# 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)

## 2013 INTERIM RESULTS ANNOUNCEMENT

## I. IMPORTANT NOTICE

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 they severally and jointly accept responsibility for the truthfulness, accuracy and completeness of the information contained in this announcement and that there are no false representations, misleading statements contained therein or material omissions thereform.

   This announcement is extracted from the full text of the interim results report, which will be published on the websites of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (http://www.hkex.com.hk) and the Company (http://www.jxcc.com). Investors should read the full text of the interim results report for details.

2. The Director, Mr. Shi Jialiang was unable to attend the Board meeting due to another business engagement, but has appointed the Chairman, Mr. Li Baomin, to attend the Board meeting and to vote on his behalf. Except Mr. Shi Jialiang, all other Directors attended the Board meeting.

3. The interim financial report of the Company and its subsidiaries (the "Group") has not been audited, but the interim financial information prepared in accordance with International Accounting Standards 34 "Interim Financial Reporting" and other relevant provisions (collectively referred to as "IFRS") has been reviewed by Deloitte Touche Tohmatsu and considered and approved by the independent audit committee (the "Audit Committee") of the Company.

4. The Company's Chairman, Mr. Li Baomin, the principal accounting responsible person, Mr. Gan Chengjiu, and Head of Financial Department (accounting chief), Mr. Jiang Liehui, warrant the truthfulness, accuracy and completeness of the financial report set out in the interim report.

5. The Company neither proposed to pay cash dividends or issue bonus shares, nor did the Company increase share capital by transferring reserve fund.

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

7. No misappropriation of funds by the controlling shareholders and their connected parties for non-operation purpose was found in the Group.

8. The Group did not provide third-party guarantees in violation of stipulated decision-making procedures.

# II. MAJOR FINANCIAL DATA AND INDICATORS

## 1. Consolidated Accounting Data and Financial Indicators Prepared in accordance with the International Financial Reporting Standards ("IFRS")

| | For the six months ended 30 June | | |
|---|---|---|---|
| | **2013** | 2012 | Increase/ |
| | **(Unaudited)** | (Unaudited) | (decrease) |
| | ***(RMB'000)*** | *(RMB'000)* | *(%)* |
| Revenue | **87,673,633** | 66,781,647 | 31.28 |
| Profit before taxation | **1,527,346** | 3,269,530 | (53.29) |
| Profit for the period attributable to owners of the Company | **1,275,023** | 2,668,949 | (52.22) |
| Basic earnings per share *(RMB)* | **0.37** | 0.77 | (52.22) |

| | **As at 30 June 2013** | As at 31 December 2012 | Increase/ |
|---|---|---|---|
| | **(Unaudited)** | (Audited) | (decrease) |
| | ***(RMB'000)*** | *(RMB'000)* | *(%)* |
| Total assets | **84,580,336** | 78,088,106 | 8.31 |
| Total liabilities | **41,243,146** | 34,225,711 | 20.50 |
| Net assets attributable to owners of the Company | **42,311,983** | 42,774,836 | (1.08) |
| Net assets per share attributable to owners of the Company *(RMB)* | **12.22** | 12.35 | (1.08) |

## 2. Consolidated Accounting Data and Financial Indicators Prepared in accordance with the PRC Accounting Standards ("PRC GAAP")

(1) Major accounting data

*Unit: Yuan Currency: RMB*

| Major accounting data | During the reporting period (January-June) (Unaudited) | During the same period last year (Unaudited) | Increase/ decrease for the reporting period as compared with the same period last year *(%)* |
|---|---|---|---|
| Operating revenue | 87,974,896,220 | 67,068,151,639 | 31.17 |
| Net profit attributable to shareholders of the Company | 1,240,409,414 | 2,576,181,306 | –51.85 |
| Net profit after non-recurring profit and loss items attributable to shareholders of the Company | 1,141,330,394 | 2,132,313,336 | –46.47 |
| Net cash flows from operating activities | 2,202,638,437 | 1,377,485,524 | 59.90 |

| | As at the end of the reporting period | As at the end of last year | Increase/ decrease as at the end of the reporting period as compared with the end of last year *(%)* |
|---|---|---|---|
| Net assets attributable to shareholders of the Company | 42,373,762,872 | 42,819,959,840 | –1.04 |
| Total assets | 84,642,138,411 | 78,133,484,407 | 8.33 |

(2) Major financial indicators

| **Major financial indicators** | **During the reporting period (January-June)** | **During the same period last year** | **Increase/ decrease for the reporting period as compared with the same period last year** *(%)* |
|---|---|---|---|
| Basic earnings per share *(RMB/share)* | 0.36 | 0.74 | –51.35 |
| Diluted earnings per share *(RMB/share)* | N/A | N/A | N/A |
| Basic earnings per share after non-recurring profit and loss items *(RMB/share)* | 0.33 | 0.62 | –46.77 |
| Return on net assets (weighted average) *(%)* | 2.90 | 6.47 | Decreased by 3.57 percentage points |
| Return on net assets after non-recurring profit and loss items (weighted average) *(%)* | 2.66 | 5.36 | Decreased by 2.7 percentage points |

## 3. Reconciliation Between IFRs and PRC GAAP

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

*Unit: '000 Currency: RMB*

| | **Net profit attributable to the Company For the six months ended 30 June** | | **Net assets attributable to shareholders of the Company** | |
|---|---|---|---|---|
| | **2013** | 2012 | **As at 30 June 2013** | As at 31 December 2012 |
| Prepared in accordance with PRC GAAP | 1,240,409 | 2,576,181 | 42,373,763 | 42,819,960 |
| Adjustments to items and amounts under IFRS: | | | | |
| Reversal of the safety fund expenses provided but not used under the PRC GAAP during the period | 51,269 | 92,769 | 0 | 0 |
| Income tax effect on safety fund | -16,654 | 0 | -61,778 | -45,124 |
| Prepared in accordance with IFRS | 1,275,024 | 2,668,950 | 42,311,985 | 42,774,836 |

## 4. Non-Recurring Profit and Loss Items and Amounts (Prepared in accordance with PRC GAAP)

*Unit: Yuan Currency: RMB*

| Non-recurring profit and loss items | For the six months ended 30 June 2013 Amount |
|---|---|
| Profit and loss on disposal of non-current assets | 23,219,705 |
| 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 | 16,047,300 |
| Fair value profit and loss from financial assets and financial liabilities held for trading, and net investment gains from disposal of financial assets and liabilities held for trading and available-for-sale financial assets, excluding effective portion of normal transactions qualified for hedge accounting | –82,620,569 |
| Other non-recurring items included in non-operating income and expenses | –630,916 |
| Impact on the changes in income tax rate of the Company | 171,445,285 |
| Impact on minority interests | –21,063,161 |
| Impact on income tax | –7,318,624 |
| Total | 99,079,020 |

## 5. Items Measured at Fair Value

*Unit: Yuan Currency: RMB*

| Item | Opening balance | Closing balance | Changes during the period | Impact on profit of the current period |
|---|---|---|---|---|
| 1. Held-for-trading equity instruments | 1,881,477 | 2,339,478 | 458,001 | 458,001 |
| Equity investments | 1,881,477 | 2,339,478 | 458,001 | 458,001 |
| 2. Derivatives not designated as a hedge | –153,171,890 | –696,373,953 | –543,202,063 | –563,978,984 |
| Forward foreign exchange contracts | –82,107,696 | –46,316,294 | 35,791,402 | 35,791,402 |
| Interest rate swap contracts | –7,153,277 | –372,105 | 6,781,172 | 6,781,172 |
| Option contracts | –15,766,123 | – | 15,766,123 | –5,010,798 |
| Commodity derivative contracts | –29,324,666 | –211,239,445 | –181,914,779 | –181,914,779 |
| Gold derivative contracts | –18,820,128 | –438,446,109 | –419,625,981 | –419,625,981 |
| 3. Liabilities arising from the lease of gold measured at fair value | –1,552,217,967 | –1,390,506,152 | 161,711,815 | 461,321,133 |
| 4. Hedging instruments | 7,379,087 | 26,365,967 | 18,986,880 | –7,242,899 |
| (1). Non-effective hedging derivative instruments | 9,611,013 | –133,072 | –9,744,085 | –9,744,085 |
| Commodity derivative contracts | 2,438,811 | –150,015 | –2,588,826 | –2,588,826 |
| Provisional price arrangement | 7,172,202 | 16,943 | –7,155,259 | –7,155,259 |
| (2). Effective hedging derivative instruments | –2,231,926 | 26,499,039 | 28,730,965 | 2,501,186 |
| Cash flow hedges | 459,448 | 26,627,387 | 26,167,939 | –61,840 |
| Commodity derivative contracts | 459,448 | 26,627,387 | 26,167,939 | –61,840 |
| Fair value hedges | –2,691,374 | –128,348 | 2,563,026 | 2,563,026 |
| Fair value change in inventory | – | – | – | – |
| Confirmed sales commitments | – | –374,049 | –374,049 | –374,049 |
| Balance of fair value change in inventory of a hedged item | 6,045,107 | –128,908,468 | –134,953,575 | –134,953,575 |
| Provisional price arrangement | –8,736,481 | 129,154,169 | 137,890,650 | 137,890,650 |
| Total | –1,696,129,293 | –2,058,174,660 | –362,045,367 | –109,442,749 |

# III. CHANGES IN SHARE CAPITAL AND SHAREHOLDERS

## (I) CHANGES IN SHARE

1. Statement of Changes in Shares

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

2. During the reporting period, Jiangxi Copper Corporation ("JCC"), the largest shareholder of the Company, has increased its shareholding in the Company in Hong Kong market, by an aggregate of 69,250,000 H shares of the Company, being not more than 2% of the total share capital of the Company, during the period from 14 May 2013 to 21 June 2013. After completion of the implementation of the increase, JCC directly holds 1,269,594,325 A shares of the Company and holds 129,655,000 H Shares, in total representing approximately 40.41% of the existing total issued share capital of the Company.

## (II) CHANGES IN SHARES SUBJECT TO TRADING MORATORIUM

During the reporting period, there is no change in shares subject to trading moratorium of the Company.

## (III) THE NUMBER OF SHAREHOLDERS AND SHAREHOLDINGS

*Unit: Share*

The number of shareholders at the end of the reporting period 196,586

Shareholdings of the top ten shareholders

| Name of shareholder | Nature of shareholder | Shareholding percentage (%) | Total number of shares held | Increase/ (decrease) during the reporting period | Number of shares held subject to trading moratorium | Number of shares pledged or frozen |
|---|---|---|---|---|---|---|
| JCC | State-owned legal person | 40.41 | 1,399,249,325 | 69,250,000 | 0 | Nil |
| HKSCC Nominees Limited ("HKSCC") | Unknown | 36.03 | 1,247,541,605 | –70,659,000 | 0 | Nil |
| China Life Insurance Company Limited — Dividend-Individual Dividend — 005L — FH002 Shanghai（中國人壽保險股份有限公司 — 分紅 — 個人分紅 — 005L — FH002滬） | Unknown | 0.35 | 12,001,667 | 5,601,923 | 0 | Nil |
| Industrial and Commercial Bank of China-SSE 50 Trading Index Securities Investment Open-ended Fund (中國工商銀行 — 上證50交易型開放式指數證券投資基金) | Unknown | 0.24 | 8,213,703 | 1,618,337 | 0 | Nil |
| Guotai Junan Securities Co., Ltd.-Client Credit Trading Guarantee Securities Account (國泰君安證券股份有限公司客戶信用交易擔保證券帳戶) | Unknown | 0.21 | 7,284,816 | 7,284,816 | 0 | Nil |
| CITIC Securities Co., Ltd. (中信證券股份有限公司) | Unknown | 0.21 | 7,230,764 | 7,230,764 | 0 | Nil |
| China Securities Co., Ltd. – Client Credit Trading Guarantee Securities Account (中信建投證券股份有限公司客戶信用交易擔保證券賬戶) | Unknown | 0.19 | 6,442,485 | 6,442,485 | 0 | Nil |
| Southern Dongying Asset Management Co., Ltd — China Southern Fushi A50ETF (南方東英資產管理有限公司 — 南方富時中國A50ETF) | Unknown | 0.18 | 6,395,980 | 907,106 | 0 | Nil |
| Industrial and Commercial Bank of China — Nanfang Longyuan Industry Stock Securities Investment Fund (中國工商銀行 — 南方隆元產業主題股票型證券投資基金) | Unknown | 0.16 | 5,499,883 | 500,000 | 0 | Nil |
| Everbright Securities Company Limited — Customer Credit Trading Guarantee Securities Account（光大證券股份有限公司客戶信用交易擔保證券帳戶） | Unknown | 0.15 | 5,130,450 | 5,130,450 | 0 | Nil |

Shareholdings of the top ten shareholders not subject to trading moratorium

| Name of shareholder | Number of shares held not subject to trading moratorium | Class and number of shares |
|---|---|---|
| JCC | 1,399,249,325 | Ordinary shares denominated in RMB (A Shares) 1,269,594,325<br>Overseas listed foreign shares (H Shares) 129,655,000 |
| HKSCC | 1,247,541,605 | Overseas listed foreign shares (H Shares) |
| China Life Insurance Company Limited — Dividend — Individual Dividend — 005L — FH002 Shanghai (中國人壽保險股份有限公司 — 分紅 — 個人分紅 — 005L — FH002滬) | 12,001,667 | Ordinary shares denominated in RMB (A Shares) |
| Industrial and Commercial Bank of China — SSE 50 Trading Index Securities Investment Open-ended Fund (中國工商銀行 — 上證50交易型開放式指數證券投資基金) | 8,213,703 | Ordinary shares denominated in RMB (A Shares) |
| Guotai Junan Securities Co., Ltd. — Client Credit Trading Guarantee Securities Account (國泰君安證券股份有限公司客戶信用交易擔保證券帳戶) | 7,284,816 | Ordinary shares denominated in RMB (A Shares) |
| CITIC Securities Co., Ltd. (中信證券股份有限公司) | 7,230,764 | Ordinary shares denominated in RMB (A Shares) |
| China Securities Co., Ltd. – Client Credit Trading Guarantee Securities Account (中信建投證券股份有限公司客戶信用交易擔保證券賬戶) | 6,442,485 | Ordinary shares denominated in RMB (A Shares) |

| | | |
|---|---|---|
| Southern Dongying Asset Management Co., Ltd — China Southern Fushi A50ETF (南方東英資產管理有限公司 — 南方富時中國A50ETF) | 6,395,980 | Ordinary shares denominated in RMB (A Shares) |
| Industrial and Commercial Bank of China — Nanfang Longyuan Industry Stock Securities Investment Fund (中國工商銀行 — 南方隆元產業主題股票型證券投資基金) | 5,499,883 | Ordinary shares denominated in RMB (A Shares) |
| Everbright Securities Company Limited — Customer Credit Trading Guarantee Securities Account (光大證券股份有限公司客戶信用交易擔保證券帳戶) | 5,130,450 | Ordinary shares denominated in RMB (A Shares) |

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

(1) JCC, the controlling shareholder of the Company, and the other holders of shares not subject to trading moratorium are neither connected persons nor parties acting in concert as defined in "Management Method of the Information Disclosure in relation to the Changes in Shareholdings of Shareholders of Listed Companies"(《上市公司股東持股變動信息披露管理辦法》) issued by China Securities Regulatory Commission ("CSRC").

(2) The Company is not aware of any connected relationship among the holders of shares not subject to trading moratorium, nor aware of any parties acting in concert as defined in "Management Method of the Information Disclosure in relation to the Changes in Shareholdings of Shareholders of Listed Companies"(《上市公司股東持股變動信息披露管理辦法》) issued by CSRC.

(3) HKSCC held 1,247,541,605 H shares of the Company in the capacity of nominee on behalf of a number of customers, representing approximately 36.03% of the issued share capital of the Company. HKSCC is a member of Central Clearing and Settlement System, providing securities registration and custodial services for customers.

(4) JCC held 129,655,000 H shares of the Company, which have been registered with HKSCC and were separately listed from shares held by HKSCC as nominee when disclosed by the Company. Taking into account the H shares held by JCC, HKSCC held 1,377,196,605 shares as nominee, representing approximately 39.77% of the issued share capital of the Company.

### (IV) CHANGES IN CONTROLLING SHAREHOLDER AND ULTIMATE CONTROLLER

There was no change in controlling shareholder and ultimate controller of the Company during the reporting period.

## IV. REPORT OF THE BOARD

*The following figures are extracted from the unaudited consolidated accounting statements prepared in accordance with PRC GAAP.*

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

During the reporting period, with the mild economic recovery of the United States, the constant strengthening of the U.S. dollar and sustained outflow of capital from the emerging markets, the global capital markets underwent intensifying turbulence and global metal prices dropped substantially. During this period, the price of copper on the London Metal Exchange topped at US$8,346 per tonne, bottomed at US$6,602 per tonne, and closed at US$6,765 per tonne at the end of June, representing a drop of 14.8% as compared with the end of last year.

In face of the grim economic situation, inevitable increase in the costs, and rising investment on safety and environmental protection among many other factors, the Company, by focusing on the targets and work arrangements set at the beginning of the year and taking active actions to overcome various adversities, launched a series of measures to increase income and reduce expenditure, further tap potential, enhance efficiency and strictly control risks, and managed to maintain an overall stability in production and operation. In the first half of 2013, the Company successfully completed the production volume of principal products on schedule, with a continued rapid increase in sales revenue, but its operating results drop materially due to falling prices of its products. According to the unaudited consolidated financial statements prepared in accordance with PRC GAAP as at 30 June 2013, the consolidated revenue of the Group amounted to RMB87,974,896,220 (for the same period of 2012: RMB67,068,151,639), representing an increase of RMB20,906,744,581 or 31.17% from last year. Net profit attributable to owners of the Company amounted to RMB1,240,409,414 (for the same period of 2012: RMB2,576,181,306), representing a decrease of RMB1,335,771,892 or -51.85% from the same period last year. Basic earnings per share was RMB0.36 (for the same period of 2012: RMB0.74), representing a decrease of RMB0.38 or 51.85% from last year.

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

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

(2) Analysis and explanation of the implementation progress of the Company's financing and major assets reorganisation matters in the previous period

Not applicable.

(3) Progress of operation plan

During the reporting period, the Group successfully fulfilled our production plan and produced: 558,800 tonnes of copper cathode representing a growth of 11.72% over the same period last year (2012 interim:500,200 tonnes); 12,700 kilograms of gold, representing a decrease of 0.75% as compared with 12,796 kilograms for the same period last year; 285 tonnes of silver, representing a decrease of 5.32% as compared with 301 tonnes for the same period last year; 353,000 tonnes of copper rods and wires, representing a growth of 74.75% as compared with 202,000 tonnes for the same period last year; 1,410,000 tonnes of sulphuric acid, representing a growth of 11.9% as compared with 1,260,000 tonnes for the same period last year; 1,060,000 tonnes of sulphuric concentrate, representing a growth of 15.48% as compared with 917,900 tonnes for the same period last year; 101,000 tonnes of copper contained in copper concentrate, substantially remains the same level as the same period last year; 3,430 tonnes of molybdenum concentrates (45%), representing a growth of 5.90% as compared with 3,239 tonnes for the same period last year; 31,500 tonnes of other copper processing products other than copper rods and wires, representing a decrease of 5.41% as compared with 33,300 tonnes for the same period last year.

(4) Prospect for the second half of the year

The supply and demand in the global copper market have been largely balanced in the past several years, with the additional supply mostly absorbed by the China market. However, as further additional mining capacity will come on-stream globally and the consumption in China slows down due to economic structure adjustments, the balance between supply and demand in the global copper market is facing deterioration. The copper prices are further curbed in the future with expectations of a reduction or termination of QE3 in the United States and the weak economy in Europe and Japan.

In the second half of this year, the Group will continue to refine internal management, strengthen cost control, prevent operating risks and improve operating efficiencies, and use its best endeavors to improve the Company's operating result.

(1) The Group will adjust its strategic plan in a practical manner. The Company will adjust its own business structure according to the industry trends and keep the pace of development under control and uphold the principle of prioritizing profitability. The Company would devote the limited fund and resources to the key projects in order to realise the Company's strategic intentions, speed up its development and boost its profitability.

(2) The Group will strengthen cost control and unleash its potential. The Company has introduced "Assessment Plan for Costs Reduction Award" as well as "20 Regulations on Saving Cost, Boosting Income, Tapping Potential and Improving Profit" to raise the awareness of cost saving among the staff, putting cost saving and profit improvement as the Company's focus.

(3) The Group will update its business philosophy and deepen reform. The Group will study schemes in relation to system adjustment, revitalize and optimize the Company's existing assets, stimulate the internal vitality and maximize profitability. The informationization drive would be continued to keep improving the level of Company's modern management.

(4) The Group will embark on transformation and innovation and aim to boost the profitability of its subsidiaries. The Group will analyze the reasons for profit decline or losses incurred and formulate measures to control losses and increase profit, so as to enhance its overall market competitiveness through strengthened management.

(5) Improving risk control and prevention: the Group will strengthen risk control and tighten management over receivables to control the scale of receivables. The Company will exercise a more stringent credit monitoring of major customers, together with an economic management over the inventories scale. With these initiatives, the Group aims at lowering risks due to price fluctuations and optimizing the efficiency of capital utilization.

## V. MANAGEMENT DISCUSSION AND ANALYSIS

*The following figures are extracted from the unaudited consolidated accounting statements prepared in accordance with PRC GAAP.*

### (I) Analysis of operation by industry, products or geograhical locations

Principal businesses by industry and by product

*Unit: Yuan Currency: RMB*

| By industry and 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 | 53,064,844,731 | 51,797,168,851 | 2.39 | 30.38 | 32.01 | –1.21 |
| Copper rods and wires | 23,125,015,248 | 21,839,465,413 | 5.56 | 83.20 | 85.29 | –1.07 |
| Copper processing products | 1,633,559,708 | 1,658,922,350 | –1.55 | –31.29 | –28.83 | –3.52 |
| Gold | 3,856,189,018 | 3,535,516,619 | 8.32 | –24.11 | –17.12 | –7.73 |
| Silver | 1,455,691,203 | 1,510,048,832 | –3.73 | –25.51 | –20.94 | –6.00 |
| Chemical products | 1,022,114,785 | 711,720,443 | 30.37 | 2.13 | 56.87 | –24.30 |
| Rare metals and other non-ferrous metals | 2,910,227,992 | 2,835,028,763 | 2.58 | 2.73 | 12.02 | –8.08 |
| Others | 680,330,948 | 415,870,457 | 38.87 | 114.21 | 118.24 | –1.13 |

1) Copper cathodes

During the reporting period, operating revenue from copper cathodes increased by RMB12,364.00 million or 30.38% compared with last year resulting from the increase in sales volume of copper cathodes, and operating costs of copper cathodes increased by RMB12,559.66 million or 32.01% as compared with last year. Due to the decrease in product price, the operating profit of copper cathodes decreased by RMB195.66 million or 13.37% as compared with last year. As a result of the increase in outsourced raw materials and the decrease in product price, gross profit margin decreased from 3.60% last year to 2.39% for the year.

2) Copper rods and wires

During the reporting period, operating revenue from copper rods and wires for the year increased by RMB10,502.31 million or 83.20% over last year, due to the increase in sales of copper rods and wires. Operating costs of copper rods and wires increased by RMB10,053.07 million or 85.29% as compared with last year, due to the increase in sales. Operating profit of copper rods and wires increased by RMB449.25 million or 53.72% as compared with last year. As a result of the drop in market price, gross profit margin of copper rods and wires for the year decreased from 6.63% last year to 5.56%.

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 RMB744.05 million or 31.29% for the year as compared with last year. Operating costs decreased by RMB671.95 million or 28.83% as compared with last year due to the decrease in the price of copper cathode materials. Operating profit decreased by RMB72.10 million or -154.26% as compared with last year. Due to a drop in market prices, the decrease rate of operating costs are smaller than that of operating revenue, accordingly, gross profit margin for the year decreased from 1.97% last year to 1.55% for the year.

4) Gold

During the reporting period, operating revenue of gold decreased by RMB1,224.98 million or 24.11% as compared with last year due to the drop in selling price. Operating costs decreased by RMB730.52 million or 17.12% as compared with last year due to the decrease in the price of outsourced raw materials. Operating profit of gold decreased by RMB494.46 million or 60.66% as compared with last year while gross profit margin decreased from 16.04% last year to 8.32% for the year.

5) Silver

During the reporting period, operating revenue of silver decreased by RMB498.58 million or 25.51% as compared to last year, owing to a drop in the selling price. As a result of the decrease in the price of outsourced raw materials and the increase in sales volume, the operating costs decreased by RMB399.94 million or 20.94% as compared to last year, while the operating profit of silver decreased by RMB98.64 million or 222.75% as compared to last year. The gross profit margin of silver decreased from 2.27% last year to 3.73% 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 increased by RMB21.33 million or 2.13%, due to the increase in the output and sales. Operating costs of chemical products for the year increased by RMB258.02 million or 56.87% as compared with last year due to an increase in sales. Operating profit of chemical products decreased by RMB236.68 million or 43.26% as compared with last year due to a drop in selling prices while gross profit margin for the year decreased from 54.66% last year to 30.37% for the year.

7) Rare and other non-ferrous metals

During the reporting period, operating revenue from rare and other nonferrous metals increased by RMB77.25 million or 2.73%, due to the increase in sales as compared with the same period last year. Operating costs of rare and other non-ferrous metals increased by RMB304.15 million or 12.02%. Operating profit of rare and other non-ferrous metals decreased by RMB226.90 million or 75.11% as compared with the same period last year while gross profit margin for the year decreased from 10.66% last year to 2.58% owing to a fall in selling price.

8) Other products

During the reporting period, the Group's operating revenue of other products increased by RMB362.73 million or 114.21% as compared with last year; operating costs increased by RMB225.31 million or 118.24% as compared with last year. Operating profit increased by RMB137.42 million or 108.17% as compared with last year; and gross profit margin for the year decreased from 40.00% last year to 38.87%.

**(II) Principal businesses by geographical locations**

*Unit: Yuan Currency: RMB*

| **Geographical locations** | **Operating revenue** | **Increase/ decrease in operating revenue over the same period last year** *(%)* |
|---|---|---|
| Mainland China | 78,779,434,362 | 27.09 |
| Hong Kong | 3,663,679,341 | 63.76 |
| Others | 5,304,859,930 | 99.04 |
| Total | 87,747,973,633 | 31.19 |

## (III) Analysis on Financial Position During the Reporting Period

1. Financial position

As at the end of the reporting period, the total assets of the Group amounted to RMB84,642.14 million, representing an increase of RMB6,508.65 million or 8.33% as compared with the beginning of the period, in which:

(1) the balance of cash and bank balances amounted to RMB24,514.68 million, representing an increase of RMB4,205.04 million or growth of 20.7% as compared with the beginning of the period, primarily due to the increase in operating profit and deposits through bank facilities;

(2) the balance of held-for-trading financial assets amounted to RMB262.83 million, representing an increase of RMB209.07 million or 388.90% as compared with the beginning of the period, mainly due to the change in fair value of derivative instruments as a result of fluctuation of copper prices;

(3) the balance of trade receivables amounted to RMB6,516.31 million, representing an increase of RMB2,439.32 million or 59.83% as compared with the beginning of the period, primarily attributable to the increase in sales revenue during the period;

(4) the balance of advances to suppliers amounted to RMB3,839.81 million, representing an increase of RMB1,940.13 million or 102.13% as compared with the beginning of the period, primarily attributable to the increase in amount for procurement during the period.

(5) the balance of interest receivable amounted to RMB164.70 million, representing a decrease of RMB41.92 million or -20.29% as compared with the beginning of the period, primarily due to the decrease in interest rates;

(6) the balance of inventory amounted to RMB12,353.85 million, representing a decrease of RMB3,582.59 million or 22.48% as compared with the beginning of the period, primarily attributable to the decrease in prices of products and raw materials;

(7) the balance of available-for-sale financial assets (including current and non-current portions) amounted to RMB2,731.73 million, representing an increase of RMB940.00 million or 52.46% as compared with the beginning of the period, primarily due to the increase in certain investments by the Group;

(8) the balance of other current assets amounted to RMB1,216.73 million, representing a decrease of RMB1,090.88 million or -47.27% from the end of last year, mainly due to the expiry of the purchased redeemable financial assets;

(9) the balance of deferred tax assets amounted to RMB855.14 million, representing an increase of RMB457.73 million or 115.18% from the beginning of the period, mainly due to adjustment to the income tax rate applicable to the Company during the period.

As at the end of the reporting period, the balance of the total liabilities of the Group amounted to RMB41,243.14 million, representing an increase of RMB7,017.43 million or 20.50% as compared with the beginning of the period, in which:

(1) the balance of notes payable amounted to RMB1,935.73 million, representing an increase of RMB1,677.12 million or 648.52% as compared with the beginning of the period, primarily due to the use of bank acceptance to pay for raw materials to meet the new production capacity of the Group;

(2) the balance of advances from customers amounted to RMB2,716.19 million, representing an increase of RMB1,034.62 million or 61.53% as compared with the beginning of the period, primarily due to the increase in sales income;

(3) the balance of interest payables amounted to RMB159.91 million, representing an increase of RMB42.28 million or 35.94% as compared with the beginning of the period, primarily due to the increase in accrued and unpaid interest at the end of the reporting period arising from the increase in borrowings;

(4) the balance of dividend payable amounted to RMB1,731.36 million, representing an increase of RMB1,731.36 million as compared with the beginning of the period, primarily due to the declared but unpaid final cash dividend for year 2012;

(5) the balance of tax payable amounted to RMB692.21 million, representing a decrease of RMB193.65 million or -21.86% as compared with the beginning of the period, primarily due to the payment of income tax for last year settled in the first half of the year;

(6) the balance of non-current liabilities due within one year amounted to RMB34.68 million, representing a decrease of RMB148.83 million or -81.10% as compared with the beginning of the period, primarily due to a decrease in long-term borrowing due within one year;

(7) the balance of deferred tax liabilities amounted to RMB252.95 million, representing an increase of RMB148.36 million or 141.85% as compared with the beginning of the period, which was incurred as a result of changes in fair value of financial instruments.

During the reporting period, the net profit of the Group attributable to owners of the Company amounted to RMB1,240.41 million, representing a decrease of RMB1,335.77 million or -51.85% as compared with the same period last year, in which:

(1) the operating revenue amounted to RMB879,748.96 million, representing an increase of RMB20,906.74 million or 31.17% as compared with the same period last year. Please refer to the analysis in the sub-section headed "Analysis of operation by industry, products or geographical locations" in this announcement;

(2) the operating costs amounted to RMB84,488.39 million, representing an increase of RMB21,662.29 million or 34.48% as compared with the same period last year, primarily due to the increase in sales volume during the first half of the year;

(3) the operating expenses amounted to RMB217.57 million, representing an increase of RMB44.30 million or 25.57% as compared with the same period last year, primarily due to the increase in sales volumes;

(4) the financial costs amounted to RMB162.72 million, representing a decrease of RMB51.14 million or -23.91% as compared with the same period last year, primarily due to the increase in exchange gains;

(5) losses from impairment of assets amounted to RMB570.90 million, representing an increase of RMB476.90 million or 507.36% as compared with the same period last year, primarily due to the decrease in market prices of products, leading to the increase in loss of value of the inventories;

(6) gain from changes in fair value amounted to RMB-109.44 million, representing a decrease of RMB285.15 million or -162.29% as compared with the same period last year, primarily due to an increase in losses from outstanding commodity futures contracts which were not qualified for hedge accounting;

(7) investment income amounted to RMB47.63 million, representing a decrease of RMB242.58 million or -83.59% as compared with the same period last year, primarily due to the increase in losses from settlement of commodity futures contracts which are not qualified for hedge accounting;

2. Capital structure

As at the end of the reporting period, the total assets of the Group increased to RMB84,642.14 million from RMB78,133.48 million as at the beginning of the period, while the total liabilities increased to RMB41,243.15 million from RMB34,225.71 million as at the beginning of the period. Gearing ratio was 48.73%, representing an increase of 4.9 percentage points as compared to the beginning of the period. Capital-liabilities ratio (liabilities/shareholders' equity) was 95.03%, representing an increase of 17.08 percentage points as compared to the beginning of the period.

3. Cash flow

(1) The net cash flow from operating activities amounted to RMB2,202.64 million, representing an increase of RMB825.15 million as compared to the same period last year, primarily due to (1) a decrease of RMB53.49 million in cash paid to and for employees; (2) a decrease of RMB414.89 million in taxes and charges paid as compared with the same period last year; (3) an increase of RMB193.69 million in cash paid for operating related activities as compared with the same period last year.

(2) The net cash flow from investing activities amounted to RMB-1,181.39 million, representing a decrease of RMB606.72 million in the net cash outflow as compared to the same period last year, of which the cash inflows from investing activities decreased by RMB632.64 million, mainly because (1) short-term investments recovered by the Company's subsidiary JCC Finance Company Limited ("Finance Company") decreased by RMB439.77 million during the year; and (2) the cash received as return on investment decreased by RMB230.08 million; cash outflows from investing activities decreased by RMB1,239.36 million, mainly due to (1) a decrease of RMB789.98 million in short-term investment expenditure of the Finance Company during the year and (2) a decrease of RMB613.07 million in fixed assets investment as compared to the same period last year.

(3) The net cash flow from financing activities amounted to RMB241.66 million, representing a decrease of RMB5,102.06 million as compared to the same period last year, primarily due to an increase of RMB3,877.31 million in cash inflow from borrowings, an increase of RMB7,426.00 million in debt repayment during the reporting period as compared to last year and an increase of RMB1,833.26 million in cash paid for financing-related activities as compared to the same period last year.

# VI. SIGNIFICANT EVENTS

## (I) Implementation of Profit Distribution Plan During the Reporting Period

The proposal of the payment of final dividend of RMB0.50 per share (inclusive of tax) for the year of 2012 to all the shareholders of the Company by the Board was approved at the annual general meeting of the Company held on 14 June 2013. The Company completed the payment of such dividend in July 2013.

## (II) Warning and explanation about predicted negative accumulated net profit for the period from the beginning of the year to the end of the next reporting period or significant change as compared with the same period last year.

The results for the first three quarters may decline substantially as compared with the same period last year due to the impact of the results recorded in the first half of the year.

## (III) Audit Committee

The Company has convened Audit Committee meeting at which the unaudited interim condensed consolidated financial statements and the interim results report for the six months ended 30 June 2013 were considered and approved.

## (IV) Code on Corporate Governance Practices

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

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

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

## (V) Purchase, disposal and repurchase of the Company's listed securities

At any time during the six months ended 30 June 2013, the Company did not repurchase any of its shares. Neither the Company nor any of its subsidiaries purchased or disposed of any shares of the Company during the six months ended 30 June 2013.

## (VI) Model Code for Securities Transactions by Directors

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

## (VII) Detailed results announcement

The interim report for 2013 containing all relevant information required by Appendix 16 to the Listing Rules will be despatched to shareholders and be published on the websites of the Stock Exchange (http://www.hkex.com.hk) and the Company (http://www.jxcc.com) in due course.

## VII. UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH IFRSs

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*FOR THE SIX MONTHS ENDED 30 JUNE 2013*

*(PREPARED IN ACCORDANCE WITH IFRS)*

| | | Six months ended 30 June | |
|---|---|---|---|
| | | **2013** | 2012 |
| | *NOTES* | ***RMB'000*** | *RMB'000* |
| | | **(unaudited)** | (unaudited) |
| Revenue | 3 | **87,673,633** | 66,781,647 |
| Cost of sales | | **(85,012,545)** | (62,810,686) |
| Gross profit | | **2,661,088** | 3,970,961 |
| Other income | 4 | **327,342** | 346,310 |
| Other gains and losses | 5 | **10,085** | 378,804 |
| Selling and distribution expenses | | **(217,567)** | (173,262) |
| Administrative expenses | | **(761,690)** | (829,620) |
| Finance costs | | **(495,943)** | (414,456) |
| Share of results of associates | | **(252)** | (13,603) |
| Share of results of a joint venture | | **4,283** | 4,396 |
| Profit before taxation | | **1,527,346** | 3,269,530 |
| Taxation | 6 | **(306,068)** | (567,883) |
| Profit for the period | 7 | **1,221,278** | 2,701,647 |

| | | | |
|---|---|---|---|
| **Other comprehensive (expense) income** | | | |
| Items that may be reclassified subsequently to profit or loss: | | | |
| Fair value change on hedging instruments designated in cash flow hedges | | **(89,233)** | 9,050 |
| Reclassification adjustments relating to transfer of cash flow hedges | | **115,463** | 2,141 |
| Exchange differences arising on translation | | **(33,223)** | 34,505 |
| Income tax relating to items that may be reclassified to profit or loss | | **(625)** | (2,485) |
| Other comprehensive (expense) income for the period (net of tax) | | **(7,618)** | 43,211 |
| Total comprehensive income for the period | | **1,213,660** | 2,744,858 |
| Profit (loss) for the period attributable to: | | | |
| Owners of the Company | | **1,275,023** | 2,668,949 |
| Non-controlling interests | | **(53,745)** | 32,698 |
| | | **1,221,278** | 2,701,647 |
| Total comprehensive income (expenses) attributable to: | | | |
| Owners of the Company | | **1,268,512** | 2,712,123 |
| Non-controlling interests | | **(54,852)** | 32,735 |
| | | **1,213,660** | 2,744,858 |
| Earnings per share | | | |
| Basic and diluted | 9 | **RMB0.37** | RMB0.77 |

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*AT 30 JUNE 2013*

*(PREPARED IN ACCORDANCE WITH IFRS)*

| | *NOTES* | **At 30 June 2013 *RMB'000* (unaudited)** | At 31 December 2012 *RMB'000* (audited) |
|---|---|---|---|
| Non-current assets | | | |
| Property, plant and equipment | 10 | **19,872,133** | 19,933,933 |
| Investment properties | | **176,880** | 178,918 |
| Prepaid lease payments | | **487,884** | 477,024 |
| Intangible assets | | **799,936** | 817,086 |
| Exploration and evaluation assets | | **585,810** | 635,117 |
| Interests in a joint venture | | **25,880** | 32,347 |
| Interests in associates | | **1,976,381** | 2,004,531 |
| Available-for-sale investments | 11 | **889,730** | 1,031,730 |
| Deferred tax assets | | **793,341** | 352,035 |
| Deposit for prepaid lease payments | | **1,483** | 6,117 |
| Deposit for property, plant and equipment | 10 | **187,164** | 163,390 |
| | | **25,796,622** | 25,632,228 |
| Current assets | | | |
| Inventories | | **12,353,848** | 15,936,440 |
| Trade and bills receivables | 12 | **12,798,614** | 9,443,609 |
| Prepayments, deposits and other receivables | | **6,467,655** | 4,712,861 |
| Other investments | | **500,000** | 1,230,133 |
| Prepaid lease payments | | **11,582** | 9,435 |
| Available-for-sale investments | 11 | **1,842,000** | 760,000 |
| Held-for-trading financial assets | | **2,339** | 1,881 |
| Dividend receivable | | **32,500** | — |
| Derivative financial instruments | 13 | **260,492** | 51,879 |
| Restricted bank deposits | | **6,578,760** | 3,631,297 |
| Bank balances and cash | | **17,935,924** | 16,678,343 |
| | | **58,783,714** | 52,455,878 |

| | | | |
|---|---|---|---|
| Current liabilities | | | |
| Trade and bills payables | 14 | **9,611,107** | 7,293,223 |
| Other payables and accruals | | **5,175,418** | 4,354,235 |
| Deposits from holding company and fellow subsidiaries | | **634,284** | 655,210 |
| Deferred revenue - government grants | | **32,673** | 27,510 |
| Derivative financial instruments | 13 | **801,592** | 203,717 |
| Held-for-trading financial liabilities | 15 | **1,390,506** | 1,552,218 |
| Dividend payable | | **1,731,365** | — |
| Tax payable | | **485,771** | 734,359 |
| Bank and other borrowings | | **14,094,294** | 12,417,112 |
| | | **33,957,010** | 27,237,584 |
| Net current assets | | **24,826,704** | 25,218,294 |
| Total assets less current liabilities | | **50,623,326** | 50,850,522 |
| Non-current liabilities | | | |
| Bonds payable | | **5,818,209** | 5,681,024 |
| Bank borrowings | | **616,170** | 617,845 |
| Provision for rehabilitation | | **143,215** | 139,059 |
| Employee benefit liability | | **103,410** | 99,222 |
| Deferred revenue - government grants | | **338,252** | 332,455 |
| Other long term payables | | **13,931** | 13,931 |
| Deferred tax liabilities | | **252,949** | 104,591 |
| | | **7,286,136** | 6,988,127 |
| | | **43,337,190** | 43,862,395 |
| Capital and reserves | | | |
| Share capital | | **3,462,729** | 3,462,729 |
| Reserves | | **38,849,254** | 39,312,107 |
| Equity attributable to owners of the Company | | **42,311,983** | 42,774,836 |
| Non-controlling interests | | **1,025,207** | 1,087,559 |
| | | **43,337,190** | 43,862,395 |

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

*FOR THE SIX MONTHS ENDED 30 JUNE 2013*

*(PREPARED IN ACCORDANCE WITH IFRS)*

| | Attributable to owners of the Company | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Share capital | Share premium | Capital reserves | Other reserve | Statutory surplus reserve | Discretionary surplus reserve | Safety funds surplus reserves | Hedging reserve | Translation reserve | Proposed dividends | Retained profits | Total | Non-controlling interests | Total |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| | | | *(Note a)* | *(Note b)* | *(Note c)* | *(Note c)* | *(Note d)* | | | | | | | |
| At 1 January 2013 (audited) | 3,462,729 | 12,647,502 | (902,113) | (92,506) | 3,745,682 | 9,325,827 | 275,543 | 403 | (259,194) | 1,731,365 | 12,839,598 | 42,774,836 | 1,087,559 | 43,862,395 |
| Profit for the period | – | – | – | – | – | – | – | – | – | – | 1,275,023 | 1,275,023 | (53,745) | 1,221,278 |
| Other comprehensive income (expense) for the period | – | – | – | – | – | – | – | 25,605 | (32,116) | – | – | (6,511) | (1,107) | (7,618) |
| Total comprehensive income (expense) for the period | – | – | – | – | – | – | – | 25,605 | (32,116) | – | 1,275,023 | 1,268,512 | (54,852) | 1,213,660 |
| Dividends paid to non-controlling shareholders | – | – | – | – | – | – | – | – | – | – | – | – | (7,500) | (7,500) |
| Dividends declared | – | – | – | – | – | – | – | – | – | (1,731,365) | – | (1,731,365) | – | (1,731,365) |
| Transfer between categories | – | – | – | – | – | – | 51,268 | – | – | – | (51,268) | – | – | – |
| At 30 June 2013 (unaudited) | 3,462,729 | 12,647,502 | (902,113) | (92,506) | 3,745,682 | 9,325,827 | 326,811 | 26,008 | (291,310) | – | 14,063,353 | 42,311,983 | 1,025,207 | 43,337,190 |

| | Attributable to owners of the Company | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Share capital** | **Share premium** | **Capital reserves** | **Other reserve** | **Statutory surplus reserve** | **Discretionary surplus reserve** | **Safety funds surplus reserves** | **Hedging reserve** | **Translation reserve** | **Proposed dividends** | **Retained profits** | **Total** | **Non-controlling interests** | **Total** |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| | | | *(Note a)* | *(Note b)* | *(Note c)* | *(Note c)* | *(Note d)* | | | | | | | |
| At 1 January 2012 (audited) | 3,462,729 | 12,647,502 | (934,681) | (92,506) | 3,259,295 | 7,866,667 | 276,627 | (4,686) | (255,149) | 1,731,365 | 11,345,758 | 39,302,921 | 503,074 | 39,805,995 |
| Profit for the period | – | – | – | – | – | – | – | – | – | – | 2,668,949 | 2,668,949 | 32,698 | 2,701,647 |
| Other comprehensive income for the period | – | – | – | – | – | – | – | 8,706 | 34,468 | – | – | 43,174 | 37 | 43,211 |
| Total comprehensive income for the period | – | – | – | – | – | – | – | 8,706 | 34,468 | – | 2,668,949 | 2,712,123 | 32,735 | 2,744,858 |
| Partial disposal of a subsidiary without losing control | – | – | 14,126 | – | – | – | – | – | – | – | – | 14,126 | 385,874 | 400,000 |
| Capital contribution from non-controlling shareholders | – | – | 18,442 | – | – | – | – | – | – | – | – | 18,442 | 31,558 | 50,000 |
| Dividends paid to non-controlling shareholders | – | – | – | – | – | – | – | – | – | – | – | – | (9,900) | (9,900) |
| Dividends declared | – | – | – | – | – | – | – | – | – | (1,731,365) | – | (1,731,365) | – | (1,731,365) |
| Transfer between categories | – | – | – | – | – | – | 92,768 | – | – | – | (92,768) | – | – | – |
| As at 30 June 2012 (unaudited) | 3,462,729 | 12,647,502 | (902,113) | (92,506) | 3,259,295 | 7,866,667 | 369,395 | 4,020 | (220,681) | – | 13,921,939 | 40,316,247 | 943,341 | 41,259,588 |

*Notes:*

(a) Capital reserves arise from (i) the difference between the amount by which the non-controlling interests are adjusted and the consideration paid and received for the acquisition of additional interest in a subsidiary and the partial disposal of a subsidiary without losing control; (ii) the difference between the cash consideration paid, shares issued by the Company and the amount of the registered capital of the combined entities under group reorganisations; and (iii) the excess of the value of the net assets immediately before the establishment of the Company injected into the Company by Jiangxi Copper Corporation, a holding company of the Company, as part of group reorganisations which was determined by the PRC valuer and was approved by the State Assets Administration Bureau over the nominal value of the shares issued upon establishment of the Company.

(b) Other reserve represents the difference in value of certain assets and liabilities included in the net assets injected into the Company pursuant to group reorganisations calculated in accordance with IFRSs and the valuation of assets and liabilities performed by the PRC valuer in accordance with relevant PRC standards and regulations, which valuation was confirmed by the State Assets Administration Bureau.

(c) The Company shall appropriate to the statutory surplus reserve at 10% of its profit after taxation calculated in accordance with the PRC accounting standards and regulations and the articles of association of the Company. The appropriation may cease to apply if the balance of the statutory surplus reserve has reached 50% of the Company's registered capital. In addition, the Company's articles of association also allow the Company to transfer a certain amount of profit after taxation and after appropriations to the statutory surplus reserve, subject to shareholders' approval, to the discretionary surplus reserve. Accordingly to the Company's articles of association, the statutory surplus reserve and discretionary surplus reserve can be used to make up prior year losses, to expand production operation or to increase share capital. The Company may capitalise the statutory surplus reserve and discretionary surplus reserve by way of bonus issues provided that the amount of the statutory surplus reserve remaining after such an appropriation shall not be less than 25% of the original registered capital of the Company.

(d) The Group is required to make appropriations in accordance with CaiQi [2006] No 478 "Tentative measures for the financial management of the production safety fund for the high risk enterprises" that is issued by Ministry of Finance and Safety Production General Bureau. The reserve is for future enhancement of safety production environment and improvement of facilities and is not available for distribution to shareholders.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

*FOR THE SIX MONTHS ENDED 30 JUNE 2013*

*(PREPARED IN ACCORDANCE WITH IFRS)*

| | Six months ended 30 June | |
|---|---|---|
| | **2013** | 2012 |
| | ***RMB'000*** | *RMB'000* |
| | **(unaudited)** | (unaudited) |
| Net cash from operating activities | **3,411,585** | 1,377,486 |
| Investing activities | | |
| Proceeds on disposal of available-for-sale investments | **11,147,364** | 11,860,006 |
| Repayment of other investments | **730,133** | — |
| Proceeds on disposal of property, plant and equipment | **47,259** | 35,726 |
| Purchase of available-for-sale investments | **(11,972,000)** | (11,570,000) |
| (Increase) decrease in restricted bank deposits to secure bank borrowings | **(2,947,463)** | 272,894 |
| Purchase of property, plant and equipment | **(805,158)** | (1,329,197) |
| Deposits paid for property, plant and equipment | **(187,164)** | (272,470) |
| Repayment of loans from fellow subsidiaries | **—** | 451,896 |
| Purchase of other investments | **—** | (750,006) |
| Deposit in domestic financial institution | **—** | (300,000) |
| Investments in associates | **—** | (114,269) |
| Acquisition of a subsidiary | **—** | (27,707) |
| Other investing cash flows (net) | **14,383** | (14,987) |
| Net cash used in investing activities | **(3,972,646)** | (1,758,114) |

| | | |
|---|---|---|
| Financing activities | | |
| New bank and other borrowings raised | **14,800,701** | 10,923,393 |
| Proceeds from held-for-trading financial liabilities | **827,661** | — |
| Repayment of bank and other borrowings | **(13,125,194)** | (4,897,075) |
| Interest paid | **(290,357)** | (204,256) |
| Repayment of held-for-trading financial liabilities | **(360,417)** | (146,321) |
| Decrease in deposits from holding company and fellow subsidiaries | **(20,926)** | (802,117) |
| Dividends paid to non-controlling shareholders | **(7,500)** | (9,900) |
| Proceeds from partial disposal of a subsidiary without losing control | **—** | 400,000 |
| Capital contribution from non-controlling shareholders | **—** | 50,000 |
| Net cash from financing activities | **1,823,968** | 5,313,724 |
| Net increase in cash and cash equivalents | **1,262,907** | 4,933,096 |
| Cash and cash equivalents at 1 January | **16,678,343** | 11,082,468 |
| Effect of foreign exchange rate changes | **(5,326)** | (36,719) |
| Cash and cash equivalents at the end of the period, representing bank balances and cash | **17,935,924** | 15,978,845 |

## 1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 "Interim financial reporting" ("IAS 34") issued by the International Accounting Standards Board (the "IASB") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

## 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair value, as appropriate.

Except for the application of new and revised accounting standards as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2013 are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2012.

In the current interim period, the Group has applied, for the first time, certain new or revised IFRSs issued by the IASB that are mandatorily effective for the current interim period.

## 2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

*Impact of the application of IFRS 11: "Joint Arrangements"*

IFRS 11 replaces IAS 31 "Interests in joint ventures", and the guidance contained in a related interpretation, SIC 13 "Jointly controlled entities - Non-monetary contributions by venturers", has been incorporated in IAS 28 (as revised in 2011). IFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified and accounted for. Under IFRS 11, there are only two types of joint arrangements - joint operations and joint ventures. The classification of joint arrangements under IFRS 11 is determined based on the rights and obligations of parties to the joint arrangements by considering the structure, the legal form of the arrangements, the contractual terms agreed by the parties to the arrangement, and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement. Previously, IAS 31 had three types of joint arrangements - jointly controlled entities, jointly controlled operations and jointly controlled assets. The classification of joint arrangements under IAS 31 was primarily determined based on the legal form of the arrangement (e.g. a joint arrangement that was established through a separate entity was classified as a jointly controlled entity).

The initial and subsequent accounting of joint ventures and joint operations are different. Investments in joint ventures are accounted for using the equity method (proportionate consolidation is no longer allowed). Investments in joint operations are accounted for such that each joint operator recognises its assets (including its share of any assets jointly held), its liabilities (including its share of any liabilities incurred jointly), its revenue (including its share of revenue from the sale of the output by the joint operation) and its expenses (including its share of any expenses incurred jointly). Each joint operator accounts for the assets and liabilities, as well as revenues and expenses, relating to its interest in the joint operation in accordance with the applicable standards.

## 2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

*Impact of the application of IFRS 11: "Joint Arrangements" (continued)*

The directors of the Company reviewed and assessed the classification of the Group's investment in a joint arrangement in accordance with the requirements of IFRS 11. The directors concluded that the Group's investment which was classified as a jointly controlled entity under IAS 31 should be classified as joint ventures under IFRS 11 continue to apply the equity method.

*IFRS 13 "Fair value measurement"*

The Group has applied IFRS 13 for the first time in the current interim period. IFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements, and replaces those requirements previously included in various IFRSs. Consequential amendments have been made to IAS 34 to require certain disclosures to be made in the condensed consolidated financial statements.

The scope of IFRS 13 is broad, and 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, subject to a few exceptions. IFRS 13 contains a new definition for fair value and defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under IFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, IFRS 13 includes extensive disclosure requirements.

In accordance with the transitional provisions of IFRS 13, the Group has applied the new fair value measurement and disclosure requirements prospectively.

## 2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

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

The amendments to IAS 1 introduce new terminology for 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 additional disclosures to be made in the other comprehensive section such that items of other comprehensive income are 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 existing option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes.

*Amendments to IAS 34 "Interim financial reporting"*
*(as part of the annual improvements to IFRSs 2009-2011 cycle)*

The Group has applied the amendments to IAS 34 for the first time in the current interim period. The amendments to IAS 34 clarify that the total assets and total liabilities for a particular reportable segment would be separately disclosed in the condensed consolidated financial statements only when the amounts are regularly provided to the chief operating decision maker ("CODM") and there has been a material change from the amounts disclosed in the last annual financial statements for that reportable segment.

Since the Group's CODM, General Manager of the Group, does not review assets and liabilities of the Group's reportable segments for performance assessment and resources allocation purposes, the Group has not included total assets information as part of segment information.

## 2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

*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. The directors of the Company considered the impacts of the application of IFRIC 20 on the Group's condensed consolidated financial statements for the six months ended 30 June 2013 are insignificant.

The application of other new or revised IFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

## 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") issued by the Ministry of Finance of the PRC, that is regularly reviewed by the General Manager 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.

## 3. REVENUE AND SEGMENT INFORMATION *(continued)*

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

| | **Six months ended 30 June** | |
|---|---|---|
| | **2013** | 2012 |
| | ***RMB'000*** | *RMB'000* |
| | **(unaudited)** | (unaudited) |
| Sales of goods | | |
| — copper cathodes | **53,064,845** | 40,700,849 |
| — copper rods | **23,125,014** | 12,622,701 |
| — copper processing products | **1,633,560** | 2,377,612 |
| — gold | **3,856,189** | 5,081,164 |
| — silver | **1,455,691** | 1,954,271 |
| — sulphuric and sulphuric concentrate | **1,022,115** | 1,000,781 |
| — rare and other non-ferrous metals | **2,910,228** | 2,832,978 |
| — others | **907,254** | 497,796 |
| Revenue analysis prepared in accordance with ASBE | **87,974,896** | 67,068,152 |
| Less: sales related taxes | **(301,263)** | (286,505) |
| Revenue analysis prepared in accordance with IFRSs | **87,673,633** | 66,781,647 |

## 4. OTHER INCOME

| | Six months ended 30 June | |
|---|---|---|
| | **2013** | 2012 |
| | ***RMB'000*** | *RMB'000* |
| | **(unaudited)** | (unaudited) |
| Interest income | **291,044** | 322,631 |
| Dividend income on available-for-sale investments | **20,250** | — |
| Government grants recognised *(note)* | **14,718** | 22,488 |
| Income from value-added tax refund | **1,330** | 1,191 |
| | **327,342** | 346,310 |

*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 release of government subsidies granted to the Group in relation to its production facilities.

## 5. OTHER GAINS AND LOSSES

| | Six months ended 30 June | |
|---|---|---|
| | **2013** | 2012 |
| | ***RMB'000*** | *RMB'000* |
| | **(unaudited)** | (unaudited) |
| Fair value change on derivative financial instruments | | |
| Transactions not qualifying for hedge accounting | | |
| — Fair value change on commodity derivative contracts | **(820,333)** | 269,965 |
| — Fair value change on foreign currency forward contracts and interest rate swaps | **42,573** | 55,897 |
| Transactions qualifying as fair value hedges | | |
| — Inventory hedged | **(11,264)** | 849 |
| — Fair value change on of hedging instrument | **7,919** | 241 |
| Ineffective portion of cash flow hedges | **582** | 1,331 |
| Fair value change on held-for-trading financial assets | **465** | (426) |
| Fair value change on held-for-trading financial liabilities | **582,824** | 22,405 |
| Income from available-for-sale investments | **115,364** | 110,000 |
| Gain on disposal of property, plant and equipment | **23,220** | 4,074 |
| Exchange gains (losses), net | **67,408** | (83,279) |
| Reversal of (impairment loss) on trade and other receivables | **1,942** | (7,552) |
| Others | **(615)** | 5,299 |
| | **10,085** | 378,804 |

## 6. TAXATION

| | Six months ended 30 June | |
|---|---|---|
| | **2013** | 2012 |
| | ***RMB'000*** | *RMB'000* |
| | **(unaudited)** | (unaudited) |
| The charge (credit) comprise: | | |
| Current taxation | | |
| — PRC Enterprise Income Tax | **572,842** | 508,189 |
| — Hong Kong Profits Tax | **5,227** | 14,289 |
| | **578,069** | 522,478 |
| Underprovision in prior years | | |
| — PRC Enterprise Income Tax | **21,572** | 2,590 |
| Deferred taxation | | |
| — current period | **(145,336)** | 42,815 |
| — attributable to a change in tax rate | **(148,237)** | — |
| | **(293,573)** | 42,815 |
| | **306,068** | 567,883 |

Hong Kong profits tax on three (six months ended 30 June 2012: three) of the Group's subsidiaries has been provided at the rate of 16.5% (six months ended 30 June 2012: 16.5%) on the estimated assessable profits arising in Hong Kong during the period.

## 6. TAXATION *(continued)*

The provision for PRC Enterprise Income Tax is based on a statutory rate of 25% (six months ended 30 June 2012: 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%. 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 was 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%. During the six months ended 30 June 2013, as the expiry of High-Tech Enterprise Certificate, the Company's PRC Enterprise Income Tax rate is increased from 15% to 25%.

## 7. PROFIT FOR THE PERIOD

| | **Six months ended 30 June** | |
|---|---|---|
| | **2013** | 2012 |
| | ***RMB'000*** | *RMB'000* |
| | **(unaudited)** | (unaudited) |
| Profit for the period has been arrived at after charging: | | |
| Depreciation of property, plant and equipment | **662,310** | 565,851 |
| Depreciation of investment properties | **2,038** | — |
| Amortisation of prepaid lease payments | **5,791** | 9,323 |
| Amortisation of intangible assets | **17,193** | 17,289 |
| Allowance for inventories, included in cost of sales | **572,840** | 86,445 |

## 8. DIVIDENDS

| | Six months ended 30 June | |
|---|---|---|
| | **2013** | 2012 |
| | ***RMB'000*** | *RMB'000* |
| | **(unaudited)** | (unaudited) |
| Dividends recognised as distribution during the period: | | |
| Final dividend of RMB0.5 per share for 2012 (six months ended 30 June 2012: final dividend of RMB0.5 per share for 2011) | **1,731,365** | 1,731,365 |

No dividends were paid or proposed during the six months ended 30 June 2013 and 2012.

## 9. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit for the period attributable to owners of the Company of RMB1,275,023,000 (six months ended 30 June 2012: RMB2,668,949,000) and on the number of 3,462,729,405 (six months ended 30 June 2012: 3,462,729,405) ordinary shares in issue during the period.

Diluted earnings per share is the same as basic earnings per share because there is no outstanding potential dilutive ordinary shares as at 30 June 2013 and 2012 and during the periods.

## 10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2013, the Group spent approximately RMB557,920,000 (six months ended 30 June 2012: RMB1,102,885,000) on construction in progress and RMB17,961,000 (six months ended 30 June 2012: RMB226,312,000) on buildings and mining infrastructure, machinery and office equipment. Property, plant and equipment with carrying value of approximately RMB24,039,000 (six months ended 30 June 2012: RMB31,652,000) was disposed by the Group. The Group also paid deposits for property, plant and equipment of RMB187,164,000 (six months ended 30 June 2012: RMB490,566,000).

During the six months ended 30 June 2012, property, plant and equipment with carrying value of approximately RMB372,598,000 was acquired from the acquisition of a subsidiary.

## 11. AVAILABLE-FOR-SALE INVESTMENTS

| | **At 30 June 2013** *RMB'000* **(unaudited)** | At 31 December 2012 *RMB'000* (audited) |
|---|---|---|
| Unlisted equity investments, at cost *(Note a)* | **410,080** | 410,080 |
| Financial products, at fair value *(Note b)* | **2,242,000** | 1,302,000 |
| Bonds investment, at fair value *(Note c)* | **79,650** | 79,650 |
| | **2,731,730** | 1,791,730 |
| Non-current assets | **889,730** | 1,031,730 |
| Current assets | **1,842,000** | 760,000 |
| | **2,731,730** | 1,791,730 |

## 11. AVAILABLE-FOR-SALE INVESTMENTS *(continued)*

*Notes:*

(a) The unlisted equity investments represent the Group's equity interests in unlisted PRC companies. None of the shareholdings exceeds 20% of the issued capital of the respective investee.

(b) As at 30 June 2013, the financial products held by the Group generate annual target return rate ranged from 8.5% to 10.5% (31 December 2012: 9.0% to 10.5%), which will due from 1 July 2013 to 26 September 2014 (31 December 2012: 22 May 2013 to 26 September 2014). The directors consider that the fair value of the financial products approximate to their costs.

(c) As at 30 June 2013, the bonds investment held by the Group generate annual target return rate ranged from 7.17% to 7.30% (31 December 2012: 7.17% to 7.30%), which will due from 17 August 2019 to 17 October 2019 (31 December 2012: 17 October 2019 to 16 August 2020). The directors consider that the fair value of the bonds investment approximate to their costs.

## 12. TRADE AND BILLS RECEIVABLES

The Group normally allows credit period of three months to its trade customers. 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:

| | **At 30 June 2013** *RMB'000* **(unaudited)** | At 31 December 2012 *RMB'000* (audited) |
|---|---|---|
| Within 1 year | **12,782,394** | 9,399,135 |
| 1 to 2 years | **9,857** | 31,986 |
| 2 to 3 years | **1,644** | 12,488 |
| Over 3 years | **4,719** | — |
| | **12,798,614** | 9,443,609 |

## 13. DERIVATIVE FINANCIAL INSTRUMENTS

| | **At 30 June 2013** | | At 31 December 2012 | |
|---|---|---|---|---|
| | **Fair value** | | Fair value | |
| | **Assets** | **Liabilities** | Assets | Liabilities |
| | ***RMB'000*** | ***RMB'000*** | *RMB'000* | *RMB'000* |
| | **(unaudited)** | **(unaudited)** | (audited) | (audited) |
| Net settlement: | | | | |
| Commodity derivative contracts | **127,031** | **(750,614)** | 42,306 | (103,318) |
| Foreign currency forward contracts and interest rate swap contracts | **4,290** | **(50,978)** | 2,401 | (91,662) |
| Provisional price arrangement | **129,171** | **—** | 7,172 | (8,737) |
| | **260,492** | **(801,592)** | 51,879 | (203,717) |

## 13. DERIVATIVE FINANCIAL INSTRUMENTS *(continued)*

The above derivative financial instruments are further analysed as follows:

| | At 30 June 2013 *RMB'000* (unaudited) | At 31 December 2012 *RMB'000* (audited) |
|---|---|---|
| Derivatives under hedge accounting: | | |
| Cash flow hedges | | |
| — Commodity derivative contracts | **26,627** | 459 |
| Fair value hedges | | |
| — Commodity derivative contracts | **(374)** | — |
| — Provisional price arrangement | **129,154** | (8,736) |
| | **155,407** | (8,277) |
| Derivatives not qualifying for hedge accounting: | | |
| — Commodity derivative contracts | **(150)** | 2,439 |
| — Provisional pricing arrangements | **17** | 7,171 |
| | **(133)** | 9,610 |
| Derivatives not under hedge accounting: | | |
| — Commodity derivative contracts | **(649,686)** | (63,910) |
| — Foreign currency forward contracts and interest rate swaps contracts | **(46,688)** | (89,261) |
| | **(696,374)** | (153,171) |
| | **(541,100)** | (151,838) |

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.

## 13. DERIVATIVE FINANCIAL INSTRUMENTS *(continued)*

(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 30 June 2013, the expected delivery period of the forecasted sales for copper related products was from July to October 2013 (31 December 2012: from January to March 2013).

— 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.

## 13. DERIVATIVE FINANCIAL INSTRUMENTS *(continued)*

(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 address 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 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.

## 14. TRADE AND BILLS PAYABLES

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

| | **At 30 June 2013** *RMB'000* **(unaudited)** | At 31 December 2012 *RMB'000* (audited) |
|---|---|---|
| Within 1 year | **9,570,504** | 7,252,496 |
| 1 to 2 years | **23,968** | 13,788 |
| 2 to 3 years | **818** | 7,219 |
| Over 3 years | **15,817** | 19,720 |
| | **9,611,107** | 7,293,223 |

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

## 15. HELD-FOR-TRADING FINANCIAL LIABILITIES

The Group entered into certain gold lease contract with banks. During the lease period, the Group might sell the leased gold to independent third parties. When the lease period expires, the Group shall return the gold with the same quantity and quality to the banks. The obligation to return the gold is recognised as held-for-trading financial liabilities.

By Order of the Board
**JIANGXI COPPER COMPANY LIMITED**
**Li Baomin**
*Chairman*

Jiangxi, the People's Republic of China, 28 August 2013

*As at the date of this announcement, the executive Directors are Mr. Li Baomin, Mr. Long Ziping, Mr. Gao Jianmin, Mr.Liang Qing, Mr. Gan Chengjiu, Mr. Liu Fangyun and Mr. Shi Jialiang; the independent non-executive Directors are Mr. Wu Jianchang, Mr. Gao Dezhu, Mr. Zhang Weidong, and Mr. Deng Hui.*