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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 YEAR 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 YEAR 2022

At the nineteenth 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 24 March 2023, the “Resolution in relation to Provision for Impairment on Assets for the year 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 of 31 December 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 that had recoverable amount lower than its book value based on the impairment test results. The total provision for impairment on assets of the Group for the year 2022 was RMB1,190.11 million.

I. DETAILS OF PROVISION FOR ASSET IMPAIRMENT

Item	Provision for 2022 (RMB million)
Provision for write-down of inventories	760.86
Credit impairment losses	284.59
Provision for impairment of fixed assets	90.12
Provision for impairment of construction in progress	28.23
Provision for impairment of intangible assets	26.31
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Total	1,190.11
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Major items of impairment on assets for the year 2022 are as follows:

(I) Provision for write-down of inventories

In 2022, the Company measured inventories (including raw materials, work-in-progress and finished goods) at the lower of cost and net realisable value, and made provision for inventory impairment of RMB760.86 million, including the provision for write-down of inventories of RMB78.15 million accrued by a subsidiary of the Company, Shandong Humon Smelting Co., Ltd. (山東恒邦冶煉股份有限公司). The Company purchases inventories for production in accordance with its production plan and in combination with market demand. Inventories are initially measured at cost, and the provision for write-down of inventories is made 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 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 trends of changes in 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 optimised promptly on the basis of continuous hedging, effectively resisting the potential adverse impacts of the market price fluctuation on the production and operation efficiency of the Company.

(II) Credit impairment losses

In 2022, the Company made provision for credit impairment totalling RMB284.59 million, including various bad debt provisions of RMB469.43 million and the reversal of various bad debt provisions of RMB184.84 million. The above provision was mainly attributable to the increase in risk exposure due to the decrease in actual recoverable value of various preserved assets held by the Company in the course of execution.

(III) Provision for impairment on fixed assets, construction in progress and intangible 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, recognise the impairment loss of such asset into profit or loss for the current period and make corresponding provision for impairment on assets concurrently.

In 2022, the Company made corresponding provision for impairment on fixed assets, construction in progress and intangible assets which had indication of impairment amounting to RMB90.12 million, RMB28.23 million and RMB26.31 million, respectively.

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 statement. The total amount of provision for impairment provision on assets of the Company for the year 2022 was RMB1,190.11 million, which affected the net profit attributable to the parent company for the year 2022 of the Company by approximately RMB945.29 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 of the Company 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 which is conducive to providing the investors with more accurate and reliable accounting information. The interests of the Company and its shareholders are not prejudiced. The provision for impairment on assets of the Company was agreed by the independent non-executive Directors.

IV. THE OPINION OF THE BOARD ON PROVISION FOR IMPAIRMENT ON ASSETS

The Board 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 with sufficient justifications and fairly reflects the conditions of assets of the Company. The Board agreed to the provision for impairment on assets.

V. THE AUDIT 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, 24 March 2023

As at the date of this announcement, the executive Directors are Mr. Zheng Gaoqing, Mr. Zhou Shaobing, 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 Xike, Mr. Zhu Xingwen, Mr. Wang Feng and Mr. Li Shuidi.