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 2014

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 2014.

1.3 The consolidated financial statements of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2014 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 2014.

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 of the Company	15 Yejin Avenue, Guixi City, Jiangxi Province, the People's Republic of China
Postal code of the registered address of the Company	335424
Office address of the Company	No. 7666 Changdong Road, High-Tech Development Zone, Nanchang City, Jiangxi Province, the People's Republic of China
Postal code of the office address of the Company	330096
Website of the Company	http://www.jxcc.com
E-mail	jccl@jxcc.com

2.2 Contact person and method

	Company Secretary to the Board	Securities Affairs Representative
Name	Huang Dongfeng	Xiao Huadong
Address	No. 7666 Changdong Road, High-Tech Development Zone, Nanchang City, Jiangxi Province, the People's Republic of China	No. 7666 Changdong Road, High-Tech Development Zone, Nanchang City, Jiangxi Province, the People's Republic of China
Telephone	0791-82710016	0791-82710111
Facsimile	0791-82710114	0791-82710114
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	2014	2013	Increase/decrease for the period over the same period last year *(%)*	2012
Operating revenue	**198,833,486,017**	175,890,190,968	13.04	158,556,206,525
Net profit attributable to shareholders of the listed company	**2,850,649,245**	3,565,009,194	–20.04	5,215,874,606
Net profit after non-recurring profit and loss items attributable to shareholders of the listed company	**1,733,560,208**	3,122,198,232	–44.48	4,394,548,553
Net cash flows from operating activities	**1,735,447,985**	5,232,520,379	–66.83	6,334,192,911

	End of 2014	End of 2013	Increase/decrease for the period over the same period last year *(%)*	End of 2012
Net assets attributable to shareholders of the listed company	**45,733,876,161**	44,522,786,074	2.72	42,819,959,840
Total assets	**95,322,374,877**	88,766,654,061	7.39	78,133,484,407

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

Currency: RMB

Major financial indicator	2014	2013	Increase/ decrease for the period over the same period last year *(%)*	2012
Basic earnings per share *(RMB/share)*	**0.82**	1.03	–20.39	1.51
Diluted earnings per share *(RMB/share)*	**0.82**	1.03	–20.39	1.51
Basic earnings per share after non-recurring profit and loss items *(RMB/share)*	**0.50**	0.90	–44.44	1.27
Return on net assets (weighted average) *(%)*	**6.32**	8.16	decreased by 1.84 percentage points	12.70
Return on net assets after non-recurring profit and loss items (weighted average) *(%)*	**3.84**	7.15	decreased by 3.31 percentage points	10.70

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	2014 Amount	2013 Amount	2012 Amount
Gains/losses from disposal of non-current assets	**–39,649,118**	–53,849,052	–37,670,553
Government grant as included in profit and loss of the current period, other than those closely relating to the normal business of enterprises and subject to a fixed amount or quantity under certain standard required by national policies	**109,049,458**	125,810,017	114,917,569
Fair value profit and loss from financial assets and financial liabilities held for trading, and investment gains from disposal of financial assets and liabilities held for trading and available-for-sale financial assets except for effective portion of normal transactions qualified for hedge accounting	**1,482,905,169**	493,475,946	689,071,621
Other non-recurring items included in non-operating income and expenses	**–254,130**	13,102,414	12,917,293
Reversal of the medium and long-term incentive *(note)*	**—**	—	351,294,891
Impact on minority interests	**–86,639,118**	–140,599,525	–81,798,766
Impact on the changes in income tax rate of the Company	**—**	171,445,285	—
Impact on income tax	**–348,323,224**	–166,574,123	–227,406,002
Total	**1,117,089,037**	442,810,962	821,326,053

Note: As approved by relevant government departments in 2012, the Group negotiated with senior management and middle-level management to reduce management incentive bonus of certain senior management and middle-level management amounting to RMB351,294,891.

3.3 Major accounting data (Prepared in accordance with IFRSs)

Unit: '000 Currency: RMB

	2014	**2013**	**Increase/ (decrease)** *(%)*	**2012**
Revenue	**198,264,175**	175,291,753	13.1	158,005,958
Profit before tax	**3,912,372**	4,731,634	–17.3	6,273,273
Income tax expenses	**1,013,108**	1,100,305	–7.9	1,025,766
Profit attributable to non-controlling shareholders	**173**	75,637	–99.8	77,839
Profit attributable to shareholders of the Company	**2,899,091**	3,555,692	–18.5	5,169,668
Basic earnings per ordinary share attributable to shareholders of the Company *(RMB)*	**0.84**	1.03	–18.5	1.49
Diluted earnings per ordinary share attributable to shareholders of the Company*(RMB)*	**0.84**	1.03	–18.5	1.49
Net cash inflow from operating activities	**1,399,906**	4,811,952	–70.9	5,314,845

	As at 31 December 2014	**As at 31 December 2013**	**Increase/ (decrease)** *(%)*	**As at 31 December 2012**
Total assets	**95,316,269**	88,759,398	7.4	78,088,106
Total liabilities	**48,296,105**	43,126,976	12.0	34,225,711
Equity attributable to shareholders of the Company	**45,727,950**	44,515,715	2.7	42,774,836
Equity per share attributable to shareholders of the Company *(RMB)*	**13.21**	12.86	2.7	12.35

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	
	2014	**2013**	**As at 31 December 2014**	**As at 31 December 2013**
Under PRC GAAP	**2,850,649**	3,565,009	**45,733,876**	44,522,786
IFRSs adjustments:				
Production safety fund provided under the PRC GAAP but not used during the period	**47,301**	–47,370		
Income tax effect on production safety fund	**1,141**	38,053	**–5,926**	–7,071
Under IFRSs	**2,899,091**	3,555,692	**45,727,950**	44,515,715

4 INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS

As at 31 December 2014, 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	1,268,633,041(L)	61.13(L)	36.64(L)
JCC *(note 2)*	H shares	Beneficial owner	129,655,000(L)	9.34(L)	3.74(L)
Blackrock, Inc.	H shares	*(note 3)*	85,473,555(L)	6.16(L)	2.47(L)
			2,185,000(S)	0.16(S)	0.06(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 29 December 2014, the H Shares were held in the following capacities:

Capacity	**Number of H Shares**
Interest of controlled corporation	85,473,555(L)
	2,185,000(S)

Pursuant to the said notice, such interests include 74,000 H shares in long position and 421,000 H shares in short positions, both of which were held in cash settled unlisted derivatives.

Save as disclosed above, the register required to be kept under Section 336 of SFO showed that the Company had not been notified of any interests or short positions in the shares and underlying shares of the Company as at 31 December 2014.

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	Opening shares held	Closing shares held	Change in increase or decrease in shares during the year	Reasons for change	Total remuneration payable by the Company during the reporting period *(RMB0'000)* *(before tax)*	Total remuneration payable by shareholder during the reporting period *(RMB0'000)*
Li Baomin	Chairman/Executive Director	Male	57	4 March 2013		0	0	/	/	106.56	0
Long Ziping	Vice Chairman/Executive Director	Male	54	14 June 2013		0	0	/	/	106.56	0
Gan Chengjiu	Executive Director/Chief financial officer	Male	52	26 June 2009		0	0	/	/	106.56	0
Liu Fangyun	Executive director	Male	49	14 June 2013		0	0	/	/	106.56	0
Shi Jialiang	Executive director	Male	68	26 June 2009		0	0	/	/	5	0
Gao Jianmin	Executive director	Male	55	24 January 1997		0	0	/	/	20	0
Liang Qing	Executive director	Male	61	12 June 2002		0	0	/	/	20	0
Qiu Guanzhou	Independent non-executive director	Male	66	11 June 2014		0	0	/	/	5	0
Wu Jianchang	Independent non-executive director	Male	76	6 June 2008	11 June 2014	0	0	/	/	5	0
Gao Dezhu	Independent non-executive director	Male	74	26 June 2009		0	0	/	/	10	0
Zhang Weidong	Independent non-executive director	Male	52	19 June 2012		0	0	/	/	10	0
Deng Hui	Independent non-executive director	Male	43	19 June 2012		0	0	/	/	10	0
Hu Qingwen	Chairman of the Supervisory Committee	Male	51	14 June 2013		0	0	/	/	76.53	0
Wu Jinxing	Supervisor	Male	52	26 June 2009		0	0	/	/	76.53	0
Lin Jinliang	Supervisor	Male	50	26 June 2009		0	0	/	/	76.53	0
Xie Ming	Supervisor	Male	58	26 June 2009		0	0	/	/	76.53	0
Wan Sujuan	Supervisor	Female	61	26 June 2009		0	0	/	/	5	0
Dong Jiahui	Deputy General Manager	Male	52	31 March 2009		0	0	/	/	81.54	0
Jiang Chunlin	Deputy General Manager	Male	46	25 August 2010		0	0	/	/	81.54	0
Fan Xiaoxiong	Chief Engineer	Male	52	27 October 2010		0	0	/	/	81.54	0
Wu Yuneng	Deputy General Manager	Male	52	25 March 2011		0	0	/	/	81.54	0
Huang Mingjin	Deputy General Manager	Male	53	3 October 2012		0	0	/	/	81.54	0
Liu Jianghao	Deputy General Manager	Male	53	28 August 2013		0	0	/	/	81.54	0
Huang Dongfeng	Secretary to the Board	Male	56	28 August 2013		0	0	/	/	81.54	0
Tung Tat Chiu, Michael	Secretary to the Board	Male	52	24 January 1997		0	0	/	/	5	0

6 REPORT OF THE BOARD

I. Discussion and analysis on the Company's operation during the reporting period by the Board

During the reporting period, due to the overall downturn of the world economy and the intensifying downward pressure on the Chinese economy, the global mining industry has been experiencing a "severe winter". Confronted with austere situation of structural overcapacity and fierce market competition as well as the slumping of product prices, the enterprises in the non-ferrous metal industry suffered more and more severe operating risks. Under the leadership of the Board of the Company and the endeavor made by all staff, the Group consistently sticked to the development principle of "advancing with stable improvement and transforming with continuous innovation". As such, we overcame various difficulties and accomplished the annual production and operation plan smoothly through cost reduction, risk control and reform intensification as well as other measures.

In respect of industrial production, thanks to the enhancement of benchmark management and strengthen of performance assessment, part of copper smelting indicators of Guixi Smelter of the Group achieved a new progress. In addition, some of the core indicators reached the advanced standard in the world, which not only consolidated its industry position, but also brought about considerable economic benefits for the Company. In 2014, the total output of copper cathode of the Group increased stably, amounting to 1.2 million tonnes. The Group gave full play to the productivity of mines, through scientific arrangement and streamlined management, with the total annual output of copper contained in copper concentrate amounting to 210,000 tonnes, basically the same to the previous year. Each copper processing enterprise's production stage of the Group remained stable, with the productivity reaching 1 million tonnes.

In respect of cost control, after twenty measures regarding "increase income and reduce expenditure, increase output and improve effectiveness" were launched in last year, the Group continued to optimize all-round budget management and information system, which reinforced the monitoring and implementation of strategic schemes and annual operation plans. Moreover, we insisted the hardworking and thrifty principle to strictly control the daily expenses. Accordingly, business entertainment fees and travel expenses etc. decreased by 10% on a year-on-year basis. Through scientific management measures, the Group effectively lowered the production and operation cost in order to cope with the unfavorable situation of price reduction in international bulk commodities in a practical manner.

In respect of innovative management, the Group continued to promote the marketing system reform and completed the adjustment on structure and operating mechanism of the Trading and Business Department. As a result, we preliminarily achieved a unified management on market, business, price, risk control and assessment, and injected new vitality to the copper processing segment via the reorganization of the Copper Processing Department. The Group studied the reform scheme of JCC International Trading Company Limited, a subsidiary of the Group, in a bid to promote the pilot project regarding the shareholding of the management in subsidiaries. By means of integration of internal scientific and research resources and strengths through the organization and establishment of JCC Technology Intuition (江銅技術研究院), we constructed a unified technical innovation and R&D platform. In 2014, the Group became the ever first as well as the only one enterprise with more than 1,000 patents in Jiangsu Province.

In respect of risk control, facing extreme market situation of the previous year, the Group paid great attention to the establishment of internal control system to enhance the overall risk management. Furthermore, we revised and optimized the Hedging Management Measures and the operating rules thereof and reinforced the risk control and business guidance on futures hedging by operating units. Moreover, we formulated supplemental provisions on receivables management measures and the customer credit management system to elevate financial risk prevention capacity.

In respect of safety and environmental protection, the Company looked into basic problems to strengthen safe production management and hidden danger checking. As such, the safe production remained at a stable level. Due to the enhancement of operation management on environmental protection facilities, the effluent treatment capacity of the Group promoted steadily, with the reuse rate of industrial water of more than 93% of the Company. In 2014, Dexing Copper Mine became the ever first national green mine which passed the examination, and Yinshan Mining became the national test unit for green mining.

Based on the audited consolidated financial statements for the year of 2014 prepared in accordance with the PRC GAAP, the consolidated revenue of the Group amounted to RMB198,833,486,017 (2013: RMB175,890,190,968), representing an increase of RMB22,943,295,049 or 13.04% from last year. Net profit attributable to owners of the Company amounted to RMB2,850,649,245 (2013: RMB3,565,009,194), representing a decrease of RMB714,359,949 or 20.04% from last year. Basic earnings per share was RMB0.82 (2013: RMB1.03), representing a decrease of RMB0.21 or 20.39% 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	**198,833,486,017**	175,890,190,968	13.04%
Operating cost	**192,224,685,633**	168,422,914,887	14.13%
Selling and distribution expenses	**547,006,816**	545,284,265	0.32%
Administrative expenses	**1,846,404,988**	1,703,154,348	8.41%
Finance costs	**–5,571,471**	157,329,002	–103.54%
Net Cash Flow from operating activities	**1,735,447,985**	5,232,520,379	–66.83%
Net Cash Flow from investment activities	**–2,999,813,269**	–3,479,150,233	–13.78%
Net Cash Flow from financing activities	**973,885,835**	1,317,477,700	–26.08%
Expenses on research and development	**2,326,130,110**	2,327,580,100	–0.06%

2. Income

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

During the reporting period, operating income of the Group was RMB198,833,490,000, representing an increase of RMB22,943.3 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 1.2 million tonnes, representing an increase of 71,800 tonnes or 6.36% compared to the corresponding period last year.

2. During the reporting period, the Company produced copper processing products of 860,000 tonnes, representing an increase of 28,800 tonnes or 3.46% compared to the corresponding period last year. Copper processing products of 858,100 tonnes were sold, representing an increase of 29,300 tonnes or 3.54% compared to the corresponding period last year.

3. During the reporting period, the Company produced gold of 26 tonnes, representing an increase of 0.6 tonne or 2.36% compared to the corresponding period last year. Gold of 26.36 tonnes was sold, representing a decrease of 0.07 tonne or 0.26% compared to the corresponding period last year.

4. During the reporting period, the Company produced silver of 567 tonnes, representing a decrease of 151.02 tonnes or 21.03% compared to the corresponding period last year. Silver of 566.1 tonnes was sold, representing a decrease of 153.53 tonnes or 21.33% compared to the corresponding period last year.

5. During the reporting period, the Company produced sulphuric acid of 3,010,000 tonnes, representing an increase of 29,400 tonnes or 0.99% compared to the corresponding period last year. Sulphuric acid of 2,979,800 tonnes was sold, representing a decrease of 50,400 tonnes or 1.66% compared to the corresponding period last year.

6. During the reporting period, the Company produced sulphuric concentrate of 2,520,000 tonnes, representing an increase of 406,400 tonnes or 19.23% compared to the corresponding period last year.

(3) Sales to major customers

During the reporting period, sales contributed by top five customers of the Group amounted to RMB26,511,059,432, accounting for 13.33% to the total operating revenue of the Company.

3. Costs

(1) Analysis on costs

Unit: Yuan Currency: RMB

By industry	Cost constituent	For the period	Share of total costs for the period (%)	For the same period last year	Share of total costs for the same period last year (%)	Changes of the amount for the period compared to the same period last year (%)
Manufacturing of non-ferrous metals	Raw materials	**53,361,988,015**	**27.91%**	65,106,869,809	38.75%	–18.04%
	Energy power	**2,114,200,134**	**1.11%**	2,079,763,885	1.24%	1.66%
	Labour	**990,551,178**	**0.52%**	1,022,473,166	0.61%	–3.12%
	Overheads	**4,139,322,171**	**2.16%**	3,482,818,609	2.07%	18.85%
	Sub-total	**60,606,061,498**	**31.70%**	71,691,925,469	42.67%	–15.46%
	Trading of non-ferrous metals and others	**130,606,102,666**	**68.30%**	96,311,092,494	57.33%	35.61%
	Total	**191,212,164,164**	**100.00%**	168,003,017,963	100.00%	13.81%

Unit: Yuan Currency: RMB

By product	Cost constituent	For the period	Share of total costs for the period (%)	For the same period last year	Share of total costs for the same period last year (%)	Changes of the amount for the period compared to the same period last year (%)
Copper products	Raw materials	**44,985,597,179**	**87.34%**	54,717,996,821	90.34%	–17.79%
	Energy power	**1,936,798,306**	**3.76%**	1,887,365,743	3.12%	2.62%
	Labour	**859,192,625**	**1.67%**	908,032,712	1.50%	–5.38%
	Overheads	**3,721,877,652**	**7.23%**	3,054,629,441	5.04%	21.84%
	Sub-total	**51,503,465,762**	**100.00%**	60,568,024,717	100.00%	–14.97%
By-products of precious metals	Raw materials	**7,860,927,843**	**99.22%**	9,789,214,589	99.38%	–19.70%
	Energy power	**4,602,471**	**0.06%**	7,181,722	0.07%	–35.91%
	Labour	**14,161,460**	**0.18%**	12,673,504	0.13%	11.74%
	Overheads	**43,119,748**	**0.54%**	41,314,181	0.42%	4.37%
	Sub-total	**7,922,811,522**	**100.00%**	9,850,383,996	100.00%	–19.57%
Chemical products	Raw materials	**427,674,333**	**41.88%**	461,526,519	44.54%	–7.33%
	Energy power	**164,801,152**	**16.14%**	170,185,120	16.42%	–3.16%
	Labour	**101,103,299**	**9.90%**	82,363,265	7.95%	22.75%
	Overheads	**327,684,693**	**32.09%**	322,094,919	31.09%	1.74%
	Sub-total	**1,021,263,477**	**100.00%**	1,036,169,823	100.00%	–1.44%
Rare metals	Raw materials	**87,788,660**	**55.38%**	138,131,880	58.20%	–36.45%
	Energy power	**7,998,205**	**5.05%**	15,031,299	6.33%	–46.79%
	Labour	**16,093,794**	**10.15%**	19,403,685	8.18%	–17.06%
	Overheads	**46,640,078**	**29.42%**	64,780,069	27.29%	–28.00%
	Sub-total	**158,520,737**	**100.00%**	237,346,933	100.00%	–33.21%
Trading and others		**130,606,102,666**		96,311,092,494		35.61%
	Total	**191,212,164,164**		168,003,017,963		13.81%

(2) *Major Suppliers*

During the reporting period, the aggregate procurement amount, excluding trading business, from our five largest suppliers was RMB8,134,381,657, representing 14.66% of the total procurement amount of the Company.

4. Expense

Unit: Yuan   Currency: RMB

Item	For the period ended	For the same period last year	Increase/ (decrease) over the same period last year *(%)*	Reasons for the changes
Selling and distribution expenses	**547,006,816**	545,284,265	0.32%	The sales volume of main products had no material changes compared to that of last year, with the sales and distribution expenses basically equal to that of last year.
Administrative expenses	**1,846,404,988**	1,703,154,348	8.41%	Mainly attributable to the increase in taxation and the repair expenses.
Finance costs	**–5,571,471**	157,329,002	–103.54%	During the production and operation process, the Company made full use of the interest difference in markets to raise the efficiency on capital utilization.

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	188,952
Expenses on research and development capitalised for the period	43,661
Total expenses on research and development	232,613
Percentage of total expenses on research and development over net asset *(%)*	4.95
Percentage of total expenses on research and development over Operating revenue *(%)*	1.17

(2) Explanation

During the reporting period, in order to enhance the sustainable development and self-creation capacities of the Company, the Group stipulated a series of research and development projects.

The research and development projects of the Group covered the whole industrial chain of "exploration, selection, smelting and processing" and contributed research and development resources into environmental protection and resources regeneration, including the industrial experimental study on recycling iron from the copper smelting slag, the study on measures and techniques of cutoff grade dynamic measurement of multi-metal copper ore deposit; the study on recovery process of liquid tellurium after replacement of platinum and palladium, the study on preparation technology of high-purity silver nitrate, study on recovery techniques of complicated tellurium-containing materials and other comprehensive recovery and deep processing projects of rare metals; the study and application of unleaded and halogen-free copper foil, study and development of high-accuracy solar-using photovoltaic copper strip and other research projects to promote the copper processing capacity and level.

The abovementioned research and development projects 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 the continuous implementation of research and development projects will underpin 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	**173,545**	523,252	–66.83%
Net cash flow from investing activities	**–299,981**	–347,915	–13.78%
Net cash flow from financing activities	**97,389**	131,748	–26.08%

(1) Reason for change in cash flow from operating activities: a decrease of RMB349,700,000 as compared to previous year; mainly due to the increase in operating receivable items and decrease in operating payable items.

(2) Reasons for change in cash flow from investing activities: an increase of RMB479,000,000 as compared to previous year, mainly due to the decrease in acquisition and construction of fixed assets expenses and decrease in the net expenses of wealth management products payment for the year.

(3) Reasons for change in cash flow from financing activities: a decrease of RMB344,000,000 as compared to previous year; mainly due to the increase in the cash repayments of borrowings.

7. Others

Explanation on development strategy and operating plan progress

In 2014, our major plans for production and operation of the Gorup were: copper cathodes of 1.12 million tonnes, gold of 25.4 tonnes, silver of 560 tonnes, sulphuric acid of 2.95 million tonnes, copper contained in copper concentrate of 209,000 tonnes and copper rods and wires and other copper processing products of 920,000 tonnes.

During the reporting period, except copper copper rods and wires as well as other copper processing products of 860,000 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	117,265,741,921	114,922,610,221	2.00%	10.10%	11.02%	–0.81%
Copper rods and wires	46,079,830,707	43,269,273,822	6.10%	11.25%	12.63%	–1.14%
Copper processing products	5,186,903,162	5,144,643,813	0.81%	4.92%	4.60%	0.31%
Gold	7,343,047,706	7,005,412,111	4.60%	–0.91%	2.00%	–2.72%
Silver	2,641,269,367	2,536,115,339	3.98%	–22.62%	–24.07%	1.83%
Chemical products	1,382,685,603	1,063,025,522	23.12%	3.06%	2.52%	0.40%
Rare metals and other non-ferrous metals	15,548,505,818	15,078,471,216	3.02%	72.97%	72.55%	0.24%
Others	2,293,691,093	2,192,612,120	4.41%	69.40%	87.47%	–9.22%

1) *Copper cathode*

During the reporting period, the operating revenue from copper cathodes increased by RMB10,759,450,000 or 10.10% compared with last year resulting from the increase in sales volume of copper cathodes, and operating costs of copper cathodes increased by RMB11,409,930,000 or 11.02% as compared with last year. Due to the decrease in product price, the gross profit of copper cathodes decreased by RMB650,480,000 or 21.73% as compared with last year. Gross profit margin decreased from 2.81% last year to 2% for the year.

2) *Copper rods and wires*

During the reporting period, operating revenue from copper rods and wires for the year increased by RMB4,660.93 million or 11.25% over last year and operating costs of copper rods and wires increased by RMB4,850.82 million or 12.63% as compared with last year, due to the increase in sales volume of copper rods and wires. Gross profit of copper rods and wires decreased by RMB189.89 million or 6.33% as compared with last year. Due to the price decrease, gross profit margin decreased from 7.24% last year to 6.1%.

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

During the reporting period, following the increase in sales of copper processing products, operating revenue of copper processing products other than copper rods and wires increased by RMB243.41 million or 4.92% for the year as compared with last year. Operating costs increased by RMB226.14 million or 4.6% as compared with last year. Gross profit increased by RMB17.27 million as compared with last year. The increase rate of operating costs is smaller than that of operating revenue, accordingly, gross profit margin for the year increased from 0.51% last year to 0.81% for the year.

4) *Gold*

During the reporting period, operating revenue of gold decreased by RMB67.42 million or 0.91% as compared with last year due to the decrease in selling price. Operating costs increased by RMB137.16 million or 2% as compared with last year. Gross profit of gold decreased by RMB204.58 million or 37.73% as compared with last year while gross profit margin decreased from 7.32% last year to 4.60% for the year due to the decrease in price of products.

5) *Silver*

During the reporting period, operating revenue of silver decreased by RMB772.13 million or 22.62% 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 RMB803.99 million or 24.07% compared to last year. While the decrease rate of operating costs is larger than that of operation revenue, accordingly, the gross profit of silver increased by RMB31.86 million or 43.47% compared to last year. The gross profit margin of silver decreased from 2.19% last year to 3.98% for the year.

6) *Chemical products*

During the reporting period, operating revenue from chemical products increased by RMB41.05 million or 3.06%, due to the increase in the selling price as compared with last year. Operating costs of chemical products for the year increased by RMB26.15 million or 2.52% as compared with last year. Gross profit of chemical products increased by RMB14.89 million or 4.89% as compared with last year while gross profit margin for the year increased from 22.72% last year to 23.12%.

7) Rare and other non-ferrous metals

During the reporting period, operating revenue from rare and other non-ferrous metals increased by RMB6,559.45 million or 72.97%, due to the increase in sales as compared with last year. Operating costs of rare and other non-ferrous metals increased by RMB6,339.88 million or 72.55%. Gross profit of rare and other non-ferrous metals increased by RMB219.57 million or 87.66% as compared with last year while gross profit margin for the year increased from 2.79% last year to 3.02% this year.

8) Other products

During the reporting period, the Group's operating revenue of other products increased by RMB939.69 million or 69.4% as compared with last year; operating costs increased by RMB1,023.05 million or 87.47% as compared with last year. Gross profit decreased by RMB83.36 million or 45.2% as compared with last year; and gross profit margin for the year decreased from 13.62% last year to 4.41%.

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	173,181,424,936	11.12%
Hong Kong	9,728,743,948	11.50%
Others	14,831,506,493	37.35%
Total	197,741,675,377	12.75%

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

1. Analysis on assets and liabilities

Unit: Yuan Currency: RMB

Item	As at the end of the period	Share of total assets (or liabilities) as at the end of the period *(%)*	As at the end of the previous period	Share of total assets (or liabilities) as at the end of the previous period *(%)*	Changes as at the end of the period over the end of the previous period *(%)*
Current Assets					
Cash and bank	**25,338,863,649**	**26.58%**	23,992,113,234	27.03%	5.61%
Financial assets at fair value through profit or loss	**399,043,432**	**0.42%**	87,378,117	0.10%	356.69%
Notes receivable	**6,939,014,175**	**7.28%**	5,966,761,594	6.72%	16.29%
Accounts receivable	**9,520,750,628**	**9.99%**	8,253,842,633	9.30%	15.35%
Factoring business receivables	**884,839,337**	**0.93%**	—		
Prepayments	**1,647,515,113**	**1.73%**	3,529,026,378	3.98%	–53.32%
Interest receivable	**261,666,696**	**0.27%**	248,049,865	0.28%	5.49%
Other receivables	**3,006,555,603**	**3.15%**	1,253,546,810	1.41%	139.84%
Inventories	**14,190,219,045**	**14.89%**	14,683,971,325	16.54%	–3.36%
Available-for-sale financial assets	**1,263,000,000**	**1.32%**	1,501,500,000	1.69%	–15.88%
Non-current assets due within one year	**1,000,000,000**	**1.05%**	—		
Other current assets	**2,240,637,098**	**2.35%**	1,239,092,965	1.40%	80.83%
Total Current Assets	**66,692,104,776**	**69.96%**	60,755,282,921	68.44%	9.77%

Item	As at the end of the period	Share of total assets (or liabilities) as at the end of the period (%)	As at the end of the previous period	Share of total assets (or liabilities) as at the end of the previous period (%)	Changes as at the end of the period over the end of the previous period (%)
Non-current Assets:					
Available-for-sale financial assets	**1,068,529,427**	**1.12%**	539,730,000	0.61%	97.97%
Long-term investments	**3,299,455,543**	**3.46%**	2,677,755,711	3.02%	23.22%
Investment properties	**357,873,604**	**0.38%**	174,840,826	0.20%	104.69%
Fixed assets	**18,511,580,485**	**19.42%**	18,266,288,059	20.58%	1.34%
Construction in progress	**1,992,241,548**	**2.09%**	1,736,373,038	1.96%	14.74%
Intangible assets	**1,763,800,213**	**1.85%**	1,357,135,222	1.53%	29.96%
Exploration costs	**771,889,871**	**0.81%**	665,245,409	0.75%	16.03%
Deferred tax assets	**690,058,974**	**0.72%**	483,853,438	0.55%	42.62%
Other non-current assets	**174,840,436**	**0.18%**	2,110,149,437	2.38%	–91.71%
Total Non-current Assets	**28,630,270,101**	**30.04%**	28,011,371,140	31.56%	2.21%
TOTAL ASSETS	**95,322,374,877**	**100.00%**	88,766,654,061	100.00%	7.39%
Short-term borrowings	**20,929,923,138**	**21.96%**	15,245,862,473	17.18%	37.28%
Financial liabilities at fair value through profit or loss	**2,690,662,841**	**2.82%**	3,496,617,724	3.94%	–23.05%
Notes payable	**599,614,882**	**0.63%**	545,560,000	0.61%	9.91%
Accounts payable	**10,348,876,786**	**10.86%**	10,745,431,245	12.11%	–3.69%
Receipts in advance	**1,619,622,447**	**1.70%**	1,763,818,646	1.99%	–8.18%
Employee benefit liability	**693,438,217**	**0.73%**	818,113,291	0.92%	–15.24%
Tax payable	**1,002,018,191**	**1.05%**	1,098,392,711	1.24%	–8.77%
Interest payable	**168,803,904**	**0.18%**	140,174,905	0.16%	20.42%
Divident payable	**10,800,000**	**0.01%**	—		
Other payables	**1,327,632,468**	**1.39%**	1,123,243,818	1.27%	18.20%
Non-current liabilities due within one year	**37,732,896**	**0.04%**	539,633,955	0.61%	–93.01%
Othe non-current liabilities	**1,051,170,677**	**1.10%**	781,956,498	0.88%	34.43%
Total Current Liabilities	**40,480,296,447**	**42.47%**	36,298,805,266	40.89%	11.52%

Item	**As at the end of the period**	**Share of total assets (or liabilities) as at the end of the period** *(%)*	**As at the end of the previous period**	**Share of total assets (or liabilities) as at the end of the previous period** *(%)*	**Changes as at the end of the period over the end of the previous period** *(%)*
Non-current Liabilities:					
Long-term borrowings	**680,454,179**	**0.71%**	90,061,994	0.10%	655.54%
Employee benefit liability	**187,480,264**	**0.20%**	151,889,120	0.17%	23.43%
Bonds payable	**6,246,297,174**	**6.55%**	5,955,393,258	6.71%	4.88%
Long-term payables	**12,490,926**	**0.01%**	13,192,296	0.01%	–5.32%
Provision	**122,465,354**	**0.13%**	148,622,873	0.17%	–17.60%
Deferred tax liabilities	**93,646,453**	**0.10%**	96,752,142	0.11%	–3.21%
Deferred income	**472,977,494**	**0.50%**	372,260,199	0.42%	27.06%
Total Non-current Liabilities	**7,815,811,844**	**8.20%**	6,828,171,882	7.69%	14.46%
TOTAL LIABILITIES	**48,296,108,291**	**50.67%**	43,126,977,148	48.58%	11.99%
SHAREHOLDERS' EQUITY:					
Share capital	**3,462,729,405**	**3.63%**	3,462,729,405	3.90%	0.00%
Capital reserve	**11,685,894,665**	**12.26%**	11,685,894,665	13.16%	0.00%
Other comprehensive revenue	**–297,731,000**	**–0.31%**	–342,235,854	–0.39%	–13.00%
Special reserve	**275,472,747**	**0.29%**	228,172,056	0.26%	20.73%
Surplus reserve	**14,103,925,798**	**14.80%**	13,715,000,748	15.45%	2.84%
Retained earnings	**16,503,584,546**	**17.31%**	15,773,225,054	17.77%	4.63%
Total equity attributable to owners of the Company	**45,733,876,161**	**47.98%**	44,522,786,074	50.16%	2.72%
Non-controlling interests	**1,292,390,425**	**1.36%**	1,116,890,839	1.26%	15.71%
TOTAL SHAREHOLDERS' EQUITY	**47,026,266,586**	**49.33%**	45,639,676,913	51.42%	3.04%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**95,322,374,877**	**100.00%**	88,766,654,061	100.00%	7.39%

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 RMB399.04 million, representing an increase of RMB311.67 million or 356.69% from the end of last year, which was mainly attributable to the increase in changes in fair value of commodity futures and increase in hedging financial assets of the Group as at the end of the year as compared to those of last year.

Trade receivables: As at the end of the reporting period, the balance of trade receivables of the Group amounted to RMB884.84 million, representing an increase of RMB884.84 million from the end of last year, mainly due to the increase in the items of trade receivables.

Prepayments: As at the end of the reporting period, the balance of prepayments of the Group amounted to RMB1,647.51 million, representing a decrease of RMB1,881.51 million or -53.12% from the end of last year, mainly attributable to that the market supply was sufficient and the open credit decreased.

Other receivables: As at the end of the reporting period, the balance of other receivables of the Group amounted to RMB3,006.55 million, representing an increase of RMB1,753 million or 139.84% from the end of last year, mainly attributable to the increase in the open credit and future deposits.

Non-current assets due within one year: As at the end of the reporting period, the balance of the Group's non-current assets due within one year held-for-trading financial liabilities was RMB1,000 million, representing an increase of RMB1,000 million from the end of last year, mainly due to that some of the wealth management plans of the Group would be due within one year.

Other current assets: As at the end of the reporting period, the balance of other current assets of the Group amounted to RMB2,240.64 million, representing an increase of RMB1,001.54 or 80.83% from the end of last year, mainly attributable to the increase in the balances of loans by the JCC Financial Co., Ltd. to the related parties.

Investment properties: As at the end of the reporting period, the balance of investment properties of the Group amounted to RMB357.87 million, representing an increase of RMB183.03 million or 104.69% from the end of last year, mainly attributable to that a subsidiary of the Group rented its office buildings, fixed assets be transferred into investment properties.

Deferred income tax assets: As at the end of the reporting period, the balance of deferred income tax assets of the Group amounted to RMB690.06 million, representing an increase of RMB206.21 million or 42.62%, mainly attributable to the relatively large increase in provision for assets impairment as compared to that of last period. The main reason was the relatively more provision for bad debts of accounts receivable in the single item on account of the returnability during the period, which lead to the significant increase in balances of provisions for bad debts of accounts receivables. In addition, due to the continuous downward trend of copper price in the period, the balances of allowance for inventories provided as compared to that at the beginning of the period.

Other non-current assets: As at the end of the reporting period, the balance of other non-current assets of the Group amounted to RMB174.84 million, representing a decrease of RMB1,935.31 million or -91.71% from the end of last year, mainly attributable to the non-current assets due within one year transferred from certain assets management projects and the return of certain assets projects due to acceleration of maturity.

Short-term borrowings: As at the end of the reporting period, the balance of short-term borrowings: of the Group amounted to RMB20,929.92 million, representing an increase of RMB5,684.06 million or 37.28%, mainly attributable to the increase in discount and negotiated payment of bills and letter of credit.

Dividend payable: As at the end of the reporting period, the Group's balance of dividend payable was RMB10.80 million, representing an increase of RMB10.80 million from the end of last year, mainly due to that the subsidiary of the Group should pay the dividend for the minority shareholders resulting in the increase of the corresponding balances of notes payable.

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 RMB37.73 million, representing a decrease of RMB501.90 million or -93.01% from the end of last year, mainly attributable to the expiry of long-term borrowings within one year during the period and the absence of other additions.

Other current liabilities: As at the end of the reporting period, the balance of other current liabilities of the Group amounted to RMB1,051.17 million, representing an increase of RMB269.21 million or 34.43% from the end of last year, mainly attributable to the increase in current deposits and fixed deposits due within one year deposited by the related party companies with the JCC Financial Co., Ltd., a subsidiary of the Group.

Long-term borrowings: As at the end of the reporting period, the balance of long-term borrowings was RMB680.45 million, representing an increase of RMB590.39 million or 655.54% from the end of last year, mainly due to the new additional long-term borrowings in the parent company in the period.

(IV) Analysis of core competitiveness

During the reporting period, there was no material change in the core competitiveness of the Company.

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 sulphur 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, dedicated to seeking and controlling more resources and rasing the production volume of self-owned mines. As at the end of 2014 the Group maintained its major resources as follows:

   The Company had 100% ownership in the proven resource reserve of approximately 10,360,000 tonnes of copper metal, 331 tonnes of gold, 9,352 tonnes of silver, 237,000 tonnes of molybdenum, 100,680,000 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 4,790,000 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 2014, the existing production capacity of copper cathode exceeded 1,200,000 tonnes, of which, Guixi Smelter is the copper smelter with the largest monomer smelting scale in the whole world.

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 enterprises.

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's consolidated strength and profitability have enabled it to be positioned in a leading position in the non-ferrous metal industry for consecutive years. The Company could gain recognition, trust, support and aid from various sectors of the society, with relatively strong capability to resist risks.

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

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

At present, the world economy lacks in growth impetus. Except for the strong recovery of US economy, the economic situations of European Union, Japan and majority of developed countries have not got rid of recession yet. In addition, the growth of new economies generally slows down and the global economy is difficult to bottom out in the short run. However, along with the optimization and transformation of economic structure of the PRC, the growth rate of the domestic economy intends to maintain at the potential level, the rise in inflation remains moderate, the new additional employment keep stable under the "new normal". The GDP growth of the PRC in 2014 was 7.4% which was the lowest in 24 years. The economic growth target of the PRC in 2015 has been lowered to approximately 7.0%.

As for the industry, emerging economies, especially urbanization and industrialization of the PRC, have been pushed forward rapid growth of copper consumption globally in the past ten years. Excess liquidity brought about by the quantitative easing around the world, market expectation of inflation, mining and smelting of copper mines and increase in labor costs, copper price vibrated and tended to move upwards. Copper price continued to remain at high level, leading to new construction and expansion of copper mines in the world since 2006 and oversupply of copper concentrates in the world since 2013. With the release of new production capacity in the coming years, the oversupply of copper concentrates will further be intensified. The prospect of non-ferrous metal industry is far from optimism. It is expected that the continuous downturn in the industry in the future will accelerate to promote the merger and reorganization among enterprises, and the "going out" of the domestic enterprises with advantages will further expedite.

As for copper price, the copper price kept vibrating in a wide range in 2014. The copper price of the Shanghai Metal Exchange rebounded from RMB43,000 per tonne to RMB51,000 per tonne of the highest point in the year, and it dropped to RMB44,000 per tonne with continuous fluctuations in the second half of the year. As at the end of December, the price of copper future of the London Metal Exchange decreased by 14.78%, and the decrease in the price of copper future of the Shanghai Metal Exchange was 13.38%. In the first quarter of 2015, under the background of the end of QE of US, sluggish China's economy, expectation of oversupply of copper concentrates and strong US dollar, crude oil price continued to decline sharply and the speculation of selling short in bulk commodity increased, leading to copper price of the Shanghai Metal Exchange below RMB40,000 per tonne in January 2015. As the Federal Reserve stepped into the interest-rate rise cycle, the copper price will continue to be depressed by the appreciation of US dollar.

As for supply and demand relations, in respect of the supply end, the capacity of blister copper and refined copper increased by 750,000 tonne per year and 800,000 per year to 5.60 million tonne per year and 9.76 million tonne per year respectively in 2014, and will increase to 6.25 million tonne per year and 10.56 million tonne per year with slower growth rate significantly. In respect of the consumption end, as the largest consumption market, with the national directional easing policies, reduction in interest rate a series of policies to stabilize growth, micro-stimulate and ease the economy including directional investments, manufacturing industry in China has stabilized. Copper price is expected to keep vibrating and tend to rebound in the future, together with economic reform of India and more efforts in infrastructure construction, suggesting copper price in 2015 will still increase generally.

Influenced by the sufficient supply of copper mines, the smelting and processing cost of copper increased to some extent in 2014, with the recovery of operation in smelting enterprises. However, affected by the macro economy, slack demand, structural surplus and intensifying competition will become the "new normal" in the development of the non-ferrous metal industry. Accordingly, the future development course of the Company will be adventurous.

(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", targeting at strategic objectives and being guided by the global and international standard for resources and operation, the Company will continue to carry out a comprehensive reform, remove the "roadblocks" to development, increase operation and management level and strengthen inventory assets in terms of internal measures. For external measures, it will reinforce investment development mainly by M&A and partly by new establishments, continue to expand its scale, adjust its structure, optimize its layout and enrich its assets. Through the said internal and external measures, the Company will make breakthroughs in development and turn a new page for the Company's development.

(III) Business plan

In 2015, the plan for major production and operation of the Group is: to produce 1,220,000 tonnes of copper cathode; 25.4 tonnes of gold; 560 tonnes of silver; 2,900,000 tonnes of sulphuric acid; 209,500 tonnes of copper contained in copper concentrate; and 1,020,000 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 2015, the Group will primarily exert efforts in the following aspects:

1. Forging ahead with the construction of key projects: The Company will continue the 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 and conduct further prospecting operations in Yongping Copper Mine.

2. Engaging in mergers, acquisitions and restructuring and expediting globalization: placing strong emphasis on the globalization of its capital, market and personnel, the Company will keep looking for ways to merge and acquire domestic and overseas resources, seize precious opportunities and speed up the mergers and acquisitions of multinational corporations in the mining industry. Further, the Company will continue to strengthen its cooperation with domestic and overseas financial institutions and mining companies and actively unveil potential opportunities of new projects.

3. Further implementing benchmarking and enhancing production efficiency: by further implementing benchmarking, the Company will unearth the potential from within, rigorously control the quality of the products, exert efforts to optimize product structure and improve production efficiency in all areas in a bid to ensure stable and even increasing production volume.

4. Stimulating innovations in the business and improving the profitability: the Company will strengthen its budget management in all aspects and further minimize the costs. The Company will also formulate innovations, enhance market management, take the initiative to move in line with the changes in the market and adopt various effective measures, bringing about a higher level of efficiency to every single area of the Company.

5. Deepening reforms and stimulating development: the management model of the Group will be improved and the functions and powers of the management will be optimized. The Company will, by delegating powers, strengthen the management in all areas and take it to the next level; by taking a market-oriented approach, the Company will optimize the performance of all departments within it and the management system of all personnel in that regard. This move is aimed at improving the assessment of results and enhancing the performance management capability of the Company.

6. Implementing innovative business strategies and allocating more resources to research and development (R&D): through finding solutions to problems associated the production and improving product quality as the focus, the Company aims to enhance its efficiency. The Company will strive to engage in various research projects, including recovering smelting residue of copper from the Dexing Copper Mine, improving the quality of sulphur concentrates from Chengmenshan Copper Mine, optimizing the design of arsenic filters, adopting vacuum induction melting processes for lead-bismuth materials with high levels of silver and development and application of double-sided flexible electrodeposited copper foil.

7. Enhancing safety and environmental protection, energy conservation and emission reduction: the Company will strive to fulfill its social responsibilities through stepping up the input in safety and environmental protection. By adopting and meeting the production safety standards, optimizing the management and operations of new green facilities, targeting the key areas that require attention in terms of safety and environmental protection, monitoring key facilities and addressing the problems in this regard, the Company will eradicate the issues at the root and from every single area. To endeavour the efforts, the Company will keep facilitating the examination of key projects in terms of their safety and environmental protection standards. The Company will strive for green development, enhance inspection and ensure that the emission level does not exceed the standards.

(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 revivify 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) Potential risks

1. The risk of downward prices of copper

   In 2015, the Group planned to produce 210,000 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 has been pursuing a positive and prudent hedging policy for years. With an aim to delivering the operating target, the Company provided hedging for the self-produced raw materials according to the prices range, and outsourced raw materials with an aim to locking the processing fee, so as to shelter from the risk generated from fluctuations in the copper prices.

2. Risk from economic transformation

   In 2015, the Chinese economy is still under structural adjustment and economic benefit of traditional manufacturing industry is further differentiated, resulting apparent differences of solvency of downstream enterprises and further increase in credit risks of enterprises.

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, during the reporting period, 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, 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 11 June 2014 ("2013 AGM") as required under code provision E.1.2 of the Code. Instead, Mr. Long Ziping, the Vice Chairman of the Company, was delegated by the Chairman and was elected at the 2013 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 2013 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 2013 AGM and were made available to answer questions raised at the 2013 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 2014 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 2014 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 20 June 2015, 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 20 June 2015. The Company will not accept any requests relating to any delay in confirming the identity of the Shareholders or any uncertainties in the identity of the Shareholders.

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

Closure of Register of Members

In order to determine the identity of the Shareholders entitled to attend and vote at the AGM, the register of members of the Company will be closed from Saturday, 9 May 2015 to Tuesday, 9 June 2015 (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 4:30 p.m. on Friday, 8 May 2015.

In order to determine the identity of the Shareholders entitled to receive the final dividend of the Company for the year ended 31 December 2014, the register of members of the Company will be closed from Monday, 15 June 2015 to Saturday, 20 June 2015 (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 4:30 p.m. on Friday, 12 June 2015.

8. THE IMPACT ON THE CONSOLIDATED FINANCIAL STATEMENTS FROM APPLICATION OF NEW ACCOUNTING POLICIES

In 2014, the Ministry of Finance amended and newly issued eight accounting standards, three of which were newly added, including Accounting Standards for Business Enterprises No.39 — Measurement of Fair Value, Accounting Standards for Business Enterprises No.40 — Joint Venture Arrangement, and Accounting Standards for Business Enterprises No.41 — Disclosure of Interests in Other Entities; five of which were amended, including Accounting Standards for Business Enterprises No.2 — Long-term Equity Investment, Accounting Standards for Business Enterprises No.9 — Remuneration of Employees, Accounting Standards for Business Enterprises No.30 — Presentation of Financial Statements, Accounting Standards for Business Enterprises No.33 — Consolidated Financial Statements and Accounting Standards for Business Enterprises No.37 — Presentation of Financial Instruments.

As a company whose A shares and H shares were listed, in preparing the financial statements for the year 2013, the Company applied Accounting Standards for Business Enterprises No.39 — Measurement of Fair Value, Accounting Standards for Business Enterprises No.40 — Joint Venture Arrangement, Accounting Standards for Business Enterprises No.2 — Long-term Equity Investment (Revised), Accounting Standards for Business Enterprises No.9 — Remuneration of Employees (Revised), Accounting Standards for Business Enterprises No.30 — Presentation of Financial Statements (Revised) and Accounting Standards for Business Enterprises No.33 — Consolidated Financial Statements (Revised). The application of the above standards has no impact on financial statements of the Company. The financial statements of the Company have been presented and disclosed according to the above standards.

Pursuant to the revised Accounting Standards for Business Enterprises No.37 — Presentation of Financial Instruments, provisions in relation to offsetting and the disclosure requirements thereof as well as the disclosure requirements in relation to financial asset transfer, were newly added, the disclosure requirements in relation to maturity analysis of financial assets and financial liabilities were amended. The Company's annual report for the year 2014 was presented according to the standard and disclosure of the notes to comparable financial statements was adjusted.

The new Accounting Standards for Business Enterprises No.41 — Disclosure of Interests in Other Entities is applicable to disclosure relevant to an enterprise's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The application of Accounting Standards for Business Enterprises No.41 — Disclosure of Interests in Other Entities will result a wider disclosure made in notes to financial statements of the Company. The Company's annual report for the year 2014 was presented according to the standard and disclosure of the notes to comparable financial statements was adjusted.

Save as the above, the Company has no material changes in accounting policies and accounting estimates.

8.1 Impact from other changes in the standards (prepared in accordance with PRC CAAP)

31 December 2014	Before application	Application of accounting standards	After application
Capital reserve	11,722,843,789	-36,949,124	11,685,894,665
Other comprehensive income	-334,680,124	36,949,124	-297,731,000
Other non-current liabilities	472,977,494	-472,977,494	-
Deferred income	—	472,977,494	472,977,494

31 December 2013	Before application	Application of accounting standards	After application
Capital reserve	11,683,873,118	2,021,547	11,685,894,665
Other comprehensive income	-340,214,307	-2,021,547	-342,235,854
Other non-current liabilities	372,260,199	-372,260,199	—

9. DESCRIPTION ON OTHER MATERIAL MATTERS

Affected by the substantial decrease in the copper price of LME and SHFE in January and February 2015, if the prevailing price in copper price remains the same or continues to drop in the remaining period for the first quarter in 2015, the Company estimated that the accumulated net profits for the first quarter in 2015 (January to March) will record a decrease of over 50% as compared with the corresponding period of last year.

10. FINANCIAL REPORT

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2014

(PREPARED IN ACCORDANCE WITH IFRS)

	NOTES	**2014** ***RMB'000***	2013 *RMB'000*
Revenue	3	**198,264,175**	175,291,753
Cost of sales		**(192,542,742)**	(168,758,963)
Gross profit		**5,721,433**	6,532,790
Other income	4	**1,085,688**	839,536
Other gains and losses	5	**482,026**	499,505
Selling and distribution expenses		**(547,007)**	(545,284)
Administrative expenses		**(1,876,310)**	(1,760,855)
Finance costs	6	**(977,405)**	(843,343)
Share of results of joint ventures		**(22,248)**	3,761
Share of results of associates		**46,195**	5,524
Profit before taxation		**3,912,372**	4,731,634
Taxation	7	**(1,013,108)**	(1,100,305)
Profit for the year	8	**2,899,264**	3,631,329

	NOTE	2014 RMB'000	2013 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		**111,190**	118,251
Reclassification adjustments relating to transfer of cash flow hedges		**(66,826)**	(121,070)
Fair value change on available-for-sale investments		**81**	—
Share of exchange differences of associates		**8,743**	(72,205)
Share of exchange differences of joint ventures		**(9,833)**	—
Exchange differences arising on translation		**6,732**	(10,993)
Income tax relating to components of other comprehensive income		**(5,473)**	393
Other comprehensive income (expense) for the year (net of tax)		**44,614**	(85,624)
Total comprehensive income for the year		**2,943,878**	3,545,705
Profit for the year attributable to:			
Owners of the Company		**2,899,091**	3,555,692
Non-controlling interests		**173**	75,637
		2,899,264	3,631,329
Total comprehensive income attributable to:			
Owners of the Company		**2,943,600**	3,472,244
Non-controlling interests		**278**	73,461
		2,943,878	3,545,705
Earnings per share			
Basic and diluted	10	**RMB0.84**	RMB1.03

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2014

(PREPARED IN ACCORDANCE WITH IFRS)

	NOTES	**2014** **RMB'000**	2013 *RMB'000*
Non-current assets			
Property, plant and equipment		**20,503,823**	20,002,661
Investment properties		**357,874**	174,841
Prepaid lease payments		**924,763**	489,516
Intangible assets		**830,475**	864,398
Exploration and evaluation assets		**771,890**	665,245
Interests in associates		**2,927,302**	2,652,398
Interests in joint ventures		**372,153**	25,358
Other investments		**100,000**	1,880,000
Available-for-sale investments		**1,068,529**	539,730
Deferred tax assets		**683,956**	476,599
Deposits for prepaid lease payments		**—**	116,600
Deposits for property, plant and equipment		**65,031**	105,611
		28,605,796	27,992,957
Current assets			
Inventories		**14,190,219**	14,683,971
Trade and bills receivables	11	**17,344,604**	14,220,603
Prepayments, deposits and other receivables		**6,137,786**	6,269,716
Other investments		**1,140,000**	—
Loans to fellow subsidiaries		**878,585**	—
Prepaid lease payments		**18,371**	11,159
Available-for-sale investments		**1,263,000**	1,501,500
Held-for-trading financial assets		**48,159**	48,880
Derivative financial instruments	12	**350,885**	38,498
Restricted bank deposits		**5,944,645**	4,325,952
Bank balances and cash		**19,394,219**	19,666,162
		66,710,473	60,766,441

	NOTES	2014 RMB'000	2013 RMB'000
Current liabilities			
Trade and bills payables	13	**10,948,492**	11,290,992
Other payables and accruals		**4,192,693**	4,231,388
Deposits from holding company and fellow subsidiaries		**879,792**	607,530
Deferred revenue - government grants		**35,723**	37,624
Derivative financial instruments	12	**273,946**	694,352
Held-for-trading financial liabilities		**2,416,717**	2,802,265
Tax payable		**803,008**	888,792
Bank borrowings		**20,929,923**	15,745,862
		40,480,294	36,298,805
Net current assets		**26,230,179**	24,467,636
Total assets less current liabilities		**54,835,975**	52,460,593
Non-current liabilities			
Bonds payable		**6,246,297**	5,955,393
Bank borrowings		**680,454**	90,062
Provision for rehabilitation		**122,465**	148,623
Employee benefit liability		**187,480**	151,889
Deferred revenue — government grants		**472,978**	372,260
Other long term payables		**12,491**	13,192
Deferred tax liabilities		**93,646**	96,752
		7,815,811	6,828,171
		47,020,164	45,632,422
Capital and reserves			
Share capital		**3,462,729**	3,462,729
Reserves		**42,265,221**	41,052,986
Equity attributable to owners of the Company		**45,727,950**	44,515,715
Non-controlling interests		**1,292,214**	1,116,707
		47,020,164	45,632,422

1. GENERAL

The Company was registered in the People's Republic of China (the "PRC") as a joint stock limited company. The registration number of the Company's business licence is Qi He Gan Zhong Zi 003556. The Company was established on 24 January 1997 by Jiangxi Copper Corporation ("JCC"), Hong Kong International Copper Industry (China) Investment Limited, Shenzhen Baoheng (Group) Company Limited, Jiangxi Xinxin Company Limited and Hubei Sanxin Gold & Copper Company Limited, and approved by Jiangxi Province's Administrative Bureau for Industry and Commerce. The Company's H shares and A shares were listed on The Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange, respectively. The head office of the Company is located at No. 7666, Changdong Road, Nanchang City, Jiangxi Province, the PRC. The Company's holding company is JCC, and the ultimate controlling party is the State-owned Assets Supervision and 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 ("IASs"), 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 IFRS 10 IFRS 12 and IAS 27	Investment entities
Amendments to IAS 32	Offsetting financial assets and financial liabilities
Amendments to IAS 36	Recoverable amount disclosures for non-financial assets
Amendments to IAS 39	Novation of derivatives and continuation of hedge accounting
IFRIC — INT 21	Levies

The application of the new and revised IFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or the disclosures set out in these consolidated financial statements.

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

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

IFRS 9	Financial instruments[1]
IFRS 14	Regulatory deferral accounts[2]
IFRS 15	Revenue from contracts with customers[3]
Amendments to IFRS 11	Accounting for acquisitions of interests in joint operations[5]
Amendments to IAS 1	Disclosure initiative[5]
Amendments to IAS 16 and IAS 38	Clarification of acceptable methods of depreciation and amortisation[5]
Amendments to IAS 16 and IAS 41	Agriculture: Bearer plants[5]
Amendments to IAS 19	Defined benefit plans: Employee contributions[4]
Amendments to IAS 27	Equity method in separate financial statements[5]
Amendments to IFRS 10 and IAS 28	Sale and contribution of assets between an investor and its associate or joint venture[5]
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment entities: Applying the consolidated exception[5]
Amendments to IFRSs	Annual improvements to IFRSs 2010 - 2012 cycle[6]
Amendments to IFRSs	Annual improvements to IFRSs 2011 - 2013 cycle[4]
Amendments to IFRSs	Annual improvements to IFRSs 2012 - 2014 cycle[5]

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

[1] Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

[2] Effective for first annual IFRS financial statements beginning on or after 1 January 2016, with earlier application permitted.

[3] Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.

[4] Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.

[5] Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

[6] Effective for annual periods beginning on or after 1 July 2014, with limited exceptions. Earlier application is permitted.

IFRS 9 "Financial instruments"

IFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income" ("FVTOCI") measurement category for certain simple debt instruments.

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

IFRS 9 "Financial instruments" (continued)

Key requirements of IFRS 9 are described below:

- 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. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

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

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

IFRS 9 "Financial instruments" (continued)

- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

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

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

IFRS 15 "Revenue from contracts with customers"

In July 2014, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 "Revenue", IAS 11 "Construction contracts" and the related interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

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

IFRS 15 "Revenue from contracts with customers" (continued)

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

The directors of the Company anticipate that the application of IFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 15 until the Group performs a detailed review.

The directors of the Company anticipate that the application of the 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 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:

	2014	2013
	RMB'000	*RMB'000*
Sales of goods		
— copper cathodes	**117,265,741**	106,506,289
— copper rods	**46,079,831**	41,418,904
— copper processing products	**5,186,903**	4,943,495
— gold	**7,343,048**	7,410,471
— silver	**2,641,269**	3,413,396
— sulphuric and sulphuric concentrate	**1,382,686**	1,341,640
— rare and other non-ferrous metals	**15,548,506**	8,989,055
— others	**3,385,502**	1,866,941
Revenue analysis prepared in accordance with ASBE	**198,833,486**	175,890,191
Less: sales related taxes	**(569,311)**	(598,438)
Revenue analysis prepared in accordance with IFRSs	**198,264,175**	175,291,753

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:

	2014	2013
	RMB'000	*RMB'000*
Mainland China	**174,273,236**	156,366,939
Hong Kong	**9,728,744**	8,725,268
Others	**14,831,506**	10,797,984
Revenue analysis prepared in accordance with ASBE	**198,833,486**	175,890,191
Less: sales related taxes	**(569,311)**	(598,438)
Revenue analysis prepared in accordance with IFRSs	**198,264,175**	175,291,753

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, Turkey, Peru and Japan of which carrying amounts are not material.

Information about major customers

During the year ended 31 December 2014, there is no revenue from customers contributing over 10% of the total revenue of the Group (2013: nil). The revenue from the largest customer amounted to approximately RMB9,194,422,000 (2013: RMB8,815,483,000), representing 4.62% (2013: 5.01%) of the total revenue of the Group.

4. OTHER INCOME

	2014	2013
	RMB'000	*RMB'000*
Interest income	**940,799**	663,585
Dividend income on available-for-sale investments	**20,490**	20,410
Government grants recognised *(note)*	**38,035**	37,141
Income from value-added tax refund	**57,514**	58,669
Central financial incentive fund	**13,500**	—
Subsidy income of imported copper concentrate	**—**	30,000
Others	**15,350**	29,731
	1,085,688	839,536

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

	2014	2013
	RMB'000	*RMB'000*
Fair value change on derivative financial instruments		
Transactions not qualifying for hedging accounting		
— Fair value change on commodity derivative contracts	**1,236,705**	(314,629)
— Fair value change on foreign currency forward contracts and interest rate swaps	**7,220**	(19,747)
Transactions qualifying as fair value hedges		
— Inventory hedged	**3,394**	(25,595)
— Fair value change on hedging instruments	**(2,196)**	20,794
Ineffective portion of cash flow hedges	**(634)**	(58)
Fair value change on held-for-trading financial assets	**(707)**	(629)
Fair value change on held-for-trading financial liabilities	**(71,995)**	508,869
Income from available-for-sale investments	**183,033**	195,671
Income from other investments	**123,470**	128,800
Loss on disposal of property, plant and equipment	**(39,649)**	(53,849)
Impairment loss on property, plant and equipment	**(30,088)**	—
Impairment loss on trade and other receivables	**(981,988)**	(3,621)
Impairment loss on available-for-sale investments	**(1,631)**	—
Impairment loss on loans to fellow subsidiaries	**(4,415)**	—
Donations	**(1,203)**	(8,707)
Exchange gains	**72,082**	80,131
Others	**(9,372)**	(7,925)
	482,026	499,505

6. FINANCE COSTS

	2014	2013
	RMB'000	*RMB'000*
Interest on:		
Bank borrowings		
— wholly repayable within five years	**542,612**	407,711
— not wholly repayable within five years	**—**	548
Interest on bonds payable	**358,904**	342,369
Interests on discounted notes	**75,889**	92,715
	977,405	843,343

7. TAXATION

	2014	2013
	RMB'000	*RMB'000*
The charge comprises:		
Current taxation		
— PRC Enterprise Income Tax	**1,220,349**	1,212,116
— Hong Kong Profits Tax	**10,625**	10,578
	1,230,974	1,222,694
(Over) underprovision in prior years		
— PRC Enterprise Income Tax	**(1,854)**	8,983
— Hong Kong Profits Tax	**(76)**	638
	(1,930)	9,621
Deferred taxation		
Current year	**(215,936)**	16,227
Attributable to a change in tax rate	**—**	(148,237)
	(215,936)	(132,010)
	1,013,108	1,100,305

7. TAXATION *(CONTINUED)*

Hong Kong Profits Tax of the Group's subsidiaries in Hong Kong has been provided at the rate of 16.5% (2013: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

The provision for PRC Enterprise Income Tax is based on a statutory rate of 25% (2013: 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 a high technology company may be entitled to a lower PRC Enterprise Income Tax rate of 15%, which is 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 2013 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 was increased from 15% to 25%.

Taxation in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

8. PROFIT FOR THE YEAR

	2014	2013
	RMB'000	*RMB'000*
Profit for the year has been arrived at after charging:		
Employee benefit expense (including directors', chief executive's and supervisors' remuneration)		
— Wages and salaries	**1,576,995**	1,723,941
— Performance related bonus	**35,819**	78,341
— Pension scheme contributions	**110,719**	284,415
— Other staff costs, allowances and welfare	**348,039**	451,082
	2,071,572	2,537,779
Auditor's remuneration	**10,652**	9,100
Cost of inventories recognised as an expense	**192,542,742**	168,758,963
Depreciation of property, plant and equipment	**1,462,052**	1,395,880
Depreciation of investment properties	**4,077**	4,077
Amortisation of prepaid lease payments	**18,731**	11,159
Amortisation of intangible assets	**41,017**	33,629
Allowance for inventories, included in cost of sales	**371,233**	294,520
Minimum lease payments under operating lease of land use rights	**163,562**	166,550

9. DIVIDENDS

	2014	2013
	RMB'000	*RMB'000*
Dividends recognised as distribution during the year:		
Final dividend of RMB0.5 for 2013 (2013: final dividend of RMB0.5 for 2012) per share	**1,731,365**	1,731,365

9. DIVIDENDS *(CONTINUED)*

Subsequent to the end of the reporting period, a final dividend of RMB0.2 in respect of the year ended 31 December 2014 (2013: final dividend of RMB0.5 in respect of the year ended 31 December 2013) 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 RMB692,546,000 (2013: 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 RMB2,899,091,000 (2013: RMB3,555,692,000) and on the number of 3,462,729,405 (2013: 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 2014 and 2013 and during both years.

11. TRADE AND BILLS RECEIVABLES

	2014 ***RMB'000***	2013 *RMB'000*
Trade receivables	**10,357,283**	8,403,660
Bills receivables	**6,939,014**	5,966,761
Factoring receivables	**884,839**	—
	18,181,136	14,370,421
Less: Allowance for doubtful debts	**(836,532)**	(149,818)
	17,344,604	14,220,603

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:

	2014	2013
	RMB'000	*RMB'000*
Within 1 year	**15,619,516**	14,204,111
1 - 2 years	**1,723,837**	13,427
2 - 3 years	**1,251**	3,065
	17,344,604	14,220,603

12. DERIVATIVE FINANCIAL INSTRUMENTS

	2014		2013	
	Fair value		Fair value	
	Assets	**Liabilities**	Assets	Liabilities
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
Net settlement:				
Commodity derivative contracts	**278,660**	**(170,557)**	37,795	(499,475)
Provisional price arrangement	**70,623**	**—**	—	(85,167)
Foreign currency forward contracts and interest rate swaps	**1,602**	**(103,389)**	703	(109,710)
	350,885	**(273,946)**	38,498	(694,352)

	2014	2013
	RMB'000	*RMB'000*
Derivatives qualifying for hedge accounting:		
Cash flow hedges		
— Commodity derivative contracts	**42,753**	(2,305)
Fair value hedges		
— Commodity derivative contracts	**—**	151
— Provisional price arrangement	**59,015**	(84,535)
	101,768	(86,689)
Derivatives not qualifying for hedge accounting:		
— Commodity derivative contracts	**1,727**	407
— Provisional price arrangement	**11,608**	(632)
	13,335	(225)
Derivatives not under hedge accounting		
— Commodity derivative contracts	**63,623**	(459,933)
— Foreign currency forward contracts and interest rate swaps	**(101,787)**	(109,007)
	(38,164)	(568,940)
	76,939	(655,854)

12. DERIVATIVE FINANCIAL INSTRUMENTS *(CONTINUED)*

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 2014, the expected delivery period of the forecasted sales for copper related products was from January to March 2015 (2013: from January to March 2014).

— 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.

12. DERIVATIVE FINANCIAL INSTRUMENTS *(CONTINUED)*

(b) Derivatives not under hedge accounting:

The Group utilises commodity derivative contracts to manage the commodity price risk of forecasted purchases of copper cathode as well as copper component within copper concentrate, and forecasted sales of copper wires and rods. These arrangements are designed to 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

	2014	2013
	RMB'000	*RMB'000*
Trade payables	**10,348,877**	10,745,432
Bills payables	**599,615**	545,560
	10,948,492	11,290,992

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

	2014	2013
	RMB'000	*RMB'000*
Within 1 year	**10,865,337**	11,245,958
1 – 2 years	**48,963**	20,163
2 – 3 years	**26,666**	11,665
Over 3 years	**7,526**	13,206
	10,948,492	11,290,992

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

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

Jiangxi, the People's Republic of China
25 March 2015

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. Qiu Guanzhou, Mr. Tu Shutian, Mr. Zhang Weidong and Mr. Deng Hui.