

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 2016

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 the truthfulness, accuracy and completeness of the information contained in this announcement and there are no false representations, misleading statements contained herein or material omissions from this announcement, and jointly and severally accept full responsibility.
- 1.2 All Directors of the Company attended the Board meeting in relation to, among others, the approval of results for the year ended 31 December 2016.
- 1.3 The consolidated financial statements of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2016 (the “**Reporting Period**”) 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 (Special General Partnership) (domestic auditor) and Deloitte Touche Tohmatsu (overseas auditor) respectively with standard unqualified audit report issued.

- 1.4 The person in charge of the Company, Li Baomin, the person in charge of accounting, Wu Jinxing, and Manager of Finance Department (accounting chief), Zhou Minhui, hereby warrant the truthfulness, accuracy and completeness of the financial report as set out in the annual report.
- 1.5 The Board has recommended distributing to all shareholders a final dividend of RMB0.15 per share (inclusive of tax) for 2016. The Board did not recommend transfer of capital reserve to share capital or issue of bonus shares.
- 1.6 The audit committee of the Company has reviewed the financial report for the year ended 31 December 2016.
- 1.7 This announcement contains forward-looking statements that involve future plans and development strategies which do not constitute a commitment by the Company to its investors. Investors should be aware of the investment risks.
- 1.8 The Group has no misappropriation of funds by the controlling shareholders and their connected parties for non-operation purpose.
- 1.9 The Group has no external guarantee made in violation of the required decision-making procedures.

2 CORPORATE INFORMATION

2.1 Corporate information

Name of the Company in Chinese	江西銅業股份有限公司
Chinese abbreviation	江西銅業
Name of the Company in English	Jiangxi Copper Company Limited
English abbreviation	JCCL
Legal representative	Li Baomin

2.2 Contact persons and contact methods

	Secretary to the Board	Securities Affairs Representative
Name	(the duties of the Secretary to the Board temporarily performed by the Chairman of the Company)	Xiao Huadong
Address	7666 Changdong Avenue, High and New Technology Development Zone, Nanchang, Jiangxi Province, the People's Republic of China	7666 Changdong Avenue, High and New Technology Development Zone, Nanchang, Jiangxi Province, the People's Republic of China
Telephone	0791-82710117	0791-82710111
Facsimile	0791-82710114	0791-82710114
E-mail	jccl@jxcc.com	jccl@jxcc.com

2.3 Basic information

Registered address of the Company	15 Yejin Avenue, Guixi City, Jiangxi, the People's Republic of China
Postal code of the registered address of the Company	335424
Office address of the Company	7666 Changdong Avenue, High and New Technology Development Zone, Nanchang, 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

2.4 Information disclosure and place of inspection

Newspapers selected by the Company for information disclosure	Shanghai Securities News
Website designated by China Securities Regulatory Commission ("CSRC") for publishing the annual report	www.sse.com.cn
Place of inspection of annual report	7666 Changdong Avenue, High and New Technology Development Zone, Nanchang, Jiangxi Province, the People's Republic of China

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	2016	2015	Increase/decrease for the period over the same period last year (%)	2014
Operating revenue	202,308,220,227	185,782,491,341	8.90	198,833,486,017
Net profit attributable to shareholders of the Company	787,538,113	637,218,130	23.59	2,850,649,245
Net profit after non-recurring profit and loss items attributable to shareholders of the Company	1,388,184,102	121,883,714	1,038.94	1,733,560,208
Net cash flows from operating activities	4,325,998,967	1,902,023,306	127.44	1,735,447,985

	End of 2016	End of 2015	Increase/decrease at the end of the period over the end of the same period last year (%)	End of 2014
Net assets attributable to shareholders of the Company	46,597,873,215	45,906,380,055	1.51	45,733,876,161
Total assets	87,384,092,258	89,755,211,107	-2.64	95,322,374,877

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

Currency: RMB

Major financial indicator	2016	2015	Increase/decrease for the period over the same period last year (%)	2014
Basic earnings per share (RMB/share)	0.23	0.18	27.78	0.82
Diluted earnings per share (RMB/share)	N/A	N/A	N/A	N/A
Basic earnings per share after non-recurring profit and loss items (RMB/share)	0.40	0.04	900.00	0.50
Return on net assets (weighted average) (%)	1.70	1.39	Increased by 0.31 percentage point	6.32
Return on net assets after non-recurring profit and loss items (weighted average) (%)	3.00	0.27	Increased by 2.73 percentage point	3.84

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	2016 Amount	Notes (if applicable)	2015 Amount	2014 Amount
Gains/losses from disposal of non-current assets	-56,767,605		-26,564,619	-39,649,118
Ultra vires approval, or no formal approval document, or incidental tax return and reduction				
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	108,716,949		130,017,135	109,049,458
Fund occupation expense collected from the non-financial enterprises included in the current profits and losses				
Profit generated when the investment cost of the subsidiaries, associates and joint enterprise obtained by the enterprise is less than the fair value of identifiable net assets of the invested unit enjoyed when investment is obtained				
Profit and loss from exchange of non-monetary assets				
Profit and loss from investment or asset management entrusted to others				
Provision for impairment of assets due to force majeure factor, such as natural disasters				
Profit and loss from debt restructuring				
Enterprise restructuring expense, such as employee placement expenditure, integration expenses and so on				
Profit and loss generated when the transaction price exceeds the fair value of the transaction				
Current net profit or loss of the subsidiary company generated from enterprise combination under the same control from the beginning of period to the combination date				

Unit: Yuan Currency: RMB

Non-recurring profit and loss items	2016 Amount	Notes (if applicable)	2015 Amount	2014 Amount
Profit and loss generated from contingencies unrelated to normal transactions of the Company				
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	-928,113,160		514,659,035	1,482,905,169
Provision for impairment of the receivables for independent impairment test	89,755,067		246,914,831	–
Profit and loss from entrusted loan				
Profit and loss from changes in the fair value of the investment property subject to subsequent measurement				
Influence of one-time adjustment on current profits and losses according to requirements in the laws and regulations of tax and accounting				
Income from trustee fee obtained from entrusted operation				
Other non-recurring items included in non- operating income and expenses			69,887,172	-254,130
Other profit and loss items conforming to definition of non-recurring items	12,877,655		-88,233,512	
Impact on minority interests	-18,155,322		-120,319,110	-86,639,118
Impact on income tax	175,842,082		-211,026,516	-348,323,224
Total	-600,645,989		515,334,416	1,117,089,037

Major quarterly financial data in 2016 (prepared in accordance with PRC GAAP)

Unit: Yuan Currency: RMB

	First Quarter (January–March)	Second Quarter (April–June)	Third Quarter (July–September)	Fourth Quarter (October–December)
Operating revenue	38,849,828,509	51,354,605,901	50,284,306,677	61,819,479,140
Net profit attributable to shareholders of the Company	201,371,672	272,005,073	514,916,870	-200,755,502
Net profit after non-recurring profit and loss items attributable to shareholders of the Company	190,899,866	164,111,354	461,185,453	571,987,429
Net cash flows from operating activities	743,869,596	-83,071,309	398,062,146	3,267,138,534

3.3 Major accounting data (Prepared in accordance with IFRSs)

Unit: '000 Currency: RMB

	2016	2015	Increase/ (decrease) (%)	2014
Revenue	201,728,284	185,228,170	8.91	198,264,175
Profit before tax	2,083,612	1,216,392	71.29	3,912,372
Income tax expenses	1,088,551	477,741	127.85	1,013,108
Profit attributable to non- controlling shareholders	154,267	49,095	214.22	173
Profit attributable to shareholders of the Company	840,794	689,556	21.93	2,899,091
Basic earnings per ordinary share attributable to shareholders of the Company (RMB)	0.24	0.20	20.00	0.84
Diluted earnings per ordinary share attributable to shareholders of the Company (RMB)	0.24	0.20	20.00	0.84
Net cash inflow from operating activities	4,009,240	2,268,162	76.76	1,739,863

	As at 31 December 2016	As at 31 December 2015	Increase/ (decrease) (%)	As at 31 December 2014
Total assets	87,384,090	89,751,029	-2.64	95,316,269
Total liabilities	38,561,242	41,921,728	-8.02	48,296,105
Equity attributable to shareholders of the Company	46,597,986	45,902,357	1.52	45,727,950
Equity per share attributable to shareholders of the Company (RMB)	13.46	13.26	1.51	13.21

3.4 Differences in accounting data between IFRSs and PRC GAAP

3.4.1 Differences in net profit and net assets attributable to shareholders of the Company in the consolidated financial report prepared under IFRSs and those under PRC GAAP

Unit: Yuan Currency: RMB

	Net profit		Net assets attributable to shareholders of the Company	
	2016	2015	As at 31 December 2016	As at 1 January 2016
Under PRC GAAP	787,538,113	637,218,130	46,597,873,215	45,906,380,055
Adjustments to items and amounts under IFRSs:				
Production safety fund provided under the PRC GAAP but not used during the period	49,121,253	50,435,049		
Income tax effect on production safety fund	4,180,835	1,921,988	–	-4,180,835
Under IFRSs	<u>840,840,201</u>	<u>689,575,167</u>	<u>46,597,873,215</u>	<u>45,902,199,220</u>

4 INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS

As at 31 December 2016, the interests or short positions of the shareholders, other than Directors, Supervisors and chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the Securities and Futures Ordinance (“SFO”) were as follows:

Name of shareholder	Class of shares	Capacity	Number of shares (Note 1)	Approximate percentage of the number of the relevant class of shares (%)	Approximate percentage of total issued share capital (%)
Jiangxi Copper Corporation (“JCC”) (Note 2)	Domestic shares	Beneficial owner	1,205,479,110(L)	58.09(L)	34.81(L)
JCC (Note 3)	H shares	Beneficial owner	198,135,000(L)	14.28(L)	5.72(L)
Citigroup Inc.	H shares	(Note 4)	82,049,437(L)	5.91(L)	2.37(L)
			6,113,903(S)	0.44(S)	0.18(S)
			75,874,095(P)	5.47(P)	2.19(P)
Blackrock, Inc. (Note 5)	H shares	Interests in a controlled corporation	70,352,447(L)	5.07(L)	2.03(L)

Note 1: “L” means long positions in the shares; “S” means short positions in the shares; and “P” means shares available for lending in the shares.

Note 2: In addition to the above mentioned 1,205,479,110 A shares beneficially owned by JCC, on 25 February 2016, the Company entered into the A share subscription agreement (the “**A Share Subscription Agreement**”) with JCC, pursuant to which, the Company has conditionally agreed to allot and issue and JCC has conditionally agreed to subscribe for not less than 10% of new A shares to be issued pursuant to the A Share Subscription Agreement (the “**A Share Issuance**”). According to A Share Issuance and upon adjustment, the maximum number of A Share Issuance was 300,945,829 A shares (subject to adjustment). JCC will subscribe for not less than 10% of the number of A shares to be issued pursuant to A Share Issuance. Completion of A Share Issuance shall be subject to the fulfillment of certain conditions set out in the A Share Subscription Agreement.

Note 3: 198,135,000 H shares held by JCC were registered with HKSCC Nominees Limited. In addition to the abovementioned 198,135,000 H shares beneficially owned by JCC, on 25 February 2016, the Company entered into the H share subscription agreement (the “**H Share Subscription Agreement**”) with JCC, pursuant to which, the Company has conditionally agreed to allot and issue and JCC has conditionally agreed to subscribe for or its designated wholly-owned subsidiary to subscribe for new H shares amounting to not more than HK\$4,150 million in aggregate (the “**H Share Issuance**”). According to H Share Issuance and upon adjustment, the maximum number of H shares to be issued to JCC or its designated wholly-owned subsidiary were 509,828,009 H shares (subject to adjustment). Completion of H Share Issuance shall be subject to the fulfillment of certain conditions set out in the H Share Subscription Agreement.

Note 4: According to the corporate substantial shareholder notice filed by Citigroup Inc. on 28 December 2016, its holdings of H Shares are held under the following capacities:

Capacity	Number of H Shares
Interests in a controlled corporation	6,159,342(L)
	6,113,903(S)
Custodian corporation/approved lending agents	75,874,095(L)
Persons having a security interest in shares	16,000(L)

According to the notice, long position in 5,658,342 H shares and short position in 5,951,035 H shares in the equity interests refer to physically settled unlisted derivative.

Note 5: According to the corporate substantial shareholder notice issued by Blackrock, Inc. on 22 December 2016, long position in 628,000 H shares in the equity interests refer to cash settled unlisted derivative.

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 2016.

5 CHANGES IN SHAREHOLDINGS AND REMUNERATIONS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Unit: Share

										Total remuneration payable by the Company during the reporting period (before tax) (RMB0'000)	Whether received remuneration from related parties of the Company
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		
Li Baomin	Chairman/Executive Director	Male	59	4 March 2013		0	0	/	/	73.55	No
Long Ziping	Vice Chairman/Executive Director	Male	56	14 June 2013		0	0	/	/	73.55	No
Gan Chengjiu	Executive Director/Chief financial officer	Male	54	26 June 2009	18 July 2016	0	0	/	/	42.91	No
Wu Jinxing	Supervisor	Male	54	26 June 2009	18 July 2016	0	0	/	/	62.89	No
	Executive Director/Chief financial officer			18 July 2016							
Liu Fangyun	Executive Director	Male	51	14 June 2013	18 July 2016	0	0	/	/	42.91	No
Wang Bo	Executive Director	Male	53	18 July 2016		0	0	/	/	30.65	No
Wu Yuneng	Deputy General Manager	Male	54	25 March 2011		0	0	/	/	63.47	No
	Executive Director			18 July 2016							
Shi Jialiang	Executive Director	Male	70	26 June 2009	18 July 2016	0	0	/	/	2.92	No
Gao Jianmin	Executive Director	Male	57	24 January 1997		0	0	/	/	20	No
Liang Qing	Executive Director	Male	63	12 June 2002		0	0	/	/	20	No
Qiu Guanzhou	Independent non-executive Director	Male	68	11 June 2014	18 July 2016	0	0	/	/	5.83	No
Sun Chuanyao	Independent non-executive Director	Male	72	18 July 2016		0	0	/	/	4.17	No
Zhang Weidong	Independent non-executive Director	Male	53	19 June 2012		0	0	/	/	10	No
Deng Hui	Independent non-executive Director	Male	45	19 June 2012	18 July 2016	0	0	/	/	0	No
Liu Erh Fei	Independent non-executive Director	Male	58	18 July 2016		0	0	/	/	4.17	No

										Total remuneration payable by the Company during the reporting period (before tax) (RMB0'000)	Whether received remuneration from related parties of the Company
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		
Tu Shutian	Independent non-executive Director	Male	54	12 January 2015		0	0	/	/	10	No
Hu Qingwen	Chairman of the Supervisory Committee	Male	53	14 June 2013		0	0	/	/	52.81	No
Lin Jinliang	Supervisor	Male	52	26 June 2009	21 March 2016	0	0	/	/	55.69	No
	Legal Director			30 August 2010							
Zeng Min	Supervisor	Male	52	21 March 2016		0	0	/	/	39.61	No
Liao Shengsen	Supervisor	Male	56	18 July 2016		0	0	/	/	22	No
Zhang Jianhua	Supervisor	Male	52	18 July 2016		0	0	/	/	22	No
Xie Ming	Supervisor	Male	60	26 June 2009		0	0	/	/	52.81	No
Wan Sujuan	Supervisor	Female	63	26 June 2009	18 July 2016	0	0	/	/	2.92	No
Dong Jiahui	Deputy General Manager	Male	54	31 March 2009		0	0	/	/	56.26	No
Jiang Chunlin	Deputy General Manager	Male	47	25 August 2010		0	0	/	/	56.26	No
Wu Jimeng	Deputy General Manager	Male	58	25 February 2016		0	0	/	/	51.57	No
Huang Mingjin	Deputy General Manager	Male	54	3 October 2012		0	0	/	/	56.26	No
Liu Jianghao	Deputy General Manager	Male	55	28 August 2013		0	0	/	/	56.26	No
Huang Dongfeng	Secretary to the Board	Male	58	28 August 2013	31 October 2016	0	0	/	/	46.89	No
Tung Tat Chiu, Michael	Secretary to the Board	Male	54	24 January 1997		0	0	/	/	5	No
Total	/	/	/	/	/	0	0	/	/	1,043.36	/

6 REPORT OF THE BOARD

I. Explanation of principal business, operation mode and industry situation of the Company during the Reporting Period

(I) Principal business and operation mode of the Company

The principal business of the Company covers copper mining and dressing, smelting and processing, extraction and processing of the precious metal and scattered metal, sulphuric chemistry as well as finance and trade fields. It has established the complete industrial chain integrated with exploration, mining, ore dressing, smelting and processing in copper and related nonferrous metal fields. It is the important production base of copper, gold, silver and sulphuric chemistry. The main products of the Company include more than 50 varieties, such as copper cathode, gold, silver, sulphuric acid, copper rod, copper tube, copper foil, selenium, tellurium, rhenium, bismuth, etc.

The main assets owned and controlled by the Company include:

1. Six mines under production: Dexing Copper Mine (including copper factory mining area, Fujiawu mining area and Zhushahong mining area), Yongping Copper Mine, Chengmenshan Copper Mine (including Jinjiwo Silver-Copper Mine), Wushan Copper Mine, Dongxiang Copper Mine and Yinshan Lead-Zinc Mine.
2. Guixi Smelter, the largest blister and copper concentrate smelter and refiner in the People's Republic of China ("PRC") with the largest scale, most advanced technologies and best environmental protection.
3. Seven modern copper products processing plants: Jiangxi Copper Products Company Limited, Guangzhou Copper Production Company Limited, Jiangxi Copper Yates Copper Foil Company Limited, Jiangxi Copper Taiyi Special Electrical Materials Company Limited, Jiangxi Copper (Longchang) Precise Pipe Company Limited, Jiangxi Copper Corporation Copper Products Company Limited and JCC North China Copper Co., Ltd..
4. Two sulphuric acid plants with advanced technology: JCC – Wengfu Chemical Company Limited and Jiangxi Copper (Dexing) Chemical Company Limited.

(II) *Explanation of the industry*

In 2016, the international copper price experienced a rise following a downtrend. From January 2016 to October 2016, the trend of copper price was far weaker than other varieties. As of 31 October 2016, the closing price of copper on the London Metal Exchange (LME) was US\$4,861 per tonne, representing an increase of only 3% as compared with the opening price at the beginning of the year. After entering November, with the rebound of economy in the PRC and driven by a series of factors including infrastructural investment expectations in the United States and so on, copper became one of the best-performed metals. As of 30 December 2016, the closing price of copper on the LME was US\$5,516 per tonne, representing an increase of 17% as compared with last year.

II. Analysis of core competitiveness during the Reporting Period

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 sulphuric chemistry, precious and rare metals after more than thirty years of development. The Group also conducts business in various areas such as finance and trading at the same time.

1. Advantage of mines. The Group places first priority to development of mines amongst its strategies, and has been dedicated to seeking and controlling more resources and raising the production volume of self-owned mines. As of the end of 2016, the Group maintained its major resources as follows:

The Company had 100% ownership in the proven resource reserves of approximately 9,830,000 tonnes of copper metal, 318 tonnes of gold, 9,067 tonnes of silver, 225,000 tonnes of molybdenum, 97,480,000 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 4,430,000 tonnes of copper and 52 tonnes of gold.

2. Advantage of scale in the industry. The Group owns the current largest size of domestic copper mine, namely Dexing Copper Mine, and a number of copper mines under production with annual production of copper contained in copper concentrates of 210,000 tonnes. The Group's current production capacity of copper cathode is over 1,200,000 tonnes per year, and Guixi Smelter is the copper smelter with the largest monomer smelting scale in the world. The Group is also the largest copper processor with over 900,000 tonnes of copper products processed annually.

3. Advantages of technology and talents. The Group possesses industry-leading copper smelting and mine development technologies. With years of legacy, the Group has reserved abundant mines and talents specialized in smelting and equipped with ability and advantages for operating similar mines or for expanding the smelting enterprises.
4. Advantage of brand. The Group operates with a complete industry chain of mining, milling, smelting and processing. Being larger in scale and better in reputation, the Group has occupied a position among top 500 Chinese enterprises and top 500 Chinese manufacturing enterprises for consecutive years. The Group has gained recognition, trust, support and aid from various sectors of the society, and possesses a relatively stronger risk resistant capability.

III. Management Discussion and Analysis

(I) Discussion and analysis of the Company's operation

During the Reporting Period, although the global economy maintained the overall recovery status, it still encountered multiple risks such as lack of growth momentum, sluggish consumer demand, repeated turmoil in the financial market, and continuous slump in international trade and investment. Despite the inactive yet stable economic development in the PRC, there were still many contradictions and problems. Although the price of non-ferrous metal products has stabilized and rebounded, the development of non-ferrous industry would still face a lot of challenges. Under the leadership of the Board of the Company and the effort jointly devoted by all staff, the Group advanced with stable improvement and took positive actions. By adopting a series of effective measures, we overcame various difficulties and accomplished the annual production and operation plan.

In respect of industrial production, the Group continued to implement benchmarking management, and all production indexes achieved a new high: 21 smelting indexes including smelting recycling rate of copper, gold and silver in Guixi Smelter as well as 12 mining and selection indicators including running rate of semi-autogenous mill of Dexing Copper Mine reached the highest level in history, thereby creating substantial economic benefit for the Group while strengthening its position in the industry. In 2016, through scientific organization and precision management, the Group was able to maintain a stable production performance in different types of products. The Group smelted and produced 1,210,000 tonnes of copper cathode, while the self-owned copper mine produced 209,900 tonnes of copper contained in copper concentrates in total. The production quality of copper processing enterprises improved, whereas the yield and quality of copper tube and copper foil both reached the historical highest level.

In respect of cost control, facing the adverse economic situation of downturn in the industry, the Group implemented a quality enhancement and efficiency improvement working plan while continuing to promote comprehensive budget management. The Group effectively reduced production cost of enterprises through strengthening cost control and potential of mining efficiency. The Group continuously optimized business systems such as material procurement, trade and sales business, and financial accounting, proactively explored the use of new financing instruments, optimized the financing structure, adopted an improved raw material procurement structure, and implemented measures such as interaction between the futures market and spot market and so on to enhance the results of the Company.

In respect of management and technological innovation, the Group adhered to innovation development, speeded up the implementation of the innovation-driven development. The Group accelerated the transformation of scientific research and innovation achievements through the establishment of “dual innovation” platform supported by scientific and technological progress awards and management innovation awards and so on, the set up of scientific research project manager system, the issue of the “Management Measures of Promotion of Transformation of Scientific and Technological Achievements” (《促進科技成果轉化管理辦法》) and other means. In 2016, the Group completed a total of 45 research and development projects, including “highly efficient recycle techniques of copper anode slime and tellurium” (「銅陽極泥碯的高效回收技術」), “highly efficient inner grooved copper tube rotated in two directions” (「雙旋向高效內螺紋銅管」), a total of 41 patents were granted throughout the year, of which 13 were invention patents. The Group launched the construction of intelligent factories and digital mines, focused on building “JCC intelligent manufacturing” and “Internet +”, of which the intelligent factory construction projects of Guixi Smelter have been included in the “2016 intelligent manufacturing pilot demonstration project” of Ministry of Industry, the Chengmenshan Copper Mine Big Data Center has been included in the material projects of “Internet +” of the country.

In respect of risk control, the Group focused on strengthening institutional constraints, resolving storage risk and preventing new risks. The Group continued to revise and perfect series documents such as, “Perfecting scheme for internal control system”, as well as nine internal control processes such as, asset management, research and development management, construction management, internal supervision, and the like. The Group completed legal organization and system, strengthened the contract life cycle management by making use of information technology means, and thus, the beforehand prevention and in-process control of legal risks were effectively strengthened.

In respect of safety and environmental protection, the Group firmly implemented safety and environmental protection, energy conservation and emission reduction measures, strengthened environmental monitoring through promotion of hidden problems investigation system software and adoption of new technology. The Group implemented a precision management on hazardous chemicals and conducted a real-time monitor on major hazards. At the same time, the Group strengthened energy management, implemented the energy-saving transformation projects, strengthened the target responsibility system, and successfully completed the annual goal.

(II) Major business operations during the Reporting Period

During the Reporting Period, facing severe economic condition, the Group successfully achieved the production target made at the beginning of the year overcoming different kinds of obstacles. The Group produced 209,900 tonnes of copper contained in copper concentrates, basically the same as last year; produced 1,210,000 tonnes of copper cathode, which is 40,000 tonnes less than the copper cathode produced last year; produced 26 tonnes of gold, basically the same as last year; produced 507 tonnes of silver, which is 63 tonnes less than the silver produced last year; produced 950,000 tonnes of various copper products, basically the same as last year; produced 3,500,000 tonnes of sulphuric acids and 2,630,000 tonnes of sulphur concentrates, basically the same as last year; furthermore, produced 6,916 tonnes of standard molybdenum concentrates (average grade at 45%), 2,086kg ammonium perrhenate, 55 tonnes of refined tellurium and 491 tonnes of refined bismuth.

According to the audited 2016 consolidated financial statement prepared in accordance with the PRC GAAP, the consolidated operating income of the Group is RMB202,308,220,227 (2015: RMB185,782,491,341), representing an increase of RMB16,525,728,886 (or 8.90%) as compared with last year; achieving net profit attributable to shareholders of the Company of RMB787,583,113 (2015: RMB637,218,130), representing an increase of RMB150,319,983 (or 23.59%) as compared with last year; basic earning per share is RMB0.23 (2015: RMB0.18), representing an increase of RMB0.05 (or 27.78%) as compared with last year.

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

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 revenue	202,308,220,227	185,782,491,341	8.90
Operating cost	195,310,265,014	181,478,225,317	7.62
Selling and distribution expenses	569,016,272	515,355,849	10.41
Administrative expenses	1,663,987,735	2,026,445,194	-17.89
Finance costs	252,005,504	533,712,434	-52.78
Net Cash Flow from operating activities	4,325,998,967	1,902,023,306	127.44
Net Cash Flow from investing activities	-2,768,748,710	-794,954,150	-248.29
Net Cash Flow from financing activities	-10,353,498,146	-3,937,996,211	-162.91
Expenses on research and development	2,327,990,000	1,713,938,000	35.83

1. Analysis on income and cost

(1) Principal businesses by industry, by product and by geographical location

Unit: Yuan Currency: RMB

By industry	Operating revenue	Operating cost	Principal businesses by industry			
			Gross profit margin (%)	Increase/decrease in operating revenue over last year (%)	Increase/decrease in operating cost over last year (%)	Increase/decrease in gross profit margin over last year (%)
Manufacturing of non-ferrous metals	58,939,303,460	53,246,691,680	10.69	1.72	-1.30	Increased by 2.77 percentage point
Trade	142,638,320,576	141,444,956,790	0.84	10.87	10.30	Increased by 0.63 percentage point

Principal businesses by product						
By product	Operating revenue	Operating cost	Gross profit margin (%)	Increase/decrease in operating revenue over last year (%)	Increase/decrease in operating cost over last year (%)	Increase/decrease in gross profit margin over last year (%)
Copper cathode	125,284,189,715	122,962,738,961	1.85	10.72	10.05	Increased by 0.60 percentage point
Copper rods and wires	38,735,196,281	37,183,167,346	4.01	1.60	0.67	Increased by 0.88 percentage point
Copper processing products	3,592,717,722	3,345,089,693	6.89	16.68	9.75	Increased by 5.87 percentage points
Gold	6,985,023,803	5,810,266,216	16.82	13.49	0.82	Increased by 10.45 percentage points
Silver	4,004,884,053	3,812,123,988	4.81	42.21	40.99	Increased by 0.83 percentage point
Chemical products	704,088,366	641,815,818	8.84	-47.77	-40.41	Decreased by 11.26 percentage points
Rare metals and other non-ferrous metals	19,349,578,651	18,399,683,926	4.91	8.16	7.22	Increased by 0.83 percentage point
Principal business	2,921,945,445	2,536,762,522	13.18	17.23	6.37	Increased by 8.86 percentage points
Others	730,596,191	618,616,544	15.33	1.66	-7.68	Increased by 8.57 percentage points

Principal businesses by geographical location						
By geographical location	Operating revenue	Operating cost	Gross profit margin (%)	Increase/decrease in operating revenue over last year (%)	Increase/decrease in operating cost over last year (%)	Increase/decrease in gross profit margin over last year (%)
Mainland China	169,615,513,206	162,853,172,996	3.99	2.20	0.67	Increased by 1.45 percentage points
Hong Kong	23,341,250,107	23,170,973,468	0.73	108.74	108.02	Increased by 0.35 percentage point
Others	9,351,456,914	9,286,118,550	0.70	8.35	8.25	Increased by 0.09 percentage point
Total	202,308,220,227	195,310,265,014	3.46	8.90	7.62	Increased by 1.14 percentage points

Explanation on principal businesses by industry, by product and by geographical location

1) Copper cathode

During the Reporting Period, although there was a decrease in the price of copper cathode as compared with last year, the trading volume increased, leading to an increase in the operating revenue from copper cathode amounting to RMB12,128.13 million (or 10.72%) as compared with the same period of last year; the operating cost increased by RMB11,227.47 million (or 10.05%) as compared with the same period of last year; the gross profit increased by RMB900.65 million as compared with the same period of last year; and the gross profit margin increased from 1.26% last year to 1.85% for the year.

2) Copper rods and wire

During the Reporting Period, although there was a decrease in the average selling price of copper rods and wire as compared with last year, the trading volume increased, leading to an increase in the operating revenue from copper rods and wire amounting to RMB608.26 million (or 1.60%) as compared with the same period of last year; the operating cost increased by RMB247.75 million (or 0.67%) as compared with the same period of last year; the gross profit increased by RMB360.51 million as compared with the same period of last year; and the gross profit margin increased from 3.13% last year to 4.01% for the year.

3) Copper processing products other than copper rods and wire

During the Reporting Period, although there was a year-on-year decrease in the average selling price of copper processing products, the overall sales volume increased as compared with last year, leading to an increase in the operating revenue from processed copper products other than copper rods during the year amounting to RMB513.48 million (or 16.68%) as compared with the same period of last year while the operating cost increased by RMB297.26 million (or 9.75%) as compared with the same period of last year; the gross profit increased by RMB216.22 million as compared with the same period of last year while the gross profit margin increased from 1.02% last year to 6.89% for the year.

4) Gold

During the Reporting Period, operating revenue of gold increased by RMB830.24 million (or 13.49%) as compared with last year due to the increase in selling price. Operating costs increased by RMB47.54 million (or 0.82%) as compared with last year. Gross profit of gold increased by RMB782.71 million as compared with last year while gross profit margin increased from 6.37% last year to 16.82% for the year.

5) Silver

During the Reporting Period, due to increase in selling price of silver, the operating revenue from silver increased by RMB1,188.77 million (or 42.21%) as compared with the same period of last year while the operating cost increased by RMB1,108.29 million (or 40.99%) as compared with the same period of last year; the gross profit increased by RMB80.48 million as compared with the same period of last year and the gross profit margin increased from 3.99% last year to 4.81% for the year.

(2) Analysis table for output and sales

Major products	Output	Sales	Stock	Output	Sales	Stock
				Increased (reduced) as compared with last year (%)	Increased (reduced) as compared with last year (%)	Increased (reduced) as compared with last year (%)
Copper cathode (ten thousand tonnes)	121.05	120.32	1.32	-3.81	-5.66	-9.50
Gold (tonne)	26.43	25.71	0.24	1.19	-0.70	-27.16
Silver (tonne)	507.35	507.49	6.24	-11.12	-10.94	-2.35
Sulfuric acids (ten thousand tonnes)	350.13	357.58	38.35	13.75	16.20	99.84
Copper processing products (ten thousand tonnes)	95.27	94.29	0.31	0.27	5.93	-53.80

(3) Analysis on costs

Unit: Yuan Currency: RMB

By industry	Cost constituent	By industry					Explanation
		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	45,400,466,666	23.34	44,924,284,422	24.84	3.04	-
	Energy power	1,864,082,436	0.96	2,072,201,478	1.15	-21.73	-
	Labour	1,044,751,824	0.54	1,119,323,037	0.62	-17.53	-
	Overheads	3,780,069,749	1.94	4,337,679,214	2.40	-24.95	-
	Sub-total	52,089,370,675	26.78	52,453,488,151	29.01	-0.69	-
Trading of non-ferrous metals and others	Trading of non-ferrous metals and others	142,407,972,391	73.22	128,354,688,763	70.99	10.95	-
	Total	194,497,343,066	100.00	180,808,176,914	100.00	7.57	-

Unit: Yuan Currency: RMB

By product	Cost constituent	By product		Changes of the amount for the period compared to the same period last year			Explanation
		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 (%)	last year (%)	
Copper products	Raw materials	37,832,860,766	86.46	37,378,439,081	84.71	3.59	-
	Energy power	1,683,064,428	3.85	1,888,329,186	4.28	-23.69	-
	Labour	887,643,698	2.03	967,177,643	2.19	-20.80	-
	Overheads	3,353,780,300	7.66	3,893,777,982	8.82	-27.34	-
	Sub-total	43,757,349,192	100.00	44,127,723,892	100.00	-0.84	-
By-products of precious metals	Raw materials	7,180,368,441	99.06	7,098,853,540	99.06	1.15	-
	Energy power	4,720,630	0.07	4,358,432	0.06	8.31	-
	Labour	17,254,035	0.24	16,448,910	0.23	4.89	-
	Overheads	45,842,832	0.63	46,552,813	0.65	-1.53	-
	Sub-total	7,248,185,938	100.00	7,166,213,695	100.00	1.14	-
Chemical products	Raw materials	368,087,359	35.31	423,959,807	38.1	-13.18	-
	Energy power	172,992,612	16.60	175,927,415	15.81	-1.67	-
	Labour	132,846,046	12.74	128,284,027	11.53	3.56	-
	Overheads	368,417,678	35.35	384,520,654	34.56	-4.19	-
	Sub-total	1,042,343,695	100.00	1,112,691,903	100.00	-6.32	-
Rare metals	Raw materials	19,150,100	46.15	23,031,994	49.15	-16.85	-
	Energy power	3,304,766	7.96	3,586,445	7.65	-7.85	-
	Labour	7,008,045	16.89	7,412,457	15.82	-5.46	-
	Overheads	12,028,939	28.99	12,827,765	27.38	-6.23	-
	Sub-total	41,491,850	100.00	46,858,661	100.00	-11.45	-
Trading and others	-	142,407,972,391	73.22	128,354,688,763	-	10.95	-
	Total	194,497,343,066	-	180,808,176,914	-	7.57	-

(4) Major sales customers and major suppliers

Sales amount of the top five customers was RMB21,793.88 million, making up 10.77% of the total sales amount, among which sales amount of related parties in the sales amount of the top five customers was RMB0, making up 0% of the total sales amount.

Procurement amount of the top five suppliers was RMB26,621.92 million, making up 14.04% of the total procurement amount for the year, among which procurement amount of related parties in the procurement amount of the top five suppliers was RMB0, making up 0% of the total procurement amount.

Other descriptions

NIL

Explanation of other situations of analysis on costs

2. *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 expenses	569,016,272	515,355,849	10.41%	Note 1
Administrative expenses	1,663,987,735	2,026,445,194	-17.89%	Note 2
Finance costs	252,005,504	533,712,434	-52.78%	Note 3

Note 1: Increase in selling expenses for the period was mainly attributable to the increase in transportation fees and storage fees arising from the increase in business revenue.

Note 2: Decrease in administrative expenses for the period was mainly attributable to the decrease in pension scheme and changes in tax items reclassification from administrative expenses according to the value-added tax reform.

Note 3: Finance costs of the Group for the period amounted to RMB252.01 million, representing a decrease in RMB281.71 million (or -52.78%) over the same period last year, mainly attributable to the exchange gains incurred by net assets of foreign currency for the year arising from the impact of fluctuation of Renminbi currency value in the international market.

3. *Research and Development (“R&D”) contribution*

R&D contribution table

Unit: Yuan Currency: RMB

Expenditure R&D contribution in current period	2,099,400,000
Capitalization R&D contribution in current period	228,590,000
Sum of R&D contribution	2,327,990,000
Percentage (%) of sum of R&D contribution in operating income	1.15
Number of R&D personnel in the company	2,473
Percentage (%) of number of R&D personnel in total amount of company staff	11.51
Proportion of R&D investment capitalization	9.82

Explanation

In 2016, the Group specifically developed a series of R&D projects around production process linked to the practical conditions of the Company. The projects mainly contained a complete industry chain of copper (exploration, selection and purchase, smelting and processing) and specifically invested in energy conservation, environmental protection, resource regeneration, and the like. During the Reporting Period, the Group participated in “controllable pressurizing leaching technology for complex and demanding resources” (「複雜難處理資源可控加壓浸出技術」) project and “R&D and industrial application of material saving and abrasion resistant iron and steel material manufacturing techniques” (「節材耐磨損鋼鐵材料製造技術研發與工業應用」), which were awarded the National Technology Invention Second Class Award and the National Technology Improvement Second Class Award, respectively. The “new technology and industrialization of integrated recycle of sulphurized copper ores and associated metal molybdenum and rhenium” (「硫化銅礦伴生金屬鉬銻綜合回收新技術與產業化」) project submitted is shortlisted for the Jiangxi Technological Improvement First Class Award. The Group also successfully completed “research

on optimization of semi-autogenous grinding control technology” (「優化半自磨控制技術研究」) and “research on improvement of recycling rate of molybdenum in Dexing Copper Mine” (「提高德銅鉬回收率研究」), among which the results of “research on optimization of semi-autogenous grinding control technology” have been applied in production. Besides, “optimization of grinded mines medium research” (「優化磨礦介質研究」) and “smelting slag and iron” (「冶煉爐渣煉鐵」) projects are currently under research as scheduled.

The Group believes that the continuous implementation of research and development projects lay a solid foundation for the Company’s positive development and the fostering of its new economic growth points.

4. Cash Flow

Unit: Yuan Currency: RMB

Item	For the year	For the same period last year	Changes	Reasons for the changes
Net cash flow from operating activities	4,325,998,967	1,902,023,306	127.44%	Note 1
Net cash flow from investing activities	-2,768,748,710	-794,954,150	248.29%	Note 2
Net cash flow from financing activities	-10,353,498,146	-3,937,996,211	162.91%	Note 3

Note 1: The reason for change in cash flow generated in operating activities: compared with last year, RMB2,424 million of net cash flow is increased this year, mainly attributable to the increase in cash inflow arising from the increase in operating income, and the decrease in tax payment this year arising from the remaining deducted tax amount last year.

Note 2: The reason for change in cash flow generated in investing activities: compared with last year, RMB1,962 million is reduced this year, mainly attributable to the increase in the purchase of financial products by the subsidiaries of the Group.

Note 3: The reason for change in cash flow generated in financing activities: compared with last year, RMB6,416 million is reduced this year, mainly attributable to the repayment of JCC bonds amounting to RMB6,800 million by the Group.

IV. Analysis of 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 (%)	Explanation
Cash and bank	13,078,661,138	14.97	20,680,508,461	23.04	-36.76	Note 1
Financial assets at fair value						
through profit or loss	485,725,863	0.56	771,946,511	0.86	-37.08	Note 2
Factoring receivables	2,003,582,482	2.29	1,386,701,367	1.54	44.49	Note 3
Prepayments	2,328,593,497	2.66	1,732,389,912	1.93	34.42	Note 4
Dividend receivables	0	0	4,000,000	0	-100.00	Note 5
Assets classified as held-for-sale	189,891,677	0.22	0	0		Note 6
Available-for-sale financial assets	4,822,313,125	5.52	3,647,749,276	4.06	32.20	Note 7
Investment properties	484,296,697	0.55	352,526,439	0.39	37.38	Note 8
Financial liabilities at fair						
value through profit or loss	3,229,152,199	3.70	1,969,533,221	2.19	63.96	Note 9
Notes payable	5,656,814,269	6.47	4,288,351,629	4.78	31.91	Note 10
Accounts payable	6,160,336,752	7.05	4,286,669,816	4.78	43.71	Note 11
Tax payable	994,947,113	1.14	521,988,361	0.58	90.61	Note 12
Interest payable	102,155,262	0.12	169,005,551	0.19	39.56	Note 13
Dividend payable	64,000,000	0.07	-	0	-	Note 14
Non-current liabilities due within one year	137,614,544	0.16	7,498,998,709	8.35	-98.16	Note 15
Long-term borrowings	228,100,000	0.26	347,600,000	0.39	-34.38	Note 16
Other comprehensive income	81,499,591	0.09	-119,607,144	-0.13	-168.14	Note 17

Other explanations

Note 1: As at the end of the Reporting Period, the cash and bank of the Group amounted to RMB13,078.66 million, representing a decrease of RMB7,601.85 million (or -36.76%) over the same period last year, mainly attributable to the repayment of JCC bonds by the Group, amounting to RMB6,800 million in aggregate.

Note 2: As at the end of the Reporting Period, the financial assets at fair value through profit or loss of the Group amounted to RMB485.73 million, representing a decrease of RMB286.22 million (or -37.08%) over the same period last year, mainly attributable to the fluctuation of copper price, leading to the floating loss of commodity derivative contracts and forward commodity contracts.

Note 3: As at the end of the Reporting Period, the factoring receivables of the Group amounted to RMB2,003.58 million, representing an increase of RMB616.88 million (or 44.49%) over the same period last year, mainly attributable to the increase in factoring business in the factoring companies of the Group.

- Note 4:* As at the end of the Reporting Period, the prepayments of the Group amounted to RMB2,328.59 million, representing an increase of RMB596.20 million (or 34.42%) over the same period last year, mainly attributable to the decrease in finished products, leading to addition prepayments for procurement of raw materials by the Group.
- Note 5:* As at the end of the Reporting Period, the dividend receivable of the Group amounted to RMB0 million, representing a decrease of RMB4 million over the same period last year, mainly attributable to the receipt of dividend in 2015.
- Note 6:* As at the end of the Reporting Period, the assets classified as held-for-sale of the Group amounted to RMB189.89 million, mainly attributable to the official's decision to cease production pending relocation of Sichuan Kangxi Copper Industry Co., Ltd.* (四川康西銅業有限責任公司), a subsidiary of the Group. The Group transferred immovable building infrastructure and machinery to assets classified as held for sale.
- Note 7:* As at the end of the Reporting Period, the available-for-sale financial assets of the Group amounted to RMB4,822.31 million, representing an increase of RMB1,174.56 million (or 32.20%) over the same period last year, mainly attributable to the increase in the available-for-sale equity instruments and assets financial management plans during the year.
- Note 8:* As at the end of the Reporting Period, the investment properties of the Group amounted to RMB484.30 million, representing an increase of RMB131.77 million (or 37.38%) over the same period last year, mainly attributable to the changes into leasing purpose for the additional properties of the Group.
- Note 9:* As at the end of the Reporting Period, the financial liabilities at fair value through profit or loss of the Group amounted to RMB3,229.15 million, representing an increase of RMB1,259.62 million (or 63.96%) over the same period last year, mainly attributable to the fluctuation of copper price, leading to the floating loss of commodity derivative contracts and forward commodity contracts.
- Note 10:* As at the end of the Reporting Period, the notes payable of the Group amounted to RMB5,656.81 million, representing an increase of RMB1,368.46 million (or 31.91%) over the same period last year, mainly attributable to the increase in financing of the Group.
- Note 11:* As at the end of the Reporting Period, the accounts payable of the Group amounted to RMB6,160.34 million, representing an increase of RMB1,873.67 million (or 43.71%) over the same period last year, was mainly attributable to the increase in procurement of raw materials by the Group.
- Note 12:* As at the end of the Reporting Period, the tax payable of the Group amounted to RMB994.95 million, representing an increase of RMB472.96 million (or 90.61%) over the same period last year, mainly attributable to the increase in profit, resulting in corresponding increase in the taxable profit during the year.
- Note 13:* As at the end of the Reporting Period, the interest payable of the Group amounted to RMB102.16 million, representing a decrease of RMB66.85 million (or -39.56%) over the same period last year, mainly attributable to the decrease in bonds payable and borrowings.

Note 14: As at the end of the Reporting Period, the dividend payable of the Group amounted to RMB64.00 million, representing an increase of RMB64.00 million over the same period last year, which was mainly attributable to the dividends to be distributed to minority shareholders by JCC International Trading Company Limited (江銅國際貿易有限公司).

Note 15: As at the end of the Reporting Period, the non-current liabilities due within one year of the Group amounted to RMB137.61 million, representing a decrease of RMB7,361.38 million (or -98.16%) over the same period last year, mainly attributable to the repayment of long-term borrowings and bonds payable due within one year by the Group.

Note 16: As at the end of the Reporting Period, the long-term borrowings of the Group amounted to RMB228.10 million, representing a decrease of RMB119.50 million (or -34.38%) over the same period last year, mainly attributable to the facts that the long-term borrowings of the Group will be due within one year, becoming non-current liabilities due within one year and that there was no additional long-term borrowings.

Note 17: As at the end of the Reporting Period, the other comprehensive revenue of the Group amounted to RMB81.50 million, representing an increase of RMB201.11 million (or 168.14%) over the same period last year, mainly attributable to the appreciation of assets in overseas joint enterprises and associates resulted from changes in exchange rate of US dollars.

V. Discussion and analysis by the Company concerning the future development of the Company

(I) Information disclosure of industry operation

Currently, economic growth in the world is sluggish. Extensive use of quantitative easing and economic stimulating policies result in a decrease in marginal propensity for consumption, further accelerating the insufficiency of overall demand, while asset shortage will continue, and potential risks in the market will generally exist. Along with the ineffectiveness of the capital contribution stimulating policies, and as more time is needed for structural reform, the centre of global economic growth decreases gradually and it is hard to improve the weak recovery trend amid the weak global economy.

In 2017, it is expected that the non-ferrous metal market environment will be slightly better than that in the previous year. As the fundamental investment operates on a high level, industrial manufacture rebounds after maintaining stability, and release of over-capacity is suppressed, demand of non-ferrous metal in the PRC will grow steadily. The pressure on devaluation of Renminbi results in increase of import cost. The upward trend of costs in environmental protection, energy and power, logistics, labour and so on pushes price rise of non-ferrous metal. It is expected that the non-ferrous metal price in the PRC in 2017 will maintain operation on a high level with comprehensive advancement in the market.

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

In 2016, domestic copper enterprises withstood a greater operating pressure, the industry competition was intensified. Although large-scale domestic copper enterprises actively responded to the call of supply side structural reform at the beginning of the year, and reduced their 2016 annual production plan, the results were limited. The statistics of National Bureau of Statistics showed that, as of December 2016, the cumulative production of electrolytic copper had reached 8.436 million tonnes, representing an increase of 6% as compared with last year; on the other hand, the People's Banks of China's policy benefits released through decrease in deposit reserve requirement ratio and interests in the recent two years was not fully transmitted to the real economy, and a lot of capital detached from the real economy and entered the virtual economy, which brought about certain difficulties to industry financing, resulting in an unfavorable situation of ample supply in upstream and weak demand in downstream of copper industry.

In 2017, the global macroeconomy will be in a cyclical adjustment stage. The cycle of interest rate increase entered by the United States, devaluation of Renminbi, uncertain development situation of the European Union and a series of potential risks will lead to a number of uncertainties on the trend of copper price. From the perspective of copper supply and demand, in the supply side, although the recent copper mine strikes and limited exports of Indonesian raw materials will lead to short-term reduction in copper concentrates supply, with the rebound in copper price, it would likely lead to the resumption of production in certain copper mines, and the update in copper products in the recent decade led to an increase in the supply of scrap copper and thus, such part of impact will be hedged. International Copper Study Group (ICSG) estimated that the 2017 global mine copper production would amount to 19.99 million tonnes, maintaining the same level of 2016. In the consumer side, the upgrade of Sino-US trade friction will affect the exports of the PRC, and additionally, the real estate industry in the PRC is facing a downside risk as a result of tightening policy, resulting in suppression of copper consumption, while the infrastructural investment, new establishment and transformation of power grid, and promotion of new energy electric vehicles will stimulate copper consumption. It is expected that in 2017, the implementation and promotion of "One Belt One Road" of the PRC and the increase of infrastructural investment in the PRC and the United States will be the main stimulants driving copper consumption, while non-ferrous metal product prices will gradually enter the upward trend in the price cycle. The steady growth, structural adjustment, production capacity reduction, deleverage, acceleration of industry transition and upgrading will still be the focus of the non-ferrous metal industry in 2017.

(III) 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 globalization of resources and internationalization of operation. Internally, the Company will continue to carry out a comprehensive reform, remove the “roadblocks” to development, increase operation and management level and strengthen inventory assets. Externally, it will reinforce investment development mainly by mergers and acquisition 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 and turn a new page for the Company’s development.

(IV) Business plan

The Group completed or outperformed a series of production plans set in early 2016.

In 2017, the Company’s main production and operation plan is to produce: 1.36 million tonnes of copper cathode, 25 tonnes of gold, 497 tonnes of silver, 3.71 million tonnes of sulphuric acid, 208,900 tonnes of copper contained in copper concentrate, and 1.028 million tonnes of copper rods and wire and other copper processing products. The Group will timely adjust the plan based on the changes in market conditions.

To realize the above plan, in 2017, the Group will primarily exert efforts in the following aspects:

1. The Group will make an effort to merger and restructuring and speed up to realize internationalized operation, set up a platform for internationalized operation, improve corresponding decision-making and operational management mechanism, focus on creating an international talent team and establish corresponding incentive and restraint mechanism. The Group will actively integrate into the strategy of “One Belt One Road”, accelerate the pace of “going out”, strengthen cooperation with international mining companies, implement overseas resources merger and acquisition development and production capacity cooperation, and improve risk exploration efforts to increase resource reserves of the Company.

2. The Group will speed up the reform of system and mechanisms, steadily deepen the supply side structural adjustment, enhance the vitality of enterprise development, and improve the development quality of the Company. The Group will continue to deepen the reform of property rights system, promote adjustment to control mode and optimization of functions, construct a more effective incentive and restraint mechanism, speed up the optimization of capacity structure layout, intensify the transformation of backward production capacity, promote traditional industrial technology transformation of the Company by making use of the support of policies, and gradually achieve high-end, intelligent, green and personalized changes.
3. The Group will comprehensively promote the innovation-driven strategy to enhance core competitiveness, and continue to enhance innovation capability through in-depth implementation of management innovation, technological innovation, business model innovation. The Group will promote management upgrade by management innovation, explore potential of improvement on quality and efficiency, continue to adjust the technological innovation mechanism, achieving not only encouragement of innovation, but also tolerance of failure. The Group will further mobilize the enthusiasm of innovation and efficiency of all staff, adhere to market-orientation, establish a concept of share economy, constantly innovate business model, and enhance the “four-in-one” competitive advantages, namely the quality, cost, efficiency and risk control of the Company through innovation.
4. The Group will adhere to green development, implement safety and environmental protection, energy saving and emission reduction measures, continuously adapt to new regulatory requirements, devote to environmental protection basis management, ensure the overall stability of safety and environmental protection situation, stably realize the efficacy of environmental protection facilities, strengthen the informatization of environmental protection management, continue to implement contractual energy management to ensure the stable operation of energy saving facilities, and perform the tasks of energy saving and emission reduction well.

(V) *Potential risks*

1. *The risk of decrease in copper price*

In 2017, the Group planned to produce a total of 208,900 tonnes of copper contained in copper concentrates. For every decrease of RMB1,000 in copper price, the profits from the self-produced mines of the Company will decrease by RMB200 million (before tax) and the equivalent earnings per share (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 ensure operating targets, the Company has provided hedging for self-produced raw materials according to their price ranges, and aimed to lock the processing fee in respect of outsourced raw materials, so as to shelter from the risk generated from fluctuations in copper price.

2. *The risk of decrease in smelting processing fees*

With the gradual operation of global new smelting capacity, the relative smelting capacity of copper concentrate will experience a slight shortage with an expanding trend. As of current, there has been a certain degree of decline in copper smelting processing fees. The future uncertainty in the global macroeconomic development will also limit the growth of copper consumption, and the risk in copper smelting industry will be further increased.

3. *Changes in domestic and overseas economic environment*

The sluggish growth trend in the global economy still continues, while large variable exists in the trend of major economic policies and there are still many unstable factors. Although the US president Trump promised to increase contributions to infrastructure, its specific implementation is still subject to a long period of time. In addition, the rate hike conducted by the Federal Reserve results in the US dollars remaining strong, while the increase in metal price will be suppressed. In 2017, the Chinese economy is still under structural adjustment and economic benefit of traditional manufacturing industry is further differentiated, resulting in 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**”) contained in Appendix 10 to the Rule Governing the Listing of Securities (“**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Having made special enquiries to all of its Directors and Supervisors, the Company confirms that the Directors and Supervisors have complied with the requirements of the Model Code during the Reporting Period.

7.2 Code on Corporate Governance Practices

The Company 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 Corporate Governance Code (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.

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

During the Reporting Period, the Company has not redeemed any of its listed securities. Neither the Company nor any of its subsidiaries had purchased or sold any of the Company’s listed securities during the Reporting Period.

7.4 Information on payment of final dividend

The Board hereby recommends the distribution of final dividends of RMB0.15 per share (tax inclusive) for the year ended 31 December 2016 (2015: RMB0.1 per share), subject to the approval of the shareholders at the forthcoming 2016 annual general meeting of the Company (“AGM”).

Withholding and Payment 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 Shares register of members of the Company. Any Shares registered in the names of non-individual registered shareholders (including HKSCC Nominees Limited, other corporate nominees, trustees or other entities and organizations) will be treated as being held by non-resident enterprise shareholder and will therefore be subject to the withholding of the enterprise income tax.

Withholding and Payment 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 2016 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 tax regulations, when the 2016 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 2017, 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 2017. 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.

Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (Caishui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)), for dividends received by domestic individual investors from investing in H shares listed on the Stock Exchange through Shanghai-Hong Kong Stock Connect, the company of such H shares shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in H shares listed on the Stock Exchange through Shanghai-Hong Kong Stock Connect, the tax payable shall be the same as that for domestic individual investors. The company of such H shares will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

Pursuant to the Notice on the Tax Policies for Shenzhen-Hong Kong Stock Connect Pilot Program (Cai Shui [2016] No.127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), for dividends received by domestic individual investors from investing in H shares listed on the Stock Exchange through Shenzhen-Hong Kong Stock Connect, the company of such H shares shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in H shares listed on the Stock Exchange through Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for domestic individual investors.

The company of such H shares will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

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

Closure of Register of Members

In order to determine the identity of the shareholders entitled to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 8 May 2017 to Wednesday, 7 June 2017 (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, 5 May 2017.

In order to determine the identity of the shareholders entitled to receive the final dividend of the Company for the year ended 31 December 2016, the register of members of the Company will be closed from Wednesday, 14 June 2017 to Tuesday, 20 June 2017 (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 Tuesday, 13 June 2017.

8 FINANCIAL REPORT

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2016

(PREPARED IN ACCORDANCE WITH IFRS)

		2016	2015
	NOTES	RMB'000	RMB'000
Revenue	3	201,728,284	185,228,170
Cost of sales		(195,164,342)	(181,453,624)
Gross profit		6,563,942	3,774,546
Other income	4	615,119	1,125,617
Other gains and losses	5	(1,827,110)	77,729
Selling and distribution expenses		(569,017)	(515,356)
Administrative expenses		(1,679,586)	(2,040,539)
Finance costs	6	(968,920)	(923,327)
Share of results of joint ventures		(42,259)	(39,266)
Share of results of associates		(8,557)	(243,012)
Profit before taxation		2,083,612	1,216,392
Taxation	7	(1,088,551)	(477,741)
Profit for the year	8	995,061	738,651

	NOTES	2016 RMB'000	2015 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		10,907	255,353
Reclassification adjustments relating to transfer of cash flow hedges		(10,211)	(295,438)
Fair value change on available-for-sale investments		(9,997)	1,764
Share of exchange differences of associates		154,804	165,272
Share of exchange differences of joint ventures		3,499	2,917
Exchange differences arising on translation		52,244	44,105
Income tax relating to components of other comprehensive income		1,013	6,182
Other comprehensive income for the year (net of tax)		202,259	180,155
Total comprehensive income for the year		1,197,320	918,806
Profit for the year attributable to:			
Owners of the Company		840,794	689,556
Non-controlling interests		154,267	49,095
		995,061	738,651
Total comprehensive income attributable to:			
Owners of the Company		1,041,903	867,680
Non-controlling interests		155,417	51,126
		1,197,320	918,806
Earnings per share			
Basic and diluted	10	RMB0.24	RMB0.20

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2016
(PREPARED IN ACCORDANCE WITH IFRS)

	<i>NOTES</i>	2016 RMB'000	2015 RMB'000
Non-current assets			
Property, plant and equipment		20,934,508	21,446,841
Investment properties		484,297	352,526
Prepaid lease payments		1,190,259	1,221,393
Intangible assets		1,217,641	1,144,156
Exploration and evaluation assets		514,761	530,191
Interests in associates		2,722,937	2,564,586
Interests in joint ventures		283,468	338,027
Available-for-sale investments		1,931,736	835,249
Deferred tax assets		960,335	918,707
Deposits for prepaid lease payments		82,150	–
Deposits for property, plant and equipment		268,363	347,427
		30,590,455	29,699,103
Current assets			
Inventories		15,412,386	13,368,855
Trade and bills receivables	11	16,562,303	14,205,827
Prepayments, deposits and other receivables		6,373,515	6,930,203
Other investments		689,707	311,799
Loans to fellow subsidiaries		1,082,560	945,209
Prepaid lease payments		28,309	25,078
Available-for-sale investments		2,890,577	2,812,500
Held-for-trading financial assets		188,035	156,947
Derivative financial instruments	12	297,690	615,000
Restricted bank deposits		4,818,393	3,975,457
Bank balances and cash		8,260,268	16,705,051
		56,603,743	60,051,926
Assets classified as held-for-sale		189,892	–
		56,793,635	60,051,926

		2016	2015
	NOTES	RMB'000	RMB'000
Current liabilities			
Trade and bills payables	13	11,817,151	8,575,020
Other payables and accruals		4,516,422	4,687,627
Deposits from holding Company and fellow subsidiaries		1,966,372	1,611,576
Deferred revenue – government grants		47,855	48,988
Derivative financial instruments	12	546,565	210,708
Held-for-trading financial liabilities		2,682,586	1,758,825
Tax payable		806,285	351,625
Bonds payable		–	6,554,733
Bank borrowings		14,955,890	16,704,886
		<u>37,339,126</u>	<u>40,503,988</u>
Net current assets		<u>19,454,509</u>	<u>19,547,938</u>
Total assets less current liabilities		<u>50,044,964</u>	<u>49,247,041</u>
Non-current liabilities			
Bank borrowings		228,100	347,600
Provision for rehabilitation		173,509	165,695
Employee benefit liability		109,190	149,551
Deferred revenue – government grants		592,224	634,159
Other long term payables		10,979	11,735
Deferred tax liabilities		108,114	109,000
		<u>1,222,116</u>	<u>1,417,740</u>
		<u>48,822,848</u>	<u>47,829,301</u>
Capital and reserves			
Share capital		3,462,729	3,462,729
Reserves		43,135,257	42,439,628
Equity attributable to owners of the Company		46,597,986	45,902,357
Non-controlling interests		2,224,862	1,926,944
		<u>48,822,848</u>	<u>47,829,301</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
(PREPARED IN ACCORDANCE WITH IFRS)

1. GENERAL

The Company was registered in the People's Republic of China 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"), a company established in PRC, 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 registered address of the Company is located at 15 Yejin Avenue, Guixi City, Jiangxi, the PRC. The Company's ultimate 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

The Group has applied the following amendments to IFRSs issued by the International Accounting Standards Board (the “**IASB**”) for the first time in the current year:

Amendments to IFRS 11	Accounting for acquisitions of interests in joint operations
Amendments to IAS 1	Disclosure initiative
Amendments to IAS 16 and IAS 38	Clarification of acceptable methods of depreciation and amortization
Amendments to IAS 16 and IAS 41	Agriculture: Bearer plants
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment entities: Applying the consolidation exception
Amendments to IFRSs	Annual improvements to IFRSs 2012 – 2014 cycle

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

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

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

IFRS 9	Financial instruments ¹
IFRS 15	Revenue from contracts with customers and the related amendments ¹
IFRS 16	Leases ²
IFRIC 22	Foreign currency transactions and advance considerations ¹
Amendments to IFRS 2	Classification and measurement of share-based payment transactions ¹
Amendments to IFRS 4	Applying IFRS 9 Financial instruments with IFRS 4 Insurance contracts ¹
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture ³
Amendments to IAS 7	Disclosure initiative ⁴
Amendments to IAS 12	Recognition of deferred tax assets for unrealised losses ⁴
Amendments to IAS 40	Transfers of investment property ¹
Amendments to IFRSs	Annual improvements to IFRS standards 2014–2016 cycle ⁵

¹ Effective for annual periods beginning on or after 1 January 2018.

² Effective for annual periods beginning on or after 1 January 2019.

³ Effective for annual periods beginning on or after a date to be determined.

⁴ Effective for annual periods beginning on or after 1 January 2017.

⁵ Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate.

The directors do not anticipate that the application of the new and amendments to IFRSs and interpretation will have material impact on the consolidated financial statements of the Group.

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:

	2016 RMB'000	2015 RMB'000
Sales of goods		
– copper cathodes	125,284,190	113,156,063
– copper rods	38,735,196	38,126,940
– copper processing products	3,592,718	3,079,239
– gold	6,985,024	6,154,781
– silver	4,004,884	2,816,113
– sulphuric and sulphuric concentrate	704,088	1,348,034
– rare and other non-ferrous metals	19,349,579	17,890,198
– others	3,652,541	3,211,123
Revenue analysis prepared in accordance with ASBE	202,308,220	185,782,491
Less: sales related taxes	(579,936)	(554,321)
Revenue analysis prepared in accordance with IFRSs	<u>201,728,284</u>	<u>185,228,170</u>

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:

	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
Mainland China	169,615,513	165,251,322
Hong Kong	23,341,250	11,181,744
Others	9,351,457	9,349,425
Revenue analysis prepared in accordance with ASBE	202,308,220	185,782,491
Less: sales related taxes	(579,936)	(554,321)
Revenue analysis prepared in accordance with IFRSs	201,728,284	185,228,170

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 2016, there is no revenue from customers contributing over 10% of the total revenue of the Group (2015: nil). The revenue from the largest customer amounted to approximately RMB6,883,732,000 (2015: RMB4,876,870,000), representing 3.40% (2015: 2.63%) of the total revenue of the Group.

4. OTHER INCOME

	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
Interest income	496,214	954,972
Dividend income on available-for-sale investments	6,750	34,409
Government grants recognized (<i>note</i>)	52,664	51,716
Income from value-added tax refund	56,052	78,301
Others	3,439	6,219
	<u>615,119</u>	<u>1,125,617</u>

Note: Government grants recognized 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

	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
Fair value change on derivative financial instruments		
Transactions not qualifying for hedging accounting		
– Fair value change on commodity derivative contracts	(661,931)	290,358
– Fair value change on foreign currency forward contracts and interest rate swaps	(53,647)	121,163
Transactions qualifying as fair value hedges		
– Inventory hedged	(2,919)	4,351
– Fair value change on hedging instruments	3,009	(6,408)
Ineffective portion of cash flow hedges	(7,933)	(66,424)
Fair value change on held-for-trading financial assets	(7,762)	31,072
Fair value change on held-for-trading financial liabilities	(285,089)	95,023
Income from available-for-sale investments	254,755	192,515
Gain on disposal of a subsidiary	–	278,015

	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
Gain on disposal of interest in associates	15,198	–
Income from other investments	–	90,972
Loss on disposal of property, plant and equipment	(56,768)	(26,565)
Impairment loss on property, plant and equipment	(3,787)	–
Impairment loss on trade and bills receivables	(1,295,987)	(120,653)
Reversal (impairment loss) on prepayment, deposits, and other receivables	66,597	(317,343)
Impairment loss on available-for-sale investments	–	(369)
Impairment loss on loans to fellow subsidiaries	(1,669)	(380)
Impairment loss on interest in joint ventures	(34,917)	–
Donations	(818)	(852)
Net exchange gains/(losses)	236,300	(551,263)
Others	10,258	64,517
	<u>(1,827,110)</u>	<u>77,729</u>

6. FINANCE COSTS

	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
Interests on:		
Bank borrowings	321,641	406,603
Bonds payable	296,267	376,435
Discounted notes	351,012	140,289
	<u>968,920</u>	<u>923,327</u>

7. TAXATION

	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
The charge comprises:		
Current taxation		
– PRC Enterprise Income Tax	1,070,595	687,202
– Hong Kong Profits Tax	<u>(3,584)</u>	<u>7,667</u>
	<u>1,067,011</u>	<u>694,869</u>
Under (over) provision in prior years		
– PRC Enterprise Income Tax	70,075	(4,761)
– Hong Kong Profits Tax	<u>(7,034)</u>	<u>848</u>
	<u>63,041</u>	<u>(3,913)</u>
Deferred taxation	<u>(41,501)</u>	<u>(213,215)</u>
	<u><u>1,088,551</u></u>	<u><u>477,741</u></u>

Hong Kong Profits Tax in four (2015: three) of the Group's subsidiaries has been provided at the rate of 16.5% (2015: 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% (2015: 25%) of the assessable profits of the PRC companies as determined in accordance with the relevant income tax rules and regulations of the PRC Enterprise Income Tax Law except for those high technology companies entitled to a lower PRC Enterprise Income Tax rate of 15%, according to the PRC Enterprise Income Tax Law.

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

8. PROFIT FOR THE YEAR

	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
Profit for the year has been arrived at after charging (crediting):		
Employee benefit expense (including directors', chief executive's and supervisors' remuneration)		
– Wages and salaries	2,066,658	1,849,303
– Performance related bonus	50,169	12,352
– Pension scheme contributions	470,833	124,051
– Other staff costs, allowances and welfare	508,973	376,030
	<u>3,096,633</u>	<u>2,361,736</u>
Auditor's remuneration	10,438	8,211
Cost of inventories recognized as an expense	195,164,342	181,453,624
Depreciation of property, plant and equipment	1,780,311	1,567,260
Depreciation of investment properties	10,785	7,284
Amortization of prepaid lease payments	28,309	31,908
Amortization of intangible assets included in administration expenses	42,072	44,158
(Reversal of) allowance for inventories, included in cost of sales	(116,308)	16,600
Minimum lease payments under operating lease of land use rights	<u>160,345</u>	<u>165,960</u>

9. DIVIDENDS

	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
Dividends recognized as distribution during the year:		
Final dividend of RMB0.1 for 2015 (2015: final dividend of RMB0.2 for 2014) per share	<u>346,273</u>	<u>692,546</u>

Subsequent to the end of the reporting period, a final dividend of RMB0.15 in respect of the year ended 31 December 2016 (2015: final dividend of RMB0.1 in respect of the year ended 31 December 2015) 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 RMB519,409,000 (2015: RMB346,273,000) of the proposed final dividend, calculated on the Company's number of shares issued at the date of annual report, is not recognized 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 RMB840,794,000 (2015: RMB689,556,000) and on the number of 3,462,729,405 (2015: 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 2016 and 2015 and during both years.

11. TRADE AND BILLS RECEIVABLES

	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
Trade receivables	13,792,028	10,603,412
Bills receivables	3,019,515	3,172,899
Factoring receivables	2,003,582	1,386,701
	18,815,125	15,163,012
Less: allowance for doubtful debts	(2,252,822)	(957,185)
	<u>16,562,303</u>	<u>14,205,827</u>

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.

11. TRADE AND BILLS RECEIVABLES (CONTINUED)

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:

	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
Within 1 year	15,747,404	14,149,375
1 – 2 years	160,900	33,015
2 – 3 years	412,735	23,437
Over 3 years	241,264	–
	<u>16,562,303</u>	<u>14,205,827</u>

12. DERIVATIVE FINANCIAL INSTRUMENTS

	2016 Fair value		2015 Fair value	
	Assets <i>RMB'000</i>	Liabilities <i>RMB'000</i>	Assets <i>RMB'000</i>	Liabilities <i>RMB'000</i>
Net settlement:				
Commodity derivative contracts	297,690	(418,847)	347,580	(169,963)
Provisional price arrangement	–	(70,554)	207,300	–
Foreign currency forward contracts and interest rate swaps	–	(57,164)	60,120	(40,745)
	<u>297,690</u>	<u>(546,565)</u>	<u>615,000</u>	<u>(210,708)</u>

12. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
Derivatives qualifying for hedge accounting:		
Cash flow hedges		
– Commodity derivative contracts	3,300	1,130
Fair value hedges		
– Provisional price arrangement	<u>(60,140)</u>	<u>198,693</u>
	<u>(56,840)</u>	<u>199,823</u>
Derivatives not qualifying for hedge accounting:		
– Commodity derivative contracts	19,624	2,474
– Provisional price arrangement	<u>(10,414)</u>	<u>8,607</u>
	<u>9,210</u>	<u>11,081</u>
Derivatives not under hedge accounting:		
– Commodity derivative contracts	(144,081)	174,013
– Foreign currency forward contracts and interest rate swaps	<u>(57,164)</u>	<u>19,375</u>
	<u>(201,245)</u>	<u>193,388</u>
	<u>(248,875)</u>	<u>404,292</u>

13. TRADE AND BILLS PAYABLES

	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
Trade payables	6,160,337	4,286,670
Bills payables	<u>5,656,814</u>	<u>4,288,350</u>
	<u>11,817,151</u>	<u>8,575,020</u>

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

	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
Within 1 year	11,448,347	8,519,959
1 – 2 years	65,525	35,570
2 – 3 years	227,916	10,733
Over 3 years	<u>75,363</u>	<u>8,758</u>
	<u>11,817,151</u>	<u>8,575,020</u>

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

Nanchang, Jiangxi, the People's Republic of China, 29 March 2017

As at the date of this announcement, the executive Directors are Mr. Li Baomin, Mr. Long Ziping, Mr. Gao Jianmin, Mr. Liang Qing, Mr. Wang Bo, Mr. Wu Jinxing and Mr. Wu Yuneng; and the independent non-executive Directors are Mr. Tu Shutian, Mr. Zhang Weidong, Mr. Sun Chuanyao and Mr. Liu Erh Fei.