



Jiangxi Copper Company Limited

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

(Stock Code · H Share: 0358 · A Share: 600362)

2023 Interim Report

Important Notice

- (I) The Board, the Supervisory Committee and the Directors, the Supervisors and senior management of Jiangxi Copper Company Limited warrant that the truthfulness, accuracy and completeness of the information contained in the interim report and that there are no false representations, misleading statements contained herein or material omissions herefrom, and jointly and severally accept responsibility.
- (II) Except for Mr. Wang Bo being unable to attend due to business engagement, all Directors attended the Board meeting to approve, among others, the interim results for the six months ended 30 June 2023.
- (III) The interim financial report of the Company and its subsidiaries has not been audited, but the interim financial information prepared in accordance with IFRSs has been reviewed by Ernst & Young and considered and approved by the Audit Committee.
- (IV) The person in charge of the Company, Zheng Gaoqing, the person in charge of accounting, Yu Tong, and the head of financial department (accounting chief), Bao Xiaoming, warrant the truthfulness, accuracy and completeness of the financial report set out in the interim report.
- (V) Proposal of profit distribution or transfer of capital reserve to share capital resolved and approved by the Board during the reporting period: The Company had no proposal of profit distribution or transfer of capital reserve to share capital during the reporting period.
- (VI) Statement for the risks involved in forward-looking statements: This interim report contains forward-looking statements that involve future plans and development strategies which do not constitute a commitment by the Company to its investors. Investors should be aware of the investment risks.
- (VII) There is no misappropriation of funds by the controlling shareholders and their connected parties for non-operation purposes in the Group.
- (VIII) There are no external guarantees provided in violation of the stipulated decision-making procedures in the Group.

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Definitions

In this report, unless the context otherwise requires, the following expressions have the meanings as follows:

Definitions to the frequently-used terms

Audit Committee	means	the independent audit committee of the Company
Board	means	the board of Directors
Chengmenshan Copper Mine	means	one of the five mines under production located in Jiangxi Province owned by the Company, located in Jiujiang City, Jiangxi Province, and also refers to Chengmenshan Copper Mine of the Company
Company	means	Jiangxi Copper Company Limited
copper cathode and refined copper	means	prefabricated thick plate with crude copper as anode and sheet with fine copper as cathode, and take the mixed solution of sulphuric acid and copper sulphate as electrolyte. After electrification, the copper is dissolved from the anode as copper ions, which then move to the cathode, pick up electrons and are deposited as crude copper on the cathode
copper concentrate	means	the concentrate which meets certain quality indicators from low grade ores containing copper undergoing processing procedures, which can be directly used for smelting in smelters
copper contained in copper concentrate	means	the amount of copper in copper concentrate
copper rods and wires	means	rods and wires made of copper cathode by melting, casting and rolling
crude copper	means	the raw copper materials including impure copper and blister copper
CSRC	means	China Securities Regulatory Commission
Dexing Copper Mine	means	one of the five mines under production located in Jiangxi Province owned by the Company, located in Dexing City, Shangrao City, Jiangxi Province, and also refers to Dexing Copper Mine of the Company
Director(s)	means	the director(s) of the Company

Definitions

Group	means	the Company and its subsidiaries
Guangdong Taolin	means	an ecological environment remediation company owned by the Company, located in Shaoguan City, Guangdong Province, and also refers to Guangdong JCC Taolin Ecological Environment Co., Ltd.
Guixi Smelter	means	a copper smelter owned by the Company, located in Guixi City, Jiangxi Province, and also refers to Guixi Smelter of the Company
Heding Copper	means	Zhejiang Jiangtong Fuye Heding Copper Co., Ltd.
Humon Smelting	means	Shandong Humon Smelting Co., Ltd., a company listed on the Shenzhen Stock Exchange (stock code: 002237)
IFRSs	means	International Accounting Standards 34 “Interim Financial Reporting” and other relevant provisions
JCC	means	Jiangxi Copper Corporation Limited (formerly known as “Jiangxi Copper Corporation”)
JCC Copper Foil	means	a copper products processing plant owned by the Company, located in Nanchang City, Jiangxi Province, and also refers to Jiangxi JCC Copper Foil Technology Company Limited
JCC Finance	means	JCC Finance Company Limited
JCC Group	means	JCC and its subsidiaries, but excluding the Group
JCC Guoxing	means	a copper smelter owned by the Company, located in Yantai City, Shandong Province, and also refers to JCC Guoxing (Yantai) Copper Company Limited
JCC Hongyuan	means	a copper smelter owned by the Company, located in Guixi City, Jiangxi Province, and also refers to JCC Hongyuan Copper Industry Co., Ltd.
LBMA	means	London Bullion Market Association
Listing Rules	means	the Rules Governing the Listing of Securities on the Stock Exchange
LME	means	London Metal Exchange
matte	means	copper produced by smelting of copper concentrate in a reverberatory furnace, electric furnace or flash furnace, with copper content of approximately 60%

Definitions

Ministry of Finance	means	the Ministry of Finance of the People's Republic of China
PRC	means	the People's Republic of China
PRC GAAP	means	the PRC Accounting Standards
refined smelting	means	production and processing of crude copper to copper cathode
reporting period	means	the six months ended 30 June 2023
rough smelting	means	production and processing of copper concentrate to crude copper
SSE	means	Shanghai Stock Exchange
Stock Exchange	means	The Stock Exchange of Hong Kong Limited
sulphuric acid	means	one of the important products in the chemical industry, with molecular formula H_2SO_4 , which is a colorless, tasteless oil-like liquid, a strong acid with high boiling point, difficult to volatilise, easily dissolved in water and miscible with water in any ratio
sulphur concentrate	means	the sulphur products made from copper ores through mining, crushing, grinding-flotation, washing and other processes which is an important material for sulphuric acid production
Supervisor(s)	means	the supervisor(s) of the Company
Supervisory Committee	means	the supervisory committee of the Company
Wushan Copper Mine	means	one of the five mines under production located in Jiangxi Province owned by the Company, located in Ruichang City, Jiujiang City, Jiangxi Province, and also refers to Wushan Copper Mine of the Company
Yinshan Mining	means	one of the five mines under production located in Jiangxi Province owned by the Company, located in Dexing City, Shangrao City, Jiangxi Province, and also refers to JCC Yinshan Mining Company Limited
Yongping Copper Mine	means	one of the five mines under production located in Jiangxi Province owned by the Company, located in Qianshan County, Shangrao City, Jiangxi Province, and also refers to Yongping Copper Mine of the Company

In this interim report, the English names of certain PRC entities are translations of their Chinese versions, and are included herein for identification purposes only. In the event of any inconsistency, the Chinese versions shall prevail.

Company Profile

I. COMPANY 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 of the Company	Zheng Gaoqing

II. CONTACT PERSONS AND CONTACT METHODS

	Secretary to the Board	Securities Affairs Representative
Name	Tu Dongyang	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	0791-82710117	0791-82710112
Facsimile	0791-82710114	0791-82710114
E-mail	jccl@jxcc.com	jccl@jxcc.com

III. CHANGES IN BASIC INFORMATION

Registered address of the Company	15 Yejin Avenue, Guixi City, Jiangxi Province, the People's Republic of China
Historical changes in the registered address of the Company	Nil
Office address of the Company	7666 Chang Dong 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
Query index for changes during the reporting period	Nil

Company Profile

IV. CHANGES IN INFORMATION DISCLOSURE AND PLACE OF INSPECTION

Newspapers selected by the Company for information disclosure	Shanghai Securities News
Website for publishing the interim report	www.sse.com.cn
Place for inspection of the interim report	7666 Chang Dong Avenue, High-tech Development Zone, Nanchang, Jiangxi Province, the People's Republic of China
Query index for changes during the reporting period	Nil

V. INFORMATION ON THE COMPANY'S SHARES

Class of shares	Stock Exchange of listed shares	Stock abbreviation	Stock code
A shares	SSE	Jiangxi Copper	600362
H shares	Stock Exchange	Jiangxi Copper	358

VI. OTHER RELEVANT INFORMATION

Auditor appointed by the Company (Domestic)	Name	Ernst & Young Hua Ming LLP
	Office address	Level 16, EY Tower, Oriental Plaza, No. 1 East Chang An Avenue, Dong Cheng District, Beijing
Auditor appointed by the Company (Overseas)	Name of auditor as signatories	Song Congyue (宋從越), Wang Yangyisu (汪洋一粟)
	Name	Ernst & Young
	Office address	27/F, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong

Summary of Accounting Data and Financial Indicators

I. MAJOR ACCOUNTING DATA AND FINANCIAL INDICATORS OF THE COMPANY

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

	For the six months ended 30 June		Increase/ (decrease) (%)
	2023 (RMB'000) (Unaudited)	2022 (RMB'000) (Unaudited)	
Revenue	266,749,635	254,587,825	4.78
Profit before tax	4,475,186	4,782,716	-6.43
Profit for the period attributable to shareholders of the parent	3,472,301	3,595,912	-3.44
Basic earnings per share (RMB)	1.00	1.04	-3.44

	As at 30 June 2023 (RMB'000) (Unaudited)	As at 31 December 2022 (RMB'000) (Audited)	Increase/ (decrease) (%)
	Total assets	213,236,379	
Total liabilities	125,119,940	85,380,383	46.54
Net assets attributable to shareholders of the parent	78,842,818	73,518,650	7.24
Net assets per share attributable to shareholders of the parent (RMB)	22.77	21.23	7.24

Summary of Accounting Data and Financial Indicators

(II) Consolidated Accounting Data and Financial Indicators Prepared in accordance with the PRC GAAP

(I) Major accounting data

Unit: Yuan Currency: RMB

Major Accounting Data	During the reporting period (January to June)	During the corresponding period of last year	Increase/decrease for the reporting period as compared with the corresponding period of last year (%)
Revenue	267,526,335,667	255,247,861,204	4.81
Net profit attributable to shareholders of the Company	3,359,462,882	3,466,559,258	-3.09
Net profit after non-recurring profit and loss attributable to shareholders of the Company	2,704,242,203	2,756,439,259	-1.89
Net cash flows from operating activities	6,464,968,486	7,339,203,609	-11.91

	As at the end of the reporting period	As at the end of last year	Increase/decrease as at the end of the reporting period as compared with the end of last year (%)
Net assets attributable to shareholders of the Company	78,842,818,176	73,518,652,248	7.24
Total assets	213,236,377,789	167,330,538,537	27.43

Summary of Accounting Data and Financial Indicators

(II) Major financial indicators

Unit: Yuan Currency: RMB

Major Financial Indicators	During the reporting period (January to June)	During the corresponding period of last year	Increase/decrease for the reporting period as compared with the corresponding period of last year (%)
Basic earnings per share (RMB/share)	0.97	1.00	-3.09
Basic earnings per share after non-recurring profit and loss items (RMB/share)	0.78	0.80	-1.89
Return on net assets (weighted average) (%)	4.41	5.01	-0.60
Return on net assets after non-recurring profit and loss items (weighted average) (%)	3.55	3.98	-0.43

Explanation on major accounting data and financial indicators of the Company

Not applicable

Summary of Accounting Data and Financial Indicators

II. RECONCILIATION BETWEEN THE IFRSs AND THE PRC GAAP

(I) Discrepancies between net profit and net assets attributable to shareholders of the company in the financial report disclosed under the IFRSs and under the PRC GAAP

Unit: Yuan Currency: RMB

	Net profit attributable to shareholders of the Company		Net assets attributable to shareholders of the Company	
	Amount for the current period	Amount for the previous period	Amount at the end of the period	Amount at the beginning of the period
Under the PRC GAAP	3,359,462,882	3,466,559,258	78,842,818,176	73,518,652,248
Adjustments to items and amounts under the IFRSs:				
Safety fund expenses provided but not used under the PRC GAAP during the period	112,836,734	129,353,016		
Under the IFRSs	3,472,299,616	3,595,912,274	78,842,818,176	73,518,652,248

Summary of Accounting Data and Financial Indicators

(II) Explanation on difference between the IFRSs and the PRC GAAP

In accordance with “Measures on the Appropriation and Usage of Work Safety Funds of Enterprises” [2022] No. 136 issued by the Ministry of Finance and the Ministry of Emergency Management, appropriations of work safety fund shall be made. The fund is designated for enhancement and improvement of work safety conditions.

The appropriated work safety fund is recorded as the relevant products' costs or profit and loss for the current period, and is reflected separately in the item of “special reserve” under shareholders' equity. Where the use of the appropriated work safety fund amounts to the cost of expenditure, it is directly offset against the special reserve. Where the use of appropriated work safety fund forms fixed assets, through the costs of accumulation of construction-in-progress items, the relevant assets are recognised as fixed assets when they reach their intended usable conditions after the completion of the work safety projects. Meanwhile, the costs of forming fixed assets are then offset against the special reserve while the same amount is recognised in accumulated depreciation. Such fixed assets are not depreciated in subsequent periods.

Under the IFRSs, the appropriation of work safety fund is individually reflected in the restricted reserve of shareholders' equity in the form of profit distribution. When costs of expenditure are incurred within the prescribed scope of use, such expenditure is recorded in the current statement of comprehensive income as incurred. When capital expenditures are incurred, such amount is transferred to property, plant and equipment upon construction completion and is depreciated in accordance with the depreciation policy of the Company. Meanwhile, the actual amounts of, among other things, work safety fund used during the current period are carried over internally in shareholders' equity, and are offset against restricted reserve and increase the undistributed profit, to the limit that restricted reserve is offset to zero.

Summary of Accounting Data and Financial Indicators

III. NON-RECURRING PROFIT AND LOSS ITEMS AND AMOUNTS (PREPARED UNDER THE PRC GAAP)

Unit: Yuan Currency: RMB

Non-recurring profit and loss items	Amount (Unaudited)
Profit and loss from disposal of non-current assets	57,690,202
Government grants as included in profit and loss of the current period, other than those closely relating to the ordinary business of the Company and subject to a fixed amount or quantity under certain standard and in compliance with national policies	157,057,300
Profit and loss from changes in fair value from held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities and derivative financial liabilities, as well as investment gains from disposal of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities and other debt investments except for effective hedging businesses related to the ordinary business operations of the Company	359,809,409
Reversal of impairment provisions for receivables and contract assets under independent impairment test	120,946,730
Other non-operating income and expenses other than above items	21,663,869
Other profit and loss items conforming to the definition of non-recurring profit and loss	7,432,716
Less: Impact from income tax	55,796,679
Impact from minority shareholders' interests (after tax)	13,582,868
Total	655,220,679

Summary of Accounting Data and Financial Indicators

IV. OTHER ITEMS (PREPARED UNDER THE 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	12,020,713	14,508,327	2,487,614	2,487,614
2. Investment in held-for-trading debt instruments				
Bond investment	2,298,998,908	2,186,194,437	-112,804,471	33,568,880
Investment in debt instruments	2,236,993,848	10,985,619,809	8,748,625,961	119,507,891
3. Other non-current financial assets	1,229,629,359	1,377,277,720	147,648,361	53,464,409
4. Investment in other equity instruments	18,498,826,276	21,812,470,089	3,313,643,813	64,130,542
5. Other debt investment	0	913,098,320	913,098,320	0
6. Derivative instruments not designated as hedging				
Forward foreign exchange contracts	-78,797,439	-356,858,951	-278,061,512	-291,992,496
Commodity option contracts	-45,832,723	-15,232,558	30,600,165	89,142,864
Commodity futures contracts	-426,247,521	145,205,817	571,453,338	253,787,601
7. Hedging instruments				
Effective hedging derivative instruments				
Commodity futures contracts	-93,458,731	-21,568,689	71,890,042	-93,803,968
Provisional price arrangement	-313,841,842	142,950,696	456,792,538	456,792,538
8. Items included in inventories that are measured at fair value	7,495,770,557	7,972,053,166	476,282,609	-391,813,244
9. Accounts receivable financing	1,903,238,251	1,868,610,891	-34,627,360	0
10. Financial guarantee contract liabilities	-38,353,000	-38,353,000	0	0
Total	32,678,946,656	46,985,976,074	14,307,029,418	295,272,631

Management Discussion and Analysis

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

I. INDUSTRY SITUATION AND PRINCIPAL BUSINESS OF THE COMPANY DURING THE REPORTING PERIOD

(I) Principal business and operation model of the Company

The principal business of the Group covers copper and gold mining and dressing, smelting and processing; extraction and processing of 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 an important production base of copper, gold, silver and sulphuric chemistry in the PRC. The products include more than 50 varieties, such as copper cathode, gold, silver, sulphuric acid, copper rod, copper tube, copper foil, selenium, tellurium, rhenium, bismuth, etc., of which copper cathode of “Guiye”, “JCC” and “HUMON-D” (owned by Humon Smelting) are registered products in the LME, and “JCC” gold and silver are registered products in the LBMA.

The main assets owned and controlled by the Group include:

1. A listed company: Humon Smelting is a company listed on the Shenzhen Stock Exchange. The Company holds 44.48% of the total share capital of Humon Smelting, and is a controlling shareholder of Humon Smelting. Humon Smelting is mainly engaged in the exploration, mining, dressing, smelting and chemical production of gold. It is a national key gold smelting enterprise with the annual production capacity of 50 tonnes of gold and 1,000 tonnes of silver, and with the production capacity of 0.25 million tonnes of electrolytic copper and 1.3 million tonnes of sulphuric acid as by-products.
2. Four smelters under production: Guixi Smelter, Jiangxi Copper (Qingyuan) Company Limited, JCC Hongyuan and Heding Copper, among which Guixi Smelter is the technologically advanced copper smelter for refined and rough smelting of the largest scale in the PRC.

Management Discussion and Analysis

3. Five 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 and Yinshan Mining.
4. Eight modern copper products processing plants: Jiangxi Copper Products Company Limited, Jiangxi Copper (Guangzhou) Copper Production Company Limited, JCC Copper Foil, Jiangxi Copper Taiyi Special Electrical Materials Company Limited, Jiangxi Copper (Longchang) Precise Copper Pipe Company Limited, JCC Copper Products Company Limited (“**JCC Copper Products**”), Jiangxi Copper North China (Tianjin) Copper Co., Ltd. and Jiangxi Copper Huadong Copper Materials 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	It is for the production of copper cables and enamelled wires
Gold	It is a hard currency, which can also be used as raw material for electrical appliances, machinery, military industry and decorative crafts
Silver	It is a raw material for silver solder, electroplating, silver contacts and decorative crafts
Sulphuric acid	It is a raw material for chemical products and fertilisers, and can be used in industries such as metallurgy, food, medicine, fertiliser and rubber

Management Discussion and Analysis

2. Business model

(1) Procurement model

The Company's procurement of the main raw materials, copper concentrate, and production equipment for production are 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	For foreign procurement, the procurement price was determined with reference to the LME copper price, the LBMA gold and silver price and by deducting the TC/RC from the above-mentioned metal price basis, where the TC/RC was determined through negotiations between both parties of the transaction. For domestic procurement, the procurement price was determined with reference to the copper price on the Shanghai Futures Exchange and by either deducting the corresponding processing fees from or multiplying the corresponding pricing coefficient by the average price or the spot price of the Shanghai Futures Exchange.
Thick copper, coarse copper	Domestic and foreign procurement		
Production equipment	Domestic and foreign procurement	Purchased uniformly by the material and equipment department of the Company	Compared to the market price

Management Discussion and Analysis

(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 centralised quotation system of the Shanghai Futures Exchange	Mainly in Eastern China and Southern China, some products are exported to South Korea, Japan and Southeast Asia
Copper rods and wires	Long-term contracts are entered into 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	
Silver	Export and domestic sales; for domestic sales, products are mainly sold to domestic industrial enterprises of electronics, electroplating, electrical alloys, silver nitrate, machinery, military, jewelry and other industries by direct sales	Mainly exported to Hong Kong and sold domestically to Eastern and Southern China
Sulphuric acid	Relatively long-term contracts are entered into with relatively stable major customers, products are supplied and sold in installments	Mainly in Eastern China, Central China, Southern China, Southwest China and other regions

(3) Production model

At present, there are two main smelting methods for copper in the world: pyrometallurgical smelting and wet smelting. Pyrometallurgical smelting is to produce copper cathode by melting smelting and electrolytic refined smelting, which is generally suitable for high-grade copper sulphide ores; whereas wet smelting is generally suitable for low-grade copper oxide, which is lower in cost, but has greater restrictions on the grade and type of ores, and has a higher impurity content. The Company mainly uses pyrometallurgical smelting for copper, and adopts wet smelting for gold.

Management Discussion and Analysis

(II) Explanation on the industry

From the macro perspective, in the first quarter of 2023, economic growth recovered rapidly. However, in the second quarter, due to the lack of momentum at the demand and consumption ends, the market confidence shrank, and the differentiation among industries was more obvious. In the first half of the year, China's GDP accelerated by 5.5%. Although the production of industrial enterprises has accelerated, their profits have dropped significantly. The PMI of the manufacturing industry continued to shrink, and the overall industrial recovery was weak, and the growth rate of which was lower than the GDP growth rate; on the demand end, the recovery of consumption has significantly stimulated the economy, but the growth rate of investment demand has dropped, and investment in real estate development has continued to decline. Although the economy generally recovered in the first half of the year, it fell short of expectations. The Federal Reserve suspended the rate hike due to the bank liquidity crisis but remained hawkish, both the current CPI and PCE have been lowered to 3%, close to the 2% target and the probability of a rate hike in September has fallen to about 20%. Fundamentally, raw material supply was subject to multiple interferences. In the first quarter, strikes in Peru and Indonesia and weather factors led to frequent disruptions in the supply of copper concentrates. It is estimated that the global copper output will be reduced from 1 million tonnes to about 700,000 tonnes in 2023. The higher tax on scrap copper that is currently in effect may also affect the supply of scrap copper. All downstream industries in the global copper chain, except the new energy sector and the home appliance sector, delivered performance that fell below the expectation in the first half of the year. The social inventory of copper decreased from a high point of 330,000 tonnes to a low point of about 100,000 tonnes. In the first half of the year, copper prices fluctuated in the broad range of RMB63,000/tonne to RMB71,000/tonne.

Looking into the second half of this year, in order to achieve the 5% annual economic growth target, several regions have recently announced policies to stabilise the real estate sector and promote consumption of new energy and home appliances. The central bank has once again lowered interest rates, and under a series of policies for ensuring stable growth, it is expected that the economy will begin to recover in the third quarter. As inflation in the United States gradually declines, the Federal Reserve will end the interest rate hike cycle in the second half of the year. Fundamentally, it is expected that the recent weak trend in both supply and demand will improve. Therefore, the copper market would continue to maintain a tight balance. It is expected that copper prices would ascend with fluctuations in the second half of the year, the core range shall rise and stay at the level of RMB68,000/tonne to RMB75,000/tonne.

Management Discussion and Analysis

II. ANALYSIS OF CORE COMPETITIVENESS DURING THE REPORTING PERIOD

After years of development, the Group has grown into the largest supplier of copper cathode in China. It has established a complete industrial chain integrating with exploration, mining, ore dressing, smelting and processing, with the following core competitive advantages:

1. Advantage of scale

The Group has the largest production base of copper, associated gold and silver and owns an important base of sulphuric chemistry in the PRC. The Company owns the copper mine of the largest scale currently in the PRC, namely Dexing Copper Mine and a number of copper mines under production. As of 30 June 2023, the Company had 100% ownership in the resource reserves of approximately 8,993,000 tonnes of copper, 275.9 tonnes of gold, 8,626 tonnes of silver, and 210,000 tonnes of molybdenum. Among the resources jointly controlled by the Company and other companies, metal resource reserves attributable to the Company (based on its equity percentage) were approximately 4,435,000 tonnes of copper and 52 tonnes of gold. Humon Smelting, a controlled subsidiary of the Company and its subsidiaries have 150.38 tonnes of proven gold reserves which have completed reserve registration.

2. Advantage of having a complete integrated industrial chain

- (1) The Group is the largest integrated copper production enterprise in the PRC and has established its industrial chain with core businesses in mining, ore dressing, smelting and processing of gold and copper, as well as sulphuric chemistry and extraction and processing of precious and rare metals. The annual production of copper contained in copper concentrates of the Company is over 0.2 million tonnes. Humon Smelting, a controlled subsidiary of the Company, has an annual production capacity of 50 tonnes of gold and 1,000 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.
- (2) The Group is currently the largest copper processing manufacturer in the PRC, with over 1.6 million tonnes of copper products processed per year.
- (3) The production capacity of copper cathode of the Group is over 1.8 million tonnes/year, and Guixi Smelter under the Company is the copper smelter of the largest scale for monomer smelting in the world.

Management Discussion and Analysis

3. Advantage of technologies

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

4. Advantage of cost

Dexing Copper Mine owned by the Company 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 Company smoothening the risk of fluctuations in the costs of raw materials. Guixi Smelter owned by the Company is the world’s largest monomer smelter, with leading technology and scale effect, giving the Company more cost advantage.

5. Advantage of brand

The “Guiye” copper cathode owned by the Company was successfully registered with the LME in one go in 1996 and has been the first world-class brand of copper in the PRC. The Company is also the first enterprise in the copper industry of the PRC which has its three main products – copper cathode, gold and silver registered with the LME and the LBMA. The copper testing factory established based on the laboratory of Guiye Centre of the Company is the only testing factory of copper cathode in the PRC recognised by the LME, which has completed a number of copper cathode tests for the registration of various domestic enterprises with the LME. The Company has established good and long-term relationship with world-class mining enterprises.

6. Advantage of management and talent

The management team of the Company has extensive experience and has actively participated in the corporate governance of the Company for a long period and has 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 the same types of mining or smelting enterprises.

Management Discussion and Analysis

III. DISCUSSION AND ANALYSIS OF OPERATION

In the first half of 2023, the Company advanced its business in an orderly manner as it implemented the new development concept fully, accurately and comprehensively, coordinated development and safety, promoted growth, prevented risks and maintained stability with open-mindedness, strict execution and unity, and coped with the effects of drop in prices of the main products, sluggish demand in the downstream market, the attack of rainstorms and other factors beyond expectations with strong measures.

From January to June 2023, the Company recorded revenue of RMB267.526 billion, representing a period-on-period increase of 4.81% (during the corresponding period of last year: RMB255.248 billion); and a net profit attributable to shareholders of the Company of RMB3.359 billion, representing a period-on-period decrease of 3.09% (during the corresponding period of last year: RMB3.467 billion). As at 30 June 2023, the Company's total assets amounted to RMB213.236 billion, representing an increase of 27.43% as compared with that at the beginning of the year (at the beginning of the year: RMB167.331 billion).

(I) Focus on the main business and improvement in quality and quantity of the main products

Product	Production from January to June 2023	Production from January to June 2022	Period-on-period increase (%)
Copper cathode (<i>ten thousand tonnes</i>)	98.83	92.39	6.97
Gold (<i>tonnes</i>)	55.00	47.87	14.89
Silver (<i>tonnes</i>)	677.03	673.65	0.50
Sulphuric acid (<i>ten thousand tonnes</i>)	266.97	267.74	-0.29
Processed copper products (<i>ten thousand tonnes</i>)	83.31	79.15	5.26
Including: copper rods	76.14	72.46	5.08
Copper contained in self-produced copper concentrates (<i>ten thousand tonnes</i>)	9.98	10.16	-1.77
Standard sulphuric concentrates (<i>ten thousand tonnes</i>)	133.41	127.13	4.94
Conversion of molybdenum concentrates (45%) (<i>tonnes</i>)	5,110.00	4,299.00	18.86

Management Discussion and Analysis

(II) Accelerated project construction with higher efficiency

Guided by the clear policy of vigorously advancing projects and focusing on large-scale projects, the Company tried its best to accelerate project construction. The copper cathode project with an annual capacity of 180,000 tonnes of JCC Guoxing was successfully put into operation; the fine copper wire expansion project with an annual capacity of 10,000 tonnes of JCC Copper Products commenced coordinated commissioning in late June; the landmark sub-projects of phase III of the extension project of Wushan Copper Mine, such as 1,000-metre main shaft and auxiliary shaft were completed three months ahead of schedule; the 5,000 tonnes/day open pit project of Yinshan Mining completed all preparation works for comprehensive commencement of construction; other key projects were progressed with targeted efforts and all-sided coordination under the requirements of “clear plans and strict execution”, to ensure early completion and operation of each project.

(III) Stronger momentum of technological innovation

The “diamond-copper” product, a high-end chip cooling material developed by the Company, delivered outstanding performance in the trial mass application and had a great appeal to target customers, and the Company will seek cooperation to advance commercialisation in the future. The 6N high-purity copper, the raw material to break high-tech stranglehold in the fields of high-end electronic manufacturing and aviation, completed the midpoint testing research. The heat-proof and anti-corrosion 4N rhenium powder for use in alloys was tried out by high new technology enterprises and was highly recognised in the market. The high-performance oxygen-free copper rods for use in new energy vehicles achieved low-cost and large-scale production and sales, which fully showcased the Company’s technological research and development strength and brand image and greatly motivated talents and innovation. 89 patents, including 16 invention patents, were awarded accumulatively in the first half of the year.

Management Discussion and Analysis

(IV) Broader and deeper implementation of digitalisation and intelligence

The Company boosted the “intelligence and digitalisation initiative” of all segments in a coordinated manner; rolled out the management rules for the “Digital Jiangxi Copper” project at a high level, which laid a solid foundation for large-scale promotion of digitalisation projects; improved five information-based management platforms for human resources management, comprehensive budget management, marketing and trading, achieving intelligent analysis and smart decision for information management.

(V) Green development empowered by the “dual carbon” policy

Having systematically advanced energy conservation and carbon reduction management, widely upgraded the systematic waste heat recovery and transformation, vigorously promoted the “Motor Energy Efficiency Improvement Campaign” and propelled the “Clean Energy Replacement” initiative in an orderly manner, the Company recorded a period-on-period decrease of 1.39% in total energy consumption and an overall decline of about 18,000,000 kWh in purchased electricity in the first half of the year. Advancing applications in diversified new energy scenarios based on local conditions, the Company introduced new energy heavy-duty dump trucks to its mines for the first time. The project “Key Technology for and Application of Treating Heavy Metal Pollution of Soil and Simultaneously Achieving Carbon Fixation and Emission Reduction”, in which Guangdong Taolin participated, was listed as China’s Top Ten Major Technological Progress for Ecological Environment Improvement in 2022. With the theme “green, low-carbon, innovative”, the Company took part in China’s 1st Exhibition of Industrial Green Development Achievements, being the only participant from the copper industry in the PRC and from Jiangxi Province.

Management Discussion and Analysis

IV. MAJOR OPERATING RESULTS DURING THE REPORTING PERIOD

(I) Analysis of principal businesses

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

Unit: Yuan Currency: RMB

Items	For the period	For the corresponding period of last year	Changes (%)
Revenue	267,526,335,667	255,247,861,204	4.81
Cost of sales	260,756,960,501	246,584,150,046	5.75
Taxes and surcharges	776,700,980	660,036,052	17.68
Selling expenses	186,735,191	173,247,510	7.79
Administrative expenses	1,222,466,867	1,194,519,794	2.34
Finance expenses	253,928,248	378,039,379	-32.83
Research and development expenses	383,549,603	415,484,837	-7.69
Impairment losses on assets	251,449,333	2,073,322,998	-87.87
Impairment losses on credit	-94,435,641	132,953,628	-171.03
Gains from disposal of assets	23,446,668	24,164,976	-2.97
Other gains	157,057,300	101,519,708	54.71
Investment gains	-44,003,006	94,823,606	-146.41
Changes in fair value	409,740,839	861,684,833	-52.45
Non-operating income	37,076,874	41,449,355	-10.55
Non-operating expenses	15,922,569	109,236,525	-85.42
Income tax expenses	746,906,414	915,412,770	-18.41
Net cash flow from operating activities	6,464,968,486	7,339,203,609	-11.91
Net cash flow from investment activities	-16,110,688,376	-11,091,769,908	45.25
Net cash flow from financing activities	20,469,677,303	7,193,239,879	184.57

Management Discussion and Analysis

Explanation on changes in revenue: it was mainly due to the changes in the sales volume and price of main products;

Explanation on changes in cost of sales: it was mainly due to the changes in the sales volume and price of main products;

Explanation on changes in selling expenses: it was mainly due to the increase in the sales volume of main products;

Explanation on changes in administrative expenses: it was mainly due to the increase in amortisation of intangible assets;

Explanation on changes in finance expenses: it was mainly due to the increase in interest income;

Explanation on changes in research and development expenses: it was mainly due to the changes in investment in research and development;

Explanation on changes in net cash flow from operating activities: it was mainly due to the increase in receivables of operating items;

Explanation on changes in net cash flow from investment activities: it was mainly due to the increase in assets such as purchase and construction of fixed assets;

Explanation on changes in net cash flow from financing activities: it was mainly due to the increased scale of borrowings;

Explanation on changes in taxes and surcharges: it was mainly due to the increase in stamp duty;

Management Discussion and Analysis

Explanation on changes in impairment losses on assets: it was mainly due to the decrease in the accrued impairment losses on assets;

Explanation on changes in impairment losses on credit: it was mainly due to the decrease in the accrued impairment losses on credit;

Explanation on changes in gains from disposal of assets: it was mainly due to the decrease in disposal of fixed assets;

Explanation on changes in other gains: it was mainly due to the increase in government grants;

Explanation on changes in investment gains: it was mainly due to closing positions in commodity futures contracts;

Explanation on changes in changes in fair value: it was mainly due to the changes in fair value of commodity futures contracts;

Explanation on changes in non-operating income: it was mainly due to the decrease in non-recurring gains for the period;

Explanation on changes in non-operating expenses: it was mainly due to the decrease in the disposal of scrapped fixed assets upon expiry of their useful life;

Explanation on changes in income tax expenses: it was mainly due to the changes in profit.

2. Others

Detailed explanation of major changes in business types, composition or source of profits of the Company during the period

Not applicable

Management Discussion and Analysis

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

Not applicable

(III) Analysis of assets and liabilities

1. Assets and liabilities

Unit: Yuan Currency: RMB

Item	As at the end of the period	Share of total assets as at the end of the period (%)	As at the end of the previous period	Share of total assets as at the end of the previous period (%)	Changes as at the end of the period over the end of the previous period (%)	Explanation
Cash and bank	55,123,067,982	25.85	32,102,114,653	19.18	71.71	Note 1
Held-for-trading financial assets	13,186,322,573	6.18	4,548,013,469	2.72	189.94	Note 2
Prepayments	3,042,862,717	1.43	1,091,186,533	0.65	178.86	Note 3
Non-current assets due within one year	4,156,195,648	1.95	3,097,794,823	1.85	34.17	Note 4
Other current assets	8,749,952,788	4.10	5,899,541,075	3.53	48.32	Note 5
Construction in progress	7,522,356,371	3.53	4,659,060,140	2.78	61.46	Note 6
Right-of-use assets	185,086,239	0.09	264,786,499	0.16	-30.10	Note 7
Short-term borrowings	63,411,555,589	29.74	35,671,201,431	21.32	77.77	Note 8
Derivative financial liabilities	626,410,546	0.29	1,461,804,519	0.87	-57.15	Note 9
Bills payables	5,762,972,764	2.70	3,904,758,748	2.33	47.59	Note 10
Contract liabilities	2,604,748,427	1.22	1,115,288,325	0.67	133.55	Note 11
Taxes payable	1,218,624,018	0.57	2,217,894,848	1.33	-45.05	Note 12
Non-current liabilities due within one year	2,563,253,602	1.20	7,327,849,206	4.38	-65.02	Note 13
Other current liabilities	12,661,839,995	5.94	6,587,498,139	3.94	92.21	Note 14
Long-term borrowings	14,239,963,583	6.68	6,256,716,059	3.74	127.59	Note 15
Bonds payables	4,981,274,333	2.34	3,500,000,000	2.09	42.32	Note 16
Lease liabilities	26,240,642	0.01	19,790,657	0.01	32.59	Note 17
Other non-current liabilities	17,102,000	0.01	31,267,076	0.02	-45.30	Note 18
Other comprehensive income	14,634,090,346	6.86	11,050,859,332	6.60	32.42	Note 19

Management Discussion and Analysis

Other explanations

- Note 1.* As at the end of the reporting period, the cash and bank of the Group amounted to RMB55,123.07 million, representing an increase of RMB23,020.96 million (or 71.71%) as compared with the end of the period of last year, mainly attributable to cash inflows from operating and financing activities.
- Note 2.* As at the end of the reporting period, the held-for-trading financial assets of the Group amounted to RMB13,186.32 million, representing an increase of RMB8,638.31 million (or 189.94%) as compared with the end of the period of last year, mainly attributable to the increase in the Group's structural deposits.
- Note 3.* As at the end of the reporting period, the prepayments of the Group amounted to RMB3,042.86 million, representing an increase of RMB1,951.67 million (or 178.86%) as compared with the end of the period last year, mainly attributable to the prepayments made by the Group for raw materials and purchases for commodity trading.
- Note 4.* As at the end of the reporting period, the non-current assets due within one year of the Group amounted to RMB4,156.20 million, representing an increase of RMB1,058.41 million (or 34.17%) as compared with the end of the period of last year, mainly attributable to the increase in the Group's time deposits due within one year.
- Note 5.* As at the end of the reporting period, other current assets of the Group amounted to RMB8,749.95 million, representing an increase of RMB2,850.41 million (or 48.32%) as compared with the end of the period of last year, mainly attributable to the increase in the purchase of treasury bonds reverse repurchase products by the Group.
- Note 6.* As at the end of the reporting period, the construction in progress of the Group amounted to RMB7,522.36 million, representing an increase of RMB2,863.30 million (or 61.46%) as compared with the end of the period last year, mainly attributable to the increase in investment in construction in progress of the Group.
- Note 7.* As at the end of the reporting period, the right-of-use assets of the Group amounted to RMB185.09 million, representing a decrease of RMB79.70 million (or -30.10%) as compared with the end of the period last year, mainly attributable to the depreciation of land leased by the Group.
- Note 8.* As at the end of the reporting period, the short-term borrowings of the Group amounted to RMB63,411.56 million, representing an increase of RMB27,740.36 million (or 77.77%) as compared with the end of the period last year, mainly attributable to the new short-term borrowings of the Group.
- Note 9.* As at the end of the reporting period, the derivative financial liabilities of the Group amounted to RMB626.41 million, representing a decrease of RMB835.39 million (or -57.15%) as compared with the end of the period of last year, mainly attributable to the floating profit and loss of the futures business of the Group.

Management Discussion and Analysis

- Note 10.* As at the end of the reporting period, the bills payables of the Group amounted to RMB5,762.97 million, representing an increase of RMB1,858.21 million (or 47.59%) as compared with the end of the period of last year, mainly attributable to the use of bills for payment for raw materials and purchases for commodity trading by the Group.
- Note 11.* As at the end of the reporting period, the contract liabilities of the Group amounted to RMB2,604.75 million, representing an increase of RMB1,489.46 million (or 133.55%) as compared with the end of the period of last year, mainly attributable to the increase in payment in advance received by the Group.
- Note 12.* As at the end of the reporting period, the taxes payable of the Group amounted to RMB1,218.62 million, representing a decrease of RMB999.27 million (or -45.05%) as compared with the end of the period of last year, mainly attributable to the payment of taxes by the Group.
- Note 13.* As at the end of the reporting period, the non-current liabilities due within one year of the Group amounted to RMB2,563.25 million, representing a decrease of RMB4,764.60 million (or -65.02%) as compared with the end of the period of last year, mainly attributable to the Group's repayments of borrowings that became due.
- Note 14.* As at the end of the reporting period, other current liabilities of the Group amounted to RMB12,661.84 million, representing an increase of RMB6,074.34 million (or 92.21%) as compared with the end of the period of last year, mainly attributable to the increase in the deposits from the related parties of the Group.
- Note 15.* As at the end of the reporting period, the long-term borrowings of the Group amounted to RMB14,239.96 million, representing an increase of RMB7,983.24 million (or 127.59%) as compared with the end of the period last year, mainly attributable to the increase in the long-term borrowings of the Group.
- Note 16.* As at the end of the reporting period, the bonds payables of the Group amounted to RMB4,981.27 million, representing an increase of RMB1,481.27 million (or 42.32%) as compared with the end of the period of last year, mainly attributable to the issuance of debt instruments by the Group.
- Note 17.* As at the end of the reporting period, the lease liabilities of the Group amounted to RMB26.24 million, representing an increase of RMB6.45 million (or 32.59%) as compared with the end of the period of last year, mainly attributable to the increase in the rent of the Group.
- Note 18.* As at the end of the reporting period, other non-current liabilities of the Group amounted to RMB17.10 million, representing a decrease of RMB14.17 million (or -45.31%) as compared with the end of the period of last year, mainly attributable to the decrease in the time deposits of over one year of related parties of the Group.
- Note 19.* As at the end of the reporting period, other comprehensive income of the Group amounted to RMB14,634.09 million, representing an increase of RMB3,583.23 million (or 32.42%) as compared with the end of the period of last year, mainly attributable to the increase in the fair value of the investment in other equity instruments of the Group.

Management Discussion and Analysis

2. Overseas assets

(1) Asset size

Including overseas assets 46,441,982,432 (Unit: Yuan Currency: RMB), accounting for 21.78% of the total assets.

(2) Explanation on the relatively high proportion of overseas assets

Not applicable

3. 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	29,222,908,649	Security deposits for the application of gold leases, issuance of letters of credit, bank guarantees and bank acceptance notes of the Group, the statutory reserves deposited with the People's Bank of China, environment rehabilitation deposits, and pledges used to secure short-term borrowings and frozen bank deposits and interest receivables.
Held-for-trading financial assets	9,095,889,794	Wealth management products were pledged by the Group to secure short-term bank borrowings and gold leases, for issuance of letters of credit and as deposits for bank acceptance notes.
Accounts receivable financing	16,775,000	Bank acceptance notes with book values of RMB16,775,000 were pledged to issue bank acceptance notes.
Other receivables	1,892,859,848	Futures deposits.
Inventories	2,038,317,315	Inventories were used as futures deposits and pledged to secure short-term bank borrowings and for issuance of letters of credit, and compulsorily preserved by the court due to litigation and restricted due to the involvement of litigation of a third-party storage company.
Time deposits due within one year	3,337,822,513	Time deposits due within one year and interest with value of RMB3,337,822,513 were pledged for issuance of letters of credit, bank guarantees and bank acceptance notes, as well as to secure short-term and long-term borrowings.
Investment properties	150,191,139	Investment properties were compulsorily preserved by the court due to litigation.

Management Discussion and Analysis

Item	Book value at the end of the period	Reasons for the limitation
Fixed assets	672,639,304	Housing buildings with book values of RMB42,901,391 were pledged to secure short-term bank borrowings; Fixed assets with book values of RMB523,973,677 were pledged to secure long-term bank borrowings; Housing buildings with book values of RMB105,764,236 were compulsorily preserved by the court due to litigation.
Intangible assets	215,597,171	Land use rights with book values of RMB63,302,281 were pledged to secure short-term bank borrowings; Land use rights with book values of RMB152,294,890 were pledged to secure long-term bank borrowings.
Other non-current assets	2,626,538,870	Time deposits for the term of more than one year and interest with book values of RMB2,626,538,870 were pledged for issuance of letters of credit, bank guarantees, bank acceptance notes and gold leases and to secure short-term and long-term borrowings.

4. Other explanations

Not applicable

Management Discussion and Analysis

(IV) Analysis of investment

1. General analysis of external investment in equity

Unit: 0'000 Yuan Currency: RMB

Investment during the reporting period	72,800.25
Investment during the corresponding period of last year	42,000.00
Extent of period-on-period increase/decrease (%)	73.33

No.	Name of investee	Principal activity	Share of interests in the investee (%)	Investment amount
1	Jiangxi Wantong Environmental Protection Materials Co., Ltd. (江西萬銅環保材料有限公司)	General projects: sales of non-metallic ores and products, processing and treatment of non-metallic waste and debris, sales of metallic ores, processing of construction stones, ore dressing (except for projects subject to approval in accordance with the law, business activities can be carried out independently with a business licence according to the law)	100	16,602.05
2	Jiangxi JCC Huadong Electric New Materials Technology Co., Ltd. (江西銅華東電工新材料科技有限公司)	General projects: manufacture of electrical equipment, sales of electrical equipment, manufacture of specialised equipment for electrical machinery, technical services, technical development, technical consulting, technical exchanges, technology transfer and technology promotion (except for projects subject to approval in accordance with the law, business activities can be carried out independently with a business licence according to the law)	70	10,500.00

Management Discussion and Analysis

No.	Name of investee	Principal activity	Share of interests in the investee (%)	Investment amount
3	Jiangxi Tongxin Inspection and Testing Co., Ltd. (江西銅信檢驗檢測有限公司)	Inspection and testing services, occupational health technical services (projects which require approvals in accordance with the laws may only commence business activities upon approvals from relevant authorities, and the specific business projects stipulated in the approval documents or licences from relevant authorities shall prevail) General projects: environmental protection monitoring, environmental protection consulting services, information consulting services (excluding the permitted information consulting services) (except for permitted businesses, projects which are not prohibited nor restricted by laws and regulations may be independently carried out in accordance with the laws)	100	852.17
4	Jiangxi Cable Co., Ltd. (江西電纜有限責任公司)	Manufacture of wires and cables, road freight transportation (excluding dangerous goods) (projects which require approvals in accordance with the laws may only commence business activities upon approvals from relevant authorities) General projects: operation of wires and cables, manufacture of mechanical and electrical equipment, sales of mechanical and electrical equipment, road freight transportation by ordinary freight vehicles with a total mass of 4.5 tons or less (except network freight and dangerous goods), technical services, technical development, technical consultation, technology exchange, technology transfer, technology promotion, import and export of goods (except for permitted businesses, projects which are not prohibited nor restricted by laws and regulations may be independently carried out in accordance with the laws)	51	16,140.48

Management Discussion and Analysis

No.	Name of investee	Principal activity	Share of interests in the investee (%)	Investment amount
5	Jiangxi JCC Environmental Resources Technology Co., Ltd. (江西銅環境資源科技有限公司)	General projects: Recycling of renewable resources (except for productive scrap metals), solid waste treatment, renewable resources processing, sales of non-metallic mines and products, metal waste and debris processing, non-metallic waste and debris processing, treatment and recycle of sewage, treatment and restoration service of soil pollution, technical services, technical development, technical consultation, technology exchange, technology transfer, technology promotion, landscape construction works (except for permitted businesses, projects which are not prohibited nor restricted by laws and regulations may be independently carried out in accordance with the laws)	100	28,705.55

Note: The description of statistics above is based on the actual amount of capital contribution by the Group during the reporting period, which includes capital contributions to non-wholly owned subsidiaries, associates, joint ventures or newly established companies (including contributions by equity and debt, etc.), excluding the amount of equity investments by its subsidiaries.

(1) Significant equity interest investment

Not applicable

(2) Significant non-equity interest investment

Not applicable

(3) Financial assets measured at fair value

Not applicable

Securities Investments

Not applicable

Explanation on Securities Investments

Not applicable

Management Discussion and Analysis

Investment in Private Equity

Not applicable

Derivative Investments

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. Major raw materials and products, including copper, gold and silver, are important trading varieties in the international non-ferrous metal market and have their own pricing mechanism in the 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. Further, the purchase and sales pricing have a mismatch in supply-demand structure, cycle, pricing methods and pricing period, and the metal and mineral market may experience significant fluctuations in the short term; therefore, the Group is subject to the commodity price risk.

The Group hedges against the price fluctuation risk by matching the purchase and sales pricing, and adopts futures contracts, T+D contracts, option contracts, temporary pricing arrangements and other derivative instruments based on the purchase and sales pricing to mitigate the commodity price risk, fully leveraging the high correlation of the spot market and the futures market and reducing the impact of commodity price fluctuations on the Group's business operation. The Group develops a strict hedging plan and an internal control system, under which hedging activities only aim to mitigate the commodity price fluctuation risk and prohibit any speculation, so as to ensure long-term and robust development.

For the said derivative investment including futures contracts, T+D contracts, option contracts and temporary pricing arrangements that comply with the accounting requirements of Accounting Standards for Business Enterprises No. 24 – Hedging, the Group adopts the corresponding accounting treatment in accordance with the relevant hedging accounting requirements and provides disclosure in Note 13 of the consolidated financial statements. For other hedging transactions for which the Group has not applied the hedging accounting standards, profit or losses from changes in the fair value of derivatives involved are recognised at the end of each period and transferred to investment profit/losses when the positions are closed. The amount of the said profit/losses from changes in the fair value or investment profit/ losses is affected by the quantity of relevant commodities, the quantity of derivative contracts and the relevant price fluctuations.

(V) Material disposal of assets and equity interests

Not applicable

Management Discussion and Analysis

(VI) Analysis of principal controlled subsidiaries and other companies with shareholding

(1) Production and operation of our principal controlled subsidiaries as of 30 June 2023

Unit: 0'000 Yuan Currency: RMB

Company name	Business nature	Registered capital	Shareholding percentage (%)	Total assets	Net assets	Operating revenue	Net profit
Shandong Humon Smelting Co., Ltd. (山東恒邦冶煉股份有限公司)	Exploration, mining, selection and smelting of gold and chemical production	114,801	44.48	2,333,381	889,934	3,222,769	28,072
JCC Finance Company Limited (江西銅業集團財務有限公司)	Provision of guarantee, deposits taking from and provision of loans to member units	260,000	100.00	3,730,765	-435,542	28,450	18,005
Jiangxi Copper Products Company Limited (江西銅業銅材有限公司)	Sales of processed copper materials	42,450	100.00	170,561	-162,664	11,224	2,544
JCC Copper Products Company Limited (江西銅業集團銅材有限公司)	Processing and sales of hardware electric products	18,639	98.89	100,134	-42,178	133,199	-47
JCC Guixi Recycling Resources Company Limited (江西銅業集團(貴溪)再生資源有限公司)	Acquisition and sales of scrap metals	680	100.00	1,129	-1,111	2,383	2
Shenzhen Jiangxi Copper Marketing Company Limited (深圳江銅營銷有限公司)	Sales of copper products	226,000	100.00	76,336	28,169	367	-1,368
Shanghai Jiangxi Copper Trading Company Limited (上海江銅營銷有限公司)	Sales of copper products	75,000	100.00	183,212	368,333	149,224	7,475
Beijing Jiangxi Copper Trading Company Limited (北京江銅營銷有限公司)	Sales of copper products	26,100	100.00	132	50,942	0	-591
JCC Yinshan Mining Company Limited (江西銅業集團銀山礦業有限公司)	Manufacture and sales of non-ferrous metals, precious metals and non-metals	48,200	100.00	345,752	-175,514	75,716	3,749
Jiangxi Copper Longchang Precise Copper Pipe Company Limited (江西江銅龍昌精密銅管有限公司)	Production of spiral tubes, externally finned copper tubes and other copper pipe products	89,053	92.04	105,809	-33,186	154,000	-701

Management Discussion and Analysis

Unit: 0'000 Yuan Currency: RMB

Company name	Business nature	Registered capital	Shareholding percentage (%)	Total assets	Net assets	Operating revenue	Net profit
Jiangxi Copper Taiyi Special Electrical Materials Company Limited (江西省江銅台意特種電工材料有限公司)	Design, production and sales of various copper wires, enameled wires and provision of aftersales repair and consulting services	USD1,680	70.00	64,844	-10,507	75,658	372
JCC (Guixi) Metallurgical and Chemical Engineering Company Limited (江西銅業集團(貴溪)冶金化工工程有限公司)	Metallurgical chemistry, equipment manufacture and maintenance	3,508	100.00	25,336	-9,490	26,541	243
JCC (Guixi) New Metallurgical and Chemical Technologies Company Limited (江西銅業集團(貴溪)冶化新技術有限公司)	Copper smelting, development of new chemical technologies and new products	200	100.00	8,190	-7,060	3,407	209
JCC (Guixi) Logistics Company Limited (江西銅業集團(貴溪)物流有限公司)	Provision of transportation services	4,000	100.00	21,537	-17,208	12,051	17
JCC (Dexing) Casting Company Limited (江西銅業集團(德興)鑄造有限公司)	Production and sales of casting products, maintenance of mechanical and electrical equipment, installation and debugging of equipment	6,638	100.00	31,836	-20,175	16,255	994
JCC Construction Company Limited (江西銅業集團建設有限公司)	Development and sales of building materials for various projects including mine projects	5,000	100.00	57,145	-26,721	34,889	-284
JCC Geology Exploration Company Limited (江西銅業集團地勘工程有限公司)	Geological investigation and survey and construction, engineering surveying	1,500	100.00	10,987	-8,472	1,601	-65
Jiangxi Jiangtong-Wengfu Chemical Engineering Company Limited (江西省江銅一豐福化工有限責任公司)	Sulphuric acid and its by-products	18,150	70.00	31,671	-27,510	7,709	-3,096
JCC (Ruichang) Casting Company Limited (江西銅業集團(瑞昌)鑄造有限公司)	Production and sales of cast iron grinding ball, machinery processing and manufacture and sales of wear-resistant materials and products	260	100.00	1,441	-621	1,991	-1
JCC (Qianshan) Mineral Processing Pharmaceuticals Company Limited (江西銅業集團(鉛山)選礦藥劑有限公司)	Sales of mineral processing chemicals, fine chemicals and other industrial and domestic products	1,020	100.00	4,117	-3,379	1,926	58

Management Discussion and Analysis

Unit: 0'000 Yuan Currency: RMB

Company name	Business nature	Registered capital	Shareholding percentage (%)	Total assets	Net assets	Operating revenue	Net profit
Jiangxi Copper Construction Supervision Consulting Company Limited (江西銅業建設監理諮詢有限公司)	Construction	300	100.00	3,040	-2,236	1,658	173
Jiangxi Copper (Guangzhou) Copper Production Company Limited (廣州江銅銅材有限公司)	Production of copper rods/wires and related products	80,000	100.00	1,518,052	-104,849	3,897,134	1,856
Jiangxi Copper International Trade Company Limited (江銅國際貿易有限公司)	Trading of metal products	101,609	59.05	905,858	-68,286	4,676,635	-4,266
Shanghai Jiangtong Investment Holdings Ltd. (上海江銅投資控股有限公司)	Construction industry	27,254	100.00	25,018	-21,674	601	-107
Jiangxi Copper Dexing Chemical Company Limited (江西銅業(德興)化工有限公司)	Sulphuric acid and related by-products	37,582	100.00	76,321	-71,768	12,182	241
Jiangxi Copper (Yugan) Casting Company Limited (江西銅業集團(餘干)鑄造有限公司)	Production and sales of cast iron grinding ball, machinery processing and manufacture and sales of wear-resistant materials and products	2,800	100.00	5,287	-4,388	2,619	164
Jiangxi Copper (Qingyuan) Company Limited (江西銅業(清遠)有限公司)	Manufacture, processing and sales of anode sheets of copper cathode and non-ferrous metals	89,000	100.00	1,014,954	-78,439	643,406	-4,046
Jiangxi Copper Hong Kong Company Limited (江西銅業香港有限公司)	Import-export business trade and settlement, offshore investment and financing, and cross-border RMB settlement	USD14,000	100.00	345,051	-156,481	1,212,786	4,050
Jiangxi Copper Recycling Resources Company Limited (江西銅業再生資源有限公司)	Scrap of base metals and their products	25,000	100.00	390,904	-21,734	362,393	915
Jiangxi Copper Technical Institution Co., Ltd. (江西銅業技術研究院有限公司)	Technology research etc.	50,000	100.00	14,285	-12,522	5,521	-62
Zhejiang Jiangtong Fuye Heding Copper Co., Ltd. (浙江江銅富冶和鼎銅業有限公司)	Production and sales of copper cathode	128,000	40.00	1,203,105	-340,054	1,722,056	24,393

Management Discussion and Analysis

Unit: 0'000 Yuan Currency: RMB

Company name	Business nature	Registered capital	Shareholding percentage (%)	Total assets	Net assets	Operating revenue	Net profit
Jiangxi Copper North China (Tianjin) Copper Co., Ltd (江銅華北(天津)銅業有限公司)	Production of copper rods/wires and the related products	64,020	51.00	399,073	-65,781	1,404,894	1,805
JCC Guoxing (Yantai) Copper Company Limited (江銅國興(煙台)銅業有限公司)	Production of copper sulphate, electrolytic copper and non-ferrous metals	100,000	65.00	653,422	-97,858	17,132	-878
JCC Hongyuan Copper Industry Co., Ltd. (江銅宏源銅業有限公司)	Production and sales of electrolytic copper	25,000	43.00	176,249	-7,118	271,255	919
Jiangxi Copper (Hong Kong) Investment Company Limited (江西銅業(香港)投資有限公司)	Project investment, fund investment, investment management, investment advisory and economic information advisory	USD105,761	100.00	1,124,438	-711,491	0	-7,041
Jiangxi Copper (Shenzhen) International Investment Holding Limited (江西銅業(深圳)國際投資控股有限公司)	Sales of copper cathode, anode plates, and non-ferrous metals	166,200	100.00	2,073,653	-205,727	7,748,472	8,394
PIM CUPRIC HOLDINGS LIMITED ("PIM Cupric") ^{Note}	Investment	USD113,626	100.00	2,191,040	-2,167,420	0	6,621
JCC (Yingtian) Trading Co., Ltd. (江西銅業(鷹潭)貿易有限公司)	Sales of non-ferrous metals, precious metals and metal products	10,000	100.00	10,500	-10,221	633,664	360
Jiangxi Copper (Hainan) International Supply Chain Co., Ltd. (江銅(海南)國際供應鏈有限公司)	Sales of metal materials, metal ores and metal products	10,000	100.00	60,207	-17,133	2,304,032	1,827
Jiangxi Cable Co., Ltd. (江西電纜有限責任公司)	Manufacture and sales of wires and cables	62,260	51.00	120,403	-55,808	42,662	-2,111
TPCO Copper Industry Corp., Ltd. (天津大無縫銅材有限公司)	Research, development, production and sales of copper materials	277,260	91.59	86,265	-23,652	375,906	-1,806
Jiangxi JCC Environmental Resources Technology Co., Ltd. (江西江銅環境資源科技有限公司)	Recycling of renewable resources, solid waste treatment, processing of renewable resources, sales of non-metallic minerals and products	30,000	100.00	49,433	-49,015	34	-762
Guangdong JCC Taolin Ecological Environment Co., Ltd. (廣東江銅桃林生態環境有限公司)	Design, construction and maintenance of environmental protection projects	5,000	49.00	20,797	-14,777	4,256	1,457

Management Discussion and Analysis

Note: On 9 December 2019, as considered and approved at the Company's 15th meeting of the eighth session of the Board, Jiangxi Copper (Hong Kong) Investment Company Limited, a wholly-owned subsidiary of the Company, acquired from Pangaea Investment Management Ltd., a company in which the Company is indirectly interested in ("**PIM**"), 100% equity interest in PIM Cupric, which was wholly-owned by PIM, at a consideration of USD1.1159 billion. After the acquisition, PIM Cupric became an indirect wholly-owned subsidiary of the Company. PIM Cupric held 124,198,371 shares of First Quantum Minerals Ltd. ("**FQM**"), a company listed on the Toronto Stock Exchange of Canada (accounting for 18.015% of the then issued shares of FQM).

As at 30 June 2023, the Company indirectly held 126,842,671 shares of FQM, accounting for 18.304% of the total issued shares of FQM. The fair value of this investment amounted to RMB21.753 billion, representing 10.20% of the Company's total assets.

FQM is a global mining company that operates mines in several countries. FQM primarily produces copper, with secondary production in gold, nickel, zinc, cobalt, etc. According to the 2023 interim report of FQM, its total revenue for the six months ended 30 June 2023 was US\$3,209,000,000 and its gross profit was US\$545,000,000. During the reporting period, the Company has received a total dividend of C\$16,489,547.23.

FQM has abundant copper reserves under its control and is expected to generate strong cash flow in the future. The Company will enjoy the corresponding interests in FQM's copper resources through its shareholding and the expected future cash dividends, which is in line with the Company's strategy of internationalising resources. In addition, FQM has an excellent management team with extensive experience in mine project construction and operation. The Company can explore asset level cooperation with FQM on expansion and development of copper mine projects in their respective portfolios so as to enhance project profitability.

Management Discussion and Analysis

(2) Production and operation of our non-listed associates and joint ventures as of 30 June 2023

Unit: 0'000 Yuan Currency: RMB

Name of investee	Business nature	Currency	Registered capital	Our shareholding (%)	Total	Total	Net	Total	Net profits at the end of the period
					assets at the end of the period	liabilities at the end of the period	assets in aggregate at the end of the period	operating income at the end of the period	
I. Joint ventures									
Jiangxi JCC-BIOTEQ Environmental Technologies Company Limited (江西省江銅百泰環保科技有限公司)	Industrial waste water recycling and product sales	RMB	2,820	50	7,102.86	925.29	6,177.57	2,263.00	493.98
Nesko Metal Sanayive Ticaret Anonim Şirketi	Exploration and sales of copper products	TRY	7,076	48	14,752.40	3,607.99	11,144.41	6,149.12	-395.53
Valuestone GP Ltd. (嘉石普通合夥人有限公司)	Investment company	USD	300	51	1,531.36	0.03	1,531.33	0.00	9.42
II. Associates									
Minmetals Jiangxi Copper Mining Investment Company Limited (五礦江銅礦業投資有限公司)	Investment company	RMB	606,550	40	480,507.66	12,844.40	467,663.26	0.00	-177.42
MCC-JCL Aynak Minerals Company Limited (中冶江銅艾娜克礦業有限公司)	Exploration and sales of copper products	USD	280	25	306,383.30	1,715.77	304,667.53	0.00	0.00
Jiangxi Tongrui Project Management Co., Ltd. (江西銅瑞項目管理有限公司)	Construction projects	RMB	1,000	49	1,399.83	222.47	1,177.36	464.31	111.99
Valuestone Global Resources Fund I LP	Fund company	USD	13,302	83.65	31,915.96	0.00	31,915.96	0.00	6,125.20
Jiangxi JCC Petrochemical Co., Ltd. (江西江銅石化有限公司)	Sales of petroleum and petrochemical products	RMB	1,900	49	4,375.92	1,589.07	2,786.85	21,887.35	212.27
Ningbo Saimo Technology Co., Ltd. (寧波賽墨科技有限公司)	R&D of technology	RMB	1,544	39.61	1,965.11	-59.76	2,024.87	1.15	-154.85
Jiangxi Dongchen Machinery Manufacturing Co., Ltd. (江西東辰機械製造有限公司)	Manufacture of precise metal products and electromechanical products	RMB	3,000	21	5,635.88	2,417.62	3,218.26	3,639.11	259.27
Chengdu Jiangtong Jinhao Co., Ltd. (成都江銅金號有限公司)	Sales of metal products	RMB	4,717	49	200,515.37	195,935.30	4,580.07	99,994.54	-730.52
Jiangxi Depu Mining Equipment Co., Ltd. (江西德普礦山設備有限公司)	Manufacture and sales of mining machinery	RMB	10,000	49	18,306.46	10,833.52	7,472.94	1,042.96	-10.28
Hebei Xinbaofeng Wire and Cable Co., Ltd. (河北新寶豐電線電纜有限公司)	R&D, manufacture, processing and sales of electric cables, cable accessories and electrical fittings	RMB	139,063	4.78	42,977.42	21,488.08	21,489.34	0.00	-744.40

(VII) Structured entities under control of the Company

Not Applicable

Management Discussion and Analysis

V. OTHER DISCLOSURES

(I) 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, certain properties 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. Risks 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 the global economy, the relationship between supply and demand, market expectations and speculations. Price fluctuations will affect the revenue and operating stability of the Company.

Management Discussion and Analysis

In order to minimise 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 benchmark, 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 procurement of raw materials and product sales of the Company to reduce the risk of significant tie-up of working capital of the Company due to rising product prices; and (4) strengthen the management of inventories and work-in-progress products, reduce inventories to the greatest extent to keep inventories at a reasonable level and reduce capital occupation.

4. Risks 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 consumption 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 are mainly 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 minimise the adverse impact from changes in the market environment on the operations of the Company to the greatest extent.

Management Discussion and Analysis

5. Environmental protection risks

The Group is mainly engaged in the mining, smelting and processing of non-ferrous metals and precious 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.

(II) Other Disclosures

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

Since the publication of the 2022 annual report, there has been no material change in the likely future business development of the Group, including the prospects of the Company for the current accounting year.

Corporate Governance

I. GENERAL MEETING OVERVIEW

Session of the meeting	Date of convening	Reference of the website specified for resolutions publication	Publication date of resolutions	Resolutions of the meeting
2022 Annual General Meeting	9 June 2023	www.sse.com.cn	10 June 2023	A total of 6 resolutions were considered and passed at the meeting with no objection. Please refer to the announcement published on websites of SSE and the Company for details.
2023 First Extraordinary General Meeting	4 July 2023	www.sse.com.cn	5 July 2023	A total of 1 resolution was considered and passed at the meeting with no objection. Please refer to the announcement published on websites of SSE and the Company for details.

Request from preference shareholders with voting rights restored to convene an extraordinary general meeting

Not applicable

Explanation on general meeting

Not applicable

Corporate Governance

II. CHANGES IN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY

Name	Position held	Change
Li Si	Supervisor	Elected

Explanation on changes in Directors, Supervisors and senior management of the Company

It is inconvenient for Mr. Guan Yongmin, a former Supervisor of the ninth session of the Supervisory Committee, to perform his duties as an employee Supervisor due to job position rotation. According to the requirements of the Company Law of the People's Republic of China and the Articles of Association of Jiangxi Copper Company Limited, the Company convened a general meeting, and elected Mr. Li Si as a Supervisor of the ninth session of the Supervisory Committee of the Company.

III. PROPOSAL OF PROFIT DISTRIBUTION OR TRANSFER OF CAPITAL RESERVE TO SHARE CAPITAL

(I) Proposal of profit distribution and transfer of capital reserve to share capital for the interim period

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

Corporate Governance

IV. SHARE OPTION SCHEME, EMPLOYEE SHAREHOLDING PLAN OR OTHER EMPLOYEE INCENTIVES AND THEIR EFFECTS

(I) Relevant share option scheme disclosed in extraordinary announcements without subsequent development or changes during implementation

Not applicable

(II) Incentive not disclosed in extraordinary announcements or with subsequent development

Equity incentive

Not applicable

Others

Not applicable

Employee shareholding plan

Not applicable

Other incentives

Not applicable

Environmental and Social Responsibility

I. PARTICULARS OF ENVIRONMENTAL INFORMATION

(I) Statements on environmental protection of the Company and its major subsidiaries falling into the category of heavily polluting industries designated by national environmental authorities

1. Information on discharge of pollutants

Names of the companies	Names of major pollutants	Total emissions approved (t/a)	Total emissions (t)*	Emission concentration (mg/L)*	Pollutant emission standards implemented	Methods of emission	Number of outlets	Distribution of outlets
Dexing Copper Mine	pH	/	/	7.47	Standards in the Table 2 of the "Emission Standard of Industrial Pollutants for Copper, Nickel and Cobalt" (GB25467-2010)	Direct emission	4	In the mining area
	COD	480	277.06	22.83				
	Ammonia nitrogen	108.11	11.56	0.95				
	Suspended matter	/	139.55	11.50				
	Total copper	/	0.243	0.02				
	Total lead	/	0.065	0.005				
	Total zinc	/	0.055	0.0045				
	Total cadmium	/	0.084	0.0069				
	Total arsenic	/	0.013	0.0011				
Jiangxi Copper Dexing Chemical Company Limited	Sulphur dioxide	750	79.24	119.72 mg/m ³	"Emission Standard of Pollutants for Sulphuric Acid Industry" (GB 26132-2010)	Phase I and II acid production exhaust gas discharged directly, and domestic sewage discharged to the park sewage treatment plant	3	Phase I and II acid production exhaust gas discharge outlet, domestic sewage discharge outlet
	Sulphuric acid mist	/	8.75	14.25 mg/m ³				
	Particulates	/	8.47	13.68 mg/m ³				
	BOD ₅	1.5	0.092	12.7				
Yongping Copper Mine	COD	297.57	89.70	12.35	Standards in the Table 2 of the "Emission Standard of Industrial Pollutants for Copper, Nickel and Cobalt" (GB25467-2010)	Organised emissions after meeting standards	2	In the mining area
	Ammonia nitrogen	27.15	2.64	0.338				
	Total copper	/	0.05	0.007				
	Total lead	/	0.03	0.004				
	Total zinc	/	0.57	0.079				
	Total cadmium	/	0.03	0.004				
	Suspended matter	/	210.07	28.92				
	pH	/	/	7.31				

Environmental and Social Responsibility

Names of the companies	Names of major pollutants	Total emissions approved (t/a)	Total emissions (t)	Emission concentration (mg/L)	Pollutant emission standards implemented	Methods of emission	Number of outlets	Distribution of outlets
Wushan Copper Mine	COD	262.13	25.45	11.7	Standards in the Table 2 of the "Emission Standard of Industrial Pollutants for Copper, Nickel and Cobalt" (GB25467-2010)	Organised emissions after meeting standards	2	In the mining area
	pH	/	/	7.43				
	Ammonia nitrogen	49.18	0.604	0.28				
	Suspended matter	/	13.202	6.09				
	Total copper	/	0.059	0.027				
	Total lead	/	0.064	0.029				
	Total zinc	3.06	0.059	0.027				
	Total cadmium	0.612	0.015	0.007				
Chengmenshan Copper Mine	Total arsenic	3.06	0.008	0.004	Standards in the Table 2 of the "Emission Standard of Industrial Pollutants for Copper, Nickel and Cobalt" (GB25467-2010)	Direct emission	1	Yong'an Levee of the Yangtze River
	pH	/	/	7.71				
	COD	180	67.01	50.72				
	Ammonia nitrogen	44.96	1.42	1.07				
Yinshan Mining	Total copper	2.87	0.12	0.09	Standards in the Table 2 of the "Emission Standard of Industrial Pollutants for Copper, Nickel and Cobalt" (GB25467-2010)	Stabilised emissions after meeting standards	2	In the mining area
	pH	/	/	7.58				
	COD	149.3	50.57	17.57				
	Ammonia nitrogen	9.7	4.44	1.54				
	Suspended matter	/	95.17	33.07				
	Total copper	/	0.06	0.02				
	Total zinc	0.6461	0.047	0.016				
	Total lead	/	0.89	0.31				
	Total cadmium	0.0969	0.0167	0.0058				
	Total arsenic	0.2584	0.050	0.017				
	Total chromium	0.0646	0.003	0.001				

Environmental and Social Responsibility

Names of the companies	Names of major pollutants	Total emissions approved (t/a)	Total emissions (t)*	Emission concentration (mg/L)*	Pollutant emission standards implemented	Methods of emission	Number of outlets	Distribution of outlets
Jiangxi Copper (Qingyuan) Company Limited	Sulphur dioxide	65.283	2.428	12.26 mg/m ³	Special emission limit for "Emission Standard of Industrial Pollutants for Regenerated Copper, Aluminium, Lead and Zinc" (GB31574-2015); Emission concentration limit for newly built boilers in the Table 2 of the "Emission Standard of Air Pollutants for Boilers" (GB13271-2019)	Organised emissions after meeting standards	4	In the plant area
	Smoke (powder) dust	12.5	1.458	7.36 mg/m ³				
	Nitrogen oxides	35.5	16.14	81.52 mg/m ³				
	Arsenic and its compounds	0.5	0.000131	0.0006616 mg/m ³				
	Lead and its compounds	2.5	0.000389	0.0019646 mg/m ³				
	Cadmium and its compounds	0.0625	0.000060	0.0000303 mg/m ³				
	Antimony and its compounds	1	0.000100	0.000505 mg/m ³				
	Tin and its compounds	1	0.0000590	0.0005312 mg/m ³				
Guixi Smelter	Chromium and its compounds	1	0.000673	0.003399 mg/m ³	"Emission Standard of Industrial Pollutants for Copper, Nickel and Cobalt" (GB25467-2010); "Emission Standard of Industrial Pollutants for Regenerated Copper, Aluminium, Lead and Zinc" (GB31574-2015)	Organised emissions after meeting standards	10	In the plant area
	Sulphuric acid mist	62.283	0.61025	2.25 mg/m ³				
	COD	600	82.69	18.17				
	Ammonia nitrogen	80	9.11	2				
	Lead	5	0.41	0.09				
	Cadmium	1	0.10	0.02				
	Sulphur dioxide	6,450	280.11	50 mg/m ³				
Particulates	764.2	67.04	5 mg/m ³					
Jiangxi Copper Longchang Precise Copper Pipe Company Limited	pH	/	/	7.42	"Management Standards of Qingshan Lake Sewage Treatment Plant"; "Integrated Sewage Discharge Standard"	Indirect emission, discharge into Qingshan Lake Sewage Treatment Plant of Nanchang City	1	Sewage treatment station
CODcr	/	0.1844	33					
Ammonia nitrogen	/	0.0028	0.502					
Suspended matter	/	0.0447	8					
BOD ₅	/	0.0252	4.5					
Animal and vegetable oil	/	0.0037	0.663					
Petroleum	/	0.0006	0.1					
JCC Copper Foil	Total phosphorus	/	0.0030	0.544	Table 1 of "Discharge Standard of Water Pollutants for Electronic Industry" (GB39731-2020)	Enter copper-zinc adjusting tank from the outlet of the workshop	1	Wastewater station in the south of the plant area
	Total chromium	/	0.0043	0.0448				
	Total phosphorus (as P)	/	0.0547	0.0562				
	COD	/	5.537	74.83				
					"Management standards of Qingshan Lake Sewage Treatment Plant"	Discharge to the municipal pipe network and into Qingshan Lake Sewage Treatment Plant	1	

Environmental and Social Responsibility

Names of the companies	Names of major pollutants	Total emissions approved (t/a)	Total emissions (t)'	Emission concentration (mg/L)'	Pollutant emission standards implemented	Methods of emission	Number of outlets	Distribution of outlets
Jiangtong Wengfu Chemical Engineering Company Limited	Sulphur dioxide	448	46.5028	66.74 mg/m ³	"Emission Standard of Pollutants for Sulphuric Acid Industry" (GB26132-2010)	Organised emissions after meeting standards	1	In the plant area
Humon Smelting	SO ₂	239.323	44.787	7.55mg/m ³	"Integral Emission Standard for Regional Air Pollutants in Shandong Province" (DB/37 2376-2019)	Organised emissions after meeting standards	9	In the plant area
	NO _x	478.017	127.778	18.33mg/m ³			9	
	Particulates	45.2394	10.894	1.05mg/m ³			6	
	Lead	0.711	0.185	0.035mg/m ³	"Emission Standard of Air Pollutants for Industrial Kiln and Furnace in Shandong Province" (DB/37 2375-2019)	11		
	Arsenic	0.273	0.066	0.022mg/m ³	"Emission Standard of Air Pollutants for Industrial Kiln and Furnace in Shandong Province" (DB/37 2375-2019)	11		

Environmental and Social Responsibility

2. Construction and operation of pollution prevention facilities

The Company actively puts the concept of “Green Development, Environment Protection First” into practice, takes the initiative to adapt to new situations and new requirements of safety and environmental protection work and solidly fulfills the enterprise responsibility of safety production. It has continuously increased its investment in environmental protection, carried out construction for pollution prevention and control capabilities, and implemented a number of ecological restoration and environmental maintenance projects. During the reporting period, the Company had continued to strengthen the operation and maintenance of environmental protection facilities, the operation of environmental protection facilities had been in good condition with no major pollution accidents occurred.

3. Environmental impact assessment and other environmental protection administrative licences of construction projects

- 1.** On 7 February 2023, the “Jiangxi Copper Company Limited Yongping Copper Mine Ecological Environment Remediation Project” passed the self acceptance of environmental protection upon completion.
- 2.** On 18 March 2023, the “Jiangxi Copper Company Limited Dexing Copper Mine Fujiawu Acidic Reservoir Seepage Prevention Treatment Project” and the “Jiangxi Copper Company Limited Dexing Copper Mine Yangtaowu Acidic Reservoir Seepage Prevention Treatment Project” passed the acceptance of environmental protection upon completion.
- 3.** On 28 July 2023, the “Chengmenshan Copper Mine Processing (Mining) Plant Reuse of Production Water Front-end Improvement Project and Waste Rock Quarry Sewage Regulating Reservoir Seepage Prevention Improvement Project” passed the acceptance of environmental protection upon completion.

Environmental and Social Responsibility

4. Environmental protection administrative licences

Discharge Permit/Issue Date: 18 November 2022, Validity Period: 18 November 2022 to 17 November 2027;

Hazardous Wastes Operation Permit/Issue Date: 3 March 2022, Validity Period: 3 March 2022 to 3 March 2027.

Company name	Key projects	Environmental impact assessment issued/acceptance	
		status	Approval/Acceptance
Humon Smelting	Precious Metals Resources Comprehensive Recycling Technology Improvement Project	Passed acceptance	Yantai Environment Protection Bureau (Yan Huan Shen [2017] No. 40)/Yantai Ecological Environment Bureau (Yan Huan Ping Han [2019] No. 8)
	Integrated Smelting and Comprehensive Recycling Technology Improvement Project for Complex Gold Concentrate and Hazardous Wastes Containing Non-ferrous Metal	Passed acceptance	Yantai Ecological Environment Bureau (Yan Huan Shen [2020] No. 1)/self-acceptance (19 June 2021)
	Double Bottom-Blowing Method (雙底吹火法) Gold Extraction Technology Improvement Project	Passed acceptance	Yantai Ecological Environment Bureau (Yan Huan Shen [2020] No. 30)/self-acceptance (23 April 2022)
	Multi-element Complex Gold Concentrate Resources Comprehensive Recycling Technology Improvement Project	Passed acceptance	Yantai Ecological Environment Bureau (Yan Huan Shen [2022] No. 7)/self-acceptance (19 June 2021)
	High Purity New Material Research, Development and Industrialisation Project	Passed acceptance	Yantai Environment Protection Bureau (Yan Huan Shen [2019] No. 19)/self-acceptance (27 December 2022)
Weihai Humon Chemical Co., Ltd.	Phosphogypsum Comprehensive Utilisation and Industrial Upgrading Project	Passed acceptance	Department of Environmental Protection of Shandong Province (Lu Huan Shen [2009] No. 147)/Department of Environmental Protection of Shandong Province (Lu Huan Yan [2011] No. 89)

Environmental and Social Responsibility

4. Contingency plan for emergency environmental incidents

In order to effectively prevent, control and eliminate the harm caused by emergency environmental pollution accidents promptly, establish a response mechanism for emergency environmental pollution incidents, improve the ability of the Company in responding to emergency environmental incidents, prevent and minimise emergency environmental pollution incidents and their losses to the greatest extent, safeguard public safety, maintain social stability, and promote the comprehensive, coordinated and sustainable development of economy and society, each of the Company's subsidiaries has developed an "Contingency Plan for Emergency Environmental Incidents" and submitted to the relevant environmental protection authorities for record.

5. Self-monitoring environment programs

The Company and its subsidiaries conduct self-monitoring work and formulate self-monitoring programs in accordance with the regulations of the relevant departments at all levels, and continuously improve the capacity of monitoring stations, update environmental monitoring equipment and improve the accuracy of monitoring. At the same time, the monitoring data and related information are published in a timely, complete, and accurate manner as required by the regulatory authorities.

Each production unit of the Group monitors the sources of pollution in accordance with national monitoring standards, such as daily monitoring of COD, ammonia nitrogen, pH in wastewater, and sulphur dioxide and smoke dust in exhaust gas establishes a relatively complete environmental monitoring record, so that various types of environmental monitoring data can be reflected back in time to guide production, so as to discover and handle problems in time to prevent pollution accidents. In addition, the main production units of the Company have installed online monitoring devices at their outlets, which are connected to the government authorities. The daily average value of the online monitoring of state-controlled pollution sources is 100% in compliance.

Environmental and Social Responsibility

Compliance Statistics of Online Monitoring Data

Unit	Monitoring points	Monitoring days	Compliance of Online Monitoring (daily average)		Compliance rate (%)
			Total number of monitoring	Total number of exceeding standard	
Dexing Copper Mine	1	181	181	0	100
Yongping Copper Mine	2	181	362	0	100
Wushan Copper Mine	2	181	362	0	100
Chengmenshan Copper Mine	1	181	181	0	100
Yinshan Mining	1	181	181	0	100
Guixi Smelter	8	181	1,448	0	100
JCC Copper Foil	1	181	181	0	100

6. Administrative penalties imposed for environmental issues during the reporting period

Not applicable

7. Other environmental information that should be disclosed

Company name	Environmental protection construction		Reuse rate of industrial water (%)
	System establishment	Main measures	
Guixi Smelter (贵溪冶炼厂)	"Wastewater Control Process of Guixi Smelter", "Waste Gas Control Process of Guixi Smelter", "Solid Waste Control Process of Guixi Smelter", "Contingency Plan for Environmental Emergencies of Guixi Smelter (2023 version)"	Exhaust gas online monitoring equipment renovation and upgrading project, ultra-low emission with flue gas desulphurisation unit of the frost smelting ring improvement project	99.01

Environmental and Social Responsibility

Company name	Environmental protection construction		Reuse rate of industrial water (%)
	System establishment	Main measures	
Dexing Copper Mine (德興銅礦)	"Ecological Environment Protection Management Measures of Dexing Copper Mine", "Management Measures for Hazardous Waste of Dexing Copper Mine (2022 version)", "Management Measures for General Industrial Solid Waste of Dexing Copper Mine (2022 version)", "Environmental Protection Responsibility System for All Employees of Dexing Copper Mine of Jiangxi Copper Company Limited (2022 version)"	Fujiawu acidic reservoir seepage prevention treatment project, Yangtaowu acidic reservoir seepage prevention treatment project of Dexing Copper Mine	92.48
Wushan Copper Mine (武山銅礦)	"Environmental Protection Management System of Wushan Copper Mine", "Environmental Protection Facilities Management System of Wushan Copper Mine", "Environmental Protection Responsibility Target Assessment Method of Wushan Copper Mine", "Ecological and Environmental Protection Reward and Punishment Assessment Measures of Wushan Copper Mine (for trail implementation)"	Wushan Copper Mine environmental improvement and upgrading project	94.77
Yongping Copper Mine (永平銅礦)	"Environmental Protection Management Measures of Yongping Copper Mine", "Environmental Protection Responsibility System of Yongping Copper Mine", "Environmental Management Measures for Prevention and Control of Solid Waste Pollution of Yongping Copper Mine"	-	89.09
Chengmenshan Copper Mine (城門山銅礦)	"Environmental Monitoring Management System", "Environmental Protection Management System", "Environmental Factors Identification and Evaluation Management System"	Wastewater regulating reservoir seepage prevention project, leached water collection project on the southwest side of waste rock field	96.70
Yinshan Mining (銀山礦業)	"Environmental Protection Management System of JCC Yinshan Mining Company Limited", "Management Measures for the Operation of Environmental Protection Facilities of JCC Yinshan Mining Company Limited", "Environmental Monitoring Management System of JCC Yinshan Mining Company Limited"	Acid water treatment plant sediment comprehensive utilisation project	91.33

Environmental and Social Responsibility

(II) Explanation on the environmental protection of the companies other than key pollutant discharging units

Not applicable

(III) Explanation on the subsequent development or changes on the disclosure of environmental protection information during the reporting period

Not applicable

(IV) Information that is beneficial to ecological protection, prevention and control of pollution and environmental responsibility fulfillment

Not applicable

(V) Measures adopted for and effects on the reduction of carbon emissions during the reporting period

To rationally utilise energy, reduce energy consumption and improve economic benefits, the Company formulated the "Energy Management Measures of Jiangxi Copper Company Limited", and set up a leading group for energy saving and energy consumption rights to deploy the Company's energy management work and strengthen the construction of internal energy management organisation. The Company actively responded to the call for upgrading the energy assessment mechanism, so as to ensure new breakthroughs in the optimisation of the green and low-carbon development model by promoting the implementation of conceptual reform, technological reform and management reform. On the basis of the original assessment of energy consumption indicators, there were six new major segments, including system construction, energy report and analysis, energy management system, equipment energy saving, energy-saving projects and carbon reduction management, forming a long-term mechanism of carbon reduction from the source and carbon reduction through technology, and green carbon fixation.

Environmental and Social Responsibility

(VI) Consolidating and expanding the achievements in poverty alleviation, rural revitalisation and other specific work

Since 2023, the Company has been assisting JCC, its controlling shareholder, and the work on rural revitalisation by the stationed team in Yaoqian Village has entered into a brand-new stage. The industrial development is thriving, the appearance of the village has been completely renewed, the organisational construction has been steadily advanced, and services for the people have been deeply appreciated.

- 1. In terms of supporting industrial development:** we have signed land leases with local villagers, integrated land resources of the village, added 80 mu of white lotus planting base in Aoxiazu and built a multi-industry integrated planting and breeding base of 300 mu in Aoxiazu with the development of white lotus industry as the core.
- 2. In terms of infrastructure:** we have surveyed the multi-functional court and surrounding area of the Yaoqian Village Cultural Activity Centre and the pre-built site of the mass activity square and applied for funds for the two projects and beautified and brightened the Cultural Activity Centre, with a number of fruit trees such as yellow peach, nai plums and bayberry trees planted in the surrounding area.
- 3. In terms of the implementation of services for the people:** the “Childlike Innocence Harbour” program has been officially put into operation, and a Partner Mama has been hired. The stationed team in the village and “two committees” of the village have gathered local stay-behind children and volunteers every weekend to carry out a series of activities such as family companionship, festival activities, education on the history revolution and academic tutoring for more than 20 times. At the same time, communication with the local community has been strengthened, and a touch-screen television and all-in-one device for the Childlike Innocence Harbour has been purchased; we have assisted the insured villagers in the village to make payments for medical insurance, new rural social pension insurance and Fucunbao Insurance (福村寶); we have implemented local policies to benefit the people and assisted in completing the signing of contracts for home visiting by family doctors for the disabled.

Significant Events

I. PERFORMANCE OF UNDERTAKINGS

(I) Undertakings given by parties including de facto controllers of the Company, shareholders, connected parties, purchasers and parties related to the undertakings of the Company during or subsisting through the reporting period

Background of undertakings	Types of undertakings	Party of undertakings	Details of the undertakings	Time and term of the undertakings	Whether there is time limit of performance	Whether it was fulfilled strictly in a timely manner	If not performing the undertaking timely, explain the reasons for not performing the undertakings timely	Specify the plan for next step if not performing the undertakings timely
Undertakings related to initial public offering	Others	JCC	Note 1	Date of the undertaking: 22 May 1997 Term: Long term	Yes	Yes	N/A	N/A
Undertakings related to refinancing	Resolving connected transaction	JCC	Note 2	Date of the undertaking: 21 December 2016 Term: Long term	Yes	Yes	N/A	N/A

Note 1:

1. Under the Company Law of the PRC, the Company has full independent control over its production and operations. JCC has undertaken not to interfere with the daily operations and decisions of the Company, unless such actions are performed through the Board.
2. (I) During the period when JCC holds 30% or more voting rights in the share capital of the Company, JCC shall make its best endeavors to ensure the independence of the Board pursuant to the requirements set out by the London Stock Exchange and the Stock Exchange. Further, JCC shall ensure that independent Directors (namely those independent of JCC and China National Non-ferrous Metals Industry Corporation) shall constitute a majority of the Board in accordance with the requirements of the London Stock Exchange.
- (II) During the period when JCC holds 30% or more voting rights in the share capital of the Company, JCC shall exercise its voting rights to ensure that no amendment to the articles of association of the Company that may impact the independence thereof shall be made.

Significant Events

3. During the period when JCC holds 30% or more voting rights in the share capital of the Company, JCC, its subsidiaries and connected companies (including the companies, enterprises and businesses controlled by JCC, except those controlled through the Company) shall not engage in any activities or businesses that are or may be in direct or indirect competition with businesses of the Company.
4. JCC has undertaken to assist the Company in obtaining approvals from government agencies with respect to the businesses thereof.
5. In the event that JCC carries out actions such as transfers and disposals of the land use rights of Dexing Copper Mine, Yongping Copper Mine and Guixi Smelter, the Company shall have the pre-emptive right.
6. JCC gives an option to the Company that the Company can purchase from JCC Group any mines, smelters or refineries that are or will be owned and/or operated or any rights of mining or exploration that are or will be held by JCC.

Note 2:

Details of dividend undertakings

1. The Company can distribute dividend by way of cash, shares or a combination of cash and shares; and can distribute interim dividend according to the actual profitability and the capital requirement of the Company;
2. According to the provisions of the laws, regulations and the Articles of Association of Jiangxi Copper Company Limited, conditional upon the cumulative distributable profits being positive after making up the losses, deducting the statutory reserve fund and provident fund in full, and having sufficient profits and cash to support the normal production and operation of the Company for that year, in each year, the profit distribution by way of cash shall be not less than 10% of the distributable profits realised for the year, and the accumulated distributable profit distributed by way of cash in the last three years shall be not less than 30% of the average annual distributable profits realised in the last three years;
3. In addition to satisfying the minimum cash dividend distribution, the Company can implement distribution by way of shares dividend. The proposal for distribution by way of shares dividend should be proposed by the Board and put forward to the general meeting for consideration and approval.

Significant Events

Note 3:

As at 21 December 2016, the copper processing business conducted by JCC Copper Strip Company Limited (江西銅業集團銅板帶有限公司) (“**JCC Copper Strip**”), a subsidiary of JCC, the Company and its controlled subsidiaries are identical or similar to a certain extent but there is no actual competition between them. JCC undertakes as follows:

1. From 21 December 2016, JCC shall actively transfer its controlling interest or all interest in JCC Copper Strip to other independent third parties in compliance with laws before the operating situation of JCC Copper Strip turns better and fulfils the condition for being injected into the Company.
2. At the time when the operating situation of JCC Copper Strip turns better and fulfils the condition for being injected into the Company, and in the event that JCC has not yet transferred the controlling interest or all interest in JCC Copper Strip to independent third parties, JCC undertakes that, provided that the interests of investors of the Company are protected, it shall commence the relevant work to inject such interest into the Company within three years after JCC Copper Strip fulfils the conditions for being injected into the Company.
3. JCC shall continue to fulfil the various obligations under the Option-to-Purchase Agreement and Undertaking given by Jiangxi Copper Corporation to Jiangxi Copper Company Limited.

I. Misappropriation of funds by controlling shareholders and other connected parties for non-operation purpose during the reporting period

Not applicable

II. Illegal guarantee

Not applicable

III. Audit of interim report

Not applicable

Significant Events

II. APPOINTMENT AND REMOVAL OF ACCOUNTING FIRMS

1. Explanation on appointment and removal of accounting firms

On 4 July 2023, the Company held an extraordinary general meeting and passed the “Resolution of Jiangxi Copper Company Limited on the Appointment of Ernst & Young Hua Ming LLP and Ernst & Young respectively as the Company’s 2023 Domestic (Including Internal Control Audit) and Overseas Auditors”.

2. The Company’s explanation for “Non-standard Audit Report” given by accounting firms

Not applicable

3. Explanation of the Company on the issuance of a “Non-Standard Audit Report” by the registered accountant in the financial statements of last year’s annual report by the Company

Not applicable

III. MATTERS RELATING TO BANKRUPTCY AND RESTRUCTURING

Not applicable

IV. MATERIAL LITIGATION AND ARBITRATION

(I) Litigation and arbitration disclosed in announcements and without subsequent development

Brief description and type of the 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 (contractual dispute)	The announcement of the Company dated 12 June 2019
Litigation filed by Jiangxi Copper International Trade 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 (contractual dispute)	The announcement of the Company dated 21 June 2019

Significant Events

(II) Litigation and arbitration not disclosed in announcements or with subsequent development

During the reporting period:

Unit: Yuan Currency: RMB

Plaintiff (applicant)	Defendant (respondent)	Parties with several and joint liability	Types of litigation and arbitration	Basic information of litigation (arbitration)	Amount involved in litigation (arbitration)	Whether estimated liability arose from the litigation (arbitration) and amount	Current status of the litigation (arbitration)	Results of trial of litigation (arbitration) and effects thereof
Shanghai Jiangxi Copper Trading Company Limited (上海江銅貿易有限公司) ("Shanghai JCT")	Shanghai Zhimaiyuanhe Industrial Co., Ltd. (上海智麥源和業有限公司) ("Zhimai Company")	Qi Jianping (戚建萍), Jin Lei (金磊), Shi Huixia (石慧霞), Zhejiang Honglei Southeast Real Estate Development Co., Ltd. (浙江宏磊東南房地產開發有限公司), Yinglian City Luzhou Real Estate Co., Ltd. (嶺南市綠洲置業有限公司) ("Luzhou Company"), Zunyi Honglei Real Estate Development Co., Ltd. (遵義宏磊房地產開發有限公司) ("Zunyi Honglei Company"), Zhejiang Honglian Copper Company Limited (浙江宏天銅業有限公司)	Second hearing	Please refer to the Announcement of Jiangxi Copper Company Limited on the Litigations of Subsidiaries (Announcement No.: Lin 2021-028) disclosed in Shanghai Securities News and the website of SSE at www.sse.com.cn on 10 July 2021.	200,354,926.81	No	Second hearing concluded	Shanghai High People's Court filed the case on 7 September 2021, and now the case has been concluded in the second hearing. Shanghai JCT has received the judgment from Shanghai High People's Court ((2021) Hu Min Zhong No. 489), which stated that: (i) the items 1 to 8 as set out in the judgement of Shanghai First Intermediate People's Court ((2019) Hu 01 Min Chu No. 295) are upheld; (ii) the item 9 as set out in the judgement of Shanghai First Intermediate People's Court ((2019) Hu 01 Min Chu No. 295) is withdrawn; (iii) for the respondent Zhimai Company, the respondent Luzhou Company shall pay the appellant Shanghai JCT the amount of RMB36,349,972.82, the penalty for delayed payment (amounting to RMB225,830.28 accrued until 30 June 2017; as from 1 July 2017, taking RMB33,680,059.75 as the base amount, calculating at 1.2 times of the benchmark interest rate for bank loans for the period ("LPR"), until 19 August 2018, and calculating at 1.2 times of the LPR from 20 August 2018, until the date of actual payment, taking RMB4,669,913.07 as the base amount, as from 11 September 2017, calculating at 1.2 times of the LPR until 19 August 2018, and calculating at 1.2 times of the LPR from 20 August 2018, until the date of actual payment), the legal fee of RMB75,000, assuming the several and joint liability of guarantee to the extent of the maximum claims of RMB1,500,000,000; after fulfilling the several and joint liability of guarantee, the respondent Luzhou Company has the right to claim compensation from the respondent Zhimai Company; (iv) for the respondent Zhimai Company, the respondent Zunyi Honglei Company shall pay the appellant Shanghai JCT the amount of RMB36,349,972.82, the penalty for delayed payment (amounting to RMB225,830.28 accrued until 30 June 2017; as from 1 July 2017, taking RMB33,680,059.75 as the base amount, calculating at 1.2 times of the LPR, until 19 August 2018, and calculating at 1.2 times of the LPR from 20 August 2018, until the date of actual payment; taking RMB4,669,913.07 as the base amount as from 11 September 2017, 1.2 times of the LPR, until 19 August 2018, and calculating at 1.2 times of the LPR from 20 August 2018, until the date of actual payment), the legal fee of RMB75,000, assuming the several and joint liability of guarantee to the extent of the maximum claims of RMB1,500,000,000; after fulfilling the several and joint liability of guarantee, the respondent Zunyi Honglei Company has the right to claim compensation from respondent Zhimai Company; (v) other demands of the appellant Shanghai JCT are rejected.

Significant Events

V. SUSPECTED VIOLATION OF LAWS AND REGULATIONS BY, PUNISHMENT ON AND RECTIFICATION OF THE COMPANY AND ITS DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLERS

Not applicable

VI. EXPLANATION ON THE CREDIT CONDITIONS OF THE COMPANY, ITS CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER DURING THE REPORTING PERIOD

Not applicable

VII. MATERIAL CONNECTED TRANSACTIONS

(I) Connected transactions in relation to daily operations

- 1. Events disclosed in extraordinary announcements without subsequent development or changes during implementation**

Not applicable

- 2. Events disclosed in extraordinary announcements with subsequent development or changes during implementation**

Not applicable

Significant Events

3. Continuing connected transactions

Unit: Yuan Currency: RMB

Connected Party	Relationships of connection	Category of connected transaction	Details of connected transaction	Pricing policy of connected transaction	Price of connected transaction	Amount of connected transaction	Percentage of the amount involved in	Settlement method of connected transaction	Market Price	Reasons for the larger difference between transaction price and market price
							of the same category (%)			
JCC	Controlling shareholder	Sales of goods	Copper rods and wires	Market price	60,503.89	378,785,868	0.35	Payment upon acceptance		
JCC	Controlling shareholder	Sales of goods	Copper cathode	Market price	67,923.53	545,252,950	0.22	Payment upon acceptance		
JCC	Controlling shareholder	Sales of goods	Ancillary industrial products	Market price		80,640,514	1.32	Payment upon acceptance		
JCC	Controlling shareholder	Sales of goods	Lead materials	Market price		52,859,107	100	Payment upon acceptance		
JCC	Controlling shareholder	Sales of goods	Ancillary materials	Market price		26,292,366	0.41	Payment upon acceptance		
JCC	Controlling shareholder	Sales of goods	Sulphuric acid and steel balls	Market price		921,661	100	Payment upon acceptance		
JCC	Controlling shareholder	Sales of goods	Zinc concentrates	Market price		21,818,799	100	Payment upon acceptance		
JCC	Controlling shareholder	Purchase of goods	Ancillary industrial products	Market price		10,170,772	0.18	Payment upon acceptance		
JCC	Controlling shareholder	Purchase of goods	Silver	Market price		537,462,380	3.32	Payment upon acceptance		
JCC	Controlling shareholder	Purchase of goods	Gold	Market price		143,820,268	0.42	Payment upon acceptance		
JCC	Controlling shareholder	Purchase of goods	Copper concentrates	Market price		4,172,237	0.01	Payment upon acceptance		
JCC	Controlling shareholder	Purchase of goods	Sulphuric acid and steel balls	Market price		2,225,221	0.15	Payment upon acceptance		
JCC	Controlling shareholder	Purchase of goods	Blister copper	Market price		2,751,848	0.029	Payment upon acceptance		
JCC	Controlling shareholder	Provision of services	Construction services	Industry standards		440,226	0.29	Settlement according to project progress		
JCC	Controlling shareholder	Provision of services	Logistics services	Freight price standards of Jiangxi Province		13,166,626	5.07	Monthly payment		
JCC	Controlling shareholder	Provision of services	Repair and maintenance services	Industry standards		2,928,336	21.03	Monthly payment		
JCC	Controlling shareholder	Expenses (sales) of other utilities including water, electricity and gas	Electricity services	Costs plus tax		18,330,859	100	Monthly payment		

Significant Events

Connected Party	Relationships of connection	Category of connected transaction	Details of connected transaction	Pricing policy of connected transaction	Price of connected transaction	Amount of connected transaction	Percentage	Settlement method of connected transaction	Market Price	Reasons for the larger difference between transaction price and market price
							of the amount involved in transactions of the same category (%)			
JCC	Controlling shareholder	Rent and lease	Rental from public utilities	Apportioned in accordance with the proportion of costs and staff		3,078,546	19.36	Monthly payment		
JCC	Controlling shareholder	Expenses (sales) of other utilities including water, electricity and gas	Water services	Costs plus tax		83,227	100	Monthly payment		
JCC	Controlling shareholder	Loans	Cumulative provision of loans	Based on the benchmark interest rate promulgated by the People's Bank of China or not lower than the similar credit terms offered to JCC by other domestic financial institutions or credit cooperatives		1,221,760,000	100	Payment on terms set out in the loan agreements		
JCC	Controlling shareholder	Loans	Interests received from loans provided	Based on the benchmark interest rate promulgated by the People's Bank of China or not lower than the similar credit terms offered to JCC by other domestic financial institutions or credit cooperatives		49,905,298	100	Monthly or quarterly payment		
JCC	Controlling shareholder	Deposits	Cumulative acceptance of deposits	Based on the benchmark interest rate promulgated by the People's Bank of China or not lower than the similar credit terms offered to JCC by other domestic financial institutions or credit cooperatives		6,020,125,766		Payment on terms set out in the deposit agreements		
JCC	Controlling shareholder	Deposits	Interests paid for acceptance of deposits	Based on the benchmark interest rate promulgated by the People's Bank of China or not lower than the similar credit terms offered to JCC by other domestic financial institutions or credit cooperatives		40,057,335	100	Monthly or quarterly payment		
JCC	Controlling shareholder	Acceptance of labour services	Labour services	Market price		14,174,175	100	Monthly payment		
JCC	Controlling shareholder	Rent and lease	Rental for land use rights	Market price		98,485,507	100	Monthly payment		
JCC	Controlling shareholder	Acceptance of agency services	Brokerage agency services for commodity futures contracts	Market price		6,145,403	11.71	Payment upon completion of transactions		
JCC	Controlling shareholder	Acceptance of labour services	Repair and maintenance services	Industry standards		22,771,340	7.09	Monthly payment		
JCC	Controlling shareholder	Acceptance of labour services	Procurement of spare parts and processed parts	Market price		94,188,319	7.44	Payment upon acceptance		

Significant Events

Connected Party	Relationships of connection	Category of connected transaction	Details of connected transaction	Pricing policy of connected transaction	Price of connected transaction	Amount of connected transaction	Percentage of the amount involved in transactions of the same category (%)	Settlement method of connected transaction	Market Price	Reasons for the larger difference between transaction price and market price
JCC	Controlling shareholder	Acceptance of labour services	Construction services	Industry standards		31,437,540	7.44	Settlement according to project progress		
Total				/	/	9,444,272,494	/	/	/	/
Details of substantial sales return				During the reporting period, there was no substantial sales return.						
Explanation of connected transactions				During the reporting period, the main and frequent connected transactions between the Company and its connected parties amounted to RMB9.444 billion, including purchase transactions of RMB968 million, selling transactions of RMB1.144 billion and deposit and loan transactions of JCC Finance of RMB7.332 billion.						

(II) Connected transactions from asset acquisition or equity acquisition or sale

1. Events disclosed in extraordinary announcements without subsequent development or changes during implementation

Not applicable

2. Events disclosed in extraordinary announcements with subsequent development or changes during implementation

Not applicable

3. Events not disclosed in extraordinary announcements

Not applicable

4. Where agreed results are involved, the results in the reporting period shall be disclosed

Not applicable

Significant Events

(III) Material connected transactions of joint external investment

1. **Events disclosed in extraordinary announcements without subsequent development or changes during implementation**

Not applicable

2. **Events disclosed in extraordinary announcements with subsequent development or changes during implementation**

Not applicable

3. **Events not disclosed in extraordinary announcements**

Not applicable

(IV) Connected claim and debt

1. **Events disclosed in extraordinary announcements without subsequent development or changes during implementation**

Not applicable

2. **Events disclosed in extraordinary announcements with subsequent development or changes during implementation**

Not applicable

Significant Events

3. Events not disclosed in extraordinary announcements

Unit: 0'000 Yuan Currency: RMB

Connected party	Relationship of connection	Funds provided to connected parties			Funds offered by connected parties to the Company		
		Opening balance	Amount incurred	Closing balance	Opening balance	Amount incurred	Closing balance
JCC	Controlling shareholder	258,512	27,380	285,892	628,981	579,964	1,208,945
Total		258,512	27,380	285,892	628,981	579,964	1,208,945

Reasons for connected claim and debt On 28 May 2021, JCC Finance, a wholly-owned subsidiary of the Company, and JCC, the largest shareholder of the Company, entered into the new Financial Services Agreement, the term of which shall be from 1 June 2021 to 31 December 2023. According to the agreement, a proportion of deposits and loans of JCC which were deposited in financial institutions from 1 June 2021 to 31 December 2023 would be transferred to JCC Finance as deposits and loans in accordance with market principles, among which, the daily balance of the transferred loans (referring to comprehensive credit services provided to member companies of JCC Group, including the provision of loans, discounted bills, commercial note acceptance, provision of letters of guarantee, provision of overdraft facility, account receivable factoring and finance lease) would not exceed RMB2.9 billion; and the daily balance of loans should not exceed the daily balance of transferred deposits in order to create "net deposit", and the transferred deposits shall serve as guarantee to the transferred loans.

Impacts of connected claim and debt on the operating results and financial position of the Company JCC transferring the net deposits, constituted actual financial assistance to JCC Finance, supplemented financial resources available to JCC Finance, enhanced the profitability of JCC Finance and hence enhanced the profitability of the Company. JCC Finance and the Company adopt adequate risk control measures to ensure the assets of JCC Finance and the Company would not suffer losses in the connected transaction. The terms of the Financial Services Agreement are fair and reasonable, and in the interest of the Company and its shareholders as a whole.

Significant Events

(V) Financial business between JCC Finance and the controlling shareholder and its subsidiaries (excluding the Group), a connected party

1. Deposit business

Unit: 0'000 Yuan Currency: RMB

Connected party	Relationship of connection	Daily maximum deposit limit	Deposit interest rate range	Opening balance	Amount for the current period		Closing balance
					Total deposit amount of the current period	Total withdrawal amount of the current period	
JCC	Controlling shareholder	Nil	0.35%-3.85%	628,981	9,500,571	8,920,607	1,208,945
Total	/	/	/	628,981	9,500,571	8,920,607	1,208,945

2. Loan business

Unit: 0'000 Yuan Currency: RMB

Connected party	Relationship of connection	Loan Limit	Loan interest rate range	Opening balance	Amount for the current period		Closing balance
					Total loan amount of the current period	Total repayment amount of the current period	
JCC	Controlling shareholder	290,000	2.85%-4.2%	258,512	130,730	103,350	285,892
Total	/	/	/	258,512	130,730	103,350	285,892

Significant Events

3. Credit business or other financial business

Unit: 0'000 Yuan Currency: RMB

Connected party	Relationship of connection	Business types	Total amount	Actual amount incurred
JCC	Controlling shareholder	Credit	524,000	288,003

4. Other explanations

Not applicable

(VI) Other material connected transactions

Not applicable

(VII) Others

Not applicable

VIII. MATERIAL CONTRACTS AND THEIR PERFORMANCE

1. Custody, contract and leases

Not applicable

Significant Events

2. Major guarantees performed and outstanding during the reporting period

Unit: 0'000 Yuan Currency: RMB

External guarantees provided by the Company (excluding those to subsidiaries)

Guarantor	Relationship between the guarantor and the Listed Company	Guaranteed party	Guarantee amount	Effective date of			Guarantee type	Principal debt (if any)	Collateral	Guarantee		Amount overdue	Counter guarantee	Guarantee provided	
				guarantee (date of executing agreement)	Commencement date of guarantee	Expiry date of guarantee				completed or not	Overdue or not			to connected party or not	Relationship of connection
Heding Copper	Controlled subsidiary	Zhejiang Fuyue Group Co., Ltd. (浙江富冶集团有限公司) ("Fuyue Group")	159,400	29 December 2022	1 January 2023	31 December 2024	Joint and several liability guarantee	No	No	No	No	0	Jiangxi Heli Environmental Protection Technologies Co., Ltd. ("Jiangxi Heli") (formerly known as Jiangxi Jinhui Environmental Technology Co., Ltd.), Jiangxi Hefeng Environmental Technology Co., Ltd. ("Jiangxi Hefeng") and Zhejiang Fuhu Zhiye Co., Ltd. ("Zhejiang Fuhu Zhiye") to act as the counter-guarantor of Fuyue Group and undertake counter-guarantee with joint and several liabilities to Heding Copper with all of their own assets.	Yes	Participating shareholders

Total amount of guarantees incurred during the reporting period (excluding those to subsidiaries)	159,400
Total balance of guarantee at the end of the reporting period (A) (excluding those to subsidiaries)	63,760

Guarantees provided by the Company to subsidiaries

Total amount of guarantees for subsidiaries incurred during the reporting period	0
Total balance of guarantees for subsidiaries at the end of the reporting period(B)	0

Total amount of guarantees provided by the Company (including those to subsidiaries)

Total amount of guarantees (A+B)	63,760
Total amount of guarantees over the net assets of the Company (%)	0.81
Including:	
Amount of guarantees provided to shareholders, de facto controllers and their connected parties (C)	0
Amount of debt guarantees directly or indirectly provided to guaranteed parties with a debt to asset ratio exceeding 70% (D)	0
Amount of total guarantees exceeding 50% of net assets (E)	0
Total amount of the above three amount of guarantees (C+D+E)	0

Significant Events

Explanation on guarantee	<ol style="list-style-type: none">1. The above guarantees are all corporate credit guarantees, and do not involve mortgage guarantees, pledge guarantees, etc.;2. The total guarantee amount of the Company includes the balance of external guarantee of the Company and its subsidiaries at the end of the reporting period (excluding the guarantee to the subsidiaries) and the balance of the guarantee of the Company and its subsidiaries to subsidiaries, among which, the balance of guarantee of a subsidiary represents the total external guarantee of that subsidiary multiplied by the proportion of the Company's shareholding in that subsidiary.
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1. On 30 December 2022, the Company's eighteenth meeting of the ninth session of the Board considered and approved the external guarantee of Heding Copper, a controlled subsidiary of the Company (holding 40% of the shares). In order to meet the needs of the actual production and operation of Heding Copper and reduce the financing cost, Heding Copper and Fuye Group intended to further increase mutual financing support. With Heding Copper acting as Party A, Fuye Group acting as Party B, Jiangxi Heli, Jiangxi Hefeng and Zhejiang Fuhe Zhiye acting as Party C, the parties entered into the Mutual Guarantee Agreement after negotiation, agreeing that during the period from 1 January 2023 to 31 December 2024, the annual accumulated balance of mutual guarantee (i.e., the daily balance limit) of Party A and Party B shall not exceed RMB2,550 million. For the avoidance of doubt, the guarantee balance of the guarantee contracts signed by Party A and Party B before 1 January 2023 that are and will be still valid during the above period are also included in the maximum limit for the year. The time limit for signing each bank loan contract is from 1 January 2023 to 31 December 2023, and the loan period for each loan business shall not exceed 12 months. Party C acted as the counter-guarantor of Fuye Group and undertook counter-guarantee with joint and several liabilities to Heding Copper with all of their own assets.
2. Within the scope of the Mutual Guarantee Agreement, Fuye Group provided a credit guarantee in the amount of RMB2,550 million and an additional credit guarantee in the amount of RMB3,312.72 million to Heding Copper, totaling RMB5,862.72 million in credit guarantees.

3. Other material contracts

Not applicable

Significant Events

IX. AUDIT COMMITTEE

The Company has convened an Audit Committee meeting at which the unaudited interim condensed consolidated financial statements and the interim report of the Company for the reporting period were considered and approved.

X. CODE ON CORPORATE GOVERNANCE PRACTICES

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

To the knowledge of the Board, the Company has been in full compliance with all the code provisions under Part 2 of the Corporate Governance Code (the “**Code**”) as set out in Appendix 14 to the Listing Rules during the reporting period, with the exception of the following deviation:

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 Directors have not been made as required under code provision C.1.8 of the Code.

XI. PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the reporting period, the Company has not repurchased any of its listed securities. Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company during the reporting period.

XII. 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 (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules. Having made specific enquiries to all Directors and Supervisors, the Company confirms that all the Directors and Supervisors have complied with the requirements of the Model Code during the reporting period.

Significant Events

XIII. CAPITAL STRUCTURE OF THE GROUP

The existing loans and cash and cash equivalents of the Group are denominated in RMB, USD and HKD which are the currencies used for respective businesses. The main sources of fund of the Company are cash inflows generated from normal operating activities such as sales of products and the liquidity loans borrowed from banks, which are mainly used as funds required for the purchase of raw materials and spare parts for products and the repayment of bank borrowings upon maturity.

To strengthen financial control, the Company formulated a series of rules and policies, including the Administrative Measures for the Use of Large Amount of Fund (《大額資金使用管理辦法》), the Administrative Measures for the Fund of Jiangxi Copper Company Limited (《江西銅業股份有限公司資金管理辦法》), the Administrative System for the Fund of Jiangxi Copper Company Limited (《江西銅業股份有限公司資金管理制度》) and the Interim Measures for the Accounting of Hedging of Copper Futures of the Company (《公司銅期貨套期保值會計核算暫行辦法》).

The Company mainly locks in forward exchange rates to prevent adverse effects from the fluctuation of exchange rates by using foreign exchange derivatives, including the lock-in of the exchange rate of future financial liabilities upon maturity under forward and swap contracts.

XIV. CHARGES ON GROUP ASSETS

Details in relation to charges on the Group's assets are set out on pages 30 to 31 of this report.

XV. GEARING RATIO

The gearing ratio of the Company is 47%. The gearing ratio is calculated as the division of total liabilities by total equity attributable to owners of the Company in the condensed consolidated statement of financial position set out in this interim report.

Significant Events

XVI. FOREIGN EXCHANGE RISK

The reporting currency of the Group is Renminbi (“**RMB**”). Where any transactions in foreign currencies of the Company occurred, amounts in foreign currencies are translated into RMB at the median price of the exchange rates announced by the State Administration of Foreign Exchange on the date of transaction. Year-end balance in foreign currency account are translated in RMB based on the enquiries of the State Administration of Foreign Exchange at the year end.

Although currently RMB is not a freely convertible currency in China, the PRC government is taking initiatives for exchange reform and to adjust exchange rates. Therefore, exchange rate fluctuations in RMB will have an impact on the Group’s balance of foreign exchange revenue and spending or dividends payable denominated in Hong Kong dollars or other currencies. However, the Group believes that it is able to obtain sufficient foreign exchange to satisfy its foreign exchange revenue and spending.

The Group’s operations are mainly in the PRC. Except for export sales, which are mainly transacted in US dollars, the Group currently receives its payment for goods mainly in RMB. The Group’s exposure to foreign exchange risk results primarily from the sales business and purchase of foreign raw materials denominated in foreign currencies.

XVII. CONTINGENT LIABILITIES

Not applicable

XVIII. DESCRIPTION ON OTHER MATERIAL MATTERS

Not applicable

Changes in Share Capital and Shareholders

I. TABLE OF CHANGES IN SHARES

(I) Table of changes in shares

1. Table of changes in shares

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

2. Explanation on changes in shares

Not applicable

3. Impact of changes in shares on earnings per share, net assets per share and other financial indicators, if any, subsequent to the reporting period and up to the date of disclosure of the interim report

Not applicable

4. Other information to be disclosed as deemed necessary by the Company or as required by securities regulators

Not applicable

(II) Changes in shares subject to lock-up

Not applicable

Changes in Share Capital and Shareholders

II. THE NUMBER OF SHAREHOLDERS AND SHAREHOLDINGS

(I) Total number of shareholders

Total number of ordinary shareholders at the end of the reporting period	127,944
Total number of preference shareholders with voting rights restored at the end of the reporting period	0

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

Shareholdings of the top ten shareholders

Unit: Share

Name of shareholder (full name)	Increase/decrease during the reporting period	Number of shares held at the end of the reporting period	Percentage (%)	Number of shares held subject to lock-up	Pledge, marking or freeze Share status	Number	Nature of shareholder
JCC	978,500	1,513,720,310	43.71	0	Nil	0	State-owned legal person
HKSCC Nominees Limited ("HKSCC")	86,908	1,073,506,922	31.00	0	Unknown	0	Overseas legal person
Hong Kong Securities Clearing Company Limited	20,816,100	108,265,010	3.00	0	Nil	0	Overseas legal person
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	0	103,719,909	3.00	0	Nil	0	Unknown
National Social Insurance Fund No. 118 Portfolio (全國社保基金一一八組合)	19,440,038	19,440,038	0.56	0	Nil	0	Unknown
Yang Weiyu	0	16,051,051	0.46	0	Nil	0	Unknown
Yuanxin Yongfeng Fund – Kunlun Health Insurance Company Limited – Yuanxin Yongfeng Preferred Gold Stock 2 Single Asset Management Plan (圓信永豐基金－昆侖健康保險股份有限公司－圓信永豐優選金股2號單一資產管理計劃)	0	6,713,613	0.19	0	Nil	0	Unknown
Liu Ding	0	4,160,451	0.12	0	Nil	0	Unknown
Industrial and Commercial Bank of China Limited – Huatai-PB CSI 300 Open-ended Index Fund (中國工商銀行股份有限公司－華泰柏瑞滬深300交易型開放式指數證券投資基金)	-127,000	3,851,129	0.11	0	Nil	0	Unknown
Industrial and Commercial Bank of China Limited – Southern CSI Shenwan Non-ferrous Metals Trading Open-ended Index Fund (中國工商銀行股份有限公司－南方中證申萬有色金屬交易型開放式指數證券投資基金)	974,825	3,489,819	0.10	0	Nil	0	Unknown

Changes in Share Capital and Shareholders

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	1,513,720,310	Ordinary shares denominated in RMB (A shares)	1,205,263,310
		Overseas listed foreign shares (H shares)	308,457,000
HKSCC	1,073,506,922	Overseas listed foreign shares (H shares)	1,073,506,922
Hong Kong Securities Clearing Company Limited	108,265,010	Ordinary shares denominated in RMB (A shares)	108,265,010
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	103,719,909	Ordinary shares denominated in RMB (A shares)	103,719,909
National Social Insurance Fund No. 118 Portfolio (全國社保基金一一八組合)	19,440,038	Ordinary shares denominated in RMB (A shares)	19,440,038
Yang Weiyu	16,051,051	Ordinary shares denominated in RMB (A shares)	16,051,051
Yuanxin Yongfeng Fund – Kunlun Health Insurance Company Limited – Yuanxin Yongfeng Preferred Gold Stock 2 Single Asset Management Plan (圓信永豐基金－昆侖健康保險股份有限公司－圓信永豐優選金股2號單一資產管理計劃)	6,713,613	Ordinary shares denominated in RMB (A shares)	6,713,613
Liu Ding	4,160,451	Ordinary shares denominated in RMB (A shares)	4,160,451
Industrial and Commercial Bank of China Limited – Huatai-PB CSI 300 Open-ended Index Fund (中國工商銀行股份有限公司－華泰柏瑞滬深300交易型開放式指數證券投資基金)	3,851,129	Ordinary shares denominated in RMB (A shares)	3,851,129
Industrial and Commercial Bank of China Limited – Southern CSI Shenwan Non-ferrous Metals Trading Open-ended Index Fund (中國工商銀行股份有限公司－南方中證申萬有色金屬交易型開放式指數證券投資基金)	3,489,819	Ordinary shares denominated in RMB (A shares)	3,489,819
The explanation on special repurchase accounts of top ten shareholders	Nil		
The explanation on entrusting/being entrusted voting rights or waiving voting rights of the aforesaid shareholders	Nil		
The explanation on the connected relationship or parties acting in concert among the aforesaid shareholders	Nil		
The explanation on preference shareholders with restored voting rights and their shareholding	Nil		

Changes in Share Capital and Shareholders

Notes:

1. HKSCC held a total of 1,073,506,922 H shares of the Company in the capacity of nominee on behalf of a number of customers, representing approximately 31.00% of the issued share capital of the Company. HKSCC is a member of the Central Clearing and Settlement System, providing registration and custodial services for customers.
2. The 308,457,000 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 1,381,963,922 shares as nominee, representing approximately 39.91% of the issued share capital of the Company.
3. During the reporting period, JCC, the controlling shareholder, commenced securities lending business. The increase in number of shares held by JCC in the above table during the reporting period was in fact the number of shares returned from the securities lending.
4. As at 30 June 2023, the net securities lending from JCC was 215,800 A shares. If the number of securities lending is included, the actual holding of JCC is 1,513,936,110 shares, representing approximately 43.72% of the issued share capital.

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

Not applicable

(III) Strategic investors or ordinary legal persons who become the top ten shareholders due to the placement of new shares

Not applicable

Changes in Share Capital and Shareholders

(IV) Shareholders' interests and short positions

As at 30 June 2023, 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 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 shares (%)
JCC (Note 2)	A shares	Beneficial owner	1,205,479,110(L)	58.09(L)	34.81(L)
Jiangxi State-Owned Capital Operation Holdings Group Co. Ltd. (江西省國有資本運營控股集團有限公司) (Note 2)	A shares	Interest of corporation controlled by you	1,205,479,110(L)	58.09(L)	34.81(L)
JCC (Notes 2 and 3)	H shares	Beneficial owner	308,457,000(L)	22.23(L)	8.90(L)
Jiangxi State-Owned Capital Operation Holdings Group Co. Ltd. (江西省國有資本運營控股集團有限公司) (Notes 2 and 3)	H shares	Interest of corporation controlled by you	308,457,000(L)	22.23(L)	8.90(L)
Brown Brothers Harriman & Co.	H shares	Approved lending agent	76,397,733(L) 76,397,733(P)	5.51(L) 5.51(P)	2.21(L) 2.21(P)

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

Note 2: As at 30 June 2023, JCC was held as to 90% by Jiangxi State-Owned Capital Operation Holdings Group Co. Ltd.. As such, Jiangxi State-Owned Capital Operation Holdings Group Co. Ltd. was deemed to be interested in the shares interested by JCC.

Note 3: The 308,457,000 H shares held by JCC were registered with HKSCC. During the reporting period, JCC commenced its securities lending business, and the above table includes the 215,800 A shares lent.

Changes in Share Capital and Shareholders

(V) Directors, Supervisors and senior management

1. Changes in shareholdings of existing and resigned Directors, Supervisors and senior management during the reporting period

Not applicable

Other explanations

Not applicable

2. Details of the equity incentives granted to Directors, Supervisors and senior management during the reporting period

Not applicable

3. Other explanations

Not applicable

(VI) Changes in controlling shareholder and de facto controller

Not applicable

Directors, Supervisors, Senior Management and Employees

I. Shareholdings of Directors, Supervisors and Senior Management

As at 30 June 2023, none of the Directors, Supervisors or chief executive of the Company had any interests or short positions in any shares, underlying shares and debentures of the Company or any associated corporations as recorded in the register of the Company required to be kept under section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code set out in Appendix 10 to the Listing Rules.

II. Employees of the Company and Its Major Subsidiaries

(I) Employee Information as at 30 June 2023

Number of in-service employees in the Company	11,877
Number of in-service employees in major subsidiaries	14,645
Total number of in-service employees	26,522
Number of retired employees whose expenses shall be borne by the Company and major subsidiaries	0

Specialty composition

Category	Headcount	Percentage
Production	17,675	66.64%
Sales	492	1.86%
Technician	3,847	14.50%
Finance	600	2.26%
Administration	3,908	14.73%
Total	26,522	100.00%

Education level

Category	Headcount	Percentage
Doctorate	124	0.47%
Master	882	3.33%
Undergraduate	5,702	21.50%
Post-secondary	5,595	21.10%
Technical secondary	967	3.65%
Technical school	3,336	12.58%
High school and below	9,916	37.39%
Total	26,522	100.00%

Directors, Supervisors, Senior Management and Employees

Age

Age	Headcount	Percentage
35 and below	8,652	32.62%
36 to 45	7,256	27.36%
46 to 55	7,026	26.49%
56 and above	3,588	13.53%
Total	26,522	100.00%

(II) Remuneration Policy

During the reporting period, the total remuneration of employees of the Company amounted to RMB1,073,460,911.03. The Company continued to adopt a position-performance remuneration mechanism and based on the principle of division of labour, made remuneration distribution according to value of position, work techniques and results. Staff remunerations, mainly including position salaries, performance salaries and other welfare, were released based on assessment with references to operating performance of the Company, management obligation, etc.

(III) Training Scheme

The Company will formulate a practical training scheme by integrating development strategies as well as production and operation mission of the Company, so as to provide talent support and guarantee for realisation of new strategic targets of the Company. The Company has established three development paths for talents in management, professional techniques and skills for employees to raise the overall quality of staff members of the Company. The Company has established a series of regulatory system on training such as the Administrative Measures of Jiangxi Copper Company Limited on Staff Education and Training (《江西銅業股份有限公司員工教育培訓管理辦法》) and the Administrative Measures on Training Fund (《培訓經費管理辦法》), and strives to build an all-round, multi-perspective and multi-functional staff education and training system based on “learning, evaluation and practice” for the purpose of creating a career promotion and development platform, on which employees are assigned to positions based on their strengths in fair competition.

Corporate Bonds

I. ENTERPRISE BONDS, CORPORATE BONDS AND NON-FINANCIAL ENTERPRISE DEBT FINANCING INSTRUMENTS

(I) Enterprise bonds

Not applicable

(II) Corporate bonds

1. Basic Information of Corporate Bonds

Unit: hundred million Yuan Currency: RMB

Name of bonds	Abbreviation	Code	Issue date	Value date	Maturity date	Bonds balance	Interest rate (%)	Repayment of principal and interest	Trading venue	Arrangement to ensure the suitability of investors (if any)	Whether there is any risk of termination of listing and trading
2022 Corporate Bonds (First Tranche) publicly issued to professional investors by Jiangxi Copper Company Limited	22 JCC 01	137816	14 September 2022	15 September 2022	15 September 2025	20	2.67	The interest is payable on a yearly basis and the principal is payable upon maturity	SSE	Nil	No

The Company's response to the risk of the termination of listing and trading of the bonds

Not applicable

Overdue bonds

Not applicable

Explanation on overdue debts

Not applicable

Corporate Bonds

2. The trigger and operation of issuer or investor option terms and investor protection terms

For details, please refer to the “Announcement of Issuance Results of the 2022 Corporate Bonds (First Tranche) Publicly Issued to Professional Investors by Jiangxi Copper Company Limited” disclosed by the Company on the website of the SSE on 9 September 2022.

3. Adjustment to credit rating results

Not applicable

4. Implementation and changes in guarantees, debt repayment plan and other debt repayment protection measures during the reporting period and their impact

Not applicable

5. Other information on corporate bonds

Not applicable

(III) Inter-bank bond market non-financial enterprise debt financing instruments

Not applicable

(IV) The Company’s loss within the scope of consolidated statements during the reporting period exceeded 10% of the net assets as at the end of last year

Not applicable

Corporate Bonds

(V) **Accounting data and financial indicators as at the end of the reporting period and the end of last year (or the current reporting period and the corresponding period of last year)**

Unit: Yuan Currency: RMB

Major indicators	As at the end of the current reporting period	As at the end of last year	Increase/decrease from the end of last year (%)
Liquidity ratio	1.31	1.32	-0.76
Quick ratio	0.93	0.80	16.25
Asset-liability ratio (%)	58.68	51.02	7.66

	As at the current reporting period (January to June)	As at the corresponding period of last year	Increase/decrease from the corresponding period of last year (%)
Net profit after the non-recurring profit and loss	2,704,242,203	2,756,439,259	-1.89
EBITDA total debt ratio	18.24	14.99	21.68
Interest coverage ratio	4.82	5.16	-6.59
Cash interest coverage ratio	6.31	7.48	-15.64
EBITDA interest coverage ratio	6.01	6.38	-5.80
Loan repayment rate (%)	100	100	0.00
Interest repayment rate (%)	382	416	-8.17

II. PARTICULARS OF CONVERTIBLE BOND OF THE COMPANY

Not applicable

INDEPENDENT REVIEW REPORT

To the board of directors of Jiangxi Copper Company Limited
(Incorporated in the People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 89 to 148, which comprises the condensed consolidated statement of financial position of Jiangxi Copper Company Limited (the "Company") and its subsidiaries (the "Group") as at 30 June 2023 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") issued by the International Accounting Standards Board (the "IASB"). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young
Certified Public Accountants

Hong Kong
25 August 2023

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2023

	Notes	2023 (Unaudited) RMB'000	2022 (Unaudited) RMB'000
REVENUE	5	266,749,635	254,587,825
Cost of sales		(260,861,023)	(248,404,150)
Gross profit		5,888,612	6,183,675
Other income	5	1,150,567	757,134
Other gains and losses, net	6	360,771	1,105,794
Selling and distribution expenses		(186,735)	(173,248)
Administrative expenses		(1,722,902)	(1,687,881)
Impairment losses on financial assets, net		94,436	(132,954)
Finance costs		(1,145,275)	(1,125,924)
Share of profits and losses of:			
Joint ventures		(10,858)	(15,304)
Associates		46,570	(128,576)
PROFIT BEFORE TAX	7	4,475,186	4,782,716
Income tax	8	(746,906)	(915,413)
PROFIT FOR THE PERIOD		3,728,280	3,867,303
Attributable to:			
Owners of the Company		3,472,301	3,595,912
Non-controlling interests		255,979	271,391
		3,728,280	3,867,303
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY:			
– Basic and diluted	10	RMB1.00	RMB1.04

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2023

	2023 (Unaudited) RMB'000	2022 (Unaudited) RMB'000
PROFIT FOR THE PERIOD	3,728,280	3,867,303
OTHER COMPREHENSIVE INCOME		
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	22,606	-
Income tax effect	(5,652)	-
	16,954	-
Exchange differences on translation of foreign operations	245,978	80,280
Share of other comprehensive loss of joint ventures	(2,016)	(455)
Share of other comprehensive income of associates	108,138	114,891
	352,100	194,716
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods, net of tax	369,054	194,716
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/(loss):		
Changes in fair value	3,313,644	(3,090,391)
Income tax effect	62	6
	3,313,706	(3,090,385)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2023

	2023 (Unaudited) RMB'000	2022 (Unaudited) RMB'000
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods, net of tax	3,313,706	(3,090,385)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	3,682,760	(2,895,669)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	7,411,040	971,634
Attributable to:		
Owners of the Company	7,055,533	683,666
Non-controlling interests	355,507	287,968
	7,411,040	971,634

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2023

		30 June 2023 (Unaudited) RMB'000	31 December 2022 (Audited) RMB'000
	<i>Notes</i>		
Non-current assets			
Property, plant and equipment	11	30,107,608	27,076,033
Investment properties		866,397	882,327
Right-of-use assets		3,973,021	3,994,949
Goodwill		1,323,589	1,295,674
Other intangible assets		3,649,463	3,711,200
Exploration and evaluation assets		593,139	592,956
Investments in joint ventures		42,415	112,691
Investments in associates		5,107,640	4,993,702
Financial instruments other than derivatives	12	24,102,846	19,728,456
Deferred tax assets		661,088	695,213
Prepayments, other receivables and other assets		1,013,200	1,215,986
Deposits for prepaid lease payments		637,867	650,931
Loans to related parties	22	248,949	556,885
Time deposits	15	2,482,101	1,278,953
Restricted bank deposits	15	2,626,539	3,856,316
Total non-current assets		77,435,862	70,642,272
Current assets			
Inventories		38,932,355	38,061,773
Trade and bills receivables	14	6,781,905	6,591,889
Factoring receivables		303,993	303,993
Prepayments, other receivables and other assets		14,547,541	9,481,141
Loans to related parties	22	2,591,230	1,976,932
Financial instruments other than derivatives	12	13,186,323	4,548,013
Derivative financial instruments	13	520,907	503,626
Time deposits	15	475,373	–
Restricted bank deposits	15	32,560,731	20,472,033
Cash and cash equivalents	15	25,900,159	14,727,876
		135,800,517	96,667,276
Assets classified as held for sale		–	20,992
Total current assets		135,800,517	96,688,268

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2023

		30 June 2023 (Unaudited) RMB'000	31 December 2022 (Audited) RMB'000
	<i>Notes</i>		
Current liabilities			
Trade and bills payables	16	12,834,035	13,825,254
Derivative financial instruments	13	626,411	1,461,805
Other payables and accruals		10,086,992	7,756,148
Dividend payable		1,731,365	–
Deposits from holding company and fellow subsidiaries		12,300,194	6,408,659
Deferred revenue		65,485	65,273
Interest-bearing bank borrowings	17	65,360,513	42,363,005
Corporate bonds	18	75,987	56,150
Lease liabilities		97,465	180,321
Tax payable		501,092	1,090,665
Total current liabilities		103,679,539	73,207,280
Net current assets		32,120,978	23,480,988
Total assets less current liabilities		109,556,840	94,123,260
Non-current liabilities			
Corporate bonds	18	4,981,274	3,500,000
Interest-bearing bank borrowings	17	14,239,964	6,256,716
Deposits from holding company and fellow subsidiaries		17,102	31,267
Lease liabilities		26,241	19,791
Deferred tax liabilities		353,614	330,295
Provision for rehabilitation		286,136	356,986
Employee benefit liabilities		15,069	15,069
Deferred revenue		453,014	476,538
Other non-current liabilities		1,067,987	1,186,441
Total non-current liabilities		21,440,401	12,173,103
Net assets		88,116,439	81,950,157

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2023

	<i>Notes</i>	30 June 2023 (Unaudited) RMB'000	31 December 2022 (Audited) RMB'000
Equity			
Equity attributable to owners of the parent			
Share capital		3,462,729	3,462,729
Reserves		75,380,089	70,055,921
		78,842,818	73,518,650
Non-controlling interests		9,273,621	8,431,507
Total equity		88,116,439	81,950,157

Approved on behalf of the board of directors:

Mr. Zheng Gaoqing
Director

Mr. Yu Tong
Director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

For the six months ended 30 June 2023

	Attributable to owners of the company										Non-controlling interests	Total
	Share capital	Share premium	Capital reserve	Other reserve	Statutory surplus reserve	Discretionary surplus reserve	Safety fund surplus reserve	Translation reserve	Retained profits	Sub-total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2022 (audited)	3,462,729	12,647,502	(1,429,703)	10,443,157	5,492,319	9,647,574	411,521	515,200	32,328,351	73,518,650	8,431,507	81,950,157
Profit for the period	-	-	-	-	-	-	-	-	3,472,301	3,472,301	255,979	3,728,280
Other comprehensive income for the period												
Equity investments at fair value through other comprehensive income	-	-	-	3,313,902	-	-	-	-	-	3,313,902	(196)	3,313,706
Debt investments at fair value through other comprehensive income	-	-	-	16,954	-	-	-	-	-	16,954	-	16,954
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	146,254	-	146,254	99,724	245,978
Share of other comprehensive loss of joint ventures	-	-	-	-	-	-	-	(2,016)	-	(2,016)	-	(2,016)
Share of other comprehensive income of associates	-	-	-	-	-	-	-	108,138	-	108,138	-	108,138
Total comprehensive income for the period	-	-	-	3,330,856	-	-	-	252,376	3,472,301	7,055,533	355,507	7,411,040
Contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	-	423,274	423,274
Disposal of a subsidiary (note 19)	-	-	-	-	-	-	-	-	-	-	63,333	63,333
Final 2022 dividend declared	-	-	-	-	-	-	-	-	(1,731,365)	(1,731,365)	-	(1,731,365)
Transfer from retained profits	-	-	-	-	-	-	112,837	-	(112,837)	-	-	-
At 30 June 2023 (unaudited)	3,462,729	12,647,502	(1,429,703)	13,774,013	5,492,319	9,647,574	524,358	767,576	33,956,450	78,842,818	9,273,621	88,116,439

* These reserve accounts comprise the consolidated reserves of RMB75,380,089,000 (31 December 2022: RMB70,055,921,000) in the consolidated statement of financial position.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

For the six months ended 30 June 2022

	Attributable to owners of the company										Non-controlling interests	Total
	Share capital	Share premium	Capital reserve	Other reserve	Statutory surplus reserve	Discretionary surplus reserve	Safety fund surplus reserve	Translation reserve	Retained profits	Sub-total		
	RMB'000	RMB'000*	RMB'000*	RMB'000*	RMB'000*	RMB'000*	RMB'000*	RMB'000*	RMB'000*	RMB'000	RMB'000	RMB'000
At 31 December 2021 (audited)	3,462,729	12,647,502	(1,346,444)	11,219,531	5,125,490	9,647,574	404,009	205,880	28,432,581	69,798,852	8,011,074	77,809,926
Profit for the period	-	-	-	-	-	-	-	-	3,595,912	3,595,912	271,391	3,867,303
Other comprehensive income for the period												
Equity investments at fair value through other comprehensive income	-	-	-	(3,090,365)	-	-	-	-	-	(3,090,365)	(20)	(3,090,385)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	63,683	-	63,683	16,597	80,280
Share of other comprehensive loss of joint ventures	-	-	-	-	-	-	-	(455)	-	(455)	-	(455)
Share of other comprehensive income of associates	-	-	-	-	-	-	-	114,891	-	114,891	-	114,891
Total comprehensive income for the period	-	-	-	(3,090,365)	-	-	-	178,119	3,595,912	683,666	287,968	971,634
Contribution from non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	175,000	175,000
Disposal of a subsidiary	-	-	-	-	-	-	-	-	-	-	(2,607)	(2,607)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(29,164)	(29,164)
Final 2021 dividend declared	-	-	-	-	-	-	-	-	(1,731,365)	(1,731,365)	-	(1,731,365)
Transfer from retained profits	-	-	-	-	-	-	129,353	-	(129,353)	-	-	-
Others	-	-	(83,259)	-	-	-	-	-	-	(83,259)	83,259	-
At 30 June 2022 (unaudited)	3,462,729	12,647,502	(1,429,703)	8,129,166	5,125,490	9,647,574	533,362	383,999	30,167,775	68,667,894	8,525,530	77,193,424

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023

	<i>Notes</i>	2023 (Unaudited) RMB'000	2022 (Unaudited) RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		4,475,186	4,782,716
Adjustments for:			
Finance costs		1,145,275	1,125,924
Foreign exchange gains, net	6	(154,720)	(234,906)
(Gains)/losses on other financial instruments, net:			
– Financial products and listed debentures	6	(46,986)	(59,259)
– Listed equity investments	6	–	13,091
– Gold lease contracts	6	–	(6,037)
Net gains on disposal of items of property, plant and equipment	6	(22,937)	(2,001)
Fair value losses/(gains), net:			
– Derivative financial instruments	6	(307,494)	(984,235)
– Listed equity investments	6	(13,311)	153,341
– Unlisted equity investments	6	(8,641)	24,483
– Income right attached to a target equity interest	6	–	6,550
– Financial products and listed debentures	6	(106,091)	(33,601)
– Gold lease contracts	6	–	9,670
Provision for/(reversal of) impairment of:			
– Trade and bills receivables	7	(100,123)	17,691
– Factoring receivables	7	(2,504)	–
– Prepayment, other receivables and other assets	7	1,717	123,738
– Loans to related parties	7	6,474	(6,427)
– Treasury bonds	7	–	(2,048)
– Property, plant and equipment	7	–	78,452
– Interests in a joint venture	7	57,403	–
Provision for impairment of inventories to net realisable value	7	194,046	1,994,871

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023

	<i>Notes</i>	2023 (Unaudited) RMB'000	2022 (Unaudited) RMB'000
Depreciation/amortisation of:			
– Property, plant and equipment	7	1,062,709	1,063,164
– Right-of-use assets	7	145,915	160,845
– Investment properties	7	15,930	10,906
– Other intangible assets	7	138,730	119,547
Dividend income from equity investments	5	(98,131)	(22,772)
Share of losses/(gains) of joint ventures and associates		(35,712)	143,880
Gain on disposal of interests in a subsidiary	6	(21,591)	(13,458)
Gain on disposal of Interests in associates or joint ventures	6	(13,162)	(172,218)
Unwinding of an interest in rehabilitation provision		(672)	5,404
Deferred revenue released to the statement of profit or loss		(39,495)	(37,901)
		6,271,815	8,259,410
Increase in inventories		(1,063,052)	(1,389,329)
Increase in trade and bills receivables		(86,539)	(1,013,863)
Decrease in factoring receivables		2,504	32,188
Increase in prepayments, other receivables and other assets		(3,249,047)	(4,284,216)
Increase in derivative financial instruments		(528,684)	(897,275)
Increase in loans to related parties		(312,836)	(470,566)
Increase in restricted bank deposits		386,876	3,214,709
(Decrease)/increase in trade and bills payables		(985,131)	4,031,214
Increase in other payables and accruals		1,430,730	145,693
Increase in deposits from holding company and fellow subsidiaries		5,877,370	431,428
Cash generated from operations		7,744,006	8,059,393
Income tax paid		(1,279,035)	(720,185)
Net cash flows from operating activities		6,464,971	7,339,208

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 june 2023

	2023 (Unaudited) RMB'000	2022 (Unaudited) RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of financial investments	3,250,644	7,760,792
Proceeds from disposal of property, plant and equipment	28,292	65,516
Proceeds from disposal of right-of-use assets	–	20,273
Proceeds from disposal of other intangible assets	–	265
Proceeds from/(payments for) disposal of a subsidiary	(854)	61,410
Proceeds from disposal of an associate	–	181,910
Additional investments in associates	(53,739)	(57,102)
Additions to right-of-use assets	(90,317)	(34,929)
Purchases of financial investments	(16,260,522)	(17,412,069)
Purchases of property, plant and equipment	(2,827,702)	(1,575,711)
Additions to exploration and evaluation assets	(183)	(14,693)
Additions to other intangible assets	(61,236)	(106,202)
Purchases of investment properties	–	(2,464)
Dividend received from associates	42,414	6,231
Dividend received from a joint venture	–	15,000
Acquisition of subsidiaries and business combinations	(137,485)	–
Net cash used in investing activities	(16,110,688)	(11,091,773)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023

	2023 (Unaudited) RMB'000	2022 (Unaudited) RMB'000
CASH FLOWS FROM FINANCING ACTIVITIES		
New bank and other borrowings	77,056,985	67,240,646
Proceeds from issue of bonds	1,478,360	1,000,000
Collection of pledged time deposits to secure bank borrowings	(25,458,960)	(18,120,567)
Principal portion of lease payments	(88,678)	(100,164)
Repayment of bank and other borrowings	(32,070,437)	(42,225,629)
Dividends paid to non-controlling interests	–	(29,164)
Interest paid	(870,866)	(746,883)
Contribution from non-controlling interests	423,273	175,000
Net cash generated from financing activities	20,469,677	7,193,239
Net increase in cash and cash equivalents	10,823,960	3,440,674
Cash and cash equivalents at beginning of year	14,727,876	21,295,290
Effect of foreign exchange rate changes, net	348,323	366,700
Cash and cash equivalents at end of period	25,900,159	25,102,664

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2023

1. CORPORATE INFORMATION

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 15 Yejin Avenue, Guixi City, Jiangxi, the PRC. In the opinion of the directors, the Company’s ultimate holding company is JCC, a State-owned enterprise established in the PRC, the Company’s penultimate controlling party is Jiangxi State-owned Capital Operation Holding Group Co. Ltd, and the ultimate controlling party is the State-owned Assets Supervision and 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 chemicals as well as finance and trading fields. The Group has established a complete industrial chain integrated with exploration, mining, ore dressing, smelting and processing in copper and related non-ferrous metal fields, and it is the important production base of copper, gold, silver and sulphuric chemicals in the PRC. The Group has more than 50 varieties of main products, such as copper cathode, gold, silver, sulphuric acid, copper rod, copper tube, copper foil, selenium, tellurium, rhenium, bismuth.

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

2.1. Basis of Preparation

The interim condensed consolidated financial information for the six months ended 30 June 2023 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2022.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2023

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

2.2 Changes in Accounting Policies and Disclosures

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of the following new and revised International Financial Reporting Standards ("IFRSs") for the first time for the current period's financial information.

IFRS 17	<i>Insurance Contracts</i>
Amendments to IFRS 17	<i>Insurance Contracts</i>
Amendments to IAS 1 and IFRS Practice statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to IAS 8	<i>Definition of Accounting Estimates</i>
Amendments to IAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to IAS 12	<i>International Tax Reform – Pillar Two Model Rules</i>

The nature and impact of the new and revised IFRSs that are applicable to the Group are described below:

- (a) Amendments to IAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to IFRS Practice Statement 2 provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has applied the amendments since 1 January 2023. The amendments did not have any impact on the Group's interim condensed consolidated financial information but are expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements.
- (b) Amendments to IAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. The Group has applied the amendments to changes in accounting policies and changes in accounting estimates that occur on or after 1 January 2023. Since the Group's policy of determining accounting estimates aligns with the amendments, the amendments did not have any impact on the financial position or performance of the Group.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2023

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

2.2. Changes in Accounting Policies and Disclosures (Continued)

- (c) Amendments to IAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in IAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The Group has recognized the deferred tax liabilities and deferred tax assets on temporary differences related to leases and decommissioning obligations previously. The amendments did not have any impact on the financial position or performance of the Group.
- (d) Amendments to IAS 12 *International Tax Reform – Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. Entities are required to disclose the information relating to their exposure to Pillar Two income taxes in annual periods beginning on or after 1 January 2023 but are not required to disclose such information for any interim periods ending on or before 31 December 2023. The Group has applied the amendments retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to the Group.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2023

3. BUSINESS COMBINATION

Acquisition of Jiangxi Wantong Environmental Protection Material Co., Ltd.

On 1 March 2023, the Group acquired a 55.3% interest in Jiangxi Wantong Environmental Protection Material Co., Ltd. (江西萬銅環保材料有限公司) (“Wantong Environmental”) from third parties. Before the acquisition, Wantong Environmental was an associate of the Group. After the acquisition, the Group owned 100% interests of Wantong Environmental and consolidated it as a subsidiary since 1 March 2023. The acquisition was made as part of the Group’s strategy to expand and strengthen the ecological restoration of mining business. The purchase consideration for the acquisition was RMB166,021,000 in the form of cash.

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

	1 March 2023 Provisional fair value RMB’000
Non-current assets	272,922
Including: Property, plant and equipment	234,879
Other intangible assets	38,043
Current assets	36,491
Total assets	309,413
Non-current liabilities	(20,000)
Current liabilities	(17,110)
Total liabilities	(37,110)
Total identifiable net assets at fair value	272,303
Goodwill on acquisition (provisional)	27,915
	300,218
Satisfied by	
Cash	166,021
Fair value of interest in Wantong Environmental before the acquisition	134,197
	300,218

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2023

3. BUSINESS COMBINATION (CONTINUED)

Acquisition of Jiangxi Wantong Environmental Protection Material Co., Ltd. (Continued)

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

	<i>RMB'000</i>
Cash consideration paid in the period	(166,021)
Cash and bank balances acquired	28,536
<hr/>	
Net outflow of cash and cash equivalents included in cash flows from investing activities	(137,485)
Transaction costs of the acquisition included in cash flows from operating activities	(350)
<hr/>	
	(137,835)

The fair values disclosed are provisional as at 30 June 2023. The finalisation of the valuation work required to determine the fair values of the assets and liabilities acquired will be completed within 12 months of the acquisition date, at the latest.

The fair values of the trade receivables and other receivables as at the date of acquisition amounted to RMB3,353,000 and RMB977,000, respectively. The gross contractual amounts of trade receivables and other receivables were RMB5,890,000 and RMB983,000, respectively, of which RMB2,536,000 and RMB6,000 impairment provision provided, respectively.

The Group incurred transaction costs of RMB350,000 for this acquisition. These transaction costs have been expensed and are included in other expenses in the interim condensed consolidated statement of profit or loss.

Since the acquisition, Wantong Environmental contributed RMB29,254,000 to the Group's revenue and net loss of RMB2,559,000 to the consolidated profit for the six months period ended 30 June 2023.

Had the combination taken place at the beginning of the year, the revenue and the loss of Wantong Environmental included in the statement of profit or loss of the Group for the period would have been RMB39,519,000 and RMB3,898,000, respectively.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2023

4. OPERATING SEGMENT INFORMATION

For management purposes, 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.

Six months ended 30 June 2023	Copper related business RMB’000	Gold related business RMB’000	Total RMB’000
Segment revenue			
Sales to external customers	235,252,270	31,497,365	266,749,635
Intersegment sales	23,301	598,583	621,884
	235,275,571	32,095,948	267,371,519
<i>Reconciliation:</i>			
Elimination of intersegment sales			(621,884)
Revenue			266,749,635
Segment results	4,166,938	308,248	4,475,186
<i>Reconciliation:</i>			
Elimination of intersegment results			–
Profit before tax			4,475,186

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2023

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Six months ended 30 June 2022	Copper related business RMB'000	Gold related business RMB'000	Total RMB'000
Segment revenue			
Sales to external customers	233,930,508	20,657,317	254,587,825
Intersegment sales	77,470	710,252	787,722
	234,007,978	21,367,569	255,375,547
<i>Reconciliation:</i>			
Elimination of intersegment sales			(787,722)
Revenue			254,587,825
Segment results	4,489,607	293,109	4,782,716
<i>Reconciliation:</i>			
Elimination of intersegment results			–
Profit before tax			4,782,716

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2023

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Geographical information

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

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Mainland China	232,127,451	224,578,978
Hong Kong	24,282,690	24,102,035
Others	11,116,195	6,566,848
	267,526,336	255,247,861
Less: Sales related taxes	776,701	660,036
	266,749,635	254,587,825

All material non-current assets of the Group (excluding deferred tax assets and financial instruments) are located in Mainland China except for certain investments in Hong Kong, Afghanistan, Peru, Kazakhstan, Canada, Zambia, Mexico, Albania and Tajikistan.

Information about major customers

No revenue from customer or a group of entities, which are known to be under common control with that customer, was accounted for 10% or more of the Group's revenue for periods ended 30 June 2023 and 2022. State-Owned Entities are not identified as a group of customers under common control by the directors of the Company.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2023

5. REVENUE AND OTHER INCOME

An analysis of revenue is as follows:

	Six months ended 30 June	
	2023 <i>RMB'000</i> (Unaudited)	2022 <i>RMB'000</i> (Unaudited)
Revenue from contracts with customers		
Sale of industrial products		
– Copper cathodes	148,970,032	130,634,094
– Copper rods	56,285,172	56,286,829
– Copper processing products	3,128,557	3,165,773
– Gold	25,411,613	19,244,849
– Silver	11,080,713	7,565,358
– Sulphuric and sulphuric concentrate	724,318	2,362,507
– Copper concentrate, rare and other non-ferrous metals	17,360,877	31,356,869
– Others	3,895,267	4,414,081
Provision of services	669,787	217,501
	267,526,336	255,247,861
Less: Sales related taxes	776,701	660,036
	266,749,635	254,587,825

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2023

5. REVENUE AND OTHER INCOME (CONTINUED)

Disaggregated revenue information for revenue from contracts with customers

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Types of goods or service		
– Sale of industrial products	266,856,549	255,030,360
– Construction services	200,409	138,279
– Other services	469,378	79,222
	267,526,336	255,247,861
Less: Sales related taxes	776,701	660,036
Total revenue from contracts with customers	266,749,635	254,587,825
Timing of revenue recognition		
– Goods or services transferred at a point in time	267,325,927	255,109,582
– Services transferred over time	200,409	138,279
	267,526,336	255,247,861
Less: Sales related taxes	776,701	660,036
Total revenue from contracts with customers	266,749,635	254,587,825

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2023

5. REVENUE AND OTHER INCOME (CONTINUED)

An analysis of other income is as follows:

	Six months ended 30 June	
	2023 <i>RMB'000</i> (Unaudited)	2022 <i>RMB'000</i> (Unaudited)
Interest income	858,302	591,392
Dividend income from equity investments	98,131	22,772
Government grants recognised	159,903	101,727
Compensation income and others	34,231	41,243
	1,150,567	757,134

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2023

6. OTHER GAINS AND LOSSES, NET

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Fair value gains from commodity derivative contracts, T+D forward contracts and commodity option contracts:		
Transactions not designated for hedges	585,556	1,244,614
Gains/(losses) on commodity derivative contracts, T+D forward contracts and commodity option contracts:		
Transactions not designated for hedges	(242,627)	11,682
Fair value losses from foreign currency forward contracts	(278,062)	(260,379)
Losses on foreign currency forward contracts	(13,931)	(38,408)
Fair value gains/(losses) on other financial assets:		
Unlisted equity instruments	8,641	(24,483)
Listed equity instruments	13,311	(153,341)
Financial products and listed debentures	106,091	33,601
Income right attached to a target equity interest	–	(6,550)
Held-for-trading financial liabilities	–	(9,670)
Gains/(losses) on other financial assets:		
Listed equity investments	–	(13,091)
Financial products and listed debentures	46,986	59,259
Held-for-trading financial liabilities	–	6,037
Impairment losses on:		
Property, plant and equipment	–	(78,452)
Interests in a joint venture	(57,403)	–
Gains/(losses) on disposal of:		
Interests in a subsidiary (note 19)	21,591	13,458
Interests in associates or joint ventures	13,162	172,218
Property, plant and equipment	22,937	2,001
Exploration and evaluation assets	–	(1,410)
Foreign exchange gains, net	154,720	234,906
Others	(20,201)	(86,198)
	360,771	1,105,794

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2023

7. PROFIT BEFORE TAX

In addition to the items detailed elsewhere in the interim condensed consolidated financial information, the Group's profit before tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2023 <i>RMB'000</i> (Unaudited)	2022 <i>RMB'000</i> (Unaudited)
Cost of inventories sold and service provided	255,617,173	241,748,431
Depreciation of property, plant and equipment	1,062,709	1,063,164
Depreciation of right-of-use assets	145,915	160,845
Depreciation of investment properties	15,930	10,906
Amortisation of other intangible assets	138,730	119,547
Auditors' remuneration	6,400	7,380
Employee benefit expense (including directors' remuneration):		
– Wages and salaries	2,686,589	2,410,131
– Pension scheme contributions*	308,928	322,304
Research and development costs	200,431	195,581
Provision for impairment of inventories included in cost of sales	194,046	1,994,871
Provision for/(reversal of) impairment of:		
– Trade and bills receivables	(100,123)	17,691
– Factoring receivables	(2,504)	–
– Prepayment, other receivables and other assets	1,717	123,738
– Loans to related parties	6,474	(6,427)
– Treasury bonds	–	(2,048)
– Property, plant and equipment	–	78,452
– Interests in a joint venture	57,403	–

* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2023

8. INCOME TAX

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

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Current income tax	736,781	1,019,624
Deferred income tax	10,125	(104,211)
Income tax charge for the period	746,906	915,413

Hong Kong profits tax on the Group's subsidiaries has been provided at the rate of 16.5% (2022: 16.5%) on the estimated assessable profits arising in Hong Kong during the six months ended 30 June 2023.

The subsidiaries incorporated in Singapore, United States, Peru, Turkey, Zambia, Mexico and Tajikistan are subject to corporate income tax at rates of 10% (2022: 10%), 29.8% (2022: 29.8%), 29.5% (2022: 29.5%), 20% (2022: 20%), 35% (2022: 35%), 30% (2022: 30%), and 23% (2022: 23%), respectively.

The provision for PRC income tax is based on a statutory rate of 25% (2022: 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 Technology Enterprise which are entitled to a preferential PRC income tax rate of 15%, according to the PRC Corporate Income Tax Law.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2023

9. DIVIDENDS

	Six months ended 30 June	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Dividends of ordinary shares declared during the six months:		
Final dividend of RMB0.50 per share for 2022 (2022: final dividend of RMB0.50 per share for 2021)	1,731,365	1,731,365

On 9 June 2023, a dividend of RMB0.50 per share (tax inclusive) on 3,462,729,405 shares, approximately RMB1,731,365,000 in aggregate was declared to the shareholders as the final dividend for year 2022.

10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 3,462,729,405 (2022: 3,462,729,405) in issue during the period.

The Group had no potentially dilutive ordinary shares in issue during the six months period ended 30 June 2023 and 2022.

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

	Six months ended 30 June	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the Company, used in the basic and diluted earnings per share calculations	3,472,301	3,595,912
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted earnings per share calculations	3,462,729,405	3,462,729,405

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2023

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2023, the Group acquired assets with a cost of RMB3,887,224,000 (six months ended 30 June 2022: RMB1,360,381,000).

During the six months ended 30 June 2023, the Group disposed of assets with a net book value of RMB5,384,000 (30 June 2022: RMB102,742,000), resulting in a net disposal gain of RMB22,937,000 (30 June 2022: net gain on disposal of RMB2,001,000).

During the six months ended 30 June 2023, no impairment loss was recognised (30 June 2022: RMB78,452,000) for certain property, plant and equipment.

As at 30 June 2023, certain of the Group's machinery and buildings with net book values of approximately RMB283,656,000 and RMB283,219,000 (31 December 2022: RMB206,457,000 and RMB299,165,000), respectively, were mortgage to secure bank borrowings (note 17).

As at 30 June 2023, certain of the Group' temporarily idle machinery with net book values of approximately RMB326,838,000.

As at 30 June 2023, the Group was in the process of obtaining property ownership certificates for certain of the Group's buildings with a net book value of RMB426,680,000 (31 December 2022: RMB382,574,000).

As at 30 June 2023, certain of the Group's buildings with a net book value of approximately RMB105,764,000 (31 December 2022: RMB108,118,000) were restricted due to litigation.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2023

12. FINANCIAL INSTRUMENTS OTHER THAN DERIVATIVES

	30 June 2023		31 December 2022	
	Categories	Carrying Amount RMB'000 (Unaudited)	Categories	Carrying Amount RMB'000 (Audited)
Assets:				
Debt instruments (including hybrid contracts):				
Listed debentures (a)	FVPL ¹	2,186,194	FVPL	2,298,999
Listed debentures (b)	FVOCI ²	913,098		–
Investments in financial products (c)	FVPL	10,985,621	FVPL	2,236,993
		14,084,913		4,535,992
Equity instruments:				
Listed equity investments (d)	FVPL	123,126	FVPL	109,816
Listed equity investments (d)	FVOCI	21,752,955	FVOCI	18,438,896
Unlisted equity investments (e)	FVPL	828,910	FVPL	692,085
Unlisted equity investments (e)	FVOCI	59,515	FVOCI	59,930
Income right attached to a target equity interest (f)	FVPL	439,750	FVPL	439,750
		23,204,256		19,740,477
		37,289,169		24,276,469

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2023

12. FINANCIAL INSTRUMENTS OTHER THAN DERIVATIVES (CONTINUED)

	30 June 2023	31 December 2022
Categories	Carrying Amount <i>RMB'000</i> (Unaudited)	Categories Carrying Amount <i>RMB'000</i> (Audited)
FVPL	14,563,601	5,777,643
FVOCI	22,725,568	18,498,826
	37,289,169	24,276,469
Non-current assets	24,102,846	19,728,456
Current assets	13,186,323	4,548,013
	37,289,169	24,276,469

¹ FVPL: Fair value through profit or loss

² FVOCI: Fair value through other comprehensive income

- (a) The listed debentures were at interest rates ranging from 2.00% to 2.78% (31 December 2022: 2.10% to 3.32%) per annum as at 30 June 2023.
- (b) The amount represents listed debentures which were publicly issued in Mainland China and were held by the Group in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2023

12. FINANCIAL INSTRUMENTS OTHER THAN DERIVATIVES (CONTINUED)

- (c) The amount represents investments in financial products arranged by banks, trusts and fund institutions and independent securities companies with high credit-rating and good reputation.

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Including:		
Bank financial products	9,470,532	1,477,633
Asset management products	26,795	20,020
Fund products	1,358,021	578,793
Trust products	130,273	160,547
	10,985,621	2,236,993

As at 30 June 2023, the bank financial products of RMB406,372,000 (31 December 2022: RMB900,000,000) were pledged to secure bank borrowings.

As at 30 June 2023, the bank financial products of RMB8,689,518,000 (31 December 2022: RMB398,060,000) were pledged for issuance of bank accepted notes.

- (d) The listed equity securities represent stocks listed on Shanghai and Shenzhen Stock Exchange, Hong Kong Stock Exchange ("HKEx") and Toronto Stock Exchange ("TSX").
- (e) The unlisted equity investments represent the Group's equity interests in unlisted PRC companies. None of the shareholdings exceeds 20% of the issued capital of the respective investees and the Group did not have significant influence on these invested entities.
- (f) The investment represents a beneficial right attached to the 3.35% equity interest in a limited liability company established in the PRC held by China Cinda Asset Management Co., Ltd. ("China Cinda") (the "Beneficial Right"), including the right to all the incomes derived from this equity interest.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2023

13. DERIVATIVE FINANCIAL INSTRUMENTS

	30 June 2023		31 December 2022	
	Assets <i>RMB'000</i> (Unaudited)	Liabilities <i>RMB'000</i> (Unaudited)	Assets <i>RMB'000</i> (Audited)	Liabilities <i>RMB'000</i> (Audited)
Commodity derivative contracts and T+D forward contracts	285,803	(162,165)	261,082	(780,789)
Commodity option contracts	–	(15,233)	–	(45,833)
Provisional price arrangements	142,951	–	–	(313,842)
Foreign currency forward contracts	92,153	(449,013)	242,544	(321,341)
	520,907	(626,411)	503,626	(1,461,805)

	30 June 2023 <i>RMB'000</i> (Unaudited)	31 December 2022 <i>RMB'000</i> (Audited)
Including:		
Derivatives designated as hedging instruments (a):		
Fair value hedges		
– Commodity derivative contracts and T+D forward contracts	(21,568)	(93,459)
– Provisional price arrangements	142,951	(313,842)
	121,383	(407,301)
Derivatives not designated as hedging instruments (b):		
– Commodity derivative contracts and T+D forward contracts	145,206	(426,248)
– Commodity option contracts	(15,233)	(45,833)
– Foreign currency forward contracts	(356,860)	(78,797)
	(226,887)	(550,878)
	(105,504)	(958,179)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2023

13. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

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

(a) Derivatives designated as hedging instruments:

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

– Fair value hedge

Certain commodity derivative contracts, AG(T+D) forward contracts and provisional price arrangements were designated by the Group to hedge its exposure to variability in fair value changes attributable to price fluctuation risk associated with inventories.

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

As at 30 June 2023, the net fair value gain of provisional price arrangements for the fair value hedges of the Group was RMB142,951,000 (31 December 2022: fair value loss of RMB313,842,000). The net fair value loss of commodity derivative contracts and AG (T+D) contracts for the fair value hedges of the Group was RMB21,568,000 (31 December 2022: fair value loss of RMB93,459,000).

(b) Derivatives not designated as hedging instruments

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

The Group utilises gold and silver commodity derivative contracts, AU (T+D) and AG (T+D) contracts to manage the commodity price risk of forecasted sales of gold and silver and certain gold lease arrangement. These arrangements are designed to reduce significant fluctuations in the prices of gold and silver.

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

These commodity derivative and T+D forward contracts, foreign currency forward contracts are held for economic hedge but not designed as effective hedging instruments.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2023

14. TRADE AND BILLS RECEIVABLES

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Trade receivables	10,344,730	10,380,282
Bills receivable	2,104,143	2,126,738
	12,448,873	12,507,020
Less: Impairment allowance	5,666,968	5,915,131
	6,781,905	6,591,889

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimize credit risk. Overdue balances are reviewed regularly by senior managements. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

Trade receivables due from the Group's related parties are repayable on credit terms similar to those offered to the major customers of the Group. Details as in note 22.

As at 30 June 2023, bills receivables of RMB16,775,000 (31 December 2022: RMB52,081,000) was pledged for the issuing bank accepted notes.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2023

14. TRADE AND BILLS RECEIVABLES (CONTINUED)

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

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Within 1 year	5,564,054	5,289,042
1 to 2 years	99,809	366,181
2 to 3 years	273,234	6,435
Over 3 years	844,808	930,231
	6,781,905	6,591,889

The term of bills receivables are all less than 12 months. As at 30 June 2023, the bills receivables were neither past due nor impaired (31 December 2022: the bills receivables were neither past due nor impaired).

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

	For the six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
At beginning of the period	5,915,131	6,014,699
(Reversal of)/provision for impairment losses, net	(100,123)	17,691
Amounts written off as uncollectible	(148,040)	(730)
At end of the period	5,666,968	6,031,660

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2023

15. CASH, CASH EQUIVALENTS, TIME DEPOSITS AND RESTRICTED BANK DEPOSITS

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Cash and bank balances	58,460,890	35,199,864
Time deposits	5,584,013	5,135,314
	64,044,903	40,335,178
Less: Restricted bank deposits (a)	35,187,270	24,328,349
Current portion	32,560,731	20,472,033
Non-current portion	2,626,539	3,856,316
Time deposits	2,957,474	1,278,953
Current portion	475,373	–
Non-current portion	2,482,101	1,278,953
Cash and cash equivalents	25,900,159	14,727,876

a) As at 30 June 2023, the restricted bank deposits include the following:

- Deposits amounting to RMB4,792,810,000 (31 December 2022: RMB5,306,850,000) and cash in the bank amounting to RMB813,847,000 (31 December 2022: RMB780,318,000) were pledged to secure bank borrowings;
- Deposits amounting to RMB7,146,222,000 (31 December 2022: RMB4,604,364,000) was pledged for letters of credit;
- Deposits amounting to RMB467,974,000 (31 December 2022: RMB778,265,000) was pledged for letters of guarantee;
- Deposits amounting to RMB19,855,486,000 (31 December 2022: RMB10,955,713,000) was pledged for the issuing bank accepted notes;
- Deposits amounting to RMB383,905,000 (31 December 2022: RMB337,672,000) was placed as environmental recovery deposits whose usage is restricted;
- Cash in bank amounting to RMB82,544,000 (31 December 2022: RMB82,682,000) was restricted due to litigation;

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2023

15. CASH, CASH EQUIVALENTS, TIME DEPOSITS AND RESTRICTED BANK DEPOSITS (CONTINUED)

- a) As at 30 June 2023, the restricted bank deposits include the following: (continued)
- Required mandatory reserve deposits and other restricted deposits amounting to RMB1,036,216,000 (31 December 2022: RMB1,024,580,000) placed by JCC Finance Company Limited, a subsidiary of the Group, in the People's Bank of China ("PBC"), which are not available for use in the Group's daily operations; and
 - Interests which relating to the above restricted bank deposits amounting to RMB608,266,000 (31 December 2022: RMB457,905,000) was accrued on bank deposits.

At the end of the reporting period, the cash and cash equivalents and restricted bank deposits of the Group denominated in RMB amounted to RMB49,491,847,000 (31 December 2022: RMB26,745,918,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

As at 30 June 2023, the cash and bank balances of RMB2,596,025,580 (31 December 2022: RMB1,420,575,000) were placed in banks outside of Mainland China.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between seven day and one year depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates. The bank balances and restricted bank deposits are deposited with creditworthy banks with no recent history of default.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2023

16. TRADE AND BILLS PAYABLES

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Trade payables	7,071,062	9,920,495
Bills payables	5,762,973	3,904,759
	12,834,035	13,825,254

The trade payables are non-interest-bearing and are normally settled on terms of one to three months.

As at 30 June 2023, the Group had no material balance of accounts payable aged over one year (31 December 2022: no material balance of accounts payable aged over one year).

Trade payables due to related parties included in trade and bills payables are disclosed in note 22.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2023

17. INTEREST-BEARING BANK BORROWINGS

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Bank borrowings – secured	46,481,350	24,527,222
Bank borrowings – unsecured	33,029,639	23,957,945
Interest payable	89,488	134,554
	79,600,477	48,619,721
Analysed into:		
On demand or within one year	65,360,513	42,363,005
More than one year, but not exceeding five years	14,239,964	6,256,716
	79,600,477	48,619,721
Current	65,360,513	42,363,005
Non-current	14,239,964	6,256,716

As at 30 June 2023, the bank borrowings carried interest at rates ranging from 1.05% to 6.05% (31 December 2022: 1.40% to 5.50%) per annum.

Certain of the Group's bank loans as at 30 June 2023 are secured by:

- (a) Pledged borrowings amounting to RMB41,424,054,000 (31 December 2022: RMB23,009,255,000) which were secured by:
 - (i) deposits with a carrying value of RMB3,323,816,000 (31 December 2022: RMB5,306,850,000);
 - (ii) cash in the bank with a carrying value of RMB813,847,000 (31 December 2022: RMB780,318,000);
 - (iii) bank financial products with a carrying value of RMB406,372,000 (31 December 2022: RMB900,000,000); and

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2023

17. INTEREST-BEARING BANK BORROWINGS (CONTINUED)

- (a) Pledged borrowings amounting to RMB41,424,054,000 (31 December 2022: RMB23,009,255,000) which were secured by: (continued)
 - (iv) discounted bill receivables between inter-companies amounting to RMB30,569,137,000 (31 December 2022: RMB12,185,712,000).
- (b) Mortgaged borrowing amounting to RMB204,791,000 (31 December 2022: RMB102,509,000) which was secured by:
 - (i) inventories with a carrying value of RMB83,417,000 (31 December 2022: Nil);
 - (ii) buildings with a carrying value of RMB81,231,000 (31 December 2022: RMB49,897,000);
 - (iii) machineries with carrying value of RMB50,894,000 (31 December 2022: Nil); and
 - (iv) leasehold land with a carrying value of RMB86,140,000 (31 December 2022: RMB64,419,000).
- (c) Guaranteed borrowing amounting to RMB4,852,505,000 (31 December 2022: RMB1,415,458,000) was guaranteed by the non-controlling interests of the Group's subsidiaries and was secured by:
 - (i) deposits with a carrying value of RMB1,468,994,000 (31 December 2022: Nil);
 - (ii) buildings with a carrying value of RMB201,988,000 (31 December 2022: RMB249,268,000);
 - (iii) machineries with carrying value of RMB232,762,000 (31 December 2022: RMB206,457,000); and
 - (iv) leasehold land with a carrying value of RMB129,457,000 (31 December 2022: RMB130,703,000).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2023

18. CORPORATE BONDS

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Corporate bonds (a)	2,000,000	2,000,000
Medium-term note (b)	1,500,000	1,500,000
Convertible bonds (c)	1,481,274	–
Interest payable	75,987	56,150
	5,057,261	3,556,150
The amounts are repayable as follows:		
On demand or within one year	75,987	56,150
More than one year, but not exceeding five years	3,500,000	3,500,000
More than five years	1,481,274	–
	5,057,261	3,556,150
Current portion	75,987	56,150
Non-current portion	4,981,274	3,500,000

- (a) Pursuant to the approval of the China Securities Regulatory Commission (No. [2016] 2745), the Company issued 5,000,000 certificates of bonds at par with a nominal value of RMB100 each, in an aggregate amount of RMB500,000,000 on 20 September 2017. The bonds have a life of five years from the date of issuance and bear interest at a rate of 4.74% per annum which is payable in arrears on 21 September of each year, and with principal repaid on maturity. The Company has an option to adjust the interest rate and the investors are entitled to request the Company to repurchase the corporate bonds after the end of the third year from the date of the issuance. The corporate bonds are listed on the Shanghai Stock Exchange. The options of the corporate bonds entitled to the Company and the investors are regarded as embedded derivatives closely related to the host contract. On 21 September 2022, the Company has repaid the principal and interests to the investors on the maturity date of such bonds.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2023

18. CORPORATE BONDS (CONTINUED)

Pursuant to the approval of the China Securities Regulatory Commission (No. [2021] 2131), the Company issued 10,000,000 certificates of bonds at par with a nominal value of RMB100 each, in an aggregate amount of RMB1,000,000,000 on 5 December 2021. The bonds have a life of two years from the date of issuance and bear interest at a rate of 2.83% per annum which is payable in arrears on 6 December of each year, and with principal repaid on maturity. The corporate bonds are listed on the Shanghai Stock Exchange. The investors are entitled to request the Company to repurchase the corporate bonds. The options of the corporate bonds entitled to the investors are regarded as embedded derivatives closely related to the host contract. On 5 December 2022, the Company has repaid the principal and the interests to the investors on the maturity date of such bonds.

Pursuant to the approval of the China Securities Regulatory Commission (No. [2021] 2131), the Company issued 20,000,000 certificates of bonds at par with a nominal value of RMB100 each, in an aggregate amount of RMB2,000,000,000 on 14 September 2022. The bonds have a life of three years from the date of issuance and bear interest at a rate of 2.67% per annum which is payable in arrears on 15 September of each year, and with principal repaid on maturity.

- (b) Pursuant to the approval of the National Association of Financial Market Institutional Investors (No. [2021] MTN91), Shangdong Humon, a subsidiary of the Group issued medium-term notes which are listed on the National Association of Financial Market Institution Investors. The approved notes facilities amounted to RMB3,000,000,000 which will expire in two years. These medium-term notes have a life of three years from the date of issuance and bear interest at rates of 3.65% to 4.00% per annum. At 30 June 2023, RMB1,500,000,000 of non-current bonds issued are repayable after more than one year.
- (c) Pursuant to the approval of the China Securities Regulatory Commission (No. [2023] 1132), Shangdong Humon, a subsidiary of the Group issued the convertible bonds at a par value of RMB100 each with an aggregate principal amount of RMB3,160,000,000 issued on 16 June 2023 (the "2023 Issue"). The 2023 Issue have a life of six years from the date of issuance and bear interests interests at the rate of 0.20% for the first year, 0.40% for the second year, 0.60% for the third year, 1.50% for the fourth year, 1.80% for the fifth year and 2.00% for the sixth year which is payable in arrears on 16 June of each year. Among which, the Company purchased the convertible bonds with an aggregate principal amount of RMB1,406,000,000, the corresponding transactions have been offset in the consolidated financial statements. The bonds are convertible into ordinary shares on 18 December 2023 to 11 June 2029 on the basis of one ordinary share at a price of RMB11.46 per bond.

After elimination, the net proceeds from the 2023 issue is RMB1,739,888,000, net of issuance cost of RMB14,112,000. The convertible bonds contain liability and equity components, of which the initial fair value of the liability component was determined at RMB1,478,360,000 which was subsequently measured at amortised cost using effective interest method, and the remainder of the proceeds from the 2023 Issue amounted to RMB261,528,000 was allocated to the conversion option and recognized in the Group's equity.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2023

19. DISPOSAL OF A SUBSIDIARY

The Company held a 57.14% equity interest in Sichuan Kangxi Copper Co., Ltd. (四川康西銅業有限責任公司) (“Kangxi Copper”). On 23 February 2023, the Company entered into an equity transfer agreement with Liangshan Industrial Investment Group (“Liangshan Investment”) pursuant to which the Company shall dispose of the entire of equity interest in Kangxi Copper. Concurrently, the Company agreed to transfer its receivables due from Kangxi Copper to Liangshan Investment. The Company did not receive any consideration for this disposal. This disposal transaction was completed on 23 February 2023, and a disposal gain of RMB21,591,000 was included in other gains and losses during the period ended 30 June 2023.

	23 February 2023 Carrying amount RMB'000
Net assets disposed of:	
Non-current assets	–
Current assets	29,970
Non-current liabilities	(93,965)
Current liabilities	(83,772)
Non-controlling interests	63,333
	<hr style="border-top: 1px solid black;"/>
	(84,434)
Disposal of receivables that constitute the Company's investment to Kangxi Copper	62,843
	<hr style="border-top: 1px solid black;"/>
Net gain on disposal	21,591
	<hr style="border-top: 3px double black;"/>
Satisfied by cash	–
	<hr style="border-top: 3px double black;"/>

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

	23 February 2023 Carrying amount RMB'000
Cash consideration	–
Cash and bank balances disposed of	(854)
	<hr style="border-top: 1px solid black;"/>
Net outflow of cash and cash equivalents in respect of the disposal of a subsidiary	(854)
	<hr style="border-top: 3px double black;"/>

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2023

20. CONTINGENT LIABILITIES

A subsidiary of the Company, Shenzhen Jiangxi Copper Marketing Company Limited, is currently a defendant in a lawsuit filed by Bangdi Auto Technology Company Limited (“Bangdi Auto”) alleging that the subsidiary has breached a sales 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. The actual controller of Hengbaochang was suspected of some economic crimes in the transactions involved and has been investigated by the relevant judicial institutions. 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.

21. COMMITMENTS

At the balance sheet date, the Group had the following capital commitments:

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Contracted, but not provided for		
Acquisition of property, plant and equipment and exploration and evaluation rights	3,219,230	3,095,394
Investments in associates (i)	1,622,386	1,518,634
Investment in financial product (ii)	543,380	644,626
	5,384,996	5,258,654

- i. The Company and China Metallurgical Group Corporation (“CMCC”) incorporated MCC-JCL Aynak Minerals Company Limited (“MCC-JCL”), an associate of the Group, in September 2008. Prior to the introduction of other independent investors, the initial shareholdings of the Company and CMCC in MCC-JCL were 25% and 75% respectively. The principal business of MCC-JCL is to explore and exploit minerals in the Central and Western mineralised zones in Aynak Mine in Afghanistan.

The total investment of MCC-JCL shall initially be USD4,390,835,000 and shall be funded by capital injection from shareholders and by project loan financing in the proportions of 30% and 70%, respectively. The capital injection shall be contributed by the Company and CMCC on a pro rata basis. The Company shall not be obliged to provide guarantees, indemnities or capital commitments for the project loan financing.

- ii. In September 2022, Jiangxi Copper Company Hong Kong Limited, a wholly-owned subsidiary of the Group, entered into a subscription agreement for an issued financial product with the maximum subscription amount at USD100,000,000. As at 30 June 2023, the Group has subscribed USD24,800,000 (31 December 2022: USD7,200,000).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2023

22. RELATED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere in this financial information, the Group had the following transactions with related parties during the period:

(a) Related party transactions with JCC and its affiliates:

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Sales to JCC:		
Sales of auxiliary industrial products	2,091	85
Sales to JCC's affiliates:		
Sales of copper cathodes	545,253	549,429
Sales of copper rods	378,786	443,774
Sales of auxiliary industrial products	78,549	18,001
Sales of lead material	52,859	27,772
Sales of zinc concentrate	21,819	20,771
Sales of auxiliary materials	26,292	37,013
Sales of sulphuric acid	922	972
	1,104,480	1,097,732
Purchases from JCC's affiliates:		
Purchases of silver	537,462	350,283
Purchases of gold	143,820	170,832
Purchases of auxiliary industrial products	10,171	40,486
Purchases of blister copper and copper concentrate	6,924	3,553
Purchases of sulfuric and sulfuric concentrate	2,225	26,710
	700,602	591,864

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2023

22. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Related party transactions with JCC and its affiliates: (Continued)

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Service fees charged to JCC:		
Supply of electricity	814	177
Vehicle transportation services	–	18
	814	195
Service fees charged to JCC's affiliates:		
Construction services	440	91,506
Supply of electricity	17,517	17,436
Vehicle transportation services	13,167	13,437
Rentals for public facilities and other services	3,079	3,624
Repair and maintenance services	1,879	625
Supply of water	83	90
Other management income	1,049	5,011
	37,214	131,729
Service fees charged by JCC:		
Land lease expense	98,486	98,486
Service fees charged by JCC's affiliates:		
Repair and maintenance services and purchases of spare parts	116,960	65,702
Labour service	14,174	21,573
Construction services	31,438	45,582
Brokerage agency services for commodity derivative contracts	6,145	9,570
	168,717	142,427

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2023

22. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Related party transactions with JCC and its affiliates: (Continued)

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Repayment of finance leasing provided by JCC's affiliates	–	53,099
Repayment of loan's principal and interest from JCC	–	11,040
Interest expenses on loans provided from JCC	–	25,643
Loans provided to JCC's affiliates	1,221,780	1,742,900
Interest income for loans provided to JCC's affiliates	49,905	44,350
Deposits made from JCC	5,250,514	699,762
Deposits made from JCC's affiliates	769,612	3,253,180
Interest expenses for deposits made from JCC	35,688	15,132
Interest expenses for deposits made from JCC's affiliates	4,369	5,900

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2023

22. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Related party transactions with JCC and its affiliates: (Continued)

In 2020, the Group entered into rental agreements with JCC for certain land use rights in Jiangxi Province at an annual rental fee of RMB196,971,000 with a lease period from 1 January 2021 to 31 December 2023. The total rental fee amounted to RMB98,486,000 during the six months ended 30 June 2023 (six months ended 30 June 2022: RMB98,486,000).

The daily credit balance offered by Finance Company, a subsidiary of the Group, to JCC and its affiliates will neither exceed the deposits from JCC and its affiliates nor exceed the ceiling amount of RMB2,900,000,000 as agreed in the financial service agreement entered into by the two parties.

During the six months ended 30 June 2022, the Group disposed of a subsidiary to JCC for a cash consideration of RMB83,600,000.

Transactions with related parties are negotiated and agreed by both parties with reference to market prices.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2023

22. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Related party transactions with Company's jointly controlled entities and associates:

	Six months ended 30 June	
	2023 <i>RMB'000</i> (Unaudited)	2022 <i>RMB'000</i> (Unaudited)
Sales to a related party:		
Sales of auxiliary industrial products	4,259	1,380
Sales of silver	556,746	1,518,199
Sales of gold	45,199	80,228
	606,204	1,599,807
Purchases from a related party:		
Purchases of copper concentrate	22,630	126,892
Purchases of silver	144,262	177,741
Purchases of auxiliary industrial products	201,995	–
	368,887	304,633
Service fees charged to a related party:		
Supply of electricity	1,150	29
Loans provided to a related party	71,730	40,000
Loans collected from a related party	17,000	–
Interest income for loans provided to a related party	2,214	13
Deposit made from a related party	3,012	–
Interest expenses for deposits made from a related party	2	–

Transactions with related parties are negotiated and agreed by both parties with reference to market prices.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2023

22. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Other related party transactions with Company's non-controlling interest holders and its subsidiaries:

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Sales to related parties:		
Sales of copper cathodes	5,336,034	3,978,330
Sales of auxiliary industrial products	563,919	1,315,661
Sales of copper rods	297,733	–
Sales of aluminium	–	502,579
	6,197,686	5,796,570
Purchases from related parties:		
Purchases of blister copper and copper concentrate	2,721,885	4,676,259
Purchases of copper cathodes	2,422,949	398,437
Purchases of aluminium	691,097	–
Purchases of copper rods	515,569	–
Purchases of auxiliary industrial products	23,026	55,697
	6,374,526	5,130,393
Loans provided to a related party	70,000	–
Interest income for loans provided to a related party	1,011	–

The Group's subsidiaries provide guarantees for the bank loans of its non-controlling interest shareholder, and the Group's non-controlling interest shareholder provides guarantees for the bank loans of the Group's subsidiaries (note 17).

As at 30 June 2023, one of the Group's subsidiaries has provided financial guarantees to financial institutions for its non-controlling interest shareholder amounted to approximately RMB1,594,000,000 (31 December 2022: RMB1,594,000,000), and recorded a financial guarantee contract liability in other payables and accruals of RMB38,353,000 (31 December 2022: RMB38,353,000) accordingly.

Transactions with related parties are negotiated and agreed by both parties with reference to market prices.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2023

22. RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Other related party transactions with Group's penultimate controlling party's affiliates and its subsidiaries:

	Six months ended 30 June	
	2023 <i>RMB'000</i> (Unaudited)	2022 <i>RMB'000</i> (Unaudited)
Sales to related parties:		
Sales of copper cathodes	198,726	–
Sales of other products	2,455	–
	201,181	–
Purchases from related parties:		
Purchases of copper concentrate	29,969	–
Service fees charged to a related party:		
Repair and maintenance services	234	–
Other management income	28	–
	262	–
Service fees charged by a related party:		
Labour service	185,974	–
Construction services	10,658	–
Other management service	2,178	–
	198,810	–

Transactions with related parties are negotiated and agreed by both parties with reference to market prices.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2023

22. RELATED PARTY TRANSACTIONS (CONTINUED)

(e) Outstanding balances with related parties:

At the end of the reporting period, the Group had the following balances with related parties:

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Bills receivables:		
JCC's affiliates	84,743	109,107
Trade receivables:		
JCC	28	28
JCC's affiliates	372,477	586,423
The Group's jointly controlled entities and associates	11,600	–
Non-controlling interest holder and its subsidiary	217,111	344
	601,216	586,795
Prepayments:		
JCC's affiliates	21,259	463
The Group's jointly controlled entities and associates	294	600
Non-controlling interest holder and its subsidiary	48,766	–
	70,319	1,063
Other receivables:		
JCC's affiliates	2,174,881	2,030,008
The Group's jointly controlled entities and associates	17,208	78,900
Non-controlling interest holder and its subsidiary	1,196	–
	2,193,285	2,108,908

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2023

22. RELATED PARTY TRANSACTIONS (CONTINUED)

(e) Outstanding balances with related parties: (Continued)

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Loans to related parties:		
JCC's affiliates	2,717,944	2,533,817
The Group's jointly controlled entities and associates	53,635	–
Non-controlling interest holder and its subsidiary	68,600	–
	2,840,179	2,533,817
Trade and bills payables:		
JCC	478	560
JCC's affiliates	400,774	609,706
The Group's jointly controlled entities and associates	415,000	579,988
Non-controlling interest holder and its subsidiary	26,350	2,336,319
The Group's penultimate controlling party's affiliates	2,829	–
	845,431	3,526,573
Contract liabilities:		
JCC's affiliates	8,455	8,565
Non-controlling interest holder and its subsidiary	48,348	589
The Group's penultimate controlling party's affiliates	94	–
	56,897	9,154

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2023

22. RELATED PARTY TRANSACTIONS (CONTINUED)

(e) Outstanding balances with related parties: (Continued)

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Other payables:		
JCC	290,384	253,684
JCC's affiliates	31,948	88,271
The Group's jointly controlled entities and associates	33,408	50,133
Non-controlling interest holder and its subsidiary	10,000	24,167
The Group's penultimate controlling party's affiliates	111,602	97,755
	477,342	514,010
Deposits from customers:		
JCC	10,101,988	4,940,011
JCC's affiliates	2,212,537	1,491,908
The Group's jointly controlled entities and associates	2,771	8,007
	12,317,296	6,439,926
Lease liability:		
JCC's affiliates	123,705	191,086
Other non-current liabilities		
JCC	4,405	4,815

The above balances arose from the aforementioned transactions, deposits and advances to/from related parties and payments made by the Group and related parties. These balances were unsecured, interest-free and had no fixed repayment terms except for loans, deposits from customers, and other non-current liabilities, the terms of which have not changed from that disclosed in last year's annual financial statements.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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22. RELATED PARTY TRANSACTIONS (CONTINUED)

(f) Compensation of key management personnel of the Group:

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Short-term employee benefits	8,371	7,652

The Group itself is part of a larger group of companies under the State-owned Assets Supervision & Administration Commission of the People's Government of Jiangxi Province which is controlled by the PRC government and the Group operates in an economic environment currently pre-dominated by entities controlled, jointly controlled or significantly influenced by the PRC government.

Apart from the transactions with the parent company and its subsidiaries which have been disclosed in other notes to the consolidated financial statements, the Group also conducts business with entities directly or indirectly controlled, jointly controlled or significantly influenced by the PRC government in the ordinary course of business, including majority of its bank deposits and the corresponding interest income, certain bank borrowings and the corresponding finance costs, and significant purchases and sales of copper and other related products.

23. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, restricted bank deposits, trade receivable, trade and bill payables, financial assets included in prepayments, other receivables and other assets, loans to related parties, financial liabilities included in other payables and accruals, interest-bearing bank borrowings and deposits from holding company and fellow subsidiaries approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the non-current portion of deposits, interest-bearing bank borrowings, corporate bonds and other long-term liabilities have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The fair values have been assessed to be approximate to their carrying amounts. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank borrowings and corporate bonds as at 30 June 2023 were assessed to be insignificant.

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23. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

The Group's management is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, Management analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by management. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- The fair values of listed debentures and listed equity securities are based on quoted market prices;
- The fair values of investment in financial products have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The fair values have been assessed to be approximate to their carrying amounts;
- The fair values of unlisted equity investments and income right attached to a target equity interest have been estimated based on the comparable companies analysis in terms of a series key ratios. Management believes that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statements of financial position, and the related changes in fair values, which are recorded in profit or loss, are reasonable, and that they were the most appropriate values as at 30 June 2023.

The discount for lack of marketability represents the amounts of premiums and discounts determined by the Group that market participants would take into account when pricing the investments.

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23. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with good credit ratings. Derivative financial instruments includes commodity derivative contracts, provisional price arrangements, forward currency contracts and gold lease:

- The fair value of the commodity derivative contracts and T+D forward contracts represents the difference between the quoted market price of commodity derivative contracts at period end and the quoted price at inception of the contracts;
- The fair value of the provisional price arrangement is estimated by reference to the discounted cash flow method at period end of commodity derivative contracts with similar maturity as the provisional price arrangement compared to the quoted market prices of commodity derivative contracts on the dates of delivery of the purchased material;
- The fair values of forward currency contracts are measured using valuation techniques similar to the discounted cash flow model. The models incorporate various market observable inputs including foreign exchange spot, forward rates, risk-free interest rate curves and implied volatility of the foreign exchange rate. The carrying amounts of forward currency contracts, foreign currency swaps are the same as their fair values;
- The fair value of gold lease recognised as gold lease contracts is estimated by reference to the discounted cash flow method at period end of commodity derivative contracts with similar maturity compared to the quoted market prices of commodity derivative contracts on the dates of return the gold.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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23. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's financial assets and financial liabilities as at 30 June 2023:

30 June 2023:

	Fair value measurement using			Total RMB'000 (Unaudited)
	Quoted prices in active markets (Level 1) RMB'000 (Unaudited)	Significant observable inputs (Level 2) RMB'000 (Unaudited)	Significant unobservable inputs (Level 3) RMB'000 (Unaudited)	
Financial assets:				
Listed equity securities	21,767,463	108,618	–	21,876,081
Listed debentures	3,099,292	–	–	3,099,292
Investments in financial products	1,105,118	26,794	9,853,709	10,985,621
Unlisted equity investments	–	180,354	708,071	888,425
Income right attached to a target equity interest	–	–	439,750	439,750
Derivative financial instruments:				
– Commodity derivative contracts and T+D forward contracts	285,803	–	–	285,803
– Provisional price arrangements	–	142,951	–	142,951
– Foreign currency forward contracts	–	92,153	–	92,153
Bills receivables	–	1,868,611	–	1,868,611
Inventories designated as hedged items	7,972,053	–	–	7,972,053
	34,229,729	2,419,481	11,001,530	47,650,740
Financial liabilities:				
Derivative financial instruments:				
– Commodity derivative contracts and T+D forward contracts	162,165	–	–	162,165
– Commodity option contracts	–	15,233	–	15,233
– Foreign currency forward contracts	–	449,013	–	449,013
Other payables and accruals				
– Financial guarantee contracts	–	–	38,353	38,353
	162,165	464,246	38,353	664,764

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23. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy (Continued)

31 December 2022:

	Fair value measurement using			Total <i>RMB'000</i>
	Quoted prices in active markets (Level 1) <i>RMB'000</i>	Significant observable inputs (Level 2) <i>RMB'000</i>	Significant unobservable inputs (Level 3) <i>RMB'000</i>	
Financial assets:				
Listed equity investments	18,450,917	97,795	–	18,548,712
Listed debentures	2,298,999	–	–	2,298,999
Investments in financial products	390,416	20,019	1,826,558	2,236,993
Unlisted equity investments	–	50,477	701,538	752,015
Income right attached to a target equity interest	–	–	439,750	439,750
Derivative financial instruments:				
– Commodity derivative contracts and T+D forward contracts	261,082	–	–	261,082
– Foreign currency forward contracts	–	242,544	–	242,544
Bills receivables	–	1,903,238	–	1,903,238
Inventories designated as hedged items	7,495,771	–	–	7,495,771
	28,897,185	2,314,073	2,967,846	34,179,104
Financial liabilities:				
Derivative financial instruments:				
– Commodity derivative contracts and T+D forward contracts	780,789	–	–	780,789
– Commodity option contracts	–	45,833	–	45,833
– Provisional price arrangements	–	313,842	–	313,842
– Foreign currency forward contracts	–	321,341	–	321,341
Other payables and accruals				
– Financial guarantee contracts	–	–	38,353	38,353
	780,789	681,016	38,353	1,500,158

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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23. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy (Continued)

The movements in fair value measurements within Level 3 during the period are as follows:

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
At 1 January	2,967,846	2,270,449
Purchase	9,164,014	8,825,502
Total gains recognised in the statement of profit or loss	101,736	29,328
Total gains recognised in other comprehensive income	(415)	(42)
Disposals	(1,231,651)	(703,059)
At period end	11,001,530	10,422,178

During the six months ended 30 June 2023, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial liabilities (six months ended 30 June 2022: Nil).

24. EVENTS AFTER THE REPORTING PERIOD

There are no material events after the reporting period that may have a material impact on the Group's reported financial position at 30 June 2023.

25. APPROVAL OF THE FINANCIAL STATEMENTS

The interim condensed consolidated financial information was approved and authorised for issue by the board of directors on 25 August 2023.



Jiangxi Copper Company Limited