

China / Hong Kong Company Update

Jiangxi Copper

Bloomberg: 358 HK EQUITY | 600362 CH Equity | Reuters: 0358.HK | 600362.SS

Refer to important disclosures at the end of this report

DBS Group Research . Equity

27 Jul 2022

H: BUY

Last Traded Price (26 Jul 2022): HK\$9.73 (HSI : 20,906)
Price Target 12-mth: HK\$15.00 (54.2% upside) (Prev HK\$22.00)

A: HOLD

Last Traded Price (26 Jul 2022): RMB16.90 (CSI300 Index : 4,246)
Price Target 12-mth: RMB17.00 (0.6% upside) (Prev RMB25.00)

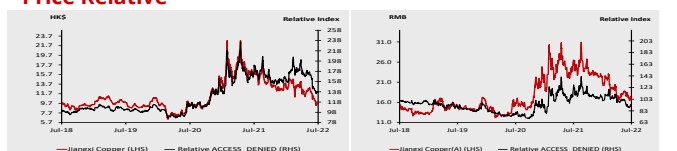
Analyst

LEE Eun Young +65 6682 3708 eunyoung@dbs.com

What's New

- Revised down FY22F/FY23F earnings after inputting lower copper and gold price projections
- Sales volume growth and higher T/C (treatment charges) to help to buffer earnings decline
- Expansion of business scope to downstream to enhance growth potential
- Reduce TPs to RMB17 for A-share and HK\$15 for H-share but retain BUY call for H-shares and HOLD for A-shares

Price Relative



Forecasts and Valuation (H Shares)

FY Dec (RMBm)	2020A	2021A	2022F	2023F
Turnover	317,756	441,614	491,123	457,822
EBITDA	7,010	11,382	10,421	9,283
Pre-tax Profit	3,252	7,417	6,551	5,313
Net Profit	2,228	5,773	4,704	3,815
Net Pft (Pre Ex) (core profit)	2,228	5,773	4,704	3,814
Net Profit Gth (Pre-ex) (%)	(8.6)	159.1	(18.5)	(18.9)
EPS (RMB)	0.64	1.67	1.36	1.10
EPS (HK\$)	0.75	1.93	1.58	1.28
EPS Gth (%)	(8.6)	159.1	(18.5)	(18.9)
Diluted EPS (HK\$)	0.75	1.93	1.58	1.28
DPS (HK\$)	0.12	0.58	0.58	0.58
BV Per Share (HK\$)	20.08	23.39	24.39	25.09
PE (X)	13.0	5.0	6.2	7.6
P/Cash Flow (X)	21.0	3.2	4.0	3.2
P/Free CF (X)	nm	5.1	7.8	5.3
EV/EBITDA (X)	7.8	4.3	4.7	5.0
Net Div Yield (%)	1.2	6.0	6.0	6.0
P/Book Value (X)	0.5	0.4	0.4	0.4
Net Debt/Equity (X)	0.3	0.2	0.1	0.1
ROAE (%)	4.0	8.9	6.6	5.2
Earnings Rev (%):			(20)	(30)
Consensus EPS (RMB)			1.59	1.44
Other Broker Recs:		B:3	S:1	H:6

Source of all data on this page: Company, DBS Bank (Hong Kong) Limited ("DBS HK"), Thomson Reuters

Earnings deterioration priced in

Investment Thesis

Reduce TPs on lower earnings forecasts. We reduce our TPs on A-and-H shares of Jiangxi Copper to RMB17 and HK\$15 respectively, and maintain our HOLD call on A shares and BUY call on H shares. This follows our 20%/30% downward revisions to FY22F/FY23F EPS after inputting lower copper and gold price forecasts. The company should deliver strong earnings in 1H22, however, 2H22 earnings is expected to deteriorate following the dive in copper prices since June. Despite this, volume growth of copper processing products and gold/silver will help to buffer the negative impact of lower metal prices.

Expansion of business scope to downstream to enhance growth potential. The company acquired Tpc Co Copper and Jiangxi Cable in 2021, which has a capacity of 360ktpy of wire rods and 60ktpy of drawn wire, as part of its strategy to expand and strengthen its copper processing business. The company is planning to invest RMB12.8Bn in three separate projects over 2022-2028 in Jiangxi: i) adding capacity of 30k tonne p.a. of new copper casting materials by the end of 2026, ii) building a new copper rod plant of 220k tonne p.a. capa by the end of 2022, and iii) building a 100k tonne p.a. electrofoil mill for EV batteries by 2028. This will lead to earnings growth over the mid to long term.

Excessive pullback of H-share prices, now attractively valued.

Following the retreat in copper prices, the company's H-shares have declined c 30% since mid-Apr, which is excessive vs. the 15% fall in A-shares and LME copper prices by 27 July 2022. The stock is trading at 0.4x FY22F P/BV, 6.2x PE, and 4.7x EV/EBITDA which is at the low end of its historical range.

Valuation:

Our TP of HK\$15 for H-shares is pegged to 0.6x FY23F P/BV, the historical average for the last 5 years, Meanwhile, our RMB17 TP for A-shares is based on a 20% premium to its H-shares.

Where we differ:

More conservative earnings forecasts than the street. Our forecasts for FY22F/FY23F EPS are lower than market consensus figures. This stems from our conservative view on copper prices.

Key Risks to Our View:

Key downside risks are copper price volatility and hedging risk. Decrease in TC(treatment Charges)/RC(refined charges) would also be a negative.

At A Glance

Issued Capital - H shares (m shs)	1,387
- Non H shrs (m shs)	2,075
H shs as a % of Total	40
Total Mkt Cap (HK\$m/US\$m)	54,204 / 6,906
Major Shareholders (%)	
Jiangxi Copper Corporation Limited	57.8
Major H Shareholders (As % of H shares)	
Jiangxi Copper Corporation Limited	22.2
H Shares-Free Float (%)	77.8
3m Avg. Daily Val. (US\$m)	10.33
GICS Industry: Materials / Metals & Mining	



Watchlist the stock on Insights Direct to receive prompt updates



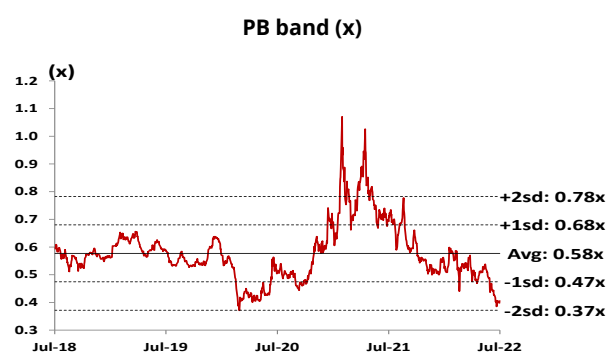
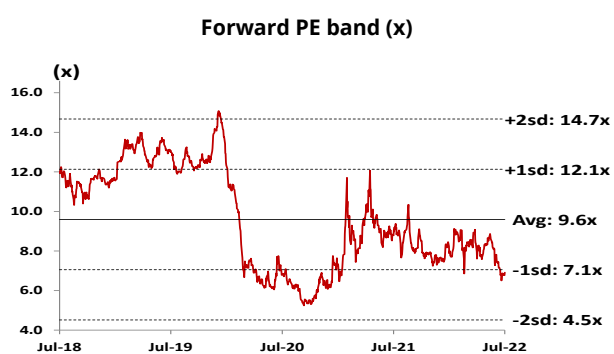
Live more, Bank less

Jiangxi Copper

Company Background

Jiangxi Copper is the largest integrated copper producer and a state-owned entity in China. It is engaged in exploration, mining, ore dressing, smelting, and processing of copper as well as other non-ferrous metals. The company was listed on both The Stock Exchange of Hong Kong and Shanghai Stock Exchange in 2002.

Historical PE and PB band



Source: Thomson Reuters, DBS HK

Jiangxi Copper

Key Assumptions

FY Dec	2019A	2020A	2021A	2022F	2023F
Copper cathode sales volume(k ton)	1,317.9	1,910.6	1,784.4	1,942.0	1,942.0
Copper rods & processing products' sales volume(k ton)	1,129.1	1,515.4	1,667.3	1,817.4	1,944.6
LME copper prices(US\$/ton)	5,999.7	6,180.6	9,317.5	9,100.0	8,190.0
Gold prices(US\$/oz)	1,393.4	1,771.2	1,799.4	1,840.0	1,748.0

Source: Company, DBS HK

Segmental Breakdown (RMB m)

FY Dec	2019A	2020A	2021A	2022F	2023F
Revenues (RMB m)					
Copper cathodes	136,603	166,680	221,113	237,738	210,818
Copper rods & processing products	49,730	63,186	108,886	128,837	120,447
Gold	16,214	33,712	28,242	36,537	37,619
Silver	6,086	13,333	14,015	16,032	16,507
Sulphuric and sulphuric concentrate	1,260	1,116	3,375	4,537	3,192
Others	18,269	39,728	65,982	67,443	69,239
Humon	11,423	11,607	15,640	16,779	17,618
Total	239,585	317,756	441,614	491,123	457,822
Gross Profit (RMB m)					
Copper cathodes	6,102	6,506	10,315	6,688	7,086
Copper rods & processing products	1,326	947	1,708	2,021	1,889
Gold	1,182	2,257	785	3,259	3,355
Silver	386	855	392	2,135	2,198
Sulphuric and sulphuric concentrate	(246)	(280)	1,935	3,053	1,678
Others	(904)	(1,178)	(6,290)	(6,790)	(7,824)
Humon	794	611	1,360	1,071	1,125
Total	8,639	9,718	10,205	10,205	10,205
Gross Profit Margins (%)					
Copper cathodes	4.5	3.9	4.7	2.8	3.4
Copper rods & processing products	2.7	1.5	1.6	1.6	1.6
Gold	7.3	6.7	2.8	8.9	8.9
Silver	6.3	6.4	2.8	13.3	13.3
Sulphuric and sulphuric concentrate	(19.6)	(25.1)	57.3	67.3	52.6
Others	(5.0)	(3.0)	(9.5)	(10.1)	(11.3)
Humon	7.0	5.3	8.7	6.4	6.4
Total	3.6	3.1	2.3	2.1	2.2

Source: Company, DBS HK

Jiangxi Copper

Income Statement (RMB m)

FY Dec	2019A	2020A	2021A	2022F	2023F
Revenue	239,585	317,756	441,614	491,123	457,822
Cost of Goods Sold	(231,172)	(307,687)	(425,423)	(475,720)	(444,020)
Gross Profit	8,413	10,069	16,192	15,403	13,802
Other Opng (Exp)/Inc	(4,893)	(5,078)	(5,633)	(6,079)	(5,657)
Operating Profit	3,520	4,991	10,559	9,323	8,145
Other Non Opng (Exp)/Inc	515	(776)	(1,780)	(1,800)	(1,900)
Associates & JV Inc	(21)	99	(158)	0	0
Net Interest (Exp)/Inc	(880)	(1,062)	(1,204)	(973)	(933)
Dividend Income	0	0	0	0	0
Exceptional Gain/(Loss)	0	0	0	0	1
Pre-tax Profit	3,135	3,252	7,417	6,551	5,313
Tax	(982)	(893)	(1,387)	(1,638)	(1,328)
Minority Interest	286	(132)	(257)	(209)	(170)
Preference Dividend	0	0	0	0	0
Net Profit	2,438	2,228	5,773	4,704	3,815
Net Profit before Except.	2,438	2,228	5,773	4,704	3,814
EBITDA	6,325	7,010	11,382	10,421	9,283
Growth					
Revenue Gth (%)	11.7	32.6	39.0	11.2	(6.8)
EBITDA Gth (%)	11.6	10.8	62.4	(8.4)	(10.9)
Opg Profit Gth (%)	10.5	41.8	111.5	(11.7)	(12.6)
Net Profit Gth (%)	1.0	(8.6)	159.1	(18.5)	(18.9)
Margins & Ratio					
Gross Margins (%)	3.5	3.2	3.7	3.1	3.0
Opg Profit Margin (%)	1.5	1.6	2.4	1.9	1.8
Net Profit Margin (%)	1.0	0.7	1.3	1.0	0.8
ROAE (%)	4.8	4.0	8.9	6.6	5.2
ROA (%)	2.1	1.6	3.8	2.9	2.4
ROCE (%)	1.6	1.0	3.6	2.8	2.2
Div Payout Ratio (%)	14.2	15.5	30.0	36.8	45.4
Net Interest Cover (x)	4.0	4.7	8.8	9.6	8.7

Source: Company, DBS HK

Interim Income Statement (RMB m)

FY Dec	2H2019	1H2020	2H2020	1H2021	2H2021
Revenue	134,891	146,625	171,131	226,236	215,378
Cost of Goods Sold	(130,301)	(143,433)	(164,254)	(215,904)	(209,519)
Gross Profit	4,590	3,192	6,878	10,332	5,860
Other Oper. (Exp)/Inc	(3,333)	(1,758)	(3,320)	(3,132)	(2,501)
Operating Profit	1,257	1,434	3,557	7,200	3,359
Other Non Opng (Exp)/Inc	367	401	(1,178)	(2,698)	918
Associates & JV Inc	(24)	40	60	45	(203)
Net Interest (Exp)/Inc	(376)	(666)	(396)	(479)	(725)
Exceptional Gain/(Loss)	0	0	0	0	0
Pre-tax Profit	1,224	1,209	2,043	4,068	3,349
Tax	(448)	(403)	(490)	(777)	(611)
Minority Interest	250	(19)	(113)	(138)	(119)
Net Profit	1,026	787	1,441	3,153	2,619
Net profit bef Except.	1,026	787	1,441	3,153	2,619
Growth					
Revenue Gth (%)	22.2	40.1	26.9	54.3	25.9
Opg Profit Gth (%)	(28.7)	(36.6)	182.9	402.0	(5.6)
Net Profit Gth (%)	(5.7)	(44.3)	40.4	300.6	81.8
Margins					
Gross Margins (%)	3.4	2.2	4.0	4.6	2.7
Opg Profit Margins (%)	0.9	1.0	2.1	3.2	1.6
Net Profit Margins (%)	0.8	0.5	0.8	1.4	1.2

Source: Company, DBS HK

Jiangxi Copper

Balance Sheet (RMB m)

FY Dec	2019A	2020A	2021A	2022F	2023F
Net Fixed Assets	26,868	25,560	25,309	26,185	26,921
Invt in Associates & JVs	4,493	4,608	5,062	5,412	5,762
Other LT Assets	19,508	32,607	37,421	37,815	38,209
Cash & ST Invt	40,736	29,931	39,230	37,852	37,586
Inventory	26,923	32,688	36,977	37,522	35,022
Debtors	8,669	7,718	7,696	8,571	7,990
Other Current Assets	7,717	7,769	9,339	9,620	9,908
Total Assets	134,914	140,882	161,035	162,977	161,397
ST Debt	45,134	33,839	38,332	36,332	34,332
Creditors	12,540	10,115	11,168	12,285	11,452
Other Current Liab	10,709	12,319	17,729	17,729	17,729
LT Debt	5,758	14,577	13,356	13,000	12,000
Other LT Liabilities	1,740	3,172	2,640	2,640	2,640
Shareholder's Equity	52,746	59,910	69,799	72,771	74,855
Minority Interests	6,287	6,949	8,011	8,220	8,390
Total Cap. & Liab.	134,914	140,882	161,035	162,977	161,397
Non-Cash Wkg. Capital	20,059	25,740	25,115	25,699	23,739
Net Cash/(Debt)	(10,155)	(18,485)	(12,458)	(11,480)	(8,746)
Debtors Turn (avg days)	15.0	9.4	6.4	6.0	6.6
Creditors Turn (avg days)	15.0	13.6	9.2	9.1	9.8
Inventory Turn (avg days)	35.2	35.7	30.1	28.8	30.0
Asset Turnover (x)	2.0	2.3	2.9	3.0	2.8
Current Ratio (x)	1.2	1.4	1.4	1.4	1.4
Quick Ratio (x)	0.7	0.7	0.7	0.7	0.7
Net Debt/Equity (X)	0.2	0.3	0.2	0.1	0.1
Net Debt/Equity ex MI (X)	0.2	0.3	0.2	0.2	0.1
Capex to Debt (%)	6.2	5.3	6.8	7.1	7.6
Z-Score (X)	NA	NA	NA	NA	NA

Source: Company, DBS HK

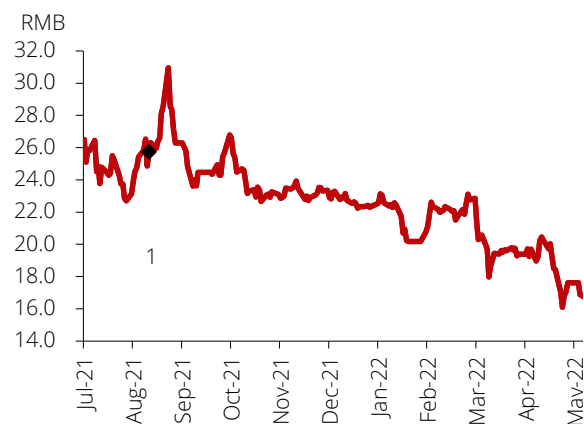
Cash Flow Statement (RMB m)

FY Dec	2019A	2020A	2021A	2022F	2023F
Pre-Tax Profit	3,135	3,252	7,417	6,551	5,313
Dep. & Amort.	2,311	2,696	2,761	2,898	3,038
Tax Paid	(982)	(893)	(1,387)	(1,638)	(1,328)
Assoc. & JV Inc/(loss)	21	(99)	158	0	0
(Pft)/ Loss on disposal of FAs	0	0	0	0	0
Chg in Wkg.Cap.	622	(5,900)	200	(584)	1,960
Other Operating CF	3,146	2,326	0	0	0
Net Operating CF	8,252	1,382	9,148	7,227	8,983
Capital Exp.(net)	(3,152)	(2,563)	(3,500)	(3,500)	(3,500)
Other Invt.(net)	2,295	3,404	820	(1,353)	(1,353)
Invt in Assoc. & JV	(731)	(413)	(2,000)	(500)	(500)
Div from Assoc & JV	17	156	150	150	150
Other Investing CF	(10,373)	(886)	(668)	(668)	(668)
Net Investing CF	(11,944)	(303)	(5,198)	(5,871)	(5,871)
Div Paid	(346)	(346)	(1,731)	(1,731)	(1,731)
Chg in Gross Debt	9,497	2,674	3,272	(2,356)	(3,000)
Capital Issues	0	0	0	0	0
Other Financing CF	2,422	(7,490)	1,353	1,353	1,353
Net Financing CF	11,573	(5,162)	2,894	(2,734)	(3,378)
Currency Adjustments	202	(195)	1	1	2
Chg in Cash	8,083	(4,279)	6,845	(1,377)	(265)
Opg CFPS (RMB)	2.20	2.10	2.58	2.26	2.03
Free CFPS (RMB)	1.47	(0.34)	1.63	1.08	1.58

Source: Company, DBS HK

Jiangxi Copper

H Share - Target Price & Ratings History



Source: DBS HK

Analyst: LEE Eun Young

A Share - Target Price & Ratings History



S.No.	Date	Closing Price	12-mth Target Price	Rating
1:	2-Sep-21	RMB24.87	RMB25.00	Hold

Source: DBS HK

Analyst: LEE Eun Young

Jiangxi Copper

DBS HK recommendations are based on an Absolute Total Return* Rating system, defined as follows:

STRONG BUY (>20% total return over the next 3 months, with identifiable share price catalysts within this time frame)

BUY (>15% total return over the next 12 months for small caps, >10% for large caps)

HOLD (-10% to +15% total return over the next 12 months for small caps, -10% to +10% for large caps)

FULLY VALUED (negative total return, i.e., > -10% over the next 12 months)

SELL (negative total return of > -20% over the next 3 months, with identifiable share price catalysts within this time frame)

*Share price appreciation + dividends

Completed Date: 27 Jul 2022 15:29:38 (HKT)

Dissemination Date: 27 Jul 2022 17:08:55 (HKT)

Sources for all charts and tables are DBS HK unless otherwise specified.

GENERAL DISCLOSURE/DISCLAIMER

This report is prepared by DBS Bank (Hong Kong) Limited ("DBS HK"). This report is solely intended for the clients of DBS Bank Ltd., DBS HK, DBS Vickers (Hong Kong) Limited ("DBSV HK"), and DBS Vickers Securities (Singapore) Pte Ltd. ("DBSVS"), its respective connected and associated corporations and affiliates only and no part of this document may be (i) copied, photocopied or duplicated in any form or by any means or (ii) redistributed without the prior written consent of DBS HK.

The research set out in this report is based on information obtained from sources believed to be reliable, but we (which collectively refers to DBS Bank Ltd., DBS HK, DBSV HK, DBSVS, its respective connected and associated corporations, affiliates and their respective directors, officers, employees and agents (collectively, the "DBS Group") have not conducted due diligence on any of the companies, verified any information or sources or taken into account any other factors which we may consider to be relevant or appropriate in preparing the research. Accordingly, we do not make any representation or warranty as to the accuracy, completeness or correctness of the research set out in this report. Opinions expressed are subject to change without notice. This research is prepared for general circulation. Any recommendation contained in this document does not have regard to the specific investment objectives, financial situation and the particular needs of any specific addressee. This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement by addressees, who should obtain separate independent legal or financial advice. The DBS Group accepts no liability whatsoever for any direct, indirect and/or consequential loss (including any claims for loss of profit) arising from any use of and/or reliance upon this document and/or further communication given in relation to this document. This document is not to be construed as an offer or a solicitation of an offer to buy or sell any securities. The DBS Group, along with its affiliates and/or persons associated with any of them may from time to time have interests in the securities mentioned in this document. The DBS Group, may have positions in, and may effect transactions in securities mentioned herein and may also perform or seek to perform broking, investment banking and other banking services for these companies.

Any valuations, opinions, estimates, forecasts, ratings or risk assessments herein constitutes a judgment as of the date of this report, and there can be no assurance that future results or events will be consistent with any such valuations, opinions, estimates, forecasts, ratings or risk assessments. The information in this document is subject to change without notice, its accuracy is not guaranteed, it may be incomplete or condensed, it may not contain all material information concerning the company (or companies) referred to in this report and the DBS Group is under no obligation to update the information in this report.

This publication has not been reviewed or authorized by any regulatory authority in Singapore, Hong Kong or elsewhere. There is no planned schedule or frequency for updating research publication relating to any issuer.

The valuations, opinions, estimates, forecasts, ratings or risk assessments described in this report were based upon a number of estimates and assumptions and are inherently subject to significant uncertainties and contingencies. It can be expected that one or more of the estimates on which the valuations, opinions, estimates, forecasts, ratings or risk assessments were based will not materialize or will vary significantly from actual results. Therefore, the inclusion of the valuations, opinions, estimates, forecasts, ratings or risk assessments described herein IS NOT TO BE RELIED UPON as a representation and/or warranty by the DBS Group (and/or any persons associated with the aforesaid entities), that:

- (a) such valuations, opinions, estimates, forecasts, ratings or risk assessments or their underlying assumptions will be achieved, and
- (b) there is any assurance that future results or events will be consistent with any such valuations, opinions, estimates, forecasts, ratings or risk assessments stated therein.

Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets. Any assumptions made in this report that refers to commodities, are for the purposes of making forecasts for the company (or companies) mentioned herein. They are not to be construed as recommendations to trade in the physical commodity or in the futures contract relating to the commodity referred to in this report.

DBS Vickers Securities (USA) Inc ("DBSVUSA"), a US-registered broker-dealer, does not have its own investment banking or research department, has not participated in any public offering of securities as a manager or co-manager or in any other investment banking transaction in the past twelve months and does not engage in market-making.

Jiangxi Copper

Neither DBS Bank Ltd nor DBS HK market makes in equity securities of the issuer(s) or company(ies) mentioned in this Research Report.

ANALYST CERTIFICATION

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible for the content of this research report, in part or in whole, certifies that he or his associate¹ does not serve as an officer of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant) and the research analyst(s) primarily responsible for the content of this research report or his associate does not have financial interests² in relation to an issuer or a new listing applicant that the analyst reviews. DBS Group has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the DBS Group and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of DBS Group's compensation to any specific investment banking function of the DBS Group.

COMPANY-SPECIFIC / REGULATORY DISCLOSURES


1. DBS Bank Ltd, DBS HK, DBSVS or their subsidiaries and/or other affiliates have a proprietary position in Jiangxi Copper Co Ltd (358 HK) recommended in this report as of 25 Jul 2022.
2. **Compensation for investment banking services:**
DBSVUSA does not have its own investment banking or research department, nor has it participated in any public offering of securities as a manager or co-manager or in any other investment banking transaction in the past twelve months. Any US persons wishing to obtain further information, including any clarification on disclosures in this disclaimer, or to effect a transaction in any security discussed in this document should contact DBSVUSA exclusively.
3. **Disclosure of previous investment recommendation produced:**
DBS Bank Ltd, DBSVS, DBS HK, their subsidiaries and/or other affiliates of DBSVUSA may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed on page 1 of this report to view previous investment recommendations published by DBS Bank Ltd, DBS HK, DBSVS, their subsidiaries and/or other affiliates of DBSVUSA in the preceding 12 months.

¹ An associate is defined as (i) the spouse, or any minor child (natural or adopted) or minor step-child, of the analyst; (ii) the trustee of a trust of which the analyst, his spouse, minor child (natural or adopted) or minor step-child, is a beneficiary or discretionary object; or (iii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

² Financial interest is defined as interests that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

Jiangxi Copper

RESTRICTIONS ON DISTRIBUTION

General	This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation.
Australia	<p>This report is being distributed in Australia by DBS Bank Ltd, DBSVS or DBSV HK. DBS Bank Ltd holds Australian Financial Services Licence no. 475946.</p> <p>DBS Bank Ltd, DBSVS and DBSV HK are exempted from the requirement to hold an Australian Financial Services Licence under the Corporation Act 2001 ("CA") in respect of financial services provided to the recipients. Both DBS Bank Ltd and DBSVS are regulated by the Monetary Authority of Singapore under the laws of Singapore, and DBSV HK is regulated by the Hong Kong Securities and Futures Commission under the laws of Hong Kong, which differ from Australian laws.</p> <p>Distribution of this report is intended only for "wholesale investors" within the meaning of the CA.</p>
Hong Kong	This report is being distributed in Hong Kong by DBS Bank Ltd, DBS Bank (Hong Kong) Limited and DBS Vickers (Hong Kong) Limited, all of which are registered with or licensed by the Hong Kong Securities and Futures Commission to carry out the regulated activity of advising on securities. DBS Bank Ltd., Hong Kong Branch is a limited liability company incorporated in Singapore.
Indonesia	This report is being distributed in Indonesia by PT DBS Vickers Sekuritas Indonesia.
Malaysia	<p>This report is distributed in Malaysia by AllianceDBS Research Sdn Bhd ("ADBSR"). Recipients of this report, received from ADBSR are to contact the undersigned at 603-2604 3333 in respect of any matters arising from or in connection with this report. In addition to the General Disclosure/Disclaimer found at the preceding page, recipients of this report are advised that ADBSR (the preparer of this report), its holding company Alliance Investment Bank Berhad, their respective connected and associated corporations, affiliates, their directors, officers, employees, agents and parties related or associated with any of them may have positions in, and may effect transactions in the securities mentioned herein and may also perform or seek to perform broking, investment banking/corporate advisory and other services for the subject companies. They may also have received compensation and/or seek to obtain compensation for broking, investment banking/corporate advisory and other services from the subject companies.</p> <p style="text-align: right;">  Wong Ming Tek, Executive Director, ADBSR </p>
Singapore	This report is distributed in Singapore by DBS Bank Ltd (Company Regn. No. 196800306E) or DBSVS (Company Regn No. 198600294G), both of which are Exempt Financial Advisers as defined in the Financial Advisers Act and regulated by the Monetary Authority of Singapore. DBS Bank Ltd and/or DBSVS, may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, DBS Bank Ltd accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact DBS Bank Ltd at 6878 8888 for matters arising from, or in connection with the report.
Thailand	<p>This report is being distributed in Thailand by DBS Vickers Securities (Thailand) Co Ltd.</p> <p>For any query regarding the materials herein, please contact [Chanpen Sirithanarattanaku] at [research@th.dbs.com]</p>
United Kingdom	<p>This report is produced by DBS HK which is regulated by the Hong Kong Monetary Authority</p> <p>This report is disseminated in the United Kingdom by DBS Bank Ltd, London Branch ("DBS UK"). DBS Bank Ltd is regulated by the Monetary Authority of Singapore. DBS UK is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request.</p> <p>In respect of the United Kingdom, this report is solely intended for the clients of DBS UK, its respective connected and associated corporations and affiliates only and no part of this document may be (i) copied, photocopied or duplicated in any form or by any means or (ii) redistributed without the prior written consent of DBS UK. This communication is directed at persons having professional experience in matters relating to investments. Any investment activity following from this communication will only be engaged in with such persons. Persons who do not have professional experience in matters relating to investments should not rely on this communication.</p>

Jiangxi Copper

Dubai International Financial Centre	<p>This communication is provided to you as a Professional Client or Market Counterparty as defined in the DFSA Rulebook Conduct of Business Module (the "COB Module"), and should not be relied upon or acted on by any person which does not meet the criteria to be classified as a Professional Client or Market Counterparty under the DFSA rules.</p> <p>This communication is from the branch of DBS Bank Ltd operating in the Dubai International Financial Centre (the "DIFC") under the trading name "DBS Bank Ltd. (DIFC Branch)" ("DBS DIFC"), registered with the DIFC Registrar of Companies under number 156 and having its registered office at units 608 - 610, 6th Floor, Gate Precinct Building 5, PO Box 506538, DIFC, Dubai, United Arab Emirates.</p> <p>DBS DIFC is regulated by the Dubai Financial Services Authority (the "DFSA") with a DFSA reference number F000164. For more information on DBS DIFC and its affiliates, please see http://www.dbs.com/ae/our--network/default.page.</p> <p>Where this communication contains a research report, this research report is prepared by the entity referred to therein, which may be DBS Bank Ltd or a third party, and is provided to you by DBS DIFC. The research report has not been reviewed or authorised by the DFSA. Such research report is distributed on the express understanding that, whilst the information contained within is believed to be reliable, the information has not been independently verified by DBS DIFC.</p> <p>Unless otherwise indicated, this communication does not constitute an "Offer of Securities to the Public" as defined under Article 12 of the Markets Law (DIFC Law No.1 of 2012) or an "Offer of a Unit of a Fund" as defined under Article 19(2) of the Collective Investment Law (DIFC Law No.2 of 2010).</p> <p>The DFSA has no responsibility for reviewing or verifying this communication or any associated documents in connection with this investment and it is not subject to any form of regulation or approval by the DFSA. Accordingly, the DFSA has not approved this communication or any other associated documents in connection with this investment nor taken any steps to verify the information set out in this communication or any associated documents, and has no responsibility for them. The DFSA has not assessed the suitability of any investments to which the communication relates and, in respect of any Islamic investments (or other investments identified to be Shari'a compliant), neither we nor the DFSA has determined whether they are Shari'a compliant in any way.</p> <p>Any investments which this communication relates to may be illiquid and/or subject to restrictions on their resale. Prospective purchasers should conduct their own due diligence on any investments. If you do not understand the contents of this document you should consult an authorised financial adviser.</p>
United States	<p>This report was prepared by DBS HK. DBSVUSA did not participate in its preparation. The research analyst(s) named on this report are not registered as research analysts with FINRA and are not associated persons of DBSVUSA. The research analyst(s) are not subject to FINRA Rule 2241 restrictions on analyst compensation, communications with a subject company, public appearances and trading securities held by a research analyst. This report is being distributed in the United States by DBSVUSA, which accepts responsibility for its contents. This report may only be distributed to Major U.S. Institutional Investors (as defined in SEC Rule 15a-6) and to such other institutional investors and qualified persons as DBSVUSA may authorize. Any U.S. person receiving this report who wishes to effect transactions in any securities referred to herein should contact DBSVUSA directly and not its affiliate.</p>
Other jurisdictions	<p>In any other jurisdictions, except if otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions.</p>

DBS Bank (Hong Kong) Limited

13th Floor One Island East, 18 Westlands Road, Quarry Bay, Hong Kong

Tel: (852) 3668-4181, Fax: (852) 2521-1812

Jiangxi Copper

DBS Regional Research Offices

HONG KONG

DBS Bank (Hong Kong) Ltd

Contact: Dennis Lam

13th Floor One Island East,
18 Westlands Road, Quarry Bay, Hong Kong

Tel: 852 3668 4181

Fax: 852 2521 1812

e-mail: dbsvhk@dbs.com

SINGAPORE

DBS Bank Ltd

Contact: Paul Yong

12 Marina Boulevard,
Marina Bay Financial Centre Tower 3
Singapore 018982

Tel: 65 6878 8888

e-mail: groupresearch@dbs.com

Company Regn. No. 196800306E

INDONESIA

PT DBS Vickers Sekuritas (Indonesia)

Contact: Maynard Priajaya Arif

DBS Bank Tower
Ciputra World 1, 32/F
Jl. Prof. Dr. Satrio Kav. 3-5
Jakarta 12940, Indonesia

Tel: 62 21 3003 4900

Fax: 6221 3003 4943

e-mail: indonesiaresearch@dbs.com

THAILAND

DBS Vickers Securities (Thailand) Co Ltd

Contact: Chanpen Sirithanarattanakul

989 Siam Piwat Tower Building,
9th, 14th-15th Floor

Rama 1 Road, Pathumwan,

Bangkok Thailand 10330

Tel. 66 2 857 7831

Fax: 66 2 658 1269

e-mail: research@th.dbs.com

Company Regn. No 0105539127012

Securities and Exchange Commission, Thailand