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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 2020**

**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 of the Company attended the Board meeting in relation to, among others, the approval of results for the year ended 31 December 2020.
- 1.3 The consolidated financial statements of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2020 (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. Ai Fuhua, 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 (“**Shareholders**”) a final dividend of RMB0.10 per share (inclusive of tax) for 2020. 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 2020.
- 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 industrial risks in detail in this results announcement. Please refer to “Section 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	(Chairman of the Board takes up the responsibilities of Secretary to the Board)	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)791-82710118	(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
Postal code of the registered address of the Company	335424
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	<a href="http://www.jxcc.com">http://www.jxcc.com</a>
E-mail	jccl@jxcc.com

## 2.4 Information disclosure and place of inspection

Media selected by the Company for information disclosure	Shanghai Securities News
Website designated by China Securities Regulatory Commission ("CSRC") for publishing the annual report	<a href="http://www.sse.com.cn">www.sse.com.cn</a>
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	2020	2019	Increase/decrease for the period over the same period last year (%)	2018
Revenue	318,563,174,838	240,360,335,134	32.54	215,289,866,760
Net profit attributable to shareholders of the Company	2,320,394,755	2,466,407,085	-5.92	2,447,475,745
Net profit after non-recurring profit and loss items attributable to shareholders of the Company	2,774,288,564	2,228,726,884	24.48	1,388,677,009
Net cash flows from operating activities	1,381,996,439	8,252,296,414	-83.25	8,182,118,246
	End of 2020	End of 2019	Increase/decrease at the end of the period over the end of the same period last year (%)	End of 2018
Net assets attributable to shareholders of the Company	59,910,393,466	52,745,619,575	13.58	49,766,311,772
Total assets	140,881,552,897	134,913,915,434	4.42	102,865,826,951

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

*Currency: RMB*

Major financial indicator	2020	2019	Increase/decrease for the period over the same period last year (%)	2018
Basic earnings per share (RMB/share)	0.67	0.71	-5.92	0.71
Diluted earnings per share (RMB/share)				
Basic earnings per share after non-recurring profit and loss items (RMB/share)	0.80	0.64	24.48	0.4
Rate of return on net assets (weighted average) (%)	4.11	4.81	Decreased by 0.70 percentage point	5.03
Rate of return on net assets after non-recurring profit and loss items (weighted average) (%)	4.91	4.35	Increased by 0.56 percentage point	2.85

**Non-recurring profit and loss items and amount (prepared in accordance with PRC GAAP)**

*Unit: Yuan    Currency: RMB*

<b>Non-recurring profit and loss items</b>	<b>2020 amount</b>	2019 amount	2018 amount
Profit and loss from disposal of non-current asset	<b>-112,836,491</b>	-104,926,775	-68,102,958
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	<b>142,904,812</b>	147,496,290	154,467,076
Net profit or loss from the beginning of period to the combination date of the subsidiary company generated from consolidation of enterprises under the same control	/	/	-49,943
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	<b>-932,775,106</b>	197,663,840	1,335,306,682
Reversion of provision for impairment of the receivables and contract assets under independent impairment test	/	17,420,056	170,858,913
Influence of one-time adjustment on current profits and losses according to requirements in the laws and regulations of tax and accounting	/	/	-24,881
Other non-operating income and expenses other than the above	<b>53,856,196</b>	75,044,677	28,052,070
Impact from interests of non-controlling shareholders	<b>264,327,591</b>	-457,983	-209,840,513
Impact from income tax	<b>130,629,189</b>	-94,559,904	-351,867,710
<b>Total</b>	<b><u>-453,893,809</u></b>	<b><u>237,680,201</u></b>	<b><u>1,058,798,736</u></b>

# 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	94,839,884	<b>153,533,258</b>	58,693,374	956,465
2. Investment in held-for-trading debt instruments				
Bond investment	115,697,198	<b>0</b>	-115,697,198	9,978,547
Investment in debt instruments	10,451,652,321	<b>4,300,400,672</b>	-6,151,251,649	411,430,585
3. Held-for-trading financial liabilities	-588,278,540	<b>0</b>	588,278,540	-74,774,216
4. Other non-current financial assets	1,872,173,634	<b>1,652,738,682</b>	-219,434,952	-247,115,101
5. Other equity instruments	8,774,154,936	<b>14,864,404,752</b>	6,090,249,816	5,281,096
6. Derivatives not designated as a hedging relationship				
Forward foreign exchange contracts	-47,970,008	<b>17,051,349</b>	65,021,357	186,750,889
Interest rate swaps contracts	-360,866	<b>-16,768,274</b>	-16,407,408	-16,407,409
Commodity option contracts	0	<b>-369,190</b>	-369,190	14,333,100
Commodity futures contracts	94,739,897	<b>-135,565,424</b>	-230,305,321	-1,322,618,825
7. Hedging instruments				
(1) Non-effective hedging derivative instruments				
Commodity futures contract				
(2) Effective hedging derivative instruments				
Commodity futures contract	-1,392,887	<b>-17,254,789</b>	-15,861,902	-17,254,789
8. Items measured at fair value included in inventory	3,078,699,095	<b>6,159,716,148</b>	3,081,017,053	323,151,516
9. Provisional price arrangement	-117,478,025	<b>-426,978,829</b>	-309,500,804	-309,500,804
10. Financing of accounts receivable	2,593,968,796	<b>2,595,046,355</b>	1,077,559	–
Total	<u>26,320,445,435</u>	<u><b>29,145,954,710</b></u>	<u>2,825,509,275</u>	<u>-1,035,788,946</u>

**Major quarterly financial data in 2020 (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	56,206,439,242	90,778,963,118	80,297,559,585	91,280,212,893
Net profit attributable to shareholders of the Company	160,258,204	585,043,620	787,195,711	787,897,220
Net profit after non-recurring profit and loss items attributable to shareholders of the Company	-474,076,249	696,661,424	1,236,717,026	1,314,986,363
Net cash flows from operating activities	457,966,532	3,631,580,881	2,641,180,544	-5,348,731,518

**3.3 Major accounting data (prepared in accordance with IFRSs)**

*Unit: '000    Currency: RMB*

	2020	2019	Increase/ (decrease) (%)
Revenue	317,756,486	239,585,489	32.63
Profit before tax	3,252,071	3,134,793	3.74
Income tax	892,594	982,425	-9.14
Profit attributable to non-controlling interests	131,773	-285,620	-146.14
Profit attributable to owners of the company	2,227,704	2,437,988	-8.63
Basic and diluted earnings per ordinary share attributable to shareholders of the parent company (RMB)	0.64	0.70	-8.57
	As at 31 December 2020	As at 31 December 2019	Increase/ (decrease) (%)
Total assets	140,881,553	134,913,915	4.42
Total liabilities	74,022,248	75,881,314	-2.45
Equity attributable to shareholders of the parent company	59,910,393	52,745,618	13.58
Equity per share attributable to shareholders of the Company (RMB)	17.30	15.23	13.58

### 3.4 Differences in accounting data between IFRs and PRC GAAP

***Differences in net profit and net assets attributable to shareholders of the Company in the consolidated financial report prepared under IFRs 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 period	Amount for the previous period	As at the end of the period	As at the beginning of the period
Prepared in accordance with the PRC GAAP	2,320,394,755	2,466,407,085	59,910,393,466	52,745,619,575
Adjustments to items and amounts under IFRSs:				
Safety fund expenses provided but not used under the PRC GAAP during the period	-92,690,499	-28,418,709		
Under IFRSs	<u>2,227,704,256</u>	<u>2,437,988,376</u>	<u>59,910,393,466</u>	<u>52,745,619,575</u>

***Description of the differences between domestic and overseas accounting standards:***

Pursuant to the provisions of the Ministry of Finance of the PRC and the State Administration of Work Safety 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 (Cai Qi [2012] No.16). 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 CHANGES IN SHARE CAPITAL AND SHAREHOLDERS**

##### **(I) Changes in Shares**

During the Reporting Period, there were no changes in total number of ordinary 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	134,012
Total number of ordinary shareholders at the end of the previous month before the disclosure of the annual results	129,656
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 or freeze Share status	Nature of shareholder
Jiangxi Copper Corporation Limited (“JCC”)	63,097,000	1,513,936,110	43.72	0	Nil	State-owned legal person
HKSCC Nominees Limited (“HKSCC”)	-62,428,520	1,074,644,922	31.03	0	Unknown	Unknown
China Securities Finance Corporation Limited	0	103,719,909	3.00	0	Nil	Unknown
Ping An Life Insurance Company of China, Ltd. – internal funds	36,940,709	36,940,709	1.07	0	Nil	Unknown
Hong Kong Securities Clearing Company Limited	1,910,168	33,982,343	0.98	0	Nil	Unknown
Central Huijin Asset Management Limited	0	31,843,800	0.92	0	Nil	State-owned legal person
Ping An Life Insurance Company of China, Ltd.- traditional-general insurance products	10,597,400	10,597,400	0.31	0	Nil	Unknown
Industrial and Commercial Bank of China Limited-Southern China Securities Index Shenwan Non-ferrous Metal Exchange Traded Fund	4,717,446	5,469,352	0.16	0	Nil	Unknown
Hong Wenhui	5,324,630	5,324,630	0.15	0	Nil	Unknown
Liu Ding	0	4,170,451	0.12	0	Nil	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	
		Class	Number
JCC	1,513,936,110	Ordinary shares denominated in RMB (A Shares)	1,205,479,110
		Overseas listed foreign shares (H Shares)	308,457,000
HKSCC	1,074,644,922	Overseas listed foreign share (H Shares)	1,074,644,922
China Securities Finance Corporation Limited	103,719,909	Ordinary shares denominated in RMB (A Shares)	103,719,909
Ping An Life Insurance Company of China, Ltd. – internal funds	36,940,709	Ordinary shares denominated in RMB (A Shares)	36,940,709
Hong Kong Securities Clearing Company Limited	33,982,343	Ordinary shares denominated in RMB (A Shares)	33,982,343
Central Huijin Asset Management Limited	31,843,800	Ordinary shares denominated in RMB (A Shares)	31,843,800
Ping An Life Insurance Company of China, Ltd.- traditional- general insurance products	10,597,400	Ordinary shares denominated in RMB (A Shares)	10,597,400
Industrial and Commercial Bank of China Limited - Southern China Securities Index Shenwan Non-ferrous Metal Exchange Traded Fund	5,469,352	Ordinary shares denominated in RMB (A Shares)	5,469,352
Hong Wenhui	5,324,630	Ordinary shares denominated in RMB (A Shares)	5,324,630
Liu Ding	4,170,451	Ordinary shares denominated in RMB (A Shares)	4,170,451
The explanation of the connected relationship or parties acting in concert among the aforesaid shareholders	Nil		
The explanation of the preferred shareholders with restored voting rights and their shareholding	Nil		

- Notes:*
1. HKSCC is a member of the Central Clearing and Settlement System, providing registration and custodial services for customers. HKSCC held a total of 1,074,644,922 H Shares of the Company in the capacity of nominee on behalf of a number of customers, representing approximately 31.03% 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 1,383,101,922 shares as nominee, representing approximately 39.94% of the issued share capital of the Company.
  3. During the Reporting Period, JCC increased its holdings of 63,097,000 H Shares in the secondary market of Hong Kong, accounting for 1.82% of the total share capital of the Company. As at 31 December 2020, shareholding ratio of JCC increased from 41.90% before the increase in shareholding to 43.72%.

*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 2020, 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(L)	58.09(L)	34.81(L)
JCC (Note 2)	H Shares	Beneficial owner	308,457,000(L)	22.23(L)	8.90(L)
Citigroup Inc.	H Shares	(Note 3)	75,282,890(L)	5.42(L)	2.17(L)
			13,127,493(S)	0.94(S)	0.37(S)
			55,735,057(P)	4.01(P)	1.60(P)

*Note 1:* “L” means long positions in the shares; “S” means short 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.

*Note 3:* According to the corporate substantial shareholder notice filed by Citigroup Inc. As at 31 December 2020, its interests and short position in H Shares through various subsidiaries are held under the following capacities:

Capacity	Number of H Shares
Interests in a controlled corporation	16,032,076(L)
	13,127,493(S)
Approved lending agents	55,735,057(L)
Persons having a security interest in shares	3,515,757(L)

According to the notice, long position in 6,369,226 H Shares and short position in 2,777,946 H Shares are physically settled unlisted derivatives; and long position in 4,178,081 H Shares and short position in 4,940,283 H Shares are cash settled unlisted derivatives.

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 2020.

## 5 BASIC INFORMATION OF CORPORATE BONDS

*Unit: '00,000,000 Yuan    Currency: RMB*

Name of bonds	Abbreviation	Code	Issue date	Maturity date	Bonds balance	Interest rate (%)	Repayment of principal and interest	Trading venue
2017 Corporate Bonds (First Tranche) publicly issued to qualified investors by Jiangxi Copper Company Limited	17 JCC 01	143304	20 September 2017	21 September 2022	5	4.74	The interest of the bonds is payable on a yearly basis and the principal is payable upon maturity. The interest is payable annually, and the final interest shall be paid together with the principal amount.	Shanghai Stock Exchange

### Interest payment and repayment of corporate bonds

On 23 September 2020, the Company distributed an interest of RMB47.40 (tax inclusive) to each board lots of “17 JCC 01” with face value of RMB1,000 according to the “Announcement on the Coupon Rate of 2017 Corporate Bonds (First Tranche) publicly issued to qualified investors by Jiangxi Copper Company Limited”.

### Other information on corporate bonds

- (1) Options for the Company to adjust the coupon rate: The Company is entitled to determine to adjust the coupon rate for the 2 years following the end of the third year of the term of the bonds. The Company will publish an announcement on whether to adjust the coupon rate of the bonds and the adjustment rate on the 20th business day prior to the interest payment date of the third interest payment year of the bonds. If the Company does not exercise the option to adjust the coupon rate, the coupon rate for the remaining term will remain unchanged at the original coupon rate.

- (2) Resale options of investors: Upon publication of the announcement on whether to adjust the coupon rate of the bonds and the adjustment rate, investors are entitled to elect to register during the announced resale registration period for investors so as to resell all or part of the bonds held by them at face value to the Company. If bonds holders do not register, they will be deemed to continue to hold the bonds and accept the aforementioned adjustment.
- (3) On 7 May 2020, China Chengxin International Credit Rating Co., Ltd. (中誠信國際信用評級有限責任公司) carried out the credit rating to the “Public Issuance of 2017 Corporate Bonds (First Tranche) to Qualified Investors by Jiangxi Copper Company Limited”, pursuant to which, the credit rating for the period remained at AAA, the credit rating of the main entity of the Company remained at AAA, and the forward-looking rating was stable. For details, please refer to the credit rating report, i.e. “Follow-up Credit Rating Report (2020) on Public Issuance of 2017 Corporate Bonds (First Tranche) to Qualified Investors by Jiangxi Copper Company Limited”, published on the website of the Shanghai Stock Exchange (www.sse.com.cn) on 8 May 2020.

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

*Unit: Yuan Currency: RMB*

Major indicators	2020	2019	Increase/decrease	Reason for change
			from last year (%)	
EBITDA	7,975,650,605	7,355,433,357	8.43	
Liquidity ratio	1.39	1.23	13.01	
Quick ratio	0.81	0.84	-3.57	
Asset-liability ratio (%)	52.54	56.24	-3.70	
EBITDA total debt ratio	9.28	10.32	-10.08	
Interest cover ratio	2.72	2.68	1.49	
Cash interest coverage ratio	1.18	5.20	-77.31	
EBITDA interest coverage ratio	4.10	3.90	5.13	
Loan repayment rate (%)	100	100	0.00	
Interest coverage (%)	100	100	0.00	

2. As at 31 December 2020, the Group together with its parent company was granted with total credit of RMB165.052 billion on consolidated level, RMB54.729 billion of which had been used and the unused balance was RMB110.323 billion.

## 6 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) (RMB'000)	Whether received remuneration from connected parties of the Company
Zheng Gaoqing	Chairman	Male	55	09 September 2020		0	0	/	/	108.16	No
	General Manager			18 January 2019		0	0				No
	Executive Director			22 March 2019		0	0				
Wang Bo	Executive Director	Male	57	18 July 2016		0	0	/	/	108.16	No
Liu Fangyun	Executive Director	Male	55	10 June 2020		0	0	/	/	54.08	No
	Deputy General Manager			13 November 2019						41.37	No
Yu Tong	Chief financial officer	Male	49	28 August 2018		0	0	/	/	108.16	No
	Executive Director			15 January 2019		0	0	/	/		No
Gao Jian-min	Executive Director	Male	61	24 January 1997		0	0	/	/	20.00	No
Liang Qing	Executive Director	Male	67	12 June 2002		0	0	/	/	20.00	No
Liu Erh Fei	Independent non-executive Director	Male	62	18 July 2016		0	0	/	/	10.00	No
Tu Shutian	Independent non-executive Director	Male	59	12 January 2015		0	0	/	/	10.00	No
Liu Xike	Independent non-executive Director	Male	47	12 June 2018		0	0	/	/	10.00	No
Zhu Xingwen	Independent non-executive Director	Male	59	15 January 2019		0	0	/	/	10.00	No
Long Ziping	Chairman	Male	60	19 July 2017	09 September 2020	0	0	/	/	81.12	No
	Executive Director			14 June 2013	09 September 2020	0	0	/	/		No
Dong Jiahui	Executive Director	Male	58	12 June 2018	10 June 2020	0	0	/	/	0	No
Guan Yongmin	Supervisor (Chairman of the Supervisory Committee)	Male	57	10 June 2020		0	0	/	/	38.83	No
Wu Donghua	Supervisor	Male	58	10 June 2020		0	0	/	/	38.83	No
Zhang Jianhua	Supervisor	Male	56	18 July 2016		0	0	/	/	77.66	No
Zeng Min	Supervisor	Male	56	21 March 2016		0	0	/	/	77.66	No
Zhang Kui	Supervisor	Male	58	29 March 2017		0	/	/	/	77.66	No
Liao Shengsen	Supervisor	Male	60	18 July 2016	10 June 2020	0	0	/	/	38.83	No
Hu Qingwen	Supervisor (Chairman of the Supervisory Committee)	Male	57	14 June 2013	10 June 2020	0	0	/	/	38.83	No
Liao Xingeng	Deputy General Manager	Male	54	18 July 2018		0	0	/	/	82.74	No
Chen Yunian	Deputy General Manager	Male	57	23 October 2017		0	0	/	/	82.74	No
Zhou Shaobing	Deputy General Manager	Male	50	23 October 2017	24 April 2020	0	0	/	/	27.58	No
Jiang Chunlin	Deputy General Manager	Male	51	25 August 2010	04 January 2020	0	0	/	/	0	No
Lin Jinliang	Chief Legal Officer	Male	56	30 August 2010		0	0	/	/	82.74	No
Tung Tat Chiu	Company Secretary	Male	58	24 January 1997		0	0	/	/	5.00	No
Total	/	/	/	/	/	/	/	/	/	1,250.15	/



## 7 REPORT OF THE BOARD

### I. Principal business, operation model and industry situation of the Company during the Reporting Period

#### *(I) Principal business and operation model of the Company*

The principal business of the Group covers copper and gold mining and dressing, smelting and processing; extraction and processing of scattered metals; sulphuric chemistry as well as finance and trading fields. It has established the complete industrial chain integrated with exploration, mining, ore dressing, smelting and processing in copper and related non-ferrous metal fields. It is the important production base of copper, gold, silver and sulphuric chemistry in the PRC. The 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 “Guiye”, “JCC” and “HUMON-D” copper cathode (owned by Shandong Humon Smelting Co., Ltd. (“**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, Jiangxi Copper (Qingyuan) Company Limited, JCC Hongyuan Copper Industry Co., Ltd. and Zhejiang Jiangtong Fuye Heding Copper Co., Ltd., among which Guixi Smelter is the largest scale and the technology advanced blister and copper concentrate smelter and refiner in the PRC.
3. Five 100% owned mines under production: Dexing Copper Mine (including copper factory mining area, Fujiawu mining area and Zhushahong mining area), Yongping Copper Mine, Chengmenshan Copper Mine (including Jinjiwo Silver-Copper Mine), Wushan Copper Mine and Yinshan Mining Company (“**Yinshan**”).
4. Eight modern copper products processing plants: Jiangxi Copper Products Company Limited, Jiangxi Copper (Guangzhou) Copper Production Company Limited, Jiangxi Copper – Yates Copper Foil Company Limited (“**Copper Company**”), Jiangxi Copper – Taiyi Special Electrical Materials Company Limited, Jiangxi Copper (Longchang) Precise Copper Pipe Company Limited, JCC Copper Products Company Limited, JCC Huabei (Tianjin) Copper Co., Ltd. and JCC Huadong (Zhejiang Copper) Co., Ltd.

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

<b>Product</b>	<b>Use</b>
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
Sliver	It is a raw material for silver solder, electroplating, silver contacts, and decorative crafts
Sulfuric acid	It is a raw material for chemical and fertilizer, and can be used in industries such as metallurgy, food, medicine, fertilizer and rubber

## 2. Business model

### (1) Procurement model

The Company's procurement of the main raw materials copper 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, of which foreign procurement ratio was approximately 80%, and domestic procurement ratio was approximately 20%. Medium and long-term orders accounted for approximately 95–96%, and the rest were retail orders; medium and long-term orders accounted for approximately 70% of foreign procurement, and the rest were retail orders.	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	Mainly purchased uniformly by the trading business department of the Company, of which foreign procurement ratio was approximately 35%, and domestic procurement ratio was approximately 65%. There was no long-term contract in domestic procurement; medium and long-term orders accounted for approximately 80% of foreign procurement, and the rest were retail orders.	
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

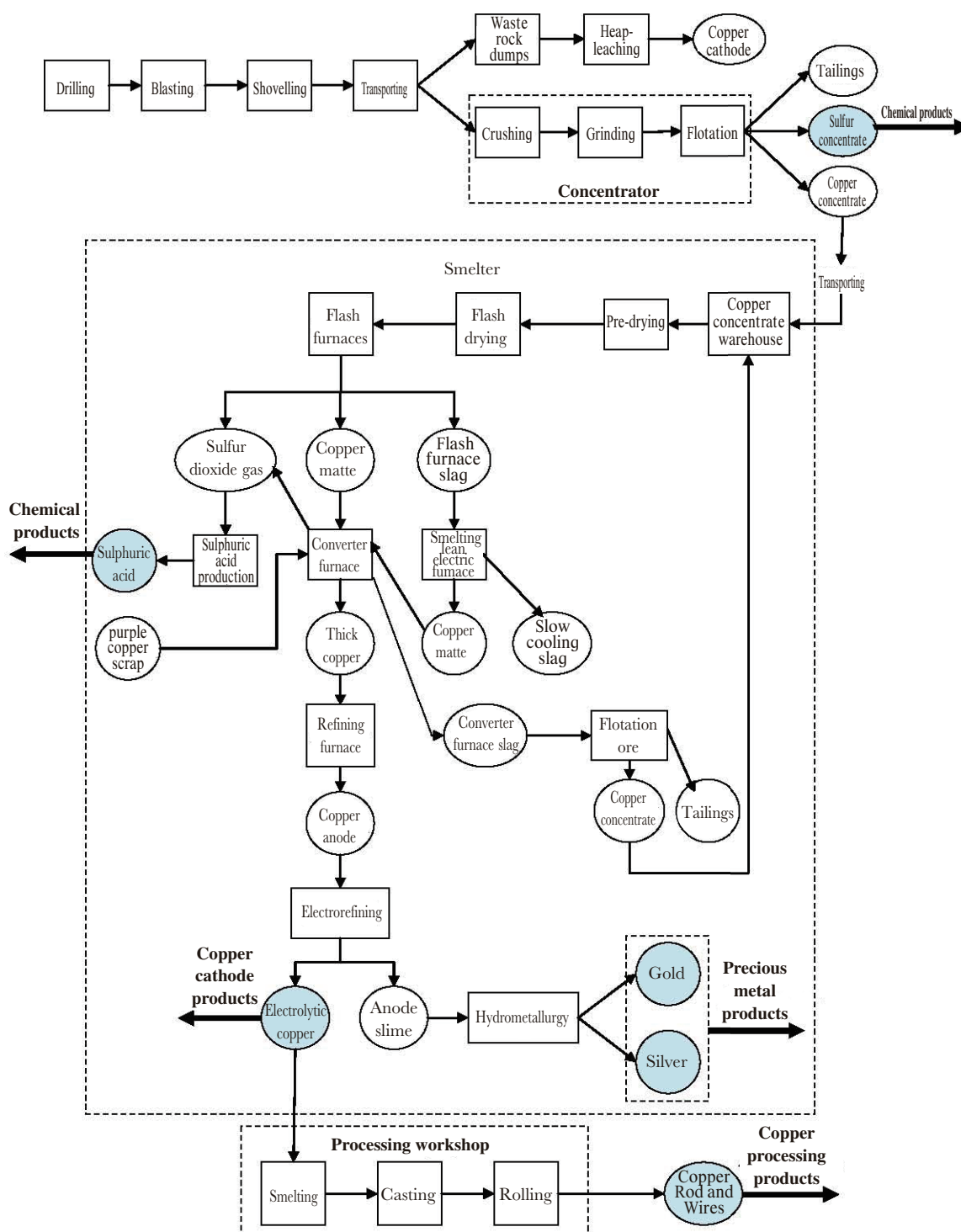
Product	Method of sales	Major sales market
Copper cathode	The main consumer groups are users such as copper processing enterprises, including spot and futures trading, of which: direct sales are used for spot, and futures are traded through the centralized quotation system of the SHFE	Mainly in Eastern 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	
Sliver	Export and domestic sales, domestic sales are mainly sold to domestic industrial enterprises of electronics, electroplating, electrical alloys, silver nitrate, machinery, military, jewelleryes and other industries by direct sales	Mainly export to Hong Kong, Eastern and Southern China domestically
Sulfuric acid	Enter into long-term contracts with relatively stable major customers, and supply and sell in installments	Mainly in Eastern China, Central China, Southern China, Southwest China and other regions

## (3) Production model

At present, there are two main smelting methods of copper in the world: pyrometallurgical smelting and wet smelting. Pyrometallurgical smelting is to produce copper cathode by melting smelting and electrolytic refining, which is generally suitable for high-grade copper sulfide 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.

The copper production process of the Company includes mining, beneficiation, smelting and copper processing, etc., major production process is as follows:

Figure: Major Production Process

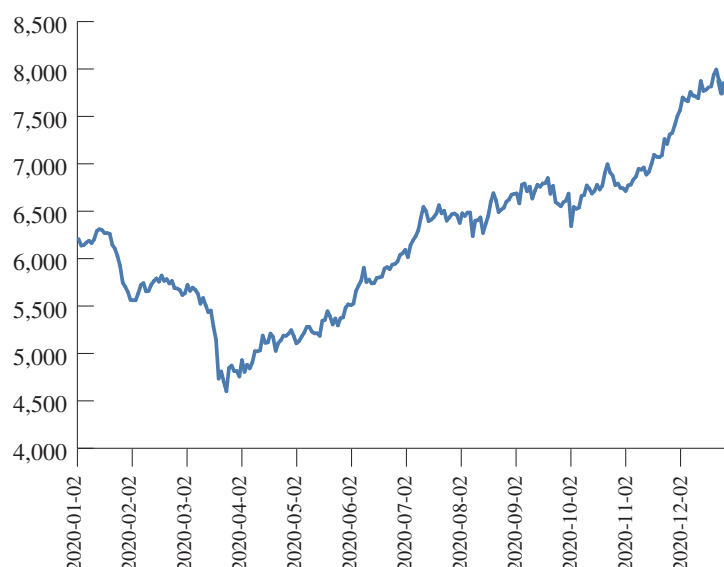


## ***(II) Explanation on the industry***

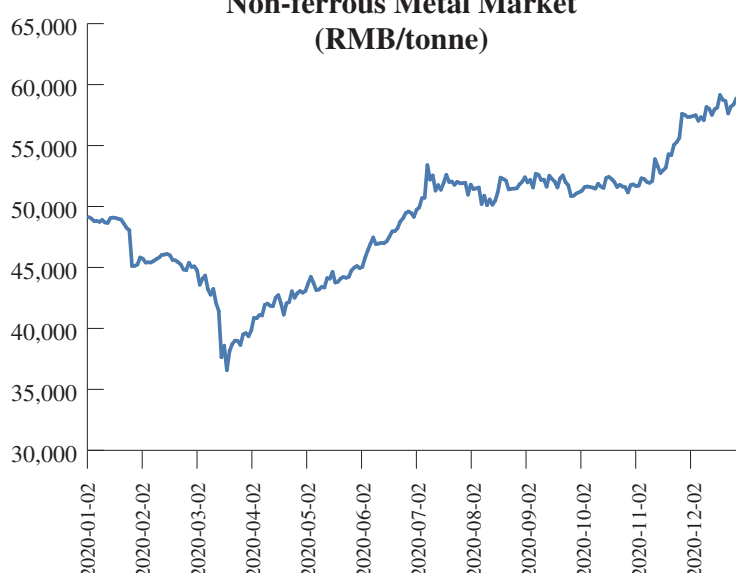
In 2020, copper prices fluctuated drastically. As the COVID-19 pandemic spread all over the world, there had been tremendous and far-reaching impact on the global economy and capital market. In the first quarter, in the face of the sudden COVID-19 outbreak, the global financial market plummeted, and the copper price once fell to a historical low of RMB35,170 per tonne. In the second quarter, with the effective control of the pandemic domestically, and the government strongly supporting enterprises to resume work and production, China's economy was the first to recover in the second quarter, and domestic enterprises' demand for orders was strong. Overseas copper mines, on the other hand, were affected by the pandemic, and destocking of refined copper was obvious, thus copper prices kept a unilateral increase in the second quarter. Downstream demand weakened in the third quarter, and copper prices maintained a horizontal fluctuation in the third quarter due to inventory accumulation. In the fourth quarter, macro favorable factors accumulated. Under the stimulus policies of central banks of different countries, the global manufacturing industry continued to recover. The uncertainty of the international political situation declined following the presidential election in the United States. Research and development of global vaccine had made progress, igniting the enthusiasm of producing more copper in the market. In addition, with the spread of the pandemic, mining and transportation of copper mines in major copper producing areas such as Peru and Chile in South America had also been affected to different extents, causing market concerns about the interruption of copper supply. The supply of refined copper continued to be tight, and the inventory of refined copper dropped once again. Therefore, copper price rose to new record high since 2013. On 31 December 2020, the three-month closing price of copper on the LME was US\$7,753.5/tonne, representing a year-on-year increase of 25.68%. In 2020, the average three-month copper price on the LME was US\$6,199.1/tonne, representing a year-on-year increase of 2.95%.

For smelting, in 2020, the average quoted TC price of copper concentrate in China was US\$54/tonne, decreased by US\$10/tonne as compared with last year, representing a year-on-year decrease of 16%. Since the second quarter of 2020, TC had been falling, and the global copper concentrate supply remained tight. After August, TC remained at a historical low of approximately US\$48, and pressure on the costs of smelters was obvious. In 2021, there will still exist great uncertainties on the improvement of overseas copper supply. In recent years, with the continuous expansion of crude refining capacity in China, the bargaining power of smelters has been weakened. In December 2020, China Smelter Purchase Team (CSPT) and Freeport-McMoRan agreed to set the TC/RCs contract price of copper concentrate in year 2021 at US\$59.50/tonne and US\$5.95 cents/pound, representing a 4% decrease as compared with US\$62/tonne and US\$6.2/pound in 2020, and remaining at a low level in the recent 11 years.

**LME Copper (US\$/tonne)**



**Copper Price of Changjiang  
Non-ferrous Metal Market  
(RMB/tonne)**



## **II. Analysis of core competitiveness during the Reporting Period**

After years of development, the Company's main business covers copper and gold mining and dressing, smelting and processing; extraction and processing of scattered metal, sulphuric chemistry as well as finance and trading fields. The Company 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. At the same time, the business scope covers many different areas, including trading and others, with the following core competitive advantages:

### ***1. Advantage of mine resources***

The Company 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 2020, the Company had 100% ownership in the resource reserves of approximately 8.774 million tonnes of copper metal, 270.3 tonnes of gold, 8,326 tonnes of silver, and 201,000 tonnes of molybdenum. Among the resources jointly controlled by the Company and other companies, metal resource reserves attributable to the Company (based on its equity percentage) were approximately 4,435,000 tonnes of copper and 52 tonnes of gold. Humon Smelting, a controlled subsidiary of the Company and its subsidiaries have 156.57 tonnes of proven gold reserves which have completed reserve registration.

### ***2. Advantage of business layout***

- (1) As the largest integrated copper production enterprises in the PRC, the Company 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 Company is currently the largest copper processing manufacturer in the PRC, with over 1,400,000 tonnes of processed copper products produced per year.
- (3) The production capacity of copper cathode of the Company is over 1,600,000 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 Company 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 optimization of mining and the global satellite positioning system for truck dispatching. Humon Smelting has strong smelting technology and is the first professional factory to process high lead complex gold concentrate by using oxygen bottom blowing smelting-reduction furnace pulverized coal bottom blowing direct reduction technology. It ranks first among the “PRC’s Top Ten Gold Smelting Enterprises”.

### **4. *Advantage of 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. Secondly, 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 “Guiye” copper cathode owned by 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 PRC 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 recognized 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.

# III. Management Discussion and Analysis

In 2020, in light of unprecedented challenges, the Company remained committed to innovation and reform, and strived to coordinate development, combat the pandemic and control flood, so as to implement “six stabilities” and “six guarantees”. This year, we have achieved remarkable results in all respects such as production and operation, industrial development, reform and innovation, risk prevention and control, etc.

## I. *The outputs of certain products hit new high*

Products	Production in 2020	Production in 2019	Year-on-year increase (%)
Copper cathode ( <i>ten thousand tonnes</i> )	<b>164.25</b>	155.63	5.54
Gold ( <i>tonnes</i> )	<b>78.59</b>	50.16	56.68
Sliver ( <i>tonnes</i> )	<b>1,126.39</b>	646.82	74.14
Sulphuric acid ( <i>ten thousand tonnes</i> )	<b>511.96</b>	462.88	10.60
Copper processed products ( <i>ten thousand tonnes</i> )	<b>147.12</b>	119.72	22.89
Copper contained in self-produced copper concentrate ( <i>ten thousand tonnes</i> )	<b>20.86</b>	20.92	-0.29
Standard sulphuric concentrate ( <i>ten thousand tonnes</i> )	<b>264.55</b>	275.13	-3.85
Conversion of molybdenum concentrate (45%) ( <i>tonnes</i> )	<b>7,996</b>	7,780	2.78

## ***II. Steady advancement of key projects***

The Company has always taken the construction of major projects as an important channel to promote high-quality development, focused on both the present and long-term development, and made every effort to promote the implementation of a large number of projects with strong traction and driving force. In order to speed up the intelligent, informatisation and digital construction, and create a new digital economy platform; Jiangxi Tongrui Information Technology Co., Ltd. has been established and was included in the “Provincial One Hundred State-Owned Enterprises Reform Action”. Jiangxi Copper Huabei (Tianjin) Company Limited has completed 220,000 tonnes of copper rod production line and put them into operation. At the same time, it has acquired TPCO Copper Industry Corp., Ltd. at reserve price, increasing the production capacity of copper products of the Company to 740,000 tonnes in Northern China. The Company’s copper processing industrial layout in Northern China has become more stable and broad; the Company has increased its capital in Jiangxi Cable Co., Ltd., expanded and strengthened the cable sector, and improved the industrial layout and strategic expansion of the copper processing area. The 8,000 tonnes/year special enameled wires expansion project has reached the production standard, the production capacity of enameled wires has increased to 30,000 tonnes, and economies of scale have significantly improved; 5 # tailings pond project of Detong has completed construction and put into use.

The construction of Kazakhstan tungsten mine project started on 11 November 2020; the first-class scientific research equipment newly configured in the new R&D center of JCC Research Institute has accelerated the installation; the construction of JCC Guoxing (Yantai) Copper Company Limited (“**JCC Guoxing**”) of 180,000 tonnes copper smelting project started on 18 December 2020, and the first bonded ore mixing business has completed, becoming the first batch of copper concentrate mixing business pilot in the PRC; the wells of Yinshan 8,000 tonnes/day expansion production, the 15,000 tonnes/year lithium battery copper foil project of the Copper Company have been put into operation, and the progress of 10,000 tonnes/day expansion project of Wushan Copper Mine phase III has been accelerated.

### ***III. Continuing increase investment in scientific research***

Xinrui Technology Carbon Nano Materials Co., Ltd. was selected in the Demonstration Action of Science and Technology Reform of the State-owned Assets Supervision and Administration Commission of the State Council, and launched the innovation engine at full speed, implemented the “one enterprise, one policy” model, integrated and improved numerous enterprises such as JCC (Dexing) Casting Company Limited (“**JCC Casting**”) and JCC (Guixi) Metallurgical and Chemical Engineering Company Limited, and steadily implemented the market-oriented reform of JCC Casting. We continued to strengthen scientific research investment and guarantee, and completed 19 transformation projects such as research on improving the recovery rate of gold in copper by flash flotation machine and high nickel copper foil; the two intelligent projects of Guiye and Chengmenshan Copper Mine have been selected as the “Best Practice Cases of National Intelligent Enterprise Construction in 2020”; Humon Smelting has been approved to set up a national post doctoral research station, which provides a high-end platform for the innovation of JCC gold industry and nurturing of high-tech talent; the Company won four provincial science and technology progress awards in 2020, including one first prize. The Company obtained 95 authorized patents throughout the year, including 9 invention patents.

### ***IV. Full implementation of the comprehensive risk control system***

In 2020, the Company fully implemented the comprehensive risk control system with the target of “one system, two supervising management, three defense lines, four in one, five sectors and six improvements”, improved the risk management organization system; clarified the two-tier risk management and three defense lines, implemented the management of important risk checklist, and established the two-tier risk control performance evaluation mechanism. The functions of audit and operation supervision were brought into full play, forming a new risk management and control mechanism with full coverage, which can be monitored, analyzed, and responded to.

#### IV. Major business operations during the Reporting Period

According to the audited 2020 consolidated financial statement prepared in accordance with the PRC GAAP, the consolidated operating income of the Group is RMB318,563,174,838 (2019: RMB240,360,335,134), representing an increase of RMB78,202,839,704 (or 32.54%) as compared with last year; achieving net profit attributable to shareholders of the Company of RMB2,320,394,755 (2019: RMB2,466,407,085), representing a decrease of RMB146,012,330 (or -5.92%) as compared with last year; basic earning per share is RMB0.67 (2019: RMB0.71).

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

*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	318,563,174,838	240,360,335,134	32.54
Operating cost	307,265,623,672	231,167,687,946	32.92
Selling expenses	269,426,993	683,411,771	-60.58
Administrative expenses	2,031,670,135	1,796,559,189	13.09
Expenses on research and development	661,241,915	585,688,950	12.90
Finance costs	1,220,287,119	924,898,841	31.94
Net cash flow from operating activities	1,381,996,439	8,252,296,414	-83.25
Net cash flow from investing activities	-303,157,268	-11,943,948,968	-97.46
Net cash flow from financing activities	-5,161,904,548	11,572,714,955	-144.60
Expenditure on research and development	3,959,194,000	3,596,681,000	10.08
Impairment losses on assets	855,311,791	89,624,657	854.33
Credit impairment loss	1,264,063,696	1,475,160,931	-14.31
Other income	142,904,812	147,496,290	-3.11
Investment income	-304,281,434	706,950,535	-143.04
Changes in fair value	-632,097,749	-526,207,902	20.12
Non-operating income	68,258,077	91,241,390	-25.19
Non-operating expenses	50,499,040	128,286,045	-60.64

Explanation on changes in operating revenue: It was mainly due to the consolidation of Humon Smelting into the financial statements and the increase in sales volume.

Explanation on changes in operating cost: It was mainly due to the consolidation of Humon Smelting into the financial statements and the increase in sales volume.

Explanation on changes in selling expenses: It was mainly due to the reclassification of freight and storage fees to the cost of principal business.

Explanation on changes in finance costs: It was mainly due to the consolidation of Humon Smelting into the financial statements and the increase in the financing scale.

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

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

Explanation on changes in net cash flow from financing activities: It was mainly due to the increase in repayment of borrowings.

Explanation on changes in impairment losses on assets: It was mainly due to the write-down of inventories and the closure and suspension of JCC Dongtong Mining Company Limited, and the impairment of related assets.

Explanation on changes in investment income: It was mainly due to the offsetting losses against commodity futures contracts.

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

# 1. Analysis on income and cost

Please refer to the following analysis for details:

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

Unit: Yuan Currency: RMB

Principal businesses by industry						
By industry	Operating revenue	Operating cost	Gross profit margin (%)	Increase/decrease in operating revenue over last year (%)	Increase/decrease in operating cost over last year (%)	Increase/decrease in gross profit margin over last year (%)
Industry and other non-trading revenue	162,750,081,467	152,210,374,271	6.48	33.18	32.92	Increased by 0.18 percentage point
Trading revenue	154,775,307,794	154,099,102,997	0.44	31.86	32.95	Decreased by 0.82 percentage point
Others	1,037,785,577	956,146,404	7.87	34.16	27.81	Increased by 4.57 percentage points

Principal businesses by product						
By product	Operating revenue	Operating cost	Gross profit margin (%)	Increase/decrease in operating revenue over last year (%)	Increase/decrease in operating cost over last year (%)	Increase/decrease in gross profit margin over last year (%)
Copper cathode	166,680,149,640	160,173,975,788	3.90	22.02	22.74	Decreased by 0.56 percentage point
Copper rods and wires	58,894,733,989	58,147,544,383	1.27	30.54	31.88	Decreased by 1.01 percentage points
Copper processed products	4,291,362,064	4,091,652,124	4.65	-7.00	-5.17	Decreased by 1.84 percentage points
Gold	33,712,409,567	31,455,902,970	6.69	107.92	109.26	Decreased by 0.60 percentage point
Silver	13,333,365,106	12,478,669,033	6.41	119.08	118.92	Increased by 0.07 percentage point
Chemical products (sulfuric acid and sulfur concentrate)	1,116,480,280	1,396,375,330	-25.07	-11.39	-7.31	Decreased by 5.51 percentage points
Scattered metals	2,344,533,743	2,138,626,859	8.78	299.69	360.25	Decreased by 12.00 percentage points
Copper concentrate, coarse copper and anode plates	13,504,106,491	12,996,753,583	3.76	-5.60	-8.45	Increased by 0.30 percentage points
Other non-ferrous metals	15,427,769,514	15,100,145,238	2.12	79.41	78.86	Increased by 3.00 percentage points



Principal businesses by product						
By product	Operating revenue	Operating cost	Gross profit margin (%)	Increase/decrease in operating revenue over last year (%)	Increase/decrease in operating cost over last year (%)	Increase/decrease in gross profit margin over last year (%)
Other principal business	8,220,478,869	8,329,831,960	-1.33	32.51	34.95	Decreased by 1.83 percentage points
Other business income	1,037,785,577	956,146,404	7.87	34.16	27.81	Decreased by 0.29 percentage point

Principal businesses by geographical location						
By geographical location	Operating revenue	Operating cost	Gross profit margin (%)	Increase/decrease in operating revenue over last year (%)	Increase/decrease in operating cost over last year (%)	Increase/decrease in gross profit margin over last year (%)
Mainland China	258,469,492,443	248,140,998,051	4.00	26.08	27.08	Decreased by 0.76 percentage point
Hong Kong	33,957,213,501	33,643,652,243	0.92	109.27	101.03	Increased by 4.06 percentage points
Other region	26,136,468,894	25,480,973,378	2.51	36.64	32.93	Increased by 2.73 percentage points
Total	318,563,174,838	307,265,623,672	3.55	32.54	32.92	Increased by 0.28 percentage point

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

## (2) Analysis table for output and sales

Major products	Unit	Output	Sales	Stock	Increase/decrease in output as compared with last year (%)	Increase/decrease in sales as compared with last year (%)	Increase/decrease in stock as compared with last year (%)
Copper cathode	Ten thousand tonnes	164.25	191.06	1.22	5.53	44.97	-95.65
Gold	Tonne	78.59	77.21	2.09	53.20	51.93	194.37
Silver	Tonne	1,126.39	1,063.27	83.23	36.56	21.86	313.87
Sulphuric acid	Ten thousand tonnes	511.96	515.35	3.36	7.52	8.70	-50.22
Copper processing products	Ten thousand tonnes	147.12	151.54	4.18	22.89	34.21	-51.40



### (3) Analysis on costs

Unit: Yuan Currency: RMB

		By industry					Explanation
By industry	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 (%)	
Manufacturing of non-ferrous metals	Raw materials	142,132,116,948	46.40	103,725,115,549	45.02	37.03	
	Energy power	2,805,835,247	0.92	2,754,260,151	1.20	1.87	
	Labour	1,837,953,251	0.60	1,768,387,660	0.77	3.93	
	Overheads	5,434,468,826	1.77	5,256,159,187	2.28	3.39	
	Sub-total	152,210,374,271	49.69	113,503,922,547	49.26	34.10	
Trading of non-ferrous metals and others		154,099,102,997	50.31	116,915,687,168	50.74	31.80	
	Total	306,309,477,268	100.00	230,419,609,715	100.00	32.94	

Unit: Yuan Currency: RMB

By Product	Cost constituent	For the period	By Product		Share of total costs 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 (%)	Explanation
			Share of total costs for the period (%)	For the same period last year				
Copper products	Raw materials	103,709,011,012	33.86	89,017,081,676	38.63	16.50		
	Energy power	1,985,395,639	0.65	1,966,079,878	0.85	0.98		
	Labour	1,314,928,116	0.43	1,305,106,203	0.57	0.75		
	Overheads	3,995,223,983	1.30	3,976,011,652	1.73	0.48		
	Sub-total	111,004,558,749	36.24	96,264,279,409	41.78	15.31		
By-products of precious metals	Raw materials	38,070,221,416	12.43	14,252,083,038	6.19	167.12		
	Energy power	352,204,568	0.11	262,774,966	0.11	34.03		
	Labour	264,131,521	0.09	183,126,323	0.08	44.23		
	Overheads	677,684,837	0.22	570,568,418	0.25	18.77		
	Sub-total	39,364,242,342	12.85	15,268,552,745	6.63	157.81		
Chemical products	Raw materials	238,354,234	0.08	310,130,059	0.13	-23.14		
	Energy power	375,403,930	0.12	428,938,871	0.19	-12.48		
	Labour	191,677,248	0.06	220,268,414	0.10	-12.98		
	Overheads	590,939,918	0.19	547,089,106	0.24	8.02		
	Sub-total	1,396,375,330	0.46	1,506,426,450	0.65	-7.31		
Rare metals	Raw materials	114,530,286	0.04	145,820,776	0.06	-21.46		
	Energy power	92,831,110	0.03	96,466,436	0.04	-3.77		
	Labour	67,216,366	0.02	59,886,720	0.03	12.24		
	Overheads	170,620,088	0.06	162,490,011	0.07	5.00		
	Sub-total	445,197,850	0.15	464,663,943	0.20	-4.19		
Trading and others		154,099,102,997	50.31	116,915,687,168	50.74	31.80		
	Total	306,309,477,268	100.00	230,419,609,715	100.00	32.94		

## Other explanation on analysis on cost

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

### (4) Situations of major sales customers and major suppliers

The sales amount of the top five customers was RMB41,501 million, accounted for 13.03% of the total annual sales; 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.

The purchase amount of the top five suppliers was RMB26,469.84 million, accounted for 8.61% 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.

### Other descriptions

Nil

## 2. Expense

*Unit: Yuan    Currency: RMB*

Item	For the period ended	For the same period last year	Increase/ (decrease) over the same period last year (%)
Selling expenses	269,426,993	683,411,711	-60.58
Administrative expenses	2,031,670,135	1,796,559,189	13.09
Finance expenses	1,220,287,119	924,898,841	31.94

### 3. Research and Development (“R&D”) contribution

#### R&D contribution table

Unit: '0000 Yuan    Currency: RMB

Expensed R&D investment for the current period	373,849.5
Capitalised R&D investment for the current period	22,069.9
Total R&D investment	395,919.4
Percentage of the total R&D investment in operating income (%)	1.24
Number of R&D personnel of the Company	4,932
Percentage of R&D personnel in total amount of employees of the Company (%)	19.86
Proportion of capitalization R&D investment (%)	5.57

#### Explanation

In 2020, the Group carried out a series of R&D projects in “mining, mineral processing, smelting, copper processing, new materials” and other aspects in light of the medium and long-term development strategy and in combination with the actual production and operation, focused on new technologies such as copper and copper alloy new products, continuously improved the intelligence level of mines and smelting, strengthened the prevention and control level of safety and environmental protection, and facilitated cost reduction and efficiency.

During the Reporting Period, the “research and development and application of new generation large and super large 680m<sup>3</sup> flotation equipment” submitted by the Group won the first prize of the China Non-ferrous Metals Industrial Science Technology Award, the “direct vegetation technology and application of ecological restoration of heavy metal mining wasteland” won the first prize of the Guangdong Provincial Science and Technology Progress Award, the “key technology and industrialization of copper anode slime associated rare and precious metals collaborative green extraction” won the first prize of the Jiangxi Provincial Science and Technology Progress Award, the “research and development of seamless inner grooved copper tube with large helix angle” won the second prize of the Jiangxi Provincial Science and Technology Progress Award, the “key technology integration innovation and industrial application of green high performance surface treatment of electrolytic copper foil” won the second prize of the Jiangxi Provincial Science and Technology Progress Award, the “optimization and control and the industrial

application of grinding grading process” won the third prize of the Jiangxi Provincial Science and Technology Progress Award.

The Group will continue to facilitate comprehensive innovation with scientific and technological innovation as core, strengthen self-innovation ability, deepen the industry-college-institute cooperation, focus on copper processing, new materials, rare and precious metals and other aspects to carry out specialised research to create conditions for the Company’s high-quality development.

#### 4. Cash Flow

*Unit: Yuan Currency: RMB*

Item	For the year	For the same period last year	Changes (%)	Explanation
Net cash flow from operating activities	1,381,996,439	8,252,296,414	-83.25	
Net cash flow from investing activities	-303,157,268	-11,943,948,968	-97.46	
Net cash flow from financing activities	-5,161,904,548	11,572,714,955	-144.60	

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

*Unit: Yuan Currency: RMB*

Item	For the period	For the same period last year	Changes
Impairment losses on assets	855,311,791	89,624,657	765,687,134
Impairment losses on credit	1,264,063,696	1,475,160,931	-211,097,235
Gains on changes in fair value	-632,097,749	-526,207,902	-105,889,847
Returns on investment	-304,281,434	706,950,535	-1,011,231,969

## V. Analysis of assets and liabilities

### (I) Assets and liabilities

Unit: Yuan Currency: RMB

Item	As at the end of the period	Share of total assets as at the end of the period (%)	As at the end of the previous period	Share of total assets as at the end of the previous period (%)	Changes as at the end of the period over the end of the previous period (%)	Explanation
Held-for-trading financial assets	4,453,933,930	3.16	10,662,189,403	7.90	-58.23	Note 1
Derivatives financial assets	451,513,423	0.32	323,662,896	0.24	39.50	Note 2
Bills receivables	33,449,586	0.02	14,450,800	0.01	131.47	Note 3
Factoring receivables	716,573,991	0.51	1,130,055,974	0.84	-36.59	Note 4
Other equity investment	14,864,404,752	10.55	8,774,154,936	6.50	69.41	Note 5
Projects under construction	3,412,162,410	2.42	4,969,923,388	3.68	-31.34	Note 6
Right-of-use assets	604,082,154	0.43	404,445,431	0.30	49.36	Note 7
Intangible assets	8,026,908,699	5.70	4,152,655,144	3.08	93.30	Note 8
Exploration expenditure	636,111,092	0.45	959,260,133	0.71	-33.69	Note 9
Other non-current assets	4,600,831,480	3.27	1,115,790,392	0.83	312.34	Note 10
Held-for-trading financial liabilities	0	0.00	588,278,540	0.44	-100.00	Note 11
Derivative financial liabilities	1,031,398,580	0.73	396,124,785	0.29	160.37	Note 12
Contract liabilities	1,484,500,195	1.05	2,357,188,893	1.75	-37.02	Note 13
Taxes payable	1,223,777,131	0.87	890,821,042	0.66	37.38	Note 14
Non-current liabilities due within one year	697,295,559	0.49	3,619,984,095	2.68	-80.74	Note 15
Other current liabilities	3,058,563,443	2.17	1,934,853,645	1.43	58.08	Note 16
Long-term borrowings	14,076,716,799	9.99	5,257,859,073	3.90	167.73	Note 17
Lease liabilities	369,560,089	0.26	171,117,131	0.13	115.97	Note 18
Long-term payables	1,532,959,669	1.09	391,390,846	0.29	291.67	Note 19
Other non-current liabilities	88,000,000	0.06	194,167	0.00	45,221.81	Note 20
Other comprehensive income	7,171,494,723	5.09	1,350,346,937	1.00	431.09	Note 21

- Note 1:* As at the end of the Reporting Period, the held-for-trading financial assets of the Group amounted to RMB4,453.93 million, representing a decrease of RMB6,208.26 million (or -58.23%) as compared with the end of the period of last year, mainly attributable to the decrease in investments in debt instruments of the Group.
- Note 2:* As at the end of the Reporting Period, the derivative financial assets of the Group amounted to RMB451.51 million, representing an increase of RMB127.85 million (or 39.50%) as compared with the end of the period of last year, mainly attributable to the fluctuating profit and loss of the futures business of the Group.
- Note 3:* As at the end of the Reporting Period, the bills receivables of the Group amounted to RMB33.45 million, representing an increase of RMB19 million (or 131.47%) as compared with the end of the period of last year, mainly attributable to the increase in commercial acceptance bills receivables of the Group.
- Note 4:* As at the end of the Reporting Period, the factoring receivables of the Group amounted to RMB716.57 million, representing a decrease of RMB413.48 million (or -36.59%) as compared with the end of the period of last year, mainly attributable to the cleared up of factoring and the provision of impairment of factoring receivables of the subsidiaries of the Group.
- Note 5:* As at the end of the Reporting Period, the other equity investments of the Group amounted to RMB14,864.40 million, representing an increase of RMB6,090.25 million (or 69.41%) as compared with the end of the period of last year, mainly attributable to the increase in the fair value of the investments in equity instruments held by the Group.
- Note 6:* As at the end of the Reporting Period, the projects under construction of the Group amounted to RMB3,412.16 million, representing a decrease of RMB1,557.58 million (or -31.34%) as compared with the end of the period of last year, mainly attributable to the transfer of projects under construction to fixed assets.
- Note 7:* As at the end of the Reporting Period, the right-of-use assets of the Group amounted to RMB604.08 million, representing an increase of RMB199.64 million (or 49.36%) as compared with the end of the period of last year, mainly attributable to the renewal of lease contracts by the subsidiaries of the Group.
- Note 8:* As at the end of the Reporting Period, the intangible assets of the Group amounted to RMB8,026.91 million, representing an increase of RMB3,874.25 million (or 93.30%) as compared with the end of the period of last year, mainly attributable to the increase in the payment of mining rights and the newly added mining rights of the subsidiaries of the Group.
- Note 9:* As at the end of the Reporting Period, the exploration expenditure of the Group amounted to RMB636.11 million, representing a decrease of RMB323.15 million (or -33.69%) as compared with the end of the period of last year, mainly attributable to the conversion of the exploration expenses of the Group to intangible assets.

*Note 10:* As at the end of the Reporting Period, other non-current assets of the Group amounted to RMB4,600.83 million, representing an increase of RMB3,485.04 million (or 312.34%) as compared with the end of the period of last year, mainly attributable to the fact that the Group held time deposits for more than one year.

*Note 11:* As at the end of the Reporting Period, the held-for-trading financial liabilities of the Group amounted to RMB0 million, representing a decrease of RMB588.28 million (or 100.00%) as compared with the end of the period of last year, mainly attributable to the expiration of the gold leasing business of Humon Smelting, a subsidiary of the Group.

*Note 12:* As at the end of the Reporting Period, the derivative financial liabilities of the Group amounted to RMB1,031.40 million, representing an increase of RMB635.27 million (or 160.37%) as compared with the end of the period of last year, mainly attributable to the fluctuating profit and loss of the futures business of the Group.

*Note 13:* As at the end of the Reporting Period, the contract liabilities of the Group amounted to RMB1,484.50 million, representing a decrease of RMB872.69 million (-37.02%) as compared with the end of the period of last year, mainly attributable to the decrease in the advances on sales of the Group.

*Note 14:* As at the end of the Reporting Period, the taxes payable of the Group amounted to RMB1,223.78 million, representing an increase of RMB332.96 million (or 37.38%) as compared with the end of the period of last year, mainly attributable to the increase in accumulated taxes payable by the Group this year.

*Note 15:* As at the end of the Reporting Period, the non-current liabilities due within one year of the Group amounted to RMB697.30 million, representing a decrease of RMB2,922.69 million (or -80.74%) as compared with the end of the period of last year, mainly attributable to the repayment of loans of the Group.

*Note 16:* As at the end of the Reporting Period, other current liabilities of the Group amounted to RMB3,058.56 million, representing an increase of RMB1,123.71 million (or 58.08%) as compared with the end of the period of last year, mainly attributable to the increase in deposits from JCC and its subsidiaries absorbed by JCC Finance Company Limited (the “**Finance Company**”), a subsidiary of the Group.

*Note 17:* As at the end of the Reporting Period, the long-term borrowings of the Group amounted to RMB14,076.72 million, representing an increase of RMB8,818.86 million (or 167.73%) as compared with the end of the period of last year, mainly attributable to the new long-term borrowings of the Group.

*Note 18:* As at the end of the Reporting Period, the lease liabilities of the Group amounted to RMB369.56 million, representing an increase of RMB198.44 million (or 115.97%) as compared with the end of the period of last year, mainly attributable to the increase in the leases of subsidiaries of the Group.



*Note 19:* As at the end of the Reporting Period, the long-term payables of the Group amounted to RMB1,532.96 million, representing an increase of RMB1,141.57 million (or 291.67%) as compared with the end of the period of last year, mainly attributable to the increase in the payment of mining rights and the newly added mining rights of the subsidiaries of the Group.

*Note 20:* As at the end of the Reporting Period, other non-current liabilities of the Group amounted to RMB88 million, representing an increase of RMB87.81 million (or 45,221.81%) as compared with the end of the period of last year, mainly attributable to the increase in the absorption of time deposits with maturity dates of more than one year from JCC by the Finance Company.

*Note 21:* As at the end of the Reporting Period, other comprehensive income of the Group amounted to RMB7,171.49 million, representing an increase of RMB5,821.15 million (or 431.09%) as compared with the end of the period of last year, mainly attributable to the increase in the fair value of the investments in equity instruments held by the Group.

## ***(II) 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	10,574,091,800	They were the time deposits of the Group for the application of gold lease, issuance of letters of credit, bank guarantees and security deposits deposited by bank acceptance notes, the required statutory and excess reserves deposited with the People's Bank of China, environment rehabilitation deposits, and pledged to secure short-term borrowings and frozen bank deposits and interest receivables
Held-for-trading financial assets	3,119,708,012	Financial management products with book values of RMB2,913,434,427 were pledged as security deposits for issuance of letters of credit and bank acceptance notes; financial management products with book values of RMB206,273,585 were pledged to secure bank borrowings
Accounts receivable financing	645,135,066	Bank acceptance notes with book values of RMB271,150,000 were pledged to obtain the bank borrowings; bank acceptance notes with book values of RMB373,985,066 were pledged to issue bank acceptance notes
Other receivables	973,151,881	Futures deposits

Inventories	676,340,309	Inventories with book values of RMB148,354,323 were pledged to secure short-term borrowings; inventories with book values of RMB518,529,194 were placed as futures deposits; inventories with book values of RMB9,456,792 were held by the court due to litigation
Investment properties	159,500,508	Held by court due to litigations
Fixed assets	826,429,646	Fixed assets with book values of RMB511,695,150 were pledged to secure short-term bank borrowings; fixed assets with book values of RMB202,414,626 were pledged to secure long-term bank borrowings; fixed assets with book values of RMB112,319,870 were held by court due to litigations
Intangible assets	137,136,307	Intangible assets with book values of RMB103,299,042 were pledged to secure bank borrowings; land use right with book values of RMB33,837,265 were pledged to secure long-term bank borrowings
Other non-current assets	2,997,590,963	Time deposits with maturity dates of more than one year with book values of RMB1,626,508,946 were pledged to secure long-term bank borrowings of RMB1,546,000,000; time deposits with maturity dates of more than one year with book values of RMB950,797,222 were pledged to issue bank deposit acceptance notes; time deposits with maturity dates of more than one year with book values of RMB420,284,795 were pledged to issue bank guarantees

### ***(III) Material disposal of assets and equity interests***

Not applicable

### ***(IV) General analysis of external investment in equity***

*Unit: 0'000 Yuan    Currency: RMB*

Investment during the Reporting Period	329,304
Change in investment amount	-1,114,132
Investment during the same period last year	1,443,436
increase/decrease in investment (%)	-77.19

Name of investee	Principal activity	Share of interests in the investee (%)	Investment amount
JCC Hongyuan Copper Industry Co., Ltd. (江銅宏源銅業有限公司) ("JCC Hongyuan")	Non-ferrous metals calendering processing, metal materials manufacturing, common non-ferrous metals smelting, precious metals smelting	43	5,375

Name of investee	Principal activity	Share of interests in the investee (%)	Investment amount
JCC (Yingtian) Trading Co., Ltd. (江西銅業(鷹潭)貿易有限公司)	Sale of non-ferrous metals, rare and precious metals, metal products and chemical products (except hazardous chemicals), import and export business and related technical consulting services of self-operating and agent goods and technologies, technical consulting and technical services of copper processing, and technical consulting and technical services of smelting	100	10,000
Humon Smelting	Gold and silver smelting; production and sale of electrolytic copper, copper cathode, lead ingot, non-ferrous metal, rare precious metal and its products (excluding hazardous chemicals and national restricted and prohibited items); construction of hazardous chemical production equipment for internal metal smelting of enterprises (permitted content shall be subject to the safety review opinion of hazardous chemicals construction project); operation without storage facilities: sulfuric acid, sulfur dioxide, arsenic trioxide, oxygen (compressed), oxygen (liquefied), argon (liquefied), nitrogen (liquefied), hydrochloric Acid-3, 3' - dichlorobenzidine and arsenic (subject to the validity of the license); sale of chemical fertilizer; production and sale of ethionine ester and sodium mercaptoacetate; processing of iron dust (excluding mining); import and export business of goods and technology; warehousing business (excluding dangerous chemicals); transportation specially for general freight and goods (container), road transportation of dangerous goods (relevant transportation operating activities are forbidden without the approvals of the relevant departments of transportation and public security, etc.); manufacturing and processing of mining equipment (excluding special equipment); electrical appliances repair; motor vehicles maintenance; the following shall be produced and operated by each branch with the license and business license of the branch: gold mining, pyrite mining, and retail of finished oil.	44.48	250,446

Name of investee	Principal activity	Share of interests in the investee (%)	Investment amount
TPCO Copper Industry Cop., Ltd. (天津大無 縫銅材有限公司)	Research, development, production and sale of copper products, as well as research, development, production and sale of stainless steel pipes, and provision of corresponding technical consulting and services, international trade of non-ferrous metals, agency bonded warehousing, commodity exhibition, and related consulting services of the above	91.59	22,500
Valuestone Global Resources Fund I LP (嘉石環球資源基 金一期有限合夥)	Relevant equity and debt investment of mining companies	66.67	16,476
Jiangxi Wantong Environmental Protection Materials Co., Ltd. (江西萬銅 環保材料有限公司) ("Jiangxi Wantong")	Comprehensive development and utilization of environmental protection building materials and tailings resources (excluding dangerous goods and restricted and prohibited business projects)	44.70	11,810
Minmetals Jiangxi Copper Mining Investment Company Limited (五礦江銅 礦業投資有限公司)	Mining investment	40.00	12,100
MCC-JCL Aynak Minerals Company Limited (中冶艾娜 克礦業有限公司)	Mining investment	25.00	597

**Note:** The above-mentioned statistical caliber is based on the actual amount of capital contributed by the Group during the Reporting Period, which include capital contributions to non-wholly owned subsidiaries or newly established companies (including contributions by equity, debt, etc.), excluding the capital increase by the Company to wholly-owned subsidiaries established in previous years.

#### **(V) Significant equity interest investment**

According to the confirmation letter of the accepted application for share registration issued by the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, on 4 November 2020, Humon Smelting conducted a non-public issuance of 237,614,400 shares to the Company, with the issuing price of RMB10.54 per share. The total amount was RMB2.50446 billion. Prior to the non-public issuance of shares of Humon Smelting, the Company was the controlling shareholder of Humon Smelting, and was holding 29.99% of equity interests of Humon Smelting. After this private placement, the Company held 44.48% of Humon Smelting.

***(VI) Significant non-equity interest investment***

Not applicable

***(VII) 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 “Explanation on the industry” section for further details.

***(II) Landscape and trend of industry***

***1. International and domestic economic trends***

As the pandemic in the PRC remained stable and controllable, the domestic employment will gradually improve in 2021, and endogenous driving forces such as private consumption and investment in the manufacturing sector will become the main engines to promote the growth of economic activities back to the level before the pandemic. The economic growth rate is expected to rebound greatly on the basis of the low base effect in 2020, and the overall PRC economy will walk out of the shadow of the pandemic and drive global recovery. With the mild recovery of inflation, stimulus policies will be introduced, monetary policies will return to steady and neutral and financial policies will resume. The International Monetary Fund (IMF) predicts that the global economy will increase 5.5% in 2021, and estimates that the strong economic recovery in the PRC will facilitate the easting of the global economy. It is predicted that the economy in the PRC will increase 8.1% in 2021.

With the significant progress in the research and production of COVID-19 vaccines and the driving force of China’s economy, the global economy is expected to bottom out gradually. Demand recovers, systemic risks decrease, commodity prices increase, the prospects of global economic growth tends to be clear, international trade financing and international economic and trade activities resume, global financial cycle recovers, and the overall economy will be in the recovery stage in 2021.

## ***2. Market situation of non-ferrous metal***

In 2021, the US\$1.9 trillion stimulus policy of the United States Federal Reserve System was introduced, and benefiting from easing liquidity and expected rising inflation, coupled with the shock of supply of resources, the mismatch between supply and demand was intensified, and commodity prices was expected to be supported. On the one hand, due to the large-scale applications of vaccines, major economies were in a period of strong recovery after the pandemic, and the manufacturing indices of many countries rebounded, which will continue to drive the consumption of non-ferrous metals such as copper in the short to medium term; on the other hand, with the strategic advancement of “carbon dioxide reaching the peak” and “carbon dioxide neutralisation” in the PRC, the actual and expected demand of copper will be significantly stronger in areas such as new infrastructure construction, photovoltaics, wind power, energy storage, new energy automobile and facilities. It is expected that the copper market will remain fluctuating at a high level.

### ***(III) The development strategy of the Company***

The Group adheres to the development strategy of “copper-based, strengthening non-ferrous metal, diversified development, global layout” principle, which promote high quality development of the Company by achieving “top-ranking in five aspects”, namely, resource reserves, product influence, technological innovation, system and mechanism, and core indicators, and continuously enhance the ability of innovation and development. Our overall goal during the 14th Five-Year Plan is to continue to lead the development of China’s copper industry, preliminary build a world-class enterprise with global competitiveness by the end of the 14th Five-Year Plan, and greatly enhance industry influence, brand reputation and core competitiveness of the Company.

### ***(IV) Business plan***

2021 is the first year of the 14th Five-Year Plan. The main tasks of the Company are: to continuously improve the quality and service level of all types of products, to facilitate the optimization and upgrade of the industrial chain with solid reform and innovation in full force, and to achieve a good start in the 14th Five-Year Plan. The production and operation target plan in 2021 is to produce 208,900 tonnes of copper contained in copper concentrates, 1.73 million tonnes of copper cathode, 96 tonnes of gold, 1,279 tonnes of silver, 4.82 million tonnes

of sulfuric acid and 1.73 million tonnes of copper processing materials, with capital expenditure (investment in fixed assets) of RMB4.82 billion **(this operation target does not represent the Company's production forecast in year 2020, whether it can be achieved depends on various factors such as macroeconomic environment and market demand, and there is great uncertainty. The Group will adjust its plan in due course in accordance with market changes).**

Specific business strategies for 2021:

- (1) Promoting the layout of high-quality industries. The Company will thoroughly implement the outline of the 14th Five-Year Plan, make every effort to facilitate the optimization of the traditional industries such as copper, gold and finance, highlight the innovation of science and technology and reform, focus on strengthening two strategic new industries, namely, new materials and equipment production, deeply grasp the innovation of business and operation, and refine the trade and sulfur chemical business which support the development of the industry in substance and the smelting production capacity of non-ferrous metal, so as to consolidate the foundation of the industry for the high-quality leap-forward development of the Company.
- (2) Optimizing investment, mergers and acquisitions. The Company will closely monitor undervalued and quality companies and projects in the fields of mineral resources, high-end copper processing and copper-based new materials, seize the favorable window period for merger and acquisition investment and strive for breakthroughs. In particular, mineral resources as the fundamental and vitals of the sustainable development of the Company, the Company will provide new and strong support in terms of policy mechanism, team building and staffing.
- (3) Paying attention to project construction with high quality. On the basis of ensuring that the pandemic is preventable and controllable, the Company will pay attention to the construction of key engineering projects. The Company will fully complete the annual construction tasks of key engineering projects, such as the 180,000 tonnes/year copper cathode smelting of JCC Guoxing and the 10,000 tonnes/day expansion engineering project of Wushan Copper Mine phase III, accelerate the realization of the production



and standards of projects such as 8,000 tonnes/day in the wells of Yinshan, 100,000 tonnes/year of copper cathode in JCC Hongyuan, 15,000 tonnes/year of lithium battery copper foil in the Copper Company and Jiangxi Wantong, fully start the construction of the Mexican slag beneficiation project in the second quarter; and ensure the construction of the main body of the Kazakhstan tungsten project in May.

- (4) Building the bottom line of security development. The Company will carry out the implementation of the significant risk control system, strictly implement risk management and control responsibilities, exert the supervisory role of the audit and the supervisory committee, strengthen the management of weak links in the supply chain, continue to improve risk management and control standard, risk research, judgment and disposal capabilities, and resolutely prevent and resolve various risks. The Company will continue to supervise customer credit of various business units, implement normalized management and control measures for exchange rate risks, strictly control business access risks, begin to establish a research and decision-making mechanism to deal with the complex and ever-changing international political and economic situation, further improve the international operating risk prevention and control system, and comprehensively and effectively prevent various political, legal, financial and environmental risks in the country where the project is located.
- (5) Ensuring safety and environmental protection. The responsibility for safe production and ecological environmental protection is vitally important. The Company will implement the major decision-making and deployment of carbon dioxide reaching the peak and carbon dioxide neutralisation, and promote the high-quality leap-forward development of the Company with the best ecological environmental protection results and safe development trend. The Company will fully implement the responsibility system for production safety, ecological and environmental protection, improve the responsibility system of acknowledgment of responsibilities, performance of duties, supervision and accountability, comprehensively build “green factories, green mines”, lay a solid foundation for green development, ensure pandemic prevention and control is as strict as before, and insist on not loosening thoughts, responsibilities, measures and work.



## **(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 minimize the impact of product price fluctuations on productions and operations, the Group intends to take the following measures to protect against risk from product price fluctuations: (1) closely monitor the trend of copper and gold prices in the international market, strengthen the analysis and research of various factors affecting the price trend of products, and take timely measures such as hedging to avoid risk from product price fluctuations; (2) the Group will take the world's leading copper mines and smelting companies as 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 minimize 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*

At the beginning of 2020, the COVID-19 swept through the world. Affected by the pandemic, many enterprises had delayed in the resumption of work and production, and many construction projects had been affected to some extent. At present, the pandemic in the PRC has been effectively controlled, but the overseas pandemic situation is still spreading, and the resulting uncertain risks still exist.

The Group conscientiously implemented the work arrangements of the CPC Central Committee, the State Council and the Jiangxi Provincial Government on resolutely winning the prevention and control of the COVID-19 pandemic, resolutely took the prevention and control of the pandemic as the most important task at present, and launched a series of anti-pandemic actions. At the same time, the Group will continue to pay close attention to the development of the pandemic and actively respond to the impact on areas such as the financial position and operating results of the Company possibly caused by the pandemic.

#### *(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

## **8 SIGNIFICANT EVENTS**

### **8.1 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.

## **8.2 Code on Corporate Governance Practices**

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

Under code provision A.2.1 of the Code, the roles of chairman and chief executive 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, the role of the Chairman has been taken up by Mr. Zheng Gaoqing, the general manager of the Company and the responsibilities of the general manager were shared by each of the deputy general managers of the Company within the scope of their authorities (where necessary).

## **8.3 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.

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

Not applicable

## 8.5 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	6,100,000
Years of audit services provided by the domestic auditor	3 years
Name of overseas auditor	Ernst & Young
Remuneration for overseas auditor	6,600,000
Years of audit services provided by the overseas auditor	3 years

	<b>Name</b>	<b>Remuneration</b>
Auditor for internal control	Ernst & Young Hua Ming LLP	1,280,000

### ***1. Appointment and removal of accounting firms***

Not applicable

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

Not applicable

## 8.6 Matters Relating to Bankruptcy and Restructuring

Not applicable

## 8.7 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
Supplemental disclosure of the 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 supplemental announcement of the Company dated 21 June 2019
Litigation filed by Shanghai Jiangxi Copper Trading Company Limited (上海江銅營銷有限公司), a wholly-owned subsidiary of the Company, against Shandong Xinhui Copper Materials Co., Ltd. (山東鑫匯銅材有限公司) and its guarantor (case of contract disputes)	The announcement of the Company dated 30 July 2019

### 2. *Litigation and arbitration not disclosed in extraordinary announcements or with subsequent development*

Not applicable

### 3. *Other explanations*

Not applicable

**8.8 Punishment on and rectification of the Company and its Directors, Supervisors, senior management, controlling shareholder, de facto controller and offeror**

Not applicable

**8.9 Explanation on the credit conditions of the Company, its controlling shareholders and de facto controllers during the reporting period**

Not applicable

**8.10 Share Option Scheme, Employee Shareholding Plan or Other Employee Incentives and Their Effects**

Not applicable

**8.11 Information on profit distribution and payment of final dividend**

The Board hereby recommends that after the approval of the shareholders at the forthcoming 2020 annual general meeting of the Company (the “AGM”):

- (1) appropriate 10% of the profit after tax of the parent company calculated under the PRC GAAP to the statutory surplus reserve;
- (2) distribute a final dividend of RMB0.10 per share (tax inclusive) for the year ended 31 December 2020 (2019: RMB0.10 per share) to all Shareholders based on the total issued share capital of 3,462,729,405 Shares as at 31 December 2020, amounting to approximately RMB346,272,940.50. The remaining undistributed profits are carried down to the next year;
- (3) the A shares 2020 final dividend will be declared and paid in Renminbi, and the H shares 2020 final dividend will be declared in Renminbi and paid in Hong Kong dollars;
- (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 2020 Final Dividend on Thursday, 22 July 2021. Further announcement relating to the detailed arrangement of the distribution of the 2020 Final Dividend will be made by the Company in due course.



### ***Explanation on final profit distribution ratio being less than 30% for the year***

During the Reporting Period, the net profit attributable to the shareholders of the listed Company amounted to RMB2,320,394,755. The accumulated undistributed profit amounted to RMB22,573,861,250. The total cash dividend proposed to be distributed by the Company amounted to RMB346,272,940.5, accounting for 14.92% of the net profit attributable to the shareholders of listed Company for the year 2020, which is lower than 30%. Specific reasons are separately explained as follows:

#### ***I. Self-development strategy and demand for funds of the Company***

In 2021, the Company will continue the launch of various projects, such as the infrastructure construction of the Kazakhstan tungsten mine project, phase 3 of the expansion project of Wushan Copper Mine, phase 4 of the Yates Company, at the same time, in order to further enhance the competitiveness and increase corporate value, the Company will continue to strengthen the investment in merger and acquisition, and explore new domestic and overseas investment and merger and acquisition 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 gold and copper. 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 ability to resist risks and to continue the operation, and to enhance the 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 organizations) 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 2019 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 2020 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 21 June 2021, 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 organization 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 21 June 2021. 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 Monday, 31 May 2021 to Tuesday, 8 June 2021 (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, 28 May 2021.

In order to determine the identity of the shareholders entitled to receive the final dividend of the Company for the year ended 31 December 2020, the register of members of the Company will be closed from Wednesday, 16 June 2021 to Monday, 21 June 2021 (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 Tuesday, 15 June 2021.

### **8.12 Detailed Results Announcement**

The annual report for 2020 containing all relevant information required by Appendix 16 to the Listing Rules will be despatched to shareholders and be published on the websites of the Stock Exchange (<http://www.hkex.com.hk>) and the Company (<http://www.jxcc.com>) in due course.

## 9 FINANCIAL REPORT

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2020 (PREPARED IN ACCORDANCE WITH IFRS)

	Notes	2020 RMB'000	2019 RMB'000
<b>REVENUE</b>	5	<b>317,756,486</b>	239,585,489
Cost of sales		<u>(307,687,117)</u>	<u>(231,172,158)</u>
Gross profit		<b>10,069,369</b>	8,413,331
Other income	5	<b>1,126,594</b>	1,278,003
Other gains and losses	6	<b>(1,833,668)</b>	(75,467)
Selling and distribution costs		<b>(269,427)</b>	(683,412)
Administrative expenses		<b>(2,726,043)</b>	(2,417,503)
Impairment losses on financial assets	7	<b>(1,264,064)</b>	(1,475,161)
Finance costs		<b>(1,950,099)</b>	(1,883,826)
Share of profits and losses of:			
Joint ventures		<b>(17,600)</b>	(48,336)
Associates		<b>117,009</b>	27,164
<b>PROFIT BEFORE TAX</b>	8	<b>3,252,071</b>	3,134,793
Income tax	9	<u><b>(892,594)</b></u>	<u>(982,425)</u>
<b>PROFIT FOR THE YEAR</b>		<u><b>2,359,477</b></u>	<u>2,152,368</u>
<b>Attributable to:</b>			
Owners of the Company		<b>2,227,704</b>	2,437,988
Non-controlling interests		<u><b>131,773</b></u>	<u>(285,620)</u>
		<u><b>2,359,477</b></u>	<u>2,152,368</u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY:</b>			
– Basic and diluted	11	<u><b>RMB0.64</b></u>	<u>RMB0.70</u>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**  
*(PREPARED IN ACCORDANCE WITH IFRS)*

	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
<b>PROFIT FOR THE YEAR</b>	<b><u>2,359,477</u></b>	<b><u>2,152,368</u></b>
<b>OTHER COMPREHENSIVE INCOME/ (EXPENSES)</b>		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Debt investments at fair value through other comprehensive income:		
Reclassification adjustments for losses included in the consolidated statement of profit or loss	–	(47)
Income tax effect	–	12
	–	(35)
<b>Cash flow hedges:</b>		
Effective portion of changes in fair value of hedging instruments during the year	–	(1,393)
Reclassification adjustments for losses included in the consolidated statement of profit or loss	<b>1,857</b>	(4,534)
Income tax effect	<b>(465)</b>	1,134
	<b>1,392</b>	(4,793)
Exchange differences on translation of foreign operations	<b>(11,467)</b>	237,625
Share of other comprehensive (expenses)/income of joint ventures	<b>(14,151)</b>	(13,392)
Share of other comprehensive income of associates	<b>(227,787)</b>	137,770
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods, net of tax	<b><u>(252,013)</u></b>	<b><u>357,175</u></b>

	<b>2020</b> <b>RMB'000</b>	2019 <i>RMB'000</i>
Other comprehensive income to that will not be reclassified to profit or loss in subsequent periods:		
Equity investments at fair value through other comprehensive income:		
Changes in fair value	<b>6,042,772</b>	882,457
Income tax effect	<u>—</u>	<u>(74)</u>
	<b>6,042,772</b>	882,383
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods, net of tax	<u><b>6,042,772</b></u>	<u>882,383</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>	<u><b>5,790,759</b></u>	<u>1,239,558</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>	<u><b>8,150,236</b></u>	<u>3,391,926</u>
Attributable to:		
Owners of the Company	<b>8,048,852</b>	3,671,853
Non-controlling interests	<u><b>101,384</b></u>	<u>(279,927)</u>
	<u><b>8,150,236</b></u>	<u>3,391,926</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AT 31 DECEMBER 2020**  
**(PREPARED IN ACCORDANCE WITH IFRS)**

		2020	2019
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		25,560,182	26,867,591
Investment properties		470,507	473,569
Right-of-use assets		4,268,125	2,582,441
Goodwill		1,266,036	1,266,036
Other intangible assets		4,362,866	1,974,659
Exploration and evaluation assets		636,111	959,260
Investments in joint ventures		655,923	693,219
Investments in associates		3,952,216	3,799,882
Financial instruments other than derivatives		16,517,143	10,646,329
Deferred tax assets		485,715	490,116
Prepayments, other receivables and other assets		904,337	549,850
Deposits for prepaid lease payments		598,791	565,940
Time deposits		100,113	–
Restricted bank deposits		2,997,591	–
<b>Total non-current assets</b>		<b>62,775,656</b>	<b>50,868,892</b>
<b>Current assets</b>			
Inventories		32,687,522	26,923,307
Trade and bills receivables	12	7,001,401	7,538,866
Factoring receivables		716,574	1,130,056
Prepayments, other receivables and other assets		6,033,980	6,272,720
Loans to fellow subsidiaries		1,703,063	1,407,307
Financial instruments other than derivatives		4,453,934	10,662,189
Derivative financial instruments	13	451,513	323,663
Restricted bank deposits		10,574,092	11,020,052
Cash and cash equivalents		14,451,776	18,730,338
		<b>78,073,855</b>	<b>84,008,498</b>
Assets classified as held for sale		32,042	36,525
<b>Total current assets</b>		<b>78,105,897</b>	<b>84,045,023</b>



	<i>Notes</i>	<b>2020</b> <b><i>RMB'000</i></b>	<b>2019</b> <b><i>RMB'000</i></b>
<b>Current liabilities</b>			
Trade and bills payables	14	10,115,091	12,540,448
Financial instruments other than derivatives		–	588,279
Derivative financial instruments	13	1,031,399	396,125
Other payables and accruals		7,210,743	6,880,951
Deposits from holding company and fellow subsidiaries		3,021,693	1,903,889
Deferred revenue		56,954	59,463
Interest-bearing bank borrowings		33,839,234	45,133,623
Lease liabilities		167,175	165,432
Corporate bonds		5,991	108,272
Tax payable		825,071	606,637
<b>Total current liabilities</b>		<b>56,273,351</b>	<b>68,383,119</b>
<b>Net current assets</b>		<b>21,832,546</b>	<b>15,661,904</b>
<b>Total assets less current liabilities</b>		<b>84,608,202</b>	<b>66,530,796</b>
<b>Non-current liabilities</b>			
Interest-bearing bank borrowings		14,076,717	5,257,859
Deposits from holding company and fellow subsidiaries		88,000	–
Lease liabilities		369,560	171,117
Corporate bonds		500,000	500,000
Provision for rehabilitation		264,287	252,452
Employee benefit liabilities		19,654	19,159
Deferred revenue		525,443	577,630
Other long-term payables		1,532,960	391,585
Deferred tax liabilities		372,277	328,393
<b>Total non-current liabilities</b>		<b>17,748,898</b>	<b>7,498,195</b>
<b>Net assets</b>		<b>66,859,304</b>	<b>59,032,601</b>
<b>Equity</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital		3,462,729	3,462,729
Reserves		56,447,664	49,282,889
		59,910,393	52,745,618
Non-controlling interests		6,948,911	6,286,983
<b>Total equity</b>		<b>66,859,304</b>	<b>59,032,601</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**  
**(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 located at 15 Yejin Avenue, Guixi City, Jiangxi, the PRC. In the opinion of the directors, the Company’s ultimate holding company is JCC, and the ultimate controlling party is the State-owned Assets Supervision & Administration Commission of the People’s Government of Jiangxi Province.

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

**2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES**

The Group has adopted the Conceptual Framework for Financial Reporting 2018 and the following new and revised IFRSs for the first time for the current year’s financial statements.

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

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

### 3. BUSINESS COMBINATION

#### Acquisition of Vesco

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

The acquisition was made as part of the Group’s strategy to secure the purchase volume of raw materials. The consideration of the subscription is USD25,800,000 in the form of cash with USD10,000,000 paid before 1 January 2020 and USD7,800,000 during the year ended 31 December 2020.

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

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

### 3. BUSINESS COMBINATION(CONTINUED)

#### Acquisition of Vesco (continued)

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

	<i>RMB'000</i>
Cash consideration paid	(51,890)
Cash and bank balances acquired	<u>55,843</u>
Net inflow of cash and cash equivalents included in cash flows from investing activities	<u><u>3,953</u></u>

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

Since the acquisition, Vesco contributed RMB4,214,000 net loss to the consolidated profit for the year ended 31 December 2020.

Had the combination taken place at the beginning of the year, the loss of Vesco included in the statement of profit or loss of the Group for the year would have been RMB4,248,000.

#### 4. OPERATING SEGMENT INFORMATION

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

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

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

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

<b>Year ended</b> <b>31 December 2020</b>	<b>Copper related business RMB’000</b>	<b>Gold related business RMB’000</b>	<b>Total RMB’000</b>
<b>Segment revenue</b>			
Sales to external customers	282,679,508	35,076,978	317,756,486
Intersegment sales	1,575,596	917,157	2,492,753
	<b>284,255,104</b>	<b>35,994,135</b>	<b>320,249,239</b>
<i>Reconciliation:</i>			
Elimination of intersegment sales			<b>(2,492,753)</b>
Revenue			<b>317,756,486</b>
<b>Segment results</b>	<b>2,917,557</b>	<b>334,514</b>	<b>3,252,071</b>
<i>Reconciliation:</i>			
Elimination of intersegment results			<b>—</b>
Profit before tax			<b>3,252,071</b>

#### 4. OPERATING SEGMENT INFORMATION (CONTINUED)

<b>Year ended 31 December 2019</b>	<b>Copper related business <i>RMB'000</i></b>	<b>Gold related business <i>RMB'000</i></b>	<b>Total <i>RMB'000</i></b>
<b>Segment revenue</b>			
Sales to external customers	223,415,520	16,169,969	239,585,489
Intersegment sales	<u>893,460</u>	<u>16,968</u>	<u>910,428</u>
	224,308,980	16,186,937	240,495,917
<i>Reconciliation:</i>			
Elimination of intersegment sales			<u>(910,428)</u>
Revenue			<u><u>239,585,489</u></u>
<b>Segment results</b>	3,068,380	66,413	<u><u>3,134,793</u></u>
<i>Reconciliation:</i>			
Elimination of intersegment results			<u>—</u>
Profit before tax			<u><u>3,134,793</u></u>

#### 4. OPERATING SEGMENT INFORMATION (CONTINUED)

##### Geographical information

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

	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
Mainland China	258,469,492	205,006,109
Hong Kong	33,957,214	16,226,444
Others	26,136,469	19,127,782
	<u>318,563,175</u>	<u>240,360,335</u>
Less: Sales related taxes	806,689	774,846
	<u><u>317,756,486</u></u>	<u><u>239,585,489</u></u>

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, USA, Singapore, Afghanistan, Algeria, Peru, Japan, Zambia, Kazakhstan and Mexico.

##### Information about major customers

No customer or a group of customers under common control accounted for 10% or more of the Group's revenue for years ended 31 December 2020 and 2019. The State-Owned Entities are not identified as a group of customers under common control by the directors of the Company.

## 5. REVENUE AND OTHER INCOME

An analysis of revenue is as follows:

	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
<b>Revenue from contracts with customers</b>		
Sale of goods		
– Copper cathodes	166,680,150	136,603,020
– Copper rods	58,894,734	45,115,729
– Copper processing products	4,291,362	4,614,556
– Gold	33,712,410	16,213,789
– Silver	13,333,365	6,086,104
– Sulphuric and sulphuric concentrate	1,116,480	1,259,961
– Copper concentrate, rare and other nonferrous metals	31,276,409	23,490,148
– Others	8,220,480	6,203,463
Construction services	414,507	276,435
Other services	623,278	497,130
	<b>318,563,175</b>	240,360,335
Less: Sales related taxes	806,689	774,846
	<b>317,756,486</b>	239,585,489

An analysis of other income is as follows:

	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
Interest income	887,831	1,004,302
Dividend income from equity investments	27,601	34,963
Government grants recognised	142,905	147,496
Compensation income and others	68,257	91,242
	<b>1,126,594</b>	1,278,003



## 6. OTHER GAINS AND LOSSES

	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
Fair value (losses)/gains from commodity derivative contracts and commodity option contracts:		
Transactions not qualifying as hedges	(230,305)	(46,177)
Ineffectiveness of fair value hedges	2,872	–
Losses/(gains) on commodity derivative contracts and commodity option contracts:		
Transactions not qualifying as hedges	(1,105,036)	4,511
Fair value gains/(losses) from foreign currency forward contracts and interest rate swaps	48,614	(101,185)
Gains from foreign currency forward contracts and interest rate swaps	121,730	2,656
Fair value (losses)/gains on other financial instruments:		
Financial products	(275,730)	17,189
Listed equity instruments	(129,708)	(297,306)
Unlisted equity investments	(119,725)	(65,853)
Income right attached to a target equity interest	(22,498)	11,198
Held-for-trading financial liabilities	100,858	(27,151)
Gains/(losses) on other financial instruments:		
Listed equity instruments	3,388	3,672
Listed debentures	9,979	3,720
Financial products	687,225	649,739
Bond investments	–	3,750
Unlisted equity investments	–	25,111
Held-for-trading financial liabilities	(175,633)	–
Impairment losses on:		
Property, plant and equipment	(393,612)	(105,449)
Exploration and evaluation assets	(17,689)	(12,014)
Other intangible assets	(86,274)	–
Losses on disposal of property, plant and equipment, net	(112,836)	(111,488)
Gains on disposal of assets classified as held for sale	–	6,561
Foreign exchange loss, net	(124,886)	(9,520)
Others	(14,402)	(27,431)
	<b>(1,833,668)</b>	<b>(75,467)</b>

## 7. IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
Provided for impairment:		
Impairment of trade receivables	668,914	522,912
Impairment of factoring receivables	246,725	609,189
Impairment of loans to related parties	57,245	26,102
Impairment of other receivables	242,464	268,243
Impairment of inter-bank loans	48,716	48,715
	<u>1,264,064</u>	<u>1,475,161</u>

## 8. PROFIT BEFORE TAX

	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
Cost of inventories sold and service provided	299,531,151	224,489,902
Depreciation of property, plant and equipment	2,219,452	1,968,978
Depreciation of right-of-use assets	273,742	204,441
Depreciation of investment properties	12,339	12,713
Amortisation of other intangible assets	190,257	124,663
Auditors' remuneration	13,980	12,520
Employee benefit expense (including directors' remuneration):		
– Wages and salaries	4,000,141	3,590,013
– Pension scheme contributions	380,707	597,319
Research and development costs	489,917	414,364
Provided for/(reversal of) allowance for inventories included in cost of sales	357,737	(38,471)
Provision for impairment of trade and bills receivables	668,914	522,912
Provision for impairment of factoring receivables	246,725	609,189
Provision for impairment of loans to related parties	57,245	26,102
Provision for impairment of other receivables	242,464	268,243
Provision for impairment of inter-bank loans	48,716	48,715
Provision for impairment of prepaid value-added tax	–	10,633
Provision for impairment of property, plant and equipment	393,612	105,449
Provision for impairment of exploration and evaluation assets	17,689	12,014
Provision for impairment of other intangible assets	86,274	–

## 9. INCOME TAX

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

	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
Current income tax	902,020	849,063
Deferred income tax	<u>(9,426)</u>	<u>133,362</u>
Income tax charge for the year	<u><b>892,594</b></u>	<u><b>982,425</b></u>

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

The subsidiaries incorporated in Singapore, United States, Peru, Turkey, Zambia and Mexico are subject to corporate income tax at a rate of 17% (2019: 17%), 28% (2019: 28%), 29.5% (2019: 29.5%), 20% (2019: 20%), 35% (2019: 35%), and 30% (2019: not applicable), respectively.

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

## 10. DIVIDENDS

	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
Proposed final of RMB0.10 per share (2019: RMB0.10 per share)	<u><b>346,273</b></u>	<u><b>346,273</b></u>

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 amount 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 (2019: 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 2020 and 2019.

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

	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
<b>Earnings</b>		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculations	<u><u>2,227,704</u></u>	<u><u>2,437,988</u></u>
<b>Shares</b>		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted earnings per share calculations	<u><u>3,462,729,405</u></u>	<u><u>3,462,729,405</u></u>

## 12. TRADE AND BILLS RECEIVABLES

	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
Trade receivables	10,328,264	10,629,408
Bills receivable	<u>2,628,496</u>	<u>2,608,420</u>
	12,956,760	13,237,828
Less: Impairment allowance	<u>5,955,359</u>	<u>5,698,962</u>
	<u><b>7,001,401</b></u>	<u><b>7,538,866</b></u>

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 goods delivery dates and net of loss allowance, is as follows:

	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
Within 1 year	5,365,351	5,237,612
1 to 2 years	67,511	533,258
2 to 3 years	273,408	399,481
Over 3 years	<u>1,295,131</u>	<u>1,368,515</u>
	<u><b>7,001,401</b></u>	<u><b>7,538,866</b></u>

### 13. DERIVATIVE FINANCIAL INSTRUMENTS

	2020		2019	
	Assets	Liabilities	Assets	Liabilities
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Commodity derivative contracts	401,120	(553,941)	304,929	(211,583)
Commodity option contracts	–	(369)	–	–
Provisional price arrangements	–	(426,979)	–	(117,478)
Foreign currency forward contracts and interest rate swaps	50,393	(50,110)	18,734	(67,064)
	<u>451,513</u>	<u>(1,031,399)</u>	<u>323,663</u>	<u>396,125</u>

2020  
*RMB'000*

2019  
*RMB'000*

#### Including:

Derivatives designated as hedging

instruments (a):

Cash flow hedges

– Commodity derivative contracts – (1,393)

Fair value hedges

– Commodity derivative contracts and forward contracts (17,255)

– Provisional price arrangements (426,979) (117,478)

(444,234) (118,871)

Derivatives not designated as hedging

instruments (b):

– Commodity derivative contracts (135,566) 94,739

– Commodity option contracts (369) –

– Foreign currency forward contracts and interest rate swaps 283 (48,330)

(135,652) 46,409

(579,886) (72,462)

#### 14. TRADE AND BILLS PAYABLES

	2020 RMB'000	2019 RMB'000
Trade payables	6,283,727	8,363,609
Bills payables	3,831,364	4,176,273
	<u>10,115,091</u>	<u>12,540,448</u>

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

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

#### 15. CONTINGENT LIABILITIES

A subsidiary of the Company, Shenzhen Jiangxi Copper Marketing Company Limited, is currently a defendant in a lawsuit brought by Bangdi Auto Technology Company Limited (“**Bangdi Auto**”) alleging that the subsidiary breached a 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 relevant judicial institutions, the facts of the case have become extremely complicated. Therefore, the Directors, based on the advice from the Group’s legal counsel, are not yet able to make a reliable estimate of the outcome of the Litigation as well as the resulting loss or gain.

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

Nanchang, Jiangxi, the People’s Republic of China, 29 March 2021

*As at the date of this announcement, the executive Directors are Mr. Zheng Gaoqing, Mr. Wang Bo, Mr. Gao Jian-min, Mr. Liang Qing, Mr. Liu Fangyun and Mr. Yu Tong; and the independent non-executive Directors are Mr. Tu Shutian, Mr. Liu Erh Fei, Mr. Liu Xike and Mr. Zhu Xingwen.*