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

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

(Stock Code: 0358)

2018 INTERIM RESULTS ANNOUNCEMENT

I. IMPORTANT NOTICE

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

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

- (II) Save for the absence of Mr. Long Ziping, the chairman, and Mr. Gao Jianmin, director of the Company, due to other business commitments, and Mr. Wu Yuneng, director of the Company, due to other commitments all Directors of the Company attended the Board’s meeting to approve, among others, the interim results for the six months ended 30 June 2018.

- (III) The interim financial report of the Company and its subsidiaries (the “**Group**”) has not been audited, but the interim financial information prepared in accordance with International Accounting Standards 34 “Interim Financial Reporting” and other relevant provisions (collectively referred to as “**IFRSs**”) has been reviewed by Ernst & Young and considered and approved by the independent audit committee (the “**Audit Committee**”) of the Company.
- (IV) The Company’s chairman, Mr. Long Ziping, the principal accounting responsible person, Mr. Wu Jinxing, and Head of Financial Department (accounting chief), Mr. Ai Fuhua, warrant the truthfulness, accuracy and completeness of the financial report set out in the interim report.
- (V) Proposal of profit distribution plan or transfer of capital reserve to share capital during the six months ended 30 June 2018 (the “**reporting period**”) after consideration by the Board: The Company will not make any proposal of profit distribution plan or transfer capital reserve to share capital.
- (VI) Statement for the risks involved in the forward-looking statement: This announcement contains forward-looking statements that involve future plans and development strategies which do not constitute a commitment by the Company to its investors. Investors should be aware of the investment risks.
- (VII) There is no misappropriation of funds by the controlling shareholders and their connected parties for non-operation purpose in the Group.
- (VIII) There are no external guarantees provided in violation of stipulated decision-making procedures in the Group.

II. SUMMARY OF ACCOUNTING DATA AND FINANCIAL INDICATORS

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

| | For the six months ended 30 June | | Increase/ (decrease) |
|---|--|--|--------------------------------|
| | 2018 (RMB'000) (Unaudited) | 2017 (RMB'000) (Unaudited) | (%) |
| Revenue | 104,025,788 | 97,759,550 | 6.41% |
| Profit before taxation | 1,736,658 | 1,660,960 | 4.56% |
| Profit for the period attributable to owners of the Company | 1,327,146 | 973,559 | 36.32% |
| Basic earnings per share (RMB) | 0.38 | 0.28 | 36.32% |
| | As at 30 June 2018 (RMB'000) (Unaudited) | As at 31 December 2017 (RMB'000) (Audited) | Increase/ (decrease) (%) |
| Total assets | 99,875,860 | 97,468,660 | 2.47% |
| Total liabilities | 48,821,308 | 47,485,426 | 2.81% |
| Net assets attributable to owners of the Company | 48,513,007 | 47,532,431 | 2.06% |
| Net assets per share attributable to owners of the Company (RMB) | 14.01 | 13.73 | 2.06% |

(II) Consolidated Accounting Data and Financial Indicators Prepared in accordance with the People's Republic of China (“PRC”) Accounting Standards (“PRC GAAP”)

(1) Major accounting data

Unit: Yuan Currency: RMB

| Major accounting data | During the reporting period (January–June) | During the same period of last year | Increase/decrease for the reporting period as compared with the same period of last year (%) |
|--|---|--|--|
| Operating revenue | 104,505,429,936 | 98,285,807,570 | 6.33 |
| Net profit attributable to shareholders of the Company | 1,277,630,707 | 830,212,763 | 53.89 |
| Net profit after non-recurring profit and loss items attributable to shareholders of the Company | 571,227,140 | 621,619,931 | -8.11 |
| Net cash flows from operating activities | 805,336,653 | 864,037,385 | -6.79 |
| | 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 | 48,513,007,480 | 47,532,426,878 | 2.06 |
| Total assets | 99,875,860,331 | 97,468,655,222 | 2.47 |

(2) Major financial indicators

Unit: Yuan Currency: RMB

| Major financial indicators | During the reporting period (January-June) | During the same period of last year | Increase/decrease for the reporting period as compared with the same period of last year (%) |
|--|--|---|---|
| | | | |
| Basic earnings per share (RMB/share) | 0.37 | 0.24 | 54.17 |
| Diluted earnings per share (RMB/share) | – | – | – |
| Basic earnings per share after non- recurring profit and loss items (RMB/share) | 0.16 | 0.18 | -11.11 |
| Return on net assets (weighted average) (%) | 2.63 | 1.77 | Increased by 0.86 percentage point |
| Return on net assets after non- recurring profit and loss items (weighted average) (%) | 1.18 | 1.33 | Decreased by 0.15 percentage point |

(III) Reconciliation Between the IFRSs and the PRC GAAP

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

Unit: Yuan Currency: RMB

| | Net profit | | Net assets attributable to shareholders of the Company | |
|---|-------------------------------|--------------------------------|--|----------------|
| | Amount for the current period | Amount for the previous period | Closing amount | Opening amount |
| Prepared in accordance with the PRC GAAP | 1,277,630,707 | 830,212,763 | 48,513,007,480 | 47,532,426,878 |
| Adjustments to items and amounts under IFRSs: | | | | |
| Safety fund expenses provided but not used under the PRC GAAP during the period | 49,518,957 | 143,344,899 | - | - |
| Income tax effect on safety fund | - | - | - | - |
| Prepared in accordance with the IFRSs | 1,327,149,664 | 973,557,662 | 48,513,007,480 | 47,532,426,878 |

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

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

Unit: Yuan Currency: RMB

| Non-recurring profit and loss items | Amount | Note (If applicable) |
|---|---------------------------|---------------------------------|
| Profit and loss from disposal of non-current assets | -277,193 | |
| Government grant as included in profit and loss of the current period, other than those closely relating to the normal business of enterprises and subject to a fixed amount or quantity under certain standard and in compliance with national policies | 603,901 | |
| Profit and loss from changes in the fair value of financial assets and financial liabilities held for trading, and investment gains from disposal of financial assets and liabilities held for trading and available-for-sale financial assets except for effective hedging business related to normal operation of the Company | 886,783,122 | |
| Other non-operating income and expenses other than the above | <u>11,514,158</u> | |
| Impact from interests of minority shareholders | -71,350,760 | |
| Impact from income tax | <u>-120,869,661</u> | |
| Total | <u><u>706,403,567</u></u> | |

(V) Other Items (prepared under the PRC GAAP)

Items measured by adoption of fair value

Unit: Yuan Currency: RMB

| Item | Opening balance | Closing balance | Changes during the period | Impact on profit of the current period |
|--|----------------------|-----------------------------|---------------------------|--|
| 1. Investment in held-for-trading equity instruments | | | | |
| Equity investments | 56,861,137 | 40,104,258 | -16,756,879 | -1,318,965 |
| 2. Investment in held-for-trading debt instruments | | | | |
| Debenture investment | 152,873,898 | 155,860,001 | 2,986,103 | 6,172,785 |
| Investment in debt instruments | 2,856,762,320 | 2,564,016,060 | -292,746,260 | 107,753,854 |
| 3. Other equity instruments | 1,425,234,108 | 1,897,114,821 | 471,880,713 | 113,424,378 |
| 4. Other debt instruments | 54,664,032 | 58,181,157 | 3,517,125 | – |
| 5. Derivatives not designated as a hedge | | | | |
| Forward foreign exchange contracts | 9,650,606 | -95,277,971 | -104,928,577 | 58,034,488 |
| Interest rate swaps contracts | -42,562 | -308,311 | -265,749 | -256,448 |
| Commodity option contracts | -122,291,963 | -88,460,530 | 33,831,433 | 58,932,554 |
| Commodity futures contracts | -191,123,081 | 70,742,908 | 261,865,989 | 523,394,795 |
| Foreign exchange swap contracts | -14,051,364 | -9,276,000 | 4,775,364 | 4,775,364 |
| 6. Hedging instruments | | | | |
| (1) Non-effective hedging derivative instruments | | | | |
| Commodity futures contracts | -1,598,845 | – | 1,598,845 | 1,598,845 |
| Provisional price arrangement | -14,293,551 | 9,384,087 | 23,677,638 | 23,677,639 |
| (2) Effective hedging derivative instruments | | | | |
| Commodity futures contracts | -19,569,660 | – | 19,569,660 | 4,093,834 |
| Item at fair value included in inventory | 3,249,373,800 | 4,343,880,835 | 1,094,507,035 | -313,868,444 |
| Provisional price arrangement | -179,057,903 | 150,548,268 | 329,606,171 | 329,606,171 |
| Total | <u>7,263,390,972</u> | <u>9,096,509,583</u> | <u>1,833,118,611</u> | <u>916,020,850</u> |

III. CHANGES IN SHARE CAPITAL AND SHAREHOLDERS

(I) Changes in Share

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

(II) Changes in Shares Subject to Lock-up

Not applicable

(III) The Number of Shareholders and Shareholdings

(1) Total number of Shareholders

| | |
|--|---------|
| Total number of ordinary shareholders at the end of the reporting period | 138,490 |
| Total number of preference shareholders with voting rights restored at the end of the reporting period | 0 |

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

Shareholdings of the top ten shareholders

Unit: Share

| Name of shareholder (full name) | Increase/ decrease during the reporting period | Number of shares held at the end of the reporting period | Percentage (%) | Number of shares held subject to lock-up | Situation of pledge or freeze | | Nature of shareholder |
|--|--|--|-------------------|---|----------------------------------|--------|--------------------------|
| | | | | | Share status | Number | |
| Jiangxi Copper Corporation Limited ("JCC") | 0 | 1,403,614,110 | 40.53 | 0 | Nil | 0 | State-owned legal person |
| HKSCC Nominees Limited ("HKSCC") | 191,999 | 1,180,768,594 | 34.10 | 0 | Unknown | | Unknown |
| China Securities Finance Corporation Limited | 58,479,728 | 97,313,242 | 2.81 | 0 | Unknown | | Unknown |
| Central Huijin Asset Management Limited | 0 | 31,843,800 | 0.92 | 0 | Unknown | | Unknown |

| Name of shareholder (full name) | Increase/ decrease during the reporting period | Number of shares held at the end of the reporting period | Percentage (%) | Number of shares held subject to lock-up | Situation of pledge or freeze Share status | Number | Nature of shareholder |
|---|--|--|-------------------|---|---|--------|--------------------------|
| Agricultural Bank of China Company Limited – China Post Core Growth Mixed Securities Investment Fund (中國農業銀行股份有 限公司–中郵核心成長 混合型證券投資基金) | -236,500 | 10,763,500 | 0.31 | 0 | Unknown | | Unknown |
| China Life Insurance Co., Ltd. – Traditional – Ordinary Insurance Products – 005L – CT001 SH (中國人壽保 險股份有限公司–傳統– 普通保險產品–005L– CT001 滬) | -1,017,293 | 9,989,900 | 0.29 | 0 | Unknown | | Unknown |
| Beijing Fengshan Investment Ltd. | 0 | 6,784,000 | 0.20 | 0 | Unknown | | Unknown |
| Hong Kong Securities Clearing Company Limited | 6,366,217 | 6,366,217 | 0.18 | 0 | Unknown | | Unknown |
| Wutongshu Investment Platform Co., Ltd. | 0 | 5,993,953 | 0.17 | 0 | Unknown | | Unknown |
| Huatai Securities Co., Ltd. | 5,540,290 | 5,540,290 | 0.16 | 0 | Unknown | | Unknown |

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

| Name of shareholder | Number of tradable shares held not subject to lock-up | Class and number of shares | |
|---|---|---|---------------|
| | | Class | Number |
| JCC | 1,403,614,110 | Ordinary shares denominated in RMB (A share) | 1,205,479,110 |
| | | Overseas listed foreign shares (H share) | 198,135,000 |
| HKSCC | 1,180,768,594 | Overseas listed foreign shares (H share) | 1,180,768,594 |
| China Securities Finance Corporation Limited | 97,313,242 | Ordinary shares denominated in RMB (A share) | 97,313,242 |
| Central Huijin Asset Management Limited | 31,843,800 | Ordinary shares denominated in RMB (A share) | 31,843,800 |
| Agricultural Bank of China Company Limited – China Post Core Growth Mixed Securities Investment Fund (中國農業銀行股份有限公司—中郵核心成長混合型證券投資基金) | 10,763,500 | Ordinary shares denominated in RMB (A share) | 10,763,500 |
| China Life Insurance Co., Ltd. – Traditional – Ordinary Insurance Products –005L – CT001 SH (中國人壽保險股份有限公司—傳統—普通保險產品—005L—CT001滬) | 9,989,900 | Ordinary shares denominated in RMB (A share) | 9,989,900 |
| Beijing Fengshan Investment Ltd. | 6,784,000 | Ordinary shares denominated in RMB (A share) | 6,784,000 |
| Hong Kong Securities Clearing Company Limited | 6,366,217 | Ordinary shares denominated in RMB (A share) | 6,366,217 |
| Wutongshu Investment Platform Co., Ltd. | 5,993,953 | Ordinary shares denominated in RMB (A share) | 5,993,953 |
| Huatai Securities Co., Ltd. | 5,540,290 | Ordinary shares denominated in RMB (A share) | 5,540,290 |
| The explanation of the connected relationship or parties acting in concert among the aforesaid shareholders | (1) | JCC, the controlling shareholder of the Company, and the other holders of shares not subject to lock-up are neither connected persons nor parties acting in concert as defined in “the Measures for the Administration of the Takeover of Listed Companies” (《上市公司收購管理辦法》) issued by China Securities Regulatory Commission (“CSRC”); | |
| | (2) | The Company is not aware of any connected relationship among the holders of shares not subject to lock-up, nor aware of any parties acting in concert as defined in “the Measures for the Administration of the Takeover of Listed Companies”(《上市公司收購管理辦法》) issued by CSRC. | |
| Preferred shareholders with restored voting rights / and their shareholding | | | |

Notes: HKSCC is a member of the Central Clearing and Settlement System, providing registration and custodial services for customers. HKSCC held a total of 1,378,903,594 shares of the Company in the capacity of nominee on behalf of a number of customers, representing approximately 39.82% of the total share capital of the Company. 198,135,000 H Shares held by JCC are also registered in HKSCC. Excluding those H Shares held by JCC, HKSCC held 1,180,768,594 shares of the Company on behalf of a number of customers, representing approximately 34.10% of the total share capital of the Company.

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

Not applicable

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

Not applicable

(IV) Changes in Controlling Shareholder and Ultimate Controller

Not applicable

IV. REPORT OF THE BOARD

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

Discussion and Analysis of the Company's Operation during the Reporting Period by the Board

During the year, although the overall world economy has maintained the momentum of recovery since last year with sustained growth, factors such as instability in geopolitics in the Middle East area, accelerating international trade conflicts, interest rate hike in the United States, tightening of international liquidity have caused a negative impact on the world economy and the differentiation in performance of various economies: among those developed countries, the United States have remained to show strong performance; the growth in the Eurozone has slowed down; emerging economies have grown at a weak pace, which is particularly reflected by the rapid depreciation in currencies of Argentina, Turkey and other countries and the surge in effective interest rates. Turmoil in the global economy has intensified.

During the reporting period, the Company successfully achieved the production plan for all products and produced: 723,900 tonnes of copper cathode, representing a year-on-year increase of 12.26%; 101,800 tonnes of copper concentrates, representing a year-on-year decrease of 2.76%; 12,903 kilograms of gold, representing a year-on-year increase of 7%; 183.98 tonnes of silver, representing a year-on-year decrease of 25.42%; 3,737 tonnes of molybdenum concentrates (45%), representing a year-on-year increase of 1.66%; 2,077,900 tonnes of sulphuric acids, representing a year-on-year increase of 21.58%; 1,203,100 tonnes of sulphur concentrates, representing a year-on-year decrease of 2.86%; produced 472,900 tonnes of copper wires, representing a year-on-year increase of 2.32%; 81,700 tonnes of other copper processing products (excluding copper rods), representing a year-on-year increase of 9.64%.

As of 30 June 2018, the consolidated operating revenue of the Group amounted to RMB104,505 million (for the same period of 2017: RMB98,286 million), representing a year-on-year increase of RMB6,220 million (or 6.33%). The Group recorded the net profits attributable to shareholders of the Company of RMB1,278 million (for the same period of 2017: RMB830 million), representing an increase of RMB447 million (or 53.89%), as compared to the same period of last year. The earnings per share amounted to RMB0.37 (for the same period of 2017: RMB0.24), representing a year-on-year increase of RMB0.13 (or 54.17%) as compared to the same period of last year. Under the IFRSs, the net profits attributable to shareholders of the Company were RMB1,327 million (for the same period of 2017: RMB974 million, representing a year-on-year increase of RMB353 million (or 36.32%), as compared to the same period of last year.

(I) Analysis of principal businesses

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

Unit: Yuan Currency: RMB

| Items | For the period | For the same period last year | Changes (%) |
|---|------------------------|----------------------------------|----------------|
| Operating revenue | 104,505,429,936 | 98,285,807,570 | 6.33 |
| Operating cost | 100,992,046,561 | 94,779,622,041 | 6.55 |
| Selling and distribution expenses | 327,220,816 | 298,253,431 | 9.71 |
| Administrative expenses | 733,779,374 | 787,465,452 | -6.82 |
| Finance costs | 442,500,482 | 153,305,447 | 188.64 |
| Net cash flow from operating activities | 805,336,653 | 864,037,385 | -6.79 |
| Net cash flow from investment activities | -454,725,791 | -1,699,996,554 | -73.25 |
| Net cash flow from financing activities | 2,880,365,204 | 585,841,185 | 391.66 |
| Expenses on research and development | 1,267,462,500 | 882,221,000 | 43.69 |
| Impairment losses on assets | 277,854,148 | 567,521,358 | -51.04 |
| Gains on changes in fair value | 346,060,473 | 110,340,853 | 213.63 |
| Change in returns on investment | 568,021,711 | 185,643,493 | 205.97 |
| Non-operating income | 15,858,447 | 3,982,654 | 298.19 |
| Income tax expenses | 432,085,442 | 698,560,754 | -38.15 |

- (1) Explanation on changes in operating revenue: It was due to an increase in the unit price of copper cathodes and copper rods and a decrease in trading sales.
- (2) Explanation on changes in operating cost: It was due to an increase in the cost of copper raw materials and a decrease in trading sales.
- (3) Explanation on changes in selling and distribution expenses: It was mainly due to increases in transportation fees, storage fees and futures fee.

- (4) Explanation on changes in administrative expenses: It was mainly due to a decrease in maintenance fees.
- (5) Explanation on changes in finance costs: It was mainly due to the year-on-year increases in the financing scale and loan interest rate.
- (6) Net cash flow from operating activities: It remained at the same level from the same period of last year.
- (7) Explanation on changes in net cash flow from investment activities: It was mainly due to the cash outflow of RMB 4.7 billion in the same period last year in relation to the restricted bank deposits, which had been reduced in the current period.
- (8) Explanation on changes in net cash flow from financing activities: It was mainly due to an increase in the scale of corporate financing.
- (9) Explanation on changes in expenses on research and development: It was mainly due to the increases in research and development projects and the expenditures as a result of an increase in technology investment.
- (10) Explanation on changes in impairment losses on assets: It was mainly due to the a change in accounting item from bad debt loss to “credit impairment loss”, arising from the implementation of a new financial instruments standard by the Group.
- (11) Explanation on changes in gains on changes in fair value: It was mainly because the Company measured the unlisted equity investment, which was originally measured at cost, at fair value and realised gains on changes in fair value in the period, arising from the implementation of a new financial instruments standard by the Group.
- (12) Explanation on changes in returns on investment: It was mainly due to a year-on-year increase in realised gains of commodity futures contract not designated as hedge instruments affected by copper price movements.
- (13) Explanation on changes in non-operating income: It was mainly due to an increase in compensation income.
- (14) Explanation on changes in income tax expenses: It was mainly due to the preferential policy of high technology enterprises in favour of the parent company.

2. Others

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

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

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

Unit: Yuan Currency: RMB

| Item | For the period | For the same period last year | Changes |
|--------------------------------|-----------------------|--|----------------|
| Impairment losses on assets | 277,854,148 | 567,521,358 | -289,667,210 |
| Impairment losses on credit | 540,675,462 | — | 540,675,462 |
| Gains on changes in fair value | 346,060,473 | 110,340,853 | 235,719,620 |
| Returns on investment | 568,021,711 | 185,643,493 | 382,378,218 |

(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 |
|--|-----------------------------|---|--------------------------------------|--|---|-------------|
| Financial assets at fair value through profit or loss | - | - | 401,504,647 | 0.41 | (100.00) | Note 1 |
| Held-for-trading financial assets | 2,759,980,319 | 2.76 | - | - | 100.00 | Note 2 |
| Derivative financial assets | 278,390,415 | 0.28 | - | - | 100.00 | Note 3 |
| Other receivables | 2,762,745,118 | 2.77 | 4,952,452,933 | 5.08 | -44.21 | Note 4 |
| Assets classified as held for sale | 77,042,234 | 0.08 | 23,308,163 | 0.02 | 230.54 | Note 5 |
| Available-for-sale financial assets (current assets) | - | - | 2,671,176,000 | 2.74 | -100.00 | Note 6 |
| Available-for-sale financial assets (non-current assets) | - | - | 1,665,484,460 | 1.71 | -100.00 | Note 7 |
| Other debt investment | 58,181,157 | 0.06 | - | - | 100.00 | Note 8 |
| Investment in other equity instruments | 1,897,114,821 | 1.90 | - | - | 100.00 | Note 9 |
| Other non-current assets | 1,240,501,612 | 1.24 | 693,612,328 | 0.71 | 78.85 | Note 10 |
| Financial liabilities at fair value through profit or loss | - | - | 724,147,935 | 0.74 | -100.00 | Note 11 |
| Derivative financial liabilities | 241,037,964 | 0.24 | - | - | 100.00 | Note 12 |
| Contract liabilities | 1,597,633,127 | 1.60 | - | - | 100.00 | Note 13 |
| Advance from customers | - | - | 1,543,606,226 | 1.58 | -100.00 | Note 14 |
| Other payables | 2,648,200,128 | 2.65 | 1,877,638,769 | 1.93 | 41.04 | Note 15 |
| Non-current liabilities due within one year | 113,720,928 | 0.11 | 230,895,078 | 0.24 | -50.75 | Note 16 |
| Other current liabilities | 2,065,115,717 | 2.07 | 3,178,510,772 | 3.26 | -35.03 | Note 17 |

| 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 |
|----------------------------|-----------------------------------|--|--|--|---|-------------|
| Long-term borrowings | 3,308,750,000 | 3.31 | 8,750,000 | 0.01 | 37,714.29 | Note 18 |
| Deferred tax liabilities | 159,865,836 | 0.16 | 105,838,376 | 0.11 | 51.05 | Note 19 |
| Other comprehensive income | -58,540,104 | -0.06 | -114,215,007 | -0.12 | -48.75 | Note 20 |

Explanations:

Note 1: As at the end of the reporting period, the financial assets at fair value through profit or loss of the Group amounted to RMB0, representing a decrease of RMB401.50 million (or -100%) as compared to the end of last year, mainly attributable to a change in accounting items arising from the implementation of a new financial instruments standard by the Group.

Note 2: As at the end of the reporting period, the held-for-trading financial assets of the Group amounted to RMB2,759.98 million, representing an increase of RMB2,759.98 million (or 100%) as compared to the end of last year, mainly attributable to a change in accounting items arising from the implementation of a new financial instruments standard by the Group.

Note 3: As at the end of the reporting period, the derivative financial instruments of the Group amounted to RMB278.39 million, representing an increase of RMB278.39 million (or 100%) as compared to the end of last year, mainly attributable to a change in accounting items arising from the implementation of a new financial instruments standard by the Group.

Note 4: As at the end of the reporting period, other receivables of the Group amounted to RMB2,762.75 million, representing a decrease of RMB2,189.71 million (or -44.21%) as compared to the end of last year, mainly attributable to recovery of receivables and transfer payment from asset management scheme by the Group as at beginning of the reporting period.

- Note 5:* As at the end of the reporting period, the assets classified as held for sale of the Group amounted to RMB77.04 million, representing an increase of RMB53.73 million (or 230.54%) as compared to the end of last year, mainly attributable to the transfer of the relevant assets of “Three Supplies and One Property” into this category by the Group in accordance with the requirements of the State Council and Jiangxi Provincial Government.
- Note 6:* As at the end of the reporting period, the available-for-sale financial assets (current assets) of the Group amounted to RMB0, representing a decrease of RMB2,671.17 million (or -100%) as compared to the end of last year, mainly attributable to a change in accounting items arising from the implementation of a new financial instruments standard by the Group.
- Note 7:* As at the end of the reporting period, the available-for-sale financial assets (non-current assets) of the Group amounted to RMB0, representing a decrease of RMB1,665.48 million (or -100%) as compared to the end of last year, mainly attributable to a change in accounting items arising from the implementation of a new financial instruments standard by the Group.
- Note 8:* As at the end of the reporting period, other debt investment of the Group amounted to RMB58.18 million, representing an increase of RMB58.18 million (or 100%) as compared to the end of last year, mainly attributable to a change in accounting items arising from the implementation of a new financial instruments standard by the Group.
- Note 9:* As at the end of the reporting period, investment in other equity instruments of the Group amounted to RMB1,897.11 million, representing an increase of RMB1,897.11 million (or 100%) as compared to the end of last year, mainly attributable to a change in accounting items arising from the implementation of a new financial instruments standard by the Group.
- Note 10:* As at the end of the reporting period, other non-current assets of the Group amounted to RMB1,240.50 million, representing an increase of RMB546.89 million (or 78.85%) as compared to the end of last year, mainly attributable to prepayment to the purchase of engineering equipment by the Group and an increase in prepaid investment monies.

Note 11: As at the end of the reporting period, the financial liabilities at fair value through profit or loss of the Group amounted to RMB0, representing a decrease of RMB724.15 million (or -100%) as compared to the end of last year, mainly attributable to a change in accounting items arising from the implementation of a new financial instruments standard by the Group.

Note 12: As at the end of the reporting period, the derivative financial liabilities of the Group amounted to RMB241.04 million, representing an increase of RMB241.04 million (or 100%) as compared to the end of last year, mainly attributable to a change in accounting items arising from the implementation of a new financial instruments standard by the Group.

Note 13: As at the end of the reporting period, the contract liabilities of the Group amounted to RMB1,597.63 million, representing an increase of RMB1,597.63 million (or 100%) as compared to the end of last year, mainly attributable to a change in accounting items arising from the implementation of a new financial instruments standard by the Group.

Note 14: As at the end of the reporting period, the advance from customers of the Group amounted to RMB0, representing a decrease of RMB1,543.61 million (or -100%) as compared to the end of last year, mainly attributable to a change in accounting items arising from the implementation of a new financial instruments standard by the Group.

Note 15: As at the end of the reporting period, other payables of the Group amounted to RMB2,648.20 million, representing an increase of RMB770.56 million (or 41.04%) as compared to the end of last year, mainly attributable to the distribution of 2017 cash dividends approved in the 2018 shareholders' general meeting of the Group.

Note 16: As at the end of the reporting period, the non-current liabilities due within one year of the Group amounted to RMB113.72 million, representing a decrease of RMB117.17 million (or -50.75%) as compared to the end of last year, mainly attributable to due repayment of a long term borrowing due within one year of the Group.

Note 17: As at the end of the reporting period, other current liabilities of the Group amounted to RMB2,065.12 million, representing a decrease of RMB1,113.40 million (or -35.03%) as compared to the end of last year, mainly attributable to the decrease in short term deposits of an associated company under the Group placed with a finance company.

Note 18: As at the end of the reporting period, the long term borrowing of the Group amounted to RMB3,308.75 million, representing an increase of RMB3,300.00 million (or 37,714.29%) as compared to the end of last year, mainly attributable to the change in financing structure of the Group.

Note 19: As at the end of the reporting period, the deferred tax liabilities of the Group amounted to RMB159.87 million, representing an increase of RMB54.03 million (or 51.05%) as compared to the end of last year, mainly attributable to the increase in taxable temporary differences of the Group.

Note 20: As at the end of the reporting period, other comprehensive income of the Group amounted to RMB-58.54 million, representing an increase of RMB55.67 million (or 48.75%) as compared to the end of last year, mainly attributable to the increase in the difference in translation of foreign currency statements.

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

Unit: Yuan Currency: RMB

| Item | Book value at the end of the period | Reasons for the limitation |
|-----------------------------|-------------------------------------|--|
| Cash and bank | 8,615,455,915 | They were the margin deposits for the application of letters of credit, bank guarantees and acceptances issued as well as bank acceptance notes with the banks, the required reserve deposits placed with the People's Bank of China, environment rehabilitation deposits, and pledged to secure short term borrowings |
| Trade and bills receivables | 3,456,995,458 | Bank acceptance notes with book values of RMB2,200,819,506 and letters of credit receivable of RMB1,256,175,952 were pledged to secure bank borrowings |
| Other receivables | 1,344,475,633 | Futures margin deposits |
| Inventories | 988,086,049 | Inventories were placed as and pledged to secure futures margin deposits |
| Fixed assets | 528,557,355 | They were pledged to secure bank borrowings. |

(IV) Material disposal of assets and equity interests

Not applicable

(V) General analysis of external investment in equity

Unit: 0'000 Yuan Currency: RMB

| | |
|---|--------|
| Investment during the reporting period | 16,860 |
| Increase/decrease in investment | 4,878 |
| Investment during the same period last year | 11,982 |
| Extent of increase/decrease in investment (%) | 40.71% |

(VI) Significant equity interest investment

Not Applicable

(VII) Significant non-equity interest investment

Not Applicable

(VIII) Structured entities under the control of the Company

Not applicable

II. OTHER DISCLOSURE MATTERS

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

Not applicable

(II) **Potential Risks**

1. *Risk of bad debts in account receivables*

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

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

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

3. *Exchange rate fluctuation risks*

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

4. *Higher risks of change in fair value through profit or loss and change in investment income*

In order to reduce the influence on the operating results of the Company arising from metal prices, exchange rates and interest rate changes, the Company, based on its own situation, conduct hedging transactions. Such hedging transactions do not constitute valid hedge. Profit or loss incurred from related businesses is included in the income statement, which are included in change in fair value through profit or loss and investment income based on the status of realization. Given significant inherent liquidity of metal prices, exchange rate and interest rate, the change in fair value through profit or loss and investment income generated by the Company are relatively large in scale.

5. *Risk from product price fluctuations*

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

6. *Environmental protection risk*

The Company is mainly engaged in the mining, smelting and processing of non-ferrous metals and rare metals. In compliance with a number of environmental protection laws and regulations concerning air, water quality, waste disposal, public health and safety, the Company shall obtain relevant environmental protection permits for its production and operation, and accept inspections by relevant national environmental protection departments. In recent years, the Company 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, in recent years, with the improvement of people's living standards and increasing awareness of environmental protection, local government departments have intensified their efforts of environmental protection in exploitation of mineral resources and implemented more stringent environmental protection laws and regulations. If the environmental protection department continues to raise the environmental protection standard in the future, adopt more extensive and strict pollution control measures, the Company's production and operation may be affected, leading to an increase in operating costs such as environmental protection expenses.

(III) Others Disclosure

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

Since the publication of the 2017 annual report, there have been no material changes in the likely future business development of the Group, including the prospects of the Company for the current accounting year.

V. SIGNIFICANT EVENTS

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

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

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

(II) Appointment and Removal of Accounting Firms

1. Appointment and removal of accounting firms

Given the fact that the annual caps for the auditing service provided by Deloitte Touche Tohmatsu Certified Public Accountants LLP and Deloitte Touche Tohmatsu for the Company have reached the maximum annual caps required by the Jiangxi Provincial SASAC, at the 2017 general meeting convened on 12 June 2018, the Company considered and approved the appointment of Ernst & Young Hua Ming LLP and Ernst & Young as the domestic and foreign audit firms for 2018, respectively, and the appointment of Ernst & Young Hua Ming LLP as the internal control audit firm for 2018.

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

Not applicable

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

Not applicable

4. Explanation on the issuance of "non-standard auditing 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

During the reporting period, the Company had no material litigation and arbitration.

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

Not Applicable

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

Not Applicable

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

Not applicable

(VIII) Basic Information of Corporate Bonds

Unit: Yuan Currency: RMB

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

Interest payment and repayment of corporate bonds

Not applicable

Other information on corporate bonds

- (1) Options for the Company to adjust the coupon rate: The Company is entitled to determine to adjust the coupon rate for the 2 years following the end of the third year of the term of the current bonds. The Company will publish an announcement on whether to adjust the coupon rate of the bonds and the adjustment rate on the 20th business day prior to the interest payment date of the third interest payment year of the current bonds. If the Company does not exercise the option to adjust the coupon rate, the coupon rate for the remaining term will remain unchanged at the original coupon rate.
- (2) Resale options of investors: Upon publication of the announcement on whether to adjust the coupon rate of the current bonds, and the adjustment rate, investors are entitled to elect to register during the announced resale registration period for investors so as to resell all or part of the current bonds held by them at face value to the Company. If bonds holders do not register, they will be deemed to continue to hold the current bonds and accept the aforementioned adjustment.
- (3) Proceeds from the corporate bonds have been used for their designated purpose as disclosed. At of 30 June 2018, apart from the interests of RMB20,000, all the proceeds have been utilized.
- (4) Information on credit rating institution of corporate bonds: On 28 May 2018, China Chengxin Securities Credit Rating Co., Ltd.* (中誠信證券評估有限公司) conducted tracked credit rating on the “2017 JCC 01” bonds issued by the Company: maintained credit rating of current bonds as AAA; maintained Corporate credit rating as AAA; forward-looking rating was stable.

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

Unit: Yuan Currency: RMB

| Major indicators | As at the end of the current reporting period | As at the end of last year | Increase/ decrease from the end of last year (%) | Reason for changes |
|-----------------------------------|---|--|--|-------------------------------------|
| Liquidity ratio | 1.53 | 1.43 | 6.99 | |
| Quick ratio | 1.1 | 1 | 10.00 | |
| Asset-liability ratio (%) | 48.88 | 48.72 | Increase 0.16 percentage point | |
| Loan repayment rate (%) | 100 | 100 | – | |
| | As at the current reporting period (January to June) | As at the same period of last year | Increase/ decrease from the same period of last year (%) | Reason for changes |
| EBITDA interest coverage ratio | 5.27 | 7.56 | -30.29 | Increase in interest expenses |
| Interest coverage (%) | 100 | 100 | – | |

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

The Ministry of Finance revised and issued Accounting Standard for Business Enterprises No. 22 – Financial Instruments: Recognition and Measurement (Cai Kuai [2017] No. 7), Accounting Standard for Business Enterprises No. 23-Transfer of Financial Assets (Cai Kuai [2017] No. 8), Accounting Standard for Business Enterprises No. 24 – Hedging (Cai Kuai [2017] No. 9), Accounting Standard for Business Enterprises No. 37-Presentation of Financial Instruments (Cai Kuai [2017] No. 14) and Accounting Standard for Business Enterprises No. 14 – Revenue (Cai Kuai [2017] No. 22) since April 2017. For the enterprises that are listed on both domestic and overseas stock markets and companies that are listed overseas and adopt International Financial Reporting Standards or Accounting

Standards for Business Enterprises to prepare their financial reports, the abovementioned revised standards were required to be implemented since 1 January 2018. As an enterprise that listed on both domestic and overseas stock markets, the Group has adopted such revised standard since 1 January 2018, and was approved by the Board of the Group as changes in accounting policy on 28 December 2017. According to the transitional provisions, the information for the comparable reporting period was not adjusted. The differences arising from implementation of the new standards on the first implementation date and the current standards were adjusted to retained earnings or other comprehensive income at the beginning of the reporting period.

For details of the new accounting standards implemented by the Group, please refer to the paragraph 2.2 “Changes in accounting policies and disclosures” in “Unaudited Interim Financial Information Prepared in accordance with IFRSs”.

(X) Audit Committee

The Company has convened Audit Committee meeting at which the unaudited interim condensed consolidated financial statements and the interim results report for the six months ended 30 June 2018 were considered and approved.

(XI) Code on Corporate Governance Practices

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

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

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

Under code provision A.2.1 of the Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. As Mr. Li Baomin resigned as chairman on 11 September 2017, Mr. Long Ziping acted as both the chairman and general manager of the Company from 11 September 2017 to 7 January 2018. From 8 January 2018, Mr. Wu Yuneng has been appointed as the general manager.

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

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

(XIII) Model Code for Securities Transactions by Directors

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

(XIV) Detailed Results Announcement

The interim report for 2018 containing all relevant information required by Appendix 16 to the Listing Rules will be despatched to shareholders and be published on the websites of the Stock Exchange (<http://www.hkex.com.hk>) and the Company (<http://www.jxcc.com>) in due course.

VI. UNAUDITED INTERIM FINANCIAL INFORMATION PREPARED IN ACCORDANCE WITH IFRS

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2018

(PREPARED IN ACCORDANCE WITH IFRS)

| | <i>NOTES</i> | Six months ended 30 June | |
|---|--------------|---------------------------------------|---------------------------------------|
| | | 2018 <i>RMB'000</i> (unaudited) | 2017 <i>RMB'000</i> (unaudited) |
| Revenue | 4 | 104,025,788 | 97,759,550 |
| Cost of sales | | <u>(101,049,631)</u> | <u>(94,579,484)</u> |
| Gross profit | | 2,976,157 | 3,180,066 |
| Other income | 5 | 346,942 | 319,984 |
| Other gains and losses | 6 | 79,745 | (411,619) |
| Selling and distribution expenses | | (327,221) | (298,253) |
| Administrative expenses | | (797,665) | (803,671) |
| Finance costs | | (539,362) | (357,015) |
| Share of results of joint ventures | | (11,065) | (11,548) |
| Share of results of associates | | <u>9,127</u> | <u>43,016</u> |
| Profit before taxation | | 1,736,658 | 1,660,960 |
| Taxation | 8 | <u>(432,085)</u> | <u>(698,561)</u> |
| Profit for the period | | <u>1,304,573</u> | <u>962,399</u> |
| Other comprehensive income/(expense) | | | |
| Items that may be subsequently reclassified to profit or loss: | | | |
| Net of tax: | | | |
| Fair value change on hedging instruments designated in cash flow hedges | | – | 16,225 |
| Reclassification adjustments relating to transfer of cash flow hedges | | (6,352) | (13,971) |
| Net gain on financial assets at fair value through other comprehensive income | | 1,714 | 173 |
| Share of exchange differences of associates and joint venture | | 27,839 | (38,850) |
| Exchange differences arising on translation | | <u>39,241</u> | <u>(34,802)</u> |
| Other comprehensive income (expense) for the period (net of tax) | | <u>62,442</u> | <u>(71,225)</u> |
| Total comprehensive income for the period | | <u><u>1,367,015</u></u> | <u><u>891,174</u></u> |

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME (CONTINUED)**
FOR THE SIX MONTHS ENDED 30 JUNE 2018
(PREPARED IN ACCORDANCE WITH IFRS)

| | | Six months ended 30 June | |
|---|--------------|---------------------------------|-----------------------|
| | | 2018 | 2017 |
| | <i>NOTES</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| | | (unaudited) | (unaudited) |
| Profit for the period attributable to: | | | |
| Owners of the Company | | 1,327,146 | 973,559 |
| Non-controlling interests | | (22,573) | (11,160) |
| | | <u>1,304,573</u> | <u>962,399</u> |
| Total comprehensive income attributable to: | | | |
| Owners of the Company | | 1,382,014 | 907,691 |
| Non-controlling interests | | (14,999) | (16,517) |
| | | <u>1,367,015</u> | <u>891,174</u> |
| Earnings per share | | | |
| Basic and diluted | 10 | <u>RMB0.38</u> | <u>RMB0.28</u> |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2018
(PREPARED IN ACCORDANCE WITH IFRS)

| | | At 30 June 2018 | At 31 December 2017 |
|---|--------------|----------------------------|--------------------------------|
| | <i>NOTES</i> | RMB'000 | RMB'000 |
| | | (unaudited) | (audited) |
| Non-current assets | | | |
| Property, plant and equipment | 11 | 21,697,978 | 21,980,079 |
| Investment properties | | 467,877 | 473,556 |
| Prepaid lease payments | | 1,263,458 | 1,205,601 |
| Intangible assets | | 1,148,206 | 1,182,094 |
| Exploration and evaluation assets | | 691,488 | 603,719 |
| Interests in associates | | 3,095,338 | 2,904,100 |
| Interests in joint ventures | | 276,957 | 273,694 |
| Financial assets other than derivative financial instruments | 13 | 1,955,296 | 1,665,484 |
| Deferred tax assets | | 708,874 | 716,044 |
| Prepayment for investment | | 390,792 | 100,000 |
| Deposits for prepaid lease payments | | 631,832 | 460,610 |
| Deposits for property, plant and equipment | | 217,878 | 133,007 |
| | | 32,545,974 | 31,697,988 |
| Current assets | | | |
| Inventories | | 18,920,611 | 19,997,187 |
| Trade and bills receivables | 14 | 14,951,597 | 12,804,620 |
| Factoring receivables | | 2,083,724 | 2,227,710 |
| Prepayments, deposits and other receivables | | 4,767,606 | 7,528,899 |
| Loans to fellow subsidiaries | | 1,163,328 | 1,014,165 |
| Prepaid lease payments | | 30,076 | 28,689 |
| Derivative financial instruments | 12 | 278,391 | 191,770 |
| Financial assets other than derivative financial instruments | 13 | 2,759,980 | 2,951,286 |
| Restricted bank deposits | 15 | 8,615,456 | 8,639,835 |
| Cash and cash equivalents | 15 | 13,682,075 | 10,363,203 |
| | | 67,252,844 | 65,747,364 |
| Assets classified as held for sale | | 77,042 | 23,308 |
| | | 67,329,886 | 65,770,672 |

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(CONTINUED)**

AT 30 JUNE 2018

(PREPARED IN ACCORDANCE WITH IFRS)

| | | At 30 June 2018 <i>RMB'000</i> (unaudited) | At 31 December 2017 <i>RMB'000</i> (audited) |
|---|--------------|---|---|
| | <i>NOTES</i> | | |
| Current liabilities | | | |
| Trade and bills payables | 16 | 8,058,176 | 7,881,408 |
| Contract liabilities | | 1,597,633 | – |
| Other payables and accruals | | 3,794,356 | 4,898,623 |
| Deposits from holding company and fellow subsidiaries | | 1,981,824 | 3,102,720 |
| Deferred revenue | | 45,120 | 50,915 |
| Derivative financial instruments | 12 | 241,038 | 724,148 |
| Interest-bearing bank borrowings | | 27,124,336 | 28,500,226 |
| Dividend payable | | 692,546 | – |
| Tax payable | | 395,057 | 772,880 |
| | | <u>43,930,086</u> | <u>45,930,920</u> |
| Net current assets | | <u>23,399,800</u> | <u>19,839,752</u> |
| Total assets less current liabilities | | <u>55,945,774</u> | <u>51,537,740</u> |
| Non-current liabilities | | | |
| Interest-bearing bank borrowings | | 3,308,750 | 8,750 |
| Corporate Bonds | | 500,000 | 500,000 |
| Provision for rehabilitation | | 221,682 | 182,485 |
| Employee benefit liability | | 63,135 | 63,880 |
| Deferred revenue | | 543,525 | 568,905 |
| Other long term payables | | 94,264 | 124,648 |
| Deferred tax liabilities | | 159,866 | 105,838 |
| | | <u>4,891,222</u> | <u>1,554,506</u> |
| | | <u>51,054,552</u> | <u>49,983,234</u> |
| Capital and reserves | | | |
| Share capital | | 3,462,729 | 3,462,729 |
| Reserves | | <u>45,050,278</u> | <u>44,069,702</u> |
| Equity attributable to owners of the Company | | <u>48,513,007</u> | <u>47,532,431</u> |
| Non-controlling interests | | <u>2,541,545</u> | <u>2,450,803</u> |
| | | <u>51,054,552</u> | <u>49,983,234</u> |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2018
(PREPARED IN ACCORDANCE WITH IFRS)

| | Attributable to owners of the Company | | | | | | | | | | | | | |
|---|---------------------------------------|---------------|-----------------|----------------|---------------------------|-------------------------------|------------------------------|-----------------|---------------------|--------------------|------------------|------------|---------------------------|------------|
| | Share Capital | Share premium | Capital reserve | Other reserves | Statutory surplus reserve | Discretionary surplus reserve | Safety funds surplus reserve | Hedging reserve | Translation reserve | Proposed dividends | Retained profits | Sub-total | Non-controlling interests | 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 | RMB'000 | RMB'000 |
| | (Note *) | (Note *) | (Note *) | (Note *) | (Note *) | (Note *) | (Note *) | (Note *) | (Note *) | (Note *) | (Note *) | | | |
| At 31 December 2017 (audited) | 3,462,729 | 12,647,502 | (898,369) | (98,191) | 4,816,743 | 9,647,574 | 420,620 | 6,352 | (114,878) | 692,546 | 16,949,803 | 47,532,431 | 2,450,803 | 49,983,234 |
| Change in accounting policy (Note 2.2) | - | - | - | 806 | - | - | - | - | - | - | 290,302 | 291,108 | 44,370 | 335,478 |
| At 1 January 2018 (restated) | 3,462,729 | 12,647,502 | (898,369) | (97,385) | 4,816,743 | 9,647,574 | 420,620 | 6,352 | (114,878) | 692,546 | 17,240,105 | 47,823,539 | 2,495,173 | 50,318,712 |
| Profit (loss) for the period | - | - | - | - | - | - | - | - | - | - | 1,327,146 | 1,327,146 | (22,573) | 1,304,573 |
| Other comprehensive income (expense) for the period | - | - | - | 1,714 | - | - | - | (6,352) | 59,506 | - | - | 54,868 | 7,574 | 62,442 |
| Total comprehensive income (expense) for the period | - | - | - | 1,714 | - | - | - | (6,352) | 59,506 | - | 1,327,146 | 1,382,014 | (14,999) | 1,367,015 |
| Contribution from non-controlling interests | - | - | - | - | - | - | - | - | - | - | - | - | 78,965 | 78,965 |
| Dividends paid to non-controlling interests | - | - | - | - | - | - | - | - | - | - | - | - | (17,594) | (17,594) |
| Dividends declared | - | - | - | - | - | - | - | - | - | (692,546) | - | (692,546) | - | (692,546) |
| Transfer between categories | - | - | - | - | - | - | 49,519 | - | - | - | (49,519) | - | - | - |
| At 30 June 2018 (unaudited) | 3,462,729 | 12,647,502 | (898,369) | (95,671) | 4,816,743 | 9,647,574 | 470,139 | - | (55,372) | - | 18,517,732 | 48,513,007 | 2,541,545 | 51,054,552 |
| At 1 January 2017 (audited) | 3,462,729 | 12,647,502 | (902,113) | (97,626) | 4,816,743 | 9,647,574 | 375,030 | 1,642 | 84,980 | 519,409 | 16,042,116 | 46,597,986 | 2,224,862 | 48,822,848 |
| Profit for the period | - | - | - | - | - | - | - | - | - | - | 973,559 | 973,559 | (11,160) | 962,399 |
| Other comprehensive income (expense) for the period | - | - | - | 173 | - | - | - | 2,254 | (68,295) | - | - | (65,868) | (5,357) | (71,225) |
| Total comprehensive income (expense) for the period | - | - | - | 173 | - | - | - | 2,254 | (68,295) | - | 973,559 | 907,691 | (16,517) | 891,174 |
| Dividend declared | - | - | - | - | - | - | - | - | - | (519,409) | - | (519,409) | - | (519,409) |
| Transfer between categories | - | - | - | - | - | - | 143,345 | - | - | - | (143,345) | - | - | - |
| At 30 June 2016 (unaudited) | 3,462,729 | 12,647,502 | (902,113) | (97,453) | 4,816,743 | 9,647,574 | 518,375 | 3,896 | 16,685 | - | 16,872,330 | 46,986,268 | 2,208,345 | 49,194,613 |

Notes:

- * These reserve accounts comprise the consolidated reserves of RMB45,050,278,000 (31 December 2017: RMB44,069,702,000) in the condensed consolidated statement of financial position.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2018
(PREPARED IN ACCORDANCE WITH IFRS)

| | Six months ended 30 June | |
|---|---------------------------------|--------------------|
| | 2018 | 2017 |
| | RMB'000 | RMB'000 |
| | (unaudited) | (unaudited) |
| Net cash flows from operating activities | 805,337 | 665,781 |
| Investing activities | | |
| Proceeds from disposal of investments | 7,627,635 | 4,597,718 |
| Repayment of loans to fellow subsidiaries | – | 973,000 |
| Dividend received from an equity investment | 13,500 | 13,500 |
| Dividend received from an associate | – | 11,199 |
| Proceeds from disposal of property, plant and equipment | 65,299 | 24,297 |
| Additional investment in an associate | (154,533) | (113,133) |
| Additional investment in a joint venture | (14,069) | (6,683) |
| Purchase of investments | (6,713,857) | (4,899,440) |
| Increase in restricted bank deposits | – | (4,742,260) |
| Advance of loans to fellow subsidiaries | – | (608,000) |
| Deposits paid for property, plant and equipment | (256,097) | (311,649) |
| Purchase of property, plant and equipment | (951,050) | (1,204,129) |
| Additions to exploration and evaluation assets | (74,150) | (20,168) |
| Other investing cash flows, net | 2,597 | (23) |
| Net cash flows used in investing activities | (454,725) | (6,285,771) |
| Financing activities | | |
| New bank and other borrowings | 25,979,355 | 16,486,769 |
| Collection of pledged time deposits to secure bank borrowings | 168,483 | – |
| Proceeds from transfer of entrusted account receivables | 1,511,000 | – |
| Repayment of bank and other borrowings | (24,223,892) | (10,709,887) |
| Interest paid | (536,987) | (357,410) |
| Dividends paid to non-controlling interests | (17,594) | (49,600) |
| Net cash flows from financing activities | 2,880,365 | 5,369,872 |
| Net increase/(decrease) in cash and cash equivalents | 3,230,977 | (250,118) |
| Cash and cash equivalents at the beginning of the period | 10,363,203 | 8,260,268 |
| Effect of foreign exchange rate changes | 87,895 | (101,597) |
| Cash and cash equivalents at the end of the period, representing bank balances and cash | 13,682,075 | 7,908,553 |

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2018
(PREPARED IN ACCORDANCE WITH IFRS)

1. CORPORATE INFORMATION

The Company was registered in the People's Republic of China (the “**PRC**”) as a joint stock limited company. The registration number of the Company's business licence is Qi He Gan Zhong Zi 003556. The Company was established on 24 January 1997 by Jiangxi Copper Corporation (“**JCC**”), Hong Kong International Copper Industry (China) Investment Limited, Shenzhen Baoheng (Group) Company Limited, Jiangxi Xinxin Company Limited and Hubei Sanxin Gold & Copper Company Limited, and approved by Jiangxi Province's Administrative Bureau for Industry and Commerce. The Company's H shares and A shares were listed on The Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange, respectively. The registered address of the Company is located at 15 Yejin Avenue, Guixi City, Jiangxi, the PRC. The Company's ultimate holding company is JCC, and the ultimate controlling party is the State-owned Assets Supervision & Administration Commission of the People's Government of Jiangxi Province.

The Group is an integrated producer of copper in the PRC. Its operations consist of copper mining, milling, smelting and refining for the production of copper cathodes, copper rods and wires and other related products, including pyrite concentrates, sulphuric acid, and electrolytic gold and silver, and rare metals such as molybdenum, and trading of copper related products, etc.

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

2.1 Basis of preparation

The interim condensed consolidated financial information, (which comprise the interim condensed consolidated statement of financial position of Jiangxi Copper Company Limited and its subsidiaries (together, the “**Group**”) as at 30 June 2018 and the related interim condensed consolidated statement of profit or loss, the interim condensed consolidated statement of comprehensive income, changes in equity and cash flows for the period then ended), have been prepared in accordance with IAS 34 “Interim Financial Reporting” issued by the IASB and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

The interim condensed consolidated financial information do not include all the information and disclosures required in the annual financial information, and should be read in conjunction with the Group's annual financial information as at 31 December 2017.

2.2 Changes in accounting policies and disclosures

The accounting policies and basis of preparation adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the annual consolidated financial statements for the year ended 31 December 2017, except for the adoption of new standards, interpretations and amendments effective as of 1 January 2018. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group applies, for the first time, IFRS 15 *Revenue from Contracts with Customers* and IFRS 9 *Financial Instruments*. As required by IAS 34, the nature and effect of these changes are disclosed below.

Several other amendments and interpretations apply for the first time in 2018, but do not have any impact on the interim condensed consolidated financial information of the Group.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 *Construction Contracts*, IAS 18 *Revenue* and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Group adopted IFRS 15 using the modified retrospective method of adoption and there was no impact on the Group's retained earnings upon adoption of IFRS 15. The effect of adopting IFRS 15 is as follows:

- The comparative information for each of the primary financial statements would be presented based on the requirements of IAS 11, IAS 18 and related Interpretations; and

- As required for the interim condensed consolidated financial information, the Group disaggregated revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. Refer to Note 5 for the disclosure on disaggregated revenue. Disclosures for the comparative period in the notes to the financial statements would also follow the requirements of IAS 11, IAS 18 and related Interpretations. As a result, the disclosure of disaggregated revenue in Note 5 would not include comparative information under IFRS 15.

Contract liabilities in relation to advance receipts from customers were previously included in other payables and accruals. Reclassifications were made as at 1 January 2018 to be consistent with the terminology used under IFRS 15 as below:

| | IAS 18 carrying amount 31 December 2017 <i>RMB'000</i> | Reclassification <i>RMB'000</i> | IFRS 15 carrying amount 1 January 2018 <i>RMB'000</i> |
|--------------------------------|---|------------------------------------|--|
| Balance sheet (extract) | | | |
| Current liabilities | | | |
| Other payables and accruals | 4,898,623 | (1,543,606) | 3,355,017 |
| Contract liabilities | <u>–</u> | <u>1,543,606</u> | <u>1,543,606</u> |

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Group has not restated comparative information for financial instruments in the scope of IFRS 9. Therefore, the comparative information is reported under IAS 39 and is not comparable to the information presented for the six months ended 30 June 2018.

(a) Classification and measurement

On 1 January 2018 (the date of initial application of IFRS 9), management of the Group has assessed financial assets held by the Group and has classified them into the appropriate IFRS 9 categories.

Under IFRS 9, debt financial instruments are subsequently measured at fair value through profit or loss (“**FVPL**”), amortised cost, or fair value through other comprehensive income (“**FVOCI**”). The classification is based on two criteria: the Group’s business model for managing the assets; and whether the instruments’ contractual cash flows represent ‘solely payments of principal and interest’ on the principal amount outstanding (the “**SPPI criterion**”).

The new classification and measurement of the Group’s debt financial assets are, as follows:

- Debt instruments at amortised cost for financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion. This category includes the Group’s trade and other receivables, factoring receivables and loans to fellow subsidiaries.
- Debt instruments at FVOCI, with gains or losses recycled to profit or loss on derecognition. Financial assets in this category are the Group’s quoted debt instruments that meet the SPPI criterion and are held within a business model both to collect cash flows and to sell. Under IAS 39, the Group’s quoted debt instruments were classified as available-for-sale (AFS) financial assets.

Other financial assets are classified and subsequently measured, as follows:

- Financial assets at FVPL comprise derivative instruments and equity instruments which the Group had not irrevocably elected, at initial recognition or transition, to classify at FVOCI. This category also includes debt instruments whose cash flow characteristics fail the SPPI criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell. Under IAS 39, the Group’s quoted equity securities and certain quoted debt instruments were classified as AFS financial assets.

The assessment of the Group's business models was made as of the date of initial application, 1 January 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The following adjustments were made to the consolidated statement of financial position at the date of initial application, 1 January 2018. The effect of adopting IFRS 9 is as follows:

| IAS 39 31 December 2017 | | | | IFRS 9 1 January 2018 | |
|--|--------------------------------------|--------------------------------------|----------------------------------|-----------------------|--------------------------------------|
| | Categories | Carrying amount <i>RMB'000</i> | Re-measurement <i>RMB'000</i> | Categories | Carrying amount <i>RMB'000</i> |
| Debt instruments | | | | | |
| (including hybrid contracts): | | | | | |
| Bill receivable | Loan and receivables | 3,200,367 | – | FVOCI | 3,200,367 |
| Listed debentures | Held-for-trading financial assets | 152,874 | – | FVPL | 152,874 |
| Investments in financial products | AFS | 2,856,762 | – | FVPL | 2,856,762 |
| Investments in financial products | Other investment | 70,375 | – | FVPL | 70,375 |
| Bonds investment | AFS | 54,664 | 806 | FVOCI | 55,470 |
| Equity instruments: | | | | | |
| Listed equity investments | Held-for-trading financial assets | 56,861 | – | FVPL | 56,861 |
| Unlisted equity investments | AFS | 910,564 | 371,956 | FVPL | 1,282,520 |
| Income right attached to a target equity interest | AFS | 514,670 | – | FVPL | 514,670 |
| Total | | 7,817,137 | 372,762 | | 8,189,899 |
| Deferred tax liabilities | | | 36,478 | | 36,478 |
| Equity | | | | | |
| Other reserves | | (98,191) | 806 | | (97,385) |
| Retained profits | | 16,949,803 | 290,302 | | 17,240,105 |
| Non-controlling interests | | 2,450,803 | 44,370 | | 2,495,173 |

The impact on these changes on the Group's equity is as follows:

| | Effect on other reserves | Effect on retained earnings attributable to owners of the company |
|--|---|--|
| Financial assets | | |
| Opening balance as at 31 December 2017 – IAS 39 | (98,191) | 16,949,803 |
| Re-measurement for unlisted equity investments | – | 371,956 |
| Impact on deferred tax | – | (36,478) |
| Impact on non-controlling interests | – | (44,370) |
| Re-measurement for bonds investment | 806 | (806) |
| Opening balance 1 January 2018 – IFRS 9 | (97,385) | 17,240,105 |

The accounting for derivatives and financial liabilities under IFRS 9 remains largely the same as it was under IAS 39.

Under IFRS 9, embedded derivatives are no longer separated from a host financial asset. Instead, financial assets are classified based on their contractual terms and the Group's business model. The accounting for derivatives embedded in financial liabilities and non-financial host contract has not changed from that required by IAS 39.

(b) Impairment

The adoption of IFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss ("ECL") approach.

IFRS 9 requires the Group to record an allowance for ECLs for all loans and other debt financial assets not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

For trade receivables, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For financial assets included in prepayments, deposits and other receivables and factoring receivables, the ECL is based on the 12-month ECL. The 12-month ECL is the portion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

The adoption of the new approach did not result in any impact on the amounts reported in the opening balance sheet as at 1 January 2018 and the financial information during the six months ended 30 June 2018.

(c) Hedge accounting

The Group applied hedge accounting prospectively. At the date of the initial application, all of the Group's existing hedging relationships were eligible to be treated as continuing hedging relationships. Consistent with prior periods, the Group has continued to designate the change in fair value of provisional price arrangement in the Group's fair value hedge relationships and, as such, the adoption of the hedge accounting requirements of IFRS 9 had no significant impact on the Group's financial statements.

3. BUSINESS COMBINATION

Acquisition of Jiangtong Shenghua

On 30 June 2018, the Group acquired 51% of Jiangtong Shenghua (Shanghai) Cable Co., Ltd. ("**Jiangtong Shenghua**"), an unlisted company that specialises in the manufacture of cable. The consideration of RMB71,153,000 was satisfied by the Group's trade receivable due from the seller. The acquisition has been accounted for using the acquisition method.

The fair values of the identifiable assets and liabilities of Jiangtong Shenghua as at the date of acquisition were:

| | 30 June 2018 |
|-------------------------------------|-----------------------|
| | Fair value |
| | <i>RMB'000</i> |
| Assets | |
| Property, plant and equipment | 89,267 |
| Intangible assets | <u>75,962</u> |
| Liabilities | |
| Trade payables | (4,288) |
| Other payables | <u>(21,425)</u> |
| Net assets | 139,516 |
| Non-controlling interests | <u>68,363</u> |
| Share of net assets acquired | <u>71,153</u> |
| Satisfied by: | |
| Trade receivables held by the Group | <u><u>71,153</u></u> |

4. OPERATING SEGMENT INFORMATION

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

An analysis of the Group's revenue by category of goods is as follows:

| | Six months ended 30 June | |
|---|---------------------------------|--------------------------|
| | 2018 | 2017 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | (unaudited) | (unaudited) |
| Sales of goods | | |
| – copper cathodes | 58,964,896 | 59,559,595 |
| – copper rods | 24,007,113 | 20,249,663 |
| – copper processing products | 2,244,481 | 2,501,660 |
| – gold | 3,540,926 | 3,337,091 |
| – silver | 1,012,119 | 1,672,253 |
| – sulphuric and sulphuric concentrate | 594,141 | 392,646 |
| – copper concentrate, rare and other non-ferrous metals | 12,014,843 | 8,846,789 |
| – others | 2,126,911 | 1,726,111 |
| | <u>104,505,430</u> | <u>98,285,808</u> |
| Less: sales related taxes | <u>(479,642)</u> | <u>(526,258)</u> |
| | <u>104,025,788</u> | <u>97,759,550</u> |

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 are detailed below:

| | Six months ended 30 June | |
|---------------------------|---------------------------|--------------------------|
| | 2018 | 2017 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | (unaudited) | (unaudited) |
| – Mainland China | 93,981,980 | 80,513,399 |
| – Hong Kong | 3,966,880 | 8,206,493 |
| – Others | 6,556,570 | 9,565,916 |
| | <u>104,505,430</u> | <u>98,285,808</u> |
| Less: sales related taxes | <u>(479,642)</u> | <u>(526,258)</u> |
| | <u>104,025,788</u> | <u>97,759,550</u> |

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

Information about major customers

During the months ended 30 June 2018, there is no revenue from customers contributing over 10% of the total revenue of the Group (30 June 2017: nil). The revenue from the largest customer amounted to approximately RMB3,390,896,000 (30 June 2017: RMB3,298,112,000), representing 3.26% (30 June 2017: 3.37%) of the total revenue of the Group.

Timing of revenue recognition

Substantially all revenue is recognised at a point of time when control of the asset is transferred to the customer, generally on delivery of the assets. The group has insignificant service revenue which is recognised over time when the customer concurrently receives and consumes the benefits as the group performs.

5. REVENUE AND OTHER INCOME

Operating revenue by nature is as follows:

| | Six months ended 30 June | |
|--|--------------------------|-------------------|
| | 2018 | 2017 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | (unaudited) | (unaudited) |
| Trading revenue (<i>note</i>) | 55,217,229 | 64,043,436 |
| Other non-trading revenue | 48,952,416 | 33,841,411 |
| Other revenue | 335,785 | 400,961 |
| | <hr/> | <hr/> |
| Revenue analysis prepared in accordance with ASBE | 104,505,430 | 98,285,808 |
| Less: sales related taxes | (479,642) | (526,258) |
| | <hr/> | <hr/> |
| | 104,025,788 | 97,759,550 |
| | <hr/> <hr/> | <hr/> <hr/> |

Note: Trading revenue represents revenue generated from trade of copper cathodes, copper rods and other products purchased from external parties and sale to external parties, excluding those produced by the Group.

Other income is as follows:

| | Six months ended 30 June | |
|---|--------------------------|----------------|
| | 2018 | 2017 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | (unaudited) | (unaudited) |
| Interest income | 276,997 | 268,907 |
| Dividend income from an equity investment | 13,500 | 13,500 |
| Government grants recognised | 24,724 | 21,791 |
| Income from value-added tax refund | 20,455 | 15,683 |
| Compensation income and others | 11,266 | 103 |
| | <hr/> | <hr/> |
| | 346,942 | 319,984 |
| | <hr/> <hr/> | <hr/> <hr/> |

6. OTHER GAINS AND LOSSES

| | Six months ended 30 June | |
|---|--------------------------|------------------|
| | 2018 | 2017 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | (unaudited) | (unaudited) |
| Fair value gains/(losses) from commodity derivative contracts: | | |
| Transactions not designated as hedge instruments: | | |
| – Unrealised gains of the outstanding contracts | 304,743 | 75,545 |
| – Realised gains from the settled contracts | 277,585 | 18,518 |
| Transactions designated as hedge instruments: | | |
| – Hedged items – inventories | – | (90) |
| – Hedging instruments for inventories | 1,599 | 511 |
| – Ineffective portion of cash flow hedges | 4,094 | (9,655) |
| Fair value (losses) gains from foreign currency forward contracts and interest rate swaps | (99,823) | 48,432 |
| Investment gains from foreign currency forward contracts and interest rate swaps | 162,376 | (3,415) |
| Gains on investments: | | |
| Gain on disposal of equity instruments | 5,559 | 7,744 |
| Gain on disposal of debt instruments | 110,940 | 121,196 |
| Fair value gains/(losses) from debt instruments | 2,986 | (8,595) |
| Fair value gains/(losses) from equity instruments | 93,046 | (220) |
| Impairment losses provided for: | | |
| Impairment loss on trade and other receivables | (560,573) | (613,185) |
| Impairment loss on loans to fellow subsidiaries | 20,984 | (3,275) |
| Impairment loss on unlisted equity investments | – | (7,350) |
| Impairment loss on assets classified as held for sale | (130,000) | – |
| Gain on disposal of property, plant and equipment | 2,995 | 9,666 |
| Foreign exchange (losses) gains, net | (118,293) | (48,990) |
| Others | 1,527 | (1,456) |
| | 79,745 | (411,619) |

7. PROFIT FOR THE PERIOD

| | Six months ended 30 June | |
|---|--------------------------|----------------|
| | 2018 | 2017 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | (unaudited) | (unaudited) |
| Profit for the period has been arrived at after charging/(crediting): | | |
| Depreciation of property, plant and equipment | 815,671 | 819,717 |
| Depreciation of investment properties | 5,678 | 6,554 |
| Amortisation of prepaid lease payments | 15,038 | 14,092 |
| Amortisation of intangible assets | 24,196 | 24,004 |
| Provision/(reversal) of allowance for inventories | 147,854 | (56,289) |

8. INCOME TAX EXPENSES

| | Six months ended 30 June | |
|---------------------------------|--------------------------|----------------|
| | 2018 | 2017 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | (unaudited) | (unaudited) |
| The charge comprises: | | |
| Current income tax | 423,656 | 548,666 |
| Deferred tax | 8,429 | 149,895 |
| Total tax charge for the period | 432,085 | 698,561 |

Hong Kong profits tax on five of the Group's subsidiaries has been provided at the rate of 16.5% (2017: 16.5%) on the estimated assessable profits arising in Hong Kong during the six months ended 30 June 2018.

The provision for PRC current income tax is based on a statutory rate of 25% (2017: 25%) of the assessable profits of the Group as determined in accordance with the relevant income tax rules and regulations of the PRC Corporate Income Tax Law, except for the following:

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

9. DIVIDENDS

| | Six months ended 30 June | |
|--|--------------------------|----------------|
| | 2018 | 2017 |
| | <i>RMB’000</i> | <i>RMB’000</i> |
| | (unaudited) | (unaudited) |
| Dividends of ordinary shares declared and distributed during the six months: | | |
| Final dividend of RMB0.20 per share for 2017 (six months ended 30 June 2017: final dividend of RMB0.15 per share for 2016) | 692,546 | 519,409 |

On 12 June 2018, a dividend of RMB0.20 per share (tax inclusive) on 3,462,729,405 shares, in aggregate approximately RMB692,546,000 was declared to the shareholders as the final dividend for year 2017.

10. EARNINGS PER SHARE

The calculation of basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the period. Diluted earnings per share presented is the same as basic earnings per share because there is no outstanding potential dilutive ordinary shares as at 30 June 2018 and 2017 and during the periods.

The calculations of basic earnings per share amounts are based on:

| | Six months ended 30 June | |
|---|---------------------------------|------------------|
| | 2018 | 2017 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | (Unaudited) | (Unaudited) |
| Profit attributable to ordinary equity holders of the Company | <u>1,327,146</u> | <u>973,559</u> |
| Weighted average number of ordinary shares is issue (<i>'000</i>) | <u>3,462,729</u> | <u>3,462,729</u> |
| – Basis and diluted (<i>RMB</i>) | <u>0.38</u> | <u>0.28</u> |

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2018, the Group acquired items of property, plant and equipment with a cost of RMB696,652,000 (six months ended 30 June 2017: RMB1,310,560,000), except for acquisition of RMB89,267,000 from business combination as set out in note 3. Depreciation for items of property, plant and equipment is RMB815,671,000 (six months ended 30 June 2017: RMB819,717,000) during the period.

Property, plant and equipment with a net book value of RMB77,478,000 (six months ended 30 June 2017: RMB14,631,000) was disposed of by the Group during the six months ended 30 June 2018, resulting in a net profit on disposal of RMB2,995,000 (a net profit in six months ended 30 June 2017: RMB9,666,000).

Property, plant and equipment with a net book value of RMB174,871,000 (six months ended 30 June 2017: Nil) was transferred to assets classified as held for sale.

As at 30 June 2018, certain of property, plant and equipment of the Group with a net book value amounting to RMB528,557,000 (31 December 2017: RMB436,609,000) were pledged to secure bank borrowings. For the six months ended 30 June 2018, certain of property, plant and equipment of the Group with a net book value amounting to RMB85,243,000 (six months ended 30 June 2017: Nil) were sold to related parties.

12. DERIVATIVE FINANCIAL INSTRUMENTS

| | At 30 June 2018 | | At 31 December 2017 | |
|--|-----------------|------------------|---------------------|------------------|
| | Assets | Liabilities | Assets | Liabilities |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Assets/(liabilities) | | | | |
| Commodity derivative contracts | 108,857 | (126,574) | 99,410 | (433,992) |
| Provisional price arrangements | 159,932 | – | – | (193,352) |
| Foreign currency forward contracts, interest rate swaps and currency swaps | 9,602 | (114,464) | 92,360 | (96,804) |
| | <u>278,391</u> | <u>(241,038)</u> | <u>191,770</u> | <u>(724,148)</u> |

| | |
|-------------------------|-----------------------------|
| 30 June 2018 | 31 December 2017 |
| <i>RMB'000</i> | <i>RMB'000</i> |
| (Unaudited) | (Audited) |

Including:

Derivatives designated as hedging instruments (a):

Cash flow hedges

– Commodity derivative contracts – (4,094)

Fair value hedges

– Commodity derivative contracts – (15,476)

– Provisional price arrangement 150,548 (179,058)

150,548 (198,628)

Derivatives not designated as hedging instruments (b):

– Commodity derivative contracts (17,717) (315,013)

– Provisional price arrangement 9,384 (14,294)

– Foreign currency forward contracts, interest rate swaps and currency swaps (104,862) (4,443)

(113,195) (333,750)

37,353 (532,378)

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

(a) Derivatives qualifying for hedge accounting:

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

– ***Cash flow hedge***

The Group utilises commodity derivative contracts to hedge its exposure to variability in cash flows attributable to price fluctuation risk associated with highly probable forecast sales of copper related products. For the six months ended 30 June 2018, no commodity derivative contracts were designated as hedging instruments of fair value hedge. As at 31 December 2017, the expected delivery period of the forecasted sales for copper related products was from January to March 2018.

– ***Fair value hedge***

The Group utilises commodity derivative contracts and provisional price arrangement to hedge its exposure to variability in fair value changes attributable to price fluctuation risk associated with inventories. In addition, the Group utilises commodity derivative contracts to hedge its exposure to variability in fair value changes attributable to price fluctuation risk associated with unrecognised firm commitment to sell copper rods. For the six months ended 30 June 2018, no commodity derivative contracts were designated as hedging instruments of fair value hedge.

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

(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, and forecasted sales of copper wires and rods, and copper related products. These arrangements are designed to reduce significant fluctuations in the prices of copper concentrate, copper cathodes, copper wires and rods, and copper related products which move in line with the prevailing price of copper cathode.

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

However, these commodity derivative contracts, foreign currency forward contracts, interest rate swaps and currency swaps are not designated as hedging instruments or not qualified for hedging accounting.

13. FINANCIAL ASSETS OTHER THAN DERIVATIVE FINANCIAL INSTRUMENTS

| At 30 June 2018 | | | At 31 December 2017 | |
|---|--------------------------------------|------------------|------------------------|--------------------------------------|
| Presented under IFRS 9 | | | Presented under IAS 39 | |
| Categories | Carrying Amount <i>RMB'000</i> | | Categories | Carrying Amount <i>RMB'000</i> |
| Debt instruments (including hybrid contracts): | | | | |
| Listed debentures (a) | FVPL | 155,860 | Held-for-trading | 152,874 |
| | | | AFS | 2,856,762 |
| Investments in financial products (b) | FVPL | 2,564,016 | Other investments | 70,375 |
| | | <u>2,564,016</u> | | <u>2,927,137</u> |
| Bonds investments (c) | FVOCI | 58,181 | AFS | 54,664 |
| Equity instruments: | | | | |
| Listed equity securities in the PRC (d) | FVPL | 40,104 | Held-for-trading | 56,861 |
| Listed equity securities in the HKEX (d) | FVPL | 755,418 | | – |
| Unlisted equity investments in the PRC (e) | FVPL | 576,787 | AFS | 910,564 |
| Income right attached to a target equity interest (f) | FVPL | 564,910 | AFS | 514,670 |
| | | <u>4,715,276</u> | | <u>4,616,770</u> |
| Total: | | <u>4,715,276</u> | | <u>4,616,770</u> |
| Under IFRS 9: | | | | |
| FVPL | | 4,657,095 | | – |
| FVOCI | | 58,181 | | – |
| | | <u>4,715,276</u> | | <u>–</u> |

| At 30 June 2018 Presented under IFRS 9 | | At 31 December 2017 Presented under IAS 39 | |
|---|-------------------------------|---|-------------------------------|
| Categories | Carrying Amount RMB'000 | Categories | Carrying Amount RMB'000 |
| Under IAS 39: | | | |
| Held-for-trading | – | | 209,735 |
| AFS | – | | 4,336,660 |
| Other investments | – | | 70,375 |
| | <u>–</u> | | <u>4,616,770</u> |
| Non-current assets | 1,955,296 | | 1,665,484 |
| Current assets | 2,759,980 | | 2,951,286 |
| | <u>4,715,276</u> | | <u>4,616,770</u> |

Note:

- (a) The listed debentures are with variable interest rate ranging from 0.5% to 6% (2017: 0.5% to 6%) per annum and maturity date not more than two years from the end of the reporting period.
- (b) The amount represents investments in financial products arranged by bank, trust institution and independent securities companies with high credit-rating and good reputation. The financial products held by the Group generate annual target return rate ranged from 4.10% to 8.00% (31 December 2017: 4.20% to 8.00%) per annum. The investments have maturity date from 10 July 2018 to 19 May 2019 (31 December 2017: 21 January 2018 to 15 January 2019) and were unsecured.

| | 30 June 2018 RMB'000 (Unaudited) | 31 December 2017 RMB'000 (Audited) |
|-------------------------|---|---|
| Including: | | |
| Bank financial products | 1,251,997 | 798,815 |
| Trust products | 210,800 | 1,000,000 |
| Financial plan products | 1,101,219 | 1,128,322 |
| | <u>2,564,016</u> | <u>2,927,137</u> |

- (c) As at 30 June 2018, the bonds investment held by the Group generate annual target return rate ranged from 7.17% to 7.50% (31 December 2017: 7.17% to 7.50%), which will due from 22 October 2019 to 31 October 2019 (2017: 22 October 2019 to 31 October 2019).

- (d) The listed equity securities represent stocks listed in PRC and HKEX.
- (e) The unlisted equity investments represent the Group's equity interests in unlisted PRC companies. None of the shareholdings exceeds 20% of the issued capital of the respective investee and the Group did not have significant influence on these invested entities.

For the six months ended 30 June 2018, one of the unlisted equity investments held by the Group were successfully listed on the HKEX. Accordingly, the investment was presented as listed equity securities as at 30 June 2018.

- (f) The investments represent beneficial right attached to the 2.65% equity interest in a limited liability company established in the PRC held by China Cinda ("**Beneficial Right**"), including the right to all the incomes derived from this equity interest. The Group obtained the Beneficial Right by transferring its entrusted accounts receivables to independent third parties including Ping An Trust Co., Ltd. ("**Ping An Trust**") and China Cinda Asset Management Co., Ltd. ("**China Cinda**") in December 2017.

14. TRADE AND BILLS RECEIVABLES

| | 30 June 2018 RMB'000 (Unaudited) | 31 December 2017 RMB'000 (Audited) |
|----------------------------|---|---|
| Trade receivables | 12,504,830 | 13,391,108 |
| Bills receivables | 6,761,512 | 3,200,367 |
| | 19,266,342 | 16,591,475 |
| Less: impairment allowance | (4,314,745) | (3,786,855) |
| | 14,951,597 | 12,804,620 |

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

Included in the Group's trade receivables are amounts due from the Group's associates and related parties, which are repayable on similar credit terms to those offered to the major customers of the Group.

As at 30 June 2018, certain of the Group's bills receivables of RMB2,200,819,000 (31 December 2017: RMB41,875,000) and letters of credit of RMB1,256,176,000 (31 December 2017: RMB1,149,248,000) were pledged to secure short-term bank borrowings.

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

| | At 30 June 2018 RMB'000 (unaudited) | t 31 December 2017 RMB'000 (audited) |
|---------------|--|---|
| Within 1 year | 4,973,340 | 7,345,983 |
| 1 to 2 years | 1,842,661 | 1,422,652 |
| 2 to 3 years | 844,594 | 613,269 |
| Over 3 years | 529,490 | 222,349 |
| | <u>8,190,085</u> | <u>9,604,253</u> |

The term of bills receivable are all less than 12 months, as at 30 June 2018, the bills receivable were neither past due nor impaired (31 December 2017: Nil).

Movement in the impairment allowance:

| | Six months ended 30 June 2018 RMB'000 (Unaudited) | 2017 RMB'000 (Unaudited) |
|--------------------------------------|--|---|
| Balance at 1 January | 3,786,855 | 2,252,822 |
| Impairment losses recognised | 528,982 | 1,638,374 |
| Impairment losses reversed | (650) | (26,606) |
| Amounts written off as uncollectible | (442) | (1,753) |
| Balance at end of the period | <u>4,314,745</u> | <u>2,862,837</u> |

15. CASH, CASH EQUIVALENTS AND PLEDGED DEPOSITS

| | 30 June 2018 | 31 December 2017 |
|----------------------------|--------------------|------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | (Unaudited) | (Audited) |
| Cash and bank balances | 18,029,056 | 16,044,137 |
| Time deposits | 4,268,475 | 2,958,901 |
| | 22,297,531 | 19,003,038 |
| Less: Pledged deposits (i) | (8,615,456) | (8,639,835) |
| Cash and cash equivalents | 13,682,075 | 10,363,203 |

(i) As at 30 June 2018, the pledged deposits include:

- Deposits amounting to RMB2,043,466,000 (31 December 2017: RMB2,211,947,000) was pledged to secure bank borrowings;
- Deposit amounting to RMB897,297,000 (31 December 2017: RMB741,163,000) was pledged for issuing of letters of guarantee;
- Deposit amounting to RMB7,185,000 (31 December 2017: RMB5,790,000) was pledged for issuing of letters of credit;
- Deposit amounting to RMB4,674,028,000 (31 December 2017: RMB4,791,958,000) was pledged for issuing bank accepted notes;
- Deposit amounting to RMB20,525,000 (31 December 2017: RMB27,780,000) was pledged to secure the transaction of gold lease from banks;
- Deposits amounting to RMB29,411,000 (31 December 2017: RMB32,315,000) which was placed as environmental recovery deposit whose usage is restricted; and
- Required mandatory reserve deposits and other restricted deposits amounting to RMB943,544,000 (31 December 2017: RMB828,880,000) was placed by JCC Finance Company Limited., a subsidiary of the Group, in the People's Bank of China ("PBC"). Such mandatory reserve deposits and other restricted deposits are not available for use in the Group's daily operations.

16. TRADE AND BILLS PAYABLES

| | 30 June 2018 RMB'000 (Unaudited) | 31 December 2017 RMB'000 (Audited) |
|----------------|---|---|
| Trade payables | 6,760,054 | 6,847,564 |
| Bills payables | 1,298,122 | 1,033,844 |
| | <u>8,058,176</u> | <u>7,881,408</u> |

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

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

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

Nanchang, Jiangxi, the People's Republic of China, 28 August 2018

As at the date of this announcement, the executive Directors are Mr. Long Ziping, Mr. Wu Yuneng, Mr. Wang Bo, Mr. Wu Jinxing, Mr. Gao Jianmin, Mr. Liang Qing and Mr. Dong Jiahui; and the independent non-executive Directors are Mr. Tu Shutian, Mr. Liu Erh Fei, Mr. Zhou Donghua and Mr. Liu Xike.