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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 2021 AND  
(2) RE-APPOINTMENT OF AUDITORS OF THE COMPANY  
FOR THE 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 (“**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 2021**

At the seventh 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 March 2022, the “Resolution in relation to Provision for Impairment on Assets for 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 31 December 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 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 2021 was RMB1,904.93 million.

## (I) DETAILS OF PROVISION FOR ASSET IMPAIRMENT

Item	Provision for 2021 (RMB million)
Provision for impairment of fixed assets	627.47
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	480.02
Provision for write-down of inventories	311.15
Total	<u>1,904.93</u>

Major items of impairment on assets for 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 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. In 2021, Shandong Humon Smelting Co., Ltd. (山东恒邦冶炼股份有限公司) (“**Humon Smelting**”), a subsidiary of the Company, suspended production at Jiande Copper Mine for maintenance due to the expiration of the mining rights of Jiande Copper Mine held by Humon Smelting, and the relevant assets had indication of impairment. Accordingly, Humon Smelting carried out an 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 RMB35.81 million. For details, please refer to the Humon Smelting’s “Announcement on the Provision for Impairment of Assets in the First Half of 2021” (Announcement No.: 2021-049) and “Announcement on the Provision for Impairment of Assets in the Second Half of 2021” (Announcement No.: 2022-018).

2. In accordance with the deployment and requirements of Jiangxi Province on ecological environment protection, the Yongping Copper Mine of the Company will further increase its investment in mine reclamation, ecological restoration and environmental protection management, etc.. In May 2021, the Company formed a preliminary project construction plan after field investigation, underground exploration and in-depth communication with the technical team.

In 2021, due to the large amount of environmental protection expenditures expected to incur in the future, the Company noted that the assets held by Yongping Copper Mine 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”. Pursuant to the impairment test results, the Company made provision for impairment of fixed assets of RMB530.69 million.

3. In 2021, 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 RMB60.97 million.

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

1. As mentioned in (1) above, Humon Smelting, a subsidiary of the Company, made provision for impairment losses on intangible assets of RMB114.84 million in respect of its mining rights in Jiande Copper Mine.
2. As mentioned in (1) above, the Company conducted impairment test on construction in progress, exploration costs and intangible assets held by Yongping Copper Mine, and made corresponding provision for impairment losses 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 2021, the provision for credit impairment of the Company amounted to RMB480.02 million, mainly including the provision for bad debts of RMB721.47 million in the current period and the reversal of provision for bad debts of RMB241.45 million.

Among them, the provision for bad debts of trade receivables amounted to RMB175.36 million in the current period, with a reversal of RMB27.55 million; the provision for impairment of factoring receivables amounted to RMB224.96 million, with a reversal of RMB57.60 million; the provision for impairment of other receivables amounted to RMB316.22 million, with a reversal of RMB123.10 million; the provision for impairment of other current assets amounted to RMB2.05 million, with a reversal of RMB33.20 million; and the provision for impairment of other non-current assets amounted to RMB2.88 million.

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

In 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 RMB311.15 million, including the inventory depreciation reserve of RMB73.91 million accrued by its subsidiary, Humon Smelting. Among them, the provision for write-down of various inventories amounted to RMB324.59 million with a reversal of provision for write-down of various inventories of RMB13.44 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 2021 was RMB1,904.93 million, which affected the net profit attributable to the parent company for 2021 by RMB1,598.77 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 OF THE COMPANY ON PROVISION FOR IMPAIRMENT ON ASSETS**

The Board of the Company considered that the provision for impairment on assets was made pursuant to the “Accounting Standards for Business Enterprises” and the actual situation of the Company’s assets, which is sufficient and fairly reflects the conditions of assets of the Company. The Board of the Company 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.

### **II. RE-APPOINTMENT OF AUDITORS OF THE COMPANY FOR THE YEAR OF 2022**

The Company announced that on 25 March 2022, 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 2022 and Ernst & Young (“**Ernst & Young**”) as overseas audit firm of the Company for the year of 2022. 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 2021, the domestic and overseas audit fees of the Company amounted to RMB14.85 million (including internal control audit fee of RMB1.45 million). In 2022, the Company will determine the corresponding fees 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 fees are 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 2022 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, 25 March 2022

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