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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 2013

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 All the Directors attended the Board meeting which approved, inter alia, results for the year ended 31 December 2013.

- 1.3 The consolidated financial statements of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2013 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 2013.

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
Internet Website	http://www.jxcc.com
E-mail	jcc1@jxcc.com

2.2 Contact person and method

	Secretary to the Board	Securities Affairs Representative
Name	Huang Dongfeng	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	0701-3777011	0701-3777733
Facsimile	0701-3777013	0701-3777013
E-mail	jccl@jxcc.com	jccl@jxcc.com

3 SUMMARY OF ACCOUNTING DATA AND FINANCIAL INDICATORS

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

Unit: Yuan Currency: RMB

Major accounting data	2013	2012	Increase/decrease for the period over the same period last year (%)	2011
Operating revenue	175,890,190,968	158,556,206,525	10.93	117,640,988,933
Net profit attributable to shareholders of the listed company	3,565,009,194	5,215,874,606	-31.65	6,549,449,240
Net profit after non-recurring profit and loss items attributable to shareholders of the listed company	3,122,198,232	4,394,548,553	-28.95	6,457,401,649
Net cash flows from operating activities	5,232,520,379	6,334,192,911	-17.39	6,632,432,097
	End of 2013	End of 2012	Increase/decrease for the period over the same period last year (%)	End of 2011
Net assets attributable to shareholders of the listed company	44,522,786,074	42,819,959,840	3.98	39,302,920,681
Total assets	88,766,654,061	78,133,484,407	13.61	68,149,628,674

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

Currency: RMB

Major financial indicator	2013	2012	Increase/ decrease for the period over the same period last year (%)	2011
Basic earnings per share (<i>RMB/share</i>)	1.03	1.51	–31.79	1.89
Diluted earnings per share (<i>RMB/share</i>)	1.03	1.51	–31.79	1.89
Basic earnings per share after non-recurring profit and loss items (<i>RMB/share</i>)	0.90	1.27	–29.13	1.86
Return on net assets (weighted average) (%)	8.16	12.70	a decrease of 4.54 percentage points	17.67
Return on net assets after non-recurring profit and loss items (weighted average) (%)	7.15	10.70	a decrease of 3.55 percentage points	17.42

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

Unit: Yuan Currency: RMB

Non-recurring profit and loss items	Amount
(Loss is expressed in negative figures, while profit is expressed in positive figures)	
Gains/losses from disposal of non-current assets	-53,849,052
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	125,810,017
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	493,475,946
Other non-recurring items included in non-operating income and expenses	13,102,414
Impact on minority interests	-140,599,525
Impact on the changes in income tax rate of the Company	171,445,285
Impact on income tax	-166,574,123
Total	<u><u>442,810,962</u></u>

3.3 Major accounting data (Prepared in accordance with IFRSs)

Unit: '000 Currency: RMB

	2013	2012	Increase/ (decrease) (%)	2011
Revenue	175,291,753	158,005,958	10.94	117,119,197
Profit before tax	4,731,634	6,273,273	-24.57	7,708,583
Income tax expenses	1,100,305	1,025,766	7.27	1,060,392
Profit attributable to non-controlling shareholders	75,637	77,839	-2.83	61,270
Profit attributable to shareholders of the Company	3,555,692	5,169,668	-31.22	6,586,921
Basic earnings per ordinary share attributable to shareholders of the Company (RMB)	1.03	1.49	-30.87	1.90
Diluted earnings per ordinary share attributable to shareholders of the Company(RMB)	1.03	1.49	-30.87	1.90
Net cash inflow from operating activities	4,811,952	5,314,845	-9.46	9,396,211
	As at 31 December 2013	As at 31 December 2012	Increase/ (decrease) (%)	As at 31 December 2011
Total assets	88,759,398	78,088,106	13.67	68,149,629
Total liabilities	43,126,976	34,225,711	26.01	28,343,634
Equity attributable to shareholders of the Company	44,515,715	42,774,836	4.07	39,302,921
Equity per share attributable to shareholders of the Company (RMB)	12.86	12.35	4.13	11.35

3.4 Differences in accounting data under IFRSs and PRC GAAP

3.4.1 Reconciliation of net profit and equity attributable to shareholders of the listed 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	
	2013	2012	As at 31 December 2013	As at 31 December 2012
Under PRC GAAP	3,565,009	5,215,876	44,522,786	42,819,960
IFRSs adjustments:				
Production safety fund provided under the PRC GAAP but not used during the period	-47,370	-1,084		
Income tax effect on production safety fund	38,053	-45,124	-7,071	-45,124
Under IFRSs	<u>3,555,692</u>	<u>5,169,668</u>	<u>44,515,715</u>	<u>42,774,836</u>

4 INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS

As at 31 December 2013, 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”)	Domestic shares	Beneficial owner	1,269,594,325(L)	61.18(L)	36.66 (L)
JCC (note 2)	H shares	Beneficial owner	129,655,000(L)	9.34 (L)	3.74 (L)
Blackrock, Inc.	H shares	(note 3)	110,009,597 (L)	7.92 (L)	3.18 (L)
			1,845,000 (S)	0.13 (S)	0.05 (S)

Note 1: “L” means long positions in the shares; “S” means short positions in the shares.

Note 2: 129,655,000 H shares held by JCC were registered with HKSCC Nominees Limited.

Note 3: According to the corporate substantial shareholder notice filed by Blackrock, Inc. on 3 January 2014, the H Shares were held in the following capacities:

Capacity	Number of H Shares
Interest of controlled corporation	110,009,597 (L)
	1,845,000 (S)

Pursuant to the said notice, such interests include (i) 469,000 H shares in short positions held in physically settled derivatives listed or traded on a Stock Exchange or traded on a Futures Exchange and (ii) 916,000 H shares in long positions and 1,127,000 H shares in short positions 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 2013.

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	Total remuneration payable by shareholder during the reporting period
						(RMB0'000) (before tax)	(RMB0'000)
Li Yihuang	Former Chairman/ Former Executive Director	Male	51	24 January 2007	4 March 2013 14 June 2013	58.28	0
Li Baomin	Chairman/Executive Director	Male	56	4 March 2013		116.56	0
Long Ziping	Vice Chairman/Executive Director/ General Manager	Male	53	14 June 2013 4 March 2013		99.05	0
Gan Chengjiu	Executive Director/ Chief financial officer	Male	51	26 June 2009		116.56	0
Hu Qingwen	Executive Director/ Chairman of the Supervisory Committee	Male	50	26 June 2009 14 June 2013	14 June 2013	96.54	0
Liu Fangyun	Executive Director	Male	48	14 June 2013		58.28	
Shi Jialiang	Executive Director	Male	67	26 June 2009		5	0
Gao Jianmin	Executive Director	Male	54	24 January 1997		20	0
Liang Qing	Executive Director	Male	60	12 June 2002		20	0
Gao Dezhu	Independent Non-executive Director	Male	73	26 June 2009		10	0
Wu Jianchang	Independent Non-executive Director	Male	75	6 June 2008		10	0
Zhang Weidong	Independent Non-executive Director	Male	51	19 June 2012		10	0
Deng Hui	Independent Non-executive Director	Male	42	19 June 2012		10	0
Wu Jinxing	Supervisor	Male	51	26 June 2009		76.53	0
Lin Jinliang	Supervisor	Male	49	26 June 2009		76.53	0
Xie Ming	Supervisor	Male	57	26 June 2009		76.53	0
Wan Sujuan	Supervisor	Female	60	26 June 2009		5	0
Dong Jiahui	Deputy General Manager	Male	51	31 March 2009		81.54	0
Jiang Chunlin	Deputy General Manager	Male	45	25 August 2010		81.54	0
Fan Xiaoxiong	Chief Engineer	Male	51	27 October 2010		81.54	0
Wu Yuneng	Deputy General Manager	Male	51	25 March 2011		81.54	0
Huang Mingjin	Deputy General Manager	Male	52	3 October 2012		81.54	0
Liu Jianghao	Deputy General Manager	Male	52	28 August 2013		27.18	0
Huang Dongfeng	Secretary to the Board	Male	55	28 August 2013		27.18	0
Tung Tat Chiu, Michael	Secretary to the Board	Male	51	24 January 1997		5	0
Wang Chiwei	Former Deputy General Manager	Male	60	24 May 2001	26 August 2013	61.15	0
Pan Qifang	Former Secretary to the Board	Male	49	19 April 2006	28 August 2013	54.36	0
Hu Faliang	Former Chairman of the Supervisory Committee	Male	54	19 June 2012	14 June 2013	38.26	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, affected by the adverse factors including the downturn of international economics, decrease of domestic economic development, severe industry competition and reduction of product price, the Company encountered serious challenges in its production and operation. In face of the complex economic situation and unprecedented operation pressure, the Group closely adhered to the development base of “advancing with stable improvement” to transform the growth mode in an active manner. As a result, it smoothly completed the annual production and operation targets and achieved hard-won results.

In respect of production and construction, Guixi Smelter arranged double-system production to solve the problem of electrolysis, thus achieved the task of output increase of copper cathode. In 2013, the Group produced 1,120,000 tonnes of copper cathode in total, continuously holding the first position in the nation. Each copper mine of the Group overcame difficulties of grade decrease of raw ore and others through scientific arrangement and lean management. During the year, the aggregate produced copper concentrate contained 208,800 tonnes, in line with that of last year in general. In addition, production targets have been realized in Qingyuan 100,000-tonne copper cathode project, Dexing pyrite-based sulfuric acid production project and Guangzhou 400,000 tonnes copper rod project.

In respect of cost control, along with the continuous reduction of the prices of international commodity, the Group launched 20 measures to “increase income and reduce expenditure, increase output and improve effectiveness”. With those measures, the Group fully developed its internal potential, proactively adapt to market changes and adjusted its operation strategies from time to time. Among them, Dexing Mine reduced its annual controllable cost of RMB52,550,000 through methods such as decrease of maintenance outsource and control of fragmentary projects. Guixi Smelter reduced its annual controllable cost of RMB27,250,000 through enforcement in bench management and ensuring the efficient operation of double systems. The Group decreased its production and operation cost effectively through a series of scientific management measures to enable each of the Company's operation indicators higher than the market expectations.

In respect of management and renovation, the Group successively conducted researches on significant reform subjects of the management system of research and development, sales management system, logistics management system, whilst it deeply advanced the reform of organizational performance management. Through the establishment of staff performance assessment system, the Group established the whole staff performance management system. Moreover, it achieved various new records through introduction of extraordinary performance mode to conduct bench management. Guixi Smelter surpassed its historical records and reached the leading level in the world in 15 main indicators including comprehensive energy consumption of per tonne copper smelting and aggregate sulfur use ratio. Meanwhile, its gold and silver recovery ratio also increased. The utilisation rate of mine electromotor and the running rate of semi-autogenous mill both reached the advanced level of the same type of domestic mines.

In respect of risk control, the Group continued to strengthen its risk control by the enhancement of accounts receivables management and the revision of accounts receivables management and assessment methods. In addition, it improved the anti-risk capacity through the reinforcement of supervision on high-risk business of financial derivative instrument and futures, etc.

In respect of safety and environmental protection, the Group accomplished the construction of “six large systems” of underground mine safety, advanced the examination of safety and environmental protection of “new –rebuilt and expansion projects” and achieved good results. Therefore, it completed the environmental comprehensive management projects in the “12th Five-Year Plan” to further improve its capacity of pollution control and discharge reduction.

Based on the audited consolidated financial statements for the year of 2013 prepared in accordance with the PRC GAAP, the consolidated revenue of the Group amounted to RMB175,890,190,968 (2012: RMB158,556,206,525), representing an increase of RMB17,333,984,443 or 10.93% from last year. Net profit attributable to owners of the Company amounted to RMB3,565,009,194 (2012: RMB5,215,874,606), representing a decrease of RMB1,650,865,412 or 31.65% from last year. Basic earnings per share was RMB1.03 (2012: RMB1.51), representing a decrease of RMB0.48 or 31.79% from last year.

(I) *Analysis of principal businesses (prepared in accordance with PRC GAAP)*

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	175,890,190,968	158,556,206,525	10.93
Operating cost	168,422,914,887	150,609,495,923	11.83
Selling and distribution expenses	545,284,265	453,161,615	20.33
Administrative expenses	1,703,154,348	1,291,008,357	31.92
Finance costs	157,329,002	204,158,959	-22.94
Net Cash Flow from operating activities	5,232,520,379	6,334,192,911	-17.39
Net Cash Flow from investment activities	-3,479,150,233	-2,636,199,396	31.98
Net Cash Flow from financing activities	1,317,477,700	1,903,195,967	-30.78
Expenses on research and development	2,327,580,100	2,493,521,376	-6.65

2. Income

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

During the reporting period, operating income of the Group was RMB175,890.19 million, representing an increase of RMB17,333.98 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 1,128,200 tonnes, representing an increase of 35,500 tonnes or 3.25% compared to the corresponding period last year.
2. During the reporting period, the Company produced copper processing products of 831,200 tonnes, representing an increase of 249,100 tonnes or 42.79% compared to the corresponding period last year. Copper processing products of 828,800 tonnes were sold, representing an increase of 242,500 tonnes or 41.37% compared to the corresponding period last year.
3. During the reporting period, the Company produced gold of 25.40 tonnes, equal to the corresponding period last year. Gold of 26.43 tonnes was sold, representing a decrease of 1.00 tonnes or 3.65% compared to the corresponding period last year.
4. During the reporting period, the Company produced silver of 718.02 tonnes, representing an increase of 178.02 tonnes or 32.97% compared to the corresponding period last year. Silver of 719.63 tonnes was sold, representing an increase of 164.24 tonnes or 29.57% compared to the corresponding period last year.
5. During the reporting period, the Company produced sulphuric acid of 2,980,600 tonnes, representing an increase of 462,200 tonnes or 18.35% compared to the corresponding period last year. Sulphuric acid of 3,030,200 tonnes was sold, representing an increase of 526,600 tonnes or 21.03% compared to the corresponding period last year.

6. During the reporting period, the Company produced sulphuric concentrate of 2,113,600 tonnes, representing an increase of 56,600 tonnes or 2.75% compared to the corresponding period last year.

(3) *Sales to major customers*

During the reporting period, the Group's top five customers contributed RMB25,376,811,134 in the total sales of the Group, accounting for 14.43% of the total operating revenue for the year.

3. Costs

(1) *Cost analysis*

Unit: Yuan Currency: RMB

By industry	Cost constituent	For the period	Share of total costs	For the same	Share of total costs	Changes compared
			for the period	period last year	costs for the same	to the same
			(%)		period last year	period last year
					(%)	(%)
Manufacturing of non-ferrous metals	Raw materials	65,106,869,809	38.75	53,946,447,442	35.91	20.69
	Energy power	2,079,763,885	1.24	1,485,333,689	0.99	40.02
	Labour	1,022,473,166	0.61	869,214,001	0.58	17.63
	Overheads	3,482,818,609	2.07	2,286,693,491	1.52	52.31
	Sub-total	71,691,925,469	42.67	58,587,688,623	39.00	22.37
Trading of non-ferrous metals and others						
		96,311,092,494	57.33	91,632,084,064	61.00	5.11
Total		168,003,017,963	100.00	150,219,772,687	100.00	11.84

Unit: Yuan Currency: RMB

		Share of total costs		For the same	Share of total costs for the same	Changes compared to the same
By product	Cost constituent	For the period	for the period	period last year	period last year	period last year
			(%)		(%)	(%)
Copper products	Raw materials	54,717,996,821	90.34	42,512,296,237.78	91.36	28.71
	Energy power	1,887,365,743	3.12	1,305,893,377.43	2.81	44.53
	Labour	908,032,712	1.50	760,176,322.14	1.63	19.45
	Overheads	3,054,629,441	5.04	1,955,458,798.25	4.20	56.21
	Sub-total	60,568,024,717	100.00	46,533,824,735.60	100.00	30.16
By-products of precious metals	Raw materials	9,789,214,589	99.38	10,807,257,913.33	99.44	-9.42
	Energy power	7,181,722	0.07	7,598,806.18	0.07	-5.49
	Labour	12,673,504	0.13	12,300,266.04	0.11	3.03
	Overheads	41,314,181	0.42	41,253,243.56	0.38	0.15
	Sub-total	9,850,383,996	100.00	10,868,410,229.11	100.00	-9.37
Chemical products	Raw materials	461,526,519	44.54	527,193,474.55	51.90	-12.46
	Energy power	170,185,120	16.42	156,124,207.76	15.37	9.01
	Labour	82,363,265	7.95	77,925,051.69	7.67	5.70
	Overheads	322,094,919	31.09	254,599,488.61	25.06	26.51
	Sub-total	1,036,169,823	100.00	1,015,842,222.60	100.00	2.00
Rare metals	Raw materials	138,131,880	58.20	99,699,816.14	58.78	38.55
	Energy power	15,031,299	6.33	15,717,297.59	9.27	-4.36
	Labour	19,403,685	8.18	18,812,360.79	11.09	3.14
	Overheads	64,780,069	27.29	35,381,961.06	20.86	83.09
	Sub-total	237,346,933	100.00	169,611,435.59	100.00	39.94
Trading and others		96,311,092,494		91,632,084,064.10		5.11
Total		168,003,017,963		150,219,772,687.00		11.84

(2) Major Suppliers

During the reporting period, the aggregate procurement amount, excluding trading business, from our five largest suppliers was RMB8,544,857,761, representing 13.17% 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		Reasons for the changes
			last year	(%)	
Selling and distribution expenses	545,284,265	453,161,615	20.33	Mainly attributable to the increase in sales transportation expenses and storage expenses as compared to the same period last year.	
Administrative expenses	1,703,154,348	1,291,008,357	31.92	Mainly due to the relatively less administrative expense resulted from the reversal of incentive schemes for the middle- and high-grade management personnel of last year.	
Finance costs	157,329,002	204,158,959	-22.94	Mainly due to the appreciation of RMB exchange rate and the credit increase in exchange earning in 2013, resulting in the sharp decrease in financial expenses as compared to the same period last year.	

5. Research and development expenditure

(1) Expenses on research and development

Unit: 0'000 Currecncy: RMB

Expenses on research and development expensed for the period	207,463
Expenses on research and development capitalised for the period	25,295
Total expenses on research and development	232,758
Proportion of total expenses on research and development over net assets (%)	5.10
Proportion of total expenses on research and development over operating revenue (%)	1.32

(2) Explanation

During the reporting period, around its planning of the Twelfth Five-year Plan, the Group continuously 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 comprehensive industry chain of “exploration, mining and milling, smelting, processing”. In addition, the Group invested research and development power in environmental protection and resource regeneration, including disaster prevention technique research of tailings pond in metal ores under extreme climate conditions, research and development and application of the key new techniques on copper smelting and processing, research and industrialized application of key techniques of flotation machine upsizing, key techniques and industrialization projects of copper smelting residue recovery, treatment method of copper processing tailing residue, key manufacturing techniques and industrialization projects of efficient inner grooved copper tubes with minor diameter and large radius-thickness ratio, etc.

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. Meanwhile, the Group applied patent certificates for some scientific research projects. 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:0'000 Currency: RMB

Item	For the year	For the same period last year	Changes (%)
Net cash flow from operating activities	523,252	633,419	-17.39
Net cash flow from investing activities	-347,915	-263,620	31.98
Net cash flow from financing activities	131,748	190,320	-30.78

- (1). Reasons of changes in cash flow 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 accounts receivable and notes receivable as compared to the previous year.
- (2). Reason of changes in cash flow from investing activities: mainly due to the the increase in net expenditure on payment of wealth management products.
- (3). Reason of changes in cash flow from financing activities: mainly due to the decrease in the investment received by subsidiaries as compared to that of last year.

7. Others

Explanation on development strategy and operating plan progress

In 2013, our major plans for production and operation were: copper cathodes of 1.12 million tonnes, gold of 25.4 tonnes, silver of 560 tonnes, sulphuric acid of 2.87 million tonnes, copper contained in copper concentrate of 210,000 tonnes and copper rods and wires and other copper processing products of 845,000 tonnes.

During the reporting period, except copper contained in copper concentrate of 208,800 tonnes and copper rods and wires as well as other copper processing products of 830,000 tonnes in aggregate which is slightly fewer than the plan set at the beginning of the period, the Group has completed or over fulfilled the other plans for production and operation above.

(II) Analysis of industry, products or regional operation (prepared in accordance with PRC GAAP)

(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	106,506,289,200	103,512,678,033	2.81	2.82	3.17	-0.32
Copper rods and wires	41,418,904,037	38,418,458,366	7.24	53.28	54.12	-0.51
Copper processing products	4,943,495,052	4,918,505,493	0.51	-5.33	-5.90	0.61
Gold	7,410,471,455	6,868,251,359	7.32	-20.95	-14.12	-7.37
Silver	3,413,396,100	3,340,102,797	2.15	-4.82	-1.82	-2.99
Chemical products	1,341,640,314	1,036,871,184	22.72	-39.15	-31.70	-8.43
Rare metals and other non-ferrous metals	8,989,055,027	8,738,586,447	2.79	43.93	42.39	1.05
Others	1,354,005,714	1,169,564,284	13.62	47.70	73.60	-12.89

1) *Copper cathode*

During the reporting period, the operating revenue from copper cathodes increased by RMB2,923.50 million or 2.82% compared with last year resulting from the increase in sales volume of copper cathodes, and operating costs of copper cathodes increased by RMB3,176.06 million or 3.17% as compared with last year. Due to the decrease in product price, the gross profit of copper cathodes decreased by RMB252.56 million or 7.78% as compared with last year. Gross profit margin decreased from 3.13% last year to 2.81% for the year.

2) *Copper rods and wires*

During the reporting period, operating revenue from copper rods and wires for the year increased by RMB14,396.36 million or 53.5% over last year and operating costs of copper rods and wires increased by RMB13,490.46 million or 54.12% as compared with last year, due to the increase in sales of copper rods and wires. Gross profit of copper rods and wires increased by RMB905.91 million or 43.25% as compared with last year, due to the price increase of outsourcing raw materials. Gross profit margin of copper rods and wires for the year decreased from 7.75% last year to 7.24%.

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 RMB278.33 million or 5.33% for the year as compared with last year. Operating costs decreased by RMB308.47 million or 5.90% as compared with last year due to the decrease in the price of copper cathode raw materials. Gross profit increased by RMB30.15 million as compared with last year. The decrease rate of operating costs are larger than that of operating revenue, accordingly, gross profit margin for the year increased from -0.10% last year to 0.51% for the year.

4) *Gold*

During the reporting period, operating revenue of gold decreased by RMB1,963.91 million or 20.95% as compared with last year due to the decrease in selling price. Operating costs of precious metal decreased by RMB1,129.10 million or 14.12% as compared with last year due to the decrease in the price of outsourced raw materials of precious metals. Gross profit of gold decreased by RMB834.80 million or 60.62% as compared with last year while gross profit margin decreased from 14.69% last year to 7.32% for the year.

5) *Silver*

During the reporting period, operating revenue of silver decreased by RMB172.94 million or 4.82% compared to last year, owing to a drop in the selling price. As a results of the decrease in the cost of raw materials, the operating costs decreased by RMB61.93 million or 1.82% compared to last year, while the gross profit of silver decreased by RMB111.01 million or 60.23% compared to last year. The gross profit margin of silver decreased from 5.14% last year to 2.15% for the year.

6) *Chemical products*

During the reporting period, operating revenue from chemical products decreased by RMB863.27 million or 39.15%, due to the decrease in the selling price as compared with last year. Operating costs of chemical products for the year decreased by RMB481.23 million or 31.70% as compared with last year. Gross profit of chemical products decreased by RMB382.04 million or 55.63% as compared with last year while gross profit margin for the year decreased from 31.15% last year to 22.72%.

7) *Rare and other non-ferrous metals*

During the reporting period, operating revenue from rare and other non-ferrous metals increased by RMB2,743.40 million or 43.93%, due to the increase in sales as compared with last year. Operating costs of rare and other non-ferrous metals increased by RMB2,601.60 million or 42.39%. Gross profit of rare and other non-ferrous metals increased by RMB141.81 million or 130.5% as compared with last year while gross profit margin for the year increased from 1.74% last year to 2.79% this year.

8) *Other products*

During the reporting period, the Group's operating revenue of other products increased by RMB437.26 million or 47.70% as compared with last year; operating costs increased by RMB495.86 million or 73.60% as compared with last year. Gross profit decreased by RMB58.60 million or 24.11% as compared with last year; and gross profit margin for the year decreased from 26.51% last year to 13.62%.

(2) Principal businesses by geographical location

Unit: Yuan Currency: RMB

Geographical location	Revenue of principal business	Increase/decrease in revenue of principal business compared over last year (%)
Mainland China	155,854,004,715	7.62
Hong Kong	8,725,267,986	37.36
Others	<u>10,797,984,198</u>	<u>54.72</u>
Total	<u><u>175,377,256,899</u></u>	<u><u>10.89</u></u>

(III) Analysis of asset and liability (prepared in accordance with PRC GAAP)

Analysis on assets and liabilities

Unit: Yuan Currency: RMB

Item	Share of total assets		Share of total assets		Changes as at the
	As at the end of the period	(or liabilities) as	As at	(or liabilities) as	end of the period
		at the end of the period (%)	the end of the previous period	at the end of the previous period (%)	over the end of the previous period (%)
Current Assets:					
Cash and bank	23,992,113,234	27.03	20,309,640,029	25.99	18.13
Held-for-trading financial assets	87,378,117	0.10	53,760,325	0.07	62.53
Notes receivable	5,966,761,594	6.72	5,366,622,502	6.87	11.18
Accounts receivable	8,253,842,633	9.30	4,076,986,366	5.22	102.45
Prepayments	3,529,026,378	3.98	1,899,674,961	2.43	85.77
Interest receivable	248,049,865	0.28	206,622,339	0.26	20.05
Other receivables	1,253,546,810	1.41	1,529,086,713	1.96	-18.02
Inventories	14,683,971,325	16.54	15,936,439,736	20.40	-7.86
Available-for-sale financial assets	1,501,500,000	1.69	760,000,000	0.97	97.57
Other current assets	1,239,092,965	1.40	2,307,610,836	2.95	-46.30
Total Current Assets	60,755,282,921	68.44	52,446,443,807	67.12	15.84

Item	Share of total assets		Share of total assets		Changes as at the
	As at the end of the	(or liabilities) as	As at	(or liabilities) as	end of the period
		at the end of the	the end of the	at the end of the	over the end of the
	period	period	previous period	previous period	previous period
		(%)		(%)	(%)
Non-current Assets:					
Available-for-sale financial assets	539,730,000	0.61	1,031,730,000	1.32	-47.69
Long-term investments	2,677,755,711	3.02	2,036,877,613	2.61	31.46
Investment properties	174,840,826	0.20	178,918,364	0.23	-2.28
Fixed assets	18,266,288,059	20.58	16,563,911,954	21.20	10.28
Construction in progress	1,736,373,038	1.96	3,370,020,635	4.31	-48.48
Intangible assets	1,357,135,222	1.53	1,285,160,144	1.64	5.60
Exploration costs	665,245,409	0.75	635,116,801	0.81	4.74
Deferred tax assets	483,853,438	0.55	397,412,400	0.51	21.75
Other non-current assets	2,110,149,437	2.38	187,892,689	0.24	1023.06
Total Non-current Assets	28,011,371,140	31.56	25,687,040,600	32.88	9.05
TOTAL ASSETS	88,766,654,061	100.00	78,133,484,407	100.00	13.61
Short-term borrowings	15,245,862,473	17.18	12,263,116,944	15.70	24.32
Held-for-trading	3,496,617,724	3.94	1,755,934,725	2.25	99.13
financial liabilities					
Notes payable	545,560,000	0.61	258,606,333	0.33	110.96
Accounts payable	10,745,431,245	12.11	7,034,616,953	9.00	52.75
Receipts in advance	1,763,818,646	1.99	1,681,569,191	2.15	4.89
Employee benefit liability	818,113,291	0.92	794,439,335	1.02	2.98
Tax payable	1,098,392,711	1.24	885,868,383	1.13	23.99
Interest payable	140,174,905	0.16	117,632,245	0.15	19.16
Other payables	1,123,243,818	1.27	1,457,761,949	1.87	-22.95
Non-current liabilities due within	539,633,955	0.61	183,514,265	0.23	194.06
one year					
Other current liabilities	781,956,498	0.88	804,523,133	1.03	-2.80
Total Current Liabilities	36,298,805,266	40.89	27,237,583,456	34.86	33.27

Item	Share of total assets		Share of total assets		Changes as at the
	(or liabilities) as		(or liabilities) as		end of the period
	As at the end of the	at the end of the	As at	at the end of the	over the end of the
	period	period	the end of the	previous period	previous period
		(%)	previous period		(%)
Non-current Liabilities:					
Long-term borrowings	90,061,994	0.10	617,845,098	0.79	-85.42
Employee benefit liability	151,889,120	0.17	99,222,426	0.13	53.08
Bonds payable	5,955,393,258	6.71	5,681,024,285	7.27	4.83
Long-term payables	13,192,296	0.01	13,930,931	0.02	-5.30
Provision	148,622,873	0.17	139,059,306	0.18	6.88
Deferred tax liabilities	96,752,142	0.11	104,591,189	0.13	-7.49
Other non-current liabilities	372,260,199	0.42	332,455,386	0.43	11.97
Total Non-current Liabilities	6,828,171,882	7.69	6,988,128,621	8.94	-2.29
TOTAL LIABILITIES	43,126,977,148	48.58	34,225,712,077	43.80	26.01
SHAREHOLDERS' EQUITY:					
Share capital	3,462,729,405	3.90	3,462,729,405	4.43	0.00
Capital reserve	11,683,873,118	13.16	11,686,299,420	14.96	-0.02
Special reserve	228,172,056	0.26	275,542,192	0.35	-17.19
Surplus reserve	13,715,000,748	15.45	13,071,506,120	16.73	4.92
Retained earnings	15,773,225,054	17.77	14,583,075,191	18.66	8.16
Exchange differences arising on translation of financial statements denominated in foreign currencies	-340,214,307	-0.38	-259,192,488	-0.33	31.26
Total equity attributable to owners of the Company	44,522,786,074	50.16	42,819,959,840	54.80	3.98
Non-controlling interests	1,116,890,839	1.26	1,087,812,490	1.39	2.67
TOTAL SHAREHOLDERS' EQUITY	45,639,676,913	51.42	43,907,772,330	56.20	3.94
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	88,766,654,061	100.00	78,133,484,407	100.00	13.61

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:

Held-for-trading financial assets: As at the end of the reporting period, the balance of held-for-trading financial assets of the Group amounted to RMB87,380,000, representing an increase of RMB33,620,000 or 62.53% from the end of last year, which was mainly attributable to the increase of the purchased corporate bonds of the JCC Finance Company Limited – a subsidiary of the Group in this year.

Trade receivables: As at the end of the reporting period, the balance of trade receivables of the Group amounted to RMB8,253,840,000, representing an increase of RMB4,176,860,000 or 102.45% from the end of last year, mainly due to the increase of sales in the period.

Prepayments: As at the end of the reporting period, the balance of prepayments of the Group amounted to RMB3,529,030,000, representing an increase of RMB1,629,350,000 or 85.77% from the end of last year, mainly attributable to the extension of the procurement in this period and the lower price range of copper raw material. As the output of upstream enterprises decreased, in order to strive for stable material resources, the Group and its subsidiaries increased suppliers, resulting in the increase of prepayments.

Other current assets: As at the end of the reporting period, the balance of other current assets of the Group amounted to RMB1,239,090,000, representing a decrease of RMB1,068,520,000 or -46.30% from the end of last year, mainly attributable to the expiry of the purchased redeemable financial assets, and was no longer held by the Group.

Long-term investments: As at the end of the reporting period, the balance of long-term investments of the Group amounted to RMB2,677,760,000, representing an increase of RMB640,880,000 or 31.46% as compared with the end of last year, mainly due to the newly-added investment in BOCI Securities Limited and the increase in investment of Minmetals-JCC Mining Investment Company Limited (五礦江銅礦業投資有限公司) and MCC-JCC Aynak Minerals Company Limited (中冶江銅艾娜克礦業有限公司)

Projects under construction: As at the end of the reporting period, the balance of projects under construction of the Group amounted to RMB1,736,370,000, representing a decrease of RMB1,633,650,000 or -48.48% as compared with the end of last year, mainly due to the transformation in engineering projects into fixed assets upon completion.

Other non-current assets: As at the end of the reporting period, the balance of other non-current assets of the Group amounted to RMB2,110,150,000, representing an increase of RMB1,922,260,000 or 1,023.06% from the end of last year, mainly attributable to the new addition of asset management projects.

Held-for-trading financial liabilities: As at the end of the reporting period, the balance of held-for-trading financial liabilities was RMB3,496,620,000, representing an increase of RMB1,740,680,000 or 99.13% from the end of last year, mainly due to the increase of gold lease business of the Group.

Notes payable: As at the end of the reporting period, the Group's balance of notes payable was RMB545,560,000, representing an increase of RMB286,950,000 or 110.96% from the end of last year, mainly due to the increase of the business scale and procurement of the Group.

Trade payables: As at the end of the reporting period, the Group's balance of trade payables was RMB10,745,430,000, representing an increase of RMB3,710,810,000 or 52.75% from the end of last year, mainly due to the increase in the procurement of the Group.

Non-current liabilities due within one year: As at the end of the reporting period, the Group's balance of non-current liabilities due within one year was RMB539,630,000, representing an increase of RMB356,120,000 or 194.06% from the end of last year, mainly attributable to the expiry of part long-term borrowings within the year as at the end of the period.

Long-term borrowings: As at the end of the reporting period, the balance of long-term borrowings was RMB90,060,000, representing a decrease of RMB527,780,000 or -85.42% from the end of last year, mainly due to the transformation of part long-term borrowings into non-current liabilities due within one year as at the end of the period.

Employee benefit liability (the non-current liabilities portion): As at the end of the reporting period, our balance of staff remuneration payable was RMB151,890,000, representing an increase of RMB52,670,000 or 53.08% from the end of last year, mainly due to the new provision of 2013 medium and long-term incentive.

(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 Group 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 2013, the Group maintained its major resources as follows:

The Company had 100% ownership in the proven resource reserve of approximately 10,320,000 tonnes of copper metal, 331 tonnes of gold, 9,386 tonnes of silver, 239,000 tonnes of molybdenum, 100,620,000 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 2013, the existing production capacity of copper cathode exceeded 1,100,000 tonnes, which maintained 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 2013, the global industry production did not go well, with the downturn of commodity prices. Accompanied by the continuous fluctuations of internal financial markets, the global economy witnessed a slightly lower increase. Among the main economies, USA economy continued to recover, Euro-Zone had recovery indication, countries of new emerging markets increased more slowly in general. In comparison, the PRC economy developed stably with obvious progress in its structure adjustment and gradual improvement of reform and opening-up.

As for copper industry, the copper supply in the global market shifted from short to excess in 2013. Although the economy recovery in USA and Europe and the increase of power grid investment of the PRC bulled the copper price, the fundamental transformation of copper supply has directly suppressed the copper price. In March 2013, the copper price decreased 8.17% from US\$7,960/tonne to US\$7,310/tonne in LME. In 2014, it is expected that the copper industry will present the following situations:

1. The upstream supply would be relatively loose. As the global newly-built mines gradually entered into capacity release period and the old mines have completed their upgrade and transformation and put into production, the copper ore supply has entered into its fastigium.
2. Midstream smelting and processing fee increased. As the copper concentrate supply would be loose, the current copper smelting and processing fee has increased to the highest of the past eight years. The sufficient copper concentrate supply and the significant re-increase of processing fees both improved the enthusiasm for production of enterprises, leading the global copper concentrate output to an obvious recovery and it also enhanced the competitions in the domestic copper smelting industry.

3. The increase of the downstream demand became slower. At present, the PRC, West Europe and USA are the three largest copper consumption areas. Although USA and Europe economy continue to increase, the main consumption area of copper concentrate was real estate in USA and Europe. The new session of the government has firm reform attitude, which may result in a continuous lower tolerance of economic increase speed. Therefore, the increase in copper demand of terminal industries would be limited. Thus the global copper consumption demand is expected to be slower in 2014.

In 2014, the copper price will encounter the double pressures from macro-economy and basic phase, but the increase in copper ore cost will support the copper price.

(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 continue to improve resource reserve, intensify personnel retention, refined management and control model, strengthen technology innovation, enhance the capability of international operation, and thus steadily promote the profitability of the Company. The Company will also plan its development with a global vision and realize a substantial development through merger, acquisition and reorganization.

(III) Operation plan

In 2014, 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; 2,950,000 tonnes of sulphuric acid; 209,000 tonnes of copper contained in copper concentrate; and 920,000 tonnes of copper rods and wires and other copper processing products. The Group may, as and when appropriate, revise such plan in response to changes in market conditions.

To realize the above plan, in 2014, 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 expansion project of 8,000 tonnes per day, Crossing Copper-Molybdenum Mine of Yongping Copper Mine and Yunnan Zini Copper Mine, etc..
2. Continuous enhancement of merger and acquisition. The Company will strengthen the merger team to accelerate its merger and reorganization. It will continue to look for domestic and overseas merging opportunities to enrich its project reserve continuously. In addition, the Company will strengthen the risk exploration and mining right maintenance and management, whilst issue risk exploration projects management methods to guide the risk exploration. The Company will also improve its corporation with geological exploration units to participate the national and provincial fund equipped exploration projects.
3. Promotion of internal reform and innovation impetus to fully stimulate the corporate inner production impetus. During this year, the Company will advance the marketing management system reform in an active manner to conduct unified management on business, market, price, assessment and risk control. Meanwhile, it will continue to enhance the organization performance management and assessment. Through the strict control on cost, acceleration of operation innovation and enhancement of performance assessment, the Company will improve its results comprehensively.

4. Increase in scientific research investment to promote the corporate scientific and technological progress. The Company will conduct a series of scientific research projects in an active manner, including iron recovery from FSF slag, comprehensive utilization of low-grade ore, comprehensive recovery and intensive processing of precious and rare metals, research and utilization of lead-free and halogen-free copper foil and etc., to strive for new breakthrough.
5. Safety and environmental protection, energy conservation and emission reduction. The Company will concentrate on the development of two projects of “establishment of safety and environmental projects” and “operation management of environmental equipment” to enhance monitoring and inspection and guarantee the standard of the discharge. The Company will build energy management system to meet the requirements of national standards by the end of 2014 in general. Meanwhile, the Company will conduct a series of key energy-saving projects, promote and utilize energy-saving technologies and new type of efficient energy-saving equipment to achieve the annual energy – saving goals.

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

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 revived 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 financial policy, study for the possibility of financing through various channels, reduce its financing cost, optimize its financial structure and ensure its sound and steady growth.

(V) Risk Exposure

1. The risk of downward prices of copper

In 2014, the Group planned to self-produce 209,000 tonnes of copper contained in copper concentrate in total. 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 of tax policies

As a new high-tech enterprise in Jiangxi Province, the Group has enjoyed the relevant national preferential policies of new high-tech enterprises during the past three years from 2010 to 2012, with the income tax rate changed from 25% to 15%. In 2014, the Company will continue to apply for the “New High-tech Enterprise Recognition”, because the application results would have material influence on the applicable income tax rate of the Company.

During the recent years, the Company increased the investment in scientific research, various indicators, including comprehensive energy consumption of per tonne copper smelting, gold and silver recovery rate reached the world advanced level. In 2013, Dexing Mine copper recovery from gangue entered into industrialization stage with extensive promotion and application prospect. Guixi Smelter’s research of iron recovery from FSF slag achieved progress and will conduct commercial test.

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 2013 to 31 August 2013 and all the code provisions in the new edition of the Code (which is applicable to financial reports covering a period after 1 September 2013) for the period from 1 September 2013 to 31 December 2013, with the exception of the following deviations:

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, due to business engagement, the Chairman did not attend the annual general meeting of the Company held on 14 June 2013 (“2012 AGM”) as required under code provision E.1.2 of the Code. Instead, Mr. Gan Chengjiu, the executive director of the Company, was delegated by the Chairman and was elected at the 2012 AGM to act as the chairman of the AGM. In addition, the chairmen of audit committee, remuneration committee and nomination committee did not attend or appoint delegates to attend the 2012 AGM pursuant to code provision E.1.2 of the Code. Instead, the chairmen of the audit committee, remuneration committee and nomination committee were well informed by the Company in advance of the date and time of the 2012 AGM and were made available to answer questions raised at the 2012 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 2013 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 2013 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 23 June 2014, 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 23 June 2014. 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 Monday, 12 May 2014 to Wednesday, 11 June 2014 (both dates 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, 9 May 2014.

In order to determine the identity of the Shareholders entitled to receive the final dividend of the Company for the year ended 31 December 2013, the register of members of the Company will be closed from Wednesday, 18 June 2014 to Monday, 23 June 2014 (both dates 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 Tuesday, 17 June 2014.

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

Jiangxi, the People's Republic of China
25 March 2014

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

9. FINANCIAL REPORT

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2013

(PREPARED IN ACCORDANCE WITH IFRS)

		2013	2012
	NOTES	RMB'000	RMB'000
Revenue	3	175,291,753	158,005,958
Cost of sales		<u>(168,758,963)</u>	<u>(150,570,459)</u>
Gross profit		6,532,790	7,435,499
Other income	4	839,536	780,508
Other gains and losses	5	499,505	681,522
Selling and distribution expenses		(545,284)	(453,162)
Administrative expenses		(1,760,855)	(1,348,824)
Finance costs	6	(843,343)	(831,711)
Share of result of a joint venture		3,761	5,615
Share of results of associates		<u>5,524</u>	<u>3,826</u>
Profit before taxation		4,731,634	6,273,273
Taxation	7	<u>(1,100,305)</u>	<u>(1,025,766)</u>
Profit for the year	8	<u><u>3,631,329</u></u>	<u><u>5,247,507</u></u>

		2013	2012
	NOTES	RMB'000	RMB'000
Other comprehensive income (expense)			
Items that may be subsequently reclassified to profit or loss:			
Fair value change on hedging instruments designated in cash flow hedges		118,251	128,896
Reclassification adjustments relating to transfer of cash flow hedges		(121,070)	(122,593)
Income tax relating to components of other comprehensive income		393	(1,214)
Share of exchange differences of associates		(72,205)	(4,138)
Exchange differences arising on translation		(10,993)	58
Other comprehensive (expense) income for the year (net of tax)		(85,624)	1,009
Total comprehensive income for the year		<u>3,545,705</u>	<u>5,248,516</u>
Profit for the year attributable to:			
Owners of the Company		3,555,692	5,169,668
Non-controlling interests		75,637	77,839
		<u>3,631,329</u>	<u>5,247,507</u>
Total comprehensive income attributable to:			
Owners of the Company		3,472,244	5,170,712
Non-controlling interests		73,461	77,804
		<u>3,545,705</u>	<u>5,248,516</u>
Earnings per share			
Basic and diluted	10	<u>RMB1.03</u>	<u>RMB1.49</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2013

(PREPARED IN ACCORDANCE WITH IFRS)

		2013	2012
	NOTES	RMB'000	RMB'000
Non-current assets			
Property, plant and equipment		20,002,661	19,933,933
Investment properties		174,841	178,918
Prepaid lease payments		489,516	477,024
Intangible assets		864,398	817,086
Exploration and evaluation assets		665,245	635,117
Interests in associates		2,652,398	2,004,531
Interest in a joint venture		25,358	32,347
Other investments		1,880,000	—
Available-for-sale investments		539,730	1,031,730
Deferred tax assets		476,599	352,035
Deposits for prepaid lease payments		116,600	6,117
Deposits for property, plant and equipment		105,611	163,390
		<u>27,992,957</u>	<u>25,632,228</u>
Current assets			
Inventories		14,683,971	15,936,440
Trade and bills receivables	11	14,220,603	9,443,609
Prepayments, deposits and other receivables		6,269,716	4,712,861
Other investments		—	1,230,133
Prepaid lease payments		11,159	9,435
Available-for-sale investments		1,501,500	760,000
Held-for-trading financial assets		48,880	1,881
Derivative financial instruments	12	38,498	51,879
Restricted bank deposits		4,325,952	3,631,297
Bank balances and cash		19,666,162	16,678,343
		<u>60,766,441</u>	<u>52,455,878</u>

		2013	2012
	NOTES	RMB'000	RMB'000
Current liabilities			
Trade and bills payables	13	11,290,992	7,293,223
Other payables and accruals		4,231,388	4,354,235
Deposits from holding company and fellow subsidiaries		607,530	655,210
Deferred revenue — government grants		37,624	27,510
Derivative financial instruments	12	694,352	203,717
Held-for-trading financial liabilities		2,802,265	1,552,218
Tax payable		888,792	734,359
Bank borrowings		15,745,862	12,417,112
		<u>36,298,805</u>	<u>27,237,584</u>
Net current assets		<u>24,467,636</u>	<u>25,218,294</u>
Total assets less current liabilities		<u>52,460,593</u>	<u>50,850,522</u>
Non-current liabilities			
Bonds payable		5,955,393	5,681,024
Bank borrowings		90,062	617,845
Provision for rehabilitation		148,623	139,059
Employee benefit liability		151,889	99,222
Deferred revenue — government grants		372,260	332,455
Other long term payables		13,192	13,931
Deferred tax liabilities		96,752	104,591
		<u>6,828,171</u>	<u>6,988,127</u>
		<u>45,632,422</u>	<u>43,862,395</u>

	2013 <i>RMB'000</i>	2012 <i>RMB'000</i>
Capital and reserves		
Share capital	3,462,729	3,462,729
Reserves	41,052,986	39,312,107
Equity attributable to owners of the Company	44,515,715	42,774,836
Non-controlling interests	1,116,707	1,087,559
	45,632,422	43,862,395

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

1. GENERAL

The Company was registered in the People's Republic of China ("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 ("RMB") which is the functional currency of the Company.

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

The Group has applied the following new and revised International Accounting Standards (“IAS”), IFRSs and amendments (hereinafter collectively referred to as the “new and revised IFRSs”) issued by International Accounting Standards Board (the “IASB”) and IFRS Interpretation Committee of the IASB for the first time in the current year.

Amendments to IFRSs	Annual improvements to IFRSs 2009 — 2011 cycle
Amendments to IFRS 7	Disclosures - Offsetting financial assets and financial liabilities
Amendments to IFRS 10, IFRS 11 and IFRS 12	Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance
IFRS 10	Consolidated financial statements
IFRS 11	Joint arrangements
IFRS 12	Disclosure of interests in other entities
IFRS 13	Fair value measurement
IAS 19 (as revised in 2011)	Employee benefits
IAS 27 (as revised in 2011)	Separate financial statements
IAS 28 (as revised in 2011)	Investments in associates and joint ventures
Amendments to IAS 1	Presentation of items of other comprehensive income
IFRIC 20	Stripping costs in the production phase of a surface mine

Except as described below, the application of other new and revised IFRSs in the current year has had no material impact on the Group’s financial performance and position for the current and prior years and/or the disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (CONTINUED)

In the current year, the Group has applied for the first time the package of five standards on consolidation, joint arrangements, associates and disclosures comprising IFRS 10 “Consolidated financial statements”, IFRS 11 “Joint arrangements”, IFRS 12 “Disclosure of interests in other entities”, IAS 27 (as revised in 2011) “Separate financial statements” and IAS 28 (as revised in 2011) “Investments in associates and joint ventures”, together with the amendments to IFRS 10, IFRS 11 and IFRS 12 regarding transitional guidance.

The impact of the application of these standards is set out below.

Impact of the application of IFRS 10

IFRS 10 replaces the parts of IAS 27 “Consolidated and separate financial statements” that deal with consolidated financial statements and SIC 12 “Consolidation - Special purpose entities”. IFRS 10 changes the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in IFRS 10 to explain when an investor has control over an investee.

The directors of the Company have made an assessment as at the date of initial application of IFRS 10 (i.e. 1 January 2013) in respect of the Group’s control in its investees under the new definition in the new and revised IFRSs and concluded that the application of the new standard has no impact on the classification of investees currently reported in the consolidated financial statements.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (CONTINUED)

Impact of the application of IFRS 11

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 ventures) 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. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (CONTINUED)

Impact of the application of IFRS 11 (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 have determined that the Group’s current investment which was previously classified as a jointly controlled entity under IAS 31 is classified as a joint venture under IFRS 11 continue to apply the equity method. The directors of the Company do not anticipate that there is material impact on the amounts reported in the consolidated financial statements.

Impact of the application of IFRS 12

IFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. The directors of the Company reviewed and assessed its interests in subsidiaries, a joint venture and associates and determined that none of the Group’s subsidiaries that have non-controlling interests, a joint venture and associates are material to the consolidated financial statements as a whole to disclose more extensive information in the consolidated financial statements.

IFRS 13 “Fair value measurement”

The Group has applied IFRS 13 for the first time in the current year. IFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements. The scope of IFRS 13 is broad: the fair value measurement requirements of IFRS 13 apply 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 for share-based payment transactions that are within the scope of IFRS 2 “Share-based Payment”, leasing transactions that are within the scope of IAS 17 “Leases”, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (CONTINUED)

IFRS 13 Fair value measurement (continued)

IFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of 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.

IFRS 13 requires prospective application. In accordance with the transitional provisions of IFRS 13, the Group has not made any new disclosures required by IFRS 13 for the 2012 comparative period. Other than the additional disclosures, the application of IFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

Amendments to IAS 1 “Presentation of items of other comprehensive income”

The Group has applied the amendments to IAS 1 “Presentation of items of other comprehensive income”. Upon the adoption of the amendments to IAS 1, the Group’s “statement of comprehensive income” is renamed as the “statement of profit or loss and other comprehensive income”. Furthermore, the amendments to IAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be subsequently reclassified to profit or loss and (b) items that may be subsequently reclassified 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 have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to IAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (*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. 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 12 “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 consolidated financial statements for the year ended 31 December 2013 are insignificant.

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

Amendments to IFRS 10, IFRS 12 and IAS 27	Investment entities ¹
Amendments to IFRS 9 and IFRS 7	Mandatory effective date of IFRS 9 and transition disclosures ³
IFRS 9	Financial instruments ³
Amendments to IAS 19	Defined benefit plans: Employee contributions ²
Amendments to IAS 32	Offsetting financial assets and financial liabilities ¹
Amendments to IAS 36	Recoverable amount disclosures for non-financial assets ¹
Amendments to IAS 39	Novation of derivatives and continuation of hedge accounting ¹
Amendments to IFRSs	Annual improvements to IFRSs 2010 - 2012 cycle ⁴
Amendments to IFRSs	Annual improvements to IFRSs 2011 - 2013 cycle ²
IFRS 14	Regulatory deferral accounts ⁵
IFRIC 21	Levies ¹

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

- ¹ Effective for annual periods beginning on or after 1 January 2014.
- ² Effective for annual periods beginning on or after 1 July 2014.
- ³ Available for application — the mandatory effective date will be determined when the outstanding phases of IFRS 9 are finalised.
- ⁴ Effective for annual periods beginning on or after 1 July 2014, with limited exceptions.
- ⁵ Effective for annual IFRS financial statements beginning on or after 1 January 2016.

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 to include the requirements for the classification and measurement of financial liabilities for derecognition, and further amended in 2013 to include the new requirements for hedge accounting.

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.

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

IFRS 9 “Financial instruments” (continued)

- 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.
- The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an ‘economic relationship’. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity’s risk management activities have also been introduced.

The directors of the Company anticipate that the adoption of IFRS 9 in the future may have 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.

The directors of the Company anticipate that the application of other new and revised IFRSs will have no material impact on the 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 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:

	2013	2012
	<i>RMB'000</i>	<i>RMB'000</i>
Sales of goods		
— copper cathodes	106,506,289	103,582,787
— copper rods	41,418,904	27,022,540
— copper processing products	4,943,495	5,221,823
— gold	7,410,471	9,374,378
— silver	3,413,396	3,586,333
— sulphuric and sulphuric concentrate	1,341,640	2,204,913
— rare and other non-ferrous metals	8,989,055	6,245,651
— others	1,866,941	1,317,781
Revenue analysis prepared		
in accordance with ASBE	175,890,191	158,556,206
Less: sales related taxes	(598,438)	(550,248)
Revenue analysis prepared		
in accordance with IFRSs	175,291,753	158,005,958

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:

	2013 <i>RMB'000</i>	2012 <i>RMB'000</i>
Mainland China	156,366,939	145,225,317
Hong Kong	8,725,268	6,352,054
Others	10,797,984	6,978,835
Revenue analysis prepared in accordance with ASBE	175,890,191	158,556,206
Less: sales related taxes	(598,438)	(550,248)
Revenue analysis prepared in accordance with IFRSs	175,291,753	158,005,958

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 2013, there is no revenue from customers contributing over 10% of the total revenue of the Group (2012: Nil). The revenue from the largest customer amounted to RMB8,815,483,000 (2012: RMB16,590,832,000), representing 5.01% (2012: 9.41%) of the total revenue of the Group.

4. OTHER INCOME

	2013 <i>RMB'000</i>	2012 <i>RMB'000</i>
Interest income	663,585	647,880
Subsidy income of imported copper concentrate	30,000	30,000
Dividend income on available-for-sale investments	20,410	17,710
Government grants recognised (<i>note</i>)	37,141	42,788
Income from value-added tax refund	58,669	42,130
Other	29,731	—
	<u>839,536</u>	<u>780,508</u>

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

	2013 <i>RMB'000</i>	2012 <i>RMB'000</i>
Fair value change on derivative financial instruments		
Transactions not qualifying for hedging accounting		
— Fair value change on commodity derivative contracts	(314,629)	575,861
— Fair value change on foreign currency forward contracts and interest rate swaps	(19,747)	(57,961)
Transactions qualifying as fair value hedges		
— Inventory hedged	(25,595)	1,357
— Fair value change on hedging instruments	20,794	(3,330)
Ineffective portion of cash flow hedges	(58)	(22,027)
Fair value change on held-for-trading financial assets	(629)	(415)
Fair value change on held-for-trading financial liabilities	508,869	(43,398)
Income from available-for-sale investments	195,671	238,984
Income from other investments	128,800	—
Loss on disposal of property, plant and equipment	(53,849)	(37,671)
Impairment loss on property, plant and equipment	—	(12,556)
Impairment loss on trade and other receivables	(3,621)	(7,728)
Donations	(8,707)	(855)
Exchange gains	80,131	37,615
Others	(7,925)	13,646
	499,505	681,522

6. FINANCE COSTS

	2013 <i>RMB'000</i>	2012 <i>RMB'000</i>
Interests on bank borrowings	408,259	428,950
Interest on bonds payable	342,369	326,774
Interests on discounted notes	92,715	75,987
	<u>843,343</u>	<u>831,711</u>

7. TAXATION

	2013 <i>RMB'000</i>	2012 <i>RMB'000</i>
The charge comprises:		
Current taxation		
— PRC Enterprise Income Tax	1,212,116	1,032,637
— Hong Kong Profits Tax	10,578	22,345
	<u>1,222,694</u>	<u>1,054,982</u>
Underprovision in prior years		
— PRC Enterprise Income Tax	8,983	20,073
— Hong Kong Profits Tax	638	1,945
	<u>9,621</u>	<u>22,018</u>
Deferred taxation		
— current year	16,227	(51,234)
— attributable to a change in tax rate	(148,237)	—
	<u>(132,010)</u>	<u>(51,234)</u>
	<u>1,100,305</u>	<u>1,025,766</u>

Hong Kong Profits Tax on three (2012: three) of the Group's subsidiaries has been provided at the rate of 16.5% (2012: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

7. TAXATION (*CONTINUED*)

The provision for PRC Enterprise Income Tax is based on a statutory rate of 25% (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%, 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 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 year ended 31 December 2013, as the expiry of High-tech Enterprise Certificate, the Company's PRC Enterprise Income Tax rate is increased from 15% to 25%.

8. PROFIT FOR THE YEAR

	2013 <i>RMB'000</i>	2012 <i>RMB'000</i>
Profit for the year has been arrived at after charging:		
Employee benefit expense (including directors', chief executive's and supervisors' remuneration):		
— Wages and salaries	1,723,941	1,912,749
— Performance related bonus	78,341	77,769
— Pension scheme contributions	284,415	300,463
— Other staff costs, allowances and welfare	<u>451,082</u>	<u>445,444</u>
	2,537,779	2,736,425
— Reversal of employee benefit liabilities, included in administrative expenses (<i>note</i>)	<u>—</u>	<u>(351,295)</u>
	<u>2,537,779</u>	<u>2,385,130</u>

8. PROFIT FOR THE YEAR (*CONTINUED*)

	2013 <i>RMB'000</i>	2012 <i>RMB'000</i>
Auditor's remuneration	9,100	7,900
Cost of inventories recognised as an expense	168,758,963	150,570,459
Depreciation of property, plant and equipment	1,395,880	1,229,760
Amortisation of investment properties	4,077	3,036
Amortisation of prepaid lease payments	11,159	13,232
Amortisation of intangible assets	33,629	34,873
Allowance for (reversal of allowance for) inventories, included in cost of sales	294,520	(35,306)
Minimum lease payments under operating lease of land use rights	<u>166,550</u>	<u>166,932</u>

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 (2013: nil).

9. DIVIDENDS

	2013 <i>RMB'000</i>	2012 <i>RMB'000</i>
Dividends recognised as distribution during the year:		
Final dividend of RMB0.5 per share for 2012 (2012: final dividend of RMB0.5 per share for 2011) per share	<u>1,731,365</u>	<u>1,731,365</u>

9. DIVIDENDS (*CONTINUED*)

Subsequent to the end of the reporting period, a final dividend of RMB0.5 in respect of the year ended 31 December 2013 (2012: final dividend of RMB0.5 in respect of the year ended 31 December 2012) 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 (2012: RMB1,731,365,000) 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 RMB3,555,692,000 (2012: RMB5,169,668,000) and on the number of 3,462,729,405 (2012: 3,462,729,405) ordinary shares in issue during the year.

Diluted earnings per share presented is the same as basic earnings per share because there is no outstanding potential dilutive ordinary shares as at 31 December 2013 and 2012 and during both years.

11. TRADE AND BILLS RECEIVABLES

	2013 <i>RMB'000</i>	2012 <i>RMB'000</i>
Trade receivables	8,403,660	4,222,549
Bills receivables	<u>5,966,761</u>	<u>5,366,622</u>
	14,370,421	9,589,171
Less: Allowance for doubtful debts	<u>(149,818)</u>	<u>(145,562)</u>
	<u><u>14,220,603</u></u>	<u><u>9,443,609</u></u>

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:

	2013 <i>RMB'000</i>	2012 <i>RMB'000</i>
Within 1 year	14,204,111	9,399,135
1 - 2 years	13,427	31,986
2 - 3 years	3,065	12,488
	<u>14,220,603</u>	<u>9,443,609</u>

12. DERIVATIVE FINANCIAL INSTRUMENTS

	2013		2012	
	Fair value		Fair value	
	Assets	Liabilities	Assets	Liabilities
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Net settlement:				
Commodity derivative contracts	37,795	(499,475)	42,306	(103,318)
Provisional price arrangement	—	(85,167)	7,172	(8,737)
Foreign currency forward contracts and interest rate swaps	703	(109,710)	2,401	(91,662)
	<u>38,498</u>	<u>(694,352)</u>	<u>51,879</u>	<u>(203,717)</u>

	2013	2012
	<i>RMB'000</i>	<i>RMB'000</i>
Derivatives qualifying for hedge accounting:		
Cash flow hedges		
— Commodity derivative contracts	(2,305)	459
Fair value hedges		
— Commodity derivative contracts	151	—
— Provisional price arrangement	(84,535)	(8,736)
	<u>(86,689)</u>	<u>(8,277)</u>

Derivatives not qualifying for hedge accounting:		
— Commodity derivative contracts	407	2,439
— Provisional price arrangement	(632)	7,171
	<u>(225)</u>	<u>9,610</u>

12. DERIVATIVE FINANCIAL INSTRUMENTS (*CONTINUED*)

	2013 <i>RMB'000</i>	2012 <i>RMB'000</i>
Derivatives not under hedge accounting		
— Commodity derivative contracts	(459,933)	(63,910)
— Foreign currency forward contracts and interest rate swaps	<u>(109,007)</u>	<u>(89,261)</u>
	<u>(568,940)</u>	<u>(153,171)</u>
	<u><u>(655,854)</u></u>	<u><u>(151,838)</u></u>

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.

(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 2013, the expected delivery period of the forecasted sales for copper related products was from January to March 2014 (2012: from January to March 2013).

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

	2013 <i>RMB'000</i>	2012 <i>RMB'000</i>
Trade payables	10,745,432	7,034,617
Bills payables	<u>545,560</u>	<u>258,606</u>
	<u>11,290,992</u>	<u>7,293,223</u>

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

	2013 <i>RMB'000</i>	2012 <i>RMB'000</i>
Within 1 year	11,245,958	7,252,496
1 - 2 years	20,163	13,788
2 - 3 years	11,665	7,219
Over 3 years	<u>13,206</u>	<u>19,720</u>
	<u>11,290,992</u>	<u>7,293,223</u>

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