



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 : 358)

FIRST QUARTERLY REPORT FOR 2007

1 IMPORTANT NOTICE

- 1.1 The board of directors (the “Board”) of Jiangxi Copper Company Limited (the “Company”), the supervisory committee of the Company (the “Supervisory Committee”) and the directors of the Company (the “Directors”), the supervisors (the “Supervisors”) and senior management warrant that there are no false representations, misleading statements contained in or material omissions from this quarterly report for 3 months ended 31 March 2007, and collectively and individually accept full responsibility for the truthfulness, accuracy and completeness of the information herein contained.
- 1.2 All directors of the Company attended the board meeting.
- 1.3 The first quarterly financial report of the Company was prepared under the PRC accounting standard and have not been audited.
- 1.4 The Company’s Chairman and responsible person, Mr. Li Yihuang and the principal accounting responsible person, Mr. Wu Jinxing, and Manager of Financial Department (Accounting Director), Ms. Qiu Ling, represent that they warrant the truthfulness and accuracy of the Financial Statements contained in this quarterly report.
- 1.5 This quarterly report is published pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. This report is also disseminated on the website of the Shanghai Stock Exchange.

2. MAJOR ACCOUNTING DATA AND FINANCIAL INDICATORS (UNAUDITED)

	As at the end of the reporting period <i>RMB</i>	As at the end of last year <i>RMB</i>	Increase (decrease) as at the end of the reporting period as compared with last year (%)
Total assets (<i>RMB</i>)	18,697,734,523	18,769,417,018	(1.00)
Shareholders' interests (excluding minority interests) (<i>RMB</i>)	13,274,891,781	12,507,692,715	6.13
Net asset per share (<i>RMB</i>)	4.59	4.32	6.25

	For the reporting period <i>RMB</i>	From the beginning to the end of the reporting period <i>RMB</i>	Increase (decrease) as compared with the same period last year (%)
Net cash flow from operating activities (<i>RMB</i>)	1,752,348,548	1,752,348,548	67.60
Net cash flow from operating activities per share (<i>RMB</i>)	0.607	0.607	67.60

	For the reporting period <i>RMB</i>	From the beginning to the end of the reporting period <i>RMB</i>	Changes for the reporting period as compared with the same period last year (%)
Net profit (<i>RMB</i>)	836,126,378	836,126,378	(8.83)
Basic earnings per share(<i>RMB</i>)	0.289	0.289	(8.54)
Diluted earnings per share(<i>RMB</i>)	0.289	0.289	(8.54)
Return on net assets(%)	6.30	6.30	Decreased by 3.4 percentage points

3. TOTAL NUMBER OF SHAREHOLDERS AND SHAREHOLDINGS OF THE TOP TEN HOLDERS OF TRADABLE SHARES NOT SUBJECT TO TRADING MORATORIUM AT THE END OF THE REPORTING PERIOD (AFTER COMPLETION OF SHARE REFORM)

Total number of shareholders at the end of the reporting period The Company has a total of 68,160 shareholders, including 1,032 holders of H Shares and 67,128 holders of A Shares.

Shareholdings of top ten holders of tradable shares not subject to trading moratorium

Name of shareholders (Full name)	Number of tradable shares not subject to trading moratorium held as at the end of the reporting period (share)	Class of shares
HKSCC NOMINEES LIMITED	1,378,832,900	H Shares
Wang Yuanzhong	4,876,724	A Shares
Dong Guoshun	3,723,321	A Shares
Ri Xing Mu Fund (日興母基金)	2,399,946	A Shares
CITIGROUP GLOBAL MARKETS LIMITED	2,258,257	A Shares
HSBC NOMINEES (HONG KONG) LIMITED	1,632,000	H Shares
WONG SHIRLEY KAYE	1,104,000	A Shares
Feng Shihong	1,038,800	A Shares
Shanghai Stock Exchange Index 50 ETF (上證50ETF)	906,219	A Shares
Ye Quan	828,000	A Shares

4. SIGNIFICANT EVENTS

4.1 Significant changes in items in accounting statement and financial indicators and reasons thereof

1. Significant changes in items in balance sheet and reasons thereof

Items	Group		Change during the reporting period	
	Balance as at 31 March 2007	Balance as at 1 January 2007	Increase (decrease)	Percentage change
	RMB	RMB	RMB	(%)
1) Bank balances and cash	1,453,174,972	1,016,976,019	436,198,953	42.89
2) Notes receivable	585,840,046	893,276,250	(307,436,204)	(34.42)
3) Trade prepayment	1,084,174,366	515,065,022	569,109,344	110.49
4) Short-term loans	451,766,500	1,443,266,499	(991,499,999)	(68.70)
5) Accounts payable	400,487,136	808,575,644	(408,088,508)	(50.47)
6) Advances from customers	242,246,574	56,044,839	186,201,735	332.24
7) Other current liabilities	1,504,550,383	500,000,000	1,004,550,383	200.91

- 1) Increase in bank balances and cash was mainly because (1) the Company recorded a net profit of RMB836,130,000 and (2) issued RMB1,000,000,000 worth of short-term debenture during the reporting period.
- 2) Decrease in notes receivable was mainly because the Company discounted a part of notes receivable during the reporting period.
- 3) Prepayment increased mainly because the prepayment for materials rose as a result of soaring prices of raw materials and an increase in procurement at the end of the reporting period.

- 4) Short-term loans decreased mainly because the Company speeded up repayment of loans given sufficient cash from operating activities during the reporting period.
- 5) Accounts payable decreased mainly because the Company speeded up payment of procurement of raw materials given sufficient cash from operating activities during the reporting period.
- 6) Advances from customers changed mainly because the Company received advances from some customers as a result of rising product prices.

2. *Changes in items in Income Statement and the reasons thereof*

Items	Group		Change during the reporting period	
	For the reporting period <i>RMB</i>	For same reporting period of last year <i>RMB</i>	Increase (decrease) <i>RMB</i>	Percentage of Increase (decrease) (%)
1) Revenue	7,908,463,186	4,570,918,892	3,337,544,294	73.02
2) Cost of Sales	6,767,590,571	3,101,749,556	3,665,841,015	118.19
3) Business Tax and surcharges	12,906,275	6,372,521	6,533,754	102.53
4) Distribution costs	29,573,992	17,961,030	11,612,962	64.66
5) Gains from change in fair value	53,901,508	(190,381,099)	244,282,607	(128.31)

- 1) Revenue increased mainly because: (1) the sales of the Company's products increased and (2) selling prices of products soared during the reporting period.

Global copper price had been falling from historical highs in the second half of 2006 and the trend persisted from January to February 2007. The price has fallen to the 8-month lowest in February 2007. However, the copper price has been gradually rising since mid-March 2007 and 3-month copper price quoted by LME rebounded to US\$8,000/tonne as at the reporting date.

- 2) Cost of sales increased mainly attributable to (1) rising sales of the Company's products and (2) soaring unit prices of related raw materials during the reporting period.
- 3) Increase in business tax and surcharges was mainly attributable to cancellation of the preferential resources tax of 30% by the State.
- 4) Distribution cost increased mainly because the Company recorded an increase in sales of copper rods over the same period last year, leading to an increase of transportation expense during the reporting period.
- 5) Gains from change in fair value increased mainly because the copper prices saw a higher fall from January to February 2007 and the Company adopted a conservative hedging approach so that a loss in futures was accounted for a profit.

4.3 Performance of undertakings by the Company, shareholders and controlling shareholder

Undertaking: JCC undertook that during the year following completion of the share reform plan, it will propose at the Company's general meetings to inject or transfer to the Company assets owned by the JCC Group and which are related to copper industry and in line with corporate strategic requirement of the Company.

Performance of undertaking: On 16 March 2007, the proposed non-public issue of not more than 290,000,000 A shares to not more than 10 specific target subscribers including JCC was considered and approved at the sixth meeting of the fourth session of the Board of Directors of the Company. JCC Group will use assets such as mines or copper processing or equity interests held by it as consideration for subscription of not less than 44.63% of the total shares to be issued.

5. Unaudited Financial Statement (prepared under the PRC accounting standard)

Balance Sheet

31 March 2007

Item	Group		Parent Company	
	As at 31	As at 1	As at 31	As at 1
	March 2007	January 2007	March 2007	January 2007
	RMB	RMB	RMB	RMB
Current assets:				
Bank balances and cash	1,453,174,972	1,016,976,019	905,020,059	515,988,371
Notes receivable	585,840,046	893,276,250	553,654,736	765,891,354
Accounts receivable	979,653,027	894,416,243	742,956,175	670,822,644
Prepayment	1,084,174,366	515,065,022	1,112,981,679	483,075,884
Interest receivable	4,159	—	—	—
Dividend receivable	—	—	24,000,000	—
Other receivables	234,279,332	299,293,401	220,191,812	235,509,485
Inventories	4,797,760,528	6,138,997,323	4,469,340,812	6,004,386,937
Other current assets	1,088,388	—	—	—
Total current assets	9,135,974,818	9,758,024,257	8,028,145,273	8,675,674,675
Non-current assets:				
Long-term equity investments	155,000,000	119,005,470	815,915,209	781,377,465
Fixed assets	6,258,922,884	6,381,933,541	5,756,888,447	5,869,239,476
Construction in progress	2,888,070,029	2,252,903,687	2,780,253,842	1,939,719,761
Intangible assets	259,766,792	257,550,063	230,086,730	227,364,771
Total non-current assets	9,561,759,705	9,011,392,761	9,583,144,227	8,817,701,472
Total assets	18,697,734,523	18,769,417,018	17,611,289,500	17,493,376,148

Current liabilities:

Short-term loans	451,766,500	1,443,266,499	30,266,500	905,266,500
Notes payable	32,391,893	34,421,893	32,391,893	34,421,893
Accounts payable	400,487,136	808,575,644	303,492,981	648,941,403
Advances from customers	242,246,574	56,044,839	321,620,683	44,634,620
Salaries and wages payable	34,911,282	3,884,975	26,021,584	882,955
Taxes payable	727,838,677	895,095,440	717,587,870	857,877,844
Interests payable	25,861,610	9,450,000	22,400,000	9,450,000
Dividend payable	4,151,000	18,000,000	—	—
Other payable	596,953,222	507,342,377	548,184,014	505,670,464
Accrued expenses	4,000,000	4,000,000	4,000,000	4,000,000
Non-current liabilities due within one year	42,400,000	253,270,000	—	206,870,000
Other current liabilities	1,504,550,383	500,000,000	1,504,527,182	500,000,000
Total current liabilities	4,067,558,277	4,533,351,668	3,510,492,706	3,718,015,678
Non-current liabilities:				
Long-term loans	808,087,000	1,204,797,000	708,087,000	1,104,797,000
Long-term payable	37,375,444	35,561,000	37,375,444	35,561,000
Other non-current liabilities	72,684,026	72,684,026	72,684,026	72,684,026
Total non-current liabilities	918,146,470	1,313,042,026	818,146,470	1,213,042,026
Total liabilities	4,985,704,747	5,846,393,694	4,328,639,176	4,931,057,704

**Owners' interests (or
shareholders'
equity interest):**

Paid-up (share) capital	2,895,038,200	2,895,038,200	2,895,038,200	2,895,038,200
Capital reserves	1,928,326,352	1,995,348,895	1,926,326,352	1,995,348,895
Less: treasury shares				
Surplus reserves	3,620,890,131	3,620,890,129	3,602,619,293	3,602,619,292
Undistributed profit	4,834,282,099	3,998,155,721	4,858,666,479	4,069,312,058
Currency conversion difference	(3,645,000)	(1,740,229)	—	—
Total equity attributable to equity holders of the parent	<u>13,274,891,781</u>	<u>12,507,692,715</u>	<u>—</u>	<u>—</u>
Minority interests	<u>437,137,995</u>	<u>415,330,609</u>	<u>—</u>	<u>—</u>
Total owners' interests (or shareholders' equity interest)	<u><u>13,712,029,777</u></u>	<u><u>12,923,023,324</u></u>	<u><u>13,282,650,324</u></u>	<u><u>12,562,318,444</u></u>
Total liabilities and owners' interests (or shareholders' equity)	<u><u>18,697,734,523</u></u>	<u><u>18,769,417,018</u></u>	<u><u>17,611,289,500</u></u>	<u><u>17,493,376,148</u></u>

Legal representative: Li Yihuang

Chief financial officer: Wu Jingxing

Financial Manager: Qiu Ling

Income Statement (Unaudited)

31 March 2007

Item	For the reporting period RMB	For the same period last year RMB	For the reporting period RMB	For the same period last year RMB
1. Revenue	7,908,463,186	4,570,918,892	7,630,973,799	4,446,623,208
Less: cost of sales	6,767,590,571	3,101,749,556	6,630,386,949	2,998,539,385
Business tax and surcharge	12,906,275	6,372,521	12,709,866	6,136,744
Distribution costs	29,573,992	17,961,030	20,205,810	10,402,697
Administrative expenses	90,920,023	108,897,973	72,541,073	100,741,798
Financial expenses	40,879,065	39,034,665	38,578,137	36,099,232
Impairment loss of assets	—	(20,594,857)	—	(20,594,857)
Add: (losses) gains from change of fair value	53,901,508	(190,381,099)	90,073,745	(190,381,099)
Investment (losses) income	(1,462,256)	—	388,796	73,169
Including: investment income from associates and joint ventures	(1,462,256)	—	(1,462,256)	—
2. Operating profit(losses)	1,019,032,511	1,127,116,905	947,014,506	1,124,990,278
Add: Non-operating income	262,110	48,913	159,410	32,787
Less: Non-operating expenses	2,184,252	23,787,613	1,839,278	22,719,658
Including: Loss from disposal of non-current assets	54,358	20,618,811	54,358	20,618,811

3. Total profit(losses)	1,017,110,369	1,103,378,205	945,334,638	1,102,303,407
Less: Income tax	<u>159,176,605</u>	<u>183,920,701</u>	<u>155,980,215</u>	<u>182,994,352</u>
4. Net profit(losses)	857,933,765	919,457,504	789,354,423	919,309,055
Attributable to				
Equity holders of				
the Company	836,126,378	913,859,374	—	—
Minority interest	<u>21,807,386</u>	<u>5,598,130</u>	<u>—</u>	<u>—</u>
5. Earnings per share:				
(1) Basic earnings				
per share	0.289	0.316	—	—
(2) Diluted earnings				
per share	<u>0.289</u>	<u>0.316</u>	<u>—</u>	<u>—</u>

Legal representative: Li Yihuang

Chief financial officer: Wu Jingxing

Financial Manager: Qiu Ling

Cash Flow Statement (Unaudited)

January to March 2007

Item	Group		Parent	
	For the reporting period RMB	For the same period last year RMB	For the reporting period RMB	For the same period last year RMB
1. Cash flows from operating activities:				
Cash received from sales of goods and rendering of services	9,333,483,917	5,509,952,929	9,196,861,143	5,351,604,556
Cash received relating to other operating activities	<u>124,293,069</u>	<u>57,043,889</u>	<u>111,331,260</u>	<u>56,071,823</u>
Sub-total of cash inflows from operating activities	<u>9,457,776,985</u>	<u>5,566,996,818</u>	<u>9,308,192,403</u>	<u>5,407,676,379</u>
Cash paid for goods and services	6,891,435,399	4,098,302,506	7,002,668,900	3,819,650,653
Cash paid to and on behalf of employees	144,816,026	82,855,897	135,601,530	78,080,022
Tax payment	656,508,734	282,898,686	624,701,673	274,371,874
Other cash paid relating to operating activities	<u>12,668,278</u>	<u>57,354,778</u>	<u>6,438,182</u>	<u>54,589,597</u>
Sub-total of cash outflows from operating activities	<u>7,705,428,438</u>	<u>4,521,411,867</u>	<u>7,769,410,285</u>	<u>4,227,052,146</u>
Net cash flows from operating activities	<u>1,752,348,548</u>	<u>1,045,584,951</u>	<u>1,538,782,118</u>	<u>1,180,624,233</u>

2. Cash flows from				
investment activities:				
Cash received from				
disposal of investment	20,091,000	—	—	—
Cash received from				
return on investments	—	—	1,851,052	—
Net cash receipts from				
disposal of fixed assets, intangible assets and other long-term assets	42,423	—	—	—
Cash received relating to				
other operating activities	9,247,007	29,587	—	—
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Sub-total of cash inflows				
from investment activities	29,380,430	29,587	1,851,052	—
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Cash paid to acquire				
fixed assets, intangible assets and other long-term assets	620,411,550	394,105,151	612,486,795	266,720,269
Cash paid to acquire investments	66,000,000	36,000,000	—	—
Net cash paid to acquire subsidiaries				
and other operating units	76,000	—	—	—
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Sub-total of cash outflows from				
investment activities	686,487,550	394,105,151	648,486,795	266,720,269
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net cash flows from				
investment activities	(657,107,120)	(394,075,564)	(646,635,743)	(266,720,269)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

3. Cash flows from financing activities:

Cash received from borrowings	38,000,000	941,000,000	20,000,000	770,000,000
Cash received from issue of debenture	1,000,000,000	500,000,000	1,000,000,000	500,000,000
Cash received relating to other financing activities	907,519	—	—	—
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Sub-total of cash inflows from financing activities	1,038,907,519	1,441,000,000	1,020,000,000	1,270,000,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Repayment of borrowings	1,656,210,000	1,767,716,221	1,496,710,000	1,755,216,221
Dividends paid, profit distributed or interests paid	41,731,338	37,560,630	26,404,686	36,099,232
Cash payment relating to other financing activities	8,656	4,252,500	—	4,252,500
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Sub-total of cash outflows from financing activities	1,697,949,994	1,809,529,351	1,523,114,686	1,795,567,953
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net cash flows from financing activities	(659,042,475)	(368,529,351)	(503,114,686)	(525,567,953)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

4. Effect of changes of exchange rate on cash and cash equivalents

	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

5. Net increase in cash and cash equivalents	436,198,983	282,980,036	389,031,688	388,336,011
Add: Balance of cash and cash equivalents at the beginning of the reporting period	<u>1,016,976,019</u>	<u>1,142,497,348</u>	<u>515,988,371</u>	<u>833,893,230</u>
6. Balance of cash and cash equivalents at the end of the reporting period	<u>1,453,174,972</u>	<u>1,425,477,384</u>	<u>905,020,059</u>	<u>1,222,229,241</u>

Legal representative: Li Yihuang
Chief financial officer: Wu Jingxing
Financial Manager: Qiu Ling

This quarterly report is published in both English and Chinese language. The Chinese version shall prevail if there is any inconsistency.

As at the date of this announcement, the executive directors of the Company are Mr. Li Yihuang, Mr. Li Baomin, Mr. Wang Chiwei, Mr. Long Ziping, Mr. Wu Jinxing, Mr. Gao Jianmin and Mr. Liang Qing and the Independent non-executive Directors of the Company are Mr. Kang Yi, Mr. Yin Hongshan, Ms. Zhang Rui and Mr. Tu Shutian.

By order of the Board of Directors
Jiangxi Copper Company Limited
Li Yihuang
Chairman

Guixi, Jiangxi Province, the PRC

20 April 2007

Please also refer to the published version of this announcement in The Standard / Hong Kong Economic Times.