

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



江西銅業股份有限公司
JIANGXI COPPER COMPANY LIMITED

(a Sino-foreign joint venture joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 0358)

ANNOUNCEMENT OF RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2019

IMPORTANT NOTICE

- 1.1 The board of directors (the “**Board**”) and the supervisory committee (the “**Supervisory Committee**”) of Jiangxi Copper Company Limited (the “**Company**”) and its directors (the “**Directors**”), supervisors (the “**Supervisors**”) and senior management warrant the truthfulness, accuracy and completeness of the information contained in this announcement and there are no false representations, misleading statements contained herein or material omissions from this announcement, and jointly and severally accept full legal responsibility.
- 1.2 Except for Mr. Dong Jiahui, a Director, who did not attend the meeting due to business engagement and appointed Mr. Long Ziping, the Chairman, to exercise his Director voting right by writing, all Directors of the Company attended the Board meeting in relation to, among others, the approval of results for the year ended 31 December 2019.
- 1.3 The consolidated financial statements of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2019 (the “**Reporting Period**”) prepared in accordance with PRC Accounting Standards for Business Enterprises (“**PRC GAAP**”) and International Financial Reporting Standards (“**IFRSs**”) have been audited by Ernst & Young Hua Ming LLP (domestic auditor) and Ernst & Young (overseas auditor) respectively with standard unqualified audit report issued.

- 1.4 The person in charge of the Company, Mr. Long Ziping, the person in charge of accounting, Mr. Yu Tong, and Manager of Finance Department (accounting chief), Mr. Ai Fuhua, hereby warrant the truthfulness, accuracy and completeness of the financial report as set out in the annual report.
- 1.5 The Board has recommended distributing to all shareholders of the Company (“**Shareholders**”) a final dividend of RMB0.10 per share (inclusive of tax) for 2019. The Board did not recommend transfer of capital reserve to share capital or issue of bonus shares.
- 1.6 The audit committee of the Company has reviewed the financial report for the year ended 31 December 2019.
- 1.7 This announcement contains forward-looking statements that involve future plans and development strategies which do not constitute a commitment by the Company to its investors. Investors should be aware of the investment risks.
- 1.8 There is no misappropriation of funds by the controlling shareholders and their connected parties for non-operation purpose in the Group.
- 1.9 There are no external guarantees made in violation of the required decision-making procedures in the Group.
- 1.10 The Company has described the existing industrial risks in detail in this results announcement. Please refer to “Section VI Discussion and analysis by the Company concerning the future development of the Company — (V) Potential risks”.

2 CORPORATE INFORMATION

2.1 Corporate information

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

2.2 Contact persons and contact methods

	Secretary to the Board	Securities Affairs Representative
Name	(Chairman of the Board takes up the responsibilities of Secretary to the Board)	Lu Gaoming
Address	7666 Chang Dong Avenue, High-tech Development Zone, Nanchang, Jiangxi Province, the People's Republic of China	7666 Chang Dong Avenue, High-tech Development Zone, Nanchang, Jiangxi Province, the People's Republic of China
Telephone	(86)791-82710117	(86)791-82710112
Facsimile	(86)791-82710114	(86)791-82710114
E-mail	jccl@jxcc.com	jccl@jxcc.com

2.3 Basic information

Registered address of the Company	15 Yejin Avenue, Guixi City, Jiangxi Province, the People's Republic of China
Postal code of the registered address of the Company	335424
Office address of the Company	7666 Changdong Avenue, High-tech Development Zone, Nanchang, Jiangxi Province, the People's Republic of China
Postal code of the office address of the Company	330096
Website of the Company	http://www.jxcc.com
E-mail	jccl@jxcc.com

2.4 Information disclosure and place of inspection

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

3 SUMMARY OF ACCOUNTING DATA AND FINANCIAL INDICATORS IN THE LAST THREE YEARS

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

Unit: Yuan Currency: RMB

Major accounting information	2019	2018	Increase/decrease for the period over the same period last year (%)	2017	
				After adjustment	Before adjustment
Revenue	240,360,335,134	215,289,866,760	11.64	205,054,238,934	205,046,854,771
Net profit attributable to shareholders of the Company	2,466,407,085	2,447,475,745	0.77	1,605,632,641	1,604,107,754
Net profit after non-recurring profit and loss items attributable to shareholders of the Company	2,228,726,884	1,388,677,009	60.49	2,387,132,559	2,385,607,672
Net cash flows from operating activities	8,252,296,414	8,182,118,246	0.86	3,284,013,341	3,259,243,125
	End of 2019	End of 2018	Increase/decrease at the end of the period over the end of the same period last year (%)	End of 2017	
				After adjustment	Before adjustment
Net assets attributable to shareholders of the Company	52,745,619,575	49,766,311,772	5.99	47,550,877,147	47,532,426,878
Total assets	134,913,915,434	102,865,826,951	31.16	97,469,815,440	97,468,655,222

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

Currency: RMB

Major financial indicator	2019	2018	Increase/decrease for the period over the same period last year (%)	2017	
				After adjustment	Before adjustment
Basic earnings per share (<i>RMB/share</i>)	0.71	0.71	0	0.46	0.46
Diluted earnings per share (<i>RMB/share</i>)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Basic earnings per share after non-recurring profit and loss items (<i>RMB/share</i>)	0.64	0.40	60.00	0.69	0.69
Rate of return on net assets (weighted average) (%)	4.81	5.03	Decreased by 0.22 percentage point	3.39	3.39
Rate of return on net assets after non-recurring profit and loss items (weighted average) (%)	4.35	2.85	Increased by 1.50 percentage points	5.05	5.05

Non-recurring profit and loss items and amount (prepared in accordance with PRC GAAP)

Unit: Yuan Currency: RMB

Non-recurring profit and loss items	2019 amount	2018 amount	2017 amount
Profit and loss from disposal of non-current asset	-104,926,775	-68,102,958	-57,926,166
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	147,496,290	154,467,076	89,668,111
Net profit or loss from the beginning of period to the combination date of the subsidiary company generated from consolidation of enterprises under the same control	0	-49,943	-5,246,320
Profit and loss from changes in the fair value of financial assets held-for-trading, financial liabilities held-for-trading, and investment gains from disposal of financial assets held-for-trading, financial liabilities held-for-trading, and available-for-sale financial assets except for effective hedging businesses related to normal operation of the Company	/	–	-744,055,340
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	197,663,840	1,335,306,682	/
Reversion of provision for impairment of the receivables and contract assets under independent impairment test	17,420,056	170,858,913	/
Influence of one-time adjustment on current profits and losses according to requirements in the laws and regulations of tax and accounting	0	-24,881	-163,881,961
Other non-operating income and expenses other than the above	75,044,677	28,052,070	-29,251,066
Impact from interests of non-controlling shareholders	-457,983	-209,840,513	26,149,604
Impact from income tax	-94,559,904	-351,867,710	103,043,220
Total	<u>237,680,201</u>	<u>1,058,798,736</u>	<u>-781,499,918</u>

Items measured at fair value (prepared in accordance with PRC GAAP)

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	94,839,884	-68,974,575	8,883,243
2. Investment in held-for-trading debt instruments				
Bond investment	109,286,621	115,697,198	6,410,577	29,920,296
Investment in debt instruments	9,468,226,583	10,451,652,321	983,425,738	640,727,021
3. Held-for-trading financial liabilities	–	-588,278,540	-588,278,540	-27,151,000
4. Other non-current financial assets	2,272,120,712	1,872,173,634	-399,947,078	-297,511,094
5. Other equity instruments	–	8,774,154,936	8,774,154,936	412,844
6. Other debt instruments	50,047,000	–	-50,047,000	3,750,000
7. Derivatives not designated as a hedging relationship				
Forward foreign exchange contracts	56,557,584	-47,970,008	-104,527,592	-98,603,111
Interest rate swaps contracts	-434,273	-360,866	73,407	73,406
Commodity option contracts	-20,965,613	–	20,965,613	32,774,982
Commodity futures contracts	36,852,524	94,739,897	57,887,373	-74,440,851
Exchange rate swaps contracts	–	–	–	–
8. Hedging instruments				
(1) Non-effective hedging derivative instruments	–		–	
Commodity futures contract	–		–	
Provisional price arrangement	–		–	
(2) Effective hedging derivative instruments	–		–	
9. Commodity futures contract	3,400,716	-1,392,887	-4,793,603	–
10. Items measured at fair value included in inventory	2,883,906,210	3,078,699,095	194,792,885	194,792,885
11. Provisional price arrangement	94,236,067	-117,478,025	-211,714,092	-211,714,092
12. Financing of accounts receivable	3,215,501,984	2,593,968,796	-621,533,188	
Total	<u>18,332,550,574</u>	<u>26,320,445,435</u>	<u>7,987,894,861</u>	<u>201,914,529</u>

Major quarterly financial data in 2019 (prepared in accordance with PRC GAAP)

Unit: Yuan Currency: RMB

	First Quarter (January–March)	Second Quarter (April–June)	Third Quarter (July–September)	Fourth Quarter (October–December)
Operating revenue	48,859,365,421	56,183,567,705	66,196,991,868	69,120,410,140
Net profit attributable to shareholders of the Company	742,346,402	557,930,938	764,978,996	401,150,749
Net profit after non-recurring profit and loss items attributable to shareholders of the Company	844,368,696	278,034,723	1,096,415,946	9,907,519
Net cash flows from operating activities	743,933,356	4,768,563,960	3,268,798,887	-528,999,789

3.3 Major accounting data (prepared in accordance with IFRSs)

Unit: '000 Currency: RMB

	2019	2018	Increase/ (decrease) (%)
Revenue	239,585,489	214,395,309	11.75
Profit before tax	3,134,793	3,262,125	-3.90
Income tax expenses	982,425	839,539	17.02
Profit attributable to non-controlling shareholders	-285,620	7,569	-3,873.55
Profit attributable to shareholders of the parent company	2,437,988	2,415,017	0.95
Basic and diluted earnings per ordinary share attributable to shareholders of the parent company (RMB)	0.70	0.70	0.37
	As at 31 December 2019	As at 31 December 2018	Increase/ (decrease) (%)
Total assets	134,913,915	102,865,824	31.16
Total liabilities	75,881,314	50,839,134	49.26
Equity attributable to shareholders of the parent company	52,745,618	49,766,311	5.99
Equity per share attributable to shareholders of the Company (RMB)	15.23	14.37	5.99

3.4 Differences in accounting data between IFRSs and PRC GAAP

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

Unit: Yuan Currency: RMB

	Net profit		Net assets attributable to shareholders of the Company	
	Amount for the period	Amount for the previous period	As at the end of the period	As at the beginning of the period
Under PRC GAAP	2,466,407,085	2,447,475,745	52,745,619,575	49,766,311,772
Adjustments to items and amounts under IFRSs:				
Unused safety production fees provided under the PRC GAAP during the period	-28,418,709	-32,458,794		
Under IFRSs	<u>2,437,988,376</u>	<u>2,415,016,951</u>	<u>52,745,619,575</u>	<u>49,766,311,772</u>

Note: The “Net profit” above is the net profit attributable to the parent company.

Description of the differences between domestic and overseas accounting standards:

Pursuant to the provisions of the Ministry of Finance of the PRC and the State Administration of Work Safety of the PRC, the safety fees are collected in accordance with the requirements of the Administrative Measures on the Collection and Use of Production Safety of Enterprises (Cai Qi [2012] No.16). The safety fees are used exclusively for the improvement and enhancement of enterprises to provide safe production conditions. The safety fees to be drawn down are included in the cost or current profit or loss of the underlying products, and are separately reflected in “special reserves” of the equity interests of shareholders. When the withdrew safety production fees are being used, if the expenditure is being expensed, the special reserve shall be directly written off. For fixed assets which have been generated using the withdrew safety production expenditure, the expenses incurred in the collection of the construction-in-progress items shall be recognized as fixed assets when the safety project is completed and ready for its intended use; at the same time, the special reserve shall be offset by the cost of forming the fixed assets, and recognise the same amount of accumulated depreciation. Such fixed assets are no longer depreciated in subsequent periods. According to the IFRSs, the expenditure on production safety is separately reflected in the form of profit distribution in restricted reserve of ownership of equity at

the time of withdrawal. Expenses which are expensed in the prescribed scope of use are included in the statement of comprehensive income in the period in which they are incurred; for capital expenditure, they are transferred to property, plant and equipment upon completion and depreciated in accordance with the depreciation policies of the Company. At the same time, in accordance with the actual amount use of the safety production fees of the current period, such amount shall be carried forward within the owner's equity to write off the restrictive reserve items and increase the undistributed profit, and shall limit the reduction of the remaining restricted reserve to zero.

4 CHANGES IN SHARE CAPITAL AND SHAREHOLDERS

(I) Changes in Shares

During the Reporting Period, there were no changes in total number of ordinary 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	117,486
Total number of ordinary shareholders at the end of the previous month before the disclosure of the annual results	126,620
Total number of shareholders of preference shares with voting rights restored at the end of the Reporting Period	0
Total number of shareholders of preference shares with voting rights restored at the end of last month before the disclosure of the annual results	0

(2) Particulars of shareholdings of the top ten shareholders and the top ten holders of tradable shares (or holders of shares not subject to lock-up) at the end of the Reporting Period

Particulars of shareholding of the top ten shareholders

Unit: Share

Name of shareholder (full name)	Increase/decrease in the Reporting Period	Number of shares held at the end of the Reporting Period	Shareholding percentage (%)	Number of shares held subject to lock-up	Pledged or frozen status			Nature of shareholder
					Share status	Number of shares		
Jiangxi Copper Corporation Limited (“JCC”)	11,932,000	1,450,839,110	41.90	0	Nil	0		State-owned legal person
HKSCC Nominees Limited (“HKSCC”)	-11,692,660	1,137,073,442	32.84	0	Unknown			Unknown
China Securities Finance Corporation Limited	0	103,719,909	3.00	0	Nil	0		Unknown
Hong Kong Securities Clearing Company Limited	20,169,176	32,072,175	0.93	0	Nil	0		Unknown
Central Huijin Asset Management Limited	0	31,843,800	0.92	0	Nil	0		State-owned legal person
National Social Security Fund 403	8,200,606	8,200,606	0.24	0	Nil	0		Unknown
Industrial and Commercial Bank of China Limited–Hua’an Media & Internet Mixed Securities Investment Fund	7,580,400	7,580,400	0.22	0	Nil	0		Unknown
Industrial and Commercial Bank of China Limited – Central European Pioneer Equity Initiative Securities Investment Fund	7,512,500	7,512,500	0.22	0	Nil	0		Unknown
Beijing Fengshan Investment Ltd.	0	6,784,000	0.20	0	Nil	0		Unknown
Wutongshu Investment Platform Co., Ltd.	0	5,993,953	0.17	0	Nil	0		Unknown

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

Unit: Share

Name of shareholder	Number of tradable shares held not subject to lock-up	Class and number of shares	
		Class	Number
JCC	1,450,839,110	Ordinary shares denominated in RMB (A Shares)	1,205,479,110
		Overseas listed foreign shares (H Shares)	245,360,000
HKSCC	1,137,073,442	Overseas listed foreign shares (H Shares)	1,137,073,442
China Securities Finance Corporation Limited	103,719,909	Ordinary shares denominated in RMB (A Shares)	103,719,909
Hong Kong Securities Clearing Company Limited	32,072,175	Ordinary shares denominated in RMB (A Shares)	32,072,175
Central Huijin Asset Management Limited	31,843,800	Ordinary shares denominated in RMB (A Shares)	31,843,800
National Social Security Fund 403	8,200,606	Ordinary shares denominated in RMB (A Shares)	8,200,606
Industrial and Commercial Bank of China Limited-Hua'an Media & Internet Mixed Securities Investment Fund	7,580,400	Ordinary shares denominated in RMB (A Shares)	7,580,400
Industrial and Commercial Bank of China Limited – Central European Pioneer Equity Initiative Securities Investment Fund	7,512,500	Ordinary shares denominated in RMB (A Shares)	7,512,500
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

- Notes:*
1. HKSCC is a member of the Central Clearing and Settlement System, providing registration and custodial services for customers. HKSCC held a total of 1,137,073,442 H Shares of the Company in the capacity of nominee on behalf of a number of customers, representing approximately 32.84% of the total issued share capital of the Company.
 2. The 245,360,000 H Shares held by JCC have been registered with HKSCC and were separately listed from the other shares held by HKSCC when disclosed in the table above. Taking into account the H shares held by JCC, HKSCC held 1,382,433,442 shares as nominee, representing approximately 39.92% of the issued share capital of the Company.
 3. During the Reporting Period, JCC increased its holdings of 11,932,000 H shares in the secondary market of Hong Kong, accounting for 0.34% of the total share capital of the Company. As at 31 December 2019, shareholding ratio of JCC increased from 41.55% before the increase in shareholding to 41.90%.

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

Not applicable

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

Not applicable

(4) *Particulars of controlling shareholder and de ultimate controlling party*

The controlling shareholder of the Company is JCC, and the ultimate controlling party is the State-owned Assets Supervision and Administration Commission of Jiangxi Province.

(IV) Interests and Short Positions of Shareholders

As at 31 December 2019, the interests or short positions of the shareholders, other than Directors, Supervisors and chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the Securities and Futures Ordinance (“SFO”) or otherwise as notified to the Company were as follows:

Name of shareholder	Class of shares	Capacity	Number of shares (Note 1)	Approximate percentage of the number of the relevant class of shares (%)	Approximate percentage of total issued share capital (%)
JCC	A shares	Beneficial owner	1,205,479,110(L)	58.09(L)	34.81(L)
JCC (Note 2)	H shares	Beneficial owner	245,360,000(L)	17.68(L)	7.09(L)
Citigroup Inc.	H shares	(Note 3)	84,304,574(L)	6.07(L)	2.43(L)
			7,619,462(S)	0.54(S)	0.22(S)
			67,673,646(P)	4.87(P)	1.95(P)
			83,263,422(L)	6.00(L)	2.40(L)
BlackRock, Inc. (Note 4)	H shares	Interests in a controlled corporation			
JP Morgan Chase & Co.	H shares	(Note 5)	69,503,351(L)	5.00(L)	2.00(L)
			15,579,586(S)	1.12(S)	0.45(S)
			43,988,722(P)	3.17(P)	1.27(P)

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

Note 2: The 245,360,000 H shares held by JCC were registered with HKSCC.

Note 3: According to the corporate substantial shareholder notice filed by Citigroup Inc. on 2 January 2020, its interests and short position in H Shares are held under the following capacities:

Capacity	Number of H Shares
Interests in a controlled corporation	7,748,928(L)
	7,619,462(S)
Approved lending agents	67,673,646(L)
Persons having a security interest in shares	8,882,000(L)

According to the notice, long position in 237,000 H shares and short position in 500,000 H shares are physically settled listed derivatives; long position in 6,388,994 H shares and short position in 6,156,738 H shares are physically settled unlisted derivatives; and short position in 139,000 H shares are cash settled unlisted derivatives.

Note 4: According to the corporate substantial shareholder notice issued by BlackRock, Inc. on 3 January 2020, long position in 238,000 H shares are cash settled unlisted derivatives.

Note 5: According to the corporate substantial shareholder notice filed by JP Morgan Chase & Co. on 27 December 2019, its holdings of H Shares are held under the following capacities:

Capacity	Number of H Shares
Interests in a controlled corporation	23,923,033(L)
	15,579,586(S)
Approved lending agents	43,988,722(L)
Persons having a security interest in shares	1,313,596(L)
Investment manager	278,000(L)

According to the notice, long position in 309,000 H shares and short position in 187,000 H shares are physically settled listed derivatives; short position in 82,900 H shares are cash settled listed derivatives; long position in 4,860,520 H shares and short position in 426,802 H shares are physically settled unlisted derivative; and long position in 1,485,000 H shares and short position in 13,108,017 H shares are cash settled unlisted derivatives.

Save as disclosed above, pursuant to the register required to be kept under Section 336 of SFO or otherwise as notified to the Company, the Company had not been notified of any interests or short positions in the shares and underlying shares of the Company as at 31 December 2019.

5 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

On 23 September 2019, the Company distributed an interest of RMB4.74 (tax inclusive) to each board lots of “17 JCC 01” with par value of RMB100 according to the “Announcement on the Coupon Rate of 2017 Corporate Bonds (First Tranche) publicly issued to qualified investors by Jiangxi Copper Company Limited”.

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 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 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 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 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 bonds and accept the aforementioned adjustment.
- (3) On 27 May 2019, China Chengxin Securities Rating Co., Ltd. carried out credit rating to the “Public Issuance of 2017 Corporate Bonds (first tranche) to Qualified Investors by Jiangxi Copper Company Limited”. The report maintained the debt credit rating for the period as AAA, maintained the credit rating of the main entity of the Company as AAA, with rating of stable outlook.

1. Accounting data and financial indicators of the last two years as at the end of the Reporting Period

Unit: Yuan Currency: RMB

Major indicators	2019	2018	Increase/decrease	Reason for change
			from last year (%)	
EBITDA	7,355,433,357	6,372,191,610	15.43	
Liquidity ratio	1.23	1.51	-18.54	
Quick ratio	0.84	1.13	-25.66	
Asset-liability ratio (%)	56.24	49.42	6.82	
EBITDA total debt ratio	10.32	7.98	29.32	
Interest cover ratio	2.68	3.34	-19.76	
Cash interest coverage ratio	5.20	6.91	-24.75	
EBITDA interest coverage ratio	3.90	4.52	-13.72	
Loan repayment rate (%)	100	100		
Interest coverage (%)	100	100		

- 2.** As at 31 December 2019, the Company (the headquarters of the parent company) was granted with total credit of RMB60.89 billion, RMB12.579 billion of which had been used and the unused balance was RMB48.311 billion.

6 CHANGES IN SHAREHOLDINGS AND REMUNERATIONS OF EXISTING DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT AND THOSE DURING THE REPORTING PERIOD

Unit: Share

Name	Position	Sex	Age	Commencement date of term of office	Termination date of term of office	Opening shares held	Closing shares held	Change in increase or decrease in shares during the year	Reasons for change	Total remuneration payable by the Company during the Reporting Period (before tax) (RMB'000)	Whether received remuneration from related parties of the Company
Long Ziping	Chairman	Male	60	11 September 2017		0	0	/	/	89.00	No
Zheng Gaoqing	General Manager	Male	54	18 January 2019		0	0	/	/	74.17	No
Zheng Gaoqing	Executive Director			22 March 2019							
Wangbo	Executive Director	Male	56	18 July 2016		0	0	/	/	89.00	No
Dong Jiahui	Executive Director	Male	57	12 June 2018		0	0	/	/	89.00	No
Yu Tong	Chief financial officer	Male	48	28 August 2018		0	0	/	/	89.00	No
Yu Tong	Executive Director			15 January 2019							
Wu Yuneng	Executive Director	Male	58	18 July 2016	15 January 2019	0	0	/	/	0	No
Wu Jinxing	Executive Director	Male	57	18 July 2016	15 January 2019	0	0	/	/	0	No
Gao Jianmin	Executive Director	Male	60	24 January 1997		0	0	/	/	20.00	No
Liang Qing	Executive Director	Male	66	12 June 2002		0	0	/	/	20.00	No
Zhou Donghua	Independent non-executive Director	Male	37	7 June 2017	15 January 2019	0	0	/	/	0	No
Liu Erh Fei	Independent non-executive Director	Male	61	18 July 2016		0	0	/	/	10.00	No
Tu Shutian	Independent non-executive Director	Male	57	12 January 2015		0	0	/	/	10.00	No
Liu Xike	Independent non-executive Director	Male	46	12 June 2018		0	0	/	/	10.00	No
Zhu Xingwen	Independent non-executive Director	Male	58	15 January 2019		0	0	/	/	10.00	No
Hu Qingwen	Chairman of the Supervisory Committee	Male	56	14 June 2013		0	0	/	/	63.90	No
Zeng Min	Supervisor	Male	55	21 March 2016		0	0	/	/	63.90	No
Liao Shengsen	Supervisor	Male	59	18 July 2016		0	0	/	/	63.90	No
Zhang Jianhua	Supervisor	Male	55	18 July 2016		0	0	/	/	63.90	No
Zhang Kui	Supervisor	Male	57	29 March 2017		0	0	/	/	63.90	No
Liao Xingeng	Deputy General Manager	Male	54	18 July 2018		0	0	/	/	68.08	No
Huang Mingjin	Deputy General Manager	Male	57	3 October 2012	13 November 2019	0	0	/	/	62.41	No
Jiang Chunlin	Deputy General Manager	Male	50	25 August 2010	4 January 2020	0	0	/	/	68.08	No
Chen Yunian	Deputy General Manager	Male	55	23 October 2017		0	0	/	/	68.08	No
Zhou Shaobing	Deputy General Manager	Male	49	23 October 2017		0	0	/	/	68.08	No
Lin Jinliang	Legal Director	Male	55	30 August 2010		0	0	/	/	68.08	No
Liu Jianghao	Chief Engineer	Male	59	23 October 2017	13 November 2019	0	0	/	/	62.41	No
Liu Fangyun	Deputy General Manager	Male	54	13 November 2019				/	/	11.35	No
Tung Tat Chiu	Company Secretary	Male	57	24 January 1997		0	0	/	/	5.00	No
Total	/	/	/	/		0	0	/	/	1,311.24	/

7 REPORT OF THE BOARD

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

(I) Principal business and operation mode of the Company

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

The main assets owned and controlled by the Company include:

1. A listed company: Shandong Humon Smelting Co., Ltd. (“**Humon Smelting**”) is a company listed on the Shenzhen Stock Exchange (stock code: 002237). The Company is the controlling shareholder of Humon Smelting, holding 29.99% of its total share capital. Humon Smelting is mainly engaged in the exploration, mining, dressing, smelting and chemical production of gold. It is a national key gold smelting enterprise with the annual production capacity of 50 tonnes of gold and 700 tonnes of silver, and with production capacity of 0.25 million tonnes of electrolytic copper and 1.3 million tonnes of sulphuric acid as by-products.

2. Three smelters: Guixi Smelter, Jiangxi Copper (Qingyuan) Company Limited and Zhejiang Jiangtong Fuye Heding Copper Co., Ltd.. Among which Guixi Smelter is the blister and copper concentrate smelter and refiner in the PRC with the largest scale, most advanced technologies and best environmental protection.
3. Six 100% owned mines under production: Dexing Copper Mine (including copper factory mining area, Fujiawu mining area and Zhushahong mining area), Yongping Copper Mine, Chengmenshan Copper Mine (including Jinjiwo Silver-Copper Mine), Wushan Copper Mine, Dongxiang Copper Mine and Yinshan Mining Company.
4. 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. and JCC Huadong (Zhejiang Copper) Co., Ltd..

1. Applications of main products of the Company are as follows:

Product	Use
Copper cathode	It is a basic raw material for industries such as electrical, electronics, light industry, machinery manufacturing, construction, transportation, and national defense
Copper rods and wires	For the production of copper cables and enameled wires
Gold	It is a hard currency, which can also be used as raw material for electrical appliances, machinery, military industry and decorative crafts
Sliver	It is a raw material for silver solder, electroplating, silver contacts, and decorative crafts
Sulfuric acid	It is a raw material for chemical and fertilizer, and can be used in industries such as metallurgy, food, medicine, fertilizer and rubber

2. Business model

(1) Procurement model

The Company's procurement of the main raw materials copper concentrate and production equipment for production is as follows:

Product	Procurement channel	Procurement method	Pricing method
Copper concentrate	Domestic and foreign procurement	Purchased uniformly by the trading business department of the Company	Refer to the copper price of the London Metal Exchange (the "LME") and Shanghai Metal Exchange
Thick copper, coarse copper	Domestic and foreign procurement	Purchased uniformly by the trading business department of the Company	Refer to the copper price of LME and Shanghai Metal Exchange
Production equipment	Domestic and foreign procurement	Purchased uniformly by the material and equipment department of the Company	Compare to the market price

(2) Sales model

Product	Method of sales	Major sales market
Copper cathode	The main consumer groups are users such as copper processing enterprises, including spot and futures trading, of which: direct sales are used for spot, and futures are traded through the centralized quotation system of Shanghai Metal Exchange	Mainly for Eastern China and Southern China, some products are exported to South Korea, Japan and Southeast Asia
Copper rods and wires	Enter into long-term contracts with relatively stable major customers	Mainly in Eastern China, Southern China, Northern China and Southwest China
Gold	National unified acquisition or direct trading on the Shanghai Gold Exchange	
Sliver	Export and domestic sales, domestic sales are mainly sold to domestic industrial enterprises of electronics, electroplating, electrical alloys, silver nitrate, machinery, military, jewelleryes and other industries by direct sales	Exports are mainly to Hong Kong and to Eastern and Southern China domestically
Sulfuric acid	Enter into long-term contracts with relatively stable major customers, and then supply and sell in installments	Mainly in Eastern China, Central China, Southern China, Southwest China and other regions

(II) Explanation of the industry

The price of copper in 2019 has shown a narrow range of oscillation in general. In the first half of the year, the world's major economies were sluggish and the manufacturing industry was weakened across the board. With the increasing risk aversion, the copper price in the first half of the year showed a rise and then a fall. In the second half of the year, the U.S Federal Reserve cut interest rates twice in July and September respectively, and more than 20 countries and regions followed. China continued to expand its opening-up and its infrastructure, and support its brick-and-mortars etc. to further stabilise its employment, finance, foreign trade, foreign capital, investment and expectations. In December 2019, China and the United States reached phase one of the trade agreement, risk aversion reduced, and the copper price ended the oscillation at low points and rebounded. The annual average three-month copper price of LME in 2019 was USD6,021.61 per tonne, representing a year-on-year decrease of 7.96%.

In 2019, due to the cumulative effects of strikes, extreme weather and other events, copper production in global mines has been affected to a certain extent. The refined copper smelting capacity in the PRC entered into a peak production period, the supply of concentrate was relatively tight compared to smelting capacity and the smelting processing fees have declined continuously since 2018. The global refined copper production in 2019 announced by the World Bureau of Metal Statistics (WBMS) was 23.72 million tonnes, while copper consumption amounted 23.82 million tonnes, the supply of copper was in slight shortage.

II. Analysis of core competitiveness during the Reporting Period

(I) Securing an important strategic position as a leader of the domestic copper industry with national copper base

The Group has the largest production base of copper, associated gold and silver and owns an important base of sulphuric chemistry in the PRC:

1. The Group owns the current largest size of domestic copper mine, namely Dexing Copper Mine and a number of copper mines under production. As at 31 December 2019, the Group had 100% ownership in the proven resource reserves of approximately 9,154,000 tonnes of copper metal, 281.5 tonnes of gold, 8,347.7 tonnes of silver, and 198,000 tonnes of molybdenum. Among the resources jointly controlled by the Group and other companies, metal resource reserves attributable to the Company (based on its equity percentage) were approximately 4,435,000 tonnes of copper and 52 tonnes of gold. Humon Smelting, a controlled subsidiary of the Company, has mining rights of 16 gold mines, and approximately 112.01 tonnes of proven gold reserves;
2. Guixi Smelter is the copper smelter with the largest monomer smelting scale in the world;
3. The Group is also the largest domestic copper processor.

(II) Mature business layout with comprehensive advantages of integrated industry chain

The Group is the largest integrated producer of copper in the PRC. In particular, after the Group acquired Humon Smelting in 2019 and became its controlling shareholder, it has established its industry chain with core businesses such as mining, ore dressing, smelting and processing of gold and copper, as well as sulphuric chemistry and extraction and processing of precious and rare metals. It also conducts business in various areas such as finance and trading. The annual production of copper contained in copper concentrates of the Company is over 200,000 tonnes. The production capacity of copper cathode is over 1,400,000 tonnes per year. The production of processed copper products is over 1,000,000 tonnes per year. Humon Smelting, a controlled subsidiary of the Company, has an annual production capacity of 50 tonnes of gold and 700 tonnes of silver and has production capacity of 0.25 million tonnes of electrolytic copper and 1.3 million tonnes of sulphuric acid as by-products.

(III) Advantages of industry-leading professional technologies

The Group possesses industry-leading copper smelting and mine development technologies. Guixi Smelter is the first to introduce the entire flash smelting technology in the PRC with the overall technology and key techno-economic indicators reaching the advanced international standards. Dexing Copper Mine is the first to introduce software for the design, planning and optimization of international mining and the global satellite positioning system for truck dispatching. Humon Smelting has strong smelting technology and is the first professional factory to process high lead complex gold concentrate by using oxygen bottom blowing smelting-reduction furnace pulverized coal bottom blowing direct reduction technology. It ranks first among the “PRC’s Top Ten Gold Smelting Enterprises”.

(IV) Management and talent advantage

The management team of the Company has extensive experience, with an average practice in the copper industry of more than 30 years. The team has participated actively in corporate governance for a long time and has a professional and leading management level in the industry. In addition, the Company also reserves a large number of mining and smelting talents, with the expansion ability and advantages to replicate and operate same types of mining or smelting enterprise.

(V) Advantage of competitive cost

The Dexing Copper Mine owned by the Group is the largest copper open-pit mine in the PRC. The unit cash cost is below the industry average. At the same time, the advantages of mine resources further ensure the self-sufficiency rate of copper concentrates, which is conducive to the Group to smoothen the risk of fluctuations in raw material costs. Secondly, the Guixi Smelter owned by the Group is the world's largest single smelter, with leading technology and scale effect, giving the Company more cost advantage.

(VI) Advantage of an outstanding brand name

The “Guiye” copper cathode owned by the Company has been successfully registered with the LME in 1996, which is the first world-class brand of copper of the PRC. The Company has become the first enterprise nationwide which has cathode copper, gold and silver products all registered with the LME and the London Bullion Market Association (LBMA). The copper testing factory established based on the laboratory of Guiye Center of the Company, is the only testing factory of copper cathode in the PRC recognized by the LME, which has finished a number of cathode copper tests for various domestic enterprises registered with the LME. The Company has maintained good and long-term relationship with world-class mining enterprises.

III. Management Discussion and Analysis

In 2019, in the face of a complicated and severe external situation, the Group has overcome many difficulties, and completed the production and operation plan.

(I) Achieved new record high in terms of the production of major products:

Products	Production in 2019	Production in 2018	Year-on-year increase (%)
Copper cathode (<i>ten thousand tonne</i>)	155.63	146.46	6.26
Gold (<i>tonne</i>)	50.16	25.58	96.09
Sliver (<i>tonne</i>)	646.82	394.53	63.95
Sulphuric acid (<i>ten thousand tonne</i>)	462.88	401.82	15.20
Copper processing products (<i>ten thousand tonne</i>)	119.72	111.91	6.98
Copper contained in self-produced copper concentrate (<i>ten thousand tonne</i>)	20.92	20.83	0.43
Standard sulphuric concentrate (<i>ten thousand tonne</i>)	275.13	246.85	11.46

Note: The above statistical data range of copper cathode, gold, silver and sulfuric acid products includes the production data of Humon Smelting, a subsidiary of the Company from July to December 2019.

(II) Breakthroughs in investment, mergers and acquisitions, and improved industrial layout

Domestically, with the acquisition of 29.99% equity interest in Humon Smelting, the Company has since entered a “dual listing platform era”; the Company also acquired 65% equity interest in JCC Guoxing (Yantai) Copper Company Limited (“**Yantai Guoxing**”) and invested to construct copper cathode capacity of 180,000 tonne per year. Internationally, the Company acquired 18.015% of equity interests in First Quantum Minerals Ltd. (“**First Quantum**”) in Canada and became its largest shareholder, and achieved a milestone breakthrough in overseas investment. The Company completed the acquisition of the Kazakhstan tungsten mine project. After the project goes into operation, it will become the tungsten mine with the largest production capacity in the world.

(III) Smooth acceleration of key projects, and the stamina for development has steadily increased

Phase II of the newly built 350,000 tonne/year copper rod project of Jiangxi Copper (Guangzhou) Copper Products Company Limited has been successfully put into operation. The Shenzhen Holding has become the largest copper product manufacturer and supplier in Southern China. The construction of 220,000 tonne/year copper rod production line project of Jiangxi Copper North China (Tianjin) Copper Co., Ltd has started, and the industrial layout of the Company in the Bohai Rim region has further improved. The construction of the phase III 15,000 tonne/year lithium-electric copper foil production line of the copper foil company has initiated, and the Company has taken a new step in the high-end copper processing products field. The Dexing Copper 5 # tailings pond project has overcome difficulties, fully completed the construction of the main project (phase 1) and was put into operation smoothly. The construction of 8,000 tonne/day deep underground tapping production expansion project of Yinshan Mining was progressing in an orderly manner. The joint exploration of Shiwu Gold Mine of Jiangxi Gold Company Limited has entered a substantial phase.

(IV) Increasing investment in science and technology, continuing enhancement and strengthening technological innovation capabilities

The Group continued to increase investment in science and technology, strengthened the guarantee of scientific research funds, conducted dynamic checklist management of projects for key scientific research results transformation projects and key focused projects, advanced at a high level, and adjusted regularly. The Company focused on the introduction of high-end scientific research talents, established and improved the publication mechanism of scientific research problems, and effectively strengthened the collaboration and coordination of production, learning and research. In the past year, the Company has applied a total of 113 patents and obtained 75 authorized patents, including 18 invention patents.

(V) Establishing a significant risk management system and strengthening risk management capabilities

In accordance with the principle of “covering all functional departments and entities of all levels, and full participation”, the construction of a “significant risk management system” has fully launched. The Company newly established an operation management department, a legal risk management department and an audit department. The organizational structure and management control model have been further optimized, and the risk management organization system has been further improved. The role of the two supervisors in risk control has been further strengthened, the responsibilities of the three defense lines have been further clarified, and a full staff, whole-process risk management system has been initially established.

IV. Major business operations during the Reporting Period

According to the audited 2019 consolidated financial statement prepared in accordance with the PRC GAAP, the consolidated operating income of the Group is RMB240,360,335,134 (2018: RMB215,289,866,760), representing an increase of RMB25,070,468,374 (or 11.64%) as compared with last year; achieving net profit attributable to shareholders of the Company of RMB2,466,407,085 (2018: RMB2,447,475,745), representing an increase of RMB18,931,340 (or 0.77%) as compared with last year; basic earning per share is RMB0.71 (2018: RMB0.71).

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

Table of movement analysis for the related items in income statement and cash flow statement

Unit: Yuan Currency: RMB

Items	For the period	For the same period last year	Changes (%)
Operating revenue	240,360,335,134	215,289,866,760	11.64
Operating cost	231,167,687,946	207,471,870,099	11.42
Selling and distribution expenses	683,411,771	569,029,106	20.10
Administrative expenses	1,796,559,189	1,558,616,980	15.27
Expenses on research and development	585,688,950	206,932,138	183.03
Finance costs	924,898,841	812,936,465	13.77
Net cash flow from operating activities	8,252,296,414	8,182,118,246	0.86
Net cash flow from investing activities	-11,943,948,968	-9,178,398,035	30.13
Net cash flow from financing activities	11,572,714,955	1,108,604,280	943.90
Expenditure on research and development	3,596,681,000	2,900,522,000	24.00
Impairment losses on assets	89,624,657	481,423,550	-81.38
Credit impairment loss	1,475,160,931	1,369,110,212	7.75
Other income	147,496,290	154,467,076	-4.51
Investment income	706,950,535	591,100,790	19.60
Changes in fair value	-526,207,902	662,941,683	-179.37
Non-operating income	91,241,390	43,352,012	110.47
Non-operating expenses	128,286,045	15,299,942	738.47

Explanation on changes in operating revenue: It was mainly due to the acquisition of Humon Smelting and its inclusion into the scope of consolidated statement as well as change in sales of main products;

Explanation on changes in operating cost: It was mainly due to the acquisition of Humon Smelting and its inclusion into the scope of consolidated statement as well as change in sales of main products;

Explanation on changes in selling and distribution expenses: It was mainly due to the acquisition of Humon Smelting and its inclusion into the scope of consolidated statement as well as change in sales of main products;

Explanation on changes in administrative expenses: It was mainly due to the acquisition of Humon Smelting and its inclusion into the scope of consolidated statement;

Explanation on changes in expenses on research and development: It was mainly due to the increased investment of the Company in scientific research;

Explanation on changes in finance costs: It was mainly due to the acquisition of Humon Smelting and its inclusion into the scope of consolidated statement and increase in capital demand from new investment;

Explanation on changes in net cash flow from investing activities: It was mainly due to the increase in investment in mergers and acquisitions;

Explanation on changes in net cash flow from financing activities: It was mainly due to the increase in scale of investment and operation financing;

Explanation on changes in impairment losses on assets: It was mainly due to the decrease in the year-on-year provision for impairment on assets of subsidiaries;

Explanation on changes in investment income: It was mainly due to the increase in investment earnings of financial products bought;

Explanation on changes in changes in fair value: It was mainly due to the decrease in the fair value of non-current financial assets and held-for-trading financing assets held by the Company;

Explanation on changes in non-operating income: It was mainly due to the increase in breach penalty income;

Explanation on changes in non-operating expenses: It was mainly due to the expiration and disposal of fixed assets.

1. Analysis on income and cost

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

Unit: Yuan Currency: RMB

By industry	Operating revenue	Operating cost	Gross profit margin (%)	Principal businesses by industry		
				Increase/decrease in operating revenue over last year (%)	Increase/decrease in operating cost over last year (%)	Increase/decrease in gross profit margin over last year (%)
Industry and other non-trading revenue	122,203,903,923	113,503,922,547	7.12	18.79	22.79	Decreased by 3.03 percentage points
Trading revenue	117,382,865,193	116,915,687,168	0.40	4.85	1.99	Increased by 2.79 percentage points
Others	773,566,018	748,078,231	3.29	67.41	85.09	Decreased by 9.24 percentage points

By product	Operating revenue	Operating cost	Gross profit margin (%)	Principal businesses by product		
				Increase/decrease in operating revenue over last year (%)	Increase/decrease in operating cost over last year (%)	Increase/decrease in gross profit margin over last year (%)
Copper cathode	136,603,019,533	130,500,845,411	4.47	11.29	11.56	Decreased by 0.23 percentage point
Copper rods and wires	45,115,728,840	44,089,830,003	2.27	-4.65	-4.43	Decreased by 0.22 percentage point
Other copper processed products	4,614,555,998	4,314,898,550	6.49	-10.16	-10.90	Increased by 0.78 percentage point
Gold	16,213,789,404	15,031,629,498	7.29	123.33	112.31	Increased by 4.81 percentage points
Silver	6,086,103,618	5,700,014,095	6.34	195.87	181.19	Increased by 4.89 percentage points
Chemical products (sulfuric acid and sulfur concentrate)	1,259,961,119	1,506,426,450	-19.56	4.92	13.51	Decreased by 9.05 percentage points
Rare metals and other non-ferrous metals	9,185,557,806	8,907,055,428	3.03	75.28	74.45	Increased by 0.46 percentage point
Copper concentrate, coarse copper and anode plates	14,304,590,207	14,196,378,414	0.76	-25.93	-25.50	Decreased by 0.58 percentage point
Other principal business	6,203,462,591	6,172,531,866	0.50	35.96	36.63	Decreased by 0.49 percentage point
Other business income	773,566,018	748,078,231	3.29	67.41	85.09	Decreased by 9.24 percentage points

Principal businesses by geographical location						
By geographical location	Operating revenue	Operating cost	Gross profit margin (%)	Increase/decrease in operating revenue over last year (%)		Increase/decrease in gross profit margin over last year (%)
Mainland China	205,006,108,527	195,262,695,619	4.75	9.20	8.54	Increased by 0.58 percentage point
Hong Kong	16,226,444,249	16,735,585,739	-3.14	29.15	77.81	Decreased by 28.23 percentage points
Other region	19,127,782,358	19,169,406,588	-0.22	27.59	5.54	Increased by 20.94 percentage points
Total	240,360,335,134	231,167,687,946	3.82	11.64	11.42	Increased by 0.19 percentage point

Note: The scope of statistics of the “Principal businesses by product” stated above includes trading.

(2) Analysis table for output and sales

Major products	Unit	Output	Sales	Stock	Increase/decrease in output as compared with last year (%)	Increase/decrease in sales as compared with last year (%)	Increase/decrease in stock as compared with last year (%)
Copper cathode	Ten thousand tonnes	155.63	131.79	28.04	6.32	9.58	567.53
Gold	Tonne	51.30	50.82	0.71	100.54	79.27	207.36
Silver	Tonne	824.84	872.53	20.11	109.07	115.15	-70.34
Sulphuric acid	Ten thousand tonnes	476.17	474.12	6.75	18.50	24.48	43.62
Copper processing products	Ten thousand tonnes	119.72	112.91	8.60	2.27	28.25	380.30

Note: The scope of statistics of the above “Analysis table for output and sales” is self-produced products of the Group.

(3) Analysis on costs

Unit: Yuan Currency: RMB

By Product	Cost constituent	For the period	By Product		Share of total costs for the same period last year (%)	Changes of the amount for the period compared to the same period last year (%)	Explanation
			Share of total costs for the period (%)	For the same period last year			
Copper products (self-produced cathode copper, copper rod wire and other copper processed products)	Raw materials	89,017,081,676	38.63	75,002,455,552	36.22	18.69	
	Energy power	1,966,079,878	0.85	2,110,175,734	1.02	-6.83	
	Labour	1,305,106,203	0.57	1,219,115,994	0.59	7.05	
	Overheads	3,976,011,652	1.73	3,990,827,228	1.93	-0.37	
	Sub-total	96,264,279,409	41.78	82,322,574,508	39.76	16.94	
By-products of precious metals (self-produced gold and silver)	Raw materials	14,252,083,038	6.19	7,837,197,516	3.78	81.85	
	Energy power	262,774,966	0.11	190,627,170	0.09	37.85	
	Labour	183,126,323	0.08	140,153,701	0.07	30.66	
	Overheads	570,568,418	0.25	446,079,874	0.22	27.91	
	Sub-total	15,268,552,745	6.63	8,614,058,261	4.16	77.25	
Chemical products (self-produced sulfuric acid and sulfur concentrate)	Raw materials	310,130,059	0.13	265,671,059	0.13	16.73	
	Energy power	428,938,871	0.19	342,186,354	0.17	25.35	
	Labour	220,268,414	0.10	194,398,605	0.09	13.31	
	Overheads	547,089,106	0.24	441,694,788	0.21	23.86	
	Sub-total	1,506,426,450	0.65	1,243,950,806	0.60	21.10	
Rare metals	Raw materials	145,820,776	0.06	86,470,987	0.04	68.64	
	Energy power	96,466,436	0.04	53,480,909	0.03	80.38	
	Labour	59,886,720	0.03	24,260,454	0.01	146.85	
	Overheads	162,490,011	0.07	89,397,894	0.04	81.76	
	Sub-total	464,663,943	0.20	253,610,244	0.12	83.22	
Trading and others		116,915,687,168	50.74	114,633,508,142	55.36	1.99	
	Total	230,419,609,715	100.00	207,067,701,961	100.00	11.28	

		By industry					Explanation
By industry	Cost constituent	For the period	Share of total costs for the period (%)	For the same period last year	Share of total costs for the same period last year (%)	Changes of the amount for the period compared to the same period last year (%)	
Industry and other non-trading cost	Raw materials	103,725,115,549	45.02	83,191,795,114	40.18	24.68	
	Energy power	2,754,260,151	1.20	2,696,470,167	1.30	2.14	
	Labour	1,768,387,660	0.77	1,577,928,754	0.76	12.07	
	Overheads	5,256,159,187	2.28	4,967,999,784	2.40	5.80	
	Sub-total	<u>113,503,922,547</u>	<u>49.26</u>	<u>92,434,193,819</u>	<u>44.64</u>	<u>22.79</u>	
Cost of trading		<u>116,915,687,168</u>	<u>50.74</u>	<u>114,633,508,142</u>	<u>55.36</u>	<u>1.99</u>	
	Total	<u>230,419,609,715</u>	<u>100.00</u>	<u>207,067,701,961</u>	<u>100.00</u>	<u>11.28</u>	

Other explanation on analysis on cost

Nil

(4) Major sales customers and major suppliers

Sales amount of the top five customers was RMB37,597.34 million, making up 15.64% of the total sales amount for the year, among which sales amount of related parties in the sales amount of the top five customers was RMB0, making up 0% of the total sales amount.

Procurement amount of the top five suppliers was RMB26,926.76 million, making up 10.42% of the total procurement amount for the year, among which procurement amount of related parties in the procurement amount of the top five suppliers was RMB0, making up 0% of the total procurement amount.

Other descriptions

NIL

2. Expense

Unit: Yuan Currency: RMB

Item	For the period ended	For the same period last year	Increase/ (decrease) over the same period last year (%)
Selling and distribution expenses	683,411,771	569,029,106	20.10
Administrative expenses	1,796,559,189	1,558,616,980	15.27
Finance costs	924,898,841	812,936,465	13.77

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

R&D contribution table

Unit: '000 Yuan Currency: RMB

Expenditure R&D contribution in current period	3,360,934
Capitalization R&D contribution in current period	235,747
Sum of R&D contribution	3,596,681
Percentage (%) of sum of R&D contribution in operating income	1.5
Number of R&D personnel in the company	4,609
Percentage (%) of number of R&D personnel in total amount of company staff	19.86
Proportion (%) of R&D investment capitalization	6.55

Explanation

In 2019, the Group carried out a series of research and development projects in the areas of “exploration, selection, smelting, processing, new materials” in light of the development strategy and the actual situation of the Company. The Group was committed in developing new products and promoting intelligentization, reducing production costs, enhancing safety and environmental protection, and improving comprehensive recycling.

During the Reporting Period, the “Key Technology and Application of High-efficiency Flotation Selection of Sulfide Ore Based on Adjustment and Control Interface Hydration” (“基於界面水化作用調控的硫化礦高效浮選關鍵技術及應用”) submitted by the Group won the second prize of Jiangxi Province Science and Technology Progress Award; the “Multi-position Adjustment and Control Technology for Sulphide Ore Flotation Selection” (“硫化礦浮選中礦多位調控技術”) won the third prize of Jiangxi Province Science and Technology Progress Award. The Group will continue to implement an innovation-driven strategy, steadily promote the preparation of copper foil for lithium batteries, high-quality single-walled carbon nanotubes, graphite-copper (aluminum), and create new profit growth points. At the same time, the Group will continue to implement the construction of smart factories and smart mines, and promote the mines and smelters of the Company to develop in an innovative and intelligent direction.

4. Cash Flow

Unit: Yuan Currency: RMB

Item	For the year	For the same period last year	Changes (%)	Explanation
Net cash flow from operating activities	8,252,296,414	8,182,118,246	0.86	
Net cash flow from investing activities	-11,943,948,968	-9,178,398,035	30.13	Note 1
Net cash flow from financing activities	11,572,714,955	1,108,604,280	943.90	Note 2

Note 1: Explanation on changes in net cash flow from investing activities: mainly due to the increase in investments in mergers and acquisitions.

Note 2: Explanation on changes in net cash flow from financing activities: mainly due to the expansion of investment and operational financing.

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

Unit: Yuan Currency: RMB

Item	For the period	For the same period last year	Changes
Impairment losses on assets	89,624,657	481,423,550	-391,798,893
Impairment losses on credit	1,475,160,931	1,369,110,212	106,050,719
Gains on changes in fair value	-526,207,902	662,941,683	-1,189,149,585
Returns on investment	706,950,535	591,100,790	115,849,745

V. Analysis of assets and liabilities

(I) 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
Factoring receivables	1,130,055,974	0.84	2,082,024,102	2.02	-45.72	Note 1
Inventories	26,923,307,427	19.96	17,259,265,461	16.78	55.99	Note 2
Assets classified as held for sale	36,524,622	0.03	83,660,951	0.08	-56.34	Note 3
Non-current assets due within one year	0	0.00	50,047,000	0.05	-100.00	Note 4
Other equity investment	8,774,154,936	6.50	0	0.00	100.00	Note 5
Project under construction	4,969,923,388	3.68	3,619,089,105	3.52	37.33	Note 6
Right-to-use assets	404,445,431	0.30	0	0.00	100.00	Note 7
Intangible assets	4,152,655,144	3.08	2,386,307,919	2.32	74.02	Note 8
Goodwill	1,266,036,306	0.94	0	0.00	100.00	Note 9
Short-term borrowings	42,119,240,078	31.22	30,104,007,982	29.27	39.91	Note 10
Held-for-trading financial liabilities	588,278,540	0.44	0	0.00	100.00	Note 11
Derivative financial liabilities	396,124,785	0.29	94,258,438	0.09	320.25	Note 12
Notes payable	4,176,838,516	3.10	1,923,462,976	1.87	117.15	Note 13
Account payable	8,363,608,696	6.20	4,306,594,754	4.19	94.20	Note 14
Other payables	2,838,684,274	2.10	2,148,543,395	2.09	32.12	Note 15
Non-current liabilities due within one year	3,619,984,095	2.68	143,888,115	0.14	2,415.83	Note 16
Long-term borrowings	5,257,859,073	3.90	3,282,000,000	3.19	60.20	Note 17
Lease liabilities	171,117,131	0.13	0	0.00	100.00	Note 18
Long-term payable	391,390,846	0.29	60,141,729	0.06	550.78	Note 19
Long-term payroll payable	19,158,890	0.01	34,589,330	0.03	-44.61	Note 20
Provisions	252,451,687	0.19	191,428,889	0.19	31.88	Note 21
Deferred income tax liabilities	328,393,473	0.24	109,138,652	0.11	200.90	Note 22
Other non-current liabilities	194,167	0.00	0	0.00	100.00	Note 23
Other comprehensive income	1,350,346,937	1.00	116,481,629	0.11	1,059.28	Note 24

- Note 1:* As at the end of the Reporting Period, the factoring receivables of the Group amounted to RMB1,130.06 million, representing a decrease of RMB951.97 million (or -45.72%) as compared to the end of last year, mainly attributable to the recovery of factoring amount of RMB344 million by subsidiaries of the Group as well as provision for impairment of factoring receivables amounting to RMB608 million;
- Note 2:* As at the end of the Reporting Period, the inventories of the Group amounted to RMB26,923.31 million, representing an increase of RMB9,664.04 million (or 55.99%) as compared to the end of last year, mainly attributable to the acquisition and inclusion of Humon Smelting into the scope of consolidated statement by the Group, increasing inventories amounting to RMB7,418 million;
- Note 3:* As at the end of the Reporting Period, the assets classified as held-for-sale of the Group amounted to RMB36.52 million, representing a decrease of RMB47.14 million (or -56.34%) as compared to the end of last year, mainly attributable to the disposal of moveable machineries and equipment of held-for-sale assets as classified by Sichuan Kangxi Copper Company Limited, a subsidiary of the Group, through tender amounting to RMB50.26 million, and the increase in held-for-sale land use rights and housing buildings of Humon Smelting, a subsidiary of the Group, amounting to RMB4.48 million;
- Note 4:* As at the end of the Reporting Period, the non-current assets of the Group due within one year amounted to RMB0, representing a decrease of RMB50.05 million (or -100%) as compared to the end of last year, mainly attributable to the disposal of mature bonds held by JCC Finance Company Limited, a subsidiary of the Group;
- Note 5:* As at the end of the Reporting Period, other equity investment of the Group amounted to RMB8,774.15 million, representing an increase of RMB8,774.15 million (or 100%) as compared to the end of last year, mainly attributable to the new equity investment of the Group (First Quantum, etc.);
- Note 6:* As at the end of the Reporting Period, the projects under construction of the Group amounted to RMB4,969.92 million, representing an increase of RMB1,350.83 million (or 37.33%) as compared to the end of last year, mainly attributable to the increase in investment in projects under construction by the Group, among which increased of RMB778 million in Dexing No.5 Inventory, Guiye Intelligent Plants and other projects, increase of RMB263 million in Yinshan Jingxia 8,000 tonnes projects, increase of RMB220 million in Guangtong phase II construction and an increase of RMB186 million in Humon Smelting;
- Note 7:* As at the end of the Reporting Period, the right-of-use assets of the Group amounted to RMB404.45 million, representing an increase of RMB404.45 million (or 100%) as compared to the end of last year, mainly attributable to the implementation of new lease standards of the Group and change of auditing items;

- Note 8:* As at the end of the Reporting Period, the intangible assets of the Group amounted to RMB4,152.66 million, representing an increase of RMB1,766.35 million (or 74.02%) as compared to the end of last year, mainly attributable to the acquisition of Humon Smelting and Yantai Guoxing by the Group;
- Note 9:* As at the end of the Reporting Period, the goodwill of the Group amounted to RMB1,266.04 million, representing an increase of RMB1,266.04 million (or 100%) as compared to the end of last year, mainly attributable to the goodwill formed by the acquisition of Humon Smelting by the Group;
- Note 10:* As at the end of the Reporting Period, the short-term borrowings of the Group amounted to RMB42,119.24 million, representing an increase of RMB12,015.23 million (or 39.91%) as compared to the end of last year, mainly attributable to the increase in the Group's investment in mergers and acquisitions as well as expansion of operational financing scale;
- Note 11:* As at the end of the Reporting Period, the held-for-trading financial liabilities of the Group amounted to RMB588.28 million as compared to the end of last year, representing an increase of RMB588.28 million (or 100%) as compared to the end of last year, mainly attributable to the development of the gold lease business by Humon Smelting, a subsidiary of the Group;
- Note 12:* As at the end of the Reporting Period, the derivative financial liabilities of the Group amounted to RMB396.12 million, representing an increase of RMB301.87 million (or 320.25%) as compared to the end of last year, mainly attributable to floating profit and loss of the future business of the Group;
- Note 13:* As at the end of the Reporting Period, the notes payable of the Group amounted to RMB4,176.84 million, representing an increase of RMB2,253.38 million (or 117.15%) as compared to the end of last year, mainly attributable to the new billings from acquisition of Humon Smelting and subsidiaries of the Group;
- Note 14:* As at the end of the Reporting Period, the accounts payable of the Group amounted to RMB8,363.61 million, representing an increase of RMB4,057.01 million (or 94.2%) as compared to the end of last year, mainly attributable to the acquisition of Humon Smelting and increase in unsettled purchasing amount of raw materials and trading of commodities;
- Note 15:* As at the end of the Reporting Period, other accounts payable of the Group amounted to RMB2,838.68 million, representing an increase of RMB690.14 million (or 32.12%) as compared to the end of last year, mainly attributable to the acquisition of Humon Smelting and the increase in construction, equipment and materials payable by the Group;
- Note 16:* As at the end of the Reporting Period, the non-current liabilities of the Group due within one year amounted to RMB3,619.98 million, representing an increase of RMB3,476.10 million (or 2415.83%) as compared to the end of last year, mainly attributable to the disclosure of reclassification of a long-term borrowings amounting to RMB3,000 million due within one year to the non-current liabilities of the Group due within one year;

Note 17: As at the end of the Reporting Period, the long-term borrowings of the Group amounted to RMB5,257.86 million, representing an increase of RMB1,975.86 million (or 60.2%) as compared to the end of last year, mainly attributable to the new long-term borrowings and financing amount of RMB4,900 million and the reclassification of long-term borrowings amounting to RMB3,000 million due within one year to the non-current liabilities due within one year of the Group as at the end of the reporting period;

Note 18: As at the end of the Reporting Period, the lease liabilities of the Group amounted to RMB171.12 million, representing an increase of RMB171.12 million (or 100%) as compared to the end of last year, mainly attributable to the implementation of new lease standards of the Group and change of auditing items;

Note 19: As at the end of the Reporting Period, the long-term payable of the Group amounted to RMB391.39 million, representing an increase of RMB331.25 million (or 550.78%) as compared to the end of last year, mainly attributable to the new financing and lease amount of Humon Smelting, a subsidiary of the Group;

Note 20: As at the end of the Reporting Period, the long-term payroll payable of the Group amounted to RMB19.16 million, representing a decrease of RMB15.43 million (or -44.61%) as compared to the end of last year, mainly attributable to the payment of medium- and long-term equity incentive plan of the Group;

Note 21: As at the end of the Reporting Period, the provisions of the Group amounted to RMB252.45 million, representing an increase of RMB61.02 million (or 31.88%) as compared to the end of last year, mainly attributable to the increase in the Group's expected expense in reclamation;

Note 22: As at the end of the Reporting Period, the deferred income tax liabilities of the Group amounted to RMB328.39 million, representing an increase of RMB219.25 million (or 200.9%) as compared to the end of last year, mainly attributable to the increase in valuation of the acquisition of Humon Smelting of the Group;

Note 23: As at the end of the Reporting Period, the other non-current liabilities of the Group amounted to RMB190,000, representing an increase of RMB190,000 (or 100%) as compared to the end of last year, mainly attributable to the acquisition of Humon Smelting by the Group;

Note 24: As at the end of the Reporting Period, the other comprehensive income of the Group amounted to RMB1,350.35 million, representing an increase of RMB1,233.87 million (or 1,059.28%) as compared to the end of last year, mainly attributable to change in fair value of other equity investment of the Group and the difference of discount from the foreign currencies of overseas associates and joint ventures incurred from the increase in US dollar exchange rate.

(II) 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	11,020,051,527	They were the margin deposits for the application of gold leasing, letters of credit, bank guarantees and acceptances issued as well as bank acceptance notes with the banks, the required reserve deposits placed with the People's Bank of China, environment rehabilitation deposits, pledged to secure short term borrowings as well as frozen bank deposits and their interests
Held-for-trading financial assets	5,115,672,565	Held-for-trading financial assets with book values of RMB4,972,138,401 were pledged as margins for notes; Held-for-trading financial assets with book values of RMB143,534,164 were pledged as margins for gold leasing
Accounts receivable financing	–	No bank borrowings using bank's acceptance bills as collateral
Other receivables	1,665,029,077	Futures margin deposits
Inventories	340,707,188	Inventories with book values of RMB331,250,396 were placed as futures margin deposit and pledged to secure short term borrowings; inventories with a book values of RMB9,456,792 were preserved forcefully by court due to lawsuit(s)
Investment properties	163,224,255	Preserved forcefully by court due to lawsuit(s)
Fixed assets	686,945,242	Fixed assets with book values of RMB563,778,784 were pledged to secure short-term bank borrowings; fixed assets with a book values of RMB8,224,334 were pledged to secure long-term bank borrowings; fixed assets with a book values of RMB114,942,124 were preserved forcefully by court due to lawsuit(s)
Intangible assets	105,790,715	They were pledged to secure bank borrowings

(III) Material disposal of assets and equity interests

Not applicable

(IV) General analysis of external investment in equity*Unit: 0'000 Yuan Currency: RMB*

Investment during the reporting period	1,443,436
Investment during the same period last year	47,719
Extent of increase/decrease in investment (%)	2,924.87

No.	Name of investee	Principal activity	Share of interests in the investee (%)	Investment amount
1	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
2	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	297,602
3	Liangshan Mining Co., Ltd. (涼山礦業股份有限公司)	Mining of copper ore and associated ore; production of sulfuric acid, oxygen, nitrogen, etc.	6.67	21,151
4	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
5	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
6	JCC Hongyuan Copper Industry Co., Ltd. (江銅宏源銅業有限公司)	Production and sales of electrolytic copper	43	5,375
7	Jiangxi Copper Industry Xinrui Technology Co., Ltd. (江西銅業鑫瑞科技有限公司)	R&D, production and sales of semi-conductor materials and applied products, rare metals and their compounds, copper-based alloys, etc.	100	4,000
8	Minmetals Jiangxi Copper Mining Co., Ltd. (五礦江銅礦業有限公司)	Exploration of copper mines	40	14,400
9	Jiangxi Wantong Environmental Protection Materials Co., Ltd. (江西萬銅環保材料有限公司)	Environmental protection building materials, comprehensive development and utilization of tailings resources, etc.	40	1,600
10	Jiangxi JCC Petrochemical Co., Ltd. (江西江銅石化有限公司)	Sales, storage and transportation of petroleum, petrochemical, chemical fiber and other chemical products	49	542

No.	Name of investee	Principal activity	Share of interests in the investee (%)	Investment amount
11	Anhui Qide Cable Co., Ltd. (安徽啟得電纜有限公司)	R&D, manufacture and sales of wires, cables and spare parts, etc.	100	5,815
12	Jiangxi Copper (Shenzhen) International Investment Holding Co., Ltd. (江西銅業(深圳)國際投資控股有限公司)	Sales of cathode copper, anode plates and non-ferrous metals, etc.	100	166,200
13	PIM Cupric Holdings Limited	Investment businesses	100	785,042
14	Jiangxi Copper (Hong Kong) Investment Company Limited (Harvest Fund) (江西銅業(香港)投資有限公司(嘉石基金))	Investment businesses	100	2,880
15	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	638
16	Hong Kong Jiaxin International Resources Investment Co., Ltd. (香港佳鑫國際資源投資有限公司)	Exploration of Mining	49	49,061

Note: The above-mentioned statistical caliber is based on the actual amount of capital contributed by the Group during the Reporting Period, which include capital contributions to non-wholly-owned subsidiaries or newly established companies (including contributions by equity, debt, etc.), excluding the capital increase by the Company to wholly-owned subsidiaries established in previous years.

(V) Significant equity interest investment

- I. On 4 March 2019, the Company entered into the “Share Transfer Agreement of Shandong Humon Smelting Co., Ltd.” with Yantai Humon Group Company Limited, Wang Xinen, Wang Jiahao, Zhang Jixue and Gao Zhenglin. 221,653,960 shares of Humon Smelting held by Humon Group, the then 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.

- II. On 9 December 2019, Jiangxi Copper (Hong Kong) Investment Company Limited, a wholly-owned subsidiary of the Company, acquired 100% equity interest in PIM Cupric Holdings Limited (the “**PCH**”), which was wholly-owned by Pangaea Investment Management Ltd. (the “**PIM**”), an indirect shareholding company of the Company, at a consideration of USD1.1159 billion. PCH holds 124,198,371 shares of First Quantum, a company listed on the Toronto Stock Exchange of Canada (accounting for 18.015% of issued shares of First Quantum).

(VI) Significant non-equity interest investment

Not applicable

(VII) Structured entities under the control of the Company

Not applicable

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

(I) Analysis of industry operational information

Please refer to “Explanation of the industry” section for further details.

Analysis on business information of non-ferrous metal industry

1 Profitability of various non-ferrous metal products during the reporting period

Unit: 0'000 Yuan Currency: RMB

By product or type	Operating revenue	Operating cost	Gross profit margin (%)	Increase/decrease in operating revenue over last year (%)	Increase/decrease in operating cost over last year (%)	Increase/decrease in gross profit margin over last year (%)
Copper cathode	13,660,302	13,050,085	4.47	11.29	11.56	-0.23
Copper rods and wires	4,511,573	4,408,983	2.27	-4.65	-4.43	-0.22
Gold	1,621,379	1,503,163	7.29	123.33	112.31	4.81
Copper processing products	461,456	431,490	6.49	-10.16	-10.90	0.78
Silver	608,610	570,001	6.34	195.87	181.19	4.89
Rare metals and other non-ferrous metals	918,556	890,706	3.03	75.28	74.45	0.46

2 *Profitability by various geographical location during the reporting period*

Unit: '0,000 Yuan Currency: RMB

Geographical location	Operating revenue	Proportion of operating revenue (%)	Increase/decrease of operating revenue from last year (%)
Mainland China	20,500,611	85.29	9.20
Domestic sub-total	<u>20,500,611</u>	<u>85.29</u>	<u>9.20</u>
Hong Kong	1,622,644	6.75	29.15
Others	<u>1,912,778</u>	<u>7.96</u>	<u>27.59</u>
Overseas sub-total	<u>3,535,422</u>	<u>14.71</u>	<u>28.30</u>
Total	<u>24,036,033</u>	<u>100.00</u>	<u>11.64</u>

(II) *Landscape and trend of industry*

As the world's largest copper consumer, China's economic growth is declining, the real estate market continues to be under adjustment and control, home appliances demand is being suppressed, and automobile consumption is sluggish. The growth rate of copper consumption is expected to decline. The domestic monetary policy will continue to be "broad money and tight credit" as a whole, and continue to implement proactive fiscal policies to ensure that demand for copper will not slow down. The risk of a global economic downturn has increased, monetary policies in major economies have become more accommodative, and the long-term value preservation function of copper will be prominent, which is beneficial to the price of copper. With the economic development of other emerging market countries outside China, the demand for copper will increase, but the base is too small, and the total amount of growth in the short term is limited, which is insufficient to substantially affect the global copper supply and demand balance. With the development of science and technology and changes in consumption patterns, the applications of copper in new fields is also expanding. Subject to the problems of limited new copper mines, lower copper ore grades, rising costs and other problems, the tight supply of copper concentrates will continue, and the long-term copper price shows an upward trend. The risk of excessive smelting capacity has intensified. The sharp drop in processing fees and sulfuric acid prices have greatly reduced the profits of smelters, and smelting companies have increased their incentives to reduce production. The tight supply pattern has provided certain support for copper prices.

However, the outbreak triggered by the novel coronavirus has spread in many countries around the world, and the uncertainty of the Sino-US trade situation still exists. If the overseas epidemic situation cannot be controlled quickly and effectively, which will trigger the financial crisis and global economic recession, copper consumption will also be greatly affected.

(III) The development strategy of the Company

The Group adheres to the developmental strategic direction of “copper-based, strengthening non-ferrous, diversified development, global layout”, which will promote high-quality development of the Company by focusing on achieving “top-ranking in five aspects”, namely, resource reserves, product influence, technological innovation, system and mechanism, and core indicators, and continuously enhance the ability of innovation and development. The Group will strive to become the world’s leading company in the copper industry with influence in global industry development.

(IV) Business plan

In 2020, the Group’s main production and operation plan is to produce 1.65 million tonnes of copper cathode, 77 tonnes of gold, 1,025 tonnes of sliver, 4.788 million tonnes of sulfuric acid, 207,500 tonnes of copper contained in copper concentrates, 1.63 million tonnes of copper rods and wires and other copper processed products **(the operation plan does not represent the production forecast of the Company in the year of 2020. Whether it can be achieved depends on various factors, such as the macroeconomic environment and market demand conditions, where great uncertainty exists. The Group will adjust its plan in a timely manner based on market changes).**

Specific business strategies in 2020:

- I. Make every effort to improve the level of operating results. The Group will scientifically adjust its business strategy based on domestic and foreign macroeconomic situations and related market trends, and fully leverage the platform and brand advantages of the Group under the premise of stabilizing risk control to strengthen market coordination and information resources sharing, actively seek for market opportunities, and strive to achieve excellent results.
- II. Continue to strengthen investment, mergers and acquisitions. The Group will further strengthen the protection and supporting role of investment, mergers and acquisitions, and strive to promote the rapid growth of quantity and the steady improvement of quality. The Company will earnestly strengthen the rolling management of investment projects, specify investment priorities, maintain strategic concentration, and grasp the rhythm of investment to ensure new breakthroughs during the year. The Company will proactively integrate the national strategy of the “Belt and Road” initiative and seek for new investment, mergers and acquisitions projects domestically and abroad through multiple channels and at various levels. The Group will strengthen the management of the entire process of investment projects to ensure that the division of labor is coordinated and efficient in transition before, during, and after the investment. The Group will strictly implement the corporate governance related systems, and constantly improve the corporate governance of companies controlled or invested by the Group.
- III. Speed up the construction of key projects. The Group will strive to achieve “rolling continuity and promotion” of projects construction. The Group will actively explore, continuously summarize and improve, extensively accumulate overseas resource development and construction and operation experience of copper smelting projects, and strive to form and promote replicable construction experience and practices for overseas projects.

- IV. Promote safe and green development with high quality. In accordance with the new situation and new requirements of ecological environment protection, the Group will thoroughly grasp the regularity and characteristics, firmly establish the red line consciousness and bottom line mindset, solidly perform the main responsibility, refine the daily basic management, focus on the operation and maintenance management of safety and environmental protection facilities, and firmly keep the bottom line of no occurrence of major safety and environmental protection accidents. The Group will strengthen governance at source, implement precise measures, and effectively put security and environmental protection risks prevention and control ahead, and resolutely prevent the occurrence of “what if” with every effort. The Group will continue to accelerate the establishment of green mines (green factories).
- V. Promote the acceleration of internal management with high quality. The Group will continue to push forward the fulfillment of and development of benchmarks, highlight the costs of fulfillment of benchmarks, and extend horizontally to fields such as supply and sales, maintenance support and human resources, and shifting the focus downward to the teams in the work section, and carrying out precise and firm management on fulfillment of and development of benchmarks. The Group will deeply promote comprehensive budget management, accelerate the application and transformation of comprehensive budget results, deepen the value of the production and operation management information platform, and strive to achieve full coverage of production units in the province. The Company will continue to deepen the construction of a “big quality” management system, continuously consolidate each basic management to accelerate the transformation of the integrated management system of the Company from compliance to performance improvement. The Group will continue to consolidate the fundamental work of financial management, continuously strengthen the role of capital and capital protection, and steadily promote the construction of financial informatization. The Group will further promote the “Trinity” recruitment model, continue to promote the introduction of talents and graduates from prestigious institutions, focus on the implementation of differentiated remuneration policies, and vigorously explore and nurture outstanding talents within the Company. The Group will insist on co-creation and sharing, so that the development results benefit all employees, and strive to improve the sense of gain and pride of employees.

- VI. Speed up the promotion of scientific and technological innovation. The Group will continue to focus on the difficulties and critical points surrounding the practice of production and operation, vigorously implement specific scientific research with focus on breaking key technologies such as copper processing and new materials to form a batch of new products with market competitiveness, and intensify efforts to introduce interdisciplinary compound scientific research talents. The Group will adhere to the “use-oriented” principle, not only vigorously introduce talents, but also pay more attention to the use of talents, and ensure to make the best use of their talents. The Group will earnestly enhance the awareness of intellectual property protection, establish and improve the intellectual property protection system, continuously improve the comprehensive ability of the the Group to apply, protect and utilize independent intellectual property rights, and accelerate the transformation of intellectual property rights into corporate benefits and actual productivity. The Group will conduct in-depth research on national and provincial-level related incentive policies for scientific research and innovation, and timely convert policy dividends into motivation for innovation. The Group will accelerate the implementation of program demonstration, effectively increase the cultivation of national science and technology progress award projects, and the training of academician reserve talents.
- VII. Continue to deepen comprehensive prevention and control of risks. The Group will continue to focus on the construction and operation of the significant risk management system to comprehensively and effectively manage and control risks, combining internal and external changes and needs to continue to consolidate and strengthen the three lines of defense for risk control, and continue to improve and enhance the effectiveness of the construction plan of significant risk management system. The Group will strengthen its litigation management, accelerate the disposal of overdue accounts to effectively safeguard the legitimate rights and interests of the Company.

(V) *Potential risks*

1. *Production safety risks*

During mining and dressing of ore and copper smelting, potential safety hazards may occur due to natural or human factors. Failure to detect and eliminate such factors in time will lead to major accidents, causing major property losses and environmental impact.

In response to the risk of production safety, the Group will, as always, formulate and strictly implement a series of preventive measures suitable for the actual situation of the Company in accordance with national laws and regulations on production safety, strengthen production operation procedures and accident emergency rescue plans to avoid or eliminate losses caused to the Company by natural or human factors. At the same time, the main property of the Company has been insured to reduce related risks and losses.

2. *Exchange rate fluctuation risks*

Imported copper raw materials purchased from international mining companies or sizable trading companies 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 to effectively control the exchange rate fluctuation risks by the Group, it may result in exchange rate losses by the Group, which in turn may bring certain negative impact on the profitability of the Group.

In response to the exchange rate fluctuation risks, the Company will closely monitor the changes in national foreign exchange policies and exchange rate information, enhance its ability to determine changes and trends of the international exchange rate market to make prudent decisions, flexible responses, and scientific grasp on the timing of raw material imports, the choice of the country or region where the products are exported, and the exchange rate hedging, so as to avoid the above-mentioned risks arising from exchange rate fluctuations.

3. 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 LME 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. Price fluctuations will affect the revenue and operating stability of the Company.

In order to minimize the impact of product price fluctuations on productions and operations, the Group intends to take the following measures to protect against risk from product price fluctuations: (1) closely monitor the trend of copper and gold prices in the international market, strengthen the analysis and research of various factors affecting the price trend of products, and take timely measures such as hedging to avoid risk from product price fluctuations; (2) the Group will take the world's leading copper mines and smelting companies as the benchmark, and actively adopt new processes and technologies while improving management and operation efficiency, further reducing costs and expenses to resist the risk from product price fluctuations; (3) strengthen financial management level, enhance fund management, and reasonably arrange the raw material procurement and product sales of the Company to reduce the risk of significant tie-up in working capital of the Company due to rising product prices; (4) strengthen the management of inventory and work in progress products, reduce inventory to the greatest extent to keep inventory at a reasonable level and reduce capital occupation.

4. *Risk from changes in market environment*

The risks to the Company from changes in the market environment come from three aspects: (1) the development and operation of the macro economy directly affects total consumer demand, and the demand for the products of the Company will also alter according to the changes in the macro economic cycle; (2) the demand from downstream market for products may change. For example, the market demand for copper products mainly comes from consumption in the power, electrical, light industry, electronics, machinery manufacturing, transportation and construction industries. The development level and growth rate during different periods are imbalanced, and the demand for copper is also different, which will have a cyclical impact on the future business development of the Company; (3) with the continuous improvement of research and production technology, the types and performance of relevant substitutes in the product application industry of the Company will continue to improve, which will have a direct impact on the product demand of the Company.

In response to the risk from changes in the market environment, the Company will closely grasp the trend of the macro economy, pay attention to changes in related downstream industries, and strengthen industry research in order to further improve product quality and reduce production costs following changes in the market environment and actively develop new products that are more adaptable to market needs, and minimize the adverse impact of changes in the market environment on the operations of the Company to the greatest extent.

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.

6. *Risk from uncertainties*

Recently, the epidemic triggered by the novel coronavirus has spread globally, raising market concerns about the outbreak of the financial crisis. At the same time, the suspension of production, production cut and delayed resumption of work brought by epidemic prevention and control will increase the risk from global supply chain. The domestic and foreign economies are full of uncertainties in short-term, and the operation of the non-ferrous metal industry will still be under pressure.

The Group will continue to pay close attention to the development of the epidemic and actively respond to its possible impact on the financial position and operating results of the Company.

(VI) Details of and reasons for the issues not disclosed by the company in accordance with the standards due to inapplicability or other special reasons such as involvement of state or commercial secrets

According to the provisions of the Guidelines on Industrial Information Disclosure of Listed Companies No.28 – Non-ferrous metals, listed companies with proprietary mines are required to disclose information on the resources of the mines, including the total amount of mineral resources of the Company and the recoverable reserves (111), grade, annual output, the remaining lives of the resources of the major non-ferrous metals in the major mining areas, and is also required to disclose the relevant calculating standards of the resource reserves. As such data involves commercial secrets of the Company, the Company has not disclosed it for the purpose of safeguarding the interests of the Company and the investors.

8 SIGNIFICANT EVENTS

8.1 Model Code for Securities Transactions by Directors

During the Reporting Period, the Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“**Model Code**”) contained in Appendix 10 to the Rule Governing the Listing of Securities (“**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Having made specific enquiries to all of its Directors and Supervisors, the Company confirms that the Directors and Supervisors have complied with the requirements of the Model Code during the Reporting Period.

8.2 Code on Corporate Governance Practices

The Company strives to maintain and establish quality corporate governance.

To the knowledge of the Board, during the Reporting Period, the Company has been in full compliance with all the code provisions under the Corporate Governance Code (the “**Code**”) as set out in Appendix 14 to the Listing Rules, with the exception of the following deviations:

During the Reporting Period, the legal action which the Directors 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 the 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 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 manager of the Company within the scope of their authorities. Since 18 January 2019, Mr. Zheng Gaoqing has been appointed as the General Manager.

8.3 Purchase, sale or redemption of the Company's listed securities

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

8.4 Analysis and explanation by the Company regarding the reasons for and impacts brought by the changes in accounting policies and accounting estimates

The Ministry of Finance of the PRC issued in 2018 the amended "Accounting Standards for Business Enterprises No. 21 – Leases", set to be implemented as at 1 January 2019. The 12th meeting of the eighth session of the Board for the year 2019 has approved the resolution for the abovementioned matter.

For details about the changes in accounting policies, please refer to the announcements of the Company dated 30 August 2019 in respect of change in accounting policies disclosed on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Shanghai Stock Exchange (www.sse.com.cn).

8.5 Appointment and Removal of Accounting Firms

Unit: Yuan Currency: RMB

Current auditors

Name of domestic auditor	Ernst & Young Hua Ming LLP
Remuneration for domestic auditor	5,500,000
Years of audit services provided by the domestic auditor	1 year
Name of overseas auditor	Ernst & Young
Remuneration for overseas auditor	6,000,000
Years of audit services provided by the overseas auditor	1 year

	Name	Remuneration
Auditor for internal control	Ernst & Young Hua Ming LLP	1,020,000

1. Appointment and removal of accounting firms

Not applicable

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

Not applicable

8.6 Matters Relating to Bankruptcy and Restructuring

Not applicable

8.7 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
Litigation filed by Shanghai Jiangxi Copper Trading Company Limited (上海江銅營銷有限公司), a wholly-owned subsidiary of the Company, against Shandong Xinhui Copper Materials Co., Ltd. (山東鑫匯銅材有限公司) and its guarantor (case of contract disputes)	The announcement of the Company dated 30 July 2019

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

Not applicable

3. *Other explanations*

Not applicable

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

Not applicable

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

Not applicable

8.10 Share Option Scheme, Employee Shareholding Plan or Other Employee Incentives and Their Effects

Not applicable

8.11 Information on profit distribution and payment of final dividend

The Board hereby recommends that after the approval of the shareholders at the forthcoming 2019 annual general meeting of the Company (the “AGM”):

- (1) appropriate 10% of the profit after tax calculated under the PRC GAAP to the statutory surplus reserve;
- (2) distribute a final dividend of RMB0.10 per share (tax inclusive) for the year ended 31 December 2019 (2018: RMB0.20 per share) to all Shareholders based on the total issued share capital of 3,462,729,405 Shares as at 31 December 2019, amounting to approximately RMB346,272,940.50. The remaining undistributed profits are carried down to the next year;
- (3) the A shares 2019 final dividend will be declared and paid in Renminbi, and the H shares 2019 final dividend will be declared in Renminbi and paid in Hong Kong dollars;

- (4) The profit distribution will not carry out transfer of capital reserve to share capital or issue of bonus shares.

Subject to approval at the AGM, the Company expects to distribute the 2019 Final Dividend on Thursday, 23 July 2020. Further announcement relating to the detailed arrangement of the distribution of the 2019 Final Dividend will be made by the Company in due course.

Explanation on final profit distribution ratio being less than 30% for the year

During the Reporting Period, the net profit attributable to the listed Company amounted to RMB2,466,407,085. The accumulated undistributed profit of the parent company amounted to RMB20,599,739,437. The total cash dividend proposed to be distributed by the Company amounted to RMB346,272,940.5, accounting for 14.04% of the net profit attributable to the shareholders of listed Company for the year 2019, which is lower than 30%. Specific reasons are separately explained as follows:

I. Self-development strategy and demand for funds of the Company

In 2019, the Company carried out large-scale strategic investment. In 2020, the Company will continue to strengthen the investment in mergers and acquisition, and explore new domestic and overseas investment and merger and acquisition projects through multiple channels at various levels. As such, the demand for capital increases.

II. Characteristics of the industry in which the Company operates

The Company is principally engaged in the production, smelting, processing and sales of gold and copper. The industry has the characteristics of long research and development cycle, large-scale investment, long investment return period and high requirements of environmental protection level. In order to improve the ability to resist risks and to continue the operation, and to enhance the ability to continuously return to our shareholders, the Company adheres to the concept of green, high-quality and efficient development. In recent years, the Company has continued to invest substantial amount of capital in environmental protection governance, scientific research and development and technological transformation.

Withholding and Payment of Enterprise Income Tax for Non-resident Enterprise Shareholders

Pursuant to the “Enterprise Income Tax Law of the PRC” (《中華人民共和國企業所得稅法》) and the relevant implementing rules which came into effect on 1 January 2008 and the “Notice of the Issues concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H Share Holders Which are Overseas non-resident Enterprises”(《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) issued by the State Administration of Taxation on 6 November 2008, the Company is required to withhold and pay corporate income tax at the rate of 10% before distributing the final dividend to non-resident enterprise shareholders as appearing on the H Shares register of members of the Company. Any Shares registered in the names of non-individual registered shareholders (including HKSCC Nominees Limited, other corporate nominees, trustees or other entities and organizations) will be treated as being held by non-resident enterprise shareholder and will therefore be subject to the withholding of the enterprise income tax.

Withholding and Payment of Personal Income Tax for Individual H Shareholders

Pursuant to the State Administration of Taxation Notice on Matters Concerning the Levy and Administration of Individual Income Tax After the Repeal of Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348)(《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)) dated 28 June 2011, and the letter entitled “Tax arrangements on dividends paid to Hong Kong residents by Mainland companies” dated 4 July 2011 issued by the Stock Exchange, the Company is required to withhold and pay the individual income tax in respect of the 2019 final dividends paid to the individual H Shareholders (the “**Individual H Shareholders**”), as a withholding agent on behalf of the same. However, the Individual H Shareholders may be entitled to certain tax preferential treatments pursuant to the tax treaties between the PRC and the countries (regions) in which the Individual H Shareholders are domiciled and the tax arrangements between Mainland China and Hong Kong (Macau).

Pursuant to the aforesaid tax regulations, when the 2019 final dividends is to be distributed to the holders of H Shares whose names appear on the register of members of the Company as at 22 June 2020, the Company will base on the tax rate of 10% to withhold 10% of the dividend to be distributed to the Individual H Shareholders as individual income tax. For non-resident enterprise holders of H Shares, the Company will withhold 10% of the dividend as enterprise income tax according to the relevant tax regulations in line with its previous practice.

If shareholders' names appear on the H Shares register of members, please refer to nominees or trust organization for details of the relevant arrangements. The Company has no obligation and shall not be responsible for confirming the identities of the shareholders. The Company will strictly comply with the laws, and withhold and pay the enterprise income tax and individual income tax on behalf of the relevant shareholders based on the H Shares register of members of the Company as of 22 June 2020. The Company will not accept any requests relating to any delay in confirming the identity of the shareholders or any uncertainties in the identity of the shareholders.

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

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

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

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

Closure of Register of Members

In order to determine the identity of the shareholders entitled to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 11 May 2020 to Wednesday, 10 June 2020 (both dates inclusive). All transfer documents accompanied by the relevant share certificates, must be lodged with the H Share Registrar of the Company, Hong Kong Registrars Limited, whose address is at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on Friday, 8 May 2020.

In order to determine the identity of the shareholders entitled to receive the final dividend of the Company for the year ended 31 December 2019, the register of members of the Company will be closed from Wednesday, 17 June 2020 to Monday, 22 June 2020 (both dates inclusive). All transfer documents accompanied by the relevant share certificates must be lodged with the H Share Registrar of the Company, Hong Kong Registrars Limited, whose address is at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on Tuesday, 16 June 2020.

8.12 Detailed Results Announcement

The annual 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.

9 FINANCIAL REPORT

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2019 (PREPARED IN ACCORDANCE WITH IFRS)

		2019	2018
	Notes	RMB'000	RMB'000
REVENUE	5	239,585,489	214,395,309
Cost of sales		<u>(231,172,158)</u>	<u>(207,552,232)</u>
Gross profit		8,413,331	6,843,077
Other income	5	1,278,003	885,416
Other gains and losses	6	(75,467)	773,295
Selling and distribution costs		(683,412)	(569,029)
Administrative expenses		(2,417,503)	(1,787,275)
Impairment losses on financial assets	7	(1,475,161)	(1,369,111)
Finance costs		(1,883,826)	(1,409,007)
Share of profits and losses of:			
Joint ventures		(48,336)	(30,243)
Associates		<u>27,164</u>	<u>(74,998)</u>
PROFIT BEFORE TAX	8	3,134,793	3,262,125
Income tax	9	<u>(982,425)</u>	<u>(839,539)</u>
PROFIT FOR THE YEAR		<u>2,152,368</u>	<u>2,422,586</u>
Attributable to:			
Owners of the Company		2,437,988	2,415,017
Non-controlling interests		<u>(285,620)</u>	<u>7,569</u>
		<u>2,152,368</u>	<u>2,422,586</u>
EARNINGS PER SHARE			
ATTRIBUTABLE TO ORDINARY			
EQUITY HOLDERS OF THE			
COMPANY:			
– Basic and diluted	11	<u>RMB0.70</u>	<u>RMB0.70</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019
(PREPARED IN ACCORDANCE WITH IFRS)

	2019	2018
	<i>RMB'000</i>	<i>RMB'000</i>
PROFIT FOR THE YEAR	<u>2,152,368</u>	<u>2,422,586</u>
OTHER COMPREHENSIVE INCOME/ (EXPENSES)		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Debt investments at fair value through other comprehensive income:		
Changes in fair value	–	6,554
Reclassification adjustments for losses included in the consolidated statement of profit or loss	(47)	–
Income tax effect	12	(1,639)
	(35)	4,915
Cash flow hedges:		
Effective portion of changes in fair value of hedging instruments during the year	(1,393)	3,401
Reclassification adjustments for losses included in the consolidated statement of profit or loss	(4,534)	(8,469)
Income tax effect	1,134	2,117
	(4,793)	(2,951)
Exchange differences on translation of foreign operations	237,625	75,921
Share of other comprehensive (expenses)/income of joint ventures	(13,392)	6,623
Share of other comprehensive income of associates	137,770	158,608
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods, net of tax	<u>357,175</u>	<u>243,116</u>

	2019 RMB'000	2018 <i>RMB'000</i>
Other comprehensive income to that will not be reclassified to profit or loss in subsequent periods:		
Equity investments at fair value through other comprehensive income:		
Changes in fair value	882,457	—
Income tax effect	(74)	—
	882,383	—
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods, net of tax	882,383	—
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	1,239,558	243,116
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	3,391,926	2,665,702
Attributable to:		
Owners of the Company	3,671,853	2,644,908
Non-controlling interests	(279,927)	20,794
	3,391,926	2,665,702

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2019
(PREPARED IN ACCORDANCE WITH IFRS)

	<i>Notes</i>	2019 RMB'000	2018 <i>RMB'000</i>
Non-current assets			
Property, plant and equipment		26,867,591	21,560,982
Investment properties		473,569	462,199
Right-of-use assets		2,582,441	–
Prepaid land lease payments		–	1,267,624
Goodwill		1,266,036	–
Other intangible assets		1,974,659	1,088,845
Exploration and evaluation assets		959,260	886,847
Investments in joint ventures		693,219	256,224
Investments in associates		3,799,882	3,419,605
Financial instruments other than derivatives		10,646,329	2,272,121
Deferred tax assets		490,116	676,853
Prepayments, other receivables and other assets		549,850	818,878
Deposits for prepaid lease payments		565,940	593,550
Total non-current assets		50,868,892	33,303,728
Current assets			
Inventories		26,923,307	17,259,265
Trade and bills receivables	12	7,538,866	8,957,645
Factoring receivables		1,130,056	2,082,024
Prepayments, other receivables and other assets		6,272,720	6,908,602
Loans to fellow subsidiaries		1,407,307	1,229,428
Prepaid land lease payments		–	29,838
Financial instruments other than derivatives		10,662,189	9,791,375
Derivative financial instruments	13	323,663	263,905
Restricted bank deposits		11,020,052	12,308,910
Cash and cash equivalents		18,730,338	10,647,443
		84,008,498	69,478,435
Assets classified as held for sale		36,525	83,661
Total current assets		84,045,023	69,562,096

	<i>Notes</i>	2019 <i>RMB'000</i>	2018 <i>RMB'000</i>
Current liabilities			
Trade and bills payables	14	12,540,448	6,230,058
Financial instruments other than derivatives		588,279	–
Derivative financial instruments	13	396,125	94,258
Other payables and accruals		6,880,951	6,954,176
Deposits from holding company and fellow subsidiaries		1,903,889	1,937,903
Deferred revenue		59,463	39,301
Interest-bearing bank borrowings		45,133,623	30,134,532
Lease liabilities		165,432	–
Corporate bonds		108,272	6,715
Tax payable		606,637	741,094
Total current liabilities		68,383,119	46,138,037
Net current assets		15,661,904	23,424,059
Total assets less current liabilities		66,530,796	56,727,787
Non-current liabilities			
Interest-bearing bank borrowings		5,257,859	3,282,000
Lease liabilities		171,117	–
Corporate bonds		500,000	500,000
Provision for rehabilitation		252,452	191,429
Employee benefit liabilities		19,159	34,589
Deferred revenue		577,630	523,798
Other long-term payables		391,585	60,142
Deferred tax liabilities		328,393	109,139
Total non-current liabilities		7,498,195	4,701,097
Net assets		59,032,601	52,026,690
Equity			
Equity attributable to owners of the parent			
Share capital		3,462,729	3,462,729
Reserves		49,282,889	46,303,582
		52,745,618	49,766,311
Non-controlling interests		6,286,983	2,260,379
Total equity		59,032,601	52,026,690

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019
(PREPARED IN ACCORDANCE WITH IFRS)

1. GENERAL

Jiangxi Copper Company Limited (“**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. In the opinion of the directors, 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 principal business of the Group covers copper and gold 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.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised IFRSs for the first time for the current year's financial statements.

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 23	<i>Uncertainty over Income Tax Treatments</i>
Annual Improvements 2015-2017 Cycle	Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23

Except for the amendments to IFRS 9 and IAS 19, and Annual Improvements to IFRSs 2015-2017 Cycle, which are not relevant to the preparation of the Group's financial statements, the nature and the impact of the new and revised IFRSs are described below:

- (a) IFRS 16 replaces IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC 15 *Operating Leases – Incentives* and SIC 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 to recognise and measure right-of-use assets and lease liabilities, except for certain recognition exemptions. 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.

IFRS 16 did not have any significant impact on leases where the Group is the lessor.

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

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 4 at the date of initial application. Contracts that were not identified as leases under IAS 17 and IFRIC 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.

As a lessee – Leases previously classified as operating leases

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 leases with a lease term of 12 months or less (“**short-term leases**”) (elected by class of underlying asset). Instead of recognising rental expenses under operating leases on a straight-line basis over the lease term commencing from 1 January 2019, the Group recognises depreciation (and impairment, if any) of the right-of-use assets and interest accrued on the outstanding lease liabilities (as finance costs).

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 and included in lease liabilities. 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.

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 from that date.

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

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

As a lessee – Leases previously classified as finance leases

The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases. Accordingly, the carrying amounts of the right-of-use assets and the lease liabilities at 1 January 2019 were the carrying amounts of the recognised assets and liabilities (i.e., finance lease payables) measured under IAS 17.

Financial impact at 1 January 2019

The impact arising from the adoption of IFRS 16 as at 1 January 2019 was as follows:

	Increase/ (decrease) RMB'000
Assets	
Increase in right-of-use assets	1,592,535
Decrease in prepaid land lease payments	<u>(1,297,462)</u>
Increase in total assets	<u><u>295,073</u></u>
Liabilities	
Increase in lease liabilities	<u>295,073</u>
Increase in total liabilities	<u><u>295,073</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>
Operating lease commitments as at 31 December 2018	345,645
Less: Commitments relating to short-term leases and those leases with a remaining lease term ending on or before 31 December 2019	<u>(24,866)</u>
	320,779
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>295,073</u></u>
Add: Finance lease liabilities recognised as at 31 December 2018	<u>–</u>
Lease liabilities as at 1 January 2019	<u><u>295,073</u></u>

- (b) Amendments to IAS 28 clarify that the scope exclusion of IFRS 9 only includes interests in an associate or joint venture to which the equity method is applied and does not include long-term interests that in substance form part of the net investment in the associate or joint venture, to which the equity method has not been applied. Therefore, an entity applies IFRS 9, rather than IAS 28, including the impairment requirements under IFRS 9, in accounting for such long-term interests. IAS 28 is then applied to the net investment, which includes the long-term interests, only in the context of recognising losses of an associate or joint venture and impairment of the net investment in the associate or joint venture. The Group assessed its business model for its long-term interests in associates and joint ventures upon adoption of the amendments on 1 January 2019 and concluded that the long-term interests in associates and joint ventures continued to be measured at amortised cost in accordance with IFRS 9. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.
- (c) IFRIC 23 addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of IAS 12 (often referred to as “**uncertain tax positions**”). The interpretation does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. The Group determined that the interpretation did not have any impact on the financial position or performance of the Group °

3. BUSINESS COMBINATION

(i) 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>

(ii) **Acquisition of Shandong Humon**

On 26 June 2019, the Group acquired approximate 29.99% interest in Shandong and became the controlling shareholder of Shandong 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.

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

	Fair value recognised on acquisition RMB'000
Non-current assets	6,727,679
Including: Property, plant and equipment	4,777,634
Right of use assets	765,023
Other intangible assets	1,002,024
Current assets	10,369,797
Including: Inventories	<u>5,487,337</u>
Total assets	<u>17,097,476</u>
Non-current liabilities	(660,055)
Including: Deferred tax liabilities	(295,717)
Current liabilities	<u>(10,705,372)</u>
Total liabilities	<u>(11,365,427)</u>
Total identifiable net assets at fair value	5,732,049
Non-controlling interests	<u>(4,022,069)</u>
Identifiable net assets at fair value attributable to the Group	1,709,980
Goodwill on acquisition	<u>1,266,036</u>
Satisfied by cash	<u><u>2,976,016</u></u>

4. OPERATING SEGMENT INFORMATION

Since the acquisition of Shandong Humon in 2019, for management purpose, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

- (a) production and sale of copper and other related products and services (“**Copper related business**”);
- (b) production and sale of gold and other related products and services (“**Gold related business**”).

Management monitors the results of the Group’s operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit before tax in related periods.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Year ended 31 December 2019	Copper related business RMB'000	Gold related business RMB'000	Total RMB'000
Segment revenue			
Sales to external customers	223,415,520	16,169,969	239,585,489
Intersegment sales	893,460	16,968	910,428
	224,308,980	16,186,937	240,495,917
<i>Reconciliation:</i>			
Elimination of intersegment sales			(910,428)
Revenue			239,585,489
Segment results	3,068,380	66,413	3,134,793
<i>Reconciliation:</i>			
Elimination of intersegment results			–
Profit before tax			3,134,793

During the year ended 31 December 2018, for management purpose, the Group had one reportable operating segment: production and sale of copper and other related products. Management monitored 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:

	2019 <i>RMB'000</i>	2018 RMB'000
Mainland China	205,006,109	187,733,626
Hong Kong	16,226,444	12,564,503
Others	19,127,782	14,991,737
	240,360,335	215,289,866
Less: Sales related taxes	774,846	894,557
	<u>239,585,489</u>	<u>214,395,309</u>

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, Japan, Zambia and Kazakhstan.

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 years ended 31 December 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:

	2019 <i>RMB'000</i>	2018 <i>RMB'000</i>
Revenue from contracts with customers		
Sale of goods		
– Copper cathodes	136,603,020	122,741,975
– Copper rods	45,115,729	47,315,355
– Copper processing products	4,614,556	5,136,411
– Gold	16,213,789	7,259,896
– Silver	6,086,104	2,057,013
– Sulphuric and sulphuric concentrate	1,259,961	1,200,901
– Copper concentrate, rare and other nonferrous metals	23,490,148	24,553,488
– Others	6,624,620	4,850,061
Construction services	276,435	174,766
Other services	75,973	–
	240,360,335	215,289,866
Less: Sales related taxes	774,846	894,557
	239,585,489	214,395,309

An analysis of other income is as follows:

	2019 <i>RMB'000</i>	2018 <i>RMB'000</i>
Interest income	1,004,302	672,785
Dividend income from equity investments	34,963	13,500
Government grants recognised	147,496	154,467
Compensation income and others	91,242	44,664
	1,278,003	885,416

6. OTHER GAINS AND LOSSES

	2019 <i>RMB'000</i>	2018 <i>RMB'000</i>
Fair value (losses)/gains from commodity derivative contracts and commodity option contracts:		
Transactions not qualifying as hedges	(41,666)	640,491
Fair value (losses)/gains from foreign currency forward contracts, foreign currency swap and interest rate swaps	(98,529)	193,983
Fair value gains/(losses) on other financial assets:		
Listed debentures	17,189	123,626
Listed equity instruments	(297,306)	113,456
Unlisted equity investments	(65,853)	72,860
Income right attached to a target equity interest	11,198	21,028
Held-for-trading financial liabilities	(27,151)	–
Gains on other financial assets:		
Listed equity instruments	3,672	9,376
Listed debentures	3,720	2,830
Bank financial products	611,351	83,633
Assets management products	38,388	52,863
Bond investments	3,750	3,984
Unlisted equity investments	25,111	–
Impairment losses on:		
Assets classified as held for sale	–	(95,837)
Property, plant and equipment	(105,449)	(5,145)
Exploration and evaluation assets	(12,014)	(303,531)
Losses on disposal of property, plant and equipment	(111,488)	(72,384)
Gains on disposal of assets classified as held for sale	6,561	–
Foreign exchange gains, net	(9,520)	(54,988)
Others	(27,431)	(12,950)
	<u>(75,467)</u>	<u>773,295</u>

7. IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	2019 <i>RMB'000</i>	2018 <i>RMB'000</i>
Provided for/(reversal of) impairment:		
Impairment of trade receivables	522,912	1,390,882
Impairment of factoring receivables	609,189	95,205
Impairment of loans to a subsidiary	26,102	–
Impairment of other receivables	268,243	(116,976)
Impairment of inter-bank loans	48,715	–
	<u>1,475,161</u>	<u>1,369,111</u>

8. PROFIT BEFORE TAX

	2019 <i>RMB'000</i>	2018 <i>RMB'000</i>
Cost of inventories sold and service provided	224,489,902	202,554,953
Depreciation of property, plant and equipment	1,968,978	1,580,105
Depreciation of right-of-use assets	204,441	–
Depreciation of investment properties	12,713	11,357
Recognition of prepaid land lease payments	–	29,838
Amortisation of other intangible assets	124,663	48,036
Minimum lease payments under operating leases	–	167,947
Auditors' remuneration	12,520	9,207
Employee benefit expense (including directors' remuneration):		
– Wages and salaries	3,590,013	3,039,963
– Pension scheme contributions	597,319	586,755
Research and development costs	414,364	206,932
Provision for impairment of prepaid value-added tax	10,633	–
(Reversal of)/allowance for inventories included in cost of sales	<u>(38,471)</u>	<u>76,911</u>

9. INCOME TAX

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

	2019 <i>RMB'000</i>	2018 <i>RMB'000</i>
Current income tax	849,063	833,975
Deferred income tax	<u>133,362</u>	<u>5,564</u>
Income tax charge for the year	<u><u>982,425</u></u>	<u><u>839,539</u></u>

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 year.

The subsidiaries incorporated in Singapore, United States, Peru and Zambia are subject to corporate income tax at a rate of 17% (2018: 17%), 28% (2018: 28%), 29.5% (2018: 29.5%), and 35% (2018: 35%), respectively.

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.

10. DIVIDENDS

	2019 <i>RMB'000</i>	2018 <i>RMB'000</i>
Proposed final of RMB0.10 per share (2018: RMB0.20 per share)	<u><u>346,273</u></u>	<u><u>692,546</u></u>

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

11. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year 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 year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2019 and 2018.

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

	2019 <i>RMB'000</i>	2018 <i>RMB'000</i>
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculations	<u><u>2,437,988</u></u>	<u><u>2,415,017</u></u>
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted earnings per share calculations	<u><u>3,462,729,405</u></u>	<u><u>3,462,729,405</u></u>

12. TRADE AND BILLS RECEIVABLES

	2019 <i>RMB'000</i>	2018 <i>RMB'000</i>
Trade receivables	10,629,408	10,900,293
Bills receivable	<u>2,608,420</u>	<u>3,229,925</u>
	13,237,828	14,130,218
Less: Impairment allowance	<u>(5,698,962)</u>	<u>(5,172,573)</u>
	<u>7,538,866</u>	<u>8,957,645</u>

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally one to three months. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the 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.

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

	2019 <i>RMB'000</i>	2018 <i>RMB'000</i>
Within 1 year	5,237,612	6,769,832
1 to 2 years	533,258	770,601
2 to 3 years	399,481	1,080,066
Over 3 years	<u>1,368,515</u>	<u>337,146</u>
	<u>7,538,866</u>	<u>8,957,645</u>

13. DERIVATIVE FINANCIAL INSTRUMENTS

	2019		2018	
	Assets	Liabilities	Assets	Liabilities
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Commodity derivative contracts	304,929	(211,583)	87,749	(47,495)
Commodity option contracts	–	–	–	(20,966)
Provisional price arrangements	–	(117,478)	94,236	–
Foreign currency forward contracts and interest rate swaps	18,734	(67,064)	81,920	(25,797)
	<u>323,663</u>	<u>396,125</u>	<u>263,905</u>	<u>(94,258)</u>

2019	2018
<i>RMB'000</i>	<i>RMB'000</i>

Including:

Derivatives designated as hedging instruments (a):

Cash flow hedges

– Commodity derivative contracts	(1,393)	3,401
----------------------------------	---------	-------

Fair value hedges

– Provisional price arrangements	(117,478)	94,236
----------------------------------	-----------	--------

(118,871)	97,637
-----------	--------

Derivatives not designated as hedging instruments (b):

– Commodity derivative contracts	94,739	36,853
----------------------------------	--------	--------

– Commodity option contracts	–	(20,966)
------------------------------	---	----------

– Foreign currency forward contracts and interest rate swaps	(48,330)	56,123
--	----------	--------

46,409	72,010
--------	--------

(72,462)	169,647
----------	---------

14. TRADE AND BILLS PAYABLES

	2019 <i>RMB'000</i>	2018 <i>RMB'000</i>
Trade payables	8,363,609	4,306,595
Bills payables	<u>4,176,273</u>	<u>1,923,463</u>
	<u>12,540,448</u>	<u>6,230,058</u>

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

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

15. CONTINGENT LIABILITIES

A subsidiary of the Company, 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 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.

16. EVENTS AFTER THE REPORTING PERIOD

- (a) Shandong Humon proposed to issue no more than 273,040,476 A share to certain specific subscribers (the “**Non-public Issuance**”). On 24 February 2020, the Company entered into a subscription agreement (the “**Subscription Agreement**”) with Shandong Humon in relation to the subscription of 88,949,181 ordinary shares of Shandong Humon to be non-publicly issued and listed on Shenzhen Stock Exchange pursuant to the Non-public Issuance. The total consideration is RMB1,032,700,000 in cash. The Subscription Agreement shall be effective upon the satisfaction in full of the following conditions: (i) the Non-public Issuance and the Subscription Agreement having been approved by the board of directors and shareholders’ general meeting of the Target Company; (ii) the Non-public Issuance having been approved by the relevant state-funded enterprise(s); (iii) the Non-public Issuance having been approved by the China Securities Regulatory Commission. Upon completion, the Company will own 30.59% of the total issued shares of Shandong Humon.
- (b) From the beginning of 2020 to the date of this announcement, as a result of the impact of novel coronavirus (COVID-19) pneumonia outbreak, downward pressure on global economy was obviously heightened, giving rise to the fluctuation risk of non-ferrous metal prices. In response to the continued spreading of the disease outbreak, the management will further enhance the countermeasures, strengthen the tracking and forecast on the prices of bulk commodities and metals, strive to ensure steady production and operation, and minimise the negative impact of the disease outbreak on the Group’s production and operation as much as possible.

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

Nanchang, Jiangxi, the People’s Republic of China, 30 March 2020

As at the date of this announcement, the executive Directors 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 are Mr. Tu Shutian, Mr. Liu Erh Fei, Mr. Liu Xike and Mr. Zhu Xingwen.