

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



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

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

(Stock Code: 0358)

2021 INTERIM RESULTS ANNOUNCEMENT

I. IMPORTANT NOTICE

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

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

- (II) All Directors of the Company attended the Board meeting to approve, among others, the interim results for the six months ended 30 June 2021.

- (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, Zheng Gaoqing, the principal accounting responsible person, Yu Tong, and Head of Financial Department (accounting chief), 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 2021 (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) (%)
	2021 <i>(RMB'000)</i> (Unaudited)	2020 <i>(RMB'000)</i> (Unaudited)	
Revenue	226,236,738	146,625,045	54.30
Profit before taxation	4,067,703	1,208,860	236.49
Profit for the period attributable to shareholders of the parent	3,153,039	786,989	300.65
Basic earnings per share <i>(RMB)</i>	0.91	0.23	295.65
	As at 30 June 2021 <i>(RMB'000)</i> (Unaudited)	As at 31 December 2020 <i>(RMB'000)</i> (Audited)	Increase/ (decrease) (%)
Total assets	167,244,064	140,881,553	18.71
Total liabilities	93,220,641	74,022,249	25.94
Net assets attributable to shareholders of the parent	66,789,107	59,910,393	11.48
Net assets per share attributable to shareholders of the parent <i>(RMB)</i>	19.29	17.30	11.48

(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

Major Accounting Data	During the reporting period (January to June)	Unit: Yuan Currency: RMB	
		During the corresponding period of last year	Increase/decrease for the reporting period as compared with the corresponding period of last year (%)
Operating revenue	226,794,311,017	146,985,402,360	54.30
Net profit attributable to shareholders of the Company	3,043,066,457	745,301,824	308.30
Net profit after non-recurring profit and loss attributable to shareholders of the Company	5,209,514,632	222,585,175	2,240.46
Net cash flows from operating activities	1,767,430,662	4,089,547,413	-56.78
	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	66,789,107,662	59,910,393,466	11.48
Total assets	167,244,064,960	140,881,552,897	18.71

(II) Major Financial Indicators

Unit: Yuan Currency: RMB

Major Financial Indicators	During the reporting period (January to June)	During the corresponding period of last year	Increase/decrease for the reporting period as compared with the corresponding period of last year (%)
Basic earnings per share (<i>RMB/share</i>)	0.88	0.22	308.30
Diluted earnings per share (<i>RMB/share</i>)	N/A	N/A	–
Basic earnings per share after non-recurring profit and loss items (<i>RMB/share</i>)	1.50	0.06	2,240.46
Return on net assets (weighted average) (%)	4.80	1.42	Increased by 3.38 percentage point
Return on net assets after non-recurring profit and loss items (weighted average) (%)	8.22	0.43	7.79

(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	Amount at the end of the period	Amount at the beginning of the period
Under PRC GAAP	3,043,066,457	745,301,824	66,789,107,662	59,910,393,466
Adjustments to items and amounts under IFRSs	109,972,142	41,687,732		
Under IFRSs	3,153,038,599	786,989,556	66,789,107,662	59,910,393,466

The Group is required to make appropriations on work safety in accordance with Cai Qi [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</i>	<i>Currency: RMB</i>
Non-recurring profit and loss items	Amount	Note
	(Unaudited)	(If applicable)
Profit and loss from disposal of non-current assets	-15,898,609	
Government grants 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	66,995,522	
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	-2,756,929,848	
Reversion of provision for impairment of the receivables and contract assets under independent impairment test	6,513,139	
Other non-operating income and expenses other than the above	-61,801,195	
Impact from income tax	106,245,076	
Impact from interests of minority shareholders	488,427,740	
Total	<u><u>-2,166,448,175</u></u>	

(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	153,533,258	238,301,604	84,768,346	5,661,870
2. Investment in held-for-trading debt instruments				
Bond investment	0	1,153,172,346	1,153,172,346	0
Investment in debt instruments	4,300,400,672	5,116,987,548	816,586,876	11,560,213
3. Held-for-trading financial liabilities	0	-272,713,200	-272,713,200	-3,935,244
4. Other non-current financial assets	1,652,738,682	1,440,474,569	-212,264,113	-150,161,393
5. Investment in other equity instruments	14,864,404,752	18,916,144,175	4,051,739,423	2,430,183
6. Derivative instruments not designated as hedging				
Forward foreign exchange contracts	17,051,349	35,662,066	18,610,717	88,514,188
Interest rate swaps contracts	-16,768,274	0	16,768,274	16,768,274
Commodity option contracts	-369,190	3,461,967	3,831,157	16,072,141
Commodity futures contracts	-135,565,424	144,632,064	280,197,488	-2,717,652,642
7. Hedging instruments				
(1) Non-effective hedging derivative instruments				
Commodity futures contracts				
Provisional price arrangement				
(2) Effective hedging derivative instruments				
Commodity futures contracts	-17,254,789	65,901,508	83,156,297	89,719,534
Provisional price arrangement	-426,978,829	297,691,842	724,670,671	723,662,430
8. Items included in inventories that are measured at fair value	6,159,716,148	7,238,586,033	1,078,869,885	-790,182,414
9. Accounts receivable financing	2,595,046,355	2,949,454,201	354,407,846	
Total	29,145,954,710	37,327,756,723	8,181,802,013	-2,707,542,860

III. MANAGEMENT DISCUSSION AND ANALYSIS

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

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

(I) Principal business and operation model of the Company

The principal business of the Group covers copper and gold mining and dressing, smelting and processing; extraction and processing of scattered metals; sulphuric chemistry as well as finance and trading fields. It has established the complete industrial chain integrated with exploration, mining, ore dressing, smelting and processing in copper and related non-ferrous metal fields. It is the important production base of copper, gold, silver and sulphuric chemistry in the PRC. The products include more than 50 varieties, such as copper cathode, gold, silver, sulphuric acid, copper rod, copper tube, copper foil, selenium, tellurium, rhenium, bismuth, etc., of which copper cathode of “Guiye”, “JCC” and “HUMON-D” (owned by Shandong Humon Smelting Co., Ltd. (stock code: 002237) (“**Humon Smelting**”)) are registered products in London Metal Exchange (the “LME”), and “JCC” gold and silver are registered products in the London Bullion Market Association (the “LBMA”).

The main assets owned and controlled by the Group include:

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

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, JCC Huabei (Tianjin) Copper Co., Ltd. and JCC Huadong (Zhejiang Copper) Co., Ltd.
1. *Applications of main products of the Company are as follows:*

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

2. *Business model*

(1) Procurement model

The Company's procurement of the main raw materials, copper concentrates, and production equipment for production are as follows:

Product	Procurement channel	Procurement method	Pricing method
Copper concentrates	Domestic and foreign procurement	Purchased uniformly by the trading business department of the Company	For foreign procurement, the procurement price was determined by making reference to the LME copper price, the LBMA gold and silver price and by deducting the TC/RC from the above-mentioned metal prices, where the TC/RC was determined through negotiations between both parties of the transactions. For domestic procurement, the procurement price was determined by making reference to the copper price on the Shanghai Futures Exchange and by either deducting the corresponding processing fees from or multiplying the corresponding pricing factor by the average price or the spot price of the Shanghai Futures Exchange.
Thick copper, coarse copper	Domestic and foreign procurement		
Production equipment	Domestic and foreign procurement	Purchased uniformly by the material and equipment department of the Company	Compared to the market price

(2) Sales model

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

(3) Production model

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

(II) Explanation on the industry

In the first half of 2021, the macro-economic performance was positive as a whole. Driven by stimulus policies of the global central bank and the accelerated COVID-19 vaccine rollout, the global economy recovered in line with forecasts and inflation expectations rose along with the implementation of both monetary easing policy and fiscal easing policy in the United States. From a fundamental point of view, the supply of raw materials has been disturbed by the pandemic; the consumption increased significantly as compared with that in 2019 and 2020, thus the supply and demand in the copper market will remain tightly balanced. Boosted by both the macro-economy and fundamentals, copper prices kept rising unilaterally from January to May. However, as the Standing Committee of the State Council has, in response to the significant rise in commodity prices, commented for three successive times since May, copper prices began to fall back. In the first half of the year, copper prices experienced a shock rise as a whole, and the copper price in Changjiang Spot Market amounted to RMB66,786/tonne, representing a year-on-year increase of 50.1% as compared with last year. Although global liquidity was adequate in the first half of the year, gold and silver prices fluctuated in a certain range as stimulus policies of the United States were mainly reflected on fiscal stimulus, and monetary tightening was picking up in line with forecast as a result of inflationary pressures. In the first half of the year, the average spot price of gold was RMB376.79/gram, representing an increase of 1.92% as compared with last year; the average spot price of silver was RMB5,432/kilogram, representing an increase of 35.19% as compared with last year; and the average price of sulphuric acid was RMB501/tonne, representing an increase of 297.62% as compared with last year. (The above product price data is sourced from Wind)

Under the background of low inventories in the copper market and optimistic attitudes towards consumption prospects for photovoltaic and new energy sectors established under the theme of carbon neutralization, it is anticipated that the demand and supply in the copper market may remain tightly balanced and copper prices may gradually return to fundamentals in the second half of the year. The prices of precious metals are expected to diverge and gold prices are expected to remain volatile due to the double impact of rising inflation and the negative impact of the monetary tightening policy in the United States. Driven by the economic recovery and vigorous development of photovoltaic power, consumption of silver will be brought about and its industrial attributes will be strengthened. Silver is expected to perform better than gold.

II. ANALYSIS OF CORE COMPETITIVENESS DURING THE REPORTING PERIOD

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

1. *Scale advantage*

The Group has the largest production base of copper, associated gold and silver and owns an important base of sulphuric chemistry in the PRC. The Company owns the copper mine of the largest scale currently in the PRC, namely Dexing Copper Mine and a number of copper mines under production. As of 31 December 2020, the Company had 100% ownership in the resource reserves of approximately 8,744,000 tonnes of copper metal, 270.3 tonnes of gold, 8,326 tonnes of silver, and 201,000 tonnes of molybdenum. Among the resources jointly controlled by the Company and other companies, metal resource reserves attributable to the Company (based on its equity percentage) were approximately 4,435,000 tonnes of copper and 52 tonnes of gold. Humon Smelting, a controlled subsidiary of the Company and its subsidiaries have 156.57 tonnes of proven gold reserves which have completed reserve registration.

2. *Advantage of having a complete integrated industrial chain*

- (1) The Group is the largest integrated copper production enterprise in the PRC and has established its industrial chain with core businesses in mining, ore dressing, smelting and processing of gold and copper, as well as sulphuric chemistry and extraction and processing of precious and rare metals. The annual production of copper contained in copper concentrates of the Company is over 200,000 tonnes. Humon Smelting, a controlled subsidiary of the Company, has an annual production capacity of 50 tonnes of gold and 1,000 tonnes of silver and has production capacity of 0.25 million tonnes of electrolytic copper and 1.3 million tonnes of sulphuric acid as by-products.
- (2) The Group is currently the largest copper processing manufacturer in the PRC, with over 1,400,000 tonnes of copper products processed per year.

- (3) The production capacity of copper cathode of the Group is over 1,600,000 tonnes/year, and the Guixi Smelter of the Company is the copper smelter with the largest single smelting scale in the world.

3. *Advantage of technologies*

The Group possesses industry-leading copper smelting and mine development technologies. Guixi Smelter is the first entity to introduce the entire flash smelting technology production line in the PRC and its overall production technology and key techno-economic indicators have reached advanced international standards. Dexing Copper Mine is the largest modernised copper mine with advanced technological level in the PRC, and is the first to introduce international software for the design, planning and optimization of mining and the global satellite positioning system for truck dispatching. Humon Smelting has strong smelting technology and is the first professional factory to process high-lead complex gold 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”.

4. *Advantage of competitive cost*

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

5. *Advantage of brand*

The “Guiye” copper cathode owned by the Company was successfully one-off registered with the LME in 1996 and is the first world-class brand of copper in the PRC. The Company is also the first enterprise in the copper industry of the PRC which has its three main products – copper cathode, gold and silver products registered with the LME and 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 established good and long-term relationship with world-class mining enterprises.

6. *Management and talent advantage*

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

III. DISCUSSION AND ANALYSIS OF THE COMPANY'S OPERATION

Since 2021, the Group has endeavored to overcome the adverse effects brought by the pandemic, and has actively responded to pressures and challenges faced, such as the ongoing tensions in the supply of raw materials, the difficulties in selling copper processed products and the increased risks of customer performance. In addition, we have seized the opportunity of rising copper prices and have strived to improve technical and economic indicators to maximize the benefits of self-produced mines.

From January to June 2021, the Company recorded an operating income of RMB226.794 billion, representing a year-on-year increase of 54.30% (the same period last year: RMB146.985 billion); and a net profit attributable to shareholders of the Company of RMB3.043 billion, representing a year-on-year increase of 308.30% (the same period last year: RMB0.745 billion). As at the end of June 2021, the Company's total assets amounted to RMB167.244 billion, representing an increase of 18.71% over that in the beginning of the year (at the beginning of the year: RMB140.881 billion), of which net assets attributable to shareholders of the Company amounted to RMB66.789 billion, representing an increase of 11.48% over that in the beginning of the year (at the beginning of the year: RMB59.910 billion).

(I) Keeping the momentum of stable growth through steadily improving the quantity and quality of main products

Product	Production from January to June 2021	Production from January to June 2020	Year-on-year increase (%)
Copper cathode (<i>ten thousand tonnes</i>)	90.13	80.06	12.58
Gold (<i>tonnes</i>)	38.87	38.50	0.96
Silver (<i>tonnes</i>)	614.37	544.85	12.76
Sulphuric acid (<i>ten thousand tonnes</i>)	263.44	249.59	5.55
Processed copper products (<i>ten thousand tonnes</i>)	75.01	67.61	10.95
Including: copper rods	67.42	61.07	10.40
Copper contained in self-produced copper concentrates (<i>ten thousand tonnes</i>)	10.30	10.46	-1.53
Standard sulphuric concentrates (<i>ten thousand tonnes</i>)	122.56	133.90	-8.47
Conversion of molybdenum concentrates (45%) (<i>tonnes</i>)	4,288.00	4,220.00	1.61

(II) Accelerating project construction with an emphasis on high-quality and efficient development

During the reporting period, TPCO Copper Industry Cop., Ltd. acquired by the Company and the 8,000 tonnes/year special enamelled wires production expansion project and other projects were successively put into production. The copper foil phase III 15,000 tonnes/year lithium battery copper foil project has been put into trial production, and the share in the market of high-end copper processing products has steadily improved. Jiangxi Cable has successfully developed 64/110KV 1*630 high-voltage cables and has become the only enterprise in Jiangxi Province which can produce such ultra-high-voltage cables. We have successfully introduced strategic investors into the Baku Tower Tungsten mine project in Kazakhstan and the construction of the project is proceeding in an orderly manner. Wushan Copper Mine Phase III extension project has been officially reviewed and approved by the National Mine Safety Supervision Bureau and is now under full construction. The Renovation and Expansion Project for Qingyuan Smelting has completed all the preparatory work before bidding. The 180,000 tonnes/year copper smelting project of JCC Yantai Guoxing is progressing smoothly.

(III) Accelerating innovation-driven development through integration of production and research that complement each other

In order to further improve efficiency, the Company focused on overcoming difficulties in production, eliminating pain points and controlling key points. In the first half of the year, we completed 20 research projects on production technology, turned 15 scientific achievements into products, and obtained a total of 73 patent authorizations, including 8 invention patents. We have accelerated the incubation of high-end products, and high-performance heat pipes used in the 5G field have been supplied in batches for downstream enterprises. We have achieved preliminary results in the development of a variety of new products such as enamelled wires for digital motors and precision small enamelled flat wires for new energy vehicles, which have been trialed in a number of leading enterprises and reached their standards. This offers a broad prospect for cooperation.

(IV) Taking multiple measures to improve management and implementing them in a coordinated way

The Company continued to promote the establishment of a comprehensive system of risk management, coordination and employee position, so as to promote comprehensive budget control and to ensure the implementation of various management measures. For investment, finance, trade, overseas project management and other fields, the Company built a comprehensive risk management system for the assessment, early warning, reporting and disposition of risks in hedging management and contract performance management. Comprehensive budget control was implemented in data sources and front-end business, thus its guidance functions and leading roles were maximized, and cost control was optimized. The Company have established an internal human resources market, and spared no effort to comprehensively build a channel of talent recruitment and training, which included elite training, differential remuneration and promotion and use, so as to reserve talents for the Company's high-quality leapfrog development.

(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	226,794,311,017	146,985,402,360	54.30
Operating cost	215,635,299,323	143,279,956,819	50.50
Taxes and surcharges	557,572,581	360,357,302	54.73
Selling expenses	162,260,512	400,041,883	-59.44
Administrative expenses	1,267,904,459	871,222,146	45.53
Finance costs	498,709,780	727,379,216	-31.44
Expenses on research and development	373,729,527	280,688,848	33.15
Net cash flow from operating activities	1,767,430,662	4,089,547,413	-56.78
Net cash flow from investment activities	-3,059,084,633	-16,503,384,319	-81.46
Net cash flow from financing activities	4,704,345,418	12,711,686,903	-62.99
Impairment losses on assets	1,469,290,758	520,263,382	182.41
Impairment losses on credit	125,392,075	-17,577,886	813.35
Gains on disposal of assets	47,562,005	536,650	8,762.76
Returns on investments	-2,903,185,922	929,628,193	-412.30
Changes in fair value	113,004,856	-428,391,243	126.38
Non-operating income	14,819,056	26,513,061	-44.11
Non-operating expenses	86,450,163	14,339,867	502.87

Explanation on changes in operating revenue: It was mainly due to the changes in the price of main products;

Explanation on changes in operating cost: It was mainly due to the changes in the price of raw materials;

Explanation on changes in taxes and surcharges: It was mainly due to the increase in resource tax as a result of the changes in the price of main products;

Explanation on changes in selling expenses: It was mainly due to the reclassification of transportation costs to the cost of principal business;

Explanation on changes in administrative expenses: It was mainly due to the increase in amortisation of intangible assets and staff costs;

Explanation on changes in finance costs: It was mainly due to the increase in interest income and foreign exchange gains;

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

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

Explanation on changes in net cash flow from investment activities: It was mainly due to the decrease in investments;

Explanation on changes in net cash flow from financing activities: It was mainly due to the decrease in borrowings obtained;

Explanation on changes in impairment losses on assets: It was mainly due to the decrease in value of inventories and the increase in the impairment of assets;

Explanation on changes in impairment losses on credit: It was mainly due to the increase in the loss provision for impairment losses on credit;

Explanation on changes in gains on disposal of assets: It was mainly due to the disposal of assets of JCC Dongtong Mining Company Limited;

Explanation on changes in returns on investments: It was mainly due to the significant increase in copper price this year, which resulted in corresponding losses in closing positions in commodity futures contracts while spot sales of the Company reflected gains;

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

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

Explanation on changes in non-operating expenses: It was mainly due to the increase in the losses from retirement of fixed assets.

2. *Others*

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

Not applicable

(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	1,469,290,758	520,263,382	949,027,376
Impairment losses on credit	125,392,075	-17,577,886	142,969,961
Gains on changes in fair value	113,004,856	-428,391,243	541,396,099
Returns on investment	-2,903,185,922	929,628,193	-3,832,814,115

(III) Analysis of assets and liabilities

1. Assets and liabilities

<i>Unit: 0'000 Yuan Currency: RMB</i>						
Item	As at the end of the period	Share of total assets as at the end of the period (%)	As at the end of the previous period	Share of total assets as at the end of the previous period (%)	Changes as at the end of the period over the end of the previous period (%)	Explanation
Cash and bank balances	3,486,674	20.85	2,502,587	17.76	39.32	Note 1
Held-for-trading financial assets	650,846	3.89	445,393	3.16	46.13	Note 2
Derivative financial assets	95,732	0.57	45,151	0.32	112.03	Note 3
Prepayments	252,974	1.51	120,153	0.85	110.54	Note 4
Deferred income tax assets	65,043	0.39	48,571	0.34	33.91	Note 5
Held-for-trading financial liabilities	27,271	0.16	-	0.00	100.00	Note 6
Derivative financial liabilities	40,997	0.25	103,140	0.73	-60.25	Note 7
Contract liabilities	274,647	1.64	148,450	1.05	85.01	Note 8
Taxes payable	202,028	1.21	122,378	0.87	65.09	Note 9
Non-current liabilities due within one year	205,085	1.23	69,730	0.49	194.11	Note 10
Other current liabilities	453,741	2.71	305,856	2.17	48.35	Note 11
Other comprehensive income	1,122,071	6.71	717,149	5.09	56.46	Note 12
Special reserve	37,702	0.23	26,705	0.19	41.18	Note 13

Other explanations

Note 1. As at the end of the reporting period, the cash and bank balances of the Group amounted to RMB34,866.74 million, representing an increase of RMB9,840.87 million (or 39.32%) as compared with the end of the period of last year, mainly attributable to the increase in the Group's time deposits and large-value certificates of deposit.

Note 2. As at the end of the reporting period, the held-for-trading financial assets of the Group amounted to RMB6,508.46 million, representing an increase of RMB2,054.53 million (or 46.13%) as compared with the end of the period of last year, mainly attributable to the increase in investments in debt instruments of the Group.

- Note 3. As at the end of the reporting period, the derivative financial assets of the Group amounted to RMB957.32 million, representing an increase of RMB505.81 million (or 112.03%) as compared with the end of the period of last year, mainly attributable to the changes in fair value of embedded derivatives of the Group.*
- Note 4. As at the end of the reporting period, the prepayments of the Group amounted to RMB2,529.74 million, representing an increase of RMB1,328.21 million (or 110.54%) as compared with the end of the period of last year, mainly attributable to the increase in prepayments of raw materials and commodity trade procurement of the Group.*
- Note 5. As at the end of the reporting period, the deferred income tax assets of the Group amounted to RMB650.43 million, representing an increase of RMB164.72 million (or 33.91%) as compared with the end of the period of last year, mainly attributable to the increase in deductible temporary differences of the Group.*
- Note 6. As at the end of the reporting period, the held-for-trading financial liabilities of the Group amounted to RMB272.71 million, representing an increase of RMB272.71 million (or 100.00%) as compared with the end of the period of last year, mainly attributable to the increase in the gold leasing business of a subsidiary of the Group.*
- Note 7. As at the end of the reporting period, the derivative financial liabilities of the Group amounted to RMB409.97 million, representing a decrease of RMB621.43 million (or -60.25%) as compared with the end of the period of last year, mainly attributable to the fluctuating profit or loss of the futures business of the Group.*
- Note 8. As at the end of the reporting period, the contract liabilities of the Group amounted to RMB2,746.47 million, representing an increase of RMB1,261.97 million (or 85.01%) as compared with the end of the period of last year, mainly attributable to the increase in trade receivables in advance of the Group.*
- Note 9. As at the end of the reporting period, the taxes payable of the Group amounted to RMB2,020.28 million, representing an increase of RMB796.50 million (or 65.09%) as compared with the end of the period of last year, mainly attributable to the increase in accumulated taxes payable of the Group in this year.*
- Note 10. As at the end of the reporting period, the non-current liabilities due within one year of the Group amounted to RMB2,050.85 million, representing an increase of RMB1,353.55 million (or 194.11%) as compared with the end of the period of last year, mainly attributable to the new borrowings of the Group.*

Note 11. As at the end of the reporting period, other current liabilities of the Group amounted to RMB4,537.41 million, representing an increase of RMB1,478.85 million (or 48.35%) as compared with the end of the period of last year, mainly attributable to the increase in the absorption of deposits of Jiangxi Copper Corporation Limited (“JCC”) and its subsidiaries by JCC Finance Company Limited, a subsidiary of the Group.

Note 12. As at the end of the reporting period, other comprehensive income of the Group amounted to RMB11,220.71 million, representing an increase of RMB4,049.22 million (or 56.46%) as compared with the end of the period of last year, mainly attributable to the increase in fair value of the investment in equity instruments held by the Group.

Note 13. As at the end of the reporting period, the special reserve of the Group amounted to RMB377.02 million, representing an increase of RMB109.97 million (or 41.18%) as compared with the end of the period of last year, mainly attributable to the increase in expenses for safe production of the Group.

2. Overseas assets

(1) Asset size

Where: Overseas assets 3,181,061 (Unit: 0’000 Yuan Currency: RMB); share of total assets is 19.02%.

(2) Information of overseas assets

The statistical calibre of overseas assets is the total assets of overseas subsidiaries (calculated according to shareholding ratio), including Jiangxi Copper Loyal Sky Industrial Company Limited, Sure Spread Company Limited, Jiangxi Copper Company Hong Kong Limited, Jiangxi Copper International Trading North America. Inc., Jiangtong International (Singapore) PTE. LTD., Jiangxi Copper (Hong Kong) Investment Company Limited, Jiangxi Copper International (Istanbul) Mining Investment Co., Ltd., Shandong Humon (Latin America) Company Limited and Hong Kong Humon International Logistics Limited.

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

Unit: Yuan Currency: RMB

Item	Book value at the end of the period	Reasons for the limitation
Cash and bank balances	17,033,961,641	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 reserves 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	3,793,847,602	Financial management products with book values of RMB3,262,057,753 were pledged as security deposits for issuance of letters of credit and bank acceptance notes; financial management products with book values of RMB50,000,000 were pledged to secure bank borrowings; the government bonds with book values of RMB481,789,849 were pledged to secure short-term borrowings
Accounts receivable financing	1,047,826,115	Bank acceptance notes with book values of RMB771,150,000 were pledged to obtain the gold leasing; bank acceptance notes with book values of RMB276,676,115 were pledged to issue bank acceptance notes
Other receivables	1,198,508,212	Futures deposits
Inventories	1,794,300,960	Inventories with book values of RMB1,403,821,205 were pledged to secure short-term borrowings; inventories with book values of RMB380,971,824 were placed as futures deposits; inventories with book values of RMB9,507,931 were held by the court due to litigations
Investment properties	157,638,634	Held by court due to litigations

Item	Book value at the end of the period	Reasons for the limitation
Fixed assets	793,443,401	Fixed assets with book values of RMB486,969,900 were pledged to secure short-term bank borrowings; fixed assets with book values of RMB195,464,758 were pledged to secure long-term bank borrowings; fixed assets with book values of RMB111,008,743 were held by court due to litigations
Intangible assets	135,527,928	Intangible assets with book values of RMB102,053,205 were pledged to secure bank borrowings; land use rights with book values of RMB33,474,723 were pledged to secure long-term bank borrowings
Other non-current assets	4,222,872,765	Time deposits with maturity dates of more than one year with book values of RMB210,000,000 were pledged to issue bank guarantees to secure short-term bank borrowings of RMB200,000,000; time deposits with maturity dates of more than one year with book values of RMB2,227,272,615 were pledged to secure long-term borrowings of RMB2,117,253,358; time deposits with maturity dates of more than one year with book values of RMB1,762,000,150 were pledged to issue bank acceptance notes; time deposits with maturity dates of more than one year with book values of RMB23,600,000 were pledged to issue letters of guarantee

(IV) General analysis of external investment in equity

Unit: 0'000 Yuan Currency: RMB

Investment during the reporting period	63,116.90
Investment during the same period last year	29,344.58
Extent of year-on-year increase/decrease (%)	115.09

No.	Name of investee	Principal activity	Share of interests in the investee (%)	Investment amount
1	Jiangxi Cable Co., Ltd. (江西電纜有限責任公司)	Manufacture and sales of wires and cables; manufacture, processing and sales of machinery equipment; processing of materials of wires and cables; repairing of electrical equipment; general freight transport (which must be operated within the validity period of the road transport business permit); technical consultation, design and services of wires and cables (projects which require approvals in accordance with the laws may only commence business activities upon approvals from relevant authorities).	51	20,840.39
2	Jiangxi Copper (Hong Kong) Investment Company Limited (江西銅業(香港)投資有限公司)	Investment businesses	100	7,545.97
3	Jiangxi JCC Environmental Resources Technology Co., Ltd. (江西江銅環境資源科技有限公司)	General projects: Recycling of renewable resources (except for productive old and scrap metals), solid waste treatment, renewable resources processing, sales of non-metallic mines and products, metal waste and scrap processing, non-metallic waste and scrap processing, treatment and regeneration of sewage, soil treatment and restoration service, technical services, technical development, technical consultation, technology exchange, technology transfer, technology promotion, landscape construction works (in addition to licensed businesses, projects which are not restricted nor prohibited by laws and regulations can be independently operated in accordance with the laws)	100	2,000.00

No.	Name of investee	Principal activity	Share of interests in the investee (%)	Investment amount
4	MCC-JCL Aynak Minerals Company Limited (中冶江銅艾娜克礦業有限公司)	Mining investment	25	1,263.13
5	Wanguo International Mining Group Limited (萬國國際礦業集團有限公司)	Mining, ore dressing, sales of concentrate products and other business	20.87	31,467.41

Note: The above-mentioned 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 established companies (including contributions by equity, debt, etc.).

(V) Significant equity interest investment

Not applicable

(VI) Significant non-equity interest investment

Not applicable

(VII) Financial assets measured at fair value

Unit: Yuan Currency: RMB

Item	Opening balance	Closing balance	Change during the period	Impact on the profit for the period
Held-for-trading financial assets	4,453,933,930	6,508,461,498	2,054,527,568	17,222,083
Receivables financing	2,595,046,355	2,949,454,201	354,407,846	0
Other non-current financial assets	1,652,738,682	1,440,474,569	-212,264,113	-150,161,393
Other equity instrument investments	14,864,404,752	18,916,144,175	4,051,739,423	2,430,183
Held-for-trading financial liabilities	0	-272,713,200	-272,713,200	-3,935,244
Derivative financial instruments (“-” represents liabilities and “+” represents assets)	-579,885,157	547,349,447	1,127,234,604	-1,782,916,075
Change in fair value of hedged items	6,159,716,148	7,238,586,033	1,078,869,885	-790,182,414
Total	<u>29,145,954,710</u>	<u>37,327,756,723</u>	<u>8,181,802,013</u>	<u>-2,707,542,860</u>

(VIII) Material disposal of assets and equity interests

Not applicable

(V). OTHER DISCLOSURES

(I) Potential Risks

1. Production safety risks

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

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

2. Exchange rate fluctuation risks

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

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

3. Risks from product price fluctuations

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

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; and (4) strengthen the management of inventories and work-in-progress products, reduce inventories to the greatest extent to keep inventories at a reasonable level and reduce capital occupation.

4. *Risks from changes in market environment*

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

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

5. *Environmental protection risks*

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

6. *Risk from uncertainties*

In 2021, the global pandemic has been alleviated and controlled to a certain extent. However, with the continuous spread of the Delta variant, the pandemic shows some resurgence at aboard. In addition, a relatively large-scale outbreak has also occurred in China. Thus, risks from uncertainties still exist.

The Group conscientiously implements the work arrangements of the Central Committee of the Chinese Communist Party, the State Council of the PRC and Jiangxi Provincial Government on winning the prevention and control battle against the COVID-19 pandemic. We resolutely take the pandemic prevention and control as the most important task at current stage, and launch a series of anti-pandemic actions. At the same time, the Group will continue to pay close attention to the development of the pandemic and actively respond to the potential impact on the financial position, operating results and other aspects of the Company.

(II) 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 2020 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.

IV. 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) Shareholders

(1) Total number of shareholders

Total number of ordinary shareholders at the end of the reporting period	176,300
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	Pledge, marking or freeze		Nature of shareholder
					Share status	Number	
JCC	2,400,800	1,471,304,910	42.49	0	Nil		State-owned legal person
HKSCC Nominees Limited ("HKSCC")	-1,331,908	1,073,313,014	31.00	0	Unknown		Unknown
China Securities Finance Corporation Limited	0	103,719,909	3.00	0	Nil	0	Unknown
Hong Kong Securities Clearing Company Limited	708,109	34,690,452	1.00	0	Nil	0	Unknown
Qi Shichuan	10,926,984	10,926,984	0.32	0	Nil	0	Unknown
Yang Weiyu	3,157,424	6,384,851	0.18	0	Nil	0	Unknown
Industrial and Commercial Bank of China Limited- Southern China Securities Shenwan Non-ferrous Metal Exchange Traded Open- ended Index Fund	-638,758	4,830,594	0.14	0	Nil		Unknown
Hong Wenhui	-1,119,900	4,204,730	0.12	0	Nil	0	Unknown
Liu Ding	0	4,170,451	0.12	0	Nil	0	Unknown
Xiong Yinhe	2,500,000	4,000,000	0.12	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	1,471,304,910	Ordinary shares denominated in RMB (A Shares)	1,162,847,910
		Overseas listed foreign shares (H Shares)	308,457,000
HKSCC	1,073,313,014	Overseas listed foreign shares (H Shares)	1,073,313,014
China Securities Finance Corporation Limited	103,719,909	Ordinary shares denominated in RMB (A Shares)	103,719,909
Hong Kong Securities Clearing Company Limited	34,690,452	Ordinary shares denominated in RMB (A Shares)	34,690,452
Qi Shichuan	10,926,984	Ordinary shares denominated in RMB (A Shares)	10,926,984
Yang Weiyu	6,384,851	Ordinary shares denominated in RMB (A Shares)	6,384,851
Industrial and Commercial Bank of China Limited-Southern China Securities Shenwan Non-ferrous Metal Exchange Traded Open-ended Index Fund	4,830,594	Ordinary shares denominated in RMB (A Shares)	4,830,594
Hong Wenhui	4,204,730	Ordinary shares denominated in RMB (A Shares)	4,204,730
Liu Ding	4,170,451	Ordinary shares denominated in RMB (A Shares)	4,170,451
Xiong Yinhe	4,000,000	Ordinary shares denominated in RMB (A Shares)	4,000,000
The explanation on special repurchase accounts of top ten shareholders	Nil		
The explanation on entrusting/being entrusted voting rights or waiving voting rights of the aforesaid shareholders	Nil		
The explanation of the connected relationship or parties acting in concert among the aforesaid shareholders	Nil		
The explanation of the preferred shareholders with restored voting rights and their shareholding	Nil		

Notes:

1. HKSCC held a total of 1,073,313,014 H Shares of the Company in the capacity of nominee on behalf of a number of customers, representing approximately 31.00% of the issued share capital of the Company. HKSCC is a member of the Central Clearing and Settlement System, providing registration and custodial services for customers.
2. The 308,457,000 H Shares held by JCC have been registered with HKSCC and were separately listed from the shares held by HKSCC when disclosed in the table above. Taking into account the H Shares held by JCC, HKSCC held 1,381,770,014 Shares as nominee, representing approximately 39.90% of the issued share capital of the Company.
3. During the reporting period, JCC, the controlling shareholder, commenced the business of securities lending. The increase in the number of shares held by JCC as shown in the above table during the reporting period is in fact the number of shares returned from the securities lending.
4. As at 30 June 2021, the net securities lending from JCC was 42,631,200 A shares. If the number of securities lending is included, the actual holding of JCC is 1,513,936,110 shares, representing approximately 43.72% of the issued share capital.

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

Not applicable

(III) Strategic investors or 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

V. SIGNIFICANT EVENTS

(I) Changes in Directors, Supervisors and senior management of the Company

The Company convened an annual general meeting for the year 2020 on 8 June 2021 where the members of the ninth session of the Board and Supervisory Committee were elected. On 9 June 2021, the Company convened the first meeting of the ninth session of the Board, where Zheng Gaoqing was elected as chairman of the ninth session of the Board, convened the first meeting of the ninth session of the Supervisory Committee, where Guan Yongmin was elected as chairman of the ninth session of the Supervisory Committee.

(II) Proposal of Profit Distribution Plan or Conversion of Capital Reserve to Share Capital

1. *Proposal of profit distribution plan and conversion 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 conversion of capital reserve to share capital.

(III) Appointment and Removal of Accounting Firms

1. *Explanation on appointment and removal of accounting firms*

On 8 June 2021, the Company held the regular annual general meeting for the year 2020 and passed the “Resolution regarding the appointment of Ernst & Young Hua Ming LLP and Ernst & Young respectively as the Company’s 2021 domestic (including internal control audit) and overseas auditors.”

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

Not applicable

3. 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

(IV) Matters Relating to Bankruptcy and Restructuring

Not applicable

(V) Material Litigation and Arbitration

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

Brief description and type of the litigation and arbitration

Reference for inspection

Litigation filed by Bangdi Auto Technology Company Limited (幫的汽車科技有限公司) against Shenzhen Jiangxi Copper Marketing Company Limited (深圳江銅營銷有限公司), a wholly-owned subsidiary of the Company (contract dispute)

Disclosure website: www.sse.com.cn;
Announcement No.: Lin 2019-030;
Disclosure date: 13 June 2019

Litigation filed by Jiangxi Copper International Trade Co., Ltd. (江銅國際貿易有限公司), a subsidiary held as to 59.05% by the Company, against Shanghai Eagle Investment Group Co., Ltd. (上海鷹悅投資集團有限公司) and its guarantors (contract dispute)

Disclosure website: www.sse.com.cn;
Announcement No.: Lin 2019-031;
Disclosure date: 21 June 2019

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

Unit: Yuan Currency: RMB

During the reporting period:

Plaintiff (applicant)	Defendant (respondent)	Parties with several and joint liability	Types of litigation and arbitration	Basic information of litigation (arbitration)	Amount involved in litigation (arbitration) and amount	Whether estimated liability arose from the litigation (arbitration)	Current status of the litigation (arbitration)	Results of trial of litigation (arbitration) and effects thereof	Enforcement of litigation (arbitration) judgments
Shanghai Jiangxi Copper Trading Company Limited (上海江錫營銷有限公司)	Shandong Xinhui Copper Materials Co., Ltd. (山東鑫匯銅材有限公司)	Yantai Jiaheng New Materials Co., Ltd. (煙台佳恒新材料有限公司) ("Jiaheng New Materials"), Shandong Zhongjia Electronic Technology Co., Ltd. (山東中佳電子科技有限公司) ("Zhongjia Electronic"), Zhaoyuan Jinshan Trading Co., Ltd. (招遠金山商貿有限公司) ("Jinshan Trading"), Zhaoyuan Golden Seed Education Consulting Co., Ltd. (招遠市金種子教育諮詢有限公司) ("Golden Seed Education"), Zhaoyuan Jiaheng Culture & Media Co., Ltd. (招遠佳恒文化傳媒有限公司) ("Jiaheng Culture"), Li Jiating (李家亭), Sun Shuhui (孫淑惠), Yantai Shanshangli Gold Mine Co., Ltd. (煙台山上裏金礦有限公司) ("Shanshangli Gold Mine"), Yantai Jiaheng Copper Co., Ltd. (煙台佳恒銅業有限公司)	First hearing	For details, please refer to the Announcement on Litigation of a Subsidiary of Jiangxi Copper Co., Ltd. (Announcement No.: Lin 2019-037) disclosed in Shanghai Securities News and the website of Shanghai Stock Exchange at www.sse.com.cn on 31 July 2019	RMB1,179,061,729.71	No	The first hearing was completed	Shanghai JCT received the civil judgment from Shanghai No. 1 Intermediate People's Court (2019) Hu 01 Min Chu No. 206) (《民事判決書》(2019)滬01民初206號)). The details of the judgment are as follows: (1) It was confirmed that Shanghai JCT, the plaintiff, had a right to the goods of RMB999,381,633.58, default payment of RMB179,330,096.13 and legal fees of RMB350,000 against defendant Xinhui Copper Materials; If Shanghai JCT, the plaintiff, has not received the settlement for the right held in the judgement mentioned in (1) above, Shanghai JCT, the plaintiff, may (2) agree with defendant Xinhui Copper Materials to receive a prioritised compensation of the discounted amount of its mortgaged machinery and equipment or the proceeds through auctioning or disposal of such collaterals, within the scope of the maximum claim amount of RMB385,935,525.04; (3) agree with defendant Jiaheng New Materials to receive a prioritised compensation of the discounted amount of its mortgaged machinery and equipment or the proceeds through auctioning or disposal of such collaterals, within the scope of the maximum claim amount of RMB109,272,827.28; (4) agree with defendant Zhongjia Electronic to receive a prioritised compensation of the discounted amount of its mortgaged machinery and equipment or the proceeds through auctioning or disposal of such collaterals, within the scope of the maximum claim amount of RMB70 million;	The first hearing was completed but enforcement has not begun

Plaintiff (applicant)	Defendant (respondent)	Parties with several and joint liability	Types of litigation and arbitration	Basic information of litigation (arbitration)	Amount involved in litigation (arbitration) and amount	Whether estimated liability arose from the litigation (arbitration) and amount	Current status of the litigation (arbitration)	Results of trial of litigation (arbitration) and effects thereof	Enforcement of litigation (arbitration) judgments
				<p>Please refer to the Announcement on the Follow-up Progress of the Litigation of a Subsidiary of Jiangxi Copper Co., Ltd. (Announcement No.: Lin 2021-025) disclosed in Shanghai Securities News and the website of Shanghai Stock Exchange at www.sse.com.cn on 3 July 2021</p>				<p>(5) agree with defendant Zhongjia Electronic to receive a prioritised compensation of the discounted mortgaged property ownership and the corresponding land use rights or the proceeds through auctioning or disposal of such mortgaged properties, within the scope of the maximum claim amount of RMB270 million; (6) agree with defendant Jinshan Trading to receive a prioritised compensation of the discounted mortgaged property or the proceeds through auctioning or disposal of such mortgaged properties, within the scope of the maximum claim amount of RMB314,380,000; (7) agree with defendant Golden Seed Education to receive a prioritised compensation of the discounted mortgaged property or the proceeds through auctioning or disposal of such mortgaged properties, within the scope of the maximum claim amount of RMB100 million; (8) agree with defendant Jiaheng Culture to receive a prioritised compensation of the discounted mortgaged property or the proceeds through auctioning or disposal of such mortgaged properties, within the scope of the maximum claim amount of RMB150 million; (9) defendants Jiaheng New Materials, Li Jiating, Sun Shuhui, Shanshangli Gold Mine and Jiaheng Copper shall bear the joint liability guarantee in respect of obligations of the judgement mentioned in (1) above against defendant Xinhui Copper Materials within the scope of the maximum claim amount of RMB1.5 billion; (10) the claim for the property preservation and insurance fees of RMB664,202.48 initiated by Shanghai ICT, the plaintiff, was rejected.</p>	

Plaintiff (applicant)	Defendant (respondent)	Parties with several and joint liability	Types of litigation and arbitration	Basic information of litigation (arbitration)	Amount involved in litigation (arbitration) and amount	Whether estimated liability arose from the litigation (arbitration) and amount	Current status of the litigation (arbitration)	Enforcement of litigation (arbitration) judgments
Shanghai JCT	Shanghai Zhimaiyuanhe Industrial Co., Ltd. (上海智脈源和實業有限公司) ("Zhimai Company")	Qi Jianping, Jin Lei, Shi Huixia, Zhejiang Honglei Southeast Real Estate Development Co., Ltd. (浙江宏磊東南房地產開發有限公司) ("Zhejiang Honglei Company"), Yingtan City Luzhou Real Estate Co., Ltd. (鷹潭市綠洲置業有限公司) ("Luzhou Company"), Zunyi Honglei Real Estate Development Co., Ltd. (遵義宏磊房地產開發有限公司) ("Zunyi Honglei Company")	First hearing	Please refer to the Announcement on the Follow-up Progress of the Litigation of a Subsidiary of Jiangyi Copper Co., Ltd. (Announcement No.: Lin 2021-027) disclosed in Shanghai Securities News and the website of Shanghai Stock Exchange at www.sse.com.cn on 10 July 2021	The total principal amount of goods and legal fees amounted to RMB78,058,474.74; the total amount of interest payable on the default payment for late payment of goods for the period from May 2014 to 30 June 2017 amounted to RMB103,845,524.25; using RMB77,983,474.74 as the base amount, from 1 July 2017 to 19 August 2018, interest shall be calculated at 1.2 times of the LPR, and calculated at 1.2 times of the LPR from 20 August 2018 to the date of actual payment; (3) the defendant Zhimai Company shall pay RMB75,000 legal fees to Shanghai JCT, the plaintiff, within 10 days from the effective date of the judgement; if Zhimai Company fails to perform the payment obligations and pay the litigation costs confirmed in judgements 1 to 3 above, Shanghai JCT, the plaintiff, may: (4) agree with the defendant Qi Jianping to receive a prioritised compensation of the discounted mortgaged properties of her housing ownerships and corresponding land use rights or the proceeds through auctioning and disposal of such mortgaged properties, within the scope of the maximum claim amount of RMB226,720,000;	No	The first hearing was completed	Shanghai JCT received the civil judgement from Shanghai No. 1 Intermediate People's Court ((2019) Hu 01 Min Chu No. 296) (《民事判決書》((2019)滬01民初296號)). The details of the judgement are as follows: (1) The defendant Zhimai Company shall pay Shanghai JCT, the plaintiff, the total amount of goods of RMB77,983,474.74 within 10 days from the effective date of the judgement; (2) the defendant Zhimai Company shall pay default payment for late payment to Shanghai JCT, the plaintiff, within 10 days from the effective date of the judgement, among which, the total interest payable on the amount of goods from May 2014 to 30 June 2017 shall be RMB103,845,524.25; using RMB77,983,474.74 as the base amount, from 1 July 2017 to 19 August 2018, interest shall be calculated at 1.2 times of the LPR, and calculated at 1.2 times of the LPR from 20 August 2018 to the date of actual payment; (3) the defendant Zhimai Company shall pay RMB75,000 legal fees to Shanghai JCT, the plaintiff, within 10 days from the effective date of the judgement; if Zhimai Company fails to perform the payment obligations and pay the litigation costs confirmed in judgements 1 to 3 above, Shanghai JCT, the plaintiff, may: (4) agree with the defendant Qi Jianping to receive a prioritised compensation of the discounted mortgaged properties of her housing ownerships and corresponding land use rights or the proceeds through auctioning and disposal of such mortgaged properties, within the scope of the maximum claim amount of RMB226,720,000;

Plaintiff (applicant)	Defendant (respondent)	Parties with several and joint liability	Types of litigation and arbitration	Basic information of litigation (arbitration)	Amount involved in litigation (arbitration) and amount	Whether estimated liability arose from the litigation (arbitration)	Current status of the litigation (arbitration)	Enforcement of litigation (arbitration) judgments
--------------------------	---------------------------	--	--	---	---	--	---	--

(5) agree with the defendant Jin Lei to receive a prioritised compensation of the discounted mortgaged properties of his housing ownerships and corresponding land use rights or the proceeds through auctioning or disposal of such mortgaged properties, within the scope of the maximum claim amount of RMB56,170,000; (6) agree with the defendant Shi Huixia to receive a prioritised compensation of the discounted mortgaged properties of her housing ownerships and corresponding land use rights or the proceeds through auctioning or disposal of such mortgaged properties, within the scope of the maximum claim amount of RMB23,250,000; (7) agree with the defendant Zhejiang Honglei Company to receive a prioritised compensation of the discounted relevant equity interests or the proceeds through auctioning or disposal of such pledged interests, within the scope of the maximum claim amount of RMB45,000,000; (8) the remaining claims initiated by Shanghai JCT, the plaintiff, were rejected.

Plaintiff (applicant)	Defendant (respondent)	Parties with several and joint liability	Types of litigation and arbitration	Basic information of litigation (arbitration)	Amount involved in litigation (arbitration) and amount	Whether estimated liability arose from the litigation (arbitration) and amount	Current status of the litigation (arbitration) and effects thereof	Enforcement of litigation (arbitration) judgments
Shanghai JCT	Zhimai Company	Qi Jianping, Jin Lei, Shi Huixia, Zhejiang Honglei, Luzhou Company, Zunyi Copper Company, Zhejiang Hongtian Copper Company Limited (浙江宏天銅業有限公司) ("Hongtian Company")	First hearing	Please refer to the Announcement on the Follow-up Progress of the Litigation of a Subsidiary of Jiangyi Copper Co., Ltd. (Announcement No.: Lin 2021-028) disclosed in Shanghai Securities News and the website of Shanghai Stock Exchange at www.sse.com.cn on 10 July 2021	The total principal amount of goods and legal fees amounted to RMB191,194,357.93; the total amount of interest payable on the default payment for late payment of goods for the period from 1 November 2016 to 30 June 2017 amounted to RMB9,160,568.88	No	The first hearing was completed	Shanghai JCT received the civil judgement from Shanghai No. 1 Intermediate People's Court ((2019) Hu 01 Min Chu No. 295) (《民事判決書》(2019)滬01民初295號)). The details of the judgement are as follows: (1) the defendant Zhimai Company shall pay Shanghai JCT, the plaintiff, the total amount of goods of RMB191,119,357.93 within 10 days from the effective date of the judgement; (2) the defendant Zhimai Company shall pay default payment for late payment to Shanghai JCT, the plaintiff, within 10 days from the effective date of the judgement, among which, the total interest payable on the amount of goods from 1 November 2016 to 30 June 2017 shall be RMB9,160,568.88; using RMB186,449,444.86 as the base amount, from 1 July 2017 to 19 August 2018, the interest shall be calculated at 1.2 times of the LPR, and calculated at 1.2 times of the LPR from 20 August 2018 to the date of actual payment; using RMB4,669,913.07 as the base amount, from 11 September 2017 to 19 August 2018, the interest shall be calculated at 1.2 times of the LPR, and calculated at 1.2 times of the LPR from 20 August 2018 to the date of actual payment;

Plaintiff (applicant)	Defendant (respondent)	Parties with several and joint liability	Types of litigation and arbitration	Basic information of litigation (arbitration)	Whether estimated liability arose from the litigation (arbitration)	Current status of the litigation (arbitration)	Enforcement of litigation (arbitration)
		Amount involved in litigation (arbitration) and amount	Results of trial of litigation (arbitration) and effects thereof				
		using RMB186,449,444.86 as the base amount, from 1 July 2017 to 19 August 2018, the interest rate shall be calculated at 1.2 times of the LPR, and calculated at 1.2 times of the LPR from 20 August 2018 to the date of actual payment; using RMB4,669,913.07 as the base amount, from 11 September 2017 to 19 August 2018, the interest rate shall be calculated at 1.2 times of the LPR, and calculated at 1.2 times of the LPR from 20 August 2018 to the date of actual payment	(3) the defendant Zhimai Company shall pay RMB75,000 legal fees to Shanghai JCT, the plaintiff, within 10 days from the effective date of the judgement; if the defendant Zhimai Company fails to perform the payment obligations and pay the litigation costs confirmed in judgements 1 to 3 above, Shanghai JCT, the plaintiff, may: (4) agree with the defendant Qi Jianping to receive a prioritised compensation of the discounted mortgaged properties of her housing ownerships and corresponding land use rights or the proceeds through auctioning and disposal of such mortgaged properties, within the scope of the maximum claim amount of RMB226,720,000; (5) agree with the defendant Jin Lei to receive a prioritised compensation of the discounted mortgaged properties of his housing ownerships and corresponding land use rights or the proceeds through auctioning or disposal of such mortgaged properties, within the scope of the maximum claim amount of RMB56,170,000; (6) agree with the defendant Shi Huixia to receive a prioritised compensation of the discounted mortgaged properties of her housing ownerships and corresponding land use rights or the proceeds through auctioning or disposal of such mortgaged properties, within the scope of the maximum claim amount of RMB23,250,000; (7) agree with the defendant Zhejiang Honglei Company to receive a prioritised compensation of the discounted relevant equity interests or the proceeds through auctioning or disposal of such pledged interests, within the scope of the maximum claim amount of RMB45,000,000; (8) agree with the defendant Hongtian Company to receive a prioritised compensation of the discounted relevant equity interests or the proceeds through auctioning or disposal of such pledged interests, within the scope of the maximum claim amount of RMB87,000,000; (9) the remaining claims initiated by Shanghai JCT, the plaintiff, were rejected.				

(VI) Suspected Violation of Laws and Regulations by, Punishment on and Rectification of the Company and its Directors, Supervisors, Senior Management, Controlling Shareholders and De Facto Controllers

Not Applicable

(VII) Explanation on the Credit Conditions of the Company, its Controlling Shareholders and De Facto Controllers During the reporting period

Not Applicable

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

Not applicable

(IX) Corporate Bonds

1. Basic information of corporate bonds

Unit: hundred million Yuan Currency: RMB

Name of bonds	Abbreviation	Code	Issue date	Value date	Maturity date	Bonds balance	Interest rate (%)	Repayment of principal and interest	Trading venue	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Whether there is any risk of termination of listing and trading of the shares
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	5	4.74	The interest of the bonds on Shanghai Stock Exchange for the period 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	Qualified investors only	Auction trading	No

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

Not applicable

Overdue bonds

Not applicable

Explanation on overdue debts

Not applicable

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

- (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 by the issuer 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 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) In 2020, according to the actual situation and the market environment at that time, the Company decided not to adjust the coupon rate for the following 2 years of the current bonds, (meaning the coupon rate of the current bonds for the period from 21 September 2020 to 20 September 2022 remains at 4.74%) (the current bonds bear interest at a single interest per year, excluding compound interest).

- (4) In 2020, according to the resale options of investors set out in the Prospectus of Public Issuance of 2017 Corporate Bonds (First Tranche) to Qualified Investors by Jiangxi Copper Company Limited, investors were entitled to elect to register during the resale registration period for investors to resell all or part of the 17 JCC 01 bonds held by them at face value to Jiangxi Copper Company Limited, or choose to continue to hold the current bonds. As at the expiration of the resale registration in 2020, no investor has resold all or part of the 17 JCC 01 bonds held to the Company at face value.

3. *Adjustment to credit rating results*

Not applicable

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

Not applicable

5. *Other information on corporate bonds*

On 21 April 2021, 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” was AAA, the corporate credit rating remained at AAA, and the forward-looking rating was stable. For details, please refer to the credit rating report, i.e. “Follow-up Credit Rating Report (2021) on Public Issuance of 2017 Corporate Bonds (First Tranche) to Qualified Investors by JCC”, published on the website of the SSE (www.sse.com.cn) on 21 April 2021.

(X) The following major 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	1.39	1.39
Quick ratio	0.84	0.81	3.70
Asset-liability ratio (%)	55.74	52.54	3.20
	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 (%)
Net profit after the non-recurring profit and loss	5,209,514,632	222,585,175	2,240.46
EBITDA total debt ratio	14.44	29.89	-51.69
Interest coverage ratio	4.87	2.56	90.23
Cash interest coverage ratio	2.71	6.00	-54.83
EBITDA interest coverage ratio	6.32	3.39	86.43
Loan repayment rate(%)	100	100	0
Interest repayment rate(%)	100	100	0

Note: The above net profit after the non-recurring profit and loss is the net profit attributable to shareholders of the Company after the non-recurring profit and loss

(XI) Changes in Accounting Policies, Accounting Estimates and Accounting Methods Compared with the Previous Accounting Period, Their Causes and Impacts

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 2021 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.

Under code provision A.2.1 of the Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Since the cessation of Mr. Long Ziping as the chairman of the Company on 9 September 2020, the role of the chairman has been taken up by Mr. Zheng Gaoqing, the general manager of the Company and the responsibilities of the general manager were shared by each of the deputy general managers of the Company within the scope of their authorities (where necessary).

(XIV) Purchase, Disposal or Redemption of the Company’s Listed Securities

During the reporting period, the Company has not repurchased any of its listed securities. Neither the Company nor any of its subsidiaries had purchased 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 2021 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 2021

(PREPARED IN ACCORDANCE WITH IFRS)

		Six months ended 30 June	
		2021	2020
	NOTES	RMB'000	RMB'000
		(unaudited)	(unaudited)
Revenue	5	226,236,738	146,625,045
Cost of sales		<u>(215,904,604)</u>	<u>(143,433,199)</u>
Gross profit		10,332,134	3,191,846
Other income	5	653,117	476,158
Other gains and losses, net	6	(3,793,167)	79,196
Selling and distribution expenses		(162,261)	(400,042)
Administrative expenses		(1,718,656)	(1,181,532)
(Provision for)/reversal of impairment losses on financial assets, net		(125,392)	17,578
Finance costs		(1,035,434)	(1,014,135)
Share of profits and losses of:			
Joint ventures		(18,868)	(14,237)
Associates		<u>(63,770)</u>	<u>54,028</u>
Profit before tax	7	<u>4,067,703</u>	<u>1,208,860</u>
Income tax expense	8	<u>(776,746)</u>	<u>(403,002)</u>
Profit for the period		<u><u>3,290,957</u></u>	<u><u>805,858</u></u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2021
(PREPARED IN ACCORDANCE WITH IFRS)

	Six months ended 30 June	
	2021	2020
<i>NOTES</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Attributable to:		
Owners of the Company	3,153,039	786,989
Non-controlling interests	137,918	18,869
	<u>3,290,957</u>	<u>805,858</u>
EARNINGS PER SHARE		
ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY:		
– Basic and diluted	<u>RMB0.91</u>	<u>RMB0.23</u>
PROFIT FOR THE PERIOD	<u>3,290,957</u>	<u>805,858</u>
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>4,051,740</u>	<u>(1,678,621)</u>
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods, net of tax	<u>4,051,740</u>	<u>(1,678,621)</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2021
(PREPARED IN ACCORDANCE WITH IFRS)

	Six months ended 30 June	
	2021	2020
<i>NOTES</i>	RMB'000	RMB'000
	(unaudited)	(unaudited)
Other comprehensive income to that may be reclassified to profit or loss in subsequent periods:		
Cash flow hedges:		
Reclassification adjustments for gains/ (losses) included in the consolidated statement of profit or loss	–	1,856
Income tax effect	–	(464)
	–	1,392
Exchange differences on translation of foreign operations	(8,285)	6,386
Share of other comprehensive expenses of joint ventures	(5,663)	(1,058)
Share of other comprehensive income of associates	5,778	32,428
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods, net of tax	(8,170)	39,148
Other comprehensive income for the periods, net of tax	4,043,570	(1,639,473)
Total comprehensive income for the period, net of tax	7,334,527	(833,615)
Attributable to:		
Owners of the Company	7,202,257	(855,824)
Non-controlling interests	132,270	22,209
	7,334,527	(833,615)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2021

(PREPARED IN ACCORDANCE WITH IFRS)

		At 30 June 2021 RMB'000 (unaudited)	At 31 December 2020 RMB'000 (audited)
	<i>NOTES</i>		
Non-current assets			
Property, plant and equipment	11	24,876,470	25,560,182
Investment properties		453,949	470,507
Right-of-use assets		4,177,278	4,268,125
Goodwill		1,351,481	1,266,036
Other intangible assets		3,927,484	4,362,866
Exploration and evaluation assets		593,637	636,111
Interests in joint ventures		678,190	655,923
Interests in associates		4,266,213	3,952,216
Financial instruments other than derivatives	12	20,356,619	16,517,143
Deferred tax assets		650,431	485,715
Prepayments, other receivables and other assets		618,700	904,337
Deposits for prepaid lease payments		595,939	598,791
Time deposits	15	–	100,113
Restricted bank deposits	15	4,222,873	2,997,591
		<u>66,769,264</u>	<u>62,775,656</u>
Total non-current assets			
Current assets			
Inventories		40,179,502	32,687,522
Trade and bills receivables	14	8,454,077	7,001,401
Factoring receivables		701,715	716,574
Prepayments, other receivables and other assets		7,262,233	6,033,980
Loans to related parties		1,512,707	1,703,063
Derivative financial instruments	13	957,321	451,513
Financial instruments other than derivatives	12	6,508,461	4,453,934
Restricted bank deposits	15	17,033,962	10,574,092
Cash and cash equivalents	15	17,832,780	14,451,776
		<u>100,442,758</u>	<u>78,073,855</u>
Assets classified as held for sale		<u>32,042</u>	<u>32,042</u>
		<u>100,474,800</u>	<u>78,105,897</u>
Total current assets			

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION(CONTINUED)

AT 30 JUNE 2021

(PREPARED IN ACCORDANCE WITH IFRS)

		At 30 June 2021	At 31 December 2020
	<i>NOTES</i>	<i>RMB'000</i> (unaudited)	<i>RMB'000</i> (audited)
Current liabilities			
Trade and bills payables	16	11,476,739	10,115,091
Financial instruments other than derivatives	12	272,713	–
Other payables and accruals		9,666,412	7,210,743
Deposits from holding company and fellow subsidiaries		3,741,793	3,021,693
Deferred revenue		51,793	56,954
Derivative financial instruments	13	409,972	1,031,399
Interest-bearing bank and other borrowings		44,329,792	33,839,234
Tax payable		1,324,719	825,071
Corporate bonds		318,131	5,991
Dividend payable		346,273	–
Lease liabilities		167,086	167,175
		<hr/>	<hr/>
Total current liabilities		72,105,423	56,273,351
		<hr/>	<hr/>
Net current assets		28,369,377	21,832,546
		<hr/>	<hr/>
Total assets less current liabilities		95,138,641	84,608,202
		<hr/>	<hr/>
Non-current liabilities			
Interest-bearing bank and other borrowings		17,578,254	14,076,717
Corporate bonds		500,000	500,000
Lease liability		287,676	369,560
Provision for rehabilitation		269,971	264,287
Employee benefit liabilities		18,063	19,654
Deferred revenue		508,557	525,443
Deposits from holding company and fellow subsidiaries		91,844	88,000
Other long-term payables		1,534,900	1,532,960
Deferred tax liabilities		325,953	372,277
		<hr/>	<hr/>
Total non-current liabilities		21,115,218	17,748,898
		<hr/>	<hr/>
Net assets		74,023,423	66,859,304
		<hr/> <hr/>	<hr/> <hr/>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION(CONTINUED)

AT 30 JUNE 2021

(PREPARED IN ACCORDANCE WITH IFRS)

	<i>NOTES</i>	At 30 June 2021 RMB'000 (unaudited)	At 31 December 2020 RMB'000 (audited)
Equity			
Equity attributable to owners of the parent			
Share capital		3,462,729	3,462,729
Reserves		63,326,378	56,447,664
		66,789,107	59,910,393
Non-controlling interests		7,234,316	6,948,911
Total equity		74,023,423	66,859,304

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2021
(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
	(Note *)	(Note *)	(Note *)	(Note *)	(Note *)	(Note *)	(Note *)	(Note *)	(Note *)	(Note *)			
At 31 December 2020 (audited)	3,462,729	12,647,502	(1,462,233)	6,832,650	4,816,743	9,647,574	267,052	-	246,343	23,452,033	59,910,393	6,948,911	66,859,304
Profit for the period	-	-	-	-	-	-	-	-	-	3,153,039	3,153,039	137,918	3,290,957
Other comprehensive income for the period													
Equity investments at fair value through other comprehensive income	-	-	-	4,051,404	-	-	-	-	-	-	4,051,404	336	4,051,740
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	(2,301)	-	(2,301)	(5,984)	(8,285)
Share of other comprehensive expenses of joint ventures	-	-	-	-	-	-	-	-	(5,663)	-	(5,663)	-	(5,663)
Share of other comprehensive expenses of associates	-	-	-	-	-	-	-	-	5,778	-	5,778	-	5,778
Total comprehensive income for the period	-	-	-	4,051,404	-	-	-	-	(2,186)	3,153,039	7,202,257	132,270	7,334,527
Acquisition of subsidiaries (note 3)	-	-	-	-	-	-	-	-	-	-	-	200,938	200,938
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(47,803)	(47,803)
Final 2020 dividend declared	-	-	-	-	-	-	-	-	-	(346,273)	(346,273)	-	(346,273)
Transfer from retained profits	-	-	-	-	-	-	109,972	-	-	(109,972)	-	-	-
Others	-	-	22,730	-	-	-	-	-	-	-	22,730	-	22,730
At 30 June 2021 (unaudited)	3,462,729	12,647,502	(1,439,503)	10,884,054	4,816,743	9,647,574	377,024	-	244,157	26,148,827	66,789,107	7,234,316	74,023,423

* These reserve accounts comprise the consolidated reserves of RMB63,326,378,000 (31 December 2020: RMB56,447,664,000) in the consolidated statement of financial position.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2021
(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
		(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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2021
(PREPARED IN ACCORDANCE WITH IFRS)

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(unaudited)	(unaudited)
 CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	4,067,703	1,208,860
Adjustments for:		
Finance costs	1,035,434	1,014,135
Foreign exchange (gains)/losses, net	(56,978)	31,407
Share of profits of joint ventures and associates	82,638	(39,791)
Gains from listed debentures	–	(2,845)
Gains from listed equity investment	(498)	(2,496)
Gains from investments in financial products	(79,504)	(159,341)
Loss from held-for-trading financial liabilities	8,764	95,327
Dividend income from equity investments	(14,533)	(18,181)
Net loss on disposal of items of property, plant and equipment	29,484	3,587
Net gains on disposal of other intangible assets	(13,585)	–
Fair value (gains)/losses, net:		
– Derivative financial instruments	(386,487)	557,067
– Listed equity investments	78,413	87,416
– Unlisted equity investments	121,304	43,328
– Income right attached to a target equity interest	(42,680)	4,246
– Investments in financial products	68,008	(120,550)
– Held-for-trading financial liabilities	(4,829)	(98,862)
Provision for/(reversal of) for impairment of trade and bills receivables	6,168	(48,634)
Provision for impairment of factoring receivables	11,604	49,037
Provision for/(reversal of) for impairment of prepayment, other receivables and other assets	120,114	(69,061)
(Reversal of)/provision for impairment of loans to related parties	(12,494)	2,365
Provision for impairment of inter-bank loans	–	48,715
Provision for impairment of inventories to net realisable value	403,309	202,126

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2021
(PREPARED IN ACCORDANCE WITH IFRS)

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Provision for impairment of property, plant and equipment	676,646	229,848
Provision for impairment of exploration and evaluation assets	48,228	13,587
Provision for impairment of other intangible assets	336,605	74,703
Provision for impairment of right-of-use assets	4,503	–
Provision for impairment of property, plant and equipment	1,171,119	1,036,220
Depreciation of right-of-use assets	142,668	120,739
Depreciation of investment properties	6,118	6,251
Amortisation of other intangible assets	157,098	88,488
Unwinding of an interest in rehabilitation provision	5,684	4,857
Deferred revenue released to the statement of profit or loss	(37,017)	(52,925)
	7,933,007	4,309,623
(Increase)/decrease in inventories	(7,266,933)	498,447
Increase in trade and bills receivables	(888,630)	(64,573)
Decrease in factoring receivables	3,255	23,413
Increase in prepayments, other receivables and other assets	(1,534,345)	(1,023,971)
Decrease/(increase) in derivative financial instruments	3,021,021	(883,207)
Decrease in loans to related companies	202,850	2,401
Increase in restricted bank deposits except restricted deposits to secure bank borrowings	(619,739)	(2,021,816)
Increase in trade and bills payables	1,303,761	755,035
Decrease in other payables and accruals	(603,633)	(642,044)
Increase in deposits from related parties	723,944	3,652,879
Cash generated from operations	2,274,558	4,606,187
Income tax paid	(507,127)	(516,643)
Net cash flows from operating activities	1,767,431	4,089,544

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2021
(PREPARED IN ACCORDANCE WITH IFRS)

	Six months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of financial investments	8,855,258	9,735,537
Proceeds from disposal of property, plant and equipment	42,308	3,530
Receipt of government grant	14,969	19,644
Proceeds from disposal of right of use assets	243	–
Proceeds from disposal of other intangible assets	20,166	–
Additional investments in associates	(417,046)	(30,875)
Additional investments in joint ventures	(24,529)	–
Dividend received from an associate	57,763	72,553
Dividend received from a joint venture	462	–
Acquisition of subsidiaries and business combination	(214,776)	3,952
Additions to right of use assets	(26,830)	(24,947)
Purchases of financial investments	(10,534,831)	(24,869,313)
Purchases of property, plant and equipment	(762,712)	(779,823)
Purchase of exploration and evaluation assets	(5,754)	(44,389)
Purchase of other intangible assets	(63,776)	(589,252)
	<hr/>	<hr/>
Net cash used in investing activities	<u>(3,059,085)</u>	<u>(16,503,383)</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2021
(PREPARED IN ACCORDANCE WITH IFRS)

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(unaudited)	(unaudited)
CASH FLOW FROM FINANCING ACTIVITIES		
New bank and other borrowings	56,816,362	68,239,676
Collection of pledged time deposits to secure bank borrowings	(10,953,369)	(6,705,088)
Principal portion of lease payments	(96,964)	–
Repayment of bank and other borrowings	(40,330,868)	(47,407,233)
Dividends paid to non-controlling interests	(47,803)	(163,121)
Interest paid	(683,012)	(1,313,803)
Contribution from non-controlling interests	–	61,258
	<hr/>	<hr/>
Net cash generated from financing activities	4,704,346	12,711,689
	<hr/>	<hr/>
Net increase in cash and cash equivalents	3,412,692	297,850
Cash and cash equivalents at beginning of period	14,451,776	18,730,338
Effect of foreign exchange rate changes, net	(31,688)	76,378
	<hr/>	<hr/>
Cash and cash equivalents at end of period	17,832,780	19,104,566
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021
(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 from a third party. 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 2021 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 2020.

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 2020, 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 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

Interest Rate Benchmark Reform – Phase 2
Covid-19-Related Rent Concessions (early adopted)

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

3. BUSINESS COMBINATION

Acquisition of Tpcu Copper

On 5 January 2021, the Group acquired a 91.59% interest in Tpcu Copper Holding Limited (“**Tpcu Copper**”) from a third party. The acquisition was made as part of the Group's strategy to expand and strengthen the copper processing business. The purchase consideration for the acquisition was RMB300,000,000 in the form of cash with RMB225,000,000 paid as at 30 June 2021.

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

	5 January 2021 Provisional fair value RMB'000
Non-current assets	150,489
Including: Property, plant and equipment	135,759
Right-of-use assets	1,002
Current assets	240,796
Including: Inventories	153,903
	<hr/>
Total assets	391,285
	<hr/> <hr/>
Non-current liabilities	(30,356)
Including: Deferred tax liabilities	–
Current liabilities	(102,808)
	<hr/>
Total liabilities	(133,164)
	<hr/> <hr/>
Total identifiable net assets at fair value	258,121
	<hr/>
Non-controlling interests	(21,708)
	<hr/>
Identifiable net assets at fair value attributable to the Group	236,413
Goodwill on acquisition (provisional)	63,587
	<hr/> <hr/>
Satisfied by Cash	300,000
	<hr/> <hr/>

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

	<i>RMB'000</i>
Cash consideration paid in the period	(225,000)
Cash and bank balances acquired	10,258
	<hr/>
Net outflow of cash and cash equivalents included in cash flows from investing activities	(214,742)
Transaction costs of the acquisition included in cash flows from operating activities	(400)
	<hr/>
	(215,142)
	<hr/> <hr/>

The fair values disclosed are provisional as at 30 June 2021. The finalisation of the valuation work required to determine the fair values of the assets and liabilities acquired will be completed within 12 months of the acquisition date, at the latest.

The fair values of the trade receivables and other receivables as at the date of acquisition amounted to RMB58,864,000 and RMB15,845,000, respectively. The gross contractual amounts of trade receivables and other receivables were RMB638,963,000 and RMB595,088,000, respectively, of which RMB580,099,000 and RMB579,243,000 impairment provision provided, respectively.

The Group incurred transaction costs of RMB400,000 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, Tpcu Copper contributed RMB2,555,599,000 to the Group's revenue and RMB3,744,000 to the consolidated profit for the six months period ended 30 June 2021.

Had the combination taken place at the beginning of the year, the revenue and the profit of Tpcu Copper included in the statement of profit or loss of the Group for the year would have been RMB2,555,599,000 and RMB3,744,000, respectively.

Acquisition of Jiangxi Cable

On 6 January 2021, the Group acquired a 51.00% interest in Jiangxi Cable Holding Limited (“**Jiangxi Cable**”) from a third party. The acquisition was made as part of the Group's strategy to expand and strengthen the copper processing business. The purchase consideration for the acquisition was RMB208,404,000 in the form of cash.

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

	6 January 2021 Provisional fair value RMB'000
Non-current assets	158,716
Including: Property, plant and equipment	130,721
Right-of-use assets	27,575
Current assets	224,832
Including: Inventories	9,168
	<hr/>
Total assets	383,548
	<hr/> <hr/>
Non-current liabilities	(9,156)
Including: Deferred tax liabilities	(9,156)
Current liabilities	(8,616)
	<hr/>
Total liabilities	(17,772)
	<hr/> <hr/>
Total identifiable net assets at fair value	365,776
	<hr/>
Non-controlling interests	(179,230)
	<hr/>
Identifiable net assets at fair value attributable to the Group	186,546
Goodwill on acquisition (provisional)	21,858
	<hr/> <hr/>
Satisfied by Cash	208,404
	<hr/> <hr/>

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

	<i>RMB'000</i>
Cash consideration paid in the period	(208,404)
Cash and bank balances acquired	208,826
	<hr/>
Net inflow of cash and cash equivalents included in cash flows from investing activities	422
Transaction costs of the acquisition included in cash flows from operating activities	(56)
	<hr/>
	366
	<hr/> <hr/>

The fair values disclosed are provisional as at 30 June 2021. The finalisation of the valuation work required to determine the fair values of the assets and liabilities acquired will be completed within 12 months of the acquisition date, at the latest.

The fair values and the gross contractual amounts of the trade receivables and other receivables as at the date of acquisition amounted to RMB6,744,000 and RMB23,000, respectively.

The Group incurred transaction costs of RMB56,000 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, Jiangxi Cable contributed RMB33,001,000 to the Group's revenue and RMB12,414,000 net loss to the consolidated profit for the six months period ended 30 June 2021.

Had the combination taken place at the beginning of the year, the revenue and the profit of Jiangxi Cable included in the statement of profit or loss of the Group for the year would have been RMB33,001,000 and RMB12,414,000 net loss, respectively.

Reconciliation of goodwill

Reconciliation of the carrying amount of the Group's goodwill at the beginning and end of the reporting period is presented below:

	<i>RMB'000</i> (Unaudited)
Gross carrying amount	
At 1 January 2021	1,266,036
Acquisition of subsidiaries	<u>85,445</u>
At 30 June 2021	<u><u>1,351,481</u></u>
Accumulated impairment losses	
At 1 January 2021 and 30 June 2021	<u><u>–</u></u>
Net book value	
At 1 January 2021	<u><u>1,266,036</u></u>
At 30 June 2021	<u><u>1,351,481</u></u>

4. OPERATING SEGMENT INFORMATION

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 2021	Copper related business RMB'000	Gold related business RMB'000	Total RMB'000
Segment revenue			
Sales to external customers	205,591,260	20,645,478	226,236,738
Intersegment sales	<u>179,714</u>	<u>631,142</u>	<u>810,856</u>
	205,770,974	21,276,620	227,047,594
Reconciliation:			
Elimination of intersegment sales			<u>(810,856)</u>
Revenue			<u><u>226,236,738</u></u>
Segment results	3,852,932	214,771	4,067,703
Reconciliation:			
Elimination of intersegment results			<u>—</u>
Profit before tax			<u><u>4,067,703</u></u>

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>
	131,831,816	16,429,995	148,261,811
Reconciliation:			
Elimination of intersegment sales			<u>(1,636,766)</u>
Revenue			<u><u>146,625,045</u></u>
Segment results			
	1,111,626	97,234	1,208,860
Reconciliation:			
Elimination of intersegment results			<u>—</u>
Profit before tax			<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	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
– Mainland China	195,028,008	124,332,978
– Hong Kong	21,952,303	12,929,948
– Others	9,814,000	9,722,476
	226,794,311	146,985,402
Less: Sales related taxes	557,573	360,357
	226,236,738	146,625,045

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 2021 and 2020. 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	
	2021 <i>RMB'000</i> (Unaudited)	2020 <i>RMB'000</i> (Unaudited)
Revenue from contracts with customers		
Sale of industrial products		
– Copper cathodes	122,217,460	81,407,245
– Copper rods	48,041,466	25,545,186
– Copper processing products	2,291,336	1,493,858
– Gold	15,667,096	14,838,967
– Silver	8,057,420	6,404,674
– Sulphuric and sulphuric concentrate	1,233,779	358,699
– Copper concentrate, rare and other non-ferrous metals	25,327,405	13,849,167
– Others	3,779,402	2,891,735
Provision of services	178,947	195,871
	<hr/>	<hr/>
	226,794,311	146,985,402
Less: Sales related taxes	557,573	360,357
	<hr/>	<hr/>
	226,236,738	146,625,045

Disaggregated revenue information for revenue from contracts with customers

	Six months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Type of goods or service		
– Sale of industrial products	226,615,364	146,789,531
– Construction services	136,851	148,396
– Other services	42,096	47,475
	226,794,311	146,985,402
Less: Sales related taxes	557,573	360,357
Total revenue from contracts with customers	<u>226,236,738</u>	<u>146,625,045</u>
	Six months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Timing of revenue recognition		
– Goods or services transferred at a point in time	226,657,460	146,837,006
– Services transferred over time	136,851	148,396
	226,794,311	146,985,402
Less: Sales related taxes	557,573	360,357
Total revenue from contracts with customers	<u>226,236,738</u>	<u>146,625,045</u>

An analysis of other income is as follows:

	Six months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Interest income	556,768	347,783
Dividend income from equity investments	14,533	18,181
Government grants recognised	66,996	90,264
Compensation income and others	14,820	19,930
	653,117	476,158

6. OTHER GAINS AND LOSSES, NET

	Six months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Fair value gains/(losses) from commodity derivative contracts and commodity option contract:		
Transactions not qualifying as hedges	281,205	(571,511)
(Losses)/gains on commodity derivative contracts and commodity option contracts:		
Transactions not qualifying as hedges	(2,982,786)	845,835
Fair value gains from foreign currency forward contracts and interest rate swaps	35,379	57,976
Gains/(losses) on foreign currency forward contracts, foreign currency swap and interest rate swaps	69,903	(43,532)

	Six months ended 30 June	
	2021	2020
	RMB'000	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Fair value gains/(losses) on other financial assets:		
Unlisted equity instruments	(121,304)	(43,328)
Listed equity instruments	(78,413)	(87,416)
Financial products	(68,008)	120,550
Income right attached to a target equity interest	42,680	(4,246)
Held-for-trading financial liabilities	4,829	98,862
Gains/(losses) on other financial assets:		
Listed equity investments	498	2,496
Financial products	79,504	159,341
Listed debentures	–	2,845
Held-for-trading financial liabilities	(8,764)	(95,327)
Impairment losses on:		
Property, plant and equipment	(676,646)	(229,848)
Other intangible assets	(336,605)	(74,703)
Exploration and evaluation assets	(48,228)	(13,587)
Right-of-use assets	(4,503)	–
Losses on disposal of property, plant and equipment	(29,484)	(3,587)
Gains on disposal of other intangible assets	13,585	–
Foreign exchange gains/(losses), net	56,978	(31,407)
Others	(22,987)	(10,217)
	(3,793,167)	79,196

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	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of inventories sold and service provided	211,797,894	140,167,607
Depreciation of property, plant and equipment	1,171,119	1,101,760
Depreciation of right-of-use assets	142,668	120,739
Depreciation of investment properties	6,118	6,251
Amortisation of other intangible assets	157,098	88,488
Auditors' remuneration	7,000	6,500
Employee benefit expense:		
– Wages and salaries	2,304,020	1,767,879
– Pension scheme contributions	247,329	237,727
Research and development costs	173,511	141,573
Provision allowance for inventories included in cost of sales	403,309	202,126
Provision for/(reversal of) impairment of trade and bills receivables	6,168	(48,634)
Provision for impairment of factoring receivables	11,604	49,037
Provision for/(reversal of) impairment of prepayment, other receivables and other assets	120,114	(69,061)
(Reversal of)/provision for impairment of loans to related parties	(12,494)	2,365
Provision for impairment of inter-bank loans	–	48,715
Provision for impairment of property, plant and equipment	676,646	229,848
Provision for impairment of other intangible assets	336,605	74,703
Provision for impairment of exploration and evaluation assets	48,228	13,587
Provision for impairment of right-of-use assets	4,503	–

8. INCOME TAX

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

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current income tax	997,032	378,698
Deferred income tax	(220,286)	24,304
Income tax charge for the period	<u>776,746</u>	<u>403,002</u>

Hong Kong profits tax on seven (2020: seven) of the Group's subsidiaries has been provided at the rate of 16.5% (2020: 16.5%) on the estimated assessable profits arising in Hong Kong during the six months ended 30 June 2021.

The subsidiaries incorporated in Singapore, Turkey, United States, Peru, Zambia and Mexico are subject to corporate income tax at a rate of 17% (2020: 17%), 20% (2020: 20%), 28% (2020: 28%), 29.5% (2020: 29.5%), 35% (2020: 35%), and 30% (2020: 30%), respectively.

The provision for PRC income tax is based on a statutory rate of 25% (2020: 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.

The Company has passed the examination for new and high technology enterprises, and the certificate number is GR202036000206. 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 2020 to 31 December 2022 is 15%. Certain subsidiaries of the Group also enjoy the beneficial income tax rate as New and Technology Enterprise during the reporting period.

9. DIVIDENDS

	Six months ended 30 June	
	2021	2020
	<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 2020 (2020: final dividend of RMB0.10 per share for 2019)	346,273	346,273

On 8 June 2021, 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 2020.

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 (2020: 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 2021 and 2020.

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

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the Company, used in the basic and diluted earnings per share calculations	<u>3,153,039</u>	<u>786,989</u>
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted earnings per share calculations	<u>3,462,729,405</u>	<u>3,462,729,405</u>

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2021, other than the property, plant and equipment acquired through a business combination disclosed in note 3 to the interim condensed consolidated financial information, the Group acquired assets with a cost of RMB959,630,000 (six months ended 30 June 2020: RMB1,051,363,000).

Assets (other than those classified as held for sale) with a net book value of RMB61,352,000 were disposed by the Group during the six months ended 30 June 2021 (30 June 2020: RMB4,984,000), resulting in a net loss on disposal of RMB29,484,000 (30 June 2020: net loss on disposal of RMB3,587,000).

During the six months ended 30 June 2021, an impairment loss of RMB676,646,000 (30 June 2020: RMB229,848,000) was recognised for certain property, plant and equipment, as a result of a series of future expenditures on environment protection of one of the Group's mines have been forecasted. The recoverable amount was RMB444,390,000 which has been determined at the level of the cash-generating unit based on a value-in-use calculation using cash flow projections. The cash-generating unit mainly consisted of property, plant and equipment held by the mine. The discount rate applied to the cash flow projections is 13%.

As at 30 June 2021, certain of the Group's machinery and buildings with a net book value of approximately RMB268,482,000 and RMB218,488,000 (31 December 2020: RMB290,113,000 and RMB221,582,000), respectively, were pledged to secure short-term bank borrowings.

As at 30 June 2021, certain of the Group's machinery and buildings with a net book value of approximately RMB96,060,000 and RMB99,404,000 (31 December 2020: RMB99,595,000 and RMB102,820,000) were pledged to secure long-term bank borrowings.

As at 30 June 2021, the Group was in the process of obtaining property ownership certificates for certain of the Group's buildings with a net book value of RMB392,987,000 (31 December 2020: RMB437,013,000).

As at 30 June 2021, certain of the Group's buildings with a net book value of approximately RMB111,009,000 (31 December 2020: RMB112,320,000) were restricted due to litigation.

12. FINANCIAL INSTRUMENTS OTHER THAN DERIVATIVES

	30 June 2021		31 December 2020	
	Presented under Categories	IFRS 9 Carrying Amount RMB'000 (Unaudited)	Presented under Categories	IFRS 9 Carrying Amount RMB'000 (Audited)
Assets:				
Debt instruments (including hybrid contracts):				
Investments in financial products (a)	FVPL ¹	<u>6,270,159</u>	FVPL	<u>4,350,462</u>
Equity instruments:				
Listed equity investments (b)	FVPL	554,169	FVPL	552,978
Listed equity investments (b)	FVOCI ²	18,879,415	FVOCI	14,828,286
Unlisted equity investments (c)	FVPL	557,530	FVPL	678,834
Unlisted equity investments (c)	FVOCI	36,729	FVOCI	36,119
Income right attached to a target equity interest (d)	FVPL	<u>567,078</u>	FVPL	<u>524,398</u>
		<u>20,594,921</u>		<u>16,620,615</u>
		<u>26,865,080</u>		<u>20,971,077</u>

	30 June 2021		31 December 2020	
	Presented under Categories	IFRS 9 Carrying Amount RMB'000 (Unaudited)	Presented under Categories	IFRS 9 Carrying Amount RMB'000 (Audited)
FVPL		7,948,936		6,106,672
FVOCI		<u>18,916,144</u>		<u>14,864,405</u>
		<u>26,865,080</u>		<u>20,971,077</u>
Non-current assets		20,356,619		16,517,143
Current assets		<u>6,508,461</u>		<u>4,453,934</u>
		<u>26,865,080</u>		<u>20,971,077</u>
Liabilities				
Held-for-trading financial liabilities (e)	FVPL	<u>(272,713)</u>	FVPL	<u>–</u>
		<u>(272,713)</u>		<u>–</u>
Current liabilities		<u>(272,713)</u>		<u>–</u>

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

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

- (a) 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 3.20% to 7.80% (2020: 3.35% to 8.00%) per annum.

	30 June 2021 (RMB'000) (Unaudited)	31 December 2020 (RMB'000) (Audited)
Including:		
Bank financial products	3,560,623	3,369,705
Asset management products	124,512	179,390
Fund products	1,065,429	357,344
Trust products	366,423	444,023
Treasury Bonds	1,153,172	–
	<u>6,270,159</u>	<u>4,350,462</u>

As at 30 June 2021, the bank financial products of RMB50,000,000 (31 December 2020: RMB206,274,000) was pledged to secure short-term bank borrowings.

As at 30 June 2021, the bank financial products of RMB3,262,058,000 (31 December 2020: RMB2,913,434,000) was pledged to issue bank accepted notes.

As at 30 June 2021, the treasury bonds of RMB481,790,000 (31 December 2020: Nil) was pledged for sell-repo transactions.

- (b) The listed equity securities represent stocks listed in the Shanghai Stock Exchange and Shenzhen Stock Exchange, the Hong Kong Stock Exchange and the Toronto Stock Exchange.
- (c) 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.
- (d) 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.
- (e) A subsidiary of the Group, Shandong Humon Smelting Co., Ltd ("**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.

13. DERIVATIVE FINANCIAL INSTRUMENTS

	At 30 June 2021		At 31 December 2020	
	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	577,481	(366,948)	401,120	(553,941)
Commodity option contracts	3,462	–	–	(369)
Provisional price arrangements	297,692	–	–	(426,97)
Foreign currency forward contracts and interest rate swaps	78,686	(43,024)	50,393	(50,110)
	<u>957,321</u>	<u>(409,972)</u>	<u>451,513</u>	<u>(1,031,399)</u>

30 June 2021 <i>RMB'000</i> (Unaudited)	31 December 2020 <i>RMB'000</i> (Audited)
--	--

Including:

Derivatives designated as hedging instruments (a):

Fair value hedges

- Commodity derivative contracts and forward contracts
- Provisional price arrangements

65,901	(17,255)
297,692	(426,979)
<u>363,593</u>	<u>(444,234)</u>

Derivatives not designated as hedging instruments (b):

- Commodity derivative contracts and forward contracts
- Commodity option contracts
- Foreign currency forward contracts and interest rate swaps

144,632	(135,566)
3,462	(369)
35,662	283
<u>183,756</u>	<u>(135,652)</u>
<u>547,349</u>	<u>(579,886)</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 on Shanghai Futures Exchange (“SHFE”) and London Metal Exchange (“LME”), and AU (T+D) and AG (T+D) contracts on Shanghai Gold Exchange (“SGE”).

(a) Derivatives designated as hedging instruments:

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

– ***Fair value hedge***

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

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

As at 30 June 2021, the fair value gains of provisional price arrangements designated as fair value hedges of the Group are RMB723,662,000 (for the six months ended 30 June 2020: fair value losses are RMB336,001,000). The net fair value losses of the hedged item, inventories, attributable to the risk hedged is RMB700,409,000 (for the six months ended 30 June 2020: fair value gains are RMB344,354,000) in aggregate.

As at 30 June 2021, the fair value gains of commodity derivative and forward contracts designated as fair value hedges of the Group are RMB83,156,000 (for the six months ended 30 June 2020: fair value losses are RMB145,909,000). The net fair value losses of the hedged item, inventories, attributable to the risk hedged is RMB89,774,000 (for the six months ended 30 June 2020: fair value gains are RMB147,398,000) in aggregate.

(b) Derivatives not designated as hedging instruments:

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

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 2021	31 December 2020
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
	(Unaudited)	(Audited)
Trade receivables	11,375,538	10,328,264
Bills receivables	2,980,687	2,628,496
	14,356,225	12,956,760
Less: impairment allowance	5,902,148	5,955,359
	8,454,077	7,001,401

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 2021, bills receivables of RMB771,150,000 (31 December 2020: RMB271,150,000) was pledged to secure short-term bank borrowings, and bills receivables of RMB276,676,000 (31 December 2020: RMB373,985,000) was pledged for the issuing bank accepted notes.

As at 30 June 2021, bills receivables of RMB16,170,055,000 (31 December 2020: RMB13,276,828,000) was discounted but not mature.

The ageing analysis of trade and bills receivables, net of impairment allowance, is as follows:

	At 30 June 2021 (RMB'000) (unaudited)	At 31 December 2020 (RMB'000) (audited)
Within 1 year	6,865,872	5,365,351
1 to 2 years	26,454	67,511
2 to 3 years	36,259	273,408
Over 3 years	1,525,492	1,295,131
	<u>8,454,077</u>	<u>7,001,401</u>

The term of bills receivable are all less than 12 months. As at 30 June 2021, the bills receivables were neither past due nor impaired (31 December 2020: Nil).

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

	Six months ended 30 June	
	2021 <i>(RMB'000)</i> (Unaudited)	2020 <i>(RMB'000)</i> (Unaudited)
At beginning of the period	5,955,359	5,698,962
Provision for/(reversal of) impairment losses, net	6,168	(48,634)
Amounts written off as uncollectible	(59,379)	(106)
At end of the period	<u>5,902,148</u>	<u>5,650,222</u>

15. CASH, CASH EQUIVALENTS AND PLEDGED BANK DEPOSITS

	30 June 2021 <i>RMB'000</i> (Unaudited)	31 December 2020 <i>RMB'000</i> (Audited)
Cash and bank balances	30,945,696	19,405,424
Time deposits	8,143,919	8,718,148
	39,089,615	28,123,572
Less: Restricted bank deposits (a)	21,256,835	13,571,683
<i>Current portion</i>	17,033,962	10,574,092
<i>Non-current portion</i>	4,222,873	2,997,591
Time deposits – non-current portion	–	100,113
	<u>21,256,835</u>	<u>13,671,796</u>
Cash and cash equivalents	<u>17,832,780</u>	<u>14,451,776</u>

(a) As at 30 June 2021, the restricted bank deposits include the following:

- Deposits amounting to RMB3,773,120,000 (31 December 2020: RMB2,610,637,000) and cash in the bank amounting to RMB124,510,000 (31 December 2020: RMB50,028,000) were pledged to secure bank borrowings;
- Deposits amounting to RMB3,220,330,000 (31 December 2020: RMB2,207,837,000) was pledged for the issuing of letters of credit;
- Deposits amounting to RMB29,450,000 (31 December 2020: RMB449,135,000) was pledged for the issuing of letters of guarantee;
- Deposits amounting to RMB12,457,998,000 (31 December 2020: RMB7,127,296,000) was pledged for the issuing bank accepted notes;
- Deposits amounting to RMB228,366,000 (31 December 2020: RMB166,892,000) were placed as environmental recovery deposits whose usage is restricted;
- Cash in bank amounting to RMB82,259,000 is restricted due to litigation (31 December 2020: RMB117,763,000);
- Required mandatory reserve deposits and other restricted deposits amounting to RMB1,230,272,000 (31 December 2020: RMB738,792,000) 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; and
- Interests amounting to RMB110,530,000 (31 December 2020: RMB103,588,000) were accrued on bank deposits.

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to RMB30,178,089,000 (31 December 2020: RMB19,342,618,000). The RMB is not freely convertible into other currencies, however, under Mainland China’s Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

As at 30 June 2021, bank balances and cash of RMB1,791,556,000 (31 December 2020: RMB3,610,240,000) were placed in banks outside of Mainland China.

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

16. TRADE AND BILLS PAYABLES

	30 June 2021 (RMB'000) (Unaudited)	31 December 2020 (RMB'000) (Audited)
Trade payables	7,368,538	6,283,727
Bills payables	4,108,201	3,831,364
	<u>11,476,739</u>	<u>10,115,091</u>

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

As at 30 June 2021, the Group has no material balance of accounts payable aged over one year (31 December 2020: 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
Zheng Gaoqing
Chairman

Nanchang, Jiangxi, the People’s Republic of China,
27 August 2021

As at the date of this announcement, the executive directors of the Company are 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. Liu Erh Fei, Mr. Liu Xike, Mr. Zhu Xingwen and Mr. Wang Feng.