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: 0358)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 DECEMBER 2009

1 IMPORTANT NOTICE

1.1 The board of directors (the "Board") and the supervisory committee (the "Supervisory Committee") of Jiangxi Copper Company Limited (the "Company") and its directors (the "Directors"), supervisors (the "Supervisors") and senior management warrant that there are no false representations, misleading statements contained in or material omissions from this announcement, and jointly and severally accept full responsibility for the truthfulness, accuracy and completeness of the information herein contained.

1.2 The Directors, Wu Jianchang and Shi Jialiang, were unable to attend the Board meeting, but have appointed the Directors, Li Yihuang and Li Baomin respectively, to attend the Board meeting and to vote on their behalf. Save as disclosed, all other Directors attended the Board meeting.

1.3 The consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended 31 December 2009 prepared in accordance with PRC Accounting Standards for Business Enterprises ("PRC GAAP") and International Financial Reporting Standards ("IFRSs") have been audited by Ernst & Young Hua Ming (domestic auditor) and Ernst & Young Certified Public Accountants (overseas auditor) respectively with standard unqualified audit report issued.

1.4 The Company's Chairman, Li Yihuang, the principal accounting responsible person, Gan Chengjiu, and Manager of Financial Department (accounting chief), Qiu Ling hereby warrant the truthfulness and completeness of the financial report as set out in the annual report.

1.5 The audit committee of the Company has reviewed the financial report for the year ended 31 December 2009.

2. CORPORATE INFORMATION

2.1 Basic information

Stock abbreviation	Jiangxi Copper (A Shares)
Stock code	600362
Stock Exchange of listing	Shanghai Stock Exchange
Stock abbreviation	Jiangxi Copper (H Shares)
Stock code	0358
Stock Exchange of listing	The Stock Exchange of Hong Kong Limited
Warrants	JCC CWB1
Trading code	580026
Stock Exchange of listing	Shanghai Stock Exchange
Corporate bonds	08 JCC Bonds
Trading code	126018
Stock Exchange of listing	Shanghai Stock Exchange
Registered address and place of business	15 Yejin Avenue, Guixi City, Jiangxi, the People's Republic of China
Postal code	335424
Website	http://www.jxcc.com
E-mail	jccl@jxcc.com

2.2 Contact person and method

	Secretary to the Board	Securities Affairs Representative
Name	Pan Qifang	Kang Shuigen
Correspondence address	15 Yejin Avenue, Guixi City, Jiangxi, the People's Republic of China	15 Yejin Avenue, Guixi City, Jiangxi, the People's Republic of China
Telephone	0701-3777736	0701-3777733
Facsimile	0701-3777013	0701-3777013
E-mail	jccl@jxcc.com	jccl@jxcc.com

3 SUMMARY OF ACCOUNTING AND BUSINESS DATA

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

Unit: '000 Currency: RMB

	2009	2008	Increase/ (decrease) from last year *(%)*	2007
Revenue	**51,714,648**	53,972,433	-4.18	43,337,085
Total profit	**3,176,149**	2,998,050	5.94	5,509,273
Net profit attributable to owners of the Company	**2,349,254**	2,285,101	2.81	4,533,754
Net profit after non-recurring profit and loss items attributable to owners of the Company	**2,223,630**	2,920,955	-23.87	3,980,560
Net cash flow from operating activities	**1,722,486**	6,249,417	-72.44	1,603,536

	As at 31 December 2009	As at 31 December 2008	Increase/ (decrease) from last year *(%)*	As at 31 December 2007
Total assets	**38,034,215**	34,150,637	11.37	34,942,192
Equity attributable to owners of the Company	**22,813,886**	20,752,344	9.93	19,544,424

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

	2009	**2008**	**Increase/ (decrease) from last year** *(%)*	**2007**
Basic earnings per share *(RMB)*	**0.78**	0.76	2.63	1.53
Diluted earnings per share *(RMB)*	**0.72**	0.76	-5.26	1.53
Basic earnings per share after non-recurring profit and loss items *(RMB)*	**0.74**	0.97	-23.71	1.36 *(note)*
Return on net assets (weighted average) *(%)*	**10.78**	11.33	Decreased by 0.55 percentage points	27.92
Return on net assets after non-recurring profit and loss items (weighted average) *(%)*	**10.21**	15.02*	Decreased by 4.81 percentage points	27.51 *(note)*
Net cash flow from operating activities per share *(RMB)*	**0.57**	2.07	-72.46	0.54

	As at 31 December 2009	**As at 31 December 2008**	**Increase/ (decrease) from last year** *(%)*	**As at 31 December 2007**
Equity per share attributable to owners of the Company *(RMB)*	**7.55**	6.87	9.90	6.47

* The above data was restated according to CSRC [2010] No. 2 Information Disclosure and Preparation Rule No. 9 of Those Companies to Issue Securities in Public-calculation and Disclosure of Return on Net Assets and Earning Per Share (2010) Revised issued by China Securities Regulatory Commission on 11 January 2010.

Non-recurring profit and loss items (prepared in accordance with PRC GAAP)

Unit: '000 Currency: RMB

Non-recurring profit and loss items (Loss is stated as negative and gain is stated as positive)	**Amount**
Gain or loss from disposal of non-current assets	-4,401
Non-recurring government subsidy	87,839
Other non-recurring items included in non-operating income and expenses (excluding gain or loss from disposal of non-current assets and non-recurring government subsidy)	-16,203
Gain or loss from disposal and liquidation of subsidiaries	29,241
Gain or loss from equity investments at fair value through profit or loss	4,095
Gain or loss from bank financial products	11,164
Fair value change gain or loss from ineffectiveness of cash flow hedges	-1,296
Fair value change gain or loss from ineffectiveness of fair value hedges	-2,251
Fair value change gain or loss from commodity derivative contracts — transactions not qualifying as hedges	270,254
Realised gain or loss from ineffectiveness of cash flow hedges	-451
Realised gain or loss from ineffectiveness of fair value hedges	-7,257
Realised gain or loss from commodity derivative contracts — transactions not qualifying as hedges	-219,467
Impact on income tax	-26,144
Impact on minority interests	502
Total	125,625

3.3 Major accounting data (Prepared in accordance with IFRSs)

Unit: '000 Currency: RMB

	2009	2008	Increase/ (decrease) (%)	2007
Revenue	**51,430,623**	53,693,436	-4.21	43,168,883
Profit before tax	**3,210,823**	2,998,051	7.10	5,509,273
Income tax expenses	**829,517**	800,535	3.62	854,813
(Loss)/profit attributable to minority interests	**-1,921**	-87,585	-97.81	120,706
Profit attributable to owners of the Company	**2,383,227**	2,285,101	4.29	4,533,754
Basic earnings per share *(RMB)*	**0.79**	0.76	3.95	1.53
Diluted earnings per share *(RMB)*	**0.73**	0.76	-3.95	1.53
Net cash flow from operating activities	**1,722,486**	6,249,417	-72.44	1,603,537

	As at 31 December 2009	As at 31 December 2008	Increase/ (decrease) (%)	As at 31 December 2007
Total assets	**38,427,695**	34,504,921	11.37	35,130,584
Total liabilities	**15,252,590**	13,385,945	13.94	15,108,629
Equity attributable to owners of the Company	**22,813,886**	20,752,344	9.93	19,544,424
Equity per share attributable to owners of the Company *(RMB)*	**7.55**	6.87	9.90	6.47
Return on net assets *(%) (Basic earnings per share/equity per share attributable to owners of the Company)*	**10.46**	11.06	Decreased by 0.60 percentage points	23.65

3.4 Discrepancies between IFRSs and PRC GAAP

3.4.1 Reconciliation of net profit attributable to owners of the Company and equity attributable to owners of the Company in the consolidated financial statements prepared under PRC GAAP to those under IFRSs

Unit: '000 Currency: RMB

	Net profit attributable to owners of the Company		Equity attributable to owners of the Company	
			As at 31 December	As at 31 December
	2009	2008	**2009**	2008
Under PRC GAAP	**2,349,254**	2,285,101	**22,813,886**	20,752,344
IFRSs adjustments:				
Reversal of the safety fund expenses provided but not used under the PRC GAAP during the year	**33,973**	—	**—**	—
Under IFRSs	**2,383,227**	2,285,101	**22,813,886**	20,752,344

4 INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS

As at 31 December 2009, the interests or short positions of the shareholders, other than Directors, Supervisors or 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") were as follows:

Name of shareholder	Class of shares	Capacity	Number of shares	Approximate percentage of total number of the relevant class of share	Approximate Percentage of total issued share capital
			(Note 1)	*(%)*	*(%)*
Jiangxi Copper Corporation ("JCC")	Tradable A shares subject to trading moratorium	Beneficial owner	1,282,074,893(L)	78.40%(L)	42.41%(L)
JPMorgan Chase & Co.	H shares	*(Note 2)*	151,628,192(L)	10.93%(L)	5.02%(L)
			9,799,873(S)	0.71%(S)	0.32%(S)
			32,407,000(P)	2.34% (P)	1.07%(P)

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

Note 2: According to the corporate substantial shareholders notice filed by JPMorgan Chase & Co. on 21 December 2009, the H shares were held in the following capacities:

Capacity	**Number of H shares**
Beneficial owner	10,788,192 (L)
	9,799,873 (S)
Investment manager	108,433,000 (L)
Custodian — corporation/ approved lending agent	32,407,000 (L)

Pursuant to the said notice, such interests include: (i) the 140,000 H shares in long position and the 4,346,000 H shares in short position which were held in cash settled derivatives listed or traded on a stock exchange or traded on a futures exchange; and (ii) the respective 380,000 H shares in both long position and short position which were held in physically settled unlisted derivatives.

Save as disclosed above, the register required to be kept under Section 336 of SFO showed that the Company had not been notified of any interests or short positions in the shares and underlying shares of the Company as at 31 December 2009.

5 PARTICULARS OF SHAREHOLDINGS AND REMUNERATIONS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Unit: Share

Name	Position	Sex	Age	Commencement date of term of office	Expiring date of term of office	Number of shares held as at 1 January 2009	Number of shares held as at 31 December 2009	Reasons for the changes	Total remunerations received from the Company during the reporting period *(RMB0'000) (before tax)*	Whether received remuneration or allowance from shareholder or other related entities
Li Yihuang	Chairman	Male	47	24 January 2007		0	0		83.509	No
Li Baomin	Executive Director	Male	52	3 April 2007		0	0		83.509	No
Long Ziping	Executive Director	Male	49	3 April 2007	26 June 2009	0	0	Retired on change of Board session	73.74025	No
	Deputy General Manager			31 March 2009		0	0	Appointed		No
Wang Chiwei	Executive Director	Male	56	24 January 1997	26 June 2009	0	0	Retired on change of Board session	72.26875	No
	Deputy General Manager			24 May 2001		0	0			No
Wu Jinxing	Executive Director	Male	47	1 November 2005	26 June 2009	0	0	Retired on change of Board session	71.24025	No
	Financial controller			19 May 2005	31 March 2009	0	0	Terminated		No
	Supervisor			26 June 2009		0	0	Appointed on change of Board session		No
Gan Chengjiu	Executive Director	Male	47	26 June 2009		0	0	Appointed on change of Board session	71.24025	No
	Financial controller			31 March 2009		0	0	Appointed		No
	Supervisor			11 June 2003	26 June 2009	0	0	Retired on change of Board session		No
Hu Qingwen	Executive Director	Male	46	26 June 2009		0	0	Appointed on change of Board session	42.49025	No
Shi Jialiang	Executive Director	Male	63	26 June 2009		0	0	Appointed on change of Board session	2.6625	No
Gao Jianmin	Executive Director	Male	50	24 January 1997		0	0		18	No
Liang Qing	Executive Director	Male	56	12 June 2002		0	0		18	No
Gao Dezhu	Independent Non-executive Director	Male	69	26 June 2009		0	0	Appointed on change of Board session	2.5	No
Wu Jianchang	Independent Non-executive Director	Male	71	6 June 2008		0	0		5	No
Zhang Rui	Independent Non-executive Director	Female	47	15 June 2006		0	0		5	No
Tu Shutian	Independent Non-executive Director	Male	46	15 June 2006		0	0		5	No
Yin Hongshan	Independent Non-executive Director	Male	64	11 June 2003	26 June 2009	0	0	Retired on change of Board session	2.5	No
Hu Faliang	Chairman of the Supervisory Committee	Male	50	6 June 2008		0	0		58.9715	No
Wu Jimeng	Supervisor	Male	51	6 June 2008	26 June 2009	0	0	Retired on change of Board session	61.4715	No
	Deputy General Manager			31 March 2009		0	0	Appointed		No
Li Ping	Supervisor	Male	51	11 June 2003	26 June 2009	0	0	Retired on change of Board session	28.75	No
Lin Jinliang	Supervisor	Male	45	26 June 2009		0	0	Appointed on change of Board session	30.2215	No
Xie Ming	Supervisor	Male	53	26 June 2009		0	0	Appointed on change of Board session	30.2215	No
Wan Sujuan	Supervisor	Female	56	26 June 2009		0	0	Appointed on change of Board session	2.6625	No
Dong Jiahui	Deputy General Manager	Male	47	31 March 2009		0	0	Appointed	63.9715	No
Liu Jianghao	Chief Engineer	Male	48	21 November 2001		0	0		63.9715	No
Pan Qifang	Secretary to the Board (Domestic)	Male	45	19 April 2006		0	0		23.4715	No
Tung Tat Chiu, Michael	Secretary to the Board (Overseas)	Male	47	24 January 1997		0	0		5	No
Liu Qianming	Supervisor	Male	47	6 June 2008	26 June 2009	0	0	Retired on change of Board session	30.2215	No
Total	/	/	/	/	/	0	0	/	955.5948	/

6 REPORT OF THE DIRECTORS

6.1 Chairman's Statement

To shareholders,

Thank you for your trust in and support to the Group. I am pleased to report that the Group, through strengthened internal management and strict cost control, not only successfully withstood the severe financial crisis, but also hit a new record in production volume and operating results exceeded the expectation at the beginning of the year. Based on the audited consolidated financial statements for the year of 2009 prepared under PRC GAAP, the consolidated operating revenue of the Group amounted to RMB51,714.65 million (2008: RMB53,972.43 million), representing a decrease of RMB2,257.78 million or 4.18% from last year. Net profit attributable to owners of the Company amounted to RMB2,349.25 million (2008: RMB2,285.10 million), representing an increase of RMB64.15 million or 2.81% from last year. Basic earnings per share was RMB0.78 (2008: RMB0.76), representing an increase of RMB0.02 or 2.63% from last year.

Industry Development and Market Review

In 2009, among non-ferrous metals, the price of copper first bottomed out and climbed all the way for the rest of the year. The price of three-month copper futures on London Metal Exchange ("LME") jumped from the opening price of US$3,077.5/tonne at the beginning of the year to close at annual record of US$7,503.8/tonne at the end of the year, representing an increase of 143.8%, which already returned to the level prior to the financial crisis. Nevertheless, the average copper price for the whole year stayed far below that of last year. The average closing price of three-month copper futures and the average closing price of copper spot on LME were US$5,171/tonne and US$5,149/tonne respectively, representing a respective decrease of 24.93% and 25.97% from last year; the monthly weighted average price of three-month copper futures (inclusive of tax) and the monthly weighted average price of current-month copper futures (inclusive of tax) on the Shanghai Futures Exchange were RMB39,156/tonne and RMB40,186/tonne respectively, representing a decrease of 29.57% and 29.01% respectively from last year.

According to statistics of International Copper Study Group (ICSG), in 2009, the global copper output was 18.35 million tonnes and copper consumption was 17.99 million tonnes. The output of refined copper in China amounted to 4.12 million tonnes, representing an increase of 6.2% over last year. Apparent consumption volume reached 7.23 million tonnes, representing an increase of 38.5% over last year. Imported refined copper reached 3.185 million tonnes, representing a decrease of 118.7% from last year.

Business Review

During the reporting period, the Group continued to implement our development strategy "to develop mines, consolidate smelting, improve refining and diversify into related sectors" and achieved internal consolidation as well as steadfast expansion:

(1) Deepened reform and tamped foundation to improve operating efficiency.

i The organizational adjustment at the headquarter of the Group was completed smoothly. In July 2009, the Group successfully completed organizational adjustment at the headquarter of the Group, which streamlined certain functional departments and reduced nearly 50% of its employees at the headquarter. A position-value oriented human resources structure was established with clearly-defined responsibility, power and right, and an employment mechanism has basically been formed that facilitate the recruitment and dismissal of the employees.

ii The process of internal enterprises reorganization is undergoing smoothly. The Company acquired copper related business from JCC in 2008. Such business, despite staying in line with our principal business, have included many legal entities and more complicated business models. During the reporting period, the Group had streamlined same or similar business and liquidated certain legal entities closely related to our principal business, in order to simplify operations, enhance overall operating efficiency of the Company, reduce administrative expenses and tax expenses.

iii Employment was standardized and temporary employment was reduced gradually. Deployment of internal human resources by the headquarter was centralized. As such, the Company could expand its business while maintaining the total number of employees basically unchanged through the cross-region and cross-unit internal transfer of the staff, so as to utilise its existing human resources more effectively. Meanwhile, the Company optimized its remuneration allocation system. On the basis of overall salary increase for all employees, the Company broke the traditional "same rank, same salary" practice. Instead, it allocated more remuneration to positions of higher value and heavier duty as well as to individuals with more contribution, in an effort to establish a position-value oriented remuneration system.

iv The experimental quota-based assessment was successfully completed. During the reporting period, the Group conducted assessment at Dexing Copper Mine and Guixi Smelter based on quota assigned to nine major aspects including production volume, quality, cost, equipment and energy consumption. This experiment accumulated experience for the Group to promote quota management and laid down a foundation for implementation of overall budget management.

(2) Expanded strategically in line with our strategy to enhance profitability.

i Steady implementation of the resources development strategy and continuous increase in resources control. In addition to the acquisition of exploration rights of Jinjiwo silver mines which added 310,000 tonnes to our copper metal reserves, 510,000 tonnes to our lead and zinc metal reserves, 3.27 tonnes to our gold metal reserves and 952 tonnes to our silver metal reserves, the Group's effort in in-depth exploration of existing mines and the vicinity in recent years also started to pay off. Possible additional resources may exist at the in-depth of Dongxiang Copper Mine and Yinshan Lead-Zinc Mine; and possible of molybdenum mine were also seen in the vicinity of Yongping Copper Mine.

Mine construction advanced steadily and the amount of the self-produced copper raw materials increased. The technological reform project at Wushan Copper Mine has been completed, expanding its processing capacity to 5,000 tonnes per day; the 130,000 tonnes per day expansion project at Dexing Copper Mine, the Phase II expansion project at Chengmenshan Copper Mine, conversion of the open-pitting to underground mining project at Yongping Copper Mine and No.5 orebody exploitation project at Dongxiang Copper Mine has been advanced smoothly; and the preliminary preparation for the 5,000 tonnes per day capacity expansion project at Yinshan Mine has been completed. The Group is actively carrying the Aynak Copper Mine project in Afghanistan (阿富汗艾娜克銅礦項目) forward, with the formulation of early operation plan and the purchase of major equipments through tendering. For the Northern Peru Project, we were optimizing the feasibility study and have commenced the land acquisitions. The construction of aforesaid mines led to an increase in self-produced copper concentrate ore of the Group. During the reporting period, the Group produced a total of 167,000 tonnes copper metal contained in copper concentrate, representing an increase of 5% over last year.

ii Consolidated industry leading position by exploring internal growth and improving smelting. Through sophisticated management, optimized smelting technology and strict standardized operation, Guixi Smelter possessed an annual smelting capacity of 900,000 tonnes of copper cathode after the completion of eastward-expansion project for the tankhouse (電解東擴工程) which reduced unit smelting cost as a result of economies of scale.

iii Based the production on sales and market demand, and profits increased significantly from refined and sophisticated processing. During the reporting period, the Company has changed its production-based approach which has previously been applied in the sales of copper processing products to the strategy of securing major clients, thereby, deciding the volume and specifications of its products with reference to the market demand. With a clear picture of clients' demand, the Group managed to rationalise its production workflow, improved its product quality and enhanced the overall level of operation management.

Copper consumption will depend on the recovery progress in global economy. The economic recovery after the financial crisis could be a long-term and lengthy process. Other than Asia, no noticeable recovery in copper consumption has been found in any other regions. Such uncertainties that looms over copper consumption at the downstream industry, coupled with a high copper inventory level, have posed pressure on the rise of copper price. Nevertheless, the copper market in 2010 is healthier compared with last year as various economic indicators have shown that the global macro-economy has bottomed out. On the other hand, a decline in copper smelting expenditures in 2010 from the same period of last year shows that tight supply in copper concentrates is still worsening. In addition, copper price would be bolstered by the rising production cost of copper concentrate due to downgrading copper ore at mines and increasing difficulties in exploitation. As such, copper price is expected to hover at high levels in 2010.

In the year of 2010, the production and operation plan of the Group is to produce 900,000 tonnes of copper cathode; 22 tonnes of gold; 460 tonnes of silver; 2,310,000 tonnes of sulphuric acid; 172,000 tonnes of copper contained in copper concentrate; and 483,000 tonnes of copper rods and wires and other copper processing products. As the price of the Group's principal products are susceptible to the fluctuations of the international market as well as the ever-changing sources of raw materials and methods of transactions (for instance, the production volume generated through buyout of materials and outsourced processing can be identical, but the sales income can differ significantly), the Group may, when and as appropriate, adjust such plan in response to changes in market conditions.

To ensure the fulfilment of the plan, the Group will spare no efforts in the following works:

(1) Strengthen production organization to make full use of production capacity. In 2010, all of the planned productions in mining, milling, smelting and copper processing exceed those in 2009: (i) as for mines, as production expansion and reform projects has started to progress, production potential will be further exploited so as to realize the benefits from such projects. Among them, the production capacity of the phased expansion project at Dexing Copper Mine (with an expanded daily production capacity of 7,500 tonnes) is to be fully utilized; the 5,000 tonnes per day expansion project at Wushan Copper Mine is to be accomplished as early as possible; the conversion of the open-pitting to underground mining project at Yongping Copper Mine is to be put into production

in March with a production capacity of 5,000 tonnes achieved by the end of the year; No.5 orebody exploitation project at Dongtong Mining is to commence production in November; and the Phase II expansion project at Chengmenshan Copper Mine is to be completed within the year. Every efforts will be made to ensure a production of 172,000 tonnes of copper contained in copper concentrate in the year; (ii) as for smelting, as it was based on the maximum production capacity that the plan is formulated, materials sourced from outside will increase. As such, raw material procurement is to be well planned and conducted to ensure sufficient supply of raw material. Furthermore, we will strengthen inventory and equipment management, enhance our ability to process various complex raw materials, so as to accomplish the copper smelting target of 900,000 tonnes. (iii) as for copper processing, the copper foil expansion project phase II is to be productive in the first quarter. Other copper processing units will mainly endeavour to stabilize and improve product quality and reduce production cost to increase market competitiveness and market share.

(2) Continue to promote resources development strategy to guarantee resources supply. Apart from the aforesaid construction at internal mines, the Group also strives to accelerate the development of the Aynak Copper Mine project in Afghanistan and copper mine project at Northern Peru, and apply the Group's mining technology and management practice in such projects. In addition, the Group is also making preliminary preparation for Jinjiwo Silver and Copper Mine and other prospective projects, so that it can implement development at appropriate timing. The Group will continue to invest in the exploration in circumjacent areas of its existing mines and deeper exploration at these mines, and participate in risk-taking explorations in an appropriate manner. The best opportunity for merger and acquisition in resources filed will remain open only for a short period as the resources industry was the first to recover from the financial crisis, however mergers and acquisitions in mining industry are in full swing worldwide. The Group will still continue to actively seek various opportunities to guarantee its resources supply.

(3) Address properly the relationship between capital operation and real economy, and strive for the exercise of rights attached to our warrants. Real economy forms the foundation of our development while capital operation allows us to take a leap forward. Since the listing of the Company, the Group has, through capital operation, substantially increased its resources reserves and self-sufficiency ratio in raw materials by way of acquisition and expansion of Wushan Copper Mine, Chengmenshan Copper Mine, Dongxiang Copper Mine and Yinshan Lead-Zinc Mine. Furthermore, the Group constructed Guixi Smelter Phase II, III & IV through raised funds, making our smelting capacity always remain top-ranking in China. Meanwhile, the operating results of the Group has also been enhanced remarkably. In 2010, the Group will strive for the exercise of its warrants, so as to provide funds to finance its overseas mining projects. We will ensure the development of such overseas mines to commence as soon as possible, to bring better returns to our investors.

(4) Strengthen internal management to be the foundation for development. In 2010, we will promote quota-based management within the Group and establish a rated consumption database, so as to lay down a solid foundation for the implementation of comprehensive budget management. The information construction is to satisfy needs to share information from various parties in production and management. We will strengthen risk control, straighten out internal risk management system throughout the company, strengthen legal supervision and prior supervision and intensify monitoring in all aspects of production and operation.

(5) Increase efforts in innovation to improve independent innovation capability. The Group aims to raise its technological and economic indicators through continuing to leverage its existing technology platform to actively tackle key technical problems and continuously improve its technology process. With strengthened cooperation with renowned academies and research and engineering institutes, we strive to gradually develop our proprietary core technologies through technological breakthroughs and research and development in new technology, new process and new products .

(6) Continue to reform and establish an operation mechanism adaptive to the corporate development. It means that we are to further streamline management process and improve management efficiency based on achievement of consolidation of our organizational reform at the headquarter of the Group. Members of the Group are to complete the organizational adjustments, staff deployment and position arrangement in the year , in order to optimize organizational structure, straighten out business and management process, scientifically designate and reasonably form a position, and finally realize position assessment and classification. The Group's headquarter will implement the position-value oriented distribution mode, while the members of the Group will speed up the construction of remuneration distribution system, with an aim to set up, at a preliminary stage, a distribution system that is internally-fair and externally-competitive and reflects position value and individual performance. In addition, internal human resources is to be fully utilized, and internal staff recruitment and transfer within the Group for Chengmenshan Copper Mine will be completed. Moreover, the Group will further explore equity incentives scheme for medium-senior management and key technical staff.

GRATITUDE

On behalf of the Board, I would like to thank our shareholders and all circles of life for their care and support over these years, and I also wish to extend sincere gratitude to all Directors, Supervisors and senior management for their contribution and to our diligent staff during the past year.

Li Yihuang
Chairman

Jiangxi, PRC
30 March 2010

6.2 Management Discussion and Analysis

The management of the Group is pleased to present the following discussion and analysis of the Group's 2009 business results for better understanding of investors in reading the annual report. The financial data mentioned in this section is mainly extracted from the consolidated financial statements prepared under the PRC GAAP.

1. *Working Capital and Cash Flow*

During the reporting period, the Group's net cash inflow generated from operating activities decreased by RMB4,526.93 million or 72.44% from same period last year to RMB1,722.49 million, mainly attributable to appropriation of the working capital given the increase in inventory balance at year end as a result of the increase of copper price and expansion of production capacity.

During the reporting period, the Group's net cash inflow generated from operating activities was RMB624.15 million less than the net profit, mainly attributable to RMB109.19 million of provision for impairment of assets, RMB891.90 million of depreciation of fixed assets, RMB50.65 million of provision for amortisation of intangible assets, RMB342.47 million of financial costs incurred, a decrease of RMB117.43 million in deferred tax assets, an increase of RMB4,613.74 million in inventory, a decrease of RMB1,040.63 million in trade receivables and an increase of RMB1,430.62 million in trade payables.

During the reporting period, net cash outflow from investing activities was RMB3,142.59 million, mainly comprising cash payment of RMB2,335.97 million for acquisition and construction of long-term assets, payment of outstanding balance of RMB521.31 million for acquisition of the mining rights of Dongtong Mine and Yinshan Mine from JCC in 2008, and net cash outflows of RMB300.00 million for purchase of PRC financial institution's financial products by Jiangxi Copper Corporation Finance Company Limited ("Finance Company"), a subsidiary of the Company. The Group's net cash outflow from investing activities decreased by RMB928.73 million or 22.81% from same period last year, mainly due to the payment of RMB1,585.49 million for acquisition of copper related business from JCC in the same period of last year.

During the reporting period, the Group's net cash outflow from financing activities was RMB821.90 million, mainly comprising RMB4,178.03 million of cash for loan from banks, RMB3,195.47 million of cash for repayment of debt to bank, RMB356.82 million of cash for distribution of dividends and payment of interests as well as an increase of time deposit of RMB1,448.40 million pledged to secure bank borrowings denominated in US dollar. The net cash outflow from financing activities decreased by RMB475.92 million or 36.67% from same period last year, mainly due to a decrease of payment of cash dividend this year as compared with the same period of the last year.

As at the end of the reporting period, the Group's balance of cash and cash equivalents amounted to RMB1,702.63 million, representing a decrease of RMB2,242.14 million or 56.84% from same period last year.

2. *Financial position and Capital Structure*

As at the end of the reporting period, due to an increase in shareholder's equity arising from the Group's net income and an increase in debt of the Group, the Group's total assets and liabilities increased to RMB38.034 billion and RMB14.859 billion respectively from RMB34.151 billion and RMB13.032 billion as at the end of 2008. The asset-liability ratio (liabilities divided by total assets) was 39.07%, representing an increase of approximately 0.91 percentage points. Capital-liabilities ratio (liabilities divided by shareholder's equity) was 64.12%.

3. *Analysis on changes in items of Financial Statements*

1) As at the end of the reporting period, analysis on major items in the Group's assets (items in the consolidated balance sheets) composition with significant changes or significant variation from the same period of the last year is as follows:

   Bills and trade receivables: As at the end of the reporting period, the Group's balance of bill and trade receivables was RMB2,465.13 million, representing a decrease of RMB1,511.28 million or 38.01% from the end of last year, mainly due to the Group, in view of the stabilized market as a result of economic recovery after the financial crisis, shortened the collection period of sales payment with an aim to improve cashflow.

Prepayments: As at the end of the reporting period, the Group's balance of prepayments was RMB1,356.05 million, representing an increase of RMB594.11 million or 77.97% from the end of last year, mainly due to higher prices of the raw materials.

Other receivables: As at the end of the reporting period, the Group's balance of other receivables was RMB826.75 million, representing a decrease of RMB559.50 million or 40.36% from the end of last year. As a result of the substantial drop in the copper price in the fourth quarter of last year, the outstanding amount to be finally settled with the suppliers regarding to the raw materials received by the Group was lower than the prepayment balance to the suppliers. Meanwhile, while approximately RMB836.15 million, being the prepayment in excess of the final settlement amount and required to be recovered from suppliers by the Group, was accounted for as other receivables at the end of last year, such difference did not occur as the copper price gradually increased at the end of the reporting period.

Inventory: As at the end of the reporting period, the inventory balance of the Group was RMB11,489.97 million, representing an increase of RMB4,603.92 million or 66.86% from the end of last year; the ratio of inventory to total assets increased from 20.16% at the end of last year to 30.21%. The increase was mainly due to the increase of the unit cost of inventory products as a result of rise of raw material price and the increase of inventory quantity as a result of expansion of the production capacity.

Certain current assets among available-for-sale financial assets: As at the end of the reporting period, the Group's balance of available-for-sale financial assets was RMB300.00 million, representing an increase of RMB300.00 million or 100% from the end of last year, mainly due to the PRC financial institution's financial products of RMB300.00 million held by Finance Company during the end of the reporting period. These financial products will expire in January and November 2010 respectively, with a target annual yield rate of 3% and 6% respectively.

Exploration cost: As at the end of the reporting period, the Group's balance of exploration cost was RMB187.19 million, representing an increase of RMB115.31 million or 160.42% from the end of last year, mainly attributable to the increase of the relevant exploration cost of approximately 115.31 million by the Group for Jinjiwo Silver and Copper Mine and Zhu Sha Hong Copper Mine during the reporting period.

Deferred tax assets: As at the end of the reporting period, the Group's balance of deferred tax assets was RMB172.83 million, representing a decrease of RMB117.43 million or 40.46% from the end of last year, mainly due to the reversal of RMB116.35 million of deferred tax assets as a result of the realization of inventory impairment provision (being the major temporary difference to recognize deferred tax assets) as the relevant inventory which was impaired at the end of last year was produced or sold during the reporting period.

Bills payable: As at the end of the reporting period, the balance of bills payable of the Group increased by RMB1,860.43 million or 2,157.83% from the end of last year. The increase was mainly due to the increase in purchase price for raw materials and the increase of settlement by bills with the suppliers during the year.

Trade payable: As at the end of the reporting period, balance of trade payable of the Group was RMB2,140.05 million, representing an increase of RMB811.62 million or 61.10% over the end of last year, mainly due to an increase in the price for raw materials.

Employee remuneration payable: As at the end of the reporting period, balance of employee remuneration payable of the Group was RMB362.74 million, representing an increase of RMB126.61 million or 53.62% from the end of last year. The main reason is because the Group did not fully settle the provisions for employee remuneration during the reporting period and the remuneration was subsequently settled in February 2010.

Non-current liabilities due within one year: At the end of the reporting period, balance of the Group's non-current liabilities due within one year was RMB3.01 million, representing a decrease of RMB382.22 million or 99.22% compared with the end of last year, mainly due to the timely repayment of long-term bank borrowings and no additional long-term bank borrowings due within a year as a result of a better cashflow position this year.

2) Analysis on items in consolidated income statement with material changes:

Assets impairment loss: Assets impairment loss of the Group decreased by RMB629.20 million or 85.21% from last year. The decrease was mainly because the Group has only made a provision of RMB9.82 million for impairment of inventory as a result of price rise of the major products this year, while the Group made a provision of RMB 579.63 million for impairment of inventory as a result of price drop of the major products last year.

During the reporting period, investment losses decreased by RMB733.76 million (or 74.19%), which was mainly because realised losses from the settled commodity derivative contracts which are not qualifying as hedges decreased by RMB752.71 million or 77.43% from RMB972.18 million for last year to RMB219.47 million for the current reporting period.

a) Realised losses from the settlement of commodity derivative contracts of RMB972.18 million for the year ended 31 December 2008 are mainly attributed to follows:

   (i) During the last year, the Group signed agreements with certain creditworthy customers to sell specified quantity of copper products in a specified future period at a specified price by reference to the prevailing price in the futures exchange market for copper cathode. In order to minimize its exposure against risks associated with price fluctuation of copper cathode, the Group opened buying position of commodity derivative contracts in futures exchange market accordingly. Because of the significant decline in the copper price from the end of September of 2008, the Group incurred significant investment loss as a result of the settlement of these commodity derivative contracts. In order to minimize the risk from non-fulfillment of agreements to sell copper products, the Group curtailed the scale of this kind of business module significantly.

   (ii) During the last year, the quotation period requested by local suppliers of copper concentrate was relatively long. In order to minimize risks associated with price fluctuation of copper cathode, the Group opened buying position of commodity derivative contracts in futures exchange market accordingly. Because of the significant decline in copper price from the end of September of 2008, the Group incurred significant investment loss as a result of the settlement of these commodity derivative contracts. In order to minimize the risk from non-fulfillment of these purchase agreements in line with significant price fluctuation during the long quotation period, the Group shortened the quotation period upon negotiation with those local raw material suppliers, and curtailed buying positions during the current reporting period accordingly.

   For the year of 2008, the aforesaid transactions to open buying positions of commodity derivative contracts did not quality for hedge accounting, and relevant realised losses from settlement of copper cathode commodity derivative contracts are directly recorded as investment losses.

b) Realised losses from the settlement of commodity derivative contracts for the year ended 31 December 2009:

(i) Realised losses from the settlement of commodity derivate contracts are mainly attributed to settlement of copper cathode commodity derivate contracts during the year of 2009 which were opened in 2008.

(ii) The Group utilizes copper cathode derivative contracts to hedge its exposure to variability in fair value changes attributable to price fluctuation risk associated with certain inventories and unrecognized firm commitments to sell copper rods. Since 1 July 2009, at the inception of above hedging relationships, the Group formally designates this hedge relationship and has formally prepared written documents in relation to the hedging relationships, the risk management objective and strategy for undertaking the hedge. According to result of effectiveness assessment of the Group, relevant commodity derivative contracts were assessed to be highly effective hedging instruments. Accordingly, during the current reporting period, realised losses from the settlement of relevant commodity derivative contracts was assessed to be effective portion of above hedging relationships, which were offset by fair-value gains from the above hedged items of RMB196.22 million.

Non-operating income: Non-operating income of the Group increased by RMB65.94 million or 214.78%, mainly due to an increase of RMB35.92 million in value added tax ("VAT") refund from same period last year as a result of the receipt of RMB49.07 million of VAT refund by the Group this year, and increase of RMB28.22 million from same period of last year as a result of the receipt of RMB28.22 million subsidy for imported copper concentrate by the Group this year.

Non-operating expenses: Non-operating expenses of the Group decreased by RMB6.68 million or 18.52% from same period of the last year, mainly due to (i) a decrease of RMB11.54 million in the donation regarding to the Sichuan earthquake last year, while no such situation occurred in 2009; and (ii) provisions for compensations of RMB9.98 million was accrued as a result of tailings leakage accident occurred at the Group's subsidiary JCC Yinshan Mining Company Limited in the year.

Minority interests: Loss of minority interests of the Group decreased by RMB84.96 million or 97.01%, mainly due to the disposal of 26.94% of equity interests in Shanxi Diaoquan Silver and Copper Mining Company Limited ("Diaoquan"), a subsidiary of the Group to a third party. Accordingly, Diaoguan, which incurred loss in the last year, was no longer consolidated into the financial statements of the Group.

4. *Technological innovations*

During the reporting period, the Company was approved by the Ministry of Science and Technology of the PRC, State-owned Assets Supervision and Administration Commission of the State Council and All China Federation of Trade Unions as National Innovative Enterprise（國家創新型企業）. As of the end of the reporting period, 376 technological outcomes of the Goup were granted patents.

The Company's research project named "Research and Application of Process Technology for Pressing and Oxidizing Leaching Sulfide Arsenic Cake（加壓氧化浸出硫化砷濾餅工藝的研究與應用）" passed the expert's assessment of Technology Bureau of Jiangxi Province. This project was the first research and successful application of the process for leaching arsenic sulfide cake with pressure and oxidation, and has generally attained a world leading technological level.

"Research and Development of Key Technologies for Copper Industrialization（銅工業產業化重大關鍵技術攻關研究）", a project supported by the Ministry of Science and Technology of the PRC, has proceeded as scheduled. In September 2009, the project passed interim evaluation by the Ministry of Science and Technology. "Bio-heap Leaching Process for Primary Copper Sulfide Ore（原生硫化銅礦表外礦生物堆浸工程技術）", a State 863 program, has proceeded as planned. Preliminary work for conducting 10,000 tonnes on-site heap experiment has been completed.

"Integrated Innovation of Key Technologies for 6,000 tonnes/year of Top Grade Electrolyzed Copper Foil and its Industrialization（6,000噸／年高檔電解銅箔關鍵技術集成創新及產業化）", a project undertaken by the Group independently, and "Key Technologies for Stress Measuring and Acoustic Detection at Metallic Mines and its Engineering Application（金屬礦山應力測量與聲波探測關鍵技術及其工程應用）", a project jointly undertaken by the Group (as the leading party) and Jiangxi University of Science and Technology, were awarded the Second Prize for Technology Advancement of Jiangxi Province in 2008. "Technology for Production of Ultra Fine Globular β Bismuth Oxide by Oxidation and Volatilization under Reduced Pressure（減壓揮發氧化法製備超細球狀β型氧化鉍）", a project jointly completed by the Group and the Central South University was awarded the Third Prize for Technology Advancement of Jiangxi Province.

"High efficiency Agent and Research and Development of New Process for Separating Copper and Sulphur and its Industrial Application（高效銅硫分離新藥劑、新工藝研發及工業應用）", "Key Technology for Trace Analysis of High Purity Copper Cathode and its Standardization（高純陰極銅痕量分析關鍵技術與標準化）" and "Research and Application of Process Technology for Pressing and Oxidizing Leaching Sulfide Arsenic Cake（硫化砷濾餅加壓氧化浸出工藝研究與應用）", being three projects jointly completed by the Group as the first leading party, have passed the general evaluation for Prize for Technology Advancement of Jiangxi Province in 2009.

During the reporting period, the Group invested a total of RMB13.80 million in research and development.

5. *Energy saving and emission reduction*

As approved by the Ministry of Environmental Protection of the PRC, the Company was honoured the 2005 Green Oriental Enterprise Environmental Prize of the China Environmental Award issued by China Environmental Protection Foundation.

The Group has always been making comprehensive planning for waste water treatment and ecological recovery. The Group is conducting research for enhancement of rate of recycled water, and applying biological method to experiment for treatment of refinery waste water. More investment has been made in pollution prevention facilities. Meanwhile, the Group effectively reduced pollution discharge through enhancing on-site management and promoting "clean production". During the reporting period, the Group's total discharge of sulphur dioxide and dust basically maintained while production grew at large margin. The Group had basically increased production without increasing pollution, and realised control over total volume of discharge. The discharge of various pollutants was in compliance with relevant standards of the State, thus effectively protect the ecological environment.

During the reporting period, the Group recovered 11,000 tonnes of copper metal and produced 1,950 tonnes of Arsenic Trioxide through comprehensive utilization of waste water, waste gas and solid waste.

6.3 Principal operations by industry and product

(The following financial data is mainly extracted from the consolidated financial statements prepared under the PRC GAAP)

Unit: '000 Currency: RMB

By industry	Operating revenue	Operating cost	Operating profit margin (%)	Increase/(decrease) in operating revenue from last year (%)	Increase/(decrease) in operating cost from last year (%)	Increase/(decrease) in operating profit margin from last year (%)
Copper cathodes	27,050,162	24,977,055	7.66	14.61	12.11	Increased by 2.06 percentage points
Copper rods and wires	13,993,474	12,628,305	9.76	-19.80	-22.99	Increased by 3.74 percentage points
Other copper processing products (excluding copper rod and wire)	3,093,414	2,968,169	4.05	-21.76	-21.68	Decreased by 0.09 percentage points
Precious metals (gold and silver)	5,601,627	4,206,054	24.91	23.52	28.89	Decreased by 3.13 percentage points
Chemical products (sulphuric and sulphuric concentrate)	779,622	622,093	20.21	-70.04	3.17	Decreased by 56.62 percentage points
Rare metals	644,558	279,568	56.63	-39.13	-8.92	Decreased by 14.39 percentage points
Other products	157,523	148,450	5.76	-60.00	-11.73	Decreased by 51.53 percentage points
Total	51,320,380	45,829,694	10.70	-4.24	-2.09	Decreased by 1.96 percentage points
Other operating income	394,268	318,667	19.18	4.32	-10.45	Increased by 13.33 percentage points
Total	51,714,648	46,148,361	10.76	-4.18	-2.16	Decreased by 1.85 percentage points

1) *Copper cathodes*

During the reporting period, despite the decline in the average market price as compared with last year, operating revenue from copper cathode increased by RMB3,447.95 million or 14.61% compared with last year resulting from the significant increase in sales volume of copper cathodes, driven by the growth of industrial demand for copper cathode favoured from the recovery of macro economy and operating cost of copper cathodes increased by RMB2,697.30 million or 12.11% as compared with last year. With the slump of the market price of copper cathode in the fourth quarter of the previous year and the influence of inventory turnover of the Group, the cost of copper cathodes produced with raw materials purchased in the previous periods was relatively higher than the selling price of copper cathode in the fourth quarter in 2009. As a result of the continuous growth of the copper cathodes price during the year, the inventory stated at lower cost at the beginning of the year was sold at higher market price during the reporting period, which resulting in a higher growth of operating revenue than that of operating cost. Accordingly, operating profit of copper cathode increased by RMB750.65 million or 56.76% in the year compared with last year while operating profit margin increased from 5.60% last year to 7.66%.

2) *Copper rods and wires*

During the reporting period, the stable market demand and the decrease in the selling price of the Group's copper rod and wire resulted in a decrease of RMB3,454.83 million or 19.80% in operating revenue of copper rod and wire. The price drop of copper cathode, the raw material of copper rod and wire, resulted in a decrease of RMB3,770.82 million or 22.99% in operating cost of copper rod and wire. With the slump of the market price of copper cathode in the fourth quarter of previous year, copper rod and wires produced using the copper cathode purchased in previous periods by the Group were sold at the price lower than the cost. As a result of the continuous growth of copper cathodes price during the year, the inventory stated at lower cost at the beginning of the year was sold out at higher market price during the reporting period, which resulted in the increase in the operating profit of copper rod and wire by RMB316.00 million or 30.12%. Accordingly, operating profit margin increased from 6.01% last year to 9.76%.

3) Other copper processing products (excluding copper rod and wire)

During the reporting period, the operating revenue of other copper processing products (excluding copper rod and wire) decreased by RMB860.28 million or 21.76% as a result of lower selling prices. The price drop of copper cathode, the raw material of other copper processing products (excluding copper rod and wire), resulted in a decrease of RMB821.71 million or 21.68% in operating cost of copper rod and wire. The operating profit of other copper processing products (excluding copper rod and wire) decreased by RMB38.57 million or 23.54% while the operating profit margin decreased to 4.05% from 4.14% last year.

4) Precious metals (gold and silver)

During the reporting period, operating revenue of precious metals increased by RMB1,066.52 million or 23.52% due to the increase in sales volume and selling price. Operating cost of precious metals increased by RMB942.75 million or 28.89%, attributable to the increases in quantity and purchase price of outsourced raw materials. Although the operating profit of precious metals increased by RMB123.78 million or 9.73% compared with last year as a result of increase in the price of precious metals, operating profit margin declined to 24.91% from 28.04% last year as a result of the substantial increase of operating cost driven by the higher proportion of outsourced raw materials.

5) Chemical products (sulphuric and sulphuric concentrate)

During the reporting period, despite the increase in sales volume as compared to the previous year, the operating revenue of chemical products significantly decreased by RMB1,822.78 million or 70.04% as a result of significant decline of unit selling price of chemical products. With the growth of sales volume, operating cost increased by RMB19.11 million or 3.17% from last year. Operating profit of chemical products decreased by RMB1,841.89 million or 92.12% from last year while the operating profit margin decreased to 20.21% from 76.83% last year.

6) *Rare metals*

During the reporting period, the operating revenue of rare metals decreased by RMB414.41 million or 39.13% from same period of the last year as a result of lower selling price of rare metals. Operating cost of rare metals decreased by RMB27.37 million or 8.92%. Operating profit of rare metals decreased by RMB387.03 million or 51.47% compared with last year while operating profit margin decreased from 71.01% last year to 56.63%.

7) *Other products*

During the reporting period, the Group's operating revenue from other products decreased by RMB236.28 million or 60.00% and operating cost decreased by RMB19.73 million or 11.73% as compared with last year. Operating profit decreased by RMB216.54 million or 95.98% while operating profit margin decreased from 57.29% last year to 5.76%. The revenue from other products accounted for only 0.30% of the total revenue.

7. SIGNIFICANT EVENTS

7.1 Model code for securities transactions by Directors

During the reporting period, the Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange. Having made specific enquiries to all Directors and Supervisors, the Company confirms that all the Directors and Supervisors have complied with the requirements of the Model Code during the reporting period.

7.2 Code on corporate governance practices

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

In 2009, the Board convened 8 meetings. As the Directors were often in business trips, 6 of the 8 meetings were held by way of written resolutions during the reporting period. The Company has ensured that each Director, when making decisions, was fairly informed of the content of the resolutions and all other relevant documents, and reminded them to give their opinion. Although the Company failed to fully comply with provision A.1.1 of the code provisions as set out in Appendix 14 to the Listing Rules (the "Code of Corporate Governance") during the reporting period, it will arrange the Directors to participate the Board meeting in person or by telephone conferences in the coming year.

Save as disclosed, the Company has complied with the code provisions set out in the Code of Corporate Governance as set out in Appendix 14 to the Listing Rules throughout the reporting period.

7.3 Purchase, sale or redemption of the Company's listed securities

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

7.4 Closure of Register of Members

Pursuant to the "Enterprise Income Tax Law of the PRC" 《中華人民共和國企業所得稅法》and the relevant implementing rules which came into effect on 1 January 2008 and the "Notice of the Issues concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H Share Holders Which are Overseas non-resident Enterprises" 《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》issued by the State Administration of Taxation on 6 November 2008, the Company is required to withhold and pay corporate income tax at the rate of 10% before distributing the final dividend to non-resident enterprise shareholders as appearing on the H share register of members of the Company. Any shares registered in the names of non-individual registered shareholders (including HKSCC Nominees Limited, other corporate nominees, trustees or other entities and organizations) will be treated as being held by non-resident enterprise shareholder and will therefore be subject to the withholding of the enterprise income tax. Shareholders and investors should peruse the contents above carefully. If shareholders' names appear on the H Shares register of members, please refer to nominees or trust organization for details of the relevant arrangements. The Company has no obligation and shall not be responsible for confirming the identities of the shareholders. The Company will strictly comply with the law, and withhold and pay the enterprise income tax on behalf of the relevant shareholders based on the H Shares register of members of the Company as of Thursday, 17 June 2010. The Company will not accept any requests relating to any delay in confirming the identity of the shareholders or any uncertainties in the identity of the shareholders.

In order to determine the holders of H Shares who are entitled to receive the final dividend for the year ended 31 December 2009, the H Shares register of members of the Company will be closed from Monday, 17 May 2010 to Thursday, 17 June 2010 (both dates inclusive), during which period no transfer of shares will be registered. The shareholders whose names appear on the H Shares register of members of the Company as at Thursday, 17 June 2010 are entitled to the final dividend for the year ended 31 December 2009. In order to qualify for the entitlement of the dividend, the holders of H Shares must send the transfer forms and the relevant share certificate to the Company's H Shares registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by not later than 4:00 p.m. on Friday, 14 May 2010.

8. REPORT OF THE SUPERVISORY COMMITTEE

8.1 Independent opinion of the Supervisory Committee on compliance of the Company's operation

During the reporting period, the Company implemented surveillance over its shareholders' general meetings, the procedure for convening Board meetings, resolutions, execution of resolutions of shareholders' general meetings by the Board, as well as the integrity, diligence and commitment of the Company's Directors and senior management, in accordance with relevant requirements of Company Law and the Articles of Association of the Company. The Supervisory Committee is of the opinion that the Company's decision-making procedure is lawful and its operation is in strict compliance with the internal control system. No misappropriation of the Company's funds by connected parties was found, and the Company has not provided guarantee for any connected parties, other individuals or any third parties. Directors and senior management seriously carried out their commitments in respect of integrity and diligence and no acts were in violation of laws, administrative regulations or the Company's Articles of Association nor detrimental to the Company's interests when discharging their duties.

8.2 Independent opinion of the Supervisory Committee on examination of the Company's financial position

The Supervisory Committee approved the examination and audit on the Company's financial condition and financial structure and is of the opinion that the Company's financial condition is sound without any significant risks. The Supervisory Committee considers that the 2009 financial statements prepared under PRC GAAP and IFRSs, as audited by the domestic and overseas accounting firms, give an objective, fair and true view of the Company's financial condition and operating results.

8.3 Independent opinion of the Supervisory Committee on use of the last raised proceeds by the Company

During the reporting period, there was no change in use of the raised proceeds. The proceeds were invested in the projects as undertaken. Unused proceeds have been deposited in the designated bank account as disclosed.

8.4 Independent opinion of the Supervisory Committee on acquisition and disposal of assets by the Company

During the reporting period, the Company has no material acquisition and disposal. There was no indication of damage to minority shareholders' interests or dissipation of the Company's assets.

8.5 Independent opinion of the Supervisory Committee on connected transactions of the Company

During the reporting period, the Company's procedure for entering into connected transactions complied with the relevant provisions of the Listing Rules. The disclosure of information on connected transactions was timely and sufficient. The execution of the contracts of connected transactions was reasonable and fair and was not detrimental to the interests of shareholders or the Company.

9. FINANCIAL REPORT

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2009

(Prepared in accordance with IFRSs)

	Notes	2009 RMB'000	2008 RMB'000
REVENUE	3	**51,430,623**	53,693,436
Cost of sales	7	**(46,452,737)**	(47,433,301)
Gross profit		**4,977,886**	6,260,135
Other income and gains	4	**219,291**	213,747
Selling and distribution costs		**(295,943)**	(268,384)
Administrative expenses		**(1,111,006)**	(1,121,882)
Other expenses	5	**(139,612)**	(1,520,550)
Finance costs	6	**(361,214)**	(542,870)
Share of profits and (losses) of:			
A jointly-controlled entity		**3,151**	3,000
Associates		**(81,730)**	(25,145)
PROFIT BEFORE TAX	7	**3,210,823**	2,998,051
Income tax expense	8	**(829,517)**	(800,535)
PROFIT FOR THE YEAR		**2,381,306**	2,197,516

Attributable to:			
Owners of the Company		**2,383,227**	2,285,101
Minority interests		**(1,921)**	(87,585)
		2,381,306	2,197,516
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY OWNERS OF THE COMPANY			
— Basic	10	**RMB0.79**	RMB0.76
— Diluted	10	**RMB0.73**	RMB0.76

Details of the dividends payable and proposed for the year are disclosed in note 9.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2009

(Prepared in accordance with IFRSs)

	2009	2008
	RMB'000	*RMB'000*
PROFIT FOR THE YEAR	**2,381,306**	2,197,516
OTHER COMPREHENSIVE INCOME		
Cash flow hedges:		
Effective portion of changes in fair value of hedging instruments arising during the year	**(52,222)**	—
Reclassification adjustments for losses/(gains) included in revenue in the consolidated income statement	**8,490**	(30,128)
Income tax effect	**7,064**	7,532
	(36,668)	(22,596)
Exchange differences on translation of foreign operations	**(42,666)**	(43,379)
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	**(79,334)**	(65,975)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**2,301,972**	2,131,541
Attributable to:		
Owners of the Company	**2,303,939**	2,220,840
Minority interests	**(1,967)**	(89,299)
	2,301,972	2,131,541

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2009

(Prepared in accordance with IFRSs)

	Notes	2009 RMB'000	2008 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**15,167,577**	14,053,056
Prepaid land lease payments		**185,591**	197,814
Intangible assets		**910,418**	945,942
Exploration and evaluation assets		**187,188**	71,880
Interest in a jointly-controlled entity		**18,937**	16,786
Interests in associates		**387,250**	508,338
Available-for-sale investments		**410,080**	327,400
Deferred tax assets		**172,831**	290,264
Loans to related parties		**—**	1,000
Total non-current assets		**17,439,872**	16,412,480
CURRENT ASSETS			
Inventories		**11,489,973**	6,886,056
Trade and bills receivables	11	**2,465,126**	3,976,405
Prepayments, deposits and other receivables		**2,585,449**	2,511,644
Loans to related parties		**547,136**	265,557
Available-for-sale investments		**300,000**	—
Equity investments at fair value through profit or loss		**120**	—
Derivative financial instruments	12	**—**	312,455
Pledged deposits		**1,897,393**	195,558
Cash and cash equivalents		**1,702,626**	3,944,766
Total current assets		**20,987,823**	18,092,441
Total assets		**38,427,695**	34,504,921

CURRENT LIABILITIES			
Trade and bills payables	13	**4,086,694**	1,414,640
Other payables and accruals		**1,624,540**	1,826,057
Derivative financial instruments	12	**433,858**	359,309
Interest-bearing bank borrowings		**2,530,943**	3,316,680
Deposits from customers		**697,424**	970,337
Repurchase agreement		**51,677**	—
Income tax payable		**473,417**	276,184
Total current liabilities		**9,898,553**	8,163,207
NET CURRENT ASSETS		**11,089,270**	9,929,234
TOTAL ASSETS LESS CURRENT LIABILITIES		**28,529,142**	26,341,714
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings		**111,922**	147,250
Bonds payable		**4,947,993**	4,747,884
Deferred revenue — government grants		**165,181**	126,384
Deferred tax liabilities		**409**	78,109
Provision for rehabilitation		**113,045**	107,002
Other long term payables		**15,487**	16,109
Total non-current liabilities		**5,354,037**	5,222,738
Net assets		**23,175,105**	21,118,976

EQUITY

EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY

Share capital		**3,022,834**	3,022,834
Equity component of bonds with warrants		**2,008,917**	2,008,917
Reserves		**17,479,852**	15,478,766
Proposed final dividends	9	**302,283**	241,827
		22,813,886	20,752,344
Minority interests		**361,219**	366,632
Total equity		**23,175,105**	21,118,976

2.1 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), which comprise standards and interpretations approved by the International Accounting Standards Board ("IASB") and interpretations approved by the International Accounting Standards Committee. In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared on the historical cost basis, except for derivative financial instruments, which have been measured at fair value, as explained in the accounting policies set out below. These consolidated financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand ("RMB'000") except when otherwise indicated.

2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in preparation of the Group's annual financial statements for the year ended 31 December 2008, except for the adoption of new and revised IFRSs effective for the period beginning on or after 1 January 2009, as set out below:

IFRS 1 and IAS 27 Amendments	Amendments to IFRS 1 *First-time Adoption of IFRSs and IAS 27 Consolidated and Separate Financial Statements — Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
IFRS 2 Amendments	Amendments to IFRS 2 *Share-based Payment — Vesting Conditions and Cancellations*
IFRS 7 Amendments	Amendments to *IFRS 7 Financial Instruments: Disclosure — Improving Disclosures about Financial Instruments*
IFRS 8	*Operating Segments*
IAS 1 (Revised)	*Presentation of Financial Statements*
IAS 18 Amendment*	Amendment to Appendix to IAS 18 *Revenue — Determining whether an entity is acting as a principal or as an agent*
IAS 23 (Revised)	*Borrowing Costs*
IAS 32 and IAS 1 Amendments	Amendments to IAS 32 *Financial Instruments: Presentation* and IAS 1 *Presentation of Financial Statements — Puttable Financial Instruments and Obligations Arising on Liquidation*
IFRIC 9 and IAS 39 Amendments	Amendments to IFRIC 9 *Reassessment of Embedded Derivatives* and IAS 39 *Financial Instruments: Recognition and Measurement — Embedded Derivatives*
IFRIC 13	*Customer Loyalty Programmes*
IFRIC 15	*Agreements for the Construction of Real Estate*
IFRIC 16	*Hedges of a Net Investment in a Foreign Operation*
IFRIC 18	*Transfers of Assets from Customers* (adopted from 1 July 2009)
Improvements to IFRSs (October 2008) **	Amendments to a number of IFRSs

* Included in Improvements to IFRSs 2009 (as issued in April 2009).

** The Group adopted all the improvements to IFRSs issued in October 2008 except for the amendments to IFRS 5 *Non-current assets Held for Sale and Discontinued Operations — Plan to sell the controlling interest in a subsidiary*, which are effective for annual periods beginning on or after 1 July 2009.

The principal effects of adopting these new and revised IFRSs, which give rise to changes in accounting policies, are as follows:

The IFRS 7 Amendments require additional disclosures about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by sources of inputs using a three-level fair value hierarchy, by class, for all financial instruments recognised at fair value. In addition, a reconciliation between the beginning and ending balances is now required for level 3 fair value measurements, as well as significant transfers between levels in the fair value hierarchy. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management.

IFRS 8, which replaces IAS 14 *Segment Reporting*, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. The Group concluded that the operating segments determined in accordance with IFRS 8 are the same as the business segments previously identified under IAS 14. These revised disclosures, including the related revised comparative information, are shown in note 3.

IAS 1 (Revised) separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. In addition, this standard introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group has elected to present two statements.

Except as stated above, the adoption of the above new and revised IFRSs has not had a significant impact on the Group's consolidated financial statements.

2.3 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 1 (Revised)	*First-time Adoption of IFRSs*[1]
IFRS 1 Amendments	Amendments to IFRS 1 *First-time Adoption of IFRSs — Additional Exemptions for First-time Adopter* [2]
IFRS 1 Amendments	Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards-Limited Exception from Comparative IFRS 7 Disclosures for First-time Adopters*[4]
IFRS 2 Amendments	Amendments to IFRS 2 *Share-based Payment — Group Cash-settled share based payment Transactions*[2]
IFRS 3 (Revised)	*Business Combinations*[1]
IFRS 9	*Financial Instruments*[6]
IAS 24 (Revised)	*Related Party Disclosures*[5]
IAS 27 (Revised)	*Consolidated and Separate Financial Statements*1
IAS 32 Amendment	Amendment to IAS 32 *Financial Instruments: Presentation — Classification of Rights Issues*[3]
IAS 39 Amendments	Amendment to IAS 39 *Financial Instruments: Recognition and Measurement — Eligible Hedged Items*[1]
IFRIC 14 Amendments	Amendments to IFRIC 14 *Prepayments of a Minimum Funding Requirement*[5]
IFRIC 17	*Distribution of Non-cash Assets to Owners*[1]
IFRIC 19	*Extinguishing Financial Liabilities with Equity Instruments*[4]
Amendments to IFRS 5 included *in Improvements to IFRSs issued in May 2008*	Amendments to IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations — Plan to Sell the Controlling Interest in a Subsidiary*[1]

The amendments to IFRS 2, IAS 38,IFRIC 9 and IFRIC 16 are effective for annual periods beginning on or after 1 July 2009 while the amendments to IFRS 5, IFRS 8, IAS 1, IAS 7, IAS 17, IAS 36 and IAS 39 are effective for annual periods beginning on or after 1 January 2010 although there are separate transitional provisions for each standard or interpretation.

[1] Effective for annual periods beginning on or after 1 July 2009
[2] Effective for annual periods beginning on or after 1 January 2010
[3] Effective for annual periods beginning on or after 1 February 2010
[4] Effective for annual periods beginning on or after 1 July 2010
[5] Effective for annual periods beginning on or after 1 January 2011
[6] Effective for annual periods beginning on or after 1 January 2013

Further information about those changes that are expected to significantly affect the Group is as follows:

The IFRS 2 Amendments provide guidance on how to account for cash-settled share-based payment transactions in the separate financial statements of the entity receiving the goods and services when the entity has no obligation to settle the share-based payment transactions. The amendments also incorporate guidance that was previously included in IFRIC 8 *Scope of IFRS 2* and IFRIC 11 *IFRS 2 — Group and Treasury Share Transactions*. The Group expects to adopt the IFRS 2 Amendments from 1 January 2010.

IFRS 3 (Revised) introduces a number of changes in the accounting for business combinations that will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.

IAS 27 (Revised) requires that a change in the ownership interest of a subsidiary without loss of control is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore, the revised standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments were made to IAS 7 *Statement of Cash Flows*, IAS 12 *Income Taxes*, IAS 21 *The Effects of Changes in Foreign Exchange Rate*, IAS 28 *Investments in Associates* and IAS 31 *Interests in Joint Ventures*.

The Group expected to adopt of IFRS 3 (Revised) and IAS 27 (Revised) from 1 January 2010. The changes introduced by these revised standards must be applied prospectively and will affect future acquisitions, loss of control and transactions with minority interests.

IFRS 9 issued in November 2009 is the first part of phase 1 of a comprehensive project to entirely replace IAS 39 *Financial Instruments: Recognition and Measurement*. This phase focuses on the classification and measurement of financial assets. Instead of classifying financial assets into four categories, an entity shall classify financial assets as subsequently measured at either amortised cost or fair value, on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. This aims to improve and simplify the approach for the classification and measurement of financial assets compared with the requirements of IAS 39.

IAS 39 is aimed to be replaced by IFRS 9 in its entirety by the end of 2010. The Group expects to adopt IFRS 9 from 1 January 2013.

IAS 24 (Revised) clarifies and simplifies the definition of related parties. It also provides for a partial exemption of related party disclosure to government-related entities for transactions with the same government or entities that are controlled, jointly controlled or significantly influenced by the same government. The Group expects to adopt IAS 24 (Revised) from 1 January 2011 and the comparative related party disclosures will be amended accordingly.

The amendments to IFRS 5 clarify that all assets and liabilities of a subsidiary shall be classified as held for sale if an entity has a sale plan involving loss of control of the subsidiary, regardless of whether the entity will retain a non-controlling interest. The Group expects to adopt the amendments from 1 January 2010. The changes must be applied prospectively and will affect future sale transactions or plans involving loss of control of a subsidiary.

3. REVENUE AND SEGMENT INFORMATION

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 of performance assessment.

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts; less sales tax, for the years 2009 and 2008. All significant transactions within the Group have been eliminated.

An analysis of the Group's revenue by category of products is as follows:

	2009	2008
	RMB'000	*RMB'000*
Sales of goods		
— copper cathodes	**26,905,382**	23,441,806
— copper rods	**13,891,250**	17,329,712
— copper processing products	**3,093,414**	3,953,692
— gold	**4,315,178**	3,238,632
— silver	**1,286,449**	1,296,471
— sulphuric and sulphuric concentrate	**779,622**	2,602,402
— rare metals	**644,558**	1,058,965
— others	**514,770**	771,756
	51,430,623	53,693,436

Geographical information

(a) Revenue from external customers

	2009	2008
	RMB'000	*RMB'000*
— Mainland China	**47,278,140**	52,444,861
— Hong Kong	**3,990,796**	879,914
— Taiwan	**155,219**	247,388
— Australia	**—**	68,843
— Thailand	**—**	15,793
— Others	**6,468**	36,637
	51,430,623	53,693,436

The revenue information above is based on the location of the customers.

(b) Non-current assets

All of the non-current assets of the Group are located in Mainland China except for certain investments in Afghanistan and Japan of which the carrying amount is minimal. The non-current assets information is based on the location of assets and excludes financial instruments and deferred tax assets.

Information about a major customer

No revenue amounted to 10 per cent or more of the Group's revenue was derived from sales to a single customers or a group of customers under the common control for the years ended 31 December 2009 and 2008. The State-Owned Entities are not identified as a group of customers under common control by the directors of the Company.

4. OTHER INCOME AND GAINS

	2009	2008
	RMB'000	*RMB'000*
Fair value gains, net:		
Derivative financial instruments		
— transactions not qualifying as hedges		
— commodity derivative contracts *	**50,787**	—
— Unrealised gains of the outstanding contracts	**270,254**	—
— Realised losses from the settled contracts	**(219,467)**	—
Transactions qualifying as fair value hedges**	**(9,508)**	—
— Inventory and sales firm commitment hedged by commodity derivative contracts	**261,418**	—
— Fair value losses of commodity derivative contracts as hedging instruments	**(270,926)**	—
Ineffectiveness of cash flow hedges		
— commodity derivative contracts**	**(1,747)**	—
Equity investment at fair value through profit or loss	**4,095**	—
Income from VAT refund	**49,068**	13,153
Interest income	**38,437**	52,418
Gains on disposal of subsidiaries	**29,241**	—
Subsidy income of import copper concentrate	**28,219**	—
Income from available-for-sale investments	**17,204**	5,259
Deferred revenue released to income statement	**10,552**	9,098
Gain on disposal of items of property, plant and equipment	**1,808**	2,420
Foreign exchange (losses)/gains, net	**(5,865)**	125,281
Others	**7,000**	6,118
	219,291	213,747

4. OTHER INCOME AND GAINS (CONTINUED)

* This item relates to fair value changes of commodity derivative contracts which are not designated as hedging instruments and/or not qualified for hedge accounting (note 12).

** This item relates to fair value changes of commodity derivative contracts which are designated as hedging instruments (note 12). The net fair value changes of the commodity derivative contracts qualifying as hedges are as follows:

	2009	2008
	RMB'000	*RMB'000*
Transactions qualifying as fair value hedges		
— Unrealised losses of the outstanding contracts	**(2,251)**	—
— Realised losses from the settled contracts	**(7,257)**	—
	(9,508)	—
Ineffectiveness of cash flow hedges		
— Unrealised losses of the outstanding contracts	**(1,296)**	—
— Realised losses from the settled contracts	**(451)**	—
	(1,747)	—

5. OTHER EXPENSES

	2009	2008
	RMB'000	*RMB'000*
Fair value losses, net:		
Derivative financial instruments		
— transactions not qualifying as hedges		
— commodity derivative contracts	**—**	1,363,494
— Unrealised losses of the outstanding contracts	**—**	391,317
— Realised losses from the settled contracts	**—**	972,177
Provision for impairment of items of property, plant and equipment	**104,158**	92,462
Provision for impairment of intangible assets	**—**	25,080
Loss on disposal of items of property, plant and equipment	**6,209**	13,123
Compensation for accident	**9,977**	—
Donations	**512**	12,054
Others	**18,756**	14,337
	139,612	1,520,550

6. FINANCE COSTS

An analysis of finance costs is as follows:

	2009	2008
	RMB'000	*RMB'000*
Interest on borrowings	**45,236**	404,906
Interest on bonds with warrants	**285,109**	70,471
Interest on discounted notes	**30,869**	67,493
	361,214	542,870

7. PROFIT BEFORE TAX

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

	2009	2008
	RMB'000	*RMB'000*
Cost of inventories sold*	**43,683,117**	45,003,638
Depreciation	**891,896**	813,928
Amortisation of prepaid land lease payments	**14,034**	7,780
Amortisation of intangible assets	**36,621**	21,313
Minimum lease payments under operating leases of land use rights	**44,330**	15,763
Auditors' remuneration	**7,900**	8,400
Employee benefits expense (including directors' remuneration):		
— Wages and salaries	**924,743**	886,522
— Pension scheme contributions	**166,216**	162,593
— Housing fund costs	**92,420**	35,812
— Other staff costs	**242,811**	201,612

Foreign exchange losses/(gains), net	**5,865**	(125,281)
(Reversal)/provision for impairment of trade and other receivables	**(4,796)**	41,216
Provision for impairment of property, plant and equipment	**104,158**	92,462
Provision for impairment of intangible assets	**—**	25,080
Income from available-for-sale investments	**(17,204)**	(5,259)
Provision for write-down of inventories to net realisable value	**9,825**	579,632
Fair value (gains)/losses, net:		
Equity investment at fair value through profit or loss	**(4,095)**	—
Derivative financial instruments — commodity derivative contracts	**(39,532)**	1,363,494
Gains on disposal of subsidiaries	**29,241**	—
Loss on disposal of items of property, plant and equipment	**6,209**	13,123
Gain on disposal of items of property, plant and equipment	**(1,808)**	(2,420)

* It includes the net fair value changes of the unsettled provisional price arrangement as following:

	2009	2008
	RMB'000	*RMB'000*
Unrealised losses/(gains) for arrangements not qualifying for hedge	**324,960**	(312,356)
Unrealised losses of ineffectiveness of fair value hedge	**4,264**	—
	329,224	(312,356)

8. INCOME TAX EXPENSE

The major components of income tax expense for the years ended 31 December 2009 and 2008 are:

	2009	2008
	RMB'000	*RMB'000*
Current income tax payable:		
PRC income tax	**781,217**	925,026
HK income tax	**1,503**	1,236
	782,720	926,262
Deferred income tax	**46,797**	(125,727)
Income tax charge for the year	**829,517**	800,535

Hong Kong profits tax on two of the Group's subsidiaries has been provided at the rate of 16.5% (2008: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

The provision for PRC current income tax is based on a statutory rate of 25% (2008: 25%) of the assessable profits of the Group as determined in accordance with the relevant income tax rules and regulations of the PRC Corporate Income Tax Law, which came into effect on 1 January 2008, except for certain companies in Mainland China, which enjoy preferential tax rates during a transitional period from 2008 to 2012.

9. DIVIDENDS

	2009	2008
	RMB'000	*RMB'000*
Declared and paid during the year:		
Dividends on ordinary shares:		
Final dividend for 2008: RMB0.08 per share (2007: RMB0.3 per share)	**241,827**	906,850
Proposed for approval at AGM (not recognised as a liability as at 31 December)		
Dividends on ordinary shares:		
Final dividend for 2009: RMB0.1 per share (2008: RMB0.08 per share)	**302,283**	241,827

On 26 June 2009, a dividend of RMB0.08 per share (tax inclusive) on 3,022,833,727 shares, in aggregate amount of approximately RMB241,827,000 was declared to the shareholders as the final dividend for year 2008. On 17 July 2009 and 20 July 2009, the dividend was paid to the shareholders of H shares and A shares respectively.

The directors propose to distribute a final dividend of RMB0.1 per share (tax inclusive) for the year ended 31 December 2009 (2008: RMB0.08). Total estimated dividend to be paid is approximately RMB302,283,000 (based on the existing issued 3,022,833,727 shares).

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY OWNERS OF THE COMPANY

The calculation of basic earnings per share amount is based on the profit for the year attributable to ordinary owners of the Company, and the weighted average number of ordinary shares in issue during the year.

The calculation of diluted earnings per share amount is based on the profit for the year attributable to ordinary owners of the Company and the weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

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

	2009	2008
Profit attributable to ordinary owners of the Company *(RMB'000)*	**2,383,227**	2,285,101
Weighted average number of ordinary shares in issue	**3,022,833,727**	3,022,833,727
Effect of dilution-weighted average number of ordinary shares:		
Warrants attached to bonds	**222,547,534**	—
Diluted average number of ordinary shares in issue	**3,245,381,261**	3,022,833,727
— Basis	**RMB0.79**	RMB0.76
— Diluted	**RMB0.73**	RMB0.76

In year 2008, no dilute impact on earning per share has been taken into consideration, since during the period from issuance of the bonds with warrants to 31 December 2008, the average quoted market price of ordinary shares is lower than the exercise price of the warrants.

11. TRADE AND BILLS RECEIVABLES

	2009	2008
	RMB'000	*RMB'000*
Trade receivables	**1,890,713**	1,533,138
Bills receivable	**735,904**	2,620,066
Less: Provision for impairment of trade receivables	**(161,491)**	(176,799)
	2,465,126	3,976,405

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 three month, extending up to one year for major customers. 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 minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of 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.

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

	2009	2008
	RMB'000	*RMB'000*
Within 1 year	**1,708,225**	1,391,589
1 to 2 years	**48,055**	3,702
2 to 3 years	**2,093**	581
Over 3 years	**132,340**	137,266
	1,890,713	1,533,138

The terms of bills receivable are all within six months. As at 31 December 2009, the bills receivable are neither past due nor impaired.

12. DERIVATIVE FINANCIAL INSTRUMENTS

The Group uses derivative financial instruments to hedge its commodity price risk. The Group's derivative financial instruments mainly include commodity derivative contracts (standardised copper cathode future contracts in Shanghai Futures Exchange ("SHFE") and London Metal Exchange ("LME")) and provisional price arrangement.

Provisional price arrangement is embedded in concentrate purchase contracts with third parties. According to industrial practice, the purchase terms of metal in these contracts contain provisional pricing arrangements whereby the purchase price for metal in concentrate is based on prevailing spot prices at a specified future period after shipment by suppliers (the "quotation period"). Adjustments to the purchase price occur based on movements in quoted market prices up to the date of final settlement. The period between provisional invoicing and final settlement can be between one and four months. Accordingly, for accounting purposes, the provisional price arrangement is required to be separated from the host contract for purchase of metals in concentrate once the significant risks and rewards of ownership has been transferred to the Group. The host contract is the purchase of metals in concentrate and the embedded derivative is the forward contract for which the provisional price is subsequently adjusted.

The use of financial derivatives is governed by the Group's policies, which provide written principles on the use of financial derivatives consistent with the Group's risk management strategy. While the Group does not use derivative financial instruments for speculative purposes, certain derivative instruments are not designated as hedging instruments and/or qualified for hedge accounting. Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Any gains or losses arising from changes in fair value of derivatives are taken directly to the income statement, except for that portion relating to the effective portion of cash flow hedges, which are recognised in other comprehensive income.

The fair value of the commodity derivative contracts represents the difference between the quoted market price of copper forward contract at year end and the quoted price at inception of the contract. The fair value of the provisional price arrangements are estimated by reference to the quoted market price at year end of copper forward contract with similar maturity as the provisional price contract compared to the quoted market price of copper forward contracts on the date of delivery of the purchased material.

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

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment; or

- cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, the risk management objective and its strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Group will assess the hedging instrument's effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges which meet the strict criteria for hedge accounting are accounted for as follows:

Fair value hedges

The change in the fair value of a hedging derivative is recognised in the income statement. The change in the fair value of the hedged item attributable to the risk hedged is recorded as a part of the carrying amount of the hedged item and is also recognised in the income statement.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in the income statement. The changes in the fair value of the hedging instrument are also recognised in the income statement.

The Group discontinues fair value hedge accounting if the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, the hedge no longer meets the criteria for hedge accounting or the Group revokes the designation.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income in the hedging reserve, while any ineffective portion is recognised immediately in the income statement.

Amounts recognised in other comprehensive income are transferred to the income statement when the hedged transaction affects profit or loss, such as when a hedged forecast sale occurs.

If the forecast transaction is no longer expected to occur, the cumulative gain or loss previously recognised in equity are transferred to the income statement. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, the amounts previously recognised in other comprehensive income remain in other comprehensive income until the forecast transaction affects profit or loss.

As at balance sheet date, derivative related assets and liabilities of the Group are analysed as below:

(Liabilities)/Assets	2009	2008
	RMB'000	*RMB'000*
Commodity derivative contracts	**(201,427)**	(359,210)
— Assets	**—**	99
— Liabilities	**(201,427)**	(359,309)
Provisional price arrangement	**(232,431)**	312,356
	(433,858)	(46,854)
Including:		
Under hedge accounting		
Cash flow hedge		
— Commodity derivative contracts	**(45,027)**	—
Fair value hedge		
— Commodity derivative contracts	**(67,443)**	—
— Provisional price arrangement	**(219,827)**	—
Not under hedge accounting		
— Commodity derivative contracts	**(88,957)**	(359,210)
— Provisional price arrangement	**(12,604)**	312,356
	(433,858)	(46,854)

Under hedge accounting

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

— *Cash flow hedge*

The Group utilises commodity derivative contracts 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 31 December 2009, the expected delivery period of the forecasted sales for copper related products is from January to March 2010.

— *Fair value hedge*

The Group utilizes commodity derivative contracts and provisional price arrangements to hedge its exposure to variability in fair value changes attributable to price fluctuation risk associated with inventories and unrecognised firm commitments to sell copper rods.

Since 1 July 2009, 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, a net loss of RMB36,668,000 for effectiveness portion under cash flow hedge was included in the hedging reserve, and a net loss of RMB1,747,000 for ineffectiveness portion was included in income statement. Further details are given in other comprehensive income and note 4, respectively.

For the year ended 31 December 2009, the fair value losses of commodity forward contracts designated as fair value hedges of the Group are RMB270,926,000. The net fair value gain of the hedged item, including inventories and unrecognized firm commitments attributable to the risk hedged is RMB261,418,000 in aggregate. Further details are given in note 4.

Not under hedge accounting

During the period from 1 January 2009 to 30 June 2009 and in the year 2008, the Group did not formally designate above hedge relationships. Therefore, such transactions did not qualify for hedge accounting.

Furthermore, in the year 2009, the Group utilises commodity derivative contracts to manage the commodity price risk of forecasted purchases of copper cathode as well as copper concentrate, and forecast sales of copper wires and rods. These arrangements are designed to address significant fluctuations in the price of copper concentrate, copper cathodes, copper wires and rods, and copper related products which move in line with the prevailing price of copper cathodes. However, these arrangements are not considered as an effective hedge and hence do not qualify for hedge accounting. Further details are given in note 4.

13. TRADE AND BILLS PAYABLES

	2009	2008
	RMB'000	*RMB'000*
Trade payables	**2,140,047**	1,328,422
Bills payable	**1,946,647**	86,218
	4,086,694	1,414,640

An aged analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2009	2008
	RMB'000	*RMB'000*
Within 1 year	**2,053,044**	1,267,645
1 to 2 years	**45,289**	47,978
2 to 3 years	**30,570**	7,307
Over 3 years	**11,144**	5,492
	2,140,047	1,328,422

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

By Order of the Board
JIANGXI COPPER COMPANY LIMITED
Li Yihuang
Director

Jiangxi, the People's Republic of China
30 March 2010

As at the date of this announcement, the executive directors of the Company are Mr. Li Yihuang, Mr. Li Baomin, Mr. Gao Jianmin, Mr. Liang Qing, Mr. Gan Chengjiu, Mr. Hu Qingwen and Mr. Shi Jialiang; the ndependent non-executive directors of the Company are Mr. Wu Jianchang, Mr. Tu Shutian, Ms. Zhang Rui and Mr. Gao Dezhu.