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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 IN RELATION TO (1) PROVISION FOR
IMPAIRMENT ON ASSETS FOR THE YEAR 2020 AND
(2) RE-APPOINTMENT OF AUDITOR OF THE COMPANY FOR
THE YEAR OF 2021**

This announcement is made pursuant to Rule 13.09(2) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

I. PROVISION FOR IMPAIRMENT ON ASSETS FOR THE YEAR 2020

At the twenty-eighth meeting of the eighth session of the board (the “**Board**”) of directors (the “**Directors**”) of Jiangxi Copper Company Limited (the “**Company**”, together with its subsidiaries collectively, the “**Group**”) convened on 29 March 2021, the “Resolution in relation to Provision for Impairment on Assets for 2020 of Jiangxi Copper Company Limited” was considered and approved. Details of the provision for impairment on assets are disclosed as follows:

In accordance with the provisions of the “Accounting Standards for Business Enterprises” and the relevant accounting policies, in order to provide an objective and fair reflection of the financial position and assets value of the Company as at 31 December 2020, the Company performed impairment test to calculate the recoverable amount on the assets which had indication of impairment within the scope of consolidation, and made corresponding provision for impairment on the assets the recoverable amount of which is lower than its book value based on the impairment test results. The provision for impairment on assets of the Group for 2020 was RMB2,119.37 million.

(I) DETAILS OF PROVISION FOR ASSET IMPAIRMENT

Item	Provision for 2020 (RMB million)
Provision for impairment of fixed assets	393.61
Provision for impairment of exploration costs	17.69
Provision for impairment of intangible assets	86.27
Credit impairment losses	1,264.06
Provision for write-down of inventories	357.74
Total	<u>2,119.37</u>

Major items of impairment on assets for 2020 are as follows:

(1) Provision for impairment of fixed assets

According to the requirements of the “Accounting Standards for Business Enterprises No. 8 – Assets Impairment”, the Company determined whether there is any indication that assets may be impaired on the balance sheet date. If there is any indication that an asset may be impaired, the Company will estimate its recoverable amount. If the impairment results of the recoverable amount indicate that the recoverable amount of the asset is lower than its book value, the Company shall write down the book value of such asset to its recoverable amount, recognize the impairment loss of such asset into profit or loss for the current period and make corresponding provision for impairment of assets concurrently.

1. Pursuant to the “Announcement of Jiangxi Copper Company Limited on the Closure and Suspension of Its Wholly-owned Subsidiary, JCC Dongtong Mining Company Limited” (Announcement No.: Lin 2020–028) issued by the Company dated 22 August 2020, the Company has decided to implement the closure and suspension of its subsidiary, JCC Dongtong Mining Company Limited (hereinafter referred to as “**Dongtong Mining**”), due to its poor resource endowment of mines, low ore grade, small mining scale and continuous losses in recent years. The Company noted that the fixed assets held by Dongtong Mining showed indications of impairment, and carried out impairment test on the corresponding assets in accordance with the requirements of the “Accounting Standards for Business Enterprises No. 8 – Assets Impairment”, and made provision for impairment of fixed assets of RMB314.18 million.

2. In 2020, the Company carried out impairment tests on the corresponding assets for other companies within the scope of consolidation in accordance with the requirements of the “Accounting Standards for Business Enterprises No. 8 – Assets Impairment”, and made provision for impairment of fixed assets of RMB79.43 million.

(2) Provision for impairment of construction in progress, exploration costs and intangible assets

As mentioned in (1) above, the Company conducted impairment test on exploration costs and intangible assets held by Dongtong Mining, and made corresponding provision for impairment losses on exploration costs and intangible assets of RMB17.69 million and RMB86.27 million respectively

(3) Credit impairment losses

In 2020, the provision for credit impairment of the Company amounted to RMB1,264.06 million, mainly attributable to the provision for bad debts of RMB1,271.80 million and the reversal of provision for bad debts of RMB7.74 million.

Among them, the provision for bad debts of trade receivables amounted to RMB671.88 million, with a reversal of RMB2.97 million; the provision for impairment of factoring receivables amounted to RMB247.73 million, with a reversal of RMB1 million; the provision for impairment of other receivables amounted to RMB246.23 million, with a reversal of RMB3.77 million; and the provision for impairment of other current assets amounted to RMB105.96 million. Major significant provision and reversal of credit impairment losses are as follows:

- (1) The Company held preserved assets under certain trade receivables, factoring receivables and other receivables, and considered the estimated realizable value of the preserved assets when considering the expected credit losses of the above payments. In 2020, due to the decrease in the expected realizable value of preserved assets, the Company newly accrued provision for impairment of trade receivables of RMB591.82 million, provision for impairment of factoring receivables of RMB235.20 million and provision for impairment of other receivables of RMB117.01 million.

- (2) The Company reduced the estimated recoverable amount of a single provision for bad debts of trade receivables according to the actual payment collection condition, and made corresponding provision for impairment of the trade receivables of RMB72.34 million;
- (3) The Company made a provision for impairment of other receivables of RMB100 million for a long-aged prepaid investment fund based on actual conditions;
- (4) The Company made additional provision for bad debts of other current assets of RMB48.72 million for the borrowings lent to TEWOO Group Finance Co., Ltd.* (天津物產集團財務有限公司). As at 31 December 2020, the Company has made full provision for bad debts of such borrowings.

(4) Provision for write-down of inventories

The Company measured inventories (including raw materials, work-in-progress and finished goods) at the lower of cost and net realizable value, and made provision for inventory impairment of RMB357.74 million, of which the provision for write-down of various inventories amounted to RMB383.09 million with a reversal of provision for write-down of various inventories of RMB25.35 million.

(II) IMPACT ON PROFIT AND LOSS OF THE COMPANY FROM THE PROVISION FOR IMPAIRMENT ON ASSETS

The provision for asset impairment was accounted for in impairment losses on assets and credit impairment losses of the Company's income statements. The total amount of provision for impairment provision on assets of the Company for 2020 was RMB2,119.37 million, which affected the net profit attributable to the shareholder of parent company for 2020 by RMB1,870.29 million.

(III) THE INDEPENDENT NON-EXECUTIVE DIRECTORS' OPINION ON PROVISION FOR IMPAIRMENT ON ASSETS

The independent non-executive Directors considered that the provision for impairment on assets was made in accordance and compliance with the “Accounting Standards for Business Enterprises” and the relevant accounting policies of the Company and in accordance with the actual situation of the Company. It was made with sufficient justifications and the decision-making procedures were lawful. It can give a true and fair view of the asset value and financial position of the Company, and provide the investors with more truthful and reliable accounting information. The interests of the Company and its shareholders are not prejudiced. The provision for impairment on assets was agreed by the independent non-executive Directors.

(IV) THE OPINION OF THE SUPERVISORY COMMITTEE OF THE COMPANY ON PROVISION FOR IMPAIRMENT ON ASSETS

The supervisory committee of the Company considered that the provision for impairment on assets was made in compliance with the relevant provisions of the “Accounting Standards for Business Enterprises”, in accordance with the actual situation of the Company and the decision-making procedures were lawful. The supervisory committee of the Company agreed to the provision for impairment on assets.

II. RE-APPOINTMENT OF AUDITOR OF THE COMPANY FOR THE YEAR OF 2021

The Company announced that on 29 March 2021, in accordance with the relevant requirements of China Securities Regulatory Commission and relevant provisions in relation to the appointment of audit firm in the Articles of Association of Jiangxi Copper Company Limited and the recommendation of the audit committee of the Company on the appointment of audit firm, the Board resolved the re-appointment of Ernst & Young Hua Ming LLP (“**Ernst & Young Hua Ming**”) as the domestic financial and internal control auditor of the Company for the year of 2021 and Ernst & Young (“**Ernst & Young**”) as overseas audit firm of the Company for the year of 2021. Subject to the approval at the annual general meeting of the Company (the “AGM”), the appointment of the audit firm will take effect from the date of the AGM.

In 2020, the domestic and overseas audit expenses of the Company amounted to RMB13.98 million (including internal control audit fee of RMB1.28 million). In 2021, the Company will determine the corresponding expenses with Ernst & Young Hua Ming and Ernst & Young in accordance with a comprehensive consideration of business scale, audit workload and other factors, and the final audit expenses is subject to the approval at the AGM.

A circular containing, among others, details of the re-appointment of the audit firm for the year of 2021 and a notice of AGM will be despatched to the shareholders of the Company in due course in accordance with the Listing Rules.

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.