江西銅業股份有限公司

JIANGXI COPPER COMPANY LIMITED

(a Sino-foreign joint venture joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 358)

2007 INTERIM RESULTS ANNOUNCEMENT

1. IMPORTANT NOTICE

1.1 The board of directors (the "Board") and the directors (the "Directors") of Jiangxi Copper Company Limited (the "Company") warrant that there are no false representations or misleading statements contained in or material omissions from this report, and collectively and individually accept responsibility for the truthfulness, accuracy and completeness of the contents contained herein.

1.2 The financial statements in this interim report have not been audited, but the financial statements prepared in accordance with the International Financial Reporting Standards ("IFRS") have been reviewed and approved by the independent audit committee of the Company.

1.3 The Directors of the Company, Mr. Wang Chiwei, Mr. Liang Qing, Mr. Long Ziping and Mr. Li Baomin were unable to attend the meeting, but have appointed other Directors to attend and exercise all rights of a Director on their behalf.

1.4 Mr. Li Yihuang, the Company's Chairman, Mr. Wu Jinxing, a Director and the Chief Financial Officer and Ms. Qiu Ling, the Manager of the Financial Department, represent and warrant that the financial statements contained in this interim report are true and complete.

2. MAJOR FINANCIAL DATA AND INDICATORS

2.1 FINANCIAL DATA AND INDICATORS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

	For the six months ended 30 June	
	2007	2006
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Turnover	**17,298,422**	9,492,581
Profit before taxation	**2,417,361**	2,546,642
Profit for the reporting period attributable to shareholders of the Company	**2,031,698**	2,090,353
Basic earnings per share	**RMB0.7018**	RMB0.7220

	As at 30 June 2007	As at 31 December 2006
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Total assets	**24,001,929**	20,029,727
Total liabilities	**10,213,423**	7,106,701
Minority interests	**466,727**	415,330
Equity attributable to shareholders of the Company	**13,341,779**	12,507,696
Equity attributable to shareholders of the Company per share	**RMB4.61**	RMB4.32

2.2 FINANCIAL DATA AND INDICATORS PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS AND REGULATIONS ("PRC GAAP")

	As at 30 June 2007 *RMB'000* (Unaudited)	As at 30 June 2006 *RMB'000* (Unaudited)	Increase (Decrease) %
Total assets	**24,000,827**	19,991,730	20.05
Owners' (or shareholders') equity	**13,750,378**	12,923,028	6.40
Net assets attributable to shareholders of the Company per share (RMB)	**4.75**	4.46	6.50

	For the six months ended 30 June		
	2007 *RMB'000* **(Unaudited)**	2006 *RMB'000* (Unaudited)	Increase (Decrease) %
Operating profit	**2,375,556**	2,569,139	(7.54)
Total profit	**2,366,524**	2,546,643	(7.07)
Net profit	**2,034,514**	2,109,758	(3.57)
Net profit after extraordinary items *(Note)*	**2,042,180**	2,132,254	(4.22)
Basic earnings per share (RMB)	**0.6886**	0.7220	(4.63)
Diluted earnings per share (RMB)	**0.6886**	0.7220	(4.63)
Return on net assets (%)	**14.99**	16.71	(1.72)
Net cash flow from operating activities	**(595,059)**	1,190,293	(150.00)
Net cash flow from operating activities per share	**(0.21)**	0.41	(151.22)

Note: Excluding extraordinary items and amount

Extraordinary items	**Amount** *RMB'000* (Unaudited)
Loss from the disposal of non-current assets	7,930
Net non-operating expenses from other activities	1,102
Impact of income tax on extraordinary items	(1,366)
Total	7,666

2.3 DIFFERENCES BETWEEN IFRS AND PRC GAAP

	Net profit		Shareholders' equity	
	For the six months ended 30 June		As at 30 June	As at 31 December
	2007	2006	**2007**	2006
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Audited)
Prepared under PRC GAAP	**2,034,514**	2,109,758	**13,750,378**	12,903,028
Adjustments in accordance with IFRS:				
— Reversal of Safe production fund	**50,837**	—	**50,837**	—
— Recognition of the impact on deferred income tax from reversal of safe production fund under IFRS	**(12,709)**	—	**(12,709)**	—
Prepared in accordance with the IFRS	**2,072,642**	2,109,758	**13,788,506**	12,923,028

2.4 CHANGES IN SHARE CAPITAL AND SHAREHOLDING

As at the end of reporting period, the number of shareholders of the Company amounted to 99,847.

(1) Shareholdings of the top ten shareholders as at the end of the reporting period

Name of shareholder	Type of shareholders	Percentage of shareholding *(%)*	Total number of shares held *(Share)*	Change during the reporting period	Number of shares held subject to trading moratorium *(Share)*	Number of shares pledged or frozen
HKSCC Nominees Limited	Overseas legal person	47.59	1,377,705,900	-838,000	Nil	Unknown
Jiangxi Copper Corporation	Domestic legal person	42.31	1,225,035,414	—	1,225,035,414	No
Wang Yuanzhong	Unknown	0.17	4,876,724	—	Nil	Unknown
Dong Guoshun	Unknown	0.13	3,723,321	—	Nil	Unknown
Tianchuang Homebuyers	Unknown	0.09	2,494,088	2,494,088	Nil	Unknown
Prudential	Unknown	0.08	2,194,807	2,194,807	Nil	Unknown
HSBC Nominees (Hong Kong) Limited	Overseas legal person	0.06	1,633,000	21,000	Nil	Unknown
Boshi Securities Investment Fund	Unknown	0.05	1,480,379	1,480,379	Nil	Unknown
Feng Shihong	Unknown	0.05	1,446,068	1,446,068	Nil	Unknown
Wan Yong Industry	Unknown	0.04	1,300,000	1,300,000	Nil	Unknown

(2) Shareholdings of the top ten holders of shares not subject to trading moratorium as at the end of the reporting period

Name of shareholder	Number of shares held not subject to trading moratorium *(share)*	Class of shares
HKSCC Nominees Limited	1,377,705,900	Overseas listed foreign shares (H Shares)
Wang Yuanzhong	4,876,724	Ordinary shares denominated in RMB (A Shares)
Dong Guoshun	3,723,321	Ordinary shares denominated in RMB (A Shares)
Tianchuang Homebuyers	2,494,088	Ordinary shares denominated in RMB (A Shares)
Prudential	2,194,807	Ordinary shares denominated in RMB (A Shares)
HSBC Nominees (Hong Kong) Limited	1,633,000	Overseas listed foreign shares (H Shares)
Boshi Securities Investment Fund	1,480,379	Ordinary shares denominated in RMB (A Shares)
Feng Shihong	1,446,068	Ordinary shares denominated in RMB (A Shares)
Wan Yong Industry	1,300,000	Ordinary shares denominated in RMB (A Shares)
Wong Shirley Kaye	1,104,000	Overseas listed foreign shares (H Shares)

Notes:

The Company is not aware of any connected relationship among the above holders of listed shares, nor aware of any parties acting in concert as defined in Administrative Measures on Acquisitions of Listed Companies.

Jiangxi Copper Corporation ("JCC"), the de facto controller of the Company, and the others in top ten shareholders are neither connected person nor party act in concert.

There is no change in controlling shareholder and the de facto controller during the reporting period.

2.5 CHANGES IN DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT

On 19 January 2007, a meeting was held by the employee representatives of the Company at which the resignation of Mr. Li Baomin as Supervisor representing staff and employees of the Company was approved.

On 3 April 2007, the Company held the first extraordinary general meeing in the year 2007 at which the resignation of Mr. He Changming and Ms. Qi Huaiying as executive Directors of the Company were approved. Meanwhile, Mr. Li Baomin and Mr. Long Ziping were appointed as executive Directors of the Company.

3. REPORT OF THE BOARD

(I) Business review

During the reporting period, China's economy remained rapid growth with rising demand on copper from power, real estate and transportation industries. Meanwhile, the influential countries in the world also enjoyed rapid economic growth with moderate increase in overall consumption of copper on a solid basis. Accordingly, copper price regained momentum and stayed in high levels after the first quarter's falling. During the reporting period, the average three-month copper futures price on London Metals Exchange (the "LME") increased by USD787 per tonne (or 13.17%) to USD6,763 per tonne from USD5,976 per tonne when compared with the same period last year. On Shanghai Futures Exchange, average three-month copper futures closing price (tax inclusive) increased by RMB6,991 per tonne (or 12.97%) to RMB60,896 per tonne from RMB53,905 per tonne when compared with the same period last year. The Company realized the average copper price of RMB52,660 per tonne during the reporting period, representing an increase of 13.22% when compared with the same period last year.

Despite of the rising copper price in the reporting period, processing fee for copper smelting kept falling, as a result, the income from copper cathode produced with outsourced material and copper smelting and processing service decreased substantially.

During the reporting period, the Company recorded operating revenue of RMB17,298.42 million in accordance with IFRS, representing an increase of RMB7,805.84 million (or an increase of 82.23%) over the same period last year; net profit amounted to RMB2,072.64 million, representing a decrease of RMB37.12 million (or a decrease of 1.76%) when compared with the same period last year; earnings per share was RMB0.7018, representing a decrease of RMB0.0202 (or a decrease of 2.80%) from the same period last year. Equity per share attributable to shareholders of the Company was RMB4.61.

(II) Investment overview

(1) Guixi Smelter Phase IV Expansion

The total investment of the project is estimated at approximately RMB3,644.75 million. As at the end of the reporting period, the accumulated investment of the project amounted to RMB1,453.83 million. A total of RMB616.24 million was invested during the reporting period. The remaining investment will be substantially completed by the end of this year. Upon its full completion, the Company's production capacity of copper cathode is expected to reach 700,000 tonnes per annum.

(2) Fujiawu Mine Development and Construction

The total investment of the project amounted to approximately RMB1,052.54 million. As at the end of the reporting period, the accumulated investment of the project amounted to RMB805.07 million. A total of RMB246.79 million was invested during the reporting period. At present, the daily mining output of the mine is 15,000 tonnes and all ore from the mine are transported to the existing ore-dressing facilities of Dexing Mine for processing.

(3) Wushan Copper Mine's 5,000-tonne Expansion Project

The total investment of the project is estimated to approximately RMB257.31 million. As at the end of the reporting period, the accumulated investment of the Project amounted to RMB150.22 million. A total of RMB11.04 million was invested during the reporting period. Upon its completion, the ore handling capacity of Wushan Copper Mine will be increased to 5,000 tonnes from the existing 3,000 tonnes per day. The project is estimated to contribute to the Company additional 6,145 tonnes of copper concentrate and 107 kg of contained gold and 10,000 kg of contained silver.

(4) Yongping Copper Mine Transition Project from Open-pit Mining to Underground Mining

The total investment of the project is estimated to approximately RMB387.54 million. As at the end of the reporting period, the accumulated investment of the Project amounted to RMB29.02 million. A total of RMB19.23 million was invested during the reporting period. Upon its completion, the current production capacity of 10,000 tonnes per day of Yongping Copper Mine is expected to prolong for a period of 7 years.

(5) JCC-BioteQ Environmental Technologies Co. Ltd.

On 5 July 2007, the Company and BioteQ Environmental Technologies of Canada set up a joint venture, Jiangxi Copper BioteQ Environmental Technologies Co., Ltd. RMB14.10 million was contributed by the Company, representing 50% shares of the joint venture. The joint venture will utilize Bio-sulphide technology for the recovery of copper metal from waste water from mines. Upon completion of the project, approximately 700 tonnes of copper metal could be recovered from the waste water from mines per year.

(III) Outlook for the second half

The PRC economy will maintain a moderate overall growth despite mild market control measures to be launched in a continuous manner. As supported by economic conditions as well as supply and demand fundamentals, the copper consumption will remain its growth momentum. Accordingly, it is expected that the copper price will stay at high levels. Meanwhile, since concentration of world copper resources is relatively high and the aggressive expansion of production capacity of copper has not been restricted essentially in China, it is estimated that global processing fee of copper smelting will hardly rebound in a short time. As such, the Company is expected to face many challenges in the second half of 2007. To address the challenges, the Company will focus on the following aspects:

(1) Speed up the implementation of resources development strategy

The Company is to strengthen resource exploration. After the acquisition of exploration rights for Zhu Sha Hong Mine, the Company will speed up supplementary exploration in the surrounding areas of the existing mines. Meanwhile, the Company will press ahead the non-public issue of A shares and the acquisition of Chengmenshan Copper Mine to implement the expansion plan of the Company at an early time.

(2) Actively promote internal structure reform and innovate internal management mechanism

In recent years, the production scale of copper cathode, copper rods and wires of the Company has expanded significantly, causing outsourced material to be increased in a continuous way. As the market competition for purchasing copper raw material and selling copper products is increasingly intensified, it has become even important for hedging, value-add accounting and auditing to each operation during the course from raw material purchase to product delivery. As such, the Company planned to strengthen the reform in internal management mechanism, especially for renovating marketing management mechanism, improving marketing efficiency, reducing purchase cost and controlling hedge risk, to cope with the Company's new strategy development and market competition.

(3) Strengthen customer credit management and reduce trade receivables

By enhancing the customer credit classified management, the Company is able to identify applicable credit period. Efforts will be made to fasten the recovery of trade receivables with a view to controlling the credit risk while sales of the products will be enhanced and market shares will be expanded.

(4) Further enhance the environmental protection and safety, promote the energy saving and emission reduction and actively utilize cycle economy for the Company's sustainable development.

4. MANAGEMENT DISCUSSION AND ANALYSIS

For the following discussion and analysis, unless otherwise specified, the relevant financial statistics are extracted from the financial statements of the Company in accordance with the PRC GAAP.

(I) PRINCIPAL BUSINESSES AND OPERATION CONDITIONS

(1) Principal businesses by industry

By industry or product	Operating revenue	Operating cost	Gross profit margin	Increase/ decrease in operating income from same period of the previous year	Increase/ decrease in principal operating cost from same period of the previous year	Increase/ decrease in gross profit margin from same period of the previous year
	RMB'000	*RMB'000*	*(%)*	*(%)*	*(%)*	*(%)*
Copper cathode and tolling	6,905,273	5,735,438	16.94	14.50	60.12	-20.65
Copper rods and wires and tolling	7,600,288	6,735,455	11.38	163.39	283.40	-27.74
Gold/silver	1,795,979	1,283,026	28.56	44.44	78.43	-13.61
Chemicals and others	999,026	834,513	16.46	307.62	402.22	-15.57
Total	17,300,566	14,588,432	15.68	66.27	134.42	-24.50

Including: connected transactions for the product sold and service rendered by the Company to the controlling shareholder and its subsidiaries amounting to RMB1,389,730,000 for the reporting period.

(2) Principal operations by geographical areas

Geographical areas	Operating revenue *RMB'000*	Increase /decrease in operating income from same period of the previous year *(%)*
Mainland China	16,799,042	74.76
Hong Kong	438,467	23.29
Singapore	369	38.63
Netherlands	47,648	-46.33
New Zealand	1,683	-11.08
Belgium	10,768	100.00
Others	2,589	2,038.84
Total	17,300,566	66.27

(II) DISCUSSION AND ANALYSIS

(1) Principal business

Non-ferrous Metals (mainly including copper cathode products and tolling copper cathode service): Sales of copper cathode and copper cathode tolling in the reporting period were 146,600 tonnes and 25,100 tonnes respectively, realizing an aggregate operation income of RMB6,905.27 million, representing an increase of RMB874.63 million, or an increase of 14.50%, as compared with the same period of last year. But since copper tolling fee decreased during the reporting period, the surged cost of outsourced raw materials in this period, the increased proportion of outsourced raw materials and relatively higher cost of outsourced copper raw materials in stock at beginning of this year, the Company's operation cost significantly increased by 60.12% during the reporting period. Accordingly, the gross profit margin of the Company was dropped by 23.65 percentage points during the reporting period.

Copper product processing (mainly including copper rods and wires products and tolling service of copper rods and wires): As the Company's subsidiary Jiangxi Copper Alloy Company Limited commenced production in May 2006, the production month during the reporting period was more than approximately 5 months over the same period of last year, thereby the sales volume of copper rods and wires during the reporting period increased by 74,200 tonnes to 173,700 tonnes, realizing an operation income of RMB7,600.29 million, representing an increase of RMB4,714.74 million, or an increase of 163.39%, as compared with the same period of last year. Meanwhile, during the reporting period, due to the change of cost structure of raw material for copper rods and wires (utilizing large amount of outsourced copper rods), the Company's operating cost for copper rods and wires increased by 283.40%, while gross profit margin dropped by 27.74 percentage points.

Precious metals (mainly including gold and silver products): During the reporting period, sales of gold and silver were 7,990 kilograms and 149,516 kilograms respectively, realizing an operating income of RMB1,795.98 million, representing an increase of RMB552.6 million, or an increase of 44.44%, as compared with the same period of last year.

Chemical products and others (mainly including the sales of sulphuric acid, pyrite concentrates, wastes from smelting, and the trading of copper):During the reporting period, sales of sulphuric acid and pyrite concentrates were 70.88 tonnes and 62.77 tonnes respectively. Chemical and other products realized an operating income of RMB999.03 million, representing an increase of RMB753.94 million, or an increase of 307.62%, as compared with the same period of last year. It is mainly attributable to the trading of 15,400 tonnes of copper conducted by Sure Spread Limited, a subsidiary of the Company, which increased the operating revenue of RMB851.27 million.

During the reporting period, the Company's hedging activities realized a profit of RMB63.01 million, representing an increase of RMB1,410.54 million as compared with the same period of last year.

(2) Financial Position

As at the end of the reporting period, the Company's total assets amounted to approximately RMB24,000.83 million, representing an increase of RMB4,009.10 million, or an increase of 20.05% over the beginning of the period, of which:(1) accounts receivable amounted to RMB1,914.08 million, representing an increase of RMB1,019.67 million, or an increase of 114.00% over the beginning of the period, mainly due to increased sales volume of copper rods and wires and prolonged credit period for customer make payments for their orders; (2) inventory amounted to RMB7,958.16 million, representing an increase of RMB1,819.16 million, or an increase of 29.63% over the beginning of the period. The noticeable increase in inventory was mainly due to the increased price of copper inventory and the copper raw materials being prepared by the Company for Guixi Smelter Phase IV to commence operation.

As at the end of the reporting period, the Company's total liabilities amounted to RMB10,250.45 million, representing an increase of RMB3,181.75million, or an increase of 45.01% over the beginning of the period, of which: the bank loans due within one year amounted to RMB5,508.13 million, representing an increase of RMB2,361.85 million, or an increase of 75.07% over the beginning of the period; the bank loans due above two years amounted to RMB557.31 million, representing a decrease of RMB647.49 million, or a decrease of 53.74% from the beginning of the period.

As at the end of the reporting period, shareholders' equity of the Company amounted to RMB13,750.38 million, representing an increase of RMB827.35 million, or an increase of 6.40% over the beginning of the period. Gearing ratio was 42.71%, representing an increase of 7.35 percentage point over the beginning of the period. Capital-liabilities ratio (liabilities divided by shareholders' equity) was 74.55%.

(3) Cash flow from operating activities

As at the end of the reporting period, the Company's net cash flow from operating activities was -RMB595.06million, representing a decrease of RMB1,785.35 million, or a decrease of 150.00% from the same period of last year, mainly due to the increased accounts receivable and increased inventory as a result of preparing raw material for Guixi Smelter Phase IV.

(4) Explanation to the significant change of profitability (profit margin) of principal businesses over last year

During the reporting period, in spite of the increased production and sales volume, raised price and noticeably increased operation revenue, the Company's operating cost growth ratio significantly surpassed the operating income growth ratio as the result of the decreased tolling fee for smelting, increased cost of inventory raw material at the beginning of this year and decreased self-supply ratio in terms of raw material in the period. Therefore, the consolidated profit margin of the Company's principal business during the reporting period represented a decrease of 14.74% from last year.

5. SIGNIFICANT EVENTS

5.1 INTERIM DIVIDEND

The Board resolved not to declare the interim dividend for the six months ended 30 June 2007. No interim dividend was distributed in the corresponding period of last year.

5.2 IMPLEMENTATION OF PROFIT DISTRIBUTION PLAN DURING THE REPORTING PERIOD

On 26 June 2007, the Company's profit distribution plan for 2006 was considered and approved at the annual general meeting, pursuant to which RMB4 (tax inclusive for A shares) was distributed for every ten shares to all shareholders. On 16 July 2007, the Company distributed RMB0.4 (tax inclusive for A shares) per share in cash to the holders of H Shares whose names appear in the register of members the Company on 1 June 2007 and holders of A Shares whose names appear in the Company's register of members of A shares on 9 July 2007.

5.3. APPOINTMENT AND TERMINATION OF APPOINTMENT OF THE AUDITORS

During the reporting period, a document, namely "Gan Guo Zi Ping Jia Zi [2006] No.319" was issued by the State-owned Assets Supervision & Administration Commission of Jiangxi Province, which stated that "no intermediaries can undertake the same enterprise financial audit for less than two consecutive years or more than 5 consecutive years." As the original domestic auditor Deloitte Touche Tohmatsu CPA Ltd and international auditors Deloitte Touche Tohmatsu have provided auditing services for the Company over 5 years, the Company approved, at the 2006 Annual General Meeting convened on 26 June 2007, the resolution of appointing Ernst & Young Hua Ming and Ernst & Young as the domestic and international auditors for the year of 2007 respectively. The Company and the Board of the Company hereby express their gratitude to Deloitte Touche Tohmatsu CPA Ltd. and Deloitte Tohmatsu for their provision of outstanding services in auditing the financial report of the Company for the years.

5.4 AMENDMENTS TO THE BUSINESS SCOPE AND THE ARTICLES OF ASSOCIATION OF THE COMPANY

Pursuant to the approval obtained at the 2006 Annual General Meeting of the Company held on 26 June 2007, the Company amended the business scope and the relevant articles of the articles of association of the Company (the "Articles of Association"). Details of the amendments to the business scope and the Articles of Association were contained in the circular of the Company dated 30 April, 2007.

5.5 INDEPENDENT AUDIT COMMITTEE

The independent audit committee of the Company had convened a meeting, at which the financial statements and interim report of the Company for the six months ended 30 June 2007 were considered and approved.

5.6 CODE ON CORPORATE GOVERNANCE PRACTICES

Throughout the six months ended 30 June 2007, the Company has complied with the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

5.7 PURCHASE, DISPOSAL AND REPURCHASE OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2007, the Company did not repurchase any of its shares. Neither the Company nor its subsidiaries purchase or dispose any shares of the Company during the six months ended 30 June 2007.

5.8 IMPROVEMENT OF CORPORATE GOVERNANCE STRUCTURE

In the first half of 2007, in accordance with the requirements and regulations of Company Law, Securities Law and relevant documents from CSRC, the Company continued to improve its corporate governance structure, and amended the Management Measures on Utilization of Raised Proceeds and Management Rules on Information Disclosure.

5.9 COMPLIANCE WITH MODEL CODE

The Company has adopted the Model Code for Securities Transaction by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code"). Specific enquiry has been made of all Directors, who have confirmed that they complied with required standard set out in the Model Code.

5.10 DETAILED RESULTS ANNOUNCEMENT

The interim report for 2007 containing all the information required by Appendix 16 to the Listing Rules will be despatched to shareholders and published on The Stock Exchange of Hong Kong Limited website (http://www.hkex.com.hk) in due course.

6. UNAUDITED FINANCIAL STATEMENTS PREPARED UNDER IRFS

6.1 INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2007

		For the six months period ended 30 June	
		2007	2006
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue		**17,298,422**	9,492,581
Cost of sales and services		**(14,561,278)**	(6,270,554)
GROSS PROFIT		**2,737,144**	3,222,027
Other income		**72,361**	24,580
Selling and distribution costs		**(67,661)**	(40,770)
Administrative expenses		**(211,072)**	(161,198)
Other expenses		**(40,592)**	(415,605)
Finance costs		**(74,520)**	(82,392)
Share of profit of an associate		**1,701**	—
PROFIT BEFORE TAX		**2,417,361**	2,546,642
Income tax expense	5	**(344,719)**	(436,885)
PROFIT FOR THE PERIOD		**2,072,642**	2,109,757
ATTRIBUTABLE TO:			
Equity holders of the Company		**2,031,698**	2,090,353
Minority interests		**40,944**	19,404
		2,072,642	2,109,757
DIVIDENDS	4	**1,158,015**	555,847
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY			
— Basic	6	**RMB0.7018**	RMB0.7220

6.2 INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

At 30 June 2007

	Notes	**30 June 2007 RMB'000 (Unaudited)**	31 December 2006 RMB'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	7	**9,542,731**	8,606,765
Land lease prepayments		**178,635**	154,867
Intangible assets		**186,430**	120,327
Interest in associates		**146,706**	109,005
Available-for-sale investments		**10,000**	10,000
Deferred tax assets	5	**32,644**	—
		10,097,146	9,000,964
Current assets			
Inventories		**7,932,802**	6,138,998
Trade and other receivables	8	**4,918,722**	3,834,042
Derivative financial instruments	9	**133**	38,747
Cash and cash equivalents		**1,053,126**	1,016,976
		13,904,783	11,028,763
TOTAL ASSETS		**24,001,929**	20,029,727

EQUITY AND LIABILITIES			
Equity			
Share capital		**2,895,038**	2,895,038
Reserves		**10,446,741**	9,612,658
Minority interests		**446,727**	415,330
Total equity		**13,788,506**	12,923,026
Non-current liabilities			
Interest-bearing loans and borrowings	11	**557,310**	1,204,797
Deferred income		**69,428**	72,684
Other long term payables		**53,189**	35,561
		679,927	1,313,042
Current liabilities			
Trade and other payables	10	**2,119,975**	1,734,486
Interest-bearing loans and borrowings	11	**5,919,477**	3,407,127
Derivative financial instruments	9	**12,175**	19,297
Dividend payable	4	**1,158,015**	—
Income tax payable		**323,854**	632,749
		9,533,496	5,793,659
Total liabilities		**10,213,423**	7,106,701
TOTAL EQUITY AND LIABILITIES		**24,001,929**	20,029,727

6.3 INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2007

	Attributable to equity holders of the Company											
	Share capital	Share premium	Capital reserve	Other reserve	Statutory reserve	Discretionary surplus reserve	Retained earnings	Exchange fluctuation reserve	Hedging earnings	Total	Minority interests	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*
As at 1 January 2007	2,895,038	1,945,551	70,546	(92,506)	1,307,272	2,313,617	4,031,171	(1,740)	38,747	12,507,696	415,330	12,923,026
Profit for the period	—	—	—	—	—	—	2,031,698	—	—	2,031,698	40,944	2,072,642
Decrease in fair value of cash flow hedges	—	—	—	—	—	—	—	—	(43,216)	(43,216)	—	(43,216)
Transfer to profit or loss on cash flow hedges	—	—	—	—	—	—	—	—	4,602	4,602	—	4,602
Exchange differences arising on translation of operations in Hong Kong	—	—	—	—	—	—	—	(986)	—	(986)	(807)	(1,793)
Dividends declared	—	—	—	—	—	—	(1,158,015)	—		(1,158,015)	(8,740)	(1,166,755)
As at 30 June 2007 (Unaudited)	2,895,038	1,945,551	70,546	(92,506)	1,307,272	2,313,617	4,904,854	(2,726)	133	13,341,779	446,727	13,788,506

	Attributable to equity holders of the Company												
	Share capital	Share premium	Capital reserve	Other reserve	Statutory surplus reserve	Statutory public welfare fund	Discretionary surplus reserve	Retained earnings	Exchange fluctuation reserve	Hedging earnings	Total	Minority interests	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*	
As at 1 January 2006	2,895,038	1,945,551	70,546	(92,506)	453,347	379,128	921,605	1,830,310	(661)	(71,023)	8,331,335	367,291	8,698,626
Profit for the period	—	—	—	—	—	—	—	2,090,353	—	—	2,090,353	19,404	2,109,757
Decrease in fair value of cash flow hedges	—	—	—	—	—	—	—	—	—	(827,031)	(827,031)	—	(827,031)
Transfer to profit or loss on cash flow hedges	—	—	—	—	—	—	—	—	—	912,070	912,070	—	912,070
Exchange differences arising on translation of operations in Hong Kong	—	—	—	—	—	—	—	—	(333)	—	(333)	(272)	(605)
Winding up a subsidiary	—	—	—	—	—	—	—	—	—	—	—	(60)	(60)
Dividends declared	—	—	—	—	—	—	—	(555,847)	—	—	(555,847)	(8,377)	(564,224)
As at 30 June 2006 (Unaudited)	2,895,038	1,945,551	70,546	(92,506)	453,347	379,128	921,605	3,364,816	(994)	14,016	9,950,547	377,986	10,328,533

6.4 INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2007

	For the six months ended 30 June	
	2007	2006
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Net cash (used in)/from operating activities	**(603,681)**	1,170,456
Investing activities		
Investment in an associate	**(36,000)**	—
Interest received	**7,758**	11,853
Purchase of items of property, plant and equipment	**(1,224,807)**	(664,867)
Proceeds from sale of items of property, plant and equipment	**763**	1,162
Other	**—**	328
Net cash used in investing activities	**(1,252,286)**	(651,524)
Financing activities		
Interest paid	**(82,734)**	(82,392)
Dividend paid by subsidiaries to minority shareholders	**—**	(5,945)
Proceeds from borrowings	**4,291,865**	3,781,674
Repayment of borrowings	**(2,316,909)**	(3,556,796)
Repayment of other payables	**—**	(935)
Net cash from financing activities	**1,892,222**	135,606
Net increase in cash and cash equivalents	**36,255**	654,538
Cash and cash equivalents at beginning of the period	**1,016,976**	1,142,497
Effect of foreign exchange rate changes	**(105)**	(605)
Cash and cash equivalents at end of the period	**1,053,126**	1,796,430

6.5 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2007

(1) Corporate information

The Company is a Sino-foreign joint venture joint stock limited company established in the People's Republic of China (the "PRC"). The directors regard the Company's ultimate holding company, as at 30 June 2007, to be Jiangxi Copper Corporation ("JCC").

The Company mainly engages in mining, smelting, protracting and refining non-ferrous metals, precious metals and by-products; after-sale service for self-produced products and relevant consulting services.

(2) Basis of preparation and accounting policies

2.1 Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2007 have been prepared in accordance with International Accounting Standards 34 "Interim Financial Reporting" and applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2006.

2.2 Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in preparation of the Group's annual financial statements for the year ended 31 December 2006, except for the adoption of new standards and interpretations, noted below. Adoption of these standards and interpretations did not have any effect on the financial position or performance of the Group.

(a) *Impact of new and revised international financial reporting standards ("IFRSs")*

The following new and revised IFRSs affect the Group and are adopted for the first time for the current period's interim financial statements.

IAS 1 Amendment *Capital Disclosures*

The Group adopted IAS 1 Amendment as of 1 January 2007, which requires an entity to disclose qualitative information about the entity's objectives, policies and processes for managing capital; quantitative data about what the entity regards as capital; and compliance with any capital requirements and the consequences of any non-compliance.

IFRS 7 *Financial Instruments: Disclosures*

The Group adopted IFRS 7 as of 1 January 2007, which requires disclosures that enable users of the financial statements to evaluate the significance of an entity's financial instruments and the nature and extent of risks arising from those financial instruments and also incorporates many of the disclosure requirements of IAS 32.

IFRIC - Int 8 *Scope of IFRS 2*

The Group adopted IFRIC - Int 8 as of 1 January 2007, which requires IFRS 2 to be applied to any arrangements where equity instruments are issued for consideration which appears to be less than fair value.

IFRIC - Int 9 *Reassessment of Embedded Derivatives*

The Group adopted IFRIC - Int 9 as of 1 January 2007, which requires that the date to assess the existence of an embedded derivative is the date that an entity first becomes party to the contract, with reassessment only if there is a change to the contract that significantly modifies the cash flows.

IFRIC - Int 10 *Interim Financial Reporting and Impairment*

The Group adopted IFRIC - Int 10 as of 1 January 2007, which requires that an entity must not reverse an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost.

(b) *Impact of Issued But Not Yet Effective IFRSs*

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements.

IFRS 8	*Operating Segments* (effective for accounting periods beginning on or after 1 January 2009)
IFRIC - Int 11	*Group and Treasury Share Transactions* (effective for accounting periods beginning on or after 1 March 2007)
IFRIC - Int 12	*Service Concession Arrangements* (effective for accounting periods beginning on or after 1 January 2008)
IFRIC - Int 13	*Customer Loyalty Programmes* (effective for accounting periods beginning on or after 1 July 2008)
IFRIC - Int 14	IAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective for accounting periods beginning on or after1 January 2008)
IAS 23 (revised)	*Borrowing Costs* (effective for accounting periods beginning on or after 1 January 2009)

IFRS 8 shall be applied for annual periods beginning on or after 1 January 2009. The standard requires the disclosure of information about the operating segments of the Group, the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. This standard will supersede IAS 14 Segment Reporting.

Except as stated above, the Group expects that the adoption of the pronouncements listed above will not have any significant impact on the Group's financial statements in the period of initial application.

(3) Segment information

An analysis of the Group's turnover for the period is as follows:

	For the six months ended 30 June	
	2007	2006
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue		
Sales of goods	**17,207,443**	9,349,421
Tolling services	**90,979**	143,160
	17,298,422	9,492,581

The Group's turnover and profit for the period are almost entirely derived from the production and sale of copper cathode and other related products. The directors consider that these activities constitute one business segment since the products are related and are subject to common risks and returns.

Over 90% of the Group's revenue is derived from the PRC. All of the production facilities of the Group are located in the PRC. Therefore, no business and geographical segments are presented.

(4) Dividends paid and proposed

	For the six months ended 30 June	
	2007	2006
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Dividends on ordinary shares declared during the periods		
— Final dividend	**1,158,015**	555,847

On 26 June 2007, a dividend of RMB0.40 per share (tax inclusive for A Shares) on 2,895,038,200 shares, in aggregate approximately RMB1,158,015,280, was declared to the shareholders as the final dividend for year 2006. On 16 July 2007, the dividend was paid to the shareholders.

On 15 June 2006, a dividend of RMB0.192 per share (tax inclusive for A Shares) on 2,895,038,200 shares, in aggregate approximately RMB555,847,000, was declared to the shareholders as the final dividend for year 2005. On 5 July 2006, the dividend was paid to the shareholders.

The directors do not recommend the payment of an interim dividend for the six months ended 30 June 2007. No interim dividend was declared for the same period last year.

(5) Income tax

The major components of income tax expense in the interim consolidated income statement are as follows:

	For the six months ended 30 June	
	2007	2006
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current income tax		
— PRC enterprise income tax	**376,292**	436,545
— Hong Kong profits tax	**1,071**	340
Deferred income tax	**(32,644)**	—
	344,719	436,885

	30 June 2007 (Unaudited) *RMB'000*	31 December 2006 (Audited) *RMB'000*
Deferred tax asset		
— Provision for impairment of trade and other receivables	**26,217**	—
— Accrued payroll cost not deductible until payments are made	**15,653**	—
— Unrealised profits of intercompany transactions	**3,483**	—
Deferred tax liabilities		
— Provisions for safety fund	**(12,709)**	—
	32,644	—

Pursuant to a notice dated 16 April 2001 and 13 September 2004 issued by the Jiangxi Provincial Tax Bureau, the Company, being located in the mid-western part of the PRC, is subject to a reduced income tax rate of 16.5% for a period of three years from year 2005 to year 2007.

Hong Kong profits tax is calculated at 17.5% of the estimated assessable profit for the period.

During the 5th Session of the 10th National People's Congress, which was concluded on 16 March 2007, the PRC Corporate Income Tax Law (the "New Corporate Income Tax Law") was approved and will become effective on 1 January 2008. The New Corporate Income Tax Law introduces a wide range of changes which include, but are not limited to, the unification of the income tax rate for domestic-invested and foreign-invested enterprises at 25%. As at the date that these interim condensed consolidated financial statements are approved for issue, detailed measures of the New Corporate Income Tax Law have yet to be issued. Subject to the detailed measures and other related regulations concerning computation of taxable income, as well as specific preferential tax treatments and their related transitional provisions, the Group will further evaluate the impact to its operating results and financial positions of future periods as more detailed measures and other related regulations are announced.

(6) Earnings per share

The calculation of basic earnings per share for the period is based on the profit attributable to equity holders of the parent of RMB2,031,698,000 (2006: RMB2,090,353,000) and on 2,895,038,200 shares (2006: 2,895,038,200 shares) outstanding during the period.

Diluted earnings per share for the periods ended 30 June 2007 and 2006 have not been calculated as no diluting events existed during those periods.

(7) Property, plant and equipment

During the six months ended 30 June 2007, the Group acquired property, plant and equipment with a cost of RMB1,629,242,418 (2006: RMB664,867,000). Depreciation for property, plant and equipment is RMB254,013,965 (2006: RMB238,056,882) during the period. No property, plant and equipment were acquired through a business combination.

Property, plant and equipment with a net book value of RMB34,354,809 (2006: RMB24,271,886) was disposed of by the Group during the six months period ended 30 June 2007, resulting in a net loss on disposal of RMB7,929,642 (2006: RMB974,215).

(8) Trade and other receivables

	30 June 2007 *RMB'000* **(Unaudited)**	31 December 2006 *RMB'000* (Audited)
Trade and notes receivables	**3,467,524**	2,981,598
Other receivables	**1,081,421**	667,315
Amounts due from JCC and its affiliates — trade	**365,811**	178,468
Amounts due from minority shareholders of subsidiaries	**3,966**	6,661
	4,918,722	3,834,042

The ageing analysis of trade and notes receivables and amounts due from JCC and its affiliates at the reporting dates are as follows:

	30 June 2007 *RMB'000* **(Unaudited)**	31 December 2006 *RMB'000* (Audited)
Trade and notes receivables		
Within one year	**3,467,278**	2,980,833
Between one and two years	**246**	121
Between two and three years	**—**	644
Over three years	**—**	—
	3,467,524	2,981,598
Amounts due from JCC and its affiliates — trade		
Within one year	**362,228**	178,260
Between one and two years	**3,439**	205
Between two and three years	**144**	3
	365,811	178,468

Sales of copper cathode, electrolytic gold and silver are settled on delivery. The credit period granted for sales of copper rods and wires is one month. The average credit period granted on sales of other products is six months, while a longer credit period will be allowed for major customers. Down payments or cash on delivery are normally required for new customers.

(9) Derivative financial instruments

	30 June 2007		31 December 2006	
	RMB'000		*RMB'000*	
	(Unaudited)		(Audited)	
	Assets	**Liabilities**	Assets	Liabilities
Commodity forward contracts				
– copper cathode				
— Under hedge accounting	**133**	**—**	38,747	—
— Not under for hedge accounting	**—**	**(12,175)**	—	(19,297)
	133	**(12,175)**	38,747	(19,297)

Under hedge accounting

As at 30 June 2007, the forward contracts designated as cash flow hedges to the forecasted copper cathode sales were assessed to be highly effective and the unrealised gains of RMB133,000 (2006: RMB38,747,000) arising from change of fair value of the hedge instruments are included in equity. Such an unrealised gain is expected to be released to the income statement when the designated sales of copper cathode occur.

The terms of commodity forwards contracts have been negotiated to match the timing of the forecasted sales of copper cathode. As at balance sheets date, the expected delivery period of the forecasted sales of copper cathode is from July 2007 to September 2007.

Not under hedge accounting

The Group also utilises commodity purchase forward contracts to hedge forecasted purchases of copper concentrate. These arrangements are designed to address significant fluctuations in the price of copper concentrate which move in line with the price of copper cathode. However, this arrangement is not considered as an effective hedge according to IAS 39.

As at 30 June 2007, the unrealised loss of RMB12,175,000 (2006: RMB19,797,000) arising from change of fair value of the hedge instruments was recognised in income statements. As at balance sheets date, the expected delivery period of the forecasted purchase of copper concentrate is from July 2007 to October 2007.

(10) Trade and other payables

	30 June 2007 *RMB'000* **(Unaudited)**	31 December 2006 *RMB'000* (Audited)
Trade payables	**1,435,919**	784,095
Other payables	**514,080**	645,210
Amounts due to JCC and its affiliates — trade	**168,106**	303,311
Amount due to JCC — other *(note 13)*	**1,870**	1,870
	2,119,975	1,734,486

The ageing analysis of trade payables and amounts due to JCC and its affiliates at the reporting dates are as follows:

	30 June 2007 *RMB'000* **(Unaudited)**	31 December 2006 *RMB'000* (Audited)
Trade payables		
Within one year	**1,416,139**	771,566
Between one and two years	**16,992**	9,009
Between two and three years	**260**	218
Over three years	**2,528**	3,302
	1,435,919	784,095
Amounts due from JCC and its affiliates — trade		
Within one year	**166,233**	251,964
Between one and two years	**1,702**	51,064
Between two and three years	**3**	12
Over three years	**168**	271
	168,106	303,311

(11) Interest-bearing loans and borrowings

	30 June 2007 (Unaudited) *RMB'000*	31 December 2006 (Audited) *RMB'000*
Non-current		
Bank borrowings	**557,310**	1,204,797
Current		
Bank borrowings	**3,411,841**	1,443,266
Debentures	**1,017,950**	509,450
Collateralised borrowing	**1,096,286**	1,203,011
Long-term loan due within one year	**393,400**	251,400
	5,919,477	3,407,127
Total borrowings	**6,476,787**	4,611,924

(a) As at 30 June 2007, bank borrowings bear interest rates ranging from 4.32% to 9.59% (2006: 3.60% to 7.02%) per annum.

(b) On 25 May 2006, the Company issued short-term debentures with a total par value of RMB500,000,000 (maturity in 365 days), which bear an interest rate of 3.23% per annum. On 25 May 2007, the Company repaid RMB500,000,000 of short-term debentures.

On 11 January 2007, the Company issued short-term debentures with a par value of RMB1,000,000,000 (maturity in 365 days), bearing an interest rate of 3.8% per annum. As at 30 June 2007, the accrued interest payable on these short-term debentures was approximately RMB17,950,000.

(c) Collateralised borrowing is secured by commercial or bank acceptance notes.

7. UNAUDITED FINANCIAL STATEMENTS PREPARED UNDER THE PRC GAAP AND REGULATIONS

7.1 Consolidated Balance Sheet

30 June 2007

ASSETS	**30 June 2007** *RMB* **(Unaudited)**	31 December 2006 *RMB* (Audited)
Current assets:		
Cash	**1,053,126,141**	1,016,976,019
Notes receivable	**1,818,040,016**	2,096,287,796
Accounts receivable	**1,914,084,651**	894,416,243
Advances to suppliers	**900,542,922**	612,214,795
Derivative financial instruments	**133,000**	38,747,100
Other receivables	**246,883,704**	279,847,730
Inventories	**7,958,161,483**	6,138,997,323
Total current assets	**13,890,971,917**	11,077,487,006
Non-current assets:		
Available-for-sale investments	**10,000,000**	10,000,000
Long-term equity investments	**146,706,429**	109,005,470
Property, plant and equipment	**6,471,103,594**	6,368,537,452
Construction in progress	**3,071,627,420**	2,151,505,380
Intangible assets	**365,065,187**	275,194,686
Deferred tax assets	**45,352,574**	—
Total non-current assets	**10,109,855,204**	8,914,242,988
TOTAL ASSETS	**24,000,827,121**	19,991,729,994

Current liabilities:		
Short-term loans	**5,508,126,932**	3,146,278,045
Notes payable	**233,370,307**	34,421,893
Accounts payable	**1,248,667,913**	808,575,644
Derivative financial instruments	**12,175,295**	19,297,150
Advances from customers	**130,952,986**	56,044,839
Payroll payable	**78,594,844**	111,212,858
Taxes payable	**397,035,842**	895,095,441
Interests payable	**23,300,000**	9,450,000
Dividends payable	**1,158,015,280**	—
Other payables	**298,817,622**	422,014,494
Non-current liabilities due within one year	**405,270,000**	253,270,000
Total current liabilities	**9,494,327,021**	5,755,660,364
Long-term liabilities:		
Long-term borrowings	**557,310,000**	1,204,797,000
Long-term payables	**129,384,228**	35,561,000
Deferred income	**69,427,879**	72,684,026
Total long-term liabilities	**756,122,107**	1,313,042,026
Total liabilities	**10,250,449,128**	7,068,702,390
Owners' equity:		
Paid-in capital	**2,895,038,200**	2,895,038,200
Capital surplus	**1,956,734,605**	1,995,348,895
Surplus reserves	**3,620,890,129**	3,620,890,129
Retained earnings	**4,833,714,691**	3,998,160,000
Including: Cash dividend declared after balance sheet date	**—**	1,158,015,280
Exchange fluctuation reserve	**(2,726,346)**	(1,740,229)
Equity attributable to equity holders of the parent	**13,303,651,279**	12,507,696,995
Minority interests	**446,726,714**	415,330,609
Total owners' equity	**13,750,377,993**	12,923,027,604
TOTAL LIABILITIES AND OWNERS' EQUITY	**24,000,827,121**	19,991,729,994

7.2 Consolidated Income Statement

For the six months ended 30 June 2007

	For the six months ended 30 June 2007 *RMB* **(Unaudited)**	For the six months ended 30 June 2006 *RMB* (Unaudited)
1. Revenue	**17,300,566,257**	10,507,718,750
Less: Cost of sales	**14,588,431,921**	6,244,353,406
Taxes and surcharges	**28,408,633**	27,015,802
Distribution and selling costs	**67,660,687**	40,769,828
General and administrative expenses	**187,567,930**	247,963,477
Financial expenses	**90,914,532**	83,318,873
Provision for impairment of assets	**14,566,792**	(20,295,208)
Add: (Loss)/gain from change of fair value	**(12,175,106)**	31,059,150
Investment income/(loss)	**64,715,706**	(1,346,513,089)
Including share of profit of an associate	**1,701,118**	998,956
2. Operating profit	**2,375,556,362**	2,569,138,633
Add: Non-operating income	**5,995,735**	3,543,998
Less: Non-operating expenses	**15,027,781**	26,040,022
Including: Disposal loss of non-current assets	**7,981,852**	974,215
3. Total profit	**2,366,524,316**	2,546,642,609
Less: Income tax	**332,010,590**	436,884,820
4. Net profit	**2,034,513,726**	2,109,757,789
Attributable to equity holders of the parent	**1,993,569,971**	2,090,354,173
Minority interests	**40,943,755**	19,403,616
5. Earnings per share attributable to equity holders of the company — Basic	**0.6886**	0.7220

7.3 Consolidated Statement of Changes in Equity

For the six months ended 30 June 2007

	For the six months ended 30 June 2007							
	Attributable to equity holders of the Company							
	Share capital	Capital surplus	Surplus reserve	Retained earnings	Exchange fluctuation reserve	Total	Minority interests	Total owner's equity
	RMB	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*
1. As end of last year	2,895,038,200	2,047,773,923	3,620,890,129	3,998,964,769	(1,740,229)	12,560,926,792	415,330,609	12,976,257,401
Add: Changes of accounting policy	—	(52,425,028)	—	(804,769)	—	(53,229,797)	—	(53,229,797)
2. At the beginning of the period	2,895,038,200	1,995,348,895	3,620,890,129	3,998,160,000	(1,740,229)	12,507,696,995	415,330,609	12,923,027,604
3. Change in current period								
(1) Net profit	—	—	—	1,993,569,971	—	1,993,569,971	40,943,755	2,034,513,726
(2) Gain or (loss) directly recognized in owner's equity								
(i) Change in fair value of cash flow hedges	—	(38,614,290)	—	—	—	(38,614,290)	—	(38,614,290)
(ii) Exchange difference arising of translation of operation in Hong Kong	—	—	—	—	(986,117)	(986,117)	(806,823)	(1,792,940)
(3) Shareholders capital contribution and reduction	—	—	—	—	—	—	—	—
(4) Profit Appropriation								
(i) Appropriation to surplus reserve	—	—	—	—	—	—	—	—
(ii) Distribution to shareholders	—	—	—	(1,158,015,280)	—	(1,158,015,280)	(8,740,827)	(1,166,756,107)
(5) Internal transfer within equity	—	—	—	—	—	—	—	—
4. At the end of the period	2,895,038,200	1,956,734,605	3,620,890,129	4,833,714,691	(2,726,346)	13,303,651,279	446,726,714	13,750,377,993

	For the six months ended 30 June 2006							
	Attributable to equity holders of the Company							
	Share capital	Capital surplus	Surplus reserve	Retained earnings	Exchange fluctuation reserve	Total	Minority interests	Total owner's equity
	RMB	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*
1. At end of last year	2,895,038,200	2,043,336,794	1,754,080,747	1,812,275,967	(660,852)	8,504,070,856	368,937,343	8,873,008,199
Add: changes of accounting policy	—	(190,769,541)	—	18,034,033	—	(172,735,508)	(1,646,343)	(174,381,851)
2. At the beginning of the period	2,895,038,200	1,852,567,253	1,754,080,747	1,830,310,000	(660,852)	8,331,335,348	367,291,000	8,698,626,348
3. Change in current period								
(1) Net profit	—	—	—	2,090,353,000	—	2,090,353,000	19,404,000	2,109,757,000
(2) Gain or (loss) directly recognized in owner's equity								
(i) Change in fair value of cash flow hedges	—	85,039,000	—	—	—	85,039,000	—	85,039,000
(ii) Exchange difference arising of translation of operation in Hong Kong	—	—	—	—	(333,377)	(333,377)	(272,000)	(605,377)
(3) Shareholders capital contribution and reduction	—	—	—	—	—	—	(60,000)	(60,000)
(4) Profit Appropriation								
(i) Appropriation to surplus reserve	—	—	—	—	—	—	—	—
(ii) Distribution to shareholders	—	—	—	(555,847,000)	—	(555,847,000)	(8,377,000)	(564,224,000)
(5) Internal transfer within equity	—	—	—	—	—	—	—	—
4. At the end of the year	2,895,038,200	1,937,606,253	1,754,080,747	3,364,816,000	(994,229)	9,950,546,971	377,986,000	10,328,532,971

7.4 Consolidated Cash Flow Statement

For the six months ended 30 June 2007

	Supplementary information	**For the six months ended 30 June 2007** *RMB* **(Unaudited)**	For the six ended months 30 June 2006 *RMB* (Unaudited)
1. CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from sale of goods or rendering of services		**22,319,201,309**	12,810,898,878
Cash received relating to other operating activities		**4,543,313**	12,300,058
Sub-total of cash inflows		**22,323,744,622**	12,823,198,936
Cash paid for goods and services		**20,632,847,745**	9,220,012,674
Cash paid to and on behalf of employees		**362,399,011**	202,101,604
Cash paid for all types of taxes		**1,591,859,849**	932,911,634
Cash paid relating to other operating activities		**331,697,027**	1,277,879,765
Sub-total of cash outflows		**22,918,803,632**	11,632,905,677
Net cash flows from operating activities		**(595,059,010)**	1,190,293,259

2. CASH FLOWS FROM INVESTING ACTIVITIES

Cash received from sale of investments	**—**	350,000
Cash received from return on investments	**—**	1,016,816
Net cash received from disposal of fixed assets, intangible assets and other long term assets	**763,353**	2,873,055
Cash received relating to other investing activities	**—**	—
Sub-total of cash inflows	**763,353**	4,239,871
Cash paid for acquisition of fixed assets, intangible assets and other long term assets	**1,216,105,184**	671,686,861
Cash paid for acquisition of investments	**36,000,000**	40,000
Sub-total of cash outflows	**1,252,105,184**	671,726,861
Net cash flows from investing activities	**(1,251,341,831)**	(667,486,990)

3. CASH FLOWS FROM FINANCING ACTIVITIES			
Cash received from borrowings		**4,299,995,434**	3,781,673,732
Sub-total of cash inflow		**4,299,995,434**	3,781,673,732
Cash repayments of borrowings		**2,316,908,500**	3,559,646,000
Cash paid for distribution of dividends or profits and for interest expenses		**100,640,958**	89,361,949
Including: Cash paid for distribution of dividends or profits to minority shareholders		**8,740,828**	5,945,303
Cash paid relating to other financing activities		**—**	935,000
Sub-total of cash outflow		**2,417,549,458**	3,649,942,949
Net cash flows from financing activities		**1,882,445,976**	131,730,783
4. EFFECT OF CHANGES EXHANGE RATE ON CASH		**104,987**	(605,094)
5. NET INCREASE IN CASH AND CASH EQUIVALENTS	3	**36,150,122**	653,931,958
Add: Cash and cash equivalent at beginning of period		**1,016,976,019**	1,142,497,348
6. CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**1,053,126,141**	1,796,429,306

(1) Reconciliation of net profit to cash flows from operating activities:

Net profit	**2,034,513,725**	2,109,557,789
Add: (Reversal)/provision for impairment of assets	**12,987,495**	(19,577,932)
Depreciation of fixed assets	**254,013,965**	238,056,882
Amortization of intangible assets	**4,299,512**	2,896,793
Losses on disposal of fixed assets, intangible assets and other long term assets	**7,929,642**	21,398,831
Loss on fair value change	**12,175,106**	(31,059,150)
Financial expenses	**89,619,308**	82,392,205
Investment gain	**(64,715,707)**	(1,016,816)
Increase in deferred tax assets	**(45,352,574)**	—
Increase in inventories	**(1,819,164,160)**	(1,456,803,255)
Increase in operating receivables	**(1,112,022,632)**	(532,602,210)
Increase in operating payables	**30,657,310**	777,050,122
Others	**—**	—
Net cash flows from operating activities	**(595,059,010)**	1,190,293,259

(2) Investing and financing activities that do not involve cash receipts and payments:

Others	**—**	3,297,639

(3) Net increase/(decrease) in cash and cash equivalents:

Cash and cash equivalents at end of the period	**1,053,126,141**	1,796,429,306
Less: Cash and cash equivalents at beginning of year	**1,016,976,019**	1,142,497,348
Net increase in cash and cash equivalents	**36,150,122**	653,931,958

As of the date of this announcement, the Board comprises the following Directors:

Executive Directors:
Mr. Li Yihuang
Mr. Li Baomin
Mr. Wang Chiwei
Mr. Long Ziping
Mr. Wu Jinxing
Mr. Gao Jianmin
Mr. Liang Qing

Independent Non-Executive Directors:
Mr. Kang Yi
Ms. Zhang Rui
Mr. Yin Hongshan
Mr. Tu Shutian

By Order of the Board
Li Yihuang
Chairman

28 August 2007
Jiangxi, the PRC