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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 OF 2023 AND  
(2) RE-APPOINTMENT OF AUDITORS  
FOR THE YEAR OF 2024**

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 OF 2023**

At the twenty-ninth 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, the “**Group**”) convened on 27 March 2024, the “Resolution in relation to Provision for Impairment on Assets for the Year of 2023 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 view of the financial position and assets value of the Company as at 31 December 2023, the Company performed impairment tests to calculate the recoverable amount on various assets which had indications 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 provision for impairment on various assets of the Group for the year of 2023 was RMB891.62 million.

## (I) DETAILS OF PROVISION FOR ASSETS IMPAIRMENT

Item	Provision for the year of 2023 <i>(RMB million)</i>
Provision for write-down of inventories	633.36
Provision for impairment on fixed assets	187.32
Provision for impairment on long-term equity investments	57.40
Provision for impairment on construction in progress	3.33
Credit impairment losses	<u>10.21</u>
Total	<u><u>891.62</u></u>

Major items of impairment on assets for the year of 2023 are as follows:

### (1) Provision for write-down of inventories

In 2023, the Company measured inventories (including raw materials, work-in-progress and inventory goods) at the lower of costs and net realisable value, and made corresponding provision for write-down of inventories of RMB633.36 million, including the provision for write-down of inventories of RMB86.45 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 costs, and the provision for write-down of inventories is made based on the principle of the lower of costs and net realisable value.

The Company has been implementing a stable business policy in the long run, and has always been following strictly the hedging system to hedge purchased copper raw materials. 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.

**(2) Provision for impairment on fixed assets, construction in progress and long-term equity investments**

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 would estimate its recoverable amount. If the estimation 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 and loss for the current period and make corresponding provision for impairment on assets concurrently.

1. In 2023, after completion of the open-pit mining at the Yongping Copper Mine of the Company (the “**Yongping Copper Mine**”), the Company noted that the open-pit mining related assets held by the Yongping Copper Mine showed indications of impairment, and made provision for impairment on fixed assets of RMB155.30 million and construction in progress of RMB3.33 million, respectively, on the corresponding assets in accordance with the requirements of the “Accounting Standards for Business Enterprises No. 8 – Assets Impairment”.
2. In 2023, the Company carried out impairment tests on the corresponding assets of 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 on fixed assets of RMB32.02 million.
3. In 2023, the Company made provision for impairment of RMB57.40 million on the remaining balance of its long-term equity investment in the joint venture, Nesko Metal Sanayive Ticaret Anonim Şirketi (“**Nesko**”) located in Albania due to the continuous losses of Nesko, as such long-term equity investment is expected to be irrecoverable.

### **(3) Credit impairment losses**

In 2023, the provision for credit impairment of the Company amounted to RMB10.21 million, mainly including the provision for bad debts of RMB177.35 million in the current period and the reversal of provision for bad debts of RMB167.14 million.

In particular, the provision for bad debts on trade receivables amounted to RMB107.83 million in the current period, with a reversal of RMB129.60 million; the provision for impairment on factoring receivables amounted to RMB35.76 million, with a reversal of RMB11.97 million; the provision for impairment on other receivables amounted to RMB13.31 million, with a reversal of RMB1.38 million; the provision for impairment on other current assets amounted to RMB17.57 million, with a reversal of RMB24.19 million; and the provision for impairment on other non-current assets amounted to RMB2.88 million.

## **(II) IMPACT ON PROFIT AND LOSS OF THE COMPANY FROM THE PROVISION FOR IMPAIRMENT ON ASSETS**

The provision for assets 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 on assets of the Company for the year of 2023 was RMB891.62 million, the effect on the net profit attributable to the parent company for the year of 2023 was approximately RMB696.53 million.

## **(III) THE OPINION OF THE INDEPENDENT AUDIT COMMITTEE (AUDIT COMMITTEE) OF THE BOARD**

The independent audit committee of the Board 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 assets 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 resolution on the provision for impairment on assets was agreed to be submitted to the Board for consideration.

#### **(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 it fairly reflects the conditions of assets of the Company. 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.

### **II. RE-APPOINTMENT OF AUDITORS OF THE COMPANY FOR THE YEAR OF 2024**

The Company announced that on 27 March 2024, in accordance with the provisions of the Administrative Measures for Selection and Appointment of Accounting Firms by State-owned Enterprises and Listed Companies (Cai Kuai [2023] No. 4) issued by the Ministry of Finance of the People’s Republic of China, the State-owned Assets Supervision and Administration Commission of the State Council and the China Securities Regulatory Commission, as well as the relevant provisions in relation to the appointment of audit firms 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 to re-appoint Ernst & Young Hua Ming LLP (“**Ernst & Young Hua Ming**”) as the domestic financial auditor and internal control auditor of the Company for the year of 2024 and Ernst & Young (“**Ernst & Young**”) as overseas financial auditor of the Company for the year of 2024. Subject to the approval at the annual general meeting of the Company (the “**AGM**”), the appointment of the audit firms will take effect from the date of the AGM.

In 2023, the domestic and overseas audit fees of the Company amounted to RMB12.80 million (including internal control audit fee of RMB1.00 million). In 2024, the Company will determine the corresponding fees with Ernst & Young Hua Ming and Ernst & Young based on 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 auditors for the year of 2024 and a notice of the 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, 27 March 2024

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