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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 2019 AND  
(2) RE-APPOINTMENT OF AUDITOR OF THE COMPANY FOR  
THE YEAR OF 2020**

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 2019**

In accordance with the provisions of the “Accounting Standards for Business Enterprises” and relevant accounting policies, for an objective and fair reflection of the financial position and asset value of Jiangxi Copper Company Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) as at 31 December 2019, the Group performed impairment test on the assets within the scope of consolidation based on prudence principle, and provided impairment and credit impairment losses on the assets which had indication of impairment according to the impairment test results correspondingly. Impairment and credit impairment losses of RMB1,564.78 million of the Group was provided for in 2019.

## (I) DETAILS OF PROVISION FOR ASSET IMPAIRMENT

Item	Provision/ (Reversal) for 2019 <i>(RMB million)</i>
Impairment provision for fixed assets	105.45
Impairment provision for exploration and evaluation costs	12.01
Impairment provision for other current assets	10.63
Credit impairment losses	1,475.16
Provision for write-down of inventories	<u>(38.47)</u>
Total	<u><u>1,564.78</u></u>

Major items of impairment on assets for 2019 are as follows:

### (1) Impairment provision for fixed assets

Since a portion of the machinery of the Group failed to meet the production requirements, pursuant to the assessment results by the mobile energy department of the Group, provision for impairment in the amount of RMB105.45 million was made for fixed assets of the Group.

### (2) Impairment provision for exploration and evaluation costs

Since the mining activities in the mining areas corresponding to the mine exploration rights and exploration and evaluation assets owned by Shangri-La Bisidaji Mining Company Limited, a subsidiary of the Company, are likely to be discontinued due to local environmental protection reason, provision for impairment of exploration and evaluation assets in the amount of RMB12.01 million was made by the Group for exploration and evaluation assets.

### (3) Impairment provision for other current assets

Due to the changes in the future business development plan of Jiangxi Copper Beijing Trading Company Limited (北京江銅營銷有限公司), a subsidiary of the Company, provision for impairment losses of other current assets amounted to RMB10.63 million was made by the Group.

#### **(4) Credit impairment losses**

In 2019, credit impairment losses of the Group amounted to RMB1,503.16 million, reversal of impairment losses amounted to RMB28 million due to the recovery of funds or the disappearance of the factors affecting the impairment, among which, provision for impairment for bad debts of receivables amounted to RMB528.37 million, with reversal in the amount of RMB5.46 million; provision for impairment for receivables of factoring business amounted to RMB613.31 million, with reversal in the amount of RMB4.13 million; provision for impairment of other receivables amounted to RMB286.66 million, with reversal in the amount of RMB18.41 million; provision for impairment of other current assets amounted to RMB74.82 million.

#### **(5) Provision for write-down of inventories**

Based on the lower of cost and net realizable value, the Group reversed the provision for write-down of inventories in the amount of RMB38.47 million accordingly.

### **(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. The total amount of provision for impairment provision on assets and credit impairment losses of the Company for 2019 was RMB1,564.78 million, which affected the net profit attributable to the parent for 2019 by RMB1,188.61 million.

## **II. RE-APPOINTMENT OF AUDITOR OF THE COMPANY FOR THE YEAR OF 2020**

The Company announced that on 30 March 2020, in accordance with the 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 recommendations of the audit committee of the board (the “**Board**”) of directors (the “**Directors**”) 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 2020 and Ernst & Young (“**Ernst & Young**”) as overseas audit firm of the Company for the year of 2020. Subject to the consideration at the annual general meeting (“**AGM**”) of the Company, the appointment of the audit firm will take effect from the date of consideration and approval at the AGM.

In 2019, the domestic and overseas audit expenses of the Company amounted to RMB12,520,000 (including internal control audit fee of RMB1.02 million). In 2020, 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 consideration at the AGM.

A circular containing, among others, details of the re-appointment of the audit firm for the year of 2020 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**  
**Long Ziping**  
*Chairman*

Nanchang, Jiangxi, the People's Republic of China, 30 March 2020

*As at the date of this announcement, the executive Directors are Mr. Long Ziping, Mr. Zheng Gaoqing, Mr. Wang Bo, Mr. Gao Jianmin, Mr. Liang Qing, Mr. Dong Jiahui 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.*