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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 PROVISION FOR  
IMPAIRMENT ON ASSETS FOR  
THE FIRST THREE QUARTERS 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 and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

At the twenty-fifth 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 30 October 2020, the “Resolution in relation to Provision for Impairment on Assets for the First Three Quarters of 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 for the first three quarters of 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 whose recoverable amount is lower than its book value based on the impairment test results. The provision for impairment on assets of the Group for the first three quarters of 2020 was RMB774.72 million.

## I. DETAILS OF PROVISION FOR ASSET IMPAIRMENT

Item	Provision/ (reversed) for the first three quarters of 2020 <i>(RMB million)</i>
Provision for impairment of fixed assets	304.45
Provision for impairment of construction in progress	9.73
Provision for impairment of exploration costs	17.69
Provision for impairment of intangible assets	86.27
Credit impairment losses	-17.24
Provision for write-down of inventories	338.15
Provision for other non-current financial assets	35.67
Total	<u>774.72</u>

Major items of impairment on assets for the first three quarters of 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 indicates 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.

Pursuant to the announcement of the Company dated 22 August 2020 in relation to the closure and suspension of its wholly-owned subsidiary, JCC Dongtong Mining Company Limited (hereinafter referred to as “**Dongtong Mining**”), due to poor resource endowment of mines, low ore grade, small mining scale and continuous losses in recent years, the Company has decided to implement the closure and suspension of Dongtong Mining. 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 RMB304.45 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 construction in progress, exploration costs and intangible assets held by Dongtong Mining, and made corresponding provision for impairment losses on construction in progress, exploration costs and intangible assets of RMB9.73 million, RMB17.69 million and RMB86.27 million respectively.

**(3) Credit impairment losses**

In the first three quarters of 2020, the reversal of credit impairment of the Company amounted to RMB17.24 million, mainly attributable to the provision for bad debts of RMB178.42 million and the reversal of provision for bad debts of RMB195.66 million.

Major significant provision and reversal of credit impairment losses are as follows:

- (a) 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;
- (b) the Company increased the estimated recoverable amount of single provision for bad debts of trade receivables and other receivables according to the increase of fair value of trade receivables and other receivables' collaterals, and reversed the provision for bad debts of trade receivables and other receivables of RMB119.6 million and RMB70.29 million. As at 30 September 2020, the trade receivables and other receivables' collaterals were the circulating shares of a company listed on the Shenzhen Stock Exchange;
- (c) the Company reduced the estimated recoverable amount of factoring receivables according to the actual disposal process and results of the factoring receivables' collaterals, and made provision for impairment of factoring receivables of RMB49.04 million; and

- (d) JCC Finance Company Limited\* (江西銅業集團財務有限公司), a subsidiary of the Company, lent borrowings of RMB97.43 million to TEWOO Group Finance Co., Ltd.\* (天津物產集團財務有限公司), which has been overdue for more than 180 days. In the first three quarters of 2020, the Company made additional provision for bad debts of RMB48.72 million for such borrowings. As at 30 September 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 RMB338.15 million.

**II. IMPACT ON PROFIT AND LOSS OF THE COMPANY FROM THE PROVISION FOR IMPAIRMENT**

The provision for asset impairment was accounted for in impairment losses on assets and credit impairment losses of the Company's income statement. The total amount of provision for impairment on assets of the Company for the first three quarters of 2020 amounted to RMB774.72 million, which affected the net profit attributable to the parent by RMB596.89 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 BOARD ON PROVISION FOR IMPAIRMENT ON ASSETS**

The Board of the Company considered that the provision for impairment on assets was made in accordance with the “Accounting Standards for Business Enterprises” and the actual situation of the assets of the Company, with sufficient justifications and fairly reflected the status of the Company’s assets. The Board agreed to the provision for impairment on assets.

#### **V. 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.

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

Nanchang, Jiangxi, the People’s Republic of China, 30 October 2020

*As at the date of this announcement, the executive Directors are Mr. Zheng Gaoqing, Mr. Wang Bo, Mr. Gao Jianmin, 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.*

\* *For identification purpose only*