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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)

2020 INTERIM RESULTS ANNOUNCEMENT

I. IMPORTANT NOTICE

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

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

- (II) Except for Mr. Liang Qing, a Director, who did not attend the meeting due to business engagement and appointed Mr. Long Ziping, the Chairman, to exercise his Director voting right in writing, all Directors of the Company attended the Board meeting to approve, among others, the interim results for the six months ended 30 June 2020.

- (III) The interim financial report of the Company and its subsidiaries (the “**Group**”) has not been audited, but the interim financial information prepared in accordance with International Accounting Standards 34 “Interim Financial Reporting” and other relevant provisions (collectively referred to as “**IFRSs**”) has been reviewed by Ernst & Young and considered and approved by the independent audit committee (the “**Audit Committee**”) of the Company.
- (IV) The Company’s chairman, Mr. Long Ziping, the principal accounting responsible person, Mr. Yu Tong, and Head of Financial Department (accounting chief), Mr. Ai Fuhua, warrant the truthfulness, accuracy and completeness of the financial report set out in the interim report.
- (V) Proposal of profit distribution plan or transfer of capital reserve to share capital after consideration by the Board: The Company will not make any proposal of profit distribution plan or transfer capital reserve to share capital during the six months ended 30 June 2020 (the “**reporting period**”).
- (VI) Statement for the risks involved in the forward-looking statement: This announcement contains forward-looking statements that involve future plans and development strategies which do not constitute a commitment by the Company to its investors. Investors should be aware of the investment risks.
- (VII) There is no misappropriation of funds by the controlling shareholders and their connected parties for non-operation purpose in the Group.
- (VIII) There are no external guarantees provided in violation of stipulated decision-making procedures in the Group.

II. SUMMARY OF ACCOUNTING DATA AND FINANCIAL INDICATORS

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

	For the six months ended 30 June		Increase/ (decrease) (%)
	2020 (RMB'000) (Unaudited)	2019 (RMB'000) (Unaudited)	
Revenue	146,625,045	104,693,998	40.05
Profit before taxation	1,208,860	1,910,800	-36.74
Profit for the period attributable to shareholders of the parent	786,989	1,412,177	-44.27
Basic earnings per share (RMB)	0.23	0.41	-43.90
	As at 30 June 2020 (RMB'000) (Unaudited)	As at 31 December 2019 (RMB'000) (Audited)	Increase/ (decrease) (%)
Total assets	152,244,405	134,913,915	12.85
Total liabilities	94,363,229	75,881,314	24.36
Net assets attributable to shareholders of the parent	51,543,521	52,745,618	-2.28
Net assets per share attributable to shareholders of the parent (RMB)	14.89	15.23	-2.28

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

(I) 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	146,985,402,360	105,042,933,126	39.93
Net profit attributable to shareholders of the Company	745,301,824	1,300,277,340	-42.68
Net profit after non-recurring profit and loss items attributable to shareholders of the Company	222,585,175	1,122,403,419	-80.17
Net cash flows from operating activities	4,089,547,413	5,512,497,316	-25.81
	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	51,543,521,532	52,745,619,575	-2.28
Total assets	152,244,405,337	134,913,915,434	12.85

(II) Major financial indicators

Unit: Yuan Currency: RMB

Major financial indicators	During the reporting period (January–June)	During the same period of last year	Increase/decrease for the reporting period as compared with the same period of last year (%)
Basic and diluted earnings per share <i>(RMB/share)</i>	0.22	0.38	-42.68
Basic earnings per share after non-recurring profit and loss items <i>(RMB/share)</i>	0.06	0.32	-80.17
Return on net assets <i>(weighted average) (%)</i>	1.42	2.57	Decreased by 1.15 percentage points
Return on net assets after non-recurring profit and loss items <i>(weighted average) (%)</i>	0.43	2.24	Decreased by 1.81 percentage points

(III) Reconciliation Between the IFRSs and the PRC GAAP

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

Unit: Yuan Currency: RMB

	Net profit attributable to shareholders of the Company		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	745,301,824	1,300,277,340	51,543,521,532	52,745,619,575
Adjustments to items and amounts under IFRSs:	41,687,732	111,899,839		
Prepared in accordance with the IFRSs	786,989,556	1,412,177,179	51,543,521,532	52,745,619,575

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

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

	<i>Unit: Yuan Currency: RMB</i>	
Non-recurring profit and loss items	Amount	Note
	(Unaudited)	(If applicable)
Profit and loss from disposal of non-current assets	-3,587,057	
Government grant as included in profit and loss of the current period, other than those closely relating to the normal business of the Company and subject to a fixed amount or quantity under certain standard and in compliance with national policies	83,681,303	
Profit and loss from changes in the fair value of financial assets held-for-trading, derivative financial assets, financial liabilities held-for-trading, derivative financial liabilities, and investment gains from disposal of financial assets held-for-trading, derivative financial assets, financial liabilities held-for-trading, derivative financial liabilities and other debt investments, except for effective hedging businesses related to the ordinary operating business of the Company	491,395,445	
Reversion of provision for impairment of receivables and contract assets under independent impairment test	195,838,173	
Other non-operating income and expenses other than the above	16,296,902	
Impact from interests of minority shareholders	-79,861,931	
Impact from income tax	-181,046,186	
Total	522,716,649	

(V) Other Items (prepared under the PRC GAAP)*Unit: Yuan Currency: RMB*

Item	Opening balance	Closing balance	Changes during the period	Impact on profit of the current period
1. Investment in held-for-trading equity instruments				
Equity investments	94,839,884	168,722,588	73,882,704	606,702
2. Investment in held-for-trading debt instruments				
Bond investment	115,697,198	–	-115,697,198	1,634,898
Investment in debt instruments	10,451,652,321	21,840,294,106	11,388,641,785	281,100,027
3. Held-for-trading financial liabilities	-588,278,540	-279,400,320	308,878,220	3,534,691
4. Other non-current financial assets	1,872,173,634	1,739,072,249	-133,101,385	-117,448,199
5. Investment in other equity instruments	8,774,154,936	7,218,853,022	-1,555,301,914	2,527,796
6. Derivative instruments not designated as hedging				
Forward foreign exchange contracts	-47,970,008	25,099,934	73,069,942	29,538,111
Interest rate swaps contracts	-360,866	-15,454,398	-15,093,532	-15,093,532
Commodity option contracts	–	-27,379,490	-27,379,490	-22,620,864
Commodity futures contracts	94,739,897	-461,011,187	-555,751,084	295,455,987
7. Hedging instruments				
(1) Provisional price arrangement		-7,630,693	-7,630,693	-7,630,693
(2) Effective hedging derivative instruments				
Commodity derivative and forward contracts	-1,392,887	-145,909,363	-144,516,476	-145,909,362
8. Item at fair value included in inventory	3,078,699,095	4,274,012,802	1,195,313,707	491,752,137
9. Provisional price arrangement	-117,478,025	-453,479,295	-336,001,270	-336,001,270
10. Accounts receivable financing	2,593,968,796	2,825,892,317	231,923,521	
Total	26,320,445,435	36,701,682,272	10,381,236,837	461,446,429

III. CHANGES IN SHARE CAPITAL AND SHAREHOLDERS

(I) Statement of Changes in Shares

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

(II) Changes in Shares Subject to Lock-up

Not applicable

(III) The Number of Shareholders and Shareholdings

(1) Total number of shareholders

Total number of ordinary shareholders at the end of the reporting period	129,546
Total number of preference shareholders with voting rights restored at the end of the reporting period	0

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

Shareholdings of the top ten shareholders

Unit: Share

Name of shareholder (full name)	Increase/ decrease during the reporting period	Number of shares held at the end of the reporting period	Percentage (%)	Number of shares held subject to lock-up	Situation of pledge or freeze Share status	Number	Nature of shareholder
Jiangxi Copper Corporation Limited ("JCC")	44,302,000	1,495,141,110	43.18	0	Nil	0	State-owned legal person
HKSCC Nominees Limited ("HKSCC")	-44,211,620	1,092,861,822	31.56	0	Unknown		Unknown
China Securities Finance Corporation Limited	0	103,719,909	3.00	0	Nil	0	Unknown
Central Huijin Asset Management Limited	0	31,843,800	0.92	0	Nil	0	State-owned legal person

Name of shareholder (full name)	Increase/ decrease during the reporting period	Number of shares held at the end of the reporting period	Percentage (%)	Number of shares held subject to lock-up	Situation of pledge or freeze		Nature of shareholder
					Share status	Number	
Hong Kong Securities Clearing Company Limited	-11,383,438	20,688,737	0.60	0	Nil	0	Unknown
Beijing Fengshan Investment Ltd.	0	6,784,000	0.20	0	Nil	0	Unknown
Wutongshu Investment Platform Co., Ltd.	0	5,993,953	0.17	0	Nil	0	Unknown
Chen Han (陳罕)	371,028	4,642,739	0.13	0	Nil	0	Unknown
Liu Ding (劉丁)	0	1,565,800	0.05	0	Nil	0	Unknown
National Social Security Fund 403	-5,076,605	3,124,001	0.09	0	Nil	0	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	1,495,141,110	Ordinary shares denominated in RMB (A Shares)	1,205,479,110
		Overseas listed foreign shares (H Shares)	289,662,000
HKSCC	1,092,861,822	Overseas listed foreign shares (H Shares)	1,092,861,822
China Securities Finance Corporation Limited	103,719,909	Ordinary shares denominated in RMB (A Shares)	103,719,909
Central Huijin Asset Management Limited	31,843,800	Ordinary shares denominated in RMB (A Shares)	31,843,800
Hong Kong Securities Clearing Company Limited	20,688,737	Ordinary shares denominated in RMB (A Shares)	20,688,737
Beijing Fengshan Investment Ltd.	6,784,000	Ordinary shares denominated in RMB (A Shares)	6,784,000
Wutongshu Investment Platform Co., Ltd.	5,993,953	Ordinary shares denominated in RMB (A Shares)	5,993,953
Chen Han (陳罕)	4,642,739	Ordinary shares denominated in RMB (A Shares)	4,642,739
Liu Ding (劉丁)	1,565,800	Ordinary shares denominated in RMB (A Shares)	1,565,800
National Social Security Fund 403	3,124,001	Ordinary shares denominated in RMB (A Shares)	3,124,001

The explanation of the connected relationship or parties acting in concert among the aforesaid shareholders

Preferred shareholders with restored voting rights / and their shareholding

Notes:

1. HKSCC is a member of the Central Clearing and Settlement System, providing registration and custodial services for customers. HKSCC held a total of 1,092,861,822 H Shares of the Company in the capacity of nominee on behalf of a number of customers, representing approximately 31.56% of the issued share capital of the Company.
2. The 289,662,000 H Shares held by JCC have been registered with HKSCC and were separately listed from the shares held by HKSCC when disclosed in the table above. Taking into account the H Shares held by JCC, HKSCC held 1,382,523,822 Shares as nominee, representing approximately 39.93% of the issued share capital of the Company.
3. During the reporting period, JCC increased its holdings of 44,302,000 H Shares in the secondary market of Hong Kong, accounting for 1.28% of the total share capital of the Company. As at 30 June 2020, the shareholding ratio of JCC increased from 41.90% (prior to the increase in shareholding) to 43.18%.

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

Not applicable

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

Not applicable

(IV) Changes in Controlling Shareholder and Ultimate Controller

Not applicable

IV. REPORT OF THE BOARD

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

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

(I) *Principal business and operation mode of the Company*

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

The main assets owned and controlled by the Group include:

1. A listed company: Shandong Humon Smelting Co., Ltd. (“**Humon Smelting**”) is a company listed on the Shenzhen Stock Exchange (stock code: 002237). The Company holds 29.99% of the total share capital of Humon Smelting, and is the controlling shareholder of Humon Smelting. Humon Smelting is mainly engaged in the exploration, mining, dressing, smelting and chemical production of gold. It is a national key gold smelting enterprise and with the annual production capacity of 50 tonnes of gold and 700 tonnes of silver, and with the production capacity of 0.25 million tonnes of electrolytic copper and 1.3 million tonnes of sulphuric acid as by-products.
2. Three smelters: Guixi Smelter, Jiangxi Copper (Qingyuan) Company Limited and Zhejiang Jiangtong Fuye Heding Copper Co., Ltd., among which Guixi Smelter is the blister and copper concentrate smelter and refiner in the PRC with the largest scale, most advanced technologies and best environmental protection.
3. Five 100% owned mines under production: Dexing Copper Mine (including copper factory mining area, Fujiawu mining area and Zhushahong mining area), Yongping Copper Mine, Chengmenshan Copper Mine (including Jinjiwo Silver-Copper Mine), Wushan Copper Mine and Yinshan Mining Company.
4. Eight modern copper products processing plants: Jiangxi Copper Products Company Limited, Jiangxi Copper (Guangzhou) Copper Production Company Limited, Jiangxi Copper – Yates Copper Foil Company Limited, Jiangxi Copper – Taiyi Special Electrical Materials Company Limited, Jiangxi Copper (Longchang) Precise Copper Pipe Company Limited, JCC Copper Products Company Limited, Jiangxi Copper North China (Tianjin) Copper Co., Ltd., JCC Huadong (Zhejiang Copper) Co., Ltd..

(II) Explanation of the industry

In the first half of the year, copper prices showed a V-shaped trend. The sudden outbreak of the COVID-19 pandemic in the first quarter of the year has brought a serious impact on most industries. Market panic has soared, and global major financial assets have plummeted.

Fundamentally, the domestic copper smelting downstream industry had been stagnated for about one month due to the impact of the COVID-19 pandemic, and surplus of copper was expected to become obvious. In anticipation of the pessimism to the macro economy and surplus in the copper market, copper prices fell sharply in the first quarter of 2020, and even fell below the cost line, reaching the lowest point of US\$4,371 per/tonne. In the second quarter of 2020, the domestic pandemic had been under control, but the outbreak of the global pandemic in a large scale had led to the subsequent stagnation of economic activities. In order to avoid the recurrence of financial crisis in 2008, global central banks and governments promptly introduced easy fiscal and monetary policies on an unprecedented scale, market sentiment had been significantly restored, and since May 2020 global economic activities have been re-launched and the economy has rebounded. At the same time, the pandemic has led to a staged mismatch of supply and demand in the domestic copper industry, replenishment and rush orders have led to a significant improvement in demand, and the refined copper market has turned from surplus to a state of tightness. Affected by the pandemic, tension in the copper raw material market has intensified. With major copper producing countries such as Chile and Peru restricting mining productions, traffic disruptions and overseas quarantine policies, the supply of scrap copper has been severely affected.

According to the information disclosed by the Ministry of Industry and Information Technology of the PRC, from January to June, imports of copper concentrate (physical volume), blister copper, and copper material amounted to 10.84 million tonnes, 422,000 tonnes, and 240,000 tonnes respectively, representing a year-on-year increase of 3%, 15.3% and 4.6% respectively; affected by strong copper price domestically and weak copper price overseas, and the boost in domestic demand, the import volume of refined copper increased significantly, which amounted to 1.984 million tonnes from January to June, representing a year-on-year increase of 24%; the import of copper scrap amounted to 430,000 tonnes, representing a year-on-year decrease of 49.6%.

So far, the impact of the pandemic on the supply of raw materials still exists. Copper prices have continued to rise since the end of March under the dual bullish factors in fundamentals and macro economy. At the end of June, copper prices recovered to the level before the pandemic. In the first half of 2020, the three-month average copper price on the LME was US\$5,525.5/tonne, representing a year-on-year decrease of 10.6%.

II. ANALYSIS OF CORE COMPETITIVENESS DURING THE REPORTING PERIOD

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

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

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

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

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

(III) Advantages of industry-leading professional technologies

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

(IV) Management and talent advantage

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

(V) Advantage of competitive cost

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

(VI) Advantage of an outstanding brand name

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

III. DISCUSSION AND ANALYSIS OF THE COMPANY'S OPERATION

In 2020, faced with the sudden outbreak of COVID-19 and extreme market challenges, all staff of the Company did not lose sight of our goal, and fought hard to meet the annual production and operation target. By adopting a series of effective hardcore measures such as racing against time, ensuring working progress, strengthening management, reducing costs, and promoting development, we have made a concerted effort to promote pandemic prevention and control as well as production and operational activities, successfully maintained the baseline of “guarantees”, built a solid foundation for “stability”, and inspired the driving force for “progress”. With guarantees come stability, stability comes progress, in totality we have achieved hard-earned results.

(I) Production continues to be stable and target-reaching

Production of the Company from January to June 2020

Product	Production from January to June 2019	Production from January to June 2020	Year-on-year increase (%)
Copper cathode <i>(ten thousand tonnes)</i>	74.93	80.06	6.85
Gold <i>(tonne)</i>	12.88	38.5	198.91
Silver <i>(tonne)</i>	169.01	544.85	222.38
Sulphuric acid <i>(ten thousand tonnes)</i>	207.86	249.59	20.08
Processed copper products <i>(ten thousand tonnes)</i>	53.04	67.61	27.47
Including: copper rods	46.46	61.07	31.45
Copper contained in self-produced copper concentrates <i>(ten thousand tonnes)</i>	10.2	10.46	2.55
Standard sulphuric concentrates <i>(ten thousand tonnes)</i>	129.96	133.9	3.03

(II) Securing strategic investment with quick and steady moves

In 2020, our Group has introduced strategic investors for the Kazakhstan tungsten mine project, in which the construction scheme is being refined. By advancing the implementation of the non-public issuance of shares of Humon Smelting, we strive to improve the economic indicators of Humon Smelting and accelerate the pace of its high-quality development. We continue to track market changes, advance the issuance of overseas US dollar bonds, so as to provide financing support for the Company's overseas strategic investment. With the principle of "good industrial coordination, high-quality asset value, fast results and strong development potential" on mergers and acquisitions, we are in the course of following up and selecting multiple target projects.

(III) Expediting the advancement of construction of key projects

The Company has overcome numerous difficulties, focused on the progress of projects, minimized the impact of the pandemic to the greatest extent, and pushed the "fast forward button" in promoting key projects:

The Chengmenshan Copper Tailing Mine Project for producing green building materials products has achieved trial production; the Dexing Copper Mine 5 # Tailings Pond (Phase I) Project has been put into operation smoothly; the civil construction of the project of Jiangxi Copper Huabei (Tianjin) Copper Company Limited (江銅華北(天津)銅業有限公司) to produce 220,000 tonnes of copper rod line annually and the project of JCC Hongyuan Copper Industry Co., Ltd. (江銅宏源銅業有限公司) to produce 100,000 of tonnes electrolytic copper annually in Guixi have been completed, and the installation of pipelines and electrical equipment is being carried out in an orderly manner; the reconstruction and expansion of area A of the lithium-electric copper foil project that will have a capacity of 15,000 tonnes

per year of Jiangxi JCC Yates Copper Foil Company Limited (江西省江銅耶茲銅箔有限公司) have achieved topping-out and the civil engineering work has been accelerated. Phase III of the Wuhan copper project (10,000 tonnes/day) has obtained the certificate for deep-mining right on 19 June, and the construction of the preliminary project is intensively accelerated; the preparatory work for the special enameled wire expansion project (8,000 tonnes/year) of Jiangxi Copper-Taiyi Special Electrical Materials Company Limited (江銅-台意特種電工材料有限公司) has been carried out in an orderly manner, and relevant supporting equipment is under production; the 180,000 tonnes copper cathode energy conservation and emission reduction project of JCC Guoxing (Yantai) Copper Company Limited (江銅國興(煙台)銅業有限公司) is currently preparing for the EPC tendering preparatory work.

(IV) Constant strengthening of comprehensive risk management and control

A comprehensive risk management and control system has been launched to carry out inspections and self-monitoring of key compliance areas. The construction of the comprehensive risk control system has been implemented effectively, and has continuously increased the three defense lines of risk control of the Company. The function of the operation and management department has begun to play, and has begun and operate the mechanism of the monitoring, assessment, early warning, reporting of key risks and the tracking and handling of risk matters of each operating unit; the audit department has fully carried out its audit supervision and service function, and audit work on engineering, economic and management have been carried out in an orderly manner.

(IV) MAJOR OPERATING RESULTS DURING THE REPORTING PERIOD

(I) Analysis of principal businesses

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

Unit: Yuan Currency: RMB

Items	For the period	For the same period last year	Changes (%)
Operating revenue	146,985,402,360	105,042,933,126	39.93
Operating cost	143,279,956,819	101,034,401,131	41.81
Selling expenses	400,041,883	299,530,003	33.56
Administrative expenses	871,222,146	831,683,381	4.75
Finance costs	727,379,216	552,632,756	31.62
Expenses on research and development	280,688,848	103,583,610	170.98
Net cash flow from operating activities	4,089,547,413	5,512,497,316	-25.81
Net cash flow from investment activities	-16,503,384,319	-15,027,258,001	9.82
Net cash flow from financing activities	12,711,686,903	11,057,640,732	14.96
Impairment (losses)/reversal on assets	-520,263,382	46,659,871	-1,215.01
Impairment (losses)/reversal on credit	17,577,886	-457,561,667	-103.84
Other revenue	83,681,303	55,941,206	49.59
Investment revenue	929,628,193	75,047,784	1,138.72
Changes in fair value – (losses)/gains	-428,391,243	134,057,409	-419.56
Non-operating income	26,513,061	67,177,208	-60.53
Non-operating expenses	14,339,867	5,970,755	140.17

Explanation on changes in operating revenue: It was mainly due to the inclusion of Humon Smelting into the consolidated statement and the changes in sales volume;

Explanation on changes in operating cost: It was mainly due to the inclusion of Humon Smelting into the consolidated statement and the changes in sales volume;

Explanation on changes in selling expenses: It was mainly due to the inclusion of Humon Smelting into the consolidated statement and the year on year increase of freight and warehousing fees;

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

Explanation on changes in finance costs: It was mainly due to the inclusion of Humon Smelting into the consolidated statement and the year on year increase in the financing scale;

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

Explanation on changes in net cash flow from operating activities: It was mainly due to the increase in trade receivables;

Explanation on changes in net cash flow from investment activities: It was mainly due to the increase in investment in debt instruments in the current period as compared with the same period of last year;

Explanation on changes in net cash flow from financing activities: It was mainly due to the expansion of scale of operational financing;

Explanation on changes in impairment (losses)/reversal on assets: It was mainly due to the inclusion of Humon Smelting into the consolidated statement, resulting in an increase in the impairment losses of inventories in the current period and the closure and suspension of JCC Dongtong Mining Company Limited;

Explanation on changes in impairment reversal/(losses) on credit: It was mainly due to the increase in the price of preserved assets (equity) under the accounts receivable and other receivables in the current period, with the corresponding recoverable amount expected to be reversed to allow for the reversal of impairment losses on credit;

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

Explanation on changes in investment revenue: It was mainly due to the settlement of commodity futures contracts;

Explanation on changes in fair value (losses)/reversal: It was mainly due to the change in fair value of the commodity futures contracts;

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

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

2. Others

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

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

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

Unit: Yuan Currency: RMB

Item	For the period	For the same period last year	Changes
Impairment losses on assets	-520,263,382	46,659,871	-566,923,253
Impairment losses on credit	17,577,886	-457,561,667	475,139,553
Gains on changes in fair value	-428,391,243	134,057,409	-562,448,652
Returns on investment	929,628,193	75,047,784	854,580,409

(III) Analysis of assets and liabilities

1. Assets and liabilities

Unit: Yuan Currency: RMB

Item	As at the end of the period	Share of total assets as at the end of the period (%)	As at the end of the previous period	Share of total assets as at the end of the previous period (%)	Changes as at the end of the period over the end of the previous period (%)	Explanation
Held-for-trading financial assets	22,009,016,694	14.46	10,662,189,403	7.90	106.42	Note 1
Notes receivable	39,585,390	0.03	14,450,800	0.01	173.93	Note 2
Other receivables	4,522,609,290	2.97	2,929,240,756	2.17	54.40	Note 3
Right-to-use assets	163,823,502	0.11	404,445,431	0.30	-59.49	Note 4
Intangible assets	5,458,438,314	3.59	4,152,655,144	3.08	31.44	Note 5
Other non-current assets	2,455,782,779	1.61	1,115,790,392	0.83	120.09	Note 6
Held-for-trading financial liabilities	279,400,320	0.18	588,278,540	0.44	-52.51	Note 7
Derivative financial liabilities	1,501,720,942	0.99	396,124,785	0.29	279.10	Note 8
Notes payable	5,525,822,066	3.63	4,176,838,516	3.10	32.30	Note 9
Contract liabilities	1,294,339,011	0.85	2,357,188,893	1.75	-45.09	Note 10
Non-current liabilities due within one year	470,196,884	0.31	3,619,984,095	2.68	-87.01	Note 11
Other current liabilities	5,498,224,056	3.61	1,934,853,645	1.43	184.17	Note 12
Long-term borrowings	9,837,201,773	6.46	5,257,859,073	3.90	87.10	Note 13
Lease liabilities	7,039,717	0.00	171,117,131	0.13	-95.89	Note 14
Long-term payable	931,886,683	0.61	391,390,846	0.29	138.10	Note 15
Other non-current liabilities	88,000,000	0.06	194,167	0.00	45,221.81	Note 16
Other comprehensive income	-292,467,721	-0.19	1,350,346,937	1.00	-121.66	Note 17

Other explanation:

Note 1: As at the end of the reporting period, the held-for-trading financial assets of the Group amounted to RMB22,009.02 million, representing an increase of RMB11,346.83 million (or 106.42%) as compared with the end of the period of last year, mainly attributable to an increase in debt instruments investment of the Group.

Note 2: As at the end of the reporting period, the notes receivable of the Group amounted to RMB39.59 million, representing an increase of RMB25.13 million (or 173.93%) as compared with the end of the period of last year, mainly attributable to an increase in trade acceptance bills receivable of the Group.

- Note 3:* As at the end of the reporting period, the other receivables of the Group amounted to RMB 4,522.61 million, representing an increase of RMB1,593.37 million (or 54.4%) as compared with the end of the period of last year, mainly attributable to the increase of funds in the Group's futures deposits and deposits at the accounts of brokerage companies.
- Note 4:* As at the end of the reporting period, the right-to-use assets of the Group amounted to RMB163.82 million, representing a decrease of RMB240.62 million (or -59.49%) as compared with the end of the period of last year, mainly attributable to the expiration of the leased assets of the subsidiaries of the Group.
- Note 5:* As at the end of the reporting period, the intangible assets of the Group amounted to RMB5,458.44 million, representing an increase of RMB1,305.78 million (or 31.44%) as compared with the end of the period of last year, mainly attributable to the new mining right of Wushan Copper Mine of the Group.
- Note 6:* As at the end of the reporting period, the other non-current assets of the Group amounted to RMB2,455.78 million, representing an increase of RMB1,339.99 million (or 120.09%) as compared with the end of the period of last year, mainly attributable to the time deposits held by the Group for more than one year.
- Note 7:* As at the end of the reporting period, the held-for-trading financial liabilities of the Group amounted to RMB279.40 million, representing a decrease of 308.88 million (or -52.51%) as compared with the end of the period of last year, mainly attributable to the decrease in the gold leasing business of Humon Smelting, a subsidiary of the Group.
- Note 8:* As at the end of the reporting period, the derivative financial liabilities of the Group amounted to RMB1,501.72 million, representing an increase of RMB1,105.60 million (or 279.1%) as compared with the end of the period of last year, mainly attributable to the floating profit and loss of the futures business of the Group.
- Note 9:* As at the end of the reporting period, the notes payable of the Group amounted to RMB5,525.82 million, representing an increase of RMB1,348.98 million (or 32.3%) as compared with the end of the period of last year, mainly attributable to the increase in the Group's procurement payments settled by notes.
- Note 10:* As at the end of the reporting period, the contract liabilities of the Group amounted to 1,294.34 million, representing a decrease of RMB1,062.85 million (or -45.09%) as compared with the end of last year, mainly attributable to the decrease in the Group's receipts in advance.

Note 11: As at the end of the reporting period, the non-current liabilities of the Group due within one year amounted to RMB470.2 million, representing a decrease of RMB3,149.79 million (or -87.01%) as compared with the end of the period of last year, mainly attributable to the repayment of the Group's borrowings.

Note 12: As at the end of the reporting period, the other current liabilities of the Group amounted to RMB5,498.22 million, representing an increase of RMB3,563.37 million (or 184.17%) as compared with the end of the period of last year, mainly attributable to the increase in the absorption of deposits of JCC and its subsidiaries by JCC Finance Company Limited (“**Finance Company**”), a subsidiary of the Group.

Note 13: As at the end of the reporting period, the long-term borrowings of the Group amounted to RMB9,837.20 million, representing an increase of RMB 4,579.34 million (or 87.1%) as compared with the end of the period of last year, mainly attributable to the Group's new long-term borrowings.

Note 14: As at the end of the reporting period, the lease liabilities of the Group amounted to RMB7.04 million, representing a decrease of RMB164.08 million (or -95.89%) as compared with the end of the period of last year, mainly attributable to the due repayment of loan of the lease by the Group's subsidiaries.

Note 15: As at the end of the reporting period, the long-term payable of the Group amounted to RMB 931.89 million, representing an increase of RMB540.50 million (or 138.1%) as compared with the end of the period of last year, mainly attributable to the long-term payable arising from the new mining rights of Wushan Copper Mine, a subsidiary of the Group.

Note 16: As at the end of the reporting period, the other non-current liabilities of the Group amounted to RMB 88 million, representing an increase of RMB87.81 million (or 45,221.81%), as compared with the end of the period of last year, mainly attributable to the increase in the absorption of time deposits with a maturity date of more than one year from JCC with maturity dates of more than one year by the Finance Company, a subsidiary of the Group.

Note 17: As at the end of the reporting period, the other comprehensive income of the Group amounted to RMB-292.47 million, representing a decrease of 1,642.81 million (or -121.66%) as compared with the end of the period of last year, mainly attributable to the decrease in the fair value of equity instruments of the Group.

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	13,704,238,105	They were the time deposits of the Group for the application of gold lease, issuance of letters of credit, bank guarantees and security deposits deposited by bank acceptance notes, the required statutory and excess reserve deposited with the People's Bank of China, environment rehabilitation deposits, and pledged to secure short-term borrowings and frozen bank deposits and interest receivables
Held-for-trading financial assets	14,076,104,358	Held-for-trading financial assets with book values of RMB13,834,622,341 were pledged as security deposits for letters of credit and issuance of bank acceptance notes; held-for-trading financial assets with book values of RMB241,332,817 were pledged to secure bank borrowings; held-for-trading financial assets with book values of RMB149,200 were pledged for security deposits of gold lease contracts
Accounts receivable financing	453,934,478	Bank acceptance notes with book values of RMB297,934,478 were pledged to obtain the bank borrowings; bank acceptance notes with book values of RMB156,000,000 were pledged to issue bank acceptance notes
Other receivable	3,029,871,857	Placed as futures deposits and deposits at the account of brokerage companies

Item	Book value at the end of the period	Reasons for the limitation
Inventories	508,340,027	Inventories with book values of RMB35,863,115 were pledged to secure short-term borrowings; inventories with book values of RMB463,020,120 were placed as futures deposits; inventories with a book value of RMB9,456,792 were held by the court due to litigation
Investment property	161,362,382	Held by court due to litigation
Fixed assets	624,621,006	Fixed assets with book values of RMB502,835,382 were pledged to secure short-term bank borrowings; fixed assets with book values of RMB8,154,627 were pledged to secure long-term bank borrowings; fixed assets with book values of RMB113,630,997 were held by the court due to litigation
Intangible assets	139,282,016	They were pledged to secure bank borrowings
Other non-current assets	1,205,405,479	Time deposits with maturity dates of more than one year with book values of RMB905,215,616 were pledged to issue bank deposit acceptance notes, time deposits with maturity dates of more than one year with book values of RMB300,189,863 were pledged to issue bank guarantees to secure long-term 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	29,344.58
Investment during the same period last year	601,487.95
Extent of year-on-year increase/decrease (%)	-95.12

No.	Name of investee	Principal activity	Share of interests in the investee (%)	Investment amount
1	Jiangxi Wantong Environmental Protection Materials Co., Ltd. (江西萬銅環保材料有限公司)	Environmental protection building materials, comprehensive development and utilization of tailings resources (excluding hazardous goods and the restricted and prohibited operating projects)	40	2,400.00
2	JCC Hongyuan Copper Industry Co., Ltd. (江銅宏源銅業有限公司)	Pressing and processing of non-ferrous metals, production of metal materials, smelting of commonly used non-ferrous metals, and smelting of precious metals	43	5,375

No.	Name of investee	Principal activity	Share of interests in the investee (%)	Investment amount
3	Jiangxi Copper (Yingtian) Trade Company Limited (江西銅業(鷹潭)貿易有限公司)	Sales of non-ferrous metals, precious metals, metal products and chemical products (excluding hazardous chemicals), import and export of proprietary and agency goods and technologies and related technical consulting services, copper processing technology consulting and technical services, smelting technology consulting and technical services.	100	10,000
4	Valuestone Global Resources Fund I LP	Foreign investment	84	687.58
5	Vesco Holdings Limited	Investment holding	57.59	10,882

Note: The abovementioned statistical caliber is based on the actual amount of capital contributed by the Group during the reporting period, which includes capital contributions to non-wholly owned subsidiaries, associate companies, joint ventures or newly incorporated companies (including contributions by equity, debt etc.), excluding the capital increase by the Company to wholly-owned subsidiaries established in previous years.

(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. *Production safety risks*

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

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

2. *Exchange rate fluctuation risks*

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

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

3. *Risk from product price fluctuations*

The Group is the largest copper cathode producer in the PRC and one of the largest gold and silver producers in the PRC. The Group's product prices are mainly determined with reference to the prices of related products listed on the LME and the Shanghai Metal Exchange. Copper, gold and silver are important trading varieties in the international non-ferrous metal market and have their own pricing mechanisms in international market. Due to the scarcity of resources of copper, gold and silver metals, the prices of copper, gold and silver metals are highly volatile, as they are affected by various factors, including the global economy, the relationship between supply and demand, market expectations and speculations. Price fluctuations will affect the revenue and operating stability of the Company.

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

4. *Risk from changes in market environment*

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

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

5. *Environmental protection risk*

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

6. *Risk from uncertainties*

In 2020, the pandemic triggered by the novel coronavirus has spread globally. At present, the prevention and control of the domestic pandemic has entered into a normalization stage, while the overseas pandemic continues to spread. Mining in major copper-producing countries such as Chile and Peru has been affected by the pandemic to varying degrees, and there is uncertainty as to the stable supply of imported copper smelting raw materials domestically.

The Group will continue to pay close attention to the development of the pandemic, further improve the responsive measures, strengthen the price tracking forecast of commodities and metals, ensure the stable development of production and operation, and minimise as much as possible the adverse impact caused by the pandemic on production and operation.

(III) Other Disclosures

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

Since the publication of the 2019 annual report, there has been no material change in the likely future business development of the Group, including the prospects of the Company for the current accounting year.

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

On 10 June 2020, the Company held an annual general meeting for the year 2019 and passed the “Resolution regarding the appointment of Ernst & Young Hua Ming LLP and Ernst & Young respectively as the Company’s 2020 domestic (including internal control audit) and overseas auditors.”

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

Not applicable

3. The Company’s explanation for “non-standard audit report” given by the auditors

Not applicable

4. Explanation on the issuance of “non-standard audit report” by the registered accountant in the financial statements of last year’s annual report by the Company

Not applicable

(III) Matters Relating to Bankruptcy and Restructuring

Not applicable

(IV) Material Litigation and Arbitration

There was no major litigation or arbitration of the Company during the reporting period.

(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 issuer to adjust the coupon rate: The issuer 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 issuer 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 issuer 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 issuer. If bonds holders do not register, they will be deemed to continue to hold the current bonds and accept the aforementioned adjustment.

- (3) On 7 May 2020, China Chengxin International Credit Rating Co., Ltd. (中誠信國際信用評級有限責任公司) issued the credit rating for “Public Issuance of 2017 Corporate Bonds (First Tranche) to Qualified Investors by Jiangxi Copper Company Limited”, pursuant to which, the credit rating of “17 JCC 01” remained at AAA, the corporate credit rating was AAA, and the forward-looking rating was stable. For details, please refer to the credit rating report, i.e. “Follow-up Credit Rating Report (2020) on Public Issuance of 2017 Corporate Bonds (First Tranche) to Qualified Investors by Jiangxi Copper Company Limited”, published on the website of the Shanghai Stock Exchange (www.sse.com.cn) on 8 May 2020.

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

Unit: Yuan Currency: RMB

Major indicators	As at the end of the current reporting period	As at the end of last year	Increase/ decrease from the end of last year (%)
	Liquidity ratio	1.23	1.23
Quick ratio	0.91	0.84	8.33
Asset-liability ratio (%)	61.98	56.24	10.21
Loan repayment rate (%)	100	100	–
	As at the current reporting period (January to June)	As at the same period of last year	Increase/ decrease from the same period of last year (%)
EBITDA interest coverage ratio	3.39	3.73	-9.12
Interest coverage (%)	100	100	–

(X) Credit Granted by Banks to the Company During the Reporting Period

During the reporting period, the Group has been granted the credit line up to RMB147.925 billion, of which RMB63.423 billion had been used and the remaining RMB84.502 billion had not been used.

(XI) Changes in Accounting Policies, Accounting Estimates and Accounting Methods Compared with the Previous Accounting Period, its Causes and their Impact

Not applicable

(XII) 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 2020 were considered and approved.

(XIII) 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.

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

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

(XV) 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.

(XVI) Detailed Results Announcement

The interim report for 2020 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.hkexnews.hk>) and the Company (<http://www.jxcc.com>) in due course.

VI. UNAUDITED INTERIM FINANCIAL INFORMATION PREPARED IN ACCORDANCE WITH IFRS

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

FOR THE SIX MONTHS ENDED 30 JUNE 2020

(PREPARED IN ACCORDANCE WITH IFRS)

	<i>NOTES</i>	Six months ended 30 June	
		2020 <i>RMB'000</i> (unaudited)	2019 <i>RMB'000</i> (unaudited)
Revenue	5	146,625,045	104,693,998
Cost of sales		(143,433,199)	(100,871,151)
Gross profit		3,191,846	3,822,847
Other income	5	476,158	650,778
Other gains and losses, net	6	79,196	151,308
Selling and distribution expenses		(400,042)	(299,530)
Administrative expenses		(1,181,532)	(952,843)
Reversal/(provision) of impairment losses on financial assets, net		17,578	(457,562)
Finance costs		(1,014,135)	(1,007,509)
Share of profits and losses of:			
Joint ventures		(14,237)	(15,377)
Associates		54,028	18,688
Profit before tax	7	1,208,860	1,910,800
Income tax expense	8	(403,002)	(534,191)
Profit for the period		805,858	1,376,609
Attributable to:			
Owners of the Company		786,989	1,412,177
Non-controlling interests		18,869	(35,568)
		805,858	1,376,609
EARNINGS PER SHARE			
ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY:			
– Basic and diluted		RMB0.23	RMB0.41

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2020
(PREPARED IN ACCORDANCE WITH IFRS)

	Six months ended 30 June	
	2020	2019
<i>NOTES</i>	RMB'000	RMB'000
	(unaudited)	(unaudited)
PROFIT FOR THE PERIOD	805,858	1,376,609
Other comprehensive income		
Other comprehensive income to that will not be reclassified to profit or loss in subsequent periods:		
Equity investments at fair value through other comprehensive income:		
Changes in fair value	<u>(1,678,621)</u>	<u>–</u>
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods, net of tax	<u>(1,678,621)</u>	<u>–</u>
Other comprehensive income to that may be reclassified to profit or loss in subsequent periods:		
Cash flow hedges:		
Effective portion of changes in fair value of hedging instruments during the period	–	29,608
Reclassification adjustments for gains/(losses) included in the consolidated statement of profit or loss	1,856	(28,639)
Income tax effect	<u>(464)</u>	<u>(220)</u>
	1,392	749
Exchange differences on translation of foreign operations	6,386	6,770
Share of other comprehensive expenses of joint ventures	(1,058)	(495)
Share of other comprehensive income of associates	<u>32,428</u>	<u>79,495</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2020
(PREPARED IN ACCORDANCE WITH IFRS)

	<i>NOTES</i>	Six months ended 30 June	
		2020	2019
		RMB'000	RMB'000
		(unaudited)	(unaudited)
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods, net of tax		<u>39,148</u>	<u>86,519</u>
Other comprehensive income for the periods, net of tax		<u>(1,639,473)</u>	<u>86,519</u>
Total comprehensive income for the period, net of tax		<u>(833,615)</u>	<u>1,463,128</u>
Attributable to:			
Owners of the Company		(855,824)	1,497,573
Non-controlling interests		<u>22,209</u>	<u>(34,445)</u>
		<u>(833,615)</u>	<u>1,463,128</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2020

(PREPARED IN ACCORDANCE WITH IFRS)

		At 30 June 2020 <i>RMB'000</i> (unaudited)	At 31 December 2019 <i>RMB'000</i> (audited)
	<i>NOTES</i>		
Non-current assets			
Property, plant and equipment	11	26,840,833	26,867,591
Investment properties		465,184	473,569
Right-of-use assets		2,318,765	2,582,441
Goodwill		1,266,036	1,266,036
Other intangible assets		3,303,497	1,974,659
Exploration and evaluation assets		764,316	959,260
Interests in joint ventures		677,924	693,219
Interests in associates		3,844,660	3,799,882
Financial instruments other than derivatives	12	8,957,925	10,646,329
Deferred tax assets		475,462	490,116
Prepayments, other receivables and other assets		665,586	549,850
Deposits for prepaid lease payments		584,792	565,940
Restricted bank deposits	15	1,205,405	–
Total non-current assets		51,370,385	50,868,892
Current assets			
Inventories		26,714,486	26,923,307
Trade and bills receivables	14	8,106,007	7,538,866
Factoring receivables		1,057,606	1,130,056
Prepayments, other receivables and other assets		7,801,078	6,272,720
Loans to related parties		1,924,541	1,407,307
Derivative financial instruments	13	415,956	323,663
Financial instruments other than derivatives	12	22,009,017	10,662,189
Restricted bank deposits	15	13,704,238	11,020,052
Cash and cash equivalents	15	19,104,566	18,730,338
		100,837,495	84,008,498
Assets classified as held for sale		36,525	36,525
Total current assets		100,874,020	84,045,023

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION(CONTINUED)

AT 30 JUNE 2020

(PREPARED IN ACCORDANCE WITH IFRS)

	<i>NOTES</i>	At 30 June 2020 RMB'000 (unaudited)	At 31 December 2019 RMB'000 (audited)
Current liabilities			
Trade and bills payables	16	13,561,956	12,540,448
Financial instruments other than derivatives	12	279,400	588,279
Other payables and accruals		5,873,396	6,880,951
Deposits from holding company and fellow subsidiaries		5,468,768	1,903,889
Deferred revenue		56,874	59,463
Derivative financial instruments	13	1,501,721	396,125
Interest-bearing bank and other borrowings		54,115,894	45,133,623
Tax payable		468,692	606,637
Corporate bonds		12,510	108,272
Dividend payable		346,273	–
Lease liabilities		86,383	165,432
Total current liabilities		81,771,867	68,383,119
Net current assets		19,102,153	15,661,904
Total assets less current liabilities		70,472,538	66,530,796
Non-current liabilities			
Interest-bearing bank and other borrowings		9,837,202	5,257,859
Corporate bonds		500,000	500,000
Lease liability		7,040	171,117
Provision for rehabilitation		257,462	252,452
Employee benefit liabilities		20,170	19,159
Deferred revenue		546,938	577,630
Deposits from holding company and fellow subsidiaries		88,000	–
Other long-term payables		931,887	391,585
Deferred tax liabilities		402,663	328,393
Total non-current liabilities		12,591,362	7,498,195
Net assets		57,881,176	59,032,601

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION(CONTINUED)

AT 30 JUNE 2020

(PREPARED IN ACCORDANCE WITH IFRS)

	<i>NOTES</i>	At 30 June 2020 RMB'000 (unaudited)	At 31 December 2019 RMB'000 (audited)
Equity			
Equity attributable to owners of the parent			
Share capital		3,462,729	3,462,729
Reserves		48,080,792	49,282,889
		51,543,521	52,745,618
Non-controlling interests		6,337,655	6,286,983
Total equity		57,881,176	59,032,601

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2020
(PREPARED IN ACCORDANCE WITH IFRS)

	Attributable to owners of the company												Non-controlling interests	Total
	Share capital	Share premium	Capital reserve	Other reserve	Statutory surplus reserve	Discretionary surplus reserve	Safety fund surplus reserve	Hedging reserve	Translation reserve	Retained profits	Sub-total			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		(Note *)	(Note *)	(Note *)	(Note *)	(Note *)	(Note *)	(Note *)	(Note *)	(Note *)				
At 31 December 2019(audited)	3,462,729	12,647,502	(924,429)	(789,948)	4,816,743	9,647,574	359,742	(1,392)	469,289	21,477,912	52,745,618	6,286,983	59,032,601	
Profit for the period	-	-	-	-	-	-	-	-	-	786,989	786,989	18,869	805,858	
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	
Equity investments at fair value through other comprehensive income	-	-	-	(1,678,621)	-	-	-	-	-	-	(1,678,621)	-	(1,678,621)	
Cash flow hedges: effective portion of changes in fair value of hedging instruments, net of tax	-	-	-	-	-	-	-	1,392	-	-	1,392	-	1,392	
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	3,046	-	3,046	3,340	6,386	
Share of other comprehensive expenses of joint ventures	-	-	-	-	-	-	-	-	(1,058)	-	(1,058)	-	(1,058)	
Share of other comprehensive expenses of associates	-	-	-	-	-	-	-	-	32,428	-	32,428	-	32,428	
Total comprehensive income for the period	-	-	-	(1,678,621)	-	-	-	1,392	34,416	786,989	(855,824)	22,209	(833,615)	
Contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	61,258	61,258	
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	130,326	130,326	
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(163,121)	(163,121)	
Final 2019 dividend declared	-	-	-	-	-	-	-	-	-	(346,273)	(346,273)	-	(346,273)	
Transfer from retained profits	-	-	-	-	-	-	41,688	-	-	(41,688)	-	-	-	
At 30 June 2020 (unaudited)	3,462,729	12,647,502	(924,429)	(888,673)	4,816,743	9,647,574	401,430	-	503,705	21,876,940	51,543,521	6,337,655	57,881,176	

* These reserve accounts comprise the consolidated reserves of RMB48,080,792,000 (31 December 2019: RMB49,282,889,000) in the consolidated statement of financial position.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2020
(PREPARED IN ACCORDANCE WITH IFRS)

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2020
(PREPARED IN ACCORDANCE WITH IFRS)

	Six months ended 30 June	
	2020 <i>RMB'000</i> (unaudited)	2019 <i>RMB'000</i> (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	1,208,860	1,910,800
Adjustments for:		
Finance costs	1,014,135	1,007,509
Foreign exchange losses, net	31,407	31,856
Share of profits of joint ventures and associates	(39,791)	(3,311)
Gains from listed debentures	(2,845)	(6,005)
Gains from listed equity investment	(2,496)	–
Gains from investments in financial products	(159,341)	(114,616)
Gains from unlisted equity investment	–	(32,337)
Loss from Held-for-trading financial liabilities	95,327	–
Dividend income from equity investments	(18,181)	(23,350)
Net loss/(gain) on disposal of items of property, plant and equipment	3,587	(3,353)
Net gain on disposal of items of assets classified as held for sale	–	(6,300)
Fair value (gains)/losses, net:		
– Derivative financial instruments	557,067	(98,877)
– Listed equity investments	85,527	214,705
– Unlisted equity investments	43,328	(47,597)
– Income right attached to a target equity interest	4,246	(7,818)
– Listed debentures	1,889	(7,121)
– Investments in financial products	(120,550)	(205,512)
– Held-for-trading financial liabilities	(98,862)	–
(Reversal)/provision for impairment of trade and bills receivables	(48,634)	149,812
Provision for impairment of factoring receivables	49,037	282,035
(Reversal)/Provision for impairment of prepayment, other receivables and other assets	(69,061)	7,699
Provision for impairment of loans to related companies	2,365	18,016
Provision for impairment of inter-bank loans	48,715	–
Provision for/(reversal of) impairment of inventories to net realisable value	202,126	(57,293)
Provision for impairment of property, plant and equipment	229,848	–
Provision for impairment of exploration and evaluation assets	13,587	–
Provision for impairment of other intangible assets	74,703	–

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2020
(PREPARED IN ACCORDANCE WITH IFRS)

	Six months ended 30 June	
	2020	2019
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Provision for impairment of property, plant and equipment	1,036,220	797,900
Depreciation of right-of-use assets	120,739	105,111
Depreciation of investment properties	6,251	5,678
Amortisation of other intangible assets	88,488	38,898
Unwinding of an interest in rehabilitation provision	4,857	4,471
Deferred revenue released to the statement of profit or loss	(52,925)	(11,724)
	<u>4,309,623</u>	<u>3,949,276</u>
Decrease/(increase) in inventories	498,447	(194)
(Increase)/decrease in trade and bills receivables	(64,573)	1,206,210
Decrease in factoring receivables	23,413	324,547
(Increase)/decrease in prepayments, other receivables and other assets	(1,023,971)	2,290,226
(Increase)/decrease in derivative financial instruments	(883,207)	73,151
Decrease/(increase) in loans to related companies	2,401	(118,376)
Increase in restricted bank deposits except restricted deposits to secure bank borrowings	(2,021,816)	(192,351)
Increase in trade and bills payables	755,035	914,337
Decrease in other payables and accruals	(642,044)	(1,850,020)
Increase/(decrease) in deposits from holding companies and subsidiaries	3,652,879	(381,072)
	<u>4,606,187</u>	<u>6,215,734</u>
Cash generated from operations	4,606,187	6,215,734
Income tax paid	(516,643)	(703,237)
	<u>4,089,544</u>	<u>5,512,497</u>
Net cash flows from operating activities	4,089,544	5,512,497
 CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of financial investments	9,735,537	5,680,892
Proceeds from disposal of property, plant and equipment	3,530	65,784
Proceeds from disposal of items of assets classified as held for sale	–	66,653
Receipt of government grant	19,644	30,226
Proceeds from disposal of other intangible assets	–	139
Additional investments in associates	(30,875)	(74,328)
Additional investments in joint ventures	–	(9,614)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2020
(PREPARED IN ACCORDANCE WITH IFRS)

	Six months ended 30 June	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Dividend received from an associate	72,553	–
Acquisition of subsidiaries and business combination	3,952	(2,022,344)
Principal portion of lease payments	(24,947)	(104,254)
Purchases of financial investments	(24,869,313)	(17,679,383)
Purchases of property, plant and equipment	(779,823)	(918,088)
Purchase of exploration and evaluation assets	(44,389)	(60,251)
Purchase of other intangible assets	(589,252)	(2,690)
	<hr/>	<hr/>
Net cash used in investing activities	(16,503,383)	(15,027,258)
	<hr/> <hr/>	<hr/> <hr/>
CASH FLOW FROM FINANCING ACTIVITIES		
New bank and other borrowings	68,239,676	45,804,812
Collection of pledged time deposits to secure bank borrowings	(6,705,088)	(1,773,252)
Repayment of bank and other borrowings	(47,407,233)	(32,290,685)
Dividends paid to non-controlling interests	(163,121)	(14,396)
Interest paid	(1,313,803)	(733,518)
Contribution from non-controlling interests	61,258	64,680
	<hr/>	<hr/>
Net cash generated from financing activities	12,711,689	11,057,641
	<hr/>	<hr/>
Net increase in cash and cash equivalents	297,850	1,542,880
Cash and cash equivalents at beginning of period	18,730,338	10,647,443
Effect of foreign exchange rate changes, net	76,378	22,961
	<hr/>	<hr/>
Cash and cash equivalents at end of period	19,104,566	12,213,284
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2020
(PREPARED IN ACCORDANCE WITH IFRS)

1. CORPORATE INFORMATION

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

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

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

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2020 has been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2019.

2.2 Changes in accounting policies and disclosures

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

Amendments to IFRS 3	<i>Definition of a Business</i>
Amendments to IFRS 9, IAS 39 and IFRS 7	<i>Interest Rate Benchmark Reform</i>
Amendments to IFRS 16	<i>Covid-19-Related Rent Concessions (early adopted)</i>
Amendments to IAS 1 and IAS 8	<i>Definition of Material</i>

The adoption of the above new and revised standards has had no significant financial effect on these financial statements.

3. BUSINESS COMBINATION

Acquisition of Vesco

On 31 January 2020, the Group subscribed 25,800,000 ordinary shares of Vesco Holding Limited (“Vesco”) and holds 57.59% interest in Vesco thereafter.

The acquisition was made as part of the Group's strategy to expand its market share of metal products in overseas. The consideration of the subscription is USD25,800,000 in the form of cash with USD15,800,000 paid as at 30 June 2020.

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

	31 January 2020 Provisional fair value RMB'000
Non-current assets	259,297
Current assets	<u>143,056</u>
Total assets	<u>402,353</u>
Non-current liabilities	<u>(64,620)</u>
Current liabilities	<u>(29,708)</u>
Total liabilities	<u>(94,328)</u>
Total identifiable net assets at fair value	<u>308,025</u>
Non-controlling interests	<u>(130,325)</u>
Identifiable net assets at fair value attributable to the Group	<u>177,700</u>
Satisfied by Cash	<u>177,700</u>

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

Cash consideration paid in the period	(38,585)
Cash and bank balances acquired	42,538
	<hr/>
Net inflow of cash and cash equivalents included in cash flows from investing activities Cash	3,953
	<hr/> <hr/>

The fair values disclosed are provisional as at 30 June 2020. The finalisation of the valuation work required to determine the fair values of the assets and liabilities acquired will be completed within 12 months of the acquisition date, at the latest.

The Group incurred transaction costs of RMB1,029,000 for this acquisition. These transaction costs have been expensed and are included in other expenses in the interim condensed consolidated statement of profit or loss.

Since the acquisition, Vesco contributed RMB2,528,000 net loss to the consolidated profit for the six months period ended 30 June 2020.

Had the combination taken place at the beginning of the period, the loss of the Group for the period would have been RMB2,562,000.

4. OPERATING SEGMENT INFORMATION

Since the acquisition of Shandong Humon Smelting Company Limited (“**Shandong Humon**”) on 26 June 2019, for management purpose, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

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

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

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

Six months ended 30 June 2020	Copper related business RMB’000	Gold related business RMB’000	Total RMB’000
Segment revenue			
Sales to external customers	130,539,906	16,085,139	146,625,045
Intersegment sales	<u>1,291,910</u>	<u>344,856</u>	<u>1,636,766</u>
Reconciliation:			
Elimination of intersegment sales	<u>(1,291,910)</u>	<u>(344,856)</u>	<u>(1,636,766)</u>
Revenue	<u>130,539,906</u>	<u>16,085,139</u>	<u>146,625,045</u>
Segment results	1,111,626	97,234	1,208,860
Reconciliation:			
Elimination of intersegment results	<u>—</u>	<u>—</u>	<u>—</u>
Profit before tax	<u><u>1,111,626</u></u>	<u><u>97,234</u></u>	<u><u>1,208,860</u></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 is detailed below:

	Six months ended 30 June	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
– Mainland China	124,332,978	87,546,032
– Hong Kong	12,929,948	10,050,156
– Others	9,722,476	7,446,745
	146,985,402	105,042,933
Less: Sales related taxes	360,357	348,935
	<u>146,625,045</u>	<u>104,693,998</u>

Information about major customers

No customer or a group of customers under common control accounted for 10% or more of the Group's revenue for periods ended 30 June 2020 and 2019. The State-Owned Entities are not identified as a group of customers under common control by the directors of the Company.

5. REVENUE AND OTHER INCOME

An analysis of revenue is as follows:

	Six months ended 30 June	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Sale of industrial products		
– Copper cathodes	81,407,245	64,021,271
– Copper rods	25,545,186	20,572,267
– Copper processing products	1,493,858	2,012,054
– Gold	14,838,967	3,920,180
– Silver	6,404,674	1,385,805
– Sulphuric and sulphuric concentrate	358,699	697,160
– Copper concentrate, rare and other non-ferrous metals	13,849,167	8,589,156
– Others	2,891,735	3,688,511
Provision of services	195,871	156,529
	146,985,402	105,042,933
Less: Sales related taxes	360,357	348,935
	146,625,045	104,693,998

Disaggregated revenue information for revenue from contracts with customers

	Six months ended 30 June	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Type of goods or service		
– Sale of industrial products	146,789,531	104,886,404
– Construction services	148,396	143,427
– Other services	47,475	13,102
	146,985,402	105,042,933
Less: Sales related taxes	360,357	348,935
Total revenue from contracts with customers	146,625,045	104,693,998

	Six months ended 30 June	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Timing of revenue recognition		
– Goods or services transferred at a point in time	146,837,006	104,886,404
– Services transferred over time	148,396	156,529
	146,985,402	105,042,933
Less: Sales related taxes	360,357	348,935
Total revenue from contracts with customers	146,625,045	104,693,998

An analysis of other income is as follows:

	Six months ended 30 June	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Interest income	347,783	504,309
Dividend income from equity investments	18,181	23,350
Government grants recognised	90,264	55,941
Compensation income and others	19,930	67,178
	476,158	650,778

6. OTHER GAINS AND LOSSES, NET

	Six months ended 30 June	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Fair value gains from commodity derivative contracts and commodity option contract:		
Transactions not qualifying as hedges	274,324	5,954
Ineffective portion of cash flow hedges	–	482
Fair value gains/(losses) from foreign currency forward contracts and interest rate swaps	14,444	(23,829)
Fair value gains on other financial assets:		
Investments in financial products	120,550	205,512
Unlisted equity instruments	(43,328)	47,597
Listed equity instruments	(85,527)	(214,705)
Listed debentures	(1,889)	7,121
Income right attached to a target equity interest	(4,246)	7,818
Held-for-trading financial liabilities	98,862	–
Gains/(losses) on other financial assets:		
Listed equity investments	2,496	–
Bank financial products	159,341	98,681
Listed debentures	2,845	6,005
Assets management products	–	15,935
Unlisted equity investments	–	32,337
Held-for-trading financial liabilities	(95,327)	–
Impairment losses on:		
Property, plant and equipment	(229,848)	–
Other intangible assets	(74,703)	–
Exploration and evaluation assets	(13,587)	–
(Losses)/gains Gains on disposal of property, plant and equipment	(3,587)	3,353
Gains on disposal of assets classified as held for sale	–	6,300
Foreign exchange losses, net	(31,407)	(31,856)
Others	(10,217)	(15,397)
	<u>79,196</u>	<u>151,308</u>

7. PROFIT BEFORE TAX

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

	Six months ended 30 June	
	2020	2019
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of inventories sold and service provided	140,167,607	98,412,573
Depreciation of property, plant and equipment	1,036,220	797,900
Depreciation of right-of-use assets	120,739	105,111
Depreciation of investment properties	6,251	5,678
Amortisation of other intangible assets	88,488	38,898
Auditors' remuneration	6,500	4,736
Employee benefit expense:		
– Wages and salaries	1,694,303	1,617,065
– Pension scheme contributions	237,727	293,729
Research and development costs	280,689	103,584
Provision/(reversal of) allowance for inventories included in cost of sales	202,126	(57,293)
(Reversal)/provision for impairment of trade and bills receivables	(48,634)	149,812
Provision for impairment of factoring receivables	49,037	282,035
(Reversal)/provision for impairment of prepayment, other receivables and other assets	(69,061)	18,016
Impairment of property, plant and equipment	229,848	–
Impairment of other intangible assets	74,703	–
Impairment of exploration and evaluation assets	13,587	–
Impairment of loans to related companies	2,365	7,699
Impairment of inter-bank loans	48,715	–
	—————	—————

8. INCOME TAX

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

	Six months ended 30 June	
	2020 <i>RMB'000</i> (Unaudited)	2019 <i>RMB'000</i> (Unaudited)
Current income tax	378,698	357,809
Deferred income tax	<u>24,304</u>	<u>176,382</u>
Income tax charge for the period	<u>403,002</u>	<u>534,191</u>

Hong Kong profits tax on six (2019: six) of the Group's subsidiaries has been provided at the rate of 16.5% (2019: 16.5%) on the estimated assessable profits arising in Hong Kong during the six months ended 30 June 2020.

The subsidiaries incorporated in Singapore, Turkey, United States, Peru, Zambia and Mexico are subject to corporate income tax at a rate of 17% (2019: 17%), 20% (2019: 20%), 28% (2019: 28%), 29.5% (2019: 29.5%), 35% (2019: 35%), and 30% (2019: n/a), respectively.

The provision for PRC income tax is based on a statutory rate of 25% (2019: 25%) of the assessable profits of the PRC companies as determined in accordance with the relevant income tax rules and regulations of the PRC Corporate Income Tax Law except for those recognised as New and Technology Enterprise entitled to a preferential PRC income tax rate of 15%, according to the PRC Corporate Income Tax Law.

Pursuant to the "Notice of Recognition of the 2017 First Batch of New and High Technology Enterprises in Jiangxi Provinces" (Gan Gao Qi Ren Fa [2017] No. 10) dated 17 November 2017, jointly issued by the Science and Technology Department of Jiangxi Province, Finance Department of Jiangxi Province, State Tax Bureau of Jiangxi Province and Provincial Tax Bureau of Jiangxi Province, the Company has passed the examination for new and high technology enterprises, and the certificate number is GR201736000335. According to the provisions of Article 28 "Enterprise Income Tax Law of the People's Republic of China", the applicable income tax rate of the Company during 1 January 2017 to 31 December 2019 is 15%. The Company is currently in the process to renew the qualification and application for the 15% preferential tax rate for the three years from 2020.

9. DIVIDENDS

	Six months ended 30 June	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Dividends of ordinary shares declared and distributed during the six months:		
Final dividend of RMB0.10 per share for 2019 (2019: final dividend of RMB0.20 per share for 2018)	346,273	692,546

On 10 June 2020, a dividend of RMB0.10 per share (tax inclusive) on 3,462,729,405 shares, in aggregate approximately RMB346,273,000 was declared to the shareholders as the final dividend for year 2019.

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

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 3,462,729,405 (2019: 3,462,729,405) in issue during the period.

The Group had no potentially dilutive ordinary shares in issue during the six months period ended 30 June 2020 and 2019.

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

	Six months ended 30 June	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the Company, used in the basic and diluted earnings per share calculations	786,989	1,412,177
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted earnings per share calculations	3,462,729,405	3,462,729,405

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2020, the Group acquired assets with a cost of RMB 1,051,363,000 (six months ended 30 June 2019: RMB1,080,693,000), other than the property, plant and equipment acquired through a business combination to the interim condensed consolidated financial information.

Assets (other than those classified as held for sale) with a net book value of RMB4,984,000 were disposed by the Group during the six months ended 30 June 2020 (30 June 2019: RMB62,430,000), resulting in a net loss on disposal of RMB3,587,000 (30 June 2019: net gain on disposal of RMB3,353,000).

As at 30 June 2020, certain of the Group's machinery and buildings with a net book value of approximately RMB303,450,000 (31 December 2019: RMB333,376,000) and RMB199,385,000 (31 December 2019: RMB230,402,000), respectively, were pledged to secure short-term bank borrowings.

As at 30 June 2020, certain of the Group's buildings with a net book value of approximately RMB8,155,000 (31 December 2019: RMB8,224,000) were pledged to secure long-term bank borrowings.

As at 30 June 2020, the Group was in the process of obtaining property ownership certificates for certain of the Group's buildings with a net book value of RMB1,168,364,000 (31 December 2019: RMB1,310,889,000).

As at 30 June 2020, certain of the Group's buildings and mining infrastructure with a net book value of approximately RMB113,631,000 (31 December 2019: RMB114,942,000) were restricted due to litigation.

12. FINANCIAL INSTRUMENTS OTHER THAN DERIVATIVES

	30 June 2020		31 December 2019	
	Presented under Categories	IFRS 9 Carrying Amount <i>RMB'000</i> (Unaudited)	Presented under Categories	IFRS 9 Carrying Amount <i>RMB'000</i> (Audited)
Assets:				
Debt instruments (including hybrid contracts):				
Listed debentures (a)	FVPL ¹	–	FVPL	115,697
Investments in financial products (b)	FVPL	<u>21,840,294</u>	FVOCI	<u>10,451,652</u>
		<u>21,840,294</u>		<u>10,567,349</u>
Equity instruments:				
Listed equity investments (c)	FVPL	609,915	FVPL	621,559
Listed equity investments (c)	FVOCI ²	7,182,734	FVOCI	8,738,036
Unlisted equity investments (d)	FVPL	755,231	FVPL	798,559
Unlisted equity investments (d)	FVOCI	36,119	FVOCI	36,119
Income right attached to a target equity interest (e)	FVPL	<u>542,650</u>	FVPL	<u>546,896</u>
		<u>9,126,649</u>		<u>10,741,169</u>
		<u>30,966,943</u>		<u>21,308,518</u>
FVPL		23,748,090		12,534,363
FVOCI		<u>7,218,853</u>		<u>8,774,155</u>
		<u>30,966,943</u>		<u>21,308,518</u>

	30 June 2020		31 December 2019	
	Presented under Categories	IFRS 9 Carrying Amount <i>RMB'000</i> (Unaudited)	Presented under Categories	IFRS 9 Carrying Amount <i>RMB'000</i> (Audited)
Non-current assets		8,957,926		10,646,329
Current assets		<u>22,009,017</u>		<u>10,662,189</u>
		<u>30,966,943</u>		<u>21,308,518</u>
Liabilities				
Held-for-trading financial liabilities (f)	FVPL	<u>(279,400)</u>	FVPL	<u>(588,279)</u>
		<u>(279,400)</u>		<u>(588,279)</u>
Current liabilities		<u>(279,400)</u>		<u>(588,279)</u>

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

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

- (a) As at 31 December 2019, the listed debentures are at variable interest rates ranging from 0.5% to 6% per annum.
- (b) The amount represents investments in financial products arranged by bank, trust institution and independent securities companies with high credit-rating and good reputation. The financial products held by the Group generate annual target return rates ranged from 3.35% to 8.00% (2019: 3.55% to 8.00%) per annum. The investments have maturity date from 31 July 2020 to 27 November 2021 (2019: from 10 January 2020 to 27 November 2021).

	30 June 2020 <i>(RMB'000)</i> (Unaudited)	31 December 2019 <i>(RMB'000)</i> (Audited)
Including:		
Bank financial products	20,419,163	9,127,315
Asset management products	615,224	643,015
Fund products	503,382	509,962
Trust products	<u>302,525</u>	<u>171,360</u>
	<u>21,840,294</u>	<u>10,451,652</u>

As at 30 June 2020, the bank financial products of RMB241,482,000 (31 December 2019: RMB143,534,000) was pledged to secure short-term bank borrowings.

As at 30 June 2020, the bank financial products of RMB13,834,622,000 (31 December 2019: RMB4,972,138,000) was pledged to issue bank accepted notes.

- (c) The listed equity securities represent stocks listed in the Shanghai Stock Exchange and Shenzhen Stock Exchange (“**PRC**”), the Hong Kong Stock Exchange (“**HKEx**”) and the Toronto Stock Exchange (“**TSX**”).
- (d) 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.
- (e) The investment represents a beneficial right attached to the 2.65% equity interest in a limited liability company established in the PRC held by China Cinda (“**Beneficial Right**”), including the right to all the incomes derived from this equity interest.
- (f) A subsidiary of the Group, Shandong Humon, entered into certain gold lease contracts with independent lessors. During the lease period, Shandong Humon might sell the leased gold to independent third parties. When the lease period expires, Shandong Humon shall return the gold with the same quantity and quality to the lessors. The obligation to return the gold is recognised as held-for-trading financial liabilities.

As at 30 June 2020, cash in the bank of RMB47,421,000 (31 December 2019: RMB51,700,000) was pledged to secure gold lease contracts.

13. DERIVATIVE FINANCIAL INSTRUMENTS

	At 30 June 2020		At 31 December 2019	
	Assets <i>RMB'000</i> (Unaudited)	Liabilities <i>RMB'000</i> (Unaudited)	Assets <i>RMB'000</i> (Audited)	Liabilities <i>RMB'000</i> (Audited)
Commodity derivative and forward contracts	363,047	(969,967)	304,929	(211,583)
Commodity option contracts	–	(27,379)	–	–
Provisional price arrangements	–	(461,110)	–	(117,478)
Foreign currency forward contracts and interest rate swaps	52,909	(43,265)	18,734	(67,064)
	<u>415,956</u>	<u>(1,501,721)</u>	<u>323,663</u>	<u>(396,125)</u>

	30 June 2020 <i>RMB'000</i> (Unaudited)	31 December 2019 <i>RMB'000</i> (Audited)
Including:		
Derivatives designated as hedging instruments (a):		
Cash flow hedges		
– Commodity derivative contracts	–	(1,393)
Fair value hedges		
– Commodity derivative and forward contracts	(145,909)	–
– Provisional price arrangements	(461,110)	(117,478)
	<u>(607,019)</u>	<u>(118,871)</u>
Derivatives not designated as hedging instruments (b):		
– Commodity derivative contracts	(461,011)	94,739
– Commodity option contracts	(27,379)	–
– Foreign currency forward contracts and interest rate swaps	9,644	(48,330)
	<u>(478,746)</u>	<u>46,409</u>
	<u><u>(1,085,765)</u></u>	<u><u>(72,462)</u></u>

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

During this period, the Group entered into AU(T+D) and AG(T+D) contracts, which are substantially forward commodity contracts, on Shanghai Gold Exchange (“SGE”) to hedge potential price fluctuations of gold and silver.

(a) Derivatives designated as hedging instruments:

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

– ***Cash flow hedge***

Certain commodity derivative contracts were designated by the Group to hedge its exposure to variability in cash flows attributable to price fluctuation risk associated with highly probable forecast sales of copper related products. For the six months ended 30 June 2020, no commodity derivative contracts were designated as hedging instruments of cash flow hedge. As at 31 December 2019, the expected delivery period of the forecasted sales for copper related products was from January to March 2020.

– ***Fair value hedge***

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

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

For the six months ended 30 June 2020, no effectiveness portion under cash flow hedge (for the six months ended 30 June 2019: RMB29,608,000) was included in the hedging reserve, and no ineffectiveness portion was included in income statement (for the six months ended 30 June 2019: RMB482,000). Further details are given in other comprehensive income, respectively.

For the six months ended 30 June 2020, the fair value gains of provisional price arrangements designated as fair value hedges of the Group are RMB344,354,000 (for the six months ended 30 June 2019: fair value are RMB74,338,000). The net fair value losses of the hedged item, inventories, attributable to the risk hedged is RMB336,001,000 (for the six months ended 30 June 2019: fair value are RMB80,802,000) in aggregate.

For the six months ended 30 June 2020, the fair value losses of Commodity derivative and forward contracts designated as fair value hedges of the Group are RMB145,909,000 (for the six months ended 30 June 2019: Nil). The net fair value gains of the hedged item, inventories, attributable to the risk hedged is RMB147,398,000 (for the six months ended 30 June 2019: Nil) in aggregate.

(b) Derivatives not designated as hedging instruments:

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

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

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

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

14. TRADE AND BILLS RECEIVABLES

	30 June 2020 (RMB'000) (Unaudited)	31 December 2019 (RMB'000) (Audited)
Trade receivables	10,890,751	10,629,408
Bills receivables	2,865,478	2,608,420
	13,756,229	13,237,828
Less: impairment allowance	(5,650,222)	(5,698,962)
	8,106,007	7,538,866

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

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

As at 30 June 2020, bills receivables of RMB297,934,000 (31 December 2019: Nil) was pledged to secure short-term bank borrowings, bills receivables of RMB156,000,000 (31 December 2019: Nil) was pledged for the issuing bank accepted notes.

As at 30 June 2020, bills receivables of RMB24,511,010,000 (31 December 2019: RMB13,276,828,000) was discounted but not mature.

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

	At 30 June 2020 (RMB'000) (unaudited)	At 31 December 2019 (RMB'000) (audited)
Within 1 year	5,747,338	5,237,612
1 to 2 years	118,061	533,258
2 to 3 years	507,171	399,481
Over 3 years	1,733,437	1,368,515
	<u>8,106,007</u>	<u>7,538,866</u>

The term of bills receivable are all less than 12 months. As at 30 June 2020, the bills receivables were neither past due nor impaired (31 December 2019: Nil).

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

	Six months ended 30 June	
	2020 (RMB'000) (Unaudited)	2019 (RMB'000) (Unaudited)
At beginning of the period	5,698,962	5,172,573
(Reversal)/provision for impairment losses,	(48,634)	149,812
Effect of business combination not under common control	–	3,740
Amounts written off as uncollectible	(106)	(916)
At end of the period	<u>5,650,222</u>	<u>5,325,209</u>

15. CASH, CASH EQUIVALENTS AND PLEDGED BANK DEPOSITS

	30 June 2020 RMB'000 (Unaudited)	31 December 2019 RMB'000 (Audited)
Cash and bank balances	23,527,404	27,634,777
Time deposits	10,486,805	2,115,613
	<u>34,014,209</u>	<u>29,750,390</u>
Less: Restricted bank deposits (<i>i</i>)		
Current	13,704,238	11,020,052
Non-current	1,205,405	–
	<u>14,909,643</u>	<u>11,020,052</u>
Cash and cash equivalents	<u>19,104,566</u>	<u>18,730,338</u>

(i) As at 30 June 2020, the restricted bank deposits include the following:

- Deposits amounting to RMB2,800,239,000 (31 December 2019: RMB2,231,057,000) and cash in the bank amounting to RMB147,725,000 (31 December 2019: RMB91,500,000) were pledged to secure bank borrowings;
- Deposits amounting to RMB1,395,019,000 (31 December 2019: RMB1,867,410,000) was pledged for the issuing of letters of credit;
- Deposits amounting to RMB638,760,000 (31 December 2019: RMB301,606,000) was pledged for the issuing of letters of guarantee;
- Deposits amounting to RMB8,893,378,000 (31 December 2019: RMB5,595,796,000) was pledged for the issuing bank accepted notes;
- Deposits amounting to RMB79,329,000 (31 December 2019: RMB49,851,000) were placed as environmental recovery deposits whose usage is restricted;
- Cash in bank amounting to RMB85,413,000 is restricted due to litigation (31 December 2019: RMB82,505,000); and
- Required mandatory reserve deposits and other restricted deposits amounting to RMB790,786,000 (31 December 2019: RMB665,411,000) was placed by JCC Finance Company Limited, a subsidiary of the Group, in the People's Bank of China ("PBC"), which are not available for use in the Group's daily operations.
- Interests amounting to RMB78,994,000 (31 December 2019: RMB134,916,000) were accrued on deposits with banks.

16. TRADE AND BILLS PAYABLES

	30 June 2020 (RMB'000) (Unaudited)	31 December 2019 (RMB'000) (Audited)
Trade payables	8,036,134	8,363,609
Bills payables	5,525,822	4,176,839
	<u>13,561,956</u>	<u>12,540,448</u>

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

As at 30 June 2020, the Group has no material balance of accounts payable aged over one year (31 December 2019: Nil).

17. CONTINGENT LIABILITIES

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

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

Nanchang, Jiangxi, the People's Republic of China, 28 August 2020

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