy. The Company will continue to advance the application of clean energies such as the uses of gas in lieu of coal (煤改氣) and electricity in lieu of gas (氣改電) in smelting and processing processes, drive the reduction of energy consumption through new equipment and technologies, and accelerate the replacement of high-energy-consuming electrical machineries. The Company will take active part in the use of clean energies by direct power trading and purchase of power from grids, and promote green transition while lowering the costs of energy consumption. The Company will closely combine high-quality development with high-level protection. It will also take comprehensive measures in terms of industrial restructuring, pollution treatment and ecological restoration, etc., and strengthen and improve the efforts and outcomes of the Company in environmental protection.

4. Facilitating high-quality development through digital transformation. Leveraging its massive data from the systems of production and operation and the scale advantage of huge application scenarios, the Company will speed up the data access, standards bridging and resource sharing, and make good use of the unique data assets formed in the processes such as data integration, data governance, data mining and data services, to enable business innovation and operational decision-making, build the brain for mining and smelting industries, and constantly boost productivity through digital and intelligent empowerment. The Company will enhance the construction of "Digital JCC" in a holistic, systematic and collaborated manner, to empower the high-quality development of the Company.

5. Guaranteeing high-quality development with risk control. The Company will make solid efforts to advance the campaign of solving fundamental problems and achieving breakthroughs in production safety, strengthen the implementation of the safety responsibility system among all employees, step up daily screening, prevention and control, and firmly eliminate the occurrence of various safety incidents. The Company will vigorously promote the application of new technologies and equipment, expedite mechanised, automated and unmanned operations in posts with safety risk, and thus improve intrinsic safety levels. The Company will optimise and refine the risk management system, press ahead with the risk standardisation works, and advance the efficient operation of the general risk control system in a deep and broad manner.

(IV) Potential risks

1. Production safety risks

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

In response to the risk of production safety, the Group will, as always, formulate and strictly implement a series of preventive measures suitable for the actual situation of the Company in accordance with national laws and regulations on production safety, strengthen production operation procedures and accident emergency rescue plans to avoid or eliminate losses caused to the Company by natural or human factors. At the same time, the main property 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 have their own pricing mechanisms in the 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 global economy, the relationship between supply and demand, market expectations and speculations. Price fluctuations will affect the earning and operation stability of the Company.

In order to minimise 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 the benchmark, and 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 raw material procurement 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 inventory and products in progress, reduce inventory to the greatest extent to keep inventory at a reasonable level and reduce capital occupation.

4. Risks from changes in the 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; and (3) with the continuous improvement in 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 minimise the adverse impact of changes in the market environment on the operations of the Company to the greatest extent.

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, adopt more extensive and strict pollution control measures, the Group's production and operation may be affected, leading to an increase in operating costs such as environmental protection expenses.

6. **Risks from uncertainties**

In the recent years, the Company's resilience in production and operation is being challenged amid the evolution of the global landscape intensified by geopolitical conflicts, profound adjustments in the global energy market, accelerated transformation of the energy structure, uncertain prospects of the monetary policy of the US Federal Reserve, insufficient momentum of recovery of the global economy, and numerous uncertainties to the economic development of the world. The Company will fully analyse both domestic and foreign situations, and refine the production and operation planning.

(V) Other

Not applicable

V. DETAILS OF AND REASONS FOR THE ISSUES NOT DISCLOSED BY THE COMPANY IN ACCORDANCE WITH THE STANDARDS DUE TO INAPPLICABILITY OF STANDARDS OR OTHER SPECIAL REASONS SUCH AS INVOLVEMENT OF STATE OR COMMERCIAL SECRETS

Not applicable

I. INFORMATION ON CORPORATE GOVERNANCE

During the Reporting Period, the Company strictly complied with the Inside Information Disclosure and Internal Control Procedures, and in strict compliance with provisions of the domestic and foreign laws, regulations and regulatory documents including the Company Law of the People's Republic of China (the "**Company Law**"), the Securities Law of the People's Republic of China, Code of Corporate Governance for Listed Companies, and Listing Rules of the Shanghai Stock Exchange and the Listing Rules, we continued optimising the corporate governance structure to regulate the operation of the Company, in which the Board, Supervisory Committee and special committees of the Board duly performed their duties.

There was no material difference between the corporate governance of the Company and the laws, administrative regulations and regulations of CSRC in relation to the corporate governance of listed companies.

II. SPECIFIC MEASURES TAKEN BY THE CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER OF THE COMPANY TO ENSURE THE INDEPENDENCE OF THE COMPANY IN TERMS OF ASSETS, PERSONNEL, FINANCE, ORGANISATION AND BUSINESS, AS WELL AS THE SOLUTIONS, WORK PROGRESS AND FOLLOW-UP WORK PLANS FOR ENSURING THE COMPANY'S INDEPENDENCE

Not applicable

Circumstances where the controlling shareholder, de facto controller and other units under their control are engaged in the same or similar business as the Company, as well as the impact of peer competition or major changes in peer competition on the Company, the resolution measures that have been taken, the progress of resolution and the follow-up plans for resolution

Not applicable

III. CORPORATE GOVERNANCE CODE

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

To the knowledge of the Board, during the Reporting Period, the Company had been in full compliance with all the code provisions under Part 2 of the Corporate Governance Code (the "**Code**") as contained in Appendix C1 to the Listing Rules, with the exception as disclosed in this Corporate Governance Report and the following deviation:

During the Reporting Period, legal actions which the Directors may face had been covered by the internal control and risk management of the Company. As the Company considered that no additional risk was likely to exist, insurance arrangements in respect of legal actions against the Directors had not been made as required under code provision C.1.8 under the Code.

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

(1) Shareholders and general meetings

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

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

(2) Relationship between the controlling shareholder and the Company

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

(3) Directors, Board and senior management

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

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

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

During the Reporting Period, Mr. Zheng Gaoqing served as the Chairman, and Mr. Zhou Shaobing served as the general manager.

From 1 January 2023 to 27 October 2023, the Board comprised eleven Directors, including seven executive Directors and four independent non-executive Directors. Since 28 October 2023, the Board comprises ten Directors, including six executive Directors and four independent non-executive Directors.

Five executive Directors (i.e. Mr. Zheng Gaoqing, Mr. Zhou Shaobing, Mr. Yu Tong, Mr. Liu Fangyun and Mr. Wang Bo (then member)) have background of the controlling shareholder or the de facto controller. Members of the Board have different industrial background and professional knowledge in corporate management, financial accounting, law, mining and metallurgy. For details of the composition of the Board and the biographies of the members of the Board, please refer to the section headed "Particulars of Directors, Supervisors, senior management and employees" in the chapter "Report of the Board" of this report.

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

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

Mr. Zhu Xingwen, an independent non-executive Director, is a senior accountant, holds a bachelor's degree in economics from the Department of Finance and Accounting of Jiangxi University of Finance and Economics, majoring in commercial accounting, and a doctoral degree in management (accounting) from Tianjin University of Finance and Economics. Mr. Zhu currently works as a professor and a tutor for doctoral and postgraduate students at the School of Accounting of Jiangxi University of Finance and Economics. Due to his educational background and experience, the Board considers that, Mr. Zhu satisfies the requirement set out in Rule 3.10(2) of the Listing Rules which prescribes that at least one of the independent non-executive Directors shall have appropriate expertise in accounting or related financial management.

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

The Board has established the independent audit committee (the audit committee), the remuneration committee, the nomination committee and the environmental, social and governance development committee (the "**ESG Development Committee**"):

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

From 1 January 2023 to 31 December 2023, the ninth session of the independent audit committee comprised four independent non-executive Directors, namely Mr. Zhu Xingwen, Mr. Liu Xike, Mr. Wang Feng and Mr. Li Shuidi, of which Mr. Zhu Xingwen was the chairman of the independent audit committee. The secretary to the Board is also the secretary to the independent audit committee.

The soundness, main particulars and performance of the relevant duties of the independent audit committee (the audit committee):

1. The Company had formulated the Terms of Reference of the Independent Audit Committee (the Audit Committee) (《獨立審核委員會(審計委員會)議事規則》), under which the independent audit committee (the audit committee) is responsible to the Board and assumes the duties to review the Company's financial reporting, financial control, internal control and risk management systems and oversee the preparation procedures of the Company's financial statements and the completeness of their contents as well as the appointment and removal of the auditors. During the Reporting Period, the independent audit committee listened to the report on material matters such as the production and operation and the construction of risk control system for the year from the Company's chief financial officer, financial management department and legal affairs and risk control department, and made constructive suggestions on the development of risk control system of the Company.

2. Summary report on performance of duties of the independent audit committee:

    1. We convened five meetings in 2023, and all members of the independent audit committee at the time attended the meetings. Respectively, we reviewed and confirmed the 2022 annual report audited by Ernst & Young Hua Ming LLP and issued written opinions on the connected transactions, fund appropriation and external guarantees of the Company, reviewed and confirmed the 2023 first quarterly report reviewed by Ernst & Young Hua Ming LLP and made recommendations for the appointment of auditors, reviewed and confirmed the 2023 interim report reviewed by Ernst & Young Hua Ming LLP and were briefed on the report on 2022 annual audit work arrangements by the auditors, and reviewed and confirmed the 2023 third quarterly report reviewed by Ernst & Young Hua Ming LLP.

    2. We reviewed the 2023 annual financial statements prepared by the Company, and issued written opinions that such financial statements were prepared in compliance with PRC GAAP, and agreed to submit such financial statements to Ernst & Young Hua Ming LLP for auditing.

3. We were briefed on matters including the audit process, audit findings and audit adjustments by Ernst & Young Hua Ming LLP and considered that the audit work was executed in strict accordance with provisions of China Standards on Auditing for Certified Public Accountants.

4. Upon issuance of initial audit opinions by the auditors, we reviewed such financial statements prepared by the Company again and considered that they were appropriately prepared in accordance with requirements of PRC GAAP, and truly and completely reflected the Company's financial position as at 31 December 2023, operating results and cash flow for the year of 2023 in relevant material aspects.

5. We submitted to the Board the 2023 Evaluation Report on the Performance of the Accounting Firm's Duties and a Report on the Performance of the Audit Committee's Supervisory Responsibilities, and considered that Ernst & Young Hua Ming conducted its independent audit on the annual report of the Company in a fair and objective manner, demonstrated a high level of code of conduct and business quality and completed the audit work of the 2023 annual report of the Company on time, with the auditing behaviours in an orderly and standard manner, and issued the audit report objectively, completely, clearly and timely. The independent audit committee (audit committee) strictly complied with the relevant regulations of the CSRC, the SSE and the Articles, fully demonstrated the role of the professional committee to review the relevant qualifications and practising capabilities of the accounting firm, and had sufficient discussions and communications with the accounting firm during the audit of the annual report to urge the accounting firm to issue the audit report in a timely, accurate, objective and fair manner, thus effectively performing their supervisory responsibilities in relation to the accounting firm.

Members of the independent audit committee (the audit committee): Zhu Xingwen, Liu Xike, Wang Feng and Li Shuidi

21 March 2024

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

From 1 January 2023 to 31 December 2023, the ninth session of the remuneration committee comprised four independent non-executive Directors, namely Mr. Wang Feng, Mr. Zhu Xingwen, Mr. Liu Xike, and Mr. Li Shuidi, of which Mr. Wang Feng is the chairman of the remuneration committee. The secretary to the Board is also the secretary to the remuneration committee.

Performance of duties of the remuneration committee of the Board:

In 2023, the remuneration committee organised and convened one meeting pursuant to the Terms of Reference for the Remuneration Committee of the Board of Jiangxi Copper Company Limited and by the request of the Board. All members of the remuneration committee at the time attended the meeting, and considered the 2022 Remuneration and Travel Allowance Proposal for Directors, Supervisors and Senior Management submitted by the human resources department of the Company. The remuneration committee shall review the proposed remuneration distribution plan of the Company based on the progress in achieving the major business objectives of the Company and the management positions and responsibilities of the Directors and senior management, and report to the Board for review upon voting and passing of the same.

Members of the remuneration committee: Wang Feng, Zhu Xingwen, Liu Xike and Li Shuidi

The responsibilities of the nomination committee mainly include: to review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; to identify individuals suitably qualified to become a Director and select or make recommendations to the Board on the selection of individuals nominated for directorships; to establish a diversity policy for the Board members and disclose its policy or the summary of the policy in the Corporate Governance Report; to supervise the diversity policy for the Board members and review the measurable targets and the progress of achievement; to assess the independence of the independent non-executive Directors; to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for the Directors, in particular the Chairman and the chief executive.

From 1 January 2023 to 31 December 2023, the ninth session of the nomination committee comprised Mr. Zheng Gaoqing, the Chairman, and four independent non-executive Directors, namely Mr. Wang Feng, Mr. Zhu Xingwen, Mr. Liu Xike and Mr. Li Shuidi, of which Mr. Zheng Gaoqing is the chairman of the nomination committee. The secretary to the Board is also the secretary to the nomination committee.

From 1 January 2023 to 31 December 2023, the nomination committee has reviewed the diversity policy of the Board, endeavored to further improve gender diversity in identifying suitable candidates to the Board, and nominated two female directors as members of the tenth session of the Board at the twenty-eighth meeting of the ninth session of the Board in 2024. In terms of the independence of the independent Directors, the nomination committee has verified the resume of the independent Directors of the ninth session of the Board and the relevant self-checking documents signed by them, and is not aware of any independent Director holding any position in the Company other than an independent Director, nor holding any position in the substantial shareholders of the Company, and there is no circumstance that affects the independence of the independent Directors.

Members of the nomination committee: Zheng Gaoqing, Wang Feng, Zhu Xingwen, Liu Xike and Li Shuidi

The responsibilities of the ESG Development Committee mainly include: to study, formulate and implement the Company's medium and long-term Environment, Society and Governance ("**ESG**") strategies, development policies and principles and key performance indicators, review the Company's ESG report, and supervise and inspect the relevant work of ESG working group.

From 1 January 2023 to 27 October 2023, the first session of the ESG Development Committee comprised Mr. Zheng Gaoqing, the Chairman, an independent non-executive Director, Mr. Liu Xike and three executive Directors, namely Mr. Wang Bo, Mr. Yu Tong and Mr. Liu Fangyun, of which Mr. Zheng Gaoqing and Mr. Liu Xike are the chairman and vice chairman of the ESG Development Committee, respectively. Since 28 October 2023, the first session of the ESG Development Committee comprises Mr. Zheng Gaoqing, the Chairman, an independent executive Director, Mr. Liu Xike and two executive Directors, namely Mr. Yu Tong and Mr. Liu Fangyun, of which Mr. Zheng Gaoqing and Mr. Liu Xike are the chairman and vice chairman of the ESG Development Committee, respectively.

Performance of duties of the ESG Development Committee of the Board:

In 2023, the ESG Development Committee organised convened one meeting pursuant to the Terms of Reference for the Environmental, Social and Governance Development Committee of the Board of Jiangxi Copper Company Limited and by the request of the Board. All members of the ESG Development Committee at the time attended the meeting, considered and approved the 2022 Environmental, Social and Governance Report of Jiangxi Copper Company Limited submitted by the Company.

Members of the ESG Development Committee: Zheng Gaoqing, Liu Xike, Wang Bo (then member), Yu Tong, Liu Fangyun

(4) Supervisory Committee

From 1 January 2023 to 9 June 2023, the Supervisory Committee comprised four Supervisors, including two Supervisors representing the staff and workers. Since 10 June 2023, the Supervisory Committee comprises five Supervisors, including two Supervisors representing the staff and workers. The Supervisors serve for a term of office of three years and are eligible for re-election and re-appointment. The current session of the Supervisory Committee is the ninth session of the Supervisory Committee since the incorporation of the Company.

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

(5) Directors' responsibilities for the financial statements

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

(6) Independence of the independent non-executive Directors

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

(7) Board diversity policy

The Board has adopted a diversity policy for the Board members, and the nomination committee of the Company is responsible for monitoring the measurable targets and the progress of achievement.

The Company understands and believes that the diversity for the Board members can enhance the quality of its performance. With a view to achieving a sustainable and balanced development, the Company regards the increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. All appointments to the Board are based on meritocracy. Candidates are selected objectively having taken full account of the benefits of diversity on the Board and based on a series of diversity perspectives and measurable objectives. These measurable targets include but are not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. In addition, the Board reviews the implementation and effectiveness of the Board diversity policy on an annual basis. The nomination committee has performed such duties, including selecting candidates and reviewing the implementation and effectiveness of the Board diversity policy. Having considered that the current proportion of the independent non-executive Directors on the Board ranges from one-third to 40%, most Directors are aged between 40 and 60, and the cultural and educational backgrounds of the Directors cover various fields, such as mining, management, finance and accounting, in which the Directors have made outstanding achievements respectively, the nomination committee is of the view that the current Board has fully demonstrated a diverse composition in terms skills, experience, knowledge, cultural and educational background and independence.

While there had been female member(s) in the previous session(s) of the Board, as at the date of this report, the members of the ninth session of the Board are all male. In order to comply with Rule 13.92 of the Listing Rules, at the re-election of the next session of the Board in June 2024, the Company proposes to introduce two female members of the Board. The Company shall also further take into account the Board diversity policy in full, and place emphasis on including gender as a factor for consideration for the achievement of Board diversity of the Company.

The Company is also devoted to achieving gender diversity in the entire workforce. As at the end of the Reporting Period, the number of female employees of the Company accounted for approximately 15.07% of the total number of employees, which is a relatively high ratio in the mining and smelting industry. The Board is of the view that the Company has achieved gender diversity among its workforce. The hiring strategies of the Company also reflect the diversity in the workforce, including the senior management, in terms of gender, age, ethnicity, cultural and educational background, professional experience, skills and knowledge.

(8) Policy for nomination of Directors

The procedures of appointment, re-election and removal of the Directors are set out in the Articles. The nomination committee carefully considers a number of aspects including the qualifications and biography of Director candidates and then recommends them to the Board. After the Board passes the resolutions in relation to the candidate nomination, the resolution will be proposed to the general meeting of the Company for consideration and approval. The nomination committee and the Board will consider a number of factors in making nominations, including but not limited to skills, expertise, industrial experience, integrity, independence (regarding the independent non-executive Directors) and the diversity of the Board.

IV. PEER COMPETITION AND CONNECTED TRANSACTIONS

(1) Peer competition

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

(2) Connected transactions

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

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

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

V. GENERAL MEETING OVERVIEW

Meeting	Date	Reference for inspection on the specified website for publishing resolutions	Publication date of resolutions	Resolutions of the meeting
2022 Annual General Meeting	9 June 2023	SSE www.sse.com.cn (Announcement No.: 2023-015)	10 June 2023	A total of 6 resolutions were considered and approved at the meeting with no objection. Please refer to the announcement published on the websites of SSE and the Company for details.
2023 First Extraordinary General Meeting	4 July 2023	SSE www.sse.com.cn (Announcement No.: 2023-019)	5 July 2023	A total of 1 resolution was considered and approved at the meeting with no objection. Please refer to the announcement published on the websites of SSE and the Company for details.

Preference shareholders with restored voting rights requested to convene extraordinary general meetings

Not applicable

Explanation on general meetings

In 2023, all resolutions submitted to the two general meetings convened by the Company for consideration were approved.

VI. INFORMATION ON THE MEETINGS OF THE BOARD HELD DURING THE REPORTING PERIOD

Meeting	Date	Resolutions of the meeting
The nineteenth meeting of the ninth session of the Board	24 March 2023	The following resolutions were considered and approved: 1. the Resolution on the 2022 Audited Domestic and Overseas Financial Report, the 2022 Annual Report and its Summary, the Report of the Board and the Corporate Governance Report of Jiangxi Copper Company Limited 2. the Resolution of Jiangxi Copper Company Limited on the 2022 Profit Distribution Plan 3. the Resolution of Jiangxi Copper Company Limited on the 2022 Remuneration of Directors and Senior Management and Travel Allowances of Independent Directors Proposal 4. the Resolution of Jiangxi Copper Company Limited on the 2023 Production and Operation Plan 5. the 2022 Internal Control Evaluation Report of Jiangxi Copper Company Limited 6. the 2022 Environmental, Social and Governance Report of Jiangxi Copper Company Limited 7. the Resolution of Jiangxi Copper Company Limited on Provision for Assets Impairment in 2022 8. considered and approved matters related to the convening and holding of the 2022 annual general meeting and the disclosure of the 2022 annual report

Meeting	Date	Resolutions of the meeting
The twentieth meeting of the ninth session of the Board	24 April 2023	The following resolutions were considered and approved: 1. the Resolution on the 2023 First Quarterly Report of Jiangxi Copper Company Limited 2. the Resolution of Jiangxi Copper Company Limited on Issuance of Corporate Bonds
The twenty-first meeting of the ninth session of the Board	1 June 2023	The following resolutions were considered and approved: 1. the Resolution of Jiangxi Copper Company Limited on Appointment of Ernst & Young Hua Ming LLP and Ernst & Young as Domestic (including Internal Control Audit) and Overseas Auditors of the Company in 2023 2. the Resolution of Jiangxi Copper Company Limited on the Proposal on the Convening of the 2023 First Extraordinary General Meeting of Jiangxi Copper Company Limited
The twenty-second meeting of the ninth session of the Board	25 August 2023	The following resolutions were considered and approved: 1. the 2023 Interim Report and its Summary of Jiangxi Copper Company Limited 2. the Resolution of Jiangxi Copper Company Limited on the Provision for Assets Impairment for the Half Year of 2023
The twenty-third meeting of the ninth session of the Board	27 October 2023	the Resolution on the 2023 Third Quarterly Report of Jiangxi Copper Company Limited was considered and approved

Meeting	Date	Resolutions of the meeting
The twenty-fourth meeting of the ninth session of the Board	10 November 2023	The following resolutions were considered and approved: 1. the Resolution on the Entering into between Jiangxi Copper Company Limited and Jiangxi Copper Corporation Limited and the Transactions Contemplated Thereunder 2. the Resolution on the Entering into between Jiangxi Copper Company Limited and Jiangxi Copper Corporation Limited and the Transactions Contemplated Thereunder 3. the Resolution on the Entering into between Jiangxi Copper Company Limited and Jiangxi Copper Corporation Limited and the Transactions Contemplated Thereunder 4. the Resolution of Jiangxi Copper Company Limited on the Establishment of Independent Board Committee and the Appointment of Independent Financial Adviser 5. the Resolution of Jiangxi Copper Company Limited on the Proposal on the Convening of the 2023 Second Extraordinary General Meeting
The twenty-fifth meeting of the ninth session of the Board	11 December 2023	the Resolution of Jiangxi Copper Company Limited on the Proposal on the Convening of the 2024 First Extraordinary General Meeting was considered and approved
The twenty-sixth meeting of the ninth session of the Board	29 December 2023	the Resolution of Jiangxi Copper Company Limited on the Entering into between JCC Finance Company Limited, a wholly-owned subsidiary, and Jiangxi Copper Corporation Limited, a controlling shareholder of the Company, was considered and approved

VII. PERFORMANCE OF DIRECTORS DUTIES

(1) Attendance of Directors in the Board meetings and general meetings

Name of Director	Whether an independent Director	Participation in Board meetings: Required attendance in the year	Attendance in person	Attendance by telecommunication	Attendance by proxy	Absence	Whether not attending in person for two consecutive times	Participation in general meetings: Attendance in general meetings
Zheng Gaoqing	No	8	8	0	0	0	No	2
Zhou Shaobing	No	8	8	0	0	0	No	0
Wang Bo (Resigned)	No	8	3	0	0	1	No	1
Liu Fangyun	No	8	8	0	0	0	No	2
Yu Tong	No	8	8	0	0	0	No	2
Gao Jian-min	No	8	8	2	0	0	No	0
Liang Qing	No	8	8	2	0	0	No	0
Liu Xike	Yes	8	8	2	0	0	No	0
Wang Feng	Yes	8	8	2	0	0	No	0
Zhu Xingwen	Yes	8	8	2	0	0	No	0
Li Shuidi	Yes	8	8	2	0	0	No	1

Explanation on non-attendance in the Board meetings in person for two consecutive times

Not applicable

Board meetings convened during the year	8
Of which: On-site meetings	6
Meetings by telecommunication	0
Meetings held on site and by telecommunications	2

(2) Objection of Directors on the Company's relevant matters

Not applicable

(3) Model Code for Securities Transaction by Directors

During the Reporting Period, the Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") contained in Appendix C3 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 requirements of the Model Code during the Reporting Period.

(4) Directors' participation in continuous professional development

During the Reporting Period, according to the requirement of the CSRC and the two stock exchanges, all the Directors namely Mr. Zheng Gaoqing, Mr. Zhou Shaobing, Mr. Wang Bo (then member), Mr. Gao Jian-min, Mr. Liang Qing, Mr. Liu Fangyun, Mr. Yu Tong, Mr. Liu Xike, Mr. Zhu Xingwen, Mr. Wang Feng and Mr. Li Shuidi had participated in the continuous professional development and updated their knowledge and skills, so as to ensure that they can continue to contribute to the Board with the comprehensive information when needed.

All Directors have read and earnestly studied the latest securities laws, regulations and rules of Hong Kong and the PRC.

VIII. SPECIAL COMMITTEES OF THE BOARD

(1) Members of the special committees of the Board

Type of special committee	Name of member
Audit committee	Zhu Xingwen, Liu Xike, Li Shuidi, Wang Feng
Nomination committee	Zheng Gaoqing, Zhu Xingwen, Liu Xike, Li Shuidi, Wang Feng
Remuneration committee	Zhu Xingwen, Liu Xike, Li Shuidi, Wang Feng
ESG Development Committee	Zheng Gaoqing, Liu Xike, Wang Bo (then member), Yu Tong, Liu Fangyun

(2) The audit committee held 5 meetings during the Reporting Period

Date	Matters	Key opinions and suggestions	Other performance of duties
21 March 2023	Considering matters related to the Company's 2022 annual report	The independent Directors provided opinions and suggestions on the certification as new and high technology enterprises, financial accounting treatment, accounts receivables, internal risk control of the Company and other aspects.	None
21 April 2023	Considering matters related to the Company's 2023 first quarterly report	None	None
31 May 2023	Considering matters related to the appointment of Ernst & Young as the auditor for the annual audit	None	None
22 August 2023	Considering matters related to the Company's 2023 interim report	None	None
26 October 2023	Considering matters related to the Company's 2023 third quarterly report	None	None

(3) The remuneration committee held 1 meeting during the Reporting Period

Date	Matters	Key opinions and suggestions	Other performance of duties
20 March 2023	Considering the "2022 Remuneration and Travel Allowance Proposal for Directors, Supervisors and Senior Management" proposed by the human resources department of the Company	None	None

(4) The ESG Development Committee held 1 meeting during the Reporting Period

Date	Matters	Key opinions and suggestions	Other performance of duties
20 March 2023	Considering the 2022 Environmental, Social and Governance Report of the Company	None	None

(5) Details of objections

Not applicable

IX. EXPLANATION ON THE RISK IN THE COMPANY DISCOVERED BY THE SUPERVISORY COMMITTEE

Not applicable

The Supervisory Committee had no disagreement in supervised matters during the Reporting Period.

X. PARTICULARS OF THE APPRAISAL MECHANISM FOR SENIOR MANAGEMENT AND OF THE ESTABLISHMENT AND IMPLEMENTATION OF INCENTIVE MECHANISM DURING THE REPORTING PERIOD

According to the authorisation by the general meeting, the Board has considered and approved the resolution on remuneration of the senior management of the Company for the year 2023.

XI. AUDITORS' REMUNERATION

For the auditors' remuneration in 2023, please refer to the content of "Appointment and removal of accounting firms" under the section headed "Significant Events" in this report.

XII. COMPANY SECRETARY

For the year ended 31 December 2023, Mr. Tu Dongyang and Mr. Tung Tat Chiu, Michael, the joint company secretaries of the Company, had received relevant professional trainings of not less than 15 hours to update their skills and knowledge. Mr. Tu Dongyang, a deputy general manager and joint company secretary of the Company is the main contact person for Mr. Tung Tat Chiu, Michael.

XIII. SHAREHOLDERS' RIGHTS

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

Shareholders, individually or aggregately, holding over 3% of the total number of shares of the Company shall have the right to propose provisional motions to the convener of the general meeting in writing ten (10) days prior to the general meeting. The convener shall within two (2) days of receipt of the provisional motions issue supplemental notice of the meeting to disclose the contents of the provisional motions.

The Articles also expressly provides that its shareholders are entitled to supervise and manage the business and operation of the Company, put forward recommendations or questions, inquire relevant information as well as enjoy the rights to be informed of and participate in the Company's significant events. For details of the procedures and methods of inquiry, please refer to the Articles. The Company values good communication with its shareholders. The main communication channels of the Company include general meetings, the Company's website and electronic mailbox, the facsimile and telephone of the secretariat of the Board as set out in the section headed "Corporate Profile" in this report, which are available for its shareholders to express their opinions or exercise their rights.

XIV. INVESTOR RELATIONS

During the Reporting Period, the Company attached great importance to building a sound and harmonious investor relation, and has implemented a proactive policy of promoting investor relations and communication. The Company strengthened the communication and interaction with its shareholders through various channels such as the Company's website, emails, telephone and facsimile, greeted its shareholder's visits and replied to their letter and calls seriously, and addressed their concerns and inquiries, turning the investors' requests and suggestions into an incentive for the Company's development.

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

The Company reviews the investor relations policy annually, and makes any amendments it considers necessary to ensure the policy's effectiveness and that the legal interests of shareholders and investors are adequately protected.

The Company has reviewed the implementation and effectiveness of its investor relations policy. Having considered the different channels of communication in place, the Company is of the view that an effective investor relations policy has been properly implemented during the Reporting Period.

The Company has uploaded its Articles on the websites of the Stock Exchange (https://www.hkexnews.hk/) and the Company (http://www.jxcc.com/). During the Reporting Period, the Company did not make any amendments to the Articles.

XV. RISK MANAGEMENT AND INTERNAL CONTROL

In order to strengthen the organisation, leadership, command and coordination of the establishment and operation of the risk control system of the Company, comprehensively improve the ability and efficiency of risk control management, prevent and resolve various risks in a timely manner, and promote the sustainable, healthy and stable development of the Company, the Company established the risk management committee, comprising the general manager, the deputy director of co-management, the other administrative deputy leaders and the main heads of each major department of the Company. The risk management committee of the Company holds meetings from time to time. Its responsibilities include reviewing the Company's risk management strategy, determining the Company's risk preference and risk tolerance and reviewing risk management policies and risk assessment standards; reviewing risk management solutions, including major risk response plans, major risk early warning indicators and early warning plans; reviewing risk management assessment and recommending special reports and risk management supervision and evaluation comprehensive audit reports; reviewing risk management organisation settings and their responsibilities plans; and other matters related to risk management.

The risk management committee of the Company has an office located in the risk control, internal audit and legal department of the Company. The office is responsible for the daily work of the committee, including inspection, supervision, evaluation and reporting on the establishment and daily operation of the risk control system of the Company, submitting decision-making proposals to the risk management committee, and organising and implementing the of relevant decisions and deployments.

The audit committee of the Company regularly (twice a year) reviews the risk management system for the year of 2023 of the Group. During the Reporting Period, the independent audit committee has conducted an evaluation for the Group's risk management system, and is of the view that the risk management system of the Group was effective and adequate.

The Board is responsible for the risk management and internal control systems and is responsible for reviewing the effectiveness of these systems. These systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board regularly (once a year) reviews the internal control of the Group. The Company has a risk control, internal audit and legal department, one of whose functions is internal control, which provides analysis and independent assessment of the Company's risk management and internal control system. During the Reporting Period, the Board has conducted an evaluation for the Group's internal control. Please refer to the 2023 Internal Control Evaluation Report published in the "Internal Control" section of this report for details.

XVI. INSIDE INFORMATION POLICY

The Company has formulated the Registration Filing System of Inside Information Sources of Jiangxi Copper Company Limited to provide guidelines for sources of inside information, including but not limited to the Directors, Supervisors and senior management of the Company, to regulate inside information management, strengthen the confidentiality work of inside information and uphold the principle of fairness in respect of disclosure of information.

Business Overview of the Company

I. BUSINESS OF THE COMPANY DURING THE REPORTING PERIOD

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 an important production base of copper, gold, silver and sulphuric chemistry in the PRC. The main 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 London Bullion Market Association (the "**LBMA**").

The main assets owned and controlled by the Group include:

1.	A listed company:	Humon Smelting (stock code: 002237) is a company listed on the Shenzhen Stock Exchange. The Company holds 44.48% of the total share capital of Humon Smelting, and is the controlling shareholder of Humon Smelting. Humon Smelting is mainly engaged in the exploration, mining, dressing, smelting and chemical production of gold. It is a national key gold smelting enterprise 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.
2.	Five smelters under production:	Guixi Smelter, Jiangxi Copper (Qingyuan) Company Limited, JCC Hongyuan, JCC Guoxing and Heding Copper, among which Guixi Smelter is the largest scale technologically advanced rough and refined smelting in the PRC.
3.	Five 100% owned mines under production:	Dexing Copper Mine (including copper factory mining area and Fujiawu mining area), Yongping Copper Mine, Chengmenshan Copper Mine (including Jinjiwo Silver-Copper Mine), Wushan Copper Mine and Yinshan Mining.

4.	Ten modern copper processing plants:	Jiangxi Copper Products Company Limited, Jiangxi Copper (Guangzhou) Copper Production Company Limited, Jiangxi JCC Copper Foil Technology Company Limited, JCC Taiyi, JCC Longchang, JCC Copper Products Company Limited, Jiangxi Copper North China (Tianjin) Copper Co., Ltd. TPCO Copper Industry Corp., Ltd., Jiangxi Copper Huadong Copper Materials Co., Ltd. and Huadong Electric

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	It is for the production of copper cables and enameled 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 fertiliser, and can be used in industries such as metallurgy, food, medicine, fertiliser and rubber

2. Business model

(1) Procurement model

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

Product	Procurement channel	Procurement method	Pricing method
Copper concentrates	Domestic and foreign procurement	The trading business department of the Company is responsible for the unified procurement of raw materials for the Company itself; other operating units are responsible for their own procurement in accordance with their production and business plans	Foreign procurement was conducted with reference to the LME copper price, the LBMA gold and silver price, and TC/RC was deducted from the above metal price basis as procurement price. TC/RC was determined through negotiations between both parties; domestic procurement was conducted with reference to the copper price on the SHFE and the corresponding processing fees were deducted or multiplied by the corresponding pricing coefficient on the basis of the average price or spot price of the SHFE.
Raw copper, coarse copper	Domestic and foreign procurement	The trading business department of the Company is responsible for the unified procurement of raw materials for the Company itself; other operating units are responsible for their own procurement in accordance with their production and business plans	Foreign procurement was conducted with reference to the LME copper price, the LBMA gold and silver price, and TC/RC was deducted from the above metal price basis as procurement price. TC/RC was determined through negotiations between both parties; domestic procurement was conducted with reference to the copper price on the SHFE, and the corresponding processing fees were deducted or multiplied by the corresponding pricing coefficient on the basis of the average price or spot price of the SHFE.
Production equipment	Domestic and foreign procurement	The material and equipment department of the Company is responsible for the unified procurement of uniform equipment, and the self-purchased supplies are procured by each operating unit, and the material and equipment department will guide, supervise, assess and inspect the procurement of supplies of each unit	Compared to the market price

(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 SHFE	Mainly in Eastern China and Southern China, some products are exported to South Korea, Japan and Southeast Asia
Copper rods and wires	Enter into long-term contracts with relatively stable major customers	Mainly in Eastern China, Southern China and Northern China
Gold	National unified acquisition or direct trading on the Shanghai Gold Exchange	
Silver	Export and domestic sales, domestic sales are mainly sold to domestic industrial enterprises of electronics, electroplating, electrical alloys, silver nitrate, machinery, military, jewelries and other industries by direct sales	Mainly export to Hong Kong, and sell to Eastern and Southern China domestically
Sulphuric acid	Enter into long-term contracts with relatively stable major customers, and supply and sell in installments	Mainly in regions such as Eastern China, Central China, Southern China and Southwest China

(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 refined smelting, which is generally suitable for high-grade copper sulphide ore; wet smelting is generally suitable for low-grade copper oxide, which is lower in cost, but has great restrictions on the grades and types of ores, and has higher impurity contents. The Company mainly uses pyrometallurgical smelting for copper smelting, and adopts wet smelting for gold smelting.

II. ANALYSIS OF CORE COMPETITIVENESS DURING THE REPORTING PERIOD

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

1. Advantage of scale

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 a number of copper mines under production including Dexing Copper Mine, a large open-pit mine. As of 31 December 2023, the Company had 100% ownership in the resource reserves of approximately 8.7423 million tonnes of copper metal, 243.7 tonnes of gold, 8,045.6 tonnes of silver, and 164,000 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) As the largest integrated copper production enterprises in the PRC, the Group 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 0.2 million 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 1.8 million tonnes of processed copper products produced per year.

(3) The production capacity of copper cathode of the Group is over 2 million tonnes per year, and Guixi Smelter is the copper smelter with the largest single smelting scale in the world.

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 with the overall production technology and key techno-economic indicators reaching advanced international standards. Dexing Copper Mine is a modernised copper mine with advanced technological level in the PRC, and is the first to introduce international software for the design, planning and optimisation of mining and the global satellite positioning system for truck dispatching. Humon Smelting has strong smelting technology and is the first professional plant to process high lead complex gold concentrates by using oxygen bottom blowing smelting-reduction furnace pulverised coal bottom blowing direct reduction technology.

4. Advantage of cost

Dexing Copper Mine owned by the Company is the copper open-pit mine. The unit cash cost is below the industry average. 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 of the Company was successfully registered with the LME in one go in 1996, which is the first world-class brand of copper of 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 registered with the LME and the LBMA. The copper testing factory established based on the laboratory of Guiye Centre of the Company is the only testing factory of copper cathode in the PRC recognised 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 participated actively in corporate governance for a long period of time 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.

Report of the Board

I. PRINCIPAL BUSINESS

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 an important production base of copper, gold, silver and sulphuric chemistry in the PRC. The main 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.

II. CHANGES IN SHARE CAPITAL

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

III. ISSUE AND LISTING OF SECURITIES

(I) Issue of securities as of the Reporting Period

Not applicable

(II) Total number of shares and changes in the shareholding structure of the Company and changes in the asset and liability structure of the Company

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

(III) Existing internal staff shares

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

(IV) Any convertible securities, options, warrants or other similar rights issued or granted by the subsidiaries

In order to improve its production technology, enhance its competitiveness, take advantage of its technological advantages and achieve economies of scale, Humon Smelting, a subsidiary of the Company, issued 31.6 million convertible corporate bonds at a par value of RMB100 each during the Reporting Period with a total issued amount of RMB3,160 million, and after deducting various issuance expenses, the actual net proceeds were RMB3,129,967,396.23, and the net price per convertible corporate bond was RMB99.05. Humon Smelting issued 20,509,348 convertible corporate bonds to original shareholders, accounting for 64.90% of the total number of bonds issued; 11,090,650 bonds were subscribed by the public, accounting for 35.10% of the total number of bonds issued; and the remaining 138,929 bonds were underwritten by the sponsor, accounting for 0.4396% of the total number of bonds issued. The proceeds from the issuance will be used mainly for the production renovation project and replenishment of liquidity.

IV. BUSINESS OVERVIEW

(I) Business summary and analysis

Business and results analysis taking into account key financial performance indicators of the Group are set out in "Summary of Accounting Data and Financial Indicators" on pages 8 to 13, "Business Overview of the Company" on pages 83 to 88 and the "Management Discussion and Analysis" on pages 14 to 59 of this report.

(II) Environmental policies and performance

For information including the environmental policies and social responsibilities of the Company, please refer to the content in "XVI. Active Performance of Social Responsibility" under "Significant Events" of this report and the Company has separately published the "Environmental, Social and Governance Report" for the year of 2023 in accordance with the relevant requirements of the Listing Rules on 27 March 2024.

(III) Compliance with relevant laws and regulations

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

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

(IV) Significant relationships with stakeholders

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

1. Employees

The Company firmly implements "talent strategies" to provide employees with sound and safe working environment, and constantly optimise the remuneration and benefit system. Over the years, the management teams and employees of the Company have been stable.

2. Suppliers

Since the establishment of the Company, the product output has continuously increased exponentially, providing suppliers with extensive business opportunities and strategic partnerships with various well-known domestic and foreign companies have been formed. The development of the Company has also promoted the prosperity of related industries. During the Reporting Period, the relationship between the Company and the major suppliers was good and stable.

3. Customers

The Company abided by the business ethics of integrity and harmony, adhered to the business philosophy of “creating value with customers”, and pursued customer relationships of mutual trust and mutual understanding, mutual benefit, and win-win cooperation. The Company required all employees to treat customers as themselves, emphasising product quality and corporate reputation awareness, providing high-quality and qualified products to customers, effectively maintaining good customer relationships, and focusing on after-sales services. During the Reporting Period, the relationship between the Company and the major customers was good and stable.

(V) Major risks and uncertainties

Description of the potential risks which may be encountered by the Group is set out on pages 56 to 59 in the “Management Discussion and Analysis” of this report.

(VI) Significant matters after the Reporting Period

Not applicable

(VII) Future development

Future development of the business of the Group is set out on pages 52 to 59 in the “Management Discussion and Analysis” of this report.

V. PARTICULARS OF SHAREHOLDERS AND DE FACTO CONTROLLER

(I) Total number of shareholders

Total number of shareholders of ordinary shares at the end of the Reporting Period	127,076
Total number of shareholders of ordinary shares at the end of the previous month before the disclosure of the annual results	120,986
Total number of shareholders of preference shares with voting rights restored at the end of the Reporting Period	0
Total number of shareholders of preference shares with voting rights restored at the end of previous month before the disclosure of the annual results	0

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

Shareholdings of top ten shareholders (excluding shares lent through refinancing)

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, mark or freeze Share status	Pledge, mark or freeze Number	Nature of shareholder
JCC	1,154,100	1,513,895,910	43.72	0	Nil	0	State-owned legal person
HKSCC Nominees Limited ("**HKSCC**")	199,999	1,073,620,013	31.01	0	Nil	0	Overseas legal person
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	0	103,719,909	3.00	0	Nil	0	Unknown
Hong Kong Securities Clearing Company Limited	-18,327,191	69,121,719	2.00	0	Nil	0	Unknown
Yang Weiyu	500,000	16,551,051	0.48	0	Nil	0	Unknown
National Social Insurance Fund No. 118 Portfolio (全國社保基金一八組合)	14,018,939	14,018,939	0.40	0	Nil	0	Unknown
Industrial and Commercial Bank of China Limited – Huatai-PB CSI 300 Open-ended Index Fund (中國工商銀行股份有限公司－華泰柏瑞滬深300交易型開放式指數證券投資基金)	3,771,600	7,749,729	0.22	0	Nil	0	Unknown
Yuanxin Yongfeng Fund – Kunlun Health Insurance Company Limited – Yuanxin Yongfeng Preferred Gold Stock 2 Single Asset Management Plan (圓信永豐基金－昆侖健康保險股份有限公司－圓信永豐優選金股2號單一資產管理計劃)	0	6,713,613	0.19	0	Nil	0	Unknown
Cao Baoping	2,980,674	5,453,474	0.16	0	Nil	0	Unknown
Liu Ding	0	4,160,451	0.12	0	Nil	0	Unknown

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	1,513,895,910	Ordinary shares denominated in RMB (A shares)	1,205,438,910
		Overseas listed foreign shares (H shares)	308,457,000
HKSCC	1,073,620,013	Overseas listed foreign shares (H shares)	1,073,620,013
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	103,719,909	Ordinary shares denominated in RMB (A shares)	103,719,909
Hong Kong Securities Clearing Company Limited	69,121,719	Ordinary shares denominated in RMB (A shares)	69,121,719
Yang Weiyu	16,551,051	Ordinary shares denominated in RMB (A shares)	16,551,051
National Social Insurance Fund No. 118 Portfolio (全國社保基金一八組合)	14,018,939	Ordinary shares denominated in RMB (A shares)	14,018,939
Industrial and Commercial Bank of China Limited – Huatai-PB CSI 300 Open-ended Index Fund (中國工商銀行股份有限公司－華泰柏瑞滬深300交易型開放式指數證券投資基金)	7,749,729	Ordinary shares denominated in RMB (A shares)	7,749,729
Yuanxin Yongfeng Fund – Kunlun Health Insurance Company Limited – Yuanxin Yongfeng Preferred Gold Stock 2 Single Asset Management Plan (圓信永豐基金－昆侖健康保險股份有限公司－圓信永豐優選金股2號單一資產管理計劃)	6,713,613	Ordinary shares denominated in RMB (A shares)	6,713,613
Cao Baoping	5,453,474	Ordinary shares denominated in RMB (A shares)	5,453,474
Liu Ding	4,160,451	Ordinary shares denominated in RMB (A shares)	4,160,451
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 on the connected relationship or parties acting in concert among the aforesaid shareholders	Nil		
The explanation on preference shareholders with restored voting rights and the number of shares held	Nil		

Notes: 1. HKSCC held a total of 1,073,620,013 H shares of the Company in the capacity of nominee on behalf of a number of customers, representing approximately 31.01% of the total issued share capital of the Company. HKSCC is a member of the Central Clearing and Settlement System, providing registration and custodial services for customers.

2. The 308,457,000 H shares held by JCC have been registered with HKSCC and were separately listed from the other shares held by HKSCC as disclosed in the table above. Taking into account the H shares held by JCC, HKSCC held 1,382,077,013 shares as nominee, representing approximately 39.91% of the issued share capital of the Company.

Particulars of participation of the top ten shareholders in lending shares through refinancing

Unit: Share

Name of Shareholder (full name)	Particulars of participation of the top ten shareholders in lending shares through refinancing							
	Number of shares held by general account and credit account at the beginning of the Reporting Period		Shares lent and not returned through refinancing at the beginning of the Reporting Period		Number of shares held by general account and credit account at the end of the Reporting Period		Shares lent and not returned through refinancing at the end of the Reporting Period	
	Total	Percentage *(%)*	Total	Percentage *(%)*	Total	Percentage *(%)*	Total	Percentage *(%)*
JCC	1,512,741,810	43.69	1,194,300	0.03	1,513,895,910	43.72	40,200	0.001
Industrial and Commercial Bank of China Limited – Huatai-PB CSI 300 Open-ended Index Fund (中國工商銀行股份有限公司－華泰柏瑞滬深300交易型開放式指數證券投資基金)	3,978,129	0.11	286,000	0.008	7,749,729	0.22	30,200	0.0009

Particulars of changes in the top ten shareholders as compared with the end of the previous period

Unit: Share

Particulars of changes in the top ten shareholders as compared with the end of the previous period					
Name of Shareholder (full name)	Added/withdrawn during the Reporting Period	Number of shares lent and not returned through refinancing at the beginning of the Reporting Period		Number of shares held by general account and credit account and shares lent and not returned through refinancing at the end of the Reporting Period	
		Total	Percentage (%)	Total	Percentage (%)
National Social Insurance Fund No. 118 Portfolio (全國社保基金一一八組合)	Added	0	0	14,018,939	0.40
Cao Baoping	Added	0	0	5,453,474	0.16
Industrial and Commercial Bank of China Limited – Southern CSI Shenwan Non-ferrous Metals Trading Open-ended Index Fund (中國工商銀行股份有限公司－南方中證申萬有色金屬交易型開放式指數證券投資基金)	Withdrawn	38,300	0.001	3,795,019	0.11
Yu Guohua	Withdrawn	0	0	1,500,000	0.04

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

Not applicable

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

Not applicable

(III) Interests and short positions of shareholders

As at 31 December 2023, the interests or short positions of the shareholders, other than the 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 SFO or otherwise as 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 share capital *(%)*
JCC *(Note 2)*	A shares	Beneficial owner	1,205,479,110(L)	58.09(L)	34.81(L)
Jiangxi State-Owned Capital Operation Holdings Group Co. Ltd. (江西省國有資本運營控股集團有限公司) *(Note 2)*	A shares	Interest of corporation controlled by you	1,205,479,110(L)	58.09(L)	34.81(L)
JCC *(Notes 2 and 3)*	H shares	Beneficial owner	308,457,000(L)	22.23(L)	8.90(L)
Jiangxi State-Owned Capital Operation Holdings Group Co. Ltd. (江西省國有資本運營控股集團有限公司) *(Notes 2 and 3)*	H shares	Interest of corporation controlled by you	308,457,000(L)	22.23(L)	8.90(L)
Brown Brothers Harriman & Co.	H shares	Approved lending agent	76,397,733(L) 76,397,733(P)	5.51(L) 5.51(P)	2.21(L) 2.21(P)

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

Note 2: As at 31 December 2023, JCC was held as to 90% by Jiangxi State-Owned Capital Operation Holdings Group Co. Ltd.. As such, Jiangxi State-Owned Capital Operation Holdings Group Co. Ltd. was deemed to be interested in the shares interested by JCC.

Note 3: The 308,457,000 H shares held by JCC were registered with HKSCC. During the Reporting Period, JCC commenced its securities lending business, and the above table includes the 40,200 A shares lent.

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 31 December 2023.

VI. PARTICULARS OF CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER

(I) Particulars of controlling shareholder

Name	Jiangxi Copper Corporation Limited
Person in charge or legal representative	Zheng Gaoqing
Establishment date	26 June 1979
Principal operations and businesses	Non-ferrous mines, non-metallic mines and products of pressed and processed non-ferrous metals, etc.
Equity interests in other domestic and overseas listed companies controlled and held during the Reporting Period	1. JCC Shenzhen Nanfang Jiangxi Copper Co., Ltd.* (江銅集團深圳南方江銅有限公司) holds 4,507,786 A shares of Guotai Junan (SSE stock code: 601211), accounting for 0.0005% of its total share capital;
	2. Jiangxi Copper Corporation Qibaoshan Mine Co., Ltd.* (江西銅業集團七寶山礦業有限公司) holds 4,598,000 A shares of Zhuye Group (SSE stock code: 600961), accounting for 0.51% of its total share capital;

1. Change in controlling shareholder during the Reporting Period

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

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

(II) Particulars of the de facto controller

Name	State-owned Assets Supervision and Administration Commission of Jiangxi Province
Person in charge or legal representative	Xiao Yun
Equity interests in other domestic and overseas listed companies controlled and held during the Reporting Period	1. Hold indirectly via Jiangxi State-Owned Capital Operation Holdings Group Co. Ltd.: 226,520,000 shares in Jiangxi Salt Industry Group Co., Ltd.* (江西省鹽業集團股份有限公司) (SSE stock code: 601065), accounting for 35.24% of its total share capital; 271,071,486 shares in Jiangzhong Pharmaceutical Co., Ltd.* (江中藥業股份有限公司) (SSE stock code: 600750), accounting for 43.07% of its total share capital; 1,428,799,497 shares in Xinyu Iron & Steel Co., Ltd.* (新余鋼鐵股份有限公司) (SSE stock code: 600782), accounting for 44.81% of its total share capital; 2. Hold indirectly via Jiangxi Dacheng State-Owned Assets Operation Management Co., Ltd.* (江西大成國有資產經營管理集團有限公司): 63,962,343 shares in Jiangxi Xinyu Guoke Technology Co., Ltd.* (江西新余國科科技股份有限公司) (SSE stock code: 300722), accounting for 27.73% of its total share capital; 295,936,220 shares in Jiangxi Guotai Group Co., Ltd.* (江西國泰集團股份有限公司) (SSE stock code: 603977), accounting for 47.64% of its total share capital

1. Change in the Company's control during the Reporting Period

During the Reporting Period, there was no change in the Company's control.

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

VII. The Company's controlling shareholders or the largest shareholder and its parties acting in concert with the accumulated number of shares pledged accounting for more than 80% of the number of shares of the Company held by them

Not applicable

VIII. OTHER LEGAL PERSON SHAREHOLDERS WITH OVER 10% SHAREHOLDING

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

IX. PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this report, there is sufficient public float of more than 25% of the Company's issued shares as required under the Listing Rules.

X. PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

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

XI. PRE-EMPTIVE RIGHTS

According to the Articles and the PRC laws, the shareholders of the Company do not have pre-emptive rights which would oblige the Company to offer new shares to them on a pro-rata basis.

XII. PARTICULARS OF DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

(I) Changes in shareholdings and remunerations

1. Changes in shareholdings and remunerations of current Directors, Supervisors and senior management and those resigned during the Reporting Period

Unit: Share

Name	Position	Gender	Age	Commencement date of term of office	Termination date of term of office	Shares held at the beginning of the year	Shares held at the end of the year	Change in terms of increase or decrease in shares during the year	Reasons for change	Total remuneration receivable from the Company during the Reporting Period (before tax) *(RMB0'000)*	Whether received remuneration from connected parties of the Company
Zheng Gaoqing	Chairman Executive Director	Male	58	9 September 2020 22 March 2019		0	0	/	/	133.16	No
Zhou Shaobing	Deputy chairman Executive Director General manager	Male	54	18 October 2022 18 October 2022 15 August 2022		0	0	/	/	133.16	No
Wang Bo	Executive Director	Male	60	18 July 2016	27 October 2023	0	0	/	/	110.97	No
Liu Fangyun	Executive Director Deputy general manager	Male	58	10 June 2020 13 November 2019		0	0	/	/	133.16	No
Yu Tong	Chief financial officer Executive Director	Male	52	28 August 2018 15 January 2019		0	0	/	/	133.16	No
Gao Jian-min	Executive Director	Male	64	24 January 1997		0	0	/	/	25.00	No
Liang Qing	Executive Director	Male	70	12 June 2002		0	0	/	/	25.00	No
Liu Xike	Independent non-executive Director	Male	50	12 June 2018		0	0	/	/	15.00	No
Zhu Xingwen	Independent non-executive Director	Male	62	15 January 2019		0	0	/	/	15.00	No
Wang Feng	Independent non-executive Director	Male	47	8 June 2021		0	0	/	/	15.00	No
Li Shuidi	Independent non-executive Director	Male	70	18 October 2022		0	0	/	/	15.00	No
Zha Kebing	Supervisor	Male	55	18 October 2022		0	0	/	/	95.61	No
Zhao Bicheng	Supervisor	Male	35	27 January 2022		0	0	/	/	95.61	No
Gong Bin	Supervisor	Female	46	27 January 2022		0	0	/	/	95.61	No

Unit: Share

Name	Position	Gender	Age	Commencement date of term of office	Termination date of term of office	Shares held at the beginning of the year	Shares held at the end of the year	Change in terms of increase or decrease in shares during the year	Reasons for change	Total remuneration receivable from the Company during the Reporting Period (before tax) *(RMB0'000)*	Whether received remuneration from connected parties of the Company
Liu Guobiao	Supervisor	Male	57	18 October 2022		0	0	/	/	95.61	No
Li Si	Supervisor	Male	38	9 June 2023		0	0	/	/	47.81	No
Liao Xingeng	Deputy general manager	Male	57	18 July 2018		0	0	/	/	101.87	No
Chen Yunian	Deputy general manager	Male	60	23 October 2017		0	0	/	/	101.87	No
Jiang Wenbo	Deputy general manager	Male	55	18 March 2021		0	0	/	/	101.87	No
Tu Dongyang	Deputy general manager	Male	49	18 March 2021		0	0	/	/	101.87	No
	Secretary to the Board			28 May 2021							
Peng Xihong	Chief legal officer	Male	52	28 May 2021		0	0	/	/	101.87	No
Tung Tat Chiu, Michael	Company secretary	Male	61	24 January 1997		0	0	/	/	5	No
Total	/	/	/	/	/	0	0	/	/	1,698.21	/

Name	Major work experience
Zheng Gaoqing	Mr. Zheng is currently the secretary to the party committee, an executive Director and the chairman of the Company. He has postgraduate academic qualifications with a master's degree in business management. He had been a technician, assistant engineer and engineer of Jiangxi Optical Instrument Factory* (江西光學儀器廠); cadre of Shangrao County Economic Commission of Jiangxi Province* (江西上饒縣經委幹部), deputy director and deputy secretary of the Second Light Bureau* (二輕局), deputy director of the Power Supply Bureau* (供電局), concurrently as the chairman and general manager of Jiangxi Hexing Electronics Co., Ltd.* (江西和興電子有限公司); the chairman and general manager of Jiangxi Shangrao Ganxing Electronics Co., Ltd.* (江西上饒贛興電子有限公司); director of Shangrao County Handicraft Association* (上饒縣手工聯社), the general manager of Great Wall Enterprise Group* (長城企業集團); concurrently as secretary to the party committee of Shangrao County Second Light General Corporation* (上饒縣二輕總公司); the deputy magistrate of the Poyang County Government of Jiangxi Province, a member of the standing committee of the county party committee, the executive deputy magistrate; the deputy secretary of the municipal party committee and mayor of Dexing City; the secretary of the Wannian County party committee; a member of the party committee and deputy manager of the State-owned Assets Supervision and Administration Commission of Jiangxi Province. He has extensive experience in management.
Zhou Shaobing	Mr. Zhou is currently the deputy secretary to the party committee, an executive Director, the deputy chairman and the general manager of the Company, with a bachelor's degree. He was the head of Dexing Copper Mine, the chief engineer of Dexing Copper Mine, the head of Chengmenshan Copper Mine, and a deputy general manager of the Company, and the secretary of the party committee and chairman of Jiangxi Tungsten Holding Group Co., Ltd.* (江西鎢業控股集團有限公司).
Wang Bo	Mr. Wang was a deputy secretary to the party committee and an executive Director of the Company, a senior political engineer with a postgraduate degree and extensive experience in administration management.

Name	Major work experience
Liu Fangyun	Mr. Liu is currently a member of the party committee, an executive Director, and a deputy general manager of the Company. He graduated from Kunming Institute of Technology majoring in mining machinery, with a bachelor's degree and is a professor-level senior engineer. He was the head of Chengmenshan Copper Mine, the head of Dexing Copper Mine, the secretary to the party committee, chairman and general manager of Jiangxi Province Minbao Investment Company Limited* (江西省民爆投資有限公司).
Yu Tong	Mr. Yu is currently a member of the party committee, an executive Director, and the chief financial officer of the Company. He graduated from Jianxi Institute of Finance and Economics majoring in statistics and finance and obtained a master's degree in business administration from the MBA School of Jiangxi University of Finance and Economics. He served as the manager of the financial audit department of China Jiangxi International Economic and Technical Cooperation Co., Ltd.* (中國江西國際經濟技術合作公司), and the chief financial officer of Jiangxi Dacheng State-owned Assets Management and Management Co., Ltd.* (江西大成國有資產經營管理有限責任公司). He has extensive financial management experience.
Gao Jian-min	Mr. Gao graduated from Tsinghua University. Mr. Gao has been a Director since the Company's incorporation. He is currently the chairman of Silver Grant Group (HK) Limited, and was a director and the general manager of Silver Grant International Holdings Group Limited, a director of Qingling Motors Co., Ltd. and the vice chairman of Oshidori International Holdings Limited. He has extensive experience in finance, industrial investment and development.
Liang Qing	Mr. Liang has been appointed as a Director since June 2002. He currently serves as an independent non-executive director of Silver Grant International Holdings Group Limited and Sinotruk (Hong Kong) Limited. Mr. Liang was the vice chairman and general manager of China Minmetals H.K. (Holdings) Limited. He has extensive experience in international trading and investment.

Name	Major work experience
Liu Xike	Mr. Liu is currently the president of Jiangxi Financial Development Group Co., Ltd.* (江西金融發展集團股份有限公司) and he graduated from Jiangxi University of Finance and Economics majoring in investment and Cheung Kong Graduate School of Business. He had worked for China Construction Bank, Zhonglei Certified Public Accountants, and Jiangxi Supervision Bureau of CSRC.
Zhu Xingwen	Mr. Zhu is currently a professor, Ph. D., and a tutor to master's and postgraduate students at the School of Accounting, Jiangxi University of Finance and Economics. His main research areas are accounting theories and methods, auditing theories and practice. In particular, he acquired research outcome of a self-developed system in aspects including accounting legal norms, accounting standards theories and accounting and auditing issues under the corporate governance framework.
Wang Feng	Mr. Wang is a Ph. D., graduated from Peking University majoring in corporate management. He is currently the chairman of Beijing He Jun Consulting Limited* (北京和君諮詢有限公司), the chairman of He Jun Consulting of He Jun Group Limited* (和君集團有限公司和君諮詢), the associate dean and senior partner of He Jun Business School* (和君商學院).
Li Shuidi	Mr. Li has a postgraduate degree and graduated from Nanchang University with a bachelor's degree in mechanics and a master's degree in ideological and political education. He served as the deputy secretary of the party committee of Nanchang University, the secretary of the party committee of Nanchang Institute of Engineering, and the deputy chairman of the Education, Science, Culture and Health Committee of Jiangxi Provincial People's Congress* (江西省人大教育科學文化衛生委員會).
Zha Kebing	Mr. Zha is currently an assistant to the general manager, and the general manager of the strategy and investment department of the Company and a senior engineer with a postgraduate degree. He served as the head of Dexing Copper Mine, a member of the party committee and the head of the Chengmenshan Copper Mine, and a deputy chief engineer of JCC.

Name	Major work experience
Zhao Bicheng	Mr. Zhao is currently a standing vice chairman of the labour union of the Company and has a bachelor degree. He had worked for Jiangxi Provincial Fire Brigade, and served as the deputy secretary and director of disciplinary inspection and supervision office of disciplinary committee of Jiangxi State-owned Capital Operation Holdings Group Co. Ltd.* (江西省省屬國有企業資產經營(控股)有限公司).
Gong Bin	Ms. Gong is currently the deputy secretary of the disciplinary committee and director of the inspection office of the party committee of the Company, and has a bachelor's degree. She served as the deputy director of the television station and the deputy secretary of the youth league committee of the Company, and the secretary of the disciplinary committee of Dexing Copper Mine and the Processing Division of the Company.
Liu Guobiao	Mr. Liu is currently the head of the inspection team of the inspection office of the disciplinary committee of the Company and has a bachelor graduate. He served as a deputy director of the audit department of JCC; a deputy director of the secretariat of the Board of the Company; the chief financial officer and the deputy general manager of Sichuan Kangxi Copper Industry Co., Ltd.* (四川康西銅業有限責任公司); the chief financial officer of Sichuan JCC Rare Earths Company Limited* (四川江銅稀土有限責任公司); a member of the general party branch and the chief financial officer of JCC Copper Strip Company Limited* (江西銅業集團銅板帶公司); and a member of the general party branch and the chief financial officer of Jiangxi JCC Copper Foil Technology Company Limited and the general manager of the audit department of the Company.
Li Si	Mr. Li is currently the general manager of the legal affairs and risk control department of the Company, and has a postgraduate degree.

Name	Major work experience
Liao Xingeng	Mr. Liao is currently a member of the party committee and a deputy general manager of the Company and a senior engineer. He graduated from the Southern Institute of Metallurgy majoring in non-ferrous metallurgy. He is a master's graduate from Nanchang University majoring in business administration. He was the chairman of Jiangxi Rare Earth Metal Tungsten Industry Group Import and Export Co., Ltd.* (江西稀有稀土金屬鎢業集團進出口有限公司) and an assistant to the general manager and the deputy general manager of Jiangxi Rare Metal Tungsten Holding Group Co., Ltd.* (江西稀有金屬鎢業控股集團有限公司); the deputy general manager of Jiangxi Tungsten Holding Group Co., Ltd.* (江西鎢業控股集團有限公司), with rich experience in administrative management.
Chen Yunian	Mr. Chen is currently a member of the party committee and a deputy general manager of the Company, and a senior engineer. He graduated from the Changsha School of Engineering majoring in smelting profession in July 1982 and graduated from the Central Party School, majoring in economics management (teaching by correspondence) in December 2003. He served as the deputy director of the electrolysis workshop and director of the smelting workshop of Guixi Smelter, deputy director of Guixi Smelter, assistant to the general manager of the Company and director of Guixi Smelter.
Jiang Wenbo	Mr. Jiang is currently a deputy general manager of the Company and a senior political engineer, graduated from the Southern Institute of Metallurgy majoring in surveying. He served as the secretary of the party committee and the head of Wushan Copper Mine and the secretary of the party committee, the chairman and the general commander of Sichuan rare earth project construction of Sichuan JCC Rare Earths Company Limited*(四川江銅稀土有限責任公司).

Name	Major work experience
Tu Dongyang	Mr. Tu is currently a member of the party committee, deputy general manager and the secretary of the Board of the Company. He is a Ph.D. of economics. He successively worked for the People's Bank of China, insurance institutions, and financial regulatory authorities. He served as the director of the personal insurance supervision division, and the director of the office (consumer rights protection division) of the Xiamen Supervision Bureau of the former China Insurance Regulatory Commission, the director of the supervising division of foreign investment institutions of Xiamen Supervision Bureau of China Banking and Insurance Regulatory Commission* (中國銀行保險監督管理委員會廈門監管局外資機構監管處), a first-level researcher, and assistant to the general manager of the Company (temporary post).
Peng Xihong	Mr. Peng is currently the chief legal officer of the Company, and graduated from East China University of Political Science and Law with a master of laws. He was the head of the Civil Adjudication Tribunal No.3, head of the Criminal Adjudication Tribunal and a member of the tribunal committee of the People's Court of Donghu District, Nanchang City, Jiangxi Province, the PRC. He served as the deputy director and the director (general manager) of the legal affairs department of Jiangxi Provincial Investment Group Co., Ltd.* (江西省投資集團有限公司) and the director of the legal affairs department of the enterprise management department of Jiangxi Military Industry Holding Co., Ltd.* (江西省軍工控股集團有限公司).
Tung Tat Chiu, Michael	Mr. Tung is currently the Hong Kong legal adviser of the Company and the senior partner of Tung & Co.. He holds a bachelor of arts degree in law and accounting from the University of Manchester, the United Kingdom. He has over 30 years of experience as a practicing lawyer in Hong Kong. Mr. Tung joined the Company in January 1997. Mr. Tung is also the company secretary of a number of companies listed in Hong Kong.

(II) Positions held by current Directors, Supervisors and senior management and those resigned during the Reporting Period

1. Positions held in shareholders' entities

Name	Name of shareholder's entity	Position held in the shareholder's entity	Appointment date	End of term
Zheng Gaoqing	JCC	Secretary to the party committee	31 August 2020	
		Chairman	21 September 2020	
Wang Bo	JCC	Director	16 December 2021	
Liu Fangyun	Jiangxi JCC High Precision Copper Plate and Strip Co., Ltd.	Chairman	5 September 2023	
Chen Yunian	Jinrui Futures Shareholding Company	Supervisor	1 February 2021	
Zhao Bicheng	JCC	Supervisor	28 February 2022	
Li Si	JCC	Supervisor	30 April 2020	
Zha Kebing	Jiangxi Copper Engineering Magazine Co., Ltd.	Executive director, legal representative	9 March 2021	
Explanation on positions held in shareholders' entities	Nil			

2. Positions held in other entities

Name	Name of other entities	Position held in other entities	Appointment date	End of term
Zha Kebing	Minmetals Jiangxi Copper Mining Investment Company Limited	Director	26 January 2014	
Gao Jian-min	Silver Grant Group (HK) Limited	Chairman	2 September 2019	
Liu Xike	Jiangxi Financial Development Group Shareholding Co., Ltd.	Director, general manager	1 June 2016	
Zhu Xingwen	The School of Accounting of the Jiangxi University of Finance and Economics	Professor		
Wang Feng	Beijing He Jun Consulting Limited	Chairman		
	He Jun Consulting of He Jun Group Limited	Chairman		
	He Jun Business School	Associate dean		
Explanation on positions held in other entities	Nil			

(III) Remuneration of Directors, Supervisors and senior management

Procedures for determining remuneration of Directors, Supervisors and senior management	The remuneration committee of the Company formulates proposals on remuneration of the Directors and senior management to be submitted to the Board for consideration and approval. The remuneration of Supervisors was considered by the Supervisory Committee.
Whether the Directors recuse themselves from discussions on their own remuneration at the Board meetings	Yes
Details of recommendations expressed by the remuneration committee or the specialised meeting of the independent Directors on matters relating to the remuneration of the Directors, Supervisors and senior management	1. The annual remuneration of each internal Director of the ninth session of the Board during their term of office shall be based on the previous year's remuneration (tax inclusive), and the annual adjustment rate shall be determined by the remuneration committee of the Company at its discretion after taking into account the actual results of operation for the year, and the Board shall be authorised to determine and approve the implementation of the payment of such remuneration. 2. The annual remuneration of each Supervisor of the ninth session of the Supervisory Committee during their term of office shall be based on the previous year's remuneration (tax inclusive), and the annual adjustment rate shall be determined by the remuneration committee of the Company at its discretion after taking into account the actual results of operation for the year, and the Board shall be authorised to determine and approve the implementation of the payment of such remuneration. 3. The annual remuneration of each external Director of the ninth session of the Board during their term of office shall be RMB250,000 (tax inclusive), and the Board shall be authorised to determine and approve the implementation of the payment of such remuneration. 4. The annual allowances (or travelling allowances) of each independent Director of the ninth session of the Board during their term of office shall be RMB150,000 (tax inclusive), and the Board shall be authorised to determine and approve the implementation of the payment of such remuneration.

Basis for determining remuneration of Directors, Supervisors and senior management	Remuneration for the Directors, Supervisors and senior management consist of base salaries and performance salaries, among which performance salaries are calculated based on the base salaries and the appraisal results of their annual performance. Remuneration for the independent Directors are determined according to the annual allowances.
Particulars of remuneration payment to Directors, Supervisors and senior management	During the Reporting Period, remuneration payment to the Directors, Supervisors and senior management amounted to RMB16.9821 million.
Total payment of remuneration received by Directors, Supervisors and senior management as at the end of the Reporting Period	During the Reporting Period, the Directors, Supervisors and senior management received a total remuneration of RMB16.9821 million.

(IV) Changes in Directors, Supervisors and senior management

Name	Position held	Change	Reasons for change
Wang Bo	Executive Director	Resigned	Retirement
Li Si	Supervisor	Elected	Job transfer

(V) Explanation on punishments imposed by securities regulatory institutions in the recent three years

Not applicable

(VI) Directors' and Supervisors' service contracts

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

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

(VII) Permitted indemnity provisions

At no time during the Reporting Period and as at the date of this report, there was or is, any permitted indemnity provision being in force for the benefit of any of the Directors or Supervisors (whether made by the Company or otherwise) or the directors or supervisors of an associated corporation of the Company (if made by the Company).

(VIII) Interests of Directors, Supervisors and chief executive in shares

As at 31 December 2023, none of the Directors, Supervisors or chief executive of the Company had any interests or short positions in any shares, underlying shares and debentures of the Company or any associated corporation as recorded in the register of the Company required to be kept under section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules.

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

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

Except for the transactions disclosed in "XIII. Material Connected Transactions" under the "Significant Events" section of this annual report, as at 31 December 2023 or at any time during the Reporting Period, none of the Company or its subsidiaries entered into any material transactions, arrangements or contracts in which any of the Directors or Supervisors or an entity connected with them was either directly or indirectly materially interested.

(X) Employee information of the parent company and its major subsidiaries as at the end of the Reporting Period

1. Employee information

Number of in-service employees in the parent company	11,728
Number of in-service employees in major subsidiaries	14,338
Total number of in-service employees	26,066
Number of employees retired for whom the parent company and major subsidiaries shall be liable to expenses	0

Specialty composition

Category	Headcount
Production	17,762
Sales	305
Technician	3,393
Finance	498
Administration	4,108
Total	26,066

Education level

Category	Headcount
Doctorate	185
Postgraduate	846
Undergraduate	5,777
Junior college	5,537
Technical secondary	1,685
Technical school	2,719
High school and below	9,317
Total	26,066

2. **Remuneration policies**

In 2023, the Company followed the implementation of a position-performance remuneration mechanism and based on the principle of rewards by efforts, made remuneration distribution according to value of position, work skillsets and performance. Employee remuneration mainly including position salaries, performance salaries and other welfare, were released based on appraisal with reference to the business performance of the Company and management obligations, etc.

3. **Training plan**

In 2023, the Company followed the systems related to training management, such as the Management Measures of Education and Trainings (《公司教育培訓管理辦法》), Management Measures on Education and Training Budgets (《公司教育培訓經費管理辦法》), Management Measures on Nurturing and Use of Outstanding Students (《公司優秀生培養與使用管理辦法》), Proposal for Evaluation on the Effectiveness of Training Implementation (《公司培訓實施效果評估方案》) and Proposal for Talent Self-nurturing and Evaluation Implementation (《公司技能人才自主培養與評價實施方案》). The Company continuously optimised the training management system, deepened the construction of self-nurturing and evaluation system for skilled talents, improved the talent cultivation mechanism and consolidated the foundation of three talent teams, namely management, technology and skills to continuously enhance the guarantee ability of talents for the sustainable development. In 2023, a total of 17,365 employees participated in trainings, with 57,307 times of training participation and a total training time of 1,405,080 hours.

4. **Outsourcing**

Not applicable

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

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

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

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

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

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

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

The Board recommends that after the approval of the shareholders at the forthcoming 2023 annual general meeting of the Company:

(1) appropriate 10% of the profit after tax of the parent company calculated under PRC GAAP to the statutory surplus reserve; and

(2) distribute a final dividend of RMB6 per 10 shares (tax inclusive) for the year ended 31 December 2023 (2022: RMB5 per 10 shares) to all Shareholders based on 3,462,372,805 shares, namely the total issued share capital of 3,462,729,405 shares as at 26 March 2024 deducting 356,600 A shares in the Company's repurchase dedicated securities account, amounting to approximately RMB2,077,423,683, accounting for 31.94% of the net profit attributable to shareholders of the Company for the year of 2023. The remaining undistributed profits are carried down to the next year. If, during the period between the date of disclosure of the results announcement for the year ended 31 December 2023 to the record date for entitlement distribution, the total share capital of the Company changes for reasons such as share repurchases, the total amount shall be adjusted based on the total share capital on the record date for future implementation of the distribution plan deducted by the number of shares in the repurchase dedicated securities account, in accordance with the principle that the distribution ratio per share shall remain unchanged.

The 2023 final dividend for A shares will be declared and paid in Renminbi, and the 2023 final dividend for H shares will be declared in Renminbi and paid in Hong Kong dollars.

The profit distribution will not carry out conversion of capital reserve to share capital or issuance of bonus shares.

(II) A special explanation on cash dividend policy

Whether the policy is in compliance with the requirements of the Articles or the resolutions passed at the general meeting	Yes
Whether the basis and ratio of the distribution of dividends are specific and clear	Yes
Whether the relevant decision making procedure and mechanism are sound	Yes
Whether the independent Directors have duly performed their duties and functions	Yes
Whether there are sufficient opportunities for minority shareholders to express their views and concerns, and whether their legal interests are sufficiently protected	Yes

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

Not applicable

(IV) Other Explanations

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

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

Withholding and Payment of Personal Income Tax for Individual H Shareholders

Pursuant to the State Administration of Taxation Notice on Matters Concerning the Levy and Administration of Individual Income Tax After the Repeal of Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348) (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)) dated 28 June 2011, and the letter entitled "Tax arrangements on dividends paid to Hong Kong residents by Mainland companies" dated 4 July 2011 issued by the Stock Exchange, the Company is required to withhold and pay the individual income tax in respect of the 2023 final dividends paid to the individual H Shareholders (the "**Individual H Shareholders**"), as a withholding agent on behalf of the same. However, the Individual H Shareholders may be entitled to certain tax preferential treatments pursuant to the tax treaties between the PRC and the countries (regions) in which the Individual H Shareholders are domiciled and the tax arrangements between Mainland China and Hong Kong (Macau).

Pursuant to the aforesaid tax regulations, when the 2023 final dividends is to be distributed to the holders of H shares whose names appear on the register of members of the Company as at 21 June 2024, the Company will base on the tax rate of 10% to withhold 10% of the dividend to be distributed to the Individual H Shareholders as individual income tax. For non-resident enterprise holders of H shares, the Company will withhold 10% of the dividend as enterprise income tax according to the relevant tax regulations in line with its previous practice.

If shareholders' names appear on the H shares register of members, please refer to nominees or trust organisation for details of the relevant arrangements. The Company has no obligation and shall not be responsible for confirming the identities of the shareholders. The Company will strictly comply with the laws, and withhold and pay the enterprise income tax and individual income tax on behalf of the relevant shareholders based on the H shares register of members of the Company as at 21 June 2024. The Company will not accept any requests relating to any delay in confirming the identity of the shareholders or any uncertainties in the identity of the shareholders.

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

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

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

XIV. EQUITY-LINKED AGREEMENT

There was no equity-linked agreement entered into by the Company during the Reporting Period.

XV. DONATION

Details of the Group's donations are set out on page 165 under the "Significant Events" section of this report.

XVI. DISTRIBUTABLE RESERVE

Based on the calculation under the applicable laws and regulations of the jurisdiction where the Company is incorporated, the Company's distributable reserve as at 31 December 2023 amounted to approximately RMB63,959,319,000 (2022: RMB70,055,921,000).

XVII. MANAGEMENT CONTRACTS

During the Reporting Period, the Company did not enter into any contract in respect of the management or administration of the whole or any substantial part of the business, nor did any such contract exist.

Report of the Supervisory Committee

2023 WORK REPORT OF THE SUPERVISORY COMMITTEE

The Supervisory Committee exercised its powers in accordance with the provisions of the Company Law and the Articles and inspected and supervised the financial management of the Company, internal control system, implementation of resolutions of general meetings, business decision making, decision making of the Board and management, and business activities during the Reporting Period, and expressed opinions on the following matters:

1. Compliant operation of the Company: During the Reporting Period, in accordance with the relevant provisions of the Company Law and the Articles, the Supervisory Committee supervised the convening procedures and resolutions of the general meetings and Board meetings of the Company of 2023, the implementation of the resolutions of the general meetings by the Board; the integrity and diligence of Directors and the senior management. The Supervisory Committee is of the view that the decision-making procedures of the Company are legal and operate in strict accordance with the internal control system, and no connected parties abnormally misappropriate the funds of the Company and provide guarantee in violation of laws and regulations. External guarantees provided by the Company: as at 31 December 2023, Heding Copper, a subsidiary of the Company, provided a guarantee of RMB255 million for Fuye Group, and Jiangxi Heli Environmental Protection Technologies Co., Ltd., Jiangxi Hefeng Environmental Technology Co., Ltd. and Zhejiang Fuhe Zhiye Co., Ltd. acted as the counter-guarantors of Fuye Group and undertook counter-guarantee with joint and several liabilities to Heding Copper with all of their own assets.

   Save as disclosed above, the Company did not provide any guarantees to its substantial shareholders and subsidiaries of the substantial shareholders. There was no misappropriation of funds for non-operation purpose between the Company, its substantial shareholders and subsidiaries of the substantial shareholders. When performing official duties, the Directors and senior management earnestly fulfilled their obligations of integrity and diligence, without violating laws, administrative regulations, the Articles, or activities that would damage the interests of the Company.

2. Financial inspection of the Company: The Supervisory Committee duly reviewed the periodic reports of the Company and effectively supervised the 2023 financial position and financial structure of the Company. The Supervisory Committee concluded that the financial position of the Company is performing well and there are no major risks. The Supervisory Committee is of the view that the audited 2023 financial report of the Company prepared in accordance with PRC GAAP and IFRSs reflects the financial position and operating results in an objective, fair and true manner.

3. During the Reporting Period, there was no material asset acquisition and disposal and no indication of damage to shareholders' interests or dissipation of the Company's assets.

4. During the Reporting Period, the procedures for entering into connected transactions complied with the requirements of the Listing Rules. The disclosure of connected transactions was timely and sufficient. The implementation of connected transaction contracts reflected the principle of justice and fairness, and there was no behaviour that harmed the interests of shareholders or the Company.

5. Internal control of the Company: The Supervisory Committee duly reviewed the Evaluation Report on Internal Control of Jiangxi Copper Company Limited (《江西銅業股份有限公司內部控制評價報告》). The Supervisory Committee is of view that the Company has established a sound internal control system which could be effectively implemented. The Evaluation Report on Internal Control of Jiangxi Copper Company Limited (《江西銅業股份有限公司內部控制評價報告》) completely, truly, accurately and objectively reflected the actual situation of the internal control of the Company, and the Supervisory Committee had no objection to the above evaluation report.

6. During the Reporting Period, information disclosure of the Company was in compliance with the regulatory requirements of domestic and overseas listing venues, and the information disclosure management system and business processes of the Company were able to operate effectively.

In summary, in 2024, the Supervisory Committee will continue to perform its duties faithfully in strict accordance with the Company Law, the Articles and the relevant laws and regulations of the PRC, effectively supervise the Board and senior management in their performance of daily duties in accordance with the laws, actively attend the general meetings and Board meetings, keep abreast of the Company's financial position, be aware of and supervise the lawfulness and compliance of all major decisions and their procedures, and further improve the level of standard operation of the Company.

Internal Control

I. RESPONSIBILITY STATEMENT OF INTERNAL CONTROL AND ESTABLISHMENT OF INTERNAL CONTROL SYSTEM

According to the requirements of the Standard System for Enterprise Internal Control, it is the responsibility of the Board to establish a sound internal control, implement it effectively, and evaluate its effectiveness and truthfully disclose the evaluation report on internal control. The Supervisory Committee supervises the establishment and implementation of internal control by the Board. The management is responsible for organising and leading the daily operation of enterprise internal control.

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

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

(I) Conclusions on the evaluation of internal control

According to the identification of material deficiencies of internal control in the financial reporting of the Company, as at the basis date of the internal control evaluation report, material deficiencies of internal control in the financial reporting did not exist. The Board is of the view that the Company has maintained effective internal control in the financial reporting in all material respects in accordance with the requirements of the Standard System for Enterprise Internal Control and relevant regulations.

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

There were no factors affecting the conclusion of the evaluation of effectiveness of internal control from the basis date of the internal control evaluation report to its issue date.

(II) Evaluation of internal control

1. Evaluation scope of internal control

The Company determined to incorporate major units, business and matters as well as high-risk fields into the evaluation scope pursuant to the risk-oriented principle.

1. Major units included in the evaluation scope comprise of:

The Company, Humon Smelting, Yinshan Mining, Jiangxi Copper International Trade Company Limited, Shanghai Jiangxi Copper Trading Company Limited, Jiangxi Copper (Shenzhen) International Investment Holding Co., Ltd, Jiangxi Copper Products Company Limited, JCC Copper Products Company Limited, JCC Taiyi, JCC Longchang, Jiangxi JCC Copper Foil Technology Company Limited, Jiangxi Copper North China (Tianjin) Copper Co., Ltd., Jiangxi Cable, JCC Finance Company Limited, JCC Geology Exploration Company Limited, Jiangxi Copper Technical Institution Co., Ltd., Jiangxi Copper Construction Supervision Consulting Company Limited, Thermonamic Electronics (Jiangxi) Corp., Ltd., Jiangxi Copper (Hong Kong) Investment Company Limited, Jiangxi Copper Hong Kong Company Limited, Jiangxi Jiangtong-Wengfu Chemical Engineering Company Limited, Jiangxi Copper Dexing Chemical Company Limited, JCC (Dexing) Casting Company Limited, JCC Hongyuan, Jiangxi Copper Recycling Resources Company Limited, JCC (Guixi) New Metallurgical and Chemical Technologies Company Limited, JCC Logistics Company Limited, JCC (Ruichang) Casting Company Limited, JCC (Qianshan) Mineral Processing Pharmaceuticals Company Limited, Jiangxi Copper (Qianshan) Photovoltaics Company Limited, JCC Guixi Recycling Resources Company Limited, JCC Construction Company Limited and JCC Guoxing, etc.

2. *Percentage of the units included in the evaluation scope:*

Indicator	Percentage (%)
The percentage of the total assets of the units included in the evaluation scope accounting for the total assets shown in the Company's consolidated financial statements	98.87
The percentage of the total revenue of the units included in the evaluation scope accounting for the total revenue shown in the Company's consolidated financial statements	99.77

3. *Main business and matters included in the evaluation scope include:*

Internal environment (organisational structure, development strategy, human resources, corporate culture, social responsibility), risk assessment, information and communication, internal supervision, procurement management, sales management, capital activity management, financial reporting management, asset management, production and inventory management, contract management, investment management, engineering project management, financial derivatives management, information system management, comprehensive budget management, research and development management, etc.

4. *High-risk areas of focus include:*

Marketing and trading business, financial derivative business (futures, forward foreign exchange), financial investment business, engineering management, inventory management, asset management, external investment business.

The above-mentioned units, business and matters, as well as high-risk areas included in the evaluation scope, covered the Company's major aspects of operation and management. There is no material omission.

2. **Basis of internal control evaluation and criteria for identification of deficiencies in internal control**

The Company organises and carries out the internal control evaluation in accordance with the Enterprise Internal Control Evaluation Guideline, the Measures for Risk Management and Internal Control of Jiangxi Copper Company Limited (2022 Version) and the 2023 Internal Control Evaluation Implementation Plan of Jiangxi Copper Company Limited.

According to the requirements of Standard System for Enterprise Internal Control for the identification of material deficiencies, major deficiencies and general deficiencies, given the Company's size, industry characteristics, risk preference, risk tolerance and other factors, the Board distinguished between internal control over financial reporting and non-financial reporting and studied and formulated the specific criteria for identification of deficiencies in internal control applicable to the Company which are kept consistent as previous years.

(1) Criteria for identification of internal control deficiencies in financial reporting

Quantitative criteria for identification of internal control deficiencies in financial reporting set by the Company are as follows:

Name of indicator	Quantitative criteria for material deficiencies	Quantitative criteria for major deficiencies	Quantitative criteria for general deficiencies
Amount of misstatement in financial statements	greater than 10% of the audited net profit of the Company for the recent accounting year	greater than 6% and less than or equal to 10% of the audited net profit of the Company for the recent accounting year	less than or equal to 6% of the audited net profit of the Company for the recent accounting year

Qualitative criteria for identification of internal control deficiencies in financial reporting set by the Company are as follows:

Nature of deficiencies	Qualitative criteria
Material deficiencies	One of the following signs usually indicates that there are material deficiencies in the internal control of financial reporting: 1. the Directors, Supervisors and senior management are found to have fraudulent behaviour; 2. the internal control environment is ineffective; 3. the Company rectifies the published financial reports; 4. the certified public accountant identifies material misstatement in the financial report for the current period which has not been identified during the operation of the internal control; 5. the supervision of the Company's audit committee and audit department over the internal control is ineffective.
Major deficiencies	One of the following signs usually indicates that there are major deficiencies in the internal control of financial reporting: 1. although the misstatement in the financial report to be rectified does not reach or exceeds the level of importance, it is still worth the attention of the Board and the management; 2. internal control deficiencies which have previously occurred and been reported to the management are not resolved on time.
General deficiencies	Other internal control deficiencies that do not constitute material deficiencies nor major deficiencies.

(2) *Criteria for identification of deficiencies in internal control over non-financial reporting*

Quantitative criteria for identification of deficiencies in internal control over non-financial reporting set by the Company are as follows:

Name of indicator	Quantitative criteria for material deficiencies	Quantitative criteria for major deficiencies	Quantitative criteria for general deficiencies
Loss of business ability, degree of achievement of business objectives	1. For material business failure, remarkable costs (over 20% more than budget of investment in time, personnel and costs) have to be paid in order to control the situation, or the uncontrollable situation that brings material impact on the subsistence of the enterprise;	Between major deficiencies and general deficiencies.	1. Certain impact on the operation. The situation can be controlled by paying less costs (within 6% more than budget of investment in time, personnel and costs);
	2. Risks resulted in failure of the Company to achieve part of its key operational objectives or performance indicators. For any one of the unachieved indicators with completion rates lower than 90%, or the departments/units affected by such risks failing to achieve all its key operational objectives or performance indicators *(Note 1)*;		2. Affected by risks caused by factors such as equipment, personnel, system and natural disasters, general business/operation of departments/units discontinued for less than 4 hours or may recover promptly.
	3. Affected by risks caused by factors such as equipment, personnel, system and natural disasters, general business/operation of departments/units discontinued for 3 days and above.		

Name of indicator	Quantitative criteria for material deficiencies	Quantitative criteria for major deficiencies	Quantitative criteria for general deficiencies
Loss of assets	Greater than or equal to over 8% of the audited net profit for the recent accounting year.	Between major deficiencies and general deficiencies.	Lower than 6% but greater than or equal to 4% of the audited net profit for the recent accounting year of the Company.
Compliance with laws and regulations	1. Material breach of laws and regulations, resulting in investigation by the central government or regulatory institutions and causing punishment;	Between major deficiencies and general deficiencies.	1. Breach of laws and regulations, resulting in investigation, litigation or punishment imposed by municipal-level government department or potential issue of slight violation of regulations, resulting in mainly verbal warning;
	2. Material commercial disputes, civil litigations or arbitrations; underlying amount of which reached 8% of the audited net assets for the recent accounting year of the Company.		2. General commercial disputes, civil litigations or arbitrations; underlying amount of which was lower than 6% but greater than or equal to 4% of the audited net assets for the recent accounting year of the Company.
Impact on safety	One incident resulting in more than 3 deaths.	Between major deficiencies and general deficiencies.	One incident resulting in less than 3 persons suffering from serious injuries (including acute industrial poisoning).

Note 1: Key operational objectives or performance indicators refer to the indicators of the annual assessment of the Company by the Board/the State-owned Assets Supervision and Administration Commission or various indicators issued by the Company during the year for appraisal of its units, such as cost indicators, profit indicators, return on net assets, energy conservation and emission reduction, production safety, etc.

Qualitative standard for identification of internal control deficiencies over non-financial reporting set by the Company are as follows:

Nature of deficiencies	Qualitative standard
Material deficiencies	1. The affected scope and recovery degree of reputation: (1) negative information spreads across the nation, and the central government departments or regulatory institutions pay high attention or start an investigation, or the information becomes a great concern of the official and mainstream media *(Note 2)*; (2) the enterprise needs more than 1 year to restore its reputation *(Note 3)*. 2. Environmental damage: (1) irreparable environmental damage that are catastrophic or the environmental events as defined in the Emergency Countermeasures for Environmental Incidents of the PRC (《國家突發環境事件應急預案》); (2) the situation is reported by the national administrative department on environmental protection and is requested to suspend production for rectification. 3. The impact on employee attitude, ability and number: (1) serious impairment of the interest of employees and influence their overall working enthusiasm; (2) individual or collective appeal of the staff, resulting in bad influences; (3) the loss of more than 5% of the key technical staff and management personnel (intermediate level (inclusive) technician/management personnel at middle level above the secondary units).
Major deficiencies	1. The affected scope and recovery degree of reputation: Between material deficiencies and general deficiencies. 2. Environmental damage: Between material deficiencies and general deficiencies. 3. The impact on employee attitude, ability and quantity: Between material deficiencies and general deficiencies.

Nature of deficiencies	Qualitative standard
General deficiencies	1. The affected scope and recovery degree of reputation: (1) negative information which has no substantial damage to the corporate reputation or does not attract the attention of the media; (2) the enterprise can rapidly defuse the impact caused by the negative information. 2. Environmental damage: (1) administrative penalty imposed by the environmental protection department at the district and county level; (2) has certain or temporary impact on the environment or society, but without damage to the ecosystem; (3) draws attention of the relevant authorities of the government or needs to inform the relevant authorities of the government, and does not need to take practical actions but needs to pay close attention. 3. The impact on employee attitude, ability and number: (1) influences the working enthusiasm of the employees to some extent and lower their working efficiency; (2) individual or collective appeal of the staff to the parent company, which has adverse impact on the corporate culture and corporate cohesion to certain extent; (3) the loss of less than 1% of the key technical staff and management personnel.

Note 2: The official media such as People's Daily, Xinhua News Agency and China Central Television.

Note 3: For example, if there are environmental incidents, the time required for the rectification to be finalised by the regulatory authorities can be defined as the time required to restore the reputation.

During the Reporting Period, there were no material, major or general deficiencies in the internal control of financial reporting or non-financial reporting of the Company.

II. EXPLANATIONS ON RELEVANT MATTERS OF INTERNAL CONTROL AUDIT REPORT

The Company disclosed a standard unqualified Internal Control Audit Report for the year of 2023 issued by Ernst & Young Hua Ming LLP, the auditor for internal control, which considered that the Company has maintained effective internal control over financial reporting in all material respects. For details, please refer to the websites of the SSE and the Company.

III. MANAGEMENT AND CONTROL OVER SUBSIDIARIES DURING THE REPORTING PERIOD

During the Reporting Period, the Company continued to build a complete governance system with system implementation as the basis, decision-making and implementation as the core and process supervision as guarantee, so as to promote the transformation of system implementation into real governance efficiency. All its subsidiaries continued to improve the corporate governance structure and formed an effectively balanced corporate governance structure for performing their duties and assuming their responsibilities, that operated in a coordinated manner. Specifically, the Company rolled out the following: 1. it strengthened the capacity-building of full-time Directors and Supervisors to perform their duties and improve the efficiency of post investment management; 2. it continued to steadily promote the normalised operation of the Company's greater risk control system, promoted risk control in a comprehensive, all-staff and systematical manner, strictly implemented the "three lines of defence" of the greater risk control system, and effectively prevented risks in promoting reform and development; 3. the Company optimised the subsidiary management system, improved the financial internal control system, and strengthened statement governance management; 4. it gave full play to the supervisory functions of the discipline inspection and monitoring and audit, and the supervisory function of the Supervisory Committee and standardised the operation of power and the due performance of their duties.

IV. RECTIFICATION OF SELF-INSPECTED PROBLEMS IN SPECIAL ACTIONS FOR GOVERNANCE OF LISTING COMPANIES

On 14 January 2021, after receiving the "Notice of Jiangxi Securities Regulatory Bureau on Implementing the Special Actions for Governance of Listed Companies" (《江西證監局關於做好上市公司治理專項行動工作的通知》), the Company attached great importance to it, established a leading group for the special actions for governance, and formulated a work plan for the special actions for governance. The Company carried out in-depth special self inspection on the operation and decision-making of the Company's organisational structure, controlling shareholders and their connected parties, the construction of internal control standard system, information disclosure and transparency.

1. The operation and decision-making of the organisational structure: The Company has established a comprehensive corporate governance structure in strict accordance with the provisions of the Company Law, the Securities Law of the People's Republic of China and other laws, regulations and normative documents, in which the general meeting of shareholders, the Board of Directors, special committees and senior management are the operation and decision-making bodies, the Supervisory Committee is the permanent supervisory body, and each body exercises its functions and powers in accordance with its own terms of reference and implementation rules. A sound and effective decision-making mechanism, management mechanism and mechanism with balanced power have been established.

2. Controlling shareholders, de facto controllers and connected parties: The Company and its controlling shareholder, JCC, conducted daily connected transactions in accordance with the laws and regulations and the Rules Governing the Listing of Stocks on the SSE (《上交所股票上市規則》), and the resolutions of relevant transactions were submitted to the Board and the general meeting for consideration and approval, and the procedures were ensured to be in compliance through the engagement of independent financial advisors and the provision of independent opinions by independent Directors.

3. Construction of internal control standard system: The Company has established a sound internal control system with mutual balances and supervision among internal control departments. In particular, starting from 2019, the Company has focused on constructing a greater risk control system to make the Company's operation more procedural and standardised, which has comprehensively enhanced the Company's risk management capability.

4. Information disclosure and transparency: The Company has established procedures for internal information collection, collation, review and disclosure, prepared and disclosed regular and interim reports in strict compliance with the requirements of domestic and overseas regulatory authorities, and actively maintained communications with investors through telephone conferences, on-site visits and e-interactions to make the Company's operations more open, transparent and efficient under the premise of legal compliance.

I. BASIC INFORMATION OF CORPORATE BONDS

Unit: 100 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 (if any) to ensure the suitability of investors	Whether there is any risk of termination of listing and trading
2022 Corporate Bonds (First Tranche) publicly issued to professional investors by Jiangxi Copper Company Limited	22 JCC 01	137816	14 September 2022	15 September 2022	15 September 2025	20	2.67	The interest is payable on a yearly basis and the principal is payable upon maturity.	SSE	Nil	No

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

Not applicable

Overdue bonds

Not applicable

Payment of interest of bonds during the Reporting Period

Name of bonds	Explanation of interest payments
2022 Corporate Bonds (First Tranche) publicly issued to professional investors by Jiangxi Copper Company Limited	On 15 September 2023, the Company paid interest of RMB26.70 (tax inclusive) for each "22 JCC 01" with a nominal value of RMB1,000. For details, please refer to the "Announcement on the 2023 Interest Payments of the 2022 Corporate Bonds (First Tranche) Publicly Issued to Professional Investors by Jiangxi Copper Company Limited", disclosed on the website of the SSE on 8 September 2023.

II. THE TRIGGERING AND OPERATION OF ISSUER OR INVESTOR OPTION CLAUSES AND INVESTOR PROTECTION CLAUSES

For details, please refer to the "Announcement of Issuance Results of the 2022 Corporate Bonds (First Tranche) Publicly Issued to Professional Investors by Jiangxi Copper Company Limited" disclosed by the Company on the website of SSE on 9 September 2022.

III. INTERMEDIARIES PROVIDING SERVICES FOR THE ISSUANCE OF BONDS AND EXISTING BUSINESS

Name of intermediary	Address	Name of signing accountant	Contact person	Contact number
China International Capital Corporation Limited	27–28th Floor, China World Office 2, 1 Jianguomenwai Avenue, Chaoyang District, Beijing		Yang Dong, Liu Liu	010-65051166

Changes of the above intermediaries

Not Applicable

IV. USE OF PROCEEDS AT THE END OF THE REPORTING PERIOD

The progress and operational benefits of proceeds used for construction projects

Not applicable

Description on the change of use of the above-mentioned bonds proceeds during the Reporting Period

Not applicable

Other descriptions

Not applicable

V. ADJUSTMENTS TO CREDIT RATING RESULTS

Not Applicable

Other explanation

Not Applicable

VI. IMPLEMENTATION AND CHANGES IN GUARANTEES, DEBT REPAYMENT PLANS AND OTHER DEBT REPAYMENT GUARANTEE MEASURES DURING THE REPORTING PERIOD AND THEIR IMPACT

Not Applicable

VII. OTHER INFORMATION ON CORPORATE BONDS

Not Applicable

VIII. NON-FINANCIAL CORPORATE DEBT FINANCING INSTRUMENT IN THE INTER-BANK BONDS MARKET

Not Applicable

IX. THE COMPANY'S LOSS IN THE SCOPE OF CONSOLIDATED STATEMENTS DURING THE REPORTING PERIOD EXCEEDING 10% OF ITS NET ASSETS AT THE END OF THE PREVIOUS YEAR

Not Applicable

X. OVERDUE INTEREST-BEARING DEBT OTHER THAN BONDS AT THE END OF THE REPORTING PERIOD

Not Applicable

XI. BREACH OF THE LAWS AND REGULATIONS, THE ARTICLES, THE INFORMATION DISCLOSURE MANAGEMENT SYSTEM AND THE IMPACT OF THE AGREEMENT OR COMMITMENTS IN THE BOND PROSPECTUS ON THE RIGHTS AND INTERESTS OF BOND INVESTORS DURING THE REPORTING PERIOD

Not Applicable

XII. ACCOUNTING DATA AND FINANCIAL INDICATORS FOR THE LAST TWO YEARS AS AT THE END OF THE REPORTING PERIOD (PREPARED IN ACCORDANCE WITH PRC GAAP)

Unit: Yuan Currency: RMB

Major indicator	2023	2022	Increase/decrease from last year *(%)*
Net profit attributable to shareholders of the Company after deduction of non-recurring profit and loss	**5,373,810,735**	5,417,038,713	**(0.80)**
Liquidity ratio	**1.45**	1.32	**9.85**
Quick ratio	**0.87**	0.80	**8.75**
Asset-liability ratio *(%)*	**54.36**	51.02	**6.55**
EBITDA total debt ratio	**6.71**	6.86	**(2.19)**
Interest coverage ratio	**4.50**	4.84	**(7.02)**
Cash interest coverage ratio	**5.19**	5.46	**(4.95)**
EBITDA interest coverage ratio	**5.69**	6.39	**(10.95)**
Loan repayment rate *(%)*	**100**	100	**0**
Interest coverage *(%)*	**349.83**	384.31	**(8.97)**

XIII. PARTICULARS OF CONVERTIBLE BOND OF THE COMPANY

Not applicable

I. PERFORMANCE OF UNDERTAKINGS

(I) Undertakings given by de facto controllers, shareholders, connected parties and purchasers of the Company and the Company and other relevant parties to the undertakings during or continuing in the Reporting Period

Background of undertakings	Type of undertakings	Undertakings party	Details of the undertakings	Time of the undertakings	Whether there is time limit of performance	Term of the undertaking	Whether it was fulfilled strictly in a timely manner	Specify when not performing the undertakings timely and reasons for not performing the undertakings timely	Specify the plan if not performing the undertakings timely
Undertaking related to initial public offering	Others	JCC	Note 1	22 May 1997	Yes	Long term	Yes	N/A	N/A
Undertaking related to refinancing	Resolving peer competition	JCC	Notes 2 and 3	21 December 2016	Yes	Long term	Yes	N/A	N/A

Note 1:

1. Under the Company Law, the Company has full independent control over its production and operations. JCC has undertaken not to interfere with the daily operations and decisions of the Company, unless such actions are performed through the Board.

2. (I) During the period when JCC holds 30% or more voting rights in the share capital of the Company, JCC shall make its best endeavors to ensure the independence of the Board pursuant to the requirements set out by the London Stock Exchange and the Stock Exchange. Further, JCC shall ensure that independent Directors (namely those independent of JCC and China National Non-ferrous Metals Industry Corporation) shall constitute a majority of the Board of the Company in accordance with the requirements of the London Stock Exchange.

   (II) During the period when JCC holds 30% or more voting rights in the share capital of the Company, JCC shall exercise its voting rights to ensure that no amendment to the Articles that may impact the independence thereof shall be made.

3. During the period when JCC holds 30% or more voting rights in the share capital of the Company, JCC, its subsidiaries and related companies (including the companies, enterprises and businesses controlled by JCC, except those controlled through the Company) shall not engage in any activities or businesses that are or may be in direct or indirect competition with the Company.

4. JCC has undertaken to assist the Company in obtaining approvals from government agencies with respect to the businesses thereof.

5. In the event that JCC carries out actions such as transfers and disposals of the land use rights of Dexing Copper Mine, Yongping Copper Mine and Guixi Smelter, the Company shall have the pre-emptive right.

6. JCC gives an option to the Company that the Company can purchase from JCC any mines, smelters or refineries that are currently or will be owned and/or operated in the future or any rights of mining or exploration that are currently or will be held in the future by JCC.

Note 2: Details of dividend undertakings

1. The Company can distribute dividend by way of cash, shares or the combination of cash and shares; and can distribute interim dividend according to the actual profitability and the capital requirement of the Company;

2. According to the provisions of the laws, regulations and the Articles, conditional upon the accumulated distributable profits being positive after making up of the losses, deduction of the statutory reserve fund and provident fund in full amount, and having sufficient profits and cash to support the normal production and operation of the Company, in each year, the profit distribution by way of cash shall be not less than 10% of the distributable profits realised for the year, and the accumulated distributable profit distributed by way of cash in the last three years shall be not less than 30% of the average annual distributable profits realised in the last three years;

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

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

1. From 21 December 2016, JCC shall actively transfer its controlling interest or all interest in Copper Strip Company to other independent third parties in compliance with laws before the operating situation of Copper Strip Company turns better and fulfils the condition for being injected into the Company.

2. At the time when the operating situation of Copper Strip Company turns better and fulfils the condition for being injected into the Company, and in the event that JCC has not yet transferred the controlling interest or all interest of Copper Strip Company to independent third parties, JCC undertakes that, provided that the interests of investors of the Company are protected, it shall commence the relevant work to inject 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.

(II) Where profit forecast were made for the assets or projects of the Company with the Reporting Period falling within the forecast period of profit, the explanation of the Company on whether its assets or projects have met the original profit forecast and the reasons thereof

Not applicable

(III) Fulfillment of performance guarantee and its effects on goodwill impairment

Not applicable

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

Not applicable

III. VIOLATION OF GUARANTEES

Not applicable

IV. THE BOARD'S EXPLANATION FOR "NON-STANDARD AUDIT REPORT" GIVEN BY THE AUDITORS

Not applicable

V. ANALYSIS AND EXPLANATION OF THE COMPANY ON THE REASONS AND IMPACT OF THE CHANGE IN ACCOUNTING POLICY, ACCOUNTING ESTIMATION OR CORRECTION TO MATERIAL ACCOUNTING ERRORS

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

Not applicable

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

Not applicable

(III) Communication with the former accounting firm

Not applicable

VI. APPOINTMENT AND REMOVAL OF ACCOUNTING FIRMS

Unit: Yuan Currency: RMB

	Current auditors
Name of domestic auditor	Ernst & Young Hua Ming LLP
Remuneration for domestic auditor	5,800,000
Years of audit services provided by the domestic auditor	6 years
Name of overseas auditor	Ernst & Young
Remuneration for overseas auditor	6,000,000
Years of audit services provided by the overseas auditor	6 years

	Name	Remuneration
Auditor for internal control	Ernst & Young Hua Ming LLP	1,000,000

The remuneration of the Company's auditor for the year of 2023 is set out as follows:

	2023 *RMB '000*
Audit fees(Note 1)	12,800
Non-audit service fees(Note 2)	1,653
	14,453

Notes:

1. Including the fees rendered for the audit of internal control over financial reporting as required by The Basic Standard for Enterprise Internal Control.

2. Including the fees for tax compliance and advisory services.

Appointment and removal of accounting firms

Not applicable

Explanation on change of the accounting firm during the audit period

Not applicable

Explanation on the decrease in audit fees by more than 20% (including 20%) compared with the previous year

Not applicable

Explanation on change of the accounting firm for the past three years

Not applicable

VII. RISK OF DELISTING

(I) Reasons for the delisting risk warning

Not applicable

(II) Measures to be adopted by the Company

Not applicable

(III) Delisting and its reasons

Not applicable

VIII. INSOLVENCY OR RESTRUCTURING

Not applicable

IX. MATERIAL LITIGATIONS AND ARBITRATIONS

1. Litigations and arbitrations disclosed in extraordinary announcements and without subsequent development

Brief description and type of litigations and arbitrations	Reference for inspection
Litigation brought 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 (contractual disputes)	The announcement of the Company dated 12 June 2019
Litigation brought by Jiangxi Copper International Trading 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. (上海鷹悦投資集團有限公司) and its guarantors (contractual disputes)	The announcement of the Company dated 21 June 2019

2. Litigations and arbitrations not disclosed in extraordinary announcements or with subsequent development

Not applicable

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

Not applicable

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

Not applicable

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

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

Not applicable

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

1. Share option scheme

Not applicable

2. Employee shareholding scheme

Not applicable

3. Other employee incentives

Not applicable

(III) Equity incentives to Directors or senior management during the Reporting Period

Not applicable

(IV) PARTICULARS OF THE APPRAISAL MECHANISM FOR SENIOR MANAGEMENT AND OF THE ESTABLISHMENT AND IMPLEMENTATION OF INCENTIVE MECHANISM DURING THE REPORTING PERIOD

According to the authorisation by the general meeting of the Company, the Board has considered and approved the resolution of remuneration of senior management of the Company for the year 2023.

XIII. MATERIAL CONNECTED TRANSACTIONS

(I) Connected transactions in relation to daily operations

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

Brief description	Reference for inspection
The entering into of daily connected transaction contract with JCC by the Company	Announcement of the Company dated 10 November 2023

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

Not applicable

3. Connected transactions

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

Unit: Yuan Currency: RMB

Connected party	Connected relationship	Type of the connected transactions	Subject matter of the connected transactions	Pricing basis of the connected transactions	Connected transaction price	Amount of connected transactions	Percentage as the amount of similar transactions (%)	Settlement of connected transactions	Market price	Reason for the significant difference between transaction price and market reference price
JCC	Controlling shareholder	Sales of commodities	Copper rods and wires	Market price	60,968.46	947,334,180	1.08	Payment upon acceptance		
JCC	Controlling shareholder	Sales of commodities	Copper cathode	Market price	60,365.09	962,598,614	0.31	Payment upon acceptance		
JCC	Controlling shareholder	Sales of commodities	Ancillary industrial products	Market price		53,542,014	0.78	Payment upon acceptance		
JCC	Controlling shareholder	Sales of commodities	Lead materials	Market price		80,222,702	100	Payment upon acceptance		
JCC	Controlling shareholder	Sales of commodities	Ancillary materials	Market price		45,598,084	0.54	Payment upon acceptance		
JCC	Controlling shareholder	Sales of commodities	Sulphuric acid and steel balls	Market price		2,303,654	100	Payment upon acceptance		
JCC	Controlling shareholder	Sales of commodities	Zinc concentrates	Market price		47,779,791	100	Payment upon acceptance		
JCC	Controlling shareholder	Sales of commodities	Tin	Market price		82,901,424	100.00			
JCC	Controlling shareholder	Purchase of commodities	Ancillary industrial products	Market price		82,981,985	1.26	Payment upon acceptance		
JCC	Controlling shareholder	Purchase of commodities	Silver	Market price		1,228,841,123	6.24	Payment upon acceptance		
JCC	Controlling shareholder	Purchase of commodities	Gold	Market price		293,491,218	0.58	Payment upon acceptance		
JCC	Controlling shareholder	Purchase of commodities	Copper concentrates	Market price		16,608,286	0.05	Payment upon acceptance		
JCC	Controlling shareholder	Purchase of commodities	Sulphuric acid and steel balls	Market price		6,914,718	0.46	Payment upon acceptance		
JCC	Controlling shareholder	Purchase of commodities	Crude copper	Market price		2,751,848	0.029	Payment upon acceptance		
JCC	Controlling shareholder	Supply of services	Construction service	Industry standards		106,202,538	25.13	Settlement according to project progress		
JCC	Controlling shareholder	Supply of services	Transport service	Freight price standard in Jiangxi Province		31,705,800	10.96	Monthly payment		
JCC	Controlling shareholder	Supply of services	Repair, maintenance and other service	Industry standards		34,588,311	26.18	Monthly payment		
JCC	Controlling shareholder	Fees of public utilities such as water, electricity and gas (sales)	Electricity service	Cost plus tax		35,163,517	100	Monthly payment		

Connected party	Connected relationship	Type of the connected transactions	Subject matter of the connected transactions	Pricing basis of the connected transactions	Connected transaction price	Amount of connected transactions	Percentage as the amount of similar transactions (%)	Settlement of connected transactions	Market price	Reason for the significant difference between transaction price and market reference price
JCC	Controlling shareholder	Rent and lease	Rental income from public utilities	Shared on a cost basis in accordance with the proportion of staff		5,167,822	27.97	Monthly payment		
JCC	Controlling shareholder	Fees of public utilities such as water, electricity and gas (sales)	Water service	Cost plus tax		161,520	100	Monthly payment		
JCC	Controlling shareholder	Loans	Cumulative provision of loans	Based on the benchmark lending rate promulgated by the People's Bank of China or credit terms no less favourable than the similar terms offered to JCC by other domestic financial institutions or credit cooperatives		2,289,980,000	100	Payment according to the loan contract		
JCC	Controlling shareholder	Loans	Interest received from loans provided	Based on the benchmark lending rate promulgated by the People's Bank of China or credit terms no less favourable than the similar terms offered to JCC by other domestic financial institutions or credit cooperatives		94,805,844	100	Monthly or quarterly payment		
JCC	Controlling shareholder	Borrowings	Interest paid for deposits accepted	Based on the benchmark lending rate promulgated by the People's Bank of China or credit terms no less favourable than the similar terms offered to JCC by other domestic financial institutions or credit cooperatives		83,990,157	100	Monthly or quarterly payment		
JCC	Controlling shareholder	Finance lease	Finance lease interest expenses	Based on the benchmark lending rate promulgated by the People's Bank of China or credit terms no less favourable than the similar terms offered to JCC by other domestic financial institutions or credit cooperatives		234,789	100	Monthly or quarterly payment		

Connected party	Connected relationship	Type of the connected transactions	Subject matter of the connected transactions	Pricing basis of the connected transactions	Connected transaction price	Amount of connected transactions	Percentage as the amount of similar transactions (%)	Settlement of connected transactions	Market price	Reason for the significant difference between transaction price and market reference price
JCC	Controlling shareholder	Finance lease	Acceptance of sale and leaseback	Based on the benchmark lending rate promulgated by the People's Bank of China or credit terms no more favorable than the similar terms offered to JCC by other domestic financial institutions or credit cooperatives		200,000,000	100	Monthly or quarterly payment		
JCC	Controlling shareholder	Acceptance of services	Labour service	Market price		54,529,677	100	Monthly payment		
JCC	Controlling shareholder	Rent and lease	Rent expense of land use right	Market price		196,971,013	100	Monthly payment		
JCC	Controlling shareholder	Acceptance of agency services	Brokerage agency services for commodity future contracts	Market price		10,938,592	20.84	Settlement upon completion of transaction		
JCC	Controlling shareholder	Acceptance of services	Repair and maintenance service	Industry standards		188,373,895	58.63	Monthly payment		
JCC	Controlling shareholder	Acceptance of services	Procurement of spare parts and processed parts	Market price		106,752,679	6.27	Payment upon acceptance		
JCC	Controlling shareholder	Acceptance of services	Construction services	Industry standards		31,958,443	7.56	Settlement according to project progress		
JCC	Controlling shareholder	Acceptance of services	Transport service	Industry standards		16,178,208	50.31	Monthly payment		
JCC	Controlling shareholder	Purchase of subsidiary	Equity transfer	Valuation price		6,421,900	100	Payment upon transfer		
Total				/	/	7,347,994,346		/	/	/

Details of substantial sales return	During the Reporting Period, there was no substantial sales return.
Explanation on connected transactions	During the Reporting Period, material and recurring connected transactions between the Group and connected parties totalled RMB7,348 million, with purchase transactions of RMB2,237 million and sales transactions of RMB2,435 million. Deposit and loan transactions with JCC Finance Company Limited amounted to RMB2,469 million, with finance lease transactions of RMB200 million and purchase of equity interest of RMB6 million.

Agreement Details of Connected Transactions and Continuing Connected Transactions

(1) Consolidated Supply and Services Agreements

The Company and JCC entered into the Consolidated Supply and Services Agreement I (the "**2020 Consolidated Supply and Services Agreement I**") and the Consolidated Supply and Services Agreement II (the "**2020 Consolidated Supply and Services Agreement II**") on 27 September 2020, respectively, pursuant to which, JCC and its subsidiaries from time to time (excluding the Group) supplied various materials and provided consolidated services to the Group, while the Company supplied various materials and provided consolidated services to JCC and its subsidiaries from time to time (excluding the Group). The 2020 Consolidated Supply and Services Agreement I and the 2020 Consolidated Supply and Services Agreement II are valid from 1 January 2021 to 31 December 2023.

The proposed caps of the 2020 Consolidated Supply and Services Agreement I and the 2020 Consolidated Supply and Services Agreement II for each of the three financial years ended 31 December 2023 shall not exceed RMB2,244,080,000 and RMB2,436,170,000, respectively.

The Company and JCC entered into the Consolidated Supply and Services Agreement I (the "**Consolidated Supply and Services Agreement I**") and the Consolidated Supply and Services Agreement II (the "**Consolidated Supply and Services Agreement II**") on 10 November 2023, respectively, pursuant to which, JCC and its subsidiaries from time to time (excluding the Group) supplied various materials and provided consolidated services to the Group, while the Company supplied various materials and provided consolidated services to JCC and its subsidiaries from time to time (excluding the Group). The Consolidated Supply and Services Agreement I and the Consolidated Supply and Services Agreement II are valid from 1 January 2024 to 31 December 2026.

The proposed caps of the Consolidated Supply and Services Agreement I for each of the three financial years ending 31 December 2024, 31 December 2025 and 31 December 2026 shall not exceed RMB6,181,400,000, RMB6,271,270,000 and RMB6,829,961,000, respectively.

The proposed caps of the Consolidated Supply and Services Agreement II for each of the three financial years ending 31 December 2024, 31 December 2025 and 31 December 2026 shall not exceed RMB4,270,010,000, RMB4,605,940,000 and RMB4,571,710,000, respectively.

The Company believes that the above agreements entered into with JCC and its subsidiaries from time to time (excluding the Group) are beneficial to the reasonable allocation and adequate utilisation of the existing assets of each party, the realisation of resource sharing and mutual complement of advantages of each party, so as to enhance sustainable and stable development of production and operation of the Group, reduce overlapping investment and save expenditure of the Group, as well as increase the comprehensive efficacy of the Group. The pricing policies for the connected transactions between the Company and JCC were determined based on the PRC government prescribed prices, market prices/industry prices, prices quoted on SHFE, costs plus applicable taxes, or a combination of certain pricing bases as mentioned above.

(2) Land Use Rights Leasing Agreement

Due to historical reasons, some of the office buildings and factories of the Group are built on land which are owned by JCC and its subsidiaries from time to time (other than the Group). The land leasing approach adopted by the Group to JCC and its subsidiaries from time to time (other than the Group) can help reduce the investment of the Group. On 27 September 2020, the Company, as the lessee, entered into the land use rights leasing agreement with JCC (the "**2020 Land Use Rights Leasing Agreement**"), as the lessor, for a term of three years, pursuant to which, JCC agreed to let the land use right of the lands covering an area of approximately 50,841,612.77 square metres to the Company, and the agreement is valid from 1 January 2021 to 31 December 2023. The annual rent is RMB196,971,013.04 and the actual rent is calculated on the basis of the actual area used by the Group. According to IFRS 16, the value of the right-of-use asset recognised by the Group in respect of the 2020 Land Use Rights Leasing Agreement is RMB515,141,822.06.

On 10 November 2023, the Company, as the lessee, entered into the land use rights leasing agreement with JCC (the "**Land Use Rights Leasing Agreement**"), as the lessor, for a term of three years, pursuant to which, JCC agreed to let the land use right of the lands covering an area of approximately 50,737,714.77 square metres to the Company, and the contract is valid from 1 January 2024 to 31 December 2026. The annual rent is RMB196,222,947.44 and the actual rent is calculated on the basis of the actual area leased by the Group. According to IFRS 16, the value of the right-of-use asset recognised by the Group in respect of the Land Use Rights Leasing Agreement is RMB513,185,392.69.

(3) Finance Lease Framework Agreement

The Company and Shenzhen Jiangtong Finance Leasing Co., Ltd.* (深圳江銅融資租賃有限公司)("**Shenzhen Finance**"), a subsidiary of JCC, entered into the finance lease framework agreement on 15 December 2022 (the "**Finance Lease Framework Agreement**"), which is valid from 1 January 2023 to 31 December 2025, pursuant to which Shenzhen Finance and its subsidiary ("**Shenzhen Finance Group**") shall, at the request of the Group, provide finance lease services, including (i) direct lease service; (ii) sale and leaseback service; and (iii) entrusted lease service (collectively, the "**Finance Lease Services**"), to the Group. The annual caps of the finance leases under the Finance Lease Framework Agreement for the three financial years ending 31 December 2025 are RMB1,900,000,000, respectively. The transactions contemplated under the Finance Lease Framework Agreement are beneficial to the Group in expanding leasing channel, lowering investment risks and reducing financial pressure. Through personalised finance lease services solution provided to the Group, it can effectively increase the mobility of the assets of the Group and optimise its asset structure.

(4) Financial Services Agreement

JCC Finance Company Limited ("**JCC Finance**"), a subsidiary of the Company, entered into the financial services agreement with JCC on 28 May 2021 (the "**Financial Services Agreement**"), which is valid from 1 June 2021 to 31 December 2023, pursuant to which JCC Finance agrees to provide JCC and its subsidiaries from time to time (excluding the Group) with cash deposit service, settlement service and credit services on an ongoing basis. The maximum daily balance of credit services to be provided by JCC Finance to JCC and its subsidiaries from time to time (excluding the Group) for the period from 1 June 2021 to 31 December 2021 and for the two financial years ending 31 December 2023 will not exceed RMB2,900,000,000. According to the Financial Services Agreement, JCC and its subsidiaries from time to time (excluding the Group) will transfer net deposit (i.e. excess of the total daily deposit balance of JCC and its subsidiaries from time to time (excluding the Group) over the daily loan balance to JCC and its subsidiaries from time to time (excluding the Group)) to JCC Finance, which forms actual financial assistance to JCC Finance, supplements the available financial resources of JCC Finance, enhances the profitability of JCC Finance and hence enhances the profitability of the Company.

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 entered into the financial services agreement on 29 December 2023 (the "**New Financial Services Agreement**"), which is valid from 1 January 2024 to 31 December 2026, pursuant to which JCC Finance agrees to provide JCC and its subsidiaries from time to time (excluding the Group) with cash deposit service, settlement service and credit services on an ongoing basis. The maximum daily balance of credit services to be provided by JCC Finance to JCC and its subsidiaries from time to time (excluding the Group) for each of the three financial years ending 31 December 2026 will not exceed RMB2,400,000,000. According to the New Financial Services Agreement, JCC and its subsidiaries from time to time (excluding the Group) will transfer net deposit (i.e. excess of the total daily deposit balance of JCC and its subsidiaries from time to time (excluding the Group) over the daily loan balance to JCC and its subsidiaries from time to time (excluding the Group)) to JCC Finance, which is conducive to the replenishment of the available financial resources of JCC Finance, enhances the profitability of JCC Finance and hence enhances the profitability of the Company.

(5) Mutual Guarantees Agreements

On 30 December 2022, Heding Copper, a subsidiary of the Company, and Fuye Group (which holds 40% of the issued share capital of Heding Copper, being a substantial shareholder) as well as Jiangxi Heli Environmental Protection Technology Co., Ltd.* (江西和立環保科技有限公司) ("**Jiangxi Heli**"), Jiangxi Hefeng Environmental Technology Co., Ltd.* (江西和豐環保科技有限公司) ("**Jiangxi Hefeng**") and Zhejiang Fuhe Zhiye Co., Ltd.* (浙江富和置業有限公司) ("**Zhejiang Fuhe Zhiye**"), which are beneficially owned by Fuye Group, entered into the mutual guarantees agreement (the "**Original Mutual Guarantees Agreement**"), which took effect on 1 January 2023. According to such agreement, Heding Copper and Fuye Group agreed that the maximum aggregated annual balance amount (which is also the maximum daily balance) of guarantees for each other's obligations in respect of loan facilities which they may respectively obtain from financial institutions for the period from 1 January 2023 to 31 December 2024 shall not exceed RMB2,550,000,000 (which shall include the amount of guarantees that were provided by Heding Copper and Fuye Group for each other prior to 1 January 2023 and are valid during the term of the Original Mutual Guarantees Agreement), provided that the execution of each loan facility contract shall take place within the period from 1 January 2023 to 31 December 2023 and the term of each loan facility shall not exceed 12 months. Jiangxi Heli, Jiangxi Hefeng and Zhejiang Fuhe Zhiye agreed to act as the counter-guarantors of Fuye Group, under which, they shall jointly and severally provide counter-guarantee to Heding Copper with all their assets for guarantees provided by Heding Copper to Fuye Group for the bank loans agreement entered into during the period from 1 January 2023 to 31 December 2023, under the Original Mutual Guarantees Agreement.

In order to meet the actual production and operation needs of Heding Copper, and lower the finance cost, on 22 January 2024, Heding Copper, Fuye Group, Jiangxi Heli, Jiangxi Hefeng and Zhejiang Fuhe Zhiye entered into the new mutual guarantees agreement (the "**New Mutual Guarantees Agreement**") and the Original Mutual Guarantees Agreement was terminated on 1 January 2024. Heding Copper and Fuye Group agreed that the maximum aggregated annual balance amount (which is also the maximum daily balance) of guarantees for each other's obligations in respect of loan facilities which they may respectively obtain from financial institutions for the period from 1 January 2024 to 31 December 2025 shall not exceed RMB2,550,000,000 (which shall include the amount of guarantees that were provided by Heding Copper and Fuye Group for each other pursuant to the Original Mutual Guarantees Agreement prior to 1 January 2024 and are valid during the term of the New Mutual Guarantees Agreement), provided that the execution of each loan facility contract shall take place within the period from 1 January 2024 to 31 December 2024 and the term of each loan facility shall not exceed 12 months. Jiangxi Heli, Jiangxi Hefeng and Zhejiang Fuhe Zhiye agreed to act as the counter-guarantors of Fuye Group, under which, they shall jointly and severally provide counter-guarantee to Heding Copper with all their assets for guarantees provided by Heding Copper to Fuye Group which are included in the bank loans agreement entered into during the period from 1 January 2024 to 31 December 2024, under the New Mutual Guarantees Agreement.

Details of guarantees are set out in pages 162 to 163 in this report.

All of the above continuing connected transactions numbered (1) to (5) are reviewed by the independent non-executive Directors every year, confirming that: (i) the transactions were entered into in the ordinary course of business of the Group; (ii) the transactions were entered into and performed on normal commercial terms or on the terms same as (or better than) those from independent third parties; and (iii) the transactions are conducted in accordance with relevant transaction agreements, the terms of which were fair and reasonable, and were in the interests of the shareholders of the Company as a whole.

The auditors of the Company were appointed to report on the connected transactions of the Group in accordance with "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" conducted by Hong Kong Standard on Assurance Engagements 3000 and with reference to the Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" (Revised) issued by the Hong Kong Institute of Certified Public Accountants. Auditors have issued a letter to the Board in accordance with Rule 14A.56 of the Listing Rules confirming that nothing has come to their attention causing them to believe that the abovementioned continuing connected transactions for the year ended 31 December 2023: (1) were not approved by the Board; (2) were not carried out in accordance with the pricing policies of the Group in all material aspects for the transactions that involved the provision of products and services by the Group; (3) were not entered into in accordance with the agreements governing such transactions in all material aspects; and (4) exceeded the annual caps as disclosed in the announcements for the abovementioned continuing connected transactions by the Group.

Other Transactions

Not applicable

(II) Connected transactions from assets or equity acquisition or sales

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

Not applicable

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

Not applicable

3. Events not disclosed in extraordinary announcements

Not applicable

4. Where agreed results are involved, the results in the Reporting Period shall be disclosed

Not applicable

(III) Material connected transactions of joint external investment

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

Not applicable

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

Not applicable

3. Events not disclosed in extraordinary announcements

Not applicable

(IV) Connected credits and liabilities

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

Not applicable

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

Not applicable

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

Unit: 0'000 Yuan Currency: RMB

Connected party	Connected relationship	Funds provided to connected parties			Funds offered by connected parties to the Company		
		Opening balance	Amount incurred	Closing balance	Opening balance	Amount incurred	Closing balance
JCC	Controlling shareholder	258,512	-21,615	**236,897**	628,981	-32,109	**596,872**
Total		258,512	-21,615	**236,897**	628,981	-32,109	**596,872**

Reasons for connected credits and liabilities

On 28 May 2021, JCC Finance, a wholly-owned subsidiary of the Company, and JCC, the largest shareholder of the Company, entered into the new Financial Services Agreement, the term of which shall be from 1 June 2021 to 31 December 2023. According to the 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, including the provision of loans, discounted bills, commercial note acceptance, issuance of letters of guarantee, provision of overdraft facility, accounts receivable factoring and finance leases) 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.

Impacts of connected claim and debt on the Company

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

(V) The financial business between the Company and its related financial company, and between the Company's holding financial company and its connected parties

1. Deposit business

Unit: '0000 Yuan Currency: RMB

Connected party	Connected relationship	Daily maximum deposit limit	Deposit interest rate range	Opening balance	Amount for the current period: Total amount deposited for the current period	Amount for the current period: Total amount drawn for the current period	Closing balance
JCC	Controlling shareholder	Nil	0.35%-3.85%	**628,981**	20,883,879	20,915,987	**596,872**
Total	/	/	/	**628,981**	20,883,879	20,915,987	**596,872**

2. Loan business

Unit: '0000 Yuan Currency: RMB

Connected party	Connected relationship	Loan limit	Loan interest rate range	Opening balance	Amount for the current period: Total amount lent for the current period	Amount for the current period: Total amount repaid for the current period	Closing balance
JCC	Controlling shareholder	290,000	3.20%-4.35%	**258,512**	222,688	244,303	**236,897**
Total	/	/	/	**258,512**	222,688	244,303	**236,897**

3. Credit business or other financial business

Unit: '0000 Yuan Currency: RMB

Connected party	Connected relationship	Business type	Total	Actual amount
JCC	Controlling shareholder	Credit	**544,000**	**238,998**

4. Other explanation

Not Applicable

XIV. MATERIAL CONTRACTS AND THEIR PERFORMANCE

(I) Custody, contracts and leases

1. Custody

Not applicable

2. Contracts

Not applicable

3. Leases

Not applicable

(II) Guarantees

Unit: 0'000 Yuan Currency: RMB

External guarantees provided by the Company (excluding guarantees for subsidiaries)

Guarantor	Relationship between the Guarantor and the listed company	Guarantee	Guarantee amount	Guarantee date (execution date of the agreement)	Effective date of guarantee	Expiration date of guarantee	Type of guarantee	Collateral (if any)	Guarantee fulfilled or not	Guarantee completed or not	Amount of overdue guarantee	Counter Guarantee	Guarantee for connected party or not	Connected relationship
Heding Copper	Controlled subsidiary	Fuye Group	255,000	30 December 2022	1 January 2023	31 December 2023	Joint and several liability guarantee	Nil	No	No	0	Jiangxi Heli, Jiangxi Hefeng and Zhejiang Fuhe Zhiye acted as counter-guarantors for the Fuye Group and provided a joint and several guarantee to Heding Copper with all of their own assets.	Yes	Shareholder

Total amount of guarantees incurred during the Reporting Period (excluding those to subsidiaries)	140,070
Total balance of guarantee at the end of the Reporting Period (A) (excluding those to subsidiaries)	56,028

Guarantees provided by the Company and its subsidiaries for subsidiaries

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

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

Total amount of guarantees (A+B)	56,028
Total amount of guarantees over the net assets of the Company (%)	0.83
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 amounts of guarantees (C+D+E)	0
Explanation on possible joint and several liability for liabilities settlement in case of outstanding 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 provided by the Company and its subsidiaries at the end of the Reporting Period (excluding the guarantee for the subsidiaries) and the balance of the guarantee provided by the Company and its subsidiaries for subsidiaries, among which, the balance of guarantee of a subsidiary represents the total external guarantee provided by that subsidiary multiplied by the proportion of the Company's shareholding in that subsidiary.

Note: On 30 December 2022, the 18th meeting of the ninth session of the Board considered and approved the external guarantee provided by Heding Copper, a controlled subsidiary of the Company (with 40% shareholding). 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, Jiangxi Heli, Jiangxi Hefeng and Zhejiang Fuhe Zhiye acting as Party C, the parties entered into the Mutual Guarantee Agreement after negotiation, agreeing that during the period from 1 January 2023 to 31 December 2024, the accumulated balance of mutual guarantee (i.e., the daily balance limit) of Party A and Party B shall not exceed RMB2,550 million. For the avoidance of doubt, the guarantee balance of the guarantee contracts signed by both Party A and Party B before 1 January 2023 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 2023 to 31 December 2023, and the loan period for each loan business shall not exceed 12 months. Party C acted as the counter-guarantors of Fuye Group and undertook counter-guarantee with joint and several liabilities to Heding Copper with all of their own assets.

(III) Entrusted cash assets management

1. Entrusted wealth management

(1) Overall entrusted wealth management

Not applicable

Others

Not applicable

(2) Single entrusted wealth management

Not applicable

Others

Not applicable

(3) Provision for impairment of entrusted wealth management

Not applicable

2. Entrusted loans

(1) Overall entrusted loans

Not applicable

Others

Not applicable

(2) Single entrusted loans

Not applicable

Others

Not applicable

(3) Provision for impairment of entrusted loans

Not applicable

3. **Others**

Not applicable

(IV) Other material contracts

Not applicable

XV. EXPLANATION ON OTHER MATERIAL MATTERS THAT HAVE SIGNIFICANT IMPACT ON INVESTORS TO MAKE VALUE JUDGEMENT AND INVESTMENT DECISIONS

Not applicable

XVI. ACTIVE PERFORMANCE OF SOCIAL RESPONSIBILITY

(I) Social responsibility efforts

(I) Whether a social responsibility report, sustainability report or ESG report is separately disclosed

The Company has disclosed the 2023 Environmental, Social and Governance Report of Jiangxi Copper Company Limited on 27 March 2024.

(II) Details of social responsibility efforts

Currency: RMB

External donations and public welfare projects	Quantity/ Content	Explanation
Total investment (0'000 Yuan)	1,079.25	
Of which: Funds (0'000 Yuan)	761	Of which, RMB5.91 million was invested in paired-up assistance for village revitalisation, and RMB1.7 million was raised through participation in the "One-Day Charity Donation" activity
Equivalent of materials (0'000 Yuan)	488.25	Procurement of poverty alleviation products
Number of beneficiaries (persons)	/	

For details, please refer to the 2023 Environmental, Social and Governance Report of Jiangxi Copper Company Limited disclosed by the Company on 27 March 2024 at www.sse.com.cn and www.hkexnews.hk.

(II) Environmental information

Currency: RMB

Whether to establish a mechanism related to environmental protection	Yes
Investment in environmental protection funds during the Reporting Period *(unit: 0'000 Yuan)*	54,466.63

1. Explanation on environmental protection of the Company and its major subsidiaries falling into the category of major pollutant-emitting units designated by environmental authorities

(1) Information on emission of pollutants

Name of company	Name of major pollutants	Total emissions approved *(t/a)*	Total emissions *(t)**	Emission concentration *(mg/L)**	Pollutant emission standards implemented	Method of emission	Number of outlets	Distribution of outlets
Dexing Copper Mine	pH	/	/	7.57 (Dimensionless)	Standards in the table 2 of the "Emission Standard of Industrial Pollutants for Copper, Nickel and Cobalt" (GB25467-2010)	Organised emission after meeting standards	4	In the mining area
	COD	480	431.91	17.06				
	Ammonia nitrogen	108.11	21.12	0.83				
	SS	/	294.85	11.65				
	Total copper	/	0.506	0.02				
	Total lead	/	0.107	0.004				
	Total zinc	/	0.717	0.0225				
	Total cadmium	/	0.142	0.0056				
	Total chromium	/	0.051	0.002				
Jiangxi Copper Dexing Chemical Company Limited	Sulphur dioxide	750	184.179	0.129	"Emission Standards of Industrial Pollutants for Sulphuric Acid" (GB26132-2010)	Organised emission after Phase I and II acid production tail gas outlet meeting standards; domestic discharge of sewage to the park sewage treatment plant	3	Phase I and II acid production tail gas outlet, domestic sewage outlets
	Sulphuric acid mist	/	15.63	0.0148				
	Particulates	/	17.857	0.0138	Primary Standards of the "Integrated Wastewater Discharge Standard"			
	BOD	1.5	0.18	12.3				
Yongping Copper Mine	COD	297.57	153.0423	10.33	Standards in the table 2 of "Emission Standard of Industrial Pollutants for Copper, Nickel and Cobalt" (GB25467-2010)	Organised emission after meeting standards	2	In the mining area
	Ammonia nitrogen	27.15	4.7907	0.032				
	Total copper	/	0.116155	0.0072				
	Total lead	/	0.075355	0.0039				
	Total zinc	/	0.872903	0.0786				
	Total cadmium	/	0.102964	0.0041				
	SS	/	372.624598	28.92				
	pH	/	/	7.198 (Dimensionless)				

Name of company	Name of major pollutants	Total emissions approved (t/a)	Total emissions (t)*	Emission concentration (mg/L)*	Pollutant emission standards implemented	Method of emission	Number of outlets	Distribution of outlets
Wushan Copper Mine	COD	262.13	45.678	11	Standards in the table 2 of the "Emission Standard of Industrial Pollutants for Copper, Nickel and Cobalt" (GB25467-2010)	Organised emission after meeting standards	2	In the mining area
	pH	/	/	7.53 (Dimensionless)				
	Ammonia nitrogen	49.18	1.11	0.26				
	SS	/	43.42	10.26				
	Total copper	/	0.081	0.019				
	Total zinc	/	0.108	0.026				
	Total lead	3.06	0.077	0.018				
	Total cadmium	0.612	0.0172	0.004				
Chengmenshan Copper Mine	pH	/	/	/	Standards in the table 2 of the "Emission Standard of Industrial Pollutants for Copper, Nickel and Cobalt" (GB25467-2010)	Organised emission after meeting standards	1	Yong'an Levee of the Yangtze River
	COD	180	130.44	52.58				
	Ammonia nitrogen	44.96	4.048	1.56				
	Total copper	2.87	0.183	0.0629				
Yinshan Mining	pH	/	/	7.6 (Dimensionless)	Standards in the table 2 of the "Emission Standard of Industrial Pollutants for Copper, Nickel and Cobalt" (GB25467-2010)	Organised emission after meeting standards	2	In the mining area
	COD	157.4	94.159382	17.52				
	Ammonia nitrogen	9.7	8.524508	1.59				
	SS	/	176.966544	32.93				
	Total copper	/	0.108581	0.02				
	Total lead	0.6461	0.068632	0.013				
	Total zinc	/	1.272314	0.24				
	Total cadmium	0.0969	0.024167	0.0045				
	Total chromium	0.0646	0.003995	0.00074				
Jiangxi Copper (Qingyuan) Company Limited	Sulphur dioxide	36.007	7.88	22.49 (mg/m3)	Special emission limit of "Emission Standard of Industrial Pollutants for Recycled Copper, Aluminium, Lead and Zinc" (GB31574-2015), Special emission concentration limits for newly-built boilers in table 2 of "Emission Standard of Air Pollutants for Boilers" (GB13271-2019)	Organised emission after meeting standards	4	In the plant area
	Smoke (powder) dust	10.5153	2.43	9.5 (mg/m3)				
	Nitrogen oxides	30.943	29.87	86.32 (mg/m3)				
	Lead and its compounds	1	0.000465	0.0053738 (mg/m3)				
	Cadmium and its compounds	0.011	0.000008	0.0000228 (mg/m3)				
	Antimony and its compounds	1	0.000170	0.000485 (mg/m3)				
	Tin and its compounds	1.1	0.000121	0.0003453 (mg/m3)				
	Chromium and its compounds	0.5	0.001453	0.004147 (mg/m3)				
	Sulphuric acid mist	/	0.648516	1.36 (mg/m3)				

Name of company	Name of major pollutants	Total emissions approved (t/a)	Total emissions (t)*	Emission concentration (mg/L)*	Pollutant emission standards implemented	Method of emission	Number of outlets	Distribution of outlets
Guixi Smelter	COD	600	150.24	16.34	"Emission Standard of Industrial Pollutants for Copper, Nickel and Cobalt" (GB25467-2010) "Emission Standard of Industrial Pollutants for Recycled Copper, Aluminum, Lead and Zinc" (GB31574-2015)	Organised emission after meeting standards	10	In the plant area
	Ammonia nitrogen	80	16.276	1.77				
	Lead	5	0.66	0.07				
	Sulphur dioxide	6,450	573.64	46.26 (mg/m3)				
	Particulates	764.2	75.92	5(mg/m3)				
JCC Longchang	pH	/	/	7.42 (Dimensionless)	Management Standards of Qingshan Lake Sewage Treatment Plant Integrated Wastewater Discharge Standard	Indirect emission, Discharge to Qingshan Lake Sewage Treatment Plant of Nanchang City	1	Sewage treatment station
	COD	/	0.3138	33				
	Ammonia nitrogen	/	0.0048	0.502				
	SS	/	0.0761	8				
	BOD	/	0.0428	4.5				
	Animal and vegetable oils	/	0.0063	0.663				
	Oil	/	0.0010	0.1				
	Total phosphorus	/	0.0052	0.544				
Jiangxi JCC Copper Foil Technology Company Limited	Total chromium	/	0.0139	0.0638	Table 1 of "Discharge Standard of Water Pollutants for Electronic Industry" (GB 39731-2020)	Enter copper-zinc adjusting tank from the outlet of workshop	1	Wastewater station in the south of the plant
	Total phosphorus (in terms of P)	/	0.1266	0.59	Management Standard of Qingshan Lake Sewage Treatment Plant	Discharge to the municipal pipe network and then Qingshan Lake Sewage Treatment Plant	1	
	COD	/	16.530	74.83				
Jiangtong – Wengfu Chemical Engineering Company Limited	Sulphur dioxide	448	85.26	62.64 (mg/m3)	"Emission Standards of Industrial Pollutants for Sulphuric Acid" (GB26132-2010)	Organised emission after meeting standards	1	In the plant area
Humon Smelting	Sulphur dioxide	239.323	91.28	5.84mg/m3	"Integrated Emission Standard for Regional Air Pollutants in Shandong Province" (DB/37 2376-2019)	Organised emission after meeting standards	9	In the plant area
	NOx	478.017	297.59	21.524mg/m3				
	Particulates	45.2394	21.33	1.33mg/m3			6	
	Lead	711.477kg	409.84kg	0.052mg/m3	"Shandong Industrial Kiln and Furnace Air Pollutant Emission Standards" (DB/37 2375-20192376-2019)		11	
	Arsenic	273.296kg	153.33kg	0.031mg/m3	"Shandong Industrial Kiln and Furnace Air Pollutant Emission Standards" (DB/37 2375-2019			

(2) Construction and operation of pollution prevention and control facilities

The Company actively puts the concept of "Green Development, Environmental Protection Priority" into practice, actively adapts to the new situations and new requirements of safety and environmental protection work, solidly performs the main responsibility of enterprise safety production, continuously increases environmental protection investment, carries out pollution prevention and control capacity construction, and implements a number of ecological restoration and environmental management projects.

During the Reporting Period, the Company continued to strengthen the operation and maintenance of environmental protection facilities, and the operation of environmental protection facilities was in good condition with no major pollution accidents occurred.

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

1. On 18 March 2023, "Seepage Prevention Project at Fujiawu Acidic Water Reservoir of Dexing Copper Mine of Jiangxi Copper Company Limited" and "Seepage Prevention Project at Yangtaowu Acidic Water Reservoir of Dexing Copper Mine of Jiangxi Copper Company Limited" passed the completion and acceptance of environmental protection.

2. On 18 June 2023, "Horizontal Seepage Prevention Project at Intercepting Reservoir of 4# and 5# Tailings Ponds of Dexing Copper Mine of Jiangxi Copper Company Limited" passed the completion and acceptance of environmental protection.

3. On 25 July 2023, "Closure Project at 2# Tailings Pond of Dexing Copper Mine of Jiangxi Copper Company Limited" passed the environmental assessment approval of Dexing Ecological Environment Bureau of Shangrao City, and the number of the approval document is DE HUAN PING ZI [2023] No.11.

4. In October 2023, "Process Upgrading Project at Sizhou Ore Dressing Plant Phase II Grinding System" (High Pressure Grinding Rolls) modified the environmental impact statement.

5. On 20 February 2023, Chaisang Ecological Environment Bureau of Jiujiang City issued the Approval of the Environmental Impact Report on the Contact Passage from Chengmenshan Copper Mine Phase III Expansion Project-Chengmenshan Mining Area to Wantong Plant Area (JIU CHAI HUAN PI ZI [2023] No. 2).

(4) Contingency plans for sudden environmental incidents

The subsidiaries of the Company have formulated the "Contingency Plans for Sudden Environmental Incidents" and reported and filed to the environmental protection authorities, in order to effectively prevent, timely control and eliminate the harm caused by sudden environmental pollution incidents, establish and improve the response mechanism for sudden environmental pollution incidents, improve the ability of the Company in responding to sudden environmental pollution incidents, maximise prevention of and minimise sudden environmental pollution incidents and their losses, safeguard public safety, maintain social stability, and promote the comprehensive, coordinated and sustainable development of economy and society.

(5) Self-monitoring environmental programs

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

Each production unit of the Group monitors the sources of pollution in accordance with national monitoring standards, such as COD and ammonia nitrogen in and pH of wastewater, and sulphur dioxide and smoke dust in exhaust gas, establish a relatively complete environmental monitoring record, and various types of environmental monitoring data can be reflected back in time to guide production, so as to discover and handle problems in time to prevent pollution accidents.

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

Unit	Monitoring points	Compliance of online monitoring (daily average) Monitoring days	Total number of times of monitoring	Time of exceeding standard	Compliance rate (%)
Dexing Copper Mine	2	365	730	0	100
Yongping Copper Mine	2	365	730	0	100
Wushan Copper Mine	2	365	730	0	100
Chengmenshan Copper Mine	1	365	365	0	100
Yinshan Mining	1	365	365	0	100
Guixi Smelter	8	365	2,920	0	100
Jiangxi JCC Copper Foil Technology Company Limited	1	365	365	0	100

(6) Administrative penalties imposed for environmental problems during the Reporting Period

Not applicable

(7) Other information about environmental protection should be made public

Company name	Environmental protection construction System establishment	Environmental protection Main measures	Reuse rate of industrial water (%)
Guixi Smelter	"Wastewater Control Process of Guixi Smelter", "Waste Gas Control Process of Guixi Smelter", "Solid Waste Control Process of Guixi Smelter", "Emergency Plan for Sudden Environmental Incidents of Guixi Smelter (2023 Version)"	Upgrading of waste gas online monitoring devices, and ultra-low emission transformation project of environmental flue gas collection and desulphurisation facility in the 1st smelting system	99.16
Dexing Copper Mine	"Environmental Protection Management Measures of Dexing Copper Mine", "Administrative Measures for Hazardous Solid Waste in Dexing Copper Mine (2022 Version)", "Measures for the Administration of General Industrial Solid Waste in Dexing Copper Mine (2022 Version)", "Full Staff Environmental Protection Responsibility System of Dexing Copper Mine (2022 Version)"	Seepage prevention project at Fujiawu Acidic Water Reservoir; and seepage prevention project at Yangtaowu Acidic Water Reservoir of Dexing Copper Mine	92.60

Company name	Environmental protection construction System establishment	Environmental protection Main measures	Reuse rate of industrial water (%)
Wushan Copper Mine	"Wushan Copper Mine Environmental Protection Management System", "Wushan Copper Mine Environmental Protection Facilities Management System", "Measures for Assessing the Environmental Protection Targets of Wushan Copper Mine", "Measures for Assessing Rewards and Punishments for Ecological and Environmental Protection of Wushan Copper Mine (for Trial Implementation)"	Wushan Copper Mine Environmental Protection Improvement Project	95.38
Yongping Copper Mine	"Environmental Protection Administrative Measures of Yongping Copper Mine", "Environmental Protection Responsibility System of Yongping Copper Mine", "Measures for the Prevention and Control of Environmental Pollution by Solid Waste of Yongping Copper Mine"	Ecological environment restoration project -1# Warehouse special ecological environment improvement and restoration	89.56
Chengmenshan Copper Mine	"Environmental Monitoring Management System", "Environmental Protection Management System", "Environmental Factors Identification and Evaluation Management System"	Seepage prevention project of wastewater control tank, and leaching water collection project on the southwest side of waste rock pile	97.48
Yinshan Mining	"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"	Acidic water treatment plant sludge comprehensive utilisation project	91.97

Company name	Environmental protection construction System establishment	Environmental protection Main measures	Reuse rate of industrial water (%)
Humon Smelting	"Ecological Environmental Protection Management System" including "Ecological Environmental Protection Responsibility System", "Environmental Protection Education and Training Management System", "Construction Project Ecological Environmental Protection Management System", "Pollution Prevention and Control Management System", "Environmental Monitoring Management System", "Environmental Protection Facilities Operation Management System" and etc.	Implementing projects such as closed stockyard renovation, anti-corrosion and anti-seepage upgrading and green renovation, environmental upgrading and renovation of stockyard, upgrading of the anti-seepage technology of emergency rainwater collection pond, and upgrading of the environmental flue gas collection treatment facilities of the 1st smelter	98.38

2. Explanation on environmental protection of companies other than major pollutant-emission units

Not applicable

3. **Information on the ecological protection, prevention and control of pollution and fulfillment of environmental responsibilities**

(1) Ecological restoration: In order to ensure the construction quality and long-term performance of the ecological restoration project, the Company formulated the "Interim Provisions on the Acceptance of the Ecological Restoration Project of Jiangxi Copper Company Limited", clearly stipulating that in the area of the ecological restoration project of the Company (excluding the hardened area), the coverage rate of plants should reach 90% and more, more than seven species of plants should be grown, and the maximum exposed area of a single plot should be less than 3 square metres. The Company mainly adopted new technologies such as "reclamation of high and steep rock slope", "in-situ substrate improvement (covered soil) + direct vegetation" and "suspended-net soil spray-sowing technology" and grew various types of plants such as silk trees, golden waves, green foxtails, photinia glabra and ligustrun lucidum ait in the restoration area, to fully guarantee the biodiversity of the restoration area. Since the release of the provisions, the Company's ecological restoration project acceptance work has been strictly in line with the requirements. In 2023, the Company invested RMB91 million in ecological restoration, and the total area of ecological restoration reached 101.01 hectares.

(2) Climate disaster response: The Company paid more attention to the physical risks brought by climate change as well as the transition risks related to regulatory changes, laws, technologies, markets and reputations, such as environmental and safety accidents caused by extreme climate disasters and the impacts on the Company's normal production and operations, and at the same time took proactive countermeasures. The Company made relevant emergency plans to cope with various meteorological disasters such as floods, typhoons, lightning, rain and snow, frost and high temperature, and arranged regular inspections during the high-occurrence period of relevant climate disasters. For example, the Company arranged the flood control and drainage in advance during flood season, and confirmed whether the interception drains of mine road, tailings ponds and dumping sites were cleared and dredged in time, to improve infrastructure construction and ensure equipment safety. The Company formulated the emergency supply guarantee management measures for important risk materials to ensure the supply guarantee capacity, prevent and minimise the risk of supply interruption caused by sudden climate disasters, and improve the ability to respond to sudden climate disasters.

Moreover, the Company also vigorously promoted the technological innovation of climate risk warning and response to better prevent sudden climate disasters. The "Accurate Prediction and Reinforcement Control Technology and Application of Rain-induced Mine Landslide" innovatively developed by Dexing Copper Mine won the "Second Prize of China Non-ferrous Metals Industry Science and Technology Award".

4. Measures taken to reduce its carbon emissions during the Reporting Period and their effectiveness

Whether carbon reduction measures were taken or not	Yes
Reduced emissions of carbon dioxide equivalent *(unit: tonne)*	27,367
Types of carbon reduction measures (e.g. the use of clean energy to generate electricity, the use of carbon reduction technology in the production process, research and development and production of new products to help reduce carbon, etc.)	Use of clean energy, ecological reclamation, and circular economy research, development of carbon reduction technology and production of green products.

Focusing on the "139" double-carbon strategy, the Company effectively promoted the emission reduction work of units at all levels by optimising the energy structure, promoting circular economy and green production, innovating low-carbon technologies, ecological reclamation and strengthening carbon emission management. In 2023, with an aim to do a better job in energy conservation and carbon reduction management, the Company formulated the "Implementation Measures for the Assessment of Energy Conservation and Carbon Reduction (2023 Version)" according to the production and operation objectives and the energy conservation objectives of the 14th Five-Year Plan. In view of the total energy consumption, energy consumption intensity and energy utilisation efficiency of each production and operation unit, the development of energy-saving technology transformation projects and the implementation of energy efficiency improvement actions, the Company developed the assessment indicators, clearly defined the assessment mechanisms and the reward and punishment principles, to further mobilise the enthusiasm for energy and double-carbon management and promote the continuous deepening of the energy conservation and carbon reduction work. In 2023, the Company's total greenhouse gases emissions were 2,287,700 tonnes of carbon dioxide equivalent, decreased by 1.18% year-on-year, of which scope 1 emissions were 263,100 tonnes of carbon dioxide equivalent, and scope 2 emissions were 2,024,600 tonnes of carbon dioxide equivalent.

(III) Particulars of consolidating and expanding the achievements of poverty eradication and village revitalisation

Currency: RMB

Poverty alleviation and rural revitalisation projects	Quantity/ Content	Explanation
Total investment *(0'000 Yuan)*	1,079.25	/
Of which: Funds *(0'000 Yuan)*	591	Investment in paired-up assistance
Equivalent of materials *(0'000 Yuan)*	488.25	Procurement of poverty alleviation products
Number of beneficiaries *(persons)*	/	/
Forms of assistance (industry-based poverty alleviation, employment-based poverty alleviation, education-based poverty alleviation, etc.)	/	/

The Company sets "walking in the front, vying for the forefront with courage, and acting for kindness" as its goal and makes every effort to draw a beautiful picture of rural revitalisation, characterised with "strong party building, charming countryside, prosperous industry, good governance and well-off life" through scientific planning, high-level promotion and proactive actions. For details, please refer to the 2023 Environmental, Social and Governance Report of Jiangxi Copper Company Limited disclosed by the Company on 27 March 2024 at the websites of www.sse.com.cn and www.hkexnews.hk.

XVII. CHARGES ON THE GROUP ASSETS

Details of the charges on the Group assets are set out on page 38 in the "Management Discussion and Analysis" of this report.

XVIII. FOREIGN EXCHANGE RISK

The reporting currency of the Group is Renminbi. Where any transactions in foreign currencies of the Company are incurred, amounts in foreign currencies are translated into Renminbi at the median market exchange rates at the beginning of the transaction month. Closing balances in foreign currency accounts are translated into Renminbi at the market exchange rates at the end of the year.

Although currently Renminbi is not a currency that is freely convertible in the PRC, the PRC government is taking initiatives for exchange system reform and adjustments to exchange rates. Changes in the Renminbi exchange rates will have an impact on the Group's balance of foreign exchange income 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 income and spending.

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

XIX. CONTINGENT LIABILITIES

As at 31 December 2023, the Group had no contingent liabilities.

Independent Auditor's Report

To the shareholders of Jiangxi Copper Company Limited
(Established in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of Jiangxi Copper Company Limited (the "Company") and its subsidiaries (the "Group") set out on pages 185 to 351, which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
Impairment of trade receivables and factoring receivables	
As at 31 December 2023, the Group had trade receivables and factoring receivables of approximately RMB9,720 million and RMB1,428 million, respectively, and an impairment allowance of trade receivables and factoring receivables of approximately RMB5,749 million and RMB1,169 million, respectively. Provision was made for lifetime expected credit losses ("ECL") on trade receivables and for either a 12-month ECL or a lifetime ECL on factoring receivables.	Our audit procedures included, but were not limited to: 1. Obtaining an understanding of and testing the credit control procedures performed by management, including its procedures on periodic review of aged receivables and assessment on the ECL allowance of receivables, 2. Testing on a sample basis, the accuracy of the ageing profile of trade receivables by checking to the underlying sales invoices, and testing on a sample basis, the accuracy of the ageing profile of factoring receivables by checking to the underlying contracts and bank slips,

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Impairment of trade receivables and factoring receivables (Continued)	
Management applies judgement in assessing the ECL. Trade receivables or factoring receivables relating to customers with known financial difficulties or significant doubt on collection are assessed individually for provision of impairment allowance. The remaining trade receivables or factoring receivables are grouped based on ageing of bills of various customer segments with similar loss patterns and collectively assessed for provision of impairment allowance. The ECL rates are determined based on historical credit loss experience and industry data of receivables with similar credit risk characteristics and adjusted to reflect current and forward-looking information such as macroeconomic factors affecting the ability of the customers to settle the receivables. The realisable values of collateral based on valuation reports issued by the independent professional valuers engaged by management, involving judgements and assumptions, have been taken into account when individually and collectively assessing the ECL for trade receivables or factoring receivables. Since the impairment assessment involve many judgements and assumptions, and in view of the significance of the amount, impairment of trade receivables and factoring receivables is considered as a key audit matter. Related disclosures are included in note 3 Significant accounting judgements and estimates, note 29 Trade and bills receivables and note 30 Factoring receivables, respectively, to the consolidated financial statements.	3. Assessing the adequacy of the impairment allowance made with reference to the credit history of customers and industry data which were adjusted for forward-looking factors specific to the debtors, the economic environment, the realisable value of collateral and settlement records including default or delay in payments and actual collections after the end of the reporting period, and 4. For collateral with collateral valuation reports issued by the independent professional valuers engaged by management, reviewing the collateral valuation reports and testing the key assumptions and estimations used in the valuation with the assistance of our internal valuation specialists. We also assessed the adequacy of the related disclosures in the notes to the consolidated financial statements.

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Goodwill impairment – gold related products cash-generating unit	
Included in the consolidated statement of financial position was a goodwill balance of RMB1,266 million relating to the gold related products cash-generating unit ("CGU") as at 31 December 2023. The Group is required to, at least annually, perform impairment assessments of goodwill. As at 31 December 2023, an independent professional valuer has been engaged by management to assist in the assessment of goodwill impairment. For the purpose of performing impairment assessments, goodwill has been allocated to the CGU. The impairment testing was performed by comparing the recoverable amount of the CGU and the carrying amount of the CGU. The determination of the recoverable amount of the underlying CGU involved estimates and judgements, including the future price of gold and related products, production costs, operating expenses, the growth rate used to estimate future cash flows and discount rate applied to these forecasted future cash flows of the underlying CGU. These estimates and judgements might be affected by unexpected changes in future market or economic conditions or discount rates applied. We identified the goodwill impairment as a key audit matter due to the complexity and significant judgements involved in the assessment process of management. Related disclosures are included in note 3 Significant accounting judgements and estimates and note 20 Goodwill, respectively, to the consolidated financial statements.	Our audit procedures included, but were not limited to: 1. Obtaining an understanding of, evaluating the design, and testing the operating effectiveness of management's key controls over the impairment assessment process, 2. Assessing the competency, capability and objectivity of the independent professional valuer engaged by management, 3. Assessing the adequacy of key assumptions used in the calculations, comprising the future price of gold and related products, production costs, operating expenses, growth rate and discount rate. When assessing these key assumptions, we discussed with management to obtain an understanding of and evaluate management's basis for determining the assumptions, and compared them to external industry outlook reports from a number of sources, and 4. Involving our internal valuation specialists to assist us in assessing the review of goodwill impairment. We also assessed the adequacy of the related disclosures in the notes to the consolidated financial statements.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report of the Group for the year ended 31 December 2023 (the "Annual Report"), but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and request that the correction be made.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

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

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

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

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

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

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

The engagement partner on the audit resulting in this independent auditor's report is Ho Siu Fung, Terence.

Certified Public Accountants
Hong Kong
27 March 2024

Consolidated Statement of Profit or Loss

YEAR ENDED 31 DECEMBER 2023

	Notes	**2023** *RMB'000*	2022 *RMB'000*
REVENUE	6	**520,338,500**	478,392,849
Cost of sales		**(508,322,152)**	(466,336,463)
Gross profit		**12,016,348**	12,056,386
Other income	7	**2,718,415**	1,616,550
Other gains and losses	8	**328,462**	304,893
Selling and distribution costs		**(358,092)**	(439,246)
Administrative expenses		**(3,826,292)**	(3,572,932)
Impairment losses on financial assets, net	9	**(10,209)**	(284,586)
Finance costs	10	**(2,323,801)**	(1,967,157)
Share of profits and losses of:			
Joint ventures	23	**(10,325)**	(30,336)
Associates	24	**97,964**	(185,014)
PROFIT BEFORE TAX	11	**8,632,470**	7,498,558
Income tax	14	**(1,404,318)**	(1,403,004)
PROFIT FOR THE YEAR		**7,228,152**	6,095,554
Attributable to：			
Owners of the Company		**6,745,839**	6,001,476
Non-controlling interests		**482,313**	94,078
		7,228,152	6,095,554
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY:			
– Basic and diluted	16	**RMB1.95**	RMB1.73

Consolidated Statement of Comprehensive Income

YEAR ENDED 31 DECEMBER 2023

	2023 RMB'000	2022 RMB'000
PROFIT FOR THE YEAR	**7,228,152**	6,095,554
OTHER COMPREHENSIVE INCOME		
Other comprehensive income to that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**156,178**	120,678
Share and disposal of other comprehensive income from joint ventures	**3,154**	5,711
Share and disposal of other comprehensive (loss)/income from associates	**(68,939)**	223,648
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods, net of tax	**90,393**	350,037
Other comprehensive loss 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	**(11,092,572)**	(776,322)
Income tax effect	**(186)**	(11)
	(11,092,758)	(776,333)
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods, net of tax	**(11,092,758)**	(776,333)
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	**(11,002,365)**	(426,296)
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX	**(3,774,213)**	5,669,258
Attributable to:		
Owners of the Company	**(4,356,242)**	5,534,422
Non-controlling interests	**582,029**	134,836
	(3,774,213)	5,669,258

Consolidated Statement of Financial Position

31 DECEMBER 2023

	Notes	2023 RMB'000	2022 RMB'000
Non-current assets			
Property, plant and equipment	17	**32,821,221**	27,076,033
Investment properties	18	**862,161**	882,327
Right-of-use assets	19(a)	**4,469,411**	3,994,949
Goodwill	20	**1,327,305**	1,295,674
Other intangible assets	21	**3,544,222**	3,711,200
Exploration and evaluation assets	22	**593,703**	592,956
Investments in joint ventures	23	**25,321**	112,691
Investments in associates	24	**4,782,515**	4,993,702
Financial instruments other than derivatives	25	**8,933,090**	19,728,456
Deferred tax assets	27	**724,713**	695,213
Prepayments, other receivables and other assets	31	**1,030,259**	1,215,986
Deposits for prepaid lease payments	31	**653,349**	650,931
Loans to related parties	32	**321,386**	556,885
Time deposits	33	**1,587,689**	1,278,953
Restricted bank deposits	33	**4,458,748**	3,856,316
Total non-current assets		**66,135,093**	70,642,272
Current assets			
Inventories	28	**40,538,382**	38,061,773
Trade and bills receivables	29	**6,191,573**	6,591,889
Factoring receivables	30	**258,986**	303,993
Prepayments, other receivables and other assets	31	**6,429,806**	9,481,141
Loans to related parties	32	**2,029,960**	1,976,932
Financial instruments other than derivatives	25	**7,573,425**	4,548,013
Derivative financial instruments	26	**200,584**	503,626
Time deposits	33	**1,813,340**	–
Restricted bank deposits	33	**17,494,980**	20,472,033
Cash and cash equivalents	33	**19,484,777**	14,727,876
		102,015,813	96,667,276
Assets classified as held for sale	34	**–**	20,992
Total current assets		**102,015,813**	96,688,268

Consolidated Statement of Financial Position

31 DECEMBER 2023

	Notes	2023 RMB'000	2022 RMB'000
Current liabilities			
Trade and bills payables	35	**14,973,229**	13,825,254
Derivative financial instruments	26	**687,511**	1,461,805
Other payables and accruals	36	**9,724,451**	7,756,148
Deposits from holding company and fellow subsidiaries	37	**6,116,216**	6,408,659
Deferred revenue	38	**64,021**	65,273
Interest-bearing bank borrowings	39	**37,453,136**	42,363,005
Lease liabilities	19(b)	**166,474**	180,321
Corporate bonds	40	**55,565**	56,150
Tax payable		**1,055,430**	1,090,665
Total current liabilities		**70,296,033**	73,207,280
Net current assets		**31,719,780**	23,480,988
Total assets less current liabilities		**97,854,873**	94,123,260
Non-current liabilities			
Corporate bonds	40	**5,049,838**	3,500,000
Interest-bearing bank borrowings	39	**13,589,186**	6,256,716
Deposits from holding company and fellow subsidiaries	37	**104,548**	31,267
Lease liabilities	19(b)	**368,759**	19,791
Deferred tax liabilities	27	**263,110**	330,295
Provision for rehabilitation	41	**295,312**	356,986
Employee benefit liabilities	42	**15,069**	15,069
Deferred revenue	38	**445,466**	476,538
Other non-current liabilities	43	**974,920**	1,186,441
Total non-current liabilities		**21,106,208**	12,173,103
Net assets		**76,748,665**	81,950,157

Consolidated Statement of Financial Position

31 DECEMBER 2023

	Notes	**2023** *RMB'000*	2022 *RMB'000*
Equity			
Equity attributable to owners of the parent			
Share capital	44	**3,462,729**	3,462,729
Reserves	45	**63,959,319**	70,055,921
		67,422,048	73,518,650
Non-controlling interests		**9,326,617**	8,431,507
Total equity		**76,748,665**	81,950,157

Approved on behalf of the board of directors:

Mr. Zheng Gaoqing	**Mr. Yu Tong**
Director	*Director*

Consolidated Statement of Changes in Equity

YEAR ENDED 31 DECEMBER 2023

For the year ended 31 December 2023

	Attributable to owners of the parent												
	Share capital *RMB'000*	Share premium* *RMB'000*	Capital reserve* *RMB'000*	Other reserve* *RMB'000*	Statutory surplus reserve* *RMB'000*	Discretionary surplus reserve* *RMB'000*	Safety fund surplus reserve* *RMB'000*	Hedging reserve* *RMB'000*	Translation reserve* *RMB'000*	Retained profits* *RMB'000*	Sub-total *RMB'000*	Non-controlling interests *RMB'000*	Total *RMB'000*
As at 1 January 2023	3,462,729	12,647,502	(1,429,703)	10,443,157	5,492,319	9,647,574	411,521	–	515,200	32,328,351	73,518,650	8,431,507	81,950,157
Profit for the year	–	–	–	–	–	–	–	–	–	6,745,839	6,745,839	482,313	7,228,152
Other comprehensive income for the year													
Equity investments at fair value through other comprehensive income	–	–	–	(11,093,353)	–	–	–	–	–	–	(11,093,353)	595	(11,092,758)
Exchange differences on translation of foreign operations	–	–	–	–	–	–	–	–	57,057	–	57,057	99,121	156,178
Share and disposal of other comprehensive income from joint ventures	–	–	–	–	–	–	–	–	3,154	–	3,154	–	3,154
Share and disposal of other comprehensive loss from associates	–	–	–	–	–	–	–	–	(68,939)	–	(68,939)	–	(68,939)
Total comprehensive income for the year	–	–	–	(11,093,353)	–	–	–	–	(8,728)	6,745,839	(4,356,242)	582,029	(3,774,213)
Contribution from non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	468,106	468,106
Acquisition of a subsidiary not under common control *(note 4)*	–	–	–	–	–	–	–	–	–	–	–	11,070	11,070
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	(229,428)	(229,428)
Final 2022 dividend declared	–	–	–	–	–	–	–	–	–	(1,731,365)	(1,731,365)	–	(1,731,365)
Transfer from retained profits	–	–	–	–	351,836	–	240,730	–	–	(592,566)	–	–	–
Disposal of a subsidiary *(note 47)*	–	–	–	–	–	–	–	–	–	–	–	63,333	63,333
Others	–	–	(8,995)	–	–	–	–	–	–	–	(8,995)	–	(8,995)
At 31 December 2023	3,462,729	12,647,502	(1,438,698)	(650,196)	5,844,155	9,647,574	652,251	–	506,472	36,750,259	67,422,048	9,326,617	76,748,665

* *These reserve accounts comprise the consolidated reserves of RMB63,959,319,000 (2022: RMB70,055,921,000) in the consolidated statement of financial position.*

For the year ended 31 December 2022

	Attributable to owners of the parent												
	Share capital *RMB'000*	Share premium* *RMB'000*	Capital reserve* *RMB'000*	Other reserve* *RMB'000*	Statutory surplus reserve* *RMB'000*	Discretionary surplus reserve* *RMB'000*	Safety fund surplus reserve* *RMB'000*	Hedging reserve* *RMB'000*	Translation reserve* *RMB'000*	Retained profits* *RMB'000*	Sub-total *RMB'000*	Non-controlling interests *RMB'000*	Total *RMB'000*
As at 1 January 2022	3,462,729	12,647,502	(1,346,444)	11,219,531	5,125,490	9,647,574	404,009	–	205,880	28,432,581	69,798,852	8,011,074	77,809,926
Profit for the year	–	–	–	–	–	–	–	–	–	6,001,476	6,001,476	94,078	6,095,554
Other comprehensive income for the year													
Equity investments at fair value through other comprehensive income	–	–	–	(776,374)	–	–	–	–	–	–	(776,374)	41	(776,333)
Exchange differences on translation of foreign operations	–	–	–	–	–	–	–	–	79,961	–	79,961	40,717	120,678
Share of other comprehensive income of joint ventures	–	–	–	–	–	–	–	–	5,711	–	5,711	–	5,711
Share of other comprehensive income of associates	–	–	–	–	–	–	–	–	223,648	–	223,648	–	223,648
Total comprehensive income for the year	–	–	–	(776,374)	–	–	–	–	309,320	6,001,476	5,534,422	134,836	5,669,258
Contribution from non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	258,250	258,250
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	(53,305)	(53,305)
Final 2021 dividend declared	–	–	–	–	–	–	–	–	–	(1,731,365)	(1,731,365)	–	(1,731,365)
Transfer from retained profits	–	–	–	–	366,829	–	7,512	–	–	(374,341)	–	–	–
Disposal of a subsidiary	–	–	–	–	–	–	–	–	–	–	–	(2,607)	(2,607)
Others	–	–	(83,259)	–	–	–	–	–	–	–	(83,259)	83,259	–
At 31 December 2022	3,462,729	12,647,502	(1,429,703)	10,443,157	5,492,319	9,647,574	411,521	–	515,200	32,328,351	73,518,650	8,431,507	81,950,157

Consolidated Statement of Cash Flows

YEAR ENDED 31 DECEMBER 2023

	Notes	**2023**	2022
		RMB'000	*RMB'000*
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax	11	**8,632,470**	7,498,558
Adjustments for:			
Finance costs	10	**2,323,801**	1,967,157
Foreign exchange gains, net	8	**(172,144)**	(237,805)
(Gains)/losses on other financial instruments, net:			
– Listed debentures	8	**(106,742)**	(27,571)
– Listed equity investments	8	**(544)**	12,437
– Investments in financial products	8	**(202,383)**	(278,671)
– Gold lease contracts	8	**–**	12,345
Net losses on disposal of, net:			
– Items of property, plant and equipment	8	**50,829**	104,968
– Exploration and evaluation assets	8	**–**	19,098
Fair value (gains)/losses, net:			
– Derivative financial instruments	8	**(354,401)**	601,720
– Listed equity investments	8	**12,223**	152,743
– Unlisted equity investments	8	**(71,424)**	25,170
– Income right attached to a target equity interest	8	**–**	5,800
– Debt instruments	8	**(6,075)**	24,576
Provision for/(reversal of) impairment of:			
– Trade and bills receivables	9	**(21,774)**	194,176
– Factoring receivables	9	**23,794**	17,903
– Other receivables	9	**11,930**	73,209
– Loans to related parties	9	**(3,741)**	1,346
– Treasury bonds	9	**–**	(2,048)
– Right-of-use assets	8	**–**	3,401
– Property, plant and equipment	8	**190,642**	118,350
– Interests in an associate	8	**57,403**	–
– Other intangible assets	8	**–**	22,910

	Notes	2023 RMB'000	2022 RMB'000
Provision for impairment of inventories to net realisable value	11	**633,355**	760,857
Depreciation/amortisation of:			
– Property, plant and equipment	11	**2,257,806**	2,147,811
– Right-of-use assets	11	**299,846**	307,559
– Investment properties	11	**31,879**	26,466
– Other intangible assets	11	**258,381**	242,942
Dividend income from equity investments	7	**(167,060)**	(112,156)
Share of (gains)/losses of joint ventures and associates	23,24	**(87,639)**	215,350
Gain on disposal of Interests in a subsidiary	8	**(21,591)**	(13,458)
Gain on disposal of Interests in jointly controlled entities and associates	8	**(60,851)**	(168,630)
Unwinding of an interest in rehabilitation provision	41	**14,940**	11,043
Deferred revenue released to the statement of profit or loss	38	**(67,779)**	(78,550)
		13,455,151	13,649,006
Increase in inventories		**(3,215,137)**	(1,456,867)
Decrease in trade and bills receivables		**433,623**	750,386
Decrease in factoring receivables		**10,013**	75,287
Increase in prepayments, other receivables and other assets		**(360,502)**	(380,165)
Decrease in derivative financial instruments		**3,225**	5,447
Decrease/(increase) in loans to related parties		**186,212**	(798,854)
Decrease/(increase) in restricted bank deposits		**459,607**	(1,090,896)
Increase in trade and bills payables		**1,154,470**	2,658,416
Increase/(decrease) in other payables and accruals		**559,915**	(2,194,117)
(Decrease)/Increase in deposits from holding company and fellow subsidiaries		**(219,162)**	987,525
Cash generated from operations		**12,467,415**	12,205,168
Income tax paid		**(1,536,238)**	(1,563,847)
Net cash flows from operating activities		**10,931,177**	10,641,321

Consolidated Statement of Cash Flows

YEAR ENDED 31 DECEMBER 2023

	Notes	2023 RMB'000	2022 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of financial investments		**20,924,947**	26,746,132
Dividend received from a joint venture		**7,500**	15,000
Dividend received from an associate		**129,790**	45,805
Proceeds from disposal of property, plant and equipment		**45,485**	180,992
Proceeds from disposal of items of assets classified as held for sale		**–**	8,847
Proceeds from disposal of other intangible assets		**725**	227
Proceeds from disposal of right-of-use assets		**–**	20,386
(Losses)/Proceeds from disposal of a subsidiary		**(854)**	61,410
Proceeds from disposal of an associate		**5,714**	182,272
Additional investments in associates		**(116,020)**	(285,536)
Acquisition of subsidiaries and business combinations		**(133,699)**	–
Purchases of financial investments		**(22,280,431)**	(29,379,069)
Purchases of property, plant and equipment		**(6,521,870)**	(5,158,060)
Purchases of exploration and evaluation assets		**(747)**	(11,432)
Additions to right-of-use assets		**(232,585)**	(34,926)
Purchases of other intangible assets		**(56,170)**	(111,030)
Net cash used in investing activities		**(8,228,215)**	(7,718,982)

	Notes	2023 RMB'000	2022 RMB'000
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank and other borrowings raised		**108,354,718**	98,101,696
New corporate bond issued		**1,997,430**	3,000,000
Increase of pledged time deposits to secure bank borrowings		**(12,012,249)**	(17,561,965)
Repayment of bank and other borrowings		**(92,891,563)**	(90,831,804)
Principal portion of lease payments		**(186,758)**	(199,145)
Dividends paid		**(1,731,365)**	(1,731,365)
Dividends paid to non-controlling interests		**(229,428)**	(53,306)
Interest paid		**(1,836,167)**	(736,163)
Contribution from non-controlling interests		**468,106**	258,250
Net cash flows (used in)/from financing activities		**1,932,724**	(9,753,802)
Net increase/(decrease) in cash and cash equivalents		**4,635,686**	(6,831,463)
Cash and cash equivalents at beginning of year		**14,727,876**	21,295,290
Effect of foreign exchange rate changes, net		**121,215**	264,049
Cash and cash equivalents at end of year	33	**19,484,777**	14,727,876

1. CORPORATE INFORMATION

Jiangxi Copper Company Limited (the "Company") was registered in the People's Republic of China (the "PRC") as a joint stock limited company. The registration number of the Company's business licence is Qi He Gan Zhong Zi 003556. The Company was established on 24 January 1997 by Jiangxi Copper Corporation ("JCC"), 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 15 Yejin Avenue, Guixi City, Jiangxi, the PRC. In the opinion of the directors, the Company's ultimate holding company is JCC, a State-owned enterprise established in the PRC, the Company's penultimate controlling party is Jiangxi Sate-owned Capital Operation Holding Group Co. Ltd, and the ultimate controlling party is the State-owned Assets Supervision and 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 chemicals as well as finance and trading fields. The Group has established a complete industrial chain integrated with exploration, mining, ore dressing, smelting and processing in copper and related non-ferrous metal fields, and it is an important production base of copper, gold, silver and sulphuric chemicals in the PRC. The Group has more than 50 varieties of main products, such as copper cathode, gold, silver, sulphuric acid, copper rod, copper tube, copper foil, selenium, tellurium, rhenium and bismuth.

1. CORPORATE INFORMATION (CONTINUED)

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name of subsidiary	Type	Place of incorporation/ establishment and operations	Nominal value of paid-up/registered capital	Proportion of nominal value of issued ordinary share capital held by the Company Directly	Indirectly	Principal activities
江西銅業集團財務有限公司 JCC Finance Company Limited ("Finance Company") (a)	LLC	Chinese Mainland	RMB1,000,000,000	98.33%	1.67%	Provision of deposits, loans, guarantees and financing consultation services to related parties
江銅國際貿易有限公司 Jiangxi Copper International Trade Company Limited ("JXCC International Trade")	LLC	Chinese Mainland	RMB1,016,091,000	59.05%	–	Sale of metals, chemicals, mining products, construction materials
浙江江銅富冶和鼎銅業有限公司 Zhejiang JCC Fuye Heding Copper Company Limited ("Fuye Heding") (b)	LLC	Chinese Mainland	RMB1,280,000,000	40%	–	Manufacture and sale of copper products
江銅華北(天津)銅業有限公司 Jiangxi Copper Huabei (Tianjin) Company Limited ("JCHT")	LLC	Chinese Mainland	RMB640,204,000	51%	–	Manufacture and sale of copper products
江西銅業(香港)投資有限公司 Jiangxi Copper Hong Kong Investment Limited("Hong Kong Investment")	LLC	Hong Kong	USD1,052,080,000	100%	–	Mining investment

1. CORPORATE INFORMATION (CONTINUED)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are as follows: (Continued)

Name of subsidiary	Type	Place of incorporation/ establishment and operations	Nominal value of paid-up/registered capital	Proportion of nominal value of issued ordinary share capital held by the Company		Principal activities
				Directly	Indirectly	
江西銅業(深圳)國際投資控股有限公司 Jiangxi Copper (Shenzhen) International Investment Holding Co., Ltd. ("Shenzhen International")	LLC	Chinese Mainland	RMB1,662,000,000	100%	–	Import and export trade of non-ferrous metals, minerals and other products
山東恒邦冶煉股份有限公司 Shandong Humon Smelting Co., Ltd. ("Shandong Humon") (c)	LLC	Chinese Mainland	RMB910,400,000	44.48%	–	Production, processing and sale of precious metals and non-ferrous metals

(a) The Company hold 1.67% of Finance company indirectly through Jiangxi Copper Products Company Limited, a subsidiary of the Company.

(b) On 1 October 2015, the Company entered into an acting-in-concert agreement with another vote holder of Fuye Heding, resulting in the Company having the majority of the voting rights thereafter. Accordingly, the board of directors of the Company considered that the Company has control over Fuye Heding and has consolidated it as a subsidiary since 1 October 2015.

(c) The Company controls Shandong Humon through de facto control. Details are given in note 3 to the financial statements.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") (which include all International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations) issued by the International Accounting Standards Board ("IASB"), and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for derivative financial instruments, certain debt and equity instruments which have been measured at fair value. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2023. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

2.1 BASIS OF PREPARATION (CONTINUED)

Basis of consolidation (Continued)

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the translation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised IFRSs for the first time for the current year's financial statements.

IFRS 17	*Insurance Contracts*
Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of Accounting Policies*
Amendments to IAS 8	*Definition of Accounting Estimates*
Amendments to IAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to IAS 12	*International Tax Reform – Pillar Two Model Rules*

The nature and the impact of the new and revised IFRSs that are applicable to the Group are described below:

(a) Amendments to IAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to IFRS Practice Statement 2 *Making Materiality Judgements* provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has disclosed the material accounting policy information in note 2.4 to the financial statements. The amendments did not have any impact on the measurement, recognition or presentation of any items in the Group's financial statements.

(b) Amendments to IAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. Since the Group's approach and policy align with the amendments, the amendments had no impact on the Group's financial statements.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

The nature and the impact of the new and revised IFRS that are applicable to the Group are described below: (Continued)

(c) Amendments to IAS 12 *Deferred Tax related to Assets and Liabilities* arising from a Single Transaction narrow the scope of the initial recognition exception in IAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The Group has recognised the deferred tax liabilities and deferred tax assets on temporary differences related to leases and decommissioning obligations previously. The amendments did not have any impact on the financial position or performance of the Group.

(d) Amendments to IAS 12 *International Tax Reform – Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. The Group has applied the amendments retrospectively. The Group has not yet applied the temporary exception during the current year because the entities comprising the Group are operating in jurisdictions in which the Pillar Two tax law has not yet been enacted or substantively enacted. The Group will disclose known or reasonably estimable information related to its exposure to Pillar Two income taxes in the consolidated financial statements by the time when the Pillar Two tax law has been enacted or substantively enacted and will disclose separately the current tax expense or income related to Pillar Two income taxes when it is in effect.

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these revised IFRSs, if applicable, when they become effective.

Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*[1]
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current (the "2020 Amendments")*[1]
Amendments to IAS 1	*Non-current Liabilities with Covenants (the "2022 Amendments")*[1]
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements*[1]
Amendments to IAS 21	*Lack of Exchangeability*[2]

1 Effective for annual periods beginning on or after 1 January 2024
2 Effective for annual periods beginning on or after 1 January 2025
3 No mandatory effective date yet determined but available for adoption

Further information about those IFRSs that are expected to be applicable to the Group is described below.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB. However, the amendments are available for adoption now.

Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendments are effective for annual periods beginning on or after 1 January 2024 and shall be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16 (i.e., 1 January 2019). Earlier application is permitted. In respect of sale and leaseback transactions with variable lease payments that do not depend on an index or a rate, the Group will develop an accounting policy for such transactions.

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period. The amendments shall be applied retrospectively with early application permitted. An entity that applies the 2020 Amendments early is required to apply simultaneously the 2022 Amendments, and vice versa. The Group is currently assessing the impact of the amendments and whether existing loan agreements may require revision. Based on a preliminary assessment, the amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Earlier application of the amendments is permitted. The amendments provide certain transition reliefs regarding comparative information, quantitative information as at the beginning of the annual reporting period and interim disclosures. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group's financial statements.

2.4 MATERIAL ACCOUNTING POLICIES

Investments in associates and joint ventures

An associate is an entity in which the Group has a long-term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

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

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations.*

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Business combinations and goodwill

(i) Business combinations under common control

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

The net assets of the combining entities or businesses are combined using the existing book values from the controlling parties' perspective. No amount is recognised in consideration for goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated statement of profit or loss include the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where there is a shorter year, regardless of the date of the common control combination.

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

Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders, costs or losses incurred in combining operations of the previously separate businesses, incurred in relation to the common control combination that is to be accounted for by using the merger accounting are recognised as expenses in the year in which they are incurred.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Business combinations and goodwill (continued)

(ii) Business combinations not under common control

Business combinations not under common control are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Business combinations and goodwill (Continued)

(ii) Business combinations not under common control (Continued)

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Fair value measurement

The Group measures its debt instruments, derivative financial instruments and equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, contract assets, financial assets, investment properties and non-current assets/a disposal group classified as held for sale), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group; and the sponsoring employers of the post-employment benefit plan;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5, as further explained in the accounting policy for "Non-current assets and disposal groups held for sale". The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

	Useful life
Buildings and mining infrastructure	12 – 45 years
Machinery	8 – 27 years
Motor vehicles	4 – 13 years
Office equipment	5 – 10 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Investment properties

Investment properties are interests in land and buildings (including right-of-use assets) held to earn rental income and/or for capital appreciation. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, the Group uses the cost model to measure all of its investment properties.

Depreciation is calculated on the straight-line basis to write off the cost to investment property's residual value over its estimated useful life. The estimated useful lives are as follows:

Commercial properties	20 – 50 years

The carrying amounts of investment properties measured using the cost method are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable.

Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of the retirement or disposal.

Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

Non-current assets and disposal groups (other than investment properties and financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

The useful lives of intangible assets are assessed to be either finite or indefinite and are shown below:

	Useful life
Mining rights	10 – 50 years
Trademarks	20 years
Vendor contracts	18 years
Others	5 – 20 years

The Group's intangible assets are mainly with finite useful lives. Intangible assets with finite lives are subsequently amortised over the shorter of their useful economic lives and the licence period and are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Exploration and evaluation assets

Exploration and evaluation assets are stated at cost less impairment losses. Exploration and evaluation assets are mainly comprised of cost to acquire exploration rights as well as expenditures incurred during topographical exploration process, including topographical and geological surveys, exploratory drilling, sampling and trenching and activities in relation to commercial and technical feasibility studies. If any project is abandoned, the total expenditure thereon will be written off in the statement of profit or loss.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	25 – 50 years
Buildings	2 – 10 years
Machinery and vehicles	5 – 10 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

Group as a lessee (Continued)

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value.

When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (Continued)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (Continued)

Subsequent measurement (Continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (Continued)

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 360 days past due.

The Group considers a financial asset in default when contractual payments are 3 years past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

For debt investments at fair value through other comprehensive income, the Group applies the low credit risk simplification. At each reporting date, the Group evaluates whether the debt investments are considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the external credit ratings of the debt investments.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (Continued)

General approach (Continued)

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The realisable values of collateral have been taken into account when individually and collectively assessing the ECL for trade receivables.

For trade receivables and contract assets that contain a significant financing component and lease receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, deposits from the holding company and fellow subsidiaries, derivative financial instruments and interest-bearing bank borrowings, corporate bonds and other non-current liabilities.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in the statement of profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial liabilities (Continued)

Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and other payables, and interest-bearing bank borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contracts at the higher of:

(i) the ECL allowance determined in accordance with the policy as set out in "Impairment of financial assets"(policies under IFRS 9 applicable from 1 January 2018); and

(ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

Convertible bonds

The component of convertible bonds that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs. On issuance of convertible bonds, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond; and this amount is carried as a long term liability on the amortised cost basis until extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in shareholders' equity, net of transaction costs. The carrying amount of the conversion option is not remeasured in subsequent years. Transaction costs are apportioned between the liability and equity components of the convertible bonds based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, foreign currency swaps, to hedge its foreign currency risk and interest rate risk, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value of commodity purchase contracts that meet the definition of a derivative as defined by IFRS 9 is recognised in the statement of profit or loss as cost of sales. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Group's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Derivative financial instruments and hedge accounting (Continued)

Initial recognition and subsequent measurement (Continued)

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

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment; or
- cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction, or a foreign currency risk in an unrecognised firm commitment; or
- hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, the risk management objective and its strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is "an economic relationship" between the hedged item and the hedging instrument.
- The effect of credit risk does not "dominate the value changes" that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Derivative financial instruments and hedge accounting (Continued)

Initial recognition and subsequent measurement (Continued)

Hedges which meet all the qualifying criteria for hedge accounting are accounted for as follows:

Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit or loss as other expenses. The change in the fair value of the hedged item attributable to the risk hedged is recorded as a part of the carrying amount of the hedged item and is also recognised in the statement of profit or loss as other expenses.

For fair value hedges relating to items carried at amortised cost, the adjustment to carrying value is amortised through the statement of profit or loss over the remaining term of the hedge using the effective interest rate method. Effective interest rate amortisation may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is derecognised, the unamortised fair value is recognised immediately in the statement of profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in the statement of profit or loss. The changes in the fair value of the hedging instrument are also recognised in the statement of profit or loss.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Cost of inventories also includes gains and losses on qualifying fair value hedge in respect of inventories designated as hedged items. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

To the extent to which more than one finished product is obtained from the mineral resource ("joint products"), all joint production costs are apportioned between the resulting finished products by reference to their estimated realisable values at the point where those joint products become physically separated.

Those costs of removing waste materials or "stripping costs" incurred during the production phase of a mine are included in the cost of inventories extracted during the period in which the stripping costs are incurred.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

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

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Income tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

Where the Group receives grants of non-monetary assets, the grants are recorded at the fair value of the non-monetary assets and released to the statement of profit or loss over the expected useful lives of the relevant assets by equal annual instalments.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (Continued)

Revenue from contracts with customers (Continued)

(a) Sale of goods

The Group generally recognises revenue at the point of transfer of the control of goods on the basis of a combination of the following factors: the current right to collect the goods, the transfer of major risks and benefits in the ownership of the goods, the transfer of the legal ownership of the goods, the transfer of physical assets of the goods and that the customers have accepted the goods.

(b) Construction services

Revenue from the provision of construction services is recognised over time, using an input method to measure progress towards complete satisfaction of the service, because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. The input method recognises revenue based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the construction services.

Claims to customers are amounts that the Group seeks to collect from the customers as reimbursement of costs and margins for scope of works not included in the original construction contract. Claims are accounted for as variable consideration and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Group uses the expected value method to estimate the amounts of claims because this method best predicts the amount of variable consideration to which the Group will be entitled.

(c) Other service income

Other service income, including income from sub-contracting services, is recognised when services are provided.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (Continued)

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Contract assets

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Other employee benefits

In accordance with the rules and regulations in the PRC, the employees of the Group are required to participate in a central pension scheme operated by the local municipal government. The Group is required to contribute certain percentages of its payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Foreign currencies

These financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Foreign currencies (Continued)

The functional currencies of certain overseas subsidiaries, joint ventures and associates are currencies other than the RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the translation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following significant judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Significant judgement in determining the lease term of contracts with renewal options

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate the lease (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Judgements (Continued)

Consolidation of an entity in which the Group holds less than a majority of voting rights

The Company considers that it controls Shandong Humon even though it owns less than 50% of the voting rights. This is because: i) the Company is able to control over the board of Shandong Humon with the power to make decision in the financial and operating policies; ii) the Company entered into an agreement with another two vote holders of Shandong Humon and they promised that they will not, either by themselves or together with other vote holders of Shandong Humon damage or impact the Company's right of control over Shandong Humon; and iii) the remaining equity shares in Shandong Humon are widely held by many other shareholders and there is no single shareholder holding more than 3% of the shares. Since the date of acquisition, there has been no history of the other shareholders collaborating to exercise their votes collectively or to outvote the Company.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Environment rehabilitation obligations

Environment rehabilitation obligations are inherently imprecise and represent only approximate amounts because of the subjective judgements involved in the estimation of the costs. Environment rehabilitation obligations are subject to considerable uncertainty which affects the Group's ability to estimate the ultimate cost of remediation efforts. These uncertainties include: (i) the exact nature and extent of the contamination at various sites including, but not limited to, mines and land development areas, whether operating, closed or sold, (ii) the extent of required clean-up efforts, (iii) varying cost of alternative remediation strategies, (iv) changes in environmental remediation requirements, and (v) the identification of new remediation sites. In addition, as prices and cost levels change from year to year, the estimate of environment liabilities also changes. Despite the inherent imprecision in these estimates, these estimates are used in assessing the provision for rehabilitation. The carrying amount of provision for rehabilitation at 31 December 2023 was RMB295,312,000 (2022: RMB356,986,000). More details are given in note 41.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

Useful lives of property, plant and equipment

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. Useful lives are determined based on management's past experience with similar assets, estimated changes in technologies and in the case of mining related property, plant and equipment, estimated mine lives. If the estimated useful lives change significantly, adjustment of depreciation will be provided in the future years. The carrying amount of property, plant and equipment at 31 December 2023 was RMB32,821,221,000 (2022: RMB27,076,033,000). More details are given in note 17.

Allowance for inventories

Management reviews the net realisable values of inventories at the end of the reporting period based on the estimated selling prices in the ordinary course of business less the estimated costs of completion and the estimated selling expenses and related taxes to determine the allowance for inventories. Management may take reference to the available price in the open market or the most recent/subsequent selling price if the open market information is not available. These estimates could change significantly as a result of change in market demand of products or technical innovation and impact the expectation of net realisable value and allowance for inventories required. The carrying amount of inventories was RMB40,538,382,000 at 31 December 2023 (2022: RMB38,061,773,000). More details are given in note 28.

Mineral reserves

Technical estimates of the Group's mineral reserves are inherently imprecise and represent only approximate amounts because of the subjective judgements involved in developing such information. There are authoritative guidelines regarding the engineering criteria that have to be met before estimated mineral reserves can be designated as "proved" and "probable". Proved and probable mineral reserves estimates are updated on a regular basis and take into account recent economic production and technical information about each mine. In addition, as production levels and technical standards change from year to year, the estimate of proved and probable mineral reserves also changes. Despite the inherent imprecision in these technical estimates, these estimates are used in determining depreciation and amortisation rates for mine related assets and are used in assessing impairment losses. The carrying amount of mining rights at 31 December 2023 was RMB3,168,205,000 (2022: RMB3,336,011,000). More details are given in note 21.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

Exploration and evaluation assets

The application of the Group's accounting policy for exploration and evaluation assets requires judgement in determining whether it is likely that future economic benefits will result, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalised is written off in the statement of profit or loss in the period when the new information becomes available. The carrying amount of exploration and evaluation assets at 31 December 2023 was RMB593,703,000 (2022: RMB592,956,000). More details are given in note 22.

Deferred tax assets

Deferred tax assets are recognised for all temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Recognition primarily involves judgement regarding the future performance of the particular legal entity or tax group in which the deferred tax asset has been recognised. A variety of other factors are also evaluated in considering whether there is convincing evidence that it is probable that some portion or all of the deferred tax assets will ultimately be realised, such as the amounts of the future taxable profit and tax planning strategies. The carrying amount of deferred tax assets at 31 December 2023 of the Group was RMB724,713,000 (2022: RMB695,213,000). More details are given in note 27.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2023 was RMB1,327,305,000 (2022: RMB1,295,674,000). Further details are given in note 20.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. As at 31 December 2023, the carrying amount of non-financial assets (other than deferred tax, deposits for prepaid lease payments and deposits for property, plant and equipment) was RMB47,098,554,000 (2022: RMB41,363,858,000).

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

Provision for expected credit losses on trade receivables

Provision for impairment of trade receivables is made based on an assessment of expected credit losses on trade receivables. The assessment of expected credit losses requires management's judgement and estimates. Trade receivables relating to customers with known financial difficulties or significant doubt on collection are assessed individually for impairment allowance. The remaining trading receivables are grouped based on aging of bills of various customer segments with similar loss patterns and collectively assessed for impairment allowance. The expected credit loss rates are determined based on historical credit loss experience of receivables with similar credit risk characteristics and adjusted to reflect current and forward-looking information such as macroeconomic factors affecting the ability of the customers to settle the receivables. The realisable value of collateral has been taken into account when the expected credit losses for trade receivables are assessed individually and collectively.

Under the collective approach, the Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on aging of bill for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions, realisable value of collateral and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances, forecast economic conditions and realizable value of collateral. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

Provision for expected credit losses on factoring receivables and other receivables

Impairment loss on factoring receivables and other receivables represent management's best estimate of losses incurred in factoring receivables and other receivables at the reporting date under ECL models. Management assesses whether the credit risk of factoring receivables and other receivables have increased significantly since their initial recognition and apply a three-stage impairment model to calculate their ECLs. The Group is required to exercise judgement in making assumptions and estimates when calculating impairment losses on factoring receivables and other receivables, including any observable data indicating that there is a measurable decrease in the estimated future cash flows from factoring receivables and other receivables and historical loss experience on the basis of the relevant observable data that reflects current economic conditions. The realisable values of collateral have been taken into account when individually and collectively assessing the ECL for trade receivables.

The measurement of the ECLs involves significant management judgments and assumptions, primarily including the selection of appropriate models and determination of relevant key measurement parameters, criteria for determining whether there was a significant increase in credit risk or a default was incurred, economic indicators for forward-looking measurement, and the application of economic scenarios and weightings, management consideration due to significant uncertain factors not covered in the models and the estimated future cash flows in stage 3.

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

Fair value of unlisted equity investments and income right attached to a target equity interest

The unlisted equity investments and income right attached to a target equity interest have been valued based on a market-based valuation technique as detailed in note 54 to the financial statements. The valuation requires the Group to determine the comparable public companies (peers) and select a serious of key ratios. In addition, the Group makes estimates about the discount for illiquidity and size differences. The Group classifies the fair value of these investments as Level 3. The fair value of the unlisted equity investments and the income right attached to a target equity interest at 31 December 2023 was RMB1,389,919,000 (2022: RMB1,191,765,000). Further details are included in note 25 to the financial statements.

4. BUSINESS COMBINATION

Acquisition of Jiangxi Wantong Environmental Protection Material Co., Ltd.

On 1 March 2023, the Group acquired a 55.3% interest in Jiangxi Wantong Environmental Protection Material Co., Ltd. (江西萬銅環保材料有限公司) ("Wantong Environmental") from third parties. Before the acquisition, Wantong Environmental was an associate of the Group. After the acquisition, the Group owned 100% interests of Wantong Environmental and consolidated it as a subsidiary since 1 March 2023. The acquisition was made as part of the Group's strategy to expand and strengthen the ecological restoration of mining business. The purchase consideration for the acquisition was RMB166,021,000 in the form of cash.

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

	1 March 2023 Fair value *RMB'000*
Non-current assets	**259,916**
Including: Property, plant and equipment	**220,437**
Right-of-use assets	**26,574**
Other intangible assets	**12,905**
Current assets	**38,086**
Total assets	**298,002**
Non-current liabilities	**(20,000)**
Current liabilities	**(9,415)**
Total liabilities	**(29,415)**
Total identifiable net assets at fair value	**268,587**
Goodwill on acquisition	**31,631**
	300,218
Satisfied by	
Cash	**166,021**
Fair value of interest in Wantong Environmental before the acquisition	**134,197**
	300,218

4. BUSINESS COMBINATION (CONTINUED)

Acquisition of Jiangxi Wantong Environmental Protection Material Co., Ltd. (Continued)

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	(166,021)
Cash and bank balances acquired	28,536
Net outflow of cash and cash equivalents included in cash flows from investing activities	(137,485)
Transaction costs of the acquisition included in cash flows from operating activities	(350)
Total net cash outflow	(137,835)

The fair values of the trade receivables and other receivables as at the date of acquisition amounted to RMB5,890,000 and RMB123,000, respectively. The gross contractual amounts of trade receivables and other receivables were RMB5,890,000 and RMB129,000, respectively, of which nil and RMB6,000 impairment provision provided, respectively.

The Group incurred transaction costs of RMB350,000 for this acquisition. These transaction costs have been expensed and are included in other expenses in the consolidated statement of profit or loss.

Since the acquisition, Wantong environmental contributed RMB26,140,000 to the Group's revenue and net loss of RMB991,000 to the consolidated profit or loss for the year ended 31 December 2023.

Had the combination taken place at the beginning of the year, the revenue from continuing operations of the Group and the profit of the Group for the year would have been RMB520,340,452,000 and RMB7,226,813,000, respectively.

4. BUSINESS COMBINATION (CONTINUED)

Acquisition of Jiangxi Jiangtong Dingsheng Environmental Technology Co., Ltd.

On 29 December 2023, Jiangxi Jiangtong Environmental Resources Technology Co., Ltd., a subsidiary of the Group acquired a 51.00% interest in Jiangxi Jiangtong Dingsheng Environmental Technology Co., Ltd. (Dingsheng Environmental) from a third party. After the acquisition, the Group owned 51% interests of Dingsheng Environmental and consolidated it as a subsidiary since 29 December 2023. The acquisition was made as part of the Group's strategy to expand and strengthen the ecological restoration of mining business. The purchase consideration for the acquisition was RMB10,408,000 in the form of cash.

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

	29 December 2023 Provisional Fair value *RMB'000*
Non-current assets	**8,535**
Including: Property, plant and equipment	**8,535**
Current assets	**24,888**
Total assets	**33,423**
Current liabilities	**(10,831)**
Total liabilities	**(10,831)**
Total identifiable net assets at fair value	**22,592**
Non-controlling interests	**11,070**
Identifiable net assets at fair value attributable to the Group	**11,522**
Gains recognised in profit or loss	**(1,114)**
	10,408
Satisfied by cash	**10,408**

4. BUSINESS COMBINATION (CONTINUED)

Acquisition of Jiangxi Jiangtong Dingsheng Environmental Technology Co., Ltd. (Continued)

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	(10,408)
Cash and bank balances acquired	7,397
Net outflow of cash and cash equivalents included in cash flows from investing activities	(3,011)
Transaction costs of the acquisition included in cash flows from operating activities	(78)
Total net cash outflow	(3,089)

The fair values disclosed are provisional as at 31 December 2023. 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 RMB885,000 and RMB1,454,000, respectively.

The Group incurred transaction costs of RMB78,000 for this acquisition. These transaction costs have been expensed and are included in other expenses in the consolidated statement of profit or loss.

Since the acquisition, Dingsheng Environmental contributed RMB6,053,000 to the Group's revenue and net profit of RMB2,183,000 to the consolidated profit or loss for the year ended 31 December 2023.

Had the combination taken place at the beginning of the year, the revenue from continuing operations of the Group and the profit of the Group for the year would have been RMB520,339,342,000 and RMB7,229,262,000, respectively.

4. BUSINESS COMBINATION (CONTINUED)

Acquisition of Jiangxi Copper Industry Group (Guixi) Metallurgy Machinery Co., Ltd.

On October 2023, Jiangxi Copper Tongxin Environmental Protection Technology Co., Ltd., a subsidiary of the Group, acquired 100% interest in Jiangxi Copper Industry Group (Guixi) Metallurgy Machinery Co., Ltd. ("Metallurgical Machinery") for a cash amount of RMB6,422,000. Since both parties were controlled by JCC before and after the acquisition and it was not temporary, the acquisition was a business combination under common control and the consolidation date was determined as October 31, 2023.

5. OPERATING SEGMENT INFORMATION

For management purposes, 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 for 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.

5. OPERATING SEGMENT INFORMATION (CONTINUED)

Year ended 31 December 2023	Copper related business *RMB'000*	Gold related business *RMB'000*	Total *RMB'000*
Segment revenue			
Sales to external customers	456,161,750	64,176,750	520,338,500
Intersegment sales	434,317	1,242,536	1,676,853
Total segment revenue	456,596,067	65,419,286	522,015,353
Reconciliation:			
Elimination of intersegment sales			(1,676,853)
Revenue			520,338,500
Segment results	8,111,021	521,449	8,632,470
Reconciliation:			
Elimination of intersegment results			–
Profit before tax			8,632,470

5. OPERATING SEGMENT INFORMATION (CONTINUED)

Year ended 31 December 2022	Copper related business *RMB'000*	Gold related business *RMB'000*	Total *RMB'000*
Segment revenue			
Sales to external customers	429,633,156	48,759,693	478,392,849
Intersegment sales	175,015	1,208,103	1,383,118
	429,808,171	49,967,796	479,775,967
Reconciliation:			
Elimination of intersegment sales			(1,383,118)
Revenue			478,392,849
Segment results	7,047,557	451,001	7,498,558
Reconciliation:			
Elimination of intersegment results			–
Profit before tax			7,498,558

5. OPERATING SEGMENT INFORMATION (CONTINUED)

Geographical information

The Group's operation is mainly located in Chinese Mainland and Hong Kong. The Group's revenue by geographical location of customer is detailed below:

	2023	2022
	RMB'000	*RMB'000*
Chinese Mainland	**463,319,721**	419,335,347
Hong Kong	**25,781,103**	35,469,823
Others	**32,791,688**	25,132,875
	521,892,512	479,938,045
Less: Sales related taxes	**1,554,012**	1,545,196
Total revenue	**520,338,500**	478,392,849

All material non-current assets of the Group (excluding deferred tax assets and financial instruments) are located in Chinese Mainland and Hong Kong except for certain investments in Afghanistan, Peru, Kazakhstan, Canada, Zambia, Mexico, Albania and Tajikistan.

Information about major customers

No revenue from customer or a group of entities which are known to be under common control with that customer, was accounted for 10% or more of the Group's revenue for years ended 31 December 2023 and 2022. State-Owned Entities are not identified as a group of customers under common control by the directors of the Company.

6. REVENUE

Disaggregated revenue information

An analysis of revenue is as follows:

	2023 *RMB'000*	2022 *RMB'000*
Revenue from contracts with customers		
Sale of goods		
– Copper cathodes	**309,923,785**	251,802,921
– Copper rods	**88,052,383**	108,259,138
– Copper processing products	**6,856,059**	6,119,073
– Gold	**51,544,642**	35,532,927
– Silver	**20,438,006**	16,669,894
– Sulphuric and sulphuric concentrates	**1,675,960**	3,553,978
– Copper concentrate, rare and other non-ferrous metals	**32,807,396**	50,045,042
– Others	**8,372,438**	6,345,417
Construction services	**501,926**	667,160
Other services	**1,719,917**	942,495
	521,892,512	479,938,045
Less: Sales related taxes	**1,554,012**	1,545,196
Total	**520,338,500**	478,392,849

6. REVENUE (CONTINUED)

Disaggregated revenue information (Continued)

The Group's revenue from contracts with customers, including sales of goods and other service income above, is as follows:

	2023	2022
	RMB'000	*RMB'000*
Type of goods or service		
– Sale of goods	**519,670,669**	478,328,390
– Construction services	**501,926**	667,160
– Other services	**1,719,917**	942,495
	521,892,512	479,938,045
Less: Sales related taxes	**1,554,012**	1,545,196
Total	**520,338,500**	478,392,849
Timing of revenue recognition		
– Goods or services transferred at a point in time	**521,390,586**	479,270,885
– Services transferred over time	**501,926**	667,160
	521,892,512	479,938,045
Less: Sales related taxes	**1,554,012**	1,545,196
Total	**520,338,500**	478,392,849

The following table shows the amount of revenue recognised in the current reporting period that was included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2023	2022
	RMB'000	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sales of goods	**1,115,288**	2,192,495

6. REVENUE (CONTINUED)

Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of goods

The performance obligation is satisfied upon transfer of controls of the industrial products and payment is satisfied upon delivery of products or generally due within 90 days from delivery.

Sales of goods are made in a short period of time and the performance obligation is mostly satisfied in one year or less at the end of each year.

Construction services

The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 to 90 days from the date of billing. A certain percentage of payment is retained by customers until the end of the retention period as the Group's entitlement to the final payment is conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts.

Other services

The performance obligation is satisfied upon services are provided and payment is generally due within 30 to 90 days from the date of billing.

7. OTHER INCOME

An analysis of other income is as follows:

	2023 ***RMB'000***	2022 *RMB'000*
Interest income	**2,024,545**	1,120,468
Dividend income from equity investments	**167,060**	112,156
Government grants recognised	**467,804**	299,930
Compensation income and others	**59,006**	83,996
Total other income	**2,718,415**	1,616,550

8. OTHER GAINS AND LOSSES

	2023	2022
	RMB'000	*RMB'000*
Fair value gains/(losses) from commodity derivative contracts, T+D forward contracts and commodity option contracts:		
Transactions not designated for hedge	**325,939**	(477,531)
Gains on commodity derivative contracts, T+D forward contracts and commodity option contracts:		
Transactions not designated for hedge	**6,538**	1,345,499
Fair value gains/(losses) from foreign currency forward contracts	**28,462**	(124,189)
Losses from foreign currency forward contracts	**(315,792)**	(551,961)
Fair value gains/(losses) on other financial assets:		
Investments in financial products	**6,075**	(24,576)
Listed equity instruments	**(12,223)**	(152,743)
Unlisted equity investments	**71,424**	(25,170)
Income right attached to a target equity interest	**–**	(5,800)
Gains/(losses) on other financial instruments:		
Listed equity instruments	**544**	(12,437)
Listed debentures	**106,742**	27,571
Investments in financial products	**202,383**	278,671
Gold lease contracts	**–**	(12,345)
Impairment losses on:		
Property, plant and equipment	**(190,642)**	(118,350)
Right of use assets	**–**	(3,401)
Other intangible assets	**–**	(22,910)
Interests in an associate	**(57,403)**	–
Gains/(losses) on disposal of:		
Interests in a subsidiary *(note 47)*	**21,591**	13,458
Interests in associates	**60,851**	168,630
Property, plant and equipment	**(50,829)**	(104,968)
Exploration and evaluation assets	**–**	(19,098)
Foreign exchange gains, net	**172,144**	237,805
Others	**(47,342)**	(111,262)
Total	**328,462**	304,893

9. IMPAIRMENT LOSSES ON FINANCIAL ASSETS, NET

	2023	2022
	RMB'000	*RMB'000*
Provided for/(reversal of)		
Impairment of trade and bills receivables	**(21,774)**	194,176
Impairment of factoring receivables	**23,794**	17,903
Impairment of loans to related parties	**(3,741)**	1,346
Impairment of other receivables	**11,930**	73,209
Impairment of treasury bonds	**–**	(2,048)
Total	**10,209**	284,586

10. FINANCE COSTS

An analysis of finance costs is as follows:

	2023	2022
	RMB'000	*RMB'000*
Interest on:		
Bank borrowings	**1,591,248**	1,137,088
Discounted notes	**609,671**	695,257
Corporate bonds	**116,152**	117,066
Lease liabilities	**6,730**	17,746
Total	**2,323,801**	1,967,157

11. PROFIT BEFORE TAX

In addition to the items detailed elsewhere in these financial statements, the Group's profit before tax is arrived at after charging:

	Notes	**2023** **RMB'000**	2022 RMB'000
Cost of inventories sold and service provided		**498,109,488**	457,146,330
Depreciation of property, plant and equipment	17	**2,257,806**	2,147,811
Depreciation of right-of-use assets	19	**299,846**	307,559
Depreciation of investment properties	18	**31,879**	26,466
Amortisation of other intangible assets	21	**258,381**	242,942
Auditors' remuneration		**12,800**	15,280
Employee benefit expense (including directors' remuneration):			
– Wages and salaries		**5,332,962**	4,860,125
– Pension scheme contributions*		**582,614**	637,540
Research and development costs		**515,629**	483,092
Provision for allowance for inventories included in cost of sales		**633,355**	760,857

* *There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.*

12. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1) (a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2023	2022
	RMB'000	*RMB'000*
Fees	**600**	600
Other emoluments:		
Salaries, allowances and benefits in kind	**10,740**	10,332
Pension scheme contributions	**573**	587
	11,313	10,919
	11,913	11,519

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2023	2022
	RMB'000	*RMB'000*
Liu Xike	**150**	150
Liu Erfei *(i)*	**–**	125
Zhu Xingwen	**150**	150
Wang Feng	**150**	150
Li Shuidi *(i)*	**150**	25
	600	600

i. On 18 October 2022, Mr. Liu Erfei resigned as an independent non-executive director of the Company and Mr. Li Shuidi was appointed as an independent non-executive director of the Company.

There were no other emoluments payable to the independent non-executive directors during the year (2022: Nil).

12. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

(b) Executive director, chief executive and supervisors

2023	Fees	Other emoluments: Salaries, allowances and benefits in kind	Other emoluments: Performance related bonuses	Other emoluments: Pension scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:					
Zheng Gaoqing *(Chairman and the chief executive)*	–	1,332	–	74	1,406
Zhou Shaobing	–	1,332	–	76	1,408
Wang Bo *(i)*	–	1,110	–	62	1,394
Liu Fangyun	–	1,332	–	69	1,401
Yu Tong	–	1,332	–	65	1,397
	–	6,438	–	346	6,784
Supervisors:					
Zha Kebing	–	956	–	56	1,002
Gong Bin	–	956	–	46	985
Zhao Bicheng	–	956	–	29	1,012
Liu Guobiao	–	956	–	47	1,003
Li Si *(ii)*	–	478	–	49	527
	–	4,302	–	227	4,529

12. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

(b) Executive director, chief executive and supervisors (Continued)

2022	Fees	Other emoluments: Salaries, allowances and benefits in kind	Other emoluments: Performance related bonuses	Other emoluments: Pension scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:					
Zheng Gaoqing *(Chairman and the chief executive)*	–	1,332	–	70	1,402
Zhou Shaobing	–	222	–	32	254
Wang Bo	–	1,332	–	70	1,402
Liu Fangyun	–	1,332	–	62	1,394
Yu Tong	–	1,332	–	43	1,375
	–	5,550	–	277	5,827
Supervisors:					
Gong Bin	–	877	–	38	915
Zhao Bicheng	–	877	–	37	914
Zha Kebing	–	159	–	52	211
Liu Guobiao	–	159	–	40	199
Zhang Kui	–	80	–	4	84
Zeng Min	–	80	–	4	84
Wu Donghua	–	797	–	45	842
Zhang Jianhua	–	797	–	36	833
Guan Yongmin	–	956	–	54	1,010
	–	4,782	–	310	5,092

12. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

(b) Executive director, chief executive and supervisors (Continued)

Notes:

i. On 27 October 2023, Mr. Wang Bo resigned as an executive director of the Company.

ii. On 9 June 2023, Mr. Li Si was appointed as supervisor of the Company.

The remuneration shown above represents remuneration received from the Group by these directors in their capacity as employees of the Group and/or in their capacity as directors of the companies now comprising the Group during the year. There were no arrangements under which a director or the chief executive waived or agreed to waive any remuneration during the year.

13. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included no directors (2022: Nil). Details of the remuneration for the year of the five (2022: five) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2023 ***RMB'000***	2022 *RMB'000*
Salaries, allowances and benefits in kind	**12,446**	13,025
Pension scheme contributions	**652**	410
	13,098	13,435

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	2023 ***Number of individuals***	2022 *Number of individuals*
HK$1,500,001 to HK$2,000,000	**4**	1
HK$2,000,001 to HK$2,500,000	**–**	2
HK$2,500,001 to HK$3,000,000	**–**	1
HK$5,500,001 to HK$6,000,000	**1**	1
	5	5

14. INCOME TAX

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

	2023	2022
	RMB'000	*RMB'000*
Current income tax	**1,501,001**	1,400,609
Deferred income tax *(note 27)*	**(96,683)**	2,395
Income tax charge for the year	**1,404,318**	1,403,004

Hong Kong profits tax on the Group's subsidiaries has been provided at the rate of 16.5% (2022: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

The subsidiaries incorporated in Singapore, United States, Peru, Turkey, Zambia, Mexico and Tajikistan are subject to corporate income tax at rates of 17% (2022: 10%), 29.8% (2022: 29.8%), 29.5% (2022: 29.5%), 20% (2022: 20%), 35% (2022: 35%), 30% (2022: 30%), and 18% (2022: 23%), respectively.

The provision for PRC income tax is based on a statutory rate of 25% (2022: 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 High Technology Enterprise which are entitled to a preferential PRC income tax rate of 15%, according to the PRC Corporate Income Tax Law.

14. INCOME TAX (CONTINUED)

A reconciliation of the tax expense applicable to profit before tax at the statutory rate for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate, and a reconciliation of the applicable rate (i.e., the statutory tax rate) to the effective tax rate, are as follows:

	2023		2022	
	RMB'000	**%**	*RMB'000*	*%*
Profit before tax	8,632,470	100.00	7,498,558	100.00
Tax at the effective statutory tax rate (15%) *	1,294,871	15.00	1,124,784	15.00
Effect of different tax rates for subsidiaries	128,997	1.49	64,090	0.85
Tax loss and temporary differences not recognised	95,413	1.11	390,378	5.21
Expenses not deductible for tax	65,505	0.76	27,489	0.37
Income not subject to tax	(34,625)	(0.04)	(43,871)	(0.59)
Profits and losses attributable to joint ventures and associates	(14,802)	(0.17)	(15,320)	(0.20)
Adjustments in respect of current tax of previous periods	(10,144)	(0.12)	(7,007)	(0.09)
Utilisation of unrecognised tax losses and temporary differences	(9,510)	(0.11)	(30,231)	(0.40)
Tax incentive in relation to deduction of certain expense	(111,387)	(1.29)	(107,308)	(1.43)
Income tax expense at the Group's effective rate	1,404,318	16.27	1,403,004	18.72

* *Pursuant to the Notice of Recognition of the 2023 First Batch of New and High Technology Enterprises in Jiangxi Provinces (Gan Gao Qi Ren Fa [2023] No. 24) dated 18 September 2023, jointly issued by the Science and Technology Department of Jiangxi Province, Finance Department of Jiangxi Province, State Tax Bureau of Jiangxi Province and Provincial Tax Bureau of Jiangxi Province, the Company obtained the certificate of New and High Technology Enterprises (reference number: GR202336000411). The validity period of the certificate is from 1 January 2023 to 31 December 2025. The Company was entitled to enjoy the preferential Corporate Income Tax policies for new and high technology enterprises and entitled to a tax concession of the income tax rate of 15% in 2023.*

15. DIVIDENDS

	2023	2022
	RMB'000	*RMB'000*
Proposed final of RMB0.60 per share (2022: RMB0.50 per share)	**2,077,424**	1,731,365

The calculation of the proposed final dividend is based on the number of ordinary shares of 3,462,372,805, excluding 356,600 treasury shares.

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

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

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 3,462,729,405 (2022: 3,462,729,405) in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2023 and 2022.

The calculation of basic earnings per share is based on:

	2023	2022
	RMB'000	*RMB'000*
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	**6,745,839**	6,001,476
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	**3,462,729,405**	3,462,729,405

17. PROPERTY, PLANT AND EQUIPMENT

	Buildings and mining infrastructure *RMB'000*	Machinery *RMB'000*	Motor vehicles *RMB'000*	Office equipment *RMB'000*	Construction in process *RMB'000*	Total *RMB'000*
Cost						
As at 1 January 2022	21,394,787	21,343,782	1,503,484	590,170	2,959,575	47,791,798
Additions	38,666	77,768	26,403	19,689	4,211,602	4,374,128
Transfers	1,078,385	1,156,678	42,798	61,977	(2,339,838)	–
Transfer from investment properties	17,762	–	–	–	–	17,762
Transfer to intangible assets	–	–	–	–	(12,953)	(12,953)
Transfer to right-of-use assets	–	–	–	–	(7,586)	(7,586)
Disposals of a subsidiary	(19,274)	(17,389)	(302)	(5,237)	(41)	(42,243)
Disposals	(211,340)	(854,733)	(78,017)	(48,693)	(26,521)	(1,219,304)
As at 31 December 2022	22,298,986	21,706,106	1,494,366	617,906	4,784,238	50,901,602
Additions	69,871	159,042	40,750	44,470	7,779,951	8,094,084
Additions as a result of acquisition of subsidiaries *(note 4)*	157,475	71,233	53	210	–	228,971
Transfers	3,224,518	2,040,813	45,867	48,728	(5,359,926)	–
Transfer to intangible assets	–	–	–	–	(23,053)	(23,053)
Disposals	(45,268)	(482,262)	(94,357)	(19,239)	(10,053)	(651,179)
As at 31 December 2023	25,705,582	23,494,932	1,486,679	692,075	7,171,157	58,550,425

17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Buildings and mining infrastructure	Machinery	Motor vehicles	Office equipment	Construction in process	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Accumulated depreciation						
As at 1 January 2022	(8,340,680)	(11,731,667)	(1,388,465)	(214,990)	–	(21,675,802)
Charge for the year	(885,160)	(1,142,712)	(66,165)	(53,774)	–	(2,147,811)
Transfer from investment properties	(10,803)	–	–	–	–	(10,803)
Disposals of a subsidiary	4,865	7,166	236	3,251	–	15,518
Disposals	78,326	727,555	65,383	42,413	–	913,677
As at 31 December 2022	(9,153,452)	(12,139,658)	(1,389,011)	(223,100)	–	(22,905,221)
Charge for the year	(932,498)	(1,196,258)	(63,907)	(65,143)	–	(2,257,806)
Disposals	33,577	397,286	89,532	14,746	–	535,141
As at 31 December 2023	(10,052,373)	(12,938,630)	(1,363,386)	(273,497)	–	(24,627,886)
Provision for impairment						
As at 1 January 2022	(471,380)	(211,947)	(23,371)	(3,158)	(96,947)	(806,803)
Provision for the year	(23,630)	(65,922)	(518)	(50)	(28,230)	(118,350)
Disposals	858	3,384	538	25	–	4,805
As at 31 December 2022	(494,152)	(274,485)	(23,351)	(3,183)	(125,177)	(920,348)

17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Buildings and mining infrastructure	Machinery	Motor vehicles	Office equipment	Construction in process	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Provision for the year	(148,940)	(31,933)	(5,650)	(792)	(3,327)	(190,642)
Disposals	–	8,675	919	78	–	9,672
As at 31 December 2023	(643,092)	(297,743)	(28,082)	(3,897)	(128,504)	(1,101,318)
Net carrying amount						
As at 31 December 2023	15,010,117	10,258,559	95,211	414,681	7,042,653	32,821,221
As at 31 December 2022	12,651,382	9,291,963	82,004	391,623	4,659,061	27,076,033

As at 31 December 2023, certain of the Group's machinery and building with net book values of approximately RMB276,348,000 (2022: RMB206,457,000) and RMB277,469,000 (2022: RMB299,165,000), respectively, were mortgaged to secure bank borrowings.

As at 31 December 2023, the Group was in the process of obtaining property ownership certificates for certain of the Group's buildings with a net book value of RMB488,073,000 (2022: RMB382,574,000).

As at 31 December 2023, certain of the Group's buildings with a net book value of approximately RMB108,186,000 (2022: RMB108,118,000) were restricted due to litigation (note 50).

18. INVESTMENT PROPERTIES

	Commercial properties *RMB'000*
Cost	
As at 1 January 2022	718,915
Addition	316,572
Transfer to property, plant and equipment *(note 17)*	(17,762)
Disposal	(4,417)
As at 31 December 2022	1,013,308
Addition	11,713
As at 31 December 2023	1,025,021
Accumulated depreciation	
As at 1 January 2022	(115,495)
Charge for the year	(26,466)
Transfer to property, plant and equipment *(note 17)*	10,803
Disposal	177
As at 31 December 2022	(130,981)
Charge for the year	(31,879)
As at 31 December 2023	(162,860)

18. INVESTMENT PROPERTIES (CONTINUED)

	Commercial properties *RMB'000*
Net carrying amount	
As at 31 December 2023	862,161
As at 31 December 2022	882,327

As at 31 December 2023, certain of the Group's investment properties with a net book value of approximately RMB149,652,000 (2022: RMB151,010,000) were restricted due to litigation (note 50).

As at 31 December 2023, none (31 December 2022: RMB25,300,000) of investment properties of the Group was in the process of obtaining property ownership certificates.

The Group's properties leased to others under operating leases are measured using cost model and are classified and accounted for as investment properties. Depreciation is provided to write off the cost of investment properties using the straight-line method over the remaining terms of the useful lives.

The directors of the Company anticipate that there was no significant differences between the Group's investment properties' fair values and the carrying amounts measured at cost.

19. LEASES

The Group as a lessee

The Group has lease contracts for various items of buildings, machinery and vehicles and other equipment used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 25 to 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of buildings generally have lease terms between 1 and 10 years, while machinery and vehicles generally have lease terms between 5 and 10 years. Other equipment generally has lease terms of 12 months or less and/or is individually of low value. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Right-of-use assets			
	Leasehold land	**Buildings**	**Machinery and vehicles**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2022	4,264,690	8,989	482	4,274,161
Addition	45,384	6,601	–	51,985
Transfer from construction in progress *(note 17)*	7,586	–	–	7,586
Impairment during the year	(3,401)	–	–	(3,401)
Disposal	(22,061)	(5,762)	–	(27,823)
Depreciation charge	(298,481)	(8,596)	(482)	(307,559)
As at 31 December 2022	3,993,717	1,232	–	3,994,949

19. LEASES (CONTINUED)

The Group as a lessee (Continued)

(a) Right-of-use assets (Continued)

	Right-of-use assets Leasehold land	Buildings	Machinery and vehicles	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Addition	748,184	–	481	748,665
Additions as a result of acquisition of subsidiaries *(note 4)*	26,574	–	–	26,574
Disposal	(931)	–	–	(931)
Depreciation charge	(298,368)	(997)	(481)	(299,846)
As at 31 December 2023	4,469,176	235	–	4,469,411

As at 31 December 2023, certain of leasehold land of the Group with a net book value of RMB180,604,000 (31 December 2022: RMB195,122,000) was mortgaged to secure bank borrowings.

At 31 December 2023, the Group was in the process of obtaining the certificates of the land use rights for certain of the Group's leasehold land with a net book value of approximately RMB51,446,000 (2022: RMB52,845,000).

19. LEASES (CONTINUED)

The Group as a lessee (continued)

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	2023	2022
	Lease liabilities	Lease liabilities
	RMB'000	*RMB'000*
Carrying amount at 1 January	**200,112**	372,274
New leases	**515,149**	17,057
Accretion of interest recognised during the year	**6,730**	17,746
Disposal	**–**	(7,820)
Payment	**(186,758)**	(199,145)
Carrying amount at 31 December	**535,233**	200,112
Analysed into:		
Current portion	**166,474**	180,321
Non-current portion	**368,759**	19,791

The maturity analysis of lease liabilities is disclosed in note 56 to the financial statements.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2023	2022
	RMB'000	*RMB'000*
Interest on lease liabilities	**6,730**	17,746
Depreciation charge of right-of-use assets	**299,846**	307,559
Total amount recognised in profit or loss	**306,576**	325,305

19. LEASES (CONTINUED)

The Group as a lessee (continued)

(d) The total cash outflow for leases is disclosed in note 48(c) to the financial statements. As at 31 December 2023, the Group had no significant lease contract that has not yet commenced.

20. GOODWILL

	2023	2022
	RMB'000	*RMB'000*
Carrying amount at 1 January	**1,295,674**	1,295,674
Acquisition of subsidiaries	**31,631**	–
Carrying amount at 31 December	**1,327,305**	1,295,674
Acquisition of Shandong Humon	**1,266,036**	1,266,036
Acquisition of Jiangxi Cable	**17,189**	17,189
Acquisition of Guangdong Taolin	**12,449**	12,449
Acquisition of Wantong Environmental	**31,631**	–
Total	**1,327,305**	1,295,674

20. GOODWILL (CONTINUED)

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the following cash-generating units for impairment testing:

- Gold related products cash-generating unit ("CGU")
- Cable related products CGU
- Ecological restoration service CGU

Particulars of the impairment test of the material CGU are as follows:

Gold related products cash-generating unit

The recoverable amount of the gold related products CGU has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The growth rate used to extrapolate the cash flows of the gold related products CGU beyond the five-year period is 2.2% (31 December 2022: 2.3%). This growth rate does not exceed the long-term average growth rate of the gold related products and is in accordance with forecasted data of the industry. The determination of the recoverable amount of the gold related products CGU involves estimates and judgments, including the future price of gold and related products, production costs, operating expenses, the growth rate used to estimate future cash flows and discount rate applied to these forecasted future cash flows of the underlying CGU.

The pre-tax discount rate applied to the cash flow projections is 9.71% (31 December 2022: 10.00%). These estimates and judgements may be affected by unexpected changes in future market or economic conditions or discount rates applied.

The values assigned to the key assumptions on market development of the industrial products, discount rates and raw materials price inflation are consistent with external information sources.

The directors of the Company are of the view that, based on their assessment, there was no impairment of goodwill as at 31 December 2023.

21. OTHER INTANGIBLE ASSETS

	Mining rights *RMB'000*	Trademarks *RMB'000*	Vendor contracts *RMB'000*	Others *RMB'000*	Total *RMB'000*
Cost					
As at 1 January 2022	4,573,235	206,211	193,524	202,518	5,175,488
Additions	94,413	–	14,313	2,305	111,031
Transfer from exploration and evaluation assets *(note 22)*	26,705	–	–	–	26,705
Transfer from construction in progress *(note 17)*	–	–	–	12,953	12,953
Disposals	–	(41)	–	(16,275)	(16,316)
As at 31 December 2022	4,694,353	206,170	207,837	201,501	5,309,861
Additions	41,658	–	2,709	11,803	56,170
Additions as a result of acquisition of subsidiaries *(note 4)*	–	–	–	12,905	12,905
Transfer from construction in progress *(note 17)*	–	–	–	23,053	23,053
Disposals	–	(54)	–	(1,202)	(1,256)
As at 31 December 2023	4,736,011	206,116	210,546	248,060	5,400,733

21. OTHER INTANGIBLE ASSETS (CONTINUED)

	Mining rights *RMB'000*	Trademarks *RMB'000*	Vendor contracts *RMB'000*	Others *RMB'000*	Total *RMB'000*
Amortisation					
As at 1 January 2022	(803,216)	(54,044)	(34,288)	(115,264)	(1,006,812)
Charge for the year	(195,663)	(2,357)	(10,476)	(34,446)	(242,942)
Disposals	–	41	–	10,567	10,608
As at 31 December 2022	(998,879)	(56,360)	(44,764)	(139,143)	(1,239,146)
Charge for the year	(209,464)	(2,170)	(11,000)	(35,747)	(258,381)
Disposals	–	–	–	531	531
As at 31 December 2023	(1,208,343)	(58,530)	(55,764)	(174,359)	(1,496,996)
Provision for impairment					
As at 1 January 2022	(336,553)	–	–	(52)	(336,605)
Provision for the year	(22,910)	–	–	–	(22,910)
As at 31 December 2022	(359,463)	–	–	(52)	(359,515)
As at 31 December 2023	(359,463)	–	–	(52)	(359,515)
Net carrying amount					
As at 31 December 2023	3,168,205	147,586	154,782	73,649	3,544,222
As at 31 December 2022	3,336,011	149,810	163,073	62,306	3,711,200

22. EXPLORATION AND EVALUATION ASSETS

	2023	2022
	RMB'000	*RMB'000*
Carrying amount at 1 January	**592,956**	608,229
Additions	**747**	12,843
Transfer to mining rights *(note 21)*	**–**	(26,705)
Disposals	**–**	(1,411)
Carrying amount at 31 December	**593,703**	592,956

23. INVESTMENTS IN JOINT VENTURES

	2023	2022
	RMB'000	*RMB'000*
Share of net assets	**117,641**	147,608
Impairment	**(92,320)**	(34,917)
Net carrying amount	**25,321**	112,691

The Group's trade receivable and payable balances with the joint ventures are disclosed in note 52 to the financial statements.

Particulars of the joint ventures are set out as follows:

			Percentage of		
Name of jointly-controlled entity	**Particulars of share capital held**	**Place of establishment and operations**	**Ownership interest**	**Profit sharing**	**Principal activities**
江西省江銅百泰環保科技有限公司 Jiangxi JCC-BIOTEQ Environmental Technologies Co., Ltd. ("Jiang Tong Bioteq")	Registered capital of RMB1 each	PRC/Chinese Mainland	50%	50%	Recovery of industrial wastewater and sale of products
Nesko Metal Sanayive Ticaret Anonim Şirketi	Registered capital of YTL1 each	Istanbul	48%	48%	Investment holding of a 99.95% equity interest in a mining company in Albania

23. INVESTMENTS IN JOINT VENTURES (CONTINUED)

The following table illustrates the aggregate financial statements of the Group's joint ventures that are not individually material:

	2023	2022
	RMB'000	*RMB'000*
Share of the joint ventures' loss for the year	**(10,325)**	(30,336)
Share of the joint ventures' other comprehensive (expenses)/income for the year	**(2,130)**	5,711
Share of the joint ventures' total comprehensive expenses for the year	**(12,455)**	(24,625)
Carrying amount of the Group's investments in the joint ventures	**25,321**	112,691

24. INVESTMENTS IN ASSOCIATES

	2023	2022
	RMB'000	*RMB'000*
Share of net assets	**4,782,515**	4,993,702

The Group's trade receivable and payable balances with the associates are disclosed in note 52 to the financial statements.

24. INVESTMENTS IN ASSOCIATES (CONTINUED)

Particulars of the associates are as follows:

Name of associate	Particulars of share capital held	Place of incorporation/ establishment and operations	Percentage of ownership interest attributable to the Group	Principal activities
五礦江銅礦業投資有限公司 Minmetals Jiangxi Copper Mining Investment Company Limited ("Minmetals Jiangxi Copper")	Registered capital of RMB1 each	PRC/Chinese Mainland	40.00%	Investment holding of a mining company in Peru
中冶江銅艾娜克礦業有限公司 MCC-JCL Aynak Minerals Company Limited ("MCC-JCL")	Registered capital of USD1 each	Afghanistan	25.00%	Exploration and sale of copper products
中銀國際證券股份有限公司 BOC International (China) Co., Ltd. ("BOCI") *(a)*	Registered capital of RMB1 each	PRC/Chinese Mainland	4.70%	Securities broker and investment advisory
江西銅瑞項目管理有限公司 Jiangxi Tongrui Project Management Company Limited ("Tongrui")	Registered capital of RMB1 each	PRC/Chinese Mainland	49.00%	Project management services
江西江銅石化有限公司 Jiangxi JCC Petrochemical Company Limited ("Shihua")	Registered capital of RMB1 each	PRC/Chinese Mainland	49.00%	Production and sale petrochemical products
寧波賽墨科技有限公司 Ningbo Saimo Technology Company Limited ("Saimo")	Registered capital of RMB1 each	PRC/Mainland China	39.61%	Technology services
江西東辰機械製造有限公司 Jiangxi Dongchen Machine Manufacturing Company Limited ("Dongchen")	Registered capital of RMB1 each	PRC/Mainland China	21.00%	Manufacture and sale of electromechanical products
成都江銅金號有限公司 Chengdu JXCC Jinhao Company Limited ("Chengdu Jinhao")	Registered capital of RMB1 each	PRC/Mainland China	49.00%	Trading of gold, silver, articles, jewellery, mining products

24. INVESTMENTS IN ASSOCIATES (CONTINUED)

Particulars of the associates are as follows: (Continued)

Name of associate	Particulars of share capital held	Place of incorporation/ establishment and operations	Percentage of ownership interest attributable to the Group	Principal activities
江西德普礦山設備有限公司 Jiangxi Depu Mining Equipment Co., Ltd. ("Depu Mining")	Registered capital of RMB1 each	PRC/Mainland China	49.00%	Manufacture and sale of electromechanical products
萬國國際礦業集團有限公司 Wanguo International Mining Group Limited ("Wanguo International")	Registered capital of RMB1 each	PRC/Mainland China	20.87%	Exploration and sale of copper products
河北新寶豐電線電纜有限公司 Hebei New Baofeng Wire & Cable Co., Ltd. ("Hebei New Baofeng") *(a)*	Registered capital of RMB1 each	PRC/Mainland China	4.78%	Manufacture and sale of electromechanical products
佳鑫國際資源投資有限公司 Jiaxin International Resources Investment Limited ("Jiaxin")	Registered capital of HKD1 each	Hong Kong	41.65%	Investments in natural resources
索爾黃金 Solgold PLC("Solgold") *(a)*	Registered capital of ￡0.01 each	Australia	6.26%	Investments in natural resources

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

Minmetals Jiangxi Copper is considered material associates of the Group, is strategic partner of the Group engaged in copper mining and is accounted for using the equity method.

24. INVESTMENTS IN ASSOCIATES (CONTINUED)

Particulars of the associates are as follows: (Continued)

The following table illustrates the summarised financial statements in respect of Minmetals Jiangxi Copper adjusted for any differences in accounting policies and reconciled to the carrying amount in the consolidated financial statements:

	2023	2022
	RMB'000	*RMB'000*
Current assets	**70,271**	91,586
Non-current assets	**4,612,265**	4,513,777
Current liabilities	**(9,084)**	(9,615)
Non-current liabilities	**(113,018)**	(109,156)
Net assets	**4,560,434**	4,486,592
Reconciliation to the Group's interest in the associate:		
Proportion of the Group's ownership	**40.00%**	40.00%
Carrying amount of the investment	**1,824,174**	1,794,637
Share of (loss)/profit for the year	**(4,950)**	7,109
Share of other comprehensive income	**34,487**	172,635
Share of total comprehensive income for the year	**29,537**	179,744

The following table illustrates the aggregate financial statements of the Group's associates that are not individually material.

	2023	2022
	RMB'000	*RMB'000*
Share of the associates' profit/(loss) for the year	**102,914**	(192,123)
Share of the associates' other comprehensive income for the year	**10,782**	51,013
Share of the associates' total comprehensive income/(loss) for the year	**113,696**	(141,110)
Carrying amount of the Group's investments in the associates	**2,958,341**	3,199,065

25. FINANCIAL INSTRUMENTS OTHER THAN DERIVATIVES

	2023		2022	
	Categories	**Carrying Amount** *RMB'000*	Categories	Carrying Amount *RMB'000*
Debt instruments (including hybrid contracts):				
Listed debentures *(a)*	**FVPL[1]**	**3,909,900**	FVPL[1]	2,298,999
Investments in financial products *(b)*	**FVPL**	**3,503,240**	FVPL	2,236,993
Subtotal		**7,413,140**		4,535,992
Equity instruments:				
Listed equity investments *(c)*	**FVPL**	**237,930**	FVPL	109,816
Listed equity investments *(c)*	**FVOCI[2]**	**7,465,526**	FVOCI[2]	18,438,896
Unlisted equity investments *(d)*	**FVPL**	**888,992**	FVPL	692,085
Unlisted equity investments *(d)*	**FVOCI**	**61,177**	FVOCI	59,930
Income right attached to a target equity interest *(e)*	**FVPL**	**439,750**	FVPL	439,750
Subtotal		**9,093,375**		19,740,477
Total		**16,506,515**		24,276,469
At FVPL		**8,979,812**		5,777,643
At FVOCI		**7,526,703**		18,498,826
Total		**16,506,515**		24,276,469
Non-current assets		**8,933,090**		19,728,456
Current assets		**7,573,425**		4,548,013
Total		**16,506,515**		24,276,469

1 FVPL: Fair value through profit or loss

2 FVOCI: Fair value through other comprehensive income

25. FINANCIAL INSTRUMENTS OTHER THAN DERIVATIVES (CONTINUED)

(a) The listed debentures were at interest rates ranging from 2.26% to 7.50% (2022: 2.10% to 3.32%) per annum.

(b) The amount represents investments in financial products arranged by banks, trusts and fund institutions and independent securities companies with high credit-rating and good reputation.

	2023	2022
	RMB'000	*RMB'000*
Including:		
Bank financial products	**2,277,956**	1,477,633
Asset management products	**27,966**	20,020
Fund products	**1,197,318**	578,793
Trust products	**–**	160,547
Total	**3,503,240**	2,236,993

As at 31 December 2023, the bank financial products of RMB2,207,642,000 (31 December 2022: RMB397,347,000) were pledged for issuance of bank accepted notes.

As at 31 December 2023, no bank financial products (31 December 2022: RMB900,713,000) were pledged to secure bank borrowings.

(c) The listed equity investments represent stocks listed on the Shanghai and Shenzhen Stock Exchange, Hong Kong Stock Exchange, London Stock Exchange, and Toronto Stock Exchange.

(d) The unlisted equity investments represent the Group's equity interests in unlisted PRC companies. None of the shareholdings exceeds 20% of the issued capital of the respective investees and the Group did not have significant influence on these invested entities.

(e) The investment represents a beneficial right attached to the 3.35% equity interest in a limited liability company established in the PRC held by China Cinda Asset Management Co., Ltd. ("China Cinda") (the "Beneficial Right"), including the right to all the incomes derived from this equity interest.

26. DERIVATIVE FINANCIAL INSTRUMENTS

	2023		2022	
	Assets	**Liabilities**	Assets	Liabilities
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
Commodity derivative contracts and T+D forward contracts	**139,179**	**(278,169)**	261,082	(780,789)
Commodity option contracts	**–**	**(18,516)**	–	(45,833)
Provisional price arrangements	**–**	**(279,086)**	–	(313,842)
Foreign currency forward contracts	**61,405**	**(111,740)**	242,544	(321,341)
Total	**200,584**	**(687,511)**	503,626	(1,461,805)

	2023	2022
	RMB'000	*RMB'000*
Including:		
Derivatives designated as hedging instruments (a):		
Fair value hedges		
– Commodity derivative contracts and T+D forward contracts	**(27,625)**	(93,459)
– Provisional price arrangements	**(279,086)**	(313,842)
Subtotal	**(306,711)**	(407,301)
Derivatives not designated as hedging instruments (b):		
– Commodity derivative contracts and T+D forward contracts	**(111,365)**	(426,248)
– Commodity option contracts	**(18,516)**	(45,833)
– Foreign currency forward contracts	**(50,335)**	(78,797)
Subtotal	**(180,216)**	(550,878)
Total	**(486,927)**	(958,179)

The Group uses commodity derivative contracts, AG(T+D) forward contracts and provisional price arrangements to hedge its commodity price risk. Commodity derivative contracts utilised by the Group are mainly standardised copper cathode futures contracts on the Shanghai Futures Exchange ("SHFE") and London Metal Exchange ("LME"), and AG(T+D) forward contracts on Shanghai Gold Exchange("SGE").

26. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

(a) Derivatives designated as hedging instruments

– **Fair value hedge**

Certain commodity derivative contracts, AG(T+D) 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 cash flow hedge and fair value hedge mentioned above were assessed to be highly effective.

As at 31 December 2023, the net fair value loss of provisional price arrangements for the fair value hedges of the Group was RMB279,086,000 (31 December 2022: fair value loss of RMB313,842,000). The net fair value loss of commodity derivative and T+D contracts and AG(T+D) forward contracts for the fair value hedges of the Group was RMB27,625,000 (31 December 2022: fair value loss of RMB93,459,000).

26. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

(b) Derivatives not designated as hedging instruments

The Group utilises copper commodity derivative and commodity option contracts to manage the commodity price risk of forecasted purchases of copper cathodes as well as copper components within copper concentrates, forecasted sales of copper wires and rods, and copper related products. These arrangements are designed to reduce significant fluctuations in the prices of copper concentrates, copper cathodes, copper wires and rods, and copper related products which move in line with the prevailing price of copper cathode.

The Group utilises gold and silver commodity derivative contracts, AU(T+D) and AG(T+D) forward contracts to manage the commodity price risk of forecasted sales of gold and silver and certain gold leases arrangement. 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 to manage its exposures in exchange rates and interest rates.

These commodity derivative and T+D forward contracts, foreign currency forward contracts are held for economic hedge but not designed as effective hedging instruments.

27. DEFERRED TAXATION

The movements in deferred tax assets and liabilities during the year are as follows:

Deferred tax assets:

	Impairment of assets *RMB'000*	Accrued expenses *RMB'000*	Unrealised profits *RMB'000*	Deductible taxable loss *RMB'000*	Fair value change from forward currency contracts *RMB'000*	Fair value change from commodity derivative contracts *RMB'000*	Deferred revenue *RMB'000*	Others *RMB'000*	Total *RMB'000*
At 1 January 2022	387,939	222,786	5,591	41,318	2,043	31,977	51,570	119,226	862,450
Deferred tax credited/(charged) to profit or loss	(45,359)	13,321	10,596	25,798	12,395	(5,487)	10,818	94,330	116,412
At 31 December 2022	342,580	236,107	16,187	67,116	14,438	26,490	62,388	213,556	978,862
Deferred tax credited/(charged) to profit or loss	34,971	28,521	8,634	1,416	1,318	2,262	(2,057)	113,991	189,056
At 31 December 2023	377,551	264,628	24,821	68,532	15,756	28,752	60,331	327,547	1,167,918

27. DEFERRED TAXATION (CONTINUED)

The movements in deferred tax assets and liabilities during the year are as follows: (Continued)

Deferred tax liabilities:

	Fair value adjustments on property, plant and equipment, prepaid lease payments and exploration and evaluation assets	Fair value change from commodity derivative contracts	Fair value change from provisional price arrangements	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2022	(357,928)	(41,247)	(431)	(95,520)	(495,126)
Deferred tax charged to other comprehensive income	–	–	–	(11)	(11)
Deferred tax credited/(charged) to profit or loss	(8,974)	(15,308)	(60,844)	(33,681)	(118,807)
At 31 December 2022	(366,902)	(56,555)	(61,275)	(129,212)	(613,944)
Deferred tax charged to other comprehensive income	–	–	–	(186)	(186)
Deferred tax credited/(charged) to profit or loss	16,054	41,162	17,109	(166,510)	(92,185)
At 31 December 2023	(350,848)	(15,393)	(44,166)	(295,908)	(706,315)

27. DEFERRED TAXATION (CONTINUED)

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	Before elimination *RMB'000*	**Elimination amount** *RMB'000*	**After elimination** *RMB'000*
At 31 December 2023			
Deferred tax assets	**1,167,918**	**(443,205)**	**724,713**
Deferred tax liabilities	**(706,315)**	**443,205**	**(263,110)**
At 31 December 2022			
Deferred tax assets	978,862	(283,649)	695,213
Deferred tax liabilities	(613,944)	283,649	(330,295)

Deferred tax assets have not been recognised in respect of the following items:

	2023 ***RMB'000***	2022 *RMB'000*
Tax losses	**4,716,978**	4,707,704
Temporary difference	**10,686,482**	10,709,831
	15,403,460	15,417,535

The tax losses amounting to RMB3,616,000,000 (2022: RMB3,806,000,000) arising in Chinese Mainland will expire in one to ten years if not utilised, and the rest of the tax losses are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of the above items as it is not considered probable that taxable profits will be available against which the above items can be utilised.

28. INVENTORIES

	2023	2022
	RMB'000	*RMB'000*
Raw materials	**16,402,530**	14,982,373
Work in progress	**15,047,556**	14,012,315
Finished goods	**10,187,595**	9,925,807
Total	**41,637,681**	38,920,495
Less: Impairment allowance	**1,099,299**	858,722
Net carrying amount	**40,538,382**	38,061,773

As at 31 December 2023, certain of the Group's inventories with a net book value of approximately RMB712,543,000 (2022: RMB728,355,000) was mortgaged for the facilities of the letters of credit, of which none of facilities had been utilized.

As at 31 December 2023, certain of the Group's inventories with a net book value of approximately RMB95,178,000 (2022: RMB409,429,000) was mortgaged as deposits for commodity derivative contracts.

As at 31 December 2023, certain of the Group's inventories with a net book value of approximately RMB9,506,000 (2022: RMB9,506,000) was restricted due to litigation (note 50).

As at 31 December 2023, certain of the Group's inventories stocked in the third-party warehouses with net book value of approximately RMB301,854,000 (2022: RMB710,832,000) were restricted due to the warehousing companies were involved in on-going legal proceedings.

As at 31 December 2023, the Group's inventories included hedged items under a hedging instrument of the provisional price arrangements, commodity derivative contracts and T+D forward contracts. The fair values of the hedged items amounted to RMB10,339,932,000 (2022: RMB7,495,771,000), which were estimated by reference to quoted bid prices of similar standardised commodity derivative and T+D contracts at the end of the reporting period. Their fair value measurements are categorised under Level 1.

29. TRADE AND BILLS RECEIVABLES

	2023 RMB'000	2022 RMB'000
Trade receivables	**9,720,041**	10,380,282
Bills receivables	**2,220,464**	2,126,738
Total	**11,940,505**	12,507,020
Less: Impairment allowance	**5,748,932**	5,915,131
Net carrying amount	**6,191,573**	6,591,889

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the 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.

Trade receivables due from the Group's related parties are repayable on credit terms similar to those offered to the major customers of the Group. Details are given in note 52.

As at 31 December 2023, bills receivables of RMB34,669,000 (31 December 2022: RMB52,081,000) was pledged for the issuing bank acceptance notes.

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

	2023 RMB'000	2022 RMB'000
Within 1 year	**5,419,382**	5,289,042
1 to 2 years	**28,897**	366,181
2 to 3 years	**26,061**	6,435
Over 3 years	**717,233**	930,231
Total	**6,191,573**	6,591,889

The terms of bills receivable are all less than 12 months. As at 31 December 2023, the bills receivables was neither past due nor impaired (31 December 2022: the bills receivables were neither past due nor impaired).

29. TRADE AND BILLS RECEIVABLES (CONTINUED)

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

	2023	2022
	RMB'000	*RMB'000*
At beginning of year	**5,915,131**	6,014,699
Impairment losses, net	**(21,774)**	194,176
Amounts written off as uncollectible	**(144,425)**	(293,744)
At end of year	**5,748,932**	5,915,131

The Group applies the simplified approach in calculating ECLs for trade receivables. Trade receivables relating to customers with known financial difficulties or significant doubt on collection are assessed individually for impairment allowance. The remaining trade receivables are grouped and collectively assessed for impairment allowance. Under the collective approach, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on ageing of bills for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The realisable value of collateral has been taken into account when the expected credit losses for trade receivables are assessed individually and collectively.

29. TRADE AND BILLS RECEIVABLES (CONTINUED)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2023

	Expected credit loss rate	**Gross carrying amount** *RMB'000*	**Expected credit losses** *RMB'000*	**Net carrying amount** *RMB'000*
Provision on individual basis	**84.48%**	**6,606,802**	**(5,581,424)**	**1,025,378**
Provision on collective basis				
Aged less than 1 year	**0.35%**	**2,872,822**	**(10,109)**	**2,862,713**
Aged 1 to 2 years	**17.21%**	**66,262**	**(11,406)**	**54,856**
Aged 2 to 3 years	**44.21%**	**46,711**	**(20,650)**	**26,061**
Aged over 3 years	**98.35%**	**127,444**	**(125,343)**	**2,101**
Total	**59.15%**	**9,720,041**	**(5,748,932)**	**3,971,109**

As at 31 December 2022

	Expected credit loss rate	Gross carrying amount RMB'000	Expected credit losses RMB'000	Net carrying amount RMB'000
Provision on individual basis	79.25%	7,236,978	(5,735,406)	1,501,572
Provision on collective basis				
Aged less than 1 year	0.68%	2,843,167	(19,346)	2,823,821
Aged 1 to 2 years	17.68%	163,238	(28,859)	134,379
Aged 2 to 3 years	44.93%	8,692	(3,905)	4,787
Aged over 3 years	99.54%	128,207	(127,615)	592
Total	56.98%	10,380,282	(5,915,131)	4,465,151

29. TRADE AND BILLS RECEIVABLES (CONTINUED)

As at 31 December 2023, the Group endorsed certain bank acceptance bills to its suppliers to settle the trade payables and discounted certain bank acceptance bills with commercial banks (collectively, the "Derecognised Bills") with an aggregate carrying amount of RMB26,622,338,000(31 December 2022: RMB29,547,312,000). The Derecognised Bills had a maturity of one to twelve months at 31 December 2023.

In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills have a right of recourse against the Group if the accepting banks default (the "Continuing Involvement"). In the opinion of the Directors, the Group has transferred substantially all the risks and rewards relating to the Derecognised Bills and fully derecognised the Derecognised Bills accordingly. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the Directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

During the years ended 31 December 2023 and 2022, no gains or losses were recognised from the Continuing Involvement, both during the year or cumulatively. The endorsement and discount of bank acceptance bills have been made evenly throughout the year.

30. FACTORING RECEIVABLES

	2023	2022
	RMB'000	*RMB'000*
Factoring receivables	**1,427,674**	1,448,887
Less: Impairment allowance	**1,168,688**	1,144,894
Net carrying amount	**258,986**	303,993

Factoring receivables were at interest rates ranging from 5.5% to 11.00% per annum (2022: 5.5% to 11.00% per annum).

The movements in the loss allowance for impairment of factoring receivables are as follows:

	2023	2022
	RMB'000	*RMB'000*
At beginning of year	**1,144,894**	1,195,905
Impairment losses, net	**23,794**	17,903
Amounts written off as uncollectible	**–**	(68,914)
At end of year	**1,168,688**	1,144,894

Impairment on factoring receivables is measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses. Details are given in note 56.

31. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2023	2022
	RMB'000	*RMB'000*
Prepayments	**1,864,884**	2,350,684
Deposits and other receivables	**5,571,832**	5,914,233
Prepaid value-added tax	**1,257,925**	940,758
Inter-bank loans *(a)*	**–**	97,431
Treasury bonds *(b)*	**–**	2,803,773
Deposits for prepaid lease payments	**653,349**	650,931
Total	**9,347,990**	12,757,810
Less: Impairment allowance on		
– Other receivables	**1,228,586**	1,301,688
– Inter-bank loans *(a)*	**–**	97,431
– Prepaid value added tax	**5,990**	10,633
	1,234,576	1,409,752
Net carrying amount	**8,113,414**	11,348,058
Less: Non-current portion		
Prepayments	**918,078**	1,153,358
Deposits and other receivables	**112,181**	62,628
Deposits for prepaid lease payments	**653,349**	650,931
Current portion	**6,429,806**	9,481,141

a) An interbank loan was provided by a subsidiary of the Group, Finance Company, to other financial institutions, which matured on 31 May 2019. As at 31 December 2023, the loan has been written off, no more impairment was provided.(2022: RMB97,431,000).

b) As of 31 December 2023, the Group held no (2022: RMB2,803,773,000) treasury bonds.

31. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS (CONTINUED)

As at 31 December 2023, certain of the Group's deposits and other receivables of RMB1,718,914,000 (2022: RMB1,707,742,000) were placed as deposits for commodity derivative contracts.

Prepayments, other receivables and other assets due from related parties included above are disclosed in note 52 to the financial statements.

Movements in the provision for impairment of other receivables are as follows:

	2023	2022
	RMB'000	*RMB'000*
At beginning of year	**1,301,688**	1,387,816
Impairment losses, net *(note 9)*	**11,930**	73,209
Amounts written off as uncollectible	**(8,825)**	(159,337)
Disposal of a subsidiary *(note 47)*	**(76,207)**	–
At end of year	**1,228,586**	1,301,688

Impairment on other receivables is measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

32. LOANS TO RELATED PARTIES

	2023	2022
	RMB'000	*RMB'000*
Loans to related parties	**2,401,976**	2,588,188
Less: Impairment allowance	**50,630**	54,371
Net carrying amount	**2,351,346**	2,533,817
Less: Non-current portion	**321,386**	556,885
Current portion	**2,029,960**	1,976,932

The interest rate of the short-term loans to related parties was 2.6% to 6.00% per annum (2022: 3.40% to 4.35% per annum).

The impairment on loans to related parties is measured as 12-month expected credit losses with a balance of RMB50,630,000 as at 31 December 2023 (31 December 2022: RMB54,371,000).

33. CASH, CASH EQUIVALENTS AND RESTRICTED BANK DEPOSITS

	2023	2022
	RMB'000	*RMB'000*
Cash and bank balances	**35,620,030**	35,199,864
Time deposits	**9,219,504**	5,135,314
	44,839,534	40,335,178
Less: Restricted bank deposits *(a)*	**21,953,728**	24,328,349
Current portion	**17,494,980**	20,472,033
Non-current portion	**4,458,748**	3,856,316
Time deposits	**3,401,029**	1,278,953
Current portion	**1,813,340**	–
Non-current portion	**1,587,689**	1,278,953
Cash and cash equivalents	**19,484,777**	14,727,876

33. CASH, CASH EQUIVALENTS AND RESTRICTED BANK DEPOSITS (CONTINUED)

a) As at 31 December 2023, the restricted bank deposits included the following:

- Deposits amounting to RMB5,612,975,000 (2022: RMB6,087,168,000) were pledged to secure bank borrowings,

- Deposits amounting to RMB2,329,148,000 (2022: RMB4,604,364,000) was pledged for letters of credit,

- Deposits amounting to RMB1,939,379,000 (2022: nil) was pledged for the facilities of the letters of credit, of which none of facilities had been utilized,

- Deposits amounting to RMB452,386,000 (2022: RMB778,265,000) was pledged for letters of guarantee,

- Deposits amounting to RMB9,549,627,000 (2022: RMB10,955,713,000) was pledged for issuing bank acceptance notes,

- Deposits amounting to RMB413,333,000 (2022: RMB337,672,000) was placed as environmental recovery deposits whose usage is restricted,

- Cash in banks amounting to RMB82,478,000 (2022: RMB82,682,000) was restricted due to litigation (note 50),

- Required mandatory reserve deposits and other restricted deposits amounting to RMB943,858,000 (2022: RMB1,024,580,000) was placed by Finance Company, a subsidiary of the Group, in the People's Bank of China ("PBC") and are not available for use in the Group's daily operations, and

- Interests amounting to RMB630,544,000 (2022: RMB457,905,000) was accrued on deposits with banks.

33. CASH, CASH EQUIVALENTS AND RESTRICTED BANK DEPOSITS (CONTINUED)

At the end of the reporting period, the cash and cash equivalents and restricted bank deposits of the Group denominated in RMB amounted to RMB34,233,885,000 (2022: RMB26,745,918,000). The RMB is not freely convertible into other currencies, however, under Chinese Mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

As at 31 December 2023, cash and bank balances of RMB1,641,553,000 (2022: RMB1,420,575,000) were placed in banks outside of Chinese Mainland.

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 days and one year 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.

34. ASSETS CLASSIFIED AS HELD FOR SALE

	2023	2022
	RMB'000	*RMB'000*
Assets classified as held for sale	–	283,413
Impairment	–	(262,421)
Net carrying amount	–	20,992

35. TRADE AND BILLS PAYABLES

	2023	2022
	RMB'000	*RMB'000*
Trade payables	**10,449,977**	9,920,495
Bills payables	**4,523,252**	3,904,759
Total	**14,973,229**	13,825,254

The trade payables are non-interest-bearing and are normally settled on terms of one to three months.

As at 31 December 2023, the Group had no material balance of accounts payable aged over one year (31 December 2022: no material balance of accounts payable aged over one year).

Trade payables due to related parties included in trade and bills payables are disclosed in note 52.

36. OTHER PAYABLES AND ACCRUALS

	2023	2022
	RMB'000	*RMB'000*
Payroll and welfare	**2,099,418**	1,828,379
Current portion of employee benefit liabilities *(note 42)*	**2,342**	973
Other tax payables	**911,343**	1,127,230
Other payables	**2,354,316**	2,155,171
Payables for construction, equipment and spare parts	**2,424,776**	1,156,453
Contract liabilities *(a)*	**1,397,395**	1,115,288
Financial guarantee contracts *(b)*	**32,546**	38,353
Other non-current liabilities due within one year *(note 43)*	**502,315**	334,301
Total	**9,724,451**	7,756,148

36. OTHER PAYABLES AND ACCRUALS

(a) Details of contract liabilities are as follows:

	31 December 2023	31 December 2022	1 January 2022
	RMB'000	*RMB'000*	*RMB'000*
Short-term advances received from customers			
Sale of goods	**1,397,395**	1,115,288	2,192,495
Total contract liabilities	**1,397,395**	1,115,288	2,192,495

Contract liabilities include short-term advances received to deliver products and render construction and other services.

(b) As at 31 December 2023, the Group has provided financial guarantees to banks in respect of bank facilities granted to non-controlling shareholders of a subsidiary to the extent of approximately RMB1,400,700,000 (2022: RMB1,594,000,000), and recorded a financial guarantee contract liability of RMB32,546,000 (2022: RMB38,353,000) accordingly.

Other payables and accruals are non-interest-bearing and have no significant balance aged more than one year.

Other payables and accruals due to related parties included above are disclosed in note 52 to the financial statements.

37. DEPOSITS FROM HOLDING COMPANY AND FELLOW SUBSIDIARIES

	2023	2022
	RMB'000	*RMB'000*
Deposits from a holding company and fellow subsidiaries	**6,220,764**	6,439,926
Less: Current portion	**6,116,216**	6,408,659
Non-current portion	**104,548**	31,267

As at 31 December 2023, the deposits from a holding company and fellow subsidiaries represented the deposits placed by JCC and its subsidiaries in Finance Company, a subsidiary of the Company. The deposits carry interest at rates ranging from 0.35% to 3.85% per annum (2022: 0.35% to 3.85% per annum) and will be repaid upon demand of the JCC and its subsidiaries.

38. DEFERRED REVENUE

	Government grants
	RMB'000
Cost	
As at 1 January 2022	519,496
Additions	100,865
Recognised in profit or loss	(78,550)
As at 31 December 2022	541,811
Less: Current portion included in current liabilities	65,273
Non-current portion as at 31 December 2022	476,538
As at 1 January 2023	541,811
Additions	35,455
Recognised in profit or loss	(67,779)
As at 31 December 2023	509,487
Less: Current portion included in current liabilities	64,021
Non-current portion as at 31 December 2023	445,466

The deferred revenue represents government subsidies granted to the Group in relation to its production facilities. The deferred revenue is released to the statement of profit or loss over the expected useful lives of the respective facilities by equal annual instalments.

39. INTEREST-BEARING BANK BORROWINGS

	2023	2022
	RMB'000	*RMB'000*
Bank borrowings – secured	**22,550,656**	24,527,222
Bank borrowings – unsecured	**28,330,963**	23,957,945
Interest payable	**160,703**	134,554
Total	**51,042,322**	48,619,721
Analysed into:		
On demand or within one year	**37,453,136**	42,363,005
More than one years, but not exceeding five years	**13,589,186**	6,256,716
Total	**51,042,322**	48,619,721
Current	**37,453,136**	42,363,005
Non-current	**13,589,186**	6,256,716

The bank borrowings carried interest at rates ranging from 1.50% to 6.69% (2022: 1.40% to 5.50%) per annum.

Guaranteed borrowings amounting to RMB682,955,000 (2022: RMB1,415,458,000) was guaranteed by the non-controlling shareholders of the Group's subsidiaries and was secured by:

(i) buildings with a carrying value of RMB197,519,000 (2022: RMB249,268,000),

(ii) machinery with a carrying value of RMB224,341,000 (2022: RMB206,457,000), and

(iii) leasehold land with a carrying value of RMB95,824,000 (2022: RMB130,703,000).

Pledged borrowings amounting to RMB11,358,824,000 (31 December 2022: RMB12,185,712,000) were secured by discounted bill receivables between inter-companies.

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

40. CORPORATE BONDS

	2023 RMB'000	2022 RMB'000
Corporate bonds *(a)*	**2,000,000**	2,000,000
Medium-term note *(b)*	**1,500,000**	1,500,000
Convertible bonds *(c)*	**1,549,838**	–
Interest payable	**55,565**	56,150
Total	**5,105,403**	3,556,150
The amounts are repayable as follows:		
On demand or within one year	**55,565**	56,150
More than one year, but not exceeding five years	**5,049,838**	3,500,000
Total	**5,105,403**	3,556,150
Current portion	**55,565**	56,150
Non-current portion	**5,049,838**	3,500,000

(a) Pursuant to the approval of the China Securities Regulatory Commission (No. [2021] 2131), the Company issued 20,000,000 certificates of bonds at par with a nominal value of RMB100 each, in an aggregate amount of RMB2,000,000,000 on 14 September 2022. The bonds have a life of three years from the date of issuance and bear interest at a rate of 2.67% per annum which is payable in arrears on 15 September of each year, and with principal repaid on maturity.

(b) Pursuant to the approval of the National Association of Financial Market Institutional Investors (No. [2021] MTN91 and No. [2023] MTN482), Shandong Humon, a subsidiary of the Group issued medium-term notes which are listed on the National Association of Financial Market Institution Investors. The approved notes facilities amounted to RMB3,000,000,000 and RMB2,000,000,000 which will expire in two years, respectively. These medium-term notes have a life of three years from the date of issuance and bear interest at rates of 3.37% to 4.00% per annum. At 31 December 2023, medium-term notes of RMB1,500,000,000 was issued and are repayable within three years.

(c) Pursuant to the approval of the China Securities Regulatory Commission (No. [2023] 1132), Shandong Humon, a subsidiary of the Group issued the convertible bonds at a par value of RMB100 each with an aggregate principal amount of RMB3,160,000,000 issued on 16 June 2023 (the "2023 Issue"), The 2023 Issue have a life of six years from the date of issuance and bear interests at the rate of 0.20% for the first year, 0.40% for the second year, 0.60% for the third year, 1.50% for the fourth year, 1.80% for the fifth year and 2.00% for the sixth year which is payable in arrears on 16 June of each year. The bonds are convertible into ordinary shares on 18 December 2023 to 11 June 2029 on the basis of one ordinary share at a price of RMB11.46 per bond.

41. PROVISION FOR REHABILITATION

	2023	2022
	RMB'000	*RMB'000*
Balance at 1 January	**356,986**	275,765
Addition	**–**	70,178
Unwinding of discount	**14,940**	11,043
Disposal	**(76,614)**	–
Balance at 31 December	**295,312**	356,986

The Group makes provision for rehabilitation costs expected to arise on closure of mines. The provision is based on assessments of the cost per square metre to rehabilitate the underground workings, waste dumps, mine site infrastructure and vegetation zones. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

42. EMPLOYEE BENEFIT LIABILITIES

	2023	2022
	RMB'000	*RMB'000*
Employee benefit liabilities	**17,411**	16,042
Less: Amount due within one year included in other payables and accruals	**2,342**	973
Non-current portion	**15,069**	15,069

The balance represents the bonus payable to senior management and middle-level management under management incentive schemes. The non-current portion of employee benefit liabilities ispayable after 2024 and is indexed to the rate of growth of the Group's net assets.

43. OTHER NON-CURRENT LIABILITIES

	2023	2022
	RMB'000	*RMB'000*
Payables for mining rights *(a)*	**1,104,355**	1,229,000
Financing lease payable *(b)*	**319,563**	213,924
Payable to JCC *(c)*	**3,023**	4,815
Others	**50,294**	73,003
	1,477,235	1,520,742
The amounts are repayable as follows:		
On demand or within one year	**502,315**	334,301
More than one year, but not exceeding two years	**290,665**	388,802
More than two years, but not exceeding five years	**538,807**	623,081
More than five years	**145,448**	174,558
Total	**1,477,235**	1,520,742
Less: Current included in other payables and accruals	**502,315**	334,301
Non-current portion	**974,920**	1,186,441

(a) The balance is derived from instalment payments for the purchase of certain mining rights. The effective interest rate for the year ended 31 December 2023 was 4.35%.

(b) The balance is derived from several sale and leaseback contracts with a 14-quarter instalment starting from 15 April 2022 to 27 September 2025 (2022: a 15-quarter instalment starting from 31 May 2019 to 20 December 2022). The effective interest rate for the year ended 31 December 2023 was from 2.2% to 3.4%.

(c) The amount represents the balance due to JCC as the consideration for the transfer of mining rights from JCC to the Company. The amount is repayable in 30 annual instalments of RMB1,870,000 each and subject to payment of interest at a rate equal to the State lending rate for a one-year fixed term loan up to a maximum of 15% on each annual instalment starting from 1 January 1998. The effective interest rate for the year ended 31 December 2023 was 4.35% (2022: 4.35%).

The directors have estimated that there was no significant difference between the carrying amounts of other non-current liabilities and their fair values, based on the amounts due after one year discounted with the market average yield.

44. SHARE CAPITAL

	2023	2022
	RMB'000	*RMB'000*
Balance at 31 December 2023 and 2022		
– H shares	**1,387,482**	1,387,482
– A shares	**2,075,247**	2,075,247
Total	**3,462,729**	3,462,729

Except for the currency in which dividends are paid and the restrictions regarding the shareholders being PRC investors, designated investors or foreign investors, H shares and A shares rank pari passu in all respects with each other.

45. RESERVES

The amounts of the Group's reserves and the movements therein for the years ended 31 December 2023 and 2022 are presented in the consolidated statement of changes in equity on pages 190 to 191 of the financial statements.

46. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

Shandong Humon

	2023	2022
Percentage of equity interest held by non-controlling interests:		
Shandong Humon	**55.52%**	55.52%

	2023 ***RMB'000***	2022 *RMB'000*
Profit for the year allocated to non-controlling interests:		
Shandong Humon	**252,344**	201,047
Accumulated balances of non-controlling interests at the reporting date		
Shandong Humon	**5,633,061**	5,105,943

	2023 ***RMB'000***	2022 *RMB'000*
Non-current assets	**7,645,319**	6,522,400
Current assets	**15,251,307**	14,440,892
Total assets	**22,896,626**	20,963,292
Non-current liabilities	**6,335,351**	3,385,935
Current liabilities	**6,505,923**	8,448,417
Total liabilities	**12,841,274**	11,834,352
Revenue	**65,419,287**	49,967,796
Profit for the year	**454,511**	392,201
Other comprehensive income for the year	**509,969**	474,513
Net cash inflows from operating activities	**1,032,113**	1,564,270

47. DISPOSAL OF A SUBSIDIARY

The Company held a 57.14% equity interest in Sichuan Kangxi Copper Co., Ltd. (四川康西銅業有限責任公司) ("Kangxi Copper"). On 23 February 2023, the Company entered into an equity transfer agreement with Liangshan Industrial Investment Group ("Liangshan Investment") pursuant to which the Company shall dispose of the entire of equity interest in Kangxi Copper. Concurrently, the Company agreed to transfer its receivables due from Kangxi Copper to Liangshan Investment. The Company did not receive any consideration for this disposal. This disposal transaction was completed on 23 February 2023, and a disposal gain of RMB21,591,000 was included in other gains and losses during the year ended 31 December 2023.

	23 February 2023 Carrying amount *RMB'000*
Net assets disposed of:	
Non-current assets	–
Current assets	29,970
Non-current liabilities	(93,965)
Current liabilities	(83,772)
Non-controlling interests	63,333
	(84,434)
Disposal of receivables that constitute the Company's investment to Kangxi Copper	62,843
Net gain on disposal	21,591
	–
Satisfied by:	
Cash	–

47. DISPOSAL OF A SUBSIDIARY (CONTINUED)

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

	23 February 2023 Carrying amount *RMB'000*
Cash consideration	–
Cash and bank balances disposed of	(854)
Net outflow of cash and cash equivalents in respect of the disposal of a subsidiary	(854)

48. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group had major non-cash transactions related to offsetting and derecognition of financial assets and financial liabilities. Details are given in note 55.

(b) Changes in liabilities arising from financing activities

	Corporate bonds	Interest-bearing bank borrowings	Dividend	Lease liabilities	Sales and leaseback	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2022	2,013,316	50,187,981	–	372,274	168,955	52,742,526
Financing cash flows	1,500,000	8,774,746	(1,784,671)	(199,145)	(255,253)	8,035,677
Non-cash changes:						
Interests on borrowings	42,834	1,137,088	–	17,746	10,111	1,207,779
Addition of principal of a lease payment	–	–	–	17,057	290,111	307,168
Termination of lease	–	–	–	(7,820)	–	(7,820)
Offsetting and derecognition of financial assets and financial liabilities	–	(11,186,932)	–	–	–	(11,186,932)
Dividend declared	–	–	1,784,671	–	–	1,784,671
Foreign exchange translation	–	(293,162)	–	–	–	(293,162)
At 31 December 2022	3,556,150	48,619,721	–	200,112	213,924	52,589,907
Financing cash flows	1,387,026	14,652,388	(1,960,793)	(186,758)	(95,767)	13,796,096
Non-cash changes:						
Interests on borrowings	162,227	1,591,248	–	6,730	1,406	1,761,611
Addition of principal of a lease payment	–	–	–	515,149	200,000	715,149
Offsetting and derecognition of financial assets and financial liabilities	–	(13,927,263)	–	–	–	(13,927,263)
Dividend declared	–	–	1,960,793	–	–	1,960,793
Foreign exchange translation	–	106,228	–	–	–	106,228
At 31 December 2023	5,105,403	51,042,322	–	535,233	319,563	57,002,521

48. NOTES TO THE STATEMENT OF CASH FLOWS (CONTINUED)

(c) Total cash flow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2023	2022
	RMB'000	*RMB'000*
Within operating activities	**–**	(17,746)
Within investing activities	**(232,585)**	(34,926)
Within financing activities	**(186,758)**	(199,145)
	(426,073)	(251,817)

49. PLEDGE OF ASSETS

Details of the Group's assets pledged for the Group's bank loans are included in notes 17, 28, 29, 31, 33 and 39, respectively, to the financial statements.

50. CONTINGENT LIABILITIES

A subsidiary of the Company, Shenzhen Jiangxi Copper Marketing Company Limited, is currently a defendant in a lawsuit filed by Bangdi Auto Technology Company Limited ("Bangdi Auto") alleging that the subsidiary has breached a sales 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. The actual controller of Hengbaochang was suspected of some economic crimes in the transactions involved and has been investigated by the relevant judicial institutions. 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.

51. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	2023	2022
	RMB'000	*RMB'000*
Contracted, but not provided for		
Investments in associates *(i)*	**1,580,880**	1,518,634
Investment in financial product *(ii)*	**532,619**	644,626
Acquisition of property, plant and equipment and exploration and evaluation rights	**2,056,705**	3,095,394
Total	**4,170,204**	5,258,654

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. As at 31 December 2023, the Group contributed USD106,110,000(31 December 2022: USD104,786,000).

ii. In September 2022, Jiangxi Copper (Hong Kong) Investment Company Limited, a wholly-owned subsidiary of the Group, entered into a subscription agreement for an issued financial product with the maximum subscription amount at USD100,000,000. As at 31 December 2023, the Group has subscribed USD24,800,000.

52. RELATED PARTY TRANSACTIONS

In addition to the transactions detailed in notes 32 and 37 in these financial statements, the Group had the following transactions with related parties during the year:

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

	2023	2022
	RMB'000	*RMB'000*
Sales to JCC:		
Sales of auxiliary industrial products	**2,534**	624
Sales to JCC's affiliates:		
Sales of copper cathodes	**962,599**	869,718
Sales of copper rods	**685,423**	861,135
Sales of copper processing products	**261,911**	–
Sales of Tin	**82,901**	–
Sales of lead materials	**80,223**	63,954
Sales of auxiliary industrial products	**51,008**	131,197
Sales of zinc concentrates	**47,780**	45,642
Sales of auxiliary materials	**45,598**	87,104
Sales of sulphuric acid	**2,304**	2,562
Total	**2,219,747**	2,061,312
Purchases from JCC's affiliates:		
Purchases of silver	**1,228,841**	856,888
Purchases of gold	**293,491**	278,476
Purchase of auxiliary industrial products	**82,982**	55,493
Purchases of copper concentrates	**16,608**	16,551
Purchases of sulfuric and sulfuric concentrates	**6,915**	37,472
Purchases of blister copper	**2,752**	–
Purchase of zinc	**–**	348
Total	**1,631,589**	1,245,228

52. RELATED PARTY TRANSACTIONS (CONTINUED)

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

	2023 RMB'000	2022 RMB'000
Service fees charged to JCC:		
Construction services	**51,521**	–
Supply of electricity	**–**	2,975
Vehicle transportation services	**–**	38
Other services	**95**	–
Total	**51,616**	3,013
Service fees charged to JCC's affiliates:		
Construction services	**54,682**	203,710
Supply of electricity	**35,164**	37,231
Other services	**28,888**	9,709
Vehicle transportation services	**31,706**	44,878
Rentals for public facilities	**5,168**	9,576
Repair and maintenance services	**5,606**	5,144
Supply of water	**162**	188
Total	**161,376**	310,436
Service fees charged by JCC:		
Labour service	**417**	23
Service fees charged by JCC's affiliates:		
Repair and maintenance services	**188,374**	77,721
Purchase of spare parts and workpieces	**106,753**	86,877
Labour service	**54,113**	111,592
Construction services	**31,958**	75,003
Brokerage agency services for commodity derivative contracts	**10,939**	10,839
Vehicle transportation services	**16,178**	26,333
Total	**408,315**	388,365

52. RELATED PARTY TRANSACTIONS (CONTINUED)

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

	2023 *RMB'000*	2022 *RMB'000*
Sales lease back provided from JCC's affiliates	**200,000**	–
Interest expenses for sales lease back provided from JCC's affiliates	**235**	–
Loans provided from JCC's affiliates	**–**	4,800
Loans provided to JCC's affiliates	**2,289,980**	2,962,250
Interest income for loans provided to JCC's affiliates	**94,806**	88,098
Interest expenses for deposits made from JCC's affiliates	**9,424**	9,081
Interest expenses for deposits made from JCC	**74,566**	29,758
Repayment of loan's principal and interest from JCC	**–**	1,367,996
Interest expenses on loans provided from JCC	**–**	46,156
Interest expenses on loans provided from JCC's affiliates	**–**	285
Business combination consideration paid to JCC	**6,422**	–

52. RELATED PARTY TRANSACTIONS (CONTINUED)

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

In 2020, the Group entered into rental agreements to rent certain land use rights in Jiangxi Province from JCC at an annual rental fee of RMB196,971,000 with a lease period from 1 January 2021 to 31 December 2023. The total rental fee amounted to RMB196,971,000 for the year ended 31 December 2023 (2022: RMB196,971,000). In 2023, the Group renewed the land use right contract with JCC at an annual rental fee of RMB196,223,000 with a lease period from 1 January 2024 to 31 December 2026.

The daily credit balance offered by 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 ceiling amount of RMB2,900,000,000 as agreed in the financial service agreement entered into by the two parties.

During the year, the Group acquire a subsidiary, Metallurgical Machinery, from JCC with a cash consideration of RMB6,422,000. Further details of the transaction are included in note 4 to the financial information.

Transactions with related parties are negotiated and agreed by both parties with reference to market prices.

52. RELATED PARTY TRANSACTIONS (CONTINUED)

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

	2023 **RMB'000**	2022 *RMB'000*
Sales to related parties:		
Sales of silver	**582,811**	2,836,402
Sales of gold	**–**	146,849
Sales of auxiliary industrial products	**–**	4,729
Total	**582,811**	2,987,980
Purchases from related parties:		
Purchases of silver	**144,262**	425,670
Purchases of gold	**98,320**	189,260
Purchases of copper concentrate	**45,211**	101,885
Purchases of other products	**15,783**	14,816
Total	**303,576**	731,631
Service fees charged by a related party:		
Other services	**–**	44,366
Loans provided to related parties	**71,730**	51,200
Service fees charged to related parties:		
Supply of electricity	**1,119**	3,596
Supply of other services	**1,664**	–
Total	**2,783**	3,596
Interest income for loans provided to related parties	**1,041**	574
Interest expenses for deposits made from related parties	**7**	–

52. RELATED PARTY TRANSACTIONS (CONTINUED)

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

	2023	2022
	RMB'000	*RMB'000*
Loans received from related parties	**71,730**	51,200
Deposits from related parties	**649**	8,007

Transactions with related parties mentioned above are negotiated and agreed by both parties with reference to market prices.

(c) Related party transactions with Group's penultimate controlling party's affiliates and its subsidiaries:

	2023	2022
	RMB'000	*RMB'000*
Sales to related parties:		
Sales of copper cathodes	**1,541,819**	–
Sales of auxiliary industrial products	**147**	–
Sales of other products	**21,361**	–
Total	**1,563,327**	–
Purchases from related parties:		
Purchases of copper concentrates	**29,969**	–
Purchases of other products	**3,218**	–
Total	**33,187**	–
Transportation and construction services charged to related parties	**2,531**	–
Service fees charged by related parties:		
Construction services	**305,089**	–
Labour services	**61,777**	–
Other services	**3,049**	–
Total	**369,915**	–

52. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Related party transactions with Group's penultimate controlling party's affiliates and its subsidiaries: (Continued)

Transactions with related parties mentioned above are negotiated and agreed by both parties with reference to market prices.

(d) Outstanding balances with related parties:

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

	2023	2022
	RMB'000	*RMB'000*
Bills receivable:		
JCC's affiliates	**225,707**	109,107
Trade receivables:		
JCC's affiliates	**231,782**	586,423
JCC	**18,253**	28
The Group's jointly controlled entities and associates	**910**	–
Total	**250,945**	586,451
Prepayments:		
JCC's affiliates	**16,030**	463
The Group's jointly controlled entities and associates	**1,569**	600
Total	**17,599**	1,063
Other receivables:		
JCC's affiliates	**1,648,344**	2,030,008
The Group's jointly controlled entities and associates	**13,103**	78,900
Total	**1,661,447**	2,108,908

52. RELATED PARTY TRANSACTIONS (CONTINUED)

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

	2023	2022
	RMB'000	*RMB'000*
Loans to related parties:		
JCC's affiliates	**2,321,976**	2,533,817
The Group's jointly controlled entities and associates	**29,370**	–
Total	**2,351,346**	2,533,817
Trade and bills payables:		
JCC	**58**	560
JCC's affiliates	**312,740**	609,706
The Group's jointly controlled entities and associates	**8,955**	579,988
Total	**321,753**	1,190,254
Contract liabilities:		
JCC's affiliates	**1,326**	8,565
Other payables:		
The Group's penultimate controlling party's affiliates	**108,939**	97,755
JCC	**241,811**	253,684
JCC's affiliates	**254,185**	88,271
The Group's jointly controlled entities and associates	**20,000**	50,133
Total	**624,935**	489,843

52. RELATED PARTY TRANSACTIONS (CONTINUED)

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

	2023	2022
	RMB'000	*RMB'000*
Deposits from customers:		
JCC	**2,548,499**	4,940,011
JCC's affiliates	**3,671,616**	1,491,908
The Group's jointly controlled entities and associates	**649**	8,007
Total	**6,220,764**	6,439,926
Lease liabilities:		
JCC	**534,822**	191,086
Other non-current liabilities:		
JCC	**3,023**	4,815

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 non-current liabilities, the terms of which have not changed from the terms of which were in accordance with that set out in the respective agreements or mutually agreed between the parties concerned.

52. RELATED PARTY TRANSACTIONS (CONTINUED)

(e) Compensation of key management personnel of the Group:

	2023	2022
	RMB'000	*RMB'000*
Short-term employee benefits	**16,982**	16,743

The transactions disclosed in item(a) and (c) above also constitute connected transactions and/or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

Further details of directors and executive's remuneration are included in note 12 to the consolidation financial statements.

Having due regard to the substance of the relationships, the directors are of the opinion that meaningful information relating to related party disclosures has been adequately disclosed, and the Group has complied with the disclosure requirements in Chapter 14A of the Listing Rules.

The Group itself is part of a larger group of companies under the State-owned Assets Supervision and 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 and utility services.

53. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

As at 31 December 2023

Financial assets

	Financial assets at fair value through profit and loss		Financial assets at fair value through other comprehensive income			
	Designated as such upon initial recognition *RMB'000*	Mandatorily designated as such *RMB'000*	Debt investments *RMB'000*	Equity investments *RMB'000*	Financial assets at amortised cost *RMB'000*	Total *RMB'000*
Financial instruments other than derivatives	–	8,979,812	–	7,526,703	–	16,506,515
Derivative financial instruments	–	200,584	–	–	–	200,584
Trade and bills receivables	–	–	1,781,688	–	4,409,885	6,191,573
Factoring receivables	–	–	–	–	258,986	258,986
Loans to related parties	–	–	–	–	2,351,346	2,351,346
Financial assets included in prepayments, other receivables and other assets	–	–	–	–	4,147,461	4,147,461
Time deposits	–	–	–	–	3,401,029	3,401,029
Restricted bank deposits	–	–	–	–	21,953,728	21,953,728
Cash and cash equivalents	–	–	–	–	19,484,777	19,484,777
Total	–	9,180,396	1,781,688	7,526,703	56,007,212	74,495,999

53. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

Financial liabilities

	Financial assets at fair value through profit and loss		
	Held for trading	Financial liabilities at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade and bills payables	–	14,973,229	14,973,229
Financial liabilities included in other payables and accruals	32,546	4,814,894	4,847,440
Derivative financial instruments	687,511	–	687,511
Deposits from holding company and fellow subsidiaries	–	6,220,764	6,220,764
Interest-bearing bank borrowings	–	51,042,322	51,042,322
Corporate bonds	–	5,105,403	5,105,403
Lease liabilities	–	535,233	535,233
Other long-term payables	–	974,920	974,920
Total	720,057	83,666,765	84,386,822

53. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (Continued)

As at 31 December 2022

Financial assets

	Financial assets at fair value through profit and loss		Financial assets at fair value through other comprehensive income			
	Designated as such upon initial recognition *RMB'000*	Mandatorily designated as such *RMB'000*	Debt investments *RMB'000*	Equity investments *RMB'000*	Financial assets at amortised cost *RMB'000*	Total *RMB'000*
Financial instruments other than derivatives	–	5,777,643	–	18,498,826	–	24,276,469
Derivative financial instruments	–	503,626	–	–	–	503,626
Trade and bills receivables	–	–	1,903,238	–	4,688,651	6,591,889
Factoring receivables	–	–	–	–	303,993	303,993
Loans to related parties	–	–	–	–	2,533,817	2,533,817
Financial assets included in prepayments, other receivables and other assets	–	–	–	–	7,250,116	7,250,116
Time deposits	–	–	–	–	1,278,953	1,278,953
Restricted bank deposits	–	–	–	–	24,328,349	24,328,349
Cash and cash equivalents	–	–	–	–	14,727,876	14,727,876
Total	–	6,281,269	1,903,238	18,498,826	55,111,755	81,795,088

53. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

Financial liabilities

	Financial liabilities at fair value through profit and loss		
	Held for trading *RMB'000*	Financial liabilities at amortised cost *RMB'000*	Total *RMB'000*
Trade and bills payables	–	13,825,254	13,825,254
Financial liabilities included in other payables and accruals	38,353	3,111,036	3,149,389
Derivative financial instruments	1,461,805	–	1,461,805
Deposits from holding company and fellow subsidiaries	–	6,439,926	6,439,926
Interest-bearing bank borrowings	–	48,619,721	48,619,721
Corporate bonds	–	3,556,150	3,556,150
Lease liabilities	–	200,112	200,112
Other non-current liabilities	–	1,186,441	1,186,441
Total	1,500,158	76,938,640	78,438,798

54. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, restricted cash, trade receivables, trade 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 deposits from a holding company and fellow subsidiaries 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, interest-bearing bank borrowings, corporate bonds and other non-current liabilities 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 changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank borrowings and corporate bonds as at 31 December 2023 were assessed to be insignificant.

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

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

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

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

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

– The fair values of investments 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 a bond investment has been estimated based on its expected cash flows discounted by the quoted annual return rate of a similar bond 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 31 December 2023.

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

54. 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. Derivative financial instruments includes commodity derivative and T+D contracts, provisional price arrangements, forward currency contracts, foreign currency swaps:

– The fair value of the commodity derivative and T+D contracts and forward contracts represents the difference between the quoted market price of commodity derivative contracts at the year end and the quoted price at inception of the contracts;

– The fair value of the provisional price arrangement is estimated by reference to the quoted market price at the year end of commodity derivative contract with similar maturity as the provisional price arrangement compared to the quoted market prices of commodity derivative contract and on the dates of delivery of the purchased material;

– The fair values of forward currency contracts 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, foreign currency swaps are the same as their fair values.

– The fair value of gold lease recognised as gold lease contracts 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 contacts on the dates of return the gold.

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

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

31 December 2023:

	Fair value measurement using			
	Quoted prices in active markets (Level 1) *RMB'000*	Significant observable inputs (Level 2) *RMB'000*	Significant unobservable inputs (Level 3) *RMB'000*	Total *RMB'000*
Financial assets:				
Listed equity securities	160,285	77,645	–	237,930
Listed debentures	3,909,900	–	–	3,909,900
Investments in financial products	1,197,317	27,966	2,277,957	3,503,240
Unlisted equity investments	–	179,953	709,039	888,992
Listed equity securities in the TSX	7,465,526	–	–	7,465,526
Unlisted equity investments in the PRC(FVOCI)	–	–	61,177	61,177
Income right attached to a target equity interest	–	–	439,750	439,750
Derivative financial instruments:				
– Commodity derivative contracts and T+D forward contracts	139,179	–	–	139,179
– Foreign currency forward contracts	–	61,405	–	61,405
Bills receivable	–	1,781,688	–	1,781,688
Inventories designated as hedged items	10,339,932	–	–	10,339,932
Total	23,212,139	2,128,657	3,487,923	28,828,719
Financial liabilities:				
Derivative financial instruments:				
– Commodity derivative contracts and T+D forward contracts	278,169	–	–	278,169
– Commodity option contracts	–	18,516	–	18,516
– Provisional price arrangements	–	279,086	–	279,086
– Foreign currency forward contracts	–	111,740	–	111,740
Other payables and accruals				
– Financial guarantee contracts	–	–	32,546	32,546
Total	278,169	409,342	32,546	720,057

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

Fair value hierarchy (Continued)

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments: (Continued)

31 December 2022:

	Fair value measurement using			
	Quoted prices in active markets (Level 1) *RMB'000*	Significant observable inputs (Level 2) *RMB'000*	Significant unobservable inputs (Level 3) *RMB'000*	Total *RMB'000*
Financial assets:				
Listed equity investments	18,450,917	97,795	–	18,548,712
Listed debentures	2,298,999	–	–	2,298,999
Investments in financial products	390,416	20,019	1,826,558	2,236,993
Unlisted equity investments	–	50,477	701,538	752,015
Income right attached to a target equity interest	–	–	439,750	439,750
Derivative financial instruments:				
– Commodity derivative contracts and T+D forward contracts	261,082	–	–	261,082
– Foreign currency forward contracts	–	242,544	–	242,544
Bills receivable	–	1,903,238	–	1,903,238
Inventories designated as hedged items	7,495,771	–	–	7,495,771
Total	28,897,185	2,314,073	2,967,846	34,179,104
Financial liabilities:				
Derivative financial instruments:				
– Commodity derivative contracts and T+D forward contracts	780,789	–	–	780,789
– Commodity option contracts	–	45,833	–	45,833
– Provisional price arrangements	–	313,842	–	313,842
– Foreign currency forward contracts	–	321,341	–	321,341
Other payables and accruals				
– Financial guarantee contracts	–	–	38,353	38,353
Total	780,789	681,016	38,353	1,500,158

54. 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 year are as follows:

	2023	2022
	RMB'000	*RMB'000*
At 1 January	**2,967,846**	2,270,449
Purchase	**12,562,332**	10,566,468
Total gains recognised in the statement of profit or loss	**284,004**	180,386
Total gains recognised in other comprehensive income	**1,246**	79
Disposals	**(12,327,505)**	(10,049,536)
At 31 December	**3,487,923**	2,967,846

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 (2022: Nil).

55. OFFSETTING AND DERECOGNITION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets and financial liabilities are offset only when the Group has a current and legally enforceable right to set-off the recognised amounts and when there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

The tables hereafter show the carrying amounts of recognised financial assets and financial liabilities that are subject to various offsetting arrangements. The net column would be on the Group's statement of financial position, when the offsetting rights were exercised.

31 December 2023:

	Financial instruments (gross) *RMB'000*	**Amounts offset in the statement of financial position*(a)*** *RMB'000*	**Amounts offset in the statement of financial position*(b)*** *RMB'000*	**Financial instruments (net)** *RMB'000*
Financial assets:				
Restricted bank deposits	**35,807,378**	**(4,938,332)**	**(8,915,318)**	**21,953,728**
Derivative financial instruments	**277,338**	**(48,664)**	**(28,090)**	**200,584**
Total	**36,084,716**	**(4,986,996)**	**(8,943,408)**	**22,154,312**
Financial liabilities:				
Interest-bearing bank borrowings	**64,969,585**	**(4,986,996)**	**(8,940,267)**	**51,042,322**
Derivative financial instruments	**690,654**	**–**	**(3,143)**	**687,511**
Total	**65,660,239**	**(4,986,996)**	**(8,943,410)**	**51,729,833**

55. OFFSETTING AND DERECOGNITION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

31 December 2022:

	Financial instruments (gross) *RMB'000*	Amounts offset in the statement of financial position*(a)* *RMB'000*	Amounts offset in the statement of financial position*(b)* *RMB'000*	Financial instruments (net) *RMB'000*
Financial assets:				
Restricted bank deposits	35,686,648	(4,358,005)	(7,000,294)	24,328,349
Derivative financial instruments	535,970	(28,186)	(4,158)	503,626
Total	36,222,618	(4,386,191)	(7,004,452)	24,831,975
Financial liabilities:				
Interest-bearing bank borrowings	59,806,653	(4,261,598)	(6,925,334)	48,619,721
Derivative financial instruments	1,665,516	(124,593)	(79,118)	1,461,805
Total	61,472,169	(4,386,191)	(7,004,452)	50,081,526

(a) Pursuant to certain of offsetting agreements entered into between the Group and the counterparties, the Group had rights to exercise the offsetting of the financial assets and liabilities prior to the maturity.

(b) Pursuant to certain of offsetting agreements entered into between the Group and the counterparties, the counterparties had rights to exercise the offsetting of the financial assets and liabilities prior to the maturity.

56. FAIR VALUE RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments, other than derivatives, comprise loans and borrowings, cash and cash equivalents, corporate bonds and deposits from customers. The main purpose of these financial instruments is to finance the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables, other receivables, trade and bills payables, and financial liabilities in other payables and accruals, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below. The Group's accounting policies in relation to financial instruments are set out in note 2.4 to the financial statements.

Interest rate risk

The Group's exposure to interest rate risk for changes in interest rates relates primarily to the Group's bank balances and bank borrowings with floating interest rates. Management continuously monitors interest rate fluctuation and will consider further hedging interest rate risk should the need arise.

The Group's bank balances have exposure to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank balances. Management considers the Group's exposure of the short-term bank deposits to interest rate risk is not significant as interest-bearing bank balances are within a short maturity period.

The sensitivity analysis below has been determined based on the exposure to interest rates for floating interest-bearing bank borrowings at the end of the reporting period assuming the stipulated changes had taken place at the beginning of the reporting period and were held constant throughout the reporting period.

56. FAIR VALUE RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Interest rate risk (Continued)

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings).

	Increase/ (decrease) in basis points	**(Decrease)/increase in profit after tax**		**(Decrease)/increase in equity**	
		2023	2022	**2023**	2022
		RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
If interest rate increases	100	**(45,218)**	(36,469)	**(45,218)**	(36,469)
If interest rate decreases	(100)	**45,218**	36,469	**45,218**	36,469

Foreign currency risk

The carrying amounts of the Group's monetary assets and monetary liabilities denominated in foreign currencies, i.e. currencies other than the functional currency of the respective group entities, which are mainly trade and other receivables, restricted bank deposits, cash and bank balances, trade and other payables, bank borrowings and derivative financial instruments, at the end of the reporting period are as follows:

	Fluctuation in foreign exchange Rate	**(Decrease)/increase in profit after tax**		**(Decrease)/increase in equity**	
		2023	2022	**2023**	2022
	%	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
If RMB strengthens against USD	(5)	**(291,393)**	(258,582)	**(202,265)**	(234,214)
If RMB weakens against USD	5	**291,393**	258,582	**202,265**	234,214
If RMB strengthens against HKD	(5)	**(2,826)**	(32,972)	**5,320**	(29,805)
If RMB weakens against HKD	5	**2,826**	32,972	**(5,320)**	29,805

56. FAIR VALUE RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

Maximum exposure and year-end staging

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December.

The amounts presented are net carrying amounts for financial assets and the exposure to credit risk for the financial guarantee contracts.

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1 *RMB'000*	Stage 2 *RMB'000*	Stage 3 *RMB'000*	Simplified approach *RMB'000*	Total *RMB'000*
Trade and bills receivables*	2,220,464	–	–	3,971,109	6,191,573
Factoring receivables	–	–	258,986	–	258,986
Financial assets included in prepayments, other receivables and other assets	3,858,509	100,992	187,959	–	4,147,460
Loans to related parties	2,351,346	–	–	–	2,351,346
Time deposits – Not yet past due	3,401,029	–	–	–	3,401,029
Restrict bank deposits – Not yet past due	21,953,728	–	–	–	21,953,728
Cash and cash equivalents – Not yet past due	19,484,777	–	–	–	19,484,777
Total	53,269,853	100,992	446,945	3,971,109	57,788,899

56. FAIR VALUE RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (Continued)

Maximum exposure and year-end staging (Continued)

As at 31 December 2022

	12-month ECLs	Lifetime ECLs			
	Stage 1 *RMB'000*	Stage 2 *RMB'000*	Stage 3 *RMB'000*	Simplified approach *RMB'000*	Total *RMB'000*
Trade and bills receivables*	2,126,738	–	–	4,465,151	6,591,889
Factoring receivables	–	–	303,993	–	303,993
Financial assets included in prepayments, other receivables and other assets	6,970,201	57,504	222,411	–	7,250,116
Loans to related parties	2,533,817	–	–	–	2,533,817
Time deposits – Not yet past due	1,278,953	–	–	–	1,278,953
Restrict bank deposits – Not yet past due	24,328,349	–	–	–	24,328,349
Cash and cash equivalents – Not yet past due	14,727,876	–	–	–	14,727,876
Total	51,965,934	57,504	526,404	4,465,151	57,014,993

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the individual basis and collective basis is disclosed in note 29 to the financial statements.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 29 to the financial statements.

56. FAIR VALUE RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

The Group's treasury department monitors the Group's cash flow positions on a regular basis to ensure the cash flows of the Group are positive and closely controlled. The Group aims to maintain flexibility in funding by keeping committed credit lines available, obtaining debentures from specific financial institutions and borrowing loans from banks.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	31 December 2023			
	On demand and less than 12 months	1 to 5 years	More than 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Corporate bonds	55,565	3,685,270	8,628,780	12,369,615
Interest-bearing bank borrowings	38,174,382	14,948,105	–	53,122,487
Trade and bills payables	14,973,229	–	–	14,973,229
Financial liabilities in other payables and accruals	4,847,442	–	–	4,847,442
Deposits from a holding company and fellow subsidiaries	6,116,216	108,573	–	6,224,789
Derivative financial instruments	687,511	–	–	687,511
Lease liabilities	166,474	386,275	–	552,749
Other non-current liability	–	1,121,158	–	1,121,158
Total	65,020,819	20,249,381	8,628,780	93,898,980

56. FAIR VALUE RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (Continued)

	31 December 2022			
	On demand and less than 12 months *RMB'000*	1 to 5 years *RMB'000*	More than 5 years *RMB'000*	Total *RMB'000*
Corporate bonds	56,150	3,657,500	–	3,713,650
Interest-bearing bank borrowings	43,076,429	6,913,671	–	49,990,100
Trade and bills payables	13,825,254	–	–	13,825,254
Financial liabilities in other payables and accruals	3,149,390	–	–	3,149,390
Deposits from a holding company and fellow subsidiaries	6,408,659	32,471	–	6,441,130
Derivative financial instruments	1,461,805	–	–	1,461,805
Lease liabilities	180,321	20,780	–	201,101
Other non-current liability	–	1,364,408	–	1,364,408
Total	68,158,008	11,988,830	–	80,146,838

56. FAIR VALUE RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Commodity price risk

The Group's commodity price risk is mainly the exposure to fluctuations in the prevailing market price of copper cathodes and gold and silver which are the major commodities produced and sold by the Group. To minimise this risk, the Group enters into commodity derivative contracts, T+D forward contracts and provisional price arrangements to manage the Group's exposure in relation to forecasted sales of copper products, forecasted sales of gold products, forecasted purchases of copper concentrate, inventories and firm commitments to sell copper rods and wires and silver and gold lease contracts.

Financial assets and liabilities of the Group whose fair value changes are in line with the fluctuations in the prevailing market price of copper cathodes mainly comprise copper cathode derivative contracts, T+D forward contracts and provisional price arrangements.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in prevailing market price of copper cathodes and gold, with all other variables held constant, of the Group's profit before tax (due to changes in the fair values of commodity derivative and T+D contracts and the provisional price arrangements) after the impact of hedge accounting.

	(Decrease)/increase in profit before tax	
	2023	2022
	RMB'000	*RMB'000*
If market price increases 5% in copper	**(316,144)**	(450,777)
If market price decreases 5% in copper	**316,144**	450,777
If market price increases 5% in gold	**(174,144)**	(163,137)
If market price decreases 5% in gold	**174,144**	163,137
If market price increases 5% in silver	**(40,746)**	(27,529)
If market price decreases 5% in silver	**40,746**	27,529

56. FAIR VALUE RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Equity price risk

Equity price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the value of individual securities. The Group is exposed to equity price risk arising from individual equity investments included in financial assets at fair value through profit or loss (note 25) and equity investments at fair value through other comprehensive income (note 25) as at 31 December 2023. The Group's listed investments are listed on the Shanghai, Shenzhen, Hong Kong, London and Toronto stock exchanges and are valued at quoted market prices at the end of the reporting period.

The market equity indices for the following stock exchanges, at the close of business of the nearest trading day in the year to the end of the reporting period, and their respective highest and lowest points during the year were as follows:

	31 December 2023	**High/low 2023**	31 December 2022	High/low 2022
Toronto – Composite index	**20,958**	**20,958/18,737**	19,496	22,213/18,248

The following table demonstrates the sensitivity to every 5% change in the fair values of the equity investments with all other variables held constant and after impact on tax, based on their carrying amounts at the end of the reporting period.

31 December 2023	**Carrying amount of equity investments** ***RMB'000***	**Increase/ (decrease) in profit after tax** ***RMB'000***	**Increase/ (decrease) in equity** ***RMB'000***
Listed equity instruments at FVPL	**237,929**	**11,282**	**11,282**
Listed equity instruments at FVOCI	**7,465,528**	**–**	**373,276**

31 December 2022	Carrying amount of equity investments *RMB'000*	Increase/ (decrease) in profit after tax *RMB'000*	Increase/ (decrease) in equity *RMB'000*
Listed equity instruments at FVPL	109,816	4,201	4,201
Listed equity instruments at FVOCI	18,438,896	–	921,945

56. FAIR VALUE RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Capital management

The Group's capital management objectives are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debts.

Total capital of the Group is the total equity in the consolidated financial position. The Group is not subject to any externally imposed capital requirements. The Group monitors capital using the debt-to-asset ratio, which is total liabilities divided by total assets.

The Group's debt-to-asset ratio as at the end of the reporting period was as follows:

	31 December 2023	31 December 2022
	RMB'000	*RMB'000*
Total assets	**168,150,906**	167,330,540
Total liabilities	**91,402,241**	85,380,383
Debt-to-asset ratio	**54%**	51%

57. EVENTS AFTER THE REPORTING PERIOD

On 29 February 2024, PIM Cupric Holdings Limited ("PCH"), an indirect wholly-owned subsidiary of the Company, participated in a public offering of common shares of First Quantum Minerals Ltd. ("FQM") listed on the Toronto Stock Exchange of Canada (the "Offering"). The Company subscribed for 25,863,000 common shares in the Offering (the "Subscription") at a price of CAD$11.10 per share, with an aggregate transaction consideration of CAD$287,079,300 (equivalent to approximately RMB1,514,650,000). After the completion of the Subscription, PCH held 18.48% of the issued shares after the Offering, with no change in its shareholding percentage prior to the Subscription.

58. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2023	2022
	RMB'000	*RMB'000*
Non-current assets		
Property, plant and equipment	**13,824,714**	13,175,070
Investment properties	**295,080**	303,201
Right-of-use assets	**2,374,702**	163,008
Other intangible assets	**1,346,366**	3,310,485
Exploration and evaluation assets	**484,610**	483,892
Investments in subsidiaries	**26,978,314**	26,633,330
Investments in joint ventures	**25,321**	28,902
Investments in associates	**3,620,275**	3,627,087
Financial instruments other than derivatives	**5,122,815**	2,414,287
Prepayments, other receivables and other assets	**3,942,741**	4,671,669
Restricted bank deposits	**3,173,439**	1,817,729
Time deposits	**1,264,374**	912,030
Deferred tax assets	**424,792**	487,165
Total non-current assets	**62,877,543**	58,027,855
Current assets		
Inventories	**12,018,178**	12,640,027
Trade and bills receivables	**1,055,235**	2,893,641
Prepayments, other receivables and other assets	**1,190,605**	2,314,730
Derivative financial instruments	**–**	9,041
Time deposits	**1,166,367**	344,702
Restricted bank deposits	**3,336,500**	1,456,015
Cash and cash equivalents	**9,322,125**	11,120,412
Total current assets	**28,089,010**	30,778,568
Total assets	**90,966,553**	88,806,423

58. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

	2023 *RMB'000*	2022 *RMB'000*
Current liabilities		
Trade and bills payables	**1,739,828**	2,118,492
Other payables and accruals	**5,420,617**	6,229,328
Derivative financial instruments	**316,274**	225,438
Deferred revenue	**28,820**	31,495
Interest-bearing bank borrowings	**8,806,273**	12,957,728
Lease liabilities	**159,784**	172,087
Corporate bonds	**17,664**	17,518
Income tax payable	**670,529**	–
Total current liabilities	**17,159,789**	21,752,086
Net current assets	**10,929,221**	9,026,482
Total assets less current liabilities	**73,806,764**	67,054,337
Non-current liabilities		
Interest-bearing bank borrowings	**8,412,549**	4,002,447
Lease liabilities	**340,108**	–
Corporate bonds	**2,000,000**	2,000,000
Provision for rehabilitation	**214,331**	205,880
Employee benefit liabilities	**290**	290
Deferred revenue	**159,929**	173,994
Other non-current liabilities	**213,626**	312,807
Total non-current liabilities	**11,340,833**	6,695,418
Net assets	**62,465,931**	60,358,919
Equity		
Equity attributable to owners of the parent		
Share capital	**3,462,729**	3,462,729
Reserves	**59,003,202**	56,896,190
Total equity	**62,465,931**	60,358,919

58. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

A summary of the Company's reserves is as follows:

	Other reserve *RMB'000*	Statutory surplus reserve *RMB'000*	Discretionary surplus reserve *RMB'000*	Safety fund surplus reserve *RMB'000*	Retained profits *RMB'000*	Total *RMB'000*
As at 1 January 2022	12,689,723	5,853,893	9,644,881	244,235	26,366,518	54,799,250
Total comprehensive income for the year	207,357	–	–	–	3,620,948	3,828,305
Dividend declared	–	–	–	–	(1,731,365)	(1,731,365)
Transfer between categories	–	366,829	–	(47,337)	(319,492)	–
At 31 December 2022	12,897,080	6,220,722	9,644,881	196,898	27,936,609	56,896,190
Total comprehensive income for the year	109,983	–	–	–	3,728,394	3,838,377
Dividend declared	–	–	–	–	(1,731,365)	(1,731,365)
Transfer between categories	–	–	–	210,032	(210,032)	–
At 31 December 2023	13,007,063	6,220,722	9,644,881	406,930	29,723,606	59,003,202

59. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 27 March 2024.

Financial Summary

	2023	2022	2021	2020	2019
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
REVENUE	**520,338,500**	478,392,849	441,614,438	317,756,486	239,585,489
Cost of sales	**(508,322,152)**	(466,336,463)	(425,422,857)	(307,687,117)	(231,172,158)
Gross profit	**12,016,348**	12,056,386	16,191,581	10,069,369	8,413,331
Other income, Other gains and losses	**3,046,877**	1,921,443	(2,035,951)	(707,074)	1,202,536
Selling and distribution costs	**(358,092)**	(439,246)	(367,464)	(269,427)	(683,412)
Administrative expenses	**(3,826,292)**	(3,572,932)	(3,714,620)	(2,726,043)	(2,417,503)
Impairment losses on financial assets, net	**(10,209)**	(284,586)	(480,019)	(1,264,064)	(1,475,161)
Finance costs	**(2,323,801)**	(1,967,157)	(2,018,808)	(1,950,099)	(1,883,826)
Share of profits and losses of:					
Joint ventures	**(10,325)**	(30,336)	(15,272)	(17,600)	(48,336)
Associates	**97,964**	(185,014)	(142,559)	117,009	27,164
PROFIT BEFORE TAX	**8,632,470**	7,498,558	7,416,888	3,252,071	3,134,793
Income tax	**(1,404,318)**	(1,403,004)	(1,387,449)	(892,594)	(982,425)
PROFIT FOR THE YEAR	**7,228,152**	6,095,554	6,029,439	2,359,477	2,152,368
Attributable to:					
Owners of the Company	**6,745,839**	6,001,476	5,772,525	2,227,704	2,437,988
Non-controlling interests	**482,313**	94,078	256,914	131,773	(285,620)
	7,228,152	6,095,554	6,029,439	2,359,477	2,152,368
Total assets	**168,150,906**	167,330,540	161,034,643	140,881,553	134,913,915
Total liabilities	**(91,402,241)**	(85,380,383)	(83,224,717)	(74,022,249)	(75,881,314)
Non-controlling interests	**(9,326,617)**	(8,431,507)	(8,011,074)	(6,948,911)	(6,286,983)
Equity attributable to owners of the parent	**(67,422,048)**	(73,518,650)	(69,798,852)	(59,910,393)	(52,745,618)

Jiangxi Copper Company Limited