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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 2022**

This announcement is made pursuant to Rule 13.09(2) and Rule 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).

PROVISION FOR IMPAIRMENT ON ASSETS FOR THE HALF YEAR OF 2022

At the thirteenth 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 25 August 2022, the “Resolution in relation to Provision for Impairment on Assets for the Half Year of 2022 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 2022, 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 Company for the first half of 2022 was RMB2,206.27 million.

I. DETAILS OF PROVISION FOR ASSET IMPAIRMENT

Item	Provision for the half year of 2022 (RMB million)
Provision for write-down of inventories	1,994.87
Credit impairment losses	132.95
Provision for impairment of fixed assets	56.53
Provision for impairment of construction in progress	<u>21.92</u>
Total	<u><u>2,206.27</u></u>

Major items of impairment on assets for the half year of 2022 are as follows:

(I) Provision for write-down of inventories

For the half year of 2022, the Company made provision for inventory impairment of RMB1,994.87 million, including the provision for write-down of inventories of Shandong Humon Smelting Co., Ltd., a subsidiary of the Company, of RMB248.75 million. The Company purchases inventories for production in accordance with its production plan and in combination with market demand. Inventories mainly include raw materials, work-in-progress and finished goods, which are initially measured at cost, and the provision for write-down of inventories is considered based on the principle of the lower of cost and net realisable value.

The Company has been implementing a stable business policy in the long run, and has always strictly followed the hedging system to hedge purchased copper raw materials. In mid-to-late June 2022, the market price of copper metal, a main product of the Company, dropped significantly. The Company made the corresponding provision for write-down of inventories in strict compliance with the accounting standards, while paying close attention to the changing trend of metal products such as copper, and strengthening the analysis and research on various factors affecting the product price trends. The raw materials previously purchased at high copper prices were hedged against the risk of price decline, and the strategy was optimized promptly for continuous hedging, effectively resisting the impacts of the market price fluctuation on the production and operation performance of the Company.

(II) Credit impairment losses

For the half year of 2022, the provision for credit impairment of the Company amounted to RMB132.95 million, including the provision for various bad debts of RMB262.45 million and the reversal of provision for various bad debts of RMB129.50 million. The above provision was mainly attributable to the increase in risk exposure due to the decrease in actual recoverable value in the course of execution of various preserved assets held by the Company.

(III) Provision for impairment of fixed assets and construction in progress

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, recognise the impairment loss of such asset into profit and loss for the current period and make corresponding provision for impairment of assets concurrently.

For the half year of 2022, the Company made corresponding provision for impairment of fixed assets and construction in progress which had indication of impairment amounting to RMB56.53 million and RMB21.92 million, respectively.

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 2022 amounted to RMB2,206.27 million, which affected the net profit attributable to the parent for the half year of 2022 by RMB1,852.15 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, 25 August 2022

As at the date of this announcement, the executive Directors of the Company 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 of the Company are Mr. Liu Erh Fei, Mr. Liu Xike, Mr. Zhu Xingwen and Mr. Wang Feng.