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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 HALF YEAR OF 2021
AND THE ADOPTION OF IMPLEMENTATION RULES
FOR ENVIRONMENTAL, SOCIAL AND GOVERNANCE
DEVELOPMENT COMMITTEE OF THE BOARD OF JIANGXI
COPPER COMPANY LIMITED**

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 (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

PROVISION FOR IMPAIRMENT ON ASSETS FOR THE HALF YEAR OF 2021

At the third meeting of the ninth 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 27 August 2021, the “Resolution in relation to Provision for Impairment on Assets for the Half Year of 2021 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 30 June 2021, 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 amounts are lower than their book value based on the impairment test results. The provision for impairment on assets of the Group for the first half of 2021 was RMB1,594.68 million.

I. DETAILS OF PROVISION FOR ASSET IMPAIRMENT

Item	Provision for the half year of 2021 (RMB million)
Provision for impairment of fixed assets	579.70
Provision for impairment of construction in progress	96.95
Provision for impairment of exploration costs	48.23
Provision for impairment of intangible assets	341.11
Credit impairment losses	125.39
Provision for write-down of inventories	403.30
Total	<u>1,594.68</u>

Major items of impairment on assets for the half year of 2021 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.

1. In the half year of 2021, Shandong Humon Smelting Co., Ltd. (“**Humon Smelting**”), a subsidiary of the Company, stopped production and overhauled Jiande Copper Mine due to the expiration of its mining right in Jiande Copper Mine, and the relevant assets showed signs of asset impairment. Therefore, Humon Smelting carried out impairment test on the corresponding assets in accordance with the “Accounting Standards for Business Enterprises No. 8 – Assets Impairment”, and made provision for impairment of fixed assets of RMB35.81 million. For details, please refer to the “Announcement in Relation to Provision for Impairment on Assets for the Half Year of 2021” (Announcement No.: 2021-049) of Humon Smelting.

2. According to the deployment and requirements of Jiangxi Province on ecological and environmental protection, Yongping Copper Mine of the Company will further increase investment in mine reclamation, ecological restoration, environmental protection and other aspects. In May 2021, the Company formed a preliminary project construction scheme through on-site investigation, underground exploration and in-depth communication with the technical team.

In the half year of 2021, due to the large amount of environmental protection expenditure expected to occur in the future, the Company noticed the signs of impairment of the assets held by Yongping Copper Mine, and carried out impairment test on the corresponding assets in accordance with the “Accounting Standards for Business Enterprises No. 8 – Assets Impairment”. According to the results of the impairment test, the Company made provision for impairment of fixed assets of RMB530.69 million.

3. In the half year of 2021, the Company carried out impairment test on the corresponding assets of other companies within the scope of other consolidation in accordance with the “Accounting Standards for Business Enterprises No. 8 – Assets Impairment”, and made provision for impairment of fixed assets of RMB13.2 million.

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

1. As mentioned in (1) above, the Company’s subsidiary, Humon Smelting, made the provision for impairment of intangible assets of RMB114.84 million for its mining right in Jiande Copper Mine.
2. As mentioned in (1) above, the Company conducted impairment test on the construction in progress, exploration costs and intangible assets held by Yongping Copper Mine, and made corresponding provision for impairment on construction in progress, exploration costs and intangible assets of RMB96.95 million, RMB48.23 million and RMB226.27 million respectively.

(3) Credit impairment losses

In the first half of 2021, the provision for credit impairment of the Company amounted to RMB125.39 million, mainly attributable to the provision for bad debts of RMB147.66 million and the reversal of provision for bad debts of RMB22.27 million.

Among them, in the current period, the Company made the provision for bad debts of trade receivables of RMB12.68 million and reversed RMB6.53 million; the provision for impairment of factoring receivables of RMB14.86 million and reversed RMB3.25 million; the provision for impairment of other receivables of RMB120.12 million; and reversed the provision for impairment of other current assets of RMB12.49 million. Among the provision for impairment of other receivables made by the Company in the current period, RMB117.59 million comes from the change of the expected realizable value of the collaterals corresponding to two other receivables with individual bad debt provision.

(4) Provision for write-down of inventories

For the half year of 2021, 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 RMB403.30 million accordingly, among which the provision for write-down of various inventories amounted to RMB413.73 million, and the reversal of provision for write-down of various inventories amounted to RMB10.43 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 half year of 2021 amounted to RMB1,594.68 million, which affected the net profit attributable to the parent for the half year of 2021 by RMB1,198.14 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.

THE ADOPTION OF IMPLEMENTATION RULES FOR ENVIRONMENTAL, SOCIAL AND GOVERNANCE DEVELOPMENT COMMITTEE OF THE BOARD OF JIANGXI COPPER COMPANY LIMITED

Reference is made to the announcement of the Company dated 28 May 2021, in relation to the establishment of the environmental, social and governance development committee of the Company.

For the purpose of further improving the management system in environmental, social and governance work of the Company, promoting the sustainable development and the overall value enhancement of the Company, the Company prepared and formulated the Implementation Rules for Environmental, Social and Governance Development Committee of the Board of Jiangxi Copper Company Limited (the “**ESG Implementation Rules**”) in accordance with the Company Law of the People’s Republic of China (the “**PRC**”), Guidelines on Articles of Association of Listed Companies, Code on Corporate Governance, related securities or stock listing rules of the stock exchanges on which the Company’s stocks are listed (including but not limited to the Stock Exchange and Shanghai Stock Exchange), the articles of association of the Company and other relevant regulations and requirements and combined with the actual situation of the Company, which was adopted at the third meeting of the ninth session of the Board held on 27 August 2021.

For details, please refer to the Implementation Rules for Environmental, Social and Governance Development Committee of the Board of Jiangxi Copper Company Limited published on the website of the Stock Exchange on the same day.

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

Nanchang, Jiangxi, the PRC, 27 August 2021

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. Liu Erh Fei, Mr. Liu Xike, Mr. Zhu Xingwen and Mr. Wang Feng.