

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

**CONTINUING CONNECTED TRANSACTION
RELATING TO
THE NEW MUTUAL GUARANTEES AGREEMENT**

NEW MUTUAL GUARANTEES AGREEMENT

Reference is made to the Announcement in relation to the Mutual Guarantees Agreement entered into among Heding Copper, Fuye Group, Jiangxi Jinhui and Jiangxi Hefeng on 22 January 2017, whereby, Heding Copper and Fuye Group agreed that the maximum aggregated annual balance amount (which was also the maximum daily balance) of guarantees for each other's obligations in respect of loan facilities which they may respectively obtain from financial institutions for the period from 1 January 2017 to 31 December 2018 shall not exceed RMB1,500,000,000.

In order to meet actual production and operation needs, Heding Copper and Fuye Group intend to increase the extent of their mutual financing support, the Board announces that on 26 October 2017, Heding Copper, Fuye Group and the Counter Guarantors entered into the New Mutual Guarantees Agreement.

As at the date of this announcement, as confirmed by Heding Copper and so far as the Directors are aware, Fuye Group is a substantial shareholder of Heding Copper, holding 40% of the total issued share capital of Heding Copper. The Counter Guarantors are beneficially owned by Fuye Group. Therefore, Fuye Group and the Counter Guarantors are connected persons of the Company. Accordingly, the New Mutual Guarantees Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the New Mutual Guarantees Agreement is entered into among Heding Copper and connected persons at the subsidiary level on normal commercial terms and has been approved by the Board, and the Directors (including independent non-executive Directors) are of the view that, the transactions contemplated thereunder are in the ordinary and usual course of business of Heding Copper, on normal commercial terms, fair and reasonable and in the interest of the Company and its Shareholders as a whole, the continuing connected transactions contemplated thereunder are subject to the reporting and announcement requirements but exempt from the independent Shareholders' approval requirement pursuant to Rule 14A.101 of the Listing Rules.

BACKGROUND

Reference is made to the Announcement in relation to the Mutual Guarantees Agreement entered into among Heding Copper, Fuye Group, Jiangxi Jinhui and Jiangxi Hefeng on 22 January 2017.

Pursuant to the Mutual Guarantees Agreement, Heding Copper and Fuye Group agreed that the maximum aggregated annual balance amount (which was also the maximum daily balance) of guarantees for each other's obligations in respect of loan facilities which they may respectively obtain from financial institutions for the period from 1 January 2017 to 31 December 2018 shall not exceed RMB1,500,000,000 (which shall include the amount of guarantees that were provided by Heding Copper and Fuye Group to each other prior to 1 January 2017 and are valid during the term of the Mutual Guarantees Agreement), provided that the execution of each loan facility shall take place within the period from 22 January 2017 to 31 December 2017 and the term of each loan facility shall not exceed 12 months. Jiangxi Jinhui and Jiangxi Hefeng acted as the counter-guarantors of Fuye Group.

NEW MUTUAL GUARANTEES AGREEMENT

The Board announces that on 26 October 2017, Heding Copper, Fuye Group and the Counter Guarantors entered into the New Mutual Guarantees Agreement, pursuant to which, among others, (i) the Mutual Guarantees Agreement was terminated; (ii) the Proposed Cap was increased from RMB1,500,000,000 to RMB1,600,000,000; (iii) the term of the New Mutual Guarantees Agreement will be for a term ending on 31 December 2019; and (iv) Zhejiang Fuhe Zhiye will be an additional Counter Guarantor.

The principal terms of New Mutual Guarantees Agreement are summarised as follows:

Date

26 October 2017

Parties

1. Heding Copper;
2. Fuye Group;
3. Jiangxi Jinhui;
4. Jiangxi Hefeng; and
5. Zhejiang Fuhe Zhiye.

Termination of Mutual Guarantees Agreement

Heding Copper, Fuye Group, Jiangxi Jinhui and Jiangxi Hefeng agreed to terminate the Mutual Guarantees Agreement with affect from the date of the New Mutual Guarantees Agreement while the guarantee contracts contemplated thereunder which have yet to expire and are still in effect shall remain valid.

Mutual Guarantees

Heding Copper and Fuye Group agreed that the maximum aggregated annual balance amount (which is also the maximum daily balance) of guarantees for each other's obligations in respect of loan facilities which they may respectively obtain from financial institutions for the period from 26 October 2017 to 31 December 2019 shall not exceed RMB1,600,000,000 (which shall include the amount of guarantees that were provided by Heding Copper and Fuye Group to each other prior to 26 October 2017 and are valid during the term of the New Mutual Guarantees Agreement), provided that the execution of each loan facility shall take place within the period from 26 October 2017 to 31 December 2018 and the term of each loan facility shall not exceed 12 months.

Fuye Group undertook that in the event that the debt to asset ratio of Fuye Group reached 70%, Fuye Group shall, forthwith, cease to execute new loan facilities pursuant to the New Mutual Guarantees Agreement and shall inform Heding Copper in writing immediately and Heding Copper shall not provide further guarantees for the additional loan facilities obtained by Fuye Group after the debt to asset ratio of which reaches 70% until Heding Copper has performed relevant approval procedures.

Counter-guarantees

Jiangxi Jinhui, Jiangxi Hefeng and Zhejiang Fuhe Zhiye agreed to act as the counter-guarantors of Fuye Group, of which, they shall jointly and severally provide counter-guarantee to Heding Copper with all their assets for all guarantees provided by Heding Copper to Fuye Group which are included in the maximum aggregated balance amount of guarantees under the New Mutual Guarantees Agreement.

Annual Cap

As at 30 September 2017 and as at the date of this announcement, the balance of guarantees provided by Heding Copper to Fuye Group was RMB1,205,340,000 and RMB1,169,920,000 respectively.

The Proposed Cap, that is the proposed maximum aggregated annual balance amount (which is also the maximum daily balance) of guarantees to be provided by Heding Copper and Fuye Group to each other for loan facilities contemplated under the New Mutual Guarantees Agreement, shall be RMB1,600,000,000 (equivalent to approximately HK\$1,882,153,654) (which shall include the amount of guarantees that were provided by Heding Copper and Fuye Group to each other prior to 26 October 2017 and are valid during the term of the New Mutual Guarantees Agreement). In arriving at the above annual cap, the Directors have considered the production and operation needs of Heding Copper for the period ending 31 December 2019 and the abovementioned historical amount of guarantees provided by Heding Copper to Fuye Group under the Mutual Guarantees Agreement.

Status of Guarantees Provided by the Group

As at the date of this announcement, the total amount of external guarantees provided by the Group amounted to RMB1,169,920,000 (equivalent to approximately HK\$1,376,230,752), accounting for approximately 2.51% of the Company's audited net assets for the latest period, and there were no overdue external guarantees provided by the Company. No guarantees were provided by the Company to its subsidiaries.

REASONS FOR AND BENEFITS OF THE NEW MUTUAL GUARANTEES AGREEMENT

It is a common practice for financial institutions in the PRC to request for corporate guarantee as a security for loan facilities granted to borrowers. The execution of the New Mutual Guarantees Agreement enables Heding Copper to receive financing from lenders in order to support its ordinary and usual course of business. In order to meet actual production and operation needs, Heding Copper and Fuye Group intend to, among others, increase the extent of their mutual financing support and add an additional Counter Guarantor by terminating the Mutual Guarantees Agreement and entering into the New Mutual Guarantees Agreement.

The maximum amount of guarantees to be provided by Heding Copper to Fuye Group will not exceed the maximum amount of guarantees to be received by Heding Copper from Fuye Group pursuant to the New Mutual Guarantees Agreement. The Directors (including the independent non-executive Directors) are of the view that the transactions contemplated under the New Mutual Guarantees Agreement are in the ordinary and usual course of business of Heding Copper, on normal commercial terms, fair and reasonable and in the interest of the Company and its Shareholders as a whole.

All of the Directors have approved the board resolutions relating to, among others, the execution of the New Mutual Guarantees Agreement on 26 October 2017 (the “**Board Resolutions**”). The independent non-executive Directors are further of the view that, the mutual guarantees under the New Mutual Guarantees Agreement do not affect the Company’s independence and normal operations, the transactions contemplated thereunder are not prejudicial to the interests of the minority Shareholders and the Company could effectively control and prevent associated risks. The mutual guarantees under the New Mutual Guarantees Agreement and the decision-making procedures comply with the relevant requirements. As a result, the independent non-executive Directors consented to the Board Resolutions.

None of the Directors have a material interest in the New Mutual Guarantees Agreement or is required to abstain from voting on the Board Resolutions in relation to the New Mutual Guarantees Agreement.

LISTING RULES IMPLICATIONS

At the date of this announcement, as confirmed by Heding Copper and so far as the Directors are aware, Fuye Group is a substantial shareholder of Heding Copper, holding 40% of the total issued share capital of Heding Copper. The Counter Guarantors are beneficially owned by Fuye Group. Therefore, Fuye Group and the Counter Guarantors are connected persons of the Company. Accordingly, the New Mutual Guarantees Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the New Mutual Guarantees Agreement is entered into among Heding Copper and connected persons at the subsidiary level on normal commercial terms and has been approved by the Board, and the Directors (including the independent non-executive Directors) are of the view that, the transactions contemplated thereunder are in the ordinary and usual course of business of Heding Copper, on normal commercial terms, fair and reasonable and in the interest of the Company and its Shareholders as a whole, the continuing connected transactions contemplated thereunder are subject to the reporting and announcement requirements but exempt from the independent Shareholders’ approval requirement pursuant to Rule 14A.101 of the Listing Rules.

If during the period ending 31 December 2019, the aggregate annual balance amount (which is also the maximum daily balance) of the guarantees contemplated under the New Mutual Guarantees Agreement exceeds the Proposed Cap or there is material change to the New Mutual Guarantees Agreement, the Company will take necessary steps to ensure compliance with all applicable rules under Chapter 14A of the Listing Rules.

GENERAL INFORMATION

Information on the Company

The Company is a Sino-foreign joint venture joint stock limited company incorporated in the PRC on 24 January 1997. The Company's main scope of operations include: non-ferrous metals, rare metals and non-metallic ores; smelting, rolling processing and further processing of non-ferrous metals and related by-products; after sales services for self-manufactured products; overseas futures and hedging business and related enquiry services and business.

Information on Hedging Copper

Since October 2015, the Company has possessed the right of control of Hedging Copper through a parties acting in concert agreement dated 19 September 2015 entered into between the Company and a shareholder of Hedging Copper and the results of Hedging Copper have been consolidated into the audited financial statements of the Group. Therefore, Hedging Copper is a subsidiary of the Company under the Listing Rules.

The principal business of Hedging Copper comprises the production, processing, sales and relevant technical services of copper cathode and sulfuric acid; investment and operation of projects of non-ferrous metals and relevant industries, sales of anode mud, water granulated slag, tailings, gypsum, nickel sulfate and zinc oxide, and import and export business of goods and technologies (excluding projects prohibited by laws and administrative regulations, operations of projects restricted by laws and administrative regulations may only be carried out upon the grant of permission by relevant authorities). (Projects which according to law shall be approved may only be carried out upon approval by relevant authorities).

As of 31 December 2016, the total assets, total liabilities and net assets of Hedging Copper were RMB3,864,417,286, RMB2,439,256,129 and RMB1,425,161,157 respectively. The realised operating income and realised net profit for the year ended 31 December 2016 were RMB5,738,434,580 and RMB71,750,049 respectively.

As of 30 September 2017, the total assets, total liabilities and net assets of Hedging Copper were RMB4,647,646,130, RMB3,091,534,072 and RMB1,556,112,058 respectively. The realised operating income and realised profit for the nine months ended 30 September 2017 were RMB6,278,679,912 and RMB100,555,040 respectively.

Information on Fuye Group

As confirmed by Fuye Group, the principal business of Fuye Group comprises refining and processing of standard copper cathode, gold and silver; processing of copper sulfate, sulfuric acid, nickel sulfate, zinc oxide, copper materials and silver products; the export of self-produced products and technologies of the company; and the import of auxiliary raw materials, apparatus, instrument, machinery and equipment, components and parts and technologies required for production and scientific research of the company (excluding commodities and technologies whose import and export are restricted or prohibited by the PRC). Imported materials processing and “three-plus-one” business, and any other lawful projects not subject to reporting, review and approval. (Projects which according to law shall be approved may only be carried out upon approval by relevant authorities).

As of 31 December 2016, the total assets, total liabilities and net assets of Fuye Group were RMB3,061,877,643, RMB1,906,998,646 and RMB1,154,878,997 respectively. The realised operating income and realised net profit for the year ended 31 December 2016 were RMB5,582,024,290 and RMB207,128,699 respectively.

As of 30 September 2017, the total assets, total liabilities and net assets of Fuye Group were RMB3,230,852,265, RMB1,971,106,289 and RMB1,259,745,976 respectively. The realised operating income and realised profit for the nine months ended 30 September 2017 were RMB5,465,143,419 and RMB118,738,230 respectively.

Information on Jiangxi Jinhui

As confirmed by Jiangxi Jinhui, its principal businesses are the development, transfer and service of environmental equipment and technologies; the development, transfer and service of non-ferrous metal smelting technologies; the development, transfer and service of disposal technologies of wastes from surface treatment, wastes with copper content and solid wastes; the disposal and comprehensive use of industrial wastes; the recycling and sales of renewable resources (including productive scrap metals); the production, processing and sales of non-ferrous metals, precious metals and mineral products; the production and sales of construction materials and new materials; and the import and export of goods (excluding projects prohibited by laws and administrative regulations, operations of projects restricted by laws and administrative regulations may only be carried out upon the grant of permission by relevant authorities). (Projects which according to law shall be approved may only be carried out upon approval by relevant authorities).

Information on Jiangxi Hefeng

As confirmed by Jiangxi Hefeng, its principal businesses are the development, transfer and service of technologies; the technologies of environmental protection equipment, the smelting technologies of non-ferrous metals, the disposal technologies of wastes from surface treatment, wastes with copper content and solid wastes; the disposal and comprehensive use of industrial wastes; the recycling of renewable resources (including productive scrap metals); the production, processing and sales of non-ferrous metals, precious metals and mineral products; the production and sales of construction materials and new materials; and the import and export of goods (the State has specific provisions to regulate the above-mentioned projects such that they can only be operated with a permit or qualification certificate).

Information on Zhejiang Fuhe Zhiye

As confirmed by Zhejiang Fuhe Zhiye, its principal businesses are the development and management of real estate; property agency, property leasing, property information consultations, agency services for applying property ownership certificates; property management; investment management and consultancy (excluding securities and futures); industrial investment; and the import and export of goods (excluding projects prohibited by laws and administrative regulations, operations of projects restricted by laws and administrative regulations may only be carried out upon the grant of permission by relevant authorities). (Projects which according to law shall be approved may only be carried out upon approval by relevant authorities).

DEFINITIONS

“Announcement”	the announcement of the Company dated 23 January 2017 in respect of the Mutual Guarantees Agreement
“Board”	the board of Directors
“Company”	Jiangxi Copper Company Limited, a Sino-foreign joint venture joint stock limited company incorporated in the PRC
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Counter Guarantors”	Jiangxi Jinhui, Jiangxi Hefeng and Zhejiang Fuhe Zhiye and Counter Guarantor means any one of them
“Directors”	director(s) of the Company
“Fuye Group”	Zhejiang Fuye Group Co., Ltd.* (浙江富冶集團有限公司), a limited liability company established in the PRC

“Group”	the Company and its subsidiaries from time to time
“Heding Copper”	Zhejiang Jiangtong Fuye Heding Copper Co., Ltd.* (浙江江銅富冶和鼎銅業有限公司), a limited liability company established in the PRC, which is held as to 40%, 40%, 15% and 5% by the Company, Fuye Group, Xuancheng Quanxin Mining Co., Ltd.*(宣城全鑫礦業有限公司) and Hangzhou Fuyang Yuanhe Industrial Co., Ltd.* (杭州富陽緣和實業有限公司) respectively
“Jiangxi Hefeng”	Jiangxi Hefeng Environmental Technology Co., Ltd. (江西和豐環保科技有限公司) (formerly known as Shangrao Hefeng Copper Co., Ltd.* (上饒和豐銅業有限公司)), a limited liability company established in the PRC, the beneficial owner of which is Fuye Group
“Jiangxi Jinhui”	Jiangxi Jinhui Environmental Technology Co., Ltd.* (江西金匯環保科技有限公司) (formerly known as Jiangxi Jinhui Copper Co., Ltd.* (江西金匯銅業有限公司)), a limited liability company established in the PRC, the beneficial owner of which is Fuye Group
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mutual Guarantees Agreement”	the mutual guarantees agreement dated 22 January 2017 entered into among Heding Copper, Fuye Group, Jiangxi Jinhui and Jiangxi Hefeng for the provision of mutual guarantees between Heding Copper and Fuye Group
“New Mutual Guarantees Agreement”	the new mutual guarantees agreement dated 26 October 2017 entered into among Heding Copper, Fuye Group, Jiangxi Jinhui, Jiangxi Hefeng and Zhejiang Fuhe Zhiye
“PRC”	the People’s Republic of China
“Proposed Cap”	the proposed maximum aggregated annual balance (which is also the maximum daily balance) of guarantees to be provided by Heding Copper and Fuye Group to each other for loan facilities contemplated under the New Mutual Guarantees Agreement
“Share(s)”	ordinary share(s) of RMB1.00 each in the share capital of the Company

“Shareholder(s)”	the holder(s) of the Shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Zhejiang Fuhe Zhiye”	Zhejiang Fuhe Zhiye Co., Ltd.* (浙江富和置業有限公司), a limited liability company incorporated in the PRC, the beneficial owner of which is Fuye Group
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent

By Order of the Board
JIANGXI COPPER COMPANY LIMITED
Long Ziping
Chairman

Nanchang, Jiangxi, the PRC, 26 October 2017

In this announcement, the English translation of certain Chinese entities which are marked with “” is for identification purpose only.*

Translation of Renminbi into Hong Kong dollars is based on the exchange rate of HK\$1.00 = RMB0.85009.

As at the date of this announcement, the executive Directors are Mr. Long Ziping, Mr. Gao Jianmin, Mr. Liang Qing, Mr. Wang Bo, Mr. Wu Jinxing and Mr. Wu Yuneng; and the independent non-executive Directors are Mr. Tu Shutian, Mr. Sun Chuanyao, Mr. Liu Erh Fei and Dr. Zhou Donghua.