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

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

(Stock Code: 0358)

**ANNOUNCEMENT OF RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

IMPORTANT NOTICE

- 1.1 The board of directors (the “**Board**”), the supervisory committee (the “**Supervisory Committee**”), directors (the “**Directors**”), supervisors (the “**Supervisors**”) and senior management of Jiangxi Copper Company Limited (the “**Company**”) warrant the truthfulness, accuracy and completeness of the information contained in this announcement and there are no false representations, misleading statements contained herein or material omissions from this announcement, and jointly and severally accept full legal responsibility.
- 1.2 All Directors attended the Board meeting in relation to, among others, the approval of results for the year ended 31 December 2022.
- 1.3 The consolidated financial statements of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2022 (the “**Reporting Period**”) prepared in accordance with PRC Accounting Standards for Business Enterprises (“**PRC GAAP**”) and International Financial Reporting Standards (“**IFRSs**”) have been audited by Ernst & Young Hua Ming LLP (domestic auditor) and Ernst & Young (overseas auditor) respectively with standard unqualified audit report issued.

1.4 The person in charge of the Company, Mr. Zheng Gaoqing, the person in charge of accounting, Mr. Yu Tong, and Manager of Finance Department (accounting chief), Mr. Bao Xiaoming, hereby warrant the truthfulness, accuracy and completeness of the financial report as set out in the annual report.

1.5 The Board has recommended distributing to all shareholders of the Company (the “**Shareholders**”) a final dividend of RMB0.50 per share (inclusive of tax) for 2022. The Board did not recommend transfer of capital reserve to share capital or issue of bonus shares.

1.6 The audit committee of the Company has reviewed the financial report for the year ended 31 December 2022.

1.7 This announcement contains forward-looking statements that involve future plans and development strategies which do not constitute a commitment by the Company to its investors. Investors should be aware of the investment risks.

1.8 There is no misappropriation of funds by the controlling shareholders and their connected parties for non-operation purpose in the Group.

1.9 There are no external guarantees made in violation of the required decision-making procedures in the Group.

1.10 The Company has described the existing industry risks in details in this results announcement. Please refer to “4. Report of the Board – VI. Discussion and analysis by the Company concerning the future development of the Company - (V) Potential risks”.

2 CORPORATE INFORMATION

2.1 Corporate information

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

2.2 Contact persons and contact methods

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

2.3 Basic information

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

2.4 Information disclosure and place of inspection

Media name and website for disclosure of annual report	Shanghai Securities News, www.cnstock.com
Website of the stock exchange where the Company discloses its annual report	www.sse.com.cn
Place for inspection of annual report	7666 Changdong Avenue, High-tech Development Zone, Nanchang, Jiangxi Province, the People's Republic of China

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

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

Unit: Yuan Currency: RMB

Major accounting information	2022	2021	Increase/decrease for the period over the same period of last year (%)	2020
Revenue	479,938,045,193	442,767,670,161	8.40	318,563,174,838
Net profit attributable to shareholders of the Company	5,993,964,274	5,635,567,528	6.36	2,320,394,755
Net profit after non-recurring profit and loss items attributable to shareholders of the Company	5,417,038,713	7,094,451,239	-23.64	2,774,288,564
Net cash flows from operating activities	10,641,320,122	9,031,634,346	17.82	1,381,996,439
End of 2022	End of 2021	Increase/decrease at the end of the period over the end of the same period of last year (%)	End of 2020	
Net assets attributable to shareholders of the Company	73,518,652,248	69,798,852,884	5.33	52,745,619,575
Total assets	167,330,538,537	161,034,644,301	3.91	134,913,915,434

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

Currency: RMB

Major financial indicator	2022	2021	Increase/decrease	2020
			for the period over the same period of last year (%)	
Basic earnings per share (<i>RMB/share</i>)	1.73	1.63	6.36	0.67
Diluted earnings per share (<i>RMB/share</i>)	N/A	N/A	N/A	N/A
Basic earnings per share after non-recurring profit and loss items (<i>RMB/share</i>)	1.56	2.05	-23.64	0.8
Rate of return on net assets (weighted average) (%)	8.36	8.69	-0.33	4.11
Rate of return on net assets after non-recurring profit and loss items (weighted average) (%)	7.56	10.94	-3.38	4.91

**NON-RECURRING PROFIT AND LOSS ITEMS AND AMOUNT
(PREPARED IN ACCORDANCE WITH PRC GAAP)**

Unit: Yuan Currency: RMB

Non-recurring profit and loss items	2022 amount	2021 amount	2020 amount
Profit and loss from disposal of non-current asset	58,022,750	-117,634,636	-122,836,491
Government grant as included in profit and loss of the current period, other than those closely relating to the normal business of enterprises and subject to a fixed amount or quantity under certain standard and in compliance with national policies	294,680,838	158,982,823	142,904,812
Profit and loss from changes in the fair value of financial assets held-for-trading, derivative financial assets, financial liabilities held-for-trading, derivative financial liabilities, and investment gains from disposal of financial assets held-for-trading, derivative financial assets, financial liabilities held-for-trading, derivative financial liabilities and other debt investments except for effective hedging businesses related to normal operation of the Company	161,795,843	-1,970,504,423	-932,775,106
Reversion of provision for impairment of the receivables and contract assets under independent impairment test	174,857,236	200,121,859	0
Other non-operating income and expenses other than the above	-53,193,618	29,262,806	53,856,196
Less: Impact from income tax	67,372,770	-95,185,568	-130,629,189
Impact from interests of non-controlling shareholders (after tax)	-8,135,282	-145,702,292	-264,327,591
Total	576,925,561	-1,458,883,711	-453,893,809

ITEMS MEASURED AT FAIR VALUE (PREPARED IN ACCORDANCE WITH PRC GAAP)

Unit: Yuan Currency: RMB

Item	Opening balance	Closing balance	Changes during the period	Impact on profit of the current period
1. Investment in held-for-trading equity instruments				
Equity investments	213,520,573	12,020,713	-201,499,860	-2,226,691
2. Investment in held-for-trading debt instruments				
Bond investment	973,592,548	2,298,998,908	1,325,406,360	42,277,545
Investment in debt instruments	2,832,879,447	2,236,993,848	-595,885,599	239,387,918
3. Held-for-trading financial liabilities	0	0	0	-12,344,587
4. Other non-current financial assets	1,266,705,556	1,229,629,359	-37,076,197	-167,381,568
5. Other equity instruments	19,260,619,266	18,498,826,276	-761,792,990	85,613,529
6. Derivatives not designated as a hedging relationship				
Foreign currency forward contracts	45,391,790	-78,797,439	-124,189,229	-676,149,803
Commodity option contracts	-8,854,726	-45,832,723	-36,977,997	132,746,823
Commodity derivative contracts	33,153,553	-426,247,521	-459,401,074	735,222,504
7. Hedging instruments				
Effective hedging derivative instruments				
Commodity futures contracts	29,880,118	-93,458,731	-123,338,849	-326,401,106
Provisional price arrangement	-11,441,879	-313,841,842	-302,399,963	-302,399,963
8. Items measured at fair value included in inventory	6,311,663,309	7,495,770,557	1,184,107,248	655,942,678
9. Financing of accounts receivable	2,535,148,368	1,903,238,251	-631,910,117	0
10. Financial guarantee contracts	-36,129,277	-38,353,000	-2,223,723	-2,223,723
Total	33,446,128,646	32,678,946,656	-767,181,990	402,063,556

MAJOR QUARTERLY FINANCIAL DATA IN 2022 (PREPARED IN ACCORDANCE WITH PRC GAAP)

Unit: Yuan Currency: RMB

	First quarter (January–March)	Second quarter (April–June)	Third quarter (July–September)	Fourth quarter (October–December)
Operating revenue	122,154,074,980	133,093,786,224	112,910,658,876	111,779,525,113
Net profit attributable to shareholders of the Company	1,473,560,664	1,992,998,594	1,261,923,437	1,265,481,579
Net profit after non-recurring profit and loss items attributable to shareholders of the Company	1,758,970,031	997,469,228	1,104,490,515	1,556,108,939
Net cash flows from operating activities	-1,942,800,280	9,282,003,889	3,257,063,592	45,052,921

3.3 Major accounting data (prepared in accordance with IFRSs)

Unit: '000 Currency: RMB

	2022	2021	Increase/ (decrease) (%)
Revenue	478,392,849	441,614,438	8.33
Profit before tax	7,498,558	7,416,888	1.10
Income tax	1,403,004	1,387,449	1.12
Profit attributable to non-controlling interests	94,078	256,914	-63.38
Profit attributable to owners of the Company	6,001,476	5,772,525	3.97
Basic and diluted earnings per ordinary share attributable to shareholders of the parent company (RMB)	1.73	1.67	3.59
	As at 31 December 2022	As at 31 December 2021	Increase/ (decrease) (%)
Total assets	167,330,540	161,034,643	3.91
Total liabilities	85,380,383	83,224,717	2.59
Equity attributable to shareholders of the parent company	73,518,650	69,798,852	5.33
Equity per share attributable to shareholders of the Company (RMB)	21.23	20.16	5.33

3.4 Differences in accounting data between IFRSs and PRC GAAP

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

Unit: Yuan Currency: RMB

	Net profit attributable to shareholders of the Company	Net assets attributable to shareholders of the Company
	Amount for the previous period	As at the end of the period
	Amount for the period	As at the beginning of the period
Prepared in accordance with the PRC GAAP	5,993,964,274	5,635,567,528
Adjustments to items and amounts under IFRSs:		73,518,652,248
Safety fund expenses provided but not used under the PRC GAAP during the period	7,512,046	136,957,041
Under IFRSs	6,001,476,320	5,772,524,569
		73,518,652,248
		69,798,852,884

Description of the differences between domestic and overseas accounting standards:

Pursuant to the provisions of the Ministry of Finance of the PRC and the Ministry of Emergency Management of the PRC, the safety fees are collected in accordance with the requirements of the Administrative Measures on the Collection and Use of Production Safety Fees of Enterprises ([2022] No.136). The safety fees are used exclusively for the improvement and enhancement of enterprises to provide safe production conditions. The safety fees to be drawn down are included in the cost or current profit or loss of the underlying products, and are separately reflected in “special reserves” of the equity interests of shareholders. When the withdrew safety production fees are being used, if the expenditure is being expensed, the special reserve shall be directly written off. For fixed assets which have been generated using the withdrew safety production expenditure, the expenses incurred in the collection of the construction-in-progress items shall be recognized as fixed assets when the safety project is completed and ready for its intended use; at the same time, the special reserve shall be offset by the cost of forming the fixed assets, and recognise the same amount of accumulated depreciation. Such fixed assets are no longer depreciated in subsequent periods. According to the IFRSs, the expenditure on production safety is separately reflected in the form of profit distribution in restricted reserve of ownership of equity at the time of withdrawal. Expenses which are expensed in the prescribed scope of use are included in the statement of comprehensive income in the period in which they are incurred; for capital expenditure, they are transferred

to property, plant and equipment upon completion and depreciated in accordance with the depreciation policies of the Company. At the same time, in accordance with the actual amount use of the safety production fees of the current period, such amount shall be carried forward within the owner's equity to write off the restrictive reserve items and increase the undistributed profit, and shall limit the reduction of the remaining restricted reserve to zero.

4 REPORT OF THE BOARD

I. Management Discussion and Analysis

In 2022, the Group maintained a rock-solid strategic determination, having faced many challenges, such as severe and complex situations, rise in the business risks, the price cuts of main products, and heavy rainfall attacks, and achieved the dual increase in quantity and profit, and preservation of quality and value.

In 2022, the Company achieved operating income of RMB479,938,000,000, representing a year-on-year increase of 8.40% (the same period of last year: RMB442,768,000,000); net profit attributable to shareholders of the listed company was RMB5,994,000,000, representing a year-on-year increase of 6.36% (the same period of last year: RMB5,636,000,000). As of 31 December 2022, the Company's total assets amounted to RMB167,331,000,000, representing an increase of 3.91% as compared with the beginning of the year (beginning of the year: RMB161,035,000,000), of which net assets attributable to shareholders of the Company amounted to RMB73,519,000,000, representing an increase of 5.33% as compared with the beginning of the year (beginning of the year: RMB69,799,000,000).

(1) Production and operation advanced despite adversity and reached new heights

Products	2022 Production Volume	2021 Production Volume	Year-on-year growth (%)
Copper cathode (ten thousand tonnes)	183.94	178.22	3.21
Gold (tonnes)	88.80	71.66	23.92
Silver (tonnes)	1,232.72	1,123.71	9.70
Sulphuric acid (ten thousand tonnes)	541.64	530.11	2.18
Copper processing products (ten thousand tonnes)	176.74	165.17	7.00
Including: copper rods	163.40	150.03	8.91
Self-produced copper contained in copper concentrate (ten thousand tonnes)	20.44	20.23	1.04
Sulphur concentrates (ten thousand tonnes)	265.45	254.12	4.46
Molybdenum concentrate folding (45%) (tonnes)	<u>8,108</u>	<u>7,906</u>	<u>2.56</u>

(2) Quickening pace, improving quality, and expanding into new space for project construction

1. Key projects were completed and put into operation efficiently: the 220,000 tonnes/year copper rods and 30,000 tonnes/year new casting material project in Jiangxi Shangrao Industrial Park was completed and put into operation ahead of schedule; JCC Yinshan Mining Company Limited (江西銅業集團銀山礦業有限公司) (“**Yinshan Mining**”) 8,000 tonnes/day deep exploration and production expansion technical transformation underground project and Shandong Humon Smelting Co., Ltd (山東恒邦冶煉股份有限公司) (“**Humon Smelting**”) high purity material research and development and industrialisation (phase I) project were comprehensively promoted to achieve production on schedule; Jiangxi Copper (Qingyuan) Company Limited (江西銅業(清遠)有限公司) (“**Qingyuan**”) 100,000 tonnes/year copper cathode reconstruction and expansion project, JCC Guoxing (Yantai) Copper Company Limited (江銅國興(煙台)銅業有限公司) 180,000 tonnes/year copper cathode energy conservation and emission reduction project were successfully completed and put into operation, promoting the further optimisation of the Company’s industrial layout.

2. Accelerated progress of projects under construction: Wushan Copper Mine (武山銅礦) (“**Wushan Copper Mine**”) phase III 10,000 tonnes/day expansion project exceeded the annual schedule and anchored the goal of completion and production half a year ahead of schedule; Yinshan Mining 5,000 tonnes/day open pit project has stepped up construction with high quality and efficiency; Kazakhstan Bakuta tungsten mine project overcame various difficulties and challenges, with the construction of the project promoted in an orderly manner.
3. Prospective layout of long-term projects: Jiangxi Shangrao Industrial Park 100,000 tonnes/year lithium battery copper foil project, Jiangxi JCC Copper Foil Technology Company Limited (江西省江銅銅箔科技股份有限公司) (“**JCC Copper Foil**”) phase IV 20,000 tonnes/year high-grade electrolytic copper foil reconstruction and expansion project seized the window of opportunity, and endeavored to forge ahead. The construction of 100,000 tonnes/year new energy electromagnetic wire material project, environmental protection equipment manufacturing and 50,000 tonnes/year comprehensive resource recycling project were started.

(3) New momentum driven by scientific and technological innovation

1. Continuous deepening of the reform of the system and mechanism: through newly establishing the “unveiling and commanding” and patent management measures, the Company improved a series of management systems, such as the assessment of scientific and technological innovation, the use of funds, and the transformation of achievements. It further made increased efforts in scientific and technological innovation, optimised the process of scientific and technological innovation, and stimulated the two-way enthusiasm of scientific and technological research and problem-solving, thus removing the pain points, connecting the breakpoints, and unblocking the blocking points for scientific and technological research, and connecting the internal and external scientific research resources of the Company, so as to create a new ecosystem and cultivate new drivers with a better institutional system.

2. More fruitful scientific and technological achievements: scientific and technological personnel became more driven and active in innovation, leading to the emergence of a large number of scientific and technological achievements. Key breakthroughs have been made in the development of 4/4.5 micron lithium battery copper foil, oxygen-free copper rod for motor flat wire, class B1 flame-retardant and fireproof cable technology, and the preparation technology of low-segregation molybdenum-rhenium alloy for space stacking, which are being transformed into real productivity.

(4) *Orderly promotion and elevation of the “double carbon” strategy to a new level*

1. Solid and effective low-carbon energy conservation: the road of “reducing pollution and reducing carbon” coordinated governance and efficiency enhancement was getting wider and wider. Guixi Smelter continued to expand its leading advantage in energy conservation and carbon reduction. Throughout the year, the comprehensive energy consumption of copper smelting fell by 3.63% year on year, and the purchased steam fell by 38.48% year on year, realising “double harvest” of economic and social benefits. Throughout the year, the two state-level green factories of Qingyuan, Jiangxi Copper – Taiyi Special Electrical Materials Company Limited (江銅一台意特種電工材料有限公司) (“JCC Taiyi”) were added, and the number of state-level green mines and green factories of the Company increased to 12, and the advantages of green and low-carbon development were constantly consolidated.
2. Great achievements made in ecological governance: The Company invested more than RMB300 million in various types of ecological restoration throughout the year, and the ecological reclamation area reached more than 270 hectares. Guangdong Taolin Ecological Environmental Co., Ltd. (廣東桃林生態環境有限公司) stood out in the ecological environment remediation project with its unique patented technology of acid soil microbial soil remediation. The Company has been highly recognised in improving the quality of ecological environment, addressing prominent ecological and environmental issues, and promoting high-quality economic development.

(5) *Digital-empowered transformation and upgrading for creating a new engine*

1. Accelerating the construction of digital ecology: The Company compiled and completed the Top-level Design of Digital Jiangxi Copper(《數字江銅頂層設計》) with high quality, constructed eight core business digitalised transformation areas, such as open-pit mines and copper smelting, and accelerated the cultivation of industrial digitalised new ecology with the core of the Company. The Company established and improved a closed-loop mechanism for the whole process management of digitalised projects, including technical review, project approval, procurement of business, construction implementation and acceptance, to ensure the standardised operation and efficient promotion of digitalised projects.
2. Digital achievements continued to emerge: Dexing Copper Mine built a smart mine brain, and three parts of “driverless and intelligent control”, including electric locomotive, electric wheel and blasthole drill, have initially taken shape, and have been listed in the first eight pilot units of “smart mine” construction by the Ministry of Natural Resources of the People’s Republic of China. The construction of the digital transformation demonstration application scenario of “smart optimisation technology and application of copper smelting material flow” in Guixi Smelter has been fully completed, and the world’s first unmanned smart transfer production line for electrode plates has been independently developed and put into operation, realizing the one-time completion of the whole process automation of copper smelting process. Several digital projects were successfully selected into the provincial industrial development projects, and received a total of RMB5.5 million of provincial financial special fund support.

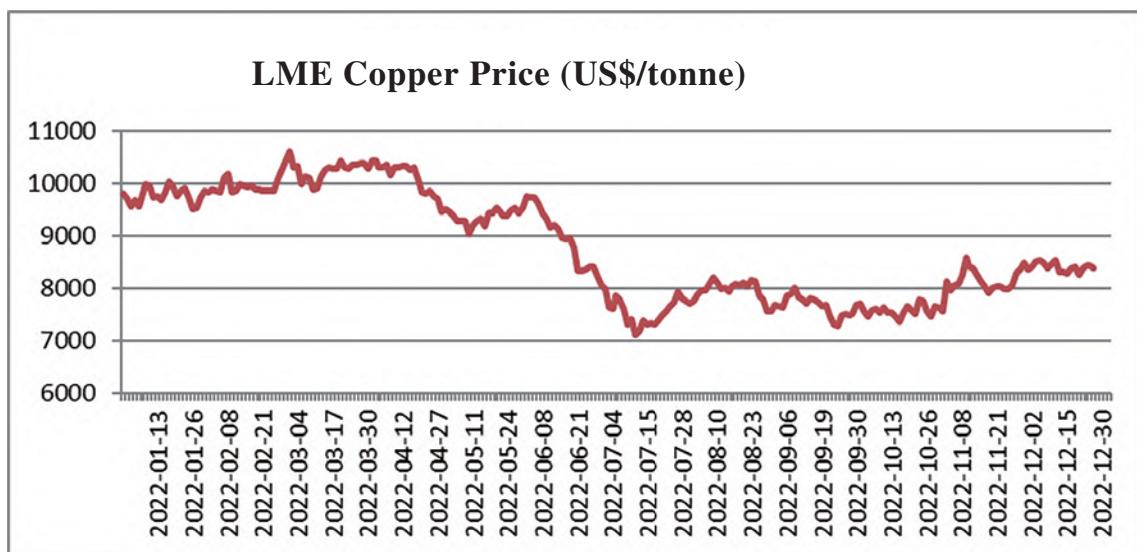
(6) *Further strengthening of the high level of risk control*

The Company overall coordinated development and safety, made every effort to strengthen production safety, strengthened risk management and control, and resolutely maintained the overall situation of reform, development, stability and harmony.

1. Firmly preventing and resolving major risks: facing the severe and complex domestic and international economic situation and various risk challenges, the Company carefully learned the lessons of historical risk events, further tightened the customer access review process with firmer determination, stricter standards and more practical measures, vigorously carried out the standardisation construction of risk management, strengthened daily supervision, and improved important risk control measures, and improved the risk management standard system. It also strengthened the role of audit supervision, opened up a precedent for audit supervision of concealed projects, and closed the management loopholes in the field of engineering.
2. Unswervingly tackling difficult tasks in production safety: the Company has thoroughly carried out the three-year action of rectification project of production safety, promoted the rectification of hidden dangers with high standards, strict requirements and high quality, and fundamentally solved a batch of key and difficult problems and hidden dangers in production safety, such as waste dump, safety monitoring of high and steep slopes, “overhead pond treatment”, “construction of storage and transportation capacity of dangerous chemicals”, forming a series of institutional achievements, and successfully completing the three-year action of rectification project of production safety. It carried out supervision of work safety in a strict, detailed and practical manner, made the implementation rules of work safety inspection with the strictest standards and more practical contents, established a pool of safety and environmental protection experts, innovated the safety supervision methods, and started the cadre-checking supervision and safety inspection during important holidays. The average monthly injury rate per thousand people of the Company was 0.027‰, down by 18% year on year, effectively curbing the occurrence of greater and the above-mentioned production safety accidents.

II. Industry of the Company during the Reporting Period

In the first quarter of 2022, the monetary policies of central banks of different countries remained loose, the economies of China, the United States and the world recovered as scheduled, and the copper price remained high and oscillated. However, without a full recovery of the global supply and a general rise in prices of goods brought by the growth of consumption, the inflation level in the United States and the world continued to rise to a record high, and the Russia-Ukraine conflict exacerbated the rise in inflation. Faced with better economic data and high inflation, the Federal Reserve started the process of raising interest rates and shrinking the balance sheet in March and June respectively, and the monetary policy stance of major central banks in the world also gradually shifted from loose to tight. Against this backdrop, copper prices began to fall unilaterally in the second quarter. However, after the tightening of the Federal Reserve's monetary policy, the rapid decline in copper prices led to the reluctance to sell scrap copper, and the phenomenon of refined copper replacing scrap copper was highlighted, leading to a structural shortage in the copper market. Driven by the disturbance of the Federal Reserve's interest rate hikes, and affected by the strengthening of copper market fundamentals, copper prices in the second half of the year mainly fluctuated in the range of US\$7,300- US\$8,600. As at 30 December 2022, the three-month closing copper price on the LME was US\$8,374/tonne, down by 14.2%; in 2022, the average three-month copper price on the LME was US\$8,786.1/tonne, down by 5.5%.



For copper concentrate, according to the data of International Copper Study Group (ICSG), global copper mine production and copper cathode production increased year-on-year in the first half of the year, resulting in a global oversupply of copper concentrate to a small extent and a rising spot copper concentrate processing fee of US\$82/tonne, up from US\$62/tonne at the beginning of the year. The 2023 copper concentrate long-term order processing fee benchmark ascertained by smelters in the PRC and Freeport is US\$88/tonne. This represented a 35.38% increase on the 2022 copper concentrate long-term order processing fee benchmark of US\$65/tonne. According to statistics, supply from major mines of the world is expected to increase by 840,000 tonnes in 2023 and overall copper concentrate supply would remain buoyant.

For scrap copper, in March 2022, the tax reform policy had a strong impact on the domestic scrap copper industry chain, resulting in a wait-and-see attitude among the relevant scrap-using production enterprises, which suppressed production and limited procurement demand, with downstream scrap-using enterprises keeping their capacity utilisation rate at a low level. Following the interest rate hikes by the Federal Reserve and European Central Bank, market fears were intensified and copper prices continued to fall, with scrap copper prices following an obvious decline. According to statistics, the aggregated domestic import volume of scrap copper in 2022 was approximately 1.77 million tonnes, with an increase of 4.54% year-on-year.

For downstream, production rates of domestic copper enterprises gradually increased in 2022, but performance varied by sector, with companies closely related to wire and cable and new energy photovoltaic showing a marked increase in capacity utilisation rate, while housing and home appliance related copper tube companies recorded poorer production rate. Overall speaking, the strong investment in photovoltaics and new energy had a significant impact on copper consumption.

III. Business situation of the Company during the Reporting Period

The principal business of the Group covers copper and gold mining and dressing, smelting and processing; extraction and processing of scattered metals; sulphuric chemistry as well as finance and trading fields. It has established the complete industrial chain integrated with exploration, mining, ore dressing, smelting and processing in copper and related non-ferrous metal fields. It is the important production base of copper, gold, silver and sulphuric chemistry in the PRC. The main products 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 “Guaye”, “JCC” and “HUMON-D” copper cathode (owned by Humon Smelting are registered products in the 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** (stock code: 002237) is a company listed on the Shenzhen Stock Exchange. The Company holds 44.48% of the total share capital of Humon Smelting, and is the controlling shareholder of Humon Smelting. Humon Smelting is mainly engaged in the exploration, mining, dressing, smelting and chemical production of gold. It is a national key gold smelting enterprise 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.
2. Four smelters under production: **Guixi Smelter**, **Qingyuan, 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**.
4. Eight modern copper products processing plants: **Jiangxi Copper Products Company Limited**, **Jiangxi Copper (Guangzhou) Copper Production Company Limited**, **JCC Copper Foil**, **JCC Taiyi**, **Jiangxi Copper (Longchang) Precise Copper Pipe Company Limited**, **JCC Copper Products Company Limited**, **Jiangxi Copper North China (Tianjin) Copper Co., Ltd.** and **JCC Huadong (Zhejiang Copper) Co., Ltd.**

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

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

2. Business model

(1) Procurement model

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

Product	Procurement channel	Procurement method	Pricing method
Copper concentrate	Domestic and foreign procurement	Purchased uniformly by the trading business department of the Company	Foreign procurement was conducted with reference to the LME copper price, the LBMA gold and silver price, and TC/RC was deducted from the above metal price basis as procurement price. TC/RC was determined through negotiations between both parties; domestic procurement was conducted with reference to the copper price on the Shanghai Futures Exchange (the "SHFE"), and the corresponding processing fees were deducted or multiplied by the corresponding pricing coefficient on the basis of the average price or spot price of the SHFE.
Thick copper, coarse copper	Domestic and foreign procurement	Purchased uniformly by the trading business department of the Company	Foreign procurement was conducted with reference to the LME copper price, the LBMA gold and silver price, and TC/RC was deducted from the above metal price basis as procurement price. TC/RC was determined through negotiations between both parties; domestic procurement was conducted with reference to the copper price on the SHFE, and the corresponding processing fees were deducted or multiplied by the corresponding pricing coefficient on the basis of the average price or spot price of the SHFE.
Production equipment	Domestic and foreign procurement	Purchased uniformly by the material and equipment department of the Company	Compare to the market price

(2) Sales model

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

(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; 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 ore, and has higher impurity content. The Company mainly uses pyrometallurgical copper smelting, and adopts wet smelting for gold smelting.

IV. Analysis of core competitiveness during the Reporting Period

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

1. *Advantage of scale*

The Group has the largest production base of copper, associated gold and silver and owns an important base of sulphuric chemistry in the PRC. The Company owns the copper mine of the largest scale currently in the PRC, namely Dexing Copper Mine and a number of copper mines under production. As at 31 December 2022, the Company had 100% ownership in the resource reserves of approximately 8.993 million tonnes of copper metal, 275.9 tonnes of gold, 8,626 tonnes of silver, and 210,000 tonnes of molybdenum. Among the resources jointly controlled by the Company and other companies, metal resource reserves attributable to the Company (based on its equity percentage) were approximately 4,435,000 tonnes of copper and 52 tonnes of gold. Humon Smelting, a controlled subsidiary of the Company and its subsidiaries have 150.38 tonnes of proven gold reserves which have completed reserve registration.

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

- (1) As the largest integrated copper production enterprises in the PRC, the Group 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.
- (2) The Group is currently the largest copper processing manufacturer in the PRC, with over 1,700,000 tonnes of processed copper products produced per year.
- (3) The production capacity of copper cathode of the Group is over 1,700,000 tonnes per year, and the Guixi Smelter of the Company is the copper smelter with the largest monomer 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 with the overall production technology and key techno-economic indicators reaching advanced international standards. Dexing Copper Mine is the largest modernised copper mine with advanced technological level in the PRC, and is the first to introduce international software for the design, planning and optimisation of mining and the global satellite positioning system for truck dispatching. Humon Smelting has strong smelting technology and is the first professional factory to process high lead complex gold concentrate by using oxygen bottom blowing smelting-reduction furnace pulverised coal bottom blowing direct reduction technology. It ranks first among the “China Top Ten Gold Smelting Enterprises”.

4. Advantage of cost

The 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 to smoothen the risk of fluctuations in raw material costs. The Guixi Smelter owned by the Company is the world's largest monomer smelter, with leading technology and scale effect, giving the Company more cost advantage.

5. Advantage of brand

The “Guaye” copper cathode of the Company has been successfully registered with the LME in one go in 1996, which is the first world-class brand of copper of the PRC. The Company is also the first enterprise in the China Copper industry which has the 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 recognised by the LME, which has completed testing of a number of copper cathode registered with the LME for various domestic enterprises. 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 participated actively in corporate governance 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.

V. Major business operations during the Reporting Period

According to the audited 2022 consolidated financial statement prepared in accordance with the PRC GAAP, the consolidated operating income of the Group is RMB479,938,045,193 (2021: RMB442,767,670,161), representing an increase of RMB37,170,375,032 (or 8.40%) as compared with last year; achieving net profit attributable to shareholders of the Company of RMB5,993,964,274 (2021: RMB5,635,567,528), representing an increase of RMB358,396,746 (or 6.36%) as compared with last year; basic earning per share is RMB1.73 (2021: RMB1.63).

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

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

Unit: Yuan Currency: RMB

Items	For the period	For the same period last year	Changes (%)
Operating revenue	479,938,045,193	442,767,670,161	8.40
Operating cost	465,609,468,267	425,222,600,397	9.50
Tax expenses and surcharge	1,545,196,166	1,153,231,976	33.99
Selling expenses	439,245,670	367,464,400	19.53
Administrative expenses	2,637,606,992	2,795,789,161	-5.66
Financial expenses	641,145,897	1,245,023,830	-48.50
Expenses on research and development	903,061,561	874,110,910	3.31
Net cash flow from operating activities	10,641,320,122	9,031,634,346	17.82
Net cash flow from investing activities	-7,718,982,585	-3,228,842,582	139.06
Net cash flow from financing activities	-9,753,801,867	1,153,944,774	-945.26
Impairment losses on assets	905,516,956	1,424,898,041	-36.45
Credit impairment loss	284,586,395	480,018,755	-40.71
Gains on disposal of assets	8,251,749	40,062,722	-79.40
Investment income	1,167,632,003	-1,764,177,554	-166.19
Changes in fair value	-796,606,072	-209,589,196	280.08
Non-operating revenue	89,245,205	66,546,695	34.11
Non-operating expenses	243,582,378	194,981,248	24.93
Income tax expenses	1,403,004,445	1,387,448,718	1.12

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

Explanation on changes in operating cost: mainly due to changes in price and sales volume of raw material cost;

Explanation on changes in selling expenses: mainly due to the increase in sales commission and customs agency fee;

Explanation on changes in administrative expenses: mainly due to the decrease in repair costs;

Explanation on changes in financial expenses: mainly due to the increase in interest income and exchange gains;

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

Explanation on changes in net cash flow from operating activities: mainly due to the expected profit realisation;

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

Explanation on changes in net cash flow from financing activities: mainly due to repayment of borrowings;

Explanation on changes in tax expenses and surcharge: mainly due to the increase in stamp duty, urban construction tax and education surcharge;

Explanation on changes in impairment losses on assets: mainly due to year-on-year decrease in the Group's provision for impairment losses on assets;

Explanation on changes in credit impairment loss: mainly due to the lower year-on-year decrease in the realisable value of the preserved assets held under accounts receivable;

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

Explanation on changes in investment income: mainly due to the profit from closing positions in commodity futures contracts;

Explanation on changes in the changes in fair value: mainly due to the increase in losses on changes in fair value of commodity futures contracts as a result of rising copper price due to the Company's hedging with futures instruments to avoid the risk of fluctuations in inventory prices;

Explanation on changes in non-operating revenue: mainly due to the increase in the income from default payment and compensation incomes in the period;

Explanation on changes in non-operating expenses: mainly due to the increase in expenditure for land restoration;

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

Details of material changes in business type, profit composition or profit source of the Company during the period

Not applicable

2. *Analysis on income and cost*

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

Unit: Yuan Currency: RMB

By industry	Principal businesses by industry					
	Operating revenue	Operating cost	Gross profit margin (%)	Increase/decrease		Increase/decrease in gross profit margin over last year (%)
				in operating revenue over last year (%)	Increase/decrease in operating cost over last year (%)	
Industry and other non-trading revenue	242,202,354,206	234,630,391,880	3.13	1.70	3.93	Decreased by 2.08 percentage points
Trading revenue	236,126,036,130	229,713,408,514	2.72	16.30	15.85	Increased by 0.37 percentage point
Others	1,609,654,857	1,265,667,873	21.37	2.18	6.45	Decreased by 3.16 percentage points

Principal businesses by product

By product	Operating revenue	Operating cost	Gross profit margin (%)	Increase/decrease		Increase/decrease in gross profit margin over last year (%)
				in operating revenue over last year (%)	in operating cost over last year (%)	
Copper cathode	251,802,920,921	243,929,795,911	3.13	13.88	15.72	Decreased by 1.54 percentage points
Copper rods and wires	108,259,138,036	107,399,489,885	0.79	5.68	6.08	Decreased by 0.38 percentage point
Copper processed products	6,119,072,942	5,741,594,330	6.17	-5.01	-3.21	Decreased by 1.75 percentage points
Gold	35,532,927,226	34,635,564,289	2.53	25.82	26.14	Decreased by 0.25 percentage point
Silver	16,669,893,563	16,181,635,417	2.93	18.94	18.78	Increased by 0.13 percentage point
Chemical products (sulphuric acid and sulphur concentrate)	3,553,977,719	1,482,469,001	58.29	5.30	2.94	Increased by 0.95 percentage point
Scattered metals	3,116,289,581	2,651,533,869	14.91	3.49	8.24	Decreased by 3.73 percentage points
Copper concentrate, coarse copper and anode plates	19,988,076,434	19,819,874,616	0.84	-36.45	-36.17	Decreased by 1.68 percentage points
Other non-ferrous metals	26,940,676,907	26,806,962,215	0.50	8.95	10.82	Decreased by 0.44 percentage point
Other principal business	6,345,417,007	5,694,880,861	10.25	-0.34	-2.60	Increased by 2.08 percentage points
Other business income	1,609,654,857	1,265,667,873	21.37	2.18	6.45	Decreased by 0.97 percentage point

Principal businesses by geographical location

By geographical location	Operating revenue	Operating cost	Gross profit margin (%)	Increase/decrease		Increase/decrease in gross profit margin over last year (%)
				in operating revenue over last year (%)	Increase/decrease in operating cost over last year (%)	
Mainland China	419,335,347,264	403,408,893,960	3.80	10.50	11.82	Decreased by 1.14 percentage points
Hong Kong	35,469,823,109	36,273,316,454	-2.27	2.96	-0.04	Increased by 3.07 percentage points
Other region	25,132,874,820	25,927,257,853	-3.16	-12.86	-7.99	Decreased by 5.45 percentage points

Principal businesses by sales model

Sales model	Operating revenue	Operating cost	Gross profit margin (%)	Increase/decrease		Increase/decrease in gross profit margin over last year (%)
				in operating revenue over last year (%)	Increase/decrease in operating cost over last year (%)	
Offline sales	479,938,045,193	465,609,468,267	2.99	8.40	9.50	Decreased by 0.98 percentage point

Explanation on principal businesses by industry, by product, by geographical location and by sales model

None

(2) Analysis table for output and sales

Major products	Unit	Output	Sales	Stock	Increase/ decrease in output as compared with last	Increase/ decrease in sales as compared with last	Increase/ decrease in stock as compared with last
					year (%)	year (%)	year (%)
Copper cathode	Ten thousand tonnes	183.94	183.45	1.49	3.21	2.81	49.00
Gold	Tonne	88.80	88.64	0.93	23.92	21.46	20.78
Silver	Tonne	1,232.72	1,222.74	47.75	9.70	4.58	26.42
Sulphuric acid	Ten thousand tonnes	541.64	538.62	10.08	2.18	2.32	42.78
Copper processing products	Ten thousand tonnes	176.74	176.74	2.62	7.01	6.00	0.00

Explanation on output and sales volume

The scope of statistics of the “Analysis table for output and sales” mentioned above excludes trading.

(3) Performance of material purchase contracts and material sales contracts

Not applicable

(4) Analysis table for costs

Unit: Yuan Currency: RMB

By industry	Cost constituent	By industry		For the same period	last year	Share of total costs for the same period	Share of total costs for the same period	Changes of the amount for the period compared to the same period
		For the period	Share of total costs for the period (%)					
Manufacturing of non-ferrous metals	Raw materials	222,534,150,808	47.93	213,815,515,124	50.42	50.42	4.08	
	Energy power	3,410,263,470	0.73	3,033,360,519	0.72	0.72	12.43	
	Labour	2,165,315,926	0.47	2,177,250,883	0.51	0.51	-0.55	
	Overheads	6,520,661,675	1.40	6,726,636,457	1.59	1.59	-3.06	
	Sub-total	234,630,391,880	50.53	225,752,762,983	53.24	53.24	3.93	
Trading of non-ferrous metals and others		229,713,408,514	49.47	198,280,906,802	46.76	46.76	15.85	
	Total	464,343,800,394	100.00	424,033,669,785	100.00	100.00	9.51	

Unit: Yuan Currency: RMB

By Product	Cost constituent	By Product		For the same period	last year	Share of total costs for the same period	Share of total costs for the same period	Changes of the amount for the period compared to the same period
		For the period	Share of total costs for the period (%)					
Copper products	Raw materials	183,573,321,413	39.54	180,764,230,117	42.63	42.63	1.55	
	Energy power	2,543,900,217	0.55	2,253,369,254	0.53	0.53	12.89	
	Labour	1,601,453,903	0.34	1,588,991,706	0.38	0.38	0.78	
	Overheads	4,689,873,962	1.01	4,747,422,899	1.12	1.12	-1.21	
	Sub-total	192,408,549,496	41.44	189,354,013,976	44.66	44.66	1.61	
By-products of precious metals	Raw materials	38,718,982,615	8.35	32,831,392,651	7.74	7.74	17.93	
	Energy power	339,187,029	0.07	304,904,286	0.07	0.07	11.24	
	Labour	300,712,973	0.06	300,742,472	0.07	0.07	-0.01	
	Overheads	928,978,926	0.20	965,366,017	0.23	0.23	-3.77	
	Sub-total	40,287,861,543	8.68	34,402,405,426	8.11	8.11	17.11	

By Product

By Product	Cost constituent	For the period	Share of total costs for the period (%)	For the same period last year	Share of total costs for the same period last year (%)	Changes of the amount for the period compared to the same period last year (%)	
						(%)	(%)
Chemical products	Raw materials	173,279,283	0.04	108,381,588	0.03	59.88	
	Energy power	405,336,149	0.09	357,910,443	0.08	13.25	
	Labour	207,837,336	0.04	213,206,192	0.05	-2.52	
	Overheads	696,016,234	0.15	760,574,236	0.18	-8.49	
	Sub-total	<u>1,482,469,001</u>	<u>0.32</u>	<u>1,440,072,459</u>	<u>0.34</u>	<u>2.94</u>	
Rare metals	Raw materials	68,567,498	0.01	111,510,768	0.02	-38.51	
	Energy power	121,840,075	0.03	117,176,536	0.03	3.98	
	Labour	55,311,714	0.01	74,310,513	0.02	-25.57	
	Overheads	205,792,554	0.05	253,273,305	0.06	-18.75	
	Sub-total	<u>451,511,840</u>	<u>0.10</u>	<u>556,271,122</u>	<u>0.13</u>	<u>-18.83</u>	
Trading	Sub-total	<u>229,713,408,514</u>	<u>49.46</u>	<u>198,280,906,802</u>	<u>46.76</u>	<u>15.85</u>	
	Total	<u>464,343,800,394</u>	<u>100.00</u>	<u>424,033,669,785</u>	<u>100.00</u>	<u>9.51</u>	

Other explanation on analysis on costs

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

(5) Changes in the scope of consolidation due to changes in shareholding of major subsidiaries during the Reporting Period

On 17 February 2022, Jiangxi Copper (Shenzhen) International Investment Holding Co., Ltd (江西銅業(深圳)國際投資控股有限公司), a subsidiary of the Group, contributed RMB500 million to establish Jiangxi Copper (Guangzhou) New Material Co., Ltd. (江銅(廣州)新材料有限公司) (“**Guangzhou New Material**”), a wholly-owned subsidiary, whose scope of business includes manufacturing of metal materials, metal wire rope and manufacturing of its products, sales of metal products and so on. During the year, Guangzhou New Material was incorporated into the scope of consolidation.

On 11 April 2022, Jiangxi Tongxing Inspection and Testing Co., Ltd. (江西銅興檢驗檢測有限公司) (“**Tongxing Inspection**”), a wholly-owned subsidiary of the Group, was incorporated with an initial registered capital of RMB15 million, and its scope of business includes inspection and testing services. During the year, Tongxing Inspection was incorporated into the scope of consolidation.

On 25 May 2022, Jiangxi Tongxin Inspection and Testing Co., Ltd. (江西銅信檢驗檢測有限公司) (“**Tongxin Inspection**”), a wholly-owned subsidiary of the Group, was incorporated with an initial registered capital of RMB20 million, and its scope of business includes inspection and testing services and occupational health technical services. During the year, Tongxin Inspection was incorporated into the scope of consolidation.

On 28 October 2022, Jiangxi JCC Tongxin Environmental Technology Co., Ltd. (江西江銅同鑫環保科技有限公司) (“**JCC Tongxin**”), a subsidiary of the Group, was incorporated with an initial registered capital of RMB450 million, and the Group holds 63.00% equity interests in JCC Tongxin. The principal businesses of JCC Tongxin are hazardous wastes management, smelting of precious metals, manufacturing of non-ferrous metal alloys, sales of non-ferrous metal alloys, smelting of common non-ferrous metals, etc. During the year, JCC Tongxin was incorporated into the scope of consolidation.

On 16 November 2022, JCC Geology Exploration Tajikistan Co., Ltd. (江銅地勘塔吉克斯坦有限公司) (“**JCC Tajikistan**”), a wholly-owned subsidiary of the Group, was incorporated with an initial registered capital of US\$10,000. The principal businesses of JCC Tajikistan are mineral geological investigation and survey and construction, engineering geological investigation and construction, foundation and foundation engineering construction, hydrogeological investigation and construction, etc. During the year, JCC Tajikistan was incorporated into the scope of consolidation.

On 28 December 2021, the Group entered into an equity transfer agreement with Jiangxi Copper Corporation Limited (江西銅業集團有限公司) (“**JCC**”) to dispose of its entire 95% equity interest in Thermonamic Electronics (Jiangxi) Corp. Ltd. (江西納米克熱電電子股份有限公司) (“**TE Jiangxi**”) for RMB83.6 million with the disposal date of 25 February 2022. With effect from 25 February 2022, the Group ceased to incorporate TE Jiangxi into the scope of consolidation.

(6) Significant changes or adjustments in the business, products or services of the Company during the Reporting Period

Not applicable

(7) Situations of major sales customers and major suppliers

The sales amount of the top five customers was RMB60,461,290,100, accounted for 12.60% of the total annual sales amount; among the sales amount of the top five customers, the sales amount of related parties was RMB0, accounted for 0% of the total annual sales amount.

The proportion of sales to a single customer exceeding 50% of the total amount, the existence of new customers among the top five customers, or heavy reliance on minority customers during the Reporting Period

Not applicable

The purchase amount of the top five suppliers was RMB57,003,147,100, accounted for 12.24% of the total annual purchase amount; among the purchase amount of the top five suppliers, the purchase amount of related parties was RMB0, accounted for 0% of the total annual purchase amount.

The proportion of purchase from a single supplier exceeding 50% of the total amount, the existence of new suppliers among the top five suppliers, or heavy reliance on minority suppliers during the Reporting Period

Not applicable

Other descriptions

Nil

3. Expense

Unit: Yuan Currency: RMB

Item	For the period	Increase/ (decrease) over the same period	
		last year	last year (%)
Selling expenses	439,245,670	367,464,400	19.53
Administrative expenses	2,637,606,992	2,795,789,161	-5.66
Finance expenses	641,145,897	1,245,023,830	-48.50

4. Research and Development (“R&D”) investment

(1) Analytics of R&D investment

Unit: 0,000 Yuan Currency: RMB

Expensed R&D investment for the current period	508,275.4
Capitalised R&D investment for the current period	35,506.2
Total R&D investment	543,781.6
Percentage of the total R&D investment in operating income (%)	1.13
Proportion of capitalisation of R&D investment (%)	6.53

(2) Analytics of R&D personnel

Number of R&D personnel in the Company	5,347
Percentage of R&D personnel in the total number of employees of the Company (%)	21.34

Education level of R&D personnel

Education level	Number of staff
Doctorate	101
Postgraduate	438
Undergraduate	3,398
Junior college	1,410
High school and below	0

Age level of R&D personnel

Age level	Number of staff
Under 30 years old (excluding 30 years old)	721
30-40 years old (including 30 years old and excluding 40 years old)	1,467
40-50 years old (including 40 years old and excluding 50 years old)	1,330
50-60 years old (including 50 years old and excluding 60 years old)	1,829
60 years old and above	0

(3) Explanation

Not applicable

(4) Reasons for major changes in the composition of R&D personnel and the impact on the future development of the Company

Not applicable

5. Cash Flow

Unit: Yuan Currency: RMB

Item	For the year	For the same period last year	Changes (%)
Net cash flow from operating activities	10,641,320,122	9,031,634,346	17.82
Net cash flow from investing activities	-7,718,982,585	-3,228,842,582	139.06
Net cash flow from financing activities	-9,753,801,867	1,153,944,774	-945.26

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

Not applicable

(III) Analysis of assets and liabilities

1. Assets and liabilities

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 (%)	Unit: Yuan		Explanation
					Changes as at the end of the period over the end of the previous period (%)	Currency: RMB	
Derivative financial assets	503,626,263	0.30	379,097,507	0.24	32.85	<i>Note 1</i>	
Factoring receivables	303,992,665	0.18	561,493,319	0.35	-45.86	<i>Note 2</i>	
Prepayments	1,091,186,533	0.65	1,737,027,198	1.08	-37.18	<i>Note 3</i>	
Non-current assets due within one year	3,097,794,823	1.85	0	0.00	100.00	<i>Note 4</i>	
Other current assets	5,899,541,075	3.53	3,452,347,246	2.14	70.88	<i>Note 5</i>	
Investment properties	882,327,002	0.53	603,419,772	0.37	46.22	<i>Note 6</i>	
Construction in progress	4,659,060,140	2.78	2,862,627,924	1.78	62.75	<i>Note 7</i>	
Right-of-use assets	264,786,499	0.16	438,372,774	0.27	-39.60	<i>Note 8</i>	
Other non-current assets	7,559,070,631	4.52	5,572,894,567	3.46	35.64	<i>Note 9</i>	
Derivative financial liabilities	1,461,804,519	0.87	290,968,651	0.18	402.39	<i>Note 10</i>	
Contract liabilities	1,115,288,325	0.67	2,192,493,955	1.36	-49.13	<i>Note 11</i>	
Long-term borrowings	6,256,716,059	3.74	11,856,035,207	7.36	-47.23	<i>Note 12</i>	
Bonds payable	3,500,000,000	2.09	1,500,000,000	0.93	133.33	<i>Note 13</i>	
Lease liabilities	19,790,657	0.01	199,148,655	0.12	-90.06	<i>Note 14</i>	
Other non-current liabilities	31,267,076	0.02	103,684,433	0.06	-69.84	<i>Note 15</i>	

Note 1. As at the end of the Reporting Period, the derivative financial assets of the Group amounted to RMB503.63 million, representing an increase of RMB124.53 million (or 32.85%) as compared with the end of the period of last year, mainly attributable to the floating profit or loss of the futures business of the Group.

Note 2. As at the end of the Reporting Period, the factoring receivables of the Group amounted to RMB303.99 million, representing a decrease of RMB257.50 million (or -45.86%) as compared with the end of the period of last year, mainly attributable to the fact that part of the factoring of the subsidiaries of the Group received pledged assets.

Note 3. As at the end of the Reporting Period, the prepayments of the Group amounted to RMB1,091.19 million, representing a decrease of RMB645.84 million (or -37.18%) as compared with the end of the period last year, mainly attributable to the decrease in prepayments for raw materials and commodity trade purchases of the Group.

Note 4. As at the end of the Reporting Period, the non-current assets due within one year of the Group amounted to RMB3,097.79 million, representing an increase of RMB3,097.79 million (or 100%) as compared with the end of the period of last year, mainly attributable to the increase in the time deposits due within one year.

Note 5. As at the end of the Reporting Period, other current assets of the Group amounted to RMB5,899.54 million, representing an increase of RMB2,447.19 million (or 70.88%) as compared with the end of the period last year, mainly attributable to the increase in debt investments of the subsidiaries of the Group.

Note 6. As at the end of the Reporting Period, the investment properties of the Group amounted to RMB882.33 million, representing an increase of RMB278.91 million (or 46.22%) as compared with the end of the period last year, mainly attributable to the ownership of pledged properties of customers obtained by the subsidiaries of the Group.

Note 7. As at the end of the Reporting Period, the construction in progress of the Group amounted to RMB4,659.06 million, representing an increase of RMB1,796.43 million (or 62.75%) as compared with the end of the period last year, mainly attributable to the increase in investment of the construction in progress of the Group.

Note 8. As at the end of the Reporting Period, the right-of-use assets of the Group amounted to RMB264.79 million, representing a decrease of RMB173.59 million (or -39.60%) as compared with the end of the period last year, mainly attributable to the depreciation of the rented land of the Group.

Note 9. As at the end of the Reporting Period, other non-current assets of the Group amounted to RMB7,559.07 million, representing an increase of RMB1,986.18 million (or 35.64%) as compared with the end of the period last year, mainly attributable to the increase in the Group's time deposits of more than one year.

Note 10. As at the end of the Reporting Period, the derivative financial liabilities of the Group amounted to RMB1,461.80 million, representing an increase of RMB1,170.84 million (or 402.39%) as compared with the end of the period of last year, mainly attributable to the floating profit or loss of the futures business of the Group.

Note 11. As at the end of the Reporting Period, the contract liabilities of the Group amounted to RMB1,115.29 million, representing a decrease of RMB1,077.21 million (or -49.13%) as compared with the end of the period of last year, mainly attributable to the decrease in the advance payment for goods received by the Group.

Note 12. As at the end of the Reporting Period, the long-term borrowings of the Group amounted to RMB6,256.72 million, representing a decrease of RMB5,599.32 million (or -47.23%) as compared with the end of the period of last year, mainly attributable to the repayment of the long-term borrowings of the Group upon maturity.

Note 13. As at the end of the Reporting Period, the bonds payables of the Group amounted to RMB3,500.00 million, representing an increase of RMB2,000.00 million (or 133.33%) as compared with the end of the period of last year, mainly attributable to the issuance of debt instruments by the Group.

Note 14. As at the end of the Reporting Period, the lease liabilities of the Group amounted to RMB19.79 million, representing a decrease of RMB179.36 million (or -90.06%) as compared with the end of the period of last year, mainly attributable to the payment of rent of land by the Group.

Note 15. As at the end of the Reporting Period, other non-current liabilities of the Group amounted to RMB31.27 million, representing a decrease of RMB72.42 million (or -69.84%) as compared with the end of the period of last year, mainly attributable to the decrease in absorption of time deposits with maturity dates of more than one year of the related parties by JCC Finance Company Limited, a subsidiary of the Group.

2. *Overseas assets*

(i) Asset scale

Including: overseas assets of RMB39,670,970,861.14 (Unit: Yuan, Currency: RMB) accounting for 23.71% of the total assets.

(ii) Explanation on higher proportion of overseas assets

Not applicable

3. ***Limitation of assets as at the end of the Reporting Period***

Unit: Yuan Currency: RMB

Item	Book value at the end of the period	Reasons for the limitation
Cash and bank	17,718,940,206	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 reserve deposited with the People's Bank of China, environment rehabilitation deposits, and pledged to secure short-term borrowings and frozen bank deposits and interest receivables.
Held-for-trading financial assets	1,298,060,223	The Group obtained short-term bank borrowings and gold leases with wealth management products as collateral and also as security for the issuance of letters of credit and bank acceptance notes.
Financing of accounts receivable	52,080,635	Bank acceptance notes with book values of RMB52,080,635 were pledged to issue bank acceptance notes.
Other receivables	1,707,742,268	Futures deposits.
Inventories	1,858,121,616	inventories with book values of RMB728,354,612 were pledged as collateral for issuance of letters of credit; inventories with book values of RMB409,428,768 were placed as futures deposits; inventories with book values of RMB9,506,490 were held by court due to litigations; inventories deposited in the third-party warehousing company, with book value of RMB710,831,746, were subject to restrictions on the ownership, as such third-party warehousing company was involved with legal procedures.
Time deposits due within one year	2,753,093,187	Time deposits in the bank with book values of RMB1,061,460,000 were pledged for the issuance of letters of guarantee to secure long-term bank borrowings; time deposits in the bank with book values of RMB1,199,900,000 were pledged for the issuance of bank acceptance notes and letters of credit; time deposits in the bank with book values of RMB317,500,000 were pledged for the issuance of letters of guarantee; interests relating to the above restricted time deposits due within one year amounted to RMB174,233,187.
Investment properties	151,010,454	Held by court due to litigations.

Item	Book value at the end of the period	Reasons for the limitation
Fixed assets	613,739,841	Houses and buildings with book values of RMB43,533,271 were pledged as collateral to secure short-term bank borrowings; houses and buildings with book values of RMB255,631,687 and machinery and equipment with book values of RMB206,456,960 were pledged as collateral to secure long-term bank borrowings; houses and buildings with book values of RMB108,117,923 were held by the court due to litigation.
Intangible assets	195,122,172	Land use rights with book values of RMB64,419,380 were pledged as collateral to secure short-term bank borrowings; land use rights with book values of RMB130,702,792 were pledged as collateral to secure long-term bank borrowings.
Other non-current assets	3,856,315,550	Time deposits with maturity dates of more than one year with book values of RMB885,000,000 were pledged to secure long-term bank borrowings; time deposits with maturity dates of more than one year with book values of RMB1,553,586,898 were pledged to issue bank acceptance notes and letters of credit; time deposits with maturity dates of more than one year with book values of RMB1,047,728,652 were pledged to secure short-term bank borrowings; time deposits with maturity dates of more than one year with book values of RMB370,000,000 were pledged as security deposit for the gold lease.

4. Material disposal of assets and equity interests

Not applicable

5. General analysis of external investment in equity

Unit: 0'000 Yuan Currency: RMB

Investment during the Reporting Period	100,611.01
Investment during the same period last year	84,720.25
Year-on-year increase/decrease (%)	18.76

SN	Name of investee	Principal operating activity	Share in interests in the investee (%)	Investment amount
1	Jiangxi Copper Technical Institution Co., Ltd. (江西銅業技術 研究院有限公司)	General projects: technical services, technical development, technical consultation, technology exchange, technology transfer, technology promotion, new materials technology research and development, non-ferrous metal alloy manufacturing, non-ferrous metal alloy sales, metal materials manufacturing, high-performance non-ferrous metal and alloy materials sales, basic chemical raw materials manufacturing (excluding the manufacture of dangerous chemicals and other licensed chemicals), chemical products sales (excluding licensed chemical products), graphite and carbon products manufacturing, graphite and carbon products sales, paint manufacturing (excluding dangerous chemicals), paint sales (excluding dangerous chemicals), special chemical products manufacturing (excluding dangerous chemicals), special chemical products sales (excluding dangerous chemicals), software development, software sales, machinery and equipment research and development, metallurgical special equipment manufacturing, mining machinery manufacturing, machinery and equipment sales	100	8,000

SN	Name of investee	Principal operating activity	Share in interests in the investee (%)	Investment amount
2	JCC Guoxing (Yantai) Copper Company Limited (江銅國 興(煙台)銅業有 限公司)	Production of copper sulphate, electrolytic copper and non-ferrous metal products. Wholesale and retail of copper, aluminum, lead, zinc, nickel, tin, tellurium, platinum, palladium, bismuth and mineral products, zinc sulphate, aluminum sulphate, descaling sand; import and export business of goods and technology; non-ferrous metal new product development, exchange, technology promotion and transfer services; scientific research project agency services; scientific research enterprise technology support services; scientific and technological information consulting services; general freight; investment in copper smelting-related industries with own funds (without the approval of financial regulatory authorities, deposit-taking, financial guarantee, customer financial management and other financial services shall not be engaged in).	65	32,500
3	Jiangxi Tongxing Inspection and Testing Co., Ltd. (江西銅興檢驗 檢測有限公司)	Permitted items: inspection and testing services (for projects which require approvals in accordance with the laws, business activities may only be carried out after approvals by the relevant departments)	100	1,500
4	MCC-JCC Aynak Mining Co., Ltd. (中冶江銅艾娜 克礦業有限公司)	Mining investment	25	1,253.30

SN	Name of investee	Principal operating activity	Share in interests in the investee (%)	Investment amount
5	JCC Yinshan	Production and sales of nonferrous metals, rare and precious metals, non-metallic mineral products and extended products (excluding products prohibited from foreign investment); production and sales of building materials; production and sales of relevant process equipment and spare parts; contracting of construction projects; trade in copper, lead, zinc, Sulphur ore products and related ancillary mineral products (the import and export of the above commodities do not involve the commodities under the special provisions of state-owned trade, import and export quota license, export quota bidding, export license, etc.); road general cargo transportation; mining technology development, consultation, exchange, transfer and promotion services; lease of houses, machinery and equipment; sales of mining materials. (projects subject to approval according to law can only be carried out after being approved by relevant authorities.)	100	12,600
6	Jiangxi Copper Products Company Limited (江西銅業銅材有限公司)	Production of copper rods and wires and further processing of related copper; sales of self produced products. Trading of copper and copper alloy products and copper products, foreign trading business (except for import and export of goods subject to state owned trading management), after-sales services and related technical consulting services. (projects subject to approval according to law can only be carried out after being approved by relevant authorities.)	100	22,000

SN	Name of investee	Principal operating activity	Share in interests in the investee (%)	Investment amount
7	JCC Construction Co., Ltd.(江西銅業集團建設有限公司)	Processing and sales of mineral products; mining engineering; earthwork; highway engineering; geotechnical slope engineering; industrial and civil construction engineering; municipal engineering; pipeline installation engineering; anti-corrosion and waterproofing engineering; dust prevention engineering; surveying and mapping engineering; decoration engineering; housing demolition; cleaning engineering; mechanical processing, repair and fabrication; electrical and mechanical equipment and wiring installation, repair and debugging; new product and accessory development, processing, manufacturing and marketing; development, production and sales of road materials and harnesses; gardening and greening projects, ecological rehabilitation projects, floral services, public green space maintenance; mining new technologies, new craftsmanships, new products, new equipment research, development, design and application; mechanical and electrical and automation engineering design, development, installation and debugging; electrical instrument and equipment, spare parts repair, production and distribution; mining dressing projects, industrial and civil building design; design and construction of building decoration projects; technical consultation, service transfer; cement pre-product production; mining equipment, building materials, chemical products (except dangerous goods), hardware and electrical appliances, metal materials, electrical and mechanical parts, decoration materials, labor protection supplies, office automation equipment and supplies procurement and sales. (projects subject to approval according to law can only be carried out after being approved by relevant authorities.)	100	5,934.88

SN	Name of investee	Principal operating activity	Share in interests in the investee (%)	Investment amount
8	Jiangxi Copper Xinrui Technology Co., Ltd. (江西銅 業鑫瑞科技有限 公司)	General projects: technical services, technical development, technical consultation, technology exchange, technology transfer, technology promotion, new materials technology research and development, non-ferrous metal alloy manufacturing, non-ferrous metal alloy sales, metal materials manufacturing, high-performance non-ferrous metal and alloy materials sales, chemical products sales (excluding licensed chemical products), special chemical products sales (excluding dangerous chemicals), labour services (excluding labour despatch) (except for projects requiring approval according to laws, business activities shall be carried out independently with business licence according to laws)	100	1,500
9	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 pollution treatment and restoration service, technical services, technical development, technical consultation, technology exchange, technology transfer, technology promotion, greener landscape construction works (except for permitted businesses, projects which are not restricted nor prohibited by laws and regulations can be independently carried out in accordance with the laws)	100	14,175

SN	Name of investee	Principal operating activity	Share in interests in the investee (%)	Investment amount
10	Jiangxi Tongxin Inspection and Testing Co., Ltd. (江西銅信檢驗 檢測有限公司)	Permitted items: inspection and testing services, occupational health technical services (for projects which require approvals in accordance with the laws, business activities may only be carried out after approvals by the relevant departments, specific business projects shall be subject to the approval documents or licences of relevant authorities) general projects: environmental protection monitoring, environmental consulting services, information consulting services (excluding permitted information consulting services) (except for permitted businesses, projects which are not prohibited or restricted by laws and regulations can be carried out independently in accordance with the laws)	100	1,147.83

Note: The description of statistics above is based on the actual amount of capital contributions by the Group during the Reporting Period, which includes capital contributions to non-wholly owned subsidiaries or newly established companies (including contributions by equity and debt, etc.), excluding the increased capital contribution by the Company to wholly-owned subsidiaries established in previous years.

6. *Significant equity interest investment*

Not applicable

7. *Significant non-equity interest investment*

Not applicable

8. *Structured entities under the control of the Company*

Not applicable

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

(I) Analysis of industry operational information

Please refer to “4. Report of the Board – II. Industry of the Company during the Reporting Period” for further details

(II) Landscape and trend of industry

1. On the macro front

In 2023, the economy of the PRC would be rapidly repaired under a series of measures to stabilise growth, such as promoting investment, promoting consumption and stabilising the property market. Although inflation in the United States is still at a high level and the Federal Reserve still has the demand to raise interest rates, there is not much room to raise interest rates. At present, inflation is already in the downward channel. After inflation has gone down, the monetary policy of the United States would gradually withdraw from tightening, and it is expected that market confidence will also recover rapidly. Since the Federal Reserve's interest rate increase is mainly concentrated in the first half of the year, the macro environment in the second half of the year would be better than that in the first half of the year.

2. On the supply front

The supply of scrap copper is expected to be relatively stable in 2023, but the supply of copper concentrate is subject to relatively more disturbance factors. On the one hand, in 2023, the long-term order processing fee TC signed between the main smelters in the PRC and international mines was US\$88/tonne, up by 35% from last year. On the other hand, affected by strikes and natural disasters, the production and transportation of several large copper mines in Peru and Indonesia are affected in 2023. The global supply of copper concentrates was relatively loose but rapidly tightened, and the spot processing fee slid from above US\$90/tonne at the beginning of the year all the way to US\$77.9/tonne. In recent years, the global copper mine investment has been insufficient, resulting in a weak production environment. The strikes and natural disasters in the copper producing countries have intensified the tightening of supply, and may have a certain impact on the production of the smelters that have not signed long-term orders.

3. On the consumption front

The consumption of copper in the traditional sector has increased slightly, while the consumption in the new energy sector has increased significantly. The consumption momentum is still strong. It is expected that the copper market will begin to destock in the peak season of this year and will maintain a tight balance throughout the year. Looking forward to the future, as the main carrier of the PRC's "double carbon action", copper consumption will continue to maintain rapid growth in fields, such as photovoltaic, wind power, new energy electric vehicles, etc. According to the research data of Jinrui Futures, the copper consumption in the PRC's photovoltaic, wind power and new energy electric vehicles fields will increase from 1.09 million tonnes in 2022 to 2.09 million tonnes and 3.98 million tonnes by 2025 and 2030, respectively. Due to the fact that sizable investment projects in the new energy field are being built in many parts of the country, the actual consumption of copper in the new energy field may maintain a faster growth.

Overall speaking, this year's macro environment is generally good, and the second half of the year would be better than the first half, while the supply of fundamentals is steadily tightening, and consumption is steadily increasing. It is expected that the copper price will fluctuate mainly in the first half of the year, while the bull market is expected to start in the second half of the year after the improvement of the macro environment.

(III) The development strategy of the Company

The Group adheres to the development strategy of “copper-based, transformation and upgrading, diversified development and mutual promotion”, upholds the new development concept of innovation, coordination, green, openness and sharing, focuses on the main business and high-quality development, adheres to innovation-driven and talent-driven development, and through the joint efforts of all cadres and employees of the Company and through continuous efforts over a period of time comprehensively builds a world-class enterprise with global core competitiveness, and become a modern, beautiful and brand new JCC.

(IV) Business plan

On the basis of analysing current international and domestic macroeconomic situation, the production, operation and development environment of enterprises, and taking into account the actual completion of production and operation in 2022, the development and construction of key projects, progress of mergers and acquisitions and other factors, after thorough investigation, repeated discussions and following the principle of high quality development, we have set the Company's production and operation plan for 2023 as follows: 200,500 tonnes of copper concentrates, 2.07 million tonnes of copper cathodes, 98.5 tonnes of gold, 1,289 tonnes of silver, 5.64 million tonnes of sulphuric acid and 2.01 million tonnes of copper processed materials, with the capital expenditure (fixed assets investment) of RMB12,972 million. (The operation target does not represent the Company's forecast of production in 2023, and whether it can be achieved depends on various factors such as macroeconomic environment and market demand, which are subject to great uncertainties. The Group will adjust its plans in due course according to market changes).

Specific business strategies for 2023:

1. Building the foundation for quality development. The Company will focus our work on “stabilising growth and promoting development” and accelerate the construction of a modern industrial system. Our mining units will benchmark themselves against the world’s best and best-ever levels to ensure that existing production capacity is not reduced, efficiency is increased and benefits are enhanced; our smelting units will focus on “green smelting and smart smelting” to improve quality and increase efficiency; our processing units will be market-oriented and focus on “quality and service” to increase the proportion of high-end products and to improve, expand and strengthen the copper processing segment. In addition, we will continue to promote the construction of key infrastructure projects and do our best to strengthen the industrial chain and promote industrial upgrading. We will continue to enhance the industrial base and modernise the industrial chain through continuously nurturing and strengthening strategic emerging industries.
2. Constructing a solid barrier to quality development. Safety is a prerequisite for development, and development is a guarantee for safety. The Company will strengthen its awareness of potential risks, establish a bottom-line mindset, co-ordinate the two major matters of safe production and risk prevention, and resolutely fight the “hard battle” of safe production and the “active battle” of risk prevention and resolution, so as to achieve a positive interaction between high-quality development and high-level safety.
3. Strengthening the momentum of quality development. The Company will continue to insist on technological innovation, rely on technological innovation to enhance the level of industrial development, and promote the ability and level of support for the Company’s high-quality development surrounding the Company’s industrial layout. The Company will continue to deepen the reform of the science and technology system, improve the industry collaborative innovation system, improve the incentive mechanism for the transfer of scientific and technological achievements, stimulate the innovative vitality of researchers, develop new technologies, transfer new achievements, attract and train new talents and form new collaborations. The Company will insist on the development of digital “Project One” and continue to transform into intelligent and smart production. We are determined to promote the digitisation of industries and digital industrialisation, and to make strengthening, improving and enlarging the digital economy a key increment in the Company’s transformation and development, so as to continuously enhance our competitiveness in digitisation.

4. Expanding the scope for quality development. The Company will strive for breakthroughs in resource acquisition, firmly implement the “going out” resource strategy, and focus on enhancing the toughness and safety of the supply chain of the industrial chain. By focusing on various core elements, talents and resources across the company, we will develop strategic investments in a diversified, multi-channel and multi-platform manner with resource control as the core. Through methods such as risk-based prospecting, geological services and technology export, we will explore a practical way to expand overseas resources. We are committed to making new breakthroughs in external market expansion and giving full play to the market’s decisive role in resource allocation. On the one hand, we will develop and stabilise the internal market, and on the other hand, we will adhere to the strategy of seeking progress in stability. With controlled risks, we will take the initiative to study market demand, form new growth points and make new breakthroughs in green and low-carbon development. By establishing the concept that “lucid waters and lush mountains are invaluable assets”, we accelerate green development through “double carbon”.

(V) Potential risks

1. Production safety risks

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

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

2. *Exchange rate fluctuation risks*

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

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

3. *Risk from product price fluctuations*

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

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

4. Risk from changes in the 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 architecture industries. The development level and growth rate during different periods are imbalanced, and the demand for copper is also different, which will have a cyclical impact on the future business development of the Company; (3) with the continuous improvement of research and production technology, the types and performance of relevant substitutes in the product application industry of the Company will continue to improve, which will have a direct impact on the product demand of the Company.

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

5. *Environmental protection risk*

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

6. *Risk from uncertainties*

In 2023, the domestic economy is generally improving with accelerating growth, but the momentum of recovery is relatively weak and the global economic growth momentum is lacking. In addition, geopolitical conflicts have led to increased instability and uncertainty in the international environment, which has put the resilience of the Company's production and operations to the test. The Company will fully evaluate the domestic and overseas situation and make good planning for its production and operation.

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

Not applicable

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

Unit: Share

Name	Position	Sex	Age	Commencement date of term of office	Termination date of term of office	Opening shares held	Closing shares held	Change in increase or decrease in shares during the year	Reasons for change	Total remuneration payable by the Company during the Reporting Period (before tax)		Whether connected with the Company
										Reporting Period	(RMB'000)	
Zheng Gaoqing	Chairman	Male	57	09 September 2020	15 August 2022	0	0	/	/	133.16	No	
	General manager			18 January 2019								
	Executive Director			22 March 2019								
Zhou Shaobing	Deputy chairman	Male	53	18 October 2022	18 October 2022	0	0	/	/	22.19	No	
	Executive Director			18 October 2022								
	General manager			15 August 2022								
Wang Bo	Executive Director	Male	59	18 July 2016		0	0	/	/	133.16	No	
Liu Fangyun	Executive Director	Male	57	10 June 2020	13 November 2019	0	0	/	/	133.16	No	
	Deputy general manager			13 November 2019								
Yu Tong	Chief financial officer	Male	51	28 August 2018	15 January 2019	0	0	/	/	133.16	No	
	Executive Director			15 January 2019								
Gao Jian-min	Executive Director	Male	63	24 January 1997		0	0	/	/	25.00	No	
Liang Qing	Executive Director	Male	69	12 June 2002		0	0	/	/	25.00	No	
Liu Erh Fei	Independent non-executive Director	Male	64	18 July 2016	18 October 2022	0	0	/	/	12.50	No	
Liu Xike	Independent non-executive Director	Male	49	12 June 2018		0	0	/	/	15.00	No	
Zhu Xingwen	Independent non-executive Director	Male	61	15 January 2019		0	0	/	/	15.00	No	
Wang Feng	Independent non-executive Director	Male	46	08 June 2021		0	0	/	/	15.00	No	
Li Shuidi	Independent non-executive Director	Male	69	18 October 2022		0	0	/	/	2.50	No	
Guan Yongmin	Supervisor (resigned)	Male	59	10 June 2020	14 December 2022	0	0	/	/	95.61	No	

Name	Position	Sex	Age	Commencement date of term of office	Termination date of term of office	Opening shares held	Closing shares held	Change in increase or decrease in shares during the year	Reasons for change	Total remuneration payable by the Company during the Period (before tax) (RMB'000)		Whether received remuneration from connected parties of the Company
										Reporting Period	(before tax) (RMB'000)	
Wu Donghua	Supervisor (resigned)	Male	60	10 June 2020	18 October 2022	0	0	/	/	79.68		No
Zhang Jianhua	Supervisor (resigned)	Male	58	18 July 2016	18 October 2022	0	0	/	/	79.68		No
Zhao Bicheng	Supervisor	Male	34	27 January 2022		0	0	/	/	87.65		No
Gong Bin	Supervisor	Female	45	27 January 2022		0	0	/	/	87.65		No
Zha Kebing	Supervisor	Male	54	18 October 2022		0	0	/	/	15.94		No
Liu Guobiao	Supervisor	Male	56	18 October 2022		0	0	/	/	15.94		No
Zeng Min	Supervisor (resigned)	Male	58	21 March 2016	27 January 2022	0	0	/	/	7.97		No
Zhang Kui	Supervisor (resigned)	Male	60	29 March 2017	27 January 2022	0	0	/	/	7.97		No
Liao Xingeng	Deputy general manager	Male	56	18 July 2018		0	0	/	/	101.87		No
Chen Yunian	Deputy general manager	Male	59	23 October 2017		0	0	/	/	101.87		No
Jiang Wenbo	Deputy general manager	Male	54	18 March 2021		0	0	/	/	101.87		No
Tu Dongyang	Deputy general manager	Male	48	18 March 2021		0	0	/	/	101.87		No
	Secretary to the Board			28 May 2021								
Peng Xihong	Chief legal officer	Male	51	28 May 2021		0	0	/	/	101.87		No
Tung Tat Chiu, Michael	Company secretary	Male	60	24 January 1997		0	0	/	/	5		No
Total				/	/	0	0	/	/	1,674.25		/
						0	0	/	/	1,674.25		/

6 SIGNIFICANT EVENTS

6.1 Model Code for Securities Transactions by Directors

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

6.2 Corporate Governance Code

The Company strives to maintain and establish quality corporate governance.

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

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

Under code provision C.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 (the “**Chairman**”) on 9 September 2020, from the beginning of that date until 15 August 2022, the role of the Chairman had been taken up by Mr. Zheng Gaoqing, the then general manager of the Company (the “**General Manager**”) 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). With effect from 15 August 2022, Mr. Zhou Shaobing was appointed as the General Manager and Mr. Zheng Gaoqing ceased to be the General Manager.

6.3 Purchase, sale or redemption of the Company’s listed securities

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

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

Not applicable

6.5 Appointment and Removal of Accounting Firms

Unit: Yuan Currency: RMB

Current auditors

Name of domestic auditor	Ernst & Young Hua Ming LLP
Remuneration for domestic auditor	6,500,000
Years of audit services provided by the domestic auditor	5 years
Name of overseas auditor	Ernst & Young
Remuneration for overseas auditor	7,200,000
Years of audit services provided by the overseas auditor	5 years

	Name	Remuneration
Auditor for internal control	Ernst & Young Hua Ming LLP	1,580,000

1. Appointment and removal of accounting firms

Not applicable

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

Not applicable

6.6 Matters Relating to Bankruptcy and Restructuring

Not applicable

6.7 Material Litigation and Arbitration

1. Litigation and arbitration disclosed in extraordinary announcements and without subsequent development

Brief description and type of litigation and arbitration

Reference for inspection

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

The announcement of the Company dated 12 June 2019

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

The announcement of the Company dated 21 June 2019

2. Litigation and arbitration not disclosed in extraordinary 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)	Current status of the litigation (arbitration)	Whether estimated liability arose from the litigation (arbitration)	Enforcement of litigation (arbitration) judgments
Shanghai Jiangxi Copper Trading Company Limited (上海銅營銷有限公司 ("Shanghai JCT"))	Shanghai Zhimayuanhe Industrial Co., Ltd. (上海智源和實業有限公司)	Qi Jianping (戚建萍), Jin Lei (金磊), Shi Huixia (石慧霞), Zhejiang Honglei Co., Ltd. (浙江宏磊東南房地產開發有限公司), Yingtan City Luzhou Real Estate Co. Ltd. (鷺潭市綠洲置業有限公司), Zunyi Honglei Real Estate Development Co. Ltd. (遵義宏磊房地產開發有限公司), Zhejiang Hongjian Copper Company Limited (浙江宏天銅業有限公司)	Second hearing	Please refer to the Announcement on the Follow-up Progress of the Litigation of a Subsidiary of Jiangxi Copper Co. Ltd.	181,903,998.99	The second hearing was completed	The Shanghai High People's Court filed the case on 7 September 2021, and now the case has been concluded in the second hearing. Recently, Shanghai JCT received the judgment from the Shanghai High People's Court ((2021) Hu Min Zhong No. 490). The details of the judgment are as follows: The appeal was rejected and the judgement of first hearing was upheld.	

3. *Other explanations*

Not applicable

6.8 Suspected violation of laws and regulations, punishment on and rectification of the Company and its Directors, Supervisors, senior management, controlling shareholder, de facto controller

Not applicable

6.9 Explanation on the credit conditions of the Company, its controlling shareholders and de facto controllers during the Reporting Period

Not applicable

6.10 Share option scheme, employee shareholding plan or other employee incentives and their effects

Not applicable

6.11 Information on profit distribution and payment of final dividend

The Board hereby recommends that after the approval of the Shareholders at the forthcoming 2022 annual general meeting of the Company (the “AGM”):

- (1) appropriate 10% of the profit after tax calculated under the PRC GAAP to the statutory surplus reserve;
- (2) distribute a final dividend of RMB5 per 10 shares (tax inclusive) for the year ended 31 December 2022 (2021: RMB5 per 10 shares) to all Shareholders based on the total issued share capital of 3,462,729,405 shares as at 31 December 2022, amounting to approximately RMB1,731,364,702.5, accounting for 28.89% of the net profit attributable to shareholders of the listed company for the year of 2022. The remaining undistributed profits are carried down to the next year;
- (3) the A shares 2022 final dividend will be declared and paid in Renminbi, and the H shares 2022 final dividend will be declared in Renminbi and paid in Hong Kong dollars; and
- (4) The profit distribution will not carry out transfer of capital reserve to share capital or issue of bonus shares.

Subject to approval at the AGM, the Company expects to distribute the 2022 final dividend on Friday, 21 July 2023. Further announcement relating to the detailed arrangement of the distribution of the 2022 final dividend will be made by the Company in due course.

Description of profit distribution ratio below 30% at the end of the year

During the Reporting Period, the net profit attributable to the Shareholders amounted to RMB5,993,964,274. The accumulated undistributed profit amounted to RMB31,450,179,926. The total cash dividend proposed to be distributed by the Company amounted to RMB1,731,364,702.5, accounting for 28.89% of the net profit attributable to the Shareholders for the year 2022, which is lower than 30%. Specific reasons are explained as follows:

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

In 2023, the Company will continue to develop various projects, such as the infrastructure construction of the Kazakhstan tungsten mine project, phase 3 of the expansion project of Wushan Copper Mine and the diversion pit project of Yinshan Mining. At the same time, in order to further enhance the competitiveness and increase corporate value, the Company will continue to strengthen the investment in mergers and acquisitions, and explore new domestic and overseas investment and mergers and acquisitions projects through multiple channels at various levels. As such, the demand for capital increases.

II. Characteristics of the industry in which the Company operates

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

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

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

Withholding and Payment of Personal Income Tax for Individual H Shareholders

Pursuant to the State Administration of Taxation Notice on Matters Concerning the Levy and Administration of Individual Income Tax After the Repeal of Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348)(《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)) dated 28 June 2011, and the letter entitled “Tax arrangements on dividends paid to Hong Kong residents by Mainland companies” dated 4 July 2011 issued by the Stock Exchange, the Company is required to withhold and pay the individual income tax in respect of the 2022 final dividends paid to the individual H Shareholders (the “**Individual H Shareholders**”), as a withholding agent on behalf of the same. However, the Individual H Shareholders may be entitled to certain tax preferential treatments pursuant to the tax treaties between the PRC and the countries (regions) in which the Individual H Shareholders are domiciled and the tax arrangements between Mainland China and Hong Kong (Macau).

Pursuant to the aforesaid tax regulations, when the 2022 final dividends is to be distributed to the holders of H shares whose names appear on the register of members of the Company as at 23 June 2023, the Company will base on the tax rate of 10% to withhold 10% of the dividend to be distributed to the Individual H Shareholders as individual income tax. For non-resident enterprise holders of H shares, the Company will withhold 10% of the dividend as enterprise income tax according to the relevant tax regulations in line with its previous practice.

If shareholders’ names appear on the H shares register of members, please refer to nominees or trust organisation for details of the relevant arrangements. The Company has no obligation and shall not be responsible for confirming the identities of the shareholders. The Company will strictly comply with the laws, and withhold and pay the enterprise income tax and individual income tax on behalf of the relevant shareholders based on the H shares register of members of the Company as of 23 June 2023. The Company will not accept any requests relating to any delay in confirming the identity of the shareholders or any uncertainties in the identity of the shareholders.

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

Pursuant to the Notice on the Tax Policies for Shenzhen-Hong Kong Stock Connect Pilot Program (Cai Shui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), for dividends received by domestic individual investors from investing in H shares listed on the Stock Exchange through Shenzhen-Hong Kong Stock Connect, the company of such H shares shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in H shares listed on the Stock Exchange through Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for domestic individual investors. The company of such H shares will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

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

Closure of Register of Members

In order to determine the identity of the Shareholders entitled to attend and vote at the AGM, the register of members of the Company will be closed from Thursday, 1 June 2023 to Friday, 9 June 2023 (both dates inclusive). All transfer documents accompanied by the relevant share certificates, must be lodged with the H share registrar of the Company, Hong Kong Registrars Limited, whose address is at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on Wednesday, 31 May 2023.

In order to determine the identity of the Shareholders entitled to receive the final dividend of the Company for the year ended 31 December 2022, the register of members of the Company will be closed from Saturday, 17 June 2023 to Friday, 23 June 2023 (both dates inclusive). All transfer documents accompanied by the relevant share certificates must be lodged with the H share registrar of the Company, Hong Kong Registrars Limited, whose address is at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on Friday, 16 June 2023.

6.12 Detailed Results Announcement

The annual report for 2022 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 (<https://www.hkexnews.hk>) and the Company (<http://www.jxcc.com>) in due course.

7 CHANGES IN SHARE CAPITAL AND SHAREHOLDERS

(I) Changes in Shares

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

(II) Changes in Shares Subject to Lock-up

Not applicable

(III) The Number of Shareholders and Shareholdings

(1) Total number of Shareholders

Total number of ordinary Shareholders at the end of the Reporting Period	146,730
Total number of ordinary Shareholders at the end of the previous month before the disclosure of the annual results	143,342
Total number of Shareholders of preference shares with voting rights restored at the end of the Reporting Period	0
Total number of Shareholders of preference shares with voting rights restored at the end of last month before the disclosure of the annual results	0

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

Particulars of shareholding of the top ten Shareholders

Unit: Share

Name of Shareholder (full name)	Increase/ decrease during the Reporting Period	Number of shares held at the end of the Reporting Period	Percentage (%)	Number of shares held subject to lock-up	Situation of pledge, mark or freeze Share status Number	Nature of Shareholder
JCC	19,124,200	1,512,741,810	43.69	0	Nil	0 State-owned legal person
HKSCC Nominees Limited ("HKSCC")	-104,000	1,073,420,014	31.00	0	Nil	0 Unknown
China Securities Finance Corporation Limited	0	103,719,909	3.00	0	Nil	0 Unknown
Hong Kong Securities Clearing Company Limited	56,564,430	87,448,910	2.53	0	Nil	0 Unknown
Yang Weiyu	8,345,500	16,051,051	0.46	0	Nil	0 Unknown
Yuanxin Yongfeng Fund - Kunlun Health Insurance Company Limited - Yuanxin Yongfeng Preferred Gold Stock 2 Single Asset Management Plan (圓信永 豐基金-昆侖健康保險 股份有限公司-圓信永 豐優選金股2號單一資 產管理計劃)	6,713,613	6,713,613	0.19	0	Nil	0 Unknown
Liu Ding	-10,000	4,160,451	0.12	0	Nil	0 Unknown
Industrial and Commercial Bank of China Limited - Huatai-PB CSI 300 Open- ended Index Fund (中國工 商銀行股份有限公司- 華泰柏瑞滬深300交易 型開放式指數證券投資 基金)	1,745,700	3,978,129	0.11	0	Nil	0 Unknown
Yu Guohua	2,013,800	2,519,200	0.07	0	Nil	0 Unknown
Industrial and Commercial Bank of China Limited - Southern CSI Shewan Non- ferrous Metals Trading Open-ended Index Fund (中 國工商銀行股份有限公 司-南方申萬有色 金屬交易型開放式指數 證券投資基金)	-228,500	2,514,994	0.07	0	Nil	0 Unknown

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

Unit: Share

Name of Shareholder	Number of tradable shares held not subject to lock-up	Class and number of shares	Number
	Class		
JCC	1,512,741,810	Ordinary shares denominated in RMB (A shares) Overseas listed foreign shares (H shares)	1,204,284,810 308,457,000
HKSCC	1,073,420,014	Overseas listed foreign shares (H shares)	1,073,420,014
China Securities Finance Corporation Limited	103,719,909	Ordinary shares denominated in RMB (A shares)	103,719,909
Hong Kong Securities Clearing Company Limited	87,448,910	Ordinary shares denominated in RMB (A shares)	87,448,910
Yang Weiyu	16,051,051	Ordinary shares denominated in RMB (A shares)	16,051,051
Yuanxin Yongfeng Fund - Kunlun Health Insurance Company Limited - Yuanxin Yongfeng Preferred Gold Stock 2 Single Asset Management Plan (圓信永豐基金 - 昆侖健康保險股份有限公司 - 圓信永豐優選金股2號單一資產管理計劃)	6,713,613	Ordinary shares denominated in RMB (A shares)	6,713,613
Liu Ding	4,160,451	Ordinary shares denominated in RMB (A shares)	4,160,451
Industrial and Commercial Bank of China Limited - Huatai-PB CSI 300 Open-ended Index Fund (中國工商銀行股份有限公司 - 華泰柏瑞滬深300交易型開放式指數證券投資基金)	3,978,129	Ordinary shares denominated in RMB (A shares)	3,978,129
Yu Guohua	2,519,200	Ordinary shares denominated in RMB (A shares)	2,519,200
Industrial and Commercial Bank of China Limited - Southern CSI Shewan Non-ferrous Metals Trading Open-ended Index Fund (中國工商銀行股份有限公司 - 南方中證申萬有色金屬交易型開放式指數證券投資基金)	2,514,994	Ordinary shares denominated in RMB (A shares)	2,514,994
The explanation on special repurchase accounts of top ten shareholders		Nil	
The explanation on entrusting/being entrusted voting rights or waiving voting rights of the aforesaid shareholders		Nil	
The explanation on the connected relationship or parties acting in concert among the aforesaid shareholders		Nil	
The explanation on preferred shareholders with restored voting rights and the number of shares held		Nil	

Notes:

1. HKSCC is a member of the Central Clearing and Settlement System, providing registration and custodial services for customers. HKSCC held a total of 1,073,420,014 H shares of the Company in the capacity of nominee on behalf of a number of customers, representing approximately 31.00% of the total issued share capital of the Company.
2. The 308,457,000 H shares held by JCC have been registered with HKSCC and were separately listed from the other shares held by HKSCC when disclosed in the table above. Taking into account the H shares held by JCC, HKSCC held 1,381,877,014 shares as nominee, representing approximately 39.91% of the issued share capital of the Company.
3. During the Reporting Period, JCC, the controlling shareholder, commenced securities lending business. The increase in number of shares held by JCC in the above table during the Reporting Period was in fact the number of shares returned from the securities lending.
4. As at 31 December 2022, the net securities lending from JCC was 1,194,300 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 total issued share capital.

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

Not applicable

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

Not applicable

(4) Particulars of controlling shareholder and the ultimate controlling party

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

(IV) Interests and Short Positions of Shareholders

As at 31 December 2022, the interests or short positions of the Shareholders, other than Directors, Supervisors and chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the Securities and Futures Ordinance (“SFO”) or otherwise as notified to the Company were as follows:

Name of shareholder	Class of shares	Capacity	Number of shares (Note 1)	Approximate percentage of the number of the relevant class of shares (%)	Approximate percentage of total issued share capital (%)
JCC	A shares	Beneficial owner	1,205,479,110	58.09(L)	34.81(L)
Jiangxi State-Owned Capital Operation Holdings Group Co. Ltd. (江西省國有資本運營控股集團有限公司)	A shares	Interest of corporation controlled by you	1,205,479,110	58.09(L)	34.81(L)
JCC (Note 2)	H shares	Beneficial owner	308,457,000(L)	22.23(L)	8.90(L)
Jiangxi State-Owned Capital Operation Holdings Group Co. Ltd. (江西省國有資本運營控股集團有限公司)	H shares	Interest of corporation controlled by you	308,457,000(L)	22.23(L)	8.90(L)
Brown Brothers Harriman & Co.	H shares	Approved lending agent	97,342,636(L)	7.02(L)	2.81(L)
			97,342,636(P)	7.02(P)	2.81(P)

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

Note 2: The 308,457,000 H shares held by JCC were registered with HKSCC. During the Reporting Period, JCC commenced its securities lending business, and the above table includes the 1,194,300 A shares lent.

Save as disclosed above, pursuant to the register required to be kept under Section 336 of SFO or otherwise as notified to the Company, the Company had not been notified of any interests or short positions in the shares and underlying shares of the Company as at 31 December 2022.

8 BASIC INFORMATION OF CORPORATE BONDS

Unit: Yuan Currency: RMB

Name of bonds	Abbreviation	Code	Issue date	Value date	Maturity date	Bonds balance	Repayment of principal and interest		Trading venue	Trading suitability of investors (%)	Trading mechanism	Whether there is any risk of termination
							Interest rate	interest				
2021 Corporate Bonds (First Tranche) publicly issued to professional investors by Jiangxi Copper Company Limited	21 JCC 01	185088	3 December 2021	6 December 2021	6 December 2023	0	2.83	The interest is payable on a yearly basis and the principal is payable upon maturity.	Shanghai Stock Exchange	Nil	Nil	No
2022 Corporate Bonds (First Tranche) publicly issued to professional investors by Jiangxi Copper Company Limited	22 JCC 01	137816	14 September 2022	15 September 2022	15 September 2025	0	2.67	The interest is payable on a yearly basis and the principal is payable upon maturity.	Shanghai Stock Exchange	Nil	Nil	No

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

Not applicable

Overdue bonds

Not applicable

Payments of interest of the bonds during the Reporting Period

Name of bonds	Explanation of payments of interest
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2017 Corporate Bonds (First Tranche) publicly issued to qualified investors by Jiangxi Copper Company Limited	On 21 September 2022, the Company paid interest of RMB47.40 (tax inclusive) for each “17 JCC 01” with a nominal value of RMB1,000 in accordance with the Announcement on the Coupon Rate of 2017 Corporate Bonds (First Tranche) publicly issued to qualified investors by Jiangxi Copper Company Limited”.
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2021 Corporate Bonds (First Tranche) publicly issued to professional investors by Jiangxi Copper Company Limited	On 6 December 2022, the Company paid interest of RMB28.30 (tax inclusive) for each “21 JCC 01” with a nominal value of RMB1,000 in accordance with the Announcement on the Coupon Rate of 2021 Corporate Bonds (First Tranche) publicly issued to professional investors by Jiangxi Copper Company Limited”.
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The trigger and operation of issuer or investor option terms and investor protection terms

For details, please refer to the “Announcement of Issuance Results of the 2021 Corporate Bonds (First Tranche) publicly issued to professional investors by Jiangxi Copper Company Limited” and “Announcement of Issuance Results of the 2022 Corporate Bonds (First Tranche) publicly issued to professional investors by Jiangxi Copper Company Limited” disclosed by the Company on the website of the Shanghai Stock Exchange on 1 December 2021 and 9 September 2022 respectively.

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

Unit: Yuan Currency: RMB

Major indicators	2022	2021	Increase/decrease
			from last year (%)
Net profit attributable to shareholders of the listed company after deduction of non-recurring profit or loss	5,417,038,713	7,094,451,239	-23.64
Liquidity ratio	1.32	1.39	-5.04
Quick ratio	0.80	0.84	-4.76
Asset-liability ratio (%)	51.02	51.68	-0.66
EBITDA total debt ratio	6.86	6.90	-0.58
Interest coverage ratio	4.84	4.65	4.09
Cash interest coverage ratio	5.46	5.35	2.06
EBITDA interest coverage ratio	6.39	6.03	5.97
Loan repayment rate (%)	100	100	
Interest coverage (%)	384.31	100	284.31

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2022
(PREPARED IN ACCORDANCE WITH IFRS)

	<i>Notes</i>	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
REVENUE	5	478,392,849	441,614,438
Cost of sales		(466,336,463)	(425,422,857)
 Gross profit		12,056,386	16,191,581
 Other income	5	1,616,550	1,068,671
Other gains and losses	6	304,893	(3,104,622)
Selling and distribution costs		(439,246)	(367,464)
Administrative expenses		(3,572,932)	(3,714,620)
Impairment losses on financial assets, net	7	(284,586)	(480,019)
Finance costs		(1,967,157)	(2,018,808)
Share of profits and losses of:			
Joint ventures		(30,336)	(15,272)
Associates		(185,014)	(142,559)
 PROFIT BEFORE TAX	8	7,498,558	7,416,888
 Income tax	9	(1,403,004)	(1,387,449)
 PROFIT FOR THE YEAR		6,095,554	6,029,439
 Attributable to :			
Owners of the Company		6,001,476	5,772,525
Non-controlling interests		94,078	256,914
		6,095,554	6,029,439
 EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY:			
– Basic and diluted	11	RMB1.73	RMB1.67

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022
(PREPARED IN ACCORDANCE WITH IFRS)

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
PROFIT FOR THE YEAR	6,095,554	6,029,439
OTHER COMPREHENSIVE INCOME		
Other comprehensive income to that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	120,678	(15,021)
Share of other comprehensive income/(loss) of joint ventures	5,711	(6,504)
Share of other comprehensive income/(loss) of associates	<u>223,648</u>	<u>(25,922)</u>
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods, net of tax	<u>350,037</u>	<u>(47,447)</u>
Other comprehensive income to that will not be reclassified to profit or loss in subsequent periods:		
Equity investments at fair value through other comprehensive (loss)/income:		
Changes in fair value	(776,322)	4,386,666
Income tax effect	<u>(11)</u>	<u>46</u>
	<u>(776,333)</u>	<u>4,386,712</u>
Net other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods, net of tax	<u>(776,333)</u>	<u>4,386,712</u>
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX	<u>(426,296)</u>	<u>4,339,265</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	<u>5,669,258</u>	<u>10,368,704</u>
Attributable to:		
Owners of the Company	5,534,422	10,118,943
Non-controlling interests	<u>134,836</u>	<u>249,761</u>
	<u>5,669,258</u>	<u>10,368,704</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2022
(PREPARED IN ACCORDANCE WITH IFRS)

	<i>Notes</i>	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Non-current assets			
Property, plant and equipment		27,076,033	25,309,193
Investment properties		882,327	603,420
Right-of-use assets		3,994,949	4,274,161
Goodwill		1,295,674	1,295,674
Other intangible assets		3,711,200	3,832,071
Exploration and evaluation assets		592,956	608,229
Investments in joint ventures		112,691	152,316
Investments in associates		4,993,702	4,910,158
Financial instruments other than derivatives		19,728,456	20,527,325
Deferred tax assets		695,213	707,392
Prepayments, other receivables and other assets		1,215,986	580,403
Deposits for prepaid lease payments		650,931	598,742
Loans to related parties		556,885	141,120
Time deposits		1,278,953	298,821
Restricted bank deposits		3,856,316	3,953,809
Total non-current assets		70,642,272	67,792,834
Current assets			
Inventories		38,061,773	36,976,794
Trade and bills receivables	12	6,591,889	7,695,500
Factoring receivables		303,993	561,493
Prepayments, other receivables and other assets		9,481,141	7,152,924
Loans to related parties		1,976,932	1,595,189
Financial instruments other than derivatives		4,548,013	4,019,993
Derivative financial instruments	13	503,626	379,098
Restricted bank deposits		20,472,033	13,535,689
Cash and cash equivalents		14,727,876	21,295,290
		96,667,276	93,211,970
Assets classified as held for sale		20,992	29,839
Total current assets		96,688,268	93,241,809

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AT 31 DECEMBER 2022
(PREPARED IN ACCORDANCE WITH IFRS)

	<i>Notes</i>	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Current liabilities			
Trade and bills payables	14	13,825,254	11,167,927
Derivative financial instruments	13	1,461,805	290,969
Other payables and accruals		7,756,148	10,090,878
Deposits from holding company and fellow subsidiaries		6,408,659	5,348,717
Deferred revenue		65,273	60,849
Interest-bearing bank borrowings		42,363,005	38,331,946
Lease liabilities		180,321	173,125
Corporate bonds		56,150	513,316
Tax payable		1,090,665	1,251,214
Total current liabilities		73,207,280	67,228,941
Net current assets		23,480,988	26,012,868
Total assets less current liabilities		94,123,260	93,805,702

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AT 31 DECEMBER 2022
(PREPARED IN ACCORDANCE WITH IFRS)

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Non-current liabilities		
Corporate bonds	3,500,000	1,500,000
Interest-bearing bank borrowings	6,256,716	11,856,035
Deposits from holding company and fellow subsidiaries	31,267	103,684
Lease liabilities	19,791	199,149
Deferred tax liabilities	330,295	340,068
Provision for rehabilitation	356,986	275,765
Employee benefit liabilities	15,069	16,080
Deferred revenue	476,538	458,647
Other non-current liabilities	1,186,441	1,246,348
Total non-current liabilities	12,173,103	15,995,776
Net assets	81,950,157	77,809,926
Equity		
Equity attributable to owners of the parent		
Share capital	3,462,729	3,462,729
Reserves	70,055,921	66,336,123
	73,518,650	69,798,852
Non-controlling interests	8,431,507	8,011,074
Total equity	81,950,157	77,809,926

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
(PREPARED IN ACCORDANCE WITH IFRS)

1. GENERAL

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

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

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to IFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to IAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use</i>
Amendments to IAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>
Annual Improvements to IFRS Standards 2018–2020	<i>Amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41</i>

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

3. BUSINESS COMBINATION

There was no business combination during the year ended 31 December 2022.

On 5 January 2021, the Group acquired a 91.59% interest in Tpco Copper Holding Limited (“**Tpco 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.

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.

On 28 September, 2021, the Group acquired a 49.00% interest in Guangdong Taolin Ecology and Environment Co. Ltd. (“**Guangdong Taolin**”) from a third party. Meanwhile, the Group entered into an acting-in-concert agreement with another vote holder, resulting in the Group holding the majority of the voting rights therefore. Accordingly, the board of directors of the Group considered that the Group has controlled over Guangdong Taolin and has consolidated it as a subsidiary since 28 September, 2021. The acquisition was made as part of the Group’s strategy to expand the business of ecological restoration of mining. The purchase consideration for the acquisition was RMB36,488,000 in the form of cash.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

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

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

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

Year ended 31 December 2022	Copper related business <i>RMB’000</i>	Gold related business <i>RMB’000</i>	Total <i>RMB’000</i>
Segment revenue			
Sales to external customers	429,633,156	48,759,693	478,392,849
Intersegment sales	175,015	1,208,103	1,383,118
	429,808,171	49,967,796	479,775,967
<i>Reconciliation:</i>			
Elimination of intersegment sales			(1,383,118)
Revenue			478,392,849
Segment results	7,047,557	451,001	7,498,558
<i>Reconciliation:</i>			
Elimination of intersegment results			-
Profit before tax			7,498,558

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Year ended 31 December 2021	Copper related business <i>RMB'000</i>	Gold related business <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue			
Sales to external customers	401,515,851	40,098,587	441,614,438
Intersegment sales	<u>292,248</u>	<u>1,178,393</u>	<u>1,470,641</u>
	401,808,099	41,276,980	443,085,079
<i>Reconciliation:</i>			
Elimination of intersegment sales			<u>(1,470,641)</u>
Revenue			<u><u>441,614,438</u></u>
Segment results			
<i>Reconciliation:</i>			
Elimination of intersegment results			<u><u>—</u></u>
Profit before tax			<u><u>7,416,888</u></u>

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Geographical information

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

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Mainland China	419,335,347	379,475,853
Hong Kong	35,469,823	34,451,457
Others	25,132,875	28,840,360
Less: Sales related taxes	479,938,045 1,545,196	442,767,670 1,153,232
	478,392,849	441,614,438

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

Information about major customers

No revenue from customer or a group of entities which are known to be under common control with that customer, was accounted for 10% or more of the Group's revenue for years ended 31 December 2022 and 2021. 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

Disaggregated revenue information

An analysis of revenue is as follows:

	2022 RMB'000	2021 RMB'000
Revenue from contracts with customers		
Sale of goods		
– Copper cathodes	251,802,921	221,113,210
– Copper rods	108,259,138	102,444,247
– Copper processing products	6,119,073	6,441,992
– Gold	35,532,927	28,242,117
– Silver	16,669,894	14,015,436
– Sulphuric and sulphuric concentrates	3,553,978	3,375,199
– Copper concentrate, rare and other non-ferrous metals	50,045,042	59,193,201
– Others	6,345,417	6,366,885
Construction services	667,160	503,951
Other services	942,495	1,071,432
	<hr/>	<hr/>
Less: Sales related taxes	479,938,045	442,767,670
	<hr/>	<hr/>
	478,392,849	441,614,438
	<hr/>	<hr/>

An analysis of other income is as follows:

	2022 RMB'000	2021 RMB'000
Interest income	1,120,468	814,715
Dividend income from equity investments	112,156	28,426
Government grants recognised	299,930	162,424
Compensation income and others	83,996	63,106
	<hr/>	<hr/>
	1,616,550	1,068,671
	<hr/>	<hr/>

6. OTHER GAINS AND LOSSES

	2022 RMB'000	2021 RMB'000
Fair value (losses)/gains from commodity derivative contracts and commodity option contracts:		
Transactions not designated for hedge	(477,531)	172,584
Gain/(losses) on commodity derivative contracts and commodity option contracts:		
Transactions not designated for hedge	1,345,499	(2,116,455)
Fair value (losses)/gains from foreign currency forward contracts	(124,189)	45,109
(Losses)/gains from foreign currency forward contracts	(551,961)	156,909
Fair value losses on other financial assets:		
Investments in financial products	(24,576)	(91,468)
Listed equity instruments	(152,743)	(139,573)
Unlisted equity investments	(25,170)	(118,428)
Income right attached to a target equity interest	(5,800)	(78,848)
Gains/(losses) on other financial instruments:		
Listed equity instruments	(12,437)	13,290
Listed debentures	27,571	8,903
Investments in financial products	278,671	290,933
Gold lease contracts	(12,345)	(9,177)

6. OTHER GAINS AND LOSSES (CONTINUED)

	2022 RMB'000	2021 RMB'000
Impairment losses on:		
Property, plant and equipment	(118,350)	(724,416)
Exploration and evaluation assets	–	(48,228)
Right of use assets	(3,401)	(4,503)
Other intangible assets	(22,910)	(336,605)
Gains/(losses) on disposal of:		
Interests in a subsidiary (<i>note 15</i>)	13,458	26,479
Interests in associates	168,630	–
Property, plant and equipment	(104,968)	(129,702)
Other intangible assets	–	12,068
Exploration and evaluation assets	(19,098)	–
Foreign exchange gains, net	237,805	6,815
Others	<u>(111,262)</u>	<u>(40,309)</u>
	<u>304,893</u>	<u>(3,104,622)</u>

7. IMPAIRMENT LOSSES ON FINANCIAL ASSETS, NET

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Provided for/(reversal of)		
Impairment of trade and bills receivables	194,176	147,817
Impairment of factoring receivables	17,903	167,359
Impairment of other receivables	73,209	193,117
Impairment of loans to related parties	1,346	(30,322)
Impairment of treasury bonds	(2,048)	2,048
	<hr/> 284,586 <hr/>	<hr/> 480,019 <hr/>

8. PROFIT BEFORE TAX

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Cost of inventories sold and service provided	457,146,330	417,262,030
Depreciation of property, plant and equipment	2,147,811	2,170,295
Depreciation of right-of-use assets	307,559	303,921
Depreciation of investment properties	26,466	12,548
Amortisation of other intangible assets	242,942	274,141
Auditors' remuneration	15,280	14,850
Employee benefit expense (including directors' remuneration):		
– Wages and salaries	4,860,125	4,718,525
– Pension scheme contributions *	637,540	614,177
Research and development costs	483,092	474,050
Provision for allowance for inventories included in cost of sales	760,857	311,146
	<hr/> 760,857 <hr/>	<hr/> 311,146 <hr/>

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

9. INCOME TAX

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

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Current income tax	1,400,609	1,666,888
Deferred income tax	2,395	(279,439)
 Income tax charge for the year	 1,403,004	 1,387,449

Hong Kong profits tax on the Group's subsidiaries has been provided at the rate of 16.5% (2021: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

The subsidiaries incorporated in Singapore, United States, Peru, Turkey, Zambia, Mexico and Tajikistan are subject to corporate income tax at rates of 10% (2021: 10%), 29.8% (2021: 29.8%), 29.5% (2021: 29.5%), 20% (2021: 20%), 35% (2021: 35%), 30% (2021: 30%), and 23% (2021: Nil), respectively.

The provision for PRC income tax is based on a statutory rate of 25% (2021: 25%) of the assessable profits of the PRC companies as determined in accordance with the relevant income tax rules and regulations of the PRC Corporate Income Tax Law except for those recognised as New and High Technology Enterprise which are entitled to a preferential PRC income tax rate of 15%, according to the PRC Corporate Income Tax Law.

10. DIVIDENDS

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Proposed final of RMB0.50 per share (2021: RMB0.50 per share)	1,731,365	1,731,365
 1,731,365	 1,731,365	

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

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

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 3,462,729,405 (2021: 3,462,729,405) in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2022 and 2021.

The calculation of basic earnings per share is based on:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Earnings Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	6,001,476	5,772,525
Shares Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	3,462,729,405	3,462,729,405

12. TRADE AND BILLS RECEIVABLES

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Trade receivables	10,380,282	10,973,427
Bills receivables	2,126,738	2,736,772
	<hr/>	<hr/>
Less: Impairment allowance	12,507,020	13,710,199
	5,915,131	6,014,699
	<hr/>	<hr/>
	6,591,889	7,695,500
	<hr/>	<hr/>

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

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

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Within 1 year	5,289,042	6,378,018
1 to 2 years	366,181	32,238
2 to 3 years	6,435	86,841
Over 3 years	930,231	1,198,403
	<hr/>	<hr/>
	6,591,889	7,695,500
	<hr/>	<hr/>

The terms of bills receivable are all less than 12 months. As at 31 December 2022, the bills receivables was neither past due nor impaired (31 December 2021: the bills receivables were neither past due nor impaired).

13. DERIVATIVE FINANCIAL INSTRUMENTS

	2022		2021	
	Assets <i>RMB'000</i>	Liabilities <i>RMB'000</i>	Assets <i>RMB'000</i>	Liabilities <i>RMB'000</i>
Commodity derivative contracts and T+D				
forward contracts	261,082	(780,789)	297,098	(234,064)
Commodity option contracts	–	(45,833)	3,865	(12,720)
Provisional price arrangements	–	(313,842)	–	(11,442)
Foreign currency forward contracts	242,544	(321,341)	78,135	(32,743)
	<u>503,626</u>	<u>(1,461,805)</u>	<u>379,098</u>	<u>(290,969)</u>
	2022 <i>RMB'000</i>		2021 <i>RMB'000</i>	
Including:				
Derivatives designated as hedging instruments				
(a):				
Fair value hedges				
– Commodity derivative contracts and T+D forward contracts		(93,459)	29,880	
– Provisional price arrangements		<u>(313,842)</u>	<u>(11,442)</u>	
		(407,301)		18,438
Derivatives not designated as hedging instruments (b):				
– Commodity derivative contracts and T+D forward contracts		(426,248)	33,154	
– Commodity option contracts		(45,833)	(8,855)	
– Foreign currency forward contracts		<u>(78,797)</u>	<u>45,392</u>	
		(550,878)		69,691
		<u>(958,179)</u>		<u>88,129</u>

14. TRADE AND BILLS PAYABLES

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Trade payables	9,920,495	7,829,772
Bills payables	3,904,759	3,338,155
	<u>13,825,254</u>	<u>11,167,927</u>

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

As at 31 December 2022, the Group had no material balance of accounts payable aged over one year (31 December 2021: no material balance of accounts payable aged over one year).

15. DISPOSAL OF A SUBSIDIARY

The Company held a 95% equity interest in Thermonamic Electronics (Jiangxi) Corp. Ltd. (江西納米克熱電電子股份有限公司) (“**TE Jiangxi**”). On 28 December 2021, the Company entered into an equity transfer agreement with its holding company JCC, pursuant to which the Company shall disposal of its entire of equity interest in TE Jiangxi, for a cash consideration of RMB83,600,000. This disposal transaction was completed on 25 February 2022, and a disposal gain of RMB13,458,000 was included in other gains and losses during the year ended 31 December 2022.

15. DISPOSAL OF A SUBSIDIARY (CONTINUED)

	25 February 2022	Carrying amount	RMB '000
Net assets disposed of:			
Non-current assets	44,918		
Current assets	35,387		
Non-current liabilities	(3,977)		
Current liabilities	(3,579)		
Non-controlling interests	<u>(2,607)</u>		
			70,142
Gain on disposal			<u>13,458</u>
			<u><u>83,600</u></u>
Satisfied by:			
Cash	<u><u>83,600</u></u>		

15. DISPOSAL OF A SUBSIDIARY (CONTINUED)

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

	31 December 2022 <i>RMB'000</i>
Cash consideration	83,600
Cash and bank balances disposed of	<u>(22,190)</u>
Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	<u><u>61,410</u></u>

On 31 December 2021, Chengdu Jinhao, a subsidiary of the Group issued new shares to a minority shareholder, resulting in a dilution of the Group's interest in the subsidiary from 51% to 49%. Consequently, the Group deconsolidated the subsidiary and accounted for the investment as an investment in an associate using equity method, and recognised a gain on disposal of a subsidiary of RMB26,479,000 (note 6) in the consolidated financial statement for the year ended 31 December 2021.

16. CONTINGENT LIABILITIES

A subsidiary of the Company, Shenzhen Jiangxi Copper Marketing Company Limited, is currently a defendant in a lawsuit filed by Bangdi Auto Technology Company Limited (“**Bangdi Auto**”) alleging that the subsidiary has breached a sales contract to deliver certain goods to another party, Hengbaochang Company (Shanghai) Copper Company Limited (“**Hengbaochang**”) without receiving Bangdi Auto’s delivery instructions during 2011 to 2015 (the “**Litigation**”). Compensation amounting to RMB1,081,872,000 is claimed by Bangdi Auto. As the actual controller of Hengbaochang was suspected of some economic crimes in the transactions involved and has been investigated by the 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.

17. EVENTS AFTER THE REPORTING PERIOD

There are no material events after the reporting period that may have a material impact on the Group's reported financial position at 31 December 2022.

By Order of the Board
JIANGXI COPPER COMPANY LIMITED
Zheng Gaoqing
Chairman

Nanchang, Jiangxi, the People's Republic of China,
24 March 2023

As at the date of this announcement, the executive directors of the Company are Mr. Zheng Gaoqing, Mr. Zhou Shaobing, Mr. Wang Bo, Mr. Gao Jian-min, Mr. Liang Qing, Mr. Liu Fangyun and Mr. Yu Tong; and the independent non-executive directors of the Company are Mr. Liu Xike, Mr. Zhu Xingwen, Mr. Wang Feng and Mr. Li Shuidi.