



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)



2019

Interim Report

Important Notice

- (I) The Board, the Supervisory Committee and the Directors, the Supervisors and senior management of Jiangxi Copper Company Limited warrant that they severally and jointly accept responsibility for the truthfulness, accuracy and completeness of the information contained in the interim report and that there are no false representations, misleading statements contained therein or material omissions therefrom.
- (II) All the Directors of the Company attended the Board meeting to approve, among others, the interim results for the six months ended 30 June 2019.
- (III) The interim financial report of the Company and its subsidiaries has not been audited, but the interim financial information prepared in accordance with IFRSs has been reviewed by Ernst & Young and considered and approved by the Audit Committee.
- (IV) The Company's chairman, Mr. Long Ziping, the principal accounting responsible person, Mr. Yu Tong, and Head of Financial Department (accounting chief), Mr. Ai Fuhua, warrant the truthfulness, accuracy and completeness of the financial report set out in the interim report.
- (V) Proposal of profit distribution plan or transfer of capital reserve to share capital during the reporting period after consideration by the Board: The Company will not make any proposal of profit distribution plan or transfer capital reserve to share capital.
- (VI) Statement for the risks involved in the forward-looking statement: The interim report contains forward-looking statements that involve future plans and development strategies which do not constitute a commitment by the Company to its investors. Investors should be aware of the investment risks.
- (VII) There is no misappropriation of funds by the controlling shareholder and its connected parties for non-operation purpose in the Group.
- (VIII) There are no external guarantees provided in violation of stipulated decision-making procedures in the Group.

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Definitions

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

Definitions to the frequently-used terms

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

Definitions

reporting period	means	the six months ended 30 June 2019
SSE	means	Shanghai Stock Exchange
Stock Exchange	means	The Stock Exchange of Hong Kong Limited
Supervisor(s)	means	the supervisor(s) of the Company
Supervisory Committee	means	the supervisory committee of the Company

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

Company Profile

I. COMPANY INFORMATION

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

II. CONTACT PERSONS AND CONTACT METHODS

	Secretary to the Board	Securities Affairs Representative
Name	(Chairman of the Board takes up the responsibilities of Secretary to the Board)	Lu Gaoming
Address	7666 Chang Dong Avenue, High-tech Development Zone, Nanchang, Jiangxi Province, the People's Republic of China	7666 Chang Dong Avenue, High-tech Development Zone, Nanchang, Jiangxi Province, the People's Republic of China
Telephone	0791-82710117	0791-82710112
Facsimile	0791-82710114	0791-82710114
E-mail	jccl@jxcc.com	jccl@jxcc.com

III. CHANGES IN BASIC INFORMATION

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

Company Profile

IV. CHANGES IN INFORMATION DISCLOSURE AND PLACE OF INSPECTION

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

V. INFORMATION ON THE COMPANY'S SHARES

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

VI. OTHER RELEVANT INFORMATION

Auditor appointed by the Company (Domestic)	Name	Ernst & Young Hua Ming LLP
	Office address	Level 16, EY Tower, Oriental Plaza, No. 1 East Chang An Avenue, Dong Cheng District, Beijing Yang Lei (楊磊), Lu Miao (陸苗)
Auditor appointed by the Company (Overseas)	Name of auditor as signatories	Ernst & Young
	Office address	22/F, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong
Sponsor engaged by the Company to continuously perform its supervisory function during the reporting period	Name	China International Capital Corporation Limited
	Office address	27th and 28th Floors, China World Tower 2, No. 1 Jianguomenwai Avenue, Beijing
	Name of sponsor representatives as signatories	Long Liang (龍亮), Du Yiqing (杜禕清)
	Period of continuously performing supervisory function	September 2008 – June 2019

Summary of Accounting Data and Financial Indicators

I. MAJOR ACCOUNTING DATA AND FINANCIAL INDICATORS OF THE COMPANY

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

	For the six months ended 30 June		Increase/ (decrease) (%)
	2019 (RMB'000) (Unaudited)	2018 (RMB'000) (Unaudited)	
Revenue	104,693,998	104,025,788	0.64%
Profit before taxation	1,910,800	1,736,658	10.03%
Profit for the period attributable to shareholders of the Company	1,412,177	1,327,146	6.41%
Basic earnings per share (RMB)	0.41	0.38	7.89%

	As at 30 June 2019 (RMB'000) (Unaudited)	As at 31 December 2018 (RMB'000) (Audited)	Increase/ (decrease) (%)
	Total assets	133,106,720	
Total liabilities	76,923,492	50,839,134	51.31%
Net assets attributable to shareholders of the Company	50,571,338	49,766,311	1.62%
Net assets per share attributable to shareholders of the Company (RMB)	14.60	14.37	1.62%

Summary of Accounting Data and Financial Indicators

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

(1) Major accounting data

Unit: Yuan Currency: RMB

Major accounting data	During the reporting period (January–June)	During the same period of last year		Increase/decrease for the reporting period as compared with the same period of last year (%)
		After adjustment	Before adjustment	
Operating revenue	105,042,933,126	104,505,429,936	104,505,429,936	0.51
Net profit attributable to shareholders of the Company	1,300,277,340	1,277,630,707	1,277,630,707	1.77
Net profit after non-recurring profit and loss items attributable to shareholders of the Company	1,122,403,419	571,227,140	571,227,140	96.49
Net cash flows from operating activities	5,512,497,316	803,264,622	803,264,622	586.26

	As at the end of the reporting period	As at the end of last year		Increase/decrease as at the end of the reporting period as compared with the end of last year (%)
		After adjustment	Before adjustment	
Net assets attributable to shareholders of the Company	50,571,339,051	49,766,311,772	49,766,311,772	1.62
Total assets	133,106,720,782	102,865,826,951	102,865,826,951	29.40

Summary of Accounting Data and Financial Indicators

(2) Major financial indicators

Unit: Yuan Currency: RMB

Major financial indicators	During the reporting period (January–June)	During the same period of last year		Increase/decrease for the reporting period as compared with the same period of last year (%)
		After adjustment	Before adjustment	
Basic earnings per share (RMB/share)	0.41	0.38	0.38	7.89
Basic earnings per share after non-recurring profit and loss items (RMB/share)	0.32	0.16	0.16	100
Return on net assets (weighted average) (%)	2.57	2.63	2.63	Decrease by 0.06 percentage point
Return on net assets after non-recurring profit and loss items (weighted average) (%)	2.24	1.18	1.18	Increase by 1.06 percentage points

Explanation on major accounting data and financial indicators of the Company

Not applicable

Summary of Accounting Data and Financial Indicators

II. DIFFERENCES IN ACCOUNTING DATA BETWEEN THE IFRSs AND THE PRC GAAP

(I) Reconciliation between the IFRSs and the PRC GAAP

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

Unit: Yuan Currency: RMB

	Net profit		Net assets attributable to shareholders of the Company	
	Amount for the current period	Amount for the previous period	Closing amount	Opening amount
Prepared in accordance with the PRC GAAP	1,300,277,340	1,277,630,707	50,571,339,051	49,766,311,772
Adjustments to items and amounts under IFRSs:				
Safety fund expenses provided but not used under the PRC GAAP during the period	111,899,839	49,518,957	-	-
Prepared in accordance with the IFRSs	1,412,177,179	1,327,149,664	50,571,339,051	49,766,311,772

Note: The above-mentioned data regarding "net profit" refers to the "net profit attributable to the shareholders of the Company".

(II) Differences in net profit and net assets attributable to shareholders of the Company prepared under foreign accounting standards and the PRC GAAP

Not applicable

Summary of Accounting Data and Financial Indicators

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

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

Summary of Accounting Data and Financial Indicators

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

Unit: Yuan Currency: RMB

Non-recurring profit and loss items	Amount	Note (If applicable)
Profit and loss from disposal of non-current assets	9,652,716	
Government grant as included in profit and loss of the current period, other than those closely relating to the normal business of enterprises and subject to a fixed amount or quantity under certain standard and in compliance with national policies	55,941,206	
Profit and loss from changes in the fair value of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities, and investment gains from disposal of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and other debt investments except for effective hedging businesses related to normal operation of the Company	215,569,043	
Reversion of provision for impairment of the receivables and contract assets under independent impairment test	1,249,587	
Other non-operating income and expenses other than the above	62,413,792	
Impact from interests of minority shareholders	-100,545,964	
Impact from income tax	-66,406,460	
Total	177,873,920	

Summary of Accounting Data and Financial Indicators

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

Items measured by fair value

Unit: Yuan Currency: RMB

Item	Opening balance	Closing balance	Changes during the period	Impact on profit of the current period
1. Investment in held-for-trading equity instruments				
Equity investments	163,814,459	161,158,202	-2,656,257	7,121,395
2. Investment in held-for-trading debt instruments				
Bond investment	109,286,621	–	-109,286,621	6,005,145
3. Investment in debt instruments	9,468,226,583	17,829,070,370	8,360,843,787	320,127,968
4. Other equity instruments	2,272,120,712	2,098,455,287	-173,665,425	-100,291,449
5. Other debt instruments	50,047,000	50,047,000	–	–
6. Financing of receivables	3,215,501,984	2,174,722,110	-1,040,779,874	–
7. Derivatives not designated as a hedge				
Forward foreign exchange contracts	56,557,584	27,803,965	-28,753,619	-23,060,866
Interest rate swaps contracts	-434,273	-1,203,155	-768,882	-768,882
Commodity option contracts	-20,965,613	-3,616,391	17,349,222	31,568,973
Commodity futures contracts	36,852,524	261,516,972	224,664,448	-25,615,243
8. Hedging instruments				
(1) Non-effective hedging derivative instruments				
Provisional price arrangement	3,400,716	4,149,357	748,641	482,001
(2) Effective hedging derivative instruments				
Item at fair value included in inventory	2,883,906,210	2,978,881,264	94,975,054	74,338,434
Provisional price arrangement	94,236,068	13,433,784	-80,802,284	-80,802,283
9. Held-for-trading financial liabilities	–	-694,422,210	-694,422,210	–
Total	18,332,550,575	24,899,996,555	6,567,445,980	209,105,193

Business Overview of the Company

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

(I) Principal business and operation mode of the Company

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

The main assets owned and controlled by the Group include:

1. A listed company: Humon Smelting (Shenzhen Stock Exchange stock code: 002237) is a company listed on the Shenzhen Stock Exchange. The Company holds 29.99% of the total share capital of the 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. It is equipped with the annual production capacity of 50 tonnes of gold and 700 tonnes of silver, and its production capacity of sulfuric acid as by-product in the smelting process reaches 1 million tonnes.
2. Two sulphuric acid plants with advanced technology: Jiangxi Jiangtong-Wengfu Chemical Industry Company Limited and Jiangxi Copper (Dexing) Chemical Company Limited.
3. Three smelters: Guixi Smelter, Jiangxi Copper (Qingyuan) Company Limited and Zhejiang Jiangtong Fuye Hedong Copper Co., Ltd., among which Guixi Smelter is the blister and copper concentrate smelter and refiner with the largest scale, most advanced technologies and best environmental protection in China.
4. Six 100%-owned mines with production: Dexing Copper Mine (including copper factory mining area, Fujiawu mining area and Zhushahong mining area), Yongping Copper Mine, Chengmenshan Copper Mine (including Jinjiwo Silver-Copper Mine), Wushan Copper Mine, Dongxiang Copper Mine and Yinshan Mining Company.

Business Overview of the Company

5. Eight modern copper products processing plants: Jiangxi Copper Products Company Limited, Jiangxi Copper (Guangzhou) Copper Production Company Limited, Jiangxi JCC – Yates Copper Foil Inc., Jiangxi Copper Taiyi Special Electrical Materials Company Limited, Jiangxi Copper (Longchang) Precise Pipe Company Limited, JCC Copper Products Company Limited, JCC Huabei (Tianjin) Copper Co., Ltd., JCC Huadong (Zhejiang Cooper Products) Co., Ltd.

(II) Explanation of the industry

In the first quarter of 2019, the manufacturing industry of the world's major economies was weakened across the board and the economic outlook was sluggish. In response to the economic downturn, the global monetary policy turned loose. China and the United States (the "US") made progress in the seventh round of the trade negotiations. US President Donald Trump announced that the tariff increase on China on 1 March 2019 would be delayed. The risk appetite of the financial market rose, thus the price of copper increased. The price of copper in the first quarter fluctuated upwards.

In the second quarter, China implemented tax reduction and expanded the opening-up policies. Under the stimulus of the policies, China's manufacturing industry rebounded to the expansion zone. However, the escalation of China-US and Europe-US trade wars and the resonated downturn of the global economy have caused the International Monetary Fund to decrease the global economic growth rate, and the sentiment of risk aversion went up. The price of copper in the second quarter fell under pressure.

Due to the relatively stable supply and demand, the price of copper in the first half of 2019 was mainly led by the macro, and maintained the overall trend of pushing up and going down. The fluctuation range of London copper was 5,700–6,600 US dollars/tonne, and that of Shanghai copper was 46,000–51,000 RMB yuan/tonne. According to statistics, the annual average of three-month LME copper price in the first half of 2019 was 6,175.5 US dollars/tonne, representing a decrease of 5.64% as compared with the same period of last year.

Looking forward to the second half of the year, global central banks have started the trend of reducing interest rates since July, as more than 10 central banks have announced interest rate reduction and embarked on a path of currency easing. Although no agreement was reached from the China-US negotiations during the G20 and the China-US trade war has not been eased, its marginal impact on the financial market has declined. In the second half of the year, China will continue to expand its opening-up and its infrastructure, and support its brick-and-mortars, etc, to further stabilise employment, finance, foreign trade, foreign capital, investment and expectations. China will continue to act as a "stabiliser" for the global economy. As the imbalance between copper supply and demand is not prominent, it is expected that the price of copper will continue to be led by the macro situation in the second half of the year. Under the expectation of a macro turnaround, the copper price is expected to maintain upwards fluctuation in the second half of the year.

Business Overview of the Company

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

Not applicable

III. ANALYSIS OF CORE COMPETITIVENESS DURING THE REPORTING PERIOD

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

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

1. the Group owns the largest copper mine currently in China, namely Dexing Copper Mine and a number of copper mines with production. As of 31 December 2018, the Group had 100% ownership in the proven resource reserves of approximately 9,363,000 tonnes of copper metal, 289.6 tonnes of gold, 8,715.8 tonnes of silver, and 205,000 tonnes of molybdenum. Among the resources jointly controlled by the Group 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. As of 31 December 2018, Humon Smelting, a controlled subsidiary of the Company, owned 16 gold mining rights with a total area of 15.31 square kilometers; 21 exploration rights with a total area of 62.48 square kilometers; and proven gold reserves of approximately 112.01 tonnes. Its subsidiary Hangzhou Jiantong Group Co., Ltd. owns one copper ore mining right with an area of 0.43 square kilometers and two exploration rights with an area of 2.78 square kilometers;
2. Guixi Smelter is the copper smelter with the largest monomer smelting scale in the world;
3. the Group is also the largest domestic copper processor.

Business Overview of the Company

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

The Group is the largest integrated producer of copper in the PRC. It has established its industry chain with core businesses such as mining, ore dressing, smelting and processing of copper, as well as sulphuric chemistry and extraction and processing of precious and rare metals. It also conducts business in various areas such as finance and trading. The annual production of copper contained in copper concentrates is 200,000 tonnes. The production of copper cathode of the Company is over 1,400,000 tonnes per year. The number of processed copper products is over 1,000,000 tonnes per year;

In the first half of 2019, the Company acquired 29.99% of shares in Humon Smelting and became its controlling shareholder, further strengthening the layout of the gold sector industry, and forming a new situation of multi-metal mining and in-depth integration of production, financing and trading.

(III) Advantages of industry-leading professional technologies and experienced talents

The Group possesses industry-leading copper smelting and mine development technologies. Guixi Smelter is the first to introduce the entire flash smelting technology in the PRC with the overall production technology and key techno-economic indicators reaching the advanced international standards. Dexing Copper Mine is the first to introduce software for the design, planning and optimization of international mining and the global positioning system for truck dispatching in the PRC. Humon Smelting has strong smelting technology and is the first professional factory to process high-lead complex gold concentrates by using oxygen bottom blowing smelting-reduction furnace pulverized coal bottom blowing direct reduction technology. It ranks first among "China's top ten gold smelting enterprises".

Business Overview of the Company

(IV) Advantage of competitive cost

The Dexing Copper Mine owned by the Group is the largest open-pit mining copper mine in China. The unit cash cost is below the industry average. At the same time, the advantages of mine resources further ensure the self-sufficiency rate of copper concentrates, which is conducive to the Group to smooth the risk of fluctuations in raw material costs. Secondly, the Guixi Smelter owned by the Group is the world's largest single smelter, with leading technology and scale effect, giving the Company more cost advantage. In addition, the Group has a relatively advantageous geographical location. The main mines are located in the territory of Jiangxi Province, adjacent to the southeast coastal areas where copper demand is large, and thus the transportation radius of raw materials and copper products is short. Meanwhile, the Group has its own railway line, which can further reduce internal transportation costs.

(V) Advantage of an outstanding brand name

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

Report of the Board

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

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

Since this year, there has been constantly increasing downward pressure in the major economies in the world, while instability and uncertainty factors increased significantly. The market of copper products experienced fluctuation and downturn. The pressure of supply of raw materials for copper smelting, especially scrap copper, has increased constantly, and the downstream demand for processed copper products remained weak. Facing severe external challenges, all members of the Company have been confident in tackling difficulties and overcoming obstacles. Through adopting a series of comprehensive measures of “seizing innovation, promoting reform, strengthening management and facilitating development”, the Company has successfully resolved numerous problems, effectively responded to various challenges and achieved hard-won results.

During the reporting period, the Group successfully achieved the production plan for all products and produced: 749,300 tonnes of copper cathode, representing a year-on-year increase of 3.51%; 102,000 tonnes of copper concentrates, representing a year-on-year increase of 0.2%; 12.88 tonnes of gold, representing a year-on-year decrease of 0.17%; 169.01 tonnes of silver, representing a year-on-year decrease of 8.13%; 3,917 tonnes of molybdenum concentrates (45%), representing a year-on-year increase of 4.82%; 2,078,600 tonnes of sulphuric acid, representing a year-on-year increase of 0.03%; 1,299,600 tonnes of sulphur concentrates, representing a year-on-year increase of 8.03%; produced 464,100 tonnes of copper rods, representing a year-on-year decrease of 1.85%; 62,800 tonnes of other processed copper products (excluding copper rods), representing a year-on-year decrease of 23.16%. Moreover, Humon Smelting, a subsidiary of the Company, produced: 56,100 tonnes of copper cathode; 8.14 tonnes of gold; 249.00 tonnes of silver; 634,600 tonnes of sulphuric acid.

According to the unaudited 2019 interim consolidated financial statement prepared in accordance with the PRC GAAP, the consolidated operating income of the Group is RMB105,042,933,126 (2018 interim: RMB104,505,429,936), representing a year-on-year increase of RMB537,503,190 (or 0.51%) as compared with last year; achieving net profit attributable to shareholders of the Company of RMB1,300,277,340 (2018 interim: RMB1,277,630,707), representing a year-on-year increase of RMB22,646,633 (or 1.77%) as compared with last year; basic earnings per share is RMB0.41 (2018 interim: RMB0.38), representing a year-on-year increase of RMB0.03 (or 7.89%) as compared with last year.

Report of the Board

(I) Analysis of principal businesses

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

Unit: Yuan Currency: RMB

Items	For the period	For the same period last year	Changes (%)
Operating Revenue	105,042,933,126	104,505,429,936	0.51
Operating Cost	101,034,401,131	100,898,140,141	0.14
Selling expenses	299,530,003	327,220,816	-8.46
Administrative expenses	831,683,381	733,779,374	13.34
Finance costs	552,632,756	442,500,482	24.89
Expenses on research and development	103,583,610	93,906,420	10.31
Net cash flow from operating activities	5,512,497,316	803,264,622	586.26
Net cash flow from investing activities	-15,027,258,001	-453,572,802	3,213.09
Net cash flow from financing activities	11,057,640,732	2,880,365,204	283.90
Expenditure on research and development	1,395,032,809	1,267,642,500	10.05
Other income	55,941,206	45,178,941	23.82
Non-operating income	67,177,208	15,858,447	323.61
Non-operating expenses	5,970,755	4,017,581	48.62

Explanation on changes in operating revenue: there was no material change in the operating revenue in the period as compared to the previous period;

Explanation on changes in operating cost: there was no material change in the operating cost in the period as compared to the previous period;

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

Explanation on changes in administrative expenses: the increase in administrative expenses for the period is the result of the amortisation of intangible assets and the increase in professional service fees over the previous period;

Report of the Board

Explanation on changes in finance costs: the increase in finance costs in the period was due to the expansion of the Group's financing scale;

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

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

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

Explanation on changes in net cash flow from financing activities: mainly due to the increase in short-term borrowings and bill financing;

Explanation on changes in expenses on research and development: mainly due to the increase in investment in technology, number of research and development projects and expenses;

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

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

Explanation on changes in non-operating expenses: mainly due to the disposal of scrapped fixed assets.

2. Others

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

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

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

Unit: Yuan Currency: RMB

Item	For the period	For the same period last year	Changes
Impairment losses on assets	-46,659,871	277,854,148	-324,514,019
Impairment losses on credit	457,561,667	540,675,462	-83,113,795
Gains on changes in fair value	134,057,409	346,060,473	-212,003,064
Returns on investment	75,047,784	568,021,711	-492,973,927

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

1. Principal businesses by industry

Unit: '000 Currency: RMB

Industry	Operating revenue for the six months ended 30 June 2019	Operating revenue for the six months ended 30 June 2018	Increase/decrease in the operating revenue over the same period last year (%)
Revenue recognised at a point in time			
Industry and other non-trading revenue	42,977,199	48,952,416	-12.21
Trading revenue	61,681,709	55,217,229	11.71
Others	227,496	251,283	-9.47
Revenue recognised over a period of time			
Provision of services	156,529	84,502	85.24
Total	105,042,933	104,505,430	0.51

Explanation on the principal businesses by industry:

1) Industry and other non-trading revenue

During the reporting period, industry and other non-trading revenue decreased by RMB5,975.22 million or 12.21% as compared with last year.

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2) *Trading revenue*

During the reporting period, trading revenue increased by RMB6,464.48 million or 11.71% as compared with last year.

3) *Others*

During the reporting period, other operating revenue decreased by RMB23.79 million or 9.47% as compared with last year.

4) *Provision of services*

During the reporting period, operating revenue from the provision of services increased by RMB72.03 million or 85.24% as compared with last year.

2. Principal businesses by product

Unit: '000 Currency: RMB

Product	Operating revenue for the six months ended 30 June 2019	Operating revenue for the six months ended 30 June 2018	Increase/decrease in the operating revenue over the same period last year (%)	Operating cost for the six months ended 30 June 2019	Operating cost for the six months ended 30 June 2018	Increase/decrease in the operating cost over the same period last year (%)
Copper cathodes	64,021,271	58,964,896	8.58	62,006,121	56,376,479	9.99
Copper rods	20,572,267	24,007,113	-14.31	20,169,478	23,524,069	-14.26
Gold	3,920,180	3,540,926	10.71	3,534,200	3,218,777	9.80
Processed copper products	2,012,054	2,244,481	-10.36	1,895,860	2,109,388	-10.12
Silver	1,385,805	1,012,119	36.92	1,289,513	935,459	37.85
Chemical products (sulphur and sulphuric concentrate)	697,160	594,141	17.34	525,278	604,406	-13.09
Copper concentrate, rare and other non-ferrous metals	8,589,156	12,014,843	-28.51	8,052,764	12,173,327	-33.85
Principal business – others	3,461,014	1,791,126	93.23	3,234,714	1,558,152	107.60
Other businesses	384,025	335,785	14.37	326,473	398,084	-17.99
Total	105,042,933	104,505,430	0.51	101,034,401	100,898,140	0.14

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Explanation on the principal businesses by product:

1) Copper cathodes

During the reporting period, the operating revenue and operating cost from copper cathodes increased by RMB5,056.38 million or 8.58% ,and increased by RMB5,629.64 million or 9.99%, respectively as compared with last year.

2) Copper rods

During the reporting period, the operating revenue and operating cost from copper rods decreased by RMB3,434.85 million or 14.31%, and decreased by RMB3,354.59 million or 14.26%, respectively as compared with last year.

3) Gold

During the reporting period, the operating revenue and operating cost from gold increased by RMB379.25 million or 10.71%, and increased by RMB315.42 million or 9.80%, respectively as compared with last year.

4) Processed copper products

During the reporting period, the operating revenue and operating cost from processed copper products decreased by RMB232.43 million or 10.36%, and decreased by RMB213.53 million or 10.12%, respectively as compared with last year.

5) Silver

During the reporting period, the operating revenue and operating cost from silver increased by RMB373.69 million or 36.92%, and increased by RMB354.05 million or 37.85%, respectively as compared with last year.

6) Chemical products (sulphur and sulphuric concentrate)

During the reporting period, the operating revenue and operating cost from chemical products (sulphur and sulphuric concentrate) increased by RMB103.02 million or 17.34%, and decreased by RMB79.13 million or 13.09%, respectively as compared with last year.

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

During the reporting period, the operating revenue and operating cost from copper concentrate, rare and other non-ferrous metals decreased by RMB3,425.69 million or 28.51%, and decreased by RMB4,120.56 million or 33.85%, respectively as compared with last year.

8) *Principal business – others*

During the reporting period, the operating revenue and operating cost from principal business – others increased by RMB1,669.89 million or 93.23%, and increased by RMB1,676.56 million or 107.60%, respectively as compared with last year.

9) *Other business income*

During the reporting period, the operating revenue and operating cost from other businesses increased by RMB48.24 million or 14.37%, and decreased by RMB71.61 million or 17.99%, respectively as compared with last year.

3. Principal businesses by geographical location

Unit: '000 Currency: RMB

Geographical location	Operating revenue for the six months ended 30 June 2019	Operating revenue for the six months ended 30 June 2018	Increase/decrease in the operating revenue over the same period last year (%)
Mainland China	87,546,032	93,981,979	-6.85
Hong Kong	10,050,156	3,966,880	153.35
U.S.	2,525	–	100
U.K.	1,012,228	–	100
Others	6,431,993	6,556,570	-1.90
Total	105,042,933	104,505,430	0.51

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Explanation on the principal businesses by geographical location:

1) Mainland China

During the reporting period, the operating revenue from mainland China business decreased by RMB6,435.95 million or 6.85% as compared with last year.

2) Hong Kong

During the reporting period, the operating revenue from Hong Kong business increased by RMB6,083.28 million or 153.35% as compared with last year.

3) U.S.

During the reporting period, the operating revenue from the U.S. business increased by RMB2.53 million or 100% as compared with last year.

4) U.K.

During the reporting period, the operating revenue from the U.K. business increased by RMB1,012.23 million or 100% as compared with last year.

5) Others

During the reporting period, the operating revenue from the businesses in other geographical locations decreased by RMB124.58 million or 1.90% as compared with last year.

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(IV) Analysis of assets and liabilities

1. Assets and liabilities

Unit: Yuan Currency: RMB

Item	As at the end of the period	Share of total assets as at the end of the period (%)	As at the end of the previous period	Share of total assets as at the end of the previous period (%)	Changes as at the end of the period over the previous period (%)	Explanation
Held-for-trading financial assets	17,990,228,572	13.52	9,741,327,663	9.47	84.68	Note 1
Derivative financial assets	380,539,580	0.29	263,905,443	0.26	44.20	Note 2
Receivables finance	2,174,722,110	1.63	3,215,501,984	3.13	-32.37	Note 3
Inventories	22,844,475,346	17.16	17,259,265,461	16.78	32.36	Note 4
Assets classified as held for sale	23,308,163	0.02	83,660,951	0.08	-72.14	Note 5
Other receivables	4,241,906,538	3.19	3,028,494,949	2.94	40.07	Note 6
Other current assets	5,517,182,121	4.14	2,933,737,673	2.85	88.06	Note 7
Other equity investment	35,624,461	0.03	0	0	100.00	Note 8
Project under construction	4,751,083,379	3.57	3,619,089,105	3.52	31.28	Note 9
Right-to-use assets	1,123,556,885	0.84	0	0	100.00	Note 10
Goodwill	1,627,965,748	1.22	0	0	100.00	Note 11
Short-term borrowings	49,439,255,771	37.14	29,874,704,731	29.04	65.49	Note 12
Notes payable	3,627,642,978	2.73	1,923,462,976	1.87	88.60	Note 13
Held-for-trading financial liabilities	694,422,210	0.52	0	0	100.00	Note 14
Account payable	6,391,324,369	4.80	4,306,594,754	4.19	48.41	Note 15
Contract liabilities	1,795,394,000	1.35	3,311,246,333	3.22	-45.78	Note 16
Tax payable	808,980,433	0.61	1,195,402,006	1.16	-32.33	Note 17
Other payables	5,615,594,345	4.22	2,388,335,257	2.32	135.13	Note 18
Non-current liabilities due within one year	3,594,904,370	2.70	133,399,504	0.13	2,594.84	Note 19
Long-term borrowings	344,348,500	0.26	3,282,000,000	3.19	-89.51	Note 20
Lease liabilities	494,006,829	0.37	0	-	100.00	Note 21
Long-term payables	15,698,297	0.01	60,141,729	0.06	-73.90	Note 22
Deferred income tax liabilities	144,441,028	0.11	109,138,652	0.11	32.35	Note 23
Other non-current liabilities	388,335	0	0	0	100	Note 24
Other comprehensive income	201,877,610	0.15	116,481,629	0.11	73.31	Note 25

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Explanations:

- Note 1:* As at the end of the reporting period, the held-for-trading financial assets of the Group amounted to RMB17,990.23 million, representing an increase of RMB8,248.90 million (or 84.68%) as compared with the end of the period of last year, mainly attributable to an increase in structural deposits of the Group;
- Note 2:* As at the end of the reporting period, the derivative financial assets of the Group amounted to RMB380.54 million, representing an increase of RMB116.63 million (or 44.2%) as compared with the end of the period of last year, mainly attributable to the increase in fair value on commodity futures contracts and forward foreign exchange contracts in derivative assets of the Group at the end of the period;
- Note 3:* As at the end of the reporting period, the receivables finance of the Group amounted to RMB2,174.72 million, representing a decrease of RMB1,040.78 million (or -32.37%) as compared with the end of the period last year, mainly attributable to an increase in the scale of discounted notes in the period;
- Note 4:* As at the end of the reporting period, the inventories of the Group amounted to RMB22,844.48 million, representing an increase of RMB5,585.21 million (or 32.36%) as compared with the end of the period of last year, mainly attributable to the acquisition of Humon Smelting by the Group, and an increase in inventories of RMB5,453.19 million;
- Note 5:* As at the end of the reporting period, the assets classified as held for sale of the Group amounted to RMB23.31 million, representing a decrease of RMB60.35 million (or -72.14%) as compared with the end of the period of last year, mainly attributable to the disposal of assets classified as held for sale of the Group;
- Note 6:* As at the end of the reporting period, the other receivables of the Group amounted to RMB4,241.91 million as compared with the end of the period of last year, representing an increase of RMB1,213.41 million (or 40.07%), mainly attributable to the increase in the futures margin deposits of the Group;
- Note 7:* As at the end of the reporting period, the other current assets of the Group amounted to RMB5,517.18 million, representing an increase of RMB2,583.44 million (or 88.06%) as compared with the end of the period of last year, mainly attributable to an increase in borrowings by the associated companies of the Group;
- Note 8:* As at the end of the reporting period, the other equity investment of the Group amounted to RMB35.62 million, representing an increase of RMB35.62 million (or 100%) as compared with the end of the period of last year, mainly attributable to the acquisition of Humon Smelting by the Group;
- Note 9:* As at the end of the reporting period, the projects under construction of the Group amounted to RMB4,751.08 million, representing an increase of RMB1,131.99 million (or 31.28%) as compared with the end of the period of last year, mainly attributable to an increase in investment of the projects under construction of the Group;

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- Note 10:* As at the end of the reporting period, the right-to-use assets of the Group amounted to RMB1,123.56 million, representing an increase of RMB1,123.56 million (or 100%) as compared with the end of the period of last year, mainly attributable to a change in accounting items arising from the implementation of a new leasing standard by the Group;
- Note 11:* As at the end of the reporting period, the goodwill of the Group amounted to RMB1,627.97 million, representing an increase of RMB1,627.97 million (or 100%) as compared with the end of the period of last year, mainly attributable to the acquisition of Humon Smelting by the Group, which created goodwill;
- Note 12:* As at the end of the reporting period, the short-term borrowings of the Group amounted to RMB49,439.26 million, representing an increase of RMB19,564.55 million (or 65.49%) as compared with the end of the period of last year, mainly attributable to an increase in credit loans and gold lease business of the Group;
- Note 13:* As at the end of the reporting period, the notes payable by the Group amounted to RMB3,627.64 million, representing an increase of RMB1,704.18 million (or 88.6%) as compared with the end of the period of last year, mainly attributable to the acquisition of Humon Smelting by the Group and the increase in the procurement payment settled by notes of the Group;
- Note 14:* As at the end of the reporting period, the held-for-trading financial liabilities of the Group amounted to RMB694.42 million, representing an increase of RMB694.42 million (or 100%) as compared with the end of the period, mainly attributable to the acquisition of Humon Smelting by the Group;
- Note 15:* As at the end of the reporting period, the account payable by the Group amounted to RMB6,391.32 million, representing an increase of RMB2,084.73 million (or 48.41%) as compared with the end of the period of last year, mainly attributable to the acquisition of Humon Smelting by the Group;
- Note 16:* As at the end of the reporting period, the contract liabilities of the Group amounted to RMB1,795.39 million, representing a decrease of RMB1,515.85 million (or -45.78%) as compared with the end of the period of last year, mainly attributable to the decrease of copper concentrates trading volume of the Group in the current period;
- Note 17:* As at the end of the reporting period, the tax payable of the Group amounted to RMB808.98 million, representing a decrease of RMB386.42 million (or -32.33%) as compared with the end of the period of last year, mainly attributable to the settlement and payment of income tax by the Group;
- Note 18:* As at the end of the reporting period, the other payables of the Group amounted to RMB5,615.59 million, representing an increase of RMB3,227.26 million (or 135.13%) as compared with the end of the period of last year, mainly attributable to the acquisition of Humon Smelting by the Group and the announcement of distribution of 2018 cash dividends by the Company in 2019;

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- Note 19:* As at the end of the reporting period, the non-current liabilities of the Group due within one year amounted to RMB3,594.90 million, representing an increase of RMB3,461.50 million (or 2,594.84%) as compared with the end of the period of last year, mainly attributable to the disclosure of reclassification of long-term borrowings due within one year into non-current liabilities due within one year;
- Note 20:* As at the end of the reporting period, the long-term borrowings of the Group amounted to RMB344.35 million, representing a decrease of RMB2,937.65 million (or -89.51%) as compared with the end of the period of last year, mainly attributable to the disclosure of reclassification of long-term borrowings due within one year into non-current liabilities due within one year;
- Note 21:* As at the end of the reporting period, the lease liabilities of the Group amounted to RMB494.01 million, representing an increase of RMB494.01 million (or 100%) as compared with the end of the period of last year, mainly attributable to a change in accounting items arising from the implementation of a new leasing standard by the Group;
- Note 22:* As at the end of the reporting period, the long-term payables by the Group amounted to RMB15.70 million, representing a decrease of RMB44.44 million (or -73.9%) as compared with the end of the period of last year, mainly attributable to implementation of a new leasing standard, which reclassifies long-term financing payables into lease liabilities;
- Note 23:* As at the end of the reporting period, the deferred income tax liabilities of the Group amounted to RMB144.44 million, representing an increase of RMB35.30 million (or 32.35%) as compared with the end of the period of last year, mainly attributable to an increase in temporary differences of tax payable of the Group;
- Note 24:* As at the end of the reporting period, the other non-current liabilities of the Group amounted to RMB0.39 million, representing an increase of RMB0.39 million (or 100%) as compared with the end of the period of last year, mainly attributable to the acquisition of Humon Smelting by the Group;
- Note 25:* As at the end of the reporting period, the other comprehensive income of the Group amounted to RMB201.88 million, representing an increase of RMB85.40 million (or 73.31%) as compared with the end of the period of last year, mainly attributable to the Group's share of the increase in other comprehensive income of its associated companies and joint ventures.

Report of the Board

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

Unit: Yuan Currency: RMB

Item	Book value at the end of the period	Reasons for the limitation
Cash and bank	16,987,673,429	They were the margin deposits for the application of letters of credit, bank guarantees and acceptances issued as well as bank acceptance notes with the banks, the required reserve deposited with the People's Bank of China, environment rehabilitation deposits, and pledged to secure short-term borrowings
Held-for-trading financial assets	628,961,273	Held-for-trading financial assets with book values of RMB141,654,603 were pledged as margins for notes; Held-for-trading financial assets with book values of RMB487,306,670 were pledged to secure bank borrowings
Notes and accounts receivables financing	998,839,258	Bank acceptance notes with book values of RMB998,839,258 were pledged to secure bank borrowings
Other receivables	1,467,444,761	Futures margin deposits
Inventories	530,068,459	Inventories were placed as futures margin deposit and pledged to secure bank borrowings
Fixed assets	218,715,066	They were pledged to secure bank borrowings
Intangible assets	19,309,395	They were pledged to secure bank borrowings

3. Other explanations

Not applicable

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(V) Analysis of investment

1. General analysis of external investment in equity

Unit: 0'000 Currency: RMB

Investment during the reporting period	601,487.95
Increase/decrease in investment	584,627.95
Investment during the same period last year	16,860
Extent of increase/decrease in investment (%)	3,467.54%

Name of investee	Principal activity	Share of interests in the investee (%)	Investment amount
JCC Guoxing (Yantai) Copper Company Limited (江銅國興(煙台)銅業有限公司)	Production, wholesale and retail of non-ferrous metal products; import and export businesses of goods and technologies, etc.	65	32,500
Shandong Humon Smelting Co., Ltd. (山東恒邦冶煉股份有限公司)	Smelting of gold and silver; manufacture and sale of non-ferrous metals, rare metals and their products, etc.	29.99	297,601.57
Anhui Qide Cable Co., Ltd. (安徽啟得電纜有限公司)	R&D, manufacture and sale of wire, cable and spare parts, etc.	100	5,815
Jiangxi Copper (Hong Kong) Investment Company Limited (江西銅業(香港)投資有限公司)	Investment businesses	100	207,004.59
Jiangxi JCC Yates Copper Foil Company Limited (江西省江銅耶茲銅箔有限公司)	Production and sale of electrolytic copper foil products; after-sale services of products and relevant technical consultation services and businesses, etc.	98.15	50,000
Jiangxi Copper North China (Tianjin) Copper Co., Ltd (江銅華北(天津)銅業有限公司)	Manufacture, processing and sale of copper products; processing and sale of non-ferrous metals; cutting, processing and sale of metal materials, etc.	51	6,630
Jiangxi Copper International (Istanbul) Mining Investment Co., Ltd. (江銅國際(伊斯坦布爾)礦業投資有限公司)	Import and export trading of copper products and investment businesses, etc.	100	1,299.05
MCC-JCL Aynak Minerals Investment Company Limited(中冶江銅艾娜克礦業投資有限公司)	Exploration of copper mines	25	637.74

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(1) Significant equity interest investment

On 4 March 2019, the Company entered into the “Share Transfer Agreement of Shandong Humon Smelting Co., Ltd.” with Yantai Humon Group Company Limited (“**Humon Group**”), Wang Xinen, Wang Jiahao, Zhang Jixue and Gao Zhenglin. 221,653,960 shares of Humon Smelting held by Humon Group, the then controlling shareholder of Humon Smelting, 15,600,000 shares of Humon Smelting held by Wang Xinen, 3,975,000 shares of Humon Smelting held by Wang Jiahao, 15,900,000 shares of Humon Smelting held by Zhang Jixue and 15,900,000 shares of Humon Smelting held by Gao Zhenglin were transferred to the Company, totaling 273,028,960 shares (the “**Target Shares**”), accounting for 29.99% of the total share capital of Humon Smelting. The total consideration for transfer of the Target Shares amounted to RMB2,976,015,664, and the source of fund of the transaction was derived from the internal funds of the Company.

On 27 June 2019, the Company received the “Confirmation of Securities Transfer Registration” issued by Shenzhen Branch of China Securities Depository and Clearing Co., Limited. The external investment matters have been completed, and the Company has become the controlling shareholder of Humon Smelting.

(2) Significant non-equity interest investment

Not applicable

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(3) Financial assets measured at fair value

Unit: Yuan Currency: RMB

Item	Opening balance	Closing balance	Change during the period	Impact on the profit for the period
Held-for-trading financial assets	9,741,327,663	17,990,228,572	8,248,900,909	333,254,508
Derivative financial assets	263,905,443	380,539,580	116,634,137	-145,794,338
Receivable financing	3,215,501,984	2,174,722,110	-1,040,779,874	0
Other debt investments	50,047,000	50,047,000	0	0
Other equity investment	2,272,120,712	2,098,455,287	-173,665,425	-100,291,449
Held-for-trading financial liabilities	0	694,422,210	694,422,210	0
Derivative financial liabilities	94,258,438	78,455,048	-15,803,390	47,598,038
Fair value change of hedged items	2,883,906,210	2,978,881,264	94,975,054	74,338,434
Total	18,521,067,451	26,445,751,071	7,924,683,620	209,105,193

(VI) Material disposal of assets and equity interests

Not applicable

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

(1) Production and operation of our principal controlled subsidiaries as of 30 June 2019

Unit: '000 Currency: RMB

Company name	Business nature	Registered capital	Shareholding percentage (%)	Total assets	Net assets	Operating revenue	Net profit/(loss)
Humon Smelting (山東恒邦冶煉股份有限公司)	Exploration, mining, selection and smelting of gold and chemical production	297,602	29.99	15,612,070	4,491,468	0	0
Sichuan Kangxi Copper Company Limited (四川康西銅業有限公司)	Sale of copper products, rare metal products and sulphuric acid	286,880	57.14	58,626	-18,539	10,518	118,576
JCC Finance Company Limited (江西銅業集團財務有限公司)	Provision of guarantee and deposits taking from and loans to member units	1,000,000	100	12,564,268	3,241,192	222,053	153,261
Jiangxi Copper Products Company Limited (江西銅業銅材有限公司)	Sale of processed copper materials	424,500	100	1,062,937	938,679	108,134	15,801
JCC Copper Products Company Limited (江西銅業集團銅材有限公司)	Processing and sale of hardware electric product	186,391	98.89	627,055	359,766	866,126	8,720
JCC Guixi Recycling Resources Company Limited (江西銅業集團(貴溪)再生資源有限公司)	Collection and sale of metal scrap	6,800	99.51	19,066	10,018	40,028	88
Shenzhen Jiangxi Copper Marketing Company Limited (深圳江銅營銷有限公司)	Sale of copper products	2,260,000	100	11,238,636	-342,996	13,250,084	-25,524
Jiangxi Copper Shanghai Trading Company Limited (上海江銅營銷有限公司)	Sale of copper products	200,000	100	2,998,850	-2,930,473	2,034,404	-97,587
Jiangxi Copper Beijing Trading Company Limited (北京江銅營銷有限公司)	Sale of copper products	261,000	100	384,807	-326,633	0	-14,290
JCC Yinshan Mining Company Limited (江西銅業集團銀山礦業有限公司)	Manufacture and sale of non-ferrous metals, rare metals and non-metals	30,000	100	1,795,630	731,494	352,500	14,038
JCC Dongtong Mining Company Limited (江西銅業集團東岡礦業有限公司)	Manufacture and sale of non-ferrous metals, rare metals and non-metals	46,209	100	474,490	-125,487	64,463	-27,374
Jiangxi Copper Yates Copper Foil Company Limited (江西省江銅-耶茲銅箔有限公司)	Production and sale of electrolytic copper foil products	1,253,600	98.15	1,365,859	1,204,000	496,362	47,029
Jiangxi Copper Longchang Precise Copper Pipe Company Limited (江西江銅龍昌精密銅管有限公司)	Production of spiral tubes, externally finned copper tubes and other copper pipe products	890,529	92.04	1,524,118	614,546	1,158,646	-1,803
Jiangxi Copper-Taiyi Special Electrical Materials Company Limited (江西省江銅-台意特種電工材料有限公司)	Design, production and sale of various copper wires, enameled wires and provision of aftersales repair and consulting services	USD16,800	70	755,211	116,270	566,947	2,507

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Unit: '000 Currency: RMB

Company name	Business nature	Registered capital	Shareholding percentage (%)	Total assets	Net assets	Operating revenue	Net profit/(loss)
Thermonamic Electronics (Jiangxi) Company Limited (江西納米克熱電子股份有限公司)	Development and production of thermo-electronic semiconductors and appliances and provision of related services	70,000	95	75,517	69,871	12,839	1,444
JCC (Guixi) Metallurgical and Chemical Engineering Company Limited (江西銅業集團(貴溪)冶金化工工程有限公司)	Metallurgical chemistry, equipment manufacturing and maintenance	35,081	100	130,201	68,607	160,373	1,786
JCC (Guixi) New Metallurgical and Chemical Technologies Company Limited (江西銅業集團(貴溪)冶化新技術有限公司)	Copper smelting, development of new chemical technologies and new products	2,000	100	57,369	51,000	15,055	2,506
JCC (Guixi) Logistics Company Limited (江西銅業集團(貴溪)物流有限公司)	Provision of transportation services	40,000	100	199,434	153,030	101,105	143
JCC (Dexing) Casting Company Limited (江西銅業集團(德興)鑄造有限公司)	Production and sale of casting products; maintenance of mechanical and electrical equipment; installation and debugging of equipment	66,380	100	255,939	151,875	140,199	2,007
JCC (Dexing) Construction Company Limited (江西銅業集團(德興)建設有限公司)	Development and sales of building materials for various projects including mine projects	50,000	100	227,313	127,276	156,529	6,914
JCC Geology Exploration Company Limited (江西銅業集團地勘工程有限公司)	Geological investigation and survey and construction; engineering measurement	15,000	100	121,622	45,902	75,196	-137
Jiangxi Jiangtong-Wengfu Chemical Engineering Company Limited (江西省江銅一壘福化工有限責任公司)	Sulphuric acid and by-products	181,500	70	223,845	195,326	60,700	1,572
Jiangxi Copper Corporation Drill Project Company Limited (江西銅業集團井巷工程有限公司)	General contracting for mining constructions	20,296	100	83,183	31,176	35,212	311
JCC (Ruichang) Casting Company Limited (江西銅業集團(瑞昌)鑄造有限公司)	Production and sales of cast iron grinding ball, machinery processing and manufacture and sales of wear resistant materials and products	2,602	100	15,569	5,092	18,799	124
JCC (Yanshan) Mineral Processing Pharmaceuticals Company Limited (江西銅業集團(鉛山)選礦藥劑有限公司)	Sale of mineral processing chemicals, fine chemicals and other industrial and domestic products	10,200	100	33,493	28,040	16,038	639
Jiangxi Copper Chengdu Trading Company Limited (成都江銅營銷有限公司)	Sale of copper products	60,000	100	8,011	-96,013	34,406	-129
Jiangxi Copper Construction Supervision Consulting Company Limited (江西銅業建設監理諮詢有限公司)	Construction	3,000	100	9,886	8,809	1,723	-6,100
Jiangxi Copper (Guangzhou) Copper Production Company Limited (廣州江銅銅材有限公司)	Production of copper rods and wires and related products	800,000	100	11,421,069	940,517	16,043,487	1,246

Report of the Board

Unit: '000 Currency: RMB

Company name	Business nature	Registered capital	Shareholding percentage (%)	Total assets	Net assets	Operating revenue	Net profit/(loss)
Jiangxi Copper International Trade Company Limited (江銅國際貿易有限公司)	Trading of metal products	1,016,091	59.05	9,642,316	781,522	24,225,316	-163,483
Shanghai Jiangtong Investment Holdings Ltd. (上海江銅投資控股有限公司)	Construction	19,254	100	277,444	162,661	6,139	-2,245
Jiangxi Copper Dexing Chemical Company Limited (江西銅業(德興)化工有限公司)	Sulphuric acid and related by-products	375,821.50	100	489,121	441,202	106,562	9,847
Jiangxi Copper (Yugan) Casting Company Limited (江西銅業集團(餘干)鑄造有限公司)	Production and sales of cast iron grinding ball, machinery processing and manufacture and sales of wear-resistant materials and products	28,000	100	57,990	51,607	22,851	1,702
Jiangxi Copper (Qingyuan) Company Limited (江西銅業(清遠)有限公司)	Manufacturing, processing and sales of anode sheets of copper cathode and non-ferrous metals	890,000	100	7,114,661	649,680	2,812,288	4,742
Jiangxi Copper Hong Kong Company Limited (江西銅業香港有限公司)	Import-export business trade and settlement, offshore investment and financing, and crossborder RMB settlement	USD14,000	100	8,253,446	1,113,270	9,057,707	13,381
Jiangxi Copper Recycling Resources Company Limited (江西銅業再生資源有限公司)	Scrap of base metals and their articles	250,000	100	356,482	230,979	254,158	-2,884
Shangri La Bisidaji Mining Company Limited (香格里拉市必司大吉礦業有限公司)	Non-ferrous metal mining and dressing	5,000	51	31,919	-84,454	0	-3,767
Jiangxi Copper International (Istanbul) Mining Investment Co., Ltd. (江銅國際(伊斯坦布爾)礦業投資股份公司)	Import and export trading of copper products	USD71,256	100	221,814	209,228	0	-20,808
Jiangxi Copper Technical Institution Co., Ltd. (江西銅業技術研究院有限公司)	Research and development etc.	45,000	100	45,760	44,618	7,205	-401
Zhejiang Jiangtong Fuye Hedong Copper Co., Ltd. (浙江江銅富冶和鼎銅業有限公司)	Production and sale of copper cathodes	1,280,000	40	5,820,042	2,038,612	9,337,578	175,002
Jiangxi Copper North China (Tianjin) Copper Co., Ltd. (江銅華北(天津)銅業有限公司)	Production of copper rods and wires and the related products	64,020	51	1,332,513	699,866	5,435,319	25,210
JCC Guoxing (Yantai) Copper Company Limited (江銅國興(煙台)銅業有限公司)	Production of copper sulfate, electrolytic copper and non-ferrous metals	50,000	65	488,051	487,045	0	-1,297

Report of the Board

(2) Production and operation of our associates and joint ventures as of 30 June 2019

Unit: '000 Currency: RMB

Name of investee	Business nature	Registered capital	The Group's shareholding	Total assets at the end of the year	Total liabilities at the end of the year	Net		Total income for the year	Net profits for the year
						assets in aggregate at the end of the year	Total operating		
		Currency	'000	(%)	('000)	('000)	('000)	('000)	('000)
I. Joint Venture									
Jiangxi JCC-BIOTEQ Environmental Technologies Company Limited (江銅百泰環保科技有限公司)("JCC-BIOTEQ")	Industrial waste water recycling and product sales	RMB	28,200	50	67,470	11,036	56,434	30,539	7,723
Nesko Metal Sanayi ve Ticaret Anonim Şirketi	Exploration and sales of copper products	YTL	38,240	48	73,174	111	73	354	-286
Valuestone GP Ltd.(嘉石普通合夥人有限公司)	Investment company	USD	3,000	51	11,166	50	11,116	0	-5
II. Associates									
Minmetals Jiangxi Copper Mining Investment Company Limited(五礦江銅礦業投資有限公司)("Minmetals Jiangxi Copper")	Investment company	RMB	5,003,000	40	4,712,069	1,067,037	3,645,032	0	-11,782
MCC-JCL Aynak Minerals Company Limited(中冶江銅艾娜克礦業有限公司)("MCC-JCL")	Exploration and sales of copper products	USD	400,743	25	2,766,302	16,431	2,749,871	0	0
BOCI Securities Co., Ltd. (中銀國際證券股份有限公司)("BOCI Securities")	Securities brokerage and investment advisory	RMB	2,500,000	6.31	48,848,611	32,627,971	12,044,963	1,466,556	535,951
Valuestone Global Resources Fund I LP("Fund I")	Fund company	USD	150,000	66.67	377,660	240	377,420	4,729	6,276
Jiangxi Jinbei JCC Electric Cable Co., Ltd.(江西金杯江銅電纜有限公司)	Production and sale of copper products	RMB	20,000	20	4,428	1,177	3,251	15,006	-306
Jiangxi JCC Petrochemical Co., Ltd.(江西江銅石化有限公司)	Sales of petroleum and petrochemical products	RMB	19,000	49	20,654	346	20,308	127,764	1,289
Ningbo Saimo Technology Co., Ltd.(寧波賽墨科技有限公司)	R&D of technology	RMB	11,580	38	3,547	1,997	1,550	0	-31
Jiangxi Tongrui Project Management Co., Ltd. (江西銅瑞項目管理有限公司)	Construction management	RMB	10,000	49	9,208	950	8,258	2,318	1,188

Report of the Board

(VIII) Structured entities under control of the Company

Not Applicable

II. EMPLOYEE INFORMATION OF THE COMPANY AND ITS MAJOR SUBSIDIARIES

(I) Employee Information as of 30 June 2019

Number of in-service employees in the Company	13,539
Number of in-service employees in major subsidiaries	5,667
Total number of in-service employees	19,206
Number of employees retired for whom the Company and major subsidiaries have to pay pension	0

Specialty composition

Category	Headcount	Percentage
Production	14,363	74.78%
Sales	203	1.06%
Technician	2,035	10.60%
Finance	352	1.83%
Administration	2,235	11.73%
Total	19,206	100.00%

Education level

Category	Headcount	Percentage
Post-secondary and above	7,602	39.58%
Technical secondary and senior secondary	7,120	37.07%
Junior secondary and below	4,484	23.35%
Total	19,206	100.00%

Report of the Board

Age

Age	Headcount	Percentage
35 or below	5,516	28.72%
36 to 45	3,806	19.82%
46 to 55	7,870	40.98%
56 or above	2,014	10.49%
Total	19,206	100.00%

(II) Remuneration Policy

During the reporting period, the total remuneration of employees of the Company amounted to RMB693.699 million. The Company continued to adopt a position-performance payroll mechanism and based on the principle of division of labour, made remuneration distribution according to value of position, work techniques and results. Staff remunerations, mainly including position salaries, performance salaries and other welfare, were released based on assessment with references to operating performance of the Company, management obligation, etc.

(III) Training Plan

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

Report of the Board

III. OTHER DISCLOSURE

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

Not applicable

(II) Potential Risks

1. Risk of bad debts in account receivables

The account receivables of the Group were mainly derived from sales of copper metal and copper products. Although the Group formulated management measures for account receivables, conducted assessment on the degree of credit of customers on a regular basis and checked the status of payment receipt, made adjustment to product sales and carried out active management based on the recovery of payments from customers, as a change in the macroeconomic environment and downstream industries might result in a change in the capital conditions of customers of the Group, there remained certain uncertainties relating to the recovery of account receivables of the Group. Whenever a large scale of bad debts occurs in account receivables in the future, it would bring certain capital pressure to the Company and affect the Group's scale of profit.

2. Risks associated with write-down of inventories

Inventories of the Group mainly comprise of raw materials, work in progress and commodity stocks. In order to meet production and operation needs, except self-produced copper, gold, silver and other minerals and products thereof out of the inventories of the Group, the Company also needs to procure and hold substantial amount of copper metal. In accordance with the requirements of the PRC Accounting Standards for Business Enterprises, as at the date of balance sheet, if inventory cost is higher than realizable present value, provision is required to be made for write-off of inventories which is included in the profit or loss for the current period. As copper, gold, silver and other metals are important trading varieties in the non-ferrous metal market, high fluctuations were seen in prices affected by multiple factors. If a material adverse change in related metal prices takes place before external sales of the above inventories, the Company would make allowance of inventories accordingly for a write-off in inventories of the Group, thereby affecting the short term profitability of the Group. The Group reduces the depreciation risk via financial derivative instruments such as hedging.

Report of the Board

3. Exchange rate fluctuation risks

Imported copper raw materials purchased from international mining companies or sizable trading firms 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 loss to the Group, which in turn may bring certain negative impact on the profitability of the Company. The Group uses diversified hedging measures to hedge against risks, and avoid exchange rate and interest rate risks reasonably.

4. Risk from product price fluctuations

The Group is the largest copper cathode producer in the PRC and one of the largest gold and silver producers in the PRC. The Group's product prices are mainly determined with reference to the prices of related products listed on the London Metal Exchange and the Shanghai Metal Exchange. Copper, gold and silver are important trading varieties in the international non-ferrous metal market and have their own pricing mechanisms in international market. Due to the scarcity of resources of copper, gold and silver metals, the prices of copper, gold and silver metals are highly volatile, as they are affected by various factors, including global economy, the relationship between supply and demand, market expectations and speculations. As the ore mining and smelting costs of the Group's self-produced ore are basically fixed, the gross profit margin of the Group's self-produced mineral products are basically determined by metal prices, which significantly affects the Group's profitability. The Group will strengthen the cost control to reduce the risks arising from price fluctuation.

5. Environmental protection risk

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

Report of the Board

(III) Other Disclosure

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

Since the publication of the 2018 annual report, there have been no material changes in the likely future business development of the Group, including the prospects of the Company for the current accounting year.

Significant Events

I. GENERAL MEETING OVERVIEW

Session of the meeting	Date of convening and date of announcement of results
2019 First Extraordinary General Meeting	15 January 2019
2019 Second Extraordinary General Meeting	22 March 2019
2018 Annual General Meeting, 2019 First A Shares Class Meeting and 2019 First H Shares Class Meeting	25 June 2019

Explanation on general meeting

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

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

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

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

Significant Events

III. PERFORMANCE OF UNDERTAKINGS

(I) Undertakings given by parties including de facto controller of the Company, shareholders, connected parties, purchasers and parties related to the undertakings of the Company during or subsisting through the reporting period

Background of undertakings	Types of undertakings	Party of undertakings	Details of the undertakings	Time and term of the undertakings	Whether there is time limit of performance	Whether it was fulfilled strictly in a timely manner	If not performing the undertakings timely, explain the reasons for not performing the undertakings	If not performing the undertakings timely, explain the reasons for not performing the undertakings
Undertakings related to material asset restructuring								
Undertakings related to initial public offering	Others	Jiangxi Copper Corporation Limited	Note 1	Date of the undertaking: 22 May 1997 Term: Long term	Yes	Yes	N/A	N/A
Undertakings in relation to share incentive								
Other undertakings made to the minority shareholders of the Company	Dividend	Jiangxi Copper Company Limited	Note 2	Date of the undertaking: 18 July 2016 Term: 3 years (2016-2018)	Yes	Yes	N/A	N/A
Undertakings related to refinancing	Resolving industry competition	Jiangxi Copper Corporation Limited	Note 3	Date of the undertaking: 21 December 2016 Term: Long term	Yes	Yes	N/A	N/A
Undertakings related to share restructuring								
Undertaking made in the takeover report or equity change report	Resolving industry competition	Jiangxi Copper Company Limited, Jiangxi Copper Corporation Limited	Note 4	Date of the undertaking: 5 March 2019 Term: 60 Months	Yes	Yes	N/A	N/A

Significant Events

Note 1:

1. Under the Company Law of the PRC, the Company has full independent control over its production and operations. JCC has undertaken not to interfere with the daily operations and decisions of the Company, unless such actions are performed through the Board.
2. During the period when JCC holds 30% or more voting rights in the share capital of the Company, JCC shall make its best endeavors to ensure the independence of the Board pursuant to the requirements set out by the London Stock Exchange and the Stock Exchange. Further, JCC shall ensure that independent Directors (namely those independent of JCC and China National Non-ferrous Metals Industry Corporation) shall constitute a majority of the Board in accordance with the requirements of the London Stock Exchange. During the period when JCC holds 30% or more voting rights in the share capital of the Company, JCC shall exercise its voting rights to ensure that no amendment to the articles of association of the Company that may impact the independence thereof shall be made.
3. During the period when JCC holds 30% or more voting rights in the share capital of the Company, JCC, its subsidiaries and connected companies (including the companies, enterprises and businesses controlled by JCC, except those controlled through the Company) shall not engage in any activities or businesses that are or may be in direct or indirect competition with the Company.
4. JCC has undertaken to assist the Company in obtaining approvals from government agencies with respect to the businesses thereof.
5. In the event that JCC carries out such actions as transfers and disposals of the land use rights of Dexing Copper Mine, Yongping Copper Mine and Guixi Smelter, the Company shall have the preemptive right.
6. JCC gives an option to the Company that the Company can purchase from JCC any mines, smelters or refineries that are currently or will be owned and/or operated in the future or any rights of mining or exploration that are currently or will be held in the future by JCC.

Note 2:

1. The Company can distribute dividend by way of cash, shares or the combination of cash and shares; and can distribute interim dividend according to the actual profitability and the capital requirement of the Company;
2. According to the provisions of the laws, regulations and the articles of association of the Company, conditional upon the cumulative distributable profits being positive after making up of the losses, deduction of the statutory and optional provident fund in full amount, and having sufficient profits and cash to support the normal production and operation of the Company, in each year, the profit distribution by way of cash shall be not less than 10% of the distributable profits realized for the year, and the accumulated profit distributed by way of cash in the last three years shall be not less than 30% of the average annual distributable profits realized in the last three years;
3. In addition to satisfying the minimum cash dividend distribution, the Company can implement share dividend distribution. The proposal for share dividend distribution should be proposed by the Board and put forward to the shareholders' meeting for approval.

Significant Events

Note 3:

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

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

Note 4:

In order to avoid the possible industry competition with Humon Smelting in the future, the Company and its controlling shareholder undertake that:

1. During the control of Humon Smelting, the Company and the companies controlled by the Company guarantee strict compliance with the relevant provisions of the CSRC, the Shenzhen Stock Exchange and the internal management system of the company, such as articles of association of Humon Smelting, equally exercise the rights of shareholder and perform shareholder obligations as other shareholders, and not use the status of major shareholders to seek improper interests, and not damage the legitimate rights and interests of Humon Smelting and other shareholders;
2. During the control of Humon Smelting, the Company and the companies controlled by the Company undertake not to use its own controlling relationship with Humon Smelting to engage in or participate in the acts that damage the interests of Humon Smelting and its minority shareholders;
3. During the control of Humon Smelting, the Company and the companies controlled by the Company will treat the core competitive advantages of each of the controlled companies in a fair manner and participate in fair competition in accordance with market business principles;
4. Upon completion of the transaction, the Company and the companies controlled by the Company will ensure that the development direction of each enterprise will be integrated in the next 60 months according to the main business development characteristics of the controlled enterprises, make every reasonable effort to resolve the business that competes or potentially competes with Humon Smelting and its subsidiaries in accordance with the requirements of the regulatory authorities and laws and regulations, including, but not limited to, injecting qualified high-quality assets and business into Humon Smelting in first priority. If it is impossible to inject such assets and business into Humon Smelting, it will use all the feasible and legal ways to solve the above problems, including but not limited to, transferring competing assets and business to unrelated third parties, letting Humon Smelting keep the competing assets and business in custody, to make the Company and the companies controlled by the Company not constitute substantive industry competition with Humon Smelting and its subsidiaries;
5. This undertaking continues to be valid during the period in which the Company controls Humon Smelting. The Company guarantees to strictly perform each undertaking in this letter of undertakings. If the Company violates these undertakings and thus causes losses to Humon Smelting, the Company will bear the corresponding compensational liability.

Significant Events

IV. APPOINTMENT AND REMOVAL OF ACCOUNTING FIRMS

1. Explanation on appointment and removal of accounting firms

Not applicable

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

Not applicable

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

Not applicable

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

Not applicable

V. MATTERS RELATING TO BANKRUPTCY AND RESTRUCTURING

Not applicable

Significant Events

VI. MATERIAL LITIGATION AND ARBITRATION

1. Litigation and arbitration disclosed in extraordinary announcements and without subsequent development

Brief description and type of litigation and arbitration	Involved amount	Reference for inspection
Litigation filed by Bangdi Auto Technology Company Limited (幫的汽車科技有限公司) against Shenzhen Jiangxi Copper Marketing Company Limited (深圳江銅營銷有限公司), a wholly-owned subsidiary of the Company (case of contract disputes)	Approximately RMB 1,081,872,000 (as of 30 April 2019)	The announcements of the Company dated 30 April 2019 and 12 June 2019
Litigation filed 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. (上海鷹悅投資集團有限公司) and its guarantors (case of contract disputes)	Approximately RMB 1,374,322,000 (as of 21 June 2019)	The announcements of the Company each dated 21 June 2019

2. Litigation and arbitration not disclosed in extraordinary announcements or with subsequent development

Not applicable

3. Other explanations

Not applicable

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

Not applicable

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

Not applicable

Significant Events

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

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

Not applicable

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

Equity incentive

Not applicable

Others

Not applicable

Employee shareholding plan

Not applicable

Other employee incentives

Not applicable

X. MATERIAL CONNECTED TRANSACTIONS

(I) Connected transactions in relation to daily operations

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

Not applicable

Significant Events

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

Not applicable

3. Continuing connected transactions

Unit: Yuan Currency: RMB

Connected party	Relationship of connection	Category of connected transaction	Details of connected transaction	Pricing policy of connected transaction	Price of connected transaction	Amount of connected transaction	Percentage of the amount involved in transactions of the same category (%)	Settlement method of connected transactions	Market price	Reason for the relatively large difference between transaction price and market price
JCC	Controlling shareholder	Sale of goods	Copper rods and wires	Market price		263,709,435	1.26	Payment upon acceptance		
JCC	Controlling shareholder	Sale of goods	copper cathodes	Market price		298,700,586	0.47	Payment upon acceptance		
JCC	Controlling shareholder	Sale of goods	Ancillary industrial products	Market price		66,698,798	1.93	Payment upon acceptance		
JCC	Controlling shareholder	Sale of goods	Lead materials	Market price		35,002,284	100	Payment upon acceptance		
JCC	Controlling shareholder	Sale of goods	Ancillary materials	Market price		2,466,587	0.64	Payment upon acceptance		
JCC	Controlling shareholder	Sale of goods	Sulfuric acid and steel balls	Market price		2,287,400	100	Payment upon acceptance		
JCC	Controlling shareholder	Sale of goods	zinc concentrate	Market price		21,276,068	100	Payment upon acceptance		
JCC	Controlling shareholder	Purchase of goods	Ancillary industrial products	Market price		37,013,675	1.09	Payment upon acceptance		
JCC	Controlling shareholder	Purchase of goods	Copper concentrates	Market price		19,956,176	0.25	Payment upon acceptance		
JCC	Controlling shareholder	Purchase of goods	Sulfuric acid and steel balls	Market price		7,610,275	1.45	Payment upon acceptance		
JCC	Controlling shareholder	Provision of labour	Construction services	Industry standards		71,289,019	44.75	Monthly payment		
JCC	Controlling shareholder	Provision of labour	Logistics services	Standard cargo rates of Jiangxi Province		386,632	0.38	Monthly payment		
JCC	Controlling shareholder	Provision of labour	Repair and maintenance services	Industry standards		0	0	Monthly payment		

Significant Events

Connected party	Relationship of connection	Category of connected transaction	Details of connected transaction	Pricing policy of connected transaction	Price of connected transaction	Amount of connected transaction	Percentage of the amount involved in transactions of the same category (%)	Settlement method of connected transactions	Market price	Reason for the relatively large difference between transaction price and market price
JCC	Controlling shareholder	Expenses of other utilities including water, electricity and gas (sale)	Electricity service	Cost plus tax		18,401,960	100.00	Monthly payment		
JCC	Controlling shareholder	Rent and lease	Rental from public utilities	Shared in accordance with the proportion of cost and staff		4,160,356	54.50	Monthly payment		
JCC	Controlling shareholder	Expenses of other utilities including water, electricity and gas (sale)	Water service	Cost plus tax		172,880	100	Monthly payment		
JCC	Controlling shareholder	Borrowings	Cumulative provision of loans	Based on the benchmark interest rate promulgated by the People's Bank of China or not lower than the similar credit terms offered to JCC by other domestic financial institutions or credit cooperatives		924,532,600	100	Payment according to loan agreement		
JCC	Controlling shareholder	Borrowings	Interest received from loans provided	Based on the benchmark interest rate promulgated by the People's Bank of China or not lower than the similar credit terms offered to JCC by other domestic financial institutions or credit cooperatives		21,830,105	100	Monthly or quarterly payment		
JCC	Controlling shareholder	Loans	Interest paid for deposits made	Based on the benchmark interest rate promulgated by the People's Bank of China or not lower than the similar credit terms offered to JCC by other domestic financial institutions or credit cooperatives		4,151,310	100	Monthly or quarterly payment		
JCC	Controlling shareholder	Acceptance of right to use such as patent and trademark	Rentals for land use rights	Valuation price				Settlement at the end of year		
JCC	Controlling shareholder	Acceptance of services	Labour services	Market price		14,094,807	100	Monthly payment		

Significant Events

Connected party	Relationship of connection	Category of connected transaction	Details of connected transaction	Pricing policy of connected transaction	Price of connected transaction	Amount of connected transaction	Percentage of the amount involved in transactions of the same category (%)	Settlement method of connected transactions	Market price	Reason for the relatively large difference between transaction price and market price
JCC	Controlling shareholder	Acceptance of agency services	Pension contributions	Based on the actual amount payable to Social Security Fund department		2,910,278	100	Monthly payment		
JCC	Controlling shareholder	Acceptance of services	Rental from public utilities	Market price		6,869,510	100	Monthly payment		
JCC	Controlling shareholder	Acceptance of services	Acceptance of environmental sanitation and greenery services	Market price		151,764	100	Monthly payment		
JCC	Controlling shareholder	Acceptance of agency services	Brokerage agency services for commodity future contracts	Market price		540,210	3.18	Payment upon completion of transaction		
JCC	Controlling shareholder	Acceptance of services	Repair and maintenance services	Industry standards		16,625,054	9.15	Monthly payment		
Total				/	/	1,840,837,769	/	/	/	/
Details of substantial sales return				During the reporting period, the Company did not have substantial sales return						
Explanation on connected transactions				During the current reporting period, the main and frequent connected transactions between the Group and its connected parties amounted to RMB1,841 million, including purchase transactions of RMB106 million and selling transactions of RMB785 million. Inventory transaction of JCC Finance Company Limited amounted to RMB951 million.						

Significant Events

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

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

Brief description	Query Index
Sichuan Kangxi Copper Company Limited (hereafter referred to as " Kangxi Copper "), a controlled subsidiary of the Company, entered into Transfer Agreement of Equity Interest in Liangshan Mining & Smelting Investment Holding Company Limited with Sichuan JCC Rare Earths Co., Ltd. (hereafter referred to as " JCC Rare Earths "), a controlled subsidiary of JCC. Kangxi Copper transferred the equity interest of RMB50 million in Liangshan Mining & Smelting Investment Holding Company Limited to JCC Rare Earths by way of non-public agreement. The transaction price amounted to RMB75.1112 million.	The announcement of the Company dated 14 March 2019

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

Significant Events

(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 claim and debt

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

Not applicable

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

Not applicable

Significant Events

3. Events not disclosed in extraordinary announcements

Unit: 0'000 Currency: RMB

Related party	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	119,500	559,268	118,227.95	206,338.93	2,494,018.78	164,304.06
Total		119,500	559,268	118,227.95	206,338.93	2,494,018.78	164,304.06

Reasons for connected claim and debt On 13 February 2017, JCC Finance Company Limited ("JCC Finance"), a controlled subsidiary of the Company, and JCC, the largest shareholder of the Company, entered into Financial Assistance Agreement, the period of which shall be from the date the agreement took effect until 31 December 2019. According to the Financial Assistance Agreement, a proportion of deposits and loans of JCC which were deposited in financial institutions for the years of 2017, 2018 and 2019 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, acceptance of commercial draft, provision of letters of guarantee, overdraft amount, account receivable factoring and finance lease) would not exceed RMB2 billion; and the daily balance of loans should not exceed the daily balance of transferred deposits in order to create "net deposit", and the transferred deposits shall serve as guarantee to the transferred loans.

Impacts of connected claim and debt on the operating results and financial position of the Company JCC transfers the net deposits, which forms actual financial assistance to 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 JCC Finance and the Company would not record losses in the connected transaction. The terms of the Financial assistance Agreement are fair and reasonable, and in the interest of the Company and its shareholders as a whole.

(V) Other material connected transactions

Not applicable

(VI) Others

Not applicable

Significant Events

XI. MATERIAL CONTRACTS AND THEIR PERFORMANCE

1. Custody, contracts and leases

Not applicable

2. Guarantees

Unit: 0'000 Currency: RMB

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

Guarantor	Relationship between the guarantor and the Company	Guaranteed party	Guarantee amount	Effective date of guarantee (date of executing agreement)			Guarantee type	Performance			Availability of counter guarantee		Guarantee provided to connected party or not	Relationship of connection
				date of guarantee	Commencement date of guarantee	Expiry date of guarantee		completed or not	Overdue or not	Amount overdue	of counter guarantee			
Zhejiang Jiangtong Fuyue Heding Copper Co., Ltd. (浙江江銅富冶和鼎銅業有限公司)	Controlled subsidiary	Zhejiang Fuyue Group Co., Ltd. (浙江富冶集團有限公司)	131,873.54	16 November 2018	1 January 2019	31 December 2020	Joint and several liability guarantee	No	No	-	Yes	Yes	Other connected persons	

Total amount of guarantees incurred during the reporting period (excluding those to subsidiaries)	131,873.54
Total balance of guarantee at the end of the reporting period (A) (excluding those to subsidiaries)	52,749.42

Significant Events

Guarantees provided by the Company to subsidiaries

Total amount of guarantees for subsidiaries incurred during the reporting period	4,655
Total balance of guarantee for subsidiaries at the end of the reporting period (B)	4,655

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

Total amount of guarantees (A+B)	57,404.42
Total amount of guarantees over the net assets of the Company (%)	1.14
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)	755
Amount of total guarantees exceeding 50% of net assets (E)	0
Total amount of the above three amount of guarantees (C+D+E)	755

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

Explanation on guarantee	<ol style="list-style-type: none"> The above guarantees are all corporate credit guarantees, and do not involve mortgage guarantees, pledge guarantees, etc.; The total guarantee amount of the Company includes the balance of external guarantee of the Company and its subsidiaries at the end of the reporting period (excluding the guarantee to the subsidiaries) and the balance of the guarantee of the Company and its subsidiaries to subsidiaries, among which, the balance of guarantee of a subsidiary represents the total external guarantee of that subsidiary multiplied by the proportion of the Company's shareholding in that subsidiary.
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Significant Events

1. On 16 November 2018, the fifth meeting of the eighth session of the Board reviewed and approved the external guarantee of Zhejiang Jiangtong Fuye Heding Copper Co., Ltd. (“**Heding Copper**”), a controlled subsidiary of the Company (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 Zhejiang Fuye Group Co., Ltd. (“**Fuye Group**”) intended to further increase mutual financing support. With Heding Copper acting as Party A, Fuye Group acting as Party B, Jiangxi Jinhui Environmental Protection Technology Co., Ltd., Jiangxi Hefeng Environmental Protection Technology Co., Ltd. and Zhejiang Fuhe Real Estate Co., Ltd. acting as Party C, the parties entered into the Mutual Guarantee Agreement after negotiation, agreeing that during the period from 1 January 2019 to 31 December 2020, the accumulated balance of mutual guarantee (i.e., the daily balance limit) of Party A and Party B shall not exceed RMB1,600 million. For the avoidance of doubt, the guarantee balance of the guarantee contracts signed by both parties before 1 January 2019 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 2019 to 31 December 2019, and the loan period for each loan business shall not exceed 12 months. Party C acted as the counter-guarantor of Fuye Group and undertook counter-guarantee with joint and several liabilities to Heding Copper with all of their own assets.
2. Within the scope of the Mutual Guarantee Agreement, Fuye Group provided credit guarantees of RMB1,600 million for Heding Copper, and an additional credit guarantee in the amount of RMB674.92 million. The total credit guarantee amount was RMB2,274.92 million.
3. On 23 August 2018, the 10th meeting of the eighth session of the board of directors of Humon Smelting considered and approved the Proposal on Providing Guarantees for Subsidiary. Due to the development and production needs of Qixia Jinxing Mining Co., Ltd. (“**Jinxing Mining**”), Humon Smelting intended to provide guarantee for Jinxing Mining with a maximum guarantee limit of RMB100 million. The guarantee period is one year from the date of approval by the general meeting. Within one year, Jinxing Mining can reuse the maximum guaranteed amount for loans (i.e. after the previous loan is fully settled, the company can provide guarantee for its new loan under the maximum guaranteed amount). On 13 September 2018, the 2018 second extraordinary general meeting of Humon Smelting considered and approved such proposal. As of 30 June 2019, the actual guarantee amount of Jinxing Mining amounted RMB7.55 million.

Significant Events

4. On 26 April 2019, the 11th meeting of the eighth session of the board of directors of Humon Smelting considered and approved the Proposal on Providing Guarantees for Subsidiary. Due to the development and production needs of Hangzhou Jiantong Group Co., Ltd. (“**Hangzhou Jiantong**”), Humon Smelting intended to provide guarantee for Hangzhou Jiantong with a maximum guarantee limit of RMB100 million. The guarantee period is one year from the date of approval by the general meeting. Within one year, Hangzhou Jiantong can reuse the maximum guaranteed amount for loans (i.e. after the previous loan is fully settled, the company can provide guarantee for its new loan under the maximum guaranteed amount). On 17 May 2019, the 2018 annual general meeting of Humon Smelting considered and approved such proposal. As of 30 June 2019, the actual guarantee amount of Hangzhou Jiantong amounted RMB39.00 million.
5. The above “amount of guarantees for subsidiaries incurred during the reporting period” represents the amount of guarantees provided by Humon Smelting, a controlled subsidiary of the Company, to its subsidiaries, totaling RMB46.55 million.

3. Other material contracts

Not applicable

XII. POVERTY ALLEVIATION OF THE COMPANY

Not applicable

XIII. PARTICULARS OF CONVERTIBLE BOND OF THE COMPANY

Not applicable

Significant Events

XIV. PARTICULARS OF ENVIRONMENTAL INFORMATION

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

1. Information on discharge of pollutants

Names of the Companies	Names of major pollutants	Total emissions approved (t/a)	Total emissions (t/a)*	Emission concentration (mg/L)*	Pollutant emission standards implemented	Methods of emission	Number of outlets	Distribution of outlets
Humon Smelting	Sulfur dioxide	/	70.13	25.86mg/m ³	Standards in the third session of the 'Integral Emission Standard for Regional Air Pollutants in Shandong Province' (DB37/2376-2013) for sulfur dioxide, nitrogen oxides and dust, and emission limits in the table 2 of 'Shandong Industrial Kiln and Furnace Air Pollutant Emission Standards' (DB37/2375-2013) for others	Organized emissions after meeting standards	7	In the plant area
	Nitrogen oxides	/	79.81	32.02 mg/m ³				
	Dust	/	27.12	12.85 mg/m ³				
	Lead	/	0.40994	0.085 mg/m ³				
	Arsenic	/	0.35316	0.073 mg/m ³				
Chengmenshan Copper Mine	pH	/	8.08 (Dimensionless)	33.49	Standards in the table 2 of the "Emission Standard of Industrial Pollutants for Copper, Nickel, Cobalt" (GB25467-2010)	Organized emissions after meeting standards	1	Yong'an Levee of the Yangtze River
	COD	180	95.058	1.03				
	Ammonia nitrogen	2.87	0.445	0.13				
Dexing Copper Mine	pH	/	7.12 (Dimensionless)	16.48	Standards in the table 2 of the "Emission Standard of Industrial Pollutants for Copper, Nickel, Cobalt" (GB25467-2010)	Organized emissions after meeting standards	4	2 on National Highway S201, 1 in the mining area of the copper mine, and 1 in the north district of the copper mine
	COD	480	215.684	3.72				
	Ammonia nitrogen	108.1	48.70	47.77				
	Suspended matter		625.417	0.035				
	Total copper		0.463	0.004				
	Total lead		0.055	0.0014				
	Total cadmium		0.018	0.0114				
	Total zinc		0.149	0.250				
Total arsenic		3.248						

Significant Events

Names of the Companies	Names of major pollutants	Total emissions approved (t/a)	Total emissions (t/a)*	Emission concentration (mg/L) *	Pollutant emission standards implemented	Methods of emission	Number of outlets	Distribution of outlets
Jiangxi Copper (Dexing) Chemical Company Limited	Sulfur dioxide Smoke dust COD	446.43 2.54 1.5	76.622 1.028 0.086	129.79mg/m ³ 21.8mg/m ³ 27	Standards in the "Emission Standard of Pollutants for Sulfuric Acid Industry" (GB26132-2010); B-level standards of the "Emission Standard of Air Pollutants for Industrial Kiln and Furnace" (GB9078-1996); the standards in the "Integrated Wastewater Discharge Standard" (GB8978-1996)	Organized emissions after meeting standards	7	In the plant area
Guixi Smelter	COD Ammonia nitrogen Arsenic Lead Cadmium Mercury Sulfur dioxide Smoke (powder) dust	600 80 5 5 1 0.5 6600 880	84.62 7.688 0.3023 0.361 0.093 0.00105 819.8 148.2	23.43 2.13 0.084 0.1 0.03 0.0003 124.3mg/m ³ 22.5mg/m ³	Standards in the table 2 of the "Emission Standard of Pollutants for Copper, Nickel, Cobalt Industry" (GB25467-2010)	Organized emissions after meeting standards	11	In the plant area
Jiangxi Copper Yates Copper Foil Company Limited	pH COD Nitrogen oxides Suspended matter Total copper Total zinc Total chromium Hexavalent chromium Sulfuric acid mist Chromic acid mist		/ 3.923 0.137 0.451 0.0117 0.001174 0.00097 0.00073 10.69 0.0057	8.13(Dimensionless) 113 3.95 13 0.51 0.05 0.028 0.021 12.265mg/m ³ 0.0379 mg/m ³	"Integrated Wastewater Discharge Standard" (GB8978-1996); "Integrated Emission Standard of Air Pollutants" (GB16297-1996); "Emission Standard of Air Pollutants for Boilers" (GB13271-2014)	Organized emissions after meeting standards	21	In the plant area

Significant Events

Names of the Companies	Names of major pollutants	Total emissions approved (t/a)	Total emissions (t/a)*	Emission concentration (mg/L) *	Pollutant emission standards implemented	Methods of emission	Number of outlets	Distribution of outlets
Jiangxi Copper (Longchang) Precise Pipe Company Limited	pH COD Ammonia nitrogen SS BOD ₅ Animal and vegetable oils Petroleum		/	6.7 (Dimensionless)	Management standards of Qingshan Lake Sewage Treatment Plant (Nanchang city)	Organized emissions after meeting standards	2	In the plant area
Jiangxi Copper – Wengfu Chemical Company Limited	Sulfur dioxide gas	752	40.23	71.69mg/m ³	Emission Standard of Pollutants for Sulfuric Acid Industry (GB26132-2010)	Organized emissions after meeting standards	2	In the plant area
Wushan Copper Mine	pH COD Ammonia nitrogen Suspended matter Total copper Total zinc Total lead Total cadmium Total arsenic		/	7.55 (Dimensionless)	Standards in the table 2 of the "Emission Standard of Pollutants for Copper, Nickel, Cobalt Industry" (GB25467-2010); A-level standards in the table 4 of the "Integrated Wastewater Discharge Standard" (GB8978—1996)	Organized emissions after meeting standards	2	In the mining area
JCC Yinshan Mine Company Limited	pH COD Ammonia nitrogen Suspended matter Total copper Total lead Total zinc Total cadmium Total arsenic	157.4 9.7	34.479 2.297 33.507 0.084 0.007 0.198 0.001 0.014	6.98 (Dimensionless)	Standards in the table 2 of the "Emission Standard of Pollutants for Copper, Nickel, Cobalt Industry" (GB25467-2010)	Organized emissions after meeting standards	1	In the water outlet of tailings pond

Significant Events

Names of the Companies	Names of major pollutants	Total emissions approved (t/a)	Total emissions (t/a)*	Emission concentration (mg/L) *	Pollutant emission standards implemented	Methods of emission	Number of outlets	Distribution of outlets
Dongtong Mining	pH		/	7.09 (Dimensionless)	Standards in the table 2 of the "Emission Standard of Pollutants for Copper, Nickel, Cobalt Industry" (GB25467-2010)	Organized emissions	1	In the mining area
	COD	87.56	20.290	41.400		after meeting standards		
	Sulfide		0.002	0.005				
	Suspended matter		8.050	16.430				
	Total copper		0.155	0.317				
	Total lead		0.026	0.053				
	Cadmium		0.013	0.027				
	Total zinc		0.093	0.189				
Jiangxi Copper (Qingyuan) Company Limited	COD	0.528	0.19	10.5	"Emission Standard of Pollutants for Regenerated Copper, Aluminium, Lead and Zinc Industry" (GB 31574-2015)	Organized emissions	5	In the mining area
	Ammonia nitrogen	0.132	0.0272	0.27		after meeting standards		
	Sulfur dioxide	65.283	8.014	35.5 mg/m ³				
	Smoke (powder) dust		4.196	15 mg/m ³				
	Nitrogen oxides		6.043	25 mg/m ³				
	Arsenic and its compounds	0.4	0.0119	0.0768 mg/m ³	"Emission Standard of Air Pollutants for Boilers" (GB13271-2014)			
	Lead and its compounds	2	0.1548	1.003 mg/m ³				
	Cadmium and its compounds	0.05	0.0021	0.0137 mg/m ³				
	Sulfuric acid mist		0.0159	0.35 mg/m ³				
Yongping Copper Mine	pH		/	7.35 (Dimensionless)	Standards in the table 2 of the "Emission Standard of Pollutants for Copper, Nickel, Cobalt Industry" (GB25467-2010)	Organized emissions	3	In the mining area
	COD	325	202	20.54		after meeting standards		
	Ammonia nitrogen	27.272	3.99	0.59				
	Total copper		0.78	0.12				
	Total lead		0.77	0.11				
	Total zinc		0.49	0.07				
	Total cadmium		0.17	0.03				
	Suspended matter		245.81	36.31				

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

* : Unless otherwise stated.

Significant Events

2. Construction and operation of pollution prevention facilities

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

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

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

Key projects	Environmental impact assessment issued/acceptance status	Notes
Start-up project of Chengmenshan Copper Mine (1,200 tonnes/day)	Passed acceptance	Department of Environmental Protection of Jiangxi Province (Gan Huan Kai Zi [2000] No.19, Gan Huan Ping Han [2007] No. 292)
Phase II expansion project of Chengmenshan Copper Mine	Passed acceptance	Department of Environmental Protection of Jiangxi Province (Gan Huan Du Zi [2007] No. 91, Gan Huan Ping Han [2014] No. 206)
Technical reconstruction project for mining expansion of Dexing Copper Mine	Passed acceptance	Ministry of Environmental Protection (Huan Shen [2008] No. 140, Huan Yan [2015] No. 112)
System I 100,000 t/a production project of Jiangxi Copper Dexing Chemical Company Limited	Passed acceptance	Shangrao Environmental Protection Bureau (Rao Huan Du Zi [2004] No. 51, Rao Huan Du Zi [2006] No. 82)
System II 400,000 t/a production project of Jiangxi Copper Dexing Chemical Company	Passed acceptance	Department of Environmental Protection of Jiangxi Province (Gan Huan Du Zi [2008] No. 493, Gan Huan Ping Han [2014] No. 58)

Significant Events

Key projects	Environmental impact assessment issued/acceptance status	Notes
300,000 t/a copper smelting project of Guixi Smelter	Passed acceptance	Ministry of Environmental Protection (Huan Shen [2006] No. 207, Huan Yan [2014] No. 269)
6000 t/a high-grade electrolytic copper foil project of Jiangxi Copper Company Limited	Passed acceptance	Department of Environmental Protection of Jiangxi Province (Gan Huan Du Zi [2007] No. 27, Gan Huan Ping Zi [2010], No. 524)
Phase II construction project of Jiangxi Copper Longchang Precise Pipe Company Limited	Passed acceptance	Department of Environmental Protection of Jiangxi Province (Gan Huan Du Zi [2008] No. 14, Gan Huan Ping Han [2013] No. 180)
400,000 t/a sulfuric acid project of a sino-foreign joint venture – Jiangxi Jiangtong – Wengfu Chemical Company Limited	Passed acceptance	Department of Environmental Protection of Jiangxi Province (Gan Huan Du Han [2005] No. 97, Gan Huan Jian Zi [2007] No. 042)
Technical reconstruction expansion project of Wushan Copper Mine through deep exploration	Passed acceptance	Department of Environmental Protection of Jiangxi Province (Gan Huan Du Zi [2006] No. 106, Gan Huan Ping Han [2012] No. 047)
5,000 t/d mining technology reconstruction project of Jiuqu Copper-gold Mine of JCC Yinshan Mining Company Limited	Passed acceptance	Department of Environmental Protection of Jiangxi Province (Gan Huan Du Zi [2009] No. 219, Gan Huan Ping Han [2013] No. 237)
Deep Mining Project of No. 5 Ore Body of Dongtong Mining Company Limited	Passed acceptance	Department of Environmental Protection of Jiangxi Province (Gan Huan Ping Han [2015] No. 190)

Significant Events

Key projects	Environmental impact assessment issued/acceptance status	Notes
Environmental Protection Comprehensive Treatment Project of Dongtong Mining Company Limited	Passed acceptance	Fuzhou Environmental Protection Bureau (Fu Huan Du Han [2016] No. 57)
100,000 t/a copper smelting project of Jiangxi Copper (Qingyuan) Company Limited	Passed acceptance	Qing Huan [2011] No. 64, Qing Huan Yan [2013] No. 78
Technical reconstruction project from open-pit mining to underground mining of Yongping Copper Mine	Passed acceptance	Department of Environmental Protection of Jiangxi Province (Gan Huan Du Zi [2006] No. 236, Gan Huan Ping Han [2015] No.88)
Hydrometallurgy gold smelting residual harmless treatment project of Humon Smelting	Passed acceptance	Yantai Environment Protection Bureau (Yan Huan Shen [2017] No. 19), Yantai Ecology Environmental Bureau (Yan Huan Ping Han [2019] No. 30)
Rare metals resources comprehensive recycling technology reconstruction project of Humon Smelting	Passed acceptance	Yantai Environment Protection Bureau (Yan Huan Shen [2017] No. 40), Yantai Ecology Environmental Bureau (Yan Huan Ping Han [2019] No. 8)
120,000 t/a copper cathode technology reconstruction project of Humon Smelting (alteration)	Passed acceptance	Department of Environmental Protection of Shandong Province (Lu Huan Shen [2017] No. 2), Yantai Ecology Environmental Bureau (Yan Huan Ping Han [2019] No. 7)
Ore dressing plant I reformation and expansion project of Humon Smelting	Passed acceptance	Yantai Ecology Environmental Bureau (Yan Huan Shen [2017] No.5)

Significant Events

4. Contingency plan for emergency environmental incidents

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

5. Self-monitoring environment programs

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

6. Other environmental information that should be disclosed

Not applicable

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

Not applicable

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

Not applicable

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

Not applicable

Significant Events

XV. AUDIT COMMITTEE

The Company has convened Audit Committee meeting at which the unaudited interim condensed consolidated financial statements and the interim results report for the six months ended 30 June 2019 were considered and approved.

XVI. CODE ON CORPORATE GOVERNANCE PRACTICES

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

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

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

Under code provision A.2.1 of the Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Since the resignation of Mr. Wu Yuneng as the general manager of the Company (the “**General Manager**”) on 18 July 2018, during the period from 18 July 2018 to 17 January 2019, the Company had been looking for the suitable candidate to be appointed as the General Manager. During that period, the responsibilities of the General Manager (where necessary) were shared by each of the vice general managers of the Company within the scope of their authorities. Since 18 January 2019, Mr. Zheng Gaoqing has been appointed as the General Manager.

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

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

Significant Events

XVIII. MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

XIX. CAPITAL STRUCTURE OF THE GROUP

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

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

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

XX. PLEDGES ON GROUP ASSETS

As of 30 June 2019, assets of the Group amounting to the net book value of RMB8,649,113,146 were pledged for securing certain bank loans, including the pledged term deposits of RMB6,782,362,494 (31 December 2018: RMB4,820,167,815), held-for-trading financial assets of RMB487,306,670 (31 December 2018: nil), bank acceptance bills and letters of credit of RMB998,839,258 (31 December 2018: RMB737,796,500), pledged buildings of RMB218,715,066 (31 December 2018: RMB225,150,000), pledged machinery and equipment of RMB0 (31 December 2018: RMB372,616,389), pledged land use right of RMB19,309,395 (31 December 2018: RMB339,000,000) and pledged inventory of RMB142,580,263 (31 December 2018: RMB250,000,000). The Group had not pledged any Renminbi account receivables (31 December 2018: RMB100,000,000).

Significant Events

XXI. GEARING RATIO

The gearing ratio of the Company is 57.79%. Gearing ratio is calculated as the division of total liabilities by total equity attributable to owners of the Company in the condensed consolidated statement of financial position set out in this interim report.

XXII. FOREIGN EXCHANGE RISK

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

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

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

XXIII. CONTINGENT LIABILITIES

As at 30 June 2019, the Group has issued financial guarantees to banks in respect of banking facilities granted to non-controlling subsidiaries to the extent of approximately RMB1,318,735,400 (31 December 2018: RMB1,036,392,000). In the opinion of the Directors of the Company, the fair value of the financial guarantee contract is insignificant at initial recognition and the Directors consider that the possibility of default of the non-controlling subsidiaries involved is remote. Accordingly, no item has been recognised in the condensed consolidation statement of financial position.

Significant Events

XXIV. DESCRIPTION ON OTHER MATERIAL MATTERS

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

On 7 December 2018, the Ministry of Finance duly announced the newly amended “Accounting Standards for Business Enterprises No. 21 – Leases” (hereinafter the “**New Lease Standards**”). According to the requirements of the Ministry of Finance, the New Lease Standards were implemented from 1 January 2019. For details, please refer to the announcement of the Company in respect of changes in accounting policies dated 29 August 2019 disclosed on the website of the Stock Exchange (www.hkexnews.hk) and paragraph 2.2 “Changes in Accounting Policies and Disclosures” of “Notes to Interim Condensed Consolidated Financial Information” under the section headed “Financial Report” in this interim report.

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

Not applicable

(III) Others

Not applicable

Changes in Share Capital and Shareholders

I. TABLE OF CHANGES IN SHARES

(I) Table of changes in shares

1. Table of changes in shares

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

2. Explanation on changes in shares

Not Applicable

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

Not applicable

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

Not applicable

(II) Changes in shares subject to lock-up

Not applicable

II. THE NUMBER OF SHAREHOLDERS AND SHAREHOLDINGS

(1) Total number of shareholders

Total number of ordinary shareholders at the end of the reporting period	132,312
Total number of preference shareholders with voting rights restored at the end of the reporting period	0

Changes in Share Capital and Shareholders

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

Shareholdings of the top ten shareholders

Unit: Share

Name of shareholder (full name)	Increase/ decrease during the reporting period	Number of shares held at the end of the reporting period	Percentage (%)	Number of shares held subject to lock-up	Situation of pledge or freeze Share status	Number	Nature of shareholder
JCC	8,340,000	1,447,247,110	41.79	0	Nil	0	State-owned legal person
HKSCC Nominees Limited ("HKSCC")	-8,119,660	1,140,646,442	32.94	0	Unknown		Unknown
China Securities Finance Corporation Limited	0	103,719,909	3.00	0	Unknown		Unknown
Central Huijin Asset Management Limited	0	31,843,800	0.92	0	Unknown		Unknown
Hong Kong Securities Clearing Company Limited	3,821,534	15,724,533	0.45	0	Unknown		Unknown
Beijing Fengshan Investment Ltd	0	6,784,000	0.20	0	Unknown		Unknown
Wutongshu Investment Platform Co., Ltd	0	5,993,953	0.17	0	Unknown		Unknown
Cheng Shiquan	-157,655	5,265,345	0.15	0	Unknown		Unknown
E Funds – ICBC – FOTIC – FOTIC•Wenfu FOF Single Fund Trust	4,806,223	4,806,223	0.14	0	Unknown		Unknown
China Construction Bank Corporation – Guotai Guozheng Non-ferrous Metal Industrial Index Grading Securities Investment Funds	2,234,089	4,288,288	0.12	0	Unknown		Unknown

Changes in Share Capital and Shareholders

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

Unit: Share

Name of shareholder	Number of tradable shares held not subject to lock-up	Class and number of shares	
		Class	Number
JCC	1,447,247,110	Ordinary shares denominated in RMB (A Shares)	1,205,479,110
		Overseas listed foreign shares (H Shares)	241,768,000
HKSCC	1,140,646,442	Overseas listed foreign shares (H Shares)	1,140,646,442
China Securities Finance Corporation Limited	103,719,909	Ordinary shares denominated in RMB (A Shares)	103,719,909
Central Huijin Asset Management Limited	31,843,800	Ordinary shares denominated in RMB (A Shares)	31,843,800
Hong Kong Securities Clearing Company Limited	15,724,533	Ordinary shares denominated in RMB (A Shares)	15,724,533
Beijing Fengshan Investment Ltd	6,784,000	Ordinary shares denominated in RMB (A Shares)	6,784,000
Wutongshu Investment Platform Co., Ltd	5,993,953	Ordinary shares denominated in RMB (A Shares)	5,993,953
Cheng Shiquan	5,265,345	Ordinary shares denominated in RMB (A Shares)	5,265,345
E Funds – ICBC – FOTIC – FOTIC•Wenfu FOF Single Fund Trust	4,806,223	Ordinary shares denominated in RMB (A Shares)	4,806,223
China Construction Bank Corporation – Guotai Guozheng Non-ferrous Metal Industrial Index Grading Securities Investment Funds	4,288,288	Ordinary shares denominated in RMB (A Shares)	4,288,288

The explanation of the connected relationship or parties acting in concert among the aforesaid shareholders

(1) JCC, the controlling shareholder of the Company, and the other holders of shares not subject to lock-up are neither connected persons nor parties acting in concert as defined in “the Measures for the Administration of the Takeover of Listed Companies” (《上市公司收購管理辦法》) issued by the CSRC;

(2) The Company is not aware of any connected relationship among the holders of shares not subject to lock-up, nor aware of any parties acting in concert as defined in “the Measures for the Administration of the Takeover of Listed Companies” (《上市公司收購管理辦法》) issued by CSRC.

Preferred shareholders with restored voting rights and their shareholding /

Changes in Share Capital and Shareholders

Notes: HKSCC is a member of the Central Clearing and Settlement System, providing registration and custodial services for customers. HKSCC held a total of 1,382,414,442 shares of the Company in the capacity of nominee on behalf of a number of customers, representing approximately 39.92% of the total share capital of the Company. 241,768,000 H Shares held by JCC are also registered in HKSCC. Excluding those H Shares held by JCC, HKSCC held 1,140,646,442 shares of the Company on behalf of a number of customers, representing approximately 32.94% of the total share capital of the Company.

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

Not applicable

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

Not applicable

(4) Shareholders' interests and short positions

As at 30 June 2019, the interests or short positions of the shareholders, other than Directors, Supervisors and chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the Securities and Futures Ordinance (“SFO”) or otherwise notified to the company were as follows:

Name of shareholder	Class of shares	Capacity	Number of Shares (Note 1)	Approximate percentage of the total number of the relevant class of shares of the Company (%)	Approximate percentage of the issued share capital of the Company (%)
JCC	A Shares	Beneficial owner	1,205,479,110 (L)	58.09 (L)	34.81
JCC	H Shares	Beneficial owner	241,768,000 (L)	17.42 (L)	6.98
			(Note 2)		
BlackRock, Inc.	H Shares	Interests in a controlled corporation	80,227,115 (L) 532,000 (S)	5.78 (L) 0.04 (S)	2.32 (L) 0.02 (S)
			(Note 3)		
Citigroup Inc.	H Shares	(Note 4)	72,878,425 (L) 9,509,512 (S)	5.25 (L) 0.68 (S)	2.10 (L) 0.27 (S)
			(Note 5)		
JPMorgan Chase & Co.	H Shares	(Note 5)	59,841,068 (P) 69,769,808 (L) 12,805,654 (S)	4.31 (P) 5.02 (L) 0.92 (S)	1.73 (P) 2.01 (L) 0.37 (S)
			(Note 6)		
Schroders Plc	H Shares	Investment manager	38,027,406 (P) 69,379,000 (L)	2.74 (P) 5.00 (L)	1.10 (P) 2.00 (L)

Changes in Share Capital and Shareholders

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

Note 2: The 241,768,000 H Shares held by JCC have been registered with HKSCC.

Note 3: According to the corporate substantial shareholder notice filed by BlackRock Inc. on 28 June 2019, short position in 447,000 H Shares are cash settled unlisted derivatives.

Note 4: According to the corporate substantial shareholder notice filed by Citigroup Inc on 4 July 2019:

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

Capacity	Number of H Shares
Persons having a security interest in shares	4,685,000 (L)
Interest of controlled corporation	8,352,357 (L)
	9,509,512 (S)
Approved lending agent	59,841,068 (L)

- (2) Its interests include short position in 200,000 H shares are physically settled listed derivatives; long position in 6,366,132 H shares and short position in 8,878,552 H shares are physically settled unlisted derivatives; long position in 355,960 H shares and short position in 296,960 H shares are cash settled unlisted derivatives.

Note 5: According to the corporate substantial shareholder notice filed by JPMorgan Chase & Co. on 2 July 2019:

- (1) Its holdings of H Shares were held in the following capacities:

Capacity	Number of H Shares
Interest of controlled corporation	23,350,808 (L)
	12,342,654 (S)
Investment manger	8,069,000 (L)
	463,000 (S)
Persons having a security interest in shares	322,594 (L)
Approved lending agent	38,027,406 (L)

- (2) Its interests include long position in 15,000 H shares and short position in 15,000 H shares are physically settled listed derivatives; short position in 35,600 H shares are cash settled listed derivatives; long position in 11,280,120 H shares and short position in 1,028,330 H shares are physically settled unlisted derivatives; long position in 4,208,000 H shares and short position in 9,485,017 H shares are cash settled unlisted derivatives;

Note 6: According to the corporate substantial shareholder notice filed by Schroders Plc on 6 March 2019, long position in 502,000 H Shares are cash settled unlisted derivatives.

Changes in Share Capital and Shareholders

Save as disclosed above, as shown in the register required to be kept under Section 336 of SFO or otherwise as notified to the Company, the Company had not been notified of any interests or short positions in the shares and underlying shares of the Company as at 30 June 2019.

(5) Changes in controlling shareholder and de facto controller

Not applicable

Directors, Supervisors and Senior Management

I. CHANGES IN SHAREHOLDING

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

Not applicable

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

Not applicable

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

Name	Position held	Change
Zheng Gaoqing	Executive Director	Election
	General Manager	Appointment
Yu Tong	Executive Director	Election
Zhu Xingwen	Independent Non-executive Director	Election
Wu Yuneng	Executive Director	Resignation
Wu Jinxing	Executive Director	Resignation

Directors, Supervisors and Senior Management

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

Not applicable

III. SHAREHOLDING OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

As at 30 June 2019, none of the Directors, Supervisors or chief executive of the Company had any interests or short positions in any shares, underlying shares and debentures of the Company or any associated corporations as recorded in the register of the Company required to be kept under section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code set out in Appendix 10 to the Listing Rules.

IV. OTHER EXPLANATIONS

Not applicable

Corporate Bonds

I. Basic Information of Corporate Bonds

Unit: Yuan Currency: RMB

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

Interest payment and repayment of corporate bonds

Not applicable

Other information on corporate bonds

- (1) Options for the Company to adjust the coupon rate: The Company is entitled to determine to adjust the coupon rate for the 2 years following the end of the third year of the term of the current bonds. The Company will publish an announcement on whether to adjust the coupon rate of the bonds and the adjustment rate on the 20th business day prior to the interest payment date of the third interest payment year of the current bonds. If the Company does not exercise the option to adjust the coupon rate, the coupon rate for the remaining term will remain unchanged at the original coupon rate.
- (2) Resale options of investors: Upon publication of the announcement on whether to adjust the coupon rate of the current bond, and the adjustment rate, investors are entitled to elect to register during the announced resale registration period for investors so as to resell all or part of the current bonds held by them at face value to the Company. If bonds holders do not register, they will be deemed to continue to hold the current bonds and accept the aforementioned adjustment.

Corporate Bonds

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

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

Other explanation

Not applicable

III. Utilization of Proceeds from Corporate Bonds

On 16 November 2018, the Company held the fifth meeting of the eighth session of the Board, and considered and approved the Proposal on Change in Use of Proceeds(《關於變更募集資金用途的議案》), intending to change the remaining proceeds from the exercise of warrants of the publicly issued detachable bonds with warrants of an amount of RMB1,037,690,000 as at 31 October 2018 (including interest income after deducting service charges; final amount to be subject to the balance in the special project account upon actual carrying forward) to permanent working capital replenishment. On 15 January 2019, the Company held the 2019 first extraordinary general meeting, and considered and approved the Proposal on Change in Use of Proceeds(《變更募集資金用途的議案》). On 23 January 2019 and 22 February 2019, the Company transferred the balance of the special account for the proceeds raised of RMB1,041,810,000 in aggregate to the Company accounts, and cancelled the account for such proceeds. For further details, please refer to the Special Report Relating to Deposit and Actual Use of Proceeds of Jiangxi Copper Company Limited (《江西銅業股份有限公司募集資金存放及實際使用情況的專項報告》) disclosed on the website of the SSE (www.sse.com.cn) on 30 August 2019.

The trustee manager has disclosed the 'Annual Report on the Corporate Bond Trustee Management Affairs of Jiangxi Copper Company Limited (2018)' on 28 June 2019. Please visit the website of SSE (www.sse.com.cn) for the full report.

Corporate Bonds

IV. Rating of Corporate Bonds

On 27 May 2019, China Chengxin Securities Credit Rating Co., Ltd. (中誠信證券評估有限公司) issued the “Tracking Report (2019) of 2017 Corporate Bonds (First Tranche) Publicly Issued to Qualified Investors by Jiangxi Copper Company Limited”, pursuant to which, the long term credit rating of bonds was AAA, forward-looking rating was stable, and corporate credit rating was AAA.

For details, please refer to the credit rating report, i.e. “Tracking Report (2019) of 2017 Corporate Bonds (First Tranche) Publicly Issued to Qualified Investors by Jiangxi Copper Company Limited”, published on the website of the SSE (www.sse.com.cn) on 27 May 2019.

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

Not applicable

VI. Convening of Meetings of Bondholders

Not applicable

VII. Performance of Corporate Bonds Trustee Manager

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

The trustee manager has disclosed the ‘Annual Report on the Corporate Bond Trustee Management Affairs of Jiangxi Copper Company Limited (2018)’ on 28 June 2019. Please visit the website of SSE (www.sse.com.cn) for the full text of the report.

Corporate Bonds

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

Unit: Yuan Currency: RMB

Major indicators	As at the end of the current reporting period	As at the end of last year	Increase/decrease from the end of last year (%)
Liquidity ratio	1.24	1.51	-17.88
Quick ratio	0.93	1.13	-17.70
Asset-liability ratio (%)	57.79	49.42	Increased by 8.37 percentage points
Loan repayment rate (%)	100	100	-

	As at the current reporting period (January to June)	As at the same period of last year	Increase/decrease from the same period of last year (%)
EBITDA interest coverage ratio	3.73	5.27	-29.22
Interest coverage (%)	100	100	-

IX. Explanation on Indebtedness Falling Due

Not applicable

Corporate Bonds

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

Not applicable

XI. Banking Facilities during the Reporting Period

During the reporting period, the Company had obtained banking facilities up to RMB96.8 billion of which, an amount of RMB42.3 billion has been utilized and an amount of RMB54.5 billion has not been utilized.

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

Not applicable

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

Not applicable

Independent Review Report

To the shareholders of Jiangxi Copper Company Limited

(Incorporated in the People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 86 to 140, which comprises the condensed consolidated statement of financial position of Jiangxi Copper Company Limited (the "Company") and its subsidiaries (the "Group") as at 30 June 2019 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") issued by the International Accounting Standards Board (the "IASB"). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

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

Ernst & Young

Certified Public Accountants

Hong Kong
29 August 2019

Interim Condensed Consolidated Statement of Profit or Loss

For The Six Months Ended 30 June 2019

	<i>Notes</i>	2019 (Unaudited) RMB'000	2018 (Unaudited) RMB'000
REVENUE	4	104,693,998	104,025,788
Cost of sales		(100,871,151)	(101,049,631)
Gross profit		3,822,847	2,976,157
Other income	5	650,778	346,942
Other gains and losses, net	6	151,308	620,420
Selling and distribution expenses		(299,530)	(327,221)
Administrative expenses		(952,843)	(797,665)
Impairment losses on financial assets, net		(457,562)	(540,675)
Finance costs		(1,007,509)	(539,362)
Share of profits and losses of:			
Joint ventures		(15,377)	(11,065)
Associates		18,688	9,127
PROFIT BEFORE TAX	7	1,910,800	1,736,658
Income tax expense	8	(534,191)	(432,085)
PROFIT FOR THE PERIOD		1,376,609	1,304,573
Attributable to:			
Owners of the Company		1,412,177	1,327,146
Non-controlling interests		(35,568)	(22,573)
		1,376,609	1,304,573
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY:			
– Basic and diluted	10	RMB0.41	RMB0.38

Interim Condensed Consolidated Statement of Comprehensive Income

For The Six Months Ended 30 June 2019

	2019 (Unaudited) RMB'000	2018 (Unaudited) RMB'000
PROFIT FOR THE PERIOD	1,376,609	1,304,573
OTHER COMPREHENSIVE INCOME		
Other comprehensive income to that may be reclassified to profit or loss in subsequent periods:		
Debt investments at fair value through other comprehensive income:		
Changes in fair value	–	2,286
Income tax effect	–	(572)
	–	1,714
Cash flow hedges:		
Effective portion of changes in fair value of hedging instruments	29,608	–
Reclassification adjustments for gains included in the statement of profit or loss	(28,639)	(8,469)
Income tax effect	(220)	2,117
	749	(6,352)
Exchange differences on translation of foreign operations	6,770	39,241
Share of other comprehensive income of joint ventures	(495)	260
Share of other comprehensive income of associates	79,495	27,579
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods, net of tax	86,519	62,442
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	86,519	62,442
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	1,463,128	1,367,015
Attributable to:		
Owners of the Company	1,497,573	1,382,014
Non-controlling interests	(34,445)	(14,999)
	1,463,128	1,367,015

Interim Condensed Consolidated Statement of Financial Position

30 June 2019

	<i>Notes</i>	30 June 2019 (Unaudited) RMB'000	31 December 2018 (Audited) RMB'000
Non-current assets			
Property, plant and equipment	11	25,740,163	21,560,982
Investment properties		456,521	462,199
Right-of-use assets		2,787,913	–
Prepaid land lease payments		–	1,267,624
Goodwill		1,627,966	–
Other intangible assets		1,192,536	1,088,845
Exploration and evaluation assets		947,098	886,847
Investments in joint ventures		249,966	256,224
Investments in associates		3,592,116	3,419,605
Financial instruments other than derivatives	12	2,098,455	2,272,121
Deferred tax assets		509,465	676,853
Prepayments, other receivables and other assets		981,152	818,878
Deposits for prepaid lease payments		666,586	593,550
Total non-current assets		40,849,937	33,303,728
Current assets			
Inventories		22,844,475	17,259,265
Trade and bills receivables	14	8,047,506	8,957,645
Factoring receivables		1,475,442	2,082,024
Prepayments, other receivables and other assets			
Loans to related parties		5,238,391	1,182,088
Prepaid land lease payments		–	29,838
Derivative financial instruments	13	380,540	263,905
Financial instruments other than derivatives	12	18,040,276	9,791,375
Restricted bank deposits	15	16,987,673	12,125,857
Cash and cash equivalents	15	12,213,284	10,647,443
		92,233,475	69,478,435
Assets classified as held for sale		23,308	83,661
Total current assets		92,256,783	69,562,096

Interim Condensed Consolidated Statement of Financial Position

30 June 2019

		30 June 2019 (Unaudited) <i>RMB'000</i>	31 December 2018 (Audited) <i>RMB'000</i>
	<i>Notes</i>		
Current liabilities			
Trade and bills payables	16	10,018,967	6,230,058
Financial instruments other than derivatives	12	694,422	–
Other payables and accruals		8,032,308	7,193,968
Deposits from related parties		1,556,831	1,937,903
Deferred revenue		33,153	39,301
Derivative financial instruments	13	78,455	94,258
Interest-bearing bank and other borrowings	17	52,489,256	29,901,455
Dividend payable		692,546	–
Tax payable		423,410	741,094
Corporate bonds	18	99,750	–
Lease liability		409,992	–
Total current liabilities		74,529,090	46,138,037
Net current assets		17,727,693	23,424,059
Total assets less current liabilities		58,577,630	56,727,787
Non-current liabilities			
Interest-bearing bank and other borrowings	17	344,349	3,282,000
Corporate bonds	18	500,000	500,000
Lease liability		494,006	–
Provision for rehabilitation		247,688	191,429
Employee benefit liabilities		32,979	34,589
Deferred revenue		614,852	523,798
Other long-term payables		16,087	60,142
Deferred tax liabilities		144,441	109,139
Total non-current liabilities		2,394,402	4,701,097
Net assets		56,183,228	52,026,690

Interim Condensed Consolidated Statement of Financial Position

30 June 2019

	<i>Notes</i>	30 June 2019 (Unaudited) RMB'000	31 December 2018 (Audited) RMB'000
Equity			
Equity attributable to owners of the parent			
Share capital		3,462,729	3,462,729
Reserves		47,108,609	46,303,582
		50,571,338	49,766,311
Non-controlling interests		5,611,890	2,260,379
Total equity		56,183,228	52,026,690

Approved on behalf of the board of directors:

Mr. Long Ziping
Director

Mr. Yu Tong
Director

Interim Condensed Consolidated Statement of Changes in Equity

For The Six Months Ended 30 June 2019

For the six months ended 30 June 2019

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

* These reserve accounts comprise the consolidated reserves of RMB47,108,609,000 (31 December 2018: RMB46,303,582,000) in the consolidated statement of financial position.

Interim Condensed Consolidated Statement of Changes in Equity

For The Six Months Ended 30 June 2019

For the six months ended 30 June 2018

	Attributable to owners of the company											Non-controlling interests	Total
	Share capital	Share premium*	Capital reserve*	Other reserve*	Statutory surplus reserve*	Discretionary surplus reserve*	Safety fund surplus reserve*	Hedging reserve*	Translation reserve*	Retained profits*	Sub-total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2018 (audited)	3,462,729	12,647,502	(896,389)	(97,385)	4,816,743	9,647,574	420,620	6,352	(114,878)	17,949,121	47,841,989	2,495,173	50,337,162
Profit for the period	-	-	-	-	-	-	-	-	-	1,327,146	1,327,146	(22,573)	1,304,573
Other comprehensive income for the period													
Debt investments at fair value through other comprehensive income, net of tax	-	-	-	1,714	-	-	-	-	-	-	1,714	-	1,714
Cash flow hedges: reclassification adjustments for gains included in the statement of profit or loss, net of tax	-	-	-	-	-	-	-	(6,352)	-	-	(6,352)	-	(6,352)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	31,667	-	31,667	7,574	39,241
Share of other comprehensive expenses of joint ventures	-	-	-	-	-	-	-	-	260	-	260	-	260
Share of other comprehensive expenses of associates	-	-	-	-	-	-	-	-	27,579	-	27,579	-	27,579
Total comprehensive income for the period	-	-	-	1,714	-	-	-	(6,352)	59,506	1,327,146	1,382,014	(14,999)	1,367,015
Contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	78,965	78,965
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(17,594)	(17,594)
Final 2017 dividend	-	-	-	-	-	-	-	-	-	(692,546)	(692,546)	-	(692,546)
Transfer from retained profits	-	-	-	-	-	-	49,519	-	-	(49,519)	-	-	-
At 30 June 2018 (unaudited)	3,462,729	12,647,502	(896,389)	(95,671)	4,816,743	9,647,574	470,139	-	(55,372)	18,534,202	48,531,457	2,541,545	51,073,002

Interim Condensed Consolidated Statement of Cash Flows

For The Six Months Ended 30 June 2019

	Notes	2019 (Unaudited) RMB'000	2018 (Unaudited) RMB'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		1,910,800	1,736,658
Adjustments for:			
Finance costs		1,007,509	596,016
Foreign exchange losses, net	6	31,856	118,293
Share of (profits)/loss of joint ventures and associates		(3,311)	1,938
Gains from listed debentures	6	(6,005)	(3,187)
Gains from investments in financial products	6	(114,616)	(107,753)
Gains from unlisted equity investment	6	(32,337)	–
Gains from listed equity instruments	6	–	(5,559)
Dividend income from equity investments	5	(23,350)	(13,500)
Net gain on disposal of items of property, plant and equipment	6	(3,353)	(2,995)
Net gain on disposal of items of assets classified as held for sale	6	(6,300)	–
Fair value (gains)/losses, net:			
– Derivative financial instruments		(98,877)	(367,296)
– Listed equity investments	6	207,584	(42,638)
– Unlisted equity investments	6	(47,597)	(169)
– Income right attached to a target equity interest	6	(7,818)	(50,240)
– Listed debentures	6	–	(2,986)
– Investments in financial products	6	(205,512)	–
Provision for impairment of trade and bills receivables	7	149,812	528,332
Provision for impairment of factoring receivables	7	282,035	–
Provision for impairment of prepayment, other receivables and other assets	7	25,715	10,774
(Reversal)/provision for impairment of inventories to net realisable value	7	(57,293)	147,854
Provision for impairment of assets classified as held for sale	7	–	130,000
Depreciation of property, plant and equipment	7	797,900	815,670
Depreciation of right-of-use assets	7	105,111	–
Depreciation of prepaid land lease payments	7	–	15,038
Depreciation of investment properties	7	5,678	5,678
Amortisation of other intangible assets	7	38,898	24,203
Unwinding of an interest in rehabilitation provision		4,471	4,336
Deferred revenue released to the statement of profit or loss		(11,724)	(24,724)
		3,949,276	3,513,743

Interim Condensed Consolidated Statement of Cash Flows

For The Six Months Ended 30 June 2019

<i>Notes</i>	2019 (Unaudited) RMB'000	2018 (Unaudited) RMB'000 (Restated)
(Increase)/decrease in inventories	(194)	928,722
Decrease/(increase) in trade and bills receivables	1,206,210	(2,675,959)
Decrease in factoring receivables	324,547	143,986
Decrease in prepayments, other receivables and other assets	2,290,226	305,857
Decrease in derivative financial instruments	73,151	213,389
Increase in loans to related parties	(118,376)	(151,580)
Increase in restricted bank deposits except restricted deposits to secure bank borrowings	(192,351)	(144,104)
Increase in trade and bills payables	914,337	176,768
(Decrease)/increase in other payables and accruals	(1,850,020)	758,259
Decrease in deposits from related parties	(381,072)	(1,120,896)
Cash generated from operations	6,215,734	1,948,185
Income tax paid	(703,237)	(1,143,767)
Net cash flows from operating activities	5,512,497	804,418
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of financial investments	5,680,892	7,627,635
Dividend received from a joint venture	–	13,500
Proceeds from disposal of property, plant and equipment	65,784	65,299
Proceeds from disposal of items of assets classified as held for sale	66,653	–
Receipt of government grant	30,226	–
Proceeds from disposal of other intangible assets	139	–
Additional investments in associates	(74,328)	(154,533)
Additional investments in joint ventures	(9,614)	(14,069)
Acquisition of subsidiaries and business combination	(2,022,344)	–
Principal portion of lease payments	(104,254)	(178,659)
Purchases of financial investments	(17,679,383)	(6,713,857)
Purchases of property, plant and equipment	(918,088)	(1,023,079)
Purchase of exploration and evaluation assets	(60,251)	(74,150)
Purchase of other intangible assets	(2,690)	(5,409)
Other investing cash flows (net)	–	2,597
Net cash used in investing activities	(15,027,258)	(454,725)

Interim Condensed Consolidated Statement of Cash Flows

For The Six Months Ended 30 June 2019

<i>Notes</i>	2019 (Unaudited) RMB'000	2018 (Unaudited) RMB'000 (Restated)
CASH FLOWS FROM FINANCING ACTIVITIES		
New bank and other borrowings	45,804,812	24,177,681
Proceed from transfer of entrusted account receivables	–	1,511,000
(Deposit)/collection of pledged time deposits to secure bank borrowings	(1,773,252)	1,970,157
Repayment of bank and other borrowings	(32,290,685)	(24,223,892)
Dividends paid to non-controlling interests	(14,396)	(17,594)
Interest paid	(733,518)	(536,987)
Contribution from non-controlling interests	64,680	–
Net cash generated from financing activities	11,057,641	2,880,365
Net increase in cash and cash equivalents	1,542,880	3,230,058
Cash and cash equivalents at beginning of period	10,647,443	10,382,520
Effect of foreign exchange rate changes, net	22,961	87,895
Cash and cash equivalents at end of period	12,213,284	13,700,473

Notes to Interim Condensed Consolidated Financial Information

30 June 2019

1. CORPORATE INFORMATION

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 located at 15 Yejin Avenue, Guixi City, Jiangxi, the PRC. The Company's ultimate holding company is JCC, and the ultimate controlling party is the State-owned Assets Supervision & Administration Commission of the People's Government of Jiangxi Province.

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

2.1. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2019 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2018.

2.2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2018, except for the adoption of the new and revised International Financial Reporting Standards ("IFRSs") effective as of 1 January 2019.

Amendments to IFRS 9	<i>Prepayment Features with Negative Compensation</i>
IFRS 16	<i>Lease</i>
Amendments to IAS 19	<i>Plan Amendment, Curtailment or Settlement</i>
Amendments to IAS 28	<i>Long-term Interests in Associates and Joint Ventures</i>
IFRIC 23	<i>Uncertainty over Income Tax Treatments</i>
<i>Annual Improvements 2015–2017 Cycle</i>	Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23

Notes to Interim Condensed Consolidated Financial Information

30 June 2019

2.2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

Other than as explained below regarding the impact of IFRS 16 *Leases*, the adoption of the above new and revised standards has had no significant financial effect on these financial statements.

IFRS 16 Lease

IFRS 16 replaces IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC 15 *Operating Leases – Incentives* and SIC 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have any financial impact on leases where the Group is the lessor.

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 January 2019, and the comparative information for 2018 was not restated and continues to be reported under IAS 17.

New definition of a lease

Under IFRS 16, a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their standard-alone prices. A practical expedient is available to a lessee, which the Group has adopted, not to separate non-lease components and to account for the lease and the associated non-lease components (e.g., property management services for leases of properties) as a single lease component.

Notes to Interim Condensed Consolidated Financial Information

30 June 2019

2.2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

IFRS 16 *Lease* (Continued)

As a lessee – Leases previously classified as operating leases

(a) *Nature of the effect of adoption of IFRS 16*

The Group has lease contracts for various items of land use rights, buildings and mining infrastructure and machinery. As a lessee, the Group previously classified leases as either finance leases or operating leases based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under IFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases, except for two elective exemptions for leases of low value assets (elected on a lease by lease basis) and short-term leases (elected by class of underlying asset). The Group has elected not to recognise right-of-use assets and lease liabilities for (i) leases of low-value assets (e.g., laptop computers and telephones); and (ii) leases, that at the commencement date, have a lease term of 12 months or less. Instead, the Group recognises the lease payments associated with those leases as an expense on a straight-line basis over the lease term.

(b) *Impacts on transition*

Lease liabilities at 1 January 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 January 2019.

The right-of-use assets were measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before 1 January 2019. All these assets were assessed for any impairment based on IAS 36 on that date. The Group elected to present the right-of-use assets separately in the statement of financial position. This includes the lease assets recognised previously under finance leases of RMB174,467,000 that were reclassified from property, plant and equipment.

For the leasehold land and buildings (that were held to earn rental income and/or for capital appreciation) previously included in investment properties and initially measured at cost, the Group has continued to include them as investment properties at 1 January 2019. They continue to be measured under cost model applying IAS 40.

Notes to Interim Condensed Consolidated Financial Information

30 June 2019

2.2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

IFRS 16 Lease (Continued)

As a lessee – Leases previously classified as operating leases (Continued)

(b) Impacts on transition (Continued)

The Group has used the following elective practical expedients when applying IFRS 16 at 1 January 2019:

- Applied the short-term lease exemptions to leases with a lease term that ends within 12 months from the date of initial application
- Used hindsight in determining the lease term where the contract contains options to extend/terminate the lease

The impacts arising from the adoption of IFRS 16 as at 1 January 2019 are as follows:

	Increase/ (decrease) RMB'000 (Unaudited)
Assets	
Increase in right-of-use assets	1,784,482
Decrease in property, plant and equipment	(174,467)
Decrease in prepaid land lease payments	(1,297,462)
Increase in total assets	312,553
Liabilities	
Increase in lease liabilities	428,845
Decrease in other payables and accruals	(65,338)
Decrease in other long-term payables	(50,954)
Increase in total liabilities	312,553
Decrease in retained earnings	–

Notes to Interim Condensed Consolidated Financial Information

30 June 2019

2.2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

IFRS 16 *Lease* (Continued)

As a lessee – Leases previously classified as operating leases (Continued)

(b) *Impacts on transition (Continued)*

The lease liabilities as at 1 January 2019 reconciled to the operating lease commitments as at 31 December 2018 is as follows:

	RMB'000 (Unaudited)
Operating lease commitments as at 31 December 2018	345,645
Weighted average incremental borrowing rate as at 1 January 2019	5.55%
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Discounted operating lease commitments as at 1 January 2019	320,677
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Less: Commitments relating to short-term leases and those leases with a remaining lease term ending on or before 31 December 2018	(8,124)
Add: Commitments relating to leases previously classified as finance leases	116,292
<hr/>	
Lease liabilities as at 1 January 2019	428,845
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Notes to Interim Condensed Consolidated Financial Information

30 June 2019

2.2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

IFRS 16 *Lease* (Continued)

Summary of new accounting policies

The accounting policy for leases as disclosed in the annual financial statements for the year ended 31 December 2018 is replaced with the following new accounting policies upon adoption of IFRS 16 from 1 January 2019:

(a) *Right-of-use assets*

Right-of-use assets are recognised at the commencement date of the lease. Right-of-use assets are measured at cost, less any 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. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of the estimated useful life and the lease term.

(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 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.

Notes to Interim Condensed Consolidated Financial Information

30 June 2019

2.2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

IFRS 16 *Lease* (Continued)

Summary of new accounting policies (Continued)

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if 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 future lease payments arising from change in an index or rate, a change in the lease term, a change in the in-substance fixed lease payments or a change in assessment to purchase the underlying asset.

Amounts recognised in the interim condensed consolidated statement of financial position and profit or loss

The carrying amounts of the Group's right-of-use assets and lease liabilities, and the movement during the period are as follow:

	Right-of-use assets			Total RMB'000	Lease liabilities RMB'000
	land use rights RMB'000	Buildings and mining infrastructure RMB'000	Machinery and vehicles RMB'000		
As at 1 January 2019	1,596,504	13,511	174,467	1,784,482	428,845
Addition	160,986	563	166,304	327,853	166,867
Effect of non-common control	228,929	13,187	538,573	780,689	403,240
Depreciation charge	(97,781)	(1,592)	(5,738)	(105,111)	–
Interest expense	–	–	–	–	9,300
Payment	–	–	–	–	(104,254)
As at 30 June 2019	1,888,638	25,669	873,606	2,787,913	903,998

Notes to Interim Condensed Consolidated Financial Information

30 June 2019

3. BUSINESS COMBINATION

Acquisition of Chengdu Jinhao

On 31 March 2019, the Group acquired a 51% interest in Chengdu Yutong International Trading Company Limited, later renamed as Chengdu JXCC Jinhao Company Limited ("Chengdu Jinhao"). Chengdu Jinhao is engaged in trading of metal products. The acquisition was made as part of the Group's strategy to expand its market share of metal products in southwest of China. The purchase consideration for the acquisition was RMB22,205,000 in the form of cash.

The fair values of the identifiable assets and liabilities of Chengdu Yutong as at the date of acquisition were:

	31 March 2019 Fair value RMB'000
Non-current assets	36
Current assets	2,361,169
Total assets	2,361,205
Current liabilities	(2,317,666)
Total identifiable net assets at fair value	43,539
Non-controlling interests	(21,334)
Identifiable net assets at fair value attributable to the Group	22,205
Satisfied by Cash	22,205

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

Cash consideration paid	22,205
Cash and bank balances acquired	(2,823)
Net outflow of cash and cash equivalents included in cash flows from investing activities Cash	19,382

Notes to Interim Condensed Consolidated Financial Information

30 June 2019

3. BUSINESS COMBINATION (CONTINUED)

Acquisition of Chengdu Jinhao (continued)

The fair values and the gross contractual amounts of the trade receivables and other receivables as at the date of acquisition amounted to RMB193,271,000 and RMB1,174,763,000, respectively.

The Group incurred transaction costs of RMB445,000 for this acquisition. These transaction costs have been expensed and are included in other expenses in the interim condensed consolidated statement of profit or loss.

Since the acquisition, Chengdu Jinhao contributed RMB696,000 net loss to the consolidated profit for the six months period ended 30 June 2019.

Had the combination taken place at the beginning of the period, the revenue from continuing operations of the Group and the profit of the Group for the period would have been RMB12,144,000 and RMB2,742,000, respectively.

Acquisition of Shandong Humon

On 26 June 2019, the Group acquired approximate 29.99% interest in Shandong Humon Smelting Company Limited ("Shandong Humon") and became the controlling shareholder of Shandong Humon. Shandong Humon is principally engaged in the smelting and integrated recycling of gold and other rare metal, and obtains copper and lead by-products during the process of smelting and recycling. The Group targeted to use Shandong Humon as the development platform of the Group's future gold sector. The purchase consideration for the acquisition was RMB2,976,016,000 in the form of cash, with RMB2,100,227,000 paid before 30 June 2019 and the remaining RMB875,789,000 paid on 1 July 2019.

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30 June 2019

3. BUSINESS COMBINATION (CONTINUED)

Acquisition of Shandong Humon (Continued)

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

	26 June 2019 Provisional fair value RMB'000
Non-current assets	5,288,487
Current assets	10,323,582
Total assets	15,612,069
Non-current liabilities	(414,941)
Current liabilities	(10,705,661)
Total liabilities	(11,120,602)
Total identifiable net assets at fair value	4,491,467
Non-controlling interests	(3,143,417)
Identifiable net assets at fair value attributable to the Group	1,348,050
Goodwill on acquisition	1,627,966
Satisfied by cash	2,976,016

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

Cash consideration paid	2,100,227
Cash and bank balances acquired	(415,307)
Net outflow of cash and cash equivalents included in cash flows from investing activities Cash	1,684,920

The fair values disclosed are provisional as at 30 June 2019. This is because the acquisition only occurred on 26 June 2019, and due to the complexity of the acquisition and the inherently uncertain nature of the mining sector. The finalisation of the valuation work required to determine the fair values of the assets and liabilities acquired will be completed within 12 months of the acquisition date, at the latest.

Notes to Interim Condensed Consolidated Financial Information

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3. BUSINESS COMBINATION (CONTINUED)

Acquisition of Shandong Humon (Continued)

The fair values of the trade receivables and other receivables as at the date of acquisition amounted to RMB197,390,000 and RMB178,325,000, respectively. The gross contractual amounts of trade receivables and other receivables were RMB201,129,000 and RMB195,467,000, respectively, of which RMB3,739,000 and RMB17,142,000 impairment provision provided, respectively.

The Group incurred transaction costs of RMB1,427,000 for this acquisition. These transaction costs have been expensed and are included in other expenses in the interim condensed consolidated statement of profit or loss.

The Group management believes that the revenue and profit contributed by Shandong Humon to the Group from the date of acquisition to 30 June 2019 is not significant to the consolidated financial statements of the Group for the six months ended 30 June 2019. Therefore, the profit or loss of Shandong Humon from the date of acquisition to 30 June 2019 was not included to the consolidated statement of profit or loss of the Group for the period.

Had the combination taken place at the beginning of the period, the revenue from continuing operations of the Group and the net profit of the Group for the period would have been RMB12,987,835,000 and RMB136,209,000, respectively.

None of the goodwill recognised is expected to be deductible for income tax purposes.

Notes to Interim Condensed Consolidated Financial Information

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4. OPERATING SEGMENT INFORMATION

During the reporting period, for management purpose, the Group has one reportable operating segment: production and sale of copper and other related products. Management monitors the operating results of its business units as a whole for the purpose of making decisions about resource allocation and performance assessment.

Geographical information

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

	Six months ended 30 June	
	2019 <i>RMB'000</i> (Unaudited)	2018 <i>RMB'000</i> (Unaudited)
Mainland China	87,546,032	93,981,980
Hong Kong	10,050,156	3,966,880
Others	7,446,745	6,556,570
	105,042,933	104,505,430
Less: Sales related taxes	348,935	479,642
	104,693,998	104,025,788

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

Information about major customers

No customer or a group of customers under common control accounted for 10% or more of the Group's revenue for periods ended 30 June 2019 and 2018. The State-Owned Entities are not identified as a group of customers under common control by the directors of the Company.

Notes to Interim Condensed Consolidated Financial Information

30 June 2019

5. REVENUE AND OTHER INCOME

An analysis of revenue is as follows:

	Six months ended 30 June	
	2019 RMB'000 (Unaudited)	2018 RMB'000 (Unaudited)
Revenue from contracts with customers		
Sale of goods		
– Copper cathodes	64,021,271	58,964,896
– Copper rods	20,572,267	24,007,113
– Copper processing products	2,012,054	2,244,481
– Gold	3,920,180	3,540,926
– Silver	1,385,805	1,012,119
– Sulphuric and sulphuric concentrate	697,160	594,141
– Copper concentrate	5,847,244	7,474,424
– Rare and other non-ferrous metals	2,741,912	4,540,419
– Others	3,688,511	2,042,409
Provision of services	156,529	84,502
	105,042,933	104,505,430
Less: Sales related taxes	348,935	479,642
	104,693,998	104,025,788

Notes to Interim Condensed Consolidated Financial Information

30 June 2019

5. REVENUE AND OTHER INCOME (CONTINUED)

Disaggregated revenue information for revenue from contracts with customers

	Six months ended 30 June	
	2019 RMB'000 (Unaudited)	2018 RMB'000 (Unaudited)
Type of goods or service		
– Sale of goods	104,886,404	104,420,928
– Provision of services	156,529	84,502
	105,042,933	104,505,430
Less: Sales related taxes	348,935	479,642
Total revenue from contracts with customers	104,693,998	104,025,788
Timing of revenue recognition		
– Goods transferred at a point in time	104,886,404	104,420,928
– Services transferred over time	156,529	84,502
	105,042,933	104,505,430
Less: Sales related taxes	348,935	479,642
Total revenue from contracts with customers	104,693,998	104,025,788

An analysis of other income is as follows:

	Six months ended 30 June	
	2019 RMB'000 (Unaudited)	2018 RMB'000 (Unaudited)
Interest income	504,309	276,997
Dividend income from equity investments	23,350	13,500
Government grants recognised	55,941	45,179
Compensation income and others	67,178	11,266
	650,778	346,942

Notes to Interim Condensed Consolidated Financial Information

30 June 2019

6. OTHER GAINS AND LOSSES, NET

	Six months ended 30 June	
	2019 <i>RMB'000</i> (Unaudited)	2018 <i>RMB'000</i> (Unaudited)
Fair value gains from commodity derivative contracts and commodity option contracts:		
Transactions not qualifying as hedges	5,954	588,021
Ineffective portion of cash flow hedges	482	–
Fair value (losses)/gains from foreign currency forward contracts and interest rate swaps	(23,829)	62,553
Fair value gains on other financial assets:		
Listed debentures	–	2,986
Investments in financial products	205,512	–
Non-listed equity instruments	47,597	169
Listed equity instruments	(207,584)	42,638
Income right attached to a target equity interest	7,818	50,240
Gains on other financial assets:		
Bank financial products	98,681	62,213
Listed debentures	6,005	3,187
Assets management products	15,935	45,540
Unlisted equity investments	32,337	–
Listed equity instruments	–	5,559
Impairment losses on:		
Assets classified as held for sale	–	(130,000)
Gains on disposal of property, plant and equipment	3,353	2,995
Gains on disposal of assets classified as held for sale	6,300	–
Foreign exchange losses, net	(31,856)	(118,293)
Others	(15,397)	2,612
	151,308	620,420

Notes to Interim Condensed Consolidated Financial Information

30 June 2019

7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2019 <i>RMB'000</i> (Unaudited)	2018 <i>RMB'000</i> (Unaudited)
Cost of inventories sold and service provided	98,412,573	99,980,672
Depreciation of property, plant and equipment	797,900	815,670
Depreciation of right-of-use assets	105,111	–
Depreciation of prepaid land lease payments	–	15,038
Depreciation of investment properties	5,678	5,678
Amortisation of other intangible assets	38,898	24,203
Impairment of financial and contract assets, net		
– Impairment of trade and bills receivables, net	149,812	528,332
– Impairment of prepayments, other receivables and other assets, net	25,715	10,774
– Impairment of factoring receivables, net	282,035	–
Auditors' remuneration	4,736	4,604
Employee benefit expense:		
– Wages and salaries	1,617,065	1,566,179
– Pension scheme contributions	293,729	278,609
Impairment of assets classified as held for sale	–	130,000
Research and development costs	103,584	93,906
(Reversal of allowance)/allowance for inventories included in cost of sales	(57,293)	147,854

Notes to Interim Condensed Consolidated Financial Information

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8. INCOME TAX

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

	Six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current income tax:		
PRC income tax	357,154	422,548
HK income tax	655	1,108
	357,809	423,656
Deferred income tax	176,382	8,429
Income tax charge for the period	534,191	432,085

Hong Kong profits tax on six (2018: five) of the Group's subsidiaries has been provided at the rate of 16.5% (2018: 16.5%) on the estimated assessable profits arising in Hong Kong during the six months ended 30 June 2019.

The provision for PRC income tax is based on a statutory rate of 25% (2018: 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 entitled to a preferential PRC income tax rate of 15%, according to the PRC Corporate Income Tax Law.

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

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9. DIVIDENDS

	Six months ended 30 June	
	2019 <i>RMB'000</i> (Unaudited)	2018 <i>RMB'000</i> (Unaudited)
Dividends of ordinary shares declared and distributed during the six months:		
Final dividend of RMB0.20 per share for 2018 (2018: final dividend of RMB0.20 per share for 2017)	692,546	692,546

On 25 June 2019, a dividend of RMB0.20 per share (tax inclusive) on 3,462,729,405 shares, in aggregate approximately RMB692,546,000 was declared to the shareholders as the final dividend for year 2018.

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

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 3,462,729,405 (2018: 3,462,729,405) in issue during the period.

The Group had no potentially dilutive ordinary shares in issue during the six months period ended 30 June 2019 and 2018.

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

	Six months ended 30 June	
	2019 <i>RMB'000</i> (Unaudited)	2018 <i>RMB'000</i> (Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the Company, used in the basic and diluted earnings per share calculations	1,412,177	1,327,146
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted earnings per share calculations	3,462,729,405	3,462,729,405

Notes to Interim Condensed Consolidated Financial Information

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11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2019, the Group acquired assets with a cost of RMB1,080,693,000 (six months ended 30 June 2018: RMB696,652,000), excluding property, plant and equipment acquired through a business combination disclosed in note 3 to the interim condensed consolidated financial information.

Assets (other than those classified as held for sale) with a net book value of RMB62,430,000 were disposed by the Group during the six months ended 30 June 2019 (30 June 2018: RMB77,478,000), resulting in a net gain on disposal of RMB3,353,000 (30 June 2018: RMB2,995,000).

No property, plant and equipment was transferred to assets classified as held for sale (six months ended 30 June 2018: RMB174,871,000).

Notes to Interim Condensed Consolidated Financial Information

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12. FINANCIAL INSTRUMENTS OTHER THAN DERIVATIVES

	2019		2018	
Categories	Carrying Amount RMB'000	Categories	Carrying Amount RMB'000	
Assets:				
Debt instruments (including hybrid contracts):				
Listed debentures (a)	FVPL ¹	–	FVPL	109,287
Investments in financial products (b)	FVPL	17,829,071	FVPL	9,468,227
Bond investments (c)	FVOCI ²	50,047	FVOCI	50,047
		17,879,118		9,627,561
Equity instruments:				
Listed equity investments (d)	FVPL	741,314	FVPL	993,050
Unlisted equity investments (e)	FVPL	939,158	FVPL	907,187
Unlisted equity investments (e)	FVOCI	35,624	FVOCI	–
Income right attached to a target equity interest (f)	FVPL	543,517	FVPL	535,698
		2,259,613		2,435,935
		20,138,731		12,063,496
FVPL		20,053,060		12,013,449
FVOCI		85,671		50,047
		20,138,731		12,063,496
Non-current assets		2,098,455		2,272,121
Current assets		18,040,276		9,791,375
		20,138,731		12,063,496
Liabilities:				
Held-for-trading financial liabilities (g)	FVPL	(694,422)	FVPL	–
		(694,422)		–
Current liabilities		(694,422)		–

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

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

Notes to Interim Condensed Consolidated Financial Information

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12. FINANCIAL INSTRUMENTS OTHER THAN DERIVATIVES (CONTINUED)

- (a) The listed debentures are at variable interest rates ranging from 0.5% to 6% (2018: 0.5% to 6%) per annum.
- (b) The amount represents investments in financial products arranged by bank, trust institution and independent securities companies with high credit-rating and good reputation. The financial products held by the Group generate annual target return rates ranged from 3.55% to 8.00% (2018: 4.10% to 8.00%) per annum. The investments have maturity date from 4 July 2019 to 21 November 2021 (2018: 15 January 2019 to 21 November 2021).

	2019 <i>RMB'000</i>	2018 <i>RMB'000</i>
Including:		
Bank financial products	15,291,958	8,182,800
Trust products	1,500,000	222,165
Asset management products	1,037,113	1,063,262
	17,829,071	9,468,227

As at 30 June 2019, the bank financial products of RMB487,307,000 (31 December 2018: Nil) was pledged to secure short-term bank borrowings.

- (c) As at 30 June 2019, the bond investments held by the Group generates annual target return rates ranged from 7.17% to 7.50% (six months ended 30 June 2018: 7.17% to 7.50%), with matured date of 31 October 2019 (six months ended 30 June 2018: 22 October 2019 to 31 October 2019).
- (d) The listed equity securities mainly represent stocks listed in PRC and the Stock Exchange of Hong Kong Limited ("HKEx").
- (e) The unlisted equity investments represent the Group's equity interests in unlisted PRC companies. None of the shareholdings exceeds 20% of the issued capital of the respective investee and the Group did not have significant influence on these invested entities.
- (f) The investment represents a beneficial right attached to the 2.65% equity interest in a limited liability company established in the PRC held by China Cinda ("Beneficial Right"), including the right to all the incomes derived from this equity interest. The Group obtained the Beneficial Right by transferring its entrusted accounts receivable to independent third parties including Ping An Trust Co., Ltd. ("Ping An Trust") and China Cinda Asset Management Co., Ltd. ("China Cinda") in December 2017.
- (g) A subsidiary of the Group, Shangdong Humon, entered into certain gold lease contracts with independent lessors. During the lease period, Shangdong Humon might sell the leased gold to independent third parties. When the lease period expires, Shangdong Humon shall return the gold with the same quantity and quality to the lessors. The obligation to return the gold is recognised as held-for-trading financial liabilities.

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13. DERIVATIVE FINANCIAL INSTRUMENTS

	2019		2018	
	Assets <i>RMB'000</i>	Liabilities <i>RMB'000</i>	Assets <i>RMB'000</i>	Liabilities <i>RMB'000</i>
Assets/(liabilities)				
Commodity derivative contracts	299,415	(33,748)	87,749	(47,495)
Commodity option contracts	2,105	(5,722)	–	(20,966)
Provisional price arrangements	13,434	–	94,236	–
Foreign currency forward contracts and interest rate swaps	65,586	(38,985)	81,920	(25,797)
	380,540	(78,455)	263,905	(94,258)

	2019 <i>RMB'000</i>	2018 <i>RMB'000</i>
Including:		
Derivatives designated as hedging instruments (a):		
Cash flow hedges		
– Commodity derivative contracts	4,150	3,401
Fair value hedges		
– Provisional price arrangements	13,434	94,236
	17,584	97,637
Derivatives not designated as hedging instruments (b):		
– Commodity derivative contracts	261,517	36,853
– Commodity option contracts	(3,617)	(20,966)
– Foreign currency forward contracts and interest rate swaps	26,601	56,123
	284,501	72,010
	302,085	169,647

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

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13. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

(a) Derivatives designated as hedging instruments:

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

– Cash flow hedge

Certain commodity derivative contracts were designated by the Group to hedge its exposure to variability in cash flows attributable to price fluctuation risk associated with highly probable forecast sales of copper related products. As at 30 June 2019, the expected delivery period of the forecasted sales for copper related products was from July to September 2019 (31 December 2018: the expected delivery period of the forecasted sales for copper related products was from January to March 2019).

– Fair value hedge

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

At the inception of above hedging relationships, the Group formally designates and documents the hedge relationship, risk management objective and strategy for undertaking the hedge. The cash flow hedge and fair value hedge mentioned above were assessed to be highly effective.

Accordingly, for the six months ended 30 June 2019, a net gain of RMB29,608,000 (for the six months ended 30 June 2018: nil) for effectiveness portion under cash flow hedge was included in the hedging reserve, and a net gain of RMB482,000 for ineffectiveness portion was included in income statement (for the six months ended 30 June 2018: nil). Further details are given in other comprehensive income and note 6, respectively.

For the six months ended 30 June 2019, the fair value gains of provisional price arrangements designated as fair value hedges of the Group are RMB74,338,000 (for the six months ended 30 June 2018: fair value losses of RMB313,868,000). The net fair value losses of the hedged item, inventories, attributable to the risk hedged is RMB80,802,000 (for the six months ended 30 June 2018: fair value gains of RMB329,606,000) in aggregate.

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13. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

(b) Derivatives not designated as hedging instruments:

The Group utilises commodity derivative contracts to manage the commodity price risk of forecasted purchases of copper cathode as well as copper component within copper concentrate, forecasted sales of copper wires and rods, and copper related products. These arrangements are designed to reduce significant fluctuations in the prices of copper concentrate, copper cathodes, copper wires and rods, and copper related products which move in line with the prevailing price of copper cathode.

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

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

14. TRADE AND BILLS RECEIVABLES

	30 June 2019 RMB'000 (Unaudited)	31 December 2018 RMB'000 (Audited)
Trade receivables	11,181,493	10,900,293
Bills receivable	2,191,222	3,229,925
	13,372,715	14,130,218
Less: Impairment allowance	5,325,209	5,172,573
	8,047,506	8,957,645

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally one months. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimize credit risk. Overdue balances are reviewed regularly by senior 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 associates and related parties are repayable on similar credit terms to those offered to the major customers of the Group. Details as in note 21.

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14. TRADE AND BILLS RECEIVABLES (CONTINUED)

As at 30 June 2019, bills receivables of RMB998,839,000 (31 December 2018: RMB737,796,000) and no trade receivables (31 December 2018: RMB100,000,000) were pledged to secure short-term bank borrowings.

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

	30 June 2019 RMB'000 (Unaudited)	31 December 2018 RMB'000 (Audited)
Within 1 year	5,815,526	6,783,279
1 to 2 years	583,616	1,119,564
2 to 3 years	1,024,316	1,052,571
Over 3 years	624,048	2,231
	8,047,506	8,957,645

The term of bills receivable are all less than 12 months. As at 30 June 2019, the bills receivables were neither past due nor impaired (31 December 2018: Nil).

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

	For the six months ended 30 June	
	2019 RMB'000 (Unaudited)	2018 RMB'000 (Unaudited)
At beginning of the period	5,172,573	3,786,855
Impairment losses, net	149,812	528,332
Effect of business combination not under common control	3,740	–
Amounts written off as uncollectible	(916)	(442)
At end of the period	5,325,209	4,314,745

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15. CASH, CASH EQUIVALENTS AND RESTRICTED BANK DEPOSITS

	30 June 2019 <i>RMB'000</i> (Unaudited)	31 December 2018 <i>RMB'000</i> (Audited)
Cash and bank balances	22,422,657	17,101,638
Time deposits	6,778,300	5,671,662
	29,200,957	22,773,300
Less: Restricted bank deposits (a)	16,987,673	12,125,857
Cash and cash equivalents	12,213,284	10,647,443

a) As at 30 June 2019, the restricted bank deposits include the following:

- Deposits amounting to RMB6,782,362,000 (31 December 2018: RMB4,820,168,000) was pledged to secure bank borrowings;
- Cash in the bank amounting to RMB219,857,000 (31 December 2018: RMB3,900,000) was pledged for gold lease contracts;
- A deposit amounting to RMB1,142,200,000 (31 December 2018: RMB845,244,000) was pledged for the issuing of letters of credit;
- A deposit amounting to RMB600,000 (31 December 2018: RMB6,250,000) was pledged for the issuing of letters of guarantee;
- A deposit amounting to RMB8,140,217,000 (31 December 2018: RMB5,534,922,000) was pledged for the issuing bank accepted notes;
- Deposits amounting to RMB9,566,000 (31 December 2018: RMB33,854,000) were placed as environmental recovery deposits whose usage is restricted; and
- Required mandatory reserve deposits and other restricted deposits amounting to RMB625,307,000 (31 December 2018: RMB881,519,000) was placed by JCC Finance Company Limited, a subsidiary of the Group, in the People's Bank of China ("PBC"), which are not available for use in the Group's daily operations.
- Cash in bank amounting to RMB67,564,000 is restricted due to litigation (31 December 2018: Nil).

Notes to Interim Condensed Consolidated Financial Information

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

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to RMB19,816,968,000 (31 December 2018: RMB18,723,350,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

As at 30 June 2019, bank balances and cash of RMB3,423,432,000 (31 December 2018: RMB3,280,381,000) were placed in banks outside of the PRC.

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

16. TRADE AND BILLS PAYABLE

	30 June 2019 RMB'000 (Unaudited)	31 December 2018 RMB'000 (Audited)
Trade payables	6,391,324	4,306,595
Bills payables	3,627,643	1,923,463
	10,018,967	6,230,058

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

As at 30 June 2019, the Group has no material balance of accounts payable aged over one year (31 December 2018: Nil).

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

Notes to Interim Condensed Consolidated Financial Information

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17. INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2019 <i>RMB'000</i> (Unaudited)	31 December 2018 <i>RMB'000</i> (Audited)
Bank borrowings – secured	10,772,992	8,446,501
Bank borrowings – unsecured	42,060,613	24,736,954
	52,833,605	33,183,455
On demand or within one year	52,489,256	29,901,455
More than one year, but not exceeding two years	344,349	2,982,000
More than two years, but not exceeding five years	–	300,000
	52,833,605	33,183,455
Current	52,489,256	29,901,455
Non-current	344,349	3,282,000

As at 30 June 2019, the bank borrowings carry interest at rates ranging from 2.27% to 6.00% (2018: 1.12% to 6.40%) per annum.

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

- (a) Mortgaged borrowings amounting to RMB5,141,545,000 (31 December 2018: RMB2,983,745,000) which were secured by deposits with a carrying value of RMB6,782,362,000 (31 December 2018: RMB4,820,168,000), bills receivables with a carrying value of RMB998,839,000 (31 December 2018: RMB737,796,000), and trade receivables with a carrying value of nil (31 December 2018: RMB100,000,000), and the bank financial products with a carrying value of RMB487,307,000 (31 December 2018: Nil);
- (b) Pledged borrowing amounting to RMB348,237,000 (31 December 2018: RMB211,982,000) which was secured by inventories with a carrying value of RMB142,580,000 (31 December 2018: RMB250,000,000), buildings with a carrying value of RMB218,715,000 (31 December 2018: RMB225,150,000), machineries with a carrying value of Nil (31 December 2018: RMB372,616,000), the land lease right with a carrying value of RMB19,309,000 (31 December 2018: RMB339,000,000), and;
- (c) Guaranteed borrowing amounting to RMB5,283,210,000 (31 December 2018: RMB1,636,069,000) which was guaranteed by a non-controlling interest of a Group's subsidiary.

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

Notes to Interim Condensed Consolidated Financial Information

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18. CORPORATE BONDS

	2019 <i>RMB'000</i>	2018 <i>RMB'000</i>
Corporate bonds	599,750	500,000
The amounts are repayable as follows:		
On demand or within one year	99,750	–
More than one year, but not exceeding five years	500,000	500,000
	599,750	500,000
Current portion (a)	99,750	–
Non-current portion (b)	500,000	500,000

(a) Pursuant to the approval of National Association of Financial Market Institutional Investors (No. [2018] PPN108), a subsidiary of the Group, Shandong Humon, issued 1,000,000 certificates of bonds at par with a nominal value of RMB100 each, in an aggregate amount of RMB100,000,000 on 26 April 2018. The bond has a life of two years from the date of issuance and bears interest at a rate of 6.98% per annum with repayment on maturity.

(b) Pursuant to the approval of the China Securities Regulatory Commission (No. [2016] 2745), the Company issued 5,000,000 certificates of bonds at par with a nominal value of RMB100 each, in an aggregate amount of RMB500,000,000 on 20 September 2017. The bonds have a life of five years from the date of issuance and bear interest at a rate of 4.74% per annum which is payable in arrears on 21 September of each year, and with principal repaid on maturity.

The Company has an option to adjust the interest rate and the investors are entitled to request the Company to repurchase the Corporate Bonds after the end of the third year from the date of the issuance. The Corporate Bonds are listed on the Shanghai Stock Exchange. The options of the Corporate Bonds entitled to the Company and the investors are regarded as embedded derivatives closely related to the host contract.

Notes to Interim Condensed Consolidated Financial Information

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19. CONTINGENT LIABILITIES

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

20. COMMITMENTS

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

	30 June 2019 <i>RMB'000</i> (Unaudited)	31 December 2018 <i>RMB'000</i> (Audited)
Contracted, but not provided for		
Acquisition of property, plant and equipment and exploration and evaluation rights	515,353	539,104
Investments in associates (<i>i, ii</i>)	1,817,462	1,847,206
	2,332,815	2,386,310

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

The total investment of MCC-JCL shall initially be USD4,390,835,000 and shall be funded by capital injection from shareholders and by project loan financing in the proportions of 30% and 70%, respectively. The capital injection shall be contributed by the Company and CMCC on a pro rata basis. The Company shall not be obliged to provide guarantees, indemnities or capital commitments for the project loan financing.

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

Fund I shall initially raise USD150,000,000 of which the Group has undertaken to contribute USD100,000,000. The Group shall not be obliged to provide guarantees, indemnities or capital commitments for the project loan financing. As at 30 June 2019, the Group has invested USD65,301,000 (31 December 2018: USD60,905,000).

Notes to Interim Condensed Consolidated Financial Information

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21. RELATED PARTY TRANSACTIONS

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

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

	2019 <i>RMB'000</i> (Unaudited)	2018 <i>RMB'000</i> (Unaudited)
Sales to JCC:		
Sales of auxiliary industrial products	2,323	3,001
Sales to JCC's affiliates:		
Sales of copper rods	263,709	353,277
Sales of copper cathodes	298,701	232,060
Sales of auxiliary industrial products	61,968	108,802
Sales of zinc concentrate	21,276	–
Sales of lead material	35,002	13,063
Sales of auxiliary materials	2,467	6,034
Sales of sulphuric acid	2,287	755
	685,410	713,991
Disposal of assets to JCC's affiliates:		
Sales of property, plant and equipment	–	85,243
Sales of an unlisted equity investment	75,111	–
	75,111	85,243
Purchases from JCC's affiliates:		
Purchases of auxiliary industrial products	37,014	64,904
Purchases of copper concentrate	19,956	25,557
Purchases of sulfuric and sulfuric concentrate	7,610	6,220
	64,580	96,681

Notes to Interim Condensed Consolidated Financial Information

30 June 2019

21. RELATED PARTY TRANSACTIONS (CONTINUED)

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

	2019 <i>RMB'000</i> (Unaudited)	2018 <i>RMB'000</i> (Unaudited)
Service fees charged to JCC:		
Construction services	312	4,031
Supply of electricity	3,933	1,494
Supply of water	126	139
Vehicle transportation services	251	15
Other management income	1,928	735
	6,550	6,414
Service fees charged to JCC's affiliates:		
Construction services	70,977	81,418
Supply of electricity	14,469	1,703
Rentals for public facilities and other services	4,160	1,590
Repair and maintenance services	–	1,776
Vehicle transportation services	136	7,077
Supply of water	47	111
Other management income	480	962
	90,269	94,637
Service fees charged by JCC:		
Labour service	93	1,500
Welfare and health care services	2,910	1,127
Sanitation and greening service	152	–
Rental fee for public facilities	6,870	–
	10,025	2,627

Notes to Interim Condensed Consolidated Financial Information

30 June 2019

21. RELATED PARTY TRANSACTIONS (CONTINUED)

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

	2019 <i>RMB'000</i> (Unaudited)	2018 <i>RMB'000</i> (Unaudited)
Service fees charged by JCC's affiliates:		
Repair and maintenance services	16,625	17,001
Brokerage agency services for commodity derivative contracts	540	6,904
Construction services	–	1,790
Labour service	14,002	16,893
	31,167	42,588
Loans provided to JCC's affiliates	924,533	811,000
Financial services provided to JCC's affiliates:		
Interest received from loans provided	21,830	27,826
Financial services received from JCC:		
Interest paid for deposits made	3,025	5,840
Financial services received from JCC's affiliates:		
Interest paid for deposits made	1,127	4,278

Notes to Interim Condensed Consolidated Financial Information

30 June 2019

21. RELATED PARTY TRANSACTIONS (CONTINUED)

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

In 2018, the Group entered into rental agreements to rent certain land use rights in Jiangxi Province from JCC at an annual rental fee of RMB159,273,000 with a lease period from 1 January 2018 to 31 December 2020. The total rental fee amounted to RMB79,636,000 for the Reporting Period (six months ended 30 June 2018: RMB79,636,000).

In 2018, the Group entered into a rental agreement to rent an office building in Jiangxi Province from JCC at an annual rental fee of RMB396,000 with a lease period from 1 April 2018 to 31 March 2019. In 2019, the Group renewed the above rental agreement at an annual rental fee of RMB594,000 with a lease period from 1 April 2019 to 31 March 2020. The total rental fee amounted to RMB248,000 for the Reporting Period (six months ended 30 June 2018: RMB198,000).

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

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

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

	2019 <i>RMB'000</i> (Unaudited)	2018 <i>RMB'000</i> (Unaudited)
Sales of auxiliary industrial products	10,996	7,348
Purchases of copper concentrate	30,539	27,604
Supply of electricity	653	645
Other management fee	–	267
	653	912

Notes to Interim Condensed Consolidated Financial Information

30 June 2019

21. RELATED PARTY TRANSACTIONS (CONTINUED)

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

	2019 <i>RMB'000</i> (Unaudited)	2018 <i>RMB'000</i> (Unaudited)
Loans provided	2,915,159	–

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

	2019 <i>RMB'000</i> (Unaudited)	2018 <i>RMB'000</i> (Unaudited)
Sales of copper cathodes	571,871	870,298
Sales of copper concentrates	734,303	268,634
Sales of auxiliary industrial products	13,314	711,293
	1,319,488	1,850,225
Purchases of copper cathodes	426,758	266,466
Purchases of blister copper and copper concentrate	3,510,280	147,674
Purchases of auxiliary industrial products	–	7,572
	3,937,038	421,712

Notes to Interim Condensed Consolidated Financial Information

30 June 2019

21. RELATED PARTY TRANSACTIONS (CONTINUED)

(e) Outstanding balances with related parties:

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

	2019 <i>RMB'000</i> (Unaudited)	2018 <i>RMB'000</i> (Audited)
Bills receivables:		
JCC's affiliates	12,711	32,685
Trade receivables:		
JCC	75	3,230
JCC's affiliates	459,418	452,824
Non-controlling interest holder and its subsidiary	18,030	213,061
The jointly controlled entities	337	–
	477,860	669,115
Prepayments:		
JCC	2,500	4,000
JCC's affiliates	54,650	35,408
Non-controlling interest holder and its subsidiary	189	1,373
	57,339	40,781

Notes to Interim Condensed Consolidated Financial Information

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21. RELATED PARTY TRANSACTIONS (CONTINUED)

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

	2019 <i>RMB'000</i> (Unaudited)	2018 <i>RMB'000</i> (Audited)
Other receivables:		
JCC	37	115
JCC's affiliates	717,001	690,633
Non-controlling interest holder and its subsidiary	6,083	–
The associates	1,025,904	1,912
	1,749,025	692,660
Interest receivables:		
JCC's affiliates	17,395	12,403
Loans to – short-term loans:		
JCC's affiliates	1,300,465	1,182,088
The associates	2,915,159	–
	4,215,624	1,182,088
Other borrowings:		
Non-controlling interest holder and its subsidiary	16,500	–

Notes to Interim Condensed Consolidated Financial Information

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21. RELATED PARTY TRANSACTIONS (CONTINUED)

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

	2019 <i>RMB'000</i> (Unaudited)	2018 <i>RMB'000</i> (Audited)
Trade payable:		
JCC	1,032	829
JCC's affiliates	40,869	56,887
Non-controlling interest holder and its subsidiary	350,130	330,800
	392,031	388,516
Contract liabilities/advances:		
JCC	409	86
JCC's affiliates	8,800	24,611
	9,209	24,697
Other payables:		
JCC	178,349	264,265
JCC's affiliates	17,477	37,471
Non-controlling interest holder and its subsidiary	207,835	–
	403,661	301,736

Notes to Interim Condensed Consolidated Financial Information

30 June 2019

21. RELATED PARTY TRANSACTIONS (CONTINUED)

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

	2019 <i>RMB'000</i> (Unaudited)	2018 <i>RMB'000</i> (Audited)
Interest payable:		
JCC	1,711	225
JCC's affiliates	4,232	6,274
Non-controlling interest holder and its subsidiary	5,235	–
	11,178	6,499
Deposits from customers:		
JCC	864,570	1,174,439
JCC's affiliates	692,261	763,464
	1,556,831	1,937,903
Other long-term payable:		
JCC	8,676	11,198

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

	2019 <i>RMB'000</i> (Unaudited)	2018 <i>RMB'000</i> (Unaudited)
Short-term employee benefits	6,315	4,247
Post-employment benefits	244	257
Performance related bonus	50	50
	6,609	4,554

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

Notes to Interim Condensed Consolidated Financial Information

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21. RELATED PARTY TRANSACTIONS (CONTINUED)

- (g) The Group itself is part of a larger group of companies under the State-owned Assets Supervision & Administration Commission of the People's Government of Jiangxi Province which is controlled by the PRC government and the Group operates in an economic environment currently pre-dominated by entities controlled, jointly controlled or significantly influenced by the PRC government.

Apart from the transactions with the parent company and its subsidiaries which have been disclosed in other notes to the consolidated financial statements, the Group also conducts business with entities directly or indirectly controlled, jointly controlled or significantly influenced by the PRC government in the ordinary course of business, including majority of its bank deposits and the corresponding interest income, certain bank borrowings and the corresponding finance costs, and significant purchases and sales of copper and other related products.

22. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management believes that the fair value of all financial assets and financial liabilities reasonably approximate to their carrying amounts as at 30 June 2019 and 31 December 2018.

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

The fair values of the non-current portion of deposits for prepaid lease payments, interest-bearing bank and other borrowings, corporate bonds, lease liability and other long-term payables have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The fair values have been assessed to be approximate to their carrying amounts. The Group's own non-performance risk for interest-bearing bank and other borrowings and corporate bonds as at 30 June 2019 was assessed to be insignificant.

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

Notes to Interim Condensed Consolidated Financial Information

30 June 2019

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

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

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

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

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

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

The fair values of unlisted equity investments and income right attached to a target equity interest have been estimated based on the comparable companies analysis in terms of a series key ratios. Management believes that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statements of financial position, and the related changes in fair values, which are recorded in profit or loss, are reasonable, and that they were the most appropriate values as at 30 June 2019.

Notes to Interim Condensed Consolidated Financial Information

30 June 2019

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

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

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

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

Notes to Interim Condensed Consolidated Financial Information

30 June 2019

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

Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's financial assets and financial liabilities as at 30 June 2019:

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Financial assets:				
– Listed equity securities	741,314	–	–	741,314
– Investments in financial products	–	–	17,829,071	17,829,071
– Bonds investments	–	50,047	–	50,047
– Unlisted equity investments	–	–	974,782	974,782
– Income right attached to a target equity interest	–	–	543,517	543,517
Derivative financial instruments:				
– Commodity derivative contracts	299,415	–	–	299,415
– Commodity option contracts	–	2,105	–	2,105
– Provisional price arrangements	–	13,434	–	13,434
– Foreign currency forward contracts and interest rate swaps	–	65,586	–	65,586
Bills receivables	–	2,174,722	–	2,174,722
Inventories includes hedged items	2,978,881	–	–	2,978,881
	4,019,610	2,305,894	19,347,370	25,672,874
Financial liabilities:				
Derivative financial instruments:				
– Commodity derivative contracts	33,748	–	–	33,748
– Commodity option contracts	–	5,722	–	5,722
– Foreign currency forward contracts and interest rate swaps	–	38,985	–	38,985
Held for trading financial liabilities	–	694,422	–	694,422
	33,748	739,129	–	772,877

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30 June 2019

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

Fair value hierarchy (Continued)

31 December 2018:

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Financial assets:				
– Listed debentures	109,287	–	–	109,287
– Listed equity securities	993,050	–	–	993,050
– Investments in financial products	–	–	9,468,227	9,468,227
– Bonds investments	–	50,047	–	50,047
– Unlisted equity investments	–	–	907,187	907,187
– Income right attached to a target equity interest	–	–	535,698	535,698
Derivative financial instruments:				
– Commodity derivative contracts	87,749	–	–	87,749
– Provisional price arrangements	–	94,236	–	94,236
– Foreign currency forward contracts and interest rate swaps	–	81,920	–	81,920
Bills receivables	–	3,215,502	–	3,215,502
Inventories includes hedged items	2,883,906	–	–	2,883,906
	4,073,992	3,441,705	10,911,112	18,426,809
Financial liabilities:				
Derivative financial instruments:				
– Commodity derivative contracts	43,550	3,945	–	47,495
– Commodity option contracts	–	20,966	–	20,966
– Foreign currency forward contracts and interest rate swaps	–	25,797	–	25,797
	43,550	50,708	–	94,258

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30 June 2019

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

Fair value hierarchy (Continued)

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

	30 June 2019 <i>RMB'000</i> (Unaudited)	31 December 2018 <i>RMB'000</i> (Audited)
At 1 January	10,911,112	3,441,807
Purchase	12,150,477	16,067,986
Effect of business combination not under common control	173,655	–
Total gains recognised in the statement of profit or loss	407,880	143,310
Disposals	(4,295,754)	(8,741,991)
At period/year end	19,347,370	10,911,112

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 (2018: Nil).

23. APPROVAL OF THE FINANCIAL STATEMENTS

The interim condensed consolidated financial information was approved and authorised for issue by the board of directors on 29 August 2019.



Jiangxi Copper Company Limited