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 2012

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 the responsibility for the truthfulness, accuracy and completeness of the information herein contained.

1.2 Mr. Li Yihuang, a director, did not attend the meeting owing to other businesses, but had entrusted Mr. Li Baomin, the chairman, to attend and vote on his behalf. Except Mr. Li Yihuang, all the other Directors attended the Board meeting which approved, inter alia, results for the year ended 31 December 2012.

1.3 The consolidated financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 December 2012 prepared in accordance with PRC Accounting Standards for Business Enterprises ("PRC GAAP") and International Financial Reporting Standards ("IFRSs") have been audited by Deloitte Touche Tohmatsu Certified Public Accountants LLP (domestic auditor) and Deloitte Touche Tohmatsu (overseas auditor) respectively with standard unqualified audit report issued.

1.4 The Company's Chairman, Li Baomin, the principal accounting responsible person, Gan Chengjiu, and Manager of Financial Department (accounting chief), Jiang Liehui hereby warrant the truthfulness, accuracy 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 2012.

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
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	Pan Changfu
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: Yuan Currency: RMB

Major accounting data	2012	2011	Increase/decrease for the period over the same period last year (%)	2010
Operating revenue	**158,556,206,525**	117,640,988,933	34.78	76,440,859,303
Net profit attributable to shareholders of the listed company	**5,215,874,606**	6,549,449,240	–20.36	4,907,141,378
Net profit after non-recurring profit and loss items attributable to shareholders of the listed company	**4,394,548,553**	6,457,401,649	–31.95	4,937,307,053
Net cash flows from operating activities	**6,334,192,911**	6,632,432,097	–4.50	–1,973,406,201

	End of 2012	End of 2011	Increase/decrease for the period over the same period last year (%)	End of 2010
Net assets attributable to shareholders of the listed company	**42,819,959,840**	39,302,920,681	8.95	34,123,226,049
Total assets	**78,133,484,407**	68,149,628,674	14.65	54,844,773,643

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

Unit: Yuan Currency: RMB

Major financial indicator	2012	2011	Increase/ decrease for the period over the same period last year *(%)*	2010
Basic earnings per share *(RMB/share)*	**1.51**	1.89	–20.11	1.56
Diluted earnings per share *(RMB/share)*	**1.51**	1.89	–20.11	1.48
Basic earnings per share after non-recurring profit and loss items *(RMB/share)*	**1.27**	1.86	–31.72	1.57
Return on net assets (weighted average) *(%)*	**12.70**	17.67	a decrease of 4.97 percentage points	18.29
Return on net assets after non-recurring profit and loss items (weighted average) *(%)*	**10.70**	17.42	a decrease of 6.72 percentage points	18.40

Non-recurring profit and loss items attributable to shareholders of the Company (prepared in accordance with the PRC GAAP)

Unit: Yuan Currency: RMB

Non-recurring profit and loss items (Loss is stated as negative and gain is stated as positive)	**Amount**
Gains/losses from disposal of non-current assets	-37,670,553
Government grant as included in profit and loss of the current period, other than those closely relating to the normal business of enterprises and subject to a fixed amount or quantity under certain standard required by national policies	114,917,569
Fair value profit and loss from financial assets and financial liabilities held for trading, and investment gains from disposal of financial assets and liabilities held for trading and available-for-sale financial assets except for effective portion of normal transactions qualified for hedge accounting	689,071,621
Other non-recurring items included in non-operating income and expenses	12,917,293
Reversal of the bonus payable to senior management and middle-level management under management incentive schemes	351,294,891
Impact on minority interests	–81,798,766
Impact on income tax	–227,406,002
Total	821,326,053

Note: In 2012, after approval from related government authorities, the Group and its middle- and high-grade management personnel have compromised to reduce the incentive of the middle- and high-grade management personnel by RMB351,294,891.

3.3 Major accounting data (Prepared in accordance with IFRSs)

Unit: '000 Currency: RMB

	2012	2011	Increase/ (decrease) *(%)*	2010
Revenue	**158,005,958**	**117,119,197**	34.91	76,138,869
Profit before tax	**6,273,273**	**7,708,583**	-18.62	6,061,424
Income tax expenses	**1,025,766**	**1,060,392**	-3.27	1,015,027
Profit/(Loss) attributable to non-controlling shareholders	**77,839**	**61,270**	27.04	58,822
Profit attributable to shareholders of the Company	**5,169,668**	**6,586,921**	-21.52	4,987,575
Basic earnings per ordinary share attributable to shareholders of the Company *(RMB)*	**1.49**	**1.90**	-21.58	1.59
Diluted earnings per ordinary share attributable to shareholders of the Company*(RMB)*	**1.49**	**1.90**	-21.58	1.51
Net cash inflow/(outflow) from operating activities	**5,233,419**	**9,396,211**	-44.30	-1,973,405

	As at 31 December 2012	As at 31 December 2011	Increase/ (decrease) *(%)*	As at 31 December 2010
Total assets	**78,088,106**	68,149,629	14.58	54,844,773
Total liabilities	**34,225,711**	28,343,634	20.75	20,307,367
Equity attributable to shareholders of the Company	**42,774,836**	39,302,921	8.83	34,123,226
Equity per share attributable to shareholders of the Company *(RMB)*	**12.35**	11.35	8.81	9.85

3.4 Differences between IFRSs and PRC GAAP

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

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
	2012	2011	**2012**	2011
Under PRC GAAP	**5,215,876**	6,549,449	**42,819,960**	39,302,921
IFRSs adjustments:				
Production safety fund provided under the PRC GAAP but not used during the period	**–1,084**	37,472		
Income tax effect on production safety fund	**–45,124**		**–45,124**	
Under IFRSs	**5,169,668**	6,586,921	**42,774,836**	39,302,921

4 INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS

As at 31 December 2012, the interests or short positions of the shareholders, other than Directors, Supervisors and chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the Securities and Futures Ordinance ("SFO") were as follows:

Name of shareholder	Class of shares	Capacity	Number of shares *(Note 1)*	Approximate percentage of the number of the relevant class of shares *(%)*	Approximate Percentage of total issued share capital *(%)*
Jiangxi Copper Corporation ("JCC") *(note 2)*	Domestic shares	Beneficial owner	1,329,999,325(L)	64.09%(L)	38.41%(L)
Blackrock, Inc.	H shares	*(note 3)*	86,659,310(L)	6.24%(L)	2.50%(L)
			17,291,894(S)	1.24%(S)	0.50%(S)
JPMorgan Chase & Co.	H shares	*(note 4)*	70,293,637(L)	5.07%(L)	2.03%(L)
			1,195,000 (S)	0.09%(S)	0.03%(S)
			55,725,819(P)	4.02%(P)	1.61%(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: JCC also held 60,405,000 H shares, representing approximate 4.35% and 1.74% of the total number of H shares and total issued share capital of the Company, respectively, and such shares were registered with HKSCC Nominees Limited.

Note 3: According to the corporate substantial shareholder notice filed by Blackrock, Inc. on 19 December 2012, the H Shares were held in the following capacities:

Capacity	Number of H Shares
Interest of controlled corporation	86,659,310(L)
	17,291,894(S)

Pursuant to the said notice, such interests include 817,000 H shares in short positions held in physically settled derivatives listed or traded on a Stock Exchange or traded on a Futures Exchange.

Note 4: According to the corporate substantial shareholders notice filed by JPMorgan Chase & Co. on 18 December 2012, the H shares were held in the following capacities:

Capacity	**Number of H shares**
Beneficial owner	11,210,818(L)
	1,195,000(S)
Investment manger	3,357,000(L)
Custodian corporation / approved lending agent	55,725,819(L)

Pursuant to the said notice, such interests include (i) 299,000 H shares in long positions and 1,142,000 H shares in short positions, both of which were held in physically settled derivatives listed or traded on a Stock Exchange or traded on a Futures Exchange; and (ii) 53,000 H shares in short positions were held in cash settled derivatives listed or traded on a Stock Exchange or traded on a Futures Exchange.

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 2012.

5 PARTICULARS OF REMUNERATIONS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Unit: Share

Name	Position	Sex	Age	Commencement date of term of office	Termination date of term of office	Total remuneration payable by the Company during the reporting period *(RMB0'000) (before tax)*	Total remuneration payable by shareholder during the reporting period *(RMB0'000)*
Li Yihuang	Executive Director/Former Chairman	Male	50	24 January 2007		106.605	0
Li Baomin	Chairman	Male	55	4 March 2013		106.605	0
Gan Chengjiu	Executive Director/ Chief financial officer	Male	50	26 June 2009		106.605	0
Hu Qingwen	Executive Director	Male	49	26 June 2009		106.605	0
Shi Jialiang	Executive Director	Male	66	26 June 2009		5	0
Gao Jianmin	Executive Director	Male	53	24 January 1997		20	0
Liang Qing	Executive Director	Male	59	12 June 2002		20	0
Gao Dezhu	Independent Non-executive Director	Male	72	26 June 2009		10	0
Wu Jianchang	Independent Non-executive Director	Male	74	6 June 2008		10	0
Zhang Weidong	Independent Non-executive Director	Male	50	19 June 2012		5	0
Deng Hui	Independent Non-executive Director	Male	41	19 June 2012		5	0
Hu Faliang	Chairman of the Supervisory Committee	Male	53	19 June 2012		69.575	0
Wu Jinxing	Supervisor	Male	50	26 June 2009		69.575	0
Lin Jinliang	Supervisor	Male	48	26 June 2009		69.575	0
Xie Ming	Supervisor	Male	56	26 June 2009		69.575	0
Wan Sujuan	Supervisor	Female	59	26 June 2009		5	0
Long Ziping	General Manager	Male	52	4 March 2013		74.575	0
Dong Jiahui	Deputy General Manager	Male	50	31 March 2009		74.575	0
Wang Chiwei	Deputy General Manager	Male	59	24 May 2001		74.575	0
Jiang Chunlin	Deputy General Manager	Male	44	25 August 2010		74.575	0
Fan Xiaoxiong	Chief Engineer	Male	50	27 October 2010		74.575	0
Wu Yuneng	Deputy General Manager	Male	50	25 March 2011		74.575	0
Huang Mingjin	Deputy General Manager	Male	51	3 October 2012		18.63	0
Pan Qifang	Secretary to the Board	Male	48	19 April 2006		28	0
Tung Tat Chiu, Michael	Secretary to the Board	Male	50	24 January 1997		5	0
Zhang Rui	Former Independent Non-executive Director	Female	49	15 June 2006	15 June 2012	5	0
Tu Shutian	Former Independent Non-executive Director	Male	48	15 June 2006	15 June 2012	5	0
Wu Jimeng	Former Deputy General Manager	Male	54	31 March 2009	3 August 2012	43.5	0

6 REPORT OF THE BOARD

I. Discussion and analysis of the Company's Operation During the Reporting Period by the Board

During the reporting period, under acute situation of the prominent slowdown of the world economy and rising downward pressure of the domestic economy, the Group firmly grasped the development keynote of "progressing whilst ensuring stability" and proactively changed its mode of growth. The Company realized its production and operational plans set for the year and hit a record high in output. Business performance achieved remarkable accomplishments once again.

For production construction, the production volume of copper cathode of the Group increased by 15.9% over the previous year to 1,090,000 tonnes in 2012. Self-owned mine completed copper concentrates (containing copper) with an increase of 5.14% over the previous year to 210,500 tonnes, recording another historic high level. The 130,000 tonnes per day expansion project at Dexing Copper Mine, conversion of the open-pitting to underground mining project at Yongping Copper Mine, processing capacity of 5,000 tonnes per day at Wushan Copper Mine, the Phase II expansion project at Chengmenshan Copper Mine and the 5,000 tonnes per day capacity expansion project at Yinshan Mine have fulfilled production targets. In addition, Qingyuan 100,000-tonne copper cathode production, Dexing pyrite-based sulfuric acid production, Guangzhou 400,000-tonne copper rod have completed construction and commenced operation gradually.

For cost control, the Group insisted in focusing on efficiency by means of deep exploitation of internal potential, initiated to adapt to market changes and actively adjust operating strategies. With the promulgation of "Assessment Plan for Costs Reduction Award" (成本節約獎考核方案), mechanisms such as direct connection between employees' income growth and cost reduction as well as efficiency enhancement established to effectively curb the tendency of rising costs.

For management innovation, through reintegrating enterprises of the Group in Nanchang area, being manufacturers of copper foil, enameled wires and copper pipes, the Company built a new processing business segment and a new management and control pattern. It explored a flexible operating mechanism in which responsibilities, rights and interests are closely integrated, which can optimize allocation of internal resources and improve its competitiveness in the copper processing market. In addition, the Group continuously optimized its system structure, advanced reforms of institutional mechanism and information construction, as well as established a concise, systematic and efficient system structure.

For risk control, the Company strengthened risk control and tightened management over receivables to control the scale of receivables. The Company exercised a more stringent credit monitoring of major customers, together with an economic management over the inventories scale. With these initiatives, the Group aimed at lowering risks due to price fluctuations and optimizing the efficiency of capital utilization.

For safety and environmental protection, the Company proactively undertook social responsibility, speeded up implementation of the "Twelfth-Five" environmental protection comprehensive management plan by way of induction of the management mechanism, further eliminated the hidden safety problem, thereby improved environmental protection, energy saving and emission reduction. The Company was ranked among the 500 Green Enterprises throughout the world.

Based on the audited consolidated financial statements for the year of 2012 prepared in accordance with the PRC GAAP, the consolidated revenue of the Group amounted to RMB158,556,206,525 (2011: RMB117,640,988,933), representing an increase of RMB40,915,217,592 or 34.78% from last year. Net profit attributable to owners of the Company amounted to RMB5,215,874,606 (2011: RMB6,549,449,240), representing a decrease of RMB1,333,574,634 or 20.36% from last year. Basic earnings per share was RMB1.51 (2011: RMB1.89), representing a decrease of RMB0.38 or 20.11% from last year.

(I) Analysis of principal businesses

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

Unit: Yuan Currency: RMB

Items	For the period	For the same period last year	Changes *(%)*
Operating income	**158,556,206,525**	117,640,988,933	34.78
Operating cost	**150,609,495,923**	106,980,998,573	40.78
Sales expense	**453,161,615**	437,010,771	3.70
Management expense	**1,291,008,357**	1,843,781,178	–29.98
Financial expense	**204,158,959**	–841,802	–243.52
Net Cash Flow from operating activities	**6,334,192,911**	6,632,432,097	–4.50
Net Cash Flow from investment activities	**–2,636,199,396**	–4,973,089,187	–46.99
Net Cash Flow from financing activities	**1,903,195,967**	5,563,494,836	–65.79
Expenses on research and development	**2,493,521,376**	2,297,240,815	8.54

2. Income

(1) *Analysis of the factors driving the changes in business*

During the reporting period, operating income of the Group was RMB158,556.21 million, representing an increase of RMB40,915.22 million comparing to the corresponding period last year, mainly due to the expansion of our business scale, the rise in product sales and the increase in trading income.

(2) *Analysis of the factors affecting income from physical sale of the Company's products*

During the reporting period, major products of the Group were copper cathode, copper processing products, gold, silver, sulphuric acid and sulphuric concentrate:

1. During the reporting period, the Company produced copper cathode of 1,092,700 million tonnes, representing an increase of 151,200 tonnes or 16.06% compared to the corresponding period last year. Copper cathode of 670,800 tonnes was sold, representing an increase of 91,800 tonnes or 15.85% compared to the corresponding period last year.

2. During the reporting period, the Company produced copper processing products of 582,100 tonnes, representing an increase of 91,300 tonnes or 18.60% compared to the corresponding period last year. Copper processing products of 586,300 tonnes was sold, representing an increase of 27,000 tonnes or 4.83% compared to the corresponding period last year.

3. During the reporting period, the Company produced gold of 25.41 tonnes, representing a decrease of 0.01 tonnes or 0.06% compared to the corresponding period last year. Gold of 27.43 tonnes was sold, representing an increase of 3.06 tonnes or 12.56% compared to the corresponding period last year.

4. During the reporting period, the Company produced silver of 540 tonnes, representing an increase of 13.58 tonnes or 2.58% compared to the corresponding period last year. Silver of 555.39 tonnes was sold, representing an increase of 33.24 tonnes or 6.36% compared to the corresponding period last year.

5. During the reporting period, the Company produced sulphuric acid of 2,518,400 tonnes, representing an increase of 145,000 tonnes or 6.13% compared to the corresponding period last year. Sulphuric acid of 2,503,600 tonnes was sold, representing an increase of 84,500 tonnes or 3.49% compared to the corresponding period last year.

6. During the reporting period, the Company produced sulphuric concentrate of 2,057,000 tonnes, representing an increase of 361,000 tonnes or 27.04% compared to the corresponding period last year.

(3) Sales to major customers

During the reporting period, the Group's top five customers contributed RMB25,316,858,188 in the total sales of the Group, accounting for 15.97% of the total operating revenue for the year.

3. Costs

(1) Cost analysis

By industry	Cost constituent	For the period	Share of total costs for the period *(%)*	For the same period last year	Share of total costs for the same period last year *(%)*	Changes compared to the same period last year *(%)*
Manufacturing of non-ferrous metals	Raw materials	53,946,447,442	35.91%	54,647,348,567	51.21%	-1.28%
	Energy power	1,485,333,689	0.99%	1,377,750,025	1.29%	7.81%
	Labour	869,214,001	0.58%	873,102,281	0.82%	-0.45%
	Overheads	2,286,693,491	1.52%	2,278,364,406	2.14%	0.37%
	Sub-total	58,587,688,623	39.00%	59,176,565,279	55.45%	-1.00%
	Trading of non-ferrous metals and others	91,632,084,064	61.00%	47,536,773,429	44.55%	92.76%
	Total	150,219,772,687	100.00%	106,713,338,708	100.00%	40.77%

Unit: Yuan Currency: RMB

By product	Cost constituent	For the period	Share of total costs for the period (%)	For the same period last year	Share of total costs for the same period last year (%)	Changes compared to the same period last year (%)
Copper products	Raw materials	42,512,296,237.78	91.36%	45,304,285,429.77	92.15%	-6.16%
	Energy power	1,305,893,377.43	2.81%	1,204,055,982.53	2.45%	8.46%
	Labour	760,176,322.14	1.63%	747,528,844.09	1.52%	1.69%
	Overheads	1,955,458,798.25	4.20%	1,910,254,067.17	3.89%	2.37%
	Sub-total	46,533,824,735.60	100.00%	49,166,124,323.56	100.00%	-5.35%
By-products of precious metals	Raw materials	10,807,257,913.33	99.44%	8,718,010,768.87	99.38%	23.96%
	Energy power	7,598,806.18	0.07%	6,925,579.65	0.08%	9.72%
	Labour	12,300,266.04	0.11%	12,919,297.16	0.15%	-4.79%
	Overheads	41,253,243.56	0.38%	34,171,172.33	0.39%	20.73%
	Sub-total	10,868,410,229.11	100.00%	8,772,026,818.02	100.00%	23.90%
Chemical products	Raw materials	527,193,474.55	51.90%	478,697,437.53	49.56%	10.13%
	Energy power	156,124,207.76	15.37%	146,679,781.10	15.19%	6.44%
	Labour	77,925,051.69	7.67%	85,661,794.96	8.87%	-9.03%
	Overheads	254,599,488.61	25.06%	254,846,090.91	26.38%	-0.10%
	Sub-total	1,015,842,222.60	100.00%	965,885,104.50	100.00%	5.17%
Rare metals	Raw materials	99,699,816.14	58.78%	146,354,930.99	53.70%	-31.88%
	Energy power	15,717,297.59	9.27%	20,088,681.87	7.37%	-21.76%
	Labour	18,812,360.79	11.09%	26,992,345.06	9.90%	-30.30%
	Overheads	35,381,961.06	20.86%	79,093,075.46	29.02%	-55.27%
	Sub-total	169,611,435.59	100.00%	272,529,033.37	100.00%	-37.76%
Trading and others		91,632,084,064.10		47,536,773,428.55		
	Total	150,219,772,687.00		106,713,338,708.00		

(2) Major Suppliers

During the reporting period, the aggregate procurement amount, excluding trading business, from our five largest suppliers was RMB7,352,737,082, representing 11.91% of the total procurement amount of the Company.

4. Expense

Unit: Yuan Currecncy: RMB

Item	**For the period ended**	For the same period last year	**Increase/ (decrease) over the same period last year** *(%)*	**Reasons for the changes**
Administrative expenses	**1,291,008,357**	1,843,781,178	–29.98	mainly because of the reversal of the discounted difference of incentive provision for the middle- and high-grade management personnel for 2011, representing a decrease of RMB351.29 million compared to the same period last year; a decrease of RMB75.34 million in maintenance expenses compared to last year
Distribution and selling costs	**453,161,615**	437,010,771	3.7	mainly because of the increase in railway transportation fee, the storage expenses and the commission for commodity derivative contracts compared to the same period last year.
Financial expenses	**204,158,959**	–841,802	–243.52	mainly due to a year-on-year fall of RMB199.34 million in net foreign exchange gains, as the RMB exchange rate appreciated from 6.3009 at the beginning of the year to 6.2855 at the end of the year, revealing a slight appreciation of RMB over US$. However, the exchange rate of RMB over US$ appreciated at a large extent from 6.6227 to 6.3009 for the same period last year, resulting in substantial decrease in foreign exchange gains (net of financial expenses) compared to the same period last year. As the operation of the new production arm is only at the early stage, its production quantity and quality are unstable, keeping the inventories of raw materials and final products at a higher level and sharing a large portion of capital, resulting in an increase in financial expenses over the same period last year.

5. R&D expenditure

(1) *Expenses on research and development*

Unit: 0'000 Currecncy: RMB

Expenses on research and development expensed for the period	222,240
Expenses on research and development capitalised for the period	27,112
Total expenses on research and development	249,352
Proportion of total expenses on research and development over net assets *(%)*	5.68
Proportion of total expenses on research and development over operating revenue *(%)*	1.57

(2) *Explanation*

Around its planning of the Twelfth Five-year Plan, the Group formulated research and development projects with the purposes of seeking new economic growth engine, enhancing capability of independent innovation, solving key technical and significant problems in production and operation and boosting efficiency, reducing costs and increasing profitability.

During the reporting period, the research and development projects of the Group covered the whole industry chain of "exploration, mining and milling, smelting, processing", including in-depth survey on ores in its mines, establishing models of mines, stability study and supervision on dump in Fujiawu mine, studies on general exploration technology for ultra-large mines above ground in the Lake District, general research on the utilization of gangue reservoir, research on the technology in the recycling of accompanying metal in mines, general recycling on the residue of copper smelting boiler, research on the technique on the production and extraction of rhenium metal, development on the HTC copper foil technique as well as research on the techniques of quality copper rod applicable to ultra-fine thin wire and high-speed enamelling machine.

During the reporting period, the research and development projects of the Group were well under progress, missions and indicators of research in some of the projects have been delivered. Projects on the production and extraction in rhenium metal and the project of copper to exchange platinum and palladium concentrates in extracting gold, platinum, palladium has passed assessment, been under industrialization and accomplished economic benefits. The Group believes that more results from research on technology will be obtained with the continuous implementation of research and development projects, thereby underpinning positive development and the fostering of new growth engine.

6. Cash Flow

Unit: '000 Currency: RMB

Item	**For the year**	**For the same period last year**	**Changes** *(%)*
Net cash flow from operating activities	**633,419**	663,243	–4.5
Net cash flows from investing activities	**–263,620**	–497,309	46.99
Net cash flows from financing activities	**190,320**	556,349	–65.79

(1). Reasons of cash flow changes from operating activities: mainly due to the decrease in net profit as compared with last year, and the increase in appropriation of working capital for items such as inventories as compared to the previous year.

(2). Reason of cash flow changes from investing activities: mainly due to the decrease in the investment in JCC Finance Company Limited ("Finance Company"), a subsidiary for the year.

(3). Reason of cash flow changes from financing activities: mainly due to our sufficient operating capital which reduced our new bank borrowings over the previous year.

7. Others

Explanation on development strategy and operating plan progress

In 2012, our major plans for production and operation were: copper cathodes of 1.09 million tonnes, gold of 25.4 tonnes, silver of 510 tonnes, sulphuric acid of 2.61 million tonnes, copper contained in copper concentrate of 210,000 tonnes and copper rods and wires and other copper processing products of 696,000 tonnes.

During the reporting period, except copper rods and wires as well as other copper processing products of 582,000 tonnes in aggregate which is fewer than expected, the Group has completed the other plans for production and operation above.

(II) Analysis of industry, products or regional operation

(1) Principal businesses by industry and by product

Unit: Yuan Currency: RMB

Principal businesses by industry

By products	Operating revenue	Operating cost	Profit margin *(%)*	Increase/ decrease in operating revenue over last year *(%)*	Increase/ decrease in operating cost over last year *(%)*	Increase/ decrease in profit margin over last year *(%)*
Copper cathodes	103,582,786,695	100,336,614,244	3.13	54.44	58.91	-2.73
Copper rods and wires	27,022,540,523	24,928,003,317	7.75	0.88	2.95	–1.86
Copper processing products	5,221,823,431	5,226,979,572	–0.10	–12.81	–11.19	–1.82
Gold	9,374,377,509	7,997,353,589	14.69	18.41	24.71	–4.31
Silver	3,586,333,150	3,402,028,567	5.14	–4.00	25.01	–22.02
Chemical products	2,204,912,869	1,518,101,690	31.15	-4.33	16.63	–12.37
Rare metals and other non-ferrous metals	6,245,651,204	6,136,988,799	1.74	140.80	146.19	–2.15
Others	916,746,970	673,702,909	26.51	3.08	23.13	–11.97

1) *Copper cathode*

During the reporting period, operating revenue from copper cathodes increased by RMB36,513.11 million or 54.44% compared with last year resulting from the increase in sales volume of copper cathodes, and operating costs of copper cathodes increased by RMB37,197.64 million or 58.91% as compared with last year. Due to the decrease in product price, the operating profit of copper cathodes decreased by RMB684.52 million or 17.41% as compared with last year. As a result of the increase in outsourced raw materials and production cost as well as the decrease in product price, operating profit margin decreased from 5.86% last year to 3.13% for the year.

2) *Copper rods and wires*

During the reporting period, operating revenue from copper rods and wires for the year increased by RMB235.60 million or 0.88% over last year, due to the increase in sales of copper rods and wires. Operating costs of copper rods and wires increased by RMB714.96 million or 2.95% as compared with last year, due to the increase in sales and the rising processing costs. Operating profit of copper rods and wires decreased by RMB479.36 million or 18.62% as compared with last year. As a result of the rising processing costs and the drop in market price, operating profit margin of copper rods and wires for the year decreased from 9.61% last year to 7.75%.

3) *Copper processing products other than copper rods and wires*

During the reporting period, following the decrease in selling price of copper processing products, operating revenue of copper processing products other than copper rods and wires decreased by RMB766.89 million or 12.81% for the year as compared with last year. Operating costs decreased by RMB658.70 million or 11.19% as compared with last year due to the decrease in the price of copper cathode materials. Operating profit decreased by RMB108.19 million or 105% as compared with last year. Due to long processing cycle of copper processing products and the less tolling fees for copper processing products, the decrease rate of operating costs are smaller than that of operating revenue, accordingly, operating profit margin for the year decreased from 1.72% last year to 0.10% for the year.

4) *Gold*

During the reporting period, operating revenue of gold increased by RMB1,457.18 million or 18.41% as compared with last year due to the increase in sales volume and selling price. Operating costs of precious metal increased by RMB1,584.60 million or 24.71% as compared with last year due to the increase in the price of outsourced raw materials of precious metals and sales volume. Operating profit of gold decreased by RMB127.42 million or 8.47% as compared with last year while operating profit margin decreased from 19.00% last year to 14.69% for the year as a result of an increase in outsourced raw materials.

5) *Silver*

During the reporting period, operating revenue of silver decreased by RMB149.55 million or 4.00% compared to last year, owing to a drop in the selling price. As a results of sales surge, the operating costs increased by RMB680.72 million or 25.01% compared to last year, while the operating profit of silver decreased by RMB830.27 million or 81.83% compared to last year. The operating profit margin of silver decreased from 27.16% last year to 5.14% for the year, because of a fall in the market price of silver.

6) *Chemical products*

During the reporting period, operating revenue from chemical products decreased by RMB99.70 million or 4.33%, due to the decrease in the selling price as compared with last year. Operating costs of chemical products for the year increased by RMB216.51 million or 16.63% as compared with last year due to an increase in sales. Operating profit of chemical products decreased by RMB316.20 million or 31.53% as compared with last year while operating profit margin for the year decreased from 43.52% last year to 31.15%.

7) *Rare and other non-ferrous metals*

During the reporting period, operating revenue from rare and other non-ferrous metals increased by RMB3,651.92 million or 140.80%, due to the increase in sales as compared with last year. Operating costs of rare and other non-ferrous metals increased by RMB3,644.16 million or 146.19%. Operating profit of rare and other non-ferrous metals increased by RMB7.75 million or 7.68% as compared with last year while operating profit margin for the year decreased from 3.89% last year to 1.74% owing to a fall in selling price.

8) Other products

During the reporting period, the Group's operating revenue of other products increased by RMB27.36 million or 3.08% as compared with last year; operating costs increased by RMB126.54 million or 23.13% as compared with last year. Operating profit decreased by RMB99.17 million or 28.98% as compared with last year; and operating profit margin for the year decreased from 38.48% last year to 26.51%.

(2) Principal businesses by geographical location

Unit: Yuan Currency: RMB

Geographical location	Operating revenue	Increase/decrease in operating revenue compared over last year *(%)*
Mainland China	144,824,283,842	30.63
Hong Kong	6,352,053,731	19.71
Others	6,978,834,778	523.79
Total	158,155,172,351	34.85

(III) Analysis of asset and liability

1. Analysis on assets and liabilities

Unit: Yuan Currency: RMB

Item	As at the end of the period	Share of total assets (or liabilities) as at the end of the period (%)	As at the end of the previous period	Share of total assets (or liabilities) as at the end of the previous period (%)	Changes as at the end of the period over the end of the previous period (%)
Current Assets:					
Cash and bank	**20,309,640,029**	**25.99%**	15,846,293,599	23.25%	28.17%
Held-for-trading financial assets	**53,760,325**	**0.07%**	76,052,816	0.11%	–29.31%
Notes receivable	**5,366,622,502**	**6.87%**	2,231,931,098	3.28%	140.45%
Accounts receivable	**4,076,986,366**	**5.22%**	5,364,962,548	7.87%	–24.01%
Prepayments	**1,899,674,961**	**2.43%**	2,666,609,323	3.91%	–28.76%
Interest receivable	**206,622,339**	**0.26%**	145,137,760	0.21%	42.36%
Other receivables	**1,529,086,713**	**1.96%**	1,794,930,768	2.63%	–14.81%
Inventories	**15,936,439,736**	**20.40%**	14,097,060,598	20.69%	13.05%
Available-for-sale financial assets	**760,000,000**	**0.97%**	2,770,005,500	4.06%	–72.56%
Other current assets	**2,307,610,836**	**2.95%**	980,405,091	1.44%	135.37%
Total current Assets	**52,446,443,807**	**67.12%**	45,973,389,101	67.46%	14.08%

Item	As at the end of the period	Share of total assets (or liabilities) as at the end of the period (%)	As at the end of the previous period	Share of total assets (or liabilities) as at the end of the previous period (%)	Changes as at the end of the period over the end of the previous period (%)
Non-current Assets:					
Available-for-sale financial assets	**1,031,730,000**	**1.32%**	510,080,000	0.75%	102.27%
Long-term investments	**2,036,877,613**	**2.61%**	1,557,306,680	2.29%	30.79%
Investment properties	**178,918,364**	**0.23%**	–	0.00%	
Fixed assets	**16,563,911,954**	**21.20%**	14,792,339,191	21.71%	11.98%
Construction in progress	**3,370,020,635**	**4.31%**	3,300,071,456	4.84%	2.12%
Intangible assets	**1,285,160,144**	**1.64%**	1,285,889,337	1.89%	–0.06%
Exploration costs	**635,116,801**	**0.81%**	206,367,370	0.30%	207.76%
Deferred tax assets	**397,412,400**	**0.51%**	306,089,392	0.45%	29.84%
Other non-current assets	**187,892,689**	**0.24%**	218,096,147	0.32%	–13.85%
Total Non-current Assets	**25,687,040,600**	**32.88%**	22,176,239,573	32.54%	15.83%
TOTAL ASSETS	**78,133,484,407**	**100.00%**	68,149,628,674	100.00%	14.65%
Short-term borrowings	**12,263,116,944**	**15.70%**	9,130,730,768	13.40%	34.31%
Held-for-trading financial liabilities	**1,755,934,725**	**2.25%**	1,098,665,095	1.61%	59.82%
Notes payable	**258,606,333**	**0.33%**	153,529,031	0.23%	68.44%
Accounts payable	**7,034,616,953**	**9.00%**	5,422,872,975	7.96%	29.72%
Receipts in advance	**1,681,569,191**	**2.15%**	784,651,943	1.15%	114.31%
Employee benefit liability	**794,439,335**	**1.02%**	895,179,465	1.31%	–11.25%
Tax payable	**885,868,383**	**1.13%**	1,536,161,216	2.25%	–42.33%
Interest payable	**117,632,245**	**0.15%**	69,475,725	0.10%	69.31%
Other payables	**1,457,761,949**	**1.87%**	832,160,732	1.22%	75.18%
Non-current liabilities due within one year	**183,514,265**	**0.23%**	713,814,561	1.05%	–74.29%
Other current liabilities	**804,523,133**	**1.03%**	1,416,294,455	2.08%	–43.20%
Total Current Liabilities	**27,237,583,456**	**34.86%**	22,053,535,966	32.36%	23.51%

Item	As at the end of the period	Share of total assets (or liabilities) as at the end of the period (%)	As at the end of the previous period	Share of total assets (or liabilities) as at the end of the previous period (%)	Changes as at the end of the period over the end of the previous period (%)
Non-current Liabilities:					
Long-term borrowings	**617,845,098**	**0.79%**	173,622,050	0.25%	255.86%
Employee benefit liability	**99,222,426**	**0.13%**	291,510,030	0.43%	–65.96%
Bonds payable	**5,681,024,285**	**7.27%**	5,422,250,407	7.96%	4.77%
Long-term payables	**13,930,931**	**0.02%**	14,446,807	0.02%	–3.57%
Provision	**139,059,306**	**0.18%**	129,530,869	0.19%	7.36%
Deferred tax liabilities	**104,591,189**	**0.13%**	14,237,896	0.02%	634.60%
Other non-current liabilities	**332,455,386**	**0.43%**	244,499,692	0.36%	35.97%
Total Non-current Liabilities	**6,988,128,621**	**8.94%**	6,290,097,751	9.23%	11.10%
TOTAL LIABILITIES	**34,225,712,077**	**43.80%**	28,343,633,717	41.59%	20.75%
SHAREHOLDERS' EQUITY:	**–**	**0.00%**	–	0.00%	
Share capital	**3,462,729,405**	**4.43%**	3,462,729,405	5.08%	0.00%
Capital reserve	**11,686,299,420**	**14.96%**	11,648,640,617	17.09%	0.32%
Special reserve	**275,542,192**	**0.35%**	276,626,510	0.41%	–0.39%
Surplus reserve	**13,071,506,120**	**16.73%**	11,125,960,054	16.33%	17.49%
Retained earnings	**14,583,075,191**	**18.66%**	13,044,111,354	19.14%	11.80%
Exchange differences arising on translation of financial statements denominated in foreign currencies	**–259,192,488**	**–0.33%**	–255,147,259	–0.37%	1.59%

Item	As at the end of the period	Share of total assets (or liabilities) as at the end of the period (%)	As at the end of the previous period	Share of total assets (or liabilities) as at the end of the previous period (%)	Changes as at the end of the period over the end of the previous period (%)
Total equity attributable to owners of the Company	**42,819,959,840**	**54.80%**	39,302,920,681	57.67%	8.95%
Non-controlling interests	**1,087,812,490**	**1.39%**	503,074,276	0.74%	116.23%
TOTAL SHAREHOLDERS' EQUITY	**43,907,772,330**	**56.20%**	39,805,994,957	58.41%	10.30%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**78,133,484,407**	**100.00%**	68,149,628,674	100.00%	14.65%

Analysis on reasons of changes:

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

Cash and bank: As at the end of the reporting period, the balance of cash and bank amounted to RMB20,309.64 million, representing an increase of RMB4,463.35 million or a growth of 28.17% compared to the end of last year, primarily due to the profit of the company and the increase in bank borrowings.

Notes receivable: As at the end of the reporting period, the Group's balance of notes receivable was RMB5,366.62 million, representing an increase of RMB3,134.69 million or 140.45% from the end of last year, mainly due to the increase in notes received from downstream customers as the liquidity of the Group's customers is tightening with more notes settlements.

Interest receivable: As at the end of the reporting period, the balance of interest receivable of the Group amounted to RMB206.62 million, representing an increase of RMB145.14 million or 42.36% as compared with the end of last year, mainly due to our sufficient operating cash which enabled us to increase our term deposits, engendering a surge in the interest receivable thereon.

Available-for-sale financial assets: As at the end of the reporting period, the Group's balance of available-for-sale financial assets was RMB1,791.73 million (including available-for-sale financial assets of RMB760.00 million due within one year), representing a decrease of RMB1,488.36 million or 45.38% from the opening of the period, mainly due to the part of investment recovered for the period.

Long-term investments: As at the end of the reporting period, the balance of long-term investments of the Group amounted to RMB2,036.87 million, representing an increase of RMB479.57 million or 30.79% as compared with the end of last year, mainly due to an increase in investment of Heding Copper (和鼎銅業) and MCC-JCL Aynak (中冶江銅艾娜克).

Other current assets: As at the end of the reporting period, our balance of other current assets amounted to RMB2,307.61 million, representing an increase of RMB1,327.21 million or 135.37% from the end of last year, mainly due to the purchase of redeemable financial assets and the increase in tax deductable.

Exploration cost: As at the end of the reporting period, our balance of exploration cost was RMB635.12 million, representing an increase of RMB428.75 million or 207.76% from the end of last year, mainly due to additional exploration expenses and acquisition of new exploration rights owned by subsidiaries.

Short-term borrowing: As at the end of the reporting period, the Group's balance of short-term borrowing was RMB12,263.12 million, representing an increase of RMB3,132.39 million or 34.31% from the end of last year, mainly due to the increase in foreign currency needed for procurement of raw materials in line with the expansion of the Group's business scale.

Held-for-trading financial liabilities: As at the end of the reporting period, our balance of held-for-trading financial liabilities was RMB1,755.93 million, representing an increase of RMB657.27 million or 59.82% from the end of last year, mainly due to the increased liabilities arising from lease of gold.

Notes payable: As at the end of the reporting period, the Group's balance of notes payable was RMB258.61 million, representing an increase of RMB105.08 million or 68.44% from the end of last year, mainly due to a higher credit limit obtained by the Group for payment of raw materials by issuing acceptance of bill from a bank during the reporting period.

Advance from customers: As at the end of the reporting period, the balance of advance from customers of the Group was RMB1,681.57 million, representing an increase of RMB896.92 million or 114.31% from the end of last year. The increase was mainly attributable to the increase in sales revenue of products.

Tax payable: As at the end of the reporting period, our balance of tax payable was RMB885.87 million, representing a decrease of RMB650.29 million or 42.33% from the end of last year, mainly due to a rise in option tax as a result of inventory increase and a drop in the income tax payable at the end of the period resulting from the reduction of profits.

Interest payable: As at the end of the reporting period, our balance of interest payable was RMB117.63 million, representing an increase of RMB48.16 million or 69.31% from the end of last year, mainly due to a rise in borrowings.

Other payables: As at the end of the reporting period, our balance of other payables was RMB1,457.76 million, representing an increase of RMB625.60 million or 75.18% from the end of last year, mainly due to an increase in construction fees payable.

Non-current liabilities due within one year: As at the end of the reporting period, our balance of non-current liabilities due within one year was RMB183.51 million, representing a decrease of RMB530.30 million or 74.29% from the end of last year, mainly due to a drop in long-term borrowings due within one year.

Other current liabilities: As at the end of the reporting period, our balance of other current liabilities amounted to RMB804.52 million, representing a decrease of RMB611.77 million or 43.20% from the end of last year, mainly due to a drop in the deposit from related parties.

Long-term borrowings: As at the end of the reporting period, our balance of long-term borrowings was RMB617.84 million, representing an increase of RMB444.22 million or 255.86% from the end of last year, mainly due to the increase in external foreign currency borrowings due within two years by the subsidiaries of the Group.

Employee benefit liability (the non-current liabilities portion): As at the end of the reporting period, our balance of staff remuneration payable was RMB99.22 million, representing a decrease of RMB192.29 million or 65.96% from the end of last year, mainly due to a drop in long and medium term incentives.

Deferred tax liabilities: As at the end of the reporting period, our balance of deferred income tax liabilities was RMB104.59 million, representing an increase of RMB90.35 million or 634.6% from the end of last year, mainly due to the valuation surplus of subsidiaries acquired.

Other non-current liabilities: As at the end of the reporting period, the Group's balance of other non-current liabilities amounted to RMB332.46 million, representing an increase of RMB87.96 million or 35.97% as compared with the end of last year, mainly due to the government grant received by the Group for the purchase and construction of fixed assets.

Non-controlling interests: As at the end of the reporting period, our balance of minority interests was RMB1,087.81 million, representing an increase of RMB584.74 million or 116.23% as compared with the end of last year, mainly due to the increase in capital contribution of minority shareholders of JXCC International Trade and the Finance Company as well as the acquisition of subsidiaries.

(IV) Analysis of core competitiveness

The Group has established its industry chain with core businesses such as mining, milling, smelting and processing of copper, as well as extraction and processing of sulfur chemicals, precious and rare metals after thirty years of development. The Group also conducts business in various areas such as finance and trading at the same time.

1. Advantages on mines. The Company places first priority to develop mines amongst its development strategy, with an endeavor to seek and control more resources and raise the production volume of self-owned mines. As at the end of 2012, the Company maintained its major resources as follows:

   The Company had 100% ownership in the proven resource reserve of approximately 10,520,000 tonnes of copper metal, 340 tonnes of gold, 9,664 tonnes of silver, 246,000 tonnes of molybdenum, 102,990,000 tonnes of sulphur. Among the resources jointly controlled by the Company and other companies, metal resource reserves attributable to the Company (based on its equity percentage) were approximately 4,070,000 tonnes of copper and 42.4 tonnes of gold.

2. Scale benefits in the industry. Recently, the production capacity of copper smelting of the Group has continued to expand. As at the end of 2012, the production capacity of copper cathode exceeded 1.10 million tonnes, which further established the leading position in the domestic copper industry.

3. Advantages on technology and talents. The Group possessed industry-leading copper smelting and mine development technologies. After years of accumulation, the Group has reserved abundant mines and talents specialized in smelting and equipped with ability and advantages for reproducing and operating similar mines or for expanding the smelting business.

4. Advantages on brand. The Group operates with a complete industry chain of mining, milling, smelting and processing. Being larger in scale and better in reputation, the Company could gain recognition, trust, support and aid from various sectors of the society, with relatively strong capability to resist risks and has secured high rank among the 500 Chinese Enterprises and 500 Chinese Manufacturing Enterprises in consecutive years.

II. Discussion and analysis by the Directors concerning the future development of the Company

(I) Competition within the industry and the trend of development

In 2012, the continuous recession and slow progress in recovery of the international economy resulted in an overall decline of the international copper prices. The slowdown in domestic economic growth and increasing downward pressure in economy, coupled with the weak consumption demand for copper in main areas such as electricity, transportation and real estate, exerted certain pressure to production and operation of the copper industry. Generally, the existing circumstances of the copper market are as follows:

1. Additional production capacity of upstream mines was gradually unleashed. As the copper prices maintained at high level for several years, development of investment in mines was fostered and the production capacity of copper concentrates has grown consistently. Based on the statistics provided by an international copper research group, from 1998 to 2010, the expansion in the global production capacity of copper amounted to an annual growth of around 3% in average. It is expected that beginning from the second half of 2013, the production capacity of copper would be unleashed to a large extent. The global production capacity of copper concentrates will have a year-on-year growth of up to 5%. The growth in supply will possibly surpasses the growth in demand;

2. The production capacity of smelting recorded a gradual increase. As the country with the largest copper consumption in the world, China's copper consumption accounted for more than 40% of the total world consumption. Production capacity of smelting substantially increased due to lower general costs in constructing smelting plants in the State. In 2012, numerous copper smelting and refining projects in the State successively commenced operation after completion, mainly including the construction and expansion projects of enterprises such as Yunnan Tin, Zijin Copper, Dongying Fangyuan and Tongling Non-ferrous. As at the end of the year, the domestic total production capacity of copper smelting and refining reached 4,670,000 tonnes per year and 8,360,000 tonnes per year respectively and the production capacity is expected to further increase to 5,590,000 tonnes per year and 9,760,000 tonnes per year in 2013, which will intensify the competition in the industry.

3. Downturn in the downstream market. The national tight monetary policy in 2012 pressured the consumption of copper, and the operating rate of the copper processing industry was below 70%. Currently, the issuance of policies aimed to stimulate the real economy, such as those concerning the urbanization, brought hope for a better economic environment in 2013 and the demand for copper is expected to grow slightly. According to the World Bureau of Metal Statistics, in 2012, the supply in the global copper market was 20,614,000 tonnes whist the copper consumption was 20,548,000 tonnes. In China, the output of refined copper was 6,060,000 tonnes and the apparent consumption reached 8,840,000 tonnes.

   The copper prices fell in 2012 as compared with those in 2011. The annual average closing price on the London Metal Exchange was US$7,955/tonne, representing a decrease of approximately 9% from last year. The monthly weighted average price of three-month copper future (inclusive of tax) on the Shanghai Futures Exchange was RMB57,681/tonne, representing a decrease of approximately 12% from last year.

(II) The development strategy of the Company

Adhering to the strategy of "to develop mines, to consolidate smelting, to improve refining and to diversify into related sectors", the Company will further adjust its concept, refine the system and mechanism, stimulate the internal dynamics, unleash the innovation and improve the profitability of the current assets prudently. The Company will also change its economic development mode, plan its development with a global vision and realize a substantial development through merger, acquisition and reorganization.

(III) Operation plan

In 2013, the plan for major production and operation of the Group is: to produce 1,120,000 tonnes of copper cathode; 25.4 tonnes of gold; 560 tonnes of silver; 2,870,000 tonnes of sulphuric acid; 210,000 tonnes of copper contained in copper concentrate; and 845,000 tonnes of copper rods and wires and other copper processing products. As the price of the Group's principal products is 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, as and when appropriate, revise such plan in response to changes in market conditions.

To realize the above plan, in 2013, the Group will mainly exert efforts in the following:

1. Forging ahead with the construction of planned projects: The Company will facilitate the preliminary work for projects such as No.5 gangue reservoir and Zhushahong mining area of Dexing Copper Mine, phase III project of Chengmenshan Copper Mine, renovation project for the deep mining expansion of 5,000 tonnes per day of Wushan Copper Mine, Yinshan Mining's deep mining production-expansion renovation project, and Crossing Copper-Molybdenum Mine of Yongping Copper Mine, etc..

2. Stepping up efforts in the domestic and overseas mergers and acquisitions. The Company will form a team for mergers and acquisitions. It is necessary to accelerate the progress of obtaining domestic and overseas mine resources, increasing total resource reserves and optimizing the resource layout. An expert committee will also be established to conduct research and refine the operation mechanism for the mergers and acquisitions, reinforce the information gathering of resources and carefully follow the market trend of domestic and overseas mining industry.

3. Accelerating the internal reforms and improving the management and control of the Company. Apart from refining the construction of informationization, the Company will strengthen the performance management and review. It will promote the establishment of the regulatory system and strengthen the execution of the system.

4. Strengthening the scientific research to facilitate the scientific progress of enterprises. The Company will increase the input for the scientific research, with an aim of creating new breakthroughs on some technical issues relating to the long-term development of the Company such as the technology for mining and processing of phase III project of Chengmenshan Copper Mine, the technology for the large-scale deep mining in Wushan Copper Mine, the recovery and deep-processing of rare metals, the research and development of new copper processing products as well as the comprehensive use of gangue reservoir.

5. Emphasizing the safety, environmental protection, energy conservation and emission reduction. The Company will gradually integrate different systems such as standardization of site management, standardization of safety and clean manufacturing, so as to improve the Company's capacity to protect the environment, to refine the safety management and to improve the conditions for the staff's health and for the safe production. On the other hand, the Company will build a system of accountability for the environmental protection. Through specifying the contents of construction and schedule of the projects in the environmental protection and comprehensive treatment planned in the "12th five-year", the Company aims at further raising the awareness of energy conservation, carrying out the key projects for energy conservation and completing the relevant tasks in time.

(IV) Capital needed by the Company to maintain current operations and complete investment projects under construction

Following the gradual implementation of the development strategy of the Company, the major businesses have been advancing in general with a positive prospect and have built up cordial cooperation with a number of financial institutions. With reference to the conditions of its own assets, the Company will also actively and aggressively revivified its idling assets by raising their assets operation efficiency so as to provide financial support and security to the development of its major businesses.

In the future, while the scales of production and sale of the Company are expanding, its demand for working capital will rise accordingly. According to its basic need as well as the actual requirements of project investment in line with the development target of the Company in future, it will maintain a solid policy on financial management, study for the possibility of financing through various channels, reduce its financing cost, optimize its financial structure and ensure its sound and steady growth. The Company believes that with its current working conditions and reputation in the market, it is able to raise adequate funds for current operation and for the completion of investment projects in construction.

(V) Risk Exposure

1. The risk of downward prices of copper

   At present, the market equilibrium has gradually replaced the previous supply shortage in the international copper industry, which will limit the rise of the copper prices in the mid-to-long term. In addition, the mid-to-long term growth cycles of US dollar index also posed the downward pressure on the copper prices. In 2012, the Group produced 210,500 tonnes of copper contained in copper concentrate and the figure is expected to be maintained at 210,000 tonnes in 2013. Therefore, for every decrease of RMB1,000 in the copper prices, the profits from the self-produced mines of the Company will decrease by RMB210 million (before tax) and the equivalent EPS before tax will decrease by approximately RMB0.06 per share.

The Company always pursues a positive and prudent hedging policy. With an aim to delivering the operating target, the Company provided hedging for the self-produced raw materials according to the prices range, as well as outsourcing raw materials with an aim to locking the processing fee, so as to shelter from the risk generating from fluctuations in the copper prices.

2. Changes in the tax policy

As a High-tech Enterprise in Jiangxi province, the Group was entitled to relevant national preferential policies relating to High-Tech Enterprises for three consecutive years from 2010 to 2012, with a tax rate of 15% instead of 25%. In 2013, the Company will re-apply for the "Recognition of the High-tech Enterprise" and the result is expected to be issued in the second half of 2013. The result of the application is still uncertain and if the application is unsuccessful, the income tax in 2013 shall be levied at 25%.

In recent years, the Company has put more investment into the research and development. In 2012, the Industrial Academician Workstation of Jiangxi Province formally settled in the Company, providing an important platform for the Company to introduce top talents. In addition, a number of its scientific researches has completed expert review, amongst which, the Company has participated in finalizing the project of "key technology research and industrial application for maximized float processing machines". The synthetic performance of its equipments and the economic indicator of its technology have reached an advanced level internationally, making China one of the three countries controlling the critical know-how for large float processing machines in the world. This project has won the second class award of the State Scientific and Technological Progress Award in 2012.

7 SIGNIFICANT EVENTS

7.1 Model Code for Securities Transactions by Directors

During the reporting period, the Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Having made specific enquiries to all Directors and Supervisors, the Company confirms that all 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 strives to maintain and establish quality corporate governance.

To the knowledge of the Board, the Company has been in full compliance with all the code provisions under the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 to the Listing Rules for the period from 1 January 2012 to 31 March 2012 and all the code provisions in the new edition of the Code (which is applicable to financial reports covering a period after 1 April 2012) for the period from 1 April 2012 to 31 December 2012, with the exception of the following:

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

During the reporting period, the chairman of the audit committee and remuneration committee did not attend or appoint delegate to attend the annual general meeting of the Company held on 19 June 2012 ("2011 AGM") as required under code provision E.1.2 of the Code. Instead, the chairman of the audit committee and remuneration committee were well informed by the Company in advance of the date and time of the 2011 AGM and were made available to answer questions raised at the 2011 AGM by telephone.

7.3 Purchase, Sale or Redemption of Listed Securities of the Company

During the reporting period, there was no redemption of listed securities of the Company, and none of the Company nor its subsidiaries had purchased or sold any of the Company's listed securities during the reporting period.

7.4 Information on the Payment of Final Dividends

Withholding of Enterprise Income Tax for Non-resident Enterprise Shareholders

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

Withholding of Personal Income Tax for Individual H Shareholders

Pursuant to the State Administration of Taxation Notice on Matters Concerning the Levy and Administration of Individual Income Tax After the Repeal of Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348) (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》)(國稅函[2011]348號) dated 28 June 2011, and the letter entitled "Tax arrangements on dividends paid to Hong Kong residents by Mainland companies" dated 4 July 2011 issued by the Stock Exchange, the Company is required to withhold and pay the individual income tax in respect of the 2012 final dividends paid to the individual H Shareholders (the "Individual H Shareholders"), as a withholding agent on behalf of the same. However, the Individual H Shareholders may be entitled to certain tax preferential treatments pursuant to the tax treaties between the PRC and the countries (regions) in which the Individual H Shareholders are domiciled and the tax arrangements between Mainland China and Hong Kong (Macau).

Pursuant to the aforesaid changes in the tax regulations, when the 2012 final dividends is to be distributed to the holders of H Shares whose names appear on the register of members of the Company as at 22 June 2013, the Company will base on the tax rate of 10% to withhold 10% of the dividend to be distributed to the Individual H Shareholders as individual income tax.

For non-resident enterprise holders of H Shares, the Company will withhold 10% of the dividend as enterprise income tax according to the relevant tax regulations in line with its previous practice.

If Shareholders' names appear on the H Shares register of members, please refer to nominees or trust 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 laws, and withhold and pay the enterprise income tax and individual income tax on behalf of the relevant Shareholders based on the H Shares register of members of the Company as of 22 June 2013. 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.

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

Closure of Register of Members

In order to determine the identity of the Shareholders entitled to attend and vote at the AGM, the register of members of the Company will be closed from Saturday, 11 May 2013 to Tuesday, 11 June 2013 (both days inclusive). All transfer documents accompanied by the relevant share certificates, must be lodged with the H Share Registrar of the Company, Hong Kong Registrars Limited, whose address is at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong) by no later than 4:30p.m. on Friday, 10 May 2013.

In order to determine the identity of the Shareholders entitled to receive the final dividend of the Company for the year ended 31 December 2012, the register of members of the Company will be closed from Tuesday, 18 June 2013 to Saturday, 22 June 2013 (both days inclusive). All transfer documents accompanied by the relevant share certificates must be lodged with the H Share Registrar of the Company, Hong Kong Registrars Limited, whose address is at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:30p.m. on Monday, 17 June 2013.

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

Jiangxi, the People's Republic of China
26 March 2013

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; and the independent non-executive directors of the Company are Mr. Wu Jianchang, Mr. Tu Shutian, Ms. Zhang Rui and Mr. Gao Dezhu.

9. FINANCIAL REPORT

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2012
(PREPARED IN ACCORDANCE WITH IFRS)

	NOTES	2012 RMB'000	2011 RMB'000
Revenue	3	**158,005,958**	117,119,197
Cost of sales		**(150,570,459)**	(107,347,896)
Gross profit		**7,435,499**	9,771,301
Other income	4	**780,508**	673,763
Other gains and losses	5	**681,522**	245,237
Selling and distribution expenses		**(453,162)**	(437,011)
Administrative expenses		**(1,348,824)**	(1,869,162)
Finance costs	6	**(831,711)**	(731,227)
Share of results of a jointly controlled entity		**5,615**	6,636
Share of results of associates		**3,826**	49,046
Profit before taxation		**6,273,273**	7,708,583
Taxation	7	**(1,025,766)**	(1,060,392)
Profit for the year	8	**5,247,507**	6,648,191
Profit for the year attributable to:			
Owners of the Company		**5,169,668**	6,586,921
Non-controlling interests		**77,839**	61,270
		5,247,507	6,648,191
Earnings per share			
Basic	10	**RMB1.49**	RMB1.90

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2012

(PREPARED IN ACCORDANCE WITH IFRS)

	2012	2011
	RMB'000	*RMB'000*
Profit for the year	**5,247,507**	6,648,191
Other comprehensive income (expense)		
Fair value change on hedging instruments designated in cash flow hedges	**128,896**	155,879
Reclassification adjustments relating to transfer of cash flow hedges	**(122,593)**	(36,446)
Income tax relating to components of other comprehensive income	**(1,214)**	(22,152)
Exchange differences arising on translation	**(4,080)**	(119,404)
Other comprehensive income (expense) for the year (net of tax)	**1,009**	(22,123)
Total comprehensive income for the year	**5,248,516**	6,626,068
Total comprehensive income attributable to:		
Owners of the Company	**5,170,712**	6,564,798
Non-controlling interests	**77,804**	61,270
	5,248,516	6,626,068

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2012

(PREPARED IN ACCORDANCE WITH IFRS)

		2012	2011
	NOTES	***RMB'000***	*RMB'000*
Non-current assets			
Property, plant and equipment		**19,933,933**	18,092,411
Investment properties		**178,918**	—
Prepaid lease payments		**477,024**	428,375
Intangible assets		**817,086**	847,411
Exploration and evaluation assets		**635,117**	206,367
Interests in associates		**2,004,531**	1,530,574
Interest in a jointly controlled entity		**32,347**	26,732
Available-for-sale investments		**1,031,730**	510,080
Deferred tax assets		**352,035**	306,088
Deposits for prepaid lease payments		**6,117**	—
Deposits for property, plant and equipment		**163,390**	218,096
		25,632,228	22,166,134
Current assets			
Inventories		**15,936,440**	14,097,061
Trade and bills receivables	11	**9,443,609**	7,596,894
Prepayments, deposits and other receivables		**4,712,861**	4,744,573
Other investments		**1,230,133**	—
Prepaid lease payments		**9,435**	10,103
Loans to fellow subsidiaries		**—**	842,510
Available-for-sale investments		**760,000**	2,770,006
Held-for-trading financial assets		**1,881**	2,331
Derivative financial instruments	12	**51,879**	73,723
Restricted bank deposits		**3,631,297**	4,763,826
Bank balances and cash		**16,678,343**	11,082,468
		52,455,878	45,983,495

	NOTES	**2012**	2011
		RMB'000	*RMB'000*
Current liabilities			
Trade and bills payables	13	**7,293,223**	5,576,402
Other payables and accruals		**4,354,235**	3,361,211
Deposits from holding company and fellow subsidiaries		**655,210**	1,288,662
Deferred revenue — government grants		**27,510**	33,170
Derivative financial instruments	12	**203,717**	152,404
Held-for-trading financial liabilities		**1,552,218**	946,260
Tax payable		**734,359**	886,062
Bank borrowings		**12,417,112**	9,809,366
		27,237,584	22,053,537
Net current assets		**25,218,294**	23,929,958
Total assets less current liabilities		**50,850,522**	46,096,092
Non-current liabilities			
Bonds payable		**5,681,024**	5,422,250
Bank borrowings		**617,845**	173,622
Provision for rehabilitation		**139,059**	129,531
Employee benefit liability		**99,222**	291,510
Deferred revenue — government grants		**332,455**	244,499
Other long term payables		**13,931**	14,447
Deferred tax liabilities		**104,591**	14,238
		6,988,127	6,290,097
		43,862,395	39,805,995

	2012	2011
	RMB'000	*RMB'000*
Capital and reserves		
Share capital	**3,462,729**	3,462,729
Reserves	**39,312,107**	35,840,192
Equity attributable to owners of the Company	**42,774,836**	39,302,921
Non-controlling interests	**1,087,559**	503,074
	43,862,395	39,805,995

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

1. GENERAL

The Company was registered in the PRC as a joint stock limited company. The registration number of the Company's business licence is Qi He Gan Zhong Zi 003556. The Company was established on 24 January 1997 by Jiangxi Copper Corporation ("JCC"), Hong Kong International Copper Industry (China) Investment Limited, Shenzhen Baoheng (Group) Company Limited, Jiangxi Xinxin Company Limited and Hubei Sanxin Gold & Copper Company Limited, and approved by Jiangxi Province's Administrative Bureau for Industry and Commerce. The Company's H shares and A shares were listed on the Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange, respectively. The head office of the Company is located at 15 Yejin Avenue, Guixi, Jiangxi Province, the PRC. The Company's holding company is JCC, and the ultimate controlling party is the State-owned Assets Supervision & Administration Commission of the People's Government of Jiangxi Province.

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

The consolidated financial statements are presented in Renminbi which is the functional currency of the Company.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

In the current year, the Group has applied the following amendments to IFRSs issued by the International Accounting Standards Board (the "IASB") and IFRS Interpretation Committee (the "IFRIC") of the IASB.

Amendments to IAS 12	Deferred tax: Recovery of underlying asset
Amendments to IFRS 7	Financial instruments: Disclosures — Transfers of financial assets

Except as below, the adoption of the amendments to IFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Amendments to IFRS 7 "Financial instruments disclosures-Transfers of financial assets"

The Group has applied for the first time the amendments to IFRS 7 "Financial instruments disclosures -Transfers of financial assets" in the current year. The amendments increase the disclosure requirements for transactions involving the transfer of financial assets in order to provide greater transparency around risk exposures when financial assets are transferred.

The Group has discounted bills receivables to banks with full recourse, and transferred bills receivables to its suppliers to settle its payables through endorsing the bills to its suppliers with full recourse. Specifically, if the bills receivables are not paid by the issuing banks at maturity, the collecting banks and/or the suppliers would have the right to request the Group to pay the unsettled balances. Therefore, in considering the appropriate accounting treatment, the directors of the Company have taken into consideration, among others, the credit quality of the issuing banks of the bills and the risk and likelihood of non-settlement by the issuing banks on maturity, as well as the relevant PRC practice, rules and regulations should the issuing bank fail to settle the bills on maturity date.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") *(CONTINUED)*

When the Group has transferred the significant risks and rewards relating to those bills receivables, and that the Group has discharged its obligations to suppliers upon settlement by endorsing bills, the Group derecognised these bills receivables and the payables to suppliers in their entirety.

When the Group has not transferred the significant risks and rewards relating to those bills receivables, and that the Group has not discharged its obligations to suppliers upon settlement by endorsing bills, it continues to recognise the full carrying amount of the bills receivables and recognise the cash received on the transfer as a secured borrowing and continue to recognise the payables to suppliers.

The relevant disclosures have been made regarding the transfer of these bills receivables on application of the amendments to IFRS 7.

The Group has not early applied the following new and revised IFRSs that have been issued but are not yet effective.

Amendments to IFRSs	Annual improvements to IFRSs 2009 — 2011 cycle[1]
Amendments to IFRS 7	Disclosures - Offsetting financial assets and financial liabilities[1]
Amendments to IFRS 9 and IFRS 7	Mandatory effective date of IFRS 9 and transition disclosures[3]
Amendments to IFRS 10, IFRS 11 and IFRS 12	Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance[1]
Amendments to IFRS 10, IFRS 12 and IFRS 27	Investment entities[2]
IFRS 9	Financial instruments[3]
IFRS 10	Consolidated financial statements[1]
IFRS 11	Joint arrangements[1]
IFRS 12	Disclosure of interests in other entities[1]
IFRS 13	Fair value measurement[1]

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") *(CONTINUED)*

IAS 19 (as revised in 2011)	Employee benefits[1]
IAS 27 (as revised in 2011)	Separate financial statements[1]
IAS 28 (as revised in 2011)	Investments in associates and joint ventures[1]
Amendments to IAS 1	Presentation of items of other comprehensive income[4]
Amendments to IAS 32	Offsetting financial assets and financial liabilities[2]
IFRIC 20	Stripping costs in the production phase of a surface mine[1]

1 Effective for annual periods beginning on or after 1 January 2013.

2 Effective for annual periods beginning on or after 1 January 2014.

3 Effective for annual periods beginning on or after 1 January 2015.

4 Effective for annual periods beginning on or after 1 July 2012.

Amendments to IAS 32 "Offsetting financial assets and financial liabilities" and amendments to IFRS 7 "Disclosures - Offsetting financial assets and financial liabilities"

The amendments to IAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realisation and settlement".

The amendments to IFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

The amendments to IFRS 7 are effective for annual periods beginning on or after 1 January 2013 and interim periods within those annual periods. The disclosures should also be provided retrospectively for all comparative periods. However, the amendments to IAS 32 are not effective until annual periods beginning on or after 1 January 2014, with retrospective application required.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") *(CONTINUED)*

Amendments to IAS 32 "Offsetting financial assets and financial liabilities" and amendments to IFRS 7 "Disclosures - Offsetting financial assets and financial liabilities" (Continued)

The directors of the Company anticipate that the application of these amendments to IAS 32 and IFRS 7 may result in more disclosures being made with regard to offsetting financial assets and financial liabilities in the future and may impact the amounts being offset in respect of financial assets and liabilities.

Amendments to IAS 1 "Presentation of items of other comprehensive income"

The amendments to IAS 1 "Presentation of items of other comprehensive income" introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to IAS 1, a "statement of comprehensive income" is renamed as a "statement of profit or loss and other comprehensive income" and an "income statement" is renamed as a "statement of profit or loss". The amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to IAS 1 require items of other comprehensive income to be grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis - the amendments do not change the option to present items of other comprehensive income either before tax or net of tax.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 July 2012. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in future accounting periods.

IFRS 9 "Financial instruments"

IFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. IFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") *(CONTINUED)*

IFRS 9 "Financial instruments" (Continued)

Key requirements of IFRS 9 are described as follows:

- All recognised financial assets that are within the scope of IAS 39 "Financial instruments: Recognition and measurement" are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

IFRS 9 is effective for annual periods beginning on or after 1 January 2015, with earlier application permitted.

The directors of the Company anticipate that the adoption of IFRS 9 in the future may have significant impact on amounts reported in respect of the Group's financial assets in respect of available-for-sale investments. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") *(CONTINUED)*

IFRS 13 "Fair value measurement"

IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of IFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in IFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under IFRS 7 "Financial instruments: Disclosures" will be extended by IFRS 13 to cover all assets and liabilities within its scope.

IFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors of the Company anticipate that IFRS 13 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013 and that the application of the new standard may affect the amounts reported in the consolidated financial statements and result in more extensive disclosures in the consolidated financial statements.

New and revised standards on consolidation, joint arrangements, associates and disclosures

In May 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including IFRS 10, IFRS 11, IFRS 12, IAS 27 (as revised in 2011) and IAS 28 (as revised in 2011).

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") *(CONTINUED)*

New and revised standards on consolidation, joint arrangements, associates and disclosures (Continued)

Key requirements of these five standards are described below.

IFRS 10 replaces the parts of IAS 27 "Consolidated and separate financial statements" that deal with consolidated financial statements. SIC 12 "Consolidation - Special purpose entities" will be withdrawn upon the effective date of IFRS 10. Under IFRS 10, there is only one basis for consolidation, that is, control. In addition, IFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in IFRS 10 to deal with complex scenarios.

IFRS 11 replaces IAS 31 "Interests in joint ventures". IFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. SIC 13 "Jointly controlled entities - Non-monetary contributions by venturers" will be withdrawn upon the effective date of IFRS 11. Under IFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under IAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations. In addition, joint ventures under IFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate consolidation.

IFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in IFRS 12 are more extensive than those in the current standards.

In June 2012, the amendments to IFRS 10, IFRS 11 and IFRS 12 were issued to clarify certain transitional guidance on the application of these five IFRSs for the first time.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") *(CONTINUED)*

New and revised standards on consolidation, joint arrangements, associates and disclosures (Continued)

These five standards, together with the amendments relating to the transitional guidance, are effective for annual periods beginning on or after 1 January 2013 with earlier application permitted provided that all of these standards are applied at the same time.

The directors of the Company anticipate that these five standards will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013. The directors of the Company anticipate the application of these five standards will not have material impact on the amounts reported in the consolidated financial statements.

IFRIC 20 "Stripping costs in the production phase of a surface mine"

IFRIC 20 applies to waste removal costs that are incurred in surface mining activity during the production phase of the mine ("production stripping costs"). Under the interpretation, the costs from this waste removal activity ("stripping") which provide improved access to ore is recognised as a non-current asset ("stripping activity asset") when certain criteria are met, whereas the costs of normal on-going operational stripping activities are accounted for in accordance with IAS 2 "Inventories". The stripping activity asset is accounted for as an addition to, or as an enhancement of, an existing asset and classified as tangible or intangible according to the nature of the existing asset of which it forms part.

IFRIC 20 is effective for annual periods beginning on or after 1 January 2013. Specific transitional provisions are provided to entities that apply IFRIC 20 for the first time.

The directors of the Company anticipate that IFRIC 20 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013 and the application of this standard will not have material impact on amounts reported in the consolidated financial statements.

The directors of the Company anticipate that the application of the other new and revised IFRSs will have no material impact on the Group's financial performance and positions.

3. REVENUE AND SEGMENT INFORMATION

The Group's operating activities are attributable to a single operating segment focusing on production and sale of copper and other related products. This operating segment has been identified on the basis of internal management reports prepared in accordance with accounting policies conform to Accounting Standards for Business Enterprises ("ASBE"), that is regularly reviewed by the General Manager of the Group, the chief operating decision maker of the Group. The General Manager of the Group regularly reviews revenue analysis by products. However, other than revenue analysis, no operating results and other discrete financial information is available for the assessment of performance of the respective products. The General Manager of the Group reviews the revenue and the operating results of the Group as a whole to make decision about resources allocation. No analysis of segment assets or segment liabilities is presented as they are not regularly provided to the General Manager of the Group. Accordingly, no analysis of this single operating segment is presented.

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

	2012	2011
	RMB'000	*RMB'000*
Sales of goods		
— copper cathodes	**103,582,787**	67,069,672
— copper rods	**27,022,540**	26,786,943
— copper processing products	**5,221,823**	5,988,714
— gold	**9,374,378**	7,917,194
— silver	**3,586,333**	3,735,884
— sulphuric and sulphuric concentrate	**2,204,913**	2,304,610
— rare and other non-ferrous metals	**6,245,651**	2,593,734
— others	**1,317,781**	1,244,238
Revenue analysis prepared in accordance with ASBE	**158,556,206**	117,640,989
Less: sales related taxes	**(550,248)**	(521,792)
Revenue analysis prepared in accordance with IFRSs	**158,005,958**	117,119,197

3. REVENUE AND SEGMENT INFORMATION *(CONTINUED)*

Geographical information

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

	2012	2011
	RMB'000	*RMB'000*
Mainland China	**145,225,317**	111,215,872
Hong Kong	**6,352,054**	5,306,343
Others	**6,978,835**	1,118,774
Revenue analysis prepared in accordance with ASBE	**158,556,206**	117,640,989
Less: sales related taxes	**(550,248)**	(521,792)
Revenue analysis prepared in accordance with IFRSs	**158,005,958**	117,119,197

All non-current assets of the Group (excluding deferred tax assets and financial instruments) are located in the PRC except for certain investments in Afghanistan, Peru and Japan of which the carrying amounts are not material.

Information about major customers

During the year ended 31 December 2012, there is no revenue from customers contributing over 10% of the total revenue of the Group.

During the year ended 31 December 2011, revenue of RMB17,701,256,000 was derived from sales of goods to a single customer, including sales to a group of entities which are known to be under common control with that customer.

4. OTHER INCOME

	2012	2011
	RMB'000	*RMB'000*
Interest income	**647,880**	557,104
Subsidy income of imported copper concentrate	**30,000**	30,000
Dividend income on available-for-sale investments	**17,710**	13,660
Government grant recognised *(note)*	**42,788**	19,271
Income from value-added tax refund	**42,130**	53,728
	780,508	673,763

Note: Government grants recognised represents compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs and government subsidies granted to the Group in relation to its production facilities.

5. OTHER GAINS AND LOSSES

	2012	2011
	RMB'000	*RMB'000*
Fair value change on derivative financial instruments		
Transactions not qualifying for hedging accounting		
— Fair value change on commodity derivative contracts	**575,861**	(11,563)
— Fair value change on foreign currency forward contracts and interest rate swaps	**(57,961)**	(8,067)
Transactions qualifying as fair value hedges		
— Inventory hedged	**(629)**	(88,658)
— Fair value change on hedging instrument	**(1,344)**	96,068
Ineffective portion of cash flow hedges	**(22,027)**	(1,279)
Fair value change on held-for-trading financial assets	**(415)**	(2,229)
Fair value change on held-for-trading financial liabilities	**(43,398)**	86,454
Gain reclassified from equity to profit or loss on disposal of investments classified as available-for-sale investments	**238,984**	173,488
Loss on disposal of property, plant and equipment	**(37,671)**	(127,977)
Impairment loss on property, plant and equipment *(note)*	**(12,556)**	(55,057)
Impairment loss on trade and other receivables	**(7,728)**	(5,543)
Loss on disposal of obsolete spare parts	**(127)**	(35,114)
Donations	**(855)**	(10,542)
Exchange gains	**37,615**	236,951
Others	**13,773**	(1,705)
	681,522	245,237

Note: During the year ended 31 December 2012, total impairment charges of RMB12,556,000 (2011: RMB55,057,000) were provided in respect of certain technologically out-dated property, plant and equipment to be written off. The recoverable amount of the above assets is the estimated based on fair value less cost to sell. The difference between the carrying amount and the recoverable amount is charged to profit or loss.

6. FINANCE COSTS

	2012	2011
	RMB'000	*RMB'000*
Interests on bank borrowings	**428,950**	323,494
Interest on bonds payable	**326,774**	312,065
Interests on discounted notes	**75,987**	95,668
	831,711	731,227

7. TAXATION

	2012	2011
	RMB'000	*RMB'000*
The charge comprises:		
Current taxation		
— PRC Enterprise Income Tax	**1,032,637**	1,193,745
— Hong Kong Profits Tax	**22,345**	2,760
	1,054,982	1,196,505
Under(over)provision in prior years		
— PRC Enterprise Income Tax	**20,073**	(3,910)
— Hong Kong Profits Tax	**1,945**	—
	22,018	(3,910)
Deferred taxation	**(51,234)**	(132,203)
	1,025,766	1,060,392

Hong Kong Profits Tax on three (2011: two) of the Group's subsidiaries has been provided at the rate of 16.5% (2011: 16.5%) on the estimated assessable profits arising in Hong Kong during both years.

7. TAXATION *(CONTINUED)*

The provision for PRC Enterprise Income Tax is based on a statutory rate of 25% (2011: 25%) of the assessable profits of the Group as determined in accordance with the relevant income tax rules and regulations of the PRC Enterprise Income Tax Law except for those high technology companies may be entitled to a lower PRC Enterprise Income Tax rate of 15%, which are according to the PRC Enterprise Income Tax Law. In November 2010, the Company obtained a High-Tech Enterprise Certificate jointly issued by the Jiangxi Provincial Department of Science and Technology, the Jiangxi Provincial Department of Finance, the Jiangxi Provincial State Taxation Bureau and the Jiangxi Provincial Local Taxation Bureau. The Company is entitled to relevant preferential policies relating to High-Tech Enterprises for three consecutive years from 2010 to 2012 with a PRC Enterprise Income Tax rate of 15%.

8. PROFIT FOR THE YEAR

	2012	2011
	RMB'000	*RMB'000*
Profit for the year has been arrived at after charging:		
Employee benefit expense (including directors', chief executive's and supervisors' remuneration):		
— Wages and salaries	**1,912,749**	1,601,681
— Performance related bonus	**77,769**	416,443
— Pension scheme contributions	**300,463**	265,718
— Other staff costs, allowances and welfare	**445,444**	379,462
	2,736,425	2,663,304
— Reversal of employee benefit liabilities, included in administrative expenses *(note)*	**(351,295)**	—
	2,385,130	2,663,304

8. PROFIT FOR THE YEAR *(CONTINUED)*

	2012	2011
	RMB'000	*RMB'000*
Auditor's remuneration	**7,910**	9,490
Cost of inventories recognised as an expense	**150,570,459**	107,347,896
Depreciation of property, plant and equipment	**1,229,760**	1,141,000
Amortisation of investment properties	**3,036**	-
Amortisation of prepaid lease payments	**13,232**	10,549
Amortisation of intangible assets	**34,873**	37,100
(Reversal of) allowance for inventories, included in cost of sales	**(35,306)**	425,969
Minimum lease payments under operating lease of land use rights	**166,932**	39,998

Note: During the year ended 31 December 2012, provision for employee benefit liabilities in relation to senior management and employees amounting to RMB351,295,000 was reversed as the relevant management and employees have agreed to waive such emoluments.

9. DIVIDENDS

	2012	2011
	RMB'000	*RMB'000*
Dividends recognised as distribution during the year:		
Interim dividend of nil for 2012 (2011: interim dividend of RMB0.2 per share for 2011) per share	**—**	692,546
Final dividend of RMB0.5 per share for 2011 (2011: final dividend of RMB0.2 per share for 2010) per share	**1,731,365**	692,546
	1,731,365	1,385,092

9. DIVIDENDS *(CONTINUED)*

Subsequent to the end of the reporting periods, a final dividend of RMB0.5 in respect of the year ended 31 December 2012 (2011: final dividend of RMB0.2 in respect of the year ended 31 December 2011) per share has been proposed by the directors and is subject to approval by the shareholders in the forthcoming general meeting. The total amount of RMB1,731,365,000 (2011: RMB1,385,092,000) of the proposed final dividend, calculated on the Company's number of shares issued at the date of annual report, is not recognised as a liability in the consolidated statement of financial position.

10. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit for the year attributable to owners of the Company of RMB5,169,668,000 (2011: RMB6,586,921,000) and on the number of 3,462,729,405 (2011: 3,462,729,405) ordinary shares in issue during both years.

No diluted earnings per share has been presented because there is no outstanding potential dilutive ordinary shares as at 31 December 2012 and 2011 and during both years.

11. TRADE AND BILLS RECEIVABLES

	2012	2011
	RMB'000	*RMB'000*
Trade receivables	**4,222,549**	5,528,944
Bills receivables	**5,366,622**	2,231,931
	9,589,171	7,760,875
Less: Allowance for doubtful debts	**(145,562)**	(163,981)
	9,443,609	7,596,894

11. TRADE AND BILLS RECEIVABLES *(CONTINUED)*

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 months. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to 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. The Group does not hold any collateral or other credit enhancements over its trade receivable balances.

The aged analysis of trade and bills receivables, net of allowance for doubtful debts, is presented based on the invoice date at the end of the reporting period as follows:

	2012	2011
	RMB'000	*RMB'000*
Within 1 year	**9,399,135**	7,579,207
1 - 2 years	**31,986**	14,809
2 - 3 years	**12,488**	1,283
Over 3 years	**—**	1,595
	9,443,609	7,596,894

12. DERIVATIVE FINANCIAL INSTRUMENTS

	2012		2011	
	Fair value		Fair value	
	Assets	**Liabilities**	Assets	Liabilities
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
Net settlement:				
Commodity derivative contracts	**42,306**	**(103,318)**	54,058	(119,481)
Provisional price arrangement	**7,172**	**(8,737)**	18,176	(134)
Foreign currency forward contracts and interest rate swaps	**2,401**	**(91,662)**	1,489	(32,789)
	51,879	**(203,717)**	73,723	(152,404)

	2012	2011
	RMB'000	*RMB'000*
Derivatives qualifying for hedge accounting:		
Cash flow hedges		
— Commodity derivative contracts	**459**	(5,690)
Fair value hedges		
— Commodity derivative contracts	**—**	(241)
— Provisional price arrangement	**(8,737)**	18,176
	(8,278)	12,245
Derivatives not qualifying for hedge accounting:		
— Commodity derivative contracts	**2,439**	(19,792)
— Provisional price arrangement	**7,172**	(134)
	9,611	(19,926)

12. DERIVATIVE FINANCIAL INSTRUMENTS *(CONTINUED)*

	2012	2011
	RMB'000	*RMB'000*
Derivatives not under hedge accounting		
— Commodity derivative contracts	**(63,910)**	(39,700)
— Foreign currency forward contracts and interest rate swaps	**(89,261)**	(31,300)
	(153,171)	(71,000)
	(151,838)	(78,681)

The Group uses commodity derivative contracts and provisional price arrangement to hedge its commodity price risk. Commodity derivative contracts utilised by the Group are mainly standardised copper cathode future contracts in Shanghai Futures Exchange and London Metal Exchange.

The fair value of the commodity derivative contracts represents the difference between the quoted market price of commodity derivative contracts at the end of the year and the quoted price at inception of the contracts. The fair value of the provisional price arrangement is estimated by reference to the quoted market price of commodity derivative contracts at the end of the reporting period with similar maturity and the quoted market price at inception of the contracts.

(a) Derivatives 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 2012, the expected delivery period of the forecasted sales for copper related products was from January to April 2013 (2011: from January to March 2012).

12. DERIVATIVE FINANCIAL INSTRUMENTS *(CONTINUED)*

(a) Derivatives under hedge accounting: (Continued)

— Fair value hedge

The Group utilises commodity derivative contracts and provisional price arrangement to hedge its exposure to variability in fair value changes attributable to price fluctuation risk associated with inventories. In addition, the Group utilises commodity derivative contracts to hedge its exposure to variability in fair value changes attributable to price fluctuation risk associated with unrecognised firm commitment to sell copper rods.

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.

(b) Derivatives not under hedge accounting:

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

The Group utilises gold commodity derivative contracts to manage the fair value change risk of the obligation to return gold with same quantity and quality to banks under gold lease contracts. These arrangements are designed to address significant fluctuation in the fair value of the obligation which move in line with the prevailing price of gold.

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

However, these commodity derivative contracts, foreign currency forward contracts and interest rate swaps are not designated as hedging instruments or not qualified for hedging accounting.

13. TRADE AND BILLS PAYABLES

	2012	2011
	RMB'000	*RMB'000*
Trade payables	**7,034,617**	5,422,873
Bills payables	**258,606**	153,529
	7,293,223	5,576,402

The ageing analysis of trade and bills payables is presented based on the invoice date at the end of the reporting period as follows:

	2012	2011
	RMB'000	*RMB'000*
Within 1 year	**7,252,496**	5,506,083
1 - 2 years	**13,788**	33,459
2 - 3 years	**7,219**	3,056
Over 3 years	**19,720**	33,804
	7,293,223	5,576,402

The trade payables are normally settled on 60-day terms.