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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)

CONNECTED TRANSACTION

SHARE PURCHASE

In order to further improve the decision-making efficiency of the subsidiary in an efficient manner and strengthen the business integration of the Company, the Company entered into the Equity Transfer Contract with BOCGI on 29 June 2018 for the acquisition of 11% equity interests in JCC Finance on the Jiangxi Assets and Equity Exchange at the Consideration of RMB337.55 million.

LISTING RULES IMPLICATIONS

As at the date of this announcement, JCC Finance is owned as to 87.33% by the Company, 11% by BOCGI and 1.67% by Jiangxi Copper Products. BOCGI is a substantial shareholder of JCC Finance, a subsidiary of the Company, thus a connected person of the Company at the subsidiary level under Rule 14A.06(9) of the Listing Rules. Accordingly, the Equity Transfer Contract and the transactions contemplated thereunder constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As all the applicable Percentage Ratios in relation to the Share Purchase are less than 5%, as such, the Equity Transfer Contract and the transactions contemplated thereunder are subject to the reporting and announcement requirements, but are exempted from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

SHARE PURCHASE

Reference is made to the announcement of the Company dated 11 June 2018. In order to further improve the decision-making efficiency of the subsidiary in an effective manner and strengthen the business integration of the Company, the Company participated in the bidding for the Target Interests, being 11% equity interests in JCC Finance held by BOCGI, in an open tender on the Jiangxi Assets and Equity Exchange.

Upon obtaining the approval on the Board Resolution, the Company submitted a transfer application to the Jiangxi Assets and Equity Exchange and paid the Transaction Deposit of RMB101.265 million for the transfer of the Target Interests. On 29 June 2018, the Company was confirmed as the transferee of the Target Interests by way of agreement and BOCGI and the Company entered into the Equity Transfer Contract.

The principal terms of the Equity Transfer Contract are summarised as follows:

Date

29 June 2018

Parties

1. BOCGI (as the seller); and
2. the Company (as the purchaser)

Assets to be acquired

The Company agreed to purchase and BOCGI agreed to sell the Target Interests, being 11% equity interests in JCC Finance held by BOCGI. The Target Interests relate to the actual capital contribution in JCC Finance made by BOCGI of RMB110 million. Following completion of the Share Purchase, the total capital contribution of the Company and Jiangxi Copper Products in JCC Finance will be RMB983.3 million and RMB16.7 million, representing 98.33% and 1.67% of the total paid-up capital in JCC Finance.

Conditions

The transfer of the Target Interests shall take place on the second business day following the conditions below having been fulfilled (or waived by BOCGI in writing):

- (i) the Equity Transfer Contract being duly executed by BOCGI and the Company;
- (ii) the general meeting and the board of directors of JCC Finance having approved the transfer of the Target Interests by BOCGI to the Company and executed and passed the relevant shareholders' and directors' resolutions;

- (iii) the Company shall cooperate with BOCGI in conducting its relevant tax declaration and foreign payment filing and that the Taxation Recordation Form for Foreign Payments under Trade in Services and Other Items (《服務貿易等項目對外支付稅務備案表》) issued by the State Administration of Taxation of the PRC for the Share Purchase having been obtained;
- (iv) JCC Finance having obtained the approval of the China Banking and Insurance Regulatory Commission of the PRC or its local competent authority for the transfer of the Target Interests contemplated under the Equity Transfer Contract;
- (v) the Consideration having been filed with the People's Bank of China by the bank designated by the Company, and the People's Bank of China having agreed to the payment of the Consideration by the Company to BOCGI;
- (vi) the general meeting and the board of directors of JCC Finance having reviewed, approved and formulated a profit distribution plan, according to which, JCC Finance shall pay to BOCGI its undistributed profit of RMB17.5939 million for the period ended 31 December 2017 before 30 June 2018; and
- (vii) the Company having paid BOCGI all the Consideration and default interests (if any) in accordance with the terms of the Equity Transfer Contract.

Consideration

The Consideration is RMB337.55 million (equivalent to approximately HK\$400.37 million), which is the tender price for the transfer of the Target Interests as set out in the Open Tender Notice. It is expected that the Consideration will be paid by the Company by way of cash from its internal resources.

The Company shall, within 5 working days after Conditions (iv) and (v) having been fulfilled, pay the Consideration to BOCGI in accordance with the terms of the Equity Transfer Contract. In the event that the Company shall fail to pay the Consideration on the fifth working day after Conditions (iv) and (v) having been fulfilled or on the forty-eighth working day following the signing of the Equity Transfer Contract (whichever is earlier) ("**Payment Due Date**") or on such other date as may be agreed between the parties thereto, the Company shall pay a default interest equivalent to 0.05% of the Consideration for each day the Consideration is outstanding from the first working day following the Payment Due Date until full payment of the Consideration.

Within 3 working days after the execution of the Equity Transfer Contract, the Company shall make a written application to the Jiangxi Assets and Equity Exchange for the refund of the Transaction Deposit to its designated account.

VALUATION OF THE TARGET INTERESTS

According to the Open Tender Notice, BOCGI has engaged Beijing Zhuoxindahua Appraisal Co., Ltd.* (北京卓信大華資產評估有限公司) to conduct valuation of JCC Finance using 30 June 2017 as the benchmark date, and the valuation report of “Zhuoxindahua Ping Bao Zi (2017) No. 8118” was issued accordingly.

According to the aforementioned valuation report, on 30 June 2017, the appraised values of the assets, liabilities and net assets of JCC Finance amounted to RMB12,440.144 million, RMB9,771.744 million and RMB2,668.40 million, respectively. The corresponding appraised value of the Target Interests in JCC Finance amounted to RMB293.524 million.

REASONS FOR AND BENEFITS OF THE SHARE PURCHASE

Upon completion of the Share Purchase, the Company, together with its subsidiary, Jiangxi Copper Products, will hold the entire equity interests in JCC Finance, which will improve the decision-making efficiency of the subsidiary in an effective manner and strengthen the business integration of the Company.

The Share Purchase will be an equity acquisition within the scope of consolidated statements. It will neither involve issues such as staff re-allocation and land leasing, have a significant impact on the financial conditions and operating results of the Company, nor cause any changes in the scope of the consolidated statements of the Company.

On 11 June 2018, all the then Directors reviewed and approved the Board Resolution. None of the then Directors have a material interest in the Share Purchase or are required to abstain from voting on the Board Resolution. The then Directors were of the view that the terms of the Share Purchase are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Pursuant to the Board Resolution, the management of the Company were authorised to handle the relevant matters relating to the acquisition of the Target Interests under the bidding process.

On 11 June 2018, the then independent non-executive Directors expressed independent opinion and considered that the Share Purchase, while not conducted in the ordinary and usual course of business of the Company, will be entered into on normal commercial terms, the terms thereof are fair and reasonable, the procedure is valid, interests of the medium and minority Shareholders will not be prejudiced, and that the Share Purchase is fair and reasonable to the Company and all the Shareholders and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, JCC Finance is owned as to 87.33% by the Company, 11% by BOCGI and 1.67% by Jiangxi Copper Products. BOCGI is a substantial shareholder of JCC Finance, a subsidiary of the Company, thus a connected person of the Company at the subsidiary level under Rule 14A.06(9) of the Listing Rules. Accordingly, the Equity Transfer Contract and the transactions contemplated thereunder constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As all the applicable Percentage Ratios in relation to the Share Purchase are less than 5%, as such, the Equity Transfer Contract and the transactions contemplated thereunder are subject to the reporting and announcement requirements, but are exempted from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Share Purchase does not constitute a material asset reorganization stipulated by the Administrative Measures for the Material Asset Reorganizations of Listed Companies.

The Consideration does not exceed the limit which the Board is authorised to consider and approve in relation to a transaction pursuant to the Articles of Association, the Rules of Procedures for the Board of Directors* (《公司董事會議事規則》) and the Decision-Making Policies of the Company for Connected Transactions* (《公司關聯交易決策制度》). The Share Purchase is not required to be submitted to the general meeting of the Company for consideration and approval by the Shareholders pursuant to the relevant requirements of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange.

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 sale services for self-manufactured products; overseas futures and hedging business and related enquiry services and business.

Information on BOCGI

BOCGI is a limited liability company incorporated in Hong Kong on 11 December 1984. BOCGI's registered address is 23/F, Bank of China Tower, 1 Garden Road, Hong Kong. BOCGI's legal representative is Mr. Li Xiaojing. Its registered capital is HK\$34,051,740,000. Its principal business covers development and investment.

Major audited financial data of BOCGI for 2017 (as audited by Ernst & Young) is set out as follows:

Currency: HK\$ Unit: 0'000

Items	As at 31 December 2017
Total assets	24,498,156.9
Net assets	9,753,734.6
	For the year ended 31 December 2017
Revenue	1,844,711.2
Net profit	756,778.9

Apart from the co-investment in JCC Finance with the Company, BOCGI has no other relationships with the Company in terms of property rights, business, assets, creditor's rights and liabilities and personnel, etc.

In the past 12 months, no connected transactions have been conducted between the Company and BOCGI.

Information on JCC Finance

JCC Finance is a limited liability company incorporated in the PRC on 8 December 2006. Its registered address is No.527, Erqi North Road, Nanchang, Jiangxi, the PRC. JCC Finance's legal representative is Mr. Wu Jinxing and its registered capital is RMB1,000 million. Its principal business covers (i) providing financial and financing consultation, credit authentication and related consultation and agency business to its group members; (ii) assisting the group members in achieving the collection and delivery of transaction payment; (iii) approved insurance brokerage business; (iv) providing guarantees for the group members; (v) handling the entrusted loans and entrusted investment among the group members; (vi) handling bill acceptances and discounts for group members; (vii) handling the internal transfer settlements among the group members and the design of the corresponding settlement and clearance schemes; (viii) absorption of the deposits of the group members; (ix) handling loans and finance leases for the group members; (x) engaging in inter-bank borrowing; (xi) issuing finance company bonds upon approval; (xii) underwriting the enterprise bonds of the group members; (xiii) making equity investment in financial institutions; (xiv) securities investment (for the items subject to approval under laws, JCC Finance shall carry out relevant businesses upon approval of the relevant authorities).

Major audited financial data of JCC Finance for 2016 and 2017 (audited by Deloitte Touche Tohmatsu Certified Public Accountants LLP (Special General Partnership), where a standard unqualified audit report, De Shi Bao (Shen) Zi (18) No. P01929, was issued thereupon) and major financial data for the first 5 months of 2018 which are prepared in accordance with PRC Accounting Standards for Business Enterprises are set out as follows:

	<i>Currency: RMB Unit: 0'000</i>		
Items	As at 31 December 2016 (audited)	As at 31 December 2017 (audited)	As at 31 May 2018 (unaudited)
Total assets	1,185,563.80	1,605,666.79	1,852,978.33
Net assets	259,447.80	277,512.99	289,991.17
	For the year ended 31 December 2016 (audited)	For the year ended 31 December 2017 (audited)	For the 5 months ended 31 May 2018 (unaudited)
Operating revenue	34,579.90	37,878.03	18,764.62
Net profit (before tax)	37,062.09	30,755.19	20,786.24
Net profit (after tax)	27,929.50	24,230.92	12,478.18

DEFINITIONS

“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors
“Board Resolution”	the “Resolution on the Acquisition of All Shares Through a Bidding Process In an Open Tender Conducted by Bank of China Group Investment Limited on the Jiangxi Assets and Equity Exchange in JCC Finance Company Limited Being a Subsidiary of the Company”* (《公司競價收購中銀集團投資有限公司在產權交易所掛牌的公司子公司江西銅業集團財務有限公司全部股份的議案》) dated 11 June 2018, considered and approved at the 27th meeting of the seventh session of the Board
“BOCGI”	Bank of China Group Investment Limited, a limited company incorporated in Hong Kong
“Company”	Jiangxi Copper Company Limited, a Sino-foreign joint venture joint stock limited company incorporated in the PRC
“Conditions”	the conditions precedent to the completion of the Share Purchase as set out in the section headed “Conditions” in this announcement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	RMB337.55 million, being the consideration for the Share Purchase
“Director(s)”	director(s) of the Company
“Equity Transfer Contract”	the asset and equity transaction contract dated 29 June 2018 entered into between BOCGI and the Company in respect of the Share Purchase

“JCC Finance”	JCC Finance Company Limited, a limited liability company established in the PRC, owned as to 87.33%, 11% and 1.67% by the Company, BOCGI and Jiangxi Copper Products respectively as at the date of this announcement
“Jiangxi Copper Products”	Jiangxi Copper Products Company Limited* (江西銅業銅材有限公司), a subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Open Tender Notice”	the “Information Disclosure Announcement on the Transfer of 11% Equity Interests in JCC Finance Company Limited”* (《江西銅業集團財務有限公司11%股權轉讓信息披露公告》) published by Jiangxi Assets and Equity Exchange
“Percentage Ratio(s)”	the percentage ratio(s) as defined in Chapter 14 of the Listing Rules
“PRC”	the People’s Republic of China
“Share(s)”	the ordinary share(s) of RMB1.00 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Share Purchase”	the share purchase of the Target Interests from BOCGI by the Company pursuant to the terms and conditions of the Equity Transfer Contract
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Interests”	the 11% equity interests in JCC Finance held by BOCGI

“Transaction Deposit”	the transaction deposit for the transfer of the Target Interests
“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, 29 June 2018

* *For identification purpose only*

Translation of Renminbi into Hong Kong dollars is based on the exchange rate of HK\$1.00 = RMB0.84310.

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