

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)

2019 INTERIM RESULTS ANNOUNCEMENT

I. IMPORTANT NOTICE

- (I) The board of directors (the “**Board**”) and the supervisory committee (the “**Supervisory Committee**”) of Jiangxi Copper Company Limited (the “**Company**”) and its directors (the “**Directors**”), supervisors (the “**Supervisors**”) and senior management warrant that they severally and jointly accept responsibility for the truthfulness, accuracy and completeness of the information contained in this announcement and that there are no false representations, misleading statements contained therein or material omissions therefrom.

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

- (II) All Directors of the Company attended the Board’s meeting to approve, among others, the interim results for the six months ended 30 June 2019.

- (III) The interim financial report of the Company and its subsidiaries (the “**Group**”) has not been audited, but the interim financial information prepared in accordance with International Accounting Standards 34 “Interim Financial Reporting” and other relevant provisions (collectively referred to as “**IFRSs**”) has been reviewed by Ernst & Young and considered and approved by the independent audit committee (the “**Audit Committee**”) of the Company.
- (IV) The Company’s chairman, Mr. Long Ziping, the principal accounting responsible person, Mr. Yu Tong, and Head of Financial Department (accounting chief), Mr. Ai Fuhua, warrant the truthfulness, accuracy and completeness of the financial report set out in the interim report.
- (V) Proposal of profit distribution plan or transfer of capital reserve to share capital after consideration by the Board: The Company will not make any proposal of profit distribution plan or transfer capital reserve to share capital during the six months ended 30 June 2019 (the “**reporting period**”).
- (VI) Statement for the risks involved in the forward-looking statement: 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.
- (VII) There is no misappropriation of funds by the controlling shareholders and their connected parties for non-operation purpose in the Group.
- (VIII) There are no external guarantees provided in violation of stipulated decision-making procedures in the Group.

II. SUMMARY OF ACCOUNTING DATA AND FINANCIAL INDICATORS

(I) Consolidated Accounting Data and Financial Indicators Prepared in accordance with the IFRSs

| | For the six months ended 30 June | | Increase/ (decrease) (%) |
|--|---|---|--------------------------------|
| | 2019 <i>(RMB'000)</i> (Unaudited) | 2018 <i>(RMB'000)</i> (Unaudited) | |
| Revenue | 104,693,998 | 104,025,788 | 0.64% |
| Profit before taxation | 1,910,800 | 1,736,658 | 10.03% |
| Profit for the period attributable to shareholders of the Company | 1,412,177 | 1,327,146 | 6.41% |
| Basic earnings per share <i>(RMB)</i> | 0.41 | 0.38 | 7.89% |
| | As at 30 June 2019 <i>(RMB'000)</i> (Unaudited) | As at 31 December 2018 <i>(RMB'000)</i> (Audited) | Increase/ (decrease) (%) |
| Total assets | 133,106,720 | 102,865,824 | 29.40% |
| Total liabilities | 76,923,492 | 50,839,134 | 51.31% |
| Net assets attributable to shareholders of the Company | 50,571,338 | 49,766,311 | 1.62% |
| Net assets per share attributable to shareholders of the Company <i>(RMB)</i> | 14.60 | 14.37 | 1.62% |

(II) Major financial indicators

Unit: Yuan Currency: RMB

| Major financial indicators | During the reporting period (January-June) | During the same period of last year | | Increase/decrease for the reporting period as compared with the same period of last year (%) |
|--|---|--|--------------------------|---|
| | | After adjustment | Before adjustment | |
| Basic earnings per share <i>(RMB/share)</i> | 0.38 | 0.37 | 0.37 | 2.70 |
| Basic earnings per share after non-recurring profit and loss items <i>(RMB/share)</i> | 0.32 | 0.16 | 0.16 | 100 |
| Return on net assets <i>(weighted average) (%)</i> | 2.57 | 2.63 | 2.63 | Decrease by 0.06 percentage point |
| Return on net assets after non-recurring profit and loss items <i>(weighted average) (%)</i> | 2.24 | 1.18 | 1.18 | Increase by 1.06 percentage points |

(III) Reconciliation Between the IFRSs and the PRC GAAP

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

Unit: Yuan Currency: RMB

| | Net profit | | Net assets attributable to shareholders of the Company | |
|---|-------------------------------|--------------------------------|--|----------------|
| | Amount for the current period | Amount for the previous period | Closing amount | Opening amount |
| Prepared in accordance with the PRC GAAP | 1,300,277,340 | 1,277,630,707 | 50,571,339,051 | 49,766,311,772 |
| Adjustments to items and amounts under IFRSs: | | | | |
| Safety fund expenses provided but not used under the PRC GAAP during the period | 111,899,839 | 49,518,957 | - | - |
| Prepared in accordance with the IFRSs | 1,412,177,179 | 1,327,149,664 | 50,571,339,051 | 49,766,311,772 |

Note: The above-mentioned data regarding “net profit” refers to the “net profit attributable to the shareholders of the Company”.

The Group is required to make appropriations on work safety in accordance with CaiQi [2012] No. 16 “Measures on the Appropriation and Usage of Work Safety Funds of Enterprises” issued by the Ministry of Finance and the State Administration of Work Safety. The fund is designated for enhancement of improvement of work safety conditions. The appropriated work safety funds are included in related products’ costs or profit or loss for the current period, and are reflected separately in the “special reserve” under shareholders’ equity. In using the appropriated funds for work safety, the cost of expenditure is directly offset against the special reserve. When the use of appropriated work safety fund forms fixed assets, through the costs of accumulation of ongoing construction items, the related assets are confirmed to become fixed when they reach their intended usable conditions after the completion of the safety projects. Meanwhile, the costs of forming fixed assets are then offset against the specific reserve while the same amount is recognised in accumulated depreciation. Such fixed assets are not depreciated in subsequent periods. Under the IFRSs, the appropriation of work safety fund is individually reflected in the restricted reserve of shareholders’ equity in the form of profit distribution. When qualifying costs of expenditure are incurred, such expenses are recorded in the current income statement as incurred. When capital expenditures are incurred, an amount is transferred to property, plant and equipment and is depreciated in accordance with the depreciation policy of the Company. Meanwhile, the actual usage amounts of, among other things, work safety expenses of the current period, are carried over internally in shareholders’ equity, and are offset against restricted reserve and increase the undistributed profit, to the limit that restricted reserve is offset to zero.

(IV) Non-Recurring Profit and Loss Items and Amounts prepared under the PRC GAAP

Unit: Yuan Currency: RMB

| Non-recurring profit and loss items | Amount | Note (If applicable) |
|--|---------------------------|---------------------------------|
| Profit and loss from disposal of non-current assets | 9,652,716 | |
| 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 and in compliance with national policies | 55,941,206 | |
| Profit and loss from changes in the fair value of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities, and investment gains from disposal of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and other debt investments except for effective hedging businesses related to normal operation of the Company | 215,569,043 | |
| Reversion of provision for impairment of the receivables and contract assets under independent impairment test | 1,249,587 | |
| Other non-operating income and expenses other than the above | <u>62,413,792</u> | |
| Impact from interests of minority shareholders | -100,545,964 | |
| Impact from income tax | <u>-66,406,460</u> | |
| Total | <u><u>177,873,920</u></u> | |

(V) Other Items (prepared under the PRC GAAP)***Items measured by adoption of fair value****Unit: Yuan Currency: RMB*

| Item | Opening balance | Closing balance | Changes during the period | Impact on profit of the current period |
|--|----------------------------|----------------------------|--|---|
| 1. Investment in held-for-trading equity instruments | | | | |
| Equity investments | 163,814,459 | 161,158,202 | -2,656,257 | 7,121,395 |
| 2. Investment in held-for-trading debt instruments | | | | |
| Bond investment | 109,286,621 | – | -109,286,621 | 6,005,145 |
| Investment in debt instruments | 9,468,226,583 | 17,829,070,370 | 8,360,843,787 | 320,127,968 |
| 3. Other equity instruments | 2,272,120,712 | 2,098,455,287 | -173,665,425 | -100,291,449 |
| 4. Other debt instruments | 50,047,000 | 50,047,000 | – | – |
| 5. Financing of receivables | 3,215,501,984 | 2,174,722,110 | -1,040,779,874 | – |
| 6. Derivatives not designated as a hedge | | | | |
| Forward foreign exchange contracts | 56,557,584 | 27,803,965 | -28,753,619 | -23,060,866 |
| Interest rate swaps contracts | -434,273 | -1,203,155 | -768,882 | -768,882 |
| Commodity option contracts | -20,965,613 | -3,616,391 | 17,349,222 | 31,568,973 |
| Commodity futures contracts | 36,852,524 | 261,516,972 | 224,664,448 | -25,615,243 |
| 7. Hedging instruments | | | | |
| (1) Non-effective hedging derivative instruments | | | | |
| Provisional price arrangement | 3,400,716 | 4,149,357 | 748,641 | 482,001 |
| (2) Effective hedging derivative instruments | | | | |
| Item at fair value included in inventory | 2,883,906,210 | 2,978,881,264 | 94,975,054 | 74,338,434 |
| Provisional price arrangement | 94,236,068 | 13,433,784 | -80,802,284 | -80,802,283 |
| 8. Held-for-trading financial liabilities | – | -694,422,210 | -694,422,210 | – |
| Total | 18,332,550,575 | 24,899,996,555 | 6,567,445,980 | 209,105,193 |

III. CHANGES IN SHARE CAPITAL AND SHAREHOLDERS

(I) Statement of Changes in Shares

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

(II) Changes in Shares Subject to Lock-up

Not applicable

(III) The Number of Shareholders and Shareholdings

(1) Total number of Shareholders

| | |
|--|---------|
| Total number of ordinary shareholders at the end of the reporting period | 132,312 |
| Total number of preference shareholders with voting rights restored at the end of the reporting period | 0 |

(2) Table of shareholdings of the top ten shareholders and the top ten shareholders holding tradable shares (or shareholders not subject to lock-up) at the end of the reporting period

Shareholdings of the top ten shareholders

Unit: Share

| Name of shareholder (full name) | Increase/ decrease during the reporting period | Number of shares held at the end of the reporting period | Percentage (%) | Number of shares held subject to lock-up | Situation of pledge or freeze Share status | Number | Nature of shareholder |
|--|--|--|-------------------|---|---|--------|--------------------------|
| Jiangxi Copper Corporation Limited ("JCC") | 8,340,000 | 1,447,247,110 | 41.79 | 0 | Nil | 0 | State-owned legal person |
| HKSCC Nominees Limited ("HKSCC") | -8,119,660 | 1,140,646,442 | 32.94 | 0 | Unknown | | Unknown |
| China Securities Finance Corporation Limited | 0 | 103,719,909 | 3.00 | 0 | Unknown | | Unknown |
| Central Huijin Asset Management Limited | 0 | 31,843,800 | 0.92 | 0 | Unknown | | Unknown |

| Name of shareholder (full name) | Increase/ decrease during the reporting period | Number of shares held at the end of the reporting period | Percentage (%) | Number of shares held subject to lock-up | Situation of pledge or freeze | | Nature of shareholder |
|--|--|--|-------------------|---|----------------------------------|--------|--------------------------|
| | | | | | Share status | Number | |
| Hong Kong Securities Clearing Company Limited | 3,821,534 | 15,724,533 | 0.45 | 0 | Unknown | | Unknown |
| Beijing Fengshan Investment Ltd | 0 | 6,784,000 | 0.20 | 0 | Unknown | | Unknown |
| Wutongshu Investment Platform Co., Ltd | 0 | 5,993,953 | 0.17 | 0 | Unknown | | Unknown |
| Cheng Shiquan | -157,655 | 5,265,345 | 0.15 | 0 | Unknown | | Unknown |
| E Funds – ICBC – FOTIC – FOTIC • Wenfu FOF Single Fund Trust | 4,806,223 | 4,806,223 | 0.14 | 0 | Unknown | | Unknown |
| China Construction Bank Corporation – Guotai Guozheng Non-ferrous Metal Industrial Index Grading Securities Investment Funds | 2,234,089 | 4,288,288 | 0.12 | 0 | Unknown | | Unknown |

Shareholdings of the top ten shareholders not subject to lock-up

| Name of shareholder | Number of tradable shares held not subject to lock-up | Class and number of shares | |
|--|---|---|---------------|
| | | Class | Number |
| JCC | 1,447,247,110 | Ordinary shares denominated in RMB (A Shares) | 1,205,479,110 |
| | | Overseas listed foreign shares (H Shares) | 241,768,000 |
| HKSCC | 1,140,646,442 | Overseas listed foreign shares (H Shares) | 1,140,646,442 |
| China Securities Finance Corporation Limited | 103,719,909 | Ordinary shares denominated in RMB (A Shares) | 103,719,909 |
| Central Huijin Asset Management Limited | 31,843,800 | Ordinary shares denominated in RMB (A Shares) | 31,843,800 |
| Hong Kong Securities Clearing Company Limited | 15,724,533 | Ordinary shares denominated in RMB (A Shares) | 15,724,533 |
| Beijing Fengshan Investment Ltd | 6,784,000 | Ordinary shares denominated in RMB (A Shares) | 6,784,000 |
| Wutongshu Investment Platform Co., Ltd | 5,993,953 | Ordinary shares denominated in RMB (A Shares) | 5,993,953 |
| Cheng Shiquan | 5,265,345 | Ordinary shares denominated in RMB (A Shares) | 5,265,345 |
| E Funds – ICBC – FOTIC – FOTIC • Wenfu FOF Single Fund Trust | 4,806,223 | Ordinary shares denominated in RMB (A Shares) | 4,806,223 |
| China Construction Bank Corporation – Guotai Guozheng Non-ferrous Metal Industrial Index Grading Securities Investment Funds | 4,288,288 | Ordinary shares denominated in RMB (A Shares) | 4,288,288 |

- The explanation of the connected relationship or parties acting in concert among the aforesaid shareholders
- (1) JCC, the controlling shareholder of the Company, and the other holders of shares not subject to lock-up are neither connected persons nor parties acting in concert as defined in “the Measures for the Administration of the Takeover of Listed Companies” (《上市公司收購管理辦法》) issued by China Securities Regulatory Commission (“CSRC”);
- (2) The Company is not aware of any connected relationship among the holders of shares not subject to lock-up, nor aware of any parties acting in concert as defined in “the Measures for the Administration of the Takeover of Listed Companies” (《上市公司收購管理辦法》) issued by CSRC.

Preferred shareholders with restored voting rights / and their shareholding

Notes: HKSCC is a member of the Central Clearing and Settlement System, providing registration and custodial services for customers. HKSCC held a total of 1,382,414,442 shares of the Company in the capacity of nominee on behalf of a number of customers, representing approximately 39.92% of the total share capital of the Company. 241,768,000 H Shares held by JCC are also registered in HKSCC. Excluding those H Shares held by JCC, HKSCC held 1,140,646,442 shares of the Company on behalf of a number of customers, representing approximately 32.94% of the total share capital of the Company.

Shareholdings of the top ten shareholders subject to lock-up and the trading restrictions

Not applicable

(3) *Strategic investors or general corporate investors who become the top ten shareholders due to the placement of new shares*

Not applicable

(IV) Changes in Controlling Shareholder and Ultimate Controller

Not applicable

IV. REPORT OF THE BOARD

Unless otherwise specified, the following figures are extracted from the unaudited consolidated accounting statements prepared in accordance with PRC GAAP.

(I) Principal business and operation mode of the Company

The principal business of the Group covers gold and copper mining and dressing, smelting and processing, extraction and processing of the precious metals and scattered metals, sulphuric chemistry as well as finance and trading fields. It has established the complete industrial chain integrated with exploration, mining, ore dressing, smelting and processing in copper and related non-ferrous metal fields. It is the important production base of copper, gold, silver and sulphuric chemistry in the PRC. The main products of the Group 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 Group include:

1. A listed company: Shandong Humon Smelting Co., Ltd. (“**Humon Smelting**”) (Shenzhen Stock Exchange stock code: 002237) is a company listed on the Shenzhen Stock Exchange. The Company holds 29.99% of the total share capital of the Humon Smelting, and is the controlling shareholder of Humon Smelting. Humon Smelting is mainly engaged in the exploration, mining, dressing, smelting and chemical production of gold. It is a national key gold smelting enterprise. It is equipped with the annual production capacity of 50 tonnes of gold and 700 tonnes of silver, and its production capacity of sulfuric acid as by-product in the smelting process reaches 1 million tonnes.
2. Two sulphuric acid plants with advanced technology: Jiangxi Jiangtong-Wengfu Chemical Industry Company Limited and Jiangxi Copper (Dexing) Chemical Company Limited.
3. Three smelters: Guixi Smelter, Jiangxi Copper (Qingyuan) Company Limited and Zhejiang Jiangtong Fuye Heding Copper Co., Ltd., among which Guixi Smelter is the largest blister and copper concentrate smelter and refiner in China with the largest scale, most advanced technologies and best environmental protection.
4. Six mines with 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 Mining Company.
5. Eight modern copper products processing plants: Jiangxi Copper Products Company Limited, Jiangxi Copper (Guangzhou) Copper Production Company Limited, Jiangxi JCC – Yates Copper Foil Inc., Jiangxi Copper Taiyi Special Electrical Materials Company Limited, Jiangxi Copper (Longchang) Precise Pipe Company Limited, JCC Copper Products Company Limited, JCC Huabei (Tianjin) Copper Co., Ltd., JCC Huadong (Zhejiang Cooper Products) Co., Ltd.

(II) Explanation of the industry

In the first quarter of 2019, the manufacturing industry of the world's major economies was weakened across the board and the economic outlook was sluggish. In response to the economic downturn, the global monetary policy turned loose. China and the United States (the "US") made progress in the seventh round of the trade negotiations. US President Donald Trump announced that the tariff increase on China on 1 March 2019 would be delayed. The risk appetite of the financial market rose, thus the price of copper increased. The price of copper in the first quarter fluctuated upwards.

In the second quarter, China implemented tax reduction and expanded the opening-up policies. Under the stimulus of the policies, China's manufacturing industry rebounded to the expansion zone. However, the escalation of China-US and Europe-US trade wars and the resonated downturn of the global economy have caused the International Monetary Fund to decrease the global economic growth rate, and the sentiment of risk aversion went up. The price of copper in the second quarter fell under pressure.

Due to the relatively stable supply and demand, the price of copper in the first half of 2019 was mainly led by the macro, and maintained the overall trend of pushing up and going down. The fluctuation range of London copper was 5,700–6,600 US dollars/tonne, and that of Shanghai copper was 46,000–51,000 RMB yuan/tonne. According to statistics, the annual average of three-month LME copper price in the first half of 2019 was 6,175.5 US dollars/tonne, representing a decrease of 5.64% as compared with the same period of last year.

Looking forward to the second half of the year, global central banks have started the trend of reducing interest rates since July, as more than 10 central banks have announced interest rate reduction and embarked on a path of currency easing. Although no agreement was reached from the China-US negotiations during the G20 and the China-US trade war has not been eased, its marginal impact on the financial market has declined. In the second half of the year, China will continue to expand its opening-up and its infrastructure, and support its brick-and-mortars, etc, to further stabilise employment, finance, foreign trade, foreign capital, investment and expectations. China will continue to act as a "stabiliser" for the global economy. As the imbalance between copper supply and demand is not prominent, it is expected that the price of copper will continue to be led by the macro situation in the second half of the year. Under the expectation of a macro turnaround, the copper price is expected to maintain upwards fluctuation in the second half of the year.

(III) Discussion and Analysis of the Company's Operation during the reporting period by the Board

Since this year, there has been constantly increasing downward pressure in the major economies in the world, while instability and uncertainty factors increased significantly. The market of copper products experienced fluctuation and downturn. The pressure of supply of raw materials for copper smelting, especially scrap copper, has increased constantly, and the downstream demand for processed copper products remained weak. Facing severe external challenges, all members of the Company have been confident in tackling difficulties and overcoming obstacles. Through adopting a series of comprehensive measures of “seizing innovation, promoting reform, strengthening management and facilitating development”, the Company has successfully resolved numerous problems, effectively responded to various challenges and achieved hard-won results.

During the reporting period, the Group successfully achieved the production plan for all products and produced: 749,300 tonnes of copper cathode, representing a year-on-year increase of 3.51%; 102,000 tonnes of copper concentrates, representing a year-on-year increase of 0.2%; 12.88 tonnes of gold, representing a year-on-year decrease of 0.17%; 169.01 tonnes of silver, representing a year-on-year decrease of 8.13%; 3,917 tonnes of molybdenum concentrates (45%), representing a year-on-year increase of 4.82%; 2,078,600 tonnes of sulphuric acid, representing a year-on-year increase of 0.03%; 1,299,600 tonnes of sulphur concentrates, representing a year-on-year increase of 8.03%; produced 464,100 tonnes of copper rods, representing a year-on-year decrease of 1.85%; 62,800 tonnes of other processed copper products (excluding copper rods), representing a year-on-year decrease of 23.16%. Moreover, Humon Smelting, a subsidiary of the Company, produced: 56,100 tonnes of copper cathode; 8.14 tonnes of gold; 249.00 tonnes of silver; 634,600 tonnes of sulphuric acid.

According to the unaudited 2019 interim consolidated financial statement prepared in accordance with the PRC GAAP, the consolidated operating income of the Group is RMB105,042,933,126 (2018 interim: RMB104,505,429,936), representing a year-on-year increase of RMB537,503,190 (or 0.51%) as compared with last year; achieving net profit attributable to shareholders of the Company of RMB1,300,277,340 (2018 interim: RMB1,277,630,707), representing a year-on-year increase of RMB22,646,633 (or 1.77%) as compared with last year; basic earnings per share is RMB0.38 (2018 interim: RMB0.37), representing a year-on-year increase of RMB0.01 (or 2.70%) as compared with last year.

(I) Analysis of principal businesses

1. Table of movement analysis for the related items in financial statements

Unit: Yuan Currency: RMB

| Items | For the period | For the same period last year | Changes (%) |
|---|------------------------|--------------------------------------|--------------------|
| Operating Revenue | 105,042,933,126 | 104,505,429,936 | 0.51 |
| Operating Cost | 101,034,401,131 | 100,898,140,141 | 0.14 |
| Selling expenses | 299,530,003 | 327,220,816 | -8.46 |
| Administrative expenses | 831,683,381 | 733,779,374 | 13.34 |
| Finance costs | 552,632,756 | 442,500,482 | 24.89 |
| Expenses on research and development | 103,583,610 | 93,906,420 | 10.31 |
| Net cash flow from operating activities | 5,512,497,316 | 803,264,622 | 586.26 |
| Net cash flow from investing activities | -15,027,258,001 | -453,572,802 | 3,213.09 |
| Net cash flow from financing activities | 11,057,640,732 | 2,880,365,204 | 283.90 |
| Expenditure on research and development | 1,395,032,809 | 1,267,642,500 | 10.05 |
| Other income | 55,941,206 | 45,178,941 | 23.82 |
| Non-operating income | 67,177,208 | 15,858,447 | 323.61 |
| Non-operating expenses | 5,970,755 | 4,017,581 | 48.62 |

Explanation on changes in operating revenue: there was no material change in the operating revenue in the period as compared to the previous period;

Explanation on changes in operating cost: there was no material change in the operating cost in the period as compared to the previous period;

Explanation on changes in selling expenses: there was no material change in the selling expenses in the period as compared to the previous period;

Explanation on changes in administrative expenses: the increase in administrative expenses for the period is the result of the amortisation of intangible assets and the increase in professional service fees over the the previous period;

Explanation on changes in finance costs: the increase in finance costs in the period was due to the expansion of the Group's financing scale;

Explanation on changes in research and development fees: mainly due to the increase in investment on research expenses by the Company;

Explanation on changes in net cash flow from operating activities: mainly due to the decrease in operating receivables;

Explanation on changes in net cash flow from investment activities: mainly due to the increase in investment expenses;

Explanation on changes in net cash flow from financing activities: mainly due to the increase in short-term borrowings and bill financing;

Explanation on changes in expenses on research and development: mainly due to the increase in investment in technology, number of research and development projects and expenses;

Explanation on changes in other revenue: mainly due to the increase in government subsidies;

Explanation on changes in non-operating income: mainly due to the increase in non-recurring revenue in the period;

Explanation on changes in non-operating expenses: mainly due to the disposal of scrapped fixed assets.

2. Others

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

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

(II) Explanation on major changes caused by non-principal business

Unit: Yuan Currency: RMB

| Item | For the period | For the same period last year | Changes |
|--------------------------------|-----------------------|----------------------------------|--------------|
| Impairment losses on assets | -46,659,871 | 277,854,148 | -324,514,019 |
| Impairment losses on credit | 457,561,667 | 540,675,462 | -83,113,795 |
| Gains on changes in fair value | 134,057,409 | 346,060,473 | -212,003,064 |
| Returns on investment | 75,047,784 | 568,021,711 | -492,973,927 |

(III) Analysis of assets and liabilities

1. Assets and liabilities

Unit: Yuan Currency: RMB

| Item | As at the end of the period | Share of total assets as at the end of the period (%) | As at the end of the previous period | Share of total assets as at the end of the previous period (%) | Changes as at the end of the period over the end of the previous period (%) | Explanation |
|---|------------------------------------|--|---|---|--|--------------------|
| Held-for-trading financial assets | 17,990,228,572 | 13.52 | 9,741,327,663 | 9.47 | 84.68 | Note 1 |
| Derivative financial assets | 380,539,580 | 0.29 | 263,905,443 | 0.26 | 44.20 | Note 2 |
| Receivables finance | 2,174,722,110 | 1.63 | 3,215,501,984 | 3.13 | -32.37 | Note 3 |
| Inventories | 22,844,475,346 | 17.16 | 17,259,265,461 | 16.78 | 32.36 | Note 4 |
| Assets classified as held for sale | 23,308,163 | 0.02 | 83,660,951 | 0.08 | -72.14 | Note 5 |
| Other receivables | 4,241,906,538 | 3.19 | 3,028,494,949 | 2.94 | 40.07 | Note 6 |
| Other current assets | 5,517,182,121 | 4.14 | 2,933,737,673 | 2.85 | 88.06 | Note 7 |
| Other equity investment | 35,624,461 | 0.03 | 0 | 0 | 100.00 | Note 8 |
| Project under construction | 4,751,083,379 | 3.57 | 3,619,089,105 | 3.52 | 31.28 | Note 9 |
| Right-to-use assets | 1,123,556,885 | 0.84 | 0 | 0 | 100.00 | Note 10 |
| Goodwill | 1,627,965,748 | 1.22 | 0 | 0 | 100.00 | Note 11 |
| Short-term borrowings | 49,439,255,771 | 37.14 | 29,874,704,731 | 29.04 | 65.49 | Note 12 |
| Notes payable | 3,627,642,978 | 2.73 | 1,923,462,976 | 1.87 | 88.60 | Note 13 |
| Held-for-trading financial liabilities | 694,422,210 | 0.52 | 0 | 0 | 100.00 | Note 14 |
| Account payable | 6,391,324,369 | 4.80 | 4,306,594,754 | 4.19 | 48.41 | Note 15 |
| Contract liabilities | 1,795,394,000 | 1.35 | 3,311,246,333 | 3.22 | -45.78 | Note 16 |
| Tax payable | 808,980,433 | 0.61 | 1,195,402,006 | 1.16 | -32.33 | Note 17 |
| Other payables | 5,615,594,345 | 4.22 | 2,388,335,257 | 2.32 | 135.13 | Note 18 |
| Non-current liabilities due within one year | 3,594,904,370 | 2.70 | 133,399,504 | 0.13 | 2,594.84 | Note 19 |
| Long-term borrowings | 344,348,500 | 0.26 | 3,282,000,000 | 3.19 | -89.51 | Note 20 |
| Lease liabilities | 494,006,829 | 0.37 | 0 | - | 100.00 | Note 21 |
| Long-term payables | 15,698,297 | 0.01 | 60,141,729 | 0.06 | -73.90 | Note 22 |
| Deferred income tax liabilities | 144,441,028 | 0.11 | 109,138,652 | 0.11 | 32.35 | Note 23 |
| Other non-current liabilities | 388,335 | 0 | 0 | 0 | 100 | Note 24 |
| Other comprehensive income | 201,877,610 | 0.15 | 116,481,629 | 0.11 | 73.31 | Note 25 |

Explanations:

- Note 1:* As at the end of the reporting period, the held-for-trading financial assets of the Group amounted to RMB17,990.23 million, representing an increase of RMB8,248.90 million (or 84.68%) as compared with the end of the period of last year, mainly attributable to an increase in structural deposits of the Group;
- Note 2:* As at the end of the reporting period, the derivative financial assets of the Group amounted to RMB380.54 million, representing an increase of RMB116.63 million (or 44.2%) as compared with the end of the period of last year, mainly attributable to the increase in fair value on commodity futures contracts and forward foreign exchange contracts in derivative assets of the Group at the end of the period;
- Note 3:* As at the end of the reporting period, the receivables finance of the Group amounted to RMB2,174.72 million, representing a decrease of RMB1,040.78 million (or -32.37%) as compared with the end of the period last year, mainly attributable to an increase in the scale of discounted notes in the period;
- Note 4:* As at the end of the reporting period, the inventories of the Group amounted to RMB22,844.48 million, representing an increase of RMB5,585.21 million (or 32.36%) as compared with the end of the period of last year, mainly attributable to the acquisition of Humon Smelting by the Group, and an increase in inventories of RMB5,453.19 million;
- Note 5:* As at the end of the reporting period, the assets classified as held for sale of the Group amounted to RMB23.31 million, representing a decrease of RMB60.35 million (or -72.14%) as compared with the end of the period of last year, mainly attributable to the disposal of assets classified as held for sale of the Group;
- Note 6:* As at the end of the reporting period, the other receivables of the Group amounted to RMB4,241.91 million as compared with the end of the period of last year, representing an increase of RMB1,213.41 million (or 40.07%), mainly attributable to the increase in the futures margin deposits of the Group;
- Note 7:* As at the end of the reporting period, the other current assets of the Group amounted to RMB5,517.18 million, representing an increase of RMB2,583.44 million (or 88.06%) as compared with the end of the period of last year, mainly attributable to an increase in borrowings by the associated companies of the Group;
- Note 8:* As at the end of the reporting period, the other equity investment of the Group amounted to RMB35.62 million, representing an increase of RMB35.62 million (or 100%) as compared with the end of the period of last year, mainly attributable to the acquisition of Humon Smelting by the Group;

- Note 9:* As at the end of the reporting period, the projects under construction of the Group amounted to RMB4,751.08 million, representing an increase of RMB1,131.99 million (or 31.28%) as compared with the end of the period of last year, mainly attributable to an increase in investment of the projects under construction of the Group;
- Note 10:* As at the end of the reporting period, the right-to-use assets of the Group amounted to RMB1,123.56 million, representing an increase of RMB1,123.56 million (or 100%) as compared with the end of the period of last year, mainly attributable to a change in accounting items arising from the implementation of a new leasing standard by the Group;
- Note 11:* As at the end of the reporting period, the goodwill of the Group amounted to RMB1,627.97 million, representing an increase of RMB1,627.97 million (or 100%) as compared with the end of the period of last year, mainly attributable to the acquisition of Humon Smelting by the Group;
- Note 12:* As at the end of the reporting period, the short-term borrowings of the Group amounted to RMB49,439.26 million, representing an increase of RMB19,564.55 million (or 65.49%) as compared with the end of the period of last year, mainly attributable to an increase in credit loans and gold lease business of the Group;
- Note 13:* As at the end of the reporting period, the notes payable by the Group amounted to RMB3,627.64 million, representing an increase of RMB1,704.18 million (or 88.6%) as compared with the end of the period of last year, mainly attributable to the acquisition of Humon Smelting by the Group and the increase in the procurement payment settled by notes of the Group;
- Note 14:* As at the end of the reporting period, the held-for-trading financial liabilities of the Group amounted to RMB694.42 million, representing an increase of RMB694.42 million (or 100%) as compared with the end of the period, mainly attributable to the acquisition of Humon Smelting by the Group;
- Note 15:* As at the end of the reporting period, the account payable by the Group amounted to RMB6,391.32 million, representing an increase of RMB2,084.73 million (or 48.41%) as compared with the end of the period of last year, mainly attributable to the acquisition of Humon Smelting by the Group;
- Note 16:* As at the end of the reporting period, the contract liabilities of the Group amounted to RMB1,795.39 million, representing a decrease of RMB1,515.85 million (or -45.78%) as compared with the end of the period of last year, mainly attributable to the decrease of copper concentrates trading volume of the Group in the current period;
- Note 17:* As at the end of the reporting period, the tax payable of the Group amounted to RMB808.98 million, representing a decrease of RMB386.42 million (or -32.33%) as compared with the end of the period of last year, mainly attributable to the settlement and payment of income tax by the Group;

Note 18: As at the end of the reporting period, the other payables of the Group amounted to RMB5,615.59 million, representing an increase of RMB3,227.26 million (or 135.13%) as compared with the end of the period of last year, mainly attributable to the acquisition of Humon Smelting by the Group and the announcement of distribution of 2018 cash dividends by the Company in 2019;

Note 19: As at the end of the reporting period, the non-current liabilities of the Group due within one year amounted to RMB3,594.90 million, representing an increase of RMB3,461.50 million (or 2,594.84%) as compared with the end of the period of last year, mainly attributable to the disclosure of reclassification of long-term borrowings due within one year into non-current liabilities due within one year;

Note 20: As at the end of the reporting period, the long-term borrowings of the Group amounted to RMB344.35 million, representing a decrease of RMB2,937.65 million (or -89.51%) as compared with the end of the period of last year, mainly attributable to the disclosure of reclassification of long-term borrowings due within one year into non-current liabilities due within one year;

Note 21: As at the end of the reporting period, the lease liabilities of the Group amounted to RMB494.01 million, representing an increase of RMB494.01 million (or 100%) as compared with the end of the period of last year, mainly attributable to a change in accounting items arising from the implementation of a new leasing standard by the Group;

Note 22: As at the end of the reporting period, the long-term payables by the Group amounted to RMB15.70 million, representing a decrease of RMB44.44 million (or -73.9%) as compared with the end of the period of last year, mainly attributable to implementation of a new leasing standard, which reclassifies long-term financing payables into lease liabilities;

Note 23: As at the end of the reporting period, the deferred income tax liabilities of the Group amounted to RMB144.44 million, representing an increase of RMB35.30 million (or 32.35%) as compared with the end of the period of last year, mainly attributable to an increase in temporary differences of tax payable of the Group;

Note 24: As at the end of the reporting period, the other non-current liabilities of the Group amounted to RMB0.39 million, representing an increase of RMB0.39 million (or 100%) as compared with the end of the period of last year, mainly attributable to the acquisition of Humon Smelting by the Group;

Note 25: As at the end of the reporting period, the other comprehensive income of the Group amounted to RMB201.88 million, representing an increase of RMB85.40 million (or 73.31%) as compared with the end of the period of last year, mainly attributable to the Group's share of the increase in other comprehensive income of its associated companies and of joint ventures.

2. Limitation of assets as at the end of the reporting period

Unit: Yuan Currency: RMB

| Item | Book value at the end of the period | Reasons for the limitation |
|--|-------------------------------------|--|
| Cash and bank | 16,987,673,429 | They were the margin deposits for the application of letters of credit, bank guarantees and acceptances issued as well as bank acceptance notes with the banks, the required reserve deposited with the People's Bank of China, environment rehabilitation deposits, and pledged to secure short-term borrowings |
| Held-for-trading financial assets | 628,961,273 | Held-for-trading financial assets with book values of RMB141,654,603 were pledged as margins for notes; Held-for-trading financial assets with book values of RMB487,306,670 were pledged to secure bank borrowings |
| Notes and accounts receivables financing | 998,839,258 | Bank acceptance notes with book values of RMB998,839,258 were pledged to secure bank borrowings |
| Other receivables | 1,467,444,761 | Futures margin deposits |
| Inventories | 530,068,459 | Inventories were placed as futures margin deposit and pledged to secure bank borrowings |
| Fixed assets | 218,715,066 | They were pledged to secure bank borrowings |
| Intangible assets | 19,309,395 | They were pledged to secure bank borrowings |

(IV) Material disposal of assets and equity interests

Not applicable

(V) General analysis of external investment in equity

Unit: 0'000 Yuan Currency: RMB

| | |
|---|------------|
| Investment during the reporting period | 601,487.95 |
| Increase/decrease in investment | 584,627.95 |
| Investment during the same period last year | 16,860 |
| Extent of increase/decrease in investment (%) | 3,467.54% |

| Name of investee | Principal activity | Share of interests in the investee (%) | Investment amount |
|--|--|--|-------------------|
| JCC Guoxing (Yantai) Copper Company Limited (江銅國興(煙台)銅業有限公司) | Production, wholesale and retail of non-ferrous metal products; import and export businesses of goods and technologies, etc. | 65 | 32,500 |

| Name of investee | Principal activity | Share of interests in the investee (%) | Investment amount |
|---|---|---|--------------------------|
| Shandong Humon Smelting Co., Ltd. (山東恒邦冶煉股份有限公司) | Smelting of gold and silver; manufacture and sale of non-ferrous metals, rare metals and their products, etc. | 29.99 | 297,601.57 |
| Anhui Qide Cable Co., Ltd. (安徽啟得電纜有限公司) | R&D, manufacture and sale of wire, cable and spare parts, etc. | 100 | 5,815 |
| Jiangxi Copper (Hong Kong) Investment Company Limited (江西銅業(香港)投資有限公司) | Investment businesses | 100 | 207,004.59 |
| Jiangxi JCC Yates Copper Foil Company Limited (江西省江銅耶茲銅箔有限公司) | Production and sale of electrolytic copper foil products; after-sale services of products and relevant technical consultation services and businesses, etc. | 98.15 | 50,000 |
| Jiangxi Copper North China (Tianjin) Copper Co., Ltd (江銅華北(天津)銅業有限公司) | Manufacture, processing and sale of copper products; processing and sale of non-ferrous metals; cutting, processing and sale of metal materials, etc. | 51 | 6,630 |
| Jiangxi Copper International (Istanbul) Mining Investment Co., Ltd. (江銅國際(伊斯坦布爾)礦業投資有限公司) | Import and export trading of copper products and investment businesses, etc. | 100 | 1,299.05 |
| MCC-JCL Aynak Minerals Investment Company Limited(中冶江銅艾娜克礦業投資有限公司) | Exploration of copper mines | 25 | 637.74 |

(VI) Significant equity interest investment

On 4 March 2019, the Company entered into the “Share Transfer Agreement of Shandong Humon Smelting Co., Ltd.” with Yantai Humon Group Company Limited (“**Humon Group**”), Wang Xinen, Wang Jiahao, Zhang Jixue and Gao Zhenglin. 221,653,960 shares of Humon Smelting held by Humon Group, the controlling shareholder of Humon Smelting, 15,600,000 shares of Humon Smelting held by Wang Xinen, 3,975,000 shares of Humon Smelting held by Wang Jiahao, 15,900,000 shares of Humon Smelting held by Zhang Jixue and 15,900,000 shares of Humon Smelting held by Gao Zhenglin were transferred to the Company, totaling 273,028,960 shares (the “**Target Shares**”), accounting for 29.99% of the total share capital of Humon Smelting. The total consideration for transfer of the Target Shares amounted to RMB2,976,015,664, and the source of fund of the transaction was derived from the internal funds of the Company.

On 27 June 2019, the Company received the “Confirmation of Securities Transfer Registration” issued by Shenzhen Branch of China Securities Depository and Clearing Co., Limited. The external investment matters have been completed, and the Company has become the controlling shareholder of Humon Smelting.

(VII) Significant non-equity interest investment

Not Applicable

(VIII) Structured entities under the control of the Company

Not applicable

II. OTHER DISCLOSURE MATTERS

- (I) **Warning and explanation on the expected potential loss in accumulated net profit from the beginning of the year to the end of the next reporting period or the significant changes therein as compared with the same period of last year**

Not applicable

- (II) **Potential Risks**

1. *Risk of bad debts in account receivables*

The account receivables of the Group were mainly derived from sales of copper metal and copper products. Although the Group formulated management measures for account receivables, conducted assessment on the degree of credit of customers on a regular basis and checked the status of payment receipt, made adjustment to product sales and carried out active management based on the recovery of payments from customers, as a change in the macroeconomic environment and downstream industries might result in a change in the capital conditions of customers of the Group, there remained certain uncertainties relating to the recovery of account receivables of the Group. Whenever a large scope of bad debts occurs in account receivables in the future, it would bring certain capital pressure to the Company and affect the Group's scale of profit.

2. *Risks associated with write-down of inventories*

Inventories of the Group mainly comprise of raw materials, work in progress and commodity stocks. In order to meet production and operation needs, except self-produced copper, gold, silver and other minerals and products thereof out of the inventories of the Group, the Company also needs to procure and hold substantial amount of copper metal. In accordance with the requirements of the PRC Accounting Standards for Business Enterprises, as at the date of balance sheet, if inventory cost is higher than realizable present value, provision is required to be made for write-off of inventories which is included in the profit or loss for the current period. As copper, gold, silver and other metals are important trading varieties in the non-ferrous metal market, high fluctuations were seen in prices affected by multiple factors. If a material adverse change in related metal prices takes place before external sales of the above inventories, the Company would make allowance of inventories accordingly for a write-off in inventories of the Group, thereby affecting the short term profitability of the Group. The Group reduces the depreciation risk via financial derivative instruments such as hedging.

3. *Exchange rate fluctuation risks*

Imported copper raw materials purchased from international mining companies or sizable trading firms by the Group and overseas investments are generally settled in US dollars. With expansion of overseas business of the Group, the income and expenses of foreign currencies would be even more intense. Therefore, in case of more fluctuations in exchange rate or failure of effective control of the exchange rate fluctuation risks by the Group, it may incur exchange rate loss to the Group, which in turn may bring certain negative impact on the profitability of the Company. The Group uses diversified hedging measures to hedge against risks, and avoid exchange rate and interest rate risks reasonably.

4. *Risk from product price fluctuations*

The Group is the largest copper cathode producer in the PRC and one of the largest gold and silver producers in the PRC. The Group's product prices are mainly determined with reference to the prices of related products listed on the London Metal Exchange and the Shanghai Metal Exchange. Copper, gold and silver are important trading varieties in the international non-ferrous metal market and have their own pricing mechanisms in international market. Due to the scarcity of resources of copper, gold and silver metals, the prices of copper, gold and silver metals are highly volatile, as they are affected by various factors, including global economy, the relationship between supply and demand, market expectations and speculations. As the ore mining and smelting costs of the Group's self-produced ore are basically fixed, the gross profit margin of the Group's self-produced mineral products are basically determined by metal prices, which significantly affects the Group's profitability. The Group will strengthen the cost control to reduce the risks arising from price fluctuation.

5. *Environmental protection risk*

The Group is mainly engaged in the mining, smelting and processing of non-ferrous metals and rare metals. In compliance with a number of environmental protection laws and regulations concerning air, water quality, waste disposal, public health and safety, the Group shall obtain relevant environmental protection permits for its production and operation, and accept inspections by relevant national environmental protection departments. In recent years, the Group has invested a large amount of funding and technological efforts in the transformation of environmental protection equipment and production techniques, and worked on the treatment and discharge of pollutants in accordance with national environmental protection requirements. However, if the environmental protection department continues to raise the environmental protection standard in the future, adopt more extensive and strict pollution control measures, the Group's production and operation may be affected, leading to an increase in operating costs such as environmental protection expenses.

(III) Other Disclosures

There was no occurrence of events having a material impact on the Group subsequent to the end of the accounting period.

Since the publication of the 2018 annual report, there have been no material changes in the likely future business development of the Group, including the prospects of the Company for the current accounting year.

V. SIGNIFICANT EVENTS

(I) Proposal of Profit Distribution Plan or Transfer of Capital Reserve to Share Capital

1. *Proposal of profit distribution plan and transfer of capital reserve to share capital for the interim reporting period*

During the reporting period, the Company had no proposal of profit distribution plan or plan for transfer of capital reserve to share capital.

(II) Appointment and Removal of Accounting Firms

1. *Appointment and removal of accounting firms*

Not applicable

2. *Explanation on change of the accounting firm during the audit period*

Not applicable

3. *The Company's explanation for "non-standard audit report" given by the auditors*

Not applicable

4. *Explanation on the issuance of "non-standard audit report" by the registered accountant in the financial statements of last year's annual report by the Company*

Not applicable

(III) Matters Relating to Bankruptcy and Restructuring

Not applicable

(IV) Material Litigation and Arbitration

1. *Litigation and arbitration disclosed in extraordinary announcements and without subsequent development*

| Brief description and type of litigation and arbitration | Reference for inspection |
|---|---|
| Litigation filed by Bangdi Auto Technology Company Limited (幫的汽車科技有限公司) against Shenzhen Jiangxi Copper Marketing Company Limited (深圳江銅營銷有限公司), a wholly-owned subsidiary of the Company (case of contract disputes) | The announcements of the Company dated 30 April 2019 and 12 June 2019 |
| Litigation filed by Jiangxi Copper International Trading Co., Ltd. (江銅國際貿易有限公司), a subsidiary held as to 59.05% by the Company, against Shanghai Eagle Investment Group Co., Ltd. (上海鷹悅投資集團有限公司) and its guarantors (case of contract disputes) | The announcements of the Company each dated 21 June 2019 |

2. *Litigation and arbitration not disclosed in extraordinary announcements or with subsequent development*

Not applicable

3. *Other explanations*

Not applicable

(V) Punishment on and rectification of the Company and its Directors, Supervisors, senior management, controlling shareholder, de facto controller and offeror

Not Applicable

(VI) Explanation on the credit conditions of the Company, its controlling shareholders and de facto controllers during the reporting period

Not Applicable

(VII) Share Option Scheme, Employee Shareholding Plan or Other Employee Incentives and Their Effects

Not applicable

(VIII) Basic Information of Corporate Bonds

Unit: Yuan Currency: RMB

| Name of bonds | Abbreviation | Code | Issue date | Maturity date | Bonds balance | Interest rate (%) | Repayment of principal and interest | Trading venue |
|---|--------------|--------|-------------------|-------------------|---------------|-------------------|---|-------------------------|
| 2017 Corporate Bonds (First Tranche) publicly issued to qualified investors by Jiangxi Copper Company Limited | 17 JCC 01 | 143304 | 20 September 2017 | 21 September 2022 | 500,000,000 | 4.74 | The interest of the bonds is payable on a yearly basis and the principal is payable upon maturity. The interest is payable annually, and the final interest shall be paid together with the principal amount. | Shanghai Stock Exchange |

Interest payment and repayment of corporate bonds

Not applicable

Other information on corporate bonds

- (1) Options for the Company to adjust the coupon rate: The Company is entitled to determine to adjust the coupon rate for the 2 years following the end of the third year of the term of the current bonds. The Company will publish an announcement on whether to adjust the coupon rate of the bonds and the adjustment rate on the 20th business day prior to the interest payment date of the third interest payment year of the current bonds. If the Company does not exercise the option to adjust the coupon rate, the coupon rate for the remaining term will remain unchanged at the original coupon rate.
- (2) Resale options of investors: Upon publication of the announcement on whether to adjust the coupon rate of the current bonds, and the adjustment rate, investors are entitled to elect to register during the announced resale registration period for investors so as to resell all or part of the current bonds held by them at face value to the Company. If bonds holders do not register, they will be deemed to continue to hold the current bonds and accept the aforementioned adjustment.

- (3) On 27 May 2019, China Chengxin Securities Rating Co., Ltd. issued the “Follow-up Credit Rating Report on Public Issuance of 2017 Corporate Bonds (first tranche) to Qualified Investors by Jiangxi Copper Company Limited (2019)”. The report assessed that the long-term credit rating of the main part of the Company was AAA, with assessment of stable outlook. The debt credit rating for the period was AAA.

For details, please refer to the credit rating report “Follow-up Credit Rating Report on Public Issuance of 2017 Corporate Bonds (first tranche) to Qualified Investors by JCC (2019)” disclosed on the website of the Shanghai Stock Exchange (www.sse.com.cn) on 27 May 2019.

(IX) The following accounting data and financial indicators as at the end of the reporting period and the end of last year (or the current reporting period and the same period of last year)

Unit: Yuan Currency: RMB

| Major indicators | As at the end of the current reporting period | As at the end of last year | Increase/ decrease from the end of last year (%) |
|--------------------------------|---|---|--|
| | Liquidity ratio | 1.24 | 1.51 |
| Quick ratio | 0.93 | 1.13 | -17.70 |
| Asset-liability ratio (%) | 57.79 | 49.42 | Increased by 8.37 percentage points |
| Loan repayment rate (%) | 100 | 100 | – |
| | As at the current reporting period (January to June) | As at the same period of last year | Increase/ decrease from the same period of last year (%) |
| EBITDA interest coverage ratio | 3.73 | 5.27 | -29.22 |
| Interest coverage (%) | 100 | 100 | – |

(X) Changes in accounting policies, accounting estimates and accounting methods compared with the previous accounting period, its causes and their impact

On 7 December 2018, the Ministry of Finance duly announced the newly amended “Accounting Standards for Business Enterprises No. 21 – Leases” (hereinafter the “**New Lease Standards**”). According to the requirements of the Ministry of Finance, the New Lease Standards were implemented from 1 January 2019. For details, please refer to the announcement of the Company in respect of changes in accounting policies dated 29 August 2019 disclosed on the website of the Stock Exchange (www.hkexnews.hk) and “2.2 Changes in accounting policies and disclosures” in the section “Notes to the condensed consolidated financial statements” in this announcement.

(XI) Audit Committee

The Company has convened Audit Committee meeting at which the unaudited interim condensed consolidated financial statements and the interim results report for the six months ended 30 June 2019 were considered and approved.

(XII) Code on Corporate Governance Practices

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

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

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

Under code provision A.2.1 of the Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Since the resignation of Mr. Wu Yuneng as the general manager of the Company (the “**General Manager**”) on 18 July 2018, during the period from 18 July 2018 to 17 January 2019, the Company had been looking for the suitable candidate to be appointed as the General Manager. During that period, the responsibilities of the General Manager (where necessary) were shared by each of the vice general managers of the Company within the scope of their authorities. Since 18 January 2019, Mr. Zheng Gaoqing has been appointed as the General Manager.

(XIII) Purchase, Disposal or Repurchase of the Company's Listed Securities

During the reporting period, the Company has not repurchased 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.

(XIV) Model Code for Securities Transactions by Directors

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

(XV) Detailed Results Announcement

The interim report for 2019 containing all relevant information required by Appendix 16 to the Listing Rules will be despatched to shareholders and be published on the websites of the Stock Exchange (<http://www.hkex.com.hk>) and the Company (<http://www.jxcc.com>) in due course.

VI. UNAUDITED INTERIM FINANCIAL INFORMATION PREPARED IN ACCORDANCE WITH IFRS

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

FOR THE SIX MONTHS ENDED 30 JUNE 2019

(PREPARED IN ACCORDANCE WITH IFRS)

| | | Six months ended 30 June | |
|--|--------------|---------------------------------|--------------------|
| | | 2019 | 2018 |
| | <i>NOTES</i> | RMB'000 | RMB'000 |
| | | (unaudited) | (unaudited) |
| Revenue | 5 | 104,693,998 | 104,025,788 |
| Cost of sales | | (100,871,151) | (101,049,631) |
| Gross profit | | 3,822,847 | 2,976,157 |
| Other income | 5 | 650,778 | 346,942 |
| Other gains and losses, net | 6 | 151,308 | 620,420 |
| Selling and distribution expenses | | (299,530) | (327,221) |
| Administrative expenses | | (952,843) | (797,665) |
| Impairment losses on financial assets, net | | (457,562) | (540,675) |
| Finance costs | | (1,007,509) | (539,362) |
| Share of profits and losses of: | | | |
| Joint ventures | | (15,377) | (11,065) |
| Associates | | 18,688 | 9,127 |
| Profit before tax | | 1,910,800 | 1,736,658 |
| Income tax expense | 8 | (534,191) | (432,085) |
| Profit for the period | | 1,376,609 | 1,304,573 |
| Attributable to: | | | |
| Owners of the Company | | 1,412,177 | 1,327,146 |
| Non-controlling interests | | (35,568) | (22,573) |
| | | 1,376,609 | 1,304,573 |
| EARNINGS PER SHARE | | | |
| ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY: | | | |
| – Basic and diluted | | RMB0.41 | RMB0.38 |

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2019
(PREPARED IN ACCORDANCE WITH IFRS)

| | Six months ended 30 June | |
|---|---------------------------------|--------------------|
| | 2019 | 2018 |
| <i>NOTES</i> | RMB'000 | RMB'000 |
| | (unaudited) | (unaudited) |
| PROFIT FOR THE PERIOD | 1,376,609 | 1,304,573 |
| Other comprehensive income | | |
| Other comprehensive income to that may be reclassified to profit or loss in subsequent periods: | | |
| Debt investments at fair value through other comprehensive income: | | |
| Changes in fair value | – | 2,286 |
| Income tax effect | – | (572) |
| | – | 1,714 |
| Cash flow hedges: | | |
| Effective portion of changes in fair value of hedging instruments | 29,608 | – |
| Reclassification adjustments for gains included in the statement of profit or loss | (28,639) | (8,469) |
| Income tax effect | (220) | 2,117 |
| | 749 | (6,352) |

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2019
(PREPARED IN ACCORDANCE WITH IFRS)

| | <i>NOTES</i> | Six months ended 30 June | |
|--|--------------|---------------------------------|--------------------|
| | | 2019 | 2018 |
| | | RMB'000 | RMB'000 |
| | | (unaudited) | (unaudited) |
| Exchange differences on translation of foreign operations | | 6,770 | 39,241 |
| Share of other comprehensive (expenses)/income of joint ventures | | (495) | 260 |
| Share of other comprehensive income of associates | | 79,495 | 27,579 |
| | | <hr/> | <hr/> |
| Net other comprehensive income that may be reclassified to profit or loss in subsequent periods, net of tax | | 86,519 | 62,442 |
| | | <hr/> | <hr/> |
| Other comprehensive income for the periods, net of tax | | 86,519 | 62,442 |
| | | <hr/> <hr/> | <hr/> <hr/> |
| Total comprehensive income for the period, net of tax | | 1,463,128 | 1,367,015 |
| | | <hr/> <hr/> | <hr/> <hr/> |
| Attributable to: | | | |
| Owners of the Company | | 1,497,573 | 1,382,014 |
| Non-controlling interests | | (34,445) | (14,999) |
| | | <hr/> <hr/> | <hr/> <hr/> |
| | | 1,463,128 | 1,367,015 |
| | | <hr/> <hr/> | <hr/> <hr/> |

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2019

(PREPARED IN ACCORDANCE WITH IFRS)

| | | At 30 June 2019 <i>RMB'000</i> (unaudited) | At 31 December 2018 <i>RMB'000</i> (audited) |
|---|--------------|---|---|
| | <i>NOTES</i> | | |
| Non-current assets | | | |
| Property, plant and equipment | 11 | 25,740,163 | 21,560,982 |
| Investment properties | | 456,521 | 462,199 |
| Right-of-use assets | | 2,787,913 | – |
| Prepaid land lease payments | | – | 1,267,624 |
| Goodwill | | 1,627,966 | – |
| Other intangible assets | | 1,192,536 | 1,088,845 |
| Exploration and evaluation assets | | 947,098 | 886,847 |
| Interests in joint ventures | | 249,966 | 256,224 |
| Interests in associates | | 3,592,116 | 3,419,605 |
| Financial instruments other than derivatives | 13 | 2,098,455 | 2,272,121 |
| Deferred tax assets | | 509,465 | 676,853 |
| Prepayments, other receivables and other assets | | 981,152 | 818,878 |
| Deposits for prepaid lease payments | | 666,586 | 593,550 |
| Total non-current assets | | 40,849,937 | 33,303,728 |
| Current assets | | | |
| Inventories | | 22,844,475 | 17,259,265 |
| Trade and bills receivables | 14 | 8,047,506 | 8,957,645 |
| Factoring receivables | | 1,475,442 | 2,082,024 |
| Prepayments, other receivables and other assets | | 7,005,888 | 7,138,995 |
| Loans to related parties | | 5,238,391 | 1,182,088 |
| Prepaid land lease payments | | – | 29,838 |
| Derivative financial instruments | 12 | 380,540 | 263,905 |
| Financial instruments other than derivatives | 13 | 18,040,276 | 9,791,375 |
| Restricted bank deposits | 15 | 16,987,673 | 12,125,857 |
| Cash and cash equivalents | 15 | 12,213,284 | 10,647,443 |
| | | 92,233,475 | 69,478,435 |
| Assets classified as held for sale | | 23,308 | 83,661 |
| Total current assets | | 92,256,783 | 69,562,096 |

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION(CONTINUED)

AT 30 JUNE 2019

(PREPARED IN ACCORDANCE WITH IFRS)

| | | At 30 June 2019 <i>RMB'000</i> (unaudited) | At 31 December 2018 <i>RMB'000</i> (audited) |
|--|--------------|---|---|
| | <i>NOTES</i> | | |
| Current liabilities | | | |
| Trade and bills payables | 16 | 10,018,967 | 6,230,058 |
| Financial instruments other than derivatives | | 694,422 | – |
| Other payables and accruals | | 8,032,308 | 7,193,968 |
| Deposits from related parties | | 1,556,831 | 1,937,903 |
| Deferred revenue | | 33,153 | 39,301 |
| Derivative financial instruments | 12 | 78,455 | 94,258 |
| Interest-bearing bank and other borrowings | | 52,489,256 | 29,901,455 |
| Dividend payable | | 692,546 | – |
| Tax payable | | 423,410 | 741,094 |
| Corporate bonds | | 99,750 | – |
| Lease liability | | 409,992 | – |
| Total current liabilities | | <u>74,529,090</u> | <u>46,138,037</u> |
| Net current assets | | <u>17,727,693</u> | <u>23,424,059</u> |
| Total assets less current liabilities | | <u>58,577,630</u> | <u>56,727,787</u> |
| Non-current liabilities | | | |
| Interest-bearing bank and other borrowings | | 344,349 | 3,282,000 |
| Corporate bonds | | 500,000 | 500,000 |
| Lease liability | | 494,006 | – |
| Provision for rehabilitation | | 247,688 | 191,429 |
| Employee benefit liabilities | | 32,979 | 34,589 |
| Deferred revenue | | 614,852 | 523,798 |
| Other long-term payables | | 16,087 | 60,142 |
| Deferred tax liabilities | | 144,441 | 109,139 |
| Total non-current liabilities | | <u>2,394,402</u> | <u>4,701,097</u> |
| Net assets | | <u><u>56,183,228</u></u> | <u><u>52,026,690</u></u> |

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION(CONTINUED)

AT 30 JUNE 2019

(PREPARED IN ACCORDANCE WITH IFRS)

| | <i>NOTES</i> | At 30 June 2019 RMB'000 (unaudited) | At 31 December 2018 RMB'000 (audited) |
|---|--------------|--|--|
| Equity | | | |
| Equity attributable to owners of the parent | | | |
| Share capital | | 3,462,729 | 3,462,729 |
| Reserves | | <u>47,108,609</u> | <u>46,303,582</u> |
| | | 50,571,338 | 49,766,311 |
| Non-controlling interests | | <u>5,611,890</u> | <u>2,260,379</u> |
| Total equity | | <u><u>56,183,228</u></u> | <u><u>52,026,690</u></u> |

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2019
(PREPARED IN ACCORDANCE WITH IFRS)

| | Attributable to owners of the company | | | | | | | | | | | | Total |
|---|---------------------------------------|---------------|-----------------|---------------|---------------------------|-------------------------------|-----------------------------|-----------------|---------------------|------------------|------------|---------------------------|------------|
| | Share capital | Share premium | Capital reserve | Other reserve | Statutory surplus reserve | Discretionary surplus reserve | Safety fund surplus reserve | Hedging reserve | Translation reserve | Retained profits | Sub-total | Non-controlling interests | |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | (Note *) | (Note *) | (Note *) | (Note *) | (Note *) | (Note *) | (Note *) | (Note *) | (Note *) | (Note *) | (Note *) | (Note *) |
| At 31 December 2018(audited) | 3,462,729 | 12,647,502 | (924,429) | (92,470) | 4,816,743 | 9,647,574 | 388,161 | 3,401 | 113,049 | 19,704,051 | 49,766,311 | 2,260,379 | 52,026,690 |
| Profit for the period | - | - | - | - | - | - | - | - | - | 1,412,177 | 1,412,177 | (35,568) | 1,376,609 |
| Other comprehensive income for the period | | | | | | | | | | | | | |
| Cash flow hedges: effective portion of changes in fair value of hedging instruments, net of tax | - | - | - | - | - | - | - | 749 | - | - | 749 | - | 749 |
| Exchange differences on translation of foreign operations | - | - | - | - | - | - | - | - | 5,647 | - | 5,647 | 1,123 | 6,770 |
| Share of other comprehensive expenses of joint ventures | - | - | - | - | - | - | - | - | (495) | - | (495) | - | (495) |
| Share of other comprehensive expenses of associates | - | - | - | - | - | - | - | - | 79,495 | - | 79,495 | - | 79,495 |
| Total comprehensive income for the period | - | - | - | - | - | - | - | 749 | 84,647 | 1,412,177 | 1,497,573 | (34,445) | 1,463,128 |
| Contribution from non-controlling interests | - | - | - | - | - | - | - | - | - | - | - | 64,680 | 64,680 |
| Acquisition of subsidiaries | - | - | - | - | - | - | - | - | - | - | - | 3,335,672 | 3,335,672 |
| Dividends paid to non-controlling interests | - | - | - | - | - | - | - | - | - | - | - | (14,396) | (14,396) |
| Final 2018 dividend declared | - | - | - | - | - | - | - | - | - | (692,546) | (692,546) | - | (692,546) |
| Transfer from retained profits | - | - | - | - | - | - | 111,900 | - | - | (111,900) | - | - | - |
| At 30 June 2019 (unaudited) | 3,462,729 | 12,647,502 | (924,429) | (92,470) | 4,816,743 | 9,647,574 | 500,061 | 4,150 | 197,696 | 20,311,782 | 50,571,338 | 5,611,890 | 56,183,228 |

* These reserve accounts comprise the consolidated reserves of RMB47,108,609,000 (31 December 2018: RMB46,303,582,000) in the consolidated statement of financial position.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2019
(PREPARED IN ACCORDANCE WITH IFRS)

| | Attributable to owners of the company | | | | | | | | | | | | |
|---|---------------------------------------|-------------------|------------------|-----------------|---------------------------|-------------------------------|-----------------------------|-----------------|---------------------|-------------------|-------------------|---------------------------|-------------------|
| | Share capital | Share premium | Capital reserve | Other reserve | Statutory surplus reserve | Discretionary surplus reserve | Safety fund surplus reserve | Hedging reserve | Translation reserve | Retained profits | Sub-total | Non-controlling interests | Total |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| | | <i>(Note *)</i> | <i>(Note *)</i> | <i>(Note *)</i> | <i>(Note *)</i> | <i>(Note *)</i> | <i>(Note *)</i> | <i>(Note *)</i> | <i>(Note *)</i> | <i>(Note *)</i> | <i>(Note *)</i> | <i>(Note *)</i> | <i>(Note *)</i> |
| At 1 January 2018 (audited) | 3,462,729 | 12,647,502 | (896,389) | (97,385) | 4,816,743 | 9,647,574 | 420,620 | 6,352 | (114,878) | 17,949,121 | 47,841,989 | 2,495,173 | 50,337,162 |
| Profit for the period | - | - | - | - | - | - | - | - | - | 1,327,146 | 1,327,146 | (22,573) | 1,304,573 |
| Other comprehensive income for the period | | | | | | | | | | | | | |
| Debt investments at fair value through other comprehensive income, net of tax | - | - | - | 1,714 | - | - | - | - | - | - | 1,714 | - | 1,714 |
| Cash flow hedges: effective portion of changes in fair value of hedging instruments, net of tax | - | - | - | - | - | - | - | (6,352) | - | - | (6,352) | - | (6,352) |
| Exchange differences on translation of foreign operations | - | - | - | - | - | - | - | - | 31,667 | - | 31,667 | 7,574 | 39,241 |
| Share of other comprehensive expenses of joint ventures | - | - | - | - | - | - | - | - | 260 | - | 260 | - | 260 |
| Share of other comprehensive expenses of associates | - | - | - | - | - | - | - | - | 27,579 | - | 27,579 | - | 27,579 |
| Total comprehensive income for the period | - | - | - | 1,714 | - | - | - | (6,352) | 59,506 | 1,327,146 | 1,382,014 | (14,999) | 1,367,015 |
| Contribution from non-controlling interests | - | - | - | - | - | - | - | - | - | - | - | 78,965 | 78,965 |
| Dividends paid to non-controlling interests | - | - | - | - | - | - | - | - | - | - | - | (17,594) | (17,594) |
| Final 2017 dividend | - | - | - | - | - | - | - | - | - | (692,546) | (692,546) | - | (692,546) |
| Transfer from retained profits | - | - | - | - | - | - | 49,519 | - | - | (49,519) | - | - | - |
| At 30 June 2018 (unaudited) | <u>3,462,729</u> | <u>12,647,502</u> | <u>(896,389)</u> | <u>(95,671)</u> | <u>4,816,743</u> | <u>9,647,574</u> | <u>470,139</u> | <u>-</u> | <u>(55,372)</u> | <u>18,534,202</u> | <u>48,531,457</u> | <u>2,541,545</u> | <u>51,073,002</u> |

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2019
(PREPARED IN ACCORDANCE WITH IFRS)

| | Six months ended 30 June | |
|---|---------------------------------|-------------|
| | 2019 | 2018 |
| | RMB'000 | RMB'000 |
| | (unaudited) | (unaudited) |
| | | (Restated) |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax | 1,910,800 | 1,736,658 |
| Adjustments for: | | |
| Finance costs | 1,007,509 | 596,016 |
| Foreign exchange losses, net | 31,856 | 118,293 |
| Share of (profits)/losses of joint ventures and associates | (3,311) | 1,938 |
| Gains from listed debentures | (6,005) | (3,187) |
| Gains from investments in financial products | (114,616) | (107,753) |
| Gains from unlisted equity investment | (32,337) | – |
| Gains from listed equity instruments | – | (5,559) |
| Dividend income from equity investments | (23,350) | (13,500) |
| Net gain on disposal of items of property, plant and equipment | (3,353) | (2,995) |
| Net gain on disposal of items of assets classified as held for sale | (6,300) | – |
| Fair value (gains)/losses, net: | | |
| – Derivative financial instruments | (98,877) | (367,296) |
| – Listed equity investments | 207,584 | (42,638) |
| – Unlisted equity investments | (47,597) | (169) |
| – Income right attached to a target equity interest | (7,818) | (50,240) |
| – Listed debentures | – | (2,986) |
| – Investments in financial products | (205,512) | – |
| Provision for impairment of trade and bills receivables | 149,812 | 528,332 |
| Provision for impairment of factoring receivables | 282,035 | – |
| (Reversal)/Provision for impairment of prepayment, other receivables and other assets | 25,715 | 10,774 |
| Provision for impairment of inventories to net realisable value | (57,293) | 147,854 |
| Provision for impairment of assets classified as held for sale | – | 130,000 |
| Depreciation of property, plant and equipment | 797,900 | 815,670 |
| Depreciation of right-of-use assets | 105,111 | – |
| Depreciation of prepaid land lease payments | – | 15,038 |
| Depreciation of investment properties | 5,678 | 5,678 |
| Amortisation of other intangible assets | 38,898 | 24,203 |
| Unwinding of an interest in rehabilitation provision | 4,471 | 4,336 |
| Deferred revenue released to the statement of profit or loss | (11,724) | (24,724) |
| | 3,949,276 | 3,513,743 |
| | 3,949,276 | 3,513,743 |

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2019
(PREPARED IN ACCORDANCE WITH IFRS)

| | Six months ended 30 June | |
|--|--------------------------|---------------------------|
| | 2019 | 2018 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | (unaudited) | (unaudited) (Restated) |
| (Increase)/decrease in inventories | (194) | 928,722 |
| Decrease/(increase) in trade and bills receivables | 1,206,210 | (2,675,959) |
| Decrease in factoring receivables | 324,547 | 143,986 |
| Decrease in prepayments, other receivables and other assets | 2,290,226 | 305,857 |
| Decrease in derivative financial instruments | 73,151 | 213,389 |
| Increase in loans to related parties | (118,376) | (151,580) |
| Increase in restricted bank deposits except restricted deposits to secure bank borrowings | (192,351) | (144,104) |
| Increase in trade and bills payables | 914,337 | 176,768 |
| (Decrease)/increase in other payables and accruals | (1,850,020) | 758,259 |
| Decrease in deposits from related parties | (381,072) | (1,120,896) |
| | <hr/> | <hr/> |
| Cash generated from operations | 6,215,734 | 1,948,185 |
| Income tax paid | (703,237) | (1,143,767) |
| | <hr/> | <hr/> |
| Net cash flows from operating activities | 5,512,497 | 804,418 |
| | <hr/> | <hr/> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from disposal of financial investments | 5,680,892 | 7,627,635 |
| Dividend received from a joint venture | – | 13,500 |
| Proceeds from disposal of property, plant and equipment | 65,784 | 65,299 |
| Proceeds from disposal of items of assets classified as held for sale | 66,653 | – |
| Receipt of government grant | 30,226 | – |
| Proceeds from disposal of other intangible assets | 139 | – |
| Additional investments in associates | (74,328) | (154,533) |
| Additional investments in joint ventures | (9,614) | (14,069) |
| Acquisition of subsidiaries and business combination | (2,022,344) | – |
| Principal portion of lease payments | (104,254) | (178,659) |
| Purchases of financial investments | (17,679,383) | (6,713,857) |
| Purchases of property, plant and equipment | (918,088) | (1,023,079) |
| Purchase of exploration and evaluation assets | (60,251) | (74,150) |
| Purchase of other intangible assets | (2,690) | (5,409) |
| Other investing cash flows (net) | – | 2,597 |
| | <hr/> | <hr/> |
| Net cash used in investing activities | (15,027,258) | (454,725) |
| | <hr/> <hr/> | <hr/> <hr/> |

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(CONTINUED)**
FOR THE SIX MONTHS ENDED 30 JUNE 2019
(PREPARED IN ACCORDANCE WITH IFRS)

| | Six months ended 30 June | |
|--|---------------------------------|--------------------|
| | 2019 | 2018 |
| | RMB'000 | RMB'000 |
| | (unaudited) | (unaudited) |
| | | (Restated) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| New bank and other borrowings | 45,804,812 | 24,177,681 |
| Proceed from transfer of entrusted account receivables (Deposit)/collection of pledged time deposits to secure bank borrowings | – | 1,511,000 |
| | (1,773,252) | 1,970,157 |
| Repayment of bank and other borrowings | (32,290,685) | (24,223,892) |
| Dividends paid to non-controlling interests | (14,396) | (17,594) |
| Interest paid | (733,518) | (536,987) |
| Contribution from non-controlling interests | 64,680 | – |
| | <hr/> | <hr/> |
| Net cash generated from financing activities | 11,057,641 | 2,880,365 |
| | <hr/> | <hr/> |
| Net increase in cash and cash equivalents | 1,542,880 | 3,230,058 |
| Cash and cash equivalents at beginning of period | 10,647,443 | 10,382,520 |
| Effect of foreign exchange rate changes, net | 22,961 | 87,895 |
| | <hr/> | <hr/> |
| Cash and cash equivalents at end of period | 12,213,284 | 13,700,473 |
| | <hr/> <hr/> | <hr/> <hr/> |

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2019
(PREPARED IN ACCORDANCE WITH IFRS)

1. CORPORATE INFORMATION

The Company was registered in the People's Republic of China (the "PRC") as a joint stock limited company. The registration number of the Company's business licence is Qi He Gan Zhong Zi 003556. The Company was established on 24 January 1997 by Jiangxi Copper Corporation ("JCC"), Hong Kong International Copper Industry (China) Investment Limited, Shenzhen Baoheng (Group) Company Limited, Jiangxi Xinxin Company Limited and Hubei Sanxin Gold & Copper Company Limited, and approved by Jiangxi Province's Administrative Bureau for Industry and Commerce. The Company's H shares and A shares were listed on The Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange, respectively. The 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 & 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.

2. BASIS OF PREPARATION AND CHANGES IN THE GROUP'S ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2019 has been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2018.

2.2 Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2018, except for the adoption of the new and revised International Financial Reporting Standards (“IFRSs”) effective as of 1 January 2019.

| | |
|--|---|
| Amendments to IFRS 9 | <i>Prepayment Features with Negative Compensation</i> |
| IFRS 16 | <i>Lease</i> |
| Amendments to IAS 19 | <i>Plan Amendment, Curtailment or Settlement</i> |
| Amendments to IAS 28 | <i>Long-term Interests in Associates and Joint Ventures</i> |
| IFRIC-Int 23 | <i>Uncertainty over Income Tax Treatments</i> |
| Annual Improvements 2015–2017 Cycle | <i>Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23</i> |

Other than as explained below regarding the impact of IFRS 16 Leases, the adoption of the above new and revised standards has had no significant financial effect on these financial statements.

IFRS 16 Lease

IFRS 16 replaces IAS 17 Leases, IFRIC-Int 4 Determining whether an Arrangement contains a Lease, SIC-Int 15 Operating Leases – Incentives and SIC-Int 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have any financial impact on leases where the Group is the lessor.

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 January 2019, and the comparative information for 2018 was not restated and continues to be reported under IAS 17.

New definition of a lease

Under IFRS 16, a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC-Int 4 at the date of initial application. Contracts that were not identified as leases under IAS 17 and IFRIC-Int 4 were not reassessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their standard-alone prices. A practical expedient is available to a lessee, which the Group has adopted, not to separate non-lease components and to account for the lease and the associated non-lease components (e.g., property management services for leases of properties) as a single lease component.

As a lessee – Leases previously classified as operating leases

(a) Nature of the effect of adoption of IFRS 16

The Group has lease contracts for various items of land use rights, buildings and mining infrastructure and machinery. As a lessee, the Group previously classified leases as either finance leases or operating leases based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under IFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases, except for two elective exemptions for leases of low value assets (elected on a lease by lease basis) and short-term leases (elected by class of underlying asset). The Group has elected not to recognise right-of-use assets and lease liabilities for (i) leases of low-value assets (e.g., laptop computers and telephones); and (ii) leases, that at the commencement date, have a lease term of 12 months or less. Instead, the Group recognises the lease payments associated with those leases as an expense on a straight-line basis over the lease term.

(b) Impacts on transition

Lease liabilities at 1 January 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 January 2019.

The right-of-use assets were measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before 1 January 2019. All these assets were assessed for any impairment based on IAS 36 on that date. The Group elected to present the right-of-use assets separately in the statement of financial position. This includes the lease assets recognised previously under finance leases of RMB174,467,000 that were reclassified from property, plant and equipment.

For the leasehold land and buildings (that were held to earn rental income and/or for capital appreciation) previously included in investment properties and initially measured at cost, the Group has continued to include them as investment properties at 1 January 2019. They continue to be measured under cost model applying IAS 40.

The Group has used the following elective practical expedients when applying IFRS 16 at 1 January 2019:

- Applied the short-term lease exemptions to leases with a lease term that ends within 12 months from the date of initial application
- Used hindsight in determining the lease term where the contract contains options to extend/terminate the lease

The impacts arising from the adoption of IFRS 16 as at 1 January 2019 are as follows:

| | Increase/ (decrease) RMB'000 (Unaudited) |
|---|---|
| Assets | |
| Increase in right-of-use assets | 1,784,482 |
| Decrease in property, plant and equipment | (174,467) |
| Decrease in prepaid land lease payments | <u>(1,297,462)</u> |
| Increase in total assets | <u><u>312,553</u></u> |
| Liabilities | |
| Increase in lease liabilities | 428,845 |
| Decrease in other payables and accruals | (65,338) |
| Decrease in other long-term payables | <u>(50,954)</u> |
| Increase in total liabilities | <u><u>312,533</u></u> |
| Decrease in retained earnings | <u><u>–</u></u> |

The lease liabilities as at 1 January 2019 reconciled to the operating lease commitments as at 31 December 2018 is as follows:

| | <i>RMB'000</i> (Unaudited) |
|---|---|
| Operating lease commitments as at 31 December 2018 | 345,564 |
| Weighted average incremental borrowing rate as at 1 January 2019 | <u>5.55%</u> |
| Discounted operating lease commitments as at 1 January 2019 | <u><u>320,677</u></u> |
| Less: Commitments relating to short-term leases and those leases with a remaining lease term ending on or before 31 December 2018 | <u>(8,124)</u> |
| Add: Commitments relating to leases previously classified as finance leases | <u>116,292</u> |
| Lease liabilities as at 1 January 2019 | <u><u>428,845</u></u> |

Summary of new accounting policies

The accounting policy for leases as disclosed in the annual financial statements for the year ended 31 December 2018 is replaced with the following new accounting policies upon adoption of IFRS 16 from 1 January 2019:

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of the estimated useful life and the lease term.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in-substance fixed lease payments or a change in assessment to purchase the underlying asset.

Amounts recognised in the interim condensed consolidated statement of financial position and profit or loss

The carrying amounts of the Group's right-of-use assets and lease liabilities, and the movement during the period are as follow:

| | Right-of-use assets | | | | Lease liabilities <i>RMB'000</i> |
|------------------------------|-----------------------------------|---|--|-------------------------|-------------------------------------|
| | land use rights <i>RMB'000</i> | Buildings and mining infrastructure <i>RMB'000</i> | Machinery and vehicles <i>RMB'000</i> | Total <i>RMB'000</i> | |
| As at 1 January 2019 | 1,596,504 | 13,511 | 174,467 | 1,784,482 | 428,845 |
| Addition | 160,986 | 563 | 166,304 | 327,853 | 166,867 |
| Effect of non-common control | 228,929 | 13,187 | 538,573 | 780,689 | 403,240 |
| Depreciation charge | (97,781) | (1,592) | (5,738) | (105,111) | - |
| Interest expense | - | - | - | - | 9,300 |
| Payment | - | - | - | - | (104,254) |
| | | | | | |
| As at 30 June 2019 | 1,888,638 | 25,669 | 873,606 | 2,787,913 | 903,998 |

3. BUSINESS COMBINATION

Acquisition of Chengdu Jinhao

On 31 March 2019, the Group acquired a 51% interest in Chengdu Yutong International Trading Company Limited, later renamed as Chengdu JXCC Jinhao Company Limited (“**Chengdu Jinhao**”). Chengdu Jinhao is engaged in trading of metal products. The acquisition was made as part of the Group’s strategy to expand its market share of metal products in southwest of China. The purchase consideration for the acquisition was RMB22,205,000 in the form of cash.

The fair values of the identifiable assets and liabilities of Chengdu Yutong as at the date of acquisition were:

| | 31 March 2019 Fair value RMB’000 |
|---|---|
| Non-current assets | 36 |
| Current assets | <u>2,361,169</u> |
| Total assets | <u>2,361,205</u> |
| Current liabilities | <u>(2,317,666)</u> |
| Total identifiable net assets at fair value | 43,539 |
| Non-controlling interests | <u>(21,334)</u> |
| Identifiable net assets at fair value attributable to the Group | <u><u>22,205</u></u> |
| Satisfied by Cash | <u><u>22,205</u></u> |
| <p>An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:</p> | |
| Cash consideration paid | (22,205) |
| Cash and bank balances acquired | <u>2,823</u> |
| Net outflow of cash and cash equivalents included in cash flows from investing activities Cash | <u><u>(19,382)</u></u> |

The fair values and the gross contractual amounts of the trade receivables and other receivables as at the date of acquisition amounted to RMB193,271,000 and RMB1,174,763,000, respectively.

The Group incurred transaction costs of RMB445,000 for this acquisition. These transaction costs have been expensed and are included in other expenses in the interim condensed consolidated statement of profit or loss.

Since the acquisition, Chengdu Jinhao contributed RMB696,000 net loss to the consolidated profit for the six months period ended 30 June 2019.

Had the combination taken place at the beginning of the period, the revenue from continuing operations of the Group and the profit of the Group for the period would have been RMB12,144,000 and RMB2,742,000, respectively.

Acquisition of Shandong Humon

On 26 June 2019, the Group acquired approximate 29.99% interest in Shandong Humon Smelting Company Limited (“**Shandong Humon**”). and became the controlling shareholder of Shangdong Humon. Shandong Humon is principally engaged in the smelting and integrated recycling of gold and other rare metal, and obtains copper and lead by-products during the process of smelting and recycling. The Group targeted to use Shandong Humon as the development platform of the Group’s future gold sector. The purchase consideration for the acquisition was RMB2,976,016,000 in the form of cash, with RMB2,100,227,000 paid before 30 June 2019 and the remaining RMB875,789,000 paid on 1 July 2019.

The provisional fair values of identifiable assets acquired and liabilities assumed of Shandong Humon as at the date of acquisition were:

| | 26 June 2019 |
|--|---------------------------|
| | Provisional |
| | Fair value |
| | RMB'000 |
| Non-current assets | 5,288,487 |
| Current assets | <u>10,323,582</u> |
| Total assets | <u>15,612,069</u> |
| Non-current liabilities | (414,941) |
| Current liabilities | <u>(10,705,661)</u> |
| Total liabilities | <u>(11,120,602)</u> |
| Total identifiable net assets at fair value | 4,491,467 |
| Non-controlling interests | <u>(3,143,417)</u> |
| Identifiable net assets at fair value attributable to the Group | 1,348,050 |
| Goodwill on acquisition | <u>1,627,966</u> |
| Satisfied by cash | <u>2,976,016</u> |
| An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows: | |
| Cash consideration paid | (2,100,227) |
| Cash and bank balances acquired | <u>415,307</u> |
| Net outflow of cash and cash equivalents included in cash flows from investing activities Cash | <u><u>(1,684,920)</u></u> |

The fair values disclosed are provisional as at 30 June 2019. This is because the acquisition only occurred on 27 June 2019, and due to the complexity of the acquisition and the inherently uncertain nature of the mining sector. The finalisation of the valuation work required to determine the fair values of the assets and liabilities acquired will be completed within 12 months of the acquisition date, at the latest.

The fair values of the trade receivables and other receivables as at the date of acquisition amounted to RMB197,390,000 and RMB178,325,000, respectively. The gross contractual amounts of trade receivables and other receivables were RMB201,129,000 and RMB195,467,000, respectively, of which RMB3,739,000 and RMB17,142,000 impairment provision provided, respectively.

The Group incurred transaction costs of RMB1,427,000 for this acquisition. These transaction costs have been expensed and are included in other expenses in the interim condensed consolidated statement of profit or loss.

The Group management believes that the revenue and profit contributed by Shandong Humon to the Group from the date of acquisition to 30 June 2019 is not significant to the consolidated financial statements of the Group for the six months ended 30 June 2019. Therefore, the profit or loss of Shandong Humon from the date of acquisition to 30 June 2019 was not included to the consolidated statement of profit or loss of the Group for the period.

Had the combination taken place at the beginning of the period, the revenue from continuing operations of the Group and the profit of the Group for the period would have been RMB12,987,835,000 and RMB136,209,000, respectively.

None of the goodwill recognised is expected to be deductible for income tax purposes.

4. OPERATING SEGMENT INFORMATION

During the reporting period, for management purpose, the Group has one reportable operating segment: production and sale of copper and other related products. Management monitors the operating results of its business units as a whole for the purpose of making decisions about resource allocation and performance assessment.

Geographical information

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

| | Six months ended 30 June | |
|---------------------------|--------------------------|----------------|
| | 2019 | 2018 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | (Unaudited) | (Unaudited) |
| – Mainland China | 87,546,032 | 93,981,980 |
| – Hong Kong | 10,050,156 | 3,966,880 |
| – Others | 7,446,745 | 6,556,570 |
| | 105,042,933 | 104,505,430 |
| Less: Sales related taxes | 348,935 | 479,642 |
| | 104,693,998 | 104,025,788 |

All material non-current assets of the Group (excluding deferred tax assets and financial instruments) are located in the PRC except for certain investments in Hong Kong, USA, Singapore, Afghanistan, Algeria, Peru and Japan.

Information about major customers

No customer or a group of customers under common control accounted for 10% or more of the Group's revenue for periods ended 30 June 2019 and 2018. The State-Owned Entities are not identified as a group of customers under common control by the directors of the Company.

5. REVENUE AND OTHER INCOME

An analysis of revenue is as follows:

| | Six months ended 30 June | |
|--|---------------------------------|---------------------------|
| | 2019 | 2018 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | (Unaudited) | (Unaudited) |
| Revenue from contracts with customers | | |
| Sale of goods | | |
| – Copper cathodes | 64,021,271 | 58,964,896 |
| – Copper rods | 20,572,267 | 24,007,113 |
| – Copper processing products | 2,012,054 | 2,244,481 |
| – Gold | 3,920,180 | 3,540,926 |
| – Silver | 1,385,805 | 1,012,119 |
| – Sulphuric and sulphuric concentrate | 697,160 | 594,141 |
| – Copper concentrate | 5,847,244 | 7,474,424 |
| – Rare and other non-ferrous metals | 2,741,912 | 4,540,419 |
| – Others | 3,688,511 | 2,042,409 |
| Provision of services | 156,529 | 84,502 |
| | 105,042,933 | 104,505,430 |
| Less: Sales related taxes | 348,935 | 479,642 |
| | <u>104,693,998</u> | <u>104,025,788</u> |

Disaggregated revenue information for revenue from contracts with customers

| | Six months ended 30 June | |
|--|---------------------------------|---------------------------|
| | 2019 | 2018 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | (Unaudited) | (Unaudited) |
| Type of goods or service | | |
| – Sale of goods | 104,886,404 | 104,420,928 |
| – Provision of services | 156,529 | 84,502 |
| | 105,042,933 | 104,505,430 |
| Less: Sales related taxes | 348,935 | 479,642 |
| Total revenue from contracts with customers | <u>104,693,998</u> | <u>104,025,788</u> |

| | Six months ended 30 June | |
|--|---------------------------------|-----------------------|
| | 2019 | 2018 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | (Unaudited) | (Unaudited) |
| Timing of revenue recognition | | |
| – Goods transferred at a point in time | 104,886,404 | 104,420,928 |
| – Services transferred over time | 156,529 | 84,502 |
| | 105,042,933 | 104,505,430 |
| Less: Sales related taxes | 348,935 | 479,642 |
| Total revenue from contracts with customers | 104,693,998 | 104,025,788 |

An analysis of other income is as follows:

| | Six months ended 30 June | |
|---|---------------------------------|-----------------------|
| | 2019 | 2018 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | (Unaudited) | (Unaudited) |
| Interest income | 504,309 | 276,997 |
| Dividend income from equity investments | 23,350 | 13,500 |
| Government grants recognised | 55,941 | 45,179 |
| Compensation income and others | 67,178 | 11,266 |
| | 650,778 | 346,942 |

6. OTHER GAINS AND LOSSES, NET

| | Six months ended 30 June | |
|---|---------------------------------|--------------------|
| | 2019 | 2018 |
| | RMB'000 | RMB'000 |
| | (Unaudited) | (Unaudited) |
| Transactions with fair value gains not qualifying as hedges | 5,954 | 588,021 |
| Ineffective portion of cash flow hedges | 482 | – |
| Fair value (losses)/gains from foreign currency forward contracts and interest rate swaps | (23,829) | 62,553 |
| Fair value gains on other financial assets: | | |
| Listed debentures | – | 2,986 |
| Investments in financial products | 205,512 | – |
| Non-listed equity instruments | 47,597 | 169 |
| Listed equity instruments | (207,584) | 42,638 |
| Income right attached to a target equity interest | 7,818 | 50,240 |
| Gains on other financial assets: | | |
| Bank financial products | 98,681 | 62,213 |
| Listed debentures | 6,005 | 3,187 |
| Assets management products | 15,935 | 45,540 |
| Unlisted equity investments | 32,337 | – |
| Listed equity instruments | – | 5,559 |
| Impairment losses on: | | |
| Assets classified as held for sale | – | (130,000) |
| Gains on disposal of property, plant and equipment | 3,353 | 2,995 |
| Gains on disposal of assets classified as held for sale | 6,300 | – |
| Foreign exchange losses, net | (31,856) | (118,293) |
| Others | (15,397) | 2,612 |
| | 151,308 | 620,420 |

7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

| | Six months ended 30 June | |
|--|---------------------------------|------------------------------|
| | 2019 | 2018 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | (Unaudited) | (Unaudited) |
| Cost of inventories sold and service provided | 98,412,573 | 99,980,672 |
| Depreciation of property, plant and equipment | 797,900 | 815,670 |
| Depreciation of right-of-use assets | 105,111 | – |
| Depreciation of prepaid land lease payments | – | 15,038 |
| Depreciation of investment properties | 5,678 | 5,678 |
| Amortisation of other intangible assets | 38,898 | 24,203 |
| Impairment of financial and contract assets, net | | |
| – Impairment of trade and bills receivables, net | 149,812 | 528,332 |
| – Impairment of prepayments, other receivables and other assets, net | 25,715 | 10,774 |
| – Impairment of factoring receivables, net | 282,035 | – |
| Auditors' remuneration | 4,736 | 4,604 |
| Employee benefit expense: | | |
| – Wages and salaries | 1,617,065 | 1,566,179 |
| – Pension scheme contributions | 293,729 | 278,609 |
| Impairment of assets classified as held for sale | – | 130,000 |
| Research and development costs | 103,584 | 93,906 |
| (Reversal of allowance)/allowance for inventories included in cost of sales | (57,293) | 147,854 |
| | <u><u>(57,293)</u></u> | <u><u>147,854</u></u> |

8. INCOME TAX

The major components of income tax expenses of the Group during the period are as follows:

| | Six months ended 30 June | |
|---------------------------------|--------------------------|----------------|
| | 2019 | 2018 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | (Unaudited) | (Unaudited) |
| Current income tax: | | |
| PRC income tax | 357,154 | 422,548 |
| HK income tax | 655 | 1,108 |
| | 357,809 | 423,656 |
| Deferred tax | 176,382 | 8,429 |
| Total tax charge for the period | 534,191 | 432,085 |

Hong Kong profits tax on six (2018: five) of the Group's subsidiaries has been provided at the rate of 16.5% (2018: 16.5%) on the estimated assessable profits arising in Hong Kong during the six months ended 30 June 2019.

The provision for PRC income tax is based on a statutory rate of 25% (2018: 25%) of the assessable profits of the PRC companies as determined in accordance with the relevant income tax rules and regulations of the PRC Corporate Income Tax Law except for those recognised as New and High Technology Enterprise entitled to a preferential PRC income tax rate of 15%, according to the PRC Corporate Income Tax Law.

* Pursuant to the "Notice of Recognition of the 2017 First Batch of New and High Technology Enterprises in Jiangxi Provinces" (Gan Gao Qi Ren Fa [2017] No. 10) dated 17 November 2017, jointly issued by the Science and Technology Department of Jiangxi Province, Finance Department of Jiangxi Province, State Tax Bureau of Jiangxi Province and Provincial Tax Bureau of Jiangxi Province, the Company has passed the examination for new and high technology enterprises, and the certificate number is GR201736000335. According to the provisions of Article 28 "Enterprise Income Tax Law of the People's Republic of China", the applicable income tax rate of the Company during 1 January 2017 to 31 December 2019 is 15%.

9. DIVIDENDS

| | Six months ended 30 June | |
|--|---------------------------------|-----------------------|
| | 2019 | 2018 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | (Unaudited) | (Unaudited) |
| Dividends of ordinary shares declared and distributed during the six months: | | |
| Final dividend of RMB0.20 per share for 2018 (six months ended 30 June 2018: final dividend of RMB0.20 per share for 2017) | 692,546 | 692,546 |

On 25 June 2019, a dividend of RMB0.20 per share (tax inclusive) on 3,462,729,405 shares, in aggregate approximately RMB692,546,000 was declared to the shareholders as the final dividend for year 2018.

10. EARNINGS PER SHARE

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 3,462,729,405 (2018: 3,462,729,405) in issue during the period.

The Group had no potentially dilutive ordinary shares in issue during the six months period ended 30 June 2019 and the year ended 31 December 2018.

The calculations of basic and diluted earnings per share are based on:

| | Six months ended 30 June | |
|---|---------------------------------|-----------------------|
| | 2019 | 2018 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | (Unaudited) | (Unaudited) |
| Earnings | | |
| Profit attributable to ordinary equity holders of the Company, used in the basic and diluted earnings per share calculations | 1,412,177 | 1,327,146 |
| Shares | | |
| Weighted average number of ordinary shares in issue during the period used in the basic and diluted earnings per share calculations | 3,462,729,405 | 3,462,729,405 |

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2019, the Group acquired assets with a cost of RMB1,080,693,000 (2018: RMB696,652,000), excluding property, plant and equipment acquired through a business combination disclosed in note 3 to the interim financial information.

Property, plant and equipment (other than those classified as held for sale) with a net book value of RMB62,430,000 were disposed by the Group during the six months ended 30 June 2019 (30 June 2018: RMB77,478,000). During the six months ended 30 June 2019, the gains on disposal of assets of the Group amounted to RMB3,353,000 (2018: RMB2,995,000).

No property, plant and equipment was transferred to assets classified as held for sale (six months ended 30 June 2018: RMB174,871,000).

12. DERIVATIVE FINANCIAL INSTRUMENTS

| | At 30 June 2019 | | At 31 December 2018 | |
|--|-----------------|-----------------|---------------------|----------------|
| | Assets | Liabilities | Assets | Liabilities |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Assets/(liabilities) | | | | |
| Commodity derivative contracts | 299,415 | (33,748) | 87,749 | (47,495) |
| Commodity option contracts | 2,105 | (5,722) | – | (20,966) |
| Provisional price arrangements | 13,434 | – | 94,236 | – |
| Foreign currency forward contracts and interest rate swaps | 65,586 | (38,985) | 81,920 | (25,797) |
| | 380,540 | (78,455) | 263,905 | (94,258) |

| | 30 June 2019 RMB'000 (Unaudited) | 31 December 2018 RMB'000 (Audited) |
|--|---|---|
| Including: | | |
| Derivatives designated as hedging instruments (a): | | |
| Cash flow hedges | | |
| – Commodity derivative contracts | 4,150 | 3,401 |
| Fair value hedges | | |
| – Provisional price arrangements | 13,434 | 94,236 |
| | 17,584 | 97,637 |
| Derivatives not designated as hedging instruments (b): | | |
| – Commodity derivative contracts | 261,517 | 36,853 |
| – Commodity option contracts | (3,617) | (20,966) |
| – Foreign currency forward contracts and interest rate swaps | 26,601 | 56,123 |
| | 284,501 | 72,010 |
| | 302,085 | 169,647 |

The Group uses commodity derivative contracts and provisional price arrangements to hedge its commodity price risk. Commodity derivative contracts utilised by the Group are mainly standardised copper cathode future contracts in Shanghai Futures Exchange (“SHFE”) and London Metal Exchange (“LME”).

(a) Derivatives designated as hedging instruments:

For the purpose of hedge accounting, hedges of the Group are classified as:

– ***Cash flow hedge***

Certain commodity derivative contracts were designated by the Group to hedge its exposure to variability in cash flows attributable to price fluctuation risk associated with highly probable forecast sales of copper related products. As at 30 June 2019, the expected delivery period of the forecasted sales for copper related products was from July to September 2019 (31 December 2018: the expected delivery period of the forecasted sales for copper related products was from January to March 2019).

– ***Fair value hedge***

Certain provisional price arrangements were designated by the Group to hedge its exposure to variability in fair value changes attributable to price fluctuation risk associated with inventories.

At the inception of above hedging relationships, the Group formally designates and documents the hedge relationship, risk management objective and strategy for undertaking the hedge. The cash flow hedge and fair value hedge mentioned above were assessed to be highly effective.

Accordingly, for the six months ended 30 June 2019, a net gain of RMB29,608,000 (for the six months ended 30 June 2018: nil) for effectiveness portion under cash flow hedge was included in the hedging reserve, and a net gain of RMB482,000 for fair value changes due to ineffectiveness portion of hedging (for the six months ended 30 June 2018: nil). Further details are given in other comprehensive income, respectively.

For the six months ended 30 June 2019, the gains on changes in fair value of provisional price arrangements designated as fair value hedges of the Group are RMB74,338,000 (for the six months ended 30 June 2018: the losses on changes in fair value of RMB313,868,000). The net fair value losses of the hedged item, inventories, attributable to the risk hedged is RMB80,802,000 (for the six months ended 30 June 2018: the gains on changes in fair value of RMB329,606,000) in aggregate.

(b) Derivatives not designated as hedging instruments:

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

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

However, these commodity derivative contracts, foreign currency forward contracts and interest rate swaps are not under hedging accounting.

13. FINANCIAL ASSETS OTHER THAN DERIVATIVE FINANCIAL INSTRUMENTS

| | 2019 | | 2018 | |
|---|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | Presented under IFRS 9 Categories | Carrying Amount <i>RMB'000</i> | Presented under IFRS 9 Categories | Carrying Amount <i>RMB'000</i> |
| Debt instruments (including hybrid contracts): | | | | |
| Listed debentures (a) | FVPL ¹ | – | FVPL | 109,287 |
| Investments in financial products (b) | FVPL | 17,829,071 | FVPL | 9,468,227 |
| Bond investments (c) | FVOCI ² | 50,047 | FVOCI | 50,047 |
| | | <u>17,879,118</u> | | <u>9,627,561</u> |
| Equity instruments: | | | | |
| Listed equity investments (d) | FVPL | 741,314 | FVPL | 993,050 |
| Unlisted equity investments (e) | FVPL | 939,158 | FVPL | 907,187 |
| Unlisted equity investments (e) | FVOCI | 35,624 | FVOCI | – |
| Income right attached to a target equity interest (f) | FVPL | 543,517 | FVPL | 535,698 |
| | | <u>20,138,731</u> | | <u>12,063,496</u> |
| FVPL | | 20,053,060 | | 12,013,449 |
| FVOCI | | <u>85,671</u> | | <u>50,047</u> |
| | | <u>20,138,731</u> | | <u>12,063,496</u> |
| Non-current assets | | 2,098,455 | | 2,272,121 |
| Current assets | | <u>18,040,276</u> | | <u>9,791,375</u> |
| | | <u><u>20,138,731</u></u> | | <u><u>12,063,496</u></u> |

| | 2019 | | 2018 | |
|--|------------------------|-----------------------------------|------------------------|-----------------------------------|
| | Presented under IFRS 9 | | Presented under IFRS 9 | |
| | Categories | Carrying Amount <i>RMB'000</i> | Categories | Carrying Amount <i>RMB'000</i> |
| Liabilities | | | | |
| Held-for-trading financial liabilities (g) | FVPL | <u>(694,422)</u> | FVPL | _____ |
| | FVPL | <u>(694,422)</u> | | _____ |
| Current liabilities | | <u>(694,422)</u> | | <u>_____</u> |

¹ FVPL: Financial assets at fair value through profit or loss

² FVOCI: Financial assets at fair value through other comprehensive income

Notes:

- (a) The listed debentures are at variable interest rates ranging from 0.5% to 6% (2018: 0.5% to 6%) per annum.
- (b) The amount represents investments in financial products arranged by bank, trust institution and independent securities companies with high credit-rating and good reputation. The financial products held by the Group generate annual target return rates ranged from 3.55% to 8.00% (2018: 4.10% to 8.00%) per annum. The investments have maturity date from 4 July 2019 to 21 November 2021 (2018: 15 January 2019 to 21 November 2021).

| | 30 June 2019 (RMB'000) (Unaudited) | 31 December 2018 (RMB'000) (Audited) |
|---------------------------|---|---|
| Including: | | |
| Bank financial products | 15,291,958 | 8,182,800 |
| Trust products | 1,500,000 | 222,165 |
| Asset management products | 1,037,113 | 1,063,262 |
| | <u>17,829,071</u> | <u>9,468,227</u> |

As at 30 June 2019, the bank financial products of RMB487,307,000 (31 December 2018: Nil) was pledged to secure short-term bank borrowings.

- (c) As at 30 June 2019, the bond investments held by the Group generates annual target return rates ranged from 7.17% to 7.50% (six months ended 30 June 2018: 7.17% to 7.50%), with matured date of 31 October 2019 (six months ended 30 June 2018: 22 October 2019 to 31 October 2019).
- (d) The listed equity securities mainly represent stocks listed in PRC and the Stock Exchange of Hong Kong Limited (“HKEx”).
- (e) The unlisted equity investments represent the Group’s equity interests in unlisted PRC companies. None of the shareholdings exceeds 20% of the issued capital of the respective investee and the Group did not have significant influence on these invested entities.

- (f) The investment represents a beneficial right attached to the 2.65% equity interest in a limited liability company established in the PRC held by China Cinda (“**Beneficial Right**”), including the right to all the incomes derived from this equity interest. The Group obtained the Beneficial Right by transferring its entrusted accounts receivable to independent third parties including Ping An Trust Co., Ltd. (“**Ping An Trust**”) and China Cinda Asset Management Co., Ltd. (“**China Cinda**”) in December 2017.
- (g) A subsidiary of the Group, Shangdong Humon, entered into certain gold lease contracts with independent lessors. During the lease period, Shangdong Humon might sell the leased gold to independent third parties. When the lease period expires, Shangdong Humon shall return the gold with the same quantity and quality to the lessors. The obligation to return the gold is recognised as held-for-trading financial liabilities.

14. TRADE AND BILLS RECEIVABLES

| | 30 June 2019 (RMB'000) (Unaudited) | 31 December 2018 (RMB'000) (Audited) |
|----------------------------|---|---|
| Trade receivables | 11,181,493 | 10,900,293 |
| Bills receivables | 2,191,222 | 3,229,925 |
| | 13,372,715 | 14,130,218 |
| Less: impairment allowance | 5,325,209 | 5,172,573 |
| | 8,047,506 | 8,957,645 |

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 one 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 minimize credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group’s trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

Trade receivables due from the Group’s associates and related parties are repayable on similar credit terms to those offered to the major customers of the Group.

As at 30 June 2019, bills receivables of RMB998,839,000 (31 December 2018: RMB737,796,000) and no trade receivables (31 December 2018: RMB100,000,000) were pledged to secure short-term bank borrowings.

The ageing analysis of trade and bills receivables, net of impairment allowance, is presented based on the goods delivery dates at the end of the reporting period as follows:

| | At 30 June 2019 (RMB'000) (unaudited) | At 31 December 2018 (RMB'000) (audited) |
|---------------|--|--|
| Within 1 year | 5,815,526 | 6,783,279 |
| 1 to 2 years | 583,616 | 1,119,564 |
| 2 to 3 years | 1,024,316 | 1,052,571 |
| Over 3 years | 624,048 | 2,231 |
| | <u>8,047,506</u> | <u>8,957,645</u> |

The term of bills receivable are all less than 12 months. As at 30 June 2019, the bills receivables were neither past due nor impaired (31 December 2018: Nil).

Movements in the loss allowance for impairment of trade receivables are as follows:

| | Six months ended 30 June | |
|--|---|----------------------------------|
| | 2019 (RMB'000) (Unaudited) | 2018 (RMB'000) (Unaudited) |
| At beginning of the period | 5,172,573 | 3,786,855 |
| Impairment losses, net | 149,812 | 528,332 |
| Effect of business combination not under common control | 3,740 | – |
| Amounts written off as uncollectible | (916) | (442) |
| At end of the period | <u>5,325,209</u> | <u>4,314,745</u> |

15. CASH, CASH EQUIVALENTS AND PLEDGED BANK DEPOSITS

| | 30 June 2019 (RMB'000) (Unaudited) | 31 December 2018 (RMB'000) (Audited) |
|---|---|---|
| Cash and bank balances | 22,422,657 | 17,101,638 |
| Time deposits | 6,778,300 | 5,671,662 |
| | 29,200,957 | 22,773,300 |
| Less: Restricted bank deposits (<i>i</i>) | 16,987,673 | 12,125,857 |
| Cash and cash equivalents | 12,213,284 | 10,647,443 |

(i) As at 30 June 2019, the restricted bank deposits include the following:

- Deposits amounting to RMB6,782,362,000 (31 December 2018: RMB4,820,168,000) was pledged to secure bank borrowings;
- Cash in the bank amounting to RMB219,857,000 (31 December 2018: RMB3,900,000) was pledged for gold lease contracts;
- A deposit amounting to RMB1,142,200,000 (31 December 2018: RMB845,244,000) was pledged for the issuing of letters of credit;
- A deposit amounting to RMB600,000 (31 December 2018: RMB6,250,000) was pledged for the issuing of letters of guarantee;
- A deposit amounting to RMB8,140,217,000 (31 December 2018: RMB5,534,922,000) was pledged for the issuing bank accepted notes;
- Deposits amounting to RMB9,566,000 (31 December 2018: RMB33,854,000) were placed as environmental recovery deposits whose usage is restricted; and
- Required mandatory reserve deposits and other restricted deposits amounting to RMB625,307,000 (31 December 2018: RMB881,519,000) was placed by JCC Finance Company Limited, a subsidiary of the Group, in the People's Bank of China ("PBC"), which are not available for use in the Group's daily operations.
- Cash in bank amounting to RMB67,564,000 is restricted due to litigation (31 December 2018: Nil).

16. TRADE AND BILLS PAYABLES

| | 30 June 2019 (RMB'000) (Unaudited) | 31 December 2018 (RMB'000) (Audited) |
|----------------|---|---|
| Trade payables | 6,391,324 | 4,306,595 |
| Bills payables | 3,627,643 | 1,923,463 |
| | <u>10,018,967</u> | <u>6,230,058</u> |

The trade payables are non-interest-bearing and are normally settled on terms of 60 days.

As at 30 June 2019, the Group has no material balance of accounts payable aged over one year (31 December 2018: Nil).

17. CONTINGENT LIABILITIES

A subsidiary of the Group, Shenzhen Jiangxi Copper Marketing Company Limited, is currently a defendant in a lawsuit brought by Bangdi Auto Technology Company Limited (“**Bangdi Auto**”) alleging that the subsidiary breached a sale contract to deliver certain goods to another party, Hengbaochang Company (Shanghai) Copper Company Limited (“**Hengbaochang**”) without receiving Bangdi Auto’s delivery instructions during 2011 to 2015 (the “**Litigation**”). Compensation amounting to RMB1,081,872,000 is claimed by Bangdi Auto. As the actual controller of Hengbaochang was suspected of some economic crimes in the transactions involved and has been investigated by relevant judicial institutions, the facts of the case have become extremely complicated. Therefore, the Directors, based on the advice from the Group’s PRC legal counsel, are not yet able to make a reliable estimate of the outcome of the Litigation as well as the resulting loss or gain.

By Order of the Board
JIANGXI COPPER COMPANY LIMITED
Long Ziping
Chairman

Nanchang, Jiangxi, the People’s Republic of China, 29 August 2019

As at the date of this announcement, the executive directors of the Company are Mr. Long Ziping, Mr. Zheng Gaoqing, Mr. Wang Bo, Mr. Gao Jianmin, Mr. Liang Qing, Mr. Dong Jiahui and Mr. Yu Tong; and the independent non-executive directors of the Company are Mr. Tu Shutian, Mr. Liu Erh Fei, Mr. Liu Xike and Mr. Zhu Xingwen.